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Transcript Exhibit(s)

Docket #(s): W-01445A-08-0440

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Arizona Corporation Commission
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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORPORATION COMMISSIO
DIRECTOR OF UTILITIES

Arizona Corporation Commission
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COMMISSIONERS

MARC SPITZER, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

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

DOCKET NO. W-01445A-02-0619

DECISION NO. 66849

OPINION AND ORDER

DATES OF HEARING: March 31, 2003 and September 17, 2003 (pre-hearings), September 22, 23, 24, 25 and 26, 2003, December 8, 2003 (oral argument)

PLACE OF HEARING: Phoenix, Arizona

ADMINISTRATIVE LAW JUDGE: Dwight D. Nodes

IN ATTENDANCE: Mike Gleason, Commissioner

APPEARANCES: Mr. Jay Shapiro and Mr. Norman James, FENNEMORE CRAIG, on behalf of Arizona Water Company;

Mr. Daniel Pozefsky on behalf of the Residential Utility Consumer Office;

Ms. Kay Bigelow, City Attorney, on behalf of the City of Casa Grande;

Mr. Robert Skiba, in propria persona; and

Mr. Timothy J. Sabo and Mr. Gary Horton, Staff Attorneys, Legal Division, on behalf of the Utilities Division of the Arizona Corporation Commission.

BY THE COMMISSION:

I. INTRODUCTION

On August 14, 2002, Arizona Water Company ("Arizona Water," "Company" or Applicant") filed an application with the Arizona Corporation Commission ("Commission") for a rate increase for the Company's Eastern Group systems. Arizona Water supplies water to approximately 60,000 customers in eight Arizona counties under 18 separate water systems. The rate application filed in

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1 B. **Purchased Power and Purchased Water Adjustment Mechanisms**

2 The Commission approved purchased power and water adjustment mechanisms in the last rate
3 case for Arizona Water's Eastern Group (Ex. A-11, at 22). The Company currently purchases
4 electric power from several different providers for pumping in the Eastern Group systems, and
5 recovers those costs pursuant to a Purchased Power Adjustment Mechanism ("PPAM") (Ex. A-12, at
6 17). Arizona Water also has in place for the San Manuel and Superior systems a Purchased Water
7 Adjustment Mechanism ("PWAM") under which the Company passes through purchased water costs
8 to customers in those systems (Tr. 453). Ms. Hubbard testified that the adjustment mechanisms allow
9 the Company to recover operating expenses that are outside of its control, and that the PPAM and
10 PWAM protect both ratepayers and shareholders because they are revenue neutral to the Company
11 (Ex. A-13, at 12).

12 RUCO does not oppose continuation of these adjustment mechanisms. However, Staff
13 recommends that both the PPAM and PWAM should be discontinued[3]. With respect to the PPAM,
14 Staff witness Ludders testified that Arizona Water is the only water utility that still uses a PPAM and
15 that such adjustors should be used only "where power costs are by far the largest single cost item and
16 are highly volatile" (Ex. S-46, at 7; Tr. 1060). The PWAM applies only to the San Manuel and
17 Superior systems. Mr. Ludders stated that purchased water for the Superior system is less than one-
18 half of one percent of operating revenues (Tr. 1061). The San Manuel system has no wells and
19 purchases all of its water from the BHP Copper Company ("BHP") (Id. at 1062). Although Arizona
20 Water has discussed buying the BHP wells, the Company has not discussed such a purchase with
21 BHP recently (Tr. 84-87).

22 We agree with Staff that PPAM and PWAM adjustment mechanisms should be discontinued.
23 Although Arizona Water argues that such mechanisms benefit both the Company and ratepayers by
24 passing on increased costs and savings, adjustment mechanisms may also provide a disincentive for
25 the Company to obtain the lowest possible cost commodity because the costs are simply passed
26 through to ratepayers. Moreover, the record does not suggest that purchased power costs are a

27 [3] Arizona Water also seeks approval of a Monitoring Assistance Program ("MAP") adjustor and an Arsenic Cost
28 Recovery Mechanism ("ACRM") adjustor (See ACRM discussion below). Staff does not oppose approval of the MAP and ACRM adjustment mechanisms.

significant portion of the Company's expenses, or that electricity costs are particularly volatile. With respect to purchased water expenses, the Superior system purchases only a small portion of its water supply[4] and there is no evidence that the San Manuel system is expected to incur any significant increases or decreases in purchased water costs in the near future. Therefore, Arizona Water's purchased power and purchased water adjustment mechanisms should be discontinued.

C. **Rate Case Expense**

Arizona Water requests recovery of $329,550 for rate case expenses that the Company claims are based on actual expenses it is incurring related to this proceeding (Tr. 513; Ex. A-18). Although the total amount is partially estimated, the Company contends that it has incurred actual rate case expenses of more than $276,000 through November 7, 2003 (See Updated Data Response REL 25-2, Attached to Arizona Water's Reply Brief). The largest expenditures to date are for outside legal counsel ($182,808), an outside consultant to perform a cost of capital study ($68,000), and payroll overheads ($23,875) (Id.). In support of its proposal, Arizona Water contends that rate cases are much more complex than they were in prior years and that the Company's in-house counsel has many other duties that do not permit him to litigate rate cases (Tr. 305).

Staff argues that Arizona Water's rate case expense is exorbitant and should be reduced. Staff points out that the estimated rate case expense has increased steadily over the course of this case and that rate case expense in the Company's 1990 rate case was only $52,053 (Tr. 1048). Staff claims that Arizona Water has failed to justify its heavy use of outside attorneys and consultants, compared to the prior case where those functions were performed by in-house personnel. Staff also notes that rate case expense for the Northern Group case was only $217,000 (Tr. 463).

RUCO argues on brief that it did not oppose the Company's original rate case expense estimate of $257,550, but now opposes the increased estimate of costs. RUCO opposes allowing the Company to continue to update its rate case expenses because it believes such a policy would encourage abuse and saddle ratepayers with unreasonable expenditures.

Although we do not believe it is unreasonable for Arizona Water to retain outside counsel or

[4] The Superior system is expected to be physically interconnected to the Apache Junction system within two years.

consultants to prepare and litigate its rate case filings, at some point the costs associated with retaining those services must be mitigated. Staff points out that the Company's 1990 rate case for all of its systems was prepared exclusively by in-house personnel at a cost of just over $50,000. Although that case was considered a number of years ago, the current estimate of more than $329,000 far exceeds the prior amount. A more analogous case is the recent Northern Group proceeding in which the Commission approved rate case expense in the amount of $217,000 (Decision No. 64282, at 16). As a justification of the higher costs in this case, the Company claims that the instant proceeding involves eight separate systems, while the Northern Group case addressed only five systems. However, the number of systems does not justify the magnitude of increased expenses sought by Arizona Water. Moreover, the extension of the hearing date and concomitant increase in Arizona Water's rate case expenses, were due to the Company's decision to request inclusion of post-test year plant.

Based on our review of the complexity of this proceeding, the number of systems involved in the Eastern Group rate request, and a comparison of other cases, we believe that rate case expense in the amount of $250,000 is reasonable for this proceeding. Consistent with the Northern Group case, rate case expense will be amortized over three years.

D. <u>CIAC Amortization</u>

Staff recommends that Arizona Water's CIAC amortization should be calculated consistent with the Company's 1990 rate case and the Northern Group rate case. Mr. Ludders testified that Staff calculates the composite depreciation rate by dividing each depreciation expense by its depreciable plant. For CIAC, Staff's calculation resulted in an amortization rate of 2.34 percent (Ex. S-46, at 11).

Arizona Water argues that Staff miscalculated the CIAC amortization rate because it calculated a composite depreciation rate, which is inconsistent with the individual component depreciation rates that the Company will be required to use on a going-forward basis. The Company claims that neither Decision No. 58120 nor Decision No. 64282 discusses the methodology to be used in determining the CIAC amortization rate. However, in the Northern Group case, the Commission directed the Company to implement component depreciation rates in its next rate application (Decision No. 64282, at 11-12). Arizona Water asserts that a composite rate for contributed plant

2. Long-Term Debt

The parties also agree that Arizona Water's cost of long-term debt should be set at 8.46 percent. Accordingly, the long-term debt rate shall be set at 8.46 percent (Id.).

3. Short-Term Debt

Although the parties are in agreement on the capital structure and long-term debt, they disagree regarding Arizona Water's short-term debt rate. The Company borrows short-term funds under an agreement with Bank of America at prime minus .25 percent. As of January 1, 2003, the bank reference rate was 4.25 percent. Therefore, Staff contends that the short-term rate should be set at 4.00 percent to reflect actual short-term loan agreements between Arizona Water and Bank of America (Ex. S-38, at 3-5). RUCO witness William Rigsby agrees with Staff's recommendation to set the short-term debt rate at 4.00 percent (RUCO Ex. 4, at 36-37).

Arizona Water argues that the short-term debt rate should be set at 5.548 percent based on a 24-month average from January 2001 through December 2002. The Company contends that short-term debt costs are variable and the debt rate set in this proceeding should reflect the volatile nature of those rates (Ex. A-17, at 8-9).

We agree with Staff and RUCO that the short-term debt rate should be set to reflect the current agreement between Arizona Water and Bank of America. Since that agreement results in a short-term debt rate of 4.00 percent, as of January 1, 2003, we will adopt that rate for purposes of determining Arizona Water's cost of capital in this case.

B. <u>Cost of Equity</u>

Although the cost of debt and preferred stock can be determined from fixed cost rates, the cost assigned to the equity component of the capital structure can only be estimated. The cost of equity recommendations advocated by the parties are 12.4 percent by Arizona Water, 9.0 percent by Staff, and 9.18 percent by RUCO.

In determining its recommended cost rate for common equity, the Company's cost of capital consultant, Dr. Zepp, used the discounted cash flow ("DCF") model, several risk premium models, and the capital asset pricing model ("CAPM") to estimate benchmark equity cost with data for publicly traded water and gas utilities. Arizona Water also presented testimony from Walter Meek,

the President of the Arizona Utility Investors Association ("AUIA"). Mr. Meek did not perform an independent cost of capital analysis, but testified that, in his opinion, Staff's recommendation ignores the realities of investor expectations (Ex. A-8, at 2-4). Finally, Company witness Ralph Kennedy testified regarding risks that are unique to Arizona Water that affect its cost of capital requirement. Mr. Kennedy discussed the difficulties experienced by Arizona Water in 2001 in placing its Series K bonds, federal arsenic removal requirements facing the Company, and the inability of the Company to obtain long-term financing on terms that are comparable to publicly traded companies with Baa or higher credit ratings (Ex. A-15, at 25-27).

Dr. Zepp found the current equity cost for his benchmark utilities to be in the range of 10.6 percent to 10.8 percent, based on his application of the DCF model and an average of two forward-looking measures. His analysis included a "restatement" of Mr. Reiker's DCF estimates based on the constant growth model. Dr. Zepp testified that Staff's DCF analysis is flawed because it uses dividends per share ("DPS") which, according Dr. Zepp, is the worst measure of average future growth when earnings per share ("EPS") are growing more rapidly (Ex. A-5, at 53-56). The Company's restatement of Staff's DCF was conducted by including a second stage that Dr. Zepp claims reflects investors' expectations that future growth will be higher than current DPS when DPS are growing at a slower rate than EPS (Id. at 57-59). Based on this restatement of Staff's multi-stage DCF model, the equity cost for the sample companies was calculated to be 10.1 percent (Id. at 59, Tables 6 and 7). Dr. Zepp also performed a restatement of RUCO witness Rigsby's DCF analysis. The Company's restatement of RUCO's analysis resulted in a cost of equity for the benchmark water companies in the range of 9.6 to 11.1 percent (Id. at 61-63).

Dr. Zepp performed three different risk premium analyses with cost of equity results in a range of 10.3 to 11.2 percent. According to Dr. Zepp, the CAPM analyses conducted by Staff and RUCO failed to include separate risk premium estimates. Dr. Zepp favors a "zero-beta" CAPM model which produces results showing that low beta stocks like water utilities require higher returns (Ex. A-5, at 44-49). Dr. Zepp performed a restatement of the CAPM analyses of both Staff and RUCO using forecasted values for long-term Treasury bonds. Based on his recalculation, Dr. Zepp found the cost of equity for the benchmark companies to be in the range of 9.8 to 11.3 percent (Id. at

50-52).

Aside from the technical analysis of the Staff and RUCO recommendations, Arizona Water claims that those analyses are inconsistent with recent authorized returns on common equity, realized returns on common equity, and *Value Line* forecasted returns on equity. Dr. Zepp prepared a rebuttal schedule containing the authorized, realized, and forecasted returns based on Staff's sample group of publicly traded water utilities, except for two companies Dr. Zepp claims were acquisition targets based on their rapid stock price increases. His table shows average authorized returns from 2001 through 2003 of 10.69 percent, realized returns of 10.48 percent, and forecasted returns of 10.83 percent (Ex. A-5, Rebuttal Table 1). Arizona Water argues that these results show that the Staff and RUCO cost of equity estimates of 9.2 percent and 9.18 percent, respectively, are not consistent with investor expectations. The Company contends that the results produced by Dr. Zepp's models reflect more accurately the actual and forecasted cost of equity performances for comparably situated water companies.

Dr. Zepp also testified that, in order to establish a fair rate of return for Arizona Water, 100 to 150 basis points must be added to the Company's cost of equity estimates to account for the additional risk associated with investing in Arizona Water (Ex. A-4, at 13-23; Ex. A-5, at 24-42). Arizona Water asserts that an additional risk premium is required to compensate the Company for its small size and due to its claim that the rate-setting system in Arizona, which employs an historical test year, makes it difficult to match expected revenues with expected plant investment. The Company also contends that investment risk is heightened by the capital and operating costs it is expected to incur due to arsenic treatment requirements. Arizona Water argues that, in accordance with the fair and adequate rate of return requirements under decisions such as *Federal Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591, (1944); *Bluefield Waterworks & Improvement Co. v. Public Serv. Comm'n of West Virginia*, 262 U.S. 679 (1923); and *Duquesne Light Co. v. Barasch*, 488 U.S. 299 (1989), the Commission must recognize that the cost of equity recommendations put forth by Staff and RUCO would fail to adequately compensate the Company with a reasonable rate of return on its investment.

Staff performed both DCF and CAPM analyses in arriving at its 9.0 percent cost of equity

recommendation. Mr. Reiker stated that, because Arizona Water's stock is not publicly traded, six publicly traded water companies and 10 gas companies were used as proxies (Ex. S-38, at 9). In his analysis, Mr. Reiker applied the DCF constant growth and non-constant, or multi-stage, growth models to the sample companies (Id. at 11). Mr. Reiker explained that the DCF method is based on the theory that the market price of a stock is equal to the present value of all future dividends. In applying the DCF model, the following three variables are required: 1) the expected annual dividend; 2) the current stock price; and 3) the expected infinite annual growth rate of dividends (Id.).

With respect to establishing the stock price component, Staff used a spot price because it contends the spot price reflects investor expectations of future returns and is the best indicator of those expectations (Id. at 12). Staff cites a recent Commission Decision in *Black Mountain Gas Co.*, Decision No. 64727 (April 17, 2002) to support its proposal that the Commission should adopt spot price as the basis for determining cost of equity.

In its growth variable analysis, Staff examined historical and projected growth in dividends per share, growth in earnings per share, and intrinsic growth. For the proxy companies, Staff's analysis produced average historical growth of 2.5 percent; projected growth over the next five years of 2.0 percent; historical earnings per share of 3.2 percent; and an intrinsic growth rate of 7.8 percent (Id. at 12-13, Scheds. JMR-2, JMR-3). Staff's analysis produced an equity cost estimate under the constant-growth DCF model of 8.5 percent (Id. at 19). The multi-stage DCF model considers investor expectations for near-term growth (Stage 1) and long-term constant growth (Stage 2). The cost of equity result of Staff's multi-stage DCF analysis is 9.6 percent (Id. at 20, Sched. JMR-6).

Mr. Reiker testified that the CAPM model provides a measure of the expected return on an investment. The CAPM requires the input of variables to determine an estimate of a company's equity cost. The variables that are input into the model are the risk-free rate, the expected return on the market, the risk variable (or "beta"), and the expected market risk premium (Ex. S-38, at 21-22). Staff's risk-free rate estimate is based on the average of intermediate-term U.S. Treasury securities spot rates, and the beta was derived from the average of the *Value Line* betas for the six proxy water utilities. The average beta for the six proxy companies is .59 (Id. at Sched. JMR-5). Mr. Reiker stated that the expected market risk premium represents the additional return an investor expects for

investing in an average or higher risk security over the expected return on a risk-free security. Staff's historical market risk premium analysis produced a rate of 7.4 percent, while its current market risk premium analysis resulted in a rate of 13.1 percent (Id. at 23-24). Staff's CAPM analysis results in an equity cost estimate for Arizona Water of 9.4 percent (Id. at Sched. JMR-7).

Staff's overall cost of equity recommendation was determined by averaging the results of its constant growth and multi-stage DCF analysis, which produces a result of 9.0 percent. Next, Staff averaged the results of its historical and current market risk premium CAPM analysis, with a result of 9.4 percent. The DCF and CAPM results were then averaged to produce a final estimate of 9.2 percent (Id. at 25, Table 7). However, Staff also took into account the fact that Arizona Water's capital structure consists of approximately 70 percent equity, which Staff believes represents lower financial risk compared to its proxy water companies which had an average common equity component of just under 50 percent (Id. at Sched. JMR-1).

Staff also averaged the DCF and CAPM results for the proxy gas companies, which resulted in an equity cost estimate of 10.3 percent for those companies. Staff claims that the sample gas companies are more risky than the sample water companies, as evidenced by average betas of .59 and .69 for the water and gas companies, respectively. Staff claims that, because the equity cost for the sample gas companies is approximately 100 basis points higher than the water companies, a downward adjustment must be made to reflect the cost of equity for a water company such as Arizona Water. Therefore, Staff adjusted the results of its DCF and CAPM analyses downward from 9.2 percent to 9.0 percent.

RUCO witness Rigsby recommends a rate of return of 8.68 percent based on a cost of common equity calculation of 9.18 percent (RUCO Ex. 4, at 22). Mr. Rigsby's cost of equity recommendation was determined based on a DCF analysis that produced the 9.18 percent result for Arizona Water (Id.). Mr. Rigsby also performed a CAPM analysis which produced results ranging from 6.79 percent to 8.06 percent (Id. at 27). RUCO claims that Mr. Rigsby's analysis properly considers the current environment of low inflation and low interest rates in which Arizona Water is operating. Mr. Rigsby also contends that his recommendation takes into account the fact that the Company's capital structure is heavily weighted with equity, compared to the group of proxy

companies used in RUCO's analyses, thus reducing the risk associated with investing in Arizona Water (Id. at 32-39). RUCO argues that the Company's cost of capital recommendation fails to recognize Arizona Water's lower risk. RUCO requests that its proposed cost of capital recommendation be adopted for purposes of setting rates in this proceeding.

We agree that Staff's analysis represents a fair and reasonable estimate of Arizona Water's cost of equity for purposes of this proceeding. As described above, Staff calculated an estimated equity cost of 9.2 percent by taking an average of two DCF models (constant growth and multi-stage) and the CAPM model. Although Arizona Water's witnesses are critical of Staff's analysis, we believe the Company's recommendation has several flaws.

First, Arizona Water's infinite growth DCF model averaged the near-term growth forecast for the entire water utility industry rather than an average of near-term growth forecasts. As Mr. Reiker pointed out, including the entire industry creates a mismatch between the expected dividend growth rate and the expected dividend yield, thereby producing a less accurate cost of equity estimation (Ex. S-38, at 38). We also agree with Staff's witness that the Company's exclusive reliance on analyst forecasts erroneously assumes that investors rely only on near-term earnings and sustainable growth without considering past earnings. Reliance solely on analyst projections tends to result in inflated growth projections without considering DPS and past EPS growth, information that even Dr. Zepp has acknowledged should be considered in determining estimated growth (Id. at 44-45). We believe that Staff's multiple component DCF analysis properly recognizes that investors expect both non-constant short-term growth as well as long-term constant growth.

With respect to the competing "risk premium" analyses, we believe Staff's CAPM model properly takes into account risk for purposes of estimating equity costs. Mr. Reiker stated that Arizona Water's reliance on forecasted Baa bond rates is less reliable because such bond forecasts have historically been inaccurate. Thus, according to Staff, the accuracy of the Company's risk premium analysis is suspect. We agree with Staff that assessing the risk premium based on corporate bond yields is inappropriate because the default risk for corporate bonds can change significantly over time (Ex. S-38, at 46-49). We believe Staff's CAPM analysis, which includes a risk variable, is a reasonable means of estimating Arizona Water's cost of equity in this case and is preferable to the

Company's proposed risk premium recommendation.

However, we part company with Staff's recommendation with respect to the necessity for a downward adjustment to cost of equity. As described above, Staff and RUCO argue that Arizona Water is less risky than the group of sample companies that were used for purposes of determining their cost of capital recommendations. As a result, Staff argues that the product of its average of the DCF and CAPM models (9.2 percent) should be reduced to 9.0 percent to recognize the lesser risk associated with investing in Arizona Water. On the other hand, the Company proposes an upward adjustment of 100 to 150 basis points to recognize what it asserts are increased risks. As indicated above, the risk factors alleged by the Company include its relatively small size compared to the proxy companies, the use of an historical test year in Arizona, difficulty placing its bonds, and federal arsenic removal requirements.

Based on our review of the entirety of the record, we do not believe that the risk factors described by Staff, RUCO, and the Company support a finding that a risk adjustment, either upward or downward, is necessary in this proceeding. The Company's approximately 70 percent equity position, as well as the lower betas of the sample water companies compared to the sample gas companies, may justify consideration of an adjustment. However, even if Arizona Water is slightly less risky than the proxy companies as a whole, we do not agree that Staff's proposed downward adjustment is appropriate. Nor do we believe that an upward adjustment is required. Although the Company cited its difficulty in placing its corporate bonds in 2001, $15 million of general mortgage bonds were ultimately issued. Regarding Arizona Water's size, Staff points out that the Commission has in the past rejected such arguments, and at least one study supports rejection of allowing a risk premium based on a company's smaller size (Ex. S-38, at 59-64). Concerning the Company's historical test year argument, there is no precedent for recognizing a risk adjustment because the law requires an historical test year. Indeed, we have allowed Arizona Water in this case to include post-test year plant in rate base for a full 12 months following the test year. Moreover, it is the Company that controls the timing of its rate application and the test year. Finally, the risks associated with arsenic treatment costs have been mitigated by the Commission's approval in both the Northern Group case (See ACRM discussion below), and in this proceeding, of an arsenic cost recovery

mechanism that enables the Company to seek expedited approval of capital costs and a significant portion of operating costs associated with arsenic treatment for its affected systems. Given all of these factors, we will not adopt any specific risk adjustments to the 9.2 percent cost of equity determined by Staff's analysis.

C. Cost of Capital Summary

	Percentage	Cost	Weighted Cost
Short-Term Debt	5.6%	4.0%	0.22%
Long-Term Debt	28.2%	8.46%	2.39%
Common Equity	66.2%	9.2%	6.09%
Cost of Capital			8.7%

V. AUTHORIZED INCREASE

Multiplying the Eastern Group's fair value rate base by the fair value rate of return produces a required operating income of $3,127,181 on a total company basis. This is $958,854 more than the adjusted test year income under existing rates. The required increase in gross annual revenues for the Eastern Group is $1,564,803, or 10.68 percent, as shown on the attached Exhibit C.

VI. RATE DESIGN

A. Staff's Proposed Inverted Tier Rate Design

Under Arizona Water's current rate structure customer classes and the monthly minimum charges are determined by meter size. The monthly minimum for all customer classes includes 1,000 gallons with a single commodity rate applied to all usage. Under the Company's proposed rate design, the 1,000 gallons of "free" water in the monthly minimum was eliminated and each of the eight systems' existing meter multiples[5] were moved half way toward the actual meter multiples (Ex. A-16, at 15-16). Arizona Water points out that its proposed rate design in this proceeding follows the same principles as the design that was approved in Decision No. 64282 for the Company's Northern Group.

[5] "Meter multiples" is a rate design concept whereby the monthly minimum charge for each meter size is established by first establishing the appropriate charge for the smallest meter size and multiplying that minimum charge by a factor appropriate for each larger meter size (*See, e.g.*, Decision No. 64282, at 23).

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SCANNED

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ARIZONA WATER COMPANY

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Attachment A

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OWNERSHIP INFORMATION

Check the following box that applies to your company:

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- ☐ Receivership R
- ☐ Other (Describe) _____
- ■ Corporation (C) (Other than Association/Co-op)
- ☐ Subchapter S Corporation (Z)
- ☐ Association/Co Op (A)
- ☐ Limited Liability Company

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE	■ COCHISE	■ COCONINO
■ GILA	☐ GRAHAM	☐ GREENLEE
☐ LA PAZ	■ MARICOPA	☐ MOHAVE
■ NAVAJO	■ PIMA	■ PINAL
☐ SANTA CRUZ	■ YAVAPAI	☐ YUMA
☐ STATEWIDE		

COMPANY NAME: ARIZONA WATER COMPANY

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD) *	O.C.L.D. (OC LESS AD)
301	Intangible-Organization	651		
302	Intangible-Franchises	111,601		
303	Intangible-Miscellaneous	2,152,366		
310.10	Source of Supply-Water Rights	4,064,699		
310.30	Source of Supply-Land-Other-Wells	742,672		
314	Source of Supply-Wells	28,076,081		
320	Pumping-Land	86,789		
321	Pumping-Structures and Improvements	885,926		
325	Pumping-Electrical Equipment	27,295,044		
328	Pumping-Gas Engine Equipment	208,764		
330	Water Treatment-Land	683,268		
331	Water Treatment-Structures and Improvements	1,918,694		
332	Water Treatment-Equipment	18,788,405		
340	Transmission and Distribution-Land	838,832		
342	Transmission and Distribution-Storage Tanks	12,446,781		
343	Transmission and Distribution-Mains	182,408,902		
344	Transmission and Distribution-Fire Sprinklers	51,577,753		
345	Transmission and Distribution-Services	4,033,944		
346	Transmission and Distribution-Meters	7,422,678		
348	Transmission and Distribution-Hydrants	17,356,617		
389	General-Land	70,136		
390	General-Structures and Improvements	2,184,546		
391	General-Office Furniture and Equipment	6,274,041		
393	General-Stores Equipment	76,484		
394	General-Tools, Shop and Garage Equipment	1,480,019		
395	General-Laboratory Equipment	212,410		
396	General-Power Operated Equipment	228,734		
397	General-Communication Equipment	3,468,096		
398	General-Miscellaneous Equipment	309,591		
	Totals	375,404,524	77,799,356	297,605,168
	LEASEHOLD IMPROVEMENTS			
390	General-Structures and Improvements	2,408,525	1,359,969	1,048,556
	TOTALS	377,813,049	79,159,325	298,653,724

* Depreciation is calculated using composite and component depreciation rates. Leasehold improvements are amortized on a straight line basis over the life of the lease.

COMPANY NAME: ARIZONA WATER COMPANY

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2) *	Depreciation Expense (1 x 2)
301	Intangible-Organization	651		
302	Intangible-Franchises	111,601		
303	Intangible-Miscellaneous	2,152,366		
310.10	Source of Supply-Water Rights	4,064,699		
310.30	Source of Supply-Land-Other-Wells	742,672		
314	Source of Supply-Wells	28,076,081		
320	Pumping-Land	86,789		
321	Pumping-Structures and Improvements	885,926		
325	Pumping-Electrical Equipment	27,295,044		
328	Pumping-Gas Engine Equipment	208,764		
330	Water Treatment-Land	683,268		
331	Water Treatment-Structures and Improvements	1,918,694		
332	Water Treatment-Equipment	18,788,405		
340	Transmission and Distribution-Land	838,832		
342	Transmission and Distribution-Storage Tanks	12,446,781		
343	Transmission and Distribution-Mains	182,408,902		
344	Transmission and Distribution-Fire Sprinklers	51,577,753		
345	Transmission and Distribution-Services	4,033,944		
346	Transmission and Distribution-Meters	7,422,678		
348	Transmission and Distribution-Hydrants	17,356,617		
389	General-Land	70,136		
390	General-Structures and Improvements	2,184,546		
391	General-Office Furniture and Equipment	6,274,041		
393	General-Stores Equipment	76,484		
394	General-Tools, Shop and Garage Equipment	1,480,019		
395	General-Laboratory Equipment	212,410		
396	General-Power Operated Equipment	228,734		
397	General-Communication Equipment	3,468,096		
398	General-Miscellaneous Equipment	309,591		
	Totals	375,404,524	2.5151%	7,816,931
	LEASEHOLD IMPROVEMENTS			
390	General-Structures and Improvements	2,408,525	straight-line	278,607
	TOTALS	377,813,049		8,095,538

* Depreciation is calculated using a composite rate for the Northern Group and component for the Eastern and Western Groups. The combined depreciation rate is 2.5151%. Leasehold improvements are amortized on a straight line basis over the life of the lease.

COMPANY NAME: ARIZONA WATER COMPANY

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$414,752	$16,949
134	Other Special Deposits	1,950	1,950
135	Working Funds	92,174	54,894
142	Customer Accounts Receivable	1,107,067	1,195,586
143	Other Accounts Receivable	222,510	221,887
144	Accumulated Provision for Uncollectible Accounts	(15,073)	(29,167)
154	Plant Materials and Supplies	181,522	250,309
163	Stores Expense	14,822	20,024
166	Prepayments	449,079	485,530
173	Accrued Utility Revenues	1,809,699	2,080,170
	TOTAL CURRENT AND ACCRUED ASSETS	$4,278,502	$4,298,132
	DEFERRED DEBITS		
181	Unamortized Debt Discount and Expense	$38,024	$84,537
184	Clearing Accounts	1,212	32,266
185	Temporary Facilities	(34,554)	(35,320)
186	Miscellaneous Deferred Debits	5,112,835	5,545,758
	TOTAL DEFERRED DEBITS	$5,117,517	$5,627,241
	FIXED ASSETS		
101	Utility Plant in Service	$338,645,081	$377,813,049
107	Construction Work in Process	11,677,436	6,225,174
108	Accumulated Depreciation - Utility Plant	(71,303,583)	(79,159,325)
114	Utility Plant Acquisition Adjustment	(832,483)	(832,483)
115	Accum. Amort. of Utility Plant Acq. Adj.	832,483	832,483
121	Non-Utility Property	753	753
122	Accumulated Depreciation - Non Utility	0	0
	TOTAL FIXED ASSETS	$279,019,687	$304,879,651
	TOTAL ASSETS	$288,415,706	$314,805,024

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME: ARIZONA WATER COMPANY

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Notes Payable (Current Portion)	$32,000,000	$7,300,000
232	Accounts Payable	6,320,186	3,670,654
235	Customer Deposits	690,553	676,825
236	Accrued Taxes	483,848	555,474
237	Accrued Interest	1,013,548	1,589,444
242	Miscellaneous Current and accrued Liabilities	558,500	692,515
	TOTAL CURRENT LIABILITIES	$41,066,635	$14,484,912
	LONG-TERM DEBT (Over 12 Months)		
221	Bonds	$40,000,000	$75,000,000
224	Other Long-Term Debt	0	0
	TOTAL LONG-TERM DEBT (Over 12 Months)	$40,000,000	$75,000,000
	DEFERRED CREDITS		
252	Advances in Aid of Construction	73,571,783	86,302,513
253	Other Deferred Credits	8,151,895	4,907,465
265	Miscellaneous Operating Reserves	249,935	419,136
271	Contributions in Aid of Construction	42,645,144	51,041,945
272	Less: Amortization of Contributions	(7,450,405)	(8,374,161)
281	Accumulated Deferred Investment Tax Credits	577,286	542,103
281	Accumulated Deferred Income Tax	18,587,715	20,809,422
	TOTAL DEFERRED CREDITS	$136,333,353	$155,648,423
	TOTAL LIABILITIES	$217,399,988	$245,133,335
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$2,700,000	$2,700,000
211	Miscellaneous Paid-In Capital	9,087,347	9,087,347
216	Retained Earnings	59,228,371	57,884,342
	TOTAL CAPITAL	$71,015,718	$69,671,689
	TOTAL LIABILITIES AND CAPITAL	$288,415,706	$314,805,024

COMPANY NAME: ARIZONA WATER COMPANY

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	$43,905,724	$47,008,646
462	Fire Protection Revenue	42,105	49,258
470	Late Charges	150,367	157,807
471	Miscellaneous Service Revenues	2,273,860	1,992,436
472	Rents from Water Property	3,100	6,417
474	Other Water Revenues	451,347	415,317
	TOTAL OPERATING REVENUES	$46,826,503	$49,629,881
	OPERATING EXPENSES		
600	Source of Supply Operation-Supervision and Engineering	$58,039	$90,414
601	Source of Supply Operation-Labor and Expenses	0	0
602	Source of Supply Operation-Purchased Water	1,911,466	1,798,911
603	Source of Supply Operation-Miscellaneous	75,054	74,860
610	Source of Supply Maintenance-Supervision and Engineering	32,327	53,694
614	Source of Supply Maintenance-Wells and Springs	15,411	8,379
620	Pumping Operation-Supervision and Engineering	62,989	62,348
623	Pumping Operation-Purchased Power	4,401,396	4,571,494
624	Pumping Operation-Labor and Expenses	851,927	1,287,646
630	Pumping Maintenance-Supervision and Engineering	41,127	42,152
631	Pumping Maintenance-Structures and Improvements	118,779	150,089
633	Pumping Maintenance-Equipment	415,466	403,876
640	Water Treatment Operation-Supervision and Engineering	43,334	56,943
641	Water Treatment Operation-Chemicals	246,699	240,694
642	Water Treatment Operation-Labor and Expenses	618,503	1,144,783
650	Water Treatment Maintenance-Supervision and Engineering	45,062	45,104
651	Water Treatment Maintenance-Structures and Improvements	93	1,459
652	Water Treatment Maintenance-Equipment	288,724	335,893
660	Trans. and Distrib. Operation-Supervision and Engineering	107,763	84,843
661	Trans. and Distrib. Operation-Storage Facilities	41,983	48,945
662	Trans. and Distrib. Operation-Lines Expenses	644,005	625,408
663	Trans. and Distrib. Operation-Meters	1,421,511	1,395,161
664	Trans. and Distrib. Operation-Customer Installations	109,783	110,437
665	Trans. and Distrib. Operation-Miscellaneous	119,559	134,390
666	Trans. and Distrib. Operation-Rents	25,112	29,835
670	Trans. and Distrib. Maintenance-Supervision and Engineering	277,298	309,881
672	Trans. and Distrib. Maintenance-Tanks	466,063	466,849
673	Trans. and Distrib. Maintenance-Mains	1,129,705	1,068,616
675	Trans. and Distrib. Maintenance-Services	988,740	967,586
676	Trans. and Distrib. Maintenance-Meters	437,699	355,261
677	Trans. and Distrib. Maintenance-Hydrants	106,457	115,014

COMPANY NAME: ARIZONA WATER COMPANY

COMPARATIVE STATEMENT OF INCOME AND EXPENSE (CONTINUED)

Acct. No.	OPERATING EXPENSES (CONTINUED)	PRIOR YEAR	CURRENT YEAR
901	Customer Accounts Operation-Supervision	$160,585	$169,789
902	Customer Accounts Operation-Meter Reading	672,751	696,649
903	Customer Accounts Operation-Customer Records and Collection	2,711,310	2,865,875
904	Customer Accounts Operation-Uncollectible Accounts	57,775	131,049
905	Customer Accounts Operation-Miscellaneous	352,051	369,763
907	Customer Service and Information Operation	20,131	28,343
910	Sales Promotion Operation	1,189	2,354
920	Administrative and General Operation-Salaries	1,273,382	1,371,116
921	Administrative and General Operation-Office Supplies and Other	142,946	150,430
923	Administrative and General Operation-Outside Services Employed	417,775	482,831
924	Administrative and General Operation-Property Insurance	32,916	35,091
925	Administrative and General Operation-Injuries and Damages	359,887	368,918
926	Administrative and General Operation-Employee Pensions and Benefits	2,705,566	2,472,943
928	Administrative and General Operation-Regulatory Commission	292,570	213,850
930	Administrative and General Operation-Miscellaneous	88,235	55,163
931	Administrative and General Operation-Rents	125,673	144,125
932	Administrative and General Maintenance	236,494	254,675
403	Depreciation Expense	6,560,452	7,816,931
404	Amortization Leasehold Improvements and Limited Term Utility Plant	286,783	278,607
408.10	Taxes Other than Income Taxes	6,701,516	6,682,439
409.10	Income Taxes	2,652,338	2,188,428
	TOTAL OPERATING EXPENSES	$40,954,399	$42,860,334
	OTHER INCOME/EXPENSE		
416	Cost and Expenses of Merchandising, Jobbing and Contract Work	($40,488)	($15,570)
420	Allowance for Funds Used During Construction	0	(258,250)
421	Miscellaneous Nonoperating Income	(314,937)	(112,628)
427	Interest on Long Term-Term Debt	2,781,000	3,410,018
428	Amortization of Debt Discount and Expense	1,500	1,903
430	Interest on Debt to Associated Companies	275,010	234,451
431	Other Interest Expense	966,086	992,580
432	Allowance for Funds Used During Construction	(1,676,183)	(426,528)
	TOTAL OTHER INCOME/EXPENSE	$1,991,988	$3,825,976
	NET INCOME	$3,880,116	$2,943,571

R 3

Databases

FONT SIZE:

Change Output Options: From: 1999 To: 2009 go

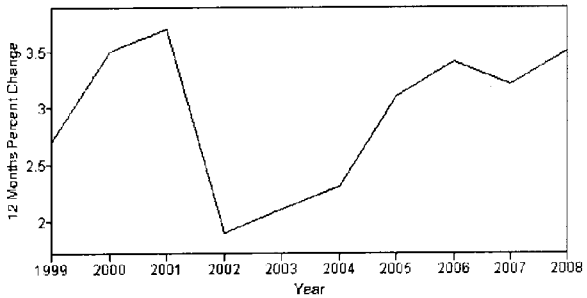
☑ include graphs

More Formatting Options

Data extracted on: August 29, 2009 (10:20:34 PM)

Consumer Price Index - All Urban Consumers

12 Months Percent Change
Series Id: CUUR0400SA0
Not Seasonally Adjusted
Area: West urban
Item: All items
Base Period: 1982-84=100

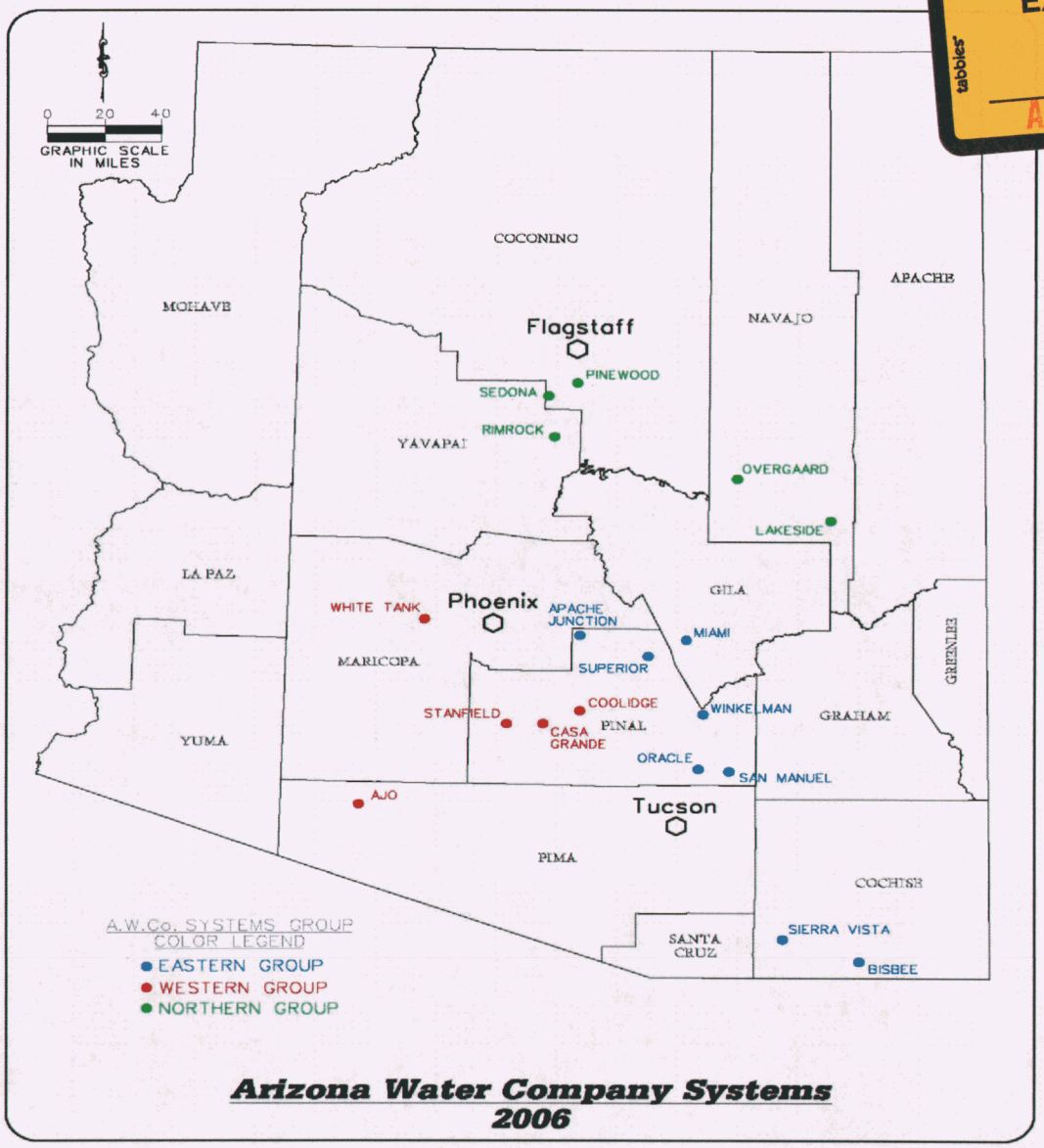


Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1999	2.1	2.3	2.4	3.3	2.7	2.5	2.8	2.9	3.0	3.0	2.8	2.8	2.7	2.6	2.9
2000	2.8	3.1	3.7	2.8	3.1	3.6	3.7	3.8	3.9	4.0	4.0	3.9	3.5	3.2	3.8
2001	4.3	4.2	3.8	3.9	4.2	4.4	3.9	3.4	3.3	3.0	2.9	2.5	3.7	4.1	3.2
2002	2.3	2.2	2.2	2.6	1.9	1.4	1.5	1.9	1.8	1.8	1.9	2.1	1.9	2.1	1.9
2003	2.3	2.7	2.9	2.0	2.0	2.0	2.0	2.1	2.1	1.9	1.5	1.5	2.1	2.3	1.8
2004	1.5	1.4	1.5	1.9	2.6	2.8	2.4	2.0	2.2	3.0	3.5	3.1	2.3	2.0	2.7
2005	2.7	2.6	2.5	3.3	2.8	2.4	3.0	3.4	4.1	3.9	3.2	3.0	3.1	2.7	3.5
2006	3.7	3.6	3.4	3.4	4.1	4.2	4.1	4.0	3.0	2.2	2.4	3.1	3.4	3.8	3.1
2007	3.0	3.1	3.4	3.3	3.0	3.0	2.8	2.4	2.5	3.3	4.2	4.1	3.2	3.1	3.2
2008	3.8	3.5	3.7	3.5	3.7	4.9	5.3	4.9	4.3	3.3	1.0	0.0	3.5	3.9	3.1
2009	0.1	0.3	-0.5	-0.7	-1.1	-1.4	-2.0							-0.6	

EXHIBIT R3

R-4

EXHIBIT
R-4
ADMITTED



Arizona Water Company Systems
2006

Ajo Heights Apache Junction Bisbee Casa Grande Coolidge Lakeside
Miami Oracle Overgaard Pinewood Rimrock San Manuel
Sedona Sierra Vista Stanfield Superior White Tank Winkelman

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Questions or comments may be sent to Arizona Water Company

Updated: July 5, 2009

R-5

ARIZONA WATER COMPANY'S SUPPLEMENTAL RESPONSE TO ARIZONA CORPORATION COMMISSION STAFF'S THIRD SET OF DATA REQUESTS TO ARIZONA WATER COMPANY DOCKET NO. W-01445A-08-0440

August 7, 2008

Company Response Number: All 3-22

Q. Post-Test Year Plant / Construction Work in Progress – For each System, please provide the following information for each construction project that was not completed at the end of the test year that you are requesting to be included in rate base:

a. Identification and description of project.
b. Date construction began.
c. Date construction is expected to be completed or was completed and placed in service.
d. The periods during which the ratepayers will likely benefit from the project.
e. The extent to which the project replaces existing plant.
f. Actual costs as of the end of the Test Year.
g. Actual costs as of July 31, 2008.
h. Accounts to which such costs will be transferred from construction.
i. Source of funding (i.e., hook-up fees, advances, equity or loans)

****SUPPLEMENTAL RESPONSE DATED AUGUST 11, 2009****

Sedona

WA 1-3898

a) Construct the waterline portion of the shared utility bridge in Sedona over Oak Creek as part of ADOT Highway 179 project.

b) On May 16, 2006 the Company entered into an agreement with ADOT for the waterline and a portion of the bridge construction. Because ADOT is administering the construction, the Company does not have an exact start date.

Response provided by: Fredrick K. Schneider, Vice President - Engineering
Joel M. Reiker, Manager - Rates

Address: 3805 North Black Canyon Highway
Phoenix, AZ 85015

EXHIBIT
R5

c) The utility bridge is complete. AWC does not have the exact date of utility bridge construction completion as this project was funded by the City, ADOT and several utility providers in the Sedona area, one of which is Arizona Water Company. *However, the Company's estimated completion date is October 30, 2008.*

d) From the time the project is closed until fully depreciated.

e) The new utility bridge and 16-inch ductile iron pipe waterline replace the old Oak Creek Bridge and 6-inch steel waterline.

f) $326,292

g) $339,798

h) 343 T&D Mains

i) Debt and equity.

WA 1-4267B

a) Phase 2 of the waterline relocation project in Sedona as part of the ADOT Highway 179 project consisting of 600 linear feet of 6-inch, 4,040 linear feet of 12-inch, and 2,680 linear feet of 16-inch waterline.

b) Phase 2 of the ADOT Highway 179 waterline relocation project is funded by the Company while it is contracted and administered by ADOT. In accordance with ADOT policy, the Company is required to fund the projected cost of design, construction and administration prior to biding the project. The required payment was made on June 26, 2007.

Response provided by:	Fredrick K. Schneider, Vice President - Engineering Joel M. Reiker, Manager - Rates
Address:	3805 North Black Canyon Highway Phoenix, AZ 85015

c) *Waterline construction is complete. All tie-ins are complete (connections to branch lines from the main waterline). The contractor has a small number of "house-keeping" items to complete such as air release valves, concrete pads around fire hydrants, etc.*

d) From the time of project completion until fully depreciated.

e) The project replaces a portion of pipeline previously constructed within the old highway alignment.

f) $1,890,680

g) $2,064,537

h) 343 T&D Mains.

i) Debt and equity.

<u>Pinewood</u>

WA 1-4308

a) Replace the electrical panel in Pinewood at the well number 10 site.

b) Construction of the panels was authorized on October 20, 2006.

c) *The panel was placed in service on Friday July 10, 2009.*

d) From the date of project completion until fully depreciated.

e) The new electrical panel replaces the old electrical panel that had reached the end of its useful life.

f) $40,553

g) $42,598

h) 325 Pumping Electrical Equipment.

i) Debt and equity.

Response provided by:	Fredrick K. Schneider, Vice President - Engineering Joel M. Reiker, Manager - Rates
Address:	3805 North Black Canyon Highway Phoenix, AZ 85015

Michelle Wood

From: BIRK, WHITNEY [WBIRK@FCLAW.com]
Sent: Thursday, August 13, 2009 3:14 PM
To: Michelle Wood
Cc: SHAPIRO, JAY; JAMES, NORM
Subject: RE: DR 1.31 and A-II 3-22

Michelle,

ADOT is managing/administering the project. Arizona Water doesn't know the exact date each segment was completed or the subsequent in service date. But they do know that the first segment was complete and placed in service on or about May 1, 2008, and the final segment was complete and placed in service on or about July 30, 2009.

Let me know if there is anything else.

Thanks.

Whitney A. Birk | Paralegal | Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600 | Phoenix, AZ 85012-2913
Tel: 602.916.5720 | Fax: 602.916.5920 | Mobile: 480.225.2089

From: Michelle Wood [mailto:MWood@azruco.gov]
Sent: Thursday, August 13, 2009 11:03 AM
To: BIRK, WHITNEY
Subject: RE: DR 1.31 and A-II 3-22

Thank you Whitney for following up and letting me know. Michelle

---

From: BIRK, WHITNEY [mailto:WBIRK@FCLAW.com]
Sent: Thursday, August 13, 2009 11:01 AM
To: Michelle Wood
Subject: RE: DR 1.31 and A-II 3-22

Michelle,

Just wanted you to know that I have inquired but haven't gotten the answer yet. I'll let you know as soon as I find out.

Whitney A. Birk | Paralegal | Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600 | Phoenix, AZ 85012-2913
Tel: 602.916.5720 | Fax: 602.916.5920 | Mobile: 480.225.2089

From: Michelle Wood [mailto:MWood@azruco.gov]
Sent: Wednesday, August 12, 2009 4:05 PM
To: BIRK, WHITNEY
Subject: RE: DR 1.31 and A-II 3-22

Whitney: the date the project was completed and in service was? Thanks for the follow up. Michelle

---

From: BIRK, WHITNEY [mailto:WBIRK@FCLAW.com]
Sent: Wednesday, August 12, 2009 4:03 PM
To: Michelle Wood
Cc: SHAPIRO, JAY; JAMES, NORM
Subject: RE: DR 1.31 and A-II 3-22

Michelle,

I have checked with our client. The project is complete and the waterline is currently being used to provide water to customers.

Whitney A. Birk | Paralegal | Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600 | Phoenix, AZ 85012-2913
Tel: 602.916.5720 | Fax: 602.916.5920 | Mobile: 480.225.2089

From: Michelle Wood [mailto:MWood@azruco.gov]
Sent: Wednesday, August 12, 2009 12:38 PM
To: BIRK, WHITNEY
Subject: RE: DR 1.31 and A-II 3-22

Whitney, As we understand the DR, the water relocation project is not yet complete and in service?
Michelle

From: BIRK, WHITNEY [mailto:WBIRK@FCLAW.com]
Sent: Wednesday, August 12, 2009 12:08 PM
To: Michelle Wood
Cc: Wesley Van Cleve; SHAPIRO, JAY; JAMES, NORM
Subject: RE: DR 1.31 and A-II 3-22

Michelle,

I've been provided these supplemental responses (attached). The response date on AII 3-22 should be August 11, 2009, not August 7, 2008. Did you receive these and was it the "August 7, 2008" which caused the confusion?

Thanks.

Whitney A. Birk | Paralegal | Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600 | Phoenix, AZ 85012-2913
Tel: 602.916.5720 | Fax: 602.916.5920 | Mobile: 480.225.2089

FENNEMORE CRAIG
ATTORNEYS

DENVER | LAS VEGAS | NOGALES | PHOENIX | TUCSON

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From: Michelle Wood [mailto:MWood@azruco.gov]
Sent: Tuesday, August 11, 2009 4:23 PM
To: BIRK, WHITNEY
Cc: Wesley Van Cleve
Subject: DR 1.31 and A-II 3-22

We received copies of the Company's responses to above-referenced Staff DRs. The dates reference 2008 vs. 2009. From context it appears to be a typo, but I'm not sure. Could you clarify? Thank you. Michelle

Michelle L. Wood, Counsel
Residential Utility Consumer Office
1110 W. Washington Street, Ste. 220
Phoenix, AZ 85007
mwood@azruco.gov
www.azruco.gov
Phone: (602)364-4840
Fax: (602)364-4846

ARIZONA WATER COMPANY

Given to LJ on 01/16/08

TRANSPORTATION WORKSHEET JV9
TOTALS of all gasoline invoices for vehicles
December 2007

R-6

EXHIBIT
tabbies
ADMITTED

Account #	Gallons	Amount
020-18410-0102	117	361.36
020-18410-0103	71	226.23
020-18410-0107	144	423.34
020-18410-0188	159	475.55
020-18410-0189	128	368.94
020-18410-0190	146	418.18
020-18410-0191	194	562.80
020-18410-0192	229	666.25
020-18410-0193	117	347.40
020-18410-0194	100	284.03
020-18410-0195	93	270.45
020-18410-0196	143	407.95
020-18410-0197	162	474.00
020-18410-0198	79	239.00
020-18410-0199	99	303.89
020-18410-0201	83	246.88
020-18410-0202	122	361.14
020-18410-0203	167	483.31
020-18410-0204	153	446.69
020-18410-0205	109	338.00
020-18410-0206	151	429.71
020-18410-0207	92	301.43
020-18410-0208	131	379.00
020-18410-0209	66	222.33
AJ TOTAL		**9,037.86**
030-18410-0100	70	205.00
030-18410-0101	191	565.51
030-18410-0178	79	237.00
030-18410-0179	96	283.01
030-18410-0210	115	342.78
030-18410-0211	107	309.23
030-18410-0212	32	97.00
030-18410-0213	98	293.31
030-18410-0214	97	285.42
030-18410-0215	82	242.27
BE/SV TOTAL		**2,860.53**
040-18410-0104	82	254.96
040-18410-0105	99	294.75
040-18410-0106	116	350.80
040-18410-0111	143	459.22
040-18410-0200	54	174.34

Account #	Gallons	Amount
040-18410-0216	132	394.01
040-18410-0217	87	259.00
040-18410-0218	121	394.62
040-18410-0219	125	375.30
040-18410-0220	280	843.68
040-18410-0221	167	497.25
OK		
040-18410-0223	137	414.19
040-18410-0224	104	338.68
040-18410-0225	123	375.70
040-18410-0226	258	777.22
040-18410-0227	151	452.95
040-18410-0228	165	537.00
040-18410-0229	274	838.00
040-18410-0235	112	341.90
040-18410-0236	289	870.63
040-18410-0237	115	365.50
040-18410-0238	114	338.02
040-18410-0239	105	308.20
040-18410-0240	133	429.56
040-18410-0241	142	423.95
040-18410-0257	205	663.18
040-18410-0258	59	171.00
040-18410-0259	152	469.76
040-18410-0292	89	261.00
040-18410-0293	235	765.82
		deleted
040-18410-0295	176	545.89
040-18410-0296	152	492.64
040-18410-0297	130	382.06
040-18410-0298	153	495.85
040-18410-0299	171	516.15
040-18410-0300	322	1,015.50
040-18410-0301	131	401.39
CG TOTAL		**17,289.67**
050-18410-0110	108	327.71
050-18410-0230	62	189.00
050-18410-0231	98	307.63
050-18410-0232	80	243.03
OK		

Account #	Gallons	Amount
050-18410-0234	113	343.54
050-18410-0288	137	413.10
		deleted
CL TOTAL		**1,824.01**
080-18410-0112	78	239.35
080-18410-0113	87	257.24
080-18410-0242	139	414.00
080-18410-0243	156	466.21
080-18410-0244	63	188.00
080-18410-0245	106	321.00
080-18410-0246	76	232.87
080-18410-0247	110	328.00
080-18410-0248	115	347.25
080-18410-0249	81	241.62
080-18410-0265	82	247.00
LK/OV TOTAL		**3,282.54**
090-18410-0115	103	320.00
090-18410-0250	192	594.98
090-18410-0251	85	265.50
090-18410-0252	88	274.06
090-18410-0253	91	271.37
090-18410-0254	122	365.15
090-18410-0255	24	70.82
MI TOTAL		**2,161.88**
100-18410-0120	109	333.25
100-18410-0260	134	405.00
100-18410-0261	132	391.39
100-18410-0262	130	377.57
100-18410-0263	193	548.50
SM TOTAL		**2,055.71**
110-18410-0124	62	184.05
110-18410-0126	129	382.29
110-18410-0266	104	299.44
110-18410-0267	197	577.31
110-18410-0268	134	392.07
110-18410-0269	105	322.60
110-18410-0270	82	237.95
110-18410-0271	152	444.69
110-18410-0272	225	671.32
110-18410-0273	111	321.95

VEHICLE TOTAL	**46,841.51**	47,004.51	
# GALLONS TOTAL	**15,538.00**	15,590.00 OK- #302	
ITEM COUNT	**124**	plus 4 with no gas - 128 OK	

$46,841.51 **TOTAL**

Prepared by In

200 JAN 17 2008

ARIZONA WATER COMPANY
TOTALS of all gasoline invoices for vehicles

December 2007

110-18410-0274	200	596.42
OK		
110-18410-0281	107	319.27
110-18410-0282	95	286.67
110-18410-0283	182	526.33
110-18410-0284	182	551.64
SD TOTAL		**6,114.00**
OK		
120-18410-0276	127	375.02
SU TOTAL		**375.02**
300-18410-0152	122	360.67
300-18410-0153	50	148.24
300-18410-0154	76	228.37
300-18410-0157	71	207.20
300-18410-0158	23	77.00
300-18410-0159	57	171.41
300-18410-0160	103	297.26
300-18410-0161	123	350.14
PX TOTAL		**1,840.29**
020-18420-1527		
020-18420-1530		
020-18420-1553		
020-18420-1563		
020-18420-1564		
020-18420-1565		
020-18420-1592		
020-18420-1600		
020-18420-1601		
020-18420-1602		
AJ TOTAL		**0.00**
030-18420-2001		
030-18420-2012		
030-18420-2013		
030-18420-2014		
030-18420-2022		
030-18420-2025		
030-18420-2503		
030-18420-2516		
BE/SV TOTAL		**0.00**

040-18420-1005		
040-18420-3004		
040-18420-3017		
040-18420-3018		
040-18420-3019		
040-18420-3021		
040-18420-3027		
040-18420-3028		
040-18420-3029		
040-18420-3030		
040-18420-3037		
040-18420-3046		
040-18420-3047		
040-18420-3048		
040-18420-3058		
040-18420-3060		
040-18420-3065		
040-18420-3263		
040-18420-1021		
CG TOTAL		**0.00**
050-18420-3504		
050-18420-3527		
050-18420-3528		
050-18420-3542		
050-18420-3543		
050-18420-3550		
050-18420-3551		
050-18420-4001		
CL TOTAL		**0.00**
080-18420-5001		
080-18420-5003		
080-18420-5018		
080-18420-5020		
080-18420-5021		
080-18420-5040		
080-18420-5042		
080-18420-5043		
080-18420-5048		
LK/OV TOTAL		**0.00**

090-18420-5502		
090-18420-5514		
090-18420-5515		
090-18420-5517		
090-18420-5518		
090-18420-5524		
090-18420-5525		
MI TOTAL		**0.00**
100-18420-6501		
100-18420-6526		
100-18420-6530		
100-18420-6544		
100-18420-6545		
SM TOTAL		**0.00**
110-18420-6030		
110-18420-6036		
110-18420-6037		
110-18420-6038		
110-18420-6039		
110-18420-6041		
110-18420-6042		
110-18420-6053		
110-18420-6054		
110-18420-6059		
110-18420-6060		
110-18420-6061		
SD TOTAL		**0.00**
120-18420-7019		
120-18420-7020		
120-18420-7022		
120-18420-7034		
SU TOTAL		**0.00**
MISCELLANEOUS		**0.00**

200 JAN 17 2008

ARIZONA WATER COMPANY 300 DEC 1 1 2007

Given to LJ on

TRANSPORTATION WORKSHEET JV9
TOTALS of all gasoline invoices for vehicles
November 2007

Account #	Gallons	Amount
020-18410-0102	169	493.58
020-18410-0103	78	226.92
020-18410-0107	80	215.43
~~020-18410-0187~~	~~0~~	~~0.00~~
020-18410-0188	139	381.90
020-18410-0189	75	200.54
020-18410-0190	146	388.26
020-18410-0191	219	588.23
020-18410-0192	177	483.06
020-18410-0193	85	233.72
020-18410-0194	177	474.67
020-18410-0195	120	318.56
020-18410-0196	113	299.56
020-18410-0197	105	277.23
020-18410-0198	106	309.00
020-18410-0199	143	393.39
020-18410-0201	185	512.79
020-18410-0202	132	354.56
020-18410-0203	191	505.23
020-18410-0204	175	465.93
020-18410-0205	86	243.25
020-18410-0206	219	588.15
020-18410-0207	87	261.69
020-18410-0208	108	288.01
020-18410-0209	59	158.24
AJ TOTAL		**8,661.90**
030-18410-0100	113	314.10
030-18410-0101	101	285.82
030-18410-0178	91	261.00
030-18410-0179	59	161.22
030-18410-0210	135	391.19
030-18410-0211	99	274.27
030-18410-0212	98	277.01
030-18410-0213	86	238.95
030-18410-0214	148	417.20
030-18410-0215	94	263.36
BE/SV TOTAL		**2,884.12**
040-18410-0104	69	186.40
040-18410-0105	83	236.00
040-18410-0106	128	353.45
040-18410-0111	128	384.96
040-18410-0200	166	482.31

Account #	Gallons	Amount
040-18410-0216	179	509.01
040-18410-0217	188	536.00
040-18410-0218	191	559.58
040-18410-0219	157	436.63
040-18410-0220	248	700.86
040-18410-0221	165	470.50
~~040-18410-0222~~	~~0~~	~~0.00~~
040-18410-0223	195	555.75
040-18410-0224	164	489.55
040-18410-0225	149	425.51
040-18410-0226	103	292.84
040-18410-0227	208	575.71
040-18410-0228	194	573.51
040-18410-0229	292	813.78
040-18410-0235	185	535.00
040-18410-0236	299	831.48
040-18410-0237	113	332.00
040-18410-0238	162	456.02
040-18410-0239	225	612.50
040-18410-0240	156	470.83
040-18410-0241	108	281.45
040-18410-0257	232	718.98
040-18410-0258	202	564.86
040-18410-0259	136	402.86
040-18410-0292	110	300.00
040-18410-0293	310	928.65
040-18410-0294	118	318.03
040-18410-0295	187	546.12
040-18410-0296	142	424.37
040-18410-0297	153	409.66
040-18410-0298	141	432.20
040-18410-0299	186	520.50
040-18410-0300	327	940.81
040-18410-0301	139	388.54
CG TOTAL		**18,997.21**
050-18410-0110	86	236.75
050-18410-0230	119	341.01
050-18410-0231	119	338.22
050-18410-0232	131	371.52
~~050-18410-0233~~	~~0~~	~~0.00~~

Account #	Gallons	Amount
050-18410-0234	129	361.09
050-18410-0288	124	338.07
~~050-18410-0302~~	~~28~~	~~78.01~~
CL TOTAL		**2,064.67**
080-18410-0112	76	209.36
080-18410-0113	123	338.00
080-18410-0242	112	306.00
080-18410-0243	104	286.55
080-18410-0244	32	86.00
080-18410-0245	130	357.35
080-18410-0246	58	162.31
080-18410-0247	170	468.00
080-18410-0248	87	236.55
~~080-18410-0249~~	~~0~~	~~0.00~~
080-18410-0265	136	373.32
LK/OV TOTAL		**2,823.44**
090-18410-0115	126	361.00
090-18410-0250	96	266.96
090-18410-0251	60	174.30
090-18410-0252	59	170.93
090-18410-0253	178	499.81
090-18410-0254	167	465.50
090-18410-0255	158	467.71
MI TOTAL		**2,406.21**
100-18410-0120	110	310.40
100-18410-0260	116	327.00
100-18410-0261	198	555.95
100-18410-0262	208	538.84
100-18410-0263	217	570.30
SM TOTAL		**2,302.49**
110-18410-0124	133	373.88
110-18410-0126	137	374.86
110-18410-0266	76	205.19
110-18410-0267	248	667.85
110-18410-0268	153	413.45
110-18410-0269	101	288.47
110-18410-0270	76	207.75
110-18410-0271	148	398.10
110-18410-0272	200	551.86
110-18410-0273	120	322.30

VEHICLE TOTAL	48,751.71	48,751.71
# GALLONS TOTAL	~~17,383.00~~ 17340.0	
ITEM COUNT	~~132~~ 125	

$48,751.71 **TOTAL**

Prepared by In

ARIZONA WATER COMPANY
TOTALS of all gasoline invoices for vehicles

300 DEC 1 1 2007

November 2007

110-18410-0274	133	368.14
~~110-18410-0280~~	~~0~~	~~0.00~~
110-18410-0281	125	344.81
110-18410-0282	89	248.82
110-18410-0283	241	660.07
110-18410-0284	110	316.06
SD TOTAL		5,741.61
120-18410-0275	81	233.83
120-18410-0276	121	327.25
SU TOTAL		561.08
300-18410-0152	89	233.07
300-18410-0153	123	333.49
300-18410-0154	61	185.06
~~300-18410-0155~~	~~25~~	~~65.85~~
300-18410-0157	109	290.76
300-18410-0158	81	282.00
300-18410-0159	59	162.63
300-18410-0160	131	342.38
300-18410-0161	130	413.74
PX TOTAL		2,308.98
020-18420-1527		
020-18420-1530		
020-18420-1553		
020-18420-1563		
020-18420-1564		
020-18420-1565		
020-18420-1592		
020-18420-1600		
020-18420-1601		
020-18420-1602		
AJ TOTAL	0.00	
030-18420-2001		
030-18420-2012		
030-18420-2013		
030-18420-2014		
030-18420-2022		
030-18420-2025		
030-18420-2503		
030-18420-2516		
BE/SV TOTAL	0.00	

040-18420-1005		
040-18420-3004		
040-18420-3017		
040-18420-3018		
040-18420-3019		
040-18420-3021		
040-18420-3027		
040-18420-3028		
040-18420-3029		
040-18420-3030		
040-18420-3037		
040-18420-3046		
040-18420-3047		
040-18420-3048		
040-18420-3058		
040-18420-3060		
040-18420-3065		
040-18420-3263		
040-18420-1021		
CG TOTAL	0.00	
050-18420-3504		
050-18420-3527		
050-18420-3528		
050-18420-3542		
050-18420-3543		
050-18420-3550		
050-18420-3551		
050-18420-4001		
CL TOTAL	0.00	
080-18420-5001		
080-18420-5003		
080-18420-5018		
080-18420-5020		
080-18420-5021		
080-18420-5040		
080-18420-5042		
080-18420-5043		
080-18420-5045		
080-18420-5048		
080-18420-5049		
LK/OV TOTAL	0.00	

090-18420-5502		
090-18420-5504		
090-18420-5514		
090-18420-5515		
090-18420-5517		
090-18420-5518		
090-18420-5524		
090-18420-5525		
MI TOTAL	0.00	
100-18420-6501		
100-18420-6526		
100-18420-6530		
100-18420-6544		
100-18420-6545		
SM TOTAL	0.00	
110-18420-6030		
110-18420-6036		
110-18420-6037		
110-18420-6038		
110-18420-6039		
110-18420-6041		
110-18420-6042		
110-18420-6053		
110-18420-6054		
110-18420-6059		
110-18420-6060		
110-18420-6061		
110-18420-6062		
SD TOTAL	0.00	
120-18420-7019		
120-18420-7020		
120-18420-7022		
120-18420-7033		
SU TOTAL	0.00	
MISCELLANEOUS	0.00	

Equipment TOTAL	0.00
Miscellaneous TOTAL	0.00

ARIZONA WATER COMPANY

Given to LJ on

TRANSPORTATION WORKSHEET JV9
TOTALS of all gasoline invoices for vehicles
October 2007

Account #	Gallons	Amount
020-18410-0102	176	493.00
020-18410-0103	50	138.90
020-18410-0107	66	170.36
	0	0.00
020-18410-0187	0	0.00
020-18410-0188	137	354.75
020-18410-0189	85	216.30
020-18410-0190	180	463.62
020-18410-0191	214	552.74
020-18410-0192	238	634.91
020-18410-0193	146	396.51
020-18410-0194	193	493.87
020-18410-0195	195	496.53
020-18410-0196	195	501.69
020-18410-0197	141	365.00
020-18410-0198	119	342.00
020-18410-0199	145	394.56
020-18410-0201	124	322.83
020-18410-0202	225	577.68
020-18410-0203	205	526.41
020-18410-0204	126	320.69
020-18410-0205	98	265.10
020-18410-0206	167	429.05
020-18410-0207	95	272.11
020-18410-0208	128	329.00
020-18410-0209	64	167.22
AJ TOTAL		**9,224.83**
030-18410-0100	132	363.35
030-18410-0101	0	0.00
030-18410-0178	161	443.00
030-18410-0179	63	172.00
030-18410-0210	88	239.90
030-18410-0211	120	327.64
030-18410-0212	152	443.00
030-18410-0213	105	288.30
030-18410-0214	93	259.56
030-18410-0215	117	319.99
BE/SV TOTAL		**2,856.74**
040-18410-0104	108	311.21
040-18410-0105	102	274.00
040-18410-0106	149	404.40
040-18410-0111	91	267.74
040-18410-0200	76	205.14

Account #	Gallons	Amount
040-18410-0216	195	528.50
040-18410-0217	249	684.00
040-18410-0218	155	431.80
040-18410-0219	176	467.46
040-18410-0220	403	1,099.95
040-18410-0221	197	550.00
040-18410-0222	0	0.00
040-18410-0223	214	576.55
040-18410-0224	218	622.07
040-18410-0225	224	621.95
040-18410-0226	213	585.59
040-18410-0227	191	505.18
040-18410-0228	0	0.00
040-18410-0229	220	592.00
040-18410-0235	197	540.11
040-18410-0236	241	660.76
040-18410-0237	21	60.01
040-18410-0238	57	154.00
040-18410-0239	202	526.20
040-18410-0240	157	446.17
040-18410-0241	145	387.00
040-18410-0257	278	825.49
040-18410-0258	188	502.49
040-18410-0259	166	462.05
040-18410-0292	181	477.00
040-18410-0293	381	1,093.51
040-18410-0294	179	470.00
040-18410-0295	242	693.37
040-18410-0296	204	591.81
040-18410-0297	125	334.91
040-18410-0298	143	420.53
040-18410-0299	179	492.39
040-18410-0300	297	867.80
040-18410-0301	171	469.44
CG TOTAL		**19,202.58**
050-18410-0110	115	301.75
050-18410-0230	58	175.25
050-18410-0231	157	389.01
050-18410-0232	183	490.30
050-18410-0233	19	50.00

Account #	Gallons	Amount
050-18410-0234	113	300.00
050-18410-0288	139	369.03
050-18410-0302	0	0.00
CL TOTAL		**2,075.34**
080-18410-0112	91	249.11
080-18410-0113	113	314.62
080-18410-0242	139	378.00
080-18410-0243	138	372.01
080-18410-0244	98	266.00
080-18410-0245	136	372.65
080-18410-0246	221	603.82
080-18410-0247	45	121.00
080-18410-0248	95	256.00
080-18410-0249	142	398.34
080-18410-0265	111	303.02
LK/OV TOTAL		**3,634.57**
090-18410-0115	93	260.00
090-18410-0250	0	0.00
090-18410-0251	28	81.50
090-18410-0252	91	255.96
090-18410-0253	179	485.52
090-18410-0254	132	361.15
090-18410-0255	172	480.42
MI TOTAL		**1,924.55**
100-18410-0120	94	264.00
100-18410-0260	119	335.02
100-18410-0261	178	502.46
100-18410-0262	129	338.59
100-18410-0263	170	440.50
SM TOTAL		**1,880.57**
110-18410-0124	139	375.12
110-18410-0126	132	352.47
110-18410-0266	119	325.08
110-18410-0267	243	655.09
110-18410-0268	155	413.42
110-18410-0269	143	393.47
110-18410-0270	112	299.20
110-18410-0271	125	333.67
110-18410-0272	194	517.55
110-18410-0273	102	272.20

VEHICLE TOTAL	**50,549.17**	50,549.17
# GALLONS TOTAL	**18,614.00**	18,614.00
ITEM COUNT	~~133~~ 127	

$50,549.17 **TOTAL**

Prepared by In

200 NOV 09 2007

ARIZONA WATER COMPANY
TOTALS of all gasoline invoices for vehicles

October 2007

110-18410-0274	272	740.40
110-18410-0280	35	94.37
110-18410-0281	147	397.20
110-18410-0282	83	219.57
110-18410-0283	183	495.94
110-18410-0284	204	555.68
SD TOTAL		**6,440.43**
120-18410-0275	104	300.00
120-18410-0276	123	333.00
SU TOTAL		**633.00**
300-18410-0152	62	159.44
300-18410-0153	211	550.22
300-18410-0154	75	209.21
300-18410-0155	89	228.45
300-18410-0157	70	182.66
300-18410-0158	217	564.93
300-18410-0159	83	220.63
300-18410-0160	67	173.24
300-18410-0161	149	387.78
PX TOTAL		**2,676.56**
020-18420-1527		
020-18420-1530		
020-18420-1553		
020-18420-1563		
020-18420-1564		
020-18420-1565		
020-18420-1592		
020-18420-1600		
020-18420-1601		
020-18420-1602		
AJ TOTAL	**0.00**	
030-18420-2001		
030-18420-2012		
030-18420-2013		
030-18420-2014		
030-18420-2022		
030-18420-2025		
030-18420-2503		
030-18420-2516		
BE/SV TOTAL	**0.00**	

040-18420-1005		
040-18420-3004		
040-18420-3017		
040-18420-3018		
040-18420-3019		
040-18420-3021		
040-18420-3027		
040-18420-3028		
040-18420-3029		
040-18420-3030		
040-18420-3037		
040-18420-3046		
040-18420-3047		
040-18420-3048		
040-18420-3058		
040-18420-3060		
040-18420-3065		
040-18420-3263		
040-18420-1021		
CG TOTAL	**0.00**	
050-18420-3504		
050-18420-3527		
050-18420-3528		
050-18420-3542		
050-18420-3543		
050-18420-3550		
050-18420-4001		
CL TOTAL	**0.00**	
080-18420-5001		
080-18420-5003		
080-18420-5018		
080-18420-5020		
080-18420-5021		
080-18420-5040		
080-18420-5042		
080-18420-5043		
080-18420-5048		
LK/OV TOTAL	**0.00**	

090-18420-5502		
090-18420-5504		
090-18420-5514		
090-18420-5515		
090-18420-5517		
090-18420-5518		
090-18420-5524		
090-18420-5525		
MI TOTAL	**0.00**	
100-18420-6501		
100-18420-6526		
100-18420-6530		
100-18420-6544		
100-18420-6545		
SM TOTAL	**0.00**	
110-18420-6030		
110-18420-6036		
110-18420-6037		
110-18420-6038		
110-18420-6039		
110-18420-6041		
110-18420-6042		
110-18420-6053		
110-18420-6054		
110-18420-6059		
110-18420-6060		
110-18420-6061		
SD TOTAL	**0.00**	
120-18420-7019		
120-18420-7020		
120-18420-7022		
120-18420-7033		
SU TOTAL	**0.00**	
MISCELLANEOUS	**0.00**	

Equipment TOTAL	**0.00**
Miscellaneous TOTAL	**0.00**

200 NOV 09 2007

ARIZONA WATER COMPANY

Given to LJ on

TRANSPORTATION WORKSHEET JV9
TOTALS of all gasoline invoices for vehicles
September 2007

Account #	Gallons	Amount
020-18410-0102	148	419.77
020-18410-0103	106	299.02
020-18410-0107	58	151.59
020-18410-0187	0	0.00
020-18410-0188	192	486.85
020-18410-0189	117	302.58
020-18410-0190	213	546.77
020-18410-0191	186	478.49
020-18410-0192	234	601.24
020-18410-0193	236	635.28
020-18410-0194	165	427.54
020-18410-0195	169	443.17
020-18410-0196	126	327.94
020-18410-0197	112	290.81
020-18410-0198	142	401.00
020-18410-0199	190	514.69
020-18410-0201	181	477.00
020-18410-0202	126	322.48
020-18410-0203	162	417.55
020-18410-0204	180	458.36
020-18410-0205	94	242.50
020-18410-0206	228	585.99
020-18410-0207	169	476.70
020-18410-0208	122	315.00
020-18410-0209	102	265.46
AJ TOTAL		9,887.78
030-18410-0100	98	279.60
030-18410-0101	0	0.00
030-18410-0178	64	179.00
030-18410-0179	91	253.20
030-18410-0210	114	316.51
030-18410-0211	103	294.66
030-18410-0212	154	458.01
030-18410-0213	141	398.80
030-18410-0214	97	269.21
030-18410-0215	93	255.89
BE/SV TOTAL		2,704.88
040-18410-0104	127	354.07
040-18410-0105	96	256.00
040-18410-0106	67	177.80
040-18410-0111	129	385.68
040-18410-0200	91	260.86

Account #	Gallons	Amount
040-18410-0216	176	485.50
040-18410-0217	253	701.00
040-18410-0218	193	535.07
040-18410-0219	209	613.11
040-18410-0220	220	596.72
040-18410-0221	300	848.22
040-18410-0222	0	0.00
040-18410-0223	178	474.69
040-18410-0224	105	302.06
040-18410-0225	282	776.35
040-18410-0226	249	675.34
040-18410-0227	153	394.70
040-18410-0228	230	653.77
040-18410-0229	249	675.50
040-18410-0235	217	592.62
040-18410-0236	358	933.33
040-18410-0237	54	159.01
040-18410-0238	237	634.01
040-18410-0239	260	692.01
040-18410-0240	157	443.31
040-18410-0241	121	326.45
040-18410-0257	224	664.73
040-18410-0258	96	254.00
040-18410-0259	163	458.13
040-18410-0292	208	571.00
040-18410-0293	297	860.98
040-18410-0294	260	689.00
040-18410-0295	280	776.21
040-18410-0296	225	669.27
040-18410-0297	92	263.11
040-18410-0298	194	572.64
040-18410-0299	165	468.15
040-18410-0300	314	889.95
040-18410-0301	84	237.24
CG TOTAL		20,321.59
050-18410-0110	74	192.00
050-18410-0230	75	197.00
050-18410-0231	152	400.00
050-18410-0232	134	350.00
050-18410-0233	0	0.00

Account #	Gallons	Amount
050-18410-0234	148	386.48
050-18410-0288	165	431.40
CL TOTAL		1,956.88
080-18410-0112	82	223.71
080-18410-0113	87	239.91
080-18410-0242	175	490.00
080-18410-0243	162	450.56
080-18410-0244	62	172.00
080-18410-0245	135	375.25
080-18410-0246	120	335.47
080-18410-0247	29	78.00
080-18410-0248	149	414.07
080-18410-0249	88	247.59
080-18410-0265	143	397.53
LK/OV TOTAL		3,424.09
090-18410-0115	174	404.00
090-18410-0250	45	124.91
090-18410-0251	93	266.50
090-18410-0252	101	291.43
090-18410-0253	156	430.30
090-18410-0254	176	486.84
090-18410-0255	~~93~~	~~255.14~~
	138	380.05
MI TOTAL		2,259.12
100-18410-0120	150	428.00
100-18410-0260	133	374.02
100-18410-0261	130	373.18
100-18410-0262	239	631.87
100-18410-0263	201	521.01
SM TOTAL		2,328.08
110-18410-0124	155	436.68
110-18410-0126	189	535.77
110-18410-0266	153	438.40
110-18410-0267	245	700.46
110-18410-0268	99	282.10
110-18410-0269	112	314.38
110-18410-0270	119	341.46
110-18410-0271	159	453.88
110-18410-0272	237	670.80
110-18410-0273	112	322.30

VEHICLE TOTAL	52,578.69	52,578.69
# GALLONS TOTAL	19,162.00	19,162.00
ITEM COUNT	~~130~~ 125	

$52,578.69 TOTAL

Prepared by In

200 OCT 10 2007

ARIZONA WATER COMPANY
TOTALS of all gasoline invoices for vehicles

September 2007

110-18410-0274	207	581.98
110-18410-0280	42	124.00
110-18410-0281	128	361.82
110-18410-0282	186	522.69
110-18410-0283	219	623.96
110-18410-0284	133	384.38
SD TOTAL		7,095.06
120-18410-0275	155	448.00
120-18410-0276	135	370.93
SU TOTAL		818.93
300-18410-0152	43	113.57
300-18410-0153	76	200.66
300-18410-0154	84	220.28
300-18410-0155	96	249.45
300-18410-0157	116	300.89
300-18410-0158	75	196.70
300-18410-0159	67	184.56
300-18410-0161	123	316.17
PX TOTAL		1,782.28
020-18420-1527		
020-18420-1530		
020-18420-1553		
020-18420-1563		
020-18420-1564		
020-18420-1565		
020-18420-1592		
020-18420-1600		
020-18420-1601		
020-18420-1602		
AJ TOTAL	0.00	
030-18420-2001		
030-18420-2012		
030-18420-2013		
030-18420-2014		
030-18420-2022		
030-18420-2025		
030-18420-2503		
030-18420-2516		
BE/SV TOTAL	0.00	

040-18420-1005		
040-18420-3004		
040-18420-3017		
040-18420-3018		
040-18420-3019		
040-18420-3021		
040-18420-3027		
040-18420-3028		
040-18420-3029		
040-18420-3030		
040-18420-3037		
040-18420-3046		
040-18420-3047		
040-18420-3048		
040-18420-3058		
040-18420-3060		
040-18420-3065		
040-18420-3263		
040-18420-1021		
CG TOTAL	0.00	
050-18420-3504		
050-18420-3527		
050-18420-3528		
050-18420-3542		
050-18420-3543		
050-18420-3550		
050-18420-4001		
CL TOTAL	0.00	
080-18420-5001		
080-18420-5003		
080-18420-5018		
080-18420-5020		
080-18420-5021		
080-18420-5040		
080-18420-5042		
080-18420-5043		
080-18420-5048		
LK/OV TOTAL	0.00	

090-18420-5502		
090-18420-5514		
090-18420-5515		
090-18420-5517		
090-18420-5518		
090-18420-5524		
090-18420-5525		
MI TOTAL	0.00	
100-18420-6501		
100-18420-6526		
100-18420-6530		
100-18420-6544		
100-18420-6545		
SM TOTAL	0.00	
110-18420-6030		
110-18420-6036		
110-18420-6037		
110-18420-6038		
110-18420-6039		
110-18420-6041		
110-18420-6042		
110-18420-6053		
110-18420-6054		
110-18420-6059		
110-18420-6060		
110-18420-6061		
SD TOTAL	0.00	
120-18420-7019		
120-18420-7020		
120-18420-7022		
120-18420-7028		
SU TOTAL	0.00	
MISCELLANEOUS	0.00	

Equipment TOTAL	0.00
Miscellaneous TOTAL	0.00

200 OCT 10 2007

ARIZONA WATER COMPANY

Given to LJ on

TRANSPORTATION WORKSHEET JV9
TOTALS of all gasoline invoices for vehicles
August 2007

Account #	Gallons	Amount
020-18410-0102	139	406.26
020-18410-0103	98	299.39
020-18410-0107	108	307.02
020-18410-0187	0	0.00
020-18410-0188	172	473.50
020-18410-0189	152	427.42
020-18410-0190	209	591.13
020-18410-0191	184	511.01
020-18410-0192	203	562.48
020-18410-0193	148	438.04
020-18410-0194	189	531.09
020-18410-0195	160	450.17
020-18410-0196	193	541.98
020-18410-0197	92	257.00
020-18410-0198	135	404.00
020-18410-0199	151	426.15
020-18410-0201	119	330.32
020-18410-0202	211	595.35
020-18410-0203	188	521.47
020-18410-0204	195	543.76
020-18410-0205	84	233.50
020-18410-0206	298	805.12
020-18410-0207	90	274.35
020-18410-0208	161	453.00
020-18410-0209	34	95.37
AJ TOTAL		**10,478.88**
030-18410-0100	74	221.50
030-18410-0101	110	316.00
030-18410-0178	30	90.00
030-18410-0179	67	193.00
030-18410-0210	117	341.70
030-18410-0211	125	372.87
030-18410-0212	124	378.00
030-18410-0213	136	410.40
030-18410-0214	132	390.57
030-18410-0215	134	387.72
BE/SV TOTAL		**3,101.76**
040-18410-0104	114	345.11
040-18410-0105	124	353.00
040-18410-0106	195	560.70
040-18410-0111	102	326.37
040-18410-0200	130	388.40

Account #	Gallons	Amount
040-18410-0216	181	556.37
040-18410-0217	288	851.01
040-18410-0218	159	476.97
040-18410-0219	259	753.82
040-18410-0220	242	690.54
040-18410-0221	192	592.25
040-18410-0222	95	276.78
040-18410-0223	211	614.10
040-18410-0224	134	412.22
040-18410-0225	149	456.76
040-18410-0226	247	710.46
040-18410-0227	137	378.55
040-18410-0228	192	608.10
040-18410-0229	355	1,005.60
040-18410-0235	153	453.48
040-18410-0236	265	747.35
040-18410-0237	203	633.00
040-18410-0238	94	240.00
040-18410-0239	163	464.00
040-18410-0240	266	764.07
040-18410-0241	162	474.22
040-18410-0257	293	934.36
040-18410-0258	147	413.00
040-18410-0259	205	601.93
040-18410-0292	178	514.03
040-18410-0293	371	1,118.76
040-18410-0294	256	749.02
040-18410-0295	175	512.54
040-18410-0296	233	726.33
040-18410-0297	216	626.27
040-18410-0298	0	0.00
040-18410-0299	0	0.00
040-18410-0300	0	0.00
040-18410-0301	0	0.00
CG TOTAL		**20,329.47**
050-18410-0110	98	272.52
050-18410-0230	74	200.00
050-18410-0231	128	350.00
050-18410-0232	183	507.00
050-18410-0233	0	0.00

Account #	Gallons	Amount
050-18410-0234	127	348.75
050-18410-0288	128	356.47
CL TOTAL		**2,034.74**
080-18410-0112	92	277.91
080-18410-0113	129	392.17
080-18410-0242	106	326.00
080-18410-0243	185	560.73
080-18410-0244	82	248.00
080-18410-0245	106	320.60
080-18410-0246	110	336.04
080-18410-0247	114	345.69
080-18410-0248	95	289.50
080-18410-0249	112	341.42
080-18410-0265	117	353.52
LK/OV TOTAL		**3,791.58**
090-18410-0115	102	307.00
090-18410-0250	102	295.44
090-18410-0251	106	325.60
090-18410-0252	62	188.95
090-18410-0253	183	536.45
090-18410-0254	202	593.27
090-18410-0255	155	449.00
MI TOTAL		**2,695.71**
100-18410-0120	152	451.50
100-18410-0260	103	306.01
100-18410-0261	119	356.98
100-18410-0262	146	402.36
100-18410-0263	226	618.25
SM TOTAL		**2,135.10**
110-18410-0124	82	242.59
110-18410-0126	153	450.80
110-18410-0266	101	297.89
110-18410-0267	303	893.69
110-18410-0268	88	259.16
110-18410-0269	151	458.34
110-18410-0270	111	331.60
110-18410-0271	130	387.12
110-18410-0272	123	359.43
110-18410-0273	140	411.20

VEHICLE TOTAL	**55,224.95**	55,224.95
# GALLONS TOTAL	**18,906.00**	18,906.00
ITEM COUNT	~~130~~ 124	

$55,224.95 TOTAL

Prepared by In

200 SEP 10 2007

ARIZONA WATER COMPANY
TOTALS of all gasoline invoices for vehicles

August 2007

110-18410-0274	179	533.54
110-18410-0280	87	258.25
110-18410-0281	90	266.51
110-18410-0282	238	700.34
110-18410-0283	187	555.29
110-18410-0284	295	880.00
SD TOTAL		7,285.75
120-18410-0275	147	450.00
120-18410-0276	118	342.57
SU TOTAL		792.57
300-18410-0152	87	246.68
300-18410-0153	81	236.47
300-18410-0154	93	264.29
300-18410-0155	109	321.18
300-18410-0157	68	192.75
300-18410-0158	203	571.01
300-18410-0159	100	316.21
300-18410-0161	150	430.80
PX TOTAL		2,579.39
020-18420-1527		
020-18420-1530		
020-18420-1553		
020-18420-1563		
020-18420-1564		
020-18420-1565		
020-18420-1592		
020-18420-1600		
020-18420-1601		
020-18420-1602		
AJ TOTAL	0.00	
030-18420-2001		
030-18420-2012		
030-18420-2013		
030-18420-2014		
030-18420-2022		
030-18420-2025		
030-18420-2503		
030-18420-2516		
BE/SV TOTAL	0.00	

040-18420-1005		
040-18420-3004		
040-18420-3017		
040-18420-3018		
040-18420-3019		
040-18420-3021		
040-18420-3027		
040-18420-3028		
040-18420-3029		
040-18420-3030		
040-18420-3037		
040-18420-3046		
040-18420-3047		
040-18420-3048		
040-18420-3058		
040-18420-3060		
040-18420-3065		
040-18420-3263		
040-18420-1021		
CG TOTAL	0.00	
050-18420-3504		
050-18420-3527		
050-18420-3528		
050-18420-3542		
050-18420-3543		
050-18420-3550		
050-18420-4001		
CL TOTAL	0.00	
080-18420-5001		
080-18420-5003		
080-18420-5018		
080-18420-5020		
080-18420-5021		
080-18420-5040		
080-18420-5042		
080-18420-5043		
080-18420-5048		
LK/OV TOTAL	0.00	

090-18420-5502		
090-18420-5514		
090-18420-5515		
090-18420-5517		
090-18420-5518		
090-18420-5524		
090-18420-5525		
MI TOTAL	0.00	
100-18420-6501		
100-18420-6526		
100-18420-6530		
100-18420-6544		
100-18420-6545		
SM TOTAL	0.00	
110-18420-6030		
110-18420-6036		
110-18420-6037		
110-18420-6038		
110-18420-6039		
110-18420-6041		
110-18420-6042		
110-18420-6053		
110-18420-6054		
110-18420-6059		
110-18420-6060		
110-18420-6061		
SD TOTAL	0.00	
120-18420-7019		
120-18420-7020		
120-18420-7022		
SU TOTAL	0.00	
MISCELLANEOUS	0.00	

Equipment TOTAL 0.00
Miscellaneous TOTAL 0.00

200 SEP 1 0 2007

ARIZONA WATER COMPANY

Given to LJ on 07/25/07

TRANSPORTATION WORKSHEET JV9
TOTALS of all gasoline invoices for vehicles
July 2007

300 JUL 2 5 2007

Account #	Gallons	Amount
020-18410-0102	165	524.22
020-18410-0103	83	268.92
020-18410-0107	69	205.62
020-18410-0188	178	517.52
020-18410-0189	59	178.62
020-18410-0190	160	475.14
020-18410-0191	210	627.01
020-18410-0192	167	498.15
020-18410-0193	171	529.36
020-18410-0194	175	525.68
020-18410-0195	151	461.54
020-18410-0196	133	400.42
020-18410-0197	114	339.01
020-18410-0198	107	318.00
020-18410-0199	119	357.91
020-18410-0201	216	654.98
020-18410-0202	151	450.06
020-18410-0203	129	388.75
020-18410-0204	153	458.54
020-18410-0205	61	186.01
020-18410-0206	187	559.15
020-18410-0207	88	280.20
020-18410-0208	102	306.00
020-18410-0209	68	198.30
AJ TOTAL		9,709.11
030-18410-0100	52	161.50
030-18410-0101	79	245.50
030-18410-0178	111	338.01
030-18410-0179	93	279.95
030-18410-0210	154	468.32
030-18410-0211	102	315.67
030-18410-0212	156	496.00
030-18410-0213	58	175.51
030-18410-0214	98	292.43
030-18410-0215	162	492.34
BE/SV TOTAL		3,265.23
040-18410-0104	105	338.70
040-18410-0105	82	246.01
040-18410-0106	130	400.56
040-18410-0111	99	323.68
040-18410-0200	107	344.80

Account #	Gallons	Amount
040-18410-0216	126	401.86
040-18410-0217	203	633.00
040-18410-0218	266	831.31
040-18410-0219	225	693.70
040-18410-0220	260	797.68
040-18410-0221	198	618.50
040-18410-0222	160	489.55
040-18410-0223	123	370.69
040-18410-0224	104	334.28
040-18410-0225	157	495.51
040-18410-0226	60	182.65
040-18410-0227	179	534.45
040-18410-0228	183	598.10
040-18410-0229	215	648.00
040-18410-0235	254	779.20
040-18410-0236	306	923.86
040-18410-0237	224	717.00
040-18410-0238	106	313.01
040-18410-0239	191	575.80
040-18410-0240	262	785.89
040-18410-0241	137	421.62
040-18410-0257	265	876.59
040-18410-0258	199	594.01
040-18410-0259	197	610.79
040-18410-0292	107	322.50
040-18410-0293	284	874.26
040-18410-0294	152	465.00
040-18410-0295	213	645.79
040-18410-0296	178	582.63
040-18410-0297	190	577.52
CG TOTAL		19,348.50
050-18410-0110	124	372.45
050-18410-0230	136	400.00
050-18410-0231	120	350.00
050-18410-0232	132	391.00
050-18410-0233	17	49.60
050-18410-0234	103	294.00
050-18410-0288	174	519.04
CL TOTAL		2,376.09
080-18410-0112	50	159.40
080-18410-0113	129	401.58

Account #	Gallons	Amount
080-18410-0242	129	401.00
080-18410-0243	133	414.41
080-18410-0244	122	373.00
080-18410-0245	110	344.23
080-18410-0246	29	90.79
080-18410-0247	119	371.29
080-18410-0248	119	370.53
080-18410-0249	83	262.05
080-18410-0265	173	539.50
LK/OV TOTAL		3,727.78
090-18410-0115	83	261.20
090-18410-0250	125	375.87
090-18410-0251	60	190.25
090-18410-0252	122	384.39
090-18410-0253	120	368.09
090-18410-0254	143	440.10
090-18410-0255	117	352.00
MI TOTAL		2,371.90
100-18410-0120	135	423.75
100-18410-0260	161	505.01
100-18410-0261	97	304.18
100-18410-0262	133	387.12
100-18410-0263	204	597.50
SM TOTAL		2,217.56
110-18410-0124	131	399.57
110-18410-0126	138	419.71
110-18410-0266	114	344.35
110-18410-0267	232	696.49
110-18410-0268	149	448.45
110-18410-0269	111	357.69
110-18410-0270	106	317.80
110-18410-0271	125	381.29
110-18410-0272	142	429.58
110-18410-0273	93	277.67
110-18410-0274	224	705.84
110-18410-0280	156	473.40
110-18410-0281	102	315.18
110-18410-0282	24	71.00
110-18410-0283	191	580.04
110-18410-0284	141	447.68
SD TOTAL		6,665.74

VEHICLE TOTAL	52,683.37	52,683.37
# GALLONS TOTAL	17,199.00	17,199.00
ITEM COUNT	125	

$52,683.37 TOTAL

Prepared by In

ARIZONA WATER COMPANY
TOTALS of all gasoline invoices for vehicles

July 2007

120-18410-0275	126	400.00
120-18410-0276	126	375.26
SU TOTAL		775.26
300-18410-0152	72	214.80
300-18410-0153	69	210.32
300-18410-0154	45	135.74
300-18410-0155	157	473.19
300-18410-0157	63	186.56
300-18410-0158	149	446.50
300-18410-0159	61	179.53
300-18410-0161	122	379.56
PX TOTAL		2,226.20
020-18420-1527		
020-18420-1530		
020-18420-1553		
020-18420-1563		
020-18420-1564		
020-18420-1565		
020-18420-1592		
020-18420-1600		
020-18420-1601		
020-18420-1602		
AJ TOTAL	0.00	
030-18420-2001		
030-18420-2012		
030-18420-2013		
030-18420-2014		
030-18420-2022		
030-18420-2025		
030-18420-2503		
030-18420-2516		
BE/SV TOTAL	0.00	
040-18420-1005		
040-18420-3004		
040-18420-3017		
040-18420-3018		
040-18420-3019		
040-18420-3021		
040-18420-3027		

040-18420-3028		
040-18420-3029		
040-18420-3030		
040-18420-3037		
040-18420-3046		
040-18420-3047		
040-18420-3048		
040-18420-3058		
040-18420-3060		
040-18420-3065		
040-18420-3263		
040-18420-1021		
CG TOTAL	0.00	
050-18420-3504		
050-18420-3527		
050-18420-3528		
050-18420-3542		
050-18420-3543		
050-18420-3550		
050-18420-4001		
CL TOTAL	0.00	
080-18420-5001		
080-18420-5003		
080-18420-5018		
080-18420-5020		
080-18420-5021		
080-18420-5040		
080-18420-5042		
080-18420-5043		
080-18420-5048		
LK/OV TOTAL	0.00	
090-18420-5502		
090-18420-5514		
090-18420-5515		
090-18420-5517		
090-18420-5518		
090-18420-5524		
090-18420-5525		
MI TOTAL	0.00	

100-18420-6501		
100-18420-6526		
100-18420-6530		
100-18420-6544		
100-18420-6545		
SM TOTAL	0.00	
110-18420-6030		
110-18420-6036		
110-18420-6037		
110-18420-6038		
110-18420-6039		
110-18420-6041		
110-18420-6042		
110-18420-6053		
110-18420-6054		
110-18420-6059		
110-18420-6060		
110-18420-6061		
SD TOTAL	0.00	
120-18420-7019		
120-18420-7020		
120-18420-7022		
SU TOTAL	0.00	
MISCELLANEOUS	0.00	

EQUIPMENT TOTAL	0.00
Miscellaneous TOTAL	0.00

ARIZONA WATER COMPANY

Given to LJ on 06/20/07

300 JUL - 9 2007

TRANSPORTATION WORKSHEET JV9
TOTALS of all gasoline invoices for vehicles
June 2007

Account #	Gallons	Amount
020-18410-0102	195	637.57
020-18410-0103	60	197.19
020-18410-0107	97	298.15
020-18410-0188	198	612.81
020-18410-0189	75	225.36
020-18410-0190	164	497.83
020-18410-0191	231	702.52
020-18410-0192	174	535.14
020-18410-0193	173	542.43
020-18410-0194	160	486.58
020-18410-0195	132	400.34
020-18410-0196	138	417.37
020-18410-0197	123	371.01
020-18410-0198	123	373.50
020-18410-0199	144	457.01
020-18410-0201	116	355.13
020-18410-0202	235	718.97
020-18410-0203	133	405.28
020-18410-0204	183	556.37
020-18410-0205	114	365.00
020-18410-0206	191	576.13
020-18410-0207	89	294.71
020-18410-0208	156	471.00
020-18410-0209	117	355.75
AJ TOTAL		10,853.15
030-18410-0100	85	260.70
030-18410-0101	65	208.22
030-18410-0178	88	272.00
030-18410-0179	91	282.10
030-18410-0210	224	684.58
030-18410-0211	92	279.88
030-18410-0212	84	263.00
030-18410-0213	139	382.70
030-18410-0214	130	402.88
030-18410-0215	28	87.28
BE/SV TOTAL		3,123.34
040-18410-0104	97	315.42
040-18410-0105	102	310.01
040-18410-0106	157	487.70
040-18410-0111	164	538.89
040-18410-0200	216	690.57

Account #	Gallons	Amount
040-18410-0216	169	560.95
040-18410-0217	216	682.00
040-18410-0218	143	467.01
040-18410-0219	215	678.73
040-18410-0220	236	715.89
040-18410-0221	194	613.75
040-18410-0222	123	381.04
040-18410-0223	262	819.25
040-18410-0224	82	265.93
040-18410-0225	146	466.78
040-18410-0226	243	760.12
040-18410-0227	179	545.70
040-18410-0228	170	562.70
040-18410-0229	203	622.50
040-18410-0235	179	563.79
040-18410-0236	283	859.01
040-18410-0237	198	636.01
040-18410-0238	164	508.01
040-18410-0239	224	690.72
040-18410-0240	217	663.57
040-18410-0241	103	325.45
040-18410-0257	258	862.09
040-18410-0258	176	543.01
040-18410-0259	81	255.58
040-18410-0292	97	298.69
040-18410-0293	292	959.10
040-18410-0294	213	657.04
040-18410-0295	180	574.42
040-18410-0296	229	759.74
040-18410-0297	133	416.65
CG TOTAL		20,057.82
050-18410-0110	76	235.10
050-18410-0230	163	500.00
050-18410-0231	114	350.00
050-18410-0232	96	295.00
050-18410-0233	16	50.00
050-18410-0234	147	449.92
050-18410-0288	138	422.08
CL TOTAL		2,302.10
080-18410-0112	62	186.96
080-18410-0113	183	573.56

Account #	Gallons	Amount
080-18410-0242	141	432.01
080-18410-0243	182	562.73
080-18410-0244	116	359.00
080-18410-0245	138	428.23
080-18410-0246	29	89.00
080-18410-0247	158	490.73
080-18410-0248	124	381.51
080-18410-0249	108	335.34
080-18410-0265	108	331.54
LK/OV TOTAL		4,170.61
090-18410-0115	96	309.00
090-18410-0250	102	316.33
090-18410-0251	90	282.41
090-18410-0252	61	194.17
090-18410-0253	145	444.87
090-18410-0254	129	394.77
090-18410-0255	170	525.00
MI TOTAL		2,466.55
100-18410-0120	72	237.01
100-18410-0260	92	299.01
100-18410-0261	114	368.49
100-18410-0262	179	544.72
100-18410-0263	221	663.00
SM TOTAL		2,112.23
110-18410-0124	86	261.95
110-18410-0126	163	493.95
110-18410-0266	77	231.44
110-18410-0267	235	721.68
110-18410-0268	87	264.67
110-18410-0269	93	297.31
110-18410-0270	107	323.55
110-18410-0271	158	478.60
110-18410-0272	115	345.14
110-18410-0273	92	276.65
110-18410-0274	182	565.14
110-18410-0280	155	468.97
110-18410-0281	126	386.97
110-18410-0282	31	94.01
110-18410-0283	209	644.86
110-18410-0284	224	706.30
SD TOTAL		6,561.19

VEHICLE TOTAL	54,845.74	54,845.74
# GALLONS TOTAL	17,631.00	17,631.00
ITEM COUNT	125	

$54,845.74 TOTAL

Prepared by In

ARIZONA WATER COMPANY
TOTALS of all gasoline invoices for vehicles 300

JUL - 9 2007

June 2007

120-18410-0275	95	300.00
120-18410-0276	145	433.01
SU TOTAL		733.01
300-18410-0152	82	253.44
300-18410-0153	72	221.60
300-18410-0154	71	218.00
300-18410-0155	129	431.43
300-18410-0157	74	226.65
300-18410-0158	123	377.60
300-18410-0159	69	217.57
300-18410-0161	170	519.45
PX TOTAL		2,465.74
020-18420-1527		
020-18420-1530		
020-18420-1553		
020-18420-1563		
020-18420-1564		
020-18420-1565		
020-18420-1592		
020-18420-1600		
020-18420-1601		
020-18420-1602		
AJ TOTAL	0.00	
030-18420-2001		
030-18420-2012		
030-18420-2013		
030-18420-2014		
030-18420-2022		
030-18420-2025		
030-18420-2503		
030-18420-2516		
BE/SV TOTAL	0.00	
040-18420-1005		
040-18420-3004		
040-18420-3017		
040-18420-3018		
040-18420-3019		
040-18420-3021		
040-18420-3027		

040-18420-3028		
040-18420-3029		
040-18420-3030		
040-18420-3037		
040-18420-3046		
040-18420-3047		
040-18420-3048		
040-18420-3058		
040-18420-3060		
040-18420-3065		
040-18420-3263		
040-18420-1021		
CG TOTAL	0.00	
050-18420-3504		
050-18420-3527		
050-18420-3528		
050-18420-3542		
050-18420-3543		
050-18420-3550		
050-18420-4001		
CL TOTAL	0.00	
080-18420-5001		
080-18420-5003		
080-18420-5018		
080-18420-5020		
080-18420-5021		
080-18420-5040		
080-18420-5042		
080-18420-5043		
080-18420-5048		
LK/OV TOTAL	0.00	
090-18420-5502		
090-18420-5514		
090-18420-5515		
090-18420-5517		
090-18420-5518		
090-18420-5524		
090-18420-5525		
MI TOTAL	0.00	

100-18420-6501		
100-18420-6526		
100-18420-6530		
100-18420-6544		
100-18420-6545		
SM TOTAL	0.00	
110-18420-6030		
110-18420-6036		
110-18420-6037		
110-18420-6038		
110-18420-6039		
110-18420-6041		
110-18420-6042		
110-18420-6053		
110-18420-6054		
110-18420-6059		
110-18420-6060		
110-18420-6061		
SD TOTAL	0.00	
120-18420-7019		
120-18420-7020		
120-18420-7022		
SU TOTAL	0.00	
MISCELLANEOUS	0.00	

EQUIPMENT TOTAL	0.00
Miscellaneous TOTAL	0.00

ARIZONA WATER COMPANY

Given to LJ on 05/22/07

TRANSPORTATION WORKSHEET JV9
TOTALS of all gasoline invoices for vehicles
May 2007

Account #	Gallons	Amount
020-18410-0102	117	365.68
020-18410-0103	59	183.45
020-18410-0107	91	265.39
020-18410-0188	165	494.31
020-18410-0189	117	327.81
020-18410-0190	143	417.02
020-18410-0191	169	488.98
020-18410-0192	250	748.27
020-18410-0193	162	491.60
020-18410-0194	180	510.49
020-18410-0195	180	511.97
020-18410-0196	167	473.45
020-18410-0197	104	297.56
020-18410-0198	98	284.00
020-18410-0199	142	424.71
020-18410-0201	185	546.23
020-18410-0202	233	667.57
020-18410-0203	129	365.84
020-18410-0204	149	425.87
020-18410-0205	84	259.00
020-18410-0206	156	442.83
020-18410-0207	115	358.88
020-18410-0208	116	337.00
020-18410-0209	59	165.48
AJ TOTAL		9,853.39
030-18410-0100	175	504.35
030-18410-0101	156	473.14
030-18410-0178	121	355.00
030-18410-0179	80	235.91
030-18410-0210	107	316.02
030-18410-0211	122	354.67
030-18410-0212	123	366.00
030-18410-0213	119	347.70
030-18410-0214	167	484.69
BE/SV TOTAL		3,437.48
040-18410-0104	65	198.62
040-18410-0105	94	274.02
040-18410-0106	114	334.60
040-18410-0111	155	492.59
040-18410-0200	110	345.80

Account #	Gallons	Amount
040-18410-0216	166	535.08
040-18410-0217	168	508.00
040-18410-0218	119	375.56
040-18410-0219	253	768.11
040-18410-0220	235	695.10
040-18410-0221	201	609.25
040-18410-0222	312	939.60
040-18410-0223	27	78.01
040-18410-0224	163	510.63
040-18410-0225	158	495.07
040-18410-0226	198	597.75
040-18410-0227	209	612.67
040-18410-0228	100	316.68
040-18410-0229	230	672.70
040-18410-0235	189	580.25
040-18410-0236	142	409.64
040-18410-0237	171	525.00
040-18410-0238	198	591.01
040-18410-0239	183	537.92
040-18410-0240	210	614.30
040-18410-0241	150	455.88
040-18410-0257	276	884.24
040-18410-0258	100	307.01
040-18410-0259	193	580.66
040-18410-0292	129	380.50
040-18410-0293	312	987.72
040-18410-0294	182	550.01
040-18410-0295	121	383.42
040-18410-0296	199	609.68
040-18410-0297	196	587.68
CG TOTAL		18,344.76
050-18410-0110	68	198.25
050-18410-0230	100	300.00
050-18410-0231	119	350.00
050-18410-0232	152	450.00
050-18410-0233	17	50.00
050-18410-0234	101	300.00
050-18410-0288	144	421.06
CL TOTAL		2,069.31
080-18410-0112	116	337.10
080-18410-0113	150	446.82

Account #	Gallons	Amount
080-18410-0242	140	406.00
080-18410-0243	112	327.60
080-18410-0244	96	281.00
080-18410-0245	138	409.10
080-18410-0247	138	400.96
080-18410-0248	144	429.49
080-18410-0249	99	286.07
080-18410-0265	153	448.52
LK/OV TOTAL		3,772.66
090-18410-0115	113	340.25
090-18410-0250	135	393.23
090-18410-0251	60	181.50
090-18410-0252	112	347.98
090-18410-0253	139	407.64
090-18410-0254	124	366.16
090-18410-0255	135	403.00
MI TOTAL		2,439.76
100-18410-0120	108	325.40
100-18410-0260	144	349.01
100-18410-0261	130	391.06
100-18410-0262	173	492.03
100-18410-0263	178	503.75
SM TOTAL		2,061.25
110-18410-0124	103	307.30
110-18410-0126	121	354.84
110-18410-0266	95	275.42
110-18410-0267	241	698.43
110-18410-0268	89	261.77
110-18410-0269	129	394.34
110-18410-0270	140	407.15
110-18410-0271	153	450.70
110-18410-0272	92	268.48
110-18410-0273	62	183.71
110-18410-0274	204	588.31
110-18410-0280	96	284.05
110-18410-0281	123	354.08
110-18410-0282	28	83.96
110-18410-0283	202	587.12
110-18410-0284	167	510.28
SD TOTAL		6,009.94

VEHICLE TOTAL	50,961.34	50,961.34
# GALLONS TOTAL	17,164.00	17,164.00
ITEM COUNT	123	OK- 215, 246

$50,961.34 TOTAL

Prepared by In

200 JUN 1 1 2007

ARIZONA WATER COMPANY
TOTALS of all gasoline invoices for vehicles

May 2007

120-18410-0275	116	350.00
120-18410-0276	139	400.02
SU TOTAL		750.02
300-18410-0152	97	286.49
300-18410-0153	77	227.15
300-18410-0154	49	144.41
300-18410-0155	135	396.89
300-18410-0157	44	128.36
300-18410-0158	172	504.03
300-18410-0159	61	178.30
300-18410-0161	123	357.14
PX TOTAL		2,222.77
020-18420-1527		
020-18420-1530		
020-18420-1553		
020-18420-1563		
020-18420-1564		
020-18420-1565		
020-18420-1592		
020-18420-1600		
020-18420-1601		
020-18420-1602		
AJ TOTAL	0.00	
030-18420-2001		
030-18420-2012		
030-18420-2013		
030-18420-2014		
030-18420-2022		
030-18420-2025		
030-18420-2503		
030-18420-2516		
BE/SV TOTAL	0.00	
040-18420-1005		
040-18420-3004		
040-18420-3017		
040-18420-3018		
040-18420-3019		
040-18420-3021		
040-18420-3027		

040-18420-3028		
040-18420-3029		
040-18420-3030		
040-18420-3037		
040-18420-3046		
040-18420-3047		
040-18420-3048		
040-18420-3058		
040-18420-3060		
040-18420-3065		
040-18420-3263		
040-18420-1021		
CG TOTAL	0.00	
050-18420-3504		
050-18420-3527		
050-18420-3528		
050-18420-3542		
050-18420-3543		
050-18420-3550		
050-18420-4001		
CL TOTAL	0.00	
080-18420-5001		
080-18420-5003		
080-18420-5018		
080-18420-5020		
080-18420-5021		
080-18420-5040		
080-18420-5042		
080-18420-5043		
080-18420-5048		
LK/OV TOTAL	0.00	
090-18420-5502		
090-18420-5514		
090-18420-5515		
090-18420-5517		
090-18420-5518		
090-18420-5524		
090-18420-5525		
MI TOTAL	0.00	

100-18420-6501		
100-18420-6526		
100-18420-6530		
100-18420-6544		
100-18420-6545		
SM TOTAL	0.00	
110-18420-6030		
110-18420-6036		
110-18420-6037		
110-18420-6038		
110-18420-6039		
110-18420-6041		
110-18420-6042		
110-18420-6053		
110-18420-6054		
110-18420-6059		
110-18420-6060		
110-18420-6061		
SD TOTAL	0.00	
120-18420-7019		
120-18420-7020		
120-18420-7022		
SU TOTAL	0.00	
MISCELLANEOUS	0.00	

EQUIPMENT TOTAL	**0.00**
Miscellaneous TOTAL	**0.00**

200 JUN 1 1 2007

ARIZONA WATER COMPANY

TRANSPORTATION WORKSHEET JV9
TOTALS of all gasoline invoices for vehicles
April 2007

Account #	Gallons	Amount
020-18410-0102	125	349.39
020-18410-0103	84	235.62
020-18410-0107	69	178.00
020-18410-0188	173	477.61
020-18410-0189	117	294.17
020-18410-0190	20	45.01
020-18410-0191	203	532.91
020-18410-0192	159	409.62
020-18410-0193	243	654.71
020-18410-0194	159	399.74
020-18410-0195	130	320.16
020-18410-0196	113	282.94
020-18410-0197	133	347.00
020-18410-0198	98	257.50
020-18410-0199	245	653.52
020-18410-0201	106	283.58
020-18410-0202	81	194.19
020-18410-0203	157	393.95
020-18410-0204	151	392.98
020-18410-0205	91	260.50
020-18410-0206	189	480.39
020-18410-0207	92	264.57
020-18410-0208	140	354.00
020-18410-0209	34	92.66
AJ TOTAL		8,154.72
030-18410-0100	116	301.85
030-18410-0101	88	248.50
030-18410-0178	59	158.01
030-18410-0179	88	231.00
030-18410-0210	294	776.40
030-18410-0211	25	67.73
030-18410-0212	127	349.00
030-18410-0213	116	295.61
030-18410-0214	135	362.81
030-18410-0215		
BE/SV TOTAL		2,790.91
040-18410-0104	102	276.61
040-18410-0105	102	274.85
040-18410-0106	117	307.75
040-18410-0111	161	444.89
040-18410-0200	57	163.36

Account #	Gallons	Amount
040-18410-0216	180	493.88
040-18410-0217	209	554.00
040-18410-0218	90	256.66
040-18410-0219	311	819.06
040-18410-0220	280	726.20
040-18410-0221	114	302.50
040-18410-0222	90	238.60
040-18410-0223	256	675.23
040-18410-0224	80	221.30
040-18410-0225	152	410.60
040-18410-0226	131	342.01
040-18410-0227	212	538.24
040-18410-0228		
040-18410-0229	235	611.40
040-18410-0235	167	434.35
040-18410-0236	229	613.22
040-18410-0237	30	80.00
040-18410-0238	83	213.02
040-18410-0239	203	534.79
040-18410-0240	227	634.71
040-18410-0241	171	450.15
040-18410-0257	258	735.08
040-18410-0258	120	314.00
040-18410-0259	199	527.12
040-18410-0292	79	216.55
040-18410-0293	320	903.56
040-18410-0294	260	683.21
040-18410-0295	142	378.69
040-18410-0296	186	519.42
040-18410-0297	169	445.11
CG TOTAL		15,340.12
050-18410-0110	92	236.50
050-18410-0230	107	300.00
050-18410-0231	107	300.00
050-18410-0232	147	411.00
050-18410-0233		
050-18410-0234	89	250.00
050-18410-0288	142	370.01
CL TOTAL		1,867.51
080-18410-0112	84	209.90
080-18410-0113	80	205.97

Account #	Gallons	Amount
080-18410-0242	120	303.00
080-18410-0243	139	362.05
080-18410-0244	90	230.00
080-18410-0245	103	263.65
080-18410-0246	46	117.54
080-18410-0247	110	276.07
080-18410-0248	120	310.40
080-18410-0249	78	195.06
080-18410-0265	138	351.01
LK/OV TOTAL		2,824.65
090-18410-0115	96	272.00
090-18410-0250	106	296.59
090-18410-0251	88	248.55
090-18410-0252	89	249.44
090-18410-0253	143	375.56
090-18410-0254	172	454.10
090-18410-0255	111	318.01
MI TOTAL		2,214.25
100-18410-0120	64	175.50
100-18410-0260	119	335.01
100-18410-0261	99	277.36
100-18410-0262	164	430.00
100-18410-0263	175	450.50
SM TOTAL		1,668.37
110-18410-0124	72	193.20
110-18410-0126	151	392.13
110-18410-0266	60	149.39
110-18410-0267	123	309.72
110-18410-0268	165	418.66
110-18410-0269	97	258.99
110-18410-0270	87	219.00
110-18410-0271	158	402.85
110-18410-0272	131	330.68
110-18410-0273	115	299.75
110-18410-0274	250	664.00
110-18410-0280	158	398.70
110-18410-0281	90	236.82
110-18410-0282	141	351.37
110-18410-0283	162	419.63
110-18410-0284	182	483.49
SD TOTAL		5,528.38

VEHICLE TOTAL	43,099.05	43,099.05
# GALLONS TOTAL	~~16,303.70~~ 16304	16,303.70
ITEM COUNT	122	

$43,099.05 TOTAL

Prepared by In

200 MAY 1 1 2007

ARIZONA WATER COMPANY
TOTALS of all gasoline invoices for vehicles

April 2007

120-18410-0275	59	158.76
120-18410-0276	141	348.75
SU TOTAL		507.51
300-18410-0152	90	167.53
300-18410-0153	44	116.02
300-18410-0154	50	132.02
300-18410-0155	129	341.50
300-18410-0157	104	273.30
300-18410-0158	189	476.93
300-18410-0159	83	230.90
300-18410-0161	173	464.43
PX TOTAL		2,202.63
020-18420-1527		
020-18420-1530		
020-18420-1553		
020-18420-1563		
020-18420-1564		
020-18420-1565		
020-18420-1592		
020-18420-1600		
020-18420-1601		
020-18420-1602		
AJ TOTAL	0.00	
030-18420-2001		
030-18420-2012		
030-18420-2013		
030-18420-2014		
030-18420-2022		
030-18420-2025		
030-18420-2503		
030-18420-2516		
BE/SV TOTAL	0.00	
040-18420-1005		
040-18420-3004		
040-18420-3017		
040-18420-3018		
040-18420-3019		
040-18420-3021		
040-18420-3027		

040-18420-3028		
040-18420-3029		
040-18420-3030		
040-18420-3037		
040-18420-3046		
040-18420-3047		
040-18420-3048		
040-18420-3058		
040-18420-3060		
040-18420-3065		
040-18420-3263		
040-18420-1021		
CG TOTAL	0.00	
050-18420-3504		
050-18420-3527		
050-18420-3528		
050-18420-3542		
050-18420-3543		
050-18420-3550		
050-18420-4001		
CL TOTAL	0.00	
080-18420-5001		
080-18420-5003		
080-18420-5018		
080-18420-5020		
080-18420-5021		
080-18420-5040		
080-18420-5042		
080-18420-5043		
080-18420-5048		
LK/OV TOTAL	0.00	
090-18420-5502		
090-18420-5514		
090-18420-5515		
090-18420-5517		
090-18420-5518		
090-18420-5524		
090-18420-5525		
MI TOTAL	0.00	

100-18420-6501		
100-18420-6526		
100-18420-6530		
100-18420-6544		
100-18420-6545		
SM TOTAL	0.00	
110-18420-6030		
110-18420-6036		
110-18420-6037		
110-18420-6038		
110-18420-6039		
110-18420-6041		
110-18420-6042		
110-18420-6053		
110-18420-6054		
110-18420-6059		
110-18420-6060		
110-18420-6061		
SD TOTAL	0.00	
120-18420-7019		
120-18420-7020		
120-18420-7022		
SU TOTAL	0.00	
MISCELLANEOUS	0.00	

EQUIPMENT TOTAL	0.00
Miscellaneous TOTAL	0.00

200 MAY 1 1 2007

ARIZONA WATER COMPANY

Given to LJ on 04/11/07

TRANSPORTATION WORKSHEET JV9
TOTALS of all gasoline invoices for vehicles
March 2007

Account #	Gallons	Amount
020-18410-0102	106	262.72
020-18410-0103	83	206.92
020-18410-0107	90	204.56
020-18410-0188	146	344.08
020-18410-0189	61	136.04
020-18410-0190	39	86.50
020-18410-0191	134	311.01
020-18410-0192	76	176.06
020-18410-0193	143	338.03
020-18410-0194	124	274.16
020-18410-0195	92	205.95
020-18410-0196	108	239.26
020-18410-0197	117	279.00
020-18410-0198	85	199.00
020-18410-0199	111	218.38
020-18410-0201	128	298.14
020-18410-0202	127	282.05
020-18410-0203	95	211.68
020-18410-0204	150	334.71
020-18410-0205	60	145.00
020-18410-0206	179	410.30
020-18410-0207	60	152.41
020-18410-0208	110	245.00
020-18410-0209	101	228.61
AJ TOTAL		5,789.57
030-18410-0100	134	312.60
030-18410-0101	81	210.55
030-18410-0178	59	139.00
030-18410-0179	76	182.00
030-18410-0210	112	253.82
030-18410-0212	96	222.00
030-18410-0213	122	305.50
030-18410-0214	65	157.13
BE/SV TOTAL		1,782.60
040-18410-0104	65	128.80
040-18410-0105	77	165.60
040-18410-0106	99	227.30
040-18410-0111	111	273.66
040-18410-0200	132	334.54

Account #	Gallons	Amount
040-18410-0216	141	338.32
040-18410-0217	121	280.00
040-18410-0218	114	290.47
040-18410-0219	238	558.26
040-18410-0220	116	260.52
040-18410-0221	167	387.68
040-18410-0222	122	278.77
040-18410-0223	149	337.39
040-18410-0224	112	275.84
040-18410-0225	133	308.84
040-18410-0226	152	352.49
040-18410-0227	154	331.30
040-18410-0228	98	217.42
040-18410-0229	169	374.60
040-18410-0235	145	324.13
040-18410-0236	306	681.24
040-18410-0237	104	249.00
040-18410-0238	137	333.00
040-18410-0239	64	143.00
040-18410-0240	114	260.58
040-18410-0241	119	278.40
040-18410-0257	257	637.52
040-18410-0258	183	430.02
040-18410-0259	161	365.73
040-18410-0293	278	672.33
040-18410-0294	202	493.00
040-18410-0295	123	293.88
040-18410-0296	163	396.36
040-18410-0297	168	377.66
CG TOTAL		11,657.65
050-18410-0110	93	205.26
050-18410-0230	107	250.00
050-18410-0231	107	250.00
050-18410-0233	30	67.01
050-18410-0234	62	150.00
050-18410-0288	229	530.01
CL TOTAL		1,452.28
080-18410-0112	79	180.24
080-18410-0113	131	297.96

Account #	Gallons	Amount
080-18410-0242	112	251.00
080-18410-0243	142	325.05
080-18410-0244	86	192.00
080-18410-0245	137	310.50
080-18410-0246	72	166.50
080-18410-0247	80	181.61
080-18410-0248	156	358.63
080-18410-0249	90	208.19
080-18410-0265	109	246.51
LK/OV TOTAL		2,718.19
090-18410-0115	117	288.00
090-18410-0250	80	196.09
090-18410-0251	62	150.50
090-18410-0252	90	224.25
090-18410-0253	131	298.21
090-18410-0254	131	303.30
090-18410-0255	123	302.00
MI TOTAL		1,762.35
100-18410-0120	96	227.15
100-18410-0260	113	271.01
100-18410-0261	70	168.85
100-18410-0262	109	241.00
100-18410-0263	198	430.50
SM TOTAL		1,338.51
110-18410-0124	83	191.27
110-18410-0126	121	266.35
110-18410-0267	189	406.69
110-18410-0268	96	208.52
110-18410-0269	131	320.95
110-18410-0270	116	258.85
110-18410-0271	125	276.69
110-18410-0272	115	248.19
110-18410-0273	91	195.82
110-18410-0274	201	459.93
110-18410-0280	88	191.00
110-18410-0281	93	207.11
110-18410-0282	176	387.00
110-18410-0283	148	336.66
110-18410-0284	141	335.52
SD TOTAL		4,290.55

VEHICLE TOTAL	33,058.10	33,058.10 deleted 292
# GALLONS TOTAL	14,315.00	14,315.00 deleted 292
ITEM COUNT	120	OK- 211, 215, 232, 266 - zero gallons

$33,058.10 TOTAL

Prepared by In

200 APR 1 1 2007

ARIZONA WATER COMPANY
TOTALS of all gasoline invoices for vehicles

March 2007

120-18410-0275	125	296.00
120-18410-0276	127	282.51
SU TOTAL		578.51
300-18410-0152	75	166.98
300-18410-0153	58	132.29
300-18410-0154	48	106.00
300-18410-0155	164	376.85
300-18410-0157	95	213.90
300-18410-0158	67	152.00
300-18410-0159	69	167.48
300-18410-0161	167	372.39
PX TOTAL		1,687.89
020-18420-1527		
020-18420-1530		
020-18420-1553		
020-18420-1563		
020-18420-1564		
020-18420-1565		
020-18420-1592		
020-18420-1600		
020-18420-1601		
020-18420-1602		
AJ TOTAL	0.00	
030-18420-2001		
030-18420-2012		
030-18420-2013		
030-18420-2014		
030-18420-2022		
030-18420-2025		
030-18420-2503		
030-18420-2516		
BE/SV TOTAL	0.00	
040-18420-1005		
040-18420-3004		
040-18420-3017		
040-18420-3018		
040-18420-3019		
040-18420-3021		
040-18420-3027		

040-18420-3028		
040-18420-3029		
040-18420-3030		
040-18420-3037		
040-18420-3046		
040-18420-3047		
040-18420-3048		
040-18420-3058		
040-18420-3060		
040-18420-3065		
040-18420-3263		
040-18420-1021		
CG TOTAL	0.00	
050-18420-3504		
050-18420-3527		
050-18420-3528		
050-18420-3542		
050-18420-3543		
050-18420-3550		
050-18420-4001		
CL TOTAL	0.00	
080-18420-5001		
080-18420-5003		
080-18420-5018		
080-18420-5020		
080-18420-5021		
080-18420-5040		
080-18420-5042		
080-18420-5043		
080-18420-5048		
LK/OV TOTAL	0.00	
090-18420-5502		
090-18420-5514		
090-18420-5515		
090-18420-5517		
090-18420-5518		
090-18420-5524		
090-18420-5525		
MI TOTAL	0.00	

100-18420-6501		
100-18420-6526		
100-18420-6530		
100-18420-6544		
100-18420-6545		
SM TOTAL	0.00	
110-18420-6030		
110-18420-6036		
110-18420-6037		
110-18420-6038		
110-18420-6039		
110-18420-6041		
110-18420-6042		
110-18420-6053		
110-18420-6054		
110-18420-6059		
110-18420-6060		
110-18420-6061		
SD TOTAL	0.00	
120-18420-7019		
120-18420-7020		
120-18420-7022		
SU TOTAL	0.00	
MISCELLANEOUS	0.00	

EQUIPMENT TOTAL	0.00
Miscellaneous TOTAL	0.00

200 APR 1 1 2007

ARIZONA WATER COMPANY

Given to LJ on03/01/07

TRANSPORTATION WORKSHEET JV9
TOTALS of all gasoline invoices for vehicles
February 2007

Account #	Gallons	Amount
020-18410-0102	121	303.22
020-18410-0103	80	201.32
020-18410-0107	66	158.26
020-18410-0188	189	431.07
020-18410-0189	82	189.68
020-18410-0190	160	393.18
020-18410-0191	161	372.87
020-18410-0192	86	197.29
020-18410-0193	172	417.01
020-18410-0194	169	385.66
020-18410-0195	150	344.77
020-18410-0196	132	301.48
020-18410-0197	169	384.01
020-18410-0198	153	354.00
020-18410-0199	215	514.14
020-18410-0201	166	400.43
020-18410-0202	171	394.41
020-18410-0203	62	140.90
020-18410-0204	166	381.52
020-18410-0205	86	204.01
020-18410-0206	265	613.06
020-18410-0207	90	224.23
020-18410-0208	160	368.00
020-18410-0209	65	151.14
AJ TOTAL		7,825.66
030-18410-0100	100	242.01
030-18410-0101	145	338.46
030-18410-0178	59	131.00
030-18410-0179	121	273.00
030-18410-0210	220	492.13
030-18410-0212	153	360.01
030-18410-0213	96	216.10
030-18410-0214	198	444.77
030-18410-0215	79	175.05
BE/SV TOTAL		2,672.53
040-18410-0104	79	182.48
040-18410-0105	116	264.28
040-18410-0106	74	165.65
040-18410-0111	141	350.98
040-18410-0200	170	399.67

Account #	Gallons	Amount
040-18410-0216	138	333.72
040-18410-0217	236	543.00
040-18410-0218	104	262.29
040-18410-0219	254	578.79
040-18410-0220	64	157.90
040-18410-0221	161	367.75
040-18410-0222	121	281.27
040-18410-0223	203	437.40
040-18410-0224	172	338.26
040-18410-0225	158	371.03
040-18410-0226	144	321.06
040-18410-0227	178	390.50
040-18410-0228	120	271.26
040-18410-0229	174	378.35
040-18410-0235	246	555.68
040-18410-0236	265	594.55
040-18410-0237	160	379.00
040-18410-0238	246	546.04
040-18410-0239	216	499.01
040-18410-0240	155	342.38
040-18410-0241	156	361.11
040-18410-0257	258	644.49
040-18410-0258	208	462.00
040-18410-0259	143	324.01
040-18410-0293	263	635.52
040-18410-0294	210	491.01
040-18410-0295	121	284.08
040-18410-0296	247	594.77
040-18410-0297	162	353.69
CG TOTAL		13,462.98
050-18410-0110	104	243.00
050-18410-0230	113	250.00
050-18410-0231	136	300.00
050-18410-0232	137	300.00
050-18410-0233		
050-18410-0234	114	250.00
050-18410-0288	154	343.02
CL TOTAL		1,686.02
080-18410-0112	60	141.20
080-18410-0113	84	193.40

Account #	Gallons	Amount
080-18410-0242	123	282.00
080-18410-0243	171	394.31
080-18410-0244	113	259.00
080-18410-0245	146	335.65
080-18410-0246	86	200.22
080-18410-0247	88	203.69
080-18410-0248	180	417.65
080-18410-0249	104	244.22
080-18410-0265	123	281.52
LK/OV TOTAL		2,952.86
090-18410-0115	115	274.00
090-18410-0250	77	171.28
090-18410-0251	90	213.25
090-18410-0252	117	278.22
090-18410-0253	151	339.40
090-18410-0254	170	382.67
090-18410-0255	148	343.00
MI TOTAL		2,001.82
100-18410-0120	103	251.00
100-18410-0260	133	327.51
100-18410-0261	134	323.88
100-18410-0262	177	391.00
100-18410-0263	197	438.50
SM TOTAL		1,731.89
110-18410-0124	102	228.48
110-18410-0126	156	351.69
110-18410-0266	29	64.27
110-18410-0267	87	189.70
110-18410-0268	111	243.72
110-18410-0269	120	282.41
110-18410-0270	111	242.90
110-18410-0271	172	382.89
110-18410-0272	175	383.56
110-18410-0273	88	192.07
110-18410-0274	235	536.73
110-18410-0280	112	243.00
110-18410-0281	125	286.88
110-18410-0282	204	472.50
110-18410-0283	213	491.35
110-18410-0284	152	354.21
SD TOTAL		4,946.36

VEHICLE TOTAL	39,696.50	39,749.03 ok: 292
# GALLONS TOTAL	17,258.00	17,280.00 ok: 292
ITEM COUNT	122	OK: #233 no gas

Prepared by In

$39,696.50 TOTAL

300 MAR 0 9 2007

ARIZONA WATER COMPANY
TOTALS of all gasoline invoices for vehicles

February 2007

120-18410-0275	122	292.25
120-18410-0276	175	383.25
SU TOTAL		675.50
300-18410-0152	89	203.00
300-18410-0153	68	157.13
300-18410-0154	64	146.57
300-18410-0155	105	246.90
300-18410-0157	95	222.35
300-18410-0158	123	289.27
300-18410-0159	82	189.43
300-18410-0161	125	286.23
PX TOTAL		1,740.88
020-18420-1527		
020-18420-1530		
020-18420-1553		
020-18420-1563		
020-18420-1564		
020-18420-1565		
020-18420-1592		
020-18420-1600		
020-18420-1601		
020-18420-1602		
AJ TOTAL	0.00	
030-18420-2001		
030-18420-2012		
030-18420-2013		
030-18420-2014		
030-18420-2022		
030-18420-2025		
030-18420-2503		
030-18420-2516		
BE/SV TOTAL	0.00	
040-18420-1005		
040-18420-3004		
040-18420-3017		
040-18420-3018		
040-18420-3019		
040-18420-3021		
040-18420-3027		

040-18420-3028		
040-18420-3029		
040-18420-3030		
040-18420-3037		
040-18420-3046		
040-18420-3047		
040-18420-3048		
040-18420-3058		
040-18420-3060		
040-18420-3065		
040-18420-3263		
040-18420-1021		
CG TOTAL	0.00	
050-18420-3504		
050-18420-3527		
050-18420-3528		
050-18420-3542		
050-18420-3543		
050-18420-3550		
050-18420-4001		
CL TOTAL	0.00	
080-18420-5001		
080-18420-5003		
080-18420-5018		
080-18420-5020		
080-18420-5021		
080-18420-5040		
080-18420-5042		
080-18420-5043		
080-18420-5048		
LK/OV TOTAL	0.00	
090-18420-5502		
090-18420-5514		
090-18420-5515		
090-18420-5517		
090-18420-5518		
090-18420-5524		
090-18420-5525		
MI TOTAL	0.00	

100-18420-6501		
100-18420-6526		
100-18420-6530		
100-18420-6544		
100-18420-6545		
SM TOTAL	0.00	
110-18420-6030		
110-18420-6036		
110-18420-6037		
110-18420-6038		
110-18420-6039		
110-18420-6041		
110-18420-6042		
110-18420-6053		
110-18420-6054		
110-18420-6059		
110-18420-6060		
110-18420-6061		
SD TOTAL	0.00	
120-18420-7019		
120-18420-7020		
120-18420-7022		
SU TOTAL	0.00	
MISCELLANEOUS	0.00	

EQUIPMENT TOTAL	**0.00**
Miscellaneous TOTAL	**0.00**

300 MAR 0 9 2007

ARIZONA WATER COMPANY

Given to LJ on

TRANSPORTATION WORKSHEET JV9
TOTALS of all gasoline invoices for vehicles
January 2007

Account #	Gallons	Amount
020-18410-0102	102	254.39
020-18410-0103	130	330.12
020-18410-0107	84	190.42
020-18410-0188	151	351.39
020-18410-0189	102	230.01
020-18410-0190	195	466.05
020-18410-0191	96	225.07
020-18410-0193	175	410.92
020-18410-0194	168	378.08
020-18410-0195	156	350.16
020-18410-0196	114	254.57
020-18410-0197	129	293.01
020-18410-0198	115	261.00
020-18410-0199	101	232.50
020-18410-0201	156	369.42
020-18410-0202	189	427.15
020-18410-0203	117	264.58
020-18410-0204	112	256.71
020-18410-0205	110	269.81
020-18410-0206	185	421.41
020-18410-0207	147	373.52
020-18410-0208	102	226.77
209		⊖
AJ TOTAL		**6,837.06**
030-18410-0100	102	237.00
030-18410-0101	86	211.25
030-18410-0178	113	257.00
030-18410-0179	63	142.00
030-18410-0210	173	392.68
030-18410-0212	125	299.00
030-18410-0213	83	187.91
030-18410-0214	119	293.11
030-18410-0215	128	298.35
BE/SV TOTAL		**2,318.30**
040-18410-0104	110	254.19
040-18410-0105	76	175.00
040-18410-0106	115	260.80
040-18410-0111	117	301.57
040-18410-0200	146	360.00

Account #	Gallons	Amount
040-18410-0216	125	305.15
040-18410-0217	157	372.00
040-18410-0218	106	260.49
040-18410-0219	216	500.40
040-18410-0220	125	302.21
040-18410-0221	147	350.00
040-18410-0222	96	219.11
040-18410-0223	265	620.67
040-18410-0224	80	198.22
040-18410-0225	101	245.76
040-18410-0226	118	279.58
227		⊖
040-18410-0228	150	339.31
040-18410-0229	154	349.00
040-18410-0235	154	358.07
040-18410-0236	333	774.80
040-18410-0237	142	342.00
040-18410-0238	152	342.00
040-18410-0239	187	427.74
040-18410-0240	215	480.89
040-18410-0241	140	332.58
040-18410-0257	197	503.70
040-18410-0258	170	402.00
040-18410-0259	128	299.45
040-18410-0292	44	103.81
040-18410-0293	199	488.10
040-18410-0294	256	600.04
040-18410-0295	172	414.01
040-18410-0296	218	538.73
040-18410-0297	163	350.46
CG TOTAL		**12,451.84**
050-18410-0110	87	202.50
050-18410-0230	84	192.00
050-18410-0231	87	200.00
050-18410-0232	162	379.00
233		⊖
050-18410-0234	88	200.00
288		⊖
CL TOTAL		**1,173.50**
080-18410-0112	121	282.12
080-18410-0113	118	278.82

Account #	Gallons	Amount
080-18410-0242	88	207.00
080-18410-0243	162	383.74
080-18410-0244	60	141.00
080-18410-0245	142	334.00
080-18410-0246	91	218.51
080-18410-0247	101	236.74
080-18410-0248	125	295.30
080-18410-0249	80	192.74
080-18410-0265	83	195.00
LK/OV TOTAL		**2,764.97**
090-18410-0115	72	173.00
090-18410-0250	98	228.08
090-18410-0251	58	140.50
090-18410-0252	57	138.17
090-18410-0253	91	209.75
090-18410-0254	16	35.70
090-18410-0255	149	357.00
MI TOTAL		**1,282.20**
100-18410-0120	77	187.10
100-18410-0260	117	289.01
100-18410-0261	103	253.38
100-18410-0262	136	300.00
100-18410-0263	194	437.50
SM TOTAL		**1,466.99**
110-18410-0124	165	387.53
110-18410-0126	189	425.36
110-18410-0266	118	263.46
110-18410-0267	91	199.50
110-18410-0268	114	254.11
110-18410-0269	127	315.92
110-18410-0270	54	118.25
110-18410-0271	130	290.53
110-18410-0272	135	296.22
110-18410-0273	91	199.80
110-18410-0274	174	409.10
110-18410-0280	130	286.50
110-18410-0281	93	213.49
110-18410-0282	185	407.55
110-18410-0283	118	260.55
110-18410-0284	158	363.86
SD TOTAL		**4,691.73**

VEHICLE TOTAL	35,019.31	35,019.31
# GALLONS TOTAL	15,001.53	15,001.53
ITEM COUNT	119	+4 nogas (123)

$35,019.31 TOTAL

Prepared by In

200 FEB 12 2007

ARIZONA WATER COMPANY
TOTALS of all gasoline invoices for vehicles

January 2007

120-18410-0275	63	150.00
120-18410-0276	131	291.38
SU TOTAL		441.38
300-18410-0152	84	193.26
300-18410-0153	58	135.26
300-18410-0154	48	112.19
300-18410-0155	48	110.10
300-18410-0157	74	170.30
300-18410-0158	149	339.00
300-18410-0159	74	177.24
300-18410-0161	151	353.99
PX TOTAL		1,591.34
020-18420-1527		
020-18420-1530		
020-18420-1553		
020-18420-1563		
020-18420-1564		
020-18420-1565		
020-18420-1592		
020-18420-1600		
020-18420-1601		
020-18420-1602		
AJ TOTAL	0.00	
030-18420-2001		
030-18420-2012		
030-18420-2013		
030-18420-2014		
030-18420-2022		
030-18420-2025		
030-18420-2503		
030-18420-2516		
BE/SV TOTAL	0.00	
040-18420-1005		
040-18420-3004		
040-18420-3017		
040-18420-3018		
040-18420-3019		
040-18420-3021		
040-18420-3027		

040-18420-3028		
040-18420-3029		
040-18420-3030		
040-18420-3037		
040-18420-3046		
040-18420-3047		
040-18420-3048		
040-18420-3058		
040-18420-3060		
040-18420-3065		
040-18420-3263		
040-18420-1021		
CG TOTAL	0.00	
050-18420-3504		
050-18420-3527		
050-18420-3528		
050-18420-3542		
050-18420-3543		
050-18420-3550		
050-18420-4001		
CL TOTAL	0.00	
080-18420-5001		
080-18420-5003		
080-18420-5018		
080-18420-5020		
080-18420-5021		
080-18420-5040		
080-18420-5042		
080-18420-5043		
080-18420-5048		
LK/OV TOTAL	0.00	
090-18420-5502		
090-18420-5514		
090-18420-5515		
090-18420-5517		
090-18420-5518		
090-18420-5524		
090-18420-5525		
MI TOTAL	0.00	

100-18420-6501		
100-18420-6526		
100-18420-6530		
100-18420-6544		
100-18420-6545		
SM TOTAL	0.00	
110-18420-6030		
110-18420-6036		
110-18420-6037		
110-18420-6038		
110-18420-6039		
110-18420-6041		
110-18420-6042		
110-18420-6053		
110-18420-6054		
110-18420-6059		
110-18420-6060		
110-18420-6061		
SD TOTAL	0.00	
120-18420-7019		
120-18420-7020		
120-18420-7022		
SU TOTAL	0.00	
MISCELLANEOUS	0.00	

EQUIPMENT TOTAL	0.00
Miscellaneous TOTAL	0.00

200 FEB 12 2007

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

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2006 FEB 13 P 4:00

AZ CORP COMMISSION
DOCUMENT CONTROL

R-7

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS PARADISE VALLEY DISTRICT	DOCKET NO. W-01303A-05-0405 **ARIZONA-AMERICAN'S NOTICE OF FILING REBUTTAL TESTIMONY**

Arizona-American Water Company hereby files in the above-referenced matter its Rebuttal Testimony for each of the following witnesses:

- Joel M. Reiker;
- Paul G. Townsley;
- Thomas M. Broderick;
- David L. Weber;
- A. Lawrence Kolbe;
- Brian K. Biesemeyer;
- Joseph E. Gross; and
- Ronald L. Kozoman.

Please note that each testimony contains an executive summary, which is intended to satisfy the requirement contained in the August 15, 2006, Procedural Order that each party prepare and file a brief written summary of the prefiled testimony of each witness.

EXHIBIT
R-7

EXHIBIT JMR-RB4

Corrected Lead/Lag Study

Arizona American Water Company
Test Year Ended December 10, 2004
Lead/Lag Study - Working Cash Requirement

Exhibit JMR-RB4
Schedule
Page 1
Witness: Reiker

PARADISE VALLEY

Line No.		Test Year Adjusted Results	Revenue Lag Days[3]	Expense Lag Days	Net Lag Days	Lead/ Lag Factor	Cash Working Capital Required
1	OPERATING EXPENSES						
2	Labor	$ 527,708	38.3000	12.0000	26.3000	0.0721	$ 38,024
3	Fuel & Power	827,908	38.3000	38.1148	0.1852	0.0005	420
4	Chemicals	16,499	38.3000	30.0000	8.3000	0.0227	375
5	Management Fees	554,302	38.3000	(3.8800)	42.1800	0.1156	64,056
6	Group Insurance	117,720	38.3000	(4.6445)	42.9445	0.1177	13,850
7	Pensions	26,625	38.3000	45.0000	(6.7000)	(0.0184)	(489)
8	Insurance Other Than Group	48,923	38.3000	45.0000	(6.7000)	(0.0184)	(898)
10	Rents	64,878	38.3000	(10.6818)	48.9818	0.1342	8,706
11	Depreciation & Amortization	799,234	38.3000	-	38.3000	0.1049	83,865
12	Other Operating Expnses[1]	655,707	38.3000	30.0000	8.3000	0.0227	14,911
13	TAXES						
14	Taxes Other than Income	42,405	38.3000	26.3188	11.9812	0.0328	1,392
15	Property Taxes	216,214	38.3000	177.5000	(139.2000)	(0.3814)	(82,458)
16	Income Tax[2]	420,233	38.3000	37.0000	1.3000	0.0036	1,497
17	RETURN						
18	Interest on Debt[4]	520,071	38.3000	107.2300	(68.9300)	(0.1888)	(98,215)
19	Return on Equity	668,485	38.3000	-	38.3000	0.1049	70,145
20							
21							
22							
23							
24	WORKING CASH REQUIREMENT						$ 115,182
25							
26							

27 [1] All other Operating Expenses are assumed to be paid by the 15th of the month following the receipt of goods and services.
28 [2] At proposed rates.
29 [3] Per direct testimony of RUCO witness Coley.
30 [4] Expense lag days per direct testimony of RUCO witness Coley.

ARIZONA-AMERICAN WATER COMPANY

DOCKET NO. W-01303A-05-0405
and
DOCKET NO. W-01303A-05-0910

R-8

SURREBUTTAL TESTIMONY

OF

TIMOTHY J. COLEY

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

MARCH 6, 2006

EXHIBIT
R8
ADMITTED

Capitalized Expenses

Q. Did the Company accept RUCO rate base adjustment #3 to capitalize certain expenses rather than expensing them?

A. Yes. The Company accepted this adjustment in Company Rate Base Adjustment AAW-6, shown on Schedule JMR-RB3, page 2, column K. Thus, this issue is no longer in contention.

Working Capital

Q. Has the Company accepted some of your working capital recommendations?

A. The Company has accepted portions of my working capital adjustments as described below:

1. The Company agrees with RUCO's adjustment that reconciles the Company's lead/lag study expense amounts with the adjusted test year expenses shown on Schedule C-1 of the Company's application.

2. The Company agrees with RUCO's adjustment to increase working capital by $7,774 for the Mummy Mountain acquisition cost as authorized by the Commission.

3. The Company agreed with RUCO's adjustment to include interest expense in the Company's lead/lag study with the condition that all capital costs be included, including the cost of equity. RUCO disagrees with the Company's conditional agreement to include cost of equity and will discuss the reason later in my testimony.

4. The Company agreed to restate Paradise Valley's ("PV") revenue lag to 38.3 days as calculated by RUCO using an actual PV bill sample.

Q. What portions of your working capital adjustments does the Company continue to dispute?

A. AZ-AM does not agree with the following RUCO working capital adjustments:

1. The Company does not accept RUCO's calculation of recommended property tax lag days.

2. From Company witness' Mr. Reiker's rebuttal testimony, the Company accepts RUCO's inclusion of interest expense in the lead/lag study with the condition that cost of equity is also included. RUCO does not accept the condition of including cost of equity. Therefore, the Company does not accept RUCO's inclusion of interest expense in the lead/lag study.

Q. Does RUCO agree with the Company's rebuttal position on property tax lag days?

A. No. The Company is essentially prepaying the expense before the due date or more aptly before the payment becomes delinquent. Aggressive cash management firms delay payment of expenses until the due date stated on the bill or invoice. Prepaying an expense before it is due creates an artificial and greater need for excessive *cash* in the working capital calculation. Prudent cash management organizations normally can earn a greater return on their investments by freeing up available cash rather than prepaying expenses before they become due. Otherwise, in a regulated public utility, ratepayers are held responsible for an unnecessary amount of cash working capital. If this practice is condoned, each and every expense could hyper-inflate the need for cash working capital by

simply paying before the expenses due date. This practice is not in the public interest.

Q. Is the Company proposing any additions, deletions, and/or revisions to the cash working capital lead/lag study calculation that differs from its pre-filed direct testimony?

A. Yes. In the Company's rebuttal testimony, PV is proposing a revised cash working capital lead/lag study with the following supplementary additions, deletions, and revisions:

1. Depreciation & Amortization Expense – was added.
2. Return on Equity and Interest – was added.
3. Purchased Water Expense – was removed.
4. Goods and Services Expense – was revamped and broke out into several sub-accounts.
   - Insurance Other Than Group – was added.
   - Chemicals Expense – was added.
   - Other Operating Expenses – was added.
   - Taxes Other Than Income – was added to combine several accounts.
   - Management Fees – was added.
5. Group Insurance – had revised lead expense days.
   - Pension Expense – had expense lag days not provided in application.
   - Rent Expense – had revised expense lead days.

Q. Please address the first of these items; the Company's position to include depreciation & amortization expense in its revised rebuttal cash working capital lead/lag study calculation?

A. The Company states that its accumulated depreciation account will be under-funded by 38.3 days worth of depreciation expense and proposes that depreciation expense must be included in the lead/lag study.

Q. Does RUCO agree that a non-cash expense such as depreciation & amortization expense be included in a cash working capital lead/lag study calculation?

A. No. A company's cash working capital requirement is the amount of cash the company must have on hand to cover expenses that must be paid before revenues are available (received) to make those expense payments. Depreciation and amortization is not a cash account and should not be included in the calculation of cash working capital.

Q. Has the Commission disallowed depreciation and amortization expense in cash working capital calculations in the past?

A. Yes. Commission Decision No. 59079, dated May 5, 1995, which was also for Paradise Valley Water Company, disallowed depreciation and amortization expense in the calculation of cash working capital requirements. The Commission gave the following reason for disallowing non-cash accounts to be included in cash working capital calculations:

> As we have stated in numerous other decisions, the calculation is for "cash working capital" and not "cash and non-cash working capital".

Q. Please address the second of these items; the Company's inclusion of the cost associated with equity in its cash working capital calculation in the Company's rebuttal testimony.

A. The Company states, "The cost associated with equity is as much a cost of providing service as the cost associated with debt, and the Company should be compensated for its implicit additional investment..."

Q. Does RUCO agree with the Company that it should be compensated for the cost associated with equity?

A. The Company has not had a cost associated with equity since 2003. Company witness Reiker stated in his direct testimony on page 15, line 10 – 11, the following:

> In fact, Arizona-American Water has not paid a dividend since 2003 and will not pay one in 2006.

Q. How does RUCO characterize a return on equity in AZ-AM's cash working capital calculation?

A. In this case, RUCO characterizes the Company's cost associated with equity as a non-cash item as described above in my discussion on disallowing the non-cash account of depreciation.

Q. Please discuss the third of these items; RUCO's reason for removing the cost associated with purchased water in the Company's rate application from the cash working capital calculation.

A. Staff disallowed the purchased water expense in their direct testimony. In the Company's rebuttal testimony, the Company agreed with Staff's adjustment. Therefore, the purchased water expense was not included in the Company's revised cash working capital calculation in its rebuttal testimony. RUCO concurs with both Staff and AZ-AM that it should be removed.

Q. Please discuss the fourth of these items?

A. In the Company's original cash working capital lead/lag study calculation as filed in its rate application, that study had an account titled "Goods and Services Expense." In the Company's revised cash working capital calculation, AZ-AM broke the "Goods and Services" account into several sub-accounts (i.e., Management Fees, Chemicals Expense, etc.), which eliminated the need for a "Goods and Services" account.

The remaining three accounts were either added to the revised study or sub-divided from an account previously listed in the original cash working capital study.

Q. Please discuss the last item you have identified.

A. These three account items are titled 1) group insurance, 2) pension expense, and 3) rent expense. All three items had revised lead/lag days in the Company's revised cash working capital study as compared to the original study in the Company's direct testimony.

Q. Does RUCO agree with all the additions, changes, modifications, and revisions to the cash working capital lead/lag study the Company now proposes in its rebuttal testimony?

A. No. RUCO spent a considerable amount of time analyzing and reviewing the Company's original working capital calculation study that it filed in its direct testimony. Other than the adjustments and reconciliation inaccuracies that RUCO made and pointed out, RUCO believes the original study should not be changed at this stage of the proceeding. After a thorough analysis of the original study, RUCO determined the original study to be reasonable.

Q. Please address the areas where RUCO found the new and revised study to be problematic.

A. The Company's revised cash working capital study added a new line item account titled "Management Fees." Paradise Valley is required to prepay a month in advance for certain corporate management expenses, which is based on an estimate from last month's actual. The true up of the actual

costs occurs in the following month. For the most part, the Company over-estimated its management fees. These over-estimates ranged from $250,000 to more than $1,000,000. This raises a concern that needs to be carefully analyzed because these prepaid expenses generate expense leads that gives an impression of large cash working capital requirements. Ratepayers should not be required to fund working capital that is necessitated by the fact the Company has over-estimated its expenses.

Q. Did the Company revise the income tax lag days from the original 60 days utilized in the original cash working capital lead/lag study?

A. Yes. The Company revised the 60 days income tax lag to 37 days.

Q. Does RUCO agree with the income tax lag adjustment made by the Company from 60 to 37 days?

A. Yes. Internal Revenue Code ("IRC") recently made a change to the corporate tax law. IRC 6655(d)(1)(B)(I) requires a corporation to pay 100 percent of any taxes due by the fourth quarter. RUCO agrees with the Company's adjustment to 37 days for income tax lag. I have reflected that change on Surrebuttal Schedule TJC-5, page 3 of 6.

Q. What amount is RUCO recommending for cash working capital and total working capital?

A. RUCO recommends ($229,565) for cash working capital and ($221,791) for total working capital.

RATE DESIGN

Q. Does Company witness, Mr. Kozoman, address RUCO's rate design?

A. Yes. Mr. Kozoman states that, "RUCO's rate design attempts to deliver a conservation rate design, but because of the rate reduction, it fails."

Q. Does RUCO agree with Mr. Kozoman's characterization of RUCO's rate design failing to deliver a conservation message?

A. No. I believe the rate design mirrors what the Company has proposed with the exception of RUCO's analysis requiring a rate decrease. My proposed rate design consists of three inverted tiers, as the Company's rate design. It appears Mr. Kozoman would have companies that are over-earning, as PV Water is, receive rate increases just so a conservation message can be sent.

Q. Does this conclude your surrebuttal testimony?

A. Yes.

ARIZONA-AMERICAN WATER COMPANY
PARADISE VALLEY DISTRICT
TEST YEAR ENDED DECEMBER 10, 2004
RATE BASE

DOCKET NO. W-01303-05-0405
SCHEDULE TJC-1
SURREBUTTAL

LINE NO.	DESCRIPTION	(A) COMPANY PROFORMA	(B) RUCO ADJUSTMENTS	(C) RUCO ADJUSTED
1	GROSS UTILITY PLANT IN SERVICE	$ 29,478,687	$ (128,187)	$ 29,350,500
2	NET REG. ASSET - AFUDC DEBT	950	-	950
3	CONSTRUCTION WORK IN PROGRESS	-	-	-
4	LESS: ACCUMULATED DEPRECIATION	9,913,869	-	9,913,869
5	NET UTILITY PLANT IN SERVICE	$ 19,565,768	$ (128,187)	$ 19,437,581
	LESS:			
6	CUSTOMERS' ADVANCES FOR CONSTRUCTION	635,912	-	635,912
7	CONTRIBUTIONS IN AID OF CONSTRUCTION	6,486,559	-	6,486,559
8	DEFERRED TAXES	1,139,528	-	1,139,528
9	DEFERRED PENSION COSTS NET OF TAXES	-	-	-
10	CUSTOMER DEPOSITS	3,500	-	3,500
	ADD:			
11	GAIN ON SALE OF LAND	-	(392,248)	(392,248)
12	ALLOWANCE FOR WORKING CAPITAL	350,946	(221,791)	129,155
13	TOTAL	$ 11,651,215	$ (742,226)	$ 10,908,989

REFERENCES:
Col. (A): Company Schedule B-2, page 1 of 1, Col. (b)
Col. (B): TJC-2, ADJ #1 thru ADJ #4
Col. (C): Col. (A) + Col. (B)

ARIZONA AMERICAN WATER COMPANY
PARADISE VALLEY DISTRICT
TEST YEAR ENDED DECEMBER 10, 2004
RATE BASE ADJUSTMENT #4 - WORKING CAPITAL
LEAD/LAG DAY SUMMARY

DOCKET NO. W-01303-05-0405
SCHEDULE TJC-5, PAGE 3 OF 6
SURREBUTTAL

LINE NO.	DESCRIPTION	(A) EXPENSE PER COMPANY	(B) EXPENSE PER APPLIC.	(C) RUCO ADJUSTMENTS	(D) RUCO ADJUSTED	(E) (LEAD)/LAG DAYS	(F) DOLLAR DAYS
1	PURCHASED WATER	$ 38,660	$ -	$ -	$ -	-	$ -
2	PURCHASED POWER	616,955	812,312	-	812,312	38.1	30,961,085
3	COMPANY LABOR	605,247	551,393	7,822	559,215	12.0	6,710,575
4	GOODS AND SERVICES	1,575,773	1,451,276	22,202	1,473,478	30.0	44,204,336
5	MATERIALS ISSUED FROM STORES	-	-	-	-	-	-
6	PBOP	25,384	87,862	-	87,862	-	-
7	GROUP LIFE INSURANCE	131,484	111,869	-	111,869	(6.5)	(727,149)
8	INJURIES DAMAGES & OTHER INS. PROVISIONS	-	-	-	-	-	-
9	PROVISIONS FOR UNCOLLECTIBLES	-	-	-	-	-	-
10	FRANCHISE REQUIREMENTS	-	-	-	-	-	-
11	FEDERAL INCOME TAX	260,000	322,999	(71,319)	251,680	37.0	9,312,172
12	FICA	49,370	42,168	(9,114)	33,054	12.0	396,645
13	FUTA	608	4,410	(2,664)	1,746	73.5	128,346
14	STATE CORPORATION FRANCHISE TAX	-	-	-	-	-	-
15	STATE UNEMPLOYMENT INSURANCE TAX	775	7,993	(4,828)	3,165	76.0	240,540
16	STATE AUTOMOBILE LICENSE FEES	-	-	-	-	-	-
17	CAL-AM INVOICES	-	-	-	-	-	-
18	PROPERTY TAXES	213,000	213,241	-	213,241	213.5	45,526,954
19	SERVICE COMPANY	-	-	-	-	(15.0)	-
20	RENT	66,063	43,943	13,408	57,351	(8.5)	(487,484)
21	OTHER	28,467	28,467	-	28,467	30.0	854,010
22	PENSION	35,783	33,772	674	34,446	-	-
23	INTEREST	-	-	374,178	374,178	107.2	40,113,522
24	TOTAL OPERATING EXPENSES	$ 3,647,569	$ 3,711,705	$ 330,359	$ 4,042,064		$ 177,233,553
25	EXPENSE LAG					43.8	
26	REVENUE LAG					38.30	
27	NET LAG					(5.5)	
28	CASH WORKING CAPITAL	$ (61,432)					

REFERENCES:
Col. A, Line 28 = (Col. C, Line 24/365) X Col. D, Line 27
Col. B: RLM-2
Col. C = Col. A + Col. B
Col. D, Line 25 = Col. E, Line 24 / Col. C, Line 24
Col. D, Line 26 -See RUCO Schedule TJC-5, Page 5 of 5 - Revenue Lag Calculation
Col. D, Line 27 = Col. D, Line 26 - Col. D, Line 25

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BEFORE THE ARIZONA CORPORATION COMMISSION

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R-9

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COMMISSIONER

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS PARADISE VALLEY WATER DISTRICT.	Docket No. W-01303A-05-0405
IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY FOR APPROVAL OF AN AGREEMENT WITH THE PARADISE VALLEY COUNTRY CLUB.	Docket No. W-01303A-05-0910

RUCO'S CLOSING BRIEF

INTRODUCTION

The Residential Utility Consumer Office ("RUCO") submits this Brief in support of its position that the Arizona Corporation Commission ("Commission") should authorize a rate decrease of ($436,352) for the Paradise Valley Water District of the Arizona American Water Company ("Arizona American" or "Company"). While there are several issues in dispute and will be addressed in this Brief, RUCO's primary contention is that the Commission should reject the joint proposal of Staff and the Company to include in ratebase discretionary improvements. These discretionary expenditures, which concern fire flow improvements and

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results in an estimate of $214,895, a difference of $52,702 from the actual expense. Id. This evidence clearly demonstrates that ADOR's method more closely approximates the Company's actual post-test year property tax bill than does the Company and Staff methodology. The Commission should adopt RUCO's approach and recognize the ADOR methodology as the best measure of actual property tax expense.

The Company relies on previous Commission Decisions which conclude that RUCO's methodology, and hence the ADOR methodology, unreasonably understates property tax expense. A-15 at 40. With all due respect, the evidence has shown and continues to show, as in this case, that the ADOR methodology is the most accurate. In this case, had the Commission previously approved the Company's methodology, property taxes for 2005 would have been overstated by $51,048 which would have allowed the Company to over earn for several years until that level of tax was actually assessed. Id. at 24. The Commission should adopt the ADOR methodology.

RELIEF REQUESTED: RUCO recommends the Commission adopt its net adjustment to property tax expense of ($44,561) which results in a proper accounting for the MRTF property taxes and utilizes the ADOR formula to compute the taxes. R-6 at 17, RUCO Post Hearing Schedules, RLM -4, p. 2.

6) WORKING CAPITAL

A company's working capital requirement represents the amount of cash the company must have on hand to cover any differences in the time period between when revenues are received and expenses must be paid. R-7 at 9. The most accurate way to measure the working capital requirement is via a lead/lag study. Id. The lead/lag study measures the actual lead and lag days attributable to the individual revenues and expenses. Id.

The Company originally computed its cash working capital requirement from a lead/lag study that it performed. Based on its lead/lag study, the Company originally requested working capital in the amount of $350,946. Id. RUCO spent a considerable amount of time analyzing and reviewing the Company's original lead/lag study. R-8 at 13. Other than the adjustments and reconciliation inaccuracies that RUCO made and pointed out[22], RUCO believes that the original study was reasonable and should not have been changed. Id.

The Company, in its rebuttal testimony, agreed with some of RUCO's adjustments and proposed a revised cash working capital lead/lag study. A-15 at 16. The Company's revised cash working capital request was $115,182. Id. at 19. For the most part, RUCO agreed with the Company's revised lead/lag study with the following exceptions. The Company added back into its lead/lag two non-cash working capital items – return on equity and depreciation and amortization expense. A-15 at 18. The Company also added in a new line item entitled "Management Fees." Id. By excluding these items from the revised lead/lag study, RUCO's recommendation for cash working capital was, and still is ($229,565). RUCO recommends ($221,791) for total working capital. R-8 at 15.

The reason for the great disparity between RUCO and the Company's rebuttal working capital recommendations is the Company's choice to include non-cash items. The Commission's position on including non-cash items in working capital calculations is well settled – the Commission does not allow it. In a previous rate case, the Commission disallowed the Company's request to include depreciation and amortization expense in its calculation of cash working capital. (Decision No. 59079, dated May 5, 1995) The Commission stated:

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[22] RUCO's original recommended working capital allowance was ($231,837). R-7 at 9.

> As we have stated in numerous other decisions, the calculation is for "cash working capital" and not "cash and non-cash working capital".

Decision No. 59079 at 7 (emphasis added).

Perhaps sensing that its working capital recommendation was also ill-fated, the Company changed its position for a second time at the hearing. Transcript at 67. The Company joined in Staff's position recommending a zero working capital allowance. Id. Staff evaluated the Company's lead/lag study, determined that property taxes should have a negative effect, not a positive one as the Company determined on its working capital requirements[23]. S-1 at 6. Staff made its recommendation despite noting that most sophisticated companies, like the subject Company, have "negative" working capital requirements. Id. Staff cites to nothing that distinguishes the Company from most other sophisticated utilities. The Commission should reject the joint recommendation of the Company and Staff.

Staff's recommendation appears to have no in-depth data-based connection to this Company's actual working capital needs. A detailed review of the Company's lead/lag study taking into account only cash items results in a negative working capital requirement which, as Staff concludes, is normally the case for utilities like the Company. The Commission should rely on the hard data provided in the lead/lag study to measure the Company's working capital requirements. RUCO's recommended cash working capital adjusts the Company's lead/lag study to include only those items the Commission has allowed in the past.

RELIEF REQUESTED: The Commission should approve RUCO's recommendation of ($61,432) for cash working capital and ($129,155) for total working capital. R-8 at 15.

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[23] Staff noted that "other errors" also played a role in its recommendation. S-1 at 6.

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission
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R-10

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS PARADISE VALLEY WATER DISTRICT.	DOCKET NO. W-01303A-05-0405
IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY FOR APPROVAL OF AN AGREEMENT WITH THE PARADISE VALLEY COUNTRY CLUB.	DOCKET NO. W-01303A-05-0910 DECISION NO. 68858 **OPINION AND ORDER**

DATES OF HEARING: March 27, 28, 29, and April 3, 2006

PLACE OF HEARING: Phoenix, Arizona

ADMINISTRATIVE LAW JUDGE: Teena Wolfe

APPEARANCES: Mr. Craig A. Marks, Corporate Counsel, on behalf of Arizona-American Water Company;

Mr. Daniel Pozefsky, Attorney, on behalf of the Residential Utility Consumer Office; and

Ms. Maureen A. Scott, Senior Staff Counsel, and Mr. Keith A. Layton, Attorney, Legal Division, on behalf of the Utilities Division of the Arizona Corporation Commission.

EXHIBIT R 10

481, 483). Staff states that the proposed surcredit mechanism appropriately recognizes the net tax effect of the gain on the revenue requirement, because as revenue is reduced, the surcredit is amortized, and there would be no tax impact (Tr. at 484, 486).

With the three year amortization period proposed by Staff, the surcredit mechanism proposed by the Company for a 50/50 sharing of the post-tax gain on the land sale is a more reasonable and appropriate means of sharing the gain than that proposed by RUCO, and provides a fair resolution for both ratepayers and the Company.

C. **Cash Working Capital**

Arizona-American performed a lead/lag study, and initially requested working capital in the amount of $350,946, which included $160,359 cash working capital. The Company subsequently proposed a revised cash working capital lead/lag study, and based on that study revised its proposed cash working capital to $115,182 (Rebuttal Testimony of Joel M. Reiker, Hearing Exh. A-15 at 16-19), but ultimately accepted Staff's recommendation to completely eliminate a cash working capital allowance, for total working capital of $190,587.

RUCO recommends a negative cash working capital allowance of ($61,432), for total working capital of $129,155. RUCO states that the most accurate way to measure a company's cash working capital requirement, or the amount of cash a company must have on hand to cover any differences in the time period between when revenues are received and expenses must be paid, is via a lead/lag study (Direct Testimony of Timothy J. Coley, Hearing Exh. R-7 at 9). RUCO states that it analyzed and reviewed the Company's initial and revised lead/lag studies, and that its proposed ($61,432) cash working capital recommendation results from adjusting the Company's lead/lag study to include only those items the Commission has allowed in the past (RUCO Br. at 25). RUCO contends that the reason for the disparity between the cash working capital calculations of the Company and RUCO is that the Company's calculations include non-cash items (*id.* at 24).

We agree with RUCO that a lead/lag study is the most accurate way to determine a working capital requirement, and that a lead/lag study is appropriate for a company of Arizona-American's size. While the Company takes issue with items in RUCO's lead/lag study, the Company proposed no alternative cash working capital allowance based on a lead/lag study (*see* Company Reply Br. at 5-

6). Because RUCO's recommendation is based on a lead/lag study, we find its recommendation more reasonable than the alternative proposals of the Company and Staff, and will adopt it, for total working capital of $129,155.

III. ORIGINAL COST RATE BASE

The Company's proposed adjusted test year balances for the District, for CIAC of $6,486,559; AIAC of $635,912; customer deposits of $3,500, and deferred income tax credits of $1,139,528 were not contested and will be adopted, for a total deduction from net plant in service of $8,265,499. As discussed above, we adopt adjusted test year working capital of $129,155, which is added to net plant in service for an OCRB of $14,351,471.

IV. FAIR VALUE RATE BASE

The Company did not propose a reconstruction cost new less depreciation rate base for the District, as is allowed by A.A.C. R14-2-103 (Direct Testimony of John A. Chelus, Hearing Exh. S-6 at 6). Therefore, the District's fair value rate base ("FVRB") is the same as its OCRB, or $14,351,471.

V. OPERATING INCOME

The Company proposed adjusted test year operating income of $866,762 (*see* Company Br. at 6). Staff recommends $886,714, and RUCO recommends $1,035,400.

A. Rate Case Expense

The parties agree on a three-year amortization of rate case expense but disagree on the amount of recoverable expense. The Company is requesting rate case expense of $301,832. RUCO proposes rate case expense of $73,179, and Staff proposes $208,700.

The Company originally estimated its rate case expense to be $282,841 (Direct Testimony of Stacey A. Fulter, Hearing Exh. A-22 at 3). This estimate included a 50/50 sharing between ratepayers and investors of its initial estimated costs of $158,766 for the Company's cost of capital witnesses (*id.*). The Company subsequently updated its estimate, and no longer proposes the 50/50 sharing of the $158,267 costs for its cost of capital witnesses (Rebuttal Testimony of Thomas Broderick, Hearing Exh. A-17 at 2 and Exh.TMB-1). The Company argues that its requested rate case expense is reasonable based on the complex issues in this case, the number of testimony

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission
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R-11

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE FOR THE MOHAVE WATER AND WASTEWATER DISTRICTS	DOCKET NO. WS-01303A-06-0014 DECISION NO. 69440 **OPINION AND ORDER**

DATE OF HEARING:	November 14, 15, and 16, 2006
PLACE OF HEARING:	Phoenix, Arizona
ADMINISTRATIVE LAW JUDGE:	Dwight D. Nodes
IN ATTENDANCE:	Mike Gleason, Commissioner Kristin K. Mayes, Commissioner Barry Wong, Commissioner
APPEARANCES:	Mr. Craig A. Marks, CRAIG A. MARKS, P.L.C., on behalf of Arizona-American Water Company; Mr. Daniel Pozefsky, on behalf of the Residential Utility Consumer Office; and Ms. Janice Alward, Mr. Keith Layton, and Mr. Charles Hains, Staff Attorneys, Legal Division, on behalf of the Utilities Division of the Arizona Corporation Commission.

BY THE COMMISSION:

On January 13, 2006, Arizona-American Water Company ("Arizona-American" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a determination of the current fair value of its utility plant and property and for increases in its rates and charges for utility service based thereon for the Mohave Water and Wastewater Districts.

On February 13, 2006, the Commission's Utilities Division ("Staff") filed a letter of insufficiency, and attached a list of deficiencies that Staff indicated needed to be remedied.

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proposal was a moving target that, at a minimum, did not afford the opposing parties adequate time to evaluate the merits of the adjustment. We do not believe the lateness of the Company's filing afforded Staff and RUCO a fair opportunity to analyze the new proposal or to adequately prepare a response to the information. Although Staff advocates adoption of the Company's original position, Staff's recommendation fails to give any recognition to the Company's attempt to put ratepayers in the same position as they would have been had the Company not initially sought to recover any portion of the Citizens acquisition premium.

We will therefore adopt the Company's initial revised adjustment (as set forth in Ex. A-16), resulting in a deferred tax liability of $85,342 for Mohave Water and $5,273 for Mohave Wastewater. We believe that this result balances the need to reflect an adjustment due to the Company's change of position while, at the same time, affording the opposing parties a semblance of due process with respect to being able to prepare for and respond to the revised schedules presented by the Company on the first day of the hearing.

Working Capital

As described by RUCO witness Coley, in general terms the working capital requirement represents the amount of cash a company must have on hand to cover differences in the time period between when revenues are received and when expenses must be paid (RUCO Ex. 5, at 17). A lead/lag study is considered the most accurate method of determining working capital requirements, and Arizona-American presented such a study in this proceeding.

Staff accepted the Company's proposed working capital requirement, but RUCO disputes one element of the Company's working capital proposal. Mr. Coley testified that the Company's cost of equity should be removed from its lead/lag study because Arizona-American has not distributed any dividends since 2003 and has no plan to reinstitute dividend payments in the near future. Therefore, RUCO claims there is no cash transaction that would create the need for an equity component for working capital (RUCO Ex. 6, at 7-9).

Arizona-American contends that RUCO's recommendation would be improper ratemaking because the Commission must set rates to include a return to investors, including equity investors. The Company argues that although it has been unable to actually pay dividends due to disappointing

results, that inability to pay dividends is not relevant for purposes of setting prospective rates. The Company claims that RUCO's inclusion of interest expense means that it must also include the other return component of equity expense for consistency.

We agree with RUCO that the equity component should be removed from the working capital requirement determined in this case given the Company's inability to pay a dividend in recent years. The lead/lag study should reflect the Company's actual cash working capital requirements, and the possibility that dividend payments will resume at some undetermined point in the future does not justify inclusion in the lead/lag study.

Summary of Rate Base Adjustments

Based on the foregoing discussion, we adopt an adjusted OCRB of $9,042,619 for Arizona-American's Mohave Water Division and $435,791 for the Mohave Wastewater Division. The Company did not request a reconstruction cost new rate base, so we adopt OCRB as the Company's FVRB in this proceeding.

	Commission Approved (Water)
OCRB	
Plant in Service	$25,252,345
Less: Accumulated Depreciation	10,906,931
Net Plant in Service	14,345,424
Deductions:	
AIAC	1,368,485
Net CIAC	32,855
Imputed Regulatory Advances	1,983,163
Imputed Regulatory Contributions	1,880,115
Customer Deposits	13,080
ADIT	85,342
Additions:	
Working Capital	60,235
Total OCRB	$9,042,619

	Commission Approved (Wastewater)
OCRB	
Plant in Service	$2,684,760
Less: Accumulated Depreciation	89,125
Net Plant in Service	2,595,635
Deductions:	
AIAC	1,086,267

ARIZONA WATER COMPANY'S RESPONSES TO RESIDENTIAL UTILITY CONSUMER OFFICE'S FIRST SET OF DATA REQUESTS TO ARIZONA WATER COMPANY'S EASTERN, WESTERN, AND NORTHERN GROUPS RATE APPLICATION DOCKET NO. W-01445A-08-0440

R-12

February 19, 2009

Company Response Number: 1.15.

Q. <u>Direct Plant</u> - Please provide a schedule that includes the following information:

a. Plant balance, by account, authorized in the most recent rate case (include the Decision number authorizing the plant balances);

b. Accumulated Depreciation balance by account authorized in the most recent rate case (include the Decision number authorizing the accumulated depreciation balances);

c. Plant additions for each year since the prior test year through 2007;

d. Plant retirements for each year since the prior test year through 2007;

e. Identify any other debits or credits affecting the accumulated depreciation balance (i.e. salvage, removal costs, etc.); and

f. Reconcile items a through e with the per books plant balances for the test year in the current case.

A. a. Please see the electronic attachment \Plant Reconciliation.xls\ provided in the folder labeled \RUCO 1.15\.

b. The Company does not maintain accumulated depreciation balances by asset category or plant account. Accumulated depreciation balance by system is provided in the attachment referenced in part a above.

c. Please see the attachment referenced in part a above.

d. Please see the attachment referenced in part a above.

e. Please see the attachment referenced in part a above.

f. Please see the attachment referenced in part a above.

EXHIBIT
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Company

Arizona Water Company
Test Year Ended December 31, 2007
PLANT RECONCILIATION - CASA GRANDE

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To 11/30/05	Depreciation Rate Dec. 68302 12/01/05 To Present	2003 12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	2003 Balance 12/31/2003
1	301	Organization	0.00%	0.00%	-		-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.		3,018		3,018
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.		-		-
4	310.1	Water Rights	0.00%	0.00%	67,192		67,192
5	310.3	Other Source of Supply Land	0.00%	0.00%	93,865		93,865
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.		-		-
7	314	Wells	2.59%	3.13%	2,711,417		2,711,417
8	320	Pumping Plant Land	0.00%	0.00%	6,013		6,013
9	321	Pumping Plant Structures and Improvements	2.59%	2.86%	91,607		91,607
10	325	Electric Pumping Equipment	2.59%	5.88%	2,394,587		2,394,587
11	328	Gas Engine Equipment	2.59%	4.00%	-		-
12	330	Water Treatment Plant Land	0.00%	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	2.50%	70,538		70,538
14	332	Water Treatment Equipment	2.59%	2.86%	133,666		133,666
15	340	Transmission and Distribution Land	0.00%	0.00%	64,886		64,886
16	342	Storage Tanks	2.59%	2.00%	1,699,748		1,699,748
17	343	Transmission and Distribution Mains	2.59%	1.79%	25,581,627		25,581,627
18	344	Fire Sprinkler Taps	2.59%	2.00%	849,998		849,998
19	345	Services	2.59%	2.38%	8,672,173		8,672,173
20	346	Meters	2.59%	4.55%	1,205,217		1,205,217
21	348	Hydrants	2.59%	1.82%	2,390,623		2,390,623
22	389	General Plant Land	0.00%	0.00%	8,772		8,772
23	390	General Plant Structures	2.59%	2.50%	368,806		368,806
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.		-		-
25	391	Office Furniture and Equipment	2.59%	6.67%	161,506		161,506
26	393	Warehouse Equipment	2.59%	5.00%	12,913		12,913
27	394	Tools, Shop and Garage Equipment	2.59%	4.00%	130,579		130,579
28	395	Laboratory Equipment	2.59%	5.00%	5,253		5,253
29	396	Power Operated Equipment	2.59%	6.67%	59,810		59,810
30	397	Communication Equipment	2.59%	6.67%	376,139		376,139
31	398	Miscellaneous Equipment	2.59%	3.33%	46,069		46,069
32		Total			47,206,022	-	47,206,022
33		Post Test Year Plant (PTYP)			142,896	(142,896)	-
34		Total Plant in Service - Adjusted			47,348,918	(142,896)	47,206,022
35							
36		Reserve Deficiency Accrual - Dec. 38733					
37							
38		Net (Salvage)/Cost of Removal					
39		Accumulated Depreciation - Actual			(12,087,978)		(12,087,978)
40		Accumulated Depreciation - PTYP			15,761	(15,761)	-
41		Total Accumulated Depreciation - Calculated			(12,072,217)	(15,761)	(12,087,978)
42		Accumulated Depreciation Per General Ledger - Accts. 108.1, 108.2, 108.3, & 111					(12,087,978)
43		Unreconciled Difference					-
44		Percent					0.00%
45							
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56	Notes						
57	Acct. 302 - Franchises amortized over 25 years.						
58	Acct. 303 - Other intangibles amortized over 15 & 20 Years.						
59	Acct. 310.4 - Wells - Other amortized over 24 years.						
60	Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.						

Arizona Water Company
Test Year Ended December 31, 2007
PLANT RECONCILIATION - CASA GRANDE

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To 11/30/05	Depreciation Rate Dec. 68302 12/01/05 To Present	2004 Additions	2004 Retirements	2004 Adjustments	2004 Depreciation Expense	2004 Balance 12/31/2004
1	301	Organization	0.00%	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.					Fully Amortized	3,018
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.		8,111			-	8,111
4	310.1	Water Rights	0.00%	0.00%	12,889			-	80,081
5	310.3	Other Source of Supply Land	0.00%	0.00%	40,000			-	133,865
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.					-	-
7	314	Wells	2.59%	3.13%	540,017	(35,845)		76,755	3,215,589
8	320	Pumping Plant Land	0.00%	0.00%				-	6,013
9	321	Pumping Plant Structures and Improvements	2.59%	2.86%	17,406			2,598	109,013
10	325	Electric Pumping Equipment	2.59%	5.88%	423,881	(112,095)		66,057	2,706,373
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%	2.50%	7,047			1,918	77,585
14	332	Water Treatment Equipment	2.59%	2.86%	44,164	(60,477)		3,251	117,353
15	340	Transmission and Distribution Land	0.00%	0.00%				-	64,886
16	342	Storage Tanks	2.59%	2.00%	35	(544)		44,017	1,699,239
17	343	Transmission and Distribution Mains	2.59%	1.79%	2,876,713	(7,084)	(22,725)	699,432	28,428,531
18	344	Fire Sprinkler Taps	2.59%	2.00%	184,044			24,398	1,034,042
19	345	Services	2.59%	2.38%	1,421,116	(23,380)		242,710	10,069,909
20	346	Meters	2.59%	4.55%	154,387	(4,895)		33,151	1,354,709
21	348	Hydrants	2.59%	1.82%	396,254	(5,195)		66,981	2,781,682
22	389	General Plant Land	0.00%	0.00%				-	8,772
23	390	General Plant Structures	2.59%	2.50%	9,521			9,675	378,327
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.					-	-
25	391	Office Furniture and Equipment	2.59%	6.67%	13,253	(1,129)		4,340	173,630
26	393	Warehouse Equipment	2.59%	5.00%	789			345	13,702
27	394	Tools, Shop and Garage Equipment	2.59%	4.00%	8,318			3,490	138,897
28	395	Laboratory Equipment	2.59%	5.00%	2,967			174	8,220
29	396	Power Operated Equipment	2.59%	6.67%	1,020			1,562	60,830
30	397	Communication Equipment	2.59%	6.67%	30,787	(25,208)		9,814	381,718
31	398	Miscellaneous Equipment	2.59%	3.33%	1,654			1,215	47,723
32		Total			6,194,373	(275,852)	(22,725)	1,291,884	53,101,818
33		Post Test Year Plant (PTYP)							
34		Total Plant in Service - Adjusted							53,101,818
35									
36		Reserve Deficiency Accrual - Dec. 38733						(912)	
37								-	
38		Net (Salvage)/Cost of Removal						1,297	
39		Accumulated Depreciation - Actual						(13,103,625)	(13,103,625)
40		Accumulated Depreciation - PTYP						-	-
41		Total Accumulated Depreciation - Calculated						(13,103,625)	(13,103,625)
42		Accumulated Depreciation Per General Ledger - Accts. 108.1, 108.2, 108.3, & 111							(13,103,624)
43		Unreconciled Difference							1
44		Percent							0.00%
45									
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56	Notes								
57	Acct. 302 - Franchises amortized over 25 years.								
58	Acct. 303 - Other intangibles amortized over 15 & 20 Years.								
59	Acct. 310.4 - Wells - Other amortized over 24 years.								
60	Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.								

Arizona Water Company
Test Year Ended December 31, 2007
PLANT RECONCILIATION - CASA GRANDE

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To 11/30/05	Depreciation Rate Dec. 68302 12/01/05 To Present	2005 Additions	2005 Retirements	2005 Adjustments	2005 Depreciation Expense	2005 Balance 12/31/2005
1	301	Organization	0.00%	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.		62,167			621	65,185
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.		165,764			-	173,875
4	310.1	Water Rights	0.00%	0.00%	23,200			-	103,281
5	310.3	Other Source of Supply Land	0.00%	0.00%	36,500			-	170,365
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.					-	-
7	314	Wells	2.59%	3.13%	20,444			85,000	3,236,034
8	320	Pumping Plant Land	0.00%	0.00%				-	6,013
9	321	Pumping Plant Structures and Improvements	2.59%	2.86%	17,312			3,074	126,325
10	325	Electric Pumping Equipment	2.59%	5.88%	545,450	(182,851)		82,708	3,068,971
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%	680,718			-	680,718
13	331	Water Treatment Structures and Improvements	2.59%	2.50%	2,364			2,034	79,950
14	332	Water Treatment Equipment	2.59%	2.86%	29,103			3,446	146,456
15	340	Transmission and Distribution Land	0.00%	0.00%				-	64,886
16	342	Storage Tanks	2.59%	2.00%	4,491			43,232	1,703,729
17	343	Transmission and Distribution Mains	2.59%	1.79%	5,553,217	(560)		787,403	33,981,188
18	344	Fire Sprinkler Taps	2.59%	2.00%	89,126			27,406	1,123,169
19	345	Services	2.59%	2.38%	2,411,112	(35,520)		289,604	12,445,501
20	346	Meters	2.59%	4.55%	339,450	(3,423)		41,926	1,690,736
21	348	Hydrants	2.59%	1.82%	977,396	(1,485)		82,586	3,757,593
22	389	General Plant Land	0.00%	0.00%				-	8,772
23	390	General Plant Structures	2.59%	2.50%				9,770	378,327
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.					-	-
25	391	Office Furniture and Equipment	2.59%	6.67%	13,644			5,287	187,274
26	393	Warehouse Equipment	2.59%	5.00%				382	13,702
27	394	Tools, Shop and Garage Equipment	2.59%	4.00%	29,907	(3,011)		4,125	165,793
28	395	Laboratory Equipment	2.59%	5.00%	13,055			412	21,276
29	396	Power Operated Equipment	2.59%	6.67%	3,973	(571)		1,832	64,232
30	397	Communication Equipment	2.59%	6.67%	25,123			11,552	406,841
31	398	Miscellaneous Equipment	2.59%	3.33%	5,011			1,332	52,734
32		Total			11,048,526	(227,421)	-	1,483,732	63,922,923
33		Post Test Year Plant (PTYP)							
34		Total Plant in Service - Adjusted							63,922,923
35									
36		Reserve Deficiency Accrual - Dec. 38733						(912)	
37									
38		Net (Salvage)/Cost of Removal						100	
39		Accumulated Depreciation - Actual						(14,360,748)	(14,360,748)
40		Accumulated Depreciation - PTYP						-	-
41		Total Accumulated Depreciation - Calculated						(14,360,748)	(14,360,748)
42		Accumulated Depreciation Per General Ledger - Accts. 108.1, 108.2, 108.3, & 111							(14,360,747)
43		Unreconciled Difference							1
44		Percent							0.00%
45									
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56		Notes							
57		Acct. 302 - Franchises amortized over 25 years.							
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.							
59		Acct. 310.4 - Wells - Other amortized over 24 years.							
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.							

Arizona Water Company
Test Year Ended December 31, 2007
PLANT RECONCILIATION - CASA GRANDE

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To 11/30/05	Depreciation Rate Dec. 68302 12/01/05 To Present	2006 Additions	2006 Retirements	2006 Adjustments	2006 Depreciation Expense	2006 Balance 12/31/2006
1	301	Organization	0.00%	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.		190			2,615	65,375
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.		423,526			-	597,401
4	310.1	Water Rights	0.00%	0.00%	46,601			-	149,882
5	310.3	Other Source of Supply Land	0.00%	0.00%	35,519			-	205,884
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.					-	-
7	314	Wells	2.59%	3.13%	583,849			110,425	3,819,883
8	320	Pumping Plant Land	0.00%	0.00%				-	6,013
9	321	Pumping Plant Structures and Improvements	2.59%	2.86%				3,613	126,325
10	325	Electric Pumping Equipment	2.59%	5.88%	831,123	(313,915)		195,661	3,586,180
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	680,718
13	331	Water Treatment Structures and Improvements	2.59%	2.50%	5,834			2,072	85,784
14	332	Water Treatment Equipment	2.59%	2.86%	48,138			4,877	194,594
15	340	Transmission and Distribution Land	0.00%	0.00%				-	64,886
16	342	Storage Tanks	2.59%	2.00%	2,262			34,097	1,705,991
17	343	Transmission and Distribution Mains	2.59%	1.79%	2,619,052	(59,040)	(36,806)	630,846	36,504,394
18	344	Fire Sprinkler Taps	2.59%	2.00%	220,723			24,671	1,343,892
19	345	Services	2.59%	2.38%	1,625,353	(10,415)		315,421	14,060,439
20	346	Meters	2.59%	4.55%	270,632	(3,794)		82,999	1,957,573
21	348	Hydrants	2.59%	1.82%	367,257			71,730	4,124,850
22	389	General Plant Land	0.00%	0.00%				-	8,772
23	390	General Plant Structures	2.59%	2.50%	42,766			9,993	421,093
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.					-	-
25	391	Office Furniture and Equipment	2.59%	6.67%	12,431			12,906	199,705
26	393	Warehouse Equipment	2.59%	5.00%	1,487			722	15,189
27	394	Tools, Shop and Garage Equipment	2.59%	4.00%	38,613			7,404	204,405
28	395	Laboratory Equipment	2.59%	5.00%	6,299			1,221	27,575
29	396	Power Operated Equipment	2.59%	6.67%				4,284	64,232
30	397	Communication Equipment	2.59%	6.67%	22,174			27,876	429,015
31	398	Miscellaneous Equipment	2.59%	3.33%	2,899			1,804	55,633
32		Total			7,206,729	(387,164)	(36,806)	1,545,237	70,705,682
33		Post Test Year Plant (PTYP)							
34		Total Plant in Service - Adjusted							70,705,682
35									
36		Reserve Deficiency Accrual - Dec. 38733						-	
37									
38		Net (Salvage)/Cost of Removal						36,710	
39		Accumulated Depreciation - Actual						(15,482,111)	(15,482,111)
40		Accumulated Depreciation - PTYP						-	-
41		Total Accumulated Depreciation - Calculated						(15,482,111)	(15,482,111)
42		Accumulated Depreciation Per General Ledger - Accts. 108.1, 108.2, 108.3, & 111							(15,480,943)
43		Unreconciled Difference							1,168
44		Percent							-0.01%
45									
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56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Test Year Ended December 31, 2007
PLANT RECONCILIATION - CASA GRANDE

Line No.	Acct. No.	Description	Depreciation Rate: Dec. 58120 1/1/1993 To 11/30/05	Depreciation Rate: Dec. 68302 12/01/05 To Present	2007 Additions	2007 Retirements	2007 Adjustments	2007 Depreciation Expense	2007 Balance 12/31/2007
1	301	Organization	0.00%	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.					2,615	65,375
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.		487,935			98,268	1,085,336
4	310.1	Water Rights	0.00%	0.00%	87,655			-	237,537
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	205,884
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.					-	-
7	314	Wells	2.59%	3.13%	1,939,754	(1,200)		149,901	5,758,437
8	320	Pumping Plant Land	0.00%	0.00%				-	6,013
9	321	Pumping Plant Structures and Improvements	2.59%	2.86%	9,337			3,746	135,662
10	325	Electric Pumping Equipment	2.59%	5.88%	1,849,956	(22,395)		264,598	5,413,740
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	680,718
13	331	Water Treatment Structures and Improvements	2.59%	2.50%	836,572			12,602	922,356
14	332	Water Treatment Equipment	2.59%	2.86%	4,836,284			74,724	5,030,878
15	340	Transmission and Distribution Land	0.00%	0.00%				-	64,886
16	342	Storage Tanks	2.59%	2.00%	506,058			39,180	2,212,049
17	343	Transmission and Distribution Mains	2.59%	1.79%	14,146,100	(185,682)	(77,686)	777,679	50,387,125
18	344	Fire Sprinkler Taps	2.59%	2.00%	309,690	(589)		29,969	1,652,993
19	345	Services	2.59%	2.38%	3,146,707	(20,027)		371,846	17,187,119
20	346	Meters	2.59%	4.55%	281,112	(1,137)		95,439	2,237,548
21	348	Hydrants	2.59%	1.82%	2,570,297	(9,598)		98,375	6,685,549
22	389	General Plant Land	0.00%	0.00%				-	8,772
23	390	General Plant Structures	2.59%	2.50%	12,972			10,689	434,065
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.					-	-
25	391	Office Furniture and Equipment	2.59%	6.67%	16,631			13,875	216,336
26	393	Warehouse Equipment	2.59%	5.00%	369			769	15,559
27	394	Tools, Shop and Garage Equipment	2.59%	4.00%	32,848			8,833	237,253
28	395	Laboratory Equipment	2.59%	5.00%	11,106			1,656	38,681
29	396	Power Operated Equipment	2.59%	6.67%	18,250			4,893	82,482
30	397	Communication Equipment	2.59%	6.67%	56,632			30,504	485,646
31	398	Miscellaneous Equipment	2.59%	3.33%	5,486			1,944	61,119
32		Total			31,161,751	(240,628)	(77,686)	2,092,105	101,549,120
33		Post Test Year Plant (PTYP)							
34		Total Plant in Service - Adjusted							101,549,120
35									
36		Reserve Deficiency Accrual - Dec. 38733						-	
37									
38		Net (Salvage)/Cost of Removal						(11,912)	
39		Accumulated Depreciation - Actual						(17,345,500)	(17,345,500)
40		Accumulated Depreciation - PTYP						-	-
41		Total Accumulated Depreciation - Calculated						(17,345,500)	(17,345,500)
42		Accumulated Depreciation Per General Ledger - Accts. 108.1, 108.2, 108.3, & 111							(17,344,334)
43		Unreconciled Difference							1,166
44		Percent							-0.01%
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56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Casa Grande

Line No.		[A] Actual End of Test Year	[B] ADJ BLANK	[C] ADJ JMR-1	[D] ADJ JMR-2	[E] ADJ JMR-3	[F] ADJ JMR-4	[G] ADJ BLANK	[H] ADJ BLANK	[I] ADJ JMR-5	[J] ADJ JMR-6	[K] Total Pro Forma Adjustments	[L] Adjusted End of Test Year
1													
2	Plant Classification												
3	Intangible Plant	$ 1,973,405		$ -						$ 2,429		$ 2,429	$ 1,975,834
4	Source of Supply Plant	6,201,858		(88,173)						21		(88,151)	6,113,706
5	Pumping Plant	5,555,416		22,085						-		22,085	5,577,501
6	Water Treatment Plant	6,633,953		478,299						544		478,844	7,112,797
7	Transmission & Distribution Plant	80,427,268		67,125						1,610		68,736	80,496,004
8	General Plant	1,579,913		(1,464)						1,666,807		1,665,343	3,245,256
9	Total Gross Plant in Service	$ 102,371,813	$ -	$ 477,873	$ -	$ -	$ -	$ -	$ -	$ 1,671,411	$ -	$ 2,149,284	$ 104,521,097
10													
11	Less:												
12	Accumulated Depreciation	17,344,334		6,819						287,894		294,712	17,639,046
13	Net Plant in Service	$ 85,027,479	$ -	$ 471,055	$ -	$ -	$ -	$ -	$ -	$ 1,383,518	$ -	$ 1,854,572	$ 86,882,051
14													
15	Less:												
16	Advances in Aid of Construction	29,671,663										-	29,671,663
17	Contributions in Aid of Construction:												
18	Gross	14,050,085										-	14,050,085
19	Accumulated Amortization	(2,242,757)										-	(2,242,757)
20	Net Contributions in Aid of Construction	$ 11,807,328	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,807,328
21													
22	Deferred Income Tax	5,088,308										-	5,088,308
23													
24	Add:												
25	Working Capital	383,959										-	383,959
26	Net Regulatory Asset / (Liability)	-			128,606	447,197						575,803	575,803
27													
28													
29													
30	Total Rate Base	$ 38,844,139	$ -	$ 471,055	$ 128,606	$ 447,197	$ -	$ -	$ -	$ 1,383,518	$ -	$ 2,430,375	$ 41,274,515
31													
32													
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Arizona Corporation Commission
DOCKETED

DEC 28 2001

DOCKETED BY

R-13

BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

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

DOCKET NO. W-01445A-00-0962

DECISION NO. 64282

OPINION AND ORDER

DATES OF HEARING: August 31 (pre-hearing conference), September 5, 6, and 7, 2001.

PLACE OF HEARING: Phoenix, Arizona

ADMNISTRATIVE LAW JUDGE: Stephen Gibelli[1]

APPEARANCES: Mr. Norman James and Mr. Jay Shapiro, FENNEMORE CRAIG, on behalf of Arizona Water Company;

Mr. Daniel W. Pozefsky, Attorney, on behalf of the Residential Utility Consumer Office; and

Ms. Teena Wolfe, Staff Attorney, Legal Division, on behalf of the Utilities Division of the Arizona Corporation Commission.

BY THE COMMISSION:

I. INTRODUCTION

On November 22, 2000, Arizona Water Company ("Arizona Water" or "Company") filed an application for a rate increase for the Company's Northern Group water systems. Arizona Water supplies water to approximately 60,000 customers in eight Arizona counties under 18 separate water systems. The rate application filed in this proceeding involves only the Company's Northern Group, which serves approximately 16,000 customers under five separate water systems (Sedona, Pinewood, Rimrock, Lakeside, and Overgaard). Arizona Water seeks approval in this case to organize these five systems into two divisions with consolidated rate schedules. Under the

[1] Mr. Gibelli conducted the hearing in this matter and the Recommended Opinion and Order was written by Dwight Nodes.

EXHIBIT
R 13
ADMITTED

Company's proposal, the Sedona Division would include the Sedona, Pinewood, and Rimrock systems, and the Lakeside Division would consist of the Lakeside and Overgaard systems. Under this proposed consolidated rate schedule, Arizona Water seeks an increase of $1,121,081 for the Sedona Division and an increase of $951,513 for the Lakeside Division. The Company's proposed combined revenue increase of $2,072,594 represents an average increase of approximately 35 percent (Ex. A-5, at 2-3, Sched. Tab 1).

Arizona Water's current rates and charges were approved by the Commission on December 23, 1992 in Decision No. 58120, and became effective January 1, 1993. The service charges were later modified in Decision No. 60512, issued December 3, 1997. The Company's purchased power adjustor mechanisms were changed in Decision Nos. 58293 and 62755, issued May 19, 1993 and July 25, 2000, respectively. Arizona Water's Monitoring Assistance Program ("MAP") surcharge was established in Decision No. 62141 on December 14, 1999 (Ex. S-1, at 3-4).

Staff filed a letter on December 22, 2000 acknowledging that the Company's rate filing was sufficient. The Residential Utility Consumer Office ("RUCO") was granted intervention on January 19, 2001. Arizona Water, Staff, and RUCO filed testimony supporting their respective positions. Hearings were conducted on September 5, 6, and 7, 2001 before a duly authorized Administrative Law Judge. Closing briefs were filed on October 17, 2001.

A. Rate Application

According to the Company's application, in the test year ended December 31, 1999, Arizona Water's Northern Group had adjusted operating income of $899,136 on an adjusted Original Cost Rate Base of $19,654,410, a 4.37 percent rate of return. Arizona Water requests a revenue increase of $2,285,526.[2] Staff recommends a revenue increase of $764,896, and RUCO recommends an increase of $667,094.

II. RATE BASE

A. Post-Test Year Plant Additions

Arizona Water proposed a revised Northern Group fair value rate base equal to

[2] This total does not match Exhibit C "Total of Systems" due to rounding.

$19,506,293, which included post test year plant additions totaling $3,222,432 (Ex. A-5, Tab 1). Although the Company selected a 1999 test year in this proceeding, it proposes that plant additions be included in rate base that were placed in service through March 31, 2001. Arizona Water argues that there is no dispute that all of the post-test year plant additions were completed and placed in service before March 31, 2001, and are currently used and useful.

The Company claims that the Commission has previously approved pro forma adjustments to rate base under similar circumstances. The Company points to its prior rate case (Decision No. 58120) as an example of the Commission's inclusion of plant added 12 months after the test year because the plant was serving customers and was used and useful. Arizona Water also cites to several other cases where the Commission has included post-test year plant additions in rate base. In Decision Nos. 60220 (May 27, 1997), the Commission included post-test year plant for Paradise Valley Water Company. The Commission also included plant additions after the test year for Far West Water & Sewer in Decision No. 62649 (June 13, 2000).

Arizona Water contends that the plant additions in question in this case are reasonable and consistent with the Commission's policies and practices. The Company asserts that the plant additions are revenue neutral in that they are used to serve existing customers and not future growth. Finally, the Company claims that there is no dispute that the plant additions were completed and placed in service by March 2001, and that the additions are used and useful.

RUCO argues that, although the Commission has in the past adopted post-test year plant additions, the cases cited by Arizona Water are distinguishable. RUCO claims that the *Far West* case involved interim rates being set on an emergency basis, as well as a financing request to fund the plant additions necessary to solve water quality problems. The Commission allowed inclusion of plant additions 14 months beyond the test year due to the fact that the plant additions were ordered by the Commission. The Commission stated that:

> It is unreasonable for the Commission to order the Company to make such an investment that triples its rate base and approve financing, but reject the request for rates that would support the investment and provide a fair and reasonable return.

(Decision No. 62649, at 5). The Commission went on to state in that case that it did not intend to set a precedent for disregarding the Commission's rules that require applications to be based on an historic test year. The Commission further stated that its decision to allow the plant additions in that case should not be construed as an indication that such post-test year plant additions would be approved in any other context (*Id.*). With respect to the *Paradise Valley* case, the Commission allowed inclusion of plant additions 13 months after the test year. RUCO points out that these plant additions were necessary to address system-wide deficiencies that resulted in low water pressure and lack of water (*See*, Decision No. 60220, at 5-6). Unlike the *Far West* and *Paradise Valley* cases, RUCO claims that Arizona Water's post-test year plant additions were for routine maintenance and improvements. Since Arizona Water's plant additions do not involve special or unique circumstances, RUCO argues that the Commission should follow its normal practice of adopting a historical test year for inclusion of plant in rate base.

Staff points out that the Company filed its application on November 22, 2000, but chose a test year ending December 31, 1999. Because Arizona Water voluntarily chose a 1999 test year, Staff claims it is unreasonable for the Company to seek inclusion of plant additions 15 months after the end of the test year. Therefore, Staff recommends that the Commission utilize Staff's proposed plant addition cut-off date of December 31, 2000 as a compromise position that would include plant additions made through the 12 months following the test year.

Staff claims that pro forma adjustments to rate base should be allowed only if they are known and measurable, are revenue neutral (*i.e.*, they do not violate the matching principle), and extend no more than one year after the test year. Staff asserts that going beyond 12 months after the end of the test year increases the likelihood of a significant mismatch among rate base revenues, and expenses. Staff contends that its December 31, 2000 cut-off date proposal fairly balances the interests of Arizona Water's shareholders and ratepayers.

The Commission's rules require that the test year selected by a rate applicant for determining rate base, operating income, and rate of return to be "the most recent practical date available prior to the filing." A.A.C. R14-2-103(A)(3)(p). Although the Commission has

historically recognized known and measurable post-test year data, it has generally limited such recognition to at most 12 months following the end of the test year. The cases cited by the Company to support its 15-month post-test year proposal are distinguishable because they involved the need to resolve water quality issues on an expedited basis. Moreover, as Staff points out, Arizona Water had exclusive control over the timing of its rate application and selection of the test year, and the Company should have been aware of the Commission's rules and precedent involving post-test year plant additions. We believe Staff's proposal to include the Company's plant additions for up to a full year following the end of the test year in this case is a reasonable and justifiable resolution of this issue.

B. Accumulated Depreciation

In calculating accumulated depreciation, Arizona Water uses the "half-year convention" of depreciation. Under this convention, plant additions during the year are assumed to be made on June 30 or July 1, resulting in a half-year's depreciation in the first year and a half-year's depreciation in the year that the plant is retired (Tr. 61). This convention was approved in the Company's last rate case (Decision No. 58120, at 5-6). However, in this case Arizona Water followed the half-year convention on its books but for ratemaking purposes seeks recovery of a full 12 months of depreciation (Tr. 63-65).

Arizona Water made pro forma adjustments to match its accumulated depreciation balance with the post-test year plant additions (Ex. A-4, at 22-26). The Company claims that its assumption that post-test year plant additions were in service at the beginning of the test year is consistent with the parties' pro forma adjustments to revenues and expenses. The Company asserts that although Staff annualized revenues and expenses on a first day of the test year basis, Staff used a different methodology for depreciation. Arizona Water contends that rather than including a full year of depreciation for plant additions, Staff misapplied the half-year convention and added only half of the annual depreciation to the accumulated depreciation balance. The Company argues that the net result of Staff's adjustments is an increase by an additional 12 months in the Company's depreciation balance at the end of 1999 on *all* plant, rather than on just post-test year plant additions.

cash working capital by subtracting total expense lag days from its total revenue lag days which, when divided by 365 days, results in the Company's proposed cash working capital requirement. We agree with Staff that the Company's method achieves a flawed result because it includes the revenue increase and associated taxes, as well as the return on net invested capital needed to pay dividends on common stock. Moreover, the Company's proposed method excludes interest expense, which is a cash item available to the company for payments to creditors prior to the interest due date. As indicated above, we specifically rejected Arizona Water's proposal in its last case to include prospective revenues, such as the revenue increase and associated taxes, in the calculation of cash working capital. We agree with Staff that the Company has replicated those errors in the instant case and we, therefore, will adopt Staff's proposed cash working capital requirement calculation.

D. Construction Work in Progress

Arizona Water asserts that its recurring Construction Work in Progress ("CWIP") balance should be included in the Company's rate base calculation to recognize that its CWIP investment in numerous small projects is constantly turning over like materials and supplies expense. The Company seeks inclusion in rate base of the Northern Group's $430,105 CWIP balance at the end of the test year, which is substantially less than the 13-month averages of $1,324,180 and $2,010,154 at December 2000 and June 2001, respectively.

Staff argues that because it recommends including revenue neutral year 2000 plant additions in rate base, inclusion of CWIP as of the end of the test year (December 31,1999) would result in a double counting of plant, thereby overstating rate base. Staff also contends that any CWIP remaining after the year 2000 plant additions should also be excluded from rate base because CWIP is not used and useful.

We agree with Arizona Water that the Commission has discretion to include CWIP in rate base pursuant to the Arizona Supreme Court's decision in *Arizona Community Action Assoc. v. Arizona Corporation Comm'n*, 123 Ariz. 228 (1979). In that case, the court held that the Commission could properly include CWIP for plant not yet in service in determining fair value rate base (*Id.* at 230). However, as Staff points out, the CWIP included in the Company's application

reflects end of 1999 data that is already reflected in Staff's calculation of rate base for plant placed in service through the end of year 2000. We reject Arizona Water's contention that CWIP should be included in rate base in a manner similar to prepayments, materials, and supplies. We agree with Staff that the Company's proposal would result in a double counting of plant and we therefore deny Arizona Water's proposal to include CWIP in rate base in this case.

E. Plant Held For Future Use

In order to take advantage of an Arizona Department of Transportation ("ADOT") highway improvement project, Arizona Water installed 80 feet of 12-inch steel casing across State Highway 260 in Lakeside by means of an open trench. The Company plans to utilize the new steel casing to replace an existing water line in 2003 to serve a subdivision. Arizona Water claims that the $17,912 cost of the project, compared to the approximately $40,000 cost if the open trench had not been used, reflects a prudent decision by the Company that will result in savings to customers.

We agree that the Company's decision to take advantage of the ADOT project was prudent. However, we disagree that the Company is entitled to recover the cost of placing the steel casing in this proceeding since the plant is not used and useful at this time. After the project to the subdivision is completed, the Company may seek inclusion in rate base. Until the plant is being used for provision of utility service the costs are not includable in the Company's rate base.

F. Summary of Rate Base Adjustments

Based on the foregoing discussion, we adopt an adjusted OCRB for the Northern Group of $16,494,859, as shown on Exhibit A. Arizona Water agreed to use the OCRB as the Fair Value Rate Base for purposes of this proceeding. We therefore adopt $16,494,859 as the Fair Value Rate Base for Arizona Water's Northern Group.

III. Operating Income

The test period in this proceeding is the 12 months ended December 31, 1999. Arizona Water, Staff, and RUCO have analyzed the Company's accounts for the test year and have recommended adjustments to the actual operating results. Adjustments made by the Company that have not been challenged by the other parties will not be discussed. The following contested issues remain to be resolved.

Home | FAQ | Links | Contact Us | Feedback | Water Resource Data | Imaged Records

Well Registry Search

Search Single Registry Number

Registry No.: 55- 212110

example: 551234

Start Over | Back | View Results

R-14

Well Info | Map | Data Export | Well Registry Help

	Reg No	GWSI Site ID	Legal Description	Owner Name	Well Type	Well Depth (ft)	Casing Depth (ft)	Case Dia (in)	Drill Date	Water Level	Pump Capacity (GPM)	Pump Data Available	Completion Report	L R
☑	212110		A16005014DDD	ARIZONA WATER COMPANY	NON-EXEMPT	1045	1005	17	4/11/2007	400		NO		X

ADWR's Well Registry database contains well information provided by well owners and drillers when wells are registered with the State of Arizona.
Data is not independently verified by ADWR.

ARIZONA WATER COMPANY

3805 N. BLACK CANYON HIGHWAY, PHOENIX, ARIZONA 85015-5351 • P.O. BOX 29006, PHOENIX, ARIZONA 85038-9006
PHONE: (602) 240-6860 • FAX: (602) 240-6878 • WWW.AZWATER.COM

September 3, 2009

EXHIBIT
R-15
ADMITTED

Michelle L. Wood, Counsel
Residential Utility Consumer Office
1110 West Washington Street, Suite 220
Phoenix, Arizona 85007

Re: Arizona Water Company's Responses to
Residential Utility Consumer Office's Eighth Set of Data Requests
ACC Docket No. W-01445A-08-0440

Dear Ms. Wood:

Arizona Water Company's Responses to the Residential Utility Consumer Office's Eighth Set of Data Requests are enclosed.

Very truly yours,

Robert W. Geake
Vice President and General Counsel

lar
Enclosure

E-MAIL: mail@azwater.com

c: William A. Rigsby
Public Utilities Analyst V
Residential Utility Consumer Office
1110 W. Washington Street, Suite 220
Phoenix, AZ 85007

Robin Mitchell
Attorney, Legal Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Alexander Igwe
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 W. Washington Street
Phoenix, AZ 85007

Norman D. James, Esq.
Jay L. Shapiro, Esq.
Whitney Birk, Paralegal
FENNEMORE CRAIG
3003 North Central Avenue, Suite 2600
Phoenix, AZ 85012

ARIZONA WATER COMPANY'S RESPONSES TO RESIDENTIAL UTILITY CONSUMER OFFICE'S EIGHTH SET OF DATA REQUESTS TO ARIZONA WATER COMPANY'S EASTERN WESTERN AND NORTHERN DISTRICTS RATE APPLICATION DOCKET NO. W-01445A-08-0440

September 3, 2009

The following data requests apply to all of the 17 Systems in the above referenced docket number. Accordingly, separate answers have been provided, where applicable, for each system.

Company Response Number: 8.01.

Q. <u>Sedona ADOT Highway 179 Improvement Project</u> – Please provide documentation showing the percentage or estimation of completion as of July 1, 2008.

A. The Company's best estimate of the percentage completed as of July 1, 2008 is 8.0%. Please see the attached Construction Completion Notice.

Response provided by:	Fredrick K. Schneider
Title:	Vice President, Engineering
Address:	3805 North Black Canyon Highway Phoenix, AZ 85015

ARIZONA WATER COMPANY'S RESPONSES TO
RESIDENTIAL UTILITY CONSUMER OFFICE'S
EIGHTH SET OF DATA REQUESTS TO
ARIZONA WATER COMPANY'S
EASTERN WESTERN AND NORTHERN DISTRICTS
RATE APPLICATION
DOCKET NO. W-01445A-08-0440

September 3, 2009

The following data requests apply to all of the 17 Systems in the above referenced docket number. Accordingly, separate answers have been provided, where applicable, for each system.

Company Response Number: 8.02.

Q. ***Dividends*** *– Did the Company make any dividend payments to any of the shareholders during the years of 2005 through 2008? If yes, please provide the following:*

1. *Name of each shareholder for each year;*
2. *Amount(s);*
3. *Identify the related dividend periods (i.e. quarterly, semi-annually or annually);*
4. *and date on which payment was made.*

A. Yes. Please see the following table:

ARIZONA WATER COMPANY'S RESPONSES TO RESIDENTIAL UTILITY CONSUMER OFFICE'S EIGHTH SET OF DATA REQUESTS TO ARIZONA WATER COMPANY'S EASTERN WESTERN AND NORTHERN DISTRICTS RATE APPLICATION DOCKET NO. W-01445A-08-0440

September 3, 2009

The following data requests apply to all of the 17 Systems in the above referenced docket number. Accordingly, separate answers have been provided, where applicable, for each system.

Year	Shareholder	Period	Amount	Payment Date
2005	Utility Investment Co.	Quarterly	$947,700	01/31/05
2005	Utility Investment Co.	Quarterly	$1,004,400	04/30/05
2005	Utility Investment Co.	Quarterly	$1,004,400	07/31/05
2005	Utility Investment Co.	Quarterly	$1,009,800	10/31/05
2006	Utility Investment Co.	Quarterly	$1,017,900	01/31/06
2006	Utility Investment Co.	Quarterly	$1,036,800	04/30/06
2006	Utility Investment Co.	Quarterly	$1,036,800	07/31/06
2006	Utility Investment Co.	Quarterly	$1,036,800	10/31/06
2007	Utility Investment Co.	Quarterly	$1,036,800	01/31/07
2007	Utility Investment Co.	Quarterly	$1,071,900	04/31/07
2007	Utility Investment Co.	Quarterly	$1,071,900	07/31/07
2007	Utility Investment Co.	Quarterly	$1,071,900	10/31/07
2008	Utility Investment Co.	Quarterly	$1,071,900	01/31/08
2008	Utility Investment Co.	Quarterly	$1,071,900	04/30/08
2008	Utility Investment Co.	Quarterly	$1,071,900	07/31/08
2008	Utility Investment Co.	Quarterly	$1,071,900	10/31/08

Response provided by: Joel M. Reiker
Title: Manager, Rates & Regulatory Accounting
Address: 3805 North Black Canyon Highway
Phoenix, AZ 85015

ARIZONA WATER COMPANY

CONSTRUCTION COMPLETION NOTICE

CONSTRUCTION COMPLETION DATE: 5-4-08 WORK AUTHORIZATION NUMBER: 1-4267

THE FOLLOWING RECORD REQUIREMENTS ARE ATTACHED:

	PREPARED BY
1. CONSTRUCTION DRAWINGS WITH "AS BUILT" LOCATION OF PIPE, FITTINGS, ETC. MARKED IN RED	WA.
2. VALVE CARDS	WA.
3. HYDRANT CARDS WITH COPY OF COVER LETTER	WA.
4. MATERIALS INSTALLED OR RETIRED LISTED ON THE REVERSE SIDE OF THE W.A. WITH R.O.S. AND P.D.R. NUMBERS	WA.

5. PRESSURE AND LEAKAGE TEST RESULTS: Painted Canyon to well #10

DATE TESTED	4-26-08			
TIME STARTED	9:35 am			
TIME FINISHED	11:35 am			
PIPE DIAMETER	12" dip			
FOOTAGE TESTED	567' + 18'?			
ALLOWABLE LEAKAGE	1.3 gal			
LEAKAGE OBSERVED	2 qts			
PRESSURE AT TEST POINT	210			
COMPANY EMPLOYEE OBSERVING TEST *(print)*	William			
INITIALS OF EMPLOYEE	WA			

6. DISINFECTION SAMPLING:

INITIAL SAMPLING *(minimum 50 ppm available chlorine)*	DATE	4-30-08			
	TIME	13:00			
	PPM Cl_2	60			
AFTER 24 HOURS DETENTION TIME *(minimum 10 ppm free chlorine)*	DATE	13:30			
	TIME	5-1-08			
	PPM Cl_2	60 ppm			
AFTER SUFFICIENT FLUSHING *(water is clear and system Cl_2 residual is measured)*	DATE	5-1-08			
	TIME	14:30			
	PPM Cl_2	.5			
BACTERIOLOGICAL SAMPLE(S)	DATE	5-1-08			
	TIME	14:30			
	ATTACHED	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No

7. ACCOUNT NUMBERS FOR 2" AND LARGER METERS AND PRIVATE FIRE SERVICE TAPS:

SIZE	ACCOUNT NUMBER	ASSIGNED BY	SIZE	ACCOUNT NUMBER	ASSIGNED BY

8. CROSS-CONNECTION SURVEY FORM FOR ANY REQUIRED BACKFLOW PREVENTION ASSEMBLY.

I certify that construction on the above Work Authorization was completed as of the date shown above and for which all materials have been accounted. I further certify that I have inspected the work done and have found it to be satisfactory and in accordance with Company specifications.

Keith A Self — Division Manager or Operations Superintendent *(signature)*

May 4, 2008 — Date of Notice

ATTACH TO CONSTRUCTION & ENGINEERING FILE COPY OF WORK AUTHORIZATION

LEGEND
Technical Services, Inc.
www.legend-group.com

17631 North 25th Avenue • Phoenix, AZ 85023
P (602) 324-6100 • F (602) 324-6101
4585 S. Palo Verde Rd., Ste. 423 • Tucson, AZ 85714
P (520) 327-1234 • F (520) 327-0518

14 May 2008

Regina Lynde
Arizona Water Company
3805 N. Black Canyon Hwy
Phoenix, AZ 85038-9006

SD

RE: Specials

Legend ID: 8050096

Legend Technical Services of Arizona, Inc. is pleased to provide the enclosed analytical results for the aforementioned project. These results relate only to the items tested. This cover letter and the accompanying pages represent the full report for these analyses and should only be reproduced in full. Samples for this project were received by the laboratory on 05/02/08 08:00.

The samples were processed in accordance with the Chain of Custody document and the results presented relate only to the samples tested. The Chain of Custody is considered part of this report.

All samples will be retained by LEGEND for 30 days from the date of this report and then discarded unless other arrangements are made.

This entire report was reviewed and approved for release by the undersigned. If you have any questions concerning this report, please feel free to contact me.

Sincerely,
LEGEND TECHNICAL SERVICES OF ARIZONA, INC.

Barbara Frank

Barbara Frank
Client Services Representative

This laboratory report is confidential and is intended for the sole use of LEGEND and it's client.

RECEIVED
MAY 23 2008
ARIZONA WATER COMPANY
SEDONA

RECEIVED
MAY 19 2008
ARIZONA WATER COMPANY
PHOENIX - OPERATIONS

Arizona Water Company 3805 N. Black Canyon Hwy Phoenix, AZ 85038-9006	Project: Specials Project Number: Painted Canyon & New Main Hwy 179 (Project Manager: Regina Lynde	**Reported:** 05/14/08 12:52

111-34371-4267 (8050096-01) Drinking Water (Grab) Sampled: 05/01/08 15:00 Received: 05/02/08 08:00

Analyte	Result	PQL	Units	DilutionBatch	Prepared	Analyzed	Method	Notes
	Legend Technical Services of Arizona, Inc.							
Microbiology								
Total Coliforms	Absent		P/A	1	B8E0081	05/02/08 16:10	05/02/08 16:10	SM 9223B
E. coli	Absent		P/A	1	B8E0081	05/02/08 16:10	05/02/08 16:10	SM 9223B

RECEIVED
MAY 23 2008
ARIZONA WATER COMPANY
SEDONA

RECEIVED
MAY 19 2008
ARIZONA WATER COMPANY
PHOENIX - OPERATIONS

LEGEND
Technical Services Of Arizona, Inc.

☒ 17631 N. 25th Ave. Phoenix AZ 85023
(602) 942-8220 • Fax(602) 942-1050

☐ 4837 East Fifth Street, Suite 103, Tucson AZ 85711
(520) 327-1234 • Fax(520) 327-0518

Cl2 .5

DRINKING WATER CHAIN OF CUSTODY RECORD

Laboratory Sample No. 8050096

Please Print Clearly

Page 1 of 1

Client Name	Address	City	State	Zip	Phone	Fax
ARIZONA WATER Co.	105 COFFEE POT dr.	SEDONA	AZ	86336	928-282-5555	928-282-6131

System Name	PWS#	Contact	P.O. No.	Fax Results ☒	QC Report ☐
NEW MAIN PRINTED CANYON - Hwy 179		KEITH SELF			D15 & 516

IOC's I : Sb, As,Ba, Be, Cd, Cr, Hg, Ni, Se, Tl, Cn, F

IOC's II (New Source): Sb, As, Ba, Be, Ca, Cd, Cr, Cu, Pb, Hg, Mg, Ni, Se, Na, Tl, Ca Hardness, Total Hardness, Alk, Asbestos, Cn, F, Langelier, NO_2, NO_3, pH, SO_4, TDS, Temp (in field) _____

Client's Sample Identification	Date	Time	POE # / DWR #	Compliance	No. of Containers	pH ✓ (Boiln Use Only)	Coliform	IOC's (see left)	IOC's II (see left)	Lead/Copper	Nitrate (NO_3)	Nitrite (NO_2)	Radiochemical	524 (TTHM)	524 (VOC's)	504	505	515	525	531	547	548	549	1613 (Dioxin)	Perchlorate (UCMR)	515 (UCMR)	525 (UCMR)	524 (UCMR)	Lab No.
															SOC's														
111-24371-4267	5/1/08	15:00			1		X																						-01

RECEIVED
MAY 23 2008
ARIZONA WATER COMPANY
SEDONA

RECEIVED
MAY 19 2008
ARIZONA WATER COMPANY
PHOENIX OPERATIONS

Comments: Special Only

☐ Yes, I have followed the instructions provided by the laboratory for dechlorination of my samples.

☐ Standard 15 - 20 Day
☐ Other _____
Laboratory Authorization Required for Rush

No. of Containers	1	
Temperature	0.3°C	
Custody Seals	Y	N
Seals Intact	Y	N
Preserved	Y	N

WHITE-LAB YELLOW-LAB PINK-CLIENT

	Relinquished By	Date	Received By	Date
①	Sampler Signature: William Alldredge		Signature: Courier	
	Sampler Printed Name: William Alldredge	Time	Printed Name	Time
②	Signature: Courier	Date	Signature: Sharon Malone	Date 5/9/08
	Printed Name	Time	Printed Name	Time 0800
③	Signature	Date	Signature	Date
	Printed Name	Time	Printed Name	Time

LEGEND
Technical Services, Inc.
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4585 S. Palo Verde Rd., Ste. 423 • Tucson, AZ 85714
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14 May 2008

Regina Lynde
Arizona Water Company
3805 N. Black Canyon Hwy
Phoenix, AZ 85038-9006

SD

RE: Specials

Legend ID: 8050096

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The samples were processed in accordance with the Chain of Custody document and the results presented relate only to the samples tested. The Chain of Custody is considered part of this report.

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Sincerely,
LEGEND TECHNICAL SERVICES OF ARIZONA, INC.

Barbara Frank

Barbara Frank
Client Services Representative

This laboratory report is confidential and is intended for the sole use of LEGEND and it's client.

RECEIVED
MAY 23 2008
ARIZONA WATER COMPANY
SEDONA

RECEIVED
MAY 19 2008
ARIZONA WATER COMPANY
PHOENIX - OPERATIONS

Arizona Water Company 3805 N. Black Canyon Hwy Phoenix, AZ 85038-9006	Project: Specials Project Number: Painted Canyon & New Main Hwy 179 (Project Manager: Regina Lynde	**Reported:** 05/14/08 12:52

111-34371-4267 (8050096-01) Drinking Water (Grab) Sampled: 05/01/08 15:00 Received: 05/02/08 08:00

Analyte	Result	PQL	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
	Legend Technical Services of Arizona, Inc.								
Microbiology									
Total Coliforms	Absent		P/A	1	B8E0081	05/02/08 16:10	05/02/08 16:10	SM 9223B	
E. coli	Absent		P/A	1	B8E0081	05/02/08 16:10	05/02/08 16:10	SM 9223B	

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PHOENIX - OPERATIONS

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Technical Services Of Arizona, Inc.

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(602) 942-8220 • Fax(602) 942-1050

☐ 4837 East Fifth Street, Suite 103, Tucson AZ 85711
(520) 327-1234 • Fax(520) 327-0518

DRINKING WATER CHAIN OF CUSTODY RECORD

Laboratory Sample No. 8050096

Please Print Clearly

Page 1 of 1

Client Name	Address	City	State	Zip	Phone	Fax
Arizona Water Co.	105 Coffee Pot Dr.	Sedona	Az	86336	928-282-5555	928-282-6131

System Name	PWS#	Contact	P.O. No.	Fax Results ☒ / QC Report ☐
New Main Painted Canyon - Hwy 179		Keith Self		515 & 516

IOC's I: Sb, As, Ba, Be, Cd, Cr, Hg, Ni, Se, Tl, Cn, F

IOC's II (New Source): Sb, As, Ba, Be, Ca, Cd, Cr, Cu, Pb, Hg, Mg, Ni, Se, Na, Tl, Ca Hardness, Total Hardness, Alk, Asbestos, Cn, F, Langelier, NO_2, NO_3, pH, SO_4, TDS, Temp (in field) _____

Client's Sample Identification	Date	Time	POE # / DWR #	Compliance	No. of Containers	pH ✓ (Bolin Use Only)	Coliform	IOC's (see left)	IOC's II (see left)	Lead/Copper	Nitrate (NO_3)	Nitrite (NO_2)	Radiochemical	524 (TTHM)	524 (VOC's)	504	505	515	525	531	547	548	549	1613 (Dioxin)	Perchlorate (UCMR)	515 (UCMR)	525 (UCMR)	524 (UCMR)	
																SOC's													
111-24371-4267	5/1/08	15:00			1		X																						-01

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ARIZONA WATER COMPANY
PHOENIX OPERATIONS

Comments: Special Only

☐ Yes, I have followed the instructions provided by the laboratory for dechlorination of my samples.

TURNAROUND TIME
☐ Standard 15 - 20 Day
☐ Other _____
Laboratory Authorization Required for Rush

No. of Containers	1
Temperature	0.3°C
Custody Seals	Y (N)
Seals Intact	Y N
Preserved	(Y) N

WHITE-LAB YELLOW-LAB PINK-CLIENT

	Relinquished By	Date	Received By	Date
①	Sampler Signature: William Alldredge		Signature: Courier	
	Sampler Printed Name: William Alldredge	Time	Printed Name	Time
②	Signature: Courier	Date	Signature: Sharon	Date 5/2/08
	Printed Name	Time	Printed Name: Malone	Time 0800
③	Signature	Date	Signature	Date
	Printed Name	Time	Printed Name	Time

ARIZONA WATER COMPANY

CONSTRUCTION COMPLETION NOTICE

CONSTRUCTION COMPLETION DATE: 5-4-08 WORK AUTHORIZATION NUMBER: 1-4267

THE FOLLOWING RECORD REQUIREMENTS ARE ATTACHED:

	PREPARED BY
1. CONSTRUCTION DRAWINGS WITH "AS BUILT" LOCATION OF PIPE, FITTINGS, ETC. MARKED IN RED	W.A.
2. VALVE CARDS	W.A.
3. HYDRANT CARDS WITH COPY OF COVER LETTER	W.A.
4. MATERIALS INSTALLED OR RETIRED LISTED ON THE REVERSE SIDE OF THE W.A. WITH R.O.S. AND P.D.R. NUMBERS	W.A.

5. PRESSURE AND LEAKAGE TEST RESULTS: Painted Canyon to well #10

DATE TESTED	4-26-08			
TIME STARTED	9:35 am			
TIME FINISHED	11:35 am			
PIPE DIAMETER	12" DIP			
FOOTAGE TESTED	5167' + 18'?			
ALLOWABLE LEAKAGE	1.3 gal			
LEAKAGE OBSERVED	2 qts			
PRESSURE AT TEST POINT	210			
COMPANY EMPLOYEE OBSERVING TEST *(print)*	William			
INITIALS OF EMPLOYEE	WA			

6. DISINFECTION SAMPLING:

INITIAL SAMPLING *(minimum 50 ppm available chlorine)*	DATE	4-30-08			
	TIME	13:00			
	PPM Cl_2	60			
AFTER 24 HOURS DETENTION TIME *(minimum 10 ppm free chlorine)*	DATE	13:30			
	TIME	5-1-08			
	PPM Cl_2	60			
AFTER SUFFICIENT FLUSHING *(water is clear and system Cl_2 residual is measured)*	DATE	5-1-08			
	TIME	14:30			
	PPM Cl_2	.5			
BACTERIOLOGICAL SAMPLE(S)	DATE	5-1-08			
	TIME	14:30			
	ATTACHED	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No

7. ACCOUNT NUMBERS FOR 2" AND LARGER METERS AND PRIVATE FIRE SERVICE TAPS:

SIZE	ACCOUNT NUMBER	ASSIGNED BY	SIZE	ACCOUNT NUMBER	ASSIGNED BY

8. CROSS-CONNECTION SURVEY FORM FOR ANY REQUIRED BACKFLOW PREVENTION ASSEMBLY.

I certify that construction on the above Work Authorization was completed as of the date shown above and for which all materials have been accounted. I further certify that I have inspected the work done and have found it to be satisfactory and in accordance with Company specifications.

Keith A Self — Division Manager or Operations Superintendent *(signature)*

May 4, 2008 — Date of Notice

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LEGEND
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P (520) 327-1234 • F (520) 327-0518

14 May 2008

Regina Lynde
Arizona Water Company
3805 N. Black Canyon Hwy
Phoenix, AZ 85038-9006

SD

RE: Specials

Legend ID: 8050096

Legend Technical Services of Arizona, Inc. is pleased to provide the enclosed analytical results for the aforementioned project. These results relate only to the items tested. This cover letter and the accompanying pages represent the full report for these analyses and should only be reproduced in full. Samples for this project were received by the laboratory on 05/02/08 08:00.

The samples were processed in accordance with the Chain of Custody document and the results presented relate only to the samples tested. The Chain of Custody is considered part of this report.

All samples will be retained by LEGEND for 30 days from the date of this report and then discarded unless other arrangements are made.

This entire report was reviewed and approved for release by the undersigned. If you have any questions concerning this report, please feel free to contact me.

Sincerely,
LEGEND TECHNICAL SERVICES OF ARIZONA, INC.

Barbara Frank

Barbara Frank
Client Services Representative

This laboratory report is confidential and is intended for the sole use of LEGEND and it's client.

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Arizona Water Company 3805 N. Black Canyon Hwy Phoenix, AZ 85038-9006	Project: Specials Project Number: Painted Canyon & New Main Hwy 179 (Project Manager: Regina Lynde	**Reported:** 05/14/08 12:52

111-34371-4267 (8050096-01) Drinking Water (Grab) Sampled: 05/01/08 15:00 Received: 05/02/08 08:00

Legend Technical Services of Arizona, Inc.

Microbiology

Analyte	Result	PQL	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Total Coliforms	Absent		P/A	1	B8E0081	05/02/08 16:10	05/02/08 16:10	SM 9223B	
E. coli	Absent		P/A	1	B8E0081	05/02/08 16:10	05/02/08 16:10	SM 9223B	

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DRINKING WATER CHAIN OF CUSTODY RECORD

Page 1 of 1

Laboratory Sample No. 8050096

Client Name	Address	City	State	Zip	Phone	Fax
Arizona Water Co.	65 Coffee Pot dr.	Sedona	Az	86336	928-~~282~~-5555	928-282-6131

System Name	PWS#	Contact	P.O. No.	Fax Results ☒	QC Report ☐
New Main Painted Canyon - Hwy 179		Keith Self			D/S & 5/6

IOC OPTIONS

IOC's I : Sb, As, Ba, Be, Cd, Cr, Hg, Ni, Se, Tl, Cn, F

IOC's II (New Source): Sb, As, Ba, Be, Ca, Cd, Cr, Cu, Pb, Hg, Mg, Ni, Se, Na, Tl, Ca Hardness, Total Hardness, Alk, Asbestos, Cn, F, Langelier, NO_2, NO_3, pH, SO_4, TDS, Temp (in field) _____

Client's Sample Identification	Date	Time	POE # / DWR #	Compliance	No. of Containers	pH ✓ (Bolin Use Only)	Colilert	IOC's (see left)	IOC's II (see left)	Lead/Copper	Nitrate (NO_3)	Nitrite (NO_2)	Radiochemical	524 (TTHM)	524 (VOC's)	SOC's 504	505	515	525	531	547	548	549	1613 (Dioxin)	Perchlorate (UCMR)	515 (UCMR)	525 (UCMR)	524 (UCMR)			LAB NO.
111-34371-4267	5/1/08	15:00			1		X																								-01

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TO ENSURE COMPLETION OF ANALYSIS, SAMPLES MUST BE RECEIVED AT LEAST 6 HOURS PRIOR TO THE HOLDING TIME EXPIRATION

Comments: Special Only

☐ Yes, I have followed the instructions provided by the laboratory for dechlorination of my samples.

TURNAROUND TIME
☐ Standard 15 - 20 Day
☐ Other _____
Laboratory Authorization Required for Rush

SAMPLE CONDITIONS UPON RECEIPT	
No. of Containers	1
Temperature	0.3°C
Custody Seals	Y (N)
Seals Intact	Y N
Preserved	(Y) N

WHITE-LAB YELLOW-LAB PINK-CLIENT

	RELINQUISHED BY		SAMPLES RECEIVED BY	
①	Sampler Signature: William Alldredge	Date	Signature: Courier	Date
	Sampler Printed Name: William Alldredge	Time	Printed Name	Time
②	Signature: Courier	Date	Signature: Sharon	Date: 5/2/08
	Printed Name	Time	Printed Name: Malone	Time: 0800
③	Signature	Date	Signature	Date
	Printed Name	Time	Printed Name	Time

ARIZONA WATER COMPANY

CONSTRUCTION COMPLETION NOTICE

CONSTRUCTION COMPLETION DATE: 5-4-08 WORK AUTHORIZATION NUMBER: 1-4267

THE FOLLOWING RECORD REQUIREMENTS ARE ATTACHED:

	PREPARED BY
1. CONSTRUCTION DRAWINGS WITH "AS BUILT" LOCATION OF PIPE, FITTINGS, ETC. MARKED IN RED	WA.
2. VALVE CARDS	WA.
3. HYDRANT CARDS WITH COPY OF COVER LETTER	WA.
4. MATERIALS INSTALLED OR RETIRED LISTED ON THE REVERSE SIDE OF THE W.A. WITH R.O.S. AND P.D.R. NUMBERS	WA.

5. PRESSURE AND LEAKAGE TEST RESULTS: Painted Canyon TO well #10

DATE TESTED	4-26-08			
TIME STARTED	9:35 am			
TIME FINISHED	11:35 AM			
PIPE DIAMETER	12" dip			
FOOTAGE TESTED	567' + 18'?			
ALLOWABLE LEAKAGE	1.3 gal			
LEAKAGE OBSERVED	2 qts			
PRESSURE AT TEST POINT	210			
COMPANY EMPLOYEE OBSERVING TEST *(print)*	William			
INITIALS OF EMPLOYEE	WA			

6. DISINFECTION SAMPLING:

INITIAL SAMPLING *(minimum 50 ppm available chlorine)*	DATE	4-30-08			
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	TIME	5-1-08			
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	PPM Cl_2	.5			
BACTERIOLOGICAL SAMPLE(S)	DATE	5-1-08			
	TIME	14:30			
	ATTACHED	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No

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SIZE	ACCOUNT NUMBER	ASSIGNED BY	SIZE	ACCOUNT NUMBER	ASSIGNED BY

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I certify that construction on the above Work Authorization was completed as of the date shown above and for which all materials have been accounted. I further certify that I have inspected the work done and have found it to be satisfactory and in accordance with Company specifications.

Keith A Self
Division Manager or Operations Superintendent *(signature)*

May 4, 2008
Date of Notice

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14 May 2008

Regina Lynde
Arizona Water Company
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Sincerely,
LEGEND TECHNICAL SERVICES OF ARIZONA, INC.

Barbara Frank

Barbara Frank
Client Services Representative

This laboratory report is confidential and is intended for the sole use of LEGEND and it's client.

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Arizona Water Company 3805 N. Black Canyon Hwy Phoenix, AZ 85038-9006	Project: Specials Project Number: Painted Canyon & New Main Hwy 179 (Project Manager: Regina Lynde	**Reported:** 05/14/08 12:52

111-34371-4267 (8050096-01) Drinking Water (Grab) Sampled: 05/01/08 15:00 Received: 05/02/08 08:00

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DRINKING WATER CHAIN OF CUSTODY RECORD

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Page 1 of 1

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System Name	PWS#	Contact	P.O. No.	Fax Results ☒ / QC Report ☐
New Main Painted Canyon - Hwy 179		Keith Self		D15 & 516

IOC's I: Sb, As, Ba, Be, Cd, Cr, Hg, Ni, Se, Tl, Cn, F

IOC's II (New Source): Sb, As, Ba, Be, Ca, Cd, Cr, Cu, Pb, Hg, Mg, Ni, Se, Na, Tl, Ca Hardness, Total Hardness, Alk, Asbestos, Cn, F, Langelier, NO_2, NO_3, pH, SO_4, TDS, Temp (in field) _____

Client's Sample Identification	Date	Time	POE # / DWR #	Compliance	No. of Containers	pH ✓ (Bolin Use Only)	Colilert	IOC's (see left)	IOC's II (see left)	Lead/Copper	Nitrate (NO_3)	Nitrite (NO_2)	Radiochemical	524 (TTHM)	524 (VOC's)	504	505	515	525	531	547	548	549	1613 (Dioxin)	Perchlorate (UCMR)	515 (UCMR)	525 (UCMR)	524 (UCMR)	Lab No.
111-34371-4267	5/1/08	15:00			1		X																						-01

SOC's

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ARIZONA WATER COMPANY
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MAY 29 2008
ARIZONA WATER COMPANY
PHOENIX OPERATIONS

Comments: Special Only

☐ Yes, I have followed the instructions provided by the laboratory for dechlorination of my samples.

Turn Around Time
☐ Standard 15 - 20 Day
☐ Other _____
Laboratory Authorization Required for Rush

Sample Condition Upon Receipt	
No. of Containers	1
Temperature	0.3°C
Custody Seals	Y (N)
Seals Intact	Y N
Preserved	(Y) N

	Relinquished By		Sample Received By	
①	Sampler Signature: William Alldredge	Date	Signature: Courier	Date
	Sampler Printed Name: William Alldredge	Time	Printed Name	Time
②	Signature: Courier	Date	Signature: Sharon Malone	Date 5/23/08
	Printed Name	Time	Printed Name	Time 0800
③	Signature	Date	Signature	Date
	Printed Name	Time	Printed Name	Time

WHITE-LAB YELLOW-LAB PINK-CLIENT

ARIZONA WATER COMPANY

DOCKET NO. W-014457A-08-0440

DIRECT TESTIMONY ON RATE DESIGN

OF

RODNEY L. MOORE

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

JUNE 26, 2009

EXHIBIT
R-16
ADMITTED

TABLE OF CONTENTS

INTRODUCTION 2

RATE DESIGN 4

PROOF OF RECOMMENDED REVENUE 4

TYPICAL BILL ANALYSIS 5

RATE CONSOLIDATION 5

INTRODUCTION

Q. Please state your name, position, employer and address.

A. My name is Rodney L. Moore. I am a Public Utilities Analyst V with the Residential Utility Consumer Office ("RUCO"), located at 1110 West Washington Street, Suite 220, Phoenix, Arizona 85007.

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

A. Appendix 1, which is attached to this testimony, describes my educational background and includes a list of the rate case and regulatory matters in which I have participated.

Q. Please state the purpose of your testimony.

A. The purpose of my testimony is to present RUCO's recommended rate design for Arizona Water Company ("AWC" or "Company").

Q. Please summarize your direct testimony.

A. My direct testimony describes RUCO's recommended rate design and presents schedules that demonstrate it will produce RUCO's recommended level of revenue. I have also provided a schedule, which shows the impact of RUCO's recommended rate design on a typical residential customer at various levels of consumption.

To support RUCO's position I am presenting numerous schedules, which clearly depict the methodology and calculations used to produce RUCO's recommended rate design.

Q. Please explain how your schedules are organized.

A. My schedules comprise one hundred and ten pages. The first eight pages are Summary Schedules for Total Company and Company by Group, followed by Summary Schedules for each of the individual groups (Eastern, Western and Northern). The remaining pages provide an in-depth analysis of each of the seventeen systems. Each system's analysis consists of a five-page rate design and proof of recommended revenue Schedule plus a single page Typical Residential Bill Analysis.

I have provided a table of contents and each page is numbered on the lower right-hand corner for quick reference to the index.

RATE DESIGN

Q. Please explain the elements of your recommended rate design.

A. My schedules illustrate the elements of RUCO's rate design which mirror the following guidelines outlined by the Company:

1. Maintain the same basic conservation-oriented rate structure effective under rates which includes a customer charge and inclining block rates for each classification and meter size;
2. Increase customer charges and block rates so that revenue under proposed rates are more aligned with the cost of providing service;
3. Standardize private fire service rates to recover a greater share of the cost of service; and
4. Provide a discount rate for a minimal amount of water to keep water bills affordable for basic needs.

PROOF OF RECOMMENDED REVENUE

Q. Has RUCO prepared a Schedule presenting proof of your recommended revenue?

A. Yes. Proof that RUCO's recommended rate design will produce the recommended required revenue as illustrated, is presented on the Rate Design Schedule for each of the seventeen systems.

TYPICAL BILL ANALYSIS

Q. Has RUCO prepared a Schedule representing the financial impact of RUCO's recommended rate design on the typical residential customer?

A. Yes. A typical bill analysis for residential 5/8" X 3/4" metered customers with various levels of usage (both average and median) is presented on the Typical Bill Analysis Schedule for each of the seventeen systems.

RATE CONSOLIDATION

Q. Has RUCO reviewed the Company's proposal to partially consolidate rates for groups of water systems in this proceeding?

A. Yes, RUCO reviewed the Company's consolidation proposal to consolidate the following groups of water systems: 1) Superstition and Miami, 2) Casa Grande, Coolidge and Stanfield, 3) Rimrock, Pinewood and Sedona, 4) Lakeside and Overgaard, and 5) Bisbee and Sierra Vista.

Q. Does RUCO support the Company's rate consolidation proposal in this filing?

A. RUCO does not take a position on rate consolidation at this time. RUCO's recommended rate design generates revenues on a system-by-system basis. The rate design displayed on the attached schedules is based on no consolidation or revenue shifting among any of the systems or groups.

The monthly basic service fees and commodity charges were developed from the Company's cost of service study and vary only to reflect RUCO's adjustment to the proposed revenue requirement.

Q. Will RUCO be providing additional testimony on rate consolidation during this proceeding?

A. Yes. RUCO reserves the right to file testimony on rate consolidation during the surrebuttal phase of the proceeding upon review of rate design and engineering reports to be filed June 26, 2009. RUCO Director Jodi Jerich will file testimony on RUCO's position regarding the issue of rate consolidation at that time.

Q. Does this conclude your direct testimony?

A. Yes, it does.

APPENDIX 1

Qualifications of Rodney Lane Moore

EDUCATION: Athabasca University
Bachelor's Degree in Business Administration - 1993

EXPERIENCE: Public Utilities Analyst V
Residential Utility Consumer Office
Phoenix, Arizona 85007
May 2001 - Present

My duties include review and analysis of financial records and other documents of regulated utilities for accuracy, completeness, and reasonableness. I am also responsible for the preparation of work papers and Schedules resulting in testimony and/or reports regarding utility applications for increase in rates, financings, and other matters. Extensive use of Microsoft Excel and Word, spreadsheet modeling and financial statement analysis.

Auditor
Arizona Corporation Commission
Phoenix, Arizona 85007
October 1999 - May 2001

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RESUME OF RATE CASE AND REGULATORY PARTICIPATION

Utility Company	Docket No.
Rio Verde Utilities, Inc	WS-02156A-00-0321
Black Mountain Gas Company	G-03703A-01-0283
Green Valley Water Company	W-02025A-01-0559
New River Utility Company	W-01737A-01-0662

Utility Company	Docket No.
Dragoon Water Company	W-01917A-01-0851
Roosevelt Lake Resort, Inc.	W-01958A-02-0283
Southwest Gas Company	G-01551A-02-0425
Arizona-American Water Company	W-01303A-02-0867 et al.
Rio Rico Utilities, Inc.	WS-02676A-03-0434
Qwest Corporation	T-01051B-03-0454
Chaparral City Water Company	W-02113A-04-0616
Southwest Gas Company	G-01551A-04-0876
Arizona-American Water Company	W-01303A-05-0405
Far West Water and Sewer Company	WS-03478A-05-0801
Gold Canyon Sewer Company	SW-02519A-06-0015
Arizona-American Water Company	WS-01303A-06-0403
UNS Gas, Inc.	G-04204A-06-0463 et al.
UNS Electric, Inc.	E-04204A-06-0783
Tucson Electric Power Company	E-01933A-07-0402
Southwest Gas Company	G-01551A-07-0504
Arizona-American Water Company	W-01303A-08-0227 et al.
Johnson Utilities, LLC	WS-02987A-08-0180

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

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RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

TOTAL COMPANY BY CUSTOMER CLASS - SUMMARY SCHEDULE

LINE NO.	DESCRIPTION	(A) PRESENT REVENUE	(B) COMPANY PROPOSED REVENUE	(C) RUCO PROPOSED REVENUE	(D) RUCO RECOM'D INCREASE	(E) RUCO PRECENTAGE INCREASE
1	RESIDENTIAL CUSTOMERS	$ 30,958,747	$ 42,300,947	$ 36,957,902	$ 5,999,155	19.38%
2	COMMERCIAL CUSTOMERS	8,456,122	11,860,723	10,326,546	1,870,425	22.12%
3	INDUSTRIAL CUSTOMERS	1,255,959	1,283,997	1,180,227	(75,732)	-6.03%
4	PRIVATE FIRE SERVICE CUSTOMERS	38,142	189,150	189,150	151,008	395.91%
5	OTHER WATER REVENUE CUSTOMERS	1,101,655	1,616,988	1,413,337	311,682	28.29%
6	TOTAL REVENUE	$ 41,810,625	$ 57,251,805	$ 50,067,163	$ 8,256,538	19.75%
7	MISCELLANEOUS REVENUE	1,551,300	1,551,300	1,551,299	(0)	0.00%
8	Unreconciled Difference vs. Billed Revenues		949	949		
9	Consolidated Revenue Adjustment		-	-		
10	TOTAL OPERATIONG REVENUE	$ 43,361,925	$ 58,804,053	$ 51,619,411	$ 8,256,538	19.04%

TOTAL COMPANY BY GROUP - SUMMARY SCHEDULE

	EASTERN GROUP -					
11	SUPERSTITION SYSTEM	$ 11,940,259	$ 16,804,800	$ 14,100,386	$ 2,160,127	18.09%
12	BISBEE SYSTEM	1,723,153	2,086,472	1,994,707	271,554	15.76%
13	SIERRA VISTA SYSTEM	1,461,708	1,523,034	1,298,710	(162,998)	-11.15%
14	SAN MANUEL SYSTEM	812,422	1,215,223	1,114,863	302,441	37.23%
15	ORACLE SYSTEM	1,126,259	1,195,526	1,055,732	(70,527)	-6.26%
16	WINKLEMAN SYSTEM	98,724	134,085	115,757	17,033	17.25%
17	MIAMI SYSTEM -	1,850,773	1,904,272	2,515,731	664,958	35.93%
18	SUB-TOTAL	$ 19,013,298	$ 24,863,412	$ 22,195,886	$ 3,182,588	16.74%
	WESTERN GROUP -					
19	CASA GRANDE SYSTEM	$ 10,934,954	$ 16,315,353	$ 14,633,938	$ 3,698,984	33.83%
20	STANFIELD SYSTEM	131,941	139,662	267,993	136,052	103.12%
21	WHITE TANK SYSTEM	1,245,240	1,739,054	1,562,653	317,413	25.49%
22	AJO SYSTEM	471,088	569,955	510,802	39,714	8.43%
23	COOLIDGE SYSTEM	2,214,937	2,776,111	2,147,770	(67,167)	-3.03%
24	SUB-TOTAL	$ 14,998,160	$ 21,540,135	$ 19,123,156	$ 4,124,996	27.50%
	NORTHERN GROUP -					
25	LAKESIDE SYSTEM	$ 2,588,849	$ 2,868,204	$ 2,483,919	$ (104,930)	-4.05%
26	OVERGAARD SYSTEM	1,685,650	1,640,619	1,409,315	(276,335)	-16.39%
27	SEDONA SYSTEM	3,521,358	5,926,065	4,494,082	972,724	27.62%
28	PINEWOOD SYSTEM	1,046,742	1,183,734	1,039,166	(7,576)	-0.72%
29	RIMROCK SYSTEM	507,869	780,936	873,888	366,019	72.07%
30	SUB-TOTAL	$ 9,350,468	$ 12,399,558	$ 10,300,370	$ 949,902	10.16%
31	TOTAL OPERATIONG REVENUE	43,361,926	58,803,105	51,619,411	$ 8,257,485	19.04%

RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) PRESENT REVENUE	(B) COMPANY PROPOSED REVENUE	(C) RUCO PROPOSED REVENUE	(D) RUCO RECOM'D INCREASE	(E) RUCO PRECENTAGE INCREASE
	EASTERN GROUP - SUMMARY SCHEDULE					
11	RESIDENTIAL CUSTOMERS	$ 13,749,222	$ 18,508,679	$ 16,361,263	$ 2,612,041	19.00%
12	COMMERCIAL CUSTOMERS	3,878,018	4,819,620	4,353,516	475,499	12.26%
13	INDUSTRIAL CUSTOMERS	137,244	137,138	157,609	20,365	14.84%
14	PRIVATE FIRE SERVICE CUSTOMERS	12,105	60,525	60,525	48,420	400.00%
15	OTHER WATER REVENUE CUSTOMERS	437,496	538,236	463,506	26,010	5.95%
16	TOTAL REVENUE	$ 18,214,084	$ 24,064,199	$ 21,396,419	$ 3,182,335	17.47%
17	MISCELLANEOUS REVENUE	799,213	799,213	799,213	-	0.00%
18	Unreconciled Difference vs. Billed Revenues		253	253		
19	Consolidated Revenue Adjustment: (Bisbee/Sierra Vista) & (Superstition/Miami)		-	-		
20	TOTAL OPERATIONG REVENUE	$ 19,013,297	$ 24,863,665	$ 22,195,886	$ 3,182,335	16.74%
	WESTERN GROUP - SUMMARY SCHEDULE					
21	RESIDENTIAL CUSTOMERS	$ 9,544,649	$ 14,078,127	$ 12,457,031	$ 2,912,382	30.51%
22	COMMERCIAL CUSTOMERS	3,075,479	4,627,019	4,067,614	992,134	32.26%
23	INDUSTRIAL CUSTOMERS	1,112,540	1,140,440	1,017,104	(95,436)	-8.58%
24	PRIVATE FIRE SERVICE CUSTOMERS	15,357	75,225	75,225	59,868	389.84%
25	OTHER WATER REVENUE CUSTOMERS	591,937	961,125	848,632	256,695	43.37%
26	TOTAL REVENUE	$ 14,339,963	$ 20,881,936	$ 18,465,606	$ 4,125,643	28.77%
27	MISCELLANEOUS REVENUE	658,198	658,198	658,198	-	0.00%
28	Unreconciled Difference vs. Billed Revenues		(648)	(648)		
29	Consolidated Revenue Adjustment: (Casa Grande/Stanfield/Coolidge)		-	-		
30	TOTAL OPERATIONG REVENUE	$ 14,998,161	$ 21,539,486	$ 19,123,156	$ 4,125,643	27.51%
	NORTHERN GROUP - SUMMARY SCHEDULE					
31	RESIDENTIAL CUSTOMERS	$ 7,664,876	$ 9,714,140	$ 8,139,609	$ 474,733	6.19%
32	COMMERCIAL CUSTOMERS	1,502,625	2,414,083	1,905,416	402,792	26.81%
33	INDUSTRIAL CUSTOMERS	6,176	6,420	5,515	(661)	-10.70%
34	PRIVATE FIRE SERVICE CUSTOMERS	10,680	53,400	53,400	42,720	400.00%
35	OTHER WATER REVENUE CUSTOMERS	72,221	117,628	101,199	28,977	40.12%
36	TOTAL REVENUE	$ 9,256,578	$ 12,305,670	$ 10,205,138	$ 948,560	10.25%
37	MISCELLANEOUS REVENUE	93,888	93,888	93,888	(0)	0.00%
38	Unreconciled Difference vs. Billed Revenues		1,344	1,343		
39	Consolidated Revenue Adjustment: (Lakeside/Overgaard) & (Sedona/Pinewood/Rimrock)		-	-		
40	TOTAL OPERATIONG REVENUE	$ 9,350,466	$ 12,400,903	$ 10,300,370	$ 948,560	10.14%

EASTERN GROUP - SUMMARY SCHEDULE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED CUSTOMERS	(B) TEST YEAR ADJUSTED USAGE (M/Gals)	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	358,042	2,558,156	$ 13,279,788	
2	1" Meter	23,107	265,574	1,721,945	
3	2" Meter	864	118,376	456,782	
4	3" Meter	48	17,830	62,796	
5	4" Meter	132	87,216	311,637	
6	6" Meter	156	138,585	528,316	
7	8" Meter				
8	10" Meter				
9	Total Residential Customer Bill Determinants	382,349	3,185,738		
10	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 16,361,263
	COMMERCIAL CUSTOMERS				
11	5/8" X 3/4" Meter	9,922	71,141	$ 440,509	
12	1" Meter	4,879	137,081	677,177	
13	2" Meter	3,676	361,459	1,775,521	
14	3" Meter	384	115,339	460,730	
15	4" Meter	241	92,634	352,008	
16	6" Meter	181	107,438	602,526	
17	8" Meter	24	4,588	45,044	
18	10" Meter				
19	Total Commercial Customer Bill Determinants	19,307	889,680		
20	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 4,353,516
	INDUSTRIAL CUSTOMERS				
21	5/8" X 3/4" Meter			$ -	
22	1" Meter	72	877	5,925	
23	2" Meter	84	19,169	114,072	
24	3" Meter	24	8,687	37,612	
25	4" Meter				
26	6" Meter				
27	8" Meter				
28	10" Meter				
29	Total Industrial Customer Bill Determinants	180	28,733		
30	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 157,609
	PRIVATE FIRE SERVICE CUSTOMERS				
31	Total Private Fire Service Customers	2,421		$ 60,525	
32	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 60,525

EASTERN GROUP - SUMMARY SCHEDULE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED CUSTOMERS	(B) TEST YEAR ADJUSTED USAGE (M/Gals)	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	OTHER WATER REVENUE CUSTOMERS				
33	Public Fire Hydrant			$ -	
34	Coin Machine	12	6,653	23,464	
35	Construction Water 2" Meter				
36	Construction Water 3" Meter	690	63,680	387,756	
37	Construction Water 4" Meter	29	7,253	35,577	
38	Sales For Resales 2" Meter				
39	Sales For Resales 3" Meter				
40	Sales For Resales 6" Meter	11	2,364	16,709	
41	Total Other Water Revenue Customer Bills	742	79,949		
42	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 463,506
43	**TOTAL RUCO PROPOSED REVENUE PER BILL COUNT**				$ 21,396,419
44	Unreconciled Difference vs. Billed Revenues				253
45	Consolidated Revenue Adjustment (Bisbee/Sierra Vista) & (Superstition/Miami)				-
46	Miscellaneous Revenues				799,213
47	**TOTAL REVENUE**				$ 22,195,886
48	**ADJUSTED TEST-YEAR REVENUE PER FILING**				$ 22,195,886
49	Difference				$ (0)
50	Percentage Difference				0.00%

WESTERN GROUP - SUMMARY SCHEDULE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED CUSTOMERS	(B) TEST YEAR ADJUSTED USAGE (M/Gals)	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	326,730	2,955,877	$ 10,897,370	
2	1" Meter	6,785	172,609	649,265	
3	2" Meter	1,056	195,453	522,201	
4	3" Meter	97	50,463	123,781	
5	4" Meter	27	31,534	74,935	
6	6" Meter	96	63,551	189,478	
7	8" Meter				
8	10" Meter				
9	Total Residential Customer Bill Determinants	334,791	3,469,486		
10	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 12,457,031
	COMMERCIAL CUSTOMERS				
11	5/8" X 3/4" Meter	11,689	116,963	$ 445,473	
12	1" Meter	5,810	188,433	638,181	
13	2" Meter	4,731	687,675	1,953,840	
14	3" Meter	336	88,205	256,201	
15	4" Meter	265	220,580	540,884	
16	6" Meter	106	83,919	233,036	
17	8" Meter	-	-	-	
18	10" Meter	-	-	-	
19	Total Commercial Customer Bill Determinants	22,937	1,385,775		
20	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 4,067,614
	INDUSTRIAL CUSTOMERS				
21	5/8" X 3/4" Meter	72	819	$ 1,868	
22	1" Meter	108	3,742	8,953	
23	2" Meter	147	19,730	41,890	
24	3" Meter	-	-	-	
25	4" Meter	36	39,166	64,176	
26	6" Meter	36	572,691	867,420	
27	8" Meter	12	19,683	32,795	
28	10" Meter	-	-	-	
29	Total Industrial Customer Bill Determinants	411	655,830		
30	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 1,017,104

WESTERN GROUP - SUMMARY SCHEDULE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED CUSTOMERS	(B) TEST YEAR ADJUSTED USAGE (M/Gals)	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
31	Total Private Fire Service Customers	3,009		$ 75,225	
32	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 75,225
	OTHER WATER REVENUE CUSTOMERS				
33	Public Fire Hydrant	-	-	$ -	
34	Coin Machine	39	5,983	18,420	
35	Construction Water 2" Meter	-	-	-	
36	Construction Water 3" Meter	1,037	161,710	579,118	
37	Construction Water 4" Meter	222	77,148	242,876	
38	Sales For Resales 2" Meter	-	-	-	
39	Sales For Resales 3" Meter	14	4,174	8,217	
40	Sales For Resales 6" Meter	-	-	-	
41	Total Other Water Revenue Customer Bills	1,312	249,015		
42	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 848,632
43	**TOTAL RUCO PROPOSED REVENUE PER BILL COUNT**				$ 18,465,606
44	Unreconciled Difference vs. Billed Revenues				(648)
45	Consolidated Revenue Adjustment (Casa Grande/Stanfield/Coolidge)				-
46	Miscellaneous Revenues				658,198
47	**TOTAL REVENUE**				$ 19,123,156
48	**ADJUSTED TEST-YEAR REVENUE PER FILING**				$ 19,123,156
49	Difference				$ 0
50	Percentage Difference				0.00%

NORTHERN GROUP - SUMMARY SCHEDULE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED CUSTOMERS	(B) TEST YEAR ADJUSTED USAGE (M/Gals)	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	216,417	1,186,952	$ 7,319,865	
2	1" Meter	6,157	98,592	513,114	
3	2" Meter	602	42,949	202,002	
4	3" Meter	12	3,034	19,547	
5	4" Meter	24	10,595	48,567	
6	6" Meter	12	12,219	36,513	
7	8" Meter				
8	10" Meter				
9	Total Residential Customer Bill Determinants	223,224	1,354,340		
10	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 8,139,609
	COMMERCIAL CUSTOMERS				
11	5/8" X 3/4" Meter	6,233	71,468	$ 330,100	
12	1" Meter	3,236	104,258	434,650	
13	2" Meter	2,226	185,258	817,976	
14	3" Meter	72	36,729	108,912	
15	4" Meter	95	31,185	108,606	
16	6" Meter	24	13,583	57,689	
17	8" Meter	12	14,365	47,483	
18	10" Meter				
19	Total Commercial Customer Bill Determinants	11,898	456,846		
20	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 1,905,416
	INDUSTRIAL CUSTOMERS				
21	5/8" X 3/4" Meter	30	194	$ 937	
22	1" Meter	24	961	4,578	
23	2" Meter	-	-	-	
24	3" Meter	-	-	-	
25	4" Meter				
26	6" Meter				
27	8" Meter				
28	10" Meter				
29	Total Industrial Customer Bill Determinants	54	1,155		
30	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 5,515
	PRIVATE FIRE SERVICE CUSTOMERS				
31	Total Private Fire Service Customers	2,136		$ 53,400	
32	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 53,400

NORTHERN GROUP - SUMMARY SCHEDULE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED CUSTOMERS	(B) TEST YEAR ADJUSTED USAGE (M/Gals)	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	OTHER WATER REVENUE CUSTOMERS				
33	Public Fire Hydrant			$ -	
34	Coin Machine	11	248	756	
35	Construction Water 2" Meter	1	3	141	
36	Construction Water 3" Meter	158	14,883	100,302	
37	Construction Water 4" Meter			-	
38	Sales For Resales 2" Meter				
39	Sales For Resales 3" Meter				
40	Sales For Resales 6" Meter	-	-	-	
41	Total Other Water Revenue Customer Bills	170	15,134		
42	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 101,199
43	**TOTAL RUCO PROPOSED REVENUE PER BILL COUNT**				$ 10,205,138
44	Unreconciled Difference vs. Billed Revenues				1,343
45	Consolidated Revenue Adjustment (Lakeside/Overgaard) & (Sedona/Pinewood/Rimrock)				-
46	Miscellaneous Revenues				93,888
47	**TOTAL REVENUE**				$ 10,300,370
48	**ADJUSTED TEST-YEAR REVENUE PER FILING**				$ 10,300,370
49	Difference				$ (0)
50	Percentage Difference				0.00%

EASTERN GROUP - SUPERSTITION
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	219,089	$ 15.79	$ 3,460,201	$ 3,460,201
	Commodity Usage				
2	First Tier - First 3,000 Gals.	574,610	$ 2.1363	$ 1,227,533	
3	Second Tier - Next 7,000 Gals.	672,590	$ 2.6708	$ 1,796,340	
4	Third Tier - Over 10,000 Gals.	364,927	$ 3.3383	$ 1,218,223	$ 4,242,096
5	1" Meter	20,982	$ 39.48	$ 828,453	$ 828,453
	Commodity Usage		$ -		
6	First Tier - First 10,000 Gals.	131,743	$ 2.6708	$ 351,856	
7	Second Tier - Over 10,000 Gals.	106,808	$ 3.3383	$ 356,555	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 708,411
9	2" Meter	731	$ 126.35	$ 92,361	$ 92,361
	Commodity Usage				
10	First Tier - First 125,000 Gals.	65,837	$ 2.6708	$ 175,836	
11	Second Tier - Over 125,000 Gals.	34,446	$ 3.3383	$ 114,990	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 290,826
13	3" Meter	48	$ 252.70	$ 12,129	$ 12,129
	Commodity Usage				
14	First Tier - First 300,000 Gals.	13,269	$ 2.6708	$ 35,437	
15	Second Tier - Over 300,000 Gals.	4,562	$ 3.3383	$ 15,229	
16	Third Tier - Over 300,000 Gals.	-	$ -	$ -	$ 50,666
17	4" Meter	132	$ 394.84	$ 52,119	$ 52,119
	Commodity Usage				
18	First Tier - First 490,000 Gals.	47,392	$ 2.6708	$ 126,573	
19	Second Tier - Over 490,000 Gals.	39,825	$ 3.3383	$ 132,945	
20	Third Tier - Over 490,000 Gals.	-	$ -	$ -	$ 259,518
21	6" Meter	156	$ 789.68	$ 123,190	$ 123,190
	Commodity Usage				
22	First Tier - First 925,000 Gals.	86,157	$ 2.6708	$ 230,107	
23	Second Tier - Over 925,000 Gals.	52,428	$ 3.3383	$ 175,020	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 405,126
25	8" Meter	-	$ 1,263.49	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 2.6708	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 3.3383	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,526.97	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 2.6708	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 3.3383	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	241,138		$ 4,568,453	
34	Total Residential Usage	2,194,593		$ 5,956,643	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 10,525,096

EASTERN GROUP - SUPERSTITION
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	3,120	$ 16.62	$ 51,869	$ 51,869
	Commodity Usage				
37	First Tier - First 10,000 Gals.	14,296	$ 2.8603	$ 40,892	
38	Second Tier - Over 10,000 Gals.	18,048	$ 3.5752	$ 64,525	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 105,417
40	1" Meter	2,897	$ 41.56	$ 120,405	$ 120,405
	Commodity Usage				
41	First Tier - First 40,000 Gals.	49,834	$ 2.8603	$ 142,539	
42	Second Tier - Over 40,000 Gals.	49,000	$ 3.5752	$ 175,182	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 317,721
44	2" Meter	2,002	$ 133.00	$ 266,263	$ 266,263
	Commodity Usage				
45	First Tier - First 125,000 Gals.	118,162	$ 2.8603	$ 337,979	
46	Second Tier - Over 125,000 Gals.	78,831	$ 3.5752	$ 281,834	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 619,813
48	3" Meter	262	$ 266.00	$ 69,691	$ 69,691
	Commodity Usage				
49	First Tier - First 300,000 Gals.	39,081	$ 2.8603	$ 111,784	
50	Second Tier - Over 300,000 Gals.	42,413	$ 3.5752	$ 151,635	
51	Third Tier - Over 300,000 Gals.	-	$ -	$ -	$ 263,418
52	4" Meter	127	$ 415.62	$ 52,784	$ 52,784
	Commodity Usage				
53	First Tier - First 490,000 Gals.	18,358	$ 2.8603	$ 52,511	
54	Second Tier - Over 490,000 Gals.	26,397	$ 3.5752	$ 94,372	
55	Third Tier - Over 490,000 Gals.	-	$ -	$ -	$ 146,883
56	6" Meter	109	$ 831.24	$ 90,605	$ 90,605
	Commodity Usage				
57	First Tier - First 925,000 Gals.	46,856	$ 2.8603	$ 134,023	
58	Second Tier - Over 925,000 Gals.	34,096	$ 3.5752	$ 121,900	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 255,924
60	8" Meter	24	$ 1,329.99	$ 31,920	$ 31,920
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	4,588	$ 2.8603	$ 13,124	
62	Second Tier - Over 1,500,000 Gals.	-	$ 3.5752	$ -	
63	Third Tier - Over 1,500,000 Gals.	-	$ -	$ -	$ 13,124
64	10" Meter	-	$ 2,659.97	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 2.8603	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 3.5752	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	8,541			
69	Total Commercial Usage	539,961			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 2,405,839

EASTERN GROUP - SUPERSTITION
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 16.62	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 3.2003	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 3.2003	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	48	$ 33.25	$ 1,596	$ 1,596
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	841	$ 3.2003	$ 2,691	
77	Second Tier - Next 999,999,999 Gals.	-	$ 3.2003	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 2,691
79	2" Meter	12	$ 166.25	$ 1,995	$ 1,995
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	427	$ 3.2003	$ 1,367	
81	Second Tier - Next 999,999,999 Gals.	-	$ 3.2003	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 1,367
83	3" Meter	12	$ 266.00	$ 3,192	$ 3,192
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	7,883	$ 3.2003	$ 25,228	
85	Second Tier - Next 999,999,999 Gals.	-	$ 3.2003	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 25,228
87	4" Meter	-	$ 415.62	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 3.2003	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 3.2003	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 831.24	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 3.2003	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 3.2003	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,329.99	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 3.2003	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 3.2003	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,659.97	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 3.2003	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 3.2003	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	72			
104	Total Industrial Usage	9,152			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 36,070

EASTERN GROUP - SUPERSTITION
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	1,657	$ 25.00	$ 41,425	$ 41,425
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	1,657			
115	TOTAL PRIVATE FIRES SERVICE CUSTOMERS REVENUE				$ 41,425
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	12	$ -	$ -	$ -
118	Commodity Usage	6,653	70.88	$ 23,464	$ 23,464
119	Construction Water 2" Meter	-	$ 133.00	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 2.8603	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 3.5752	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	548	$ 266.00	$ 145,767	$ 145,767
	Commodity Usage				
124	First Tier - First 300,000 Gals.	30,210	$ 2.8603	$ 86,409	
125	Second Tier - Over 300,000 Gals.	20,469	$ 3.5752	$ 73,181	
126	Third Tier - Over 300,000 Gals.	-	$ -	$ -	$ 159,590
127	Construction Water 4" Meter	15	$ 415.62	$ 6,234	$ 6,234
	Commodity Usage				
128	First Tier - First 490,000 Gals.	1,965	$ 2.8603	$ 5,619	
129	Second Tier - Over 490,000 Gals.	5,224	$ 3.5752	$ 18,676	
130	Third Tier - Over 490,000 Gals.	-	$ -	$ -	$ 24,295
131	Sales For Resales 2" Meter	-	$ 133.00	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 3.2003	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 3.2003	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 266.00	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 3.2003	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 3.2003	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

EASTERN GROUP - SUPERSTITION
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	11	$ 831.24	$ 9,144	$ 9,144
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	2,225	$ 3.2003	$ 7,121	
141	Second Tier - Next 1,000,000 Gals.	139	$ 3.2003	$ 445	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ 7,565
143	Total Other Water Revenue Customer Bills	586			
144	Total Other Water Revenue Usage	66,884			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 376,059
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 13,384,489
147	Unreconciled Difference vs. Billed Revenues				$ (269)
148	Miscellaneous Revenues				716,166
149	**RUCO TOTAL REVENUE**				$ 14,100,386
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 14,100,386
151	Difference				$ (0)
152	Percentage Difference				0.00%

EASTERN GROUP - SUPERSTITION
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 12.54	$ 3.48	$ 16.02	$ 19.00		$ 15.79	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	10,000	1st Tier - First	3,000	$ 1.9688	$ 0.4370	$ 2.4058	$ 2.5700		$ 2.1363	
3	2nd Tier - Next	15,000	2nd Tier - Next	7,000	$ 2.4610	$ 0.4370	$ 2.8980	$ 3.2130		$ 2.6708	
4	3rd Tier - Over	25,000	3rd Tier - Over	10,000	$ 2.9532	$ 0.4370	$ 3.3902	$ 4.0160		$ 3.3383	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 7177	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,794	25.00%	16.07	4.26	$ 20.34	$ 19.63	$ (0.71)	-3.49%
6		3,589	50.00%	19.61	5.05	$ 24.65	$ 23.77	$ (0.88)	-3.57%
7		7,177	100.00%	26.67	6.62	$ 33.29	$ 33.36	$ 0.07	0.22%
8		10,766	150.00%	34.11	8.18	$ 42.30	$ 43.45	$ 1.16	2.74%
9		14,354	200.00%	42.94	9.75	$ 52.70	$ 55.43	$ 2.74	5.19%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 5403	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,351	25.00%	15.20	4.07	$ 19.27	$ 18.68	$ (0.59)	-3.06%
11		2,702	50.00%	17.86	4.66	$ 22.52	$ 21.56	$ (0.95)	-4.24%
12		5,403	100.00%	23.18	5.84	$ 29.02	$ 28.62	$ (0.40)	-1.37%
13		8,105	150.00%	28.50	7.02	$ 35.52	$ 35.84	$ 0.32	0.89%
14		10,806	200.00%	34.21	8.20	$ 42.41	$ 43.59	$ 1.17	2.77%

EASTERN GROUP - BISBEE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	37,022	$ 14.33	$ 530,454	$ 530,454
	Commodity Usage				
2	First Tier - First 3,000 Gals.	84,104	$ 3.3595	$ 282,543	
3	Second Tier - Next 7,000 Gals.	77,072	$ 4.1991	$ 323,633	
4	Third Tier - Over 10,000 Gals.	31,900	$ 5.2489	$ 167,436	$ 773,613
5	1" Meter	423	$ 35.82	$ 15,152	$ 15,152
	Commodity Usage				
6	First Tier - First 10,000 Gals.	2,816	$ 4.1991	$ 11,825	
7	Second Tier - Over 10,000 Gals.	2,183	$ 5.2489	$ 11,458	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 23,283
9	2" Meter	85	$ 114.62	$ 9,743	$ 9,743
	Commodity Usage				
10	First Tier - First 80,000 Gals.	3,784	$ 4.1991	$ 15,888	
11	Second Tier - Over 80,000 Gals.	1,172	$ 5.2489	$ 6,153	
12	Third Tier - Over 80,000 Gals.	-	$ -	$ -	$ 22,042
13	3" Meter	-	$ 229.25	$ -	$ -
	Commodity Usage				
14	First Tier - First 175,000 Gals.	-	$ 4.1991	$ -	
15	Second Tier - Over 175,000 Gals.	-	$ 5.2489	$ -	
16	Third Tier - Over 175,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 358.20	$ -	$ -
	Commodity Usage				
18	First Tier - First 290,000 Gals.	-	$ 4.1991	$ -	
19	Second Tier - Over 290,000 Gals.	-	$ 5.2489	$ -	
20	Third Tier - Over 290,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 716.40	$ -	$ -
	Commodity Usage				
22	First Tier - First 625,000 Gals.	-	$ 4.1991	$ -	
23	Second Tier - Over 625,000 Gals.	-	$ 5.2489	$ -	
24	Third Tier - Over 625,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,146.25	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,000,000 Gals.	-	$ 4.1991	$ -	
27	Second Tier - Over 1,000,000 Gals.	-	$ 5.2489	$ -	
28	Third Tier - Over 1.000,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,292.49	$ -	$ -
	Commodity Usage				
30	First Tier - First 1,200,000 Gals.	-	$ 4.1991	$ -	
31	Second Tier - Over 1,200,000 Gals.	-	$ 5.2489	$ -	
32	Third Tier - Over 1,200,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	37,530			
34	Total Residential Usage	203,031			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 1,374,287

EASTERN GROUP - BISBEE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	2,545	$ 14.33	$ 36,465	$ 36,465
	Commodity Usage				
37	First Tier - First 10,000 Gals.	8,221	$ 4.1991	$ 34,521	
38	Second Tier - Over 10,000 Gals.	3,651	$ 5.2489	$ 19,161	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 53,682
40	1" Meter	550	$ 35.82	$ 19,701	$ 19,701
	Commodity Usage				
41	First Tier - First 25,000 Gals.	6,266	$ 4.1991	$ 26,311	
42	Second Tier - Over 25,000 Gals.	4,872	$ 5.2489	$ 25,571	
43	Third Tier - Over 25,000 Gals.	-	$ -	$ -	$ 51,882
44	2" Meter	504	$ 114.62	$ 57,771	$ 57,771
	Commodity Usage				
45	First Tier - First 85,000 Gals.	21,013	$ 4.1991	$ 88,234	
46	Second Tier - Over 85,000 Gals.	41,690	$ 5.2489	$ 218,824	
47	Third Tier - Over 85,000 Gals.	-	$ -	$ -	$ 307,057
48	3" Meter	-	$ 229.25	$ -	$ -
	Commodity Usage				
49	First Tier - First 175,000 Gals.	-	$ 4.1991	$ -	
50	Second Tier - Over 175,000 Gals.	-	$ 5.2489	$ -	
51	Third Tier - Over 175,000 Gals.	-	$ -	$ -	$ -
52	4" Meter	36	$ 358.20	$ 12,895	$ 12,895
	Commodity Usage				
53	First Tier - First 290,000 Gals.	4,917	$ 4.1991	$ 20,647	
54	Second Tier - Over 290,000 Gals.	3,371	$ 5.2489	$ 17,694	
55	Third Tier - Over 290,000 Gals.	-	$ -	$ -	$ 38,341
56	6" Meter	-	$ 716.40	$ -	$ -
	Commodity Usage				
57	First Tier - First 625,000 Gals.	-	$ 4.1991	$ -	
58	Second Tier - Over 625,000 Gals.	-	$ 5.2489	$ -	
59	Third Tier - Over 625,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,146.25	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,000,000 Gals.	-	$ 4.1991	$ -	
62	Second Tier - Over 1,000,000 Gals.	-	$ 5.2489	$ -	
63	Third Tier - Over 1.000,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,292.49	$ -	$ -
	Commodity Usage				
65	First Tier - First 1,200,000 Gals.	-	$ 4.1991	$ -	
66	Second Tier - Over 1,200,000 Gals.	-	$ 5.2489	$ -	
67	Third Tier - Over 1,200,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	3,635			
69	Total Commercial Usage	94,000			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 577,794

EASTERN GROUP - BISBEE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 27.17	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 5.2489	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 5.2489	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	12	$ 67.92	$ 815	$ 815
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	32	$ 5.2489	$ 168	
77	Second Tier - Next 999,999,999 Gals.	-	$ 5.2489	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 168
79	2" Meter	12	$ 217.33	$ 2,608	$ 2,608
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	0	$ 5.2489	$ 1	
81	Second Tier - Next 999,999,999 Gals.	-	$ 5.2489	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 1
83	3" Meter	-	$ 434.66	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 5.2489	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 5.2489	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 679.15	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 5.2489	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 5.2489	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 1,358.30	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 5.2489	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 5.2489	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 2,173.28	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 5.2489	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 5.2489	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 4,346.56	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 5.2489	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 5.2489	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	24			
104	Total Industrial Usage	32			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 3,591

EASTERN GROUP - BISBEE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	181	$ 25.00	$ 4,525	$ 4,525
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	181			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 4,525
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 114.62	$ -	$ -
	Commodity Usage				
120	First Tier - First 85,000 Gals.	-	$ 4.1991	$ -	
121	Second Tier - Over 85,000 Gals.	-	$ 5.2489	$ -	
122	Third Tier - Over 85,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	21	$ 229.25	$ 4,814	$ 4,814
	Commodity Usage				
124	First Tier - First 175,000 Gals.	354	$ 4.1991	$ 1,485	
125	Second Tier - Over 175,000 Gals.	23	$ 5.2489	$ 122	
126	Third Tier - Over 175,000 Gals.	-	$ -	$ -	$ 1,607
127	Construction Water 4" Meter	12	$ 358.20	$ 4,298	$ 4,298
	Commodity Usage				
128	First Tier - First 290,000 Gals.	-	$ 4.1991	$ -	
129	Second Tier - Over 290,000 Gals.	-	$ 5.2489	$ -	
130	Third Tier - Over 290,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 114.62	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 5.2489	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 5.2489	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
			$ -		
135	Sales For Resales 3" Meter	-	$ 229.25	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 5.2489	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 5.2489	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

EASTERN GROUP - BISBEE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 716.40	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 5.2489	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 5.2489	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	33			
144	Total Other Water Revenue Usage	377			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 10,720
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 1,970,917
147	Unreconciled Difference vs. Billed Revenues				450
148	Miscellaneous Revenues				23,340
149	**RUCO TOTAL REVENUE**				$ 1,994,707
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 1,994,707
151	Difference				$ (0)
152	Percentage Difference				0.00%

EASTERN GROUP - BISBEE
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 16.32	$ -	$ 16.32	$ 15.00		$ 14.33	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	10,000	1st Tier - First	3,000	$ 2.5940	$ -	$ 2.59	$ 3.5170		$ 3.3595	
3	2nd Tier - Next	15,000	2nd Tier - Next	7,000	$ 3.2420	$ -	$ 3.24	$ 4.3960		$ 4.1991	
4	3rd Tier - Over	25,000	3rd Tier - Over	10,000	$ 3.8900	$ -	$ 3.89	$ 5.4950		$ 5.2489	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 6930	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,733	25.00%	$ 20.81	$ -	$ 20.81	$ 20.15	$ (0.67)	-3.20%
6		3,465	50.00%	$ 25.31	$ -	$ 25.31	$ 26.36	$ 1.05	4.15%
7		6,930	100.00%	$ 34.30	$ -	$ 34.30	$ 40.91	$ 6.61	19.28%
8		10,395	150.00%	$ 43.54	$ -	$ 43.54	$ 55.87	$ 12.33	28.32%
9		13,860	200.00%	$ 54.77	$ -	$ 54.77	$ 74.06	$ 19.29	35.21%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 3638	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		910	25.00%	$ 18.68	$ -	$ 18.68	$ 17.38	$ (1.30)	-6.94%
11		1,819	50.00%	$ 21.04	$ -	$ 21.04	$ 20.44	$ (0.60)	-2.85%
12		3,638	100.00%	$ 25.76	$ -	$ 25.76	$ 27.09	$ 1.33	5.16%
13		5,457	150.00%	$ 30.48	$ -	$ 30.48	$ 34.72	$ 4.25	13.94%
14		7,276	200.00%	$ 35.19	$ -	$ 35.19	$ 42.36	$ 7.17	20.37%

EASTERN GROUP - SIERRA VISTA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	31,970	$ 12.75	$ 407,534	$ 407,534
	Commodity Usage				
2	First Tier - First 3,000 Gals.	88,022	$ 1.1269	$ 99,189	
3	Second Tier - Next 7,000 Gals.	115,468	$ 1.7404	$ 200,966	
4	Third Tier - Over 10,000 Gals.	81,807	$ 2.1764	$ 178,045	$ 478,201
5	1" Meter	746	$ 31.87	$ 23,774	$ 23,774
	Commodity Usage				
6	First Tier - First 10,000 Gals.	5,392	$ 1.7404	$ 9,384	
7	Second Tier - Over 10,000 Gals.	6,161	$ 2.1764	$ 13,408	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 22,792
9	2" Meter	12	$ 101.98	$ 1,224	$ 1,224
	Commodity Usage				
10	First Tier - First 80,000 Gals.	960	$ 1.7404	$ 1,671	
11	Second Tier - Over 80,000 Gals.	9,804	$ 2.1764	$ 21,338	
12	Third Tier - Over 80,000 Gals.	-	$ -	$ -	$ 23,009
13	3" Meter	-	$ 203.96	$ -	$ -
	Commodity Usage				
14	First Tier - First 175,000 Gals.	-	$ 1.7404	$ -	
15	Second Tier - Over 175,000 Gals.	-	$ 2.1764	$ -	
16	Third Tier - Over 175,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 318.68	$ -	$ -
	Commodity Usage				
18	First Tier - First 290,000 Gals.	-	$ 1.7404	$ -	
19	Second Tier - Over 290,000 Gals.	-	$ 2.1764	$ -	
20	Third Tier - Over 290,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 637.37	$ -	$ -
	Commodity Usage				
22	First Tier - First 625,000 Gals.	-	$ 1.7404	$ -	
23	Second Tier - Over 625,000 Gals.	-	$ 2.1764	$ -	
24	Third Tier - Over 625,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,019.79	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,000,000 Gals.	-	$ 1.7404	$ -	
27	Second Tier - Over 1,000,000 Gals.	-	$ 2.1764	$ -	
28	Third Tier - Over 1.000,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,039.58	$ -	$ -
	Commodity Usage				
30	First Tier - First 1,200,000 Gals.	-	$ 1.7404	$ -	
31	Second Tier - Over 1,200,000 Gals.	-	$ 2.1764	$ -	
32	Third Tier - Over 1,200,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	32,728			
34	Total Residential Usage	307,613			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 956,533

EASTERN GROUP - SIERRA VISTA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	786	$ 12.75	$ 10,019	$ 10,019
	Commodity Usage				
37	First Tier - First 10,000 Gals.	4,133	$ 1.7404	$ 7,194	
38	Second Tier - Over 10,000 Gals.	3,087	$ 2.1756	$ 6,716	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 13,909
40	1" Meter	473	$ 31.87	$ 15,074	$ 15,074
	Commodity Usage				
41	First Tier - First 25,000 Gals.	6,662	$ 1.7404	$ 11,595	
42	Second Tier - Over 25,000 Gals.	4,359	$ 2.1756	$ 9,483	
43	Third Tier - Over 25,000 Gals.	-	$ -	$ -	$ 21,077
44	2" Meter	476	$ 101.98	$ 48,542	$ 48,542
	Commodity Usage				
45	First Tier - First 85,000 Gals.	25,385	$ 1.7404	$ 44,182	
46	Second Tier - Over 85,000 Gals.	21,025	$ 2.1756	$ 45,741	
47	Third Tier - Over 85,000 Gals.	-	$ -	$ -	$ 89,923
48	3" Meter	67	$ 203.96	$ 13,665	$ 13,665
	Commodity Usage				
49	First Tier - First 175,000 Gals.	7,960	$ 1.7404	$ 13,854	
50	Second Tier - Over 175,000 Gals.	11,815	$ 2.1756	$ 25,705	
51	Third Tier - Over 175,000 Gals.	-	$ -	$ -	$ 39,559
52	4" Meter	30	$ 318.68	$ 9,561	$ 9,561
	Commodity Usage				
53	First Tier - First 290,000 Gals.	8,579	$ 1.7404	$ 14,931	
54	Second Tier - Over 290,000 Gals.	7,623	$ 2.1756	$ 16,584	
55	Third Tier - Over 290,000 Gals.	-	$ -	$ -	$ 31,515
56	6" Meter	-	$ 637.37	$ -	$ -
	Commodity Usage				
57	First Tier - First 625,000 Gals.	-	$ 1.7404	$ -	
58	Second Tier - Over 625,000 Gals.	-	$ 2.1756	$ -	
59	Third Tier - Over 625,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,019.79	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,000,000 Gals.	-	$ 1.7404	$ -	
62	Second Tier - Over 1,000,000 Gals.	-	$ 2.1756	$ -	
63	Third Tier - Over 1.000,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,039.58	$ -	$ -
	Commodity Usage				
65	First Tier - First 1,200,000 Gals.	-	$ 1.7404	$ -	
66	Second Tier - Over 1,200,000 Gals.	-	$ 2.1756	$ -	
67	Third Tier - Over 1,200,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	1,832			
69	Total Commercial Usage	100,628			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 292,845

EASTERN GROUP - SIERRA VISTA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 24.17	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 4.6698	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 4.6698	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 60.42	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 4.6698	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 4.6698	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 193.35	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 4.6698	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 4.6698	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 386.71	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 4.6698	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 4.6698	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 604.23	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 4.6698	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 4.6698	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 1,208.45	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 4.6698	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 4.6698	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,933.53	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 4.6698	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 4.6698	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 3,867.05	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 4.6698	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 4.6698	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	-			
104	Total Industrial Usage	-			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ -

EASTERN GROUP - SIERRA VISTA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	385	$ 25.00	$ 9,625	$ 9,625
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	385			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 9,625
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 101.98	$ -	$ -
	Commodity Usage				
120	First Tier - First 85,000 Gals.	-	$ 1.7404	$ -	
121	Second Tier - Over 85,000 Gals.	-	$ 2.1756	$ -	
122	Third Tier - Over 85,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	52	$ 203.96	$ 10,606	$ 10,606
	Commodity Usage				
124	First Tier - First 175,000 Gals.	3,223	$ 1.7404	$ 5,610	
125	Second Tier - Over 175,000 Gals.	2,596	$ 2.1756	$ 5,648	
126	Third Tier - Over 175,000 Gals.	-	$ -	$ -	$ 11,258
127	Construction Water 4" Meter	2	$ 318.68	$ 637	$ 637
	Commodity Usage				
128	First Tier - First 290,000 Gals.	64	$ 1.7404	$ 112	
129	Second Tier - Over 290,000 Gals.	-	$ 2.1756	$ -	
130	Third Tier - Over 290,000 Gals.	-	$ -	$ -	$ 112
131	Sales For Resales 2" Meter	-	$ 101.98	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 4.6698	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 4.6698	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 203.96	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 4.6698	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 4.6698	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

EASTERN GROUP - SIERRA VISTA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 637.37	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 4.6698	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 4.6698	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	54			
144	Total Other Water Revenue Usage	5,884			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 22,613
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 1,281,615
147	Unreconciled Difference vs. Billed Revenues				$ 450
148	Miscellaneous Revenues				16,645
149	**RUCO TOTAL REVENUE**				$ 1,298,710
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 1,298,710
151	Difference				$ (0)
152	Percentage Difference				0.00%

EASTERN GROUP - SIERRA VISTA
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 15.40	$ -	$ 15.40	$ 15.00		$ 12.75	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	10,000	1st Tier - First	3,000	$ 1.6120	$ -	$ 1.6120	$ 1.3260		$ 1.1269	
3	2nd Tier - Next	15,000	2nd Tier - Next	7,000	$ 2.0150	$ -	$ 2.0150	$ 2.0480		$ 1.7404	
4	3rd Tier - Over	25,000	3rd Tier - Over	10,000	$ 2.4180	$ -	$ 2.4180	$ 2.5610		$ 2.1764	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 6930	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,733	25.00%	$ 18.19	$ -	$ 18.19	$ 14.70	$ (3.49)	-19.20%
6		3,465	50.00%	$ 20.99	$ -	$ 20.99	$ 16.94	$ (4.05)	-19.29%
7		6,930	100.00%	$ 26.57	$ -	$ 26.57	$ 22.97	$ (3.60)	-13.56%
8		10,395	150.00%	$ 32.32	$ -	$ 32.32	$ 29.17	$ (3.15)	-9.73%
9		13,860	200.00%	$ 39.30	$ -	$ 39.30	$ 36.71	$ (2.59)	-6.58%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 6380	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,595	25.00%	$ 17.97	$ -	$ 17.97	$ 14.54	$ (3.43)	-19.07%
11		3,190	50.00%	$ 20.54	$ -	$ 20.54	$ 16.46	$ (4.08)	-19.88%
12		6,380	100.00%	$ 25.68	$ -	$ 25.68	$ 22.01	$ (3.67)	-14.30%
13		9,570	150.00%	$ 30.83	$ -	$ 30.83	$ 27.56	$ (3.26)	-10.59%
14		12,760	200.00%	$ 37.08	$ -	$ 37.08	$ 34.32	$ (2.76)	-7.45%

EASTERN GROUP - SAN MANUEL
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	17,729	$ 21.45	$ 380,293	$ 380,293
	Commodity Usage				
2	First Tier - First 3,000 Gals.	46,628	$ 2.5823	$ 120,407	
3	Second Tier - Next 7,000 Gals.	63,777	$ 3.2276	$ 205,849	
4	Third Tier - Over 10,000 Gals.	44,626	$ 4.0343	$ 180,034	$ 506,290
5	1" Meter	73	$ 53.63	$ 3,915	$ 3,915
	Commodity Usage				
6	First Tier - First 10,000 Gals.	663	$ 3.2276	$ 2,141	
7	Second Tier - Over 10,000 Gals.	998	$ 4.0343	$ 4,027	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 6,168
9	2" Meter	-	$ 171.60	$ -	$ -
	Commodity Usage				
10	First Tier - First 125,000 Gals.	-	$ 3.2276	$ -	
11	Second Tier - Over125,000 Gals.	-	$ 4.0343	$ -	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
13	3" Meter	-	$ 343.20	$ -	$ -
	Commodity Usage				
14	First Tier - First 325,000 Gals.	-	$ 3.2276	$ -	
15	Second Tier - Over 325,000 Gals.	-	$ 4.0343	$ -	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 536.26	$ -	$ -
	Commodity Usage				
18	First Tier - First 500,000 Gals.	-	$ 3.2276	$ -	
19	Second Tier - Over 500,000 Gals.	-	$ 4.0343	$ -	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 1,072.52	$ -	$ -
	Commodity Usage				
22	First Tier - First 925,000 Gals.	-	$ 3.2276	$ -	
23	Second Tier - Over 925,000 Gals.	-	$ 4.0343	$ -	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,716.02	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 3.2276	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 4.0343	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 3,432.05	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 3.2276	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 4.0343	$ -	
32	Third Tier - Over 3,000,000 Gals.	-		$ -	$ -
33	Total Residential Customer Bills	17,802			
34	Total Residential Usage	156,692			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 896,665

EASTERN GROUP - SAN MANUEL
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	575	$ 21.45	$ 12,334	$ 12,334
	Commodity Usage				
37	First Tier - First 10,000 Gals.	2,450	$ 3.2276	$ 7,908	
38	Second Tier - Over 10,000 Gals.	2,260	$ 4.0343	$ 9,118	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 17,026
40	1" Meter	181	$ 53.63	$ 9,706	$ 9,706
	Commodity Usage				
41	First Tier - First 40,000 Gals.	2,568	$ 3.2276	$ 8,288	
42	Second Tier - Over 40,000 Gals.	874	$ 4.0343	$ 3,525	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 11,813
44	2" Meter	108	$ 171.60	$ 18,533	$ 18,533
	Commodity Usage				
45	First Tier - First 125,000 Gals.	6,966	$ 3.2276	$ 22,482	
46	Second Tier - Over 125,000 Gals.	8,078	$ 4.0343	$ 32,588	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 55,070
48	3" Meter	12	$ 343.20	$ 4,118	$ 4,118
	Commodity Usage				
49	First Tier - First 325,000 Gals.	456	$ 3.2276	$ 1,471	
50	Second Tier - Over 325,000 Gals.	-	$ 4.0343	$ -	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 1,471
52	4" Meter	12	$ 536.26	$ 6,435	$ 6,435
	Commodity Usage				
53	First Tier - First 500,000 Gals.	883	$ 3.2276	$ 2,850	
54	Second Tier - Over 500,000 Gals.	-	$ 4.0343	$ -	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 2,850
56	6" Meter	36	$ 1,072.52	$ 38,611	$ 38,611
	Commodity Usage				
57	First Tier - First 925,000 Gals.	5,340	$ 3.2276	$ 17,235	
58	Second Tier - Over 925,000 Gals.	-	$ 4.0343	$ -	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 17,235
60	8" Meter	-	$ 1,716.02	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 3.2276	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 4.0343	$ -	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 3,432.05	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 3.2276	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 4.0343	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	924			
69	Total Commercial Usage	29,874			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 195,203

EASTERN GROUP - SAN MANUEL
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 21.45	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 3.2276	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 3.2276	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 53.63	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 3.2276	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 3.2276	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 171.60	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 3.2276	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 3.2276	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 343.20	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 3.2276	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 3.2276	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 536.26	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 3.2276	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 3.2276	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 1,072.52	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 3.2276	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 3.2276	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,716.02	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 3.2276	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 3.2276	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 3,432.05	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 3.2276	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 3.2276	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	-			
104	Total Industrial Usage	-			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ -

EASTERN GROUP - SAN MANUEL
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	12	$ 25.00	$ 300	$ 300
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	12			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 300
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 110.00	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 4.0297	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 5.0372	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	16	$ 220.00	$ 3,520	$ 3,520
	Commodity Usage				
124	First Tier - First 325,000 Gals.	2,534	$ 4.0297	$ 10,210	
125	Second Tier - Over 325,000 Gals.	(288)	$ 5.0372	$ (1,448)	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 8,762
127	Construction Water 4" Meter	-	$ 343.76	$ -	$ -
	Commodity Usage				
128	First Tier - First 500,000 Gals.	-	$ 4.0297	$ -	
129	Second Tier - Over 500,000 Gals.	-	$ 5.0372	$ -	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 110.00	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 5.0372	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 5.0372	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 220.00	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 5.0372	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 5.0372	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

EASTERN GROUP - SAN MANUEL
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 687.51	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 5.0372	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 5.0372	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	16			
144	Total Other Water Revenue Usage	2,246			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 12,282
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 1,104,450
147	Unreconciled Difference vs. Billed Revenues				$ -
148	Miscellaneous Revenues				10,413
149	**RUCO TOTAL REVENUE**				$ 1,114,863
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 1,114,863
151	Difference				$ (0)
152	Percentage Difference				0.00%

EASTERN GROUP - SAN MANUEL
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 19.94	$ 4.51	$ 24.45	$ 23.40		$ 21.45	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	10,000	1st Tier - First	3,000	$ 1.7040	$ 0.5026	$ 2.2066	$ 2.8170		$ 2.5823	
3	2nd Tier - Next	15,000	2nd Tier - Next	7,000	$ 2.1300	$ 0.5026	$ 2.6326	$ 3.5210		$ 3.2276	
4	3rd Tier - Over	25,000	3rd Tier - Over	10,000	$ 2.5560	$ 0.5026	$ 3.0586	$ 4.4010		$ 4.0343	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 8745	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		2,186	25.00%	$ 23.67	$ 5.61	$ 29.27	$ 27.10	$ (2.18)	-7.44%
6		4,373	50.00%	$ 27.39	$ 6.71	$ 34.10	$ 33.63	$ (0.47)	-1.38%
7		8,745	100.00%	$ 34.84	$ 8.91	$ 43.75	$ 47.74	$ 3.99	9.13%
8		13,118	150.00%	$ 43.62	$ 11.10	$ 54.72	$ 64.37	$ 9.64	17.62%
9		17,490	200.00%	$ 52.93	$ 13.30	$ 66.23	$ 82.01	$ 15.77	23.81%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 6505	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,626	25.00%	$ 22.71	$ 5.33	$ 28.04	$ 25.65	$ (2.39)	-8.52%
11		3,253	50.00%	$ 25.48	$ 6.14	$ 31.63	$ 30.01	$ (1.61)	-5.11%
12		6,505	100.00%	$ 31.02	$ 7.78	$ 38.80	$ 40.51	$ 1.71	4.40%
13		9,758	150.00%	$ 36.57	$ 9.41	$ 45.98	$ 51.01	$ 5.03	10.93%
14		13,010	200.00%	$ 43.39	$ 11.05	$ 54.44	$ 63.93	$ 9.49	17.44%

EASTERN GROUP - ORACLE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	16,668	$ 19.55	$ 325,789	$ 325,789
	Commodity Usage				
2	First Tier - First 3,000 Gals.	41,092	$ 3.9665	$ 162,991	
3	Second Tier - Next 7,000 Gals.	39,001	$ 4.9579	$ 193,361	
4	Third Tier - Over 10,000 Gals.	13,332	$ 6.1971	$ 82,618	$ 438,970
5	1" Meter	590	$ 48.86	$ 28,830	$ 28,830
	Commodity Usage				
6	First Tier - First 10,000 Gals.	3,268	$ 4.9579	$ 16,201	
7	Second Tier - Over 10,000 Gals.	2,488	$ 6.1971	$ 15,420	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 31,622
9	2" Meter	-	$ 156.37	$ -	$ -
	Commodity Usage				
10	First Tier - First 90,000 Gals.	-	$ 4.9579	$ -	
11	Second Tier - Over 90,000 Gals.	-	$ 6.1971	$ -	
12	Third Tier - Over 90,000 Gals.	-	$ -	$ -	$ -
13	3" Meter	-	$ 312.73	$ -	$ -
	Commodity Usage				
14	First Tier - First 200,000 Gals.	-	$ 4.9579	$ -	
15	Second Tier - Over 200,000 Gals.	-	$ 6.1971	$ -	
16	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 488.64	$ -	$ -
	Commodity Usage				
18	First Tier - First 325,000 Gals.	-	$ 4.9579	$ -	
19	Second Tier - Over 325,000 Gals.	-	$ 6.1971	$ -	
20	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 977.29	$ -	$ -
	Commodity Usage				
22	First Tier - First 675,000 Gals.	-	$ 4.9579	$ -	
23	Second Tier - Over 675,000 Gals.	-	$ 6.1971	$ -	
24	Third Tier - Over 675,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,563.66	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,000,000 Gals.	-	$ 4.9579	$ -	
27	Second Tier - Over 1,000,000 Gals.	-	$ 6.1971	$ -	
28	Third Tier - Over 1.000,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 3,127.33	$ -	$ -
	Commodity Usage				
30	First Tier - First 2,000,000 Gals.	-	$ 4.9579	$ -	
31	Second Tier - Over 2,000,000 Gals.	-	$ 6.1971	$ -	
32	Third Tier - Over 2,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	17,258			
34	Total Residential Usage	99,180			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 825,211

EASTERN GROUP - ORACLE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	957	$ 19.55	$ 18,705	$ 18,705
	Commodity Usage				
37	First Tier - First 10,000 Gals.	3,192	$ 4.9579	$ 15,827	
38	Second Tier - Over 10,000 Gals.	1,153	$ 6.1971	$ 7,147	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 22,974
40	1" Meter	233	$ 48.86	$ 11,385	$ 11,385
	Commodity Usage				
41	First Tier - First 30,000 Gals.	1,979	$ 4.9579	$ 9,809	
42	Second Tier - Over 30,000 Gals.	230	$ 6.1971	$ 1,427	
43	Third Tier - Over 30,000 Gals.	-	$ -	$ -	$ 11,236
44	2" Meter	96	$ 156.37	$ 15,011	$ 15,011
	Commodity Usage				
45	First Tier - First 90,000 Gals.	5,142	$ 4.9579	$ 25,492	
46	Second Tier - Over 90,000 Gals.	5,251	$ 6.1971	$ 32,540	
47	Third Tier - Over 90,000 Gals.	-	$ -	$ -	$ 58,032
48	3" Meter	-	$ 312.73	$ -	$ -
	Commodity Usage				
49	First Tier - First 210,000 Gals.	-	$ 4.9579	$ -	
50	Second Tier - Over 210,000 Gals.	-	$ 6.1971	$ -	
51	Third Tier - Over 210,000 Gals.	-	$ -	$ -	$ -
52	4" Meter	-	$ 488.64	$ -	$ -
	Commodity Usage				
53	First Tier - First 340,000 Gals.	-	$ 4.9579	$ -	
54	Second Tier - Over 340,000 Gals.	-	$ 6.1971	$ -	
55	Third Tier - Over 340,000 Gals.	-	$ -	$ -	$ -
56	6" Meter	12	$ 977.29	$ 11,727	$ 11,727
	Commodity Usage				
57	First Tier - First 725,000 Gals.	7,383	$ 4.9579	$ 36,602	
58	Second Tier - Over 725,000 Gals.	2,217	$ 6.1971	$ 13,738	
59	Third Tier - Over 725,000 Gals.	-	$ -	$ -	$ 50,339
60	8" Meter	-	$ 1,563.66	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,100,000 Gals.	-	$ 4.9579	$ -	
62	Second Tier - Over 1,100,000 Gals.	-	$ 6.1971	$ -	
63	Third Tier - Over 1.100,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 3,127.33	$ -	$ -
	Commodity Usage				
65	First Tier - First 2,300,000 Gals.	-	$ 4.9579	$ -	
66	Second Tier - Over 2,300,000 Gals.	-	$ 6.1971	$ -	
67	Third Tier - Over 2,300,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	1,298			
69	Total Commercial Usage	26,546			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 199,412

EASTERN GROUP - ORACLE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 19.55	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 4.9579	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 4.9579	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 48.86	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 4.9579	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 4.9579	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 156.37	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 4.9579	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 4.9579	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 312.73	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 4.9579	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 4.9579	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 488.64	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 4.9579	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 4.9579	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 977.29	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 4.9579	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 4.9579	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,563.66	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 4.9579	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 4.9579	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 3,127.33	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 4.9579	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 4.9579	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	-			
104	Total Industrial Usage	-			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ -

EASTERN GROUP - ORACLE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	12	$ 25.00	$ 300	$ 300
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	12			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 300
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 156.37	$ -	$ -
	Commodity Usage				
120	First Tier - First 90,000 Gals.	-	$ 4.9579	$ -	
121	Second Tier - Over 90,000 Gals.	-	$ 6.1971	$ -	
122	Third Tier - Over 90,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	30	$ 312.73	$ 9,382	$ 9,382
	Commodity Usage				
124	First Tier - First 210,000 Gals.	1,892	$ 4.9579	$ 9,379	
125	Second Tier - Over 210,000 Gals.	169	$ 6.1971	$ 1,049	
126	Third Tier - Over 210,000 Gals.	-	$ -	$ -	$ 10,427
127	Construction Water 4" Meter	-	$ 488.64	$ -	$ -
	Commodity Usage				
128	First Tier - First 340,000 Gals.	-	$ 4.9579	$ -	
129	Second Tier - Over 340,000 Gals.	-	$ 6.1971	$ -	
130	Third Tier - Over 340,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 156.37	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 4.9579	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 4.9579	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 312.73	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 4.9579	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 4.9579	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

EASTERN GROUP - ORACLE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 977.29	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 4.9579	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 4.9579	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	30			
144	Total Other Water Revenue Usage	2,061			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 19,809
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 1,044,732
147	Unreconciled Difference vs. Billed Revenues				$ (106)
148	Miscellaneous Revenues				11,106
149	**RUCO TOTAL REVENUE**				$ 1,055,732
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 1,055,732
151	Difference				$ 0
152	Percentage Difference				0.00%

EASTERN GROUP - ORACLE
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 19.31	$ -	$ 19.31	$ 22.16		$ 19.55	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	10,000	1st Tier - First	3,000	$ 4.9850	$ -	$ 4.9850	$ 4.4970		$ 3.9665	
3	2nd Tier - Next	15,000	2nd Tier - Next	7,000	$ 6.2310	$ -	$ 6.2310	$ 5.6210		$ 4.9579	
4	3rd Tier - Over	25,000	3rd Tier - Over	10,000	$ 7.4770	$ -	$ 7.4770	$ 7.0260		$ 6.1971	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 5605	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,401	25.00%	$ 26.30	$ -	$ 26.30	$ 25.10	$ (1.19)	-4.53%
6		2,803	50.00%	$ 33.28	$ -	$ 33.28	$ 30.66	$ (2.62)	-7.87%
7		5,605	100.00%	$ 47.25	$ -	$ 47.25	$ 44.36	$ (2.89)	-6.12%
8		8,408	150.00%	$ 61.22	$ -	$ 61.22	$ 58.26	$ (2.97)	-4.85%
9		11,210	200.00%	$ 76.70	$ -	$ 76.70	$ 73.65	$ (3.05)	-3.98%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 4339	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,085	25.00%	$ 24.72	$ -	$ 24.72	$ 23.85	$ (0.87)	-3.52%
11		2,170	50.00%	$ 30.12	$ -	$ 30.12	$ 28.15	$ (1.97)	-6.55%
12		4,339	100.00%	$ 40.94	$ -	$ 40.94	$ 38.08	$ (2.86)	-6.98%
13		6,509	150.00%	$ 51.75	$ -	$ 51.75	$ 48.84	$ (2.91)	-5.63%
14		8,678	200.00%	$ 62.57	$ -	$ 62.57	$ 59.60	$ (2.97)	-4.75%

EASTERN GROUP - WINKLEMAN
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	1,729	$ 13.96	$ 24,132	$ 24,132
	Commodity Usage				
2	First Tier - First 3,000 Gals.	4,660	$ 1.4561	$ 6,785	
3	Second Tier - Next 7,000 Gals.	6,931	$ 1.8199	$ 12,614	
4	Third Tier - Over 10,000 Gals.	4,764	$ 2.2751	$ 10,837	$ 30,237
5	1" Meter	24	$ 34.90	$ 838	$ 838
	Commodity Usage				
6	First Tier - First 10,000 Gals.	240	$ 1.8199	$ 437	
7	Second Tier - Over 10,000 Gals.	676	$ 2.2751	$ 1,537	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 1,974
9	2" Meter	-	$ 111.66	$ -	$ -
	Commodity Usage				
10	First Tier - First 125,000 Gals.	-	$ 1.8199	$ -	
11	Second Tier - Over125,000 Gals.	-	$ 2.2751	$ -	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
13	3" Meter	-	$ 223.32	$ -	$ -
	Commodity Usage				
14	First Tier - First 325,000 Gals.	-	$ 1.8199	$ -	
15	Second Tier - Over 325,000 Gals.	-	$ 2.2751	$ -	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 348.93	$ -	$ -
	Commodity Usage				
18	First Tier - First 500,000 Gals.	-	$ 1.8199	$ -	
19	Second Tier - Over 500,000 Gals.	-	$ 2.2751	$ -	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 697.86	$ -	$ -
	Commodity Usage				
22	First Tier - First 925,000 Gals.	-	$ 1.8199	$ -	
23	Second Tier - Over 925,000 Gals.	-	$ 2.2751	$ -	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,116.58	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 1.8199	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 2.2751	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,233.16	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 1.8199	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 2.2751	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	1,753			
34	Total Residential Usage	17,270			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 57,180

EASTERN GROUP - WINKLEMAN
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	184	$ 13.96	$ 2,568	$ 2,568
	Commodity Usage				
37	First Tier - First 10,000 Gals.	455	$ 1.8199	$ 828	
38	Second Tier - Over 10,000 Gals.	987	$ 2.2751	$ 2,244	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 3,072
40	1" Meter	12	$ 34.90	$ 419	$ 419
	Commodity Usage				
41	First Tier - First 40,000 Gals.	198	$ 1.8199	$ 361	
42	Second Tier - Over 40,000 Gals.	94	$ 2.2751	$ 213	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 574
44	2" Meter	36	$ 111.66	$ 4,020	$ 4,020
	Commodity Usage				
45	First Tier - First 125,000 Gals.	2,284	$ 1.8199	$ 4,157	
46	Second Tier - Over 125,000 Gals.	200	$ 2.2751	$ 454	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 4,611
48	3" Meter	12	$ 223.32	$ 2,680	$ 2,680
	Commodity Usage				
49	First Tier - First 325,000 Gals.	3,260	$ 1.8199	$ 5,933	
50	Second Tier - Over 325,000 Gals.	1,610	$ 2.2751	$ 3,662	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 9,595
52	4" Meter	24	$ 348.93	$ 8,374	$ 8,374
	Commodity Usage				
53	First Tier - First 500,000 Gals.	7,366	$ 1.8199	$ 13,405	
54	Second Tier - Over 500,000 Gals.	2,148	$ 2.2751	$ 4,887	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 18,292
56	6" Meter	-	$ 697.86	$ -	$ -
	Commodity Usage				
57	First Tier - First 925,000 Gals.	-	$ 1.8199	$ -	
58	Second Tier - Over 925,000 Gals.	-	$ 2.2751	$ -	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,116.58	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 1.8199	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 2.2751	$ -	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,233.16	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 1.8199	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 2.2751	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	268			
69	Total Commercial Usage	18,601			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 54,204

EASTERN GROUP - WINKLEMAN
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 13.96	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 2.1035	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 2.1035	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 34.90	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 2.1035	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 2.1035	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	12	$ 111.66	$ 1,340	$ 1,340
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	535	$ 2.1035	$ 1,124	
81	Second Tier - Next 999,999,999 Gals.	-	$ 2.1035	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 1,124
83	3" Meter	-	$ 223.32	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 2.1035	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 2.1035	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 348.93	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 2.1035	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 2.1035	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 697.86	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 2.1035	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 2.1035	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,116.58	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 2.1035	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 2.1035	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,233.16	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 2.1035	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 2.1035	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	12			
104	Total Industrial Usage	535			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 2,464

EASTERN GROUP - WINKLEMAN
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	-	$ 25.00	$ -	$ -
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	-			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ -
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 111.66	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 1.8199	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 2.2751	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	3	$ 223.32	$ 670	$ 670
	Commodity Usage				
124	First Tier - First 325,000 Gals.	21	$ 1.8199	$ 37	
125	Second Tier - Over 325,000 Gals.	-	$ 2.2751	$ -	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 37
127	Construction Water 4" Meter	-	$ 348.93	$ -	$ -
	Commodity Usage				
128	First Tier - First 500,000 Gals.	-	$ 1.8199	$ -	
129	Second Tier - Over 500,000 Gals.	-	$ 2.2751	$ -	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 111.66	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 2.1035	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 2.1035	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 223.32	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 2.1035	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 2.1035	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

EASTERN GROUP - WINKLEMAN
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 697.86	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 2.1035	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 2.1035	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	3			
144	Total Other Water Revenue Usage	21			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 707
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 114,556
147	Unreconciled Difference vs. Billed Revenues				$ (2)
148	Miscellaneous Revenues				1,203
149	**RUCO TOTAL REVENUE**				$ 115,757
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 115,757
151	Difference				$ 0
152	Percentage Difference				0.00%

EASTERN GROUP - WINKLEMAN
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 12.95	$ -	$ 12.95	$ 16.19		$ 13.96	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	10,000	1st Tier - First	3,000	$ 1.1360	$ -	$ 1.1360	$ 1.6890		$ 1.4561	
3	2nd Tier - Next	15,000	2nd Tier - Next	7,000	$ 1.4200	$ -	$ 1.4200	$ 2.1110		$ 1.8199	
4	3rd Tier - Over	25,000	3rd Tier - Over	10,000	$ 1.7040	$ -	$ 1.7040	$ 2.6390		$ 2.2751	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 9459	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		2,365	25.00%	$ 15.64	$ -	$ 15.64	$ 17.40	$ 1.76	11.28%
6		4,730	50.00%	$ 18.32	$ -	$ 18.32	$ 21.47	$ 3.15	17.19%
7		9,459	100.00%	$ 23.70	$ -	$ 23.70	$ 30.08	$ 6.38	26.94%
8		14,189	150.00%	$ 30.26	$ -	$ 30.26	$ 40.59	$ 10.34	34.16%
9		18,918	200.00%	$ 36.97	$ -	$ 36.97	$ 51.35	$ 14.38	38.89%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 7329	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,832	25.00%	$ 15.03	$ -	$ 15.03	$ 16.63	$ 1.59	10.60%
11		3,665	50.00%	$ 17.11	$ -	$ 17.11	$ 19.53	$ 2.42	14.15%
12		7,329	100.00%	$ 21.28	$ -	$ 21.28	$ 26.20	$ 4.93	23.16%
13		10,994	150.00%	$ 25.72	$ -	$ 25.72	$ 33.32	$ 7.60	29.56%
14		14,658	200.00%	$ 30.92	$ -	$ 30.92	$ 41.66	$ 10.74	34.72%

EASTERN GROUP- MIAMI
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	33,835	$ 25.18	$ 852,092	$ 852,092
	Commodity Usage				
2	First Tier - First 3,000 Gals.	83,297	$ 3.4064	$ 283,746	
3	Second Tier - Next 7,000 Gals.	84,770	$ 4.2587	$ 361,010	
4	Third Tier - Over 10,000 Gals.	34,779	$ 5.3231	$ 185,130	$ 829,886
5	1" Meter	269	$ 62.96	$ 16,936	$ 16,936
	Commodity Usage				
6	First Tier - First 10,000 Gals.	1,489	$ 4.2587	$ 6,342	
7	Second Tier - Over 10,000 Gals.	649	$ 5.3231	$ 3,457	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 9,798
9	2" Meter	36	$ 201.47	$ 7,253	$ 7,253
	Commodity Usage				
10	First Tier - First 125,000 Gals.	2,164	$ 4.2587	$ 9,217	
11	Second Tier - Over 125,000 Gals.	208	$ 5.3231	$ 1,108	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 10,325
13	3" Meter	-	$ 402.94	$ -	$ -
	Commodity Usage				
14	First Tier - First 300,000 Gals.	-	$ 4.2587	$ -	
15	Second Tier - Over 300,000 Gals.	-	$ 5.3231	$ -	
16	Third Tier - Over 300,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 629.59	$ -	$ -
	Commodity Usage				
18	First Tier - First 490,000 Gals.	-	$ 4.2587	$ -	
19	Second Tier - Over 490,000 Gals.	-	$ 5.3231	$ -	
20	Third Tier - Over 490,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 1,259.19	$ -	$ -
	Commodity Usage				
22	First Tier - First 925,000 Gals.	-	$ 4.2587	$ -	
23	Second Tier - Over 925,000 Gals.	-	$ 5.3231	$ -	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 2,014.70	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 4.2587	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 5.3231	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 4,029.40	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 4.2587	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 5.3231	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	34,140			
34	Total Residential Usage	207,357			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 1,726,291

EASTERN GROUP- MIAMI
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	1,755	$ 26.51	$ 46,524	$ 46,524
	Commodity Usage				
37	First Tier - First 10,000 Gals.	5,744	$ 4.5609	$ 26,197	
38	Second Tier - Over 10,000 Gals.	3,464	$ 5.7008	$ 19,747	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 45,944
40	1" Meter	533	$ 66.27	$ 35,324	$ 35,324
	Commodity Usage				
41	First Tier - First 40,000 Gals.	6,127	$ 4.5609	$ 27,947	
42	Second Tier - Over 40,000 Gals.	4,019	$ 5.7008	$ 22,912	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 50,859
44	2" Meter	454	$ 212.07	$ 96,281	$ 96,281
	Commodity Usage				
45	First Tier - First 125,000 Gals.	19,126	$ 4.5609	$ 87,232	
46	Second Tier - Over 125,000 Gals.	8,308	$ 5.7008	$ 47,359	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 134,591
48	3" Meter	31	$ 424.15	$ 13,149	$ 13,149
	Commodity Usage				
49	First Tier - First 300,000 Gals.	5,671	$ 4.5609	$ 25,865	
50	Second Tier - Over 300,000 Gals.	3,073	$ 5.7008	$ 17,520	
51	Third Tier - Over 300,000 Gals.	-	$ -	$ -	$ 43,385
52	4" Meter	12	$ 662.73	$ 7,953	$ 7,953
	Commodity Usage				
53	First Tier - First 490,000 Gals.	5,880	$ 4.5609	$ 26,818	
54	Second Tier - Over 490,000 Gals.	7,112	$ 5.7008	$ 40,544	
55	Third Tier - Over 490,000 Gals.	-	$ -	$ -	$ 67,362
56	6" Meter	24	$ 1,325.46	$ 31,811	$ 31,811
	Commodity Usage				
57	First Tier - First 925,000 Gals.	9,460	$ 4.5609	$ 43,146	
58	Second Tier - Over 925,000 Gals.	2,086	$ 5.7008	$ 11,892	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 55,038
60	8" Meter	-	$ 2,120.74	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 4.5609	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 5.7008	$ -	
63	Third Tier - Over 1,500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 4,241.48	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 4.5609	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 5.7008	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	2,809			
69	Total Commercial Usage	80,070			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 628,220

EASTERN GROUP- MIAMI
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 26.51	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 5.1030	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 5.1030	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	12	$ 53.02	$ 636	$ 636
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	4	$ 5.1030	$ 18	
77	Second Tier - Next 999,999,999 Gals.	-	$ 5.1030	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 18
79	2" Meter	48	$ 265.09	$ 12,724	$ 12,724
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	18,207	$ 5.1030	$ 92,912	
81	Second Tier - Next 999,999,999 Gals.	-	$ 5.1030	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 92,912
83	3" Meter	12	$ 424.15	$ 5,090	$ 5,090
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	804	$ 5.1030	$ 4,102	
85	Second Tier - Next 999,999,999 Gals.	-	$ 5.1030	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 4,102
87	4" Meter	-	$ 662.73	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 5.1030	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 5.1030	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 1,325.46	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 5.1030	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 5.1030	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 2,120.74	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 5.1030	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 5.1030	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 4,241.48	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 5.1030	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 5.1030	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	72			
104	Total Industrial Usage	19,015			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 115,483

EASTERN GROUP- MIAMI
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	174	$ 25.00	$ 4,350	$ 4,350
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	174			
115	TOTAL PRIVATE FIRES SERVICE CUSTOMERS REVENUE				$ 4,350
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 212.07	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 4.5609	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 5.7008	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	20	$ 424.15	$ 8,483	$ 8,483
	Commodity Usage				
124	First Tier - First 300,000 Gals.	1,128	$ 4.5609	$ 5,147	
125	Second Tier - Over 300,000 Gals.	1,348	$ 5.7008	$ 7,687	
126	Third Tier - Over 300,000 Gals.	-	$ -	$ -	$ 12,834
127	Construction Water 4" Meter	-	$ 662.73	$ -	$ -
	Commodity Usage				
128	First Tier - First 490,000 Gals.	-	$ 4.5609	$ -	
129	Second Tier - Over 490,000 Gals.	-	$ 5.7008	$ -	
130	Third Tier - Over 490,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 212.07	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 5.1030	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 5.1030	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 424.15	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 5.1030	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 5.1030	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

EASTERN GROUP- MIAMI
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 1,325.46	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 5.1030	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 5.1030	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	20			
144	Total Other Water Revenue Usage	2,477			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 21,316
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 2,495,661
147	Unreconciled Difference vs. Billed Revenues				(270)
148	Miscellaneous Revenues				20,340
149	**RUCO TOTAL REVENUE**				$ 2,515,731
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 2,515,731
151	Difference				$ 0
152	Percentage Difference				0.00%

EASTERN GROUP - MIAMI
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 15.44	$ -	$ 15.44	$ 19.00		$ 25.18	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	10,000	1st Tier - First	3,000	$ 3.1400	$ -	$ 3.1400	$ 2.5700		$ 3.4064	
3	2nd Tier - Next	15,000	2nd Tier - Next	7,000	$ 3.9250	$ -	$ 3.9250	$ 3.2130		$ 4.2587	
4	3rd Tier - Over	25,000	3rd Tier - Over	10,000	$ 4.7100	$ -	$ 4.7100	$ 4.0160		$ 5.3231	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 7177	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,794	25.00%	$ 21.07	$ -	$ 21.07	$ 31.30	$ 10.22	48.50%
6		3,589	50.00%	$ 26.71	$ -	$ 26.71	$ 37.91	$ 11.20	41.94%
7		7,177	100.00%	$ 37.98	$ -	$ 37.98	$ 53.19	$ 15.22	40.07%
8		10,766	150.00%	$ 49.84	$ -	$ 49.84	$ 69.29	$ 19.44	39.01%
9		14,354	200.00%	$ 63.93	$ -	$ 63.93	$ 88.39	$ 24.46	38.26%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 4457	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,114	25.00%	$ 18.94	$ -	$ 18.94	$ 28.98	$ 10.04	53.02%
11		2,229	50.00%	$ 22.44	$ -	$ 22.44	$ 25.18	$ 2.75	12.24%
12		4,457	100.00%	$ 29.43	$ -	$ 29.43	$ 41.61	$ 12.17	41.36%
13		6,686	150.00%	$ 36.43	$ -	$ 36.43	$ 51.10	$ 14.67	40.26%
14		8,914	200.00%	$ 43.43	$ -	$ 43.43	$ 60.59	$ 17.16	39.51%

WESTERN GROUP - CASA GRANDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	247,709	$ 15.48	$ 3,834,107	$ 3,834,107
	Commodity Usage				
2	First Tier - First 3,000 Gals.	626,007	$ 1.4193	$ 888,484	
3	Second Tier - Next 7,000 Gals.	857,556	$ 1.7746	$ 1,521,782	
4	Third Tier - Over 10,000 Gals.	706,866	$ 2.2182	$ 1,567,967	$ 3,978,233
5	1" Meter	5,186	$ 38.70	$ 200,676	$ 200,676
	Commodity Usage				
6	First Tier - First 10,000 Gals.	41,596	$ 1.7746	$ 73,815	
7	Second Tier - Over 10,000 Gals.	100,219	$ 2.2182	$ 222,305	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 296,120
9	2" Meter	890	$ 123.83	$ 110,205	$ 110,205
	Commodity Usage				
10	First Tier - First 125,000 Gals.	75,099	$ 1.7746	$ 133,268	
11	Second Tier - Over125,000 Gals.	83,945	$ 2.2182	$ 186,207	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 319,474
13	3" Meter	97	$ 247.65	$ 24,022	$ 24,022
	Commodity Usage				
14	First Tier - First 325,000 Gals.	27,450	$ 1.7746	$ 48,711	
15	Second Tier - Over 325,000 Gals.	23,013	$ 2.2182	$ 51,048	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 99,759
17	4" Meter	27	$ 386.96	$ 10,448	$ 10,448
	Commodity Usage				
18	First Tier - First 500,000 Gals.	12,311	$ 1.7746	$ 21,847	
19	Second Tier - Over 500,000 Gals.	19,223	$ 2.2182	$ 42,641	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 64,487
21	6" Meter	96	$ 773.91	$ 74,296	$ 74,296
	Commodity Usage				
22	First Tier - First 925,000 Gals.	58,124	$ 1.7746	$ 103,144	
23	Second Tier - Over 925,000 Gals.	5,427	$ 2.2182	$ 12,039	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 115,182
25	8" Meter	-	$ 1,238.26	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 1.7746	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 2.2182	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,476.52	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 1.7746	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 2.2182	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	254,005			
34	Total Residential Usage	2,636,837			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 9,127,010

WESTERN GROUP - CASA GRANDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	7,588	$ 15.48	$ 117,449	$ 117,449
	Commodity Usage				
37	First Tier - First 10,000 Gals.	37,255	$ 1.7746	$ 66,111	
38	Second Tier - Over 10,000 Gals.	40,844	$ 2.2182	$ 90,599	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 156,711
40	1" Meter	4,392	$ 38.70	$ 169,951	$ 169,951
	Commodity Usage				
41	First Tier - First 40,000 Gals.	81,115	$ 1.7746	$ 143,942	
42	Second Tier - Over 40,000 Gals.	63,781	$ 2.2182	$ 141,478	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 285,421
44	2" Meter	3,825	$ 123.83	$ 473,635	$ 473,635
	Commodity Usage				
45	First Tier - First 125,000 Gals.	267,223	$ 1.7746	$ 474,203	
46	Second Tier - Over 125,000 Gals.	292,838	$ 2.2182	$ 649,571	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 1,123,774
48	3" Meter	281	$ 247.65	$ 69,590	$ 69,590
	Commodity Usage				
49	First Tier - First 325,000 Gals.	46,952	$ 1.7746	$ 83,319	
50	Second Tier - Over 325,000 Gals.	27,556	$ 2.2182	$ 61,125	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 144,444
52	4" Meter	198	$ 386.96	$ 76,617	$ 76,617
	Commodity Usage				
53	First Tier - First 500,000 Gals.	79,366	$ 1.7746	$ 140,839	
54	Second Tier - Over 500,000 Gals.	110,113	$ 2.2182	$ 244,253	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 385,092
56	6" Meter	72	$ 773.91	$ 55,722	$ 55,722
	Commodity Usage				
57	First Tier - First 925,000 Gals.	44,310	$ 1.7746	$ 78,631	
58	Second Tier - Over 925,000 Gals.	18,306	$ 2.2182	$ 40,607	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 119,238
60	8" Meter	-	$ 1,238.26	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 1.7746	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 2.2182	$ -	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,476.52	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 1.7746	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 2.2182	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	16,356			
69	Total Commercial Usage	1,109,660			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 3,177,645

WESTERN GROUP - CASA GRANDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	60	$ 9.35	$ 561	$ 561
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	754	$ 1.4666	$ 1,106	
73	Second Tier - Next 999,999,999 Gals.	-	$ 1.4666	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 1,106
75	1" Meter	72	$ 22.45	$ 1,616	$ 1,616
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	1,857	$ 1.4666	$ 2,724	
77	Second Tier - Next 999,999,999 Gals.	-	$ 1.4666	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 2,724
79	2" Meter	111	$ 56.13	$ 6,230	$ 6,230
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	17,005	$ 1.4666	$ 24,939	
81	Second Tier - Next 999,999,999 Gals.	-	$ 1.4666	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 24,939
83	3" Meter	-	$ 93.55	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 1.4666	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 1.4666	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	36	$ 187.10	$ 6,735	$ 6,735
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	39,166	$ 1.4666	$ 57,441	
89	Second Tier - Next 999,999,999 Gals.	-	$ 1.4666	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 57,441
91	6" Meter	24	$ 327.42	$ 7,858	$ 7,858
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	571,237	$ 1.4666	$ 837,775	
93	Second Tier - Next 999,999,999 Gals.	-	$ 1.4666	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 837,775
95	8" Meter	12	$ 327.42	$ 3,929	$ 3,929
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	19,683	$ 1.4666	$ 28,866	
97	Second Tier - Next 999,999,999 Gals.	-	$ 1.4666	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 28,866
99	10" Meter	-	$ 1,496.77	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 1.4666	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 1.4666	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	315			
104	Total Industrial Usage	649,702			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 979,782

WESTERN GROUP - CASA GRANDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	2,598	$ 25.00	$ 64,950	$ 64,950
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	23	$ 25.00	$ 575	$ 575
114	Total Private Fire Service Customers	2,621			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 65,525
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-		$ -	$ -
117	Coin Machine	-		$ -	$ -
118	Commodity Usage	-		$ -	$ -
119	Construction Water 2" Meter	-	$ 123.83	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 1.7746	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 2.2182	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	790	$ 247.65	$ 195,645	$ 195,645
	Commodity Usage				
124	First Tier - First 325,000 Gals.	64,714	$ 1.7746	$ 114,838	
125	Second Tier - Over 325,000 Gals.	66,411	$ 2.2182	$ 147,312	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 262,150
127	Construction Water 4" Meter	201	$ 386.96	$ 77,778	$ 77,778
	Commodity Usage				
128	First Tier - First 500,000 Gals.	30,744	$ 1.7746	$ 54,556	
129	Second Tier - Over 500,000 Gals.	43,275	$ 2.2182	$ 95,992	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 150,549
131	Sales For Resales 2" Meter	-	$ 74.84	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 1.4666	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 1.4666	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	14	$ 149.68	$ 2,095	$ 2,095
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	4,174	$ 1.4666	$ 6,122	
137	Second Tier - Next 1,000,000 Gals.	-	$ 1.4666	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ 6,122

WESTERN GROUP - CASA GRANDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 467.74	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 0.8926	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 1.4666	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ 1.4666	$ -	$ -
143	Total Other Water Revenue Customer Bills	1,005			
144	Total Other Water Revenue Usage	209,317			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 694,340
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 14,044,302
147	Unreconciled Difference vs. Billed Revenues				(47)
148	Miscellaneous Revenues				589,682
149	**RUCO TOTAL REVENUE**				$ 14,633,938
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 14,633,938
151	Difference				$ 0
152	Percentage Difference				0.00%

WESTERN GROUP - CASA GRANDE
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 10.48	$ -	$ 10.48	$ 17.34		$ 15.48	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	3,000	1st Tier - First	3,000	$ 1.0000	$ -	$ 1.0000	$ 1.5900		$ 1.4193	
3	2nd Tier - Next	7,000	2nd Tier - Next	7,000	$ 1.4869	$ -	$ 1.4869	$ 1.9880		$ 1.7746	
4	3rd Tier - Over	10,000	3rd Tier - Over	10,000	$ 1.6500	$ -	$ 1.6500	$ 2.4850		$ 2.2182	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 8726	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		2,182	25.00%	$ 12.66	$ -	$ 12.66	$ 18.57	$ 5.91	46.70%
6		4,363	50.00%	$ 15.51	$ -	$ 15.51	$ 22.15	$ 6.65	42.87%
7		8,726	100.00%	$ 21.99	$ -	$ 21.99	$ 29.90	$ 7.90	35.93%
8		13,089	150.00%	$ 28.48	$ -	$ 28.48	$ 39.01	$ 10.53	36.97%
9		17,452	200.00%	$ 34.97	$ -	$ 34.97	$ 48.69	$ 13.72	39.23%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 6075	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,519	25.00%	$ 12.00	$ -	$ 12.00	$ 17.63	$ 5.64	46.96%
11		3,038	50.00%	$ 13.54	$ -	$ 13.54	$ 19.80	$ 6.27	46.30%
12		6,075	100.00%	$ 18.05	$ -	$ 18.05	$ 25.19	$ 7.14	39.56%
13		9,113	150.00%	$ 22.57	$ -	$ 22.57	$ 30.58	$ 8.01	35.51%
14		12,150	200.00%	$ 27.09	$ -	$ 27.09	$ 36.93	$ 9.84	36.34%

WESTERN GROUP - STANFIELD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	2,143	$ 35.35	$ 75,756	$ 75,756
	Commodity Usage				
2	First Tier - First 3,000 Gals.	5,909	$ 4.7440	$ 28,032	
3	Second Tier - Next 7,000 Gals.	8,579	$ 5.9305	$ 50,879	
4	Third Tier - Over 10,000 Gals.	5,146	$ 7.4126	$ 38,142	$ 117,053
5	1" Meter	24	$ 88.38	$ 2,121	$ 2,121
	Commodity Usage				
6	First Tier - First 10,000 Gals.	212	$ 5.9305	$ 1,255	
7	Second Tier - Over 10,000 Gals.	171	$ 7.4126	$ 1,269	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 2,525
9	2" Meter	1	$ 282.80	$ 283	$ 283
	Commodity Usage				
10	First Tier - First 125,000 Gals.	4	$ 5.9305	$ 23	
11	Second Tier - Over125,000 Gals.	-	$ 7.4126	$ -	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 23
13	3" Meter	-	$ 565.61	$ -	$ -
	Commodity Usage				
14	First Tier - First 325,000 Gals.	-	$ 5.9305	$ -	
15	Second Tier - Over 325,000 Gals.	-	$ 7.4126	$ -	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 883.76	$ -	$ -
	Commodity Usage				
18	First Tier - First 500,000 Gals.	-	$ 5.9305	$ -	
19	Second Tier - Over 500,000 Gals.	-	$ 7.4126	$ -	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 1,767.52	$ -	$ -
	Commodity Usage				
22	First Tier - First 925,000 Gals.	-	$ 5.9305	$ -	
23	Second Tier - Over 925,000 Gals.	-	$ 7.4126	$ -	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 2,828.03	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 5.9305	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 7.4126	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 5,656.06	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 5.9305	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 7.4126	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	2,168			
34	Total Residential Usage	20,021			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 197,760

WESTERN GROUP - STANFIELD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	303	$ 35.35	$ 10,711	$ 10,711
	Commodity Usage				
37	First Tier - First 10,000 Gals.	1,503	$ 5.9305	$ 8,911	
38	Second Tier - Over 10,000 Gals.	1,011	$ 7.4126	$ 7,496	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 16,407
40	1" Meter	36	$ 88.38	$ 3,182	$ 3,182
	Commodity Usage				
41	First Tier - First 40,000 Gals.	438	$ 5.9305	$ 2,595	
42	Second Tier - Over 40,000 Gals.	72	$ 7.4126	$ 534	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 3,128
44	2" Meter	36	$ 282.80	$ 10,181	$ 10,181
	Commodity Usage				
45	First Tier - First 125,000 Gals.	1,283	$ 5.9305	$ 7,611	
46	Second Tier - Over 125,000 Gals.	4	$ 7.4126	$ 32	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 7,642
48	3" Meter	-	$ 565.61	$ -	$ -
	Commodity Usage				
49	First Tier - First 325,000 Gals.	-	$ 5.9305	$ -	
50	Second Tier - Over 325,000 Gals.	-	$ 7.4126	$ -	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
52	4" Meter	-	$ 883.76	$ -	$ -
	Commodity Usage				
53	First Tier - First 500,000 Gals.	-	$ 5.9305	$ -	
54	Second Tier - Over 500,000 Gals.	-	$ 7.4126	$ -	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
56	6" Meter	-	$ 1,767.52	$ -	$ -
	Commodity Usage				
57	First Tier - First 925,000 Gals.	-	$ 5.9305	$ -	
58	Second Tier - Over 925,000 Gals.	-	$ 7.4126	$ -	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 2,828.03	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 5.9305	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 7.4126	$ -	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 5,656.06	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 5.9305	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 7.4126	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	375			
69	Total Commercial Usage	4,311			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 51,252

WESTERN GROUP - STANFIELD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 35.35	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 5.9305	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 5.9305	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 88.38	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 5.9305	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 5.9305	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 282.80	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 5.9305	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 5.9305	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 565.61	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 5.9305	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 5.9305	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 883.76	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 5.9305	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 5.9305	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 1,767.52	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 5.9305	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 5.9305	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 2,828.03	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 5.9305	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 5.9305	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 5,656.06	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 5.9305	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 5.9305	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	-			
104	Total Industrial Usage	-			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ -

WESTERN GROUP - STANFIELD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	-	$ 25.00	$ -	$ -
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	-			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ -
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-		$ -	$ -
117	Coin Machine	14	$ -	$ -	$ -
118	Commodity Usage	4,737	78.28	$ 15,127	$ 15,127
119	Construction Water 2" Meter	-	$ 282.80	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 5.9305	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 7.4126	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	4	$ 565.61	$ 2,262	$ 2,262
	Commodity Usage				
124	First Tier - First 325,000 Gals.	118	$ 5.9305	$ 702	
125	Second Tier - Over 325,000 Gals.	-	$ 7.4126	$ -	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 702
127	Construction Water 4" Meter	-	$ 883.76	$ -	$ -
	Commodity Usage				
128	First Tier - First 500,000 Gals.	-	$ 5.9305	$ -	
129	Second Tier - Over 500,000 Gals.	-	$ 7.4126	$ -	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 282.80	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 5.9305	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 5.9305	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 565.61	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 5.9305	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 5.9305	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

WESTERN GROUP - STANFIELD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 1,767.52	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 5.9305	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 5.9305	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	18			
144	Total Other Water Revenue Usage	4,855			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 18,092
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 267,104
147	Unreconciled Difference vs. Billed Revenues				(46)
148	Miscellaneous Revenues				936
149	**RUCO TOTAL REVENUE**				$ 267,993
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 267,993
151	Difference				$ 0
152	Percentage Difference				0.00%

WESTERN GROUP - STANFIELD
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 14.65	$ 1.54	$ 16.19	$ 19.00		$ 35.35	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	3,000	1st Tier - First	3,000	$ 2.0300	$ 0.6400	$ 2.6700	$ 2.5700		$ 4.7440	
3	2nd Tier - Next	7,000	2nd Tier - Next	7,000	$ 2.8900	$ 1.8700	$ 4.7600	$ 3.2130		$ 5.9305	
4	3rd Tier - Over	10,000	3rd Tier - Over	10,000	$ 3.6000	$ -	$ 3.6000	$ 4.0160		$ 7.4126	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 9162	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		2,291	25.00%	$ 19.30	$ 2.03	$ 21.33	$ 46.22	$ 24.89	116.71%
6		4,581	50.00%	$ 25.31	$ 2.66	$ 27.97	$ 58.96	$ 30.99	110.82%
7		9,162	100.00%	$ 38.55	$ 4.05	$ 42.60	$ 86.13	$ 43.53	102.19%
8		13,743	150.00%	$ 54.44	$ 5.72	$ 60.16	$ 152.80	$ 92.64	153.98%
9		18,324	200.00%	$ 70.94	$ 7.45	$ 78.38	$ 118.84	$ 40.46	51.61%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 7262	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,816	25.00%	$ 18.34	$ 1.93	$ 20.26	$ 43.96	$ 23.70	116.99%
11		3,631	50.00%	$ 22.56	$ 2.37	$ 24.93	$ 53.32	$ 28.39	113.87%
12		7,262	100.00%	$ 33.06	$ 3.47	$ 36.53	$ 74.86	$ 38.33	104.93%
13		10,893	150.00%	$ 44.18	$ 4.64	$ 48.82	$ 97.71	$ 48.89	100.14%
14		14,524	200.00%	$ 57.26	$ 6.01	$ 63.27	$ 124.63	$ 61.36	96.99%

WESTERN GROUP - WHITE TANK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	18,879	$ 26.91	$ 508,104	$ 508,104
	Commodity Usage				
2	First Tier - First 3,000 Gals.	52,953	$ 1.7278	$ 91,492	
3	Second Tier - Next 7,000 Gals.	90,988	$ 2.1597	$ 196,510	
4	Third Tier - Over 10,000 Gals.	151,477	$ 2.6995	$ 408,905	$ 696,907
5	1" Meter	740	$ 67.29	$ 49,790	$ 49,790
	Commodity Usage				
6	First Tier - First 10,000 Gals.	5,028	$ 2.1597	$ 10,859	
7	Second Tier - Over 10,000 Gals.	7,351	$ 2.6995	$ 19,844	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 30,703
9	2" Meter	36	$ 215.31	$ 7,751	$ 7,751
	Commodity Usage				
10	First Tier - First 185,000 Gals.	3,803	$ 2.1597	$ 8,213	
11	Second Tier - Over 185,000 Gals.	6,477	$ 2.6995	$ 17,484	
12	Third Tier - Over 185,000 Gals.	-	$ -	$ -	$ 25,696
13	3" Meter	-	$ 430.62	$ -	$ -
	Commodity Usage				
14	First Tier - First 400,000 Gals.	-	$ 2.1597	$ -	
15	Second Tier - Over 400,000 Gals.	-	$ 2.6995	$ -	
16	Third Tier - Over 400,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 672.84	$ -	$ -
	Commodity Usage				
18	First Tier - First 800,000 Gals.	-	$ 2.1597	$ -	
19	Second Tier - Over 800,000 Gals.	-	$ 2.6995	$ -	
20	Third Tier - Over 800,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 1,345.69	$ -	$ -
	Commodity Usage				
22	First Tier - First 1,500,000 Gals.	-	$ 2.1597	$ -	
23	Second Tier - Over 1,500,000 Gals.	-	$ 2.6995	$ -	
24	Third Tier - Over 1,500,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 2,153.10	$ -	$ -
	Commodity Usage				
26	First Tier - First 2,500,000 Gals.	-	$ 2.1597	$ -	
27	Second Tier - Over 2,500,000 Gals.	-	$ 2.6995	$ -	
28	Third Tier - Over 2,500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 4,306.20	$ -	$ -
	Commodity Usage				
30	First Tier - First 5,500,000 Gals.	-	$ 2.1597	$ -	
31	Second Tier - Over 5,500,000 Gals.	-	$ 2.6995	$ -	
32	Third Tier - Over 5,500,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	19,655			
34	Total Residential Usage	318,076			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 1,318,952

WESTERN GROUP - WHITE TANK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	214	$ 26.91	$ 5,760	$ 5,760
	Commodity Usage				
37	First Tier - First 3,000 Gals.	1,648	$ 2.1597	$ 3,558	
38	Second Tier - Next 7,000 Gals.	6,393	$ 2.6995	$ 17,257	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 20,816
40	1" Meter	207	$ 67.29	$ 13,928	$ 13,928
	Commodity Usage				
41	First Tier - First 75,000 Gals.	6,524	$ 2.1597	$ 14,091	
42	Second Tier - Over 75,000 Gals.	2,378	$ 2.6995	$ 6,418	
43	Third Tier - Over 75,000 Gals.	-	$ -	$ -	$ 20,509
44	2" Meter	86	$ 215.31	$ 18,517	$ 18,517
	Commodity Usage				
45	First Tier - First 325,000 Gals.	10,771	$ 2.1597	$ 23,263	
46	Second Tier - Over 325,000 Gals.	5,594	$ 2.6995	$ 15,101	
47	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 38,364
48	3" Meter	24	$ 430.62	$ 10,335	$ 10,335
	Commodity Usage				
49	First Tier - First 700,000 Gals.	5,578	$ 2.1597	$ 12,047	
50	Second Tier - Over 700,000 Gals.	-	$ 2.6995	$ -	
51	Third Tier - Over 700,000 Gals.	-	$ -	$ -	$ 12,047
52	4" Meter	12	$ 672.84	$ 8,074	$ 8,074
	Commodity Usage				
53	First Tier - First 1,100,000 Gals.	230	$ 2.1597	$ 497	
54	Second Tier - Over 1,100,000 Gals.	-	$ 2.6995	$ -	
55	Third Tier - Over 1,100,000 Gals.	-	$ -	$ -	$ 497
56	6" Meter	-	$ 1,345.69	$ -	$ -
	Commodity Usage				
57	First Tier - First 2,200,000 Gals.	-	$ 2.1597	$ -	
58	Second Tier - Over 2,200,000 Gals.	-	$ 2.6995	$ -	
59	Third Tier - Over 2,200,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 2,153.10	$ -	$ -
	Commodity Usage				
61	First Tier - First 3,500,000 Gals.	-	$ 2.1597	$ -	
62	Second Tier - Over 3,500,000 Gals.	-	$ 2.6995	$ -	
63	Third Tier - Over 3,500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 4,306.20	$ -	$ -
	Commodity Usage				
65	First Tier - First 7,000,000 Gals.	-	$ 2.1597	$ -	
66	Second Tier - Over 7,000,000 Gals.	-	$ 2.6995	$ -	
67	Third Tier - Over 7,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	543			
69	Total Commercial Usage	39,116			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 148,845

WESTERN GROUP - WHITE TANK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 29.63	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 2.7560	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 2.7560	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	12	$ 74.09	$ 889	$ 889
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	175	$ 2.7560	$ 481	
77	Second Tier - Next 999,999,999 Gals.	-	$ 2.7560	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 481
79	2" Meter	12	$ 237.08	$ 2,845	$ 2,845
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	1,691	$ 2.7560	$ 4,659	
81	Second Tier - Next 999,999,999 Gals.	-	$ 2.7560	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 4,659
83	3" Meter	-	$ 474.16	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 2.7560	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 2.7560	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 740.87	$ -	$ -
	Commodity Usage		$ -		
88	First Tier - First 999,999,999 Gals.	-	$ 2.7560	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 2.7560	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	12	$ 1,481.74	$ 17,781	$ 17,781
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	1,454	$ 2.7560	$ 4,006	
93	Second Tier - Next 999,999,999 Gals.	-	$ 2.7560	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 4,006
95	8" Meter	-	$ 2,370.78	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 2.7560	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 2.7560	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 4,741.56	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 2.7560	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 2.7560	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	36			
104	Total Industrial Usage	3,319			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 30,661

WESTERN GROUP - WHITE TANK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	59	$ 25.00	$ 1,475	$ 1,475
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	59			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 1,475
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-		$ -	$ -
117	Coin Machine	-		$ -	$ -
118	Commodity Usage	-		$ -	$ -
119	Construction Water 2" Meter	-	$ 215.31	$ -	$ -
	Commodity Usage				
120	First Tier - First 325,000 Gals.	-	$ 2.1597	$ -	
121	Second Tier - Over 325,000 Gals.	-	$ 2.6995	$ -	
122	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	55	$ 430.62	$ 23,684	$ 23,684
	Commodity Usage				
124	First Tier - First 700,000 Gals.	9,967	$ 2.1597	$ 21,527	
125	Second Tier - Over 700,000 Gals.	(343)	$ 2.6995	$ (925)	
126	Third Tier - Over 700,000 Gals.	-	$ -	$ -	$ 20,602
127	Construction Water 4" Meter	5	$ 672.84	$ 3,364	$ 3,364
	Commodity Usage				
128	First Tier - First 1,100,000 Gals.	1,105	$ 2.1597	$ 2,387	
129	Second Tier - Over 1,100,000 Gals.	302	$ 2.6995	$ 815	
130	Third Tier - Over 1,100,000 Gals.	-	$ -	$ -	$ 3,202
131	Sales For Resales 2" Meter	-	$ 215.31	$ -	$ -
	Commodity Usage		$ -		
132	First Tier - First 1,000,000 Gals.	-	$ 2.7560	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 2.7560	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
			$ -		
135	Sales For Resales 3" Meter	-	$ 430.62	$ -	$ -
	Commodity Usage		$ -		
136	First Tier - First 1,000,000 Gals.	-	$ 2.7560	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 2.7560	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

WESTERN GROUP - WHITE TANK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 1,345.69	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 2.7560	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 2.7560	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	60			
144	Total Other Water Revenue Usage	11,032			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 50,852
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 1,550,785
147	Unreconciled Difference vs. Billed Revenues				(464)
148	Miscellaneous Revenues				12,331
149	**RUCO TOTAL REVENUE**				$ 1,562,653
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 1,562,653
151	Difference				$ (0)
152	Percentage Difference				0.00%

WESTERN GROUP - WHITE TANK
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 16.05	$ -	$ 16.05	$ 19.00		$ 26.91	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	3,000	1st Tier - First	3,000	$ 1.6000	$ -	$ 1.6000	$ 2.5700		$ 1.7278	
3	2nd Tier - Next	7,000	2nd Tier - Next	7,000	$ 2.2500	$ -	$ 2.2500	$ 3.2130		$ 2.1597	
4	3rd Tier - Over	10,000	3rd Tier - Over	10,000	$ 2.5500	$ -	$ 2.5500	$ 4.0160		$ 2.6995	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 15648	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		3,912	25.00%	$ 22.31	$ -	$ 22.31	$ 34.07	$ 11.76	52.70%
6		7,824	50.00%	$ 31.70	$ -	$ 31.70	$ 42.52	$ 10.81	34.10%
7		15,648	100.00%	$ 51.00	$ -	$ 51.00	$ 62.46	$ 11.46	22.47%
8		23,472	150.00%	$ 70.95	$ -	$ 70.95	$ 83.58	$ 12.63	17.80%
9		31,296	200.00%	$ 90.90	$ -	$ 90.90	$ 104.70	$ 13.80	15.18%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 10201	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		2,550	25.00%	$ 20.13	$ -	$ 20.13	$ 31.13	$ 11.00	54.62%
11		5,101	50.00%	$ 25.58	$ -	$ 25.58	$ 36.63	$ 11.06	43.23%
12		10,201	100.00%	$ 37.11	$ -	$ 37.11	$ 47.76	$ 10.65	28.68%
13		15,302	150.00%	$ 50.12	$ -	$ 50.12	$ 61.53	$ 11.41	22.76%
14		20,402	200.00%	$ 63.13	$ -	$ 63.13	$ 75.30	$ 12.17	19.28%

WESTERN GROUP - AJO
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	7,249	$ 23.49	$ 170,310	$ 170,310
	Commodity Usage				
2	First Tier - First 3,000 Gals.	16,092	$ 4.6192	$ 74,333	
3	Second Tier - Next 7,000 Gals.	15,723	$ 5.7742	$ 90,786	
4	Third Tier - Over 10,000 Gals.	5,768	$ 7.2175	$ 41,627	$ 206,746
5	1" Meter	96	$ 58.74	$ 5,639	$ 5,639
	Commodity Usage				
6	First Tier - First 10,000 Gals.	614	$ 5.7742	$ 3,548	
7	Second Tier - Over 10,000 Gals.	497	$ 7.2175	$ 3,586	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 7,134
9	2" Meter	-	$ 187.95	$ -	$ -
	Commodity Usage				
10	First Tier - First 90,000 Gals.	-	$ 5.7742	$ -	
11	Second Tier - Over 90,000 Gals.	-	$ 7.2175	$ -	
12	Third Tier - Over 90,000 Gals.	-	$ -	$ -	$ -
13	3" Meter	-	$ 375.91	$ -	$ -
	Commodity Usage				
14	First Tier - First 200,000 Gals.	-	$ 5.7742	$ -	
15	Second Tier - Over 200,000 Gals.	-	$ 7.2175	$ -	
16	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 587.36	$ -	$ -
	Commodity Usage				
18	First Tier - First 325,000 Gals.	-	$ 5.7742	$ -	
19	Second Tier - Over 325,000 Gals.	-	$ 7.2175	$ -	
20	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 1,174.71	$ -	$ -
	Commodity Usage				
22	First Tier - First 725,000 Gals.	-	$ 5.7742	$ -	
23	Second Tier - Over 725,000 Gals.	-	$ 7.2175	$ -	
24	Third Tier - Over 725,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,879.54	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,200,000 Gals.	-	$ 5.7742	$ -	
27	Second Tier - Over 1,200,000 Gals.	-	$ 7.2175	$ -	
28	Third Tier - Over 1.200,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 3,759.08	$ -	$ -
	Commodity Usage				
30	First Tier - First 2,400,000 Gals.	-	$ 5.7742	$ -	
31	Second Tier - Over 2,400,000 Gals.	-	$ 7.2175	$ -	
32	Third Tier - Over 2,400,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	7,345			
34	Total Residential Usage	38,694			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 389,828

WESTERN GROUP - AJO
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	596	$ 23.49	$ 14,003	$ 14,003
	Commodity Usage				
37	First Tier - First 10,000 Gals.	1,927	$ 5.7742	$ 11,129	
38	Second Tier - Over 10,000 Gals.	1,382	$ 7.2175	$ 9,975	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 21,104
40	1" Meter	230	$ 58.74	$ 13,509	$ 13,509
	Commodity Usage				
41	First Tier - First 30,000 Gals.	4,658	$ 5.7742	$ 26,896	
42	Second Tier - Over 30,000 Gals.	3,750	$ 7.2175	$ 27,067	
43	Third Tier - Over 30,000 Gals.	-	$ -	$ -	$ 53,963
44	2" Meter	36	$ 187.95	$ 6,766	$ 6,766
	Commodity Usage				
45	First Tier - First 100,000 Gals.	1,139	$ 5.7742	$ 6,578	
46	Second Tier - Over 100,000 Gals.	-	$ 7.2175	$ -	
47	Third Tier - Over 100,000 Gals.	-	$ -	$ -	$ 6,578
48	3" Meter	-	$ 375.91	$ -	$ -
	Commodity Usage				
49	First Tier - First 200,000 Gals.	-	$ 5.7742	$ -	
50	Second Tier - Over 200,000 Gals.	-	$ 7.2175	$ -	
51	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
52	4" Meter	-	$ 587.36	$ -	$ -
	Commodity Usage				
53	First Tier - First 325,000 Gals.	-	$ 5.7742	$ -	
54	Second Tier - Over 325,000 Gals.	-	$ 7.2175	$ -	
55	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
56	6" Meter	-	$ 1,174.71	$ -	$ -
	Commodity Usage				
57	First Tier - First 725,000 Gals.	-	$ 5.7742	$ -	
58	Second Tier - Over 725,000 Gals.	-	$ 7.2175	$ -	
59	Third Tier - Over 725,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,879.54	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,200,000 Gals.	-	$ 5.7742	$ -	
62	Second Tier - Over 1,200,000 Gals.	-	$ 7.2175	$ -	
63	Third Tier - Over 1.200,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 3,759.08	$ -	$ -
	Commodity Usage				
65	First Tier - First 2,400,000 Gals.	-	$ 5.7742	$ -	
66	Second Tier - Over 2,400,000 Gals.	-	$ 7.2175	$ -	
67	Third Tier - Over 2,400,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	862			
69	Total Commercial Usage	12,857			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 115,923

WESTERN GROUP - AJO
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 23.49	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 5.7742	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 5.7742	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 58.74	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 5.7742	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 5.7742	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 187.95	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 5.7742	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 5.7742	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 375.91	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 5.7742	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 5.7742	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 587.36	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 5.7742	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 5.7742	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 1,174.71	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 5.7742	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 5.7742	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,879.54	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 5.7742	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 5.7742	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 3,759.08	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 5.7742	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 5.7742	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	-			
104	Total Industrial Usage	-			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ -

WESTERN GROUP - AJO
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	24	$ 25.00	$ 600	$ 600
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	24			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 600
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-		$ -	$ -
117	Coin Machine	13		$ -	$ -
118	Commodity Usage	117	$ 35.31	$ 828	$ 828
119	Construction Water 2" Meter	-	$ 187.95	$ -	$ -
	Commodity Usage				
120	First Tier - First 100,000 Gals.	-	$ 5.7742	$ -	
121	Second Tier - Over 100,000 Gals.	-	$ 7.2175	$ -	
122	Third Tier - Over 100,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	-	$ 375.91	$ -	$ -
	Commodity Usage				
124	First Tier - First 200,000 Gals.	-	$ 5.7742	$ -	
125	Second Tier - Over 200,000 Gals.	-	$ 7.2175	$ -	
126	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
127	Construction Water 4" Meter	-	$ 587.36	$ -	$ -
	Commodity Usage				
128	First Tier - First 325,000 Gals.	-	$ 5.7742	$ -	
129	Second Tier - Over 325,000 Gals.	-	$ 7.2175	$ -	
130	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 187.95	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 5.7742	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 5.7742	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 376.00	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 5.7742	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 5.7742	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

WESTERN GROUP - AJO
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 1,174.71	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 5.7742	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 5.7742	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	13			
144	Total Other Water Revenue Usage	117			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 828
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 507,179
147	Unreconciled Difference vs. Billed Revenues				(46)
148	Miscellaneous Revenues				3,669
149	**RUCO TOTAL REVENUE**				$ 510,802
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 510,802
151	Difference				$ 0
152	Percentage Difference				0.00%

WESTERN GROUP - AJO
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 21.04	$ -	$ 21.04	$ 19.00		$ 23.49	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	3,000	1st Tier - First	3,000	$ 4.5000	$ -	$ 4.5000	$ 2.5700		$ 4.6192	
3	2nd Tier - Next	7,000	2nd Tier - Next	7,000	$ 5.5000	$ -	$ 5.5000	$ 3.2130		$ 5.7742	
4	3rd Tier - Over	10,000	3rd Tier - Over	10,000	$ 6.5000	$ -	$ 6.5000	$ 4.0160		$ 7.2175	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 5185	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,296	25.00%	$ 26.87	$ -	$ 26.87	$ 35.47	$ 8.60	31.99%
6		2,593	50.00%	$ 32.71	$ -	$ 32.71	$ 29.48	$ (3.22)	-9.86%
7		5,185	100.00%	$ 46.56	$ -	$ 46.56	$ 49.97	$ 3.41	7.33%
8		7,778	150.00%	$ 60.82	$ -	$ 60.82	$ 64.94	$ 4.12	6.78%
9		10,370	200.00%	$ 75.45	$ -	$ 75.45	$ 80.44	$ 5.00	6.62%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 3754	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		939	25.00%	$ 25.26	$ -	$ 25.26	$ 27.83	$ 2.57	10.16%
11		1,877	50.00%	$ 29.49	$ -	$ 29.49	$ 32.16	$ 2.68	9.08%
12		3,754	100.00%	$ 38.69	$ -	$ 38.69	$ 41.71	$ 3.02	7.80%
13		5,631	150.00%	$ 49.01	$ -	$ 49.01	$ 52.54	$ 3.53	7.21%
14		7,508	200.00%	$ 59.33	$ -	$ 59.33	$ 63.38	$ 4.05	6.82%

WESTERN GROUP - COOLIDGE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	50,750	$ 13.33	$ 676,316	$ 676,316
	Commodity Usage				
2	First Tier - First 3,000 Gals.	129,141	$ 1.2220	$ 157,807	
3	Second Tier - Next 7,000 Gals.	172,080	$ 1.5278	$ 262,912	
4	Third Tier - Over 10,000 Gals.	111,592	$ 1.9098	$ 213,120	$ 633,839
5	1" Meter	739	$ 33.32	$ 24,621	$ 24,621
	Commodity Usage				
6	First Tier - First 10,000 Gals.	6,226	$ 1.5278	$ 9,513	
7	Second Tier - Over 10,000 Gals.	10,695	$ 1.9098	$ 20,425	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 29,937
9	2" Meter	129	$ 106.61	$ 13,753	$ 13,753
	Commodity Usage				
10	First Tier - First 125,000 Gals.	12,772	$ 1.5278	$ 19,514	
11	Second Tier - Over125,000 Gals.	13,353	$ 1.9098	$ 25,501	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 45,015
13	3" Meter	-	$ 213.22	$ -	$ -
	Commodity Usage				
14	First Tier - First 325,000 Gals.	-	$ 1.5278	$ -	
15	Second Tier - Over 325,000 Gals.	-	$ 1.9098	$ -	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 333.16	$ -	$ -
	Commodity Usage				
18	First Tier - First 500,000 Gals.	-	$ 1.5278	$ -	
19	Second Tier - Over 500,000 Gals.	-	$ 1.9098	$ -	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 666.32	$ -	$ -
	Commodity Usage				
22	First Tier - First 925,000 Gals.	-	$ 1.5278	$ -	
23	Second Tier - Over 925,000 Gals.	-	$ 1.9098	$ -	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,066.11	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 1.5278	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 1.9098	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,132.23	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 1.5278	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 1.9098	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	51,618			
34	Total Residential Usage	455,859			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 1,423,481

WESTERN GROUP - COOLIDGE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	2,988	$ 13.33	$ 39,819	$ 39,819
	Commodity Usage				
37	First Tier - First 10,000 Gals.	13,226	$ 1.5278	$ 20,207	
38	Second Tier - Over 10,000 Gals.	11,774	$ 1.9098	$ 22,486	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 42,693
40	1" Meter	945	$ 33.32	$ 31,484	$ 31,484
	Commodity Usage				
41	First Tier - First 40,000 Gals.	15,737	$ 1.5278	$ 24,043	
42	Second Tier - Over 40,000 Gals.	9,982	$ 1.9098	$ 19,063	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 43,106
44	2" Meter	748	$ 106.61	$ 79,745	$ 79,745
	Commodity Usage				
45	First Tier - First 125,000 Gals.	50,248	$ 1.5278	$ 76,771	
46	Second Tier - Over 125,000 Gals.	58,574	$ 1.9098	$ 111,866	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 188,637
48	3" Meter	31	$ 213.22	$ 6,610	$ 6,610
	Commodity Usage				
49	First Tier - First 325,000 Gals.	6,101	$ 1.5278	$ 9,322	
50	Second Tier - Over 325,000 Gals.	2,017	$ 1.9098	$ 3,853	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 13,175
52	4" Meter	55	$ 333.16	$ 18,324	$ 18,324
	Commodity Usage				
53	First Tier - First 500,000 Gals.	17,485	$ 1.5278	$ 26,714	
54	Second Tier - Over 500,000 Gals.	13,386	$ 1.9098	$ 25,565	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 52,279
56	6" Meter	34	$ 666.32	$ 22,567	$ 22,567
	Commodity Usage				
57	First Tier - First 925,000 Gals.	13,546	$ 1.5278	$ 20,696	
58	Second Tier - Over 925,000 Gals.	7,756	$ 1.9098	$ 14,813	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 35,509
60	8" Meter	-	$ 1,066.11	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 1.5278	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 1.9098	$ -	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,132.23	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 1.5278	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 1.9098	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	4,801			
69	Total Commercial Usage	219,832			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 573,948

WESTERN GROUP - COOLIDGE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	12	$ 8.05	$ 97	$ 97
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	65	$ 1.6139	$ 104	
73	Second Tier - Next 999,999,999 Gals.	-	$ 1.6139	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 104
75	1" Meter	24	$ 20.14	$ 483	$ 483
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	1,710	$ 1.6139	$ 2,760	
77	Second Tier - Next 999,999,999 Gals.	-	$ 1.6139	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 2,760
79	2" Meter	24	$ 64.43	$ 1,546	$ 1,546
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	1,035	$ 1.6139	$ 1,670	
81	Second Tier - Next 999,999,999 Gals.	-	$ 1.6139	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 1,670
83	3" Meter	-	$ 128.87	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 1.6139	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 1.6139	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 201.36	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 1.6139	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 1.6139	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 402.71	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 1.6139	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 1.6139	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 644.34	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 1.6139	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 1.6139	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 1,288.68	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 1.6139	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 1.6139	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	60			
104	Total Industrial Usage	2,809			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 6,660

WESTERN GROUP - COOLIDGE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	59	$ 25.00	$ 1,475	$ 1,475
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	234	$ 25.00	$ 5,850	$ 5,850
112	8" Meter	12	$ 25.00	$ 300	$ 300
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	305			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 7,625
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-		$ -	$ -
117	Coin Machine	12		$ -	$ -
118	Commodity Usage	1,130	114.55	$ 2,466	$ 2,466
119	Construction Water 2" Meter	-	$ 106.61	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 1.5278	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 1.9098	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	188	$ 213.22	$ 40,086	$ 40,086
	Commodity Usage				
124	First Tier - First 325,000 Gals.	15,233	$ 1.5278	$ 23,274	
125	Second Tier - Over 325,000 Gals.	5,609	$ 1.9098	$ 10,712	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 33,986
127	Construction Water 4" Meter	16	$ 333.16	$ 5,331	$ 5,331
	Commodity Usage				
128	First Tier - First 500,000 Gals.	1,665	$ 1.5278	$ 2,544	
129	Second Tier - Over 500,000 Gals.	57	$ 1.9098	$ 109	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 2,653
131	Sales For Resales 2" Meter	-	$ 64.43	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 1.6139	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 1.6139	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 128.868	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 1.6139	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 1.6139	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

WESTERN GROUP - COOLIDGE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 402.71	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 1.6139	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 1.6139	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	216			
144	Total Other Water Revenue Usage	23,694			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 84,521
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 2,096,235
147	Unreconciled Difference vs. Billed Revenues				(46)
148	Miscellaneous Revenues				51,580
149	**RUCO TOTAL REVENUE**				$ 2,147,770
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 2,147,770
151	Difference				$ (0)
152	Percentage Difference				0.00%

WESTERN GROUP - COOLIDGE
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 10.90	$ -	$ 10.90	$ 19.00		$ 13.33	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	3,000	1st Tier - First	3,000	$ 1.5500	$ -	$ 1.5500	$ 2.5700		$ 1.2220	
3	2nd Tier - Next	7,000	2nd Tier - Next	7,000	$ 1.9600	$ -	$ 1.9600	$ 3.2130		$ 1.5278	
4	3rd Tier - Over	10,000	3rd Tier - Over	10,000	$ 2.2400	$ -	$ 2.2400	$ 4.0160		$ 1.9098	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 8726	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		2,182	25.00%	$ 14.28	$ -	$ 14.28	$ 15.99	$ 1.71	11.98%
6		4,363	50.00%	$ 18.22	$ -	$ 18.22	$ 19.07	$ 0.85	4.68%
7		8,726	100.00%	$ 26.77	$ -	$ 26.77	$ 25.74	$ (1.03)	-3.86%
8		13,089	150.00%	$ 36.19	$ -	$ 36.19	$ 33.59	$ (2.60)	-7.19%
9		17,452	200.00%	$ 45.96	$ -	$ 45.96	$ 41.92	$ (4.04)	-8.80%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 5998	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,500	25.00%	$ 13.22	$ -	$ 13.22	$ 15.16	$ 1.93	14.63%
11		2,999	50.00%	$ 15.55	$ -	$ 15.55	$ 16.99	$ 1.44	9.28%
12		5,998	100.00%	$ 21.43	$ -	$ 21.43	$ 21.57	$ 0.15	0.68%
13		8,997	150.00%	$ 27.30	$ -	$ 27.30	$ 26.15	$ (1.15)	-4.21%
14		11,996	200.00%	$ 33.74	$ -	$ 33.74	$ 30.74	$ (3.00)	-8.90%

NORTHERN GROUP - LAKESIDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	56,153	$ 11.56	$ 648,936	$ 648,936
	Commodity Usage				
2	First Tier - First 3,000 Gals.	101,255	$ 4.3236	$ 437,782	
3	Second Tier - Next 7,000 Gals.	85,030	$ 5.1879	$ 441,127	
4	Third Tier - Over 10,000 Gals.	55,836	$ 6.2252	$ 347,590	$ 1,226,499
5	1" Meter	333	$ 23.11	$ 7,697	$ 7,697
	Commodity Usage				
6	First Tier - First 10,000 Gals.	1,693	$ 5.1879	$ 8,782	
7	Second Tier - Over 10,000 Gals.	3,514	$ 6.2252	$ 21,872	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 30,654
9	2" Meter	120	$ 80.90	$ 9,708	$ 9,708
	Commodity Usage				
10	First Tier - First 50,000 Gals.	3,298	$ 5.1879	$ 17,111	
11	Second Tier - Over 50,000 Gals.	1,937	$ 6.2252	$ 12,058	
12	Third Tier - Over 50,000 Gals.	-	$ -	$ -	$ 29,169
13	3" Meter	12	$ 184.91	$ 2,219	$ 2,219
	Commodity Usage				
14	First Tier - First 1255,000 Gals.	1,500	$ 5.1879	$ 7,782	
15	Second Tier - Over 125,000 Gals.	1,534	$ 6.2252	$ 9,546	
16	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 17,328
17	4" Meter	12	$ 288.91	$ 3,467	$ 3,467
	Commodity Usage				
18	First Tier - First 200,000 Gals.	2,400	$ 5.1879	$ 12,451	
19	Second Tier - Over 200,000 Gals.	2,477	$ 6.2252	$ 15,420	
20	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ 27,871
21	6" Meter	-	$ 577.83	$ -	$ -
	Commodity Usage				
22	First Tier - First 350,000 Gals.	-	$ 5.1879	$ -	
23	Second Tier - Over 350,000 Gals.	-	$ 6.2252	$ -	
24	Third Tier - Over 350,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 924.53	$ -	$ -
	Commodity Usage				
26	First Tier - First 650,000 Gals.	-	$ 5.1879	$ -	
27	Second Tier - Over 650,000 Gals.	-	$ 6.2252	$ -	
28	Third Tier - Over 650,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 1,849.05	$ -	$ -
	Commodity Usage				
30	First Tier - First 1,400,000 Gals.	-	$ 5.1879	$ -	
31	Second Tier - Over 1,400,000 Gals.	-	$ 6.2252	$ -	
32	Third Tier - Over 1,400,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	56,630			
34	Total Residential Usage	260,473			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 2,003,548

NORTHERN GROUP - LAKESIDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	1,744	$ 11.56	$ 20,155	$ 20,155
	Commodity Usage				
37	First Tier - First 10,000 Gals.	7,128	$ 5.1879	$ 36,979	
38	Second Tier - Over 10,000 Gals.	6,960	$ 6.2252	$ 43,329	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 80,308
40	1" Meter	654	$ 23.11	$ 15,116	$ 15,116
	Commodity Usage				
41	First Tier - First 15,000 Gals.	6,380	$ 5.1879	$ 33,097	
42	Second Tier - Over 15,000 Gals.	9,410	$ 6.2252	$ 58,576	
43	Third Tier - Over 15,000 Gals.	-	$ -	$ -	$ 91,673
44	2" Meter	403	$ 80.90	$ 32,601	$ 32,601
	Commodity Usage				
45	First Tier - First 65,000 Gals.	12,387	$ 5.1879	$ 64,264	
46	Second Tier - Over 65,000 Gals.	15,303	$ 6.2252	$ 95,263	
47	Third Tier - Over 65,000 Gals.	-	$ -	$ -	$ 159,527
48	3" Meter	12	$ 184.91	$ 2,219	$ 2,219
	Commodity Usage				
49	First Tier - First 125,000 Gals.	638	$ 5.1879	$ 3,307	
50	Second Tier - Over 125,000 Gals.	(2)	$ 6.2252	$ (11)	
51	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 3,297
52	4" Meter	12	$ 288.91	$ 3,467	$ 3,467
	Commodity Usage				
53	First Tier - First 200,000 Gals.	924	$ 5.1879	$ 4,794	
54	Second Tier - Over 200,000 Gals.	-	$ 6.2252	$ -	
55	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ 4,794
56	6" Meter	-	$ 577.83	$ -	$ -
	Commodity Usage				
57	First Tier - First 400,000 Gals.	-	$ 5.1879	$ -	
58	Second Tier - Over 400,000 Gals.	-	$ 6.2252	$ -	
59	Third Tier - Over 400,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 924.53	$ -	$ -
	Commodity Usage				
61	First Tier - First 675,000 Gals.	-	$ 5.1879	$ -	
62	Second Tier - Over 675,000 Gals.	-	$ 6.2252	$ -	
63	Third Tier - Over 675,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 1,849.05	$ -	$ -
	Commodity Usage				
65	First Tier - First 1,400,000 Gals.	-	$ 5.1879	$ -	
66	Second Tier - Over 1,400,000 Gals.	-	$ 6.2252	$ -	
67	Third Tier - Over 1,400,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	2,825			
69	Total Commercial Usage	59,127			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 413,156

NORTHERN GROUP - LAKESIDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	24	$ 17.29	$ 415	$ 415
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	61	$ 3.7211	$ 227	
73	Second Tier - Next 999,999,999 Gals.	-	$ 3.7211	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 227
75	1" Meter	12	$ 34.57	$ 415	$ 415
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	960	$ 3.7211	$ 3,573	
77	Second Tier - Next 999,999,999 Gals.	-	$ 3.7211	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 3,573
79	2" Meter	-	$ 121.01	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 3.7211	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 3.7211	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 276.60	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 3.7211	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 3.7211	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 432.18	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 3.7211	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 3.7211	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 864.37	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 3.7211	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 3.7211	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,382.99	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 3.7211	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 3.7211	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,765.97	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 3.7211	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 3.7211	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	36			
104	Total Industrial Usage	1,021			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 4,631

NORTHERN GROUP - LAKESIDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	312	$ 25.00	$ 7,800	$ 7,800
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	312			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 7,800
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-		$ -	$ -
117	Coin Machine	-		$ -	$ -
118	Commodity Usage	-		$ -	$ -
119	Construction Water 2" Meter	-	$ 80.90	$ -	$ -
	Commodity Usage				
120	First Tier - First 65,000 Gals.	-	$ 5.1879	$ -	
121	Second Tier - Over 65,000 Gals.	-	$ 6.2252	$ -	
122	Third Tier - Over 65,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	29	$ 184.91	$ 5,362	$ 5,362
	Commodity Usage				
124	First Tier - First 125,000 Gals.	1,347	$ 5.1879	$ 6,990	
125	Second Tier - Over 125,000 Gals.	2,673	$ 6.2252	$ 16,640	
126	Third Tier - Over 1275,000 Gals.	-	$ -	$ -	$ 23,630
127	Construction Water 4" Meter	-	$ 288.91	$ -	$ -
	Commodity Usage				
128	First Tier - First 200,000 Gals.	-	$ 5.1879	$ -	
129	Second Tier - Over 200,000 Gals.	-	$ 6.2252	$ -	
130	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 121.01	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 5.1879	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 5.1879	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ 4.3236	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 276.60	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 5.1879	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 5.1879	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ 4.3236	$ -	$ -

NORTHERN GROUP - LAKESIDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 864.37	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 5.1879	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 5.1879	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ 4.3236	$ -	$ -
143	Total Other Water Revenue Customer Bills	29			
144	Total Other Water Revenue Usage	4,020			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 28,992
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 2,458,126
147	Unreconciled Difference vs. Billed Revenues				$ 214
148	Miscellaneous Revenues				25,579
149	**RUCO TOTAL REVENUE**				$ 2,483,919
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE WAR-1**				$ 2,483,919
151	Difference				$ 0
152	Percentage Difference				0.00%

NORTHERN GROUP - LAKESIDE
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION			(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN									
1	BASIC MONTHLY CHARGE			$ 17.81	$ -	$ 17.81	$ 13.37		$ 11.56	
	COMMODITY CHARGE (Per 1,000 Gallons)									
	PRESENT	PROPOSED								
2	No Tiers	1st Tier - First	3,000	$ 4.3000	$ -	$ 4.3000	$ 5.0020		$ 4.3236	
3		2nd Tier - Next	7,000	$ 4.3000	$ -	$ 4.3000	$ 6.0020		$ 5.1879	
4		3rd Tier - Over	10,000	$ 4.3000	$ -	$ 4.3000	$ 7.2020		$ 6.2252	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 3995	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		999	25.00%	$ 22.10	$ -	$ 22.10	$ 15.87	$ (6.23)	-28.18%
6		1,998	50.00%	$ 26.40	$ -	$ 26.40	$ 20.19	$ (6.21)	-23.51%
7		3,995	100.00%	$ 34.99	$ -	$ 34.99	$ 29.69	$ (5.30)	-15.15%
8		5,993	150.00%	$ 43.58	$ -	$ 43.58	$ 40.05	$ (3.53)	-8.09%
9		7,990	200.00%	$ 52.17	$ -	$ 52.17	$ 50.42	$ (1.75)	-3.36%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 2314	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		579	25.00%	$ 20.30	$ -	$ 20.30	$ 14.06	$ (6.24)	-30.74%
11		1,157	50.00%	$ 22.79	$ -	$ 22.79	$ 16.56	$ (6.23)	-27.33%
12		2,314	100.00%	$ 27.76	$ -	$ 27.76	$ 21.56	$ (6.20)	-22.33%
13		3,471	150.00%	$ 32.74	$ -	$ 32.74	$ 26.97	$ (5.76)	-17.61%
14		4,628	200.00%	$ 37.71	$ -	$ 37.71	$ 32.97	$ (4.74)	-12.56%

NORTHERN GROUP - OVERGAARD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	49,318	$ 11.45	$ 564,574	$ 564,574
	Commodity Usage				
2	First Tier - First 3,000 Gals.	64,939	$ 4.2828	$ 278,119	
3	Second Tier - Next 7,000 Gals.	42,442	$ 5.1390	$ 218,111	
4	Third Tier - Over 10,000 Gals.	29,008	$ 6.1665	$ 178,876	$ 675,106
5	1" Meter	60	$ 22.90	$ 1,374	$ 1,374
	Commodity Usage				
6	First Tier - First 10,000 Gals.	395	$ 5.1390	$ 2,029	
7	Second Tier - Over 10,000 Gals.	358	$ 6.1665	$ 2,210	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 4,239
9	2" Meter	-	$ 80.13	$ -	$ -
	Commodity Usage				
10	First Tier - First 50,000 Gals.	-	$ 5.1390	$ -	
11	Second Tier - Over 50,000 Gals.	-	$ 6.1665	$ -	
12	Third Tier - Over 50,000 Gals.	-	$ -	$ -	$ -
13	3" Meter	-	$ 183.16	$ -	$ -
	Commodity Usage				
14	First Tier - First 1255,000 Gals.	-	$ 5.1390	$ -	
15	Second Tier - Over 125,000 Gals.	-	$ 6.1665	$ -	
16	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 286.19	$ -	$ -
	Commodity Usage				
18	First Tier - First 200,000 Gals.	-	$ 5.1390	$ -	
19	Second Tier - Over 200,000 Gals.	-	$ 6.1665	$ -	
20	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 572.38	$ -	$ -
	Commodity Usage				
22	First Tier - First 350,000 Gals.	-	$ 5.1390	$ -	
23	Second Tier - Over 350,000 Gals.	-	$ 6.1665	$ -	
24	Third Tier - Over 350,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 915.81	$ -	$ -
	Commodity Usage				
26	First Tier - First 650,000 Gals.	-	$ 5.1390	$ -	
27	Second Tier - Over 650,000 Gals.	-	$ 6.1665	$ -	
28	Third Tier - Over 650,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 1,831.62	$ -	$ -
	Commodity Usage				
30	First Tier - First 1,400,000 Gals.	-	$ 5.1390	$ -	
31	Second Tier - Over 1,400,000 Gals.	-	$ 6.1665	$ -	
32	Third Tier - Over 1,400,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	49,378			
34	Total Residential Usage	137,142			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 1,245,294

NORTHERN GROUP - OVERGAARD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	629	$ 11.45	$ 7,201	$ 7,201
	Commodity Usage				
37	First Tier - First 10,000 Gals.	1,840	$ 5.1390	$ 9,456	
38	Second Tier - Over 10,000 Gals.	1,277	$ 6.1665	$ 7,875	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 17,330
40	1" Meter	102	$ 22.90	$ 2,335	$ 2,335
	Commodity Usage				
41	First Tier - First 15,000 Gals.	926	$ 5.1390	$ 4,759	
42	Second Tier - Over 15,000 Gals.	713	$ 6.1665	$ 4,395	
43	Third Tier - Over 15,000 Gals.	-	$ -	$ -	$ 9,155
44	2" Meter	228	$ 80.13	$ 18,270	$ 18,270
	Commodity Usage				
45	First Tier - First 65,000 Gals.	6,327	$ 5.1390	$ 32,513	
46	Second Tier - Over 65,000 Gals.	1,588	$ 6.1665	$ 9,794	
47	Third Tier - Over 65,000 Gals.	-	$ -	$ -	$ 42,306
48	3" Meter	-	$ 183.16	$ -	$ -
	Commodity Usage				
49	First Tier - First 125,000 Gals.	-	$ 5.1390	$ -	
50	Second Tier - Over 125,000 Gals.	-	$ 6.1665	$ -	
51	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
52	4" Meter	-	$ 286.19	$ -	$ -
	Commodity Usage				
53	First Tier - First 200,000 Gals.	-	$ 5.1390	$ -	
54	Second Tier - Over 200,000 Gals.	-	$ 6.1665	$ -	
55	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
56	6" Meter	12	$ 572.38	$ 6,869	$ 6,869
	Commodity Usage				
57	First Tier - First 400,000 Gals.	3,137	$ 5.1390	$ 16,122	
58	Second Tier - Over 400,000 Gals.	480	$ 6.1665	$ 2,958	
59	Third Tier - Over 400,000 Gals.	-	$ -	$ -	$ 19,080
60	8" Meter	-	$ 915.81	$ -	$ -
	Commodity Usage				
61	First Tier - First 675,000 Gals.	-	$ 5.1390	$ -	
62	Second Tier - Over 675,000 Gals.	-	$ 6.1665	$ -	
63	Third Tier - Over 675,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 1,831.62	$ -	$ -
	Commodity Usage				
65	First Tier - First 1,400,000 Gals.	-	$ 5.1390	$ -	
66	Second Tier - Over 1,400,000 Gals.	-	$ 6.1665	$ -	
67	Third Tier - Over 1,400,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	971			
69	Total Commercial Usage	16,288			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 122,546

NORTHERN GROUP - OVERGAARD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 17.12	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 3.6860	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 3.6860	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 34.25	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 3.6860	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 3.6860	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 119.87	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 3.6860	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 3.6860	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 273.99	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 3.6860	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 3.6860	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 428.11	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 3.6860	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 3.6860	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 856.22	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 3.6860	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 3.6860	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,369.95	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 3.6860	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 3.6860	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,739.90	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 3.6860	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 3.6860	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	-			
104	Total Industrial Usage	-			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ -

NORTHERN GROUP - OVERGAARD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	240	$ 25.00	$ 6,000	$ 6,000
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	240	$ -		
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 6,000
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 80.13	$ -	$ -
	Commodity Usage				
120	First Tier - First 65,000 Gals.	-	$ 5.1390	$ -	
121	Second Tier - Over 65,000 Gals.	-	$ 6.1665	$ -	
122	Third Tier - Over 65,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	14	$ 183.16	$ 2,564	$ 2,564
	Commodity Usage				
124	First Tier - First 125,000 Gals.	1,098	$ 5.1390	$ 5,640	
125	Second Tier - Over 125,000 Gals.	427	$ 6.1665	$ 2,636	
126	Third Tier - Over 1275,000 Gals.	-	$ -	$ -	$ 8,276
127	Construction Water 4" Meter	-	$ 286.19	$ -	$ -
	Commodity Usage				
128	First Tier - First 200,000 Gals.	-	$ 5.1390	$ -	
129	Second Tier - Over 200,000 Gals.	-	$ 6.1665	$ -	
130	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 119.87	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 5.1390	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 5.1390	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ 4.2828	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 273.99	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 5.1390	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 5.1390	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ 4.2828	$ -	$ -

NORTHERN GROUP - OVERGAARD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 856.22	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 5.1390	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 5.1390	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ 4.2828	$ -	$ -
143	Total Other Water Revenue Customer Bills	14			
144	Total Other Water Revenue Usage	1,525			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 10,840
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 1,384,680
147	Unreconciled Difference vs. Billed Revenues				$ 213
148	Miscellaneous Revenues				24,422
149	**RUCO TOTAL REVENUE**				$ 1,409,315
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE WAR-1**				$ 1,409,315
151	Difference				$ (0)
152	Percentage Difference				0.00%

NORTHERN GROUP - OVERGAARD
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION			(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN									
1	BASIC MONTHLY CHARGE			$ 18.40	$ -	$ 18.40	$ 13.37		$ 11.45	
	COMMODITY CHARGE (Per 1,000 Gallons)									
	PRESENT	PROPOSED								
2	No Tiers	1st Tier - First	3,000	$ 4.4500	$ -	$ 4.4500	$ 5.0020		$ 4.2828	
3		2nd Tier - Next	7,000	$ 4.4500	$ -	$ 4.4500	$ 6.0020		$ 5.1390	
4		3rd Tier - Over	10,000	$ 4.4500	$ -	$ 4.4500	$ 7.2020		$ 6.1665	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 3995	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		999	25.00%	$ 22.84	$ -	$ 22.84	$ 15.73	$ (7.12)	-31.16%
6		1,998	50.00%	$ 27.29	$ -	$ 27.29	$ 20.00	$ (7.29)	-26.70%
7		3,995	100.00%	$ 36.18	$ -	$ 36.18	$ 29.41	$ (6.77)	-18.71%
8		5,993	150.00%	$ 45.07	$ -	$ 45.07	$ 39.67	$ (5.39)	-11.96%
9		7,990	200.00%	$ 53.96	$ -	$ 53.96	$ 49.94	$ (4.02)	-7.44%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 772	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		193	25.00%	$ 19.26	$ -	$ 19.26	$ 12.27	$ (6.98)	-36.27%
11		386	50.00%	$ 20.12	$ -	$ 20.12	$ 13.10	$ (7.02)	-34.88%
12		772	100.00%	$ 21.84	$ -	$ 21.84	$ 14.75	$ (7.08)	-32.43%
13		1,158	150.00%	$ 23.55	$ -	$ 23.55	$ 16.41	$ (7.15)	-30.34%
14		1,544	200.00%	$ 25.27	$ -	$ 25.27	$ 18.06	$ (7.21)	-28.53%

NORTHERN GROUP - SEDONA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	61,847	$ 16.86	$ 1,042,459	$ 1,042,459
	Commodity Usage				
2	First Tier - First 3,000 Gals.	161,914	$ 1.6780	$ 271,690	
3	Second Tier - Next 7,000 Gals.	218,425	$ 2.0973	$ 458,101	
4	Third Tier - Over 10,000 Gals.	254,452	$ 2.6216	$ 667,077	$ 1,396,868
5	1" Meter	5,619	$ 42.1386	$ 236,777	$ 236,777
	Commodity Usage				
6	First Tier - First 10,000 Gals.	39,124	$ 2.0973	$ 82,054.06	
7	Second Tier - Over 10,000 Gals.	52,649	$ 2.6216	$ 138,025.02	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 220,079
9	2" Meter	440	$ 134.8436	$ 59,331	$ 59,331
	Commodity Usage		$ -		
10	First Tier - First 125,000 Gals.	24,455	$ 2.0973	$ 51,290	
11	Second Tier - Over125,000 Gals.	7,496	$ 2.6216	$ 19,653	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 70,943
13	3" Meter	-	$ 269.6871	$ -	$ -
	Commodity Usage		$ -		
14	First Tier - First 325,000 Gals.	-	$ 2.0973	$ -	
15	Second Tier - Over 325,000 Gals.	-	$ 2.6216	$ -	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	12	$ 421.3861	$ 5,057	$ 5,057
	Commodity Usage				
18	First Tier - First 500,000 Gals.	5,374	$ 2.0973	$ 11,271	
19	Second Tier - Over 500,000 Gals.	344	$ 2.6216	$ 902	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 12,173
21	6" Meter	12	$ 842.7723	$ 10,113	$ 10,113
	Commodity Usage				
22	First Tier - First 925,000 Gals.	10,743	$ 2.0973	$ 22,530	
23	Second Tier - Over 925,000 Gals.	1,476	$ 2.6216	$ 3,870	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 26,400
25	8" Meter	-	$ 1,348.4357	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 2.0973	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 2.6216	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,696.8714	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 2.0973	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 2.6216	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	67,930			
34	Total Residential Usage	776,451			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 3,080,200

NORTHERN GROUP - SEDONA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	3,486	$ 16.8554	$ 58,758	$ 58,758
	Commodity Usage				
37	First Tier - First 10,000 Gals.	19,398	$ 2.0973	$ 40,684	
38	Second Tier - Over 10,000 Gals.	31,875	$ 2.6216	$ 83,564	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 124,248
40	1" Meter	2,444	$ 42.1386	$ 102,987	$ 102,987
	Commodity Usage				
41	First Tier - First 40,000 Gals.	44,216	$ 2.0973	$ 92,734	
42	Second Tier - Over 40,000 Gals.	40,212	$ 2.6216	$ 105,419	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 198,153
44	2" Meter	1,536	$ 134.8436	$ 207,120	$ 207,120
	Commodity Usage				
45	First Tier - First 125,000 Gals.	95,238	$ 2.0973	$ 199,743	
46	Second Tier - Over 125,000 Gals.	51,287	$ 2.6216	$ 134,455	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 334,198
48	3" Meter	60	$ 269.6871	$ 16,181	$ 16,181
	Commodity Usage				
49	First Tier - First 325,000 Gals.	14,127	$ 2.0973	$ 29,627	
50	Second Tier - Over 325,000 Gals.	21,967	$ 2.6216	$ 57,588	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 87,216
52	4" Meter	83	$ 421.3861	$ 34,975	$ 34,975
	Commodity Usage				
53	First Tier - First 500,000 Gals.	26,629	$ 2.0973	$ 55,849	
54	Second Tier - Over 500,000 Gals.	3,632	$ 2.6216	$ 9,522	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 65,371
56	6" Meter	12	$ 842.7723	$ 10,113	$ 10,113
	Commodity Usage				
57	First Tier - First 925,000 Gals.	8,582	$ 2.0973	$ 17,999	
58	Second Tier - Over 925,000 Gals.	1,384	$ 2.6216	$ 3,628	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 21,627
60	8" Meter	12	$ 1,348.4357	$ 16,181	$ 16,181
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	12,128	$ 2.0973	$ 25,436	
62	Second Tier - Over 1,500,000 Gals.	2,237	$ 2.6216	$ 5,865	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ 31,301
64	10" Meter	-	$ 2,696.8714	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 2.0973	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 2.6216	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	7,633			
69	Total Commercial Usage	372,911			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 1,308,430

NORTHERN GROUP - SEDONA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	6	$ 16.8554	$ 101	$ 101
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	133	$ 1.4612	$ 194	
73	Second Tier - Next 999,999,999 Gals.	-	$ 1.4612	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 194
75	1" Meter	-	$ 42.1424	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 1.4612	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 1.4612	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 134.8436	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 1.4612	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 1.4612	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 269.6871	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 1.4612	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 1.4612	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 421.3861	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 1.4612	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 1.4612	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 842.7723	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 1.4612	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 1.4612	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,348.4357	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 1.4612	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 1.4612	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,696.8714	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 1.4612	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 1.4612	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	6			
104	Total Industrial Usage	133			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 295

NORTHERN GROUP - SEDONA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	1,538	$ 25.00	$ 38,450	$ 38,450
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	1,538	$ -		
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 38,450
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	11	$ -	$ -	$ -
118	Commodity Usage	248	82.03	$ 756	$ 756
119	Construction Water 2" Meter	1	$ 134.8436	$ 135	$ 135
	Commodity Usage				
120	First Tier - First 125,000 Gals.	3	$ 2.0973	$ 6	
121	Second Tier - Over 125,000 Gals.	-	$ 2.6216	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 6
123	Construction Water 3" Meter	82	$ 269.6871	$ 22,114	$ 22,114
	Commodity Usage				
124	First Tier - First 325,000 Gals.	7,259	$ 2.0973	$ 15,225	
125	Second Tier - Over 325,000 Gals.	(153)	$ 2.6216	$ (401)	
126	Third Tier - Over 325,000 Gals.	-		$ -	$ 14,824
127	Construction Water 4" Meter	-	$ 421.3861	$ -	$ -
	Commodity Usage				
128	First Tier - First 500,000 Gals.	-	$ 2.0973	$ -	
129	Second Tier - Over 500,000 Gals.	-	$ 2.6216	$ -	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 134.8436	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 2.0973	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 2.0973	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 269.6871	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 2.0973	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 2.0973	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

NORTHERN GROUP - SEDONA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 842.7723	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 2.0973	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 2.0973	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	94			
144	Total Other Water Revenue Usage	7,357			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 37,835
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 4,465,209
147	Unreconciled Difference vs. Billed Revenues				$ 306
148	Miscellaneous Revenues				28,567
149	**RUCO TOTAL REVENUE**				$ 4,494,082
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE WAR-1**				$ 4,494,082
151	Difference				$ (0)
152	Percentage Difference				0.00%

NORTHERN GROUP - SEDONA
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION			(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN									
1	BASIC MONTHLY CHARGE			$ 15.70	$ -	$ 15.70	$ 22.31		$ 16.86	
	COMMODITY CHARGE (Per 1,000 Gallons)									
	PRESENT	PROPOSED								
2	No Tiers	1st Tier - First	3,000	$ 1.6600	$ -	$ 1.6600	$ 2.2210		$ 1.6780	
3		2nd Tier - Next	7,000	$ 1.6600	$ -	$ 1.6600	$ 2.7760		$ 2.0973	
4		3rd Tier - Over	10,000	$ 1.6600	$ -	$ 1.6600	$ 3.4700		$ 2.6216	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 7285	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,821	25.00%	$ 18.72	$ -	$ 18.72	$ 19.91	$ 1.19	6.35%
6		3,643	50.00%	$ 21.75	$ -	$ 21.75	$ 23.24	$ 1.49	6.85%
7		7,285	100.00%	$ 27.79	$ -	$ 27.79	$ 30.88	$ 3.08	11.09%
8		10,928	150.00%	$ 33.84	$ -	$ 33.84	$ 39.00	$ 5.16	15.26%
9		14,570	200.00%	$ 39.89	$ -	$ 39.89	$ 48.55	$ 8.67	21.72%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 6190	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,548	25.00%	$ 18.27	$ -	$ 18.27	$ 19.45	$ 1.18	6.48%
11		3,095	50.00%	$ 20.84	$ -	$ 20.84	$ 22.09	$ 1.25	6.00%
12		6,190	100.00%	$ 25.98	$ -	$ 25.98	$ 28.58	$ 2.60	10.03%
13		9,285	150.00%	$ 31.11	$ -	$ 31.11	$ 35.07	$ 3.96	12.72%
14		12,380	200.00%	$ 36.25	$ -	$ 36.25	$ 42.81	$ 6.56	18.09%

NORTHERN GROUP - PINEWOOD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	34,343	$ 19.56	$ 671,800	$ 671,800
	Commodity Usage				
2	First Tier - First 3,000 Gals.	39,818	$ 3.0127	$ 119,961	
3	Second Tier - Next 7,000 Gals.	25,534	$ 3.7659	$ 96,157	
4	Third Tier - Over 10,000 Gals.	17,323	$ 4.7074	$ 81,547	$ 297,665
5	1" Meter	59	$ 48.90	$ 2,885	$ 2,885
	Commodity Usage				
6	First Tier - First 10,000 Gals.	206	$ 3.7659	$ 775	
7	Second Tier - Over 10,000 Gals.	99	$ 4.7074	$ 467	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 1,242
9	2" Meter	24	$ 156.49	$ 3,756	$ 3,756
	Commodity Usage				
10	First Tier - First 125,000 Gals.	1,740	$ 3.7659	$ 6,552	
11	Second Tier - Over125,000 Gals.	3,910	$ 4.7074	$ 18,404	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 24,956
13	3" Meter	-	$ 312.98	$ -	$ -
	Commodity Usage				
14	First Tier - First 325,000 Gals.	-	$ 3.7659	$ -	
15	Second Tier - Over 325,000 Gals.	-	$ 4.7074	$ -	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 489.04	$ -	$ -
	Commodity Usage				
18	First Tier - First 500,000 Gals.	-	$ 3.7659	$ -	
19	Second Tier - Over 500,000 Gals.	-	$ 4.7074	$ -	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 978.08	$ -	$ -
	Commodity Usage				
22	First Tier - First 925,000 Gals.	-	$ 3.7659	$ -	
23	Second Tier - Over 925,000 Gals.	-	$ 4.7074	$ -	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,564.92	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 3.7659	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 4.7074	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 3,129.84	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 3.7659	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 4.7074	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	34,426			
34	Total Residential Usage	88,630			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 1,002,305

NORTHERN GROUP - PINEWOOD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	192	$ 19.56	$ 3,756	$ 3,756
	Commodity Usage				
37	First Tier - First 10,000 Gals.	772	$ 3.7659	$ 2,908	
38	Second Tier - Over 10,000 Gals.	1,362	$ 4.7074	$ 6,410	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 9,318
40	1" Meter	12	$ 48.90	$ 587	$ 587
	Commodity Usage				
41	First Tier - First 40,000 Gals.	72	$ 3.7659	$ 270	
42	Second Tier - Over 40,000 Gals.	-	$ 4.7074	$ -	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 270
44	2" Meter	31	$ 156.49	$ 4,851	$ 4,851
	Commodity Usage				
45	First Tier - First 125,000 Gals.	1,442	$ 3.7659	$ 5,429	
46	Second Tier - Over 125,000 Gals.	350	$ 4.7074	$ 1,649	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 7,078
48	3" Meter	-	$ 312.98	$ -	$ -
	Commodity Usage				
49	First Tier - First 325,000 Gals.	-	$ 3.7659	$ -	
50	Second Tier - Over 325,000 Gals.	-	$ 4.7074	$ -	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
52	4" Meter	-	$ 489.04	$ -	$ -
	Commodity Usage				
53	First Tier - First 500,000 Gals.	-	$ 3.7659	$ -	
54	Second Tier - Over 500,000 Gals.	-	$ 4.7074	$ -	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
56	6" Meter	-	$ 978.08	$ -	$ -
	Commodity Usage				
57	First Tier - First 925,000 Gals.	-	$ 3.7659	$ -	
58	Second Tier - Over 925,000 Gals.	-	$ 4.7074	$ -	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,564.92	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 3.7659	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 4.7074	$ -	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 3,129.84	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 3.7659	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 4.7074	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	235			
69	Total Commercial Usage	3,998			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 25,860

NORTHERN GROUP - PINEWOOD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 19.56	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 3.7659	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 3.7659	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	12	$ 48.91	$ 587	$ 587
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	1	$ 3.7659	$ 3	
77	Second Tier - Next 999,999,999 Gals.	-	$ 3.7659	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 3
79	2" Meter	-	$ 156.49	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 3.7659	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 3.7659	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 312.98	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 3.7659	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 3.7659	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 489.04	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 3.7659	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 3.7659	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 978.08	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 3.7659	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 3.7659	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,564.92	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 3.7659	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 3.7659	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 3,129.84	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 3.7659	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 3.7659	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	12			
104	Total Industrial Usage	1			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 590

NORTHERN GROUP - PINEWOOD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	36	$ 25.00	$ 900	$ 900
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	36			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 900
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 156.49	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 3.7659	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 4.7074	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	6	$ 312.98	$ 1,878	$ 1,878
	Commodity Usage				
124	First Tier - First 325,000 Gals.	124	$ 3.7659	$ 468	
125	Second Tier - Over 325,000 Gals.	-	$ 4.7074	$ -	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 468
127	Construction Water 4" Meter	-	$ 489.04	$ -	$ -
	Commodity Usage				
128	First Tier - First 500,000 Gals.	-	$ 3.7659	$ -	
129	Second Tier - Over 500,000 Gals.	-	$ 4.7074	$ -	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 156.49	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 3.7659	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 3.7659	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 312.98	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 3.7659	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 3.7659	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

NORTHERN GROUP - PINEWOOD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 978.08	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 3.7659	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 3.7659	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	6			
144	Total Other Water Revenue Usage	124			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 2,346
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 1,032,001
147	Unreconciled Difference vs. Billed Revenues				$ 306
148	Miscellaneous Revenues				6,859
149	**RUCO TOTAL REVENUE**				$ 1,039,166
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE WAR-1**				$ 1,039,166
151	Difference				$ (0)
152	Percentage Difference				0.00%

NORTHERN GROUP - PINEWOOD
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION			(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN									
1	BASIC MONTHLY CHARGE			$ 19.86	$ -	$ 19.86	$ 22.31		$ 19.56	
	COMMODITY CHARGE (Per 1,000 Gallons)									
	PRESENT	PROPOSED								
2	No Tiers	1st Tier - First	3,000	$ 3.6900	$ -	$ 3.6900	$ 3.4360		$ 3.0127	
3		2nd Tier - Next	7,000	$ 3.6900	$ -	$ 3.6900	$ 4.2950		$ 3.7659	
4		3rd Tier - Over	10,000	$ 3.6900	$ -	$ 3.6900	$ 5.3688		$ 4.7074	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 7285	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,821	25.00%	$ 26.58	$ -	$ 26.58	$ 25.05	$ (1.53)	-5.76%
6		3,643	50.00%	$ 33.30	$ -	$ 33.30	$ 31.02	$ (2.28)	-6.85%
7		7,285	100.00%	$ 46.74	$ -	$ 46.74	$ 44.74	$ (2.01)	-4.29%
8		10,928	150.00%	$ 60.18	$ -	$ 60.18	$ 59.33	$ (0.86)	-1.42%
9		14,570	200.00%	$ 73.62	$ -	$ 73.62	$ 76.47	$ 2.85	3.87%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 536	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		134	25.00%	$ 20.35	$ -	$ 20.35	$ 19.97	$ (0.39)	-1.91%
11		268	50.00%	$ 20.85	$ -	$ 20.85	$ 20.37	$ (0.48)	-2.30%
12		536	100.00%	$ 21.84	$ -	$ 21.84	$ 21.18	$ (0.66)	-3.03%
13		804	150.00%	$ 22.83	$ -	$ 22.83	$ 21.98	$ (0.84)	-3.69%
14		1,072	200.00%	$ 23.82	$ -	$ 23.82	$ 22.79	$ (1.02)	-4.30%

NORTHERN GROUP - RIMROCK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	14,756	$ 24.99	$ 368,701	$ 368,701
	Commodity Usage				
2	First Tier - First 3,000 Gals.	35,813	$ 3.8482	$ 137,816	
3	Second Tier - Next 7,000 Gals.	35,136	$ 4.8103	$ 169,016	
4	Third Tier - Over 10,000 Gals.	20,028	$ 6.0129	$ 120,424	$ 427,256
5	1" Meter	86	$ 62.4665	$ 5,372	$ 5,372
	Commodity Usage				
6	First Tier - First 10,000 Gals.	452	$ 4.8103	$ 2,176	
7	Second Tier - Over 10,000 Gals.	103	$ 6.0129	$ 618	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 2,794
9	2" Meter	18	$ 199.8928	$ 3,598	$ 3,598
	Commodity Usage				
10	First Tier - First 125,000 Gals.	113	$ 4.8103	$ 541	
11	Second Tier - Over125,000 Gals.	-	$ 6.0129	$ -	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 541
13	3" Meter	-	$ 399.7856	$ -	$ -
	Commodity Usage				
14	First Tier - First 325,000 Gals.	-	$ 4.8103	$ -	
15	Second Tier - Over 325,000 Gals.	-	$ 6.0129	$ -	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 624.6649	$ -	$ -
	Commodity Usage				
18	First Tier - First 500,000 Gals.	-	$ 4.8103	$ -	
19	Second Tier - Over 500,000 Gals.	-	$ 6.0129	$ -	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 1,249.3299	$ -	$ -
	Commodity Usage	-			
22	First Tier - First 925,000 Gals.	-	$ 4.8103	$ -	
23	Second Tier - Over 925,000 Gals.	-	$ 6.0129	$ -	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,998.9278	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 4.8103	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 6.0129	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 3,997.8556	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 4.8103	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 6.0129	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	14,860			
34	Total Residential Usage	91,645			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 808,263

NORTHERN GROUP - RIMROCK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	182	$ 24.9866	$ 4,548	$ 4,548
	Commodity Usage				
37	First Tier - First 10,000 Gals.	554	$ 4.8103	$ 2,666	
38	Second Tier - Over 10,000 Gals.	302	$ 6.0129	$ 1,813	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 4,479
40	1" Meter	24	$ 62.4665	$ 1,499	$ 1,499
	Commodity Usage				
41	First Tier - First 40,000 Gals.	946	$ 4.8103	$ 4,548	
42	Second Tier - Over 40,000 Gals.	1,385	$ 6.0129	$ 8,327	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 12,875
44	2" Meter	28	$ 199.8928	$ 5,597	$ 5,597
	Commodity Usage				
45	First Tier - First 125,000 Gals.	1,336	$ 4.8103	$ 6,427	
46	Second Tier - Over 125,000 Gals.	-	$ 6.0129	$ -	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 6,427
48	3" Meter	-	$ 399.7856	$ -	$ -
	Commodity Usage				
49	First Tier - First 325,000 Gals.	-	$ 4.8103	$ -	
50	Second Tier - Over 325,000 Gals.	-	$ 6.0129	$ -	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
52	4" Meter	-	$ 624.6649	$ -	$ -
	Commodity Usage				
53	First Tier - First 500,000 Gals.	-	$ 4.8103	$ -	
54	Second Tier - Over 500,000 Gals.	-	$ 6.0129	$ -	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
56	6" Meter	-	$ 1,249.3299	$ -	$ -
	Commodity Usage				
57	First Tier - First 925,000 Gals.	-	$ 4.8103	$ -	
58	Second Tier - Over 925,000 Gals.	-	$ 6.0129	$ -	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,998.9278	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 4.8103	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 6.0129	$ -	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 3,997.8556	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 4.8103	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 6.0129	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	234			
69	Total Commercial Usage	4,522			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 35,424

NORTHERN GROUP - RIMROCK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 24.9866	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 4.8103	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 4.8103	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 62.4721	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 4.8103	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 4.8103	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 199.8928	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 4.8103	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 4.8103	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 399.7856	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 4.8103	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 4.8103	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 624.6649	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 4.8103	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 4.8103	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 1,249.3299	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 4.8103	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 4.8103	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,998.9278	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 4.8103	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 4.8103	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 3,997.8556	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 4.8103	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 4.8103	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	-			
104	Total Industrial Usage	-			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ -

NORTHERN GROUP - RIMROCK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	10	$ 25.00	$ 250	$ 250
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	10			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 250
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
			$ -		
119	Construction Water 2" Meter	-	$ 199.8928	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 4.8103	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 6.0129	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	27	$ 399.7856	$ 10,794	$ 10,794
	Commodity Usage				
124	First Tier - First 325,000 Gals.	1,894	$ 4.8103	$ 9,112	
125	Second Tier - Over 325,000 Gals.	213	$ 6.0129	$ 1,280	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 10,391
127	Construction Water 4" Meter	-	$ 624.6649	$ -	$ -
	Commodity Usage				
128	First Tier - First 500,000 Gals.	-	$ 4.8103	$ -	
129	Second Tier - Over 500,000 Gals.	-	$ 6.0129	$ -	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 199.8928	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 4.8103	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 4.8103	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 399.7856	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 4.8103	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 4.8103	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

NORTHERN GROUP - RIMROCK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 1,249.3299	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 4.8103	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 4.8103	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	27			
144	Total Other Water Revenue Usage	2,107			
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 21,185
146	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 865,122
147	Unreconciled Difference vs. Billed Revenues				$ 305
148	Miscellaneous Revenues				8,461
149	**RUCO TOTAL REVENUE**				$ 873,888
150	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE WAR-1**				$ 873,888
151	Difference				$ 0
152	Percentage Difference				0.00%

NORTHERN GROUP - RIMROCK
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION			(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN									
1	BASIC MONTHLY CHARGE			$ 16.10	$ -	$ 16.10	$ 22.31		$ 24.99	
	COMMODITY CHARGE (Per 1,000 Gallons)									
	PRESENT	PROPOSED								
2	No Tiers	1st Tier - First	3,000	$ 2.5000	$ -	$ 2.5000	$ 3.4360		$ 3.8482	
3		2nd Tier - Next	7,000	$ 2.5000	$ -	$ 2.5000	$ 4.2950		$ 4.8103	
4		3rd Tier - Over	10,000	$ 2.5000	$ -	$ 2.5000	$ 5.3688		$ 6.0129	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 7285	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,821	25.00%	$ 20.65	$ -	$ 20.65	$ 32.00	$ 11.34	54.92%
6		3,643	50.00%	$ 25.21	$ -	$ 25.21	$ 39.62	$ 14.42	57.19%
7		7,285	100.00%	$ 34.31	$ -	$ 34.31	$ 57.14	$ 22.83	66.54%
8		10,928	150.00%	$ 43.42	$ -	$ 43.42	$ 75.78	$ 32.36	74.53%
9		14,570	200.00%	$ 52.53	$ -	$ 52.53	$ 97.68	$ 45.16	85.97%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 4128	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,032	25.00%	$ 18.68	$ -	$ 18.68	$ 28.96	$ 10.28	55.02%
11		2,064	50.00%	$ 21.26	$ -	$ 21.26	$ 32.93	$ 11.67	54.89%
12		4,128	100.00%	$ 26.42	$ -	$ 26.42	$ 41.96	$ 15.54	58.81%
13		6,192	150.00%	$ 31.58	$ -	$ 31.58	$ 51.89	$ 20.31	64.30%
14		8,256	200.00%	$ 36.74	$ -	$ 36.74	$ 61.81	$ 25.07	68.25%

ARIZONA WATER COMPANY

DOCKET NO. W-01445A-08-0440

SURREBUTTAL TESTIMONY ON RATE DESIGN

OF

RODNEY L. MOORE

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

AUGUST 12, 2009

EXHIBIT
R-17
ADMITTED

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INTRODUCTION

Q. Please state your name for the record.

A. My name is Rodney Lane Moore.

Q. Have you previously filed testimony regarding this docket?

A. Yes, I have. I filed direct rate design testimony in this docket on June 26, 2009.

Q. Please state the purpose of your testimony.

A. The purpose of my surrebuttal testimony is to present RUCO's revised recommended rate design for Arizona Water Company ("AWC" or "Company").

Q. Please summarize your surrebuttal testimony.

A. My surrebuttal testimony describes RUCO's recommended rate design and presents schedules that demonstrate it will produce RUCO's recommended level of revenue. I have also provided a schedule, which shows the impact of RUCO's recommended rate design on a typical residential customer at various levels of consumption.

To support RUCO's position I am presenting numerous schedules, which clearly depict the methodology and calculations used to produce RUCO's recommended rate design.

Q. Please explain how your schedules are organized.

A. My schedules comprise one hundred and ten pages. The first eight pages are Summary Schedules for Total Company and Company by Group, followed by Summary Schedules for each of the individual groups (Eastern, Western and Northern). The remaining pages provide an in-depth analysis of each of the seventeen systems. Each system's analysis consists of a five-page rate design and proof of recommended revenue Schedule plus a single page Typical Residential Bill Analysis.

I have provided a table of contents and each page is numbered on the lower right-hand corner for quick reference to the index.

RATE DESIGN

Q. Please explain the elements of RUCO's revised recommended rate design that differ from the previously filed direct rate design testimony.

A. My surrebuttal rate design now contains elements associated with rate consolidation. As stated in my direct testimony, RUCO Director Jodi Jerich will file surrebuttal testimony on RUCO's position regarding the issue of rate consolidation.

Q. Please explain the elements you revised in your surrebuttal rate design.

A. The following is a list of the changes made to my direct rate design filing:

1. I standardized the "meter multiplier factor" for all meter classes in all systems.
2. I standardized the basic service charge for a 5/8" X 3/4" metered residential customer in all systems at $15.00.
3. I adjusted the commodity charges in each individual system to generate RUCO's recommended revenue requirement for that system.
4. I capped the maximum rate increase for any 5/8" X 3/4" metered residential customer with average water usage (calculated for their system) at $5.00. The $5.00 increase was the difference between present monthly costs including ACRM surcharges and RUCO's proposed monthly costs. The cap reduced monthly costs for customers in Winkelman, Miami, Stanfield and Rimrock. The cap created a revenue loss of $501,390 from RUCO's company-wide recommended revenue requirement.
5. I adjusted the basic service charge for all customers equally in all systems to generate the cap shortfall. The adjustment increased the monthly bill for a 5/8" X 3/4" residential customer in all systems by $0.41 increasing the basic service charge $15.00 to $15.41.

Thus, all customers classes have a consolidated basic monthly charge calculated from a base of $15.41 for a 5/8" X 3/4" meter; while, the commodity charges will vary in each system.

PROOF OF RECOMMENDED REVENUE

Q. Has RUCO prepared a Schedule presenting proof of your recommended revenue?

A. Yes. Proof that RUCO's recommended rate design will produce the recommended required revenue as illustrated, is presented on the Rate Design Schedule for each of the seventeen systems.

TYPICAL BILL ANALYSIS

Q. Has RUCO prepared a Schedule representing the financial impact of RUCO's recommended rate design on the typical residential customer?

A. Yes. A typical bill analysis for residential 5/8" X 3/4" metered customers with various levels of usage (both average and median) is presented on the Typical Bill Analysis Schedule for each of the seventeen systems.

Q. Does this conclude your direct testimony?

A. Yes, it does.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

SURREBUTTAL TESTIMONY
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RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) PRESENT REVENUE	(B) COMPANY PROPOSED REVENUE	(C) RUCO PROPOSED REVENUE	(D) RUCO RECOM'D INCREASE	(E) RUCO PRECENTAGE INCREASE
	TOTAL COMPANY BY CUSTOMER CLASS - SUMMARY SCHEDULE					
1	RESIDENTIAL CUSTOMERS	$ 30,958,747	$ 42,300,947	$ 36,505,298	$ 5,546,551	17.92%
2	COMMERCIAL CUSTOMERS	8,456,122	11,860,723	10,252,639	1,796,518	21.25%
3	INDUSTRIAL CUSTOMERS	1,255,959	1,283,997	1,205,326	(50,633)	-4.03%
4	PRIVATE FIRE SERVICE CUSTOMERS	38,142	189,150	189,150	151,008	395.91%
5	OTHER WATER REVENUE CUSTOMERS	1,101,655	1,616,988	1,399,250	297,595	27.01%
6	TOTAL REVENUE	$ 41,810,625	$ 57,251,805	$ 49,551,664	$ 7,741,039	18.51%
7	MISCELLANEOUS REVENUE	1,551,300	1,551,300	1,551,299	(0)	0.00%
8	Unreconciled Difference vs. Billed Revenues		949	(949)	(949)	
9	Consolidated Revenue Adjustment		-	(0)		
10	TOTAL OPERATIONG REVENUE	$ 43,361,925	$ 58,804,053	$ 51,102,014	$ 7,740,090	17.85%
	TOTAL COMPANY BY GROUP - SUMMARY SCHEDULE					
	EASTERN GROUP -					
11	SUPERSTITION SYSTEM	$ 11,940,259	$ 16,804,800	$ 14,050,001	$ 2,109,742	17.67%
12	BISBEE SYSTEM	1,723,153	2,086,472	1,999,329	276,176	16.03%
13	SIERRA VISTA SYSTEM	1,461,708	1,523,034	1,321,391	(140,317)	-9.60%
14	SAN MANUEL SYSTEM	812,422	1,215,223	1,133,988	321,566	39.58%
15	ORACLE SYSTEM	1,126,259	1,195,526	1,071,263	(54,996)	-4.88%
16	WINKLEMAN SYSTEM	98,724	134,085	109,635	10,911	11.05%
17	MIAMI SYSTEM -	1,850,773	1,904,272	2,116,537	265,764	14.36%
18	SUB-TOTAL	$ 19,013,298	$ 24,863,412	$ 21,802,144	$ 2,788,846	14.67%
	WESTERN GROUP -					
19	CASA GRANDE SYSTEM	$ 10,934,954	$ 16,315,353	$ 14,560,010	$ 3,625,056	33.15%
20	STANFIELD SYSTEM	131,941	139,662	155,101	23,160	17.55%
21	WHITE TANK SYSTEM	1,245,240	1,739,054	1,557,521	312,281	25.08%
22	AJO SYSTEM	471,088	569,955	522,659	51,571	10.95%
23	COOLIDGE SYSTEM	2,214,937	2,776,111	2,173,189	(41,748)	-1.88%
24	SUB-TOTAL	$ 14,998,160	$ 21,540,135	$ 18,968,479	$ 3,970,319	26.47%
	NORTHERN GROUP -					
25	LAKESIDE SYSTEM	$ 2,588,849	$ 2,868,204	$ 2,482,446	$ (106,403)	-4.11%
26	OVERGAARD SYSTEM	1,685,650	1,640,619	1,435,832	(249,818)	-14.82%
27	SEDONA SYSTEM	3,521,358	5,926,065	4,474,090	952,732	27.06%
28	PINEWOOD SYSTEM	1,046,742	1,183,734	1,069,244	22,502	2.15%
29	RIMROCK SYSTEM	507,869	780,936	870,727	362,858	71.45%
30	SUB-TOTAL	$ 9,350,468	$ 12,399,558	$ 10,332,339	$ 981,871	10.50%
31	Unreconciled Difference vs. Billed Revenues		949	(949)	(949)	
	Rounding		(1)		2	
32	TOTAL OPERATIONG REVENUE	43,361,926	58,804,053	51,102,014	$ 7,740,090	17.85%

RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) PRESENT REVENUE	(B) COMPANY PROPOSED REVENUE	(C) RUCO PROPOSED REVENUE	(D) RUCO RECOM'D INCREASE	(E) RUCO PRECENTAGE INCREASE
	EASTERN GROUP - SUMMARY SCHEDULE					
11	RESIDENTIAL CUSTOMERS	$ 13,749,222	$ 18,508,679	$ 16,085,272	$ 2,336,051	16.99%
12	COMMERCIAL CUSTOMERS	3,878,018	4,819,620	4,252,444	374,426	9.66%
13	INDUSTRIAL CUSTOMERS	137,244	137,138	150,659	13,415	9.77%
14	PRIVATE FIRE SERVICE CUSTOMERS	12,105	60,525	60,525	48,420	400.00%
15	OTHER WATER REVENUE CUSTOMERS	437,496	538,236	454,031	16,535	3.78%
16	TOTAL REVENUE	$ 18,214,084	$ 24,064,199	$ 21,002,931	$ 2,788,847	15.31%
17	MISCELLANEOUS REVENUE	799,213	799,213	799,213	-	0.00%
18	Unreconciled Difference vs. Billed Revenues		253	(253)	(253)	
19	Consolidated Revenue Adjustment: Winkleman & Miami		-	157,351		
20	TOTAL OPERATIONG REVENUE	$ 19,013,297	$ 24,863,665	$ 21,959,242	$ 2,788,594	14.67%
	WESTERN GROUP - SUMMARY SCHEDULE					
21	RESIDENTIAL CUSTOMERS	$ 9,544,649	$ 14,078,127	$ 12,274,587	$ 2,729,938	28.60%
22	COMMERCIAL CUSTOMERS	3,075,479	4,627,019	4,062,637	987,158	32.10%
23	INDUSTRIAL CUSTOMERS	1,112,540	1,140,440	1,049,748	(62,792)	-5.64%
24	PRIVATE FIRE SERVICE CUSTOMERS	15,357	75,225	75,225	59,868	389.84%
25	OTHER WATER REVENUE CUSTOMERS	591,937	961,125	848,084	256,147	43.27%
26	TOTAL REVENUE	$ 14,339,963	$ 20,881,936	$ 18,310,281	$ 3,970,318	27.69%
27	MISCELLANEOUS REVENUE	658,198	658,198	658,198	-	0.00%
28	Unreconciled Difference vs. Billed Revenues		(648)	648	648	
29	Consolidated Revenue Adjustment: Stanfield		-	(60,229)		
30	TOTAL OPERATIONG REVENUE	$ 14,998,161	$ 21,539,486	$ 18,908,899	$ 3,970,967	26.48%
	NORTHERN GROUP - SUMMARY SCHEDULE					
31	RESIDENTIAL CUSTOMERS	$ 7,664,876	$ 9,714,140	$ 8,145,439	$ 480,563	6.27%
32	COMMERCIAL CUSTOMERS	1,502,625	2,414,083	1,937,559	434,934	28.94%
33	INDUSTRIAL CUSTOMERS	6,176	6,420	4,919	(1,257)	-20.35%
34	PRIVATE FIRE SERVICE CUSTOMERS	10,680	53,400	53,400	42,720	400.00%
35	OTHER WATER REVENUE CUSTOMERS	72,221	117,628	97,135	24,913	34.50%
36	TOTAL REVENUE	$ 9,256,578	$ 12,305,670	$ 10,238,451	$ 981,873	10.61%
37	MISCELLANEOUS REVENUE	93,888	93,888	93,888	(0)	0.00%
38	Unreconciled Difference vs. Billed Revenues		1,344	(1,344)	(1,344)	
39	Consolidated Revenue Adjustment: Rimrock		-	(97,122)		
40	TOTAL OPERATIONG REVENUE	$ 9,350,466	$ 12,400,903	$ 10,233,873	$ 980,529	10.49%

EASTERN GROUP - SUMMARY SCHEDULE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED CUSTOMERS	(B) TEST YEAR ADJUSTED USAGE (M/Gals)	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	358,042	2,558,156	$ 13,012,321	
2	1" Meter	23,107	265,574	1,709,679	
3	2" Meter	864	118,376	453,998	
4	3" Meter	48	17,830	63,286	
5	4" Meter	132	87,216	314,389	
6	6" Meter	156	138,585	531,599	
7	8" Meter				
8	10" Meter				
				$ -	
9	Total Residential Customer Bill Determinants	382,349	3,185,738		
10	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 16,085,272
	COMMERCIAL CUSTOMERS				
11	5/8" X 3/4" Meter	9,922	71,141	$ 423,076	
12	1" Meter	4,879	137,081	660,632	
13	2" Meter	3,676	361,459	1,739,548	
14	3" Meter	384	115,339	451,964	
15	4" Meter	241	92,634	344,919	
16	6" Meter	181	107,438	589,389	
17	8" Meter	24	4,588	42,916	
18	10" Meter				
19	Total Commercial Customer Bill Determinants	19,307	889,680		
20	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 4,252,444
	INDUSTRIAL CUSTOMERS				
21	5/8" X 3/4" Meter			$ -	
22	1" Meter	72	877	5,688	
23	2" Meter	84	19,169	109,176	
24	3" Meter	24	8,687	35,795	
25	4" Meter				
26	6" Meter				
27	8" Meter				
28	10" Meter				
29	Total Industrial Customer Bill Determinants	180	28,733		
30	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 150,659
	PRIVATE FIRE SERVICE CUSTOMERS				
31	Total Private Fire Service Customers	2,421		$ 60,525	
32	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 60,525

EASTERN GROUP - SUMMARY SCHEDULE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED CUSTOMERS	(B) TEST YEAR ADJUSTED USAGE (M/Gals)	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	OTHER WATER REVENUE CUSTOMERS				
33	Public Fire Hydrant			$ -	
34	Coin Machine	12	6,653	23,464	
35	Construction Water 2" Meter				
36	Construction Water 3" Meter	690	63,680	378,466	
37	Construction Water 4" Meter	29	7,253	35,942	
38	Sales For Resales 2" Meter				
39	Sales For Resales 3" Meter				
40	Sales For Resales 6" Meter	11	2,364	16,158	
41	Total Other Water Revenue Customer Bills	742	79,949		
42	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 454,031
		402,566			
43	**TOTAL RUCO PROPOSED REVENUE PER BILL COUNT**				$ 21,002,931
44	Unreconciled Difference vs. Billed Revenues				-
45	Consolidated Revenue Adjustment				157,351
46	Miscellaneous Revenues				799,213
47	**TOTAL REVENUE**				$ 21,959,495
48	**ADJUSTED TEST-YEAR REVENUE PER FILING**				$ 21,802,144
49	Difference				$ 157,351
50	Percentage Difference				0.72%

WESTERN GROUP - SUMMARY SCHEDULE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED CUSTOMERS	(B) TEST YEAR ADJUSTED USAGE (M/Gals)	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	326,730	2,955,877	$ 10,723,890	
2	1" Meter	6,785	172,609	637,229	
3	2" Meter	1,056	195,453	525,535	
4	3" Meter	97	50,463	123,752	
5	4" Meter	27	31,534	74,939	
6	6" Meter	96	63,551	189,242	
7	8" Meter				
8	10" Meter			$ -	
9	Total Residential Customer Bill Determinants	334,791	3,469,486		
10	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 12,274,587
	COMMERCIAL CUSTOMERS				
11	5/8" X 3/4" Meter	11,689	116,963	$ 442,176	
12	1" Meter	5,810	188,433	649,597	
13	2" Meter	4,731	687,675	1,945,703	
14	3" Meter	336	88,205	255,578	
15	4" Meter	265	220,580	536,104	
16	6" Meter	106	83,919	233,479	
17	8" Meter	-	-	-	
18	10" Meter	-	-	-	
19	Total Commercial Customer Bill Determinants	22,937	1,385,775		
20	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 4,062,637
	INDUSTRIAL CUSTOMERS				
21	5/8" X 3/4" Meter	72	819	$ 2,312	
22	1" Meter	108	3,742	10,061	
23	2" Meter	147	19,730	50,836	
24	3" Meter	-	-	-	
25	4" Meter	36	39,166	71,354	
26	6" Meter	36	572,691	871,502	
27	8" Meter	12	19,683	43,683	
28	10" Meter	-	-	-	
29	Total Industrial Customer Bill Determinants	411	655,830		
30	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 1,049,748
	PRIVATE FIRE SERVICE CUSTOMERS				
31	Total Private Fire Service Customers	3,009		$ 75,225	
32	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 75,225

WESTERN GROUP - SUMMARY SCHEDULE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED CUSTOMERS	(B) TEST YEAR ADJUSTED USAGE (M/Gals)	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	OTHER WATER REVENUE CUSTOMERS				
33	Public Fire Hydrant	-	-	$ -	
34	Coin Machine	39	5,983	18,420	
35	Construction Water 2" Meter	-	-	-	
36	Construction Water 3" Meter	1,037	161,710	577,183	
37	Construction Water 4" Meter	222	77,148	242,903	
38	Sales For Resales 2" Meter	-	-	-	
39	Sales For Resales 3" Meter	14	4,174	9,579	
40	Sales For Resales 6" Meter	-	-	-	
41	Total Other Water Revenue Customer Bills	1,312	249,015		
42	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 848,084
		359,412			
43	**TOTAL RUCO PROPOSED REVENUE PER BILL COUNT**				$ 18,310,281
44	Unreconciled Difference vs. Billed Revenues				-
45	Consolidated Revenue Adjustment				(60,229)
46	Miscellaneous Revenues				658,198
47	**TOTAL REVENUE**				$ 18,908,250
48	**ADJUSTED TEST-YEAR REVENUE PER FILING**				$ 18,968,479
49	Difference				$ (60,229)
50	Percentage Difference				-0.32%

NORTHERN GROUP - SUMMARY SCHEDULE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED CUSTOMERS	(B) TEST YEAR ADJUSTED USAGE (M/Gals)	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	216,417	1,186,952	$ 7,315,663	
2	1" Meter	6,157	98,592	510,594	
3	2" Meter	602	42,949	216,608	
4	3" Meter	12	3,034	18,088	
5	4" Meter	24	10,595	46,727	
6	6" Meter	12	12,219	37,758	
7	8" Meter				
8	10" Meter				
				$ -	
9	Total Residential Customer Bill Determinants	223,224	1,354,340		
10	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 8,145,439
	COMMERCIAL CUSTOMERS				
11	5/8" X 3/4" Meter	6,233	71,468	$ 334,745	
12	1" Meter	3,236	104,258	442,929	
13	2" Meter	2,226	185,258	827,957	
14	3" Meter	72	36,729	114,823	
15	4" Meter	95	31,185	111,385	
16	6" Meter	24	13,583	57,120	
17	8" Meter	12	14,365	48,599	
18	10" Meter				
19	Total Commercial Customer Bill Determinants	11,898	456,846		
20	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 1,937,559
	INDUSTRIAL CUSTOMERS				
21	5/8" X 3/4" Meter	30	194	$ 870	
22	1" Meter	24	961	4,049	
23	2" Meter	-	-	-	
24	3" Meter	-	-	-	
25	4" Meter				
26	6" Meter				
27	8" Meter				
28	10" Meter				
29	Total Industrial Customer Bill Determinants	54	1,155		
30	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 4,919
	PRIVATE FIRE SERVICE CUSTOMERS				
31	Total Private Fire Service Customers	2,136		$ 53,400	
32	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 53,400

NORTHERN GROUP - SUMMARY SCHEDULE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED CUSTOMERS	(B) TEST YEAR ADJUSTED USAGE (M/Gals)	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	OTHER WATER REVENUE CUSTOMERS				
33	Public Fire Hydrant			$ -	
34	Coin Machine	11	248	756	
35	Construction Water 2" Meter	1	3	130	
36	Construction Water 3" Meter	158	14,883	96,249	
37	Construction Water 4" Meter			-	
38	Sales For Resales 2" Meter				
39	Sales For Resales 3" Meter				
40	Sales For Resales 6" Meter	-	-	-	
41	Total Other Water Revenue Customer Bills	170	15,134		
42	TOTAL OTHER WATER CUSTOMERS REVENUE	235,335			$ 97,135
43	**TOTAL RUCO PROPOSED REVENUE PER BILL COUNT**				$ 10,238,451
44	Unreconciled Difference vs. Billed Revenues				-
45	Consolidated Revenue Adjustment				(97,122)
46	Miscellaneous Revenues				93,888
47	**TOTAL REVENUE**				$ 10,235,217
48	**ADJUSTED TEST-YEAR REVENUE PER FILING**				$ 10,332,339
49	Difference				$ (97,122)
50	Percentage Difference				-0.94%
					$ 0

EASTERN GROUP - SUPERSTITION
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	219,089	$ 15.41	$ 3,376,349	$ 3,376,349
	Commodity Usage				
2	First Tier - First 3,000 Gals.	574,610	$ 2.1693	$ 1,246,527	
3	Second Tier - Next 7,000 Gals.	672,590	$ 2.7121	$ 1,824,135	
4	Third Tier - Over 10,000 Gals.	364,927	$ 3.3899	$ 1,237,072	$ 4,307,734
5	1" Meter	20,982	$ 38.53	$ 808,376	$ 808,376
	Commodity Usage				
6	First Tier - First 10,000 Gals.	131,743	$ 2.7121	$ 357,300	
7	Second Tier - Over 10,000 Gals.	106,808	$ 3.3899	$ 362,072	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 719,372
9	2" Meter	731	$ 123.29	$ 90,123	$ 90,123
	Commodity Usage				
10	First Tier - First 125,000 Gals.	65,837	$ 2.7121	$ 178,556	
11	Second Tier - Over 125,000 Gals.	34,446	$ 3.3899	$ 116,769	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 295,326
13	3" Meter	48	$ 246.57	$ 11,836	$ 11,836
	Commodity Usage				
14	First Tier - First 300,000 Gals.	13,269	$ 2.7121	$ 35,986	
15	Second Tier - Over 300,000 Gals.	4,562	$ 3.3899	$ 15,464	
16	Third Tier - Over 300,000 Gals.	-	$ -	$ -	$ 51,450
17	4" Meter	132	$ 385.27	$ 50,856	$ 50,856
	Commodity Usage				
18	First Tier - First 490,000 Gals.	47,392	$ 2.7121	$ 128,531	
19	Second Tier - Over 490,000 Gals.	39,825	$ 3.3899	$ 135,002	
20	Third Tier - Over 490,000 Gals.	-	$ -	$ -	$ 263,533
21	6" Meter	156	$ 770.54	$ 120,205	$ 120,205
	Commodity Usage				
22	First Tier - First 925,000 Gals.	86,157	$ 2.7121	$ 233,667	
23	Second Tier - Over 925,000 Gals.	52,428	$ 3.3899	$ 177,728	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 411,395
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 2.7121	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 3.3899	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 2.7121	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 3.3899	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	241,138		$ 4,457,744	
34	Total Residential Usage	2,194,593		$ 6,048,810	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 10,506,553

EASTERN GROUP - SUPERSTITION
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	3,120	$ 15.41	$ 48,082	$ 48,082
	Commodity Usage				
37	First Tier - First 10,000 Gals.	14,296	$ 2.9046	$ 41,524	
38	Second Tier - Over 10,000 Gals.	18,048	$ 3.6305	$ 65,524	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 107,048
40	1" Meter	2,897	$ 38.53	$ 111,613	$ 111,613
	Commodity Usage				
41	First Tier - First 40,000 Gals.	49,834	$ 2.9046	$ 144,745	
42	Second Tier - Over 40,000 Gals.	49,000	$ 3.6305	$ 177,892	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 322,637
44	2" Meter	2,002	$ 123.29	$ 246,820	$ 246,820
	Commodity Usage				
45	First Tier - First 125,000 Gals.	118,162	$ 2.9046	$ 343,209	
46	Second Tier - Over 125,000 Gals.	78,831	$ 3.6305	$ 286,195	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 629,403
48	3" Meter	262	$ 246.57	$ 64,602	$ 64,602
	Commodity Usage				
49	First Tier - First 300,000 Gals.	39,081	$ 2.9046	$ 113,513	
50	Second Tier - Over 300,000 Gals.	42,413	$ 3.6305	$ 153,981	
51	Third Tier - Over 300,000 Gals.	-	$ -	$ -	$ 267,494
52	4" Meter	127	$ 385.27	$ 48,929	$ 48,929
	Commodity Usage				
53	First Tier - First 490,000 Gals.	18,358	$ 2.9046	$ 53,323	
54	Second Tier - Over 490,000 Gals.	26,397	$ 3.6305	$ 95,832	
55	Third Tier - Over 490,000 Gals.	-	$ -	$ -	$ 149,155
56	6" Meter	109	$ 770.54	$ 83,989	$ 83,989
	Commodity Usage				
57	First Tier - First 925,000 Gals.	46,856	$ 2.9046	$ 136,097	
58	Second Tier - Over 925,000 Gals.	34,096	$ 3.6305	$ 123,787	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 259,883
60	8" Meter	24	$ 1,232.87	$ 29,589	$ 29,589
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	4,588	$ 2.9046	$ 13,327	
62	Second Tier - Over 1,500,000 Gals.	-	$ 3.6305	$ -	
63	Third Tier - Over 1,500,000 Gals.	-	$ -	$ -	$ 13,327
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 2.9046	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 3.6305	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	8,541		$ 633,625	
69	Total Commercial Usage	539,961		$ 1,748,949	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 2,382,574

EASTERN GROUP - SUPERSTITION
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 15.41	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 3.2498	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 3.2498	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	48	$ 38.53	$ 1,849	$ 1,849
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	841	$ 3.2498	$ 2,733	
77	Second Tier - Next 999,999,999 Gals.	-	$ 3.2498	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 2,733
79	2" Meter	12	$ 123.29	$ 1,479	$ 1,479
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	427	$ 3.2498	$ 1,389	
81	Second Tier - Next 999,999,999 Gals.	-	$ 3.2498	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 1,389
83	3" Meter	12	$ 246.57	$ 2,959	$ 2,959
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	7,883	$ 3.2498	$ 25,619	
85	Second Tier - Next 999,999,999 Gals.	-	$ 3.2498	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 25,619
87	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 3.2498	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 3.2498	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 3.2498	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 3.2498	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 3.2498	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 3.2498	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 3.2498	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 3.2498	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	72		$ 6,288	
104	Total Industrial Usage	9,152		$ 29,741	
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 36,028

EASTERN GROUP - SUPERSTITION
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	1,657	$ 25.00	$ 41,425	$ 41,425
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	1,657		$ 41,425	
115	TOTAL PRIVATE FIRES SERVICE CUSTOMERS REVENUE				$ 41,425
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	12	$ -	$ -	$ -
118	Commodity Usage	6,653	70.88	$ 23,464	$ 23,464
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 2.9046	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 3.6305	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	548	$ 246.57	$ 135,122	$ 135,122
	Commodity Usage				
124	First Tier - First 300,000 Gals.	30,210	$ 2.9046	$ 87,746	
125	Second Tier - Over 300,000 Gals.	20,469	$ 3.6305	$ 74,313	
126	Third Tier - Over 300,000 Gals.	-	$ -	$ -	$ 162,059
127	Construction Water 4" Meter	15	$ 385.27	$ 5,779	$ 5,779
	Commodity Usage				
128	First Tier - First 490,000 Gals.	1,965	$ 2.9046	$ 5,706	
129	Second Tier - Over 490,000 Gals.	5,224	$ 3.6305	$ 18,965	
130	Third Tier - Over 490,000 Gals.	-	$ -	$ -	$ 24,671
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 3.2498	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 3.2498	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 3.2498	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 3.2498	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

EASTERN GROUP - SUPERSTITION
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	11	$ 770.54	$ 8,476	$ 8,476
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	2,225	$ 3.2498	$ 7,231	
141	Second Tier - Next 1,000,000 Gals.	139	$ 3.2498	$ 452	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ 7,683
143	Total Other Water Revenue Customer Bills	586		$ 149,377	
144	Total Other Water Revenue Usage	66,884		$ 217,877	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 367,254
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 5,288,459	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 8,045,376	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 13,333,835
149	Unreconciled Difference vs. Billed Revenues				$ -
150	Miscellaneous Revenues				716,166
151	**RUCO TOTAL REVENUE**				$ 14,050,001
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 14,050,001
153	Revenue Adjustment Associated With Conservation Per Schedule TJC-1				$ (157,394)
154	Revenue Requirement Based On Cost Of Service Per Schedule TJC-1				$ 13,892,607

EASTERN GROUP - SUPERSTITION
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 12.54	$ 3.48	$ 16.02	$ 19.00		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	10,000	1st Tier - First	3,000	$ 1.9688	$ 0.4370	$ 2.4058	$ 2.5700		$ 2.1693	
3	2nd Tier - Next	15,000	2nd Tier - Next	7,000	$ 2.4610	$ 0.4370	$ 2.8980	$ 3.2130		$ 2.7121	
4	3rd Tier - Over	25,000	3rd Tier - Over	10,000	$ 2.9532	$ 0.4370	$ 3.3902	$ 4.0160		$ 3.3899	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 7358	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,840	25.00%	16.16	4.28	$ 20.45	$ 19.40	$ (1.04)	-5.11%
6		3,679	50.00%	19.78	5.09	$ 24.87	$ 23.76	$ (1.11)	-4.47%
7		7,358	100.00%	27.03	6.70	$ 33.72	$ 33.74	$ 0.02	0.05%
8		11,037	150.00%	34.78	8.30	$ 43.08	$ 44.42	$ 1.34	3.10%
9		14,716	200.00%	43.83	9.91	$ 53.74	$ 56.89	$ 3.15	5.85%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 5403	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,351	25.00%	15.20	4.07	$ 19.27	$ 18.34	$ (0.93)	-4.82%
11		2,702	50.00%	17.86	4.66	$ 22.52	$ 21.27	$ (1.25)	-5.54%
12		5,403	100.00%	23.18	5.84	$ 29.02	$ 28.44	$ (0.58)	-2.01%
13		8,105	150.00%	28.50	7.02	$ 35.52	$ 35.76	$ 0.25	0.69%
14		10,806	200.00%	34.21	8.20	$ 42.41	$ 43.64	$ 1.22	2.88%

EASTERN GROUP - BISBEE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	37,022	$ 15.41	$ 570,541	$ 570,541
	Commodity Usage				
2	First Tier - First 3,000 Gals.	84,104	$ 3.2388	$ 272,392	
3	Second Tier - Next 7,000 Gals.	77,072	$ 4.0482	$ 312,006	
4	Third Tier - Over 10,000 Gals.	31,900	$ 5.0603	$ 161,421	$ 745,819
5	1" Meter	423	$ 38.53	$ 16,297	$ 16,297
	Commodity Usage				
6	First Tier - First 10,000 Gals.	2,816	$ 4.0482	$ 11,400	
7	Second Tier - Over 10,000 Gals.	2,183	$ 5.0603	$ 11,047	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 22,447
9	2" Meter	85	$ 123.29	$ 10,479	$ 10,479
	Commodity Usage				
10	First Tier - First 80,000 Gals.	3,784	$ 4.0482	$ 15,318	
11	Second Tier - Over 80,000 Gals.	1,172	$ 5.0603	$ 5,932	
12	Third Tier - Over 80,000 Gals.	-	$ -	$ -	$ 21,250
13	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
14	First Tier - First 175,000 Gals.	-	$ 4.0482	$ -	
15	Second Tier - Over 175,000 Gals.	-	$ 5.0603	$ -	
16	Third Tier - Over 175,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
18	First Tier - First 290,000 Gals.	-	$ 4.0482	$ -	
19	Second Tier - Over 290,000 Gals.	-	$ 5.0603	$ -	
20	Third Tier - Over 290,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
22	First Tier - First 625,000 Gals.	-	$ 4.0482	$ -	
23	Second Tier - Over 625,000 Gals.	-	$ 5.0603	$ -	
24	Third Tier - Over 625,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,000,000 Gals.	-	$ 4.0482	$ -	
27	Second Tier - Over 1,000,000 Gals.	-	$ 5.0603	$ -	
28	Third Tier - Over 1.000,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 1,200,000 Gals.	-	$ 4.0482	$ -	
31	Second Tier - Over 1,200,000 Gals.	-	$ 5.0603	$ -	
32	Third Tier - Over 1,200,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	37,530		$ 597,317	
34	Total Residential Usage	203,031		$ 789,516	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 1,386,833

EASTERN GROUP - BISBEE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	2,545	$ 15.41	$ 39,221	$ 39,221
	Commodity Usage				
37	First Tier - First 10,000 Gals.	8,221	$ 4.0482	$ 33,280	
38	Second Tier - Over 10,000 Gals.	3,651	$ 5.0603	$ 18,473	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 51,753
40	1" Meter	550	$ 38.53	$ 21,190	$ 21,190
	Commodity Usage				
41	First Tier - First 25,000 Gals.	6,266	$ 4.0482	$ 25,365	
42	Second Tier - Over 25,000 Gals.	4,872	$ 5.0603	$ 24,653	
43	Third Tier - Over 25,000 Gals.	-	$ -	$ -	$ 50,018
44	2" Meter	504	$ 123.29	$ 62,137	$ 62,137
	Commodity Usage				
45	First Tier - First 85,000 Gals.	21,013	$ 4.0482	$ 85,064	
46	Second Tier - Over 85,000 Gals.	41,690	$ 5.0603	$ 210,962	
47	Third Tier - Over 85,000 Gals.	-	$ -	$ -	$ 296,026
48	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
49	First Tier - First 175,000 Gals.	-	$ 4.0482	$ -	
50	Second Tier - Over 175,000 Gals.	-	$ 5.0603	$ -	
51	Third Tier - Over 175,000 Gals.	-	$ -	$ -	$ -
52	4" Meter	36	$ 385.27	$ 13,870	$ 13,870
	Commodity Usage				
53	First Tier - First 290,000 Gals.	4,917	$ 4.0482	$ 19,905	
54	Second Tier - Over 290,000 Gals.	3,371	$ 5.0603	$ 17,058	
55	Third Tier - Over 290,000 Gals.	-	$ -	$ -	$ 36,963
56	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
57	First Tier - First 625,000 Gals.	-	$ 4.0482	$ -	
58	Second Tier - Over 625,000 Gals.	-	$ 5.0603	$ -	
59	Third Tier - Over 625,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,000,000 Gals.	-	$ 4.0482	$ -	
62	Second Tier - Over 1,000,000 Gals.	-	$ 5.0603	$ -	
63	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 1,200,000 Gals.	-	$ 4.0482	$ -	
66	Second Tier - Over 1,200,000 Gals.	-	$ 5.0603	$ -	
67	Third Tier - Over 1,200,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	3,635		$ 136,417	
69	Total Commercial Usage	94,000		$ 434,760	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 571,177

EASTERN GROUP - BISBEE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 15.41	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 5.0603	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 5.0603	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	12	$ 38.53	$ 462	$ 462
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	32	$ 5.0603	$ 162	
77	Second Tier - Next 999,999,999 Gals.	-	$ 5.0603	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 162
79	2" Meter	12	$ 123.29	$ 1,479	$ 1,479
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	0	$ 5.0603	$ 1	
81	Second Tier - Next 999,999,999 Gals.	-	$ 5.0603	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 1
83	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 5.0603	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 5.0603	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 5.0603	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 5.0603	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 5.0603	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 5.0603	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 5.0603	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 5.0603	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 5.0603	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 5.0603	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	24		$ 1,942	
104	Total Industrial Usage	32		$ 162	
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 2,104

EASTERN GROUP - BISBEE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	181	$ 25.00	$ 4,525	$ 4,525
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	181		$ 4,525	
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 4,525
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 85,000 Gals.	-	$ 4.0482	$ -	
121	Second Tier - Over 85,000 Gals.	-	$ 5.0603	$ -	
122	Third Tier - Over 85,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	21	$ 246.57	$ 5,178	$ 5,178
	Commodity Usage				
124	First Tier - First 175,000 Gals.	354	$ 4.0482	$ 1,432	
125	Second Tier - Over 175,000 Gals.	23	$ 5.0603	$ 117	
126	Third Tier - Over 175,000 Gals.	-	$ -	$ -	$ 1,549
127	Construction Water 4" Meter	12	$ 385.27	$ 4,623	$ 4,623
	Commodity Usage				
128	First Tier - First 290,000 Gals.	-	$ 4.0482	$ -	
129	Second Tier - Over 290,000 Gals.	-	$ 5.0603	$ -	
130	Third Tier - Over 290,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 5.0603	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 5.0603	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
			$ -		
135	Sales For Resales 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 5.0603	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 5.0603	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

EASTERN GROUP - BISBEE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 5.0603	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 5.0603	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	33		$ 9,801	
144	Total Other Water Revenue Usage	377		$ 1,549	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 11,351
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 750,002	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 1,225,987	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 1,975,989
149	Unreconciled Difference vs. Billed Revenues				-
150	Miscellaneous Revenues				23,340
151	**RUCO TOTAL REVENUE**				$ 1,999,329
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 1,999,329
153	Revenue Adjustment Associated With Conservation Per Schedule TJC-1				$ (19,875)
154	Revenue Requirement Based On Cost Of Service Per Schedule TJC-1				$ 1,979,454

EASTERN GROUP - BISBEE
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 16.32	$ -	$ 16.32	$ 15.00		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	10,000	1st Tier - First	3,000	$ 2.5940	$ -	$ 2.59	$ 3.5170		$ 3.2388	
3	2nd Tier - Next	15,000	2nd Tier - Next	7,000	$ 3.2420	$ -	$ 3.24	$ 4.3960		$ 4.0482	
4	3rd Tier - Over	25,000	3rd Tier - Over	10,000	$ 3.8900	$ -	$ 3.89	$ 5.4950		$ 5.0603	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 5215	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,304	25.00%	$ 19.70	$ -	$ 19.70	$ 19.63	$ (0.07)	-0.35%
6		2,608	50.00%	$ 23.08	$ -	$ 23.08	$ 23.86	$ 0.77	3.34%
7		5,215	100.00%	$ 29.85	$ -	$ 29.85	$ 34.09	$ 4.25	14.23%
8		7,823	150.00%	$ 35.20	$ -	$ 35.20	$ 44.65	$ 9.45	26.84%
9		10,430	200.00%	$ 43.65	$ -	$ 43.65	$ 55.64	$ 11.99	27.46%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 3638	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		910	25.00%	$ 18.68	$ -	$ 18.68	$ 18.36	$ (0.32)	-1.73%
11		1,819	50.00%	$ 21.04	$ -	$ 21.04	$ 21.30	$ 0.26	1.25%
12		3,638	100.00%	$ 25.76	$ -	$ 25.76	$ 27.71	$ 1.95	7.58%
13		5,457	150.00%	$ 30.48	$ -	$ 30.48	$ 35.07	$ 4.60	15.09%
14		7,276	200.00%	$ 35.19	$ -	$ 35.19	$ 42.44	$ 7.24	20.58%

EASTERN GROUP - SIERRA VISTA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	31,970	$ 15.41	$ 492,685	$ 492,685
	Commodity Usage				
2	First Tier - First 3,000 Gals.	88,022	$ 0.9885	$ 87,006	
3	Second Tier - Next 7,000 Gals.	115,468	$ 1.5267	$ 176,282	
4	Third Tier - Over 10,000 Gals.	81,807	$ 1.9091	$ 156,177	$ 419,464
5	1" Meter	746	$ 38.53	$ 28,741	$ 28,741
	Commodity Usage				
6	First Tier - First 10,000 Gals.	5,392	$ 1.5267	$ 8,231	
7	Second Tier - Over 10,000 Gals.	6,161	$ 1.9091	$ 11,761	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 19,992
9	2" Meter	12	$ 123.29	$ 1,479	$ 1,479
	Commodity Usage				
10	First Tier - First 80,000 Gals.	960	$ 1.5267	$ 1,466	
11	Second Tier - Over 80,000 Gals.	9,804	$ 1.9091	$ 18,717	
12	Third Tier - Over 80,000 Gals.	-	$ -	$ -	$ 20,182
13	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
14	First Tier - First 175,000 Gals.	-	$ 1.5267	$ -	
15	Second Tier - Over 175,000 Gals.	-	$ 1.9091	$ -	
16	Third Tier - Over 175,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
18	First Tier - First 290,000 Gals.	-	$ 1.5267	$ -	
19	Second Tier - Over 290,000 Gals.	-	$ 1.9091	$ -	
20	Third Tier - Over 290,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
22	First Tier - First 625,000 Gals.	-	$ 1.5267	$ -	
23	Second Tier - Over 625,000 Gals.	-	$ 1.9091	$ -	
24	Third Tier - Over 625,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,000,000 Gals.	-	$ 1.5267	$ -	
27	Second Tier - Over 1,000,000 Gals.	-	$ 1.9091	$ -	
28	Third Tier - Over 1.000,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 1,200,000 Gals.	-	$ 1.5267	$ -	
31	Second Tier - Over 1,200,000 Gals.	-	$ 1.9091	$ -	
32	Third Tier - Over 1,200,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	32,728		$ 522,906	
34	Total Residential Usage	307,613		$ 459,639	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 982,545

EASTERN GROUP - SIERRA VISTA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	786	$ 15.41	$ 12,113	$ 12,113
	Commodity Usage				
37	First Tier - First 10,000 Gals.	4,133	$ 1.5267	$ 6,310	
38	Second Tier - Over 10,000 Gals.	3,087	$ 1.9083	$ 5,891	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 12,201
40	1" Meter	473	$ 38.53	$ 18,223	$ 18,223
	Commodity Usage				
41	First Tier - First 25,000 Gals.	6,662	$ 1.5267	$ 10,171	
42	Second Tier - Over 25,000 Gals.	4,359	$ 1.9083	$ 8,318	
43	Third Tier - Over 25,000 Gals.	-	$ -	$ -	$ 18,489
44	2" Meter	476	$ 123.29	$ 58,685	$ 58,685
	Commodity Usage				
45	First Tier - First 85,000 Gals.	25,385	$ 1.5267	$ 38,755	
46	Second Tier - Over 85,000 Gals.	21,025	$ 1.9083	$ 40,123	
47	Third Tier - Over 85,000 Gals.	-	$ -	$ -	$ 78,878
48	3" Meter	67	$ 246.57	$ 16,520	$ 16,520
	Commodity Usage				
49	First Tier - First 175,000 Gals.	7,960	$ 1.5267	$ 12,152	
50	Second Tier - Over 175,000 Gals.	11,815	$ 1.9083	$ 22,548	
51	Third Tier - Over 175,000 Gals.	-	$ -	$ -	$ 34,700
52	4" Meter	30	$ 385.27	$ 11,558	$ 11,558
	Commodity Usage				
53	First Tier - First 290,000 Gals.	8,579	$ 1.5267	$ 13,097	
54	Second Tier - Over 290,000 Gals.	7,623	$ 1.9083	$ 14,547	
55	Third Tier - Over 290,000 Gals.	-	$ -	$ -	$ 27,644
56	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
57	First Tier - First 625,000 Gals.	-	$ 1.5267	$ -	
58	Second Tier - Over 625,000 Gals.	-	$ 1.9083	$ -	
59	Third Tier - Over 625,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,000,000 Gals.	-	$ 1.5267	$ -	
62	Second Tier - Over 1,000,000 Gals.	-	$ 1.9083	$ -	
63	Third Tier - Over 1.000,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 1,200,000 Gals.	-	$ 1.5267	$ -	
66	Second Tier - Over 1,200,000 Gals.	-	$ 1.9083	$ -	
67	Third Tier - Over 1,200,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	1,832		$ 117,099	
69	Total Commercial Usage	100,628		$ 171,912	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 289,011

EASTERN GROUP - SIERRA VISTA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 15.41	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 4.0962	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 4.0962	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 38.53	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 4.0962	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 4.0962	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 4.0962	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 4.0962	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 4.0962	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 4.0962	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 4.0962	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 4.0962	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 4.0962	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 4.0962	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 4.0962	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 4.0962	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 4.0962	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 4.0962	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	-			
104	Total Industrial Usage	-			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ -

EASTERN GROUP - SIERRA VISTA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	385	$ 25.00	$ 9,625	$ 9,625
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	385		$ 9,625	
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 9,625
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 85,000 Gals.	-	$ 1.5267	$ -	
121	Second Tier - Over 85,000 Gals.	-	$ 1.9083	$ -	
122	Third Tier - Over 85,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	52	$ 246.57	$ 12,822	$ 12,822
	Commodity Usage				
124	First Tier - First 175,000 Gals.	3,223	$ 1.5267	$ 4,921	
125	Second Tier - Over 175,000 Gals.	2,596	$ 1.9083	$ 4,954	
126	Third Tier - Over 175,000 Gals.	-	$ -	$ -	$ 9,875
127	Construction Water 4" Meter	2	$ 385.27	$ 771	$ 771
	Commodity Usage				
128	First Tier - First 290,000 Gals.	64	$ 1.5267	$ 98	
129	Second Tier - Over 290,000 Gals.	-	$ 1.9083	$ -	
130	Third Tier - Over 290,000 Gals.	-	$ -	$ -	$ 98
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 4.0962	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 4.0962	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 4.0962	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 4.0962	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

EASTERN GROUP - SIERRA VISTA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 4.0962	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 4.0962	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	54		$ 13,592	
144	Total Other Water Revenue Usage	5,884		$ 9,973	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 23,565
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 663,222	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 641,524	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 1,304,746
149	Unreconciled Difference vs. Billed Revenues				$ -
150	Miscellaneous Revenues				16,645
151	**RUCO TOTAL REVENUE**				$ 1,321,391
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 1,321,391
153	Revenue Adjustment Associated With Conservation Per Schedule TJC-1				$ (17,425)
154	Revenue Requirement Based On Cost Of Service Per Schedule TJC-1				$ 1,303,966

EASTERN GROUP - SIERRA VISTA
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 15.40	$ -	$ 15.40	$ 15.00		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	10,000	1st Tier - First	3,000	$ 1.6120	$ -	$ 1.6120	$ 1.3260		$ 0.9885	
3	2nd Tier - Next	15,000	2nd Tier - Next	7,000	$ 2.0150	$ -	$ 2.0150	$ 2.0480		$ 1.5267	
4	3rd Tier - Over	25,000	3rd Tier - Over	10,000	$ 2.4180	$ -	$ 2.4180	$ 2.5610		$ 1.9091	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 8924	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		2,231	25.00%	$ 19.00	$ -	$ 19.00	$ 17.62	$ (1.38)	-7.27%
6		4,462	50.00%	$ 22.59	$ -	$ 22.59	$ 20.61	$ (1.98)	-8.78%
7		8,924	100.00%	$ 29.79	$ -	$ 29.79	$ 27.42	$ (2.37)	-7.94%
8		13,386	150.00%	$ 38.34	$ -	$ 38.34	$ 35.53	$ (2.82)	-7.34%
9		17,848	200.00%	$ 47.33	$ -	$ 47.33	$ 44.05	$ (3.29)	-6.95%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 6380	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,595	25.00%	$ 17.97	$ -	$ 17.97	$ 16.99	$ (0.98)	-5.47%
11		3,190	50.00%	$ 20.54	$ -	$ 20.54	$ 18.67	$ (1.88)	-9.13%
12		6,380	100.00%	$ 25.68	$ -	$ 25.68	$ 23.54	$ (2.15)	-8.36%
13		9,570	150.00%	$ 30.83	$ -	$ 30.83	$ 28.41	$ (2.42)	-7.85%
14		12,760	200.00%	$ 37.08	$ -	$ 37.08	$ 34.33	$ (2.75)	-7.41%

EASTERN GROUP - SAN MANUEL
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	17,729	$ 15.41	$ 273,219	$ 273,219
	Commodity Usage				
2	First Tier - First 3,000 Gals.	46,628	$ 3.2092	$ 149,638	
3	Second Tier - Next 7,000 Gals.	63,777	$ 4.0112	$ 255,824	
4	Third Tier - Over 10,000 Gals.	44,626	$ 5.0137	$ 223,741	$ 629,203
5	1" Meter	73	$ 38.53	$ 2,812	$ 2,812
	Commodity Usage				
6	First Tier - First 10,000 Gals.	663	$ 4.0112	$ 2,661	
7	Second Tier - Over 10,000 Gals.	998	$ 5.0137	$ 5,005	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 7,665
9	2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
10	First Tier - First 125,000 Gals.	-	$ 4.0112	$ -	
11	Second Tier - Over125,000 Gals.	-	$ 5.0137	$ -	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
13	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
14	First Tier - First 325,000 Gals.	-	$ 4.0112	$ -	
15	Second Tier - Over 325,000 Gals.	-	$ 5.0137	$ -	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
18	First Tier - First 500,000 Gals.	-	$ 4.0112	$ -	
19	Second Tier - Over 500,000 Gals.	-	$ 5.0137	$ -	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
22	First Tier - First 925,000 Gals.	-	$ 4.0112	$ -	
23	Second Tier - Over 925,000 Gals.	-	$ 5.0137	$ -	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 4.0112	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 5.0137	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 4.0112	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 5.0137	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	17,802		$ 276,032	
34	Total Residential Usage	156,692		$ 636,868	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 912,900

EASTERN GROUP - SAN MANUEL
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	575	$ 15.41	$ 8,861	$ 8,861
	Commodity Usage				
37	First Tier - First 10,000 Gals.	2,450	$ 4.0112	$ 9,828	
38	Second Tier - Over 10,000 Gals.	2,260	$ 5.0137	$ 11,332	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 21,159
40	1" Meter	181	$ 38.53	$ 6,973	$ 6,973
	Commodity Usage				
41	First Tier - First 40,000 Gals.	2,568	$ 4.0112	$ 10,300	
42	Second Tier - Over 40,000 Gals.	874	$ 5.0137	$ 4,381	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 14,681
44	2" Meter	108	$ 123.29	$ 13,315	$ 13,315
	Commodity Usage				
45	First Tier - First 125,000 Gals.	6,966	$ 4.0112	$ 27,940	
46	Second Tier - Over 125,000 Gals.	8,078	$ 5.0137	$ 40,500	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 68,440
48	3" Meter	12	$ 246.57	$ 2,959	$ 2,959
	Commodity Usage				
49	First Tier - First 325,000 Gals.	456	$ 4.0112	$ 1,828	
50	Second Tier - Over 325,000 Gals.	-	$ 5.0137	$ -	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 1,828
52	4" Meter	12	$ 385.27	$ 4,623	$ 4,623
	Commodity Usage				
53	First Tier - First 500,000 Gals.	883	$ 4.0112	$ 3,542	
54	Second Tier - Over 500,000 Gals.	-	$ 5.0137	$ -	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 3,542
56	6" Meter	36	$ 770.54	$ 27,740	$ 27,740
	Commodity Usage				
57	First Tier - First 925,000 Gals.	5,340	$ 4.0112	$ 21,419	
58	Second Tier - Over 925,000 Gals.	-	$ 5.0137	$ -	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 21,419
60	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 4.0112	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 5.0137	$ -	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 4.0112	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 5.0137	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	924		$ 64,471	
69	Total Commercial Usage	29,874		$ 131,070	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 195,541

EASTERN GROUP - SAN MANUEL
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 15.41	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 4.0112	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 4.0112	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 38.53	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 4.0112	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 4.0112	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 4.0112	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 4.0112	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 4.0112	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 4.0112	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 4.0112	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 4.0112	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 4.0112	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 4.0112	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 4.0112	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 4.0112	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 4.0112	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 4.0112	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	-			
104	Total Industrial Usage	-			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ -

EASTERN GROUP - SAN MANUEL
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	12	$ 25.00	$ 300	$ 300
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	12		$ 300	
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 300
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 5.0080	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 6.2600	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	16	$ 246.57	$ 3,945	$ 3,945
	Commodity Usage				
124	First Tier - First 325,000 Gals.	2,534	$ 5.0080	$ 12,689	
125	Second Tier - Over 325,000 Gals.	(288)	$ 6.2600	$ (1,800)	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 10,889
127	Construction Water 4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
128	First Tier - First 500,000 Gals.	-	$ 5.0080	$ -	
129	Second Tier - Over 500,000 Gals.	-	$ 6.2600	$ -	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 6.2600	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 6.2600	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 6.2600	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 6.2600	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

EASTERN GROUP - SAN MANUEL
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 6.2600	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 6.2600	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	16		$ 3,945	
144	Total Other Water Revenue Usage	2,246		$ 10,889	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 14,834
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 344,748	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 778,827	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 1,123,575
149	Unreconciled Difference vs. Billed Revenues				$ -
150	Miscellaneous Revenues				10,413
151	**RUCO TOTAL REVENUE**				$ 1,133,988
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 1,133,987
153	Revenue Adjustment Associated With Conservation Per Schedule TJC-1				$ (9,183)
154	Revenue Requirement Based On Cost Of Service Per Schedule TJC-1				$ 1,124,804

EASTERN GROUP - SAN MANUEL
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 19.94	$ 4.51	$ 24.45	$ 23.40		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	10,000	1st Tier - First	3,000	$ 1.7040	$ 0.5026	$ 2.2066	$ 2.8170		$ 3.2092	
3	2nd Tier - Next	15,000	2nd Tier - Next	7,000	$ 2.1300	$ 0.5026	$ 2.6326	$ 3.5210		$ 4.0112	
4	3rd Tier - Over	25,000	3rd Tier - Over	10,000	$ 2.5560	$ 0.5026	$ 3.0586	$ 4.4010		$ 5.0137	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 8745	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		2,186	25.00%	$ 23.67	$ 5.61	$ 29.27	$ 22.43	$ (6.85)	-23.39%
6		4,373	50.00%	$ 27.39	$ 6.71	$ 34.10	$ 30.54	$ (3.55)	-10.42%
7		8,745	100.00%	$ 34.84	$ 8.91	$ 43.75	$ 48.08	$ 4.34	9.91%
8		13,118	150.00%	$ 43.62	$ 11.10	$ 54.72	$ 68.75	$ 14.02	25.63%
9		17,490	200.00%	$ 52.93	$ 13.30	$ 66.23	$ 90.67	$ 24.44	36.89%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 6505	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,626	25.00%	$ 22.71	$ 5.33	$ 28.04	$ 20.63	$ (7.41)	-26.42%
11		3,253	50.00%	$ 25.48	$ 6.14	$ 31.63	$ 26.05	$ (5.58)	-17.63%
12		6,505	100.00%	$ 31.02	$ 7.78	$ 38.80	$ 39.10	$ 0.29	0.76%
13		9,758	150.00%	$ 36.57	$ 9.41	$ 45.98	$ 52.14	$ 6.16	13.40%
14		13,010	200.00%	$ 43.39	$ 11.05	$ 54.44	$ 68.21	$ 13.77	25.29%

EASTERN GROUP - ORACLE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	16,668	$ 15.41	$ 256,868	$ 256,868
	Commodity Usage				
2	First Tier - First 3,000 Gals.	41,092	$ 4.2145	$ 173,182	
3	Second Tier - Next 7,000 Gals.	39,001	$ 5.9725	$ 232,931	
4	Third Tier - Over 10,000 Gals.	13,332	$ 7.4653	$ 99,525	$ 505,639
5	1" Meter	590	$ 38.53	$ 22,731	$ 22,731
	Commodity Usage				
6	First Tier - First 10,000 Gals.	3,268	$ 5.9725	$ 19,517	
7	Second Tier - Over 10,000 Gals.	2,488	$ 7.4653	$ 18,576	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 38,093
9	2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
10	First Tier - First 90,000 Gals.	-	$ 5.9725	$ -	
11	Second Tier - Over 90,000 Gals.	-	$ 7.4653	$ -	
12	Third Tier - Over 90,000 Gals.	-	$ -	$ -	$ -
13	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
14	First Tier - First 200,000 Gals.	-	$ 5.9725	$ -	
15	Second Tier - Over 200,000 Gals.	-	$ 7.4653	$ -	
16	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
18	First Tier - First 325,000 Gals.	-	$ 5.9725	$ -	
19	Second Tier - Over 325,000 Gals.	-	$ 7.4653	$ -	
20	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
22	First Tier - First 675,000 Gals.	-	$ 5.9725	$ -	
23	Second Tier - Over 675,000 Gals.	-	$ 7.4653	$ -	
24	Third Tier - Over 675,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,000,000 Gals.	-	$ 5.9725	$ -	
27	Second Tier - Over 1,000,000 Gals.	-	$ 7.4653	$ -	
28	Third Tier - Over 1.000,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 2,000,000 Gals.	-	$ 5.9725	$ -	
31	Second Tier - Over 2,000,000 Gals.	-	$ 7.4653	$ -	
32	Third Tier - Over 2,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	17,258		$ 279,599	
34	Total Residential Usage	99,180		$ 543,731	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 823,331

EASTERN GROUP - ORACLE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	957	$ 15.41	$ 14,748	$ 14,748
	Commodity Usage				
37	First Tier - First 10,000 Gals.	3,192	$ 5.9725	$ 19,066	
38	Second Tier - Over 10,000 Gals.	1,153	$ 7.4653	$ 8,610	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 27,676
40	1" Meter	233	$ 38.53	$ 8,977	$ 8,977
	Commodity Usage				
41	First Tier - First 30,000 Gals.	1,979	$ 5.9725	$ 11,817	
42	Second Tier - Over 30,000 Gals.	230	$ 7.4653	$ 1,719	
43	Third Tier - Over 30,000 Gals.	-	$ -	$ -	$ 13,536
44	2" Meter	96	$ 123.29	$ 11,836	$ 11,836
	Commodity Usage				
45	First Tier - First 90,000 Gals.	5,142	$ 5.9725	$ 30,709	
46	Second Tier - Over 90,000 Gals.	5,251	$ 7.4653	$ 39,199	
47	Third Tier - Over 90,000 Gals.	-	$ -	$ -	$ 69,908
48	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
49	First Tier - First 210,000 Gals.	-	$ 5.9725	$ -	
50	Second Tier - Over 210,000 Gals.	-	$ 7.4653	$ -	
51	Third Tier - Over 210,000 Gals.	-	$ -	$ -	$ -
52	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
53	First Tier - First 340,000 Gals.	-	$ 5.9725	$ -	
54	Second Tier - Over 340,000 Gals.	-	$ 7.4653	$ -	
55	Third Tier - Over 340,000 Gals.	-	$ -	$ -	$ -
56	6" Meter	12	$ 770.54	$ 9,247	$ 9,247
	Commodity Usage				
57	First Tier - First 725,000 Gals.	7,383	$ 5.9725	$ 44,092	
58	Second Tier - Over 725,000 Gals.	2,217	$ 7.4653	$ 16,549	
59	Third Tier - Over 725,000 Gals.	-	$ -	$ -	$ 60,641
60	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,100,000 Gals.	-	$ 5.9725	$ -	
62	Second Tier - Over 1,100,000 Gals.	-	$ 7.4653	$ -	
63	Third Tier - Over 1.100,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 2,300,000 Gals.	-	$ 5.9725	$ -	
66	Second Tier - Over 2,300,000 Gals.	-	$ 7.4653	$ -	
67	Third Tier - Over 2,300,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	1,298		$ 44,807	
69	Total Commercial Usage	26,546		$ 171,761	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 216,568

EASTERN GROUP - ORACLE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 15.41	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 5.9725	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 5.9725	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 38.53	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 5.9725	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 5.9725	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 5.9725	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 5.9725	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 5.9725	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 5.9725	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 5.9725	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 5.9725	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 5.9725	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 5.9725	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 5.9725	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 5.9725	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 5.9725	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 5.9725	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	-			
104	Total Industrial Usage	-			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ -

EASTERN GROUP - ORACLE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	12	$ 25.00	$ 300	$ 300
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	12		$ 300	
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 300
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 90,000 Gals.	-	$ 5.9725	$ -	
121	Second Tier - Over 90,000 Gals.	-	$ 7.4653	$ -	
122	Third Tier - Over 90,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	30	$ 246.57	$ 7,397	$ 7,397
	Commodity Usage				
124	First Tier - First 210,000 Gals.	1,892	$ 5.9725	$ 11,298	
125	Second Tier - Over 210,000 Gals.	169	$ 7.4653	$ 1,263	
126	Third Tier - Over 210,000 Gals.	-	$ -	$ -	$ 12,561
127	Construction Water 4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
128	First Tier - First 340,000 Gals.	-	$ 5.9725	$ -	
129	Second Tier - Over 340,000 Gals.	-	$ 7.4653	$ -	
130	Third Tier - Over 340,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 5.9725	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 5.9725	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 5.9725	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 5.9725	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

EASTERN GROUP - ORACLE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 5.9725	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 5.9725	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	30		$ 7,397	
144	Total Other Water Revenue Usage	2,061		$ 12,561	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 19,958
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 332,103	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 728,054	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 1,060,157
149	Unreconciled Difference vs. Billed Revenues				$ -
150	Miscellaneous Revenues				11,106
151	**RUCO TOTAL REVENUE**				$ 1,071,263
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 1,071,263
153	Revenue Adjustment Associated With Conservation Per Schedule TJC-1				$ (8,846)
154	Revenue Requirement Based On Cost Of Service Per Schedule TJC-1				$ 1,062,417

EASTERN GROUP - ORACLE
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION	(A) ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
1	**RESIDENTIAL (5/8" X 3/4") RATE DESIGN**							
	BASIC MONTHLY CHARGE	$ 19.31	$ -	$ 19.31	$ 22.16		$ 15.41	
2	COMMODITY CHARGE (Per 1,000 Gallons)							
3	PRESENT 1st Tier - First 10,000	$ 4.9850	$ -	$ 4.9850	$ 4.4970		$ 4.2145	
4	2nd Tier - Next 15,000	$ 6.2310	$ -	$ 6.2310	$ 5.6210		$ 5.9725	
	3rd Tier - Over 25,000	$ 7.4770	$ -	$ 7.4770	$ 7.0260		$ 7.4653	
	PROPOSED 1st Tier - First 3,000	$						
	2nd Tier - Next 7,000	$						
	3rd Tier - Over 10,000	$						

LINE NO.	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 5605	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,401	25.00%	$ 26.30	$ -	$ 26.30	$ 21.32	$ (4.98)	-18.93%
6		2,803	50.00%	$ 33.28	$ -	$ 33.28	$ 27.22	$ (6.06)	-18.20%
7		5,605	100.00%	$ 47.25	$ -	$ 47.25	$ 43.61	$ (3.64)	-7.70%
8		8,408	150.00%	$ 61.22	$ -	$ 61.22	$ 60.35	$ (0.87)	-1.42%
9		11,210	200.00%	$ 76.70	$ -	$ 76.70	$ 78.89	$ 2.20	2.86%

LINE NO.	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 4339	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,085	25.00%	$ 24.72	$ -	$ 24.72	$ 19.98	$ (4.73)	-19.16%
11		2,170	50.00%	$ 30.12	$ -	$ 30.12	$ 24.55	$ (5.57)	-18.49%
12		4,339	100.00%	$ 40.94	$ -	$ 40.94	$ 36.05	$ (4.89)	-11.94%
13		6,509	150.00%	$ 51.75	$ -	$ 51.75	$ 49.01	$ (2.75)	-5.31%
14		8,678	200.00%	$ 62.57	$ -	$ 62.57	$ 61.97	$ (0.60)	-0.96%

EASTERN GROUP - WINKLEMAN
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	1,729	$ 15.41	$ 26,645	$ 26,645
	Commodity Usage				
2	First Tier - First 3,000 Gals.	4,660	$ 1.0744	$ 5,007	
3	Second Tier - Next 7,000 Gals.	6,931	$ 1.5577	$ 10,797	
4	Third Tier - Over 10,000 Gals.	4,764	$ 1.9473	$ 9,276	$ 25,080
5	1" Meter	24	$ 38.53	$ 925	$ 925
	Commodity Usage				
6	First Tier - First 10,000 Gals.	240	$ 1.5577	$ 374	
7	Second Tier - Over 10,000 Gals.	676	$ 1.9473	$ 1,316	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 1,690
9	2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
10	First Tier - First 125,000 Gals.	-	$ 1.5577	$ -	
11	Second Tier - Over125,000 Gals.	-	$ 1.9473	$ -	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
13	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
14	First Tier - First 325,000 Gals.	-	$ 1.5577	$ -	
15	Second Tier - Over 325,000 Gals.	-	$ 1.9473	$ -	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
18	First Tier - First 500,000 Gals.	-	$ 1.5577	$ -	
19	Second Tier - Over 500,000 Gals.	-	$ 1.9473	$ -	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
22	First Tier - First 925,000 Gals.	-	$ 1.5577	$ -	
23	Second Tier - Over 925,000 Gals.	-	$ 1.9473	$ -	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 1.5577	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 1.9473	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 1.5577	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 1.9473	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	1,753		$ 27,570	
34	Total Residential Usage	17,270		$ 26,770	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 54,340

EASTERN GROUP - WINKLEMAN
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	184	$ 15.41	$ 2,836	$ 2,836
	Commodity Usage				
37	First Tier - First 10,000 Gals.	455	$ 1.5577	$ 709	
38	Second Tier - Over 10,000 Gals.	987	$ 1.9473	$ 1,921	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 2,630
40	1" Meter	12	$ 38.53	$ 462	$ 462
	Commodity Usage				
41	First Tier - First 40,000 Gals.	198	$ 1.5577	$ 309	
42	Second Tier - Over 40,000 Gals.	94	$ 1.9473	$ 182	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 491
44	2" Meter	36	$ 123.29	$ 4,438	$ 4,438
	Commodity Usage				
45	First Tier - First 125,000 Gals.	2,284	$ 1.5577	$ 3,558	
46	Second Tier - Over 125,000 Gals.	200	$ 1.9473	$ 388	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 3,947
48	3" Meter	12	$ 246.57	$ 2,959	$ 2,959
	Commodity Usage				
49	First Tier - First 325,000 Gals.	3,260	$ 1.5577	$ 5,078	
50	Second Tier - Over 325,000 Gals.	1,610	$ 1.9473	$ 3,134	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 8,212
52	4" Meter	24	$ 385.27	$ 9,247	$ 9,247
	Commodity Usage				
53	First Tier - First 500,000 Gals.	7,366	$ 1.5577	$ 11,474	
54	Second Tier - Over 500,000 Gals.	2,148	$ 1.9473	$ 4,183	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 15,657
56	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
57	First Tier - First 925,000 Gals.	-	$ 1.5577	$ -	
58	Second Tier - Over 925,000 Gals.	-	$ 1.9473	$ -	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 1.5577	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 1.9473	$ -	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 1.5577	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 1.9473	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	268		$ 19,942	
69	Total Commercial Usage	18,601		$ 30,937	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 50,879

EASTERN GROUP - WINKLEMAN
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 15.41	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 1.8005	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 1.8005	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 38.53	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 1.8005	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 1.8005	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	12	$ 123.29	$ 1,479	$ 1,479
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	535	$ 1.8005	$ 962	
81	Second Tier - Next 999,999,999 Gals.	-	$ 1.8005	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 962
83	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 1.8005	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 1.8005	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 1.8005	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 1.8005	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 1.8005	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 1.8005	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 1.8005	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 1.8005	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 1.8005	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 1.8005	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	12		$ 1,479	
104	Total Industrial Usage	535		$ 962	
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 2,442

EASTERN GROUP - WINKLEMAN
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	-	$ 25.00	$ -	$ -
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	-			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ -
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 1.5577	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 1.9473	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	3	$ 246.57	$ 740	$ 740
	Commodity Usage				
124	First Tier - First 325,000 Gals.	21	$ 1.5577	$ 32	
125	Second Tier - Over 325,000 Gals.	-	$ 1.9473	$ -	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 32
127	Construction Water 4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
128	First Tier - First 500,000 Gals.	-	$ 1.5577	$ -	
129	Second Tier - Over 500,000 Gals.	-	$ 1.9473	$ -	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 1.8005	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 1.8005	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 1.8005	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 1.8005	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

EASTERN GROUP - WINKLEMAN
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 1.8005	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 1.8005	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	3		$ 740	
144	Total Other Water Revenue Usage	21		$ 32	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 772
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 49,731	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 58,701	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 108,432
149	Unreconciled Difference vs. Billed Revenues				$ -
150	Miscellaneous Revenues				1,203
151	**RUCO TOTAL REVENUE**				$ 109,635
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 109,635
153	Revenue Adjustment Associated With Conservation Per Schedule TJC-1				$ 9,617
154	Revenue Requirement Based On Cost Of Service Per Schedule TJC-1				$ 119,252

EASTERN GROUP - WINKLEMAN
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION	(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN							
1	BASIC MONTHLY CHARGE	$ 12.95	$ -	$ 12.95	$ 16.19		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)							
	PRESENT / PROPOSED							
2	1st Tier - First 10,000 / 1st Tier - First 3,000	$ 1.1360	$ -	$ 1.1360	$ 1.6890		$ 1.0744	
3	2nd Tier - Next 15,000 / 2nd Tier - Next 7,000	$ 1.4200	$ -	$ 1.4200	$ 2.1110		$ 1.5577	
4	3rd Tier - Over 25,000 / 3rd Tier - Over 10,000	$ 1.7040	$ -	$ 1.7040	$ 2.6390		$ 1.9473	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 9459	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		2,365	25.00%	$ 15.64	$ -	$ 15.64	$ 17.95	$ 2.32	14.81%
6		4,730	50.00%	$ 18.32	$ -	$ 18.32	$ 21.33	$ 3.01	16.40%
7		9,459	100.00%	$ 23.70	$ -	$ 23.70	$ 28.70	$ 5.00	21.10%
8		14,189	150.00%	$ 30.26	$ -	$ 30.26	$ 37.69	$ 7.44	24.58%
9		18,918	200.00%	$ 36.97	$ -	$ 36.97	$ 46.90	$ 9.93	26.86%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 7329	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,832	25.00%	$ 15.03	$ -	$ 15.03	$ 17.38	$ 2.35	15.62%
11		3,665	50.00%	$ 17.11	$ -	$ 17.11	$ 19.67	$ 2.56	14.94%
12		7,329	100.00%	$ 21.28	$ -	$ 21.28	$ 25.38	$ 4.10	19.28%
13		10,994	150.00%	$ 25.72	$ -	$ 25.72	$ 31.47	$ 5.75	22.36%
14		14,658	200.00%	$ 30.92	$ -	$ 30.92	$ 38.61	$ 7.68	24.85%

EASTERN GROUP- MIAMI
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	33,835	$ 15.41	$ 521,426	$ 521,426
	Commodity Usage				
2	First Tier - First 3,000 Gals.	83,297	$ 3.5368	$ 294,606	
3	Second Tier - Next 7,000 Gals.	84,770	$ 4.4217	$ 374,827	
4	Third Tier - Over 10,000 Gals.	34,779	$ 5.5268	$ 192,216	$ 861,650
5	1" Meter	269	$ 38.53	$ 10,364	$ 10,364
	Commodity Usage				
6	First Tier - First 10,000 Gals.	1,489	$ 4.4217	$ 6,584	
7	Second Tier - Over 10,000 Gals.	649	$ 5.5268	$ 3,589	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 10,173
9	2" Meter	36	$ 123.29	$ 4,438	$ 4,438
	Commodity Usage				
10	First Tier - First 125,000 Gals.	2,164	$ 4.4217	$ 9,569	
11	Second Tier - Over 125,000 Gals.	208	$ 5.5268	$ 1,151	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 10,720
13	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
14	First Tier - First 300,000 Gals.	-	$ 4.4217	$ -	
15	Second Tier - Over 300,000 Gals.	-	$ 5.5268	$ -	
16	Third Tier - Over 300,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
18	First Tier - First 490,000 Gals.	-	$ 4.4217	$ -	
19	Second Tier - Over 490,000 Gals.	-	$ 5.5268	$ -	
20	Third Tier - Over 490,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
22	First Tier - First 925,000 Gals.	-	$ 4.4217	$ -	
23	Second Tier - Over 925,000 Gals.	-	$ 5.5268	$ -	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 4.4217	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 5.5268	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 4.4217	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 5.5268	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	34,140		$ 536,228	
34	Total Residential Usage	207,357		$ 882,543	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 1,418,771

EASTERN GROUP- MIAMI
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	1,755	$ 15.41	$ 27,046	$ 27,046
	Commodity Usage				
37	First Tier - First 10,000 Gals.	5,744	$ 4.7355	$ 27,200	
38	Second Tier - Over 10,000 Gals.	3,464	$ 5.9190	$ 20,503	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 47,702
40	1" Meter	533	$ 38.53	$ 20,535	$ 20,535
	Commodity Usage				
41	First Tier - First 40,000 Gals.	6,127	$ 4.7355	$ 29,016	
42	Second Tier - Over 40,000 Gals.	4,019	$ 5.9190	$ 23,789	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 52,805
44	2" Meter	454	$ 123.29	$ 55,972	$ 55,972
	Commodity Usage				
45	First Tier - First 125,000 Gals.	19,126	$ 4.7355	$ 90,571	
46	Second Tier - Over 125,000 Gals.	8,308	$ 5.9190	$ 49,172	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 139,743
48	3" Meter	31	$ 246.57	$ 7,644	$ 7,644
	Commodity Usage				
49	First Tier - First 300,000 Gals.	5,671	$ 4.7355	$ 26,855	
50	Second Tier - Over 300,000 Gals.	3,073	$ 5.9190	$ 18,190	
51	Third Tier - Over 300,000 Gals.	-	$ -	$ -	$ 45,045
52	4" Meter	12	$ 385.27	$ 4,623	$ 4,623
	Commodity Usage				
53	First Tier - First 490,000 Gals.	5,880	$ 4.7355	$ 27,845	
54	Second Tier - Over 490,000 Gals.	7,112	$ 5.9190	$ 42,096	
55	Third Tier - Over 490,000 Gals.	-	$ -	$ -	$ 69,941
56	6" Meter	24	$ 770.54	$ 18,493	$ 18,493
	Commodity Usage				
57	First Tier - First 925,000 Gals.	9,460	$ 4.7355	$ 44,798	
58	Second Tier - Over 925,000 Gals.	2,086	$ 5.9190	$ 12,347	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 57,145
60	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 4.7355	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 5.9190	$ -	
63	Third Tier - Over 1,500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 4.7355	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 5.9190	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	2,809		$ 134,313	
69	Total Commercial Usage	80,070		$ 412,381	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 546,694

EASTERN GROUP- MIAMI
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 15.41	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 5.2983	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 5.2983	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	12	$ 38.53	$ 462	$ 462
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	4	$ 5.2983	$ 19	
77	Second Tier - Next 999,999,999 Gals.	-	$ 5.2983	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 19
79	2" Meter	48	$ 123.29	$ 5,918	$ 5,918
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	18,207	$ 5.2983	$ 96,468	
81	Second Tier - Next 999,999,999 Gals.	-	$ 5.2983	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 96,468
83	3" Meter	12	$ 246.57	$ 2,959	$ 2,959
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	804	$ 5.2983	$ 4,259	
85	Second Tier - Next 999,999,999 Gals.	-	$ 5.2983	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 4,259
87	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 5.2983	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 5.2983	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 5.2983	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 5.2983	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 5.2983	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 5.2983	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 5.2983	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 5.2983	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	72		$ 9,339	
104	Total Industrial Usage	19,015		$ 100,746	
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 110,085

EASTERN GROUP- MIAMI
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	174	$ 25.00	$ 4,350	$ 4,350
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	174		$ 4,350	
115	TOTAL PRIVATE FIRES SERVICE CUSTOMERS REVENUE				$ 4,350
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 4.7355	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 4.4656	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	20	$ 246.57	$ 4,931	$ 4,931
	Commodity Usage				
124	First Tier - First 300,000 Gals.	1,128	$ 4.7355	$ 5,344	
125	Second Tier - Over 300,000 Gals.	1,348	$ 4.4656	$ 6,021	
126	Third Tier - Over 300,000 Gals.	-	$ -	$ -	$ 11,365
127	Construction Water 4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
128	First Tier - First 490,000 Gals.	-	$ 4.7355	$ -	
129	Second Tier - Over 490,000 Gals.	-	$ 4.4656	$ -	
130	Third Tier - Over 490,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 5.2983	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 5.2983	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 5.2983	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 5.2983	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

EASTERN GROUP- MIAMI
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 5.2983	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 5.2983	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	20		$ 4,931	
144	Total Other Water Revenue Usage	2,477		$ 11,365	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 16,296
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 689,162	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 1,407,035	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 2,096,197
149	Unreconciled Difference vs. Billed Revenues				-
150	Miscellaneous Revenues				20,340
151	**RUCO TOTAL REVENUE**				$ 2,116,537
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 2,116,537
153	Revenue Adjustment Associated With Conservation Per Schedule TJC-1				$ 360,458
154	Revenue Requirement Based On Cost Of Service Per Schedule TJC-1				$ 2,476,995

EASTERN GROUP - MIAMI
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 15.44	$ -	$ 15.44	$ 19.00		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	10,000	1st Tier - First	3,000	$ 3.1400	$ -	$ 3.1400	$ 2.5700		$ 3.5368	
3	2nd Tier - Next	15,000	2nd Tier - Next	7,000	$ 3.9250	$ -	$ 3.9250	$ 3.2130		$ 4.4217	
4	3rd Tier - Over	25,000	3rd Tier - Over	10,000	$ 4.7100	$ -	$ 4.7100	$ 4.0160		$ 5.5268	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 5995	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,499	25.00%	$ 20.15	$ -	$ 20.15	$ 20.71	$ 0.57	2.81%
6		2,998	50.00%	$ 24.85	$ -	$ 24.85	$ 26.01	$ 1.16	4.67%
7		5,995	100.00%	$ 34.26	$ -	$ 34.26	$ 39.26	$ 5.00	14.59%
8		8,993	150.00%	$ 42.89	$ -	$ 42.89	$ 52.52	$ 9.63	22.46%
9		11,990	200.00%	$ 54.65	$ -	$ 54.65	$ 67.97	$ 13.32	24.37%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 4457	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,114	25.00%	$ 18.94	$ -	$ 18.94	$ 19.35	$ 0.41	2.18%
11		2,229	50.00%	$ 22.44	$ -	$ 22.44	$ 15.41	$ (7.03)	-31.32%
12		4,457	100.00%	$ 29.43	$ -	$ 29.43	$ 32.46	$ 3.03	10.29%
13		6,686	150.00%	$ 36.43	$ -	$ 36.43	$ 42.32	$ 5.89	16.15%
14		8,914	200.00%	$ 43.43	$ -	$ 43.43	$ 52.17	$ 8.74	20.13%

WESTERN GROUP - CASA GRANDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	247,709	$ 15.41	$ 3,817,407	$ 3,817,407
	Commodity Usage				
2	First Tier - First 3,000 Gals.	626,007	$ 1.2679	$ 793,695	
3	Second Tier - Next 7,000 Gals.	857,556	$ 1.7759	$ 1,522,940	
4	Third Tier - Over 10,000 Gals.	706,866	$ 2.2199	$ 1,569,160	$ 3,885,795
5	1" Meter	5,186	$ 38.53	$ 199,802	$ 199,802
	Commodity Usage				
6	First Tier - First 10,000 Gals.	41,596	$ 1.7759	$ 73,871	
7	Second Tier - Over 10,000 Gals.	100,219	$ 2.2199	$ 222,474	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 296,345
9	2" Meter	890	$ 123.29	$ 109,725	$ 109,725
	Commodity Usage				
10	First Tier - First 125,000 Gals.	75,099	$ 1.7759	$ 133,369	
11	Second Tier - Over125,000 Gals.	83,945	$ 2.2199	$ 186,348	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 319,717
13	3" Meter	97	$ 246.57	$ 23,918	$ 23,918
	Commodity Usage				
14	First Tier - First 325,000 Gals.	27,450	$ 1.7759	$ 48,748	
15	Second Tier - Over 325,000 Gals.	23,013	$ 2.2199	$ 51,087	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 99,835
17	4" Meter	27	$ 385.27	$ 10,402	$ 10,402
	Commodity Usage				
18	First Tier - First 500,000 Gals.	12,311	$ 1.7759	$ 21,863	
19	Second Tier - Over 500,000 Gals.	19,223	$ 2.2199	$ 42,673	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 64,536
21	6" Meter	96	$ 770.54	$ 73,972	$ 73,972
	Commodity Usage				
22	First Tier - First 925,000 Gals.	58,124	$ 1.7759	$ 103,222	
23	Second Tier - Over 925,000 Gals.	5,427	$ 2.2199	$ 12,048	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 115,270
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 1.7759	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 2.2199	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 1.7759	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 2.2199	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	254,005		$ 4,235,226	
34	Total Residential Usage	2,636,837		$ 4,781,498	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 9,016,725

WESTERN GROUP - CASA GRANDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	7,588	$ 15.41	$ 116,938	$ 116,938
	Commodity Usage				
37	First Tier - First 10,000 Gals.	37,255	$ 1.7759	$ 66,162	
38	Second Tier - Over 10,000 Gals.	40,844	$ 2.2199	$ 90,668	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 156,830
40	1" Meter	4,392	$ 38.53	$ 169,211	$ 169,211
	Commodity Usage				
41	First Tier - First 40,000 Gals.	81,115	$ 1.7759	$ 144,052	
42	Second Tier - Over 40,000 Gals.	63,781	$ 2.2199	$ 141,586	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 285,638
44	2" Meter	3,825	$ 123.29	$ 471,572	$ 471,572
	Commodity Usage				
45	First Tier - First 125,000 Gals.	267,223	$ 1.7759	$ 474,564	
46	Second Tier - Over 125,000 Gals.	292,838	$ 2.2199	$ 650,066	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 1,124,629
48	3" Meter	281	$ 246.57	$ 69,287	$ 69,287
	Commodity Usage				
49	First Tier - First 325,000 Gals.	46,952	$ 1.7759	$ 83,383	
50	Second Tier - Over 325,000 Gals.	27,556	$ 2.2199	$ 61,172	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 144,554
52	4" Meter	198	$ 385.27	$ 76,284	$ 76,284
	Commodity Usage				
53	First Tier - First 500,000 Gals.	79,366	$ 1.7759	$ 140,947	
54	Second Tier - Over 500,000 Gals.	110,113	$ 2.2199	$ 244,439	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 385,386
56	6" Meter	72	$ 770.54	$ 55,479	$ 55,479
	Commodity Usage				
57	First Tier - First 925,000 Gals.	44,310	$ 1.7759	$ 78,691	
58	Second Tier - Over 925,000 Gals.	18,306	$ 2.2199	$ 40,637	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 119,329
60	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 1.7759	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 2.2199	$ -	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 1.7759	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 2.2199	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	16,356		$ 958,771	
69	Total Commercial Usage	1,109,660		$ 2,216,365	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 3,175,136

WESTERN GROUP - CASA GRANDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	60	$ 15.41	$ 925	$ 925
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	754	$ 1.4677	$ 1,107	
73	Second Tier - Next 999,999,999 Gals.	-	$ 1.4677	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 1,107
75	1" Meter	72	$ 38.53	$ 2,774	$ 2,774
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	1,857	$ 1.4677	$ 2,726	
77	Second Tier - Next 999,999,999 Gals.	-	$ 1.4677	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 2,726
79	2" Meter	111	$ 123.29	$ 13,685	$ 13,685
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	17,005	$ 1.4677	$ 24,958	
81	Second Tier - Next 999,999,999 Gals.	-	$ 1.4677	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 24,958
83	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 1.4677	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 1.4677	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	36	$ 385.27	$ 13,870	$ 13,870
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	39,166	$ 1.4677	$ 57,484	
89	Second Tier - Next 999,999,999 Gals.	-	$ 1.4677	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 57,484
91	6" Meter	24	$ 770.54	$ 18,493	$ 18,493
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	571,237	$ 1.4677	$ 838,413	
93	Second Tier - Next 999,999,999 Gals.	-	$ 1.4677	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 838,413
95	8" Meter	12	$ 1,232.87	$ 14,794	$ 14,794
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	19,683	$ 1.4677	$ 28,888	
97	Second Tier - Next 999,999,999 Gals.	-	$ 1.4677	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 28,888
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 1.4677	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 1.4677	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	315		$ 64,541	
104	Total Industrial Usage	649,702		$ 953,577	
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 1,018,118

WESTERN GROUP - CASA GRANDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	2,598	$ 25.00	$ 64,950	$ 64,950
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	23	$ 25.00	$ 575	$ 575
114	Total Private Fire Service Customers	2,621		$ 65,525	
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 65,525
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-		$ -	$ -
117	Coin Machine	-		$ -	$ -
118	Commodity Usage	-		$ -	$ -
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 1.7759	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 2.2199	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	790	$ 246.57	$ 194,793	$ 194,793
	Commodity Usage				
124	First Tier - First 325,000 Gals.	64,714	$ 1.7759	$ 114,925	
125	Second Tier - Over 325,000 Gals.	66,411	$ 2.2199	$ 147,424	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 262,349
127	Construction Water 4" Meter	201	$ 385.27	$ 77,440	$ 77,440
	Commodity Usage				
128	First Tier - First 500,000 Gals.	30,744	$ 1.7759	$ 54,598	
129	Second Tier - Over 500,000 Gals.	43,275	$ 2.2199	$ 96,065	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 150,663
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 1.4677	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 1.4677	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	14	$ 246.57	$ 3,452	$ 3,452
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	4,174	$ 1.4677	$ 6,127	
137	Second Tier - Next 1,000,000 Gals.	-	$ 1.4677	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ 6,127

WESTERN GROUP - CASA GRANDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 0.8933	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 1.4677	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ 1.4677	$ -	$ -
143	Total Other Water Revenue Customer Bills	1,005		$ 275,685	
144	Total Other Water Revenue Usage	209,317		$ 419,139	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 694,824
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 5,599,748	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 8,370,580	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 13,970,327
149	Unreconciled Difference vs. Billed Revenues				-
150	Miscellaneous Revenues				589,682
151	**RUCO TOTAL REVENUE**				$ 14,560,010
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 14,560,010
153	Revenue Adjustment Associated With Conservation Per Schedule TJC-1				$ (137,287)
154	Revenue Requirement Based On Cost Of Service Per Schedule TJC-1				$ 14,422,723

WESTERN GROUP - CASA GRANDE
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 10.48	$ 2.57	$ 13.05	$ 17.34		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	3,000	1st Tier - First	3,000	$ 1.0000	$ 0.2024	$ 1.2024	$ 1.5900		$ 1.2679	
3	2nd Tier - Next	7,000	2nd Tier - Next	7,000	$ 1.4869	$ 0.2024	$ 1.6893	$ 1.9880		$ 1.7759	
4	3rd Tier - Over	10,000	3rd Tier - Over	10,000	$ 1.6500	$ 0.2024	$ 1.8524	$ 2.4850		$ 2.2199	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 8843	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		2,211	25.00%	$ 12.69	$ 3.02	$ 15.71	$ 18.21	$ 2.51	15.95%
6		4,422	50.00%	$ 15.59	$ 3.46	$ 19.06	$ 21.74	$ 2.68	14.06%
7		8,843	100.00%	$ 22.17	$ 4.36	$ 26.53	$ 29.59	$ 3.06	11.55%
8		13,265	150.00%	$ 28.74	$ 5.25	$ 34.00	$ 38.89	$ 4.90	14.40%
9		17,686	200.00%	$ 35.32	$ 6.15	$ 41.47	$ 48.71	$ 7.24	17.46%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 6075	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,519	25.00%	$ 12.00	$ 2.88	$ 14.88	$ 17.34	$ 2.46	16.54%
11		3,038	50.00%	$ 13.54	$ 3.18	$ 16.72	$ 19.28	$ 2.56	15.31%
12		6,075	100.00%	$ 18.05	$ 3.80	$ 21.85	$ 24.68	$ 2.82	12.92%
13		9,113	150.00%	$ 22.57	$ 4.41	$ 26.98	$ 30.07	$ 3.09	11.44%
14		12,150	200.00%	$ 27.09	$ 5.03	$ 32.11	$ 36.42	$ 4.30	13.40%

WESTERN GROUP - STANFIELD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	2,143	$ 15.41	$ 33,025	$ 33,025
	Commodity Usage				
2	First Tier - First 3,000 Gals.	5,909	$ 3.0070	$ 17,769	
3	Second Tier - Next 7,000 Gals.	8,579	$ 3.7591	$ 32,250	
4	Third Tier - Over 10,000 Gals.	5,146	$ 4.6986	$ 24,177	$ 74,196
5	1" Meter	24	$ 38.53	$ 925	$ 925
	Commodity Usage				
6	First Tier - First 10,000 Gals.	212	$ 3.7591	$ 796	
7	Second Tier - Over 10,000 Gals.	171	$ 4.6986	$ 804	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 1,600
9	2" Meter	1	$ 123.29	$ 123	$ 123
	Commodity Usage				
10	First Tier - First 125,000 Gals.	4	$ 3.7591	$ 15	
11	Second Tier - Over125,000 Gals.	-	$ 4.6986	$ -	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 15
13	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
14	First Tier - First 325,000 Gals.	-	$ 3.7591	$ -	
15	Second Tier - Over 325,000 Gals.	-	$ 4.6986	$ -	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
18	First Tier - First 500,000 Gals.	-	$ 3.7591	$ -	
19	Second Tier - Over 500,000 Gals.	-	$ 4.6986	$ -	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
22	First Tier - First 925,000 Gals.	-	$ 3.7591	$ -	
23	Second Tier - Over 925,000 Gals.	-	$ 4.6986	$ -	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 3.7591	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 4.6986	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 3.7591	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 4.6986	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	2,168		$ 34,073	
34	Total Residential Usage	20,021		$ 75,811	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 109,884

WESTERN GROUP - STANFIELD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	303	$ 15.41	$ 4,669	$ 4,669
	Commodity Usage				
37	First Tier - First 10,000 Gals.	1,503	$ 3.7591	$ 5,648	
38	Second Tier - Over 10,000 Gals.	1,011	$ 4.6986	$ 4,752	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 10,400
40	1" Meter	36	$ 38.53	$ 1,387	$ 1,387
	Commodity Usage				
41	First Tier - First 40,000 Gals.	438	$ 3.7591	$ 1,645	
42	Second Tier - Over 40,000 Gals.	72	$ 4.6986	$ 338	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 1,983
44	2" Meter	36	$ 123.29	$ 4,438	$ 4,438
	Commodity Usage				
45	First Tier - First 125,000 Gals.	1,283	$ 3.7591	$ 4,824	
46	Second Tier - Over 125,000 Gals.	4	$ 4.6986	$ 20	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 4,844
48	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
49	First Tier - First 325,000 Gals.	-	$ 3.7591	$ -	
50	Second Tier - Over 325,000 Gals.	-	$ 4.6986	$ -	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
52	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
53	First Tier - First 500,000 Gals.	-	$ 3.7591	$ -	
54	Second Tier - Over 500,000 Gals.	-	$ 4.6986	$ -	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
56	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
57	First Tier - First 925,000 Gals.	-	$ 3.7591	$ -	
58	Second Tier - Over 925,000 Gals.	-	$ 4.6986	$ -	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 3.7591	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 4.6986	$ -	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 3.7591	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 4.6986	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	375		$ 10,495	
69	Total Commercial Usage	4,311		$ 17,227	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 27,722

WESTERN GROUP - STANFIELD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 15.41	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 3.7591	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 3.7591	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 38.53	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 3.7591	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 3.7591	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 3.7591	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 3.7591	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 3.7591	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 3.7591	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 3.7591	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 3.7591	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 3.7591	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 3.7591	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 3.7591	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 3.7591	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 3.7591	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 3.7591	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	-			
104	Total Industrial Usage	-			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ -

WESTERN GROUP - STANFIELD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	-	$ 25.00	$ -	$ -
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	-			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ -
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-		$ -	$ -
117	Coin Machine	14	$ -	$ -	$ -
118	Commodity Usage	4,737	78.28	$ 15,127	$ 15,127
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 3.7591	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 4.6986	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	4	$ 246.57	$ 986	$ 986
	Commodity Usage				
124	First Tier - First 325,000 Gals.	118	$ 3.7591	$ 445	
125	Second Tier - Over 325,000 Gals.	-	$ 4.6986	$ -	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 445
127	Construction Water 4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
128	First Tier - First 500,000 Gals.	-	$ 3.7591	$ -	
129	Second Tier - Over 500,000 Gals.	-	$ 4.6986	$ -	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 3.7591	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 3.7591	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 3.7591	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 3.7591	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

WESTERN GROUP - STANFIELD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 3.7591	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 3.7591	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	18		$ 986	
144	Total Other Water Revenue Usage	4,855		$ 15,572	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 16,558
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 45,554	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 108,610	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 154,165
149	Unreconciled Difference vs. Billed Revenues				-
150	Miscellaneous Revenues				936
151	**RUCO TOTAL REVENUE**				$ 155,101
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 155,101
153	Revenue Adjustment Associated With Conservation Per Schedule TJC-1				$ 120,609
154	Revenue Requirement Based On Cost Of Service Per Schedule TJC-1				$ 275,710

WESTERN GROUP - STANFIELD
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 14.65	$ 1.54	$ 16.19	$ 19.00		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	3,000	1st Tier - First	3,000	$ 2.0300	$ 0.6400	$ 2.6700	$ 2.5700		$ 3.0070	3.0454
3	2nd Tier - Next	7,000	2nd Tier - Next	7,000	$ 2.8900	$ 1.8700	$ 4.7600	$ 3.2130		$ 3.7591	3.8071
4	3rd Tier - Over	10,000	3rd Tier - Over	10,000	$ 3.6000	$ -	$ 3.6000	$ 4.0160		$ 4.6986	4.7586

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 9162	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		2,291	25.00%	$ 19.30	$ 2.03	$ 21.33	$ 22.30	$ 0.97	4.56%
6		4,581	50.00%	$ 25.31	$ 2.66	$ 27.97	$ 30.38	$ 2.41	8.61%
7		9,162	100.00%	$ 38.55	$ 4.05	$ 42.60	$ 47.60	$ 5.00	11.74%
8		13,743	150.00%	$ 54.44	$ 5.72	$ 60.16	$ 68.33	$ 8.17	13.58%
9		18,324	200.00%	$ 70.94	$ 7.45	$ 78.38	$ 89.86	$ 11.47	14.64%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 7262	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,816	25.00%	$ 18.34	$ 1.93	$ 20.26	$ 20.87	$ 0.61	3.01%
11		3,631	50.00%	$ 22.56	$ 2.37	$ 24.93	$ 26.80	$ 1.87	7.51%
12		7,262	100.00%	$ 33.06	$ 3.47	$ 36.53	$ 40.45	$ 3.93	10.75%
13		10,893	150.00%	$ 44.18	$ 4.64	$ 48.82	$ 54.94	$ 6.12	12.53%
14		14,524	200.00%	$ 57.26	$ 6.01	$ 63.27	$ 72.00	$ 8.73	13.80%

WESTERN GROUP - WHITE TANK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	18,879	$ 15.41	$ 290,942	$ 290,942
	Commodity Usage				
2	First Tier - First 3,000 Gals.	52,953	$ 2.0721	$ 109,724	
3	Second Tier - Next 7,000 Gals.	90,988	$ 2.8843	$ 262,433	
4	Third Tier - Over 10,000 Gals.	151,477	$ 3.6050	$ 546,080	$ 918,237
5	1" Meter	740	$ 38.53	$ 28,508	$ 28,508
	Commodity Usage				
6	First Tier - First 10,000 Gals.	5,028	$ 2.8843	$ 14,502	
7	Second Tier - Over 10,000 Gals.	7,351	$ 3.6050	$ 26,501	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 41,003
9	2" Meter	36	$ 123.29	$ 4,438	$ 4,438
	Commodity Usage				
10	First Tier - First 185,000 Gals.	3,803	$ 2.8843	$ 10,968	
11	Second Tier - Over 185,000 Gals.	6,477	$ 3.6050	$ 23,349	
12	Third Tier - Over 185,000 Gals.	-	$ -	$ -	$ 34,317
13	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
14	First Tier - First 400,000 Gals.	-	$ 2.8843	$ -	
15	Second Tier - Over 400,000 Gals.	-	$ 3.6050	$ -	
16	Third Tier - Over 400,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
18	First Tier - First 800,000 Gals.	-	$ 2.8843	$ -	
19	Second Tier - Over 800,000 Gals.	-	$ 3.6050	$ -	
20	Third Tier - Over 800,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
22	First Tier - First 1,500,000 Gals.	-	$ 2.8843	$ -	
23	Second Tier - Over 1,500,000 Gals.	-	$ 3.6050	$ -	
24	Third Tier - Over 1,500,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 2,500,000 Gals.	-	$ 2.8843	$ -	
27	Second Tier - Over 2,500,000 Gals.	-	$ 3.6050	$ -	
28	Third Tier - Over 2,500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 5,500,000 Gals.	-	$ 2.8843	$ -	
31	Second Tier - Over 5,500,000 Gals.	-	$ 3.6050	$ -	
32	Third Tier - Over 5,500,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	19,655		$ 323,888	
34	Total Residential Usage	318,076		$ 993,557	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 1,317,445

WESTERN GROUP - WHITE TANK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	214	$ 15.41	$ 3,298	$ 3,298
	Commodity Usage				
37	First Tier - First 3,000 Gals.	1,648	$ 2.8843	$ 4,752	
38	Second Tier - Next 7,000 Gals.	6,393	$ 3.6050	$ 23,047	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 27,798
40	1" Meter	207	$ 38.53	$ 7,975	$ 7,975
	Commodity Usage				
41	First Tier - First 75,000 Gals.	6,524	$ 2.8843	$ 18,818	
42	Second Tier - Over 75,000 Gals.	2,378	$ 3.6050	$ 8,571	
43	Third Tier - Over 75,000 Gals.	-	$ -	$ -	$ 27,389
44	2" Meter	86	$ 123.29	$ 10,603	$ 10,603
	Commodity Usage				
45	First Tier - First 325,000 Gals.	10,771	$ 2.8843	$ 31,066	
46	Second Tier - Over 325,000 Gals.	5,594	$ 3.6050	$ 20,167	
47	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 51,233
48	3" Meter	24	$ 246.57	$ 5,918	$ 5,918
	Commodity Usage				
49	First Tier - First 700,000 Gals.	5,578	$ 2.8843	$ 16,089	
50	Second Tier - Over 700,000 Gals.	-	$ 3.6050	$ -	
51	Third Tier - Over 700,000 Gals.	-	$ -	$ -	$ 16,089
52	4" Meter	12	$ 385.27	$ 4,623	$ 4,623
	Commodity Usage				
53	First Tier - First 1,100,000 Gals.	230	$ 2.8843	$ 663	
54	Second Tier - Over 1,100,000 Gals.	-	$ 3.6050	$ -	
55	Third Tier - Over 1,100,000 Gals.	-	$ -	$ -	$ 663
56	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
57	First Tier - First 2,200,000 Gals.	-	$ 2.8843	$ -	
58	Second Tier - Over 2,200,000 Gals.	-	$ 3.6050	$ -	
59	Third Tier - Over 2,200,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
61	First Tier - First 3,500,000 Gals.	-	$ 2.8843	$ -	
62	Second Tier - Over 3,500,000 Gals.	-	$ 3.6050	$ -	
63	Third Tier - Over 3,500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 7,000,000 Gals.	-	$ 2.8843	$ -	
66	Second Tier - Over 7,000,000 Gals.	-	$ 3.6050	$ -	
67	Third Tier - Over 7,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	543		$ 32,416	
69	Total Commercial Usage	39,116		$ 123,173	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 155,589

WESTERN GROUP - WHITE TANK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 15.41	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 3.6806	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 3.6806	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	12	$ 38.53	$ 462	$ 462
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	175	$ 3.6806	$ 642	
77	Second Tier - Next 999,999,999 Gals.	-	$ 3.6806	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 642
79	2" Meter	12	$ 123.29	$ 1,479	$ 1,479
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	1,691	$ 3.6806	$ 6,222	
81	Second Tier - Next 999,999,999 Gals.	-	$ 3.6806	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 6,222
83	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 3.6806	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 3.6806	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 3.6806	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 3.6806	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	12	$ 770.54	$ 9,247	$ 9,247
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	1,454	$ 3.6806	$ 5,350	
93	Second Tier - Next 999,999,999 Gals.	-	$ 3.6806	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 5,350
95	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 3.6806	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 3.6806	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 3.6806	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 3.6806	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	36		$ 11,188	
104	Total Industrial Usage	3,319		$ 12,214	
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 23,403

WESTERN GROUP - WHITE TANK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	59	$ 25.00	$ 1,475	$ 1,475
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	59		$ 1,475	
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 1,475
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-		$ -	$ -
117	Coin Machine	-		$ -	$ -
118	Commodity Usage	-		$ -	$ -
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 325,000 Gals.	-	$ 2.8843	$ -	
121	Second Tier - Over 325,000 Gals.	-	$ 3.6050	$ -	
122	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	55	$ 246.57	$ 13,562	$ 13,562
	Commodity Usage				
124	First Tier - First 700,000 Gals.	9,967	$ 2.8843	$ 28,748	
125	Second Tier - Over 700,000 Gals.	(343)	$ 3.6050	$ (1,235)	
126	Third Tier - Over 700,000 Gals.	-	$ -	$ -	$ 27,514
127	Construction Water 4" Meter	5	$ 385.27	$ 1,926	$ 1,926
	Commodity Usage				
128	First Tier - First 1,100,000 Gals.	1,105	$ 2.8843	$ 3,187	
129	Second Tier - Over 1,100,000 Gals.	302	$ 3.6050	$ 1,089	
130	Third Tier - Over 1,100,000 Gals.	-	$ -	$ -	$ 4,276
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 3.6806	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 3.6806	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
			$ -		
135	Sales For Resales 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 3.6806	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 3.6806	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

WESTERN GROUP - WHITE TANK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 3.6806	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 3.6806	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	60		$ 15,488	
144	Total Other Water Revenue Usage	11,032		$ 31,790	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 47,277
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 384,455	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 1,160,734	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 1,545,190
149	Unreconciled Difference vs. Billed Revenues				-
150	Miscellaneous Revenues				12,331
151	**RUCO TOTAL REVENUE**				$ 1,557,521
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 1,557,521
153	Revenue Adjustment Associated With Conservation Per Schedule TJC-1				$ (10,210)
154	Revenue Requirement Based On Cost Of Service Per Schedule TJC-1				$ 1,547,311

WESTERN GROUP - WHITE TANK
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 16.05	$ 4.79	$ 20.84	$ 19.00		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	3,000	1st Tier - First	3,000	$ 1.6000	$ 0.3198	$ 1.9198	$ 2.5700		$ 2.0721	
3	2nd Tier - Next	7,000	2nd Tier - Next	7,000	$ 2.2500	$ 0.3198	$ 2.5698	$ 3.2130		$ 2.8843	
4	3rd Tier - Over	10,000	3rd Tier - Over	10,000	$ 2.5500	$ 0.3198	$ 2.8698	$ 4.0160		$ 3.6050	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 15648	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		3,912	25.00%	$ 22.31	$ 6.04	$ 28.35	$ 24.26	$ (4.09)	-14.44%
6		7,824	50.00%	$ 31.70	$ 7.29	$ 39.00	$ 35.54	$ (3.46)	-8.86%
7		15,648	100.00%	$ 51.00	$ 9.79	$ 60.80	$ 62.18	$ 1.38	2.27%
8		23,472	150.00%	$ 70.95	$ 12.30	$ 83.25	$ 90.38	$ 7.13	8.57%
9		31,296	200.00%	$ 90.90	$ 14.80	$ 105.70	$ 118.59	$ 12.89	12.19%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 10201	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		2,550	25.00%	$ 20.13	$ 5.61	$ 25.74	$ 20.33	$ (5.41)	-21.01%
11		5,101	50.00%	$ 25.58	$ 6.42	$ 32.00	$ 27.69	$ (4.31)	-13.48%
12		10,201	100.00%	$ 37.11	$ 8.05	$ 45.16	$ 42.54	$ (2.62)	-5.81%
13		15,302	150.00%	$ 50.12	$ 9.68	$ 59.80	$ 60.93	$ 1.13	1.88%
14		20,402	200.00%	$ 63.13	$ 11.31	$ 74.44	$ 79.32	$ 4.88	6.55%

WESTERN GROUP - AJO
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	7,249	$ 15.41	$ 111,713	$ 111,713
	Commodity Usage				
2	First Tier - First 3,000 Gals.	16,092	$ 5.4570	$ 87,816	
3	Second Tier - Next 7,000 Gals.	15,723	$ 7.6187	$ 119,787	
4	Third Tier - Over 10,000 Gals.	5,768	$ 9.5231	$ 54,924	$ 262,527
5	1" Meter	96	$ 38.53	$ 3,699	$ 3,699
	Commodity Usage				
6	First Tier - First 10,000 Gals.	614	$ 7.6187	$ 4,681	
7	Second Tier - Over 10,000 Gals.	497	$ 9.5231	$ 4,732	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 9,413
9	2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
10	First Tier - First 90,000 Gals.	-	$ 7.6187	$ -	
11	Second Tier - Over 90,000 Gals.	-	$ 9.5231	$ -	
12	Third Tier - Over 90,000 Gals.	-	$ -	$ -	$ -
13	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
14	First Tier - First 200,000 Gals.	-	$ 7.6187	$ -	
15	Second Tier - Over 200,000 Gals.	-	$ 9.5231	$ -	
16	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
18	First Tier - First 325,000 Gals.	-	$ 7.6187	$ -	
19	Second Tier - Over 325,000 Gals.	-	$ 9.5231	$ -	
20	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
22	First Tier - First 725,000 Gals.	-	$ 7.6187	$ -	
23	Second Tier - Over 725,000 Gals.	-	$ 9.5231	$ -	
24	Third Tier - Over 725,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,200,000 Gals.	-	$ 7.6187	$ -	
27	Second Tier - Over 1,200,000 Gals.	-	$ 9.5231	$ -	
28	Third Tier - Over 1.200,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 2,400,000 Gals.	-	$ 7.6187	$ -	
31	Second Tier - Over 2,400,000 Gals.	-	$ 9.5231	$ -	
32	Third Tier - Over 2,400,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	7,345		$ 115,412	
34	Total Residential Usage	38,694		$ 271,940	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 387,352

WESTERN GROUP - AJO
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	596	$ 15.41	$ 9,185	$ 9,185
	Commodity Usage				
37	First Tier - First 10,000 Gals.	1,927	$ 7.6187	$ 14,684	
38	Second Tier - Over 10,000 Gals.	1,382	$ 9.5231	$ 13,161	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 27,845
40	1" Meter	230	$ 38.53	$ 8,861	$ 8,861
	Commodity Usage				
41	First Tier - First 30,000 Gals.	4,658	$ 7.6187	$ 35,488	
42	Second Tier - Over 30,000 Gals.	3,750	$ 9.5231	$ 35,713	
43	Third Tier - Over 30,000 Gals.	-	$ -	$ -	$ 71,201
44	2" Meter	36	$ 123.29	$ 4,438	$ 4,438
	Commodity Usage				
45	First Tier - First 100,000 Gals.	1,139	$ 7.6187	$ 8,679	
46	Second Tier - Over 100,000 Gals.	-	$ 9.5231	$ -	
47	Third Tier - Over 100,000 Gals.	-	$ -	$ -	$ 8,679
48	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
49	First Tier - First 200,000 Gals.	-	$ 7.6187	$ -	
50	Second Tier - Over 200,000 Gals.	-	$ 9.5231	$ -	
51	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
52	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
53	First Tier - First 325,000 Gals.	-	$ 7.6187	$ -	
54	Second Tier - Over 325,000 Gals.	-	$ 9.5231	$ -	
55	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
56	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
57	First Tier - First 725,000 Gals.	-	$ 7.6187	$ -	
58	Second Tier - Over 725,000 Gals.	-	$ 9.5231	$ -	
59	Third Tier - Over 725,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,200,000 Gals.	-	$ 7.6187	$ -	
62	Second Tier - Over 1,200,000 Gals.	-	$ 9.5231	$ -	
63	Third Tier - Over 1.200,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 2,400,000 Gals.	-	$ 7.6187	$ -	
66	Second Tier - Over 2,400,000 Gals.	-	$ 9.5231	$ -	
67	Third Tier - Over 2,400,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	862		$ 22,484	
69	Total Commercial Usage	12,857		$ 107,726	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 130,210

WESTERN GROUP - AJO
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 15.41	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 7.6187	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 7.6187	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 38.53	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 7.6187	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 7.6187	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 7.6187	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 7.6187	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 7.6187	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 7.6187	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 7.6187	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 7.6187	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 7.6187	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 7.6187	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 7.6187	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 7.6187	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 7.6187	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 7.6187	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	-			
104	Total Industrial Usage	-			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ -

WESTERN GROUP - AJO
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	24	$ 25.00	$ 600	$ 600
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	24		$ 600	
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 600
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-		$ -	$ -
117	Coin Machine	13		$ -	$ -
118	Commodity Usage	117	$ 35.31	$ 828	$ 828
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 100,000 Gals.	-	$ 7.6187	$ -	
121	Second Tier - Over 100,000 Gals.	-	$ 9.5231	$ -	
122	Third Tier - Over 100,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
124	First Tier - First 200,000 Gals.	-	$ 7.6187	$ -	
125	Second Tier - Over 200,000 Gals.	-	$ 9.5231	$ -	
126	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
127	Construction Water 4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
128	First Tier - First 325,000 Gals.	-	$ 7.6187	$ -	
129	Second Tier - Over 325,000 Gals.	-	$ 9.5231	$ -	
130	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 7.6187	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 7.6187	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 7.6187	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 7.6187	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

WESTERN GROUP - AJO
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 7.6187	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 7.6187	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	13		$ -	
144	Total Other Water Revenue Usage	117		$ 828	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 828
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 138,496	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 380,493	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 518,990
149	Unreconciled Difference vs. Billed Revenues				-
150	Miscellaneous Revenues				3,669
151	**RUCO TOTAL REVENUE**				$ 522,659
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 522,659
153	Revenue Adjustment Associated With Conservation Per Schedule TJC-1				$ (3,676)
154	Revenue Requirement Based On Cost Of Service Per Schedule TJC-1				$ 518,982

WESTERN GROUP - AJO
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION				(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN										
1	BASIC MONTHLY CHARGE				$ 21.04	$ -	$ 21.04	$ 19.00		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)										
	PRESENT		PROPOSED								
2	1st Tier - First	3,000	1st Tier - First	3,000	$ 4.5000	$ -	$ 4.5000	$ 2.5700		$ 5.4570	
3	2nd Tier - Next	7,000	2nd Tier - Next	7,000	$ 5.5000	$ -	$ 5.5000	$ 3.2130		$ 7.6187	
4	3rd Tier - Over	10,000	3rd Tier - Over	10,000	$ 6.5000	$ -	$ 6.5000	$ 4.0160		$ 9.5231	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 5185	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,296	25.00%	$ 26.87	$ -	$ 26.87	$ 22.48	$ (4.39)	-16.33%
6		2,593	50.00%	$ 32.71	$ -	$ 32.71	$ 29.56	$ (3.15)	-9.63%
7		5,185	100.00%	$ 46.56	$ -	$ 46.56	$ 48.43	$ 1.87	4.02%
8		7,778	150.00%	$ 60.82	$ -	$ 60.82	$ 68.18	$ 7.36	12.11%
9		10,370	200.00%	$ 75.45	$ -	$ 75.45	$ 88.64	$ 13.19	17.48%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 3754	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		939	25.00%	$ 25.26	$ -	$ 25.26	$ 20.53	$ (4.73)	-18.73%
11		1,877	50.00%	$ 29.49	$ -	$ 29.49	$ 25.65	$ (3.83)	-13.00%
12		3,754	100.00%	$ 38.69	$ -	$ 38.69	$ 37.53	$ (1.16)	-3.00%
13		5,631	150.00%	$ 49.01	$ -	$ 49.01	$ 51.83	$ 2.82	5.75%
14		7,508	200.00%	$ 59.33	$ -	$ 59.33	$ 66.13	$ 6.79	11.45%

WESTERN GROUP - COOLIDGE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	50,750	$ 15.41	$ 782,101	$ 782,101
	Commodity Usage				
2	First Tier - First 3,000 Gals.	129,141	$ 0.8615	$ 111,257	
3	Second Tier - Next 7,000 Gals.	172,080	$ 1.4016	$ 241,184	
4	Third Tier - Over 10,000 Gals.	111,592	$ 1.7520	$ 195,506	$ 547,946
5	1" Meter	739	$ 38.53	$ 28,472	$ 28,472
	Commodity Usage				
6	First Tier - First 10,000 Gals.	6,226	$ 1.4016	$ 8,726	
7	Second Tier - Over 10,000 Gals.	10,695	$ 1.7520	$ 18,737	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 27,463
9	2" Meter	129	$ 123.29	$ 15,904	$ 15,904
	Commodity Usage				
10	First Tier - First 125,000 Gals.	12,772	$ 1.4016	$ 17,901	
11	Second Tier - Over125,000 Gals.	13,353	$ 1.7520	$ 23,394	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 41,295
13	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
14	First Tier - First 325,000 Gals.	-	$ 1.4016	$ -	
15	Second Tier - Over 325,000 Gals.	-	$ 1.7520	$ -	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
18	First Tier - First 500,000 Gals.	-	$ 1.4016	$ -	
19	Second Tier - Over 500,000 Gals.	-	$ 1.7520	$ -	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
22	First Tier - First 925,000 Gals.	-	$ 1.4016	$ -	
23	Second Tier - Over 925,000 Gals.	-	$ 1.7520	$ -	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 1.4016	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 1.7520	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 1.4016	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 1.7520	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	51,618		$ 826,476	
34	Total Residential Usage	455,859		$ 616,704	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 1,443,181

WESTERN GROUP - COOLIDGE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	2,988	$ 15.41	$ 46,048	$ 46,048
	Commodity Usage				
37	First Tier - First 10,000 Gals.	13,226	$ 1.4016	$ 18,537	
38	Second Tier - Over 10,000 Gals.	11,774	$ 1.7520	$ 20,628	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 39,165
40	1" Meter	945	$ 38.53	$ 36,408	$ 36,408
	Commodity Usage				
41	First Tier - First 40,000 Gals.	15,737	$ 1.4016	$ 22,056	
42	Second Tier - Over 40,000 Gals.	9,982	$ 1.7520	$ 17,487	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 39,544
44	2" Meter	748	$ 123.29	$ 92,219	$ 92,219
	Commodity Usage				
45	First Tier - First 125,000 Gals.	50,248	$ 1.4016	$ 70,426	
46	Second Tier - Over 125,000 Gals.	58,574	$ 1.7520	$ 102,621	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 173,047
48	3" Meter	31	$ 246.57	$ 7,644	$ 7,644
	Commodity Usage				
49	First Tier - First 325,000 Gals.	6,101	$ 1.4016	$ 8,551	
50	Second Tier - Over 325,000 Gals.	2,017	$ 1.7520	$ 3,534	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 12,086
52	4" Meter	55	$ 385.27	$ 21,190	$ 21,190
	Commodity Usage				
53	First Tier - First 500,000 Gals.	17,485	$ 1.4016	$ 24,507	
54	Second Tier - Over 500,000 Gals.	13,386	$ 1.7520	$ 23,452	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 47,958
56	6" Meter	34	$ 770.54	$ 26,097	$ 26,097
	Commodity Usage				
57	First Tier - First 925,000 Gals.	13,546	$ 1.4016	$ 18,985	
58	Second Tier - Over 925,000 Gals.	7,756	$ 1.7520	$ 13,589	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 32,574
60	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 1.4016	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 1.7520	$ -	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 1.4016	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 1.7520	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	4,801		$ 229,605	
69	Total Commercial Usage	219,832		$ 344,374	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 573,979

WESTERN GROUP - COOLIDGE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	12	$ 15.41	$ 185	$ 185
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	65	$ 1.4805	$ 95	
73	Second Tier - Next 999,999,999 Gals.	-	$ 1.4805	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 95
75	1" Meter	24	$ 38.53	$ 925	$ 925
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	1,710	$ 1.4805	$ 2,532	
77	Second Tier - Next 999,999,999 Gals.	-	$ 1.4805	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 2,532
79	2" Meter	24	$ 123.29	$ 2,959	$ 2,959
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	1,035	$ 1.4805	$ 1,532	
81	Second Tier - Next 999,999,999 Gals.	-	$ 1.4805	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 1,532
83	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 1.4805	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 1.4805	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 1.4805	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 1.4805	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 1.4805	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 1.4805	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 1.4805	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 1.4805	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 1.4805	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 1.4805	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	60		$ 4,068	
104	Total Industrial Usage	2,809		$ 4,159	
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 8,228

WESTERN GROUP - COOLIDGE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	59	$ 25.00	$ 1,475	$ 1,475
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	234	$ 25.00	$ 5,850	$ 5,850
112	8" Meter	12	$ 25.00	$ 300	$ 300
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	305		$ 7,625	
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 7,625
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-		$ -	$ -
117	Coin Machine	12		$ -	$ -
118	Commodity Usage	1,130	114.55	$ 2,466	$ 2,466
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 1.4016	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 1.7520	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	188	$ 246.57	$ 46,356	$ 46,356
	Commodity Usage				
124	First Tier - First 325,000 Gals.	15,233	$ 1.4016	$ 21,351	
125	Second Tier - Over 325,000 Gals.	5,609	$ 1.7520	$ 9,827	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 31,178
127	Construction Water 4" Meter	16	$ 385.27	$ 6,164	$ 6,164
	Commodity Usage				
128	First Tier - First 500,000 Gals.	1,665	$ 1.4016	$ 2,334	
129	Second Tier - Over 500,000 Gals.	57	$ 1.7520	$ 100	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 2,433
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 1.4805	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 1.4805	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 1.4805	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 1.4805	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

WESTERN GROUP - COOLIDGE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 1.4805	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 1.4805	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	216		$ 52,520	
144	Total Other Water Revenue Usage	23,694		$ 36,077	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 88,597
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 1,120,295	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 1,001,314	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 2,121,609
149	Unreconciled Difference vs. Billed Revenues				-
150	Miscellaneous Revenues				51,580
151	**RUCO TOTAL REVENUE**				$ 2,173,189
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE TJC-1**				$ 2,173,189
153	Revenue Adjustment Associated With Conservation Per Schedule TJC-1				$ (29,664)
154	Revenue Requirement Based On Cost Of Service Per Schedule TJC-1				$ 2,143,525

WESTERN GROUP - COOLIDGE
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION	(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN							
1	BASIC MONTHLY CHARGE	$ 10.90	$ -	$ 10.90	$ 19.00		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)							
	PRESENT / PROPOSED							
2	1st Tier - First 3,000 / 1st Tier - First 3,000	$ 1.5500	$ -	$ 1.5500	$ 2.5700		$ 0.8615	
3	2nd Tier - Next 7,000 / 2nd Tier - Next 7,000	$ 1.9600	$ -	$ 1.9600	$ 3.2130		$ 1.4016	
4	3rd Tier - Over 10,000 / 3rd Tier - Over 10,000	$ 2.2400	$ -	$ 2.2400	$ 4.0160		$ 1.7520	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 8134	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		2,034	25.00%	$ 14.05	$ -	$ 14.05	$ 17.16	$ 3.11	22.14%
6		4,067	50.00%	$ 17.64	$ -	$ 17.64	$ 19.49	$ 1.85	10.48%
7		8,134	100.00%	$ 25.61	$ -	$ 25.61	$ 25.19	$ (0.42)	-1.65%
8		12,201	150.00%	$ 34.20	$ -	$ 34.20	$ 31.66	$ (2.54)	-7.42%
9		16,268	200.00%	$ 43.31	$ -	$ 43.31	$ 38.79	$ (4.52)	-10.44%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 5998	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,500	25.00%	$ 13.22	$ -	$ 13.22	$ 16.70	$ 3.48	26.30%
11		2,999	50.00%	$ 15.55	$ -	$ 15.55	$ 17.99	$ 2.45	15.73%
12		5,998	100.00%	$ 21.43	$ -	$ 21.43	$ 22.20	$ 0.77	3.60%
13		8,997	150.00%	$ 27.30	$ -	$ 27.30	$ 26.40	$ (0.90)	-3.31%
14		11,996	200.00%	$ 33.74	$ -	$ 33.74	$ 30.60	$ (3.14)	-9.30%

NORTHERN GROUP - LAKESIDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	56,153	$ 15.41	$ 865,366	$ 865,366
	Commodity Usage				
2	First Tier - First 3,000 Gals.	101,255	$ 3.2629	$ 330,387	
3	Second Tier - Next 7,000 Gals.	85,030	$ 4.5296	$ 385,151	
4	Third Tier - Over 10,000 Gals.	55,836	$ 5.4352	$ 303,483	$ 1,019,022
5	1" Meter	333	$ 38.53	$ 12,830	$ 12,830
	Commodity Usage				
6	First Tier - First 10,000 Gals.	1,693	$ 4.5296	$ 7,668	
7	Second Tier - Over 10,000 Gals.	3,514	$ 5.4352	$ 19,097	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 26,764
9	2" Meter	120	$ 123.29	$ 14,794	$ 14,794
	Commodity Usage				
10	First Tier - First 50,000 Gals.	3,298	$ 4.5296	$ 14,940	
11	Second Tier - Over 50,000 Gals.	1,937	$ 5.4352	$ 10,528	
12	Third Tier - Over 50,000 Gals.	-	$ -	$ -	$ 25,468
13	3" Meter	12	$ 246.57	$ 2,959	$ 2,959
	Commodity Usage				
14	First Tier - First 1255,000 Gals.	1,500	$ 4.5296	$ 6,794	
15	Second Tier - Over 125,000 Gals.	1,534	$ 5.4352	$ 8,335	
16	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 15,129
17	4" Meter	12	$ 385.27	$ 4,623	$ 4,623
	Commodity Usage				
18	First Tier - First 200,000 Gals.	2,400	$ 4.5296	$ 10,871	
19	Second Tier - Over 200,000 Gals.	2,477	$ 5.4352	$ 13,463	
20	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ 24,334
21	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
22	First Tier - First 350,000 Gals.	-	$ 4.5296	$ -	
23	Second Tier - Over 350,000 Gals.	-	$ 5.4352	$ -	
24	Third Tier - Over 350,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 650,000 Gals.	-	$ 4.5296	$ -	
27	Second Tier - Over 650,000 Gals.	-	$ 5.4352	$ -	
28	Third Tier - Over 650,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 1,400,000 Gals.	-	$ 4.5296	$ -	
31	Second Tier - Over 1,400,000 Gals.	-	$ 5.4352	$ -	
32	Third Tier - Over 1,400,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	56,630		$ 900,572	
34	Total Residential Usage	260,473		$ 1,110,717	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 2,011,289

NORTHERN GROUP - LAKESIDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	1,744	$ 15.41	$ 26,877	$ 26,877
	Commodity Usage				
37	First Tier - First 10,000 Gals.	7,128	$ 4.5296	$ 32,286	
38	Second Tier - Over 10,000 Gals.	6,960	$ 5.4352	$ 37,831	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 70,117
40	1" Meter	654	$ 38.53	$ 25,197	$ 25,197
	Commodity Usage				
41	First Tier - First 15,000 Gals.	6,380	$ 4.5296	$ 28,897	
42	Second Tier - Over 15,000 Gals.	9,410	$ 5.4352	$ 51,143	
43	Third Tier - Over 15,000 Gals.	-	$ -	$ -	$ 80,041
44	2" Meter	403	$ 123.29	$ 49,685	$ 49,685
	Commodity Usage				
45	First Tier - First 65,000 Gals.	12,387	$ 4.5296	$ 56,110	
46	Second Tier - Over 65,000 Gals.	15,303	$ 5.4352	$ 83,175	
47	Third Tier - Over 65,000 Gals.	-	$ -	$ -	$ 139,285
48	3" Meter	12	$ 246.57	$ 2,959	$ 2,959
	Commodity Usage				
49	First Tier - First 125,000 Gals.	638	$ 4.5296	$ 2,888	
50	Second Tier - Over 125,000 Gals.	(2)	$ 5.4352	$ (9)	
51	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 2,878
52	4" Meter	12	$ 385.27	$ 4,623	$ 4,623
	Commodity Usage				
53	First Tier - First 200,000 Gals.	924	$ 4.5296	$ 4,185	
54	Second Tier - Over 200,000 Gals.	-	$ 5.4352	$ -	
55	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ 4,185
56	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
57	First Tier - First 400,000 Gals.	-	$ 4.5296	$ -	
58	Second Tier - Over 400,000 Gals.	-	$ 5.4352	$ -	
59	Third Tier - Over 400,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
61	First Tier - First 675,000 Gals.	-	$ 4.5296	$ -	
62	Second Tier - Over 675,000 Gals.	-	$ 5.4352	$ -	
63	Third Tier - Over 675,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 1,400,000 Gals.	-	$ 4.5296	$ -	
66	Second Tier - Over 1,400,000 Gals.	-	$ 5.4352	$ -	
67	Third Tier - Over 1,400,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	2,825		$ 109,340	
69	Total Commercial Usage	59,127		$ 296,506	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 405,846

NORTHERN GROUP - LAKESIDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	24	$ 15.41	$ 370	$ 370
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	61	$ 3.2489	$ 199	
73	Second Tier - Next 999,999,999 Gals.	-	$ 3.2489	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 199
75	1" Meter	12	$ 38.53	$ 462	$ 462
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	960	$ 3.2489	$ 3,120	
77	Second Tier - Next 999,999,999 Gals.	-	$ 3.2489	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 3,120
79	2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 3.2489	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 3.2489	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 3.2489	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 3.2489	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 3.2489	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 3.2489	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 3.2489	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 3.2489	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 3.2489	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 3.2489	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 3.2489	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 3.2489	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	36		$ 832	
104	Total Industrial Usage	1,021		$ 3,318	
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 4,151

NORTHERN GROUP - LAKESIDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	312	$ 25.00	$ 7,800	$ 7,800
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	312		$ 7,800	
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 7,800
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-		$ -	$ -
117	Coin Machine	-		$ -	$ -
118	Commodity Usage	-		$ -	$ -
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 65,000 Gals.	-	$ 4.5296	$ -	
121	Second Tier - Over 65,000 Gals.	-	$ 5.4352	$ -	
122	Third Tier - Over 65,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	29	$ 246.57	$ 7,151	$ 7,151
	Commodity Usage				
124	First Tier - First 125,000 Gals.	1,347	$ 4.5296	$ 6,103	
125	Second Tier - Over 125,000 Gals.	2,673	$ 5.4352	$ 14,528	
126	Third Tier - Over 1275,000 Gals.	-	$ -	$ -	$ 20,631
127	Construction Water 4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
128	First Tier - First 200,000 Gals.	-	$ 4.5296	$ -	
129	Second Tier - Over 200,000 Gals.	-	$ 5.4352	$ -	
130	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 4.5296	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 4.5296	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 4.5296	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 4.5296	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

NORTHERN GROUP - LAKESIDE
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 4.5296	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 4.5296	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ 3.7749	$ -	$ -
143	Total Other Water Revenue Customer Bills	29		$ 7,151	
144	Total Other Water Revenue Usage	4,020		$ 20,631	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 27,782
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 1,025,695	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 1,431,173	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 2,456,867
149	Unreconciled Difference vs. Billed Revenues				$ -
150	Miscellaneous Revenues				25,579
151	**RUCO TOTAL REVENUE**				$ 2,482,446
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE WAR-1**				$ 2,482,446
153	Revenue Adjustment Associated With Conservation Per Schedule WAR-1				$ (27,137)
154	Revenue Requirement Based On Cost Of Service Per Schedule WAR-1				$ 2,455,309

NORTHERN GROUP - LAKESIDE
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION	(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN							
1	BASIC MONTHLY CHARGE	$ 17.81	$ -	$ 17.81	$ 13.37		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)							
	PRESENT / PROPOSED							
2	No Tiers / 1st Tier - First 3,000	$ 4.3000	$ -	$ 4.3000	$ 5.0020		$ 3.2629	
3	2nd Tier - Next 7,000	$ 4.3000	$ -	$ 4.3000	$ 6.0020		$ 4.5296	
4	3rd Tier - Over 10,000	$ 4.3000	$ -	$ 4.3000	$ 7.2020		$ 5.4352	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 4312	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,078	25.00%	$ 22.45	$ -	$ 22.45	$ 18.93	$ (3.52)	-15.67%
6		2,156	50.00%	$ 27.08	$ -	$ 27.08	$ 22.45	$ (4.64)	-17.12%
7		4,312	100.00%	$ 36.35	$ -	$ 36.35	$ 31.14	$ (5.21)	-14.33%
8		6,468	150.00%	$ 45.62	$ -	$ 45.62	$ 40.91	$ (4.71)	-10.33%
9		8,624	200.00%	$ 54.89	$ -	$ 54.89	$ 50.67	$ (4.22)	-7.69%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 2314	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		579	25.00%	$ 20.30	$ -	$ 20.30	$ 17.30	$ (3.00)	-14.78%
11		1,157	50.00%	$ 22.79	$ -	$ 22.79	$ 19.19	$ (3.60)	-15.80%
12		2,314	100.00%	$ 27.76	$ -	$ 27.76	$ 22.96	$ (4.80)	-17.29%
13		3,471	150.00%	$ 32.74	$ -	$ 32.74	$ 27.33	$ (5.40)	-16.50%
14		4,628	200.00%	$ 37.71	$ -	$ 37.71	$ 32.57	$ (5.14)	-13.62%

NORTHERN GROUP - OVERGAARD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	49,318	$ 15.41	$ 760,033	$ 760,033
	Commodity Usage				
2	First Tier - First 3,000 Gals.	64,939	$ 2.9348	$ 190,579	
3	Second Tier - Next 7,000 Gals.	42,442	$ 4.1128	$ 174,558	
4	Third Tier - Over 10,000 Gals.	29,008	$ 4.9351	$ 143,157	$ 508,294
5	1" Meter	60	$ 38.53	$ 2,312	$ 2,312
	Commodity Usage				
6	First Tier - First 10,000 Gals.	395	$ 4.1128	$ 1,624	
7	Second Tier - Over 10,000 Gals.	358	$ 4.9351	$ 1,769	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 3,393
9	2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
10	First Tier - First 50,000 Gals.	-	$ 4.1128	$ -	
11	Second Tier - Over 50,000 Gals.	-	$ 4.9351	$ -	
12	Third Tier - Over 50,000 Gals.	-	$ -	$ -	$ -
13	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
14	First Tier - First 1255,000 Gals.	-	$ 4.1128	$ -	
15	Second Tier - Over 125,000 Gals.	-	$ 4.9351	$ -	
16	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
18	First Tier - First 200,000 Gals.	-	$ 4.1128	$ -	
19	Second Tier - Over 200,000 Gals.	-	$ 4.9351	$ -	
20	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
22	First Tier - First 350,000 Gals.	-	$ 4.1128	$ -	
23	Second Tier - Over 350,000 Gals.	-	$ 4.9351	$ -	
24	Third Tier - Over 350,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 650,000 Gals.	-	$ 4.1128	$ -	
27	Second Tier - Over 650,000 Gals.	-	$ 4.9351	$ -	
28	Third Tier - Over 650,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 1,400,000 Gals.	-	$ 4.1128	$ -	
31	Second Tier - Over 1,400,000 Gals.	-	$ 4.9351	$ -	
32	Third Tier - Over 1,400,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	49,378		$ 762,344	
34	Total Residential Usage	137,142		$ 511,687	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 1,274,031

NORTHERN GROUP - OVERGAARD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	629	$ 15.41	$ 9,693	$ 9,693
	Commodity Usage				
37	First Tier - First 10,000 Gals.	1,840	$ 4.1128	$ 7,568	
38	Second Tier - Over 10,000 Gals.	1,277	$ 4.9351	$ 6,302	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 13,870
40	1" Meter	102	$ 38.53	$ 3,930	$ 3,930
	Commodity Usage				
41	First Tier - First 15,000 Gals.	926	$ 4.1128	$ 3,809	
42	Second Tier - Over 15,000 Gals.	713	$ 4.9351	$ 3,518	
43	Third Tier - Over 15,000 Gals.	-	$ -	$ -	$ 7,327
44	2" Meter	228	$ 123.29	$ 28,109	$ 28,109
	Commodity Usage				
45	First Tier - First 65,000 Gals.	6,327	$ 4.1128	$ 26,020	
46	Second Tier - Over 65,000 Gals.	1,588	$ 4.9351	$ 7,838	
47	Third Tier - Over 65,000 Gals.	-	$ -	$ -	$ 33,858
48	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
49	First Tier - First 125,000 Gals.	-	$ 4.1128	$ -	
50	Second Tier - Over 125,000 Gals.	-	$ 4.9351	$ -	
51	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
52	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
53	First Tier - First 200,000 Gals.	-	$ 4.1128	$ -	
54	Second Tier - Over 200,000 Gals.	-	$ 4.9351	$ -	
55	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
56	6" Meter	12	$ 770.54	$ 9,247	$ 9,247
	Commodity Usage				
57	First Tier - First 400,000 Gals.	3,137	$ 4.1128	$ 12,903	
58	Second Tier - Over 400,000 Gals.	480	$ 4.9351	$ 2,367	
59	Third Tier - Over 400,000 Gals.	-	$ -	$ -	$ 15,270
60	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
61	First Tier - First 675,000 Gals.	-	$ 4.1128	$ -	
62	Second Tier - Over 675,000 Gals.	-	$ 4.9351	$ -	
63	Third Tier - Over 675,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 1,400,000 Gals.	-	$ 4.1128	$ -	
66	Second Tier - Over 1,400,000 Gals.	-	$ 4.9351	$ -	
67	Third Tier - Over 1,400,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	971		$ 50,979	
69	Total Commercial Usage	16,288		$ 70,325	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 121,304

NORTHERN GROUP - OVERGAARD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 15.41	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 2.9500	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 2.9500	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 38.53	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 2.9500	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 2.9500	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 2.9500	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 2.9500	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 2.9500	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 2.9500	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 2.9500	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 2.9500	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 2.9500	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 2.9500	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 2.9500	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 2.9500	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 2.9500	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 2.9500	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	-			
104	Total Industrial Usage	-			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ -

NORTHERN GROUP - OVERGAARD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	240	$ 25.00	$ 6,000	$ 6,000
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	240	$ -	$ 6,000	
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 6,000
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 65,000 Gals.	-	$ 4.1128	$ -	
121	Second Tier - Over 65,000 Gals.	-	$ 4.9351	$ -	
122	Third Tier - Over 65,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	14	$ 246.57	$ 3,452	$ 3,452
	Commodity Usage				
124	First Tier - First 125,000 Gals.	1,098	$ 4.1128	$ 4,514	
125	Second Tier - Over 125,000 Gals.	427	$ 4.9351	$ 2,109	
126	Third Tier - Over 1275,000 Gals.	-	$ -	$ -	$ 6,623
127	Construction Water 4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
128	First Tier - First 200,000 Gals.	-	$ 4.1128	$ -	
129	Second Tier - Over 200,000 Gals.	-	$ 4.9351	$ -	
130	Third Tier - Over 200,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 4.1128	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 4.1128	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 4.1128	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 4.1128	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

NORTHERN GROUP - OVERGAARD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 4.1128	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 4.1128	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ 3.4276	$ -	$ -
143	Total Other Water Revenue Customer Bills	14		$ 3,452	
144	Total Other Water Revenue Usage	1,525		$ 6,623	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 10,075
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 822,775	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 588,635	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 1,411,410
149	Unreconciled Difference vs. Billed Revenues				$ -
150	Miscellaneous Revenues				24,422
151	**RUCO TOTAL REVENUE**				$ 1,435,832
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE WAR-1**				$ 1,435,832
153	Revenue Adjustment Associated With Conservation Per Schedule WAR-1				$ (21,775)
154	Revenue Requirement Based On Cost Of Service Per Schedule WAR-1				$ 1,414,057

NORTHERN GROUP - OVERGAARD
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION			(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN									
1	BASIC MONTHLY CHARGE			$ 18.40	$ -	$ 18.40	$ 13.37		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)									
	PRESENT	PROPOSED								
2	No Tiers	1st Tier - First	3,000	$ 4.4500	$ -	$ 4.4500	$ 5.0020		$ 2.9348	
3		2nd Tier - Next	7,000	$ 4.4500	$ -	$ 4.4500	$ 6.0020		$ 4.1128	
4		3rd Tier - Over	10,000	$ 4.4500	$ -	$ 4.4500	$ 7.2020		$ 4.9351	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 2765	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		691	25.00%	$ 21.48	$ -	$ 21.48	$ 17.44	$ (4.04)	-18.80%
6		1,383	50.00%	$ 24.55	$ -	$ 24.55	$ 19.47	$ (5.08)	-20.71%
7		2,765	100.00%	$ 30.70	$ -	$ 30.70	$ 23.53	$ (7.18)	-23.38%
8		4,148	150.00%	$ 36.86	$ -	$ 36.86	$ 28.93	$ (7.92)	-21.49%
9		5,530	200.00%	$ 43.01	$ -	$ 43.01	$ 34.62	$ (8.39)	-19.50%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 772	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		193	25.00%	$ 19.26	$ -	$ 19.26	$ 15.98	$ (3.28)	-17.04%
11		386	50.00%	$ 20.12	$ -	$ 20.12	$ 16.54	$ (3.57)	-17.77%
12		772	100.00%	$ 21.84	$ -	$ 21.84	$ 17.68	$ (4.16)	-19.05%
13		1,158	150.00%	$ 23.55	$ -	$ 23.55	$ 18.81	$ (4.74)	-20.14%
14		1,544	200.00%	$ 25.27	$ -	$ 25.27	$ 19.94	$ (5.33)	-21.09%

NORTHERN GROUP - SEDONA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	61,847	$ 15.41	$ 953,115	$ 953,115
	Commodity Usage				
2	First Tier - First 3,000 Gals.	161,914	$ 1.3691	$ 221,682	
3	Second Tier - Next 7,000 Gals.	218,425	$ 2.2650	$ 494,741	
4	Third Tier - Over 10,000 Gals.	254,452	$ 2.8313	$ 720,431	$ 1,436,854
5	1" Meter	5,619	$ 38.5271	$ 216,484	$ 216,484
	Commodity Usage				
6	First Tier - First 10,000 Gals.	39,124	$ 2.2650	$ 88,616.90	
7	Second Tier - Over 10,000 Gals.	52,649	$ 2.8313	$ 149,064.53	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 237,681
9	2" Meter	440	$ 123.2868	$ 54,246	$ 54,246
	Commodity Usage				
10	First Tier - First 125,000 Gals.	24,455	$ 2.2650	$ 55,393	
11	Second Tier - Over125,000 Gals.	7,496	$ 2.8313	$ 21,225	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 76,617
13	3" Meter	-	$ 246.5737	$ -	$ -
	Commodity Usage				
14	First Tier - First 325,000 Gals.	-	$ 2.2650	$ -	
15	Second Tier - Over 325,000 Gals.	-	$ 2.8313	$ -	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	12	$ 385.2714	$ 4,623	$ 4,623
	Commodity Usage				
18	First Tier - First 500,000 Gals.	5,374	$ 2.2650	$ 12,172	
19	Second Tier - Over 500,000 Gals.	344	$ 2.8313	$ 974	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 13,146
21	6" Meter	12	$ 770.5427	$ 9,247	$ 9,247
	Commodity Usage				
22	First Tier - First 925,000 Gals.	10,743	$ 2.2650	$ 24,332	
23	Second Tier - Over 925,000 Gals.	1,476	$ 2.8313	$ 4,179	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 28,512
25	8" Meter	-	$ 1,232.8684	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 2.2650	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 2.8313	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.7367	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 2.2650	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 2.8313	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	67,930		$ 1,237,715	
34	Total Residential Usage	776,451		$ 1,792,811	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 3,030,526

NORTHERN GROUP - SEDONA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	3,486	$ 15.4109	$ 53,722	$ 53,722
	Commodity Usage				
37	First Tier - First 10,000 Gals.	19,398	$ 2.2650	$ 43,938	
38	Second Tier - Over 10,000 Gals.	31,875	$ 2.8313	$ 90,248	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 134,186
40	1" Meter	2,444	$ 38.5271	$ 94,160	$ 94,160
	Commodity Usage				
41	First Tier - First 40,000 Gals.	44,216	$ 2.2650	$ 100,151	
42	Second Tier - Over 40,000 Gals.	40,212	$ 2.8313	$ 113,851	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 214,002
44	2" Meter	1,536	$ 123.2868	$ 189,369	$ 189,369
	Commodity Usage				
45	First Tier - First 125,000 Gals.	95,238	$ 2.2650	$ 215,718	
46	Second Tier - Over 125,000 Gals.	51,287	$ 2.8313	$ 145,209	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 360,927
48	3" Meter	60	$ 246.5737	$ 14,794	$ 14,794
	Commodity Usage				
49	First Tier - First 325,000 Gals.	14,127	$ 2.2650	$ 31,997	
50	Second Tier - Over 325,000 Gals.	21,967	$ 2.8313	$ 62,194	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 94,191
52	4" Meter	83	$ 385.2714	$ 31,978	$ 31,978
	Commodity Usage				
53	First Tier - First 500,000 Gals.	26,629	$ 2.2650	$ 60,316	
54	Second Tier - Over 500,000 Gals.	3,632	$ 2.8313	$ 10,283	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ 70,599
56	6" Meter	12	$ 770.5427	$ 9,247	$ 9,247
	Commodity Usage				
57	First Tier - First 925,000 Gals.	8,582	$ 2.2650	$ 19,439	
58	Second Tier - Over 925,000 Gals.	1,384	$ 2.8313	$ 3,919	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ 23,357
60	8" Meter	12	$ 1,232.8684	$ 14,794	$ 14,794
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	12,128	$ 2.2650	$ 27,471	
62	Second Tier - Over 1,500,000 Gals.	2,237	$ 2.8313	$ 6,334	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ 33,805
64	10" Meter	-	$ 2,465.7367	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 2.2650	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 2.8313	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	7,633		$ 408,064	
69	Total Commercial Usage	372,911		$ 931,068	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 1,339,132

NORTHERN GROUP - SEDONA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	6	$ 15.4109	$ 92	$ 92
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	133	$ 1.5780	$ 209	
73	Second Tier - Next 999,999,999 Gals.	-	$ 1.5780	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 209
75	1" Meter	-	$ 38.5271	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 1.5780	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 1.5780	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 123.2868	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 1.5780	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 1.5780	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 246.5737	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 1.5780	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 1.5780	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 385.2714	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 1.5780	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 1.5780	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.5427	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 1.5780	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 1.5780	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.8684	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 1.5780	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 1.5780	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.7367	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 1.5780	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 1.5780	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	6		$ 92	
104	Total Industrial Usage	133		$ 209	
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 302

NORTHERN GROUP - SEDONA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	1,538	$ 25.00	$ 38,450	$ 38,450
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	1,538	$ -	$ 38,450	
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 38,450
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	11	$ -	$ -	$ -
118	Commodity Usage	248	82.03	$ 756	$ 756
119	Construction Water 2" Meter	1	$ 123.2868	$ 123	$ 123
	Commodity Usage				
120	First Tier - First 125,000 Gals.	3	$ 2.2650	$ 7	
121	Second Tier - Over 125,000 Gals.	-	$ 2.8313	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 7
123	Construction Water 3" Meter	82	$ 246.5737	$ 20,219	$ 20,219
	Commodity Usage				
124	First Tier - First 325,000 Gals.	7,259	$ 2.2650	$ 16,443	
125	Second Tier - Over 325,000 Gals.	(153)	$ 2.8313	$ (433)	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 16,009
127	Construction Water 4" Meter	-	$ 385.2714	$ -	$ -
	Commodity Usage				
128	First Tier - First 500,000 Gals.	-	$ 2.2650	$ -	
129	Second Tier - Over 500,000 Gals.	-	$ 2.8313	$ -	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 123.2868	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 2.2650	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 2.2650	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 246.5737	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 2.2650	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 2.2650	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

NORTHERN GROUP - SEDONA
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.5427	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 2.2650	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 2.2650	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	94		$ 20,342	
144	Total Other Water Revenue Usage	7,357		$ 16,772	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 37,114
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 1,704,664	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 2,740,860	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 4,445,523
149	Unreconciled Difference vs. Billed Revenues				$ -
150	Miscellaneous Revenues				28,567
151	**RUCO TOTAL REVENUE**				$ 4,474,090
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE WAR-1**				$ 4,474,090
153	Revenue Adjustment Associated With Conservation Per Schedule WAR-1				$ (44,421)
154	Revenue Requirement Based On Cost Of Service Per Schedule WAR-1				$ 4,429,669

NORTHERN GROUP - SEDONA
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION			(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN									
1	BASIC MONTHLY CHARGE			$ 15.70	$ 1.93	$ 17.63	$ 22.31		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)									
	PRESENT	PROPOSED								
2	No Tiers	1st Tier - First	3,000	$ 1.6600	$ 0.1711	$ 1.8311	$ 2.2210		$ 1.3691	
3		2nd Tier - Next	7,000	$ 1.6600	$ 0.1711	$ 1.8311	$ 2.7760		$ 2.2650	
4		3rd Tier - Over	10,000	$ 1.6600	$ 0.1711	$ 1.8311	$ 3.4700		$ 2.8313	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 10264	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		2,566	25.00%	$ 19.96	$ 2.37	$ 22.33	$ 18.92	$ (3.40)	-15.25%
6		5,132	50.00%	$ 24.22	$ 2.81	$ 27.03	$ 24.35	$ (2.68)	-9.92%
7		10,264	100.00%	$ 32.74	$ 3.69	$ 36.42	$ 36.12	$ (0.30)	-0.83%
8		15,396	150.00%	$ 41.26	$ 4.56	$ 45.82	$ 50.65	$ 4.83	10.54%
9		20,528	200.00%	$ 49.78	$ 5.44	$ 55.22	$ 65.18	$ 9.96	18.04%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 6190	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,548	25.00%	$ 18.27	$ 2.19	$ 20.46	$ 17.53	$ (2.93)	-14.34%
11		3,095	50.00%	$ 20.84	$ 2.46	$ 23.30	$ 19.73	$ (3.56)	-15.30%
12		6,190	100.00%	$ 25.98	$ 2.99	$ 28.96	$ 26.74	$ (2.22)	-7.67%
13		9,285	150.00%	$ 31.11	$ 3.52	$ 34.63	$ 33.75	$ (0.88)	-2.53%
14		12,380	200.00%	$ 36.25	$ 4.05	$ 40.30	$ 42.11	$ 1.81	4.50%

NORTHERN GROUP - PINEWOOD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	34,343	$ 15.41	$ 529,254	$ 529,254
	Commodity Usage				
2	First Tier - First 3,000 Gals.	39,818	$ 4.1929	$ 166,956	
3	Second Tier - Next 7,000 Gals.	25,534	$ 5.9776	$ 152,630	
4	Third Tier - Over 10,000 Gals.	17,323	$ 7.4721	$ 129,440	$ 449,026
5	1" Meter	59	$ 38.53	$ 2,273	$ 2,273
	Commodity Usage				
6	First Tier - First 10,000 Gals.	206	$ 5.9776	$ 1,230	
7	Second Tier - Over 10,000 Gals.	99	$ 7.4721	$ 742	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 1,972
9	2" Meter	24	$ 123.29	$ 2,959	$ 2,959
	Commodity Usage				
10	First Tier - First 125,000 Gals.	1,740	$ 5.9776	$ 10,400	
11	Second Tier - Over125,000 Gals.	3,910	$ 7.4721	$ 29,213	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 39,613
13	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
14	First Tier - First 325,000 Gals.	-	$ 5.9776	$ -	
15	Second Tier - Over 325,000 Gals.	-	$ 7.4721	$ -	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
18	First Tier - First 500,000 Gals.	-	$ 5.9776	$ -	
19	Second Tier - Over 500,000 Gals.	-	$ 7.4721	$ -	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
22	First Tier - First 925,000 Gals.	-	$ 5.9776	$ -	
23	Second Tier - Over 925,000 Gals.	-	$ 7.4721	$ -	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 5.9776	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 7.4721	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 5.9776	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 7.4721	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	34,426		$ 534,486	
34	Total Residential Usage	88,630		$ 490,612	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 1,025,098

NORTHERN GROUP - PINEWOOD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	192	$ 15.41	$ 2,959	$ 2,959
	Commodity Usage				
37	First Tier - First 10,000 Gals.	772	$ 5.9776	$ 4,616	
38	Second Tier - Over 10,000 Gals.	1,362	$ 7.4721	$ 10,175	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 14,791
40	1" Meter	12	$ 38.53	$ 462	$ 462
	Commodity Usage				
41	First Tier - First 40,000 Gals.	72	$ 5.9776	$ 428	
42	Second Tier - Over 40,000 Gals.	-	$ 7.4721	$ -	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 428
44	2" Meter	31	$ 123.29	$ 3,822	$ 3,822
	Commodity Usage				
45	First Tier - First 125,000 Gals.	1,442	$ 5.9776	$ 8,618	
46	Second Tier - Over 125,000 Gals.	350	$ 7.4721	$ 2,617	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 11,235
48	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
49	First Tier - First 325,000 Gals.	-	$ 5.9776	$ -	
50	Second Tier - Over 325,000 Gals.	-	$ 7.4721	$ -	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
52	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
53	First Tier - First 500,000 Gals.	-	$ 5.9776	$ -	
54	Second Tier - Over 500,000 Gals.	-	$ 7.4721	$ -	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
56	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
57	First Tier - First 925,000 Gals.	-	$ 5.9776	$ -	
58	Second Tier - Over 925,000 Gals.	-	$ 7.4721	$ -	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 5.9776	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 7.4721	$ -	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 5.9776	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 7.4721	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	235		$ 7,243	
69	Total Commercial Usage	3,998		$ 26,455	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 33,698

NORTHERN GROUP - PINEWOOD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 15.41	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 5.9776	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 5.9776	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	12	$ 38.53	$ 462	$ 462
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	1	$ 5.9776	$ 4	
77	Second Tier - Next 999,999,999 Gals.	-	$ 5.9776	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ 4
79	2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 5.9776	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 5.9776	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 5.9776	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 5.9776	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 5.9776	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 5.9776	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 5.9776	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 5.9776	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.87	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 5.9776	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 5.9776	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.74	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 5.9776	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 5.9776	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	12		$ 462	
104	Total Industrial Usage	1		$ 4	
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ 467

NORTHERN GROUP - PINEWOOD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	36	$ 25.00	$ 900	$ 900
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	36		$ 900	
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 900
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
119	Construction Water 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 5.9776	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 7.4721	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	6	$ 246.57	$ 1,479	$ 1,479
	Commodity Usage				
124	First Tier - First 325,000 Gals.	124	$ 5.9776	$ 744	
125	Second Tier - Over 325,000 Gals.	-	$ 7.4721	$ -	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 744
127	Construction Water 4" Meter	-	$ 385.27	$ -	$ -
	Commodity Usage				
128	First Tier - First 500,000 Gals.	-	$ 5.9776	$ -	
129	Second Tier - Over 500,000 Gals.	-	$ 7.4721	$ -	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 123.29	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 5.9776	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 5.9776	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 246.57	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 5.9776	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 5.9776	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

NORTHERN GROUP - PINEWOOD
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.54	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 5.9776	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 5.9776	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	6		$ 1,479	
144	Total Other Water Revenue Usage	124		$ 744	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 2,223
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 544,571	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 517,814	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 1,062,385
149	Unreconciled Difference vs. Billed Revenues				$ -
150	Miscellaneous Revenues				6,859
151	**RUCO TOTAL REVENUE**				$ 1,069,244
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE WAR-1**				$ 1,069,244
153	Revenue Adjustment Associated With Conservation Per Schedule WAR-1				$ (14,494)
154	Revenue Requirement Based On Cost Of Service Per Schedule WAR-1				$ 1,054,749

NORTHERN GROUP - PINEWOOD
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION			(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN									
1	BASIC MONTHLY CHARGE			$ 19.86	$ -	$ 19.86	$ 22.31		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)									
	PRESENT	PROPOSED								
2	No Tiers	1st Tier - First	3,000	$ 3.6900	$ -	$ 3.6900	$ 3.4360		$ 4.1929	
3		2nd Tier - Next	7,000	$ 3.6900	$ -	$ 3.6900	$ 4.2950		$ 5.9776	
4		3rd Tier - Over	10,000	$ 3.6900	$ -	$ 3.6900	$ 5.3688		$ 7.4721	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 2407	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		602	25.00%	$ 22.08	$ -	$ 22.08	$ 17.93	$ (4.15)	-18.78%
6		1,204	50.00%	$ 24.30	$ -	$ 24.30	$ 20.46	$ (3.84)	-15.82%
7		2,407	100.00%	$ 28.74	$ -	$ 28.74	$ 25.50	$ (3.24)	-11.27%
8		3,611	150.00%	$ 33.18	$ -	$ 33.18	$ 31.64	$ (1.54)	-4.65%
9		4,814	200.00%	$ 37.62	$ -	$ 37.62	$ 38.83	$ 1.21	3.21%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 536	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		134	25.00%	$ 20.35	$ -	$ 20.35	$ 15.97	$ (4.38)	-21.53%
11		268	50.00%	$ 20.85	$ -	$ 20.85	$ 16.53	$ (4.31)	-20.69%
12		536	100.00%	$ 21.84	$ -	$ 21.84	$ 17.66	$ (4.18)	-19.14%
13		804	150.00%	$ 22.83	$ -	$ 22.83	$ 18.78	$ (4.04)	-17.72%
14		1,072	200.00%	$ 23.82	$ -	$ 23.82	$ 19.91	$ (3.91)	-16.42%

NORTHERN GROUP - RIMROCK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	RESIDENTIAL CUSTOMERS				
1	5/8" X 3/4" Meter	14,756	$ 15.41	$ 227,402	$ 227,402
	Commodity Usage				
2	First Tier - First 3,000 Gals.	35,813	$ 5.5094	$ 197,306	
3	Second Tier - Next 7,000 Gals.	35,136	$ 6.1490	$ 216,053	
4	Third Tier - Over 10,000 Gals.	20,028	$ 7.6863	$ 153,938	$ 567,298
5	1" Meter	86	$ 38.5271	$ 3,313	$ 3,313
	Commodity Usage				
6	First Tier - First 10,000 Gals.	452	$ 6.1490	$ 2,782	
7	Second Tier - Over 10,000 Gals.	103	$ 7.6863	$ 790	
8	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 3,572
9	2" Meter	18	$ 123.2868	$ 2,219	$ 2,219
	Commodity Usage				
10	First Tier - First 125,000 Gals.	113	$ 6.1490	$ 692	
11	Second Tier - Over125,000 Gals.	-	$ 7.6863	$ -	
12	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 692
13	3" Meter	-	$ 246.5737	$ -	$ -
	Commodity Usage				
14	First Tier - First 325,000 Gals.	-	$ 6.1490	$ -	
15	Second Tier - Over 325,000 Gals.	-	$ 7.6863	$ -	
16	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
17	4" Meter	-	$ 385.2714	$ -	$ -
	Commodity Usage				
18	First Tier - First 500,000 Gals.	-	$ 6.1490	$ -	
19	Second Tier - Over 500,000 Gals.	-	$ 7.6863	$ -	
20	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
21	6" Meter	-	$ 770.5427	$ -	$ -
	Commodity Usage	-			
22	First Tier - First 925,000 Gals.	-	$ 6.1490	$ -	
23	Second Tier - Over 925,000 Gals.	-	$ 7.6863	$ -	
24	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
25	8" Meter	-	$ 1,232.8684	$ -	$ -
	Commodity Usage				
26	First Tier - First 1,500,000 Gals.	-	$ 6.1490	$ -	
27	Second Tier - Over 1,500,000 Gals.	-	$ 7.6863	$ -	
28	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
29	10" Meter	-	$ 2,465.7367	$ -	$ -
	Commodity Usage				
30	First Tier - First 3,000,000 Gals.	-	$ 6.1490	$ -	
31	Second Tier - Over 3,000,000 Gals.	-	$ 7.6863	$ -	
32	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
33	Total Residential Customer Bills	14,860		$ 232,934	
34	Total Residential Usage	91,645		$ 571,561	
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				$ 804,496

NORTHERN GROUP - RIMROCK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	COMMERCIAL CUSTOMERS				
36	5/8" X 3/4" Meter	182	$ 15.4109	$ 2,805	$ 2,805
	Commodity Usage				
37	First Tier - First 10,000 Gals.	554	$ 6.1490	$ 3,408	
38	Second Tier - Over 10,000 Gals.	302	$ 7.6863	$ 2,317	
39	Third Tier - Over 10,000 Gals.	-	$ -	$ -	$ 5,725
40	1" Meter	24	$ 38.5271	$ 925	$ 925
	Commodity Usage				
41	First Tier - First 40,000 Gals.	946	$ 6.1490	$ 5,814	
42	Second Tier - Over 40,000 Gals.	1,385	$ 7.6863	$ 10,644	
43	Third Tier - Over 40,000 Gals.	-	$ -	$ -	$ 16,458
44	2" Meter	28	$ 123.2868	$ 3,452	$ 3,452
	Commodity Usage				
45	First Tier - First 125,000 Gals.	1,336	$ 6.1490	$ 8,215	
46	Second Tier - Over 125,000 Gals.	-	$ 7.6863	$ -	
47	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ 8,215
48	3" Meter	-	$ 246.5737	$ -	$ -
	Commodity Usage				
49	First Tier - First 325,000 Gals.	-	$ 6.1490	$ -	
50	Second Tier - Over 325,000 Gals.	-	$ 7.6863	$ -	
51	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ -
52	4" Meter	-	$ 385.2714	$ -	$ -
	Commodity Usage				
53	First Tier - First 500,000 Gals.	-	$ 6.1490	$ -	
54	Second Tier - Over 500,000 Gals.	-	$ 7.6863	$ -	
55	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
56	6" Meter	-	$ 770.5427	$ -	$ -
	Commodity Usage				
57	First Tier - First 925,000 Gals.	-	$ 6.1490	$ -	
58	Second Tier - Over 925,000 Gals.	-	$ 7.6863	$ -	
59	Third Tier - Over 925,000 Gals.	-	$ -	$ -	$ -
60	8" Meter	-	$ 1,232.8684	$ -	$ -
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	-	$ 6.1490	$ -	
62	Second Tier - Over 1,500,000 Gals.	-	$ 7.6863	$ -	
63	Third Tier - Over 1.500,000 Gals.	-	$ -	$ -	$ -
64	10" Meter	-	$ 2,465.7367	$ -	$ -
	Commodity Usage				
65	First Tier - First 3,000,000 Gals.	-	$ 6.1490	$ -	
66	Second Tier - Over 3,000,000 Gals.	-	$ 7.6863	$ -	
67	Third Tier - Over 3,000,000 Gals.	-	$ -	$ -	$ -
68	Total Commercial Customer Bills	234		$ 7,181	
69	Total Commercial Usage	4,522		$ 30,398	
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				$ 37,580

NORTHERN GROUP - RIMROCK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	INDUSTRIAL CUSTOMERS				
71	5/8" X 3/4" Meter	-	$ 15.4109	$ -	$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	$ 6.1490	$ -	
73	Second Tier - Next 999,999,999 Gals.	-	$ 6.1490	$ -	
74	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
75	1" Meter	-	$ 38.5271	$ -	$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	$ 6.1490	$ -	
77	Second Tier - Next 999,999,999 Gals.	-	$ 6.1490	$ -	
78	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
79	2" Meter	-	$ 123.2868	$ -	$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	$ 6.1490	$ -	
81	Second Tier - Next 999,999,999 Gals.	-	$ 6.1490	$ -	
82	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
83	3" Meter	-	$ 246.5737	$ -	$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	$ 6.1490	$ -	
85	Second Tier - Next 999,999,999 Gals.	-	$ 6.1490	$ -	
86	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
87	4" Meter	-	$ 385.2714	$ -	$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	$ 6.1490	$ -	
89	Second Tier - Next 999,999,999 Gals.	-	$ 6.1490	$ -	
90	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
91	6" Meter	-	$ 770.5427	$ -	$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	$ 6.1490	$ -	
93	Second Tier - Next 999,999,999 Gals.	-	$ 6.1490	$ -	
94	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
95	8" Meter	-	$ 1,232.8684	$ -	$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	$ 6.1490	$ -	
97	Second Tier - Next 999,999,999 Gals.	-	$ 6.1490	$ -	
98	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
99	10" Meter	-	$ 2,465.7367	$ -	$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	$ 6.1490	$ -	
101	Second Tier - Next 999,999,999 Gals.	-	$ 6.1490	$ -	
102	Third Tier - Over 999,999,999 Gals.	-	$ -	$ -	$ -
103	Total Industrial Customer Bills	-			
104	Total Industrial Usage	-			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				$ -

NORTHERN GROUP - RIMROCK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
	PRIVATE FIRE SERVICE CUSTOMERS				
106	5/8" Meter	10	$ 25.00	$ 250	$ 250
107	1" Meter	-	$ 25.00	$ -	$ -
108	2" Meter	-	$ 25.00	$ -	$ -
109	3" Meter	-	$ 25.00	$ -	$ -
110	4" Meter	-	$ 25.00	$ -	$ -
111	6" Meter	-	$ 25.00	$ -	$ -
112	8" Meter	-	$ 25.00	$ -	$ -
113	10" Meter	-	$ 25.00	$ -	$ -
114	Total Private Fire Service Customers	10		$ 250	
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				$ 250
	OTHER WATER REVENUE CUSTOMERS				
116	Public Fire Hydrant	-	$ -	$ -	$ -
117	Coin Machine	-	$ -	$ -	$ -
118	Commodity Usage	-	$ -	$ -	$ -
			$ -		
119	Construction Water 2" Meter	-	$ 123.2868	$ -	$ -
	Commodity Usage				
120	First Tier - First 125,000 Gals.	-	$ 6.1490	$ -	
121	Second Tier - Over 125,000 Gals.	-	$ 7.6863	$ -	
122	Third Tier - Over 125,000 Gals.	-	$ -	$ -	$ -
123	Construction Water 3" Meter	27	$ 246.5737	$ 6,657	$ 6,657
	Commodity Usage				
124	First Tier - First 325,000 Gals.	1,894	$ 6.1490	$ 11,647	
125	Second Tier - Over 325,000 Gals.	213	$ 7.6863	$ 1,636	
126	Third Tier - Over 325,000 Gals.	-	$ -	$ -	$ 13,283
127	Construction Water 4" Meter	-	$ 385.2714	$ -	$ -
	Commodity Usage				
128	First Tier - First 500,000 Gals.	-	$ 6.1490	$ -	
129	Second Tier - Over 500,000 Gals.	-	$ 7.6863	$ -	
130	Third Tier - Over 500,000 Gals.	-	$ -	$ -	$ -
131	Sales For Resales 2" Meter	-	$ 123.2868	$ -	$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	$ 6.1490	$ -	
133	Second Tier - Next 1,000,000 Gals.	-	$ 6.1490	$ -	
134	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
135	Sales For Resales 3" Meter	-	$ 246.5737	$ -	$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	$ 6.1490	$ -	
137	Second Tier - Next 1,000,000 Gals.	-	$ 6.1490	$ -	
138	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -

NORTHERN GROUP - RIMROCK
RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter	-	$ 770.5427	$ -	$ -
	Commodity Usage				
140	First Tier - First 1,000,000 Gals.	-	$ 6.1490	$ -	
141	Second Tier - Next 1,000,000 Gals.	-	$ 6.1490	$ -	
142	Third Tier - Over 1,000,000 Gals.	-	$ -	$ -	$ -
143	Total Other Water Revenue Customer Bills	27		$ 6,657	
144	Total Other Water Revenue Usage	2,107		$ 13,283	
145	TOTAL OTHER WATER CUSTOMERS REVENUE				$ 19,941
146	TOTAL FIXED REVENUE CUSTOMER BILLS			$ 247,023	
147	TOTAL VARIABLE REVENUE WATER USAGE			$ 615,243	
148	**RUCO TOTAL PROPOSED REVENUE PER BILL COUNT**				$ 862,266
149	Unreconciled Difference vs. Billed Revenues				$ -
150	Miscellaneous Revenues				8,461
151	**RUCO TOTAL REVENUE**				$ 870,727
152	**RUCO ADJUSTED TEST-YEAR REVENUE PER SCHEDULE WAR-1**				$ 870,727
153	Revenue Adjustment Associated With Conservation Per Schedule WAR-1				$ 10,706
154	Revenue Requirement Based On Cost Of Service Per Schedule WAR-1				$ 881,433

NORTHERN GROUP - RIMROCK
TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION			(A) PRESENT ORIGINAL RATES	(B) PRESENT ADDITIONAL ACRM / PPA SURCHARGES	(C) PRESENT TOTAL PRESENT RATES	(D) COMPANY PROPOSED	(E)	(F) RUCO PROPOSED	(G)
	RESIDENTIAL (5/8" X 3/4") RATE DESIGN									
1	BASIC MONTHLY CHARGE			$ 16.10	$ 7.44	$ 23.54	$ 22.31		$ 15.41	
	COMMODITY CHARGE (Per 1,000 Gallons)									
	PRESENT	PROPOSED								
2	No Tiers	1st Tier - First	3,000	$ 2.5000	$ 1.2081	$ 3.7081	$ 3.4360		$ 5.5094	
3		2nd Tier - Next	7,000	$ 2.5000	$ 1.2081	$ 3.7081	$ 4.2950		$ 6.1490	
4		3rd Tier - Over	10,000	$ 2.5000	$ 1.2081	$ 3.7081	$ 5.3688		$ 7.6863	

	AVERAGE RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT AVERAGE USAGE OF 6165	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
5		1,541	25.00%	$ 19.95	$ 9.30	$ 29.26	$ 23.90	$ (5.35)	-18.30%
6		3,083	50.00%	$ 23.81	$ 11.16	$ 34.97	$ 32.45	$ (2.52)	-7.22%
7		6,165	100.00%	$ 31.51	$ 14.89	$ 46.40	$ 51.40	$ 5.00	10.78%
8		9,248	150.00%	$ 39.22	$ 18.61	$ 57.83	$ 70.35	$ 12.52	21.66%
9		12,330	200.00%	$ 46.93	$ 22.34	$ 69.26	$ 92.89	$ 23.63	34.12%

	MEDIAN RESIDENTIAL BILL COMPARISONS COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL	VARIABLE MONTHLY USAGE	PERCENT MEDIAN USAGE OF 4128	PRESENT BASE RATE MONTHLY COST	PRESENT SURCHARGE MONTHLY COST	PRESENT TOTAL MONTHLY COST	RUCO MONTHLY COST	RUCO MONTHLY INCREASE	% MONTHLY INCREASE
10		1,032	25.00%	$ 18.68	$ 8.69	$ 27.37	$ 21.10	$ (6.27)	-22.91%
11		2,064	50.00%	$ 21.26	$ 9.93	$ 31.19	$ 26.78	$ (4.41)	-14.14%
12		4,128	100.00%	$ 26.42	$ 12.43	$ 38.85	$ 38.88	$ 0.03	0.07%
13		6,192	150.00%	$ 31.58	$ 14.92	$ 46.50	$ 51.57	$ 5.07	10.89%
14		8,256	200.00%	$ 36.74	$ 17.41	$ 54.15	$ 64.26	$ 10.10	18.66%

ARIZONA WATER COMPANY

DOCKET NO. W-01445A-08-0440

EXHIBIT
R-18
ADMITTED

DIRECT TESTIMONY
ON REVENUE REQUIREMENT

OF

TIMOTHY J. COLEY

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

JUNE 12, 2009

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APPENDIX 1 – TIMOTHY J. COLEY

<u>EASTERN GROUP SCHEDULES</u>:

SUPERSTITION – SCHEDULES TJC-1 THROUGH TJC-15

BISBEE – SCHEDULES TJC-1 THROUGH TJC-15

SIERRA VISTA – SCHEDULES TJC-1 THROUGH TJC-15

SAN MANUEL – SCHEDULES TJC-1 THROUGH TJC-15

ORACLE – SCHEDULES TJC-1 THROUGH TJC-15

WINKELMAN – SCHEDULES TJC-1 THROUGH TJC-15

MIAMI – SCHEDULES TJC-1 THROUGH TJC-15

WESTERN GROUP SCHEDULES:

CASA GRANDE – SCHEDULES TJC-1 THROUGH TJC-15

STANFIELD – SCHEDULES TJC-1 THROUGH TJC-15

WHITE TANK – SCHEDULES TJC-1 THROUGH TJC-15

AJO – SCHEDULES TJC-1 THROUGH TJC-15

COOLIDGE – SCHEDULES TJC-1 THROUGH TJC-15

INTRODUCTION

Q. Please state your name, position, employer and address.

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

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

A. Appendix 1, which is attached to this testimony, describes my educational background and includes a list of the rate cases and regulatory matters in which I have participated.

Q. Please state the purpose of your testimony.

A. The purpose of my testimony is to present RUCO's recommendations regarding Arizona Water Company's ("AWC" or "Company") application for a determination of the current fair value of its utility plant and property and for a permanent increase in its rates and charges based thereon for utility service. The test year utilized by the Company in connection with the preparation of this application is the 12-month period that ended December 31, 2007.

BACKGROUND

Q. Please describe your work effort on this project.

A. I obtained and reviewed data and performed analytical procedures necessary to understand the Company's filing as it relates to operating income, rate base, and the Company's overall revenue requirement. My recommendations are based on these analyses. Procedures performed include the in-house formulation and analysis of several sets of data requests, the review and analysis of the Company's responses to Commission Staff data requests, and review of prior ACC dockets related to AWC.

The Company's filing consists of an application for increases in rates and charges for the following seventeen systems classified in three Groups:

Eastern Group	Western Group	Northern Group
Superstition	Casa Grande	Lakeside
Bisbee	Stanfield	Overgaard
Sierra Vista	White Tank	Sedona
San Manuel	Ajo	Pinewood
Oracle	Coolidge	Rimrock
Winkleman		
Miami		

RUCO's participation in this proceeding is the cumulative effort of three RUCO witnesses; myself (Timothy J. Coley), William A. Rigsby, and Rodney L. Moore. For the review and analysis procedures, specific systems were assigned to Mr. Rigsby and myself. Mr. Moore was responsible for the rate design of all the systems. I was assigned the Eastern and Western Groups' systems while Mr. Rigsby analyzed the Northern Group systems. However, to avoid confusion and duplication, the testimony filed by RUCO in support of its analysis was allocated among the analysts by ratemaking elements.

Q. Please explain how these ratemaking elements were allocated?

A. I will address issues related to the rate base. Mr. Rigsby will address issues related to operating income. Mr. Rigsby will also provide an analysis of the cost of capital. Moreover, each witness will address the appropriate revenue requirement for the systems analyzed.

RUCO analyzed each system on a stand-alone basis. The Company proposes a partial consolidation for some systems. RUCO reserves the right to amend its testimony in surrebuttal based upon rate design and engineering reports, which are to be filed on June 26, 2009.

Mr. Moore will file rate design schedules and Mr. Rigsby will address RUCO's rate design in his testimony to be filed June 26, 2009.

Q. Will Mr. Rigsby, Mr. Moore or you offer direct testimony on rate consolidation at this time?

A. No. RUCO reserves the right to file testimony on rate consolidation during the surrebuttal phase of the proceeding upon review of rate design and engineering reports to be filed June 26, 2009. RUCO Director Jodi Jerich will file testimony on RUCO's position regarding the issue of rate consolidation at that time. Mr. Rigsby, Mr. Moore and I will present updated ratemaking and rate design schedules that reflect RUCO's position regarding rate consolidation at that time also. The ratemaking schedules sponsored by Mr. Rigsby and I during the direct testimony phase of the proceeding will present the effects of RUCO's recommended levels of rate base, operating revenue and operating expenses on a stand-alone basis for each of the seventeen systems included in AWC's filing. Mr. Moore's direct testimony on rate design will also reflect rates on a stand-alone basis also.

Q. Please identify the exhibits you are sponsoring.

A. I am sponsoring schedules for the Eastern and Western Groups' systems numbered TJC-1 through TJC-15.

...

SUMMARY OF ADJUSTMENTS

Q. Please summarize the adjustments to the rate base in your testimony.

A. My testimony addresses the following issues:

Rate Base

RUCO is in substantial agreement with several of the Company's pro-forma adjustments. Nevertheless, RUCO reserves the right to alter its position if additional evidence is produced in this case, which warrants RUCO's reconsideration of its position. RUCO did not make any direct adjustments to the Company's pro-forma rate base adjustments unless otherwise noted and identified as:

JMR-1 – Post Test Year Plant Additions

JMR-2 – Net Regulatory Liability

JMR-3 – Net Regulatory Asset

However, through the analytic process, RUCO did make prudent revisions to the Company's filing. In summary, RUCO rate base adjustments are identified as:

<u>RUCO Rate Base Adjustment #1 – Plant and Accumulated Depreciation</u> – This adjustment reflects RUCO's recommended Utility Plant in Service ("UPIS") and Accumulated Depreciation balances since the last rate case for each Group. I started with the last Commission approved balance and

reconstructed all plant additions, retirements, and adjustments at the approved depreciation rates.

RUCO Rate Base Adjustment #2 – Remove Post Test Year Phoenix Office Plant Additions – This adjustment reverses the Company's portion of the Phoenix Office adjustment in JMR-6 related to post test year plant additions.

RUCO Rate Base Adjustment #3 – Remove Plant Held for Future Use ("PHFFU") and Record Retirements not Included in the Rate Application – This is a conforming adjustment to remove PHFFU and to record certain retirements identified by the Company in its response to Commission Staff data request BKB 11.16.

RUCO Rate Base Adjustment #4 – Remove Other Post Test Year Plant Additions Not Related to Federal or State Mandated Laws – This adjustment removes any post test year plant not related to arsenic or nitrate removal that was included in the Company's rate application.

RUCO Rate Base Adjustment #5 – Remove Post Test Year HWY 179 Improvement – This adjustment removes 35 percent of the costs associated with a post test year improvement project that involved the

replacement of transmission mains for an Arizona Department of Transportation ("ADOT") highway project in Sedona.

RUCO Rate Base Adjustment #6 - Working Capital – This adjustment reduces the cash working capital element of the working capital allowance requested by the Company.

REVENUE REQUIREMENTS

Q. Please summarize the results of RUCO's analysis of the Company's filing and state RUCO's recommended revenue requirement.

A. Mr. Rigsby summarizes RUCO's revenue requirements in his testimony. The details are shown on Schedules TJC-1 and WAR-1.

RATE BASE ADJUSTMENTS

Rate Base Summary

Q. Is RUCO recommending any changes to the Company's proposed rate base?

A. Yes. RUCO analyzed the Company's rate base adjustments to its historical test-year elements of rate base and made adjustments to the rate base as filed by the Company. The cumulative review, analysis and adjustments made by RUCO are explained on the succeeding pages.

RUCO Rate Base Adjustment #1 – Utility Plant in Service ("UPIS") and Accumulated Depreciation

Q. Please explain RUCO's adjustment to the Company's UPIS and accumulated depreciation balances.

A. This adjustment is common for all systems filed in this case. Each system is comprised of its direct plant and an allocation of the Company's Phoenix office and meter shop. RUCO reconstructed the UPIS additions, adjustments, and retirements since the last rate case to determine the proper plant and accumulated depreciation balances for the test year in this case.

Q. Does RUCO accept the Company's balances of Utility Plant In Service ("UPIS") and accumulated depreciation for a starting point?

A. Yes.

...

Q. Did RUCO make any adjustments to UPIS or accumulated depreciation adjustments to the systems?

A. Yes. RUCO made adjustments to the UPIS and accumulated depreciation balances for each system as follows:

Eastern Group

	Increase/(Decrease) UPIS	(Increase)/Decrease Accumulated Depreciation
Superstition	$ 6,282	($ 22,612)
Bisbee	$ 6,328	($ 10,913)
Sierra Vista	$ 0	$ 6,701
San Manuel	$ 2,058	$ 33,929
Oracle	$ 0	($ 1,038)
Winkelman	$ 0	$ 3,162
Miami	$ 0	$ 25,492

Western Group

	Increase/(Decrease) UPIS	(Increase)/Decrease Accumulated Depreciation
Casa Grande	($ 822,694)	($ 1,579)
Stanfield	$ 0	($ 9,692)
White Tank	$ 0	$ 54
Ajo	$ 0	($ 13)
Coolidge	$ 0	$ 5,582

...

Northern Group

	Increase/(Decrease) UPIS	(Increase)/Decrease Accumulated Depreciation
Lakeside	$ 0	$ 1,784
Overgaard	$ 0	$ 629
Sedona	$ 0	($ 4,975)
Pinewood	$ 0	$ 496
Rimrock	$ 0	$ 487

Those adjustments are on Schedule TJC-2 and WAR-2. The supporting detail is on Schedules TJC-3 and WAR-3.

RUCO Rate Base Adjustment #2 – Remove Post Test Year Phoenix Office Plant

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

A. Yes. The Company is requesting all Company invested plant be included in rate base that is revenue neutral, used and useful, and placed in service prior to filing the rate application. The total PTY plant requested by the Company equals $6,681,894. However, there is some PTY plant that the Company requested that is not servicing customers yet.

...

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

A. Yes. RUCO has consistently held that including PTY plant creates a mismatch of rate base items that strongly favors the stockholders at the detriment of the ratepayers.

Q. Please explain why PTY plant additions are likely to result in unfair and unreasonable rates.

A. The problem with allowing PTY plant additions is there is no recognition of all the other rate base items in the same base year as PTY plant additions. For example, in this case, when one rate base item that makes up a substantial amount of rate base is recognized PTY and the other entire rate base items are based on a historical test-year, severe mismatches are created to the detriment of the ratepayers. Whereas, a historical test-year automatically matches all rate base items. The matching principle is a long-standing principle in regulatory utility ratemaking, and with good reason. Fair and reasonable rates cannot be determined when mismatches occur. Furthermore, Commission rules allow a utility to choose its own test year. If the Company wished, it could have chosen a 2008 test year instead of 2007. Obviously, the Company believes its request to raise rates is better promoted through a 2007 test year. So, to allow cost recovery for new plant in 2007 and 2008 allows the Company, in effect, two bites at the apple.

Q. Does RUCO recommend the allowance of any PTY plant that the Company requested in its rate application?

A. Yes. RUCO recommends the inclusion of all PTY arsenic and nitrate removal plant be allowed in rate base. This will eliminate the need for the Arsenic Cost Recovery Mechanism ("ACRM") surcharge that exists in some of the systems.

Q. Why did RUCO deviate from its general opposition in the inclusion of PTY plant in the case of arsenic and nitrate removal plant?

A. RUCO recommends allowance of PTY plant for arsenic and nitrate removal because these are costs mandated by the government. In 2006, the federal government lowered the maximum allowable amount of arsenic in drinking water to 10 parts per billion ("ppb") from 50 ppb. This resulted in AWC, and several other Arizona water utilities, to construct arsenic removal systems. Furthermore, costs for arsenic removal are being recovered from ratepayers through the Arsenic Cost Recovery Mechanism ("ACRM"). Costs recovered for arsenic removal plant in service will be taken out of the ACRM and moved into base rates in the rate proceeding. RUCO sees little or no benefit in retaining cost recovery of PTY arsenic removal plant in the ACRM instead of base rates.

The government also mandates the amount of nitrates acceptable in drinking water. In order to comply with the government mandates, the

Company, as was the case with arsenic, had to build the necessary treatment plant in aid to its source of supply. RUCO believes that aside from promoting good public policy, the treatment plant for nitrate should be included in rate base as the Company is acting in good faith to comply with the legal nitrate standards.

Q. What adjustment was necessary to remove the Phoenix Office PTY plant?

A. The total Company adjustment was $120,057. That amount was allocated to each system using the 3-Factor Allocator to make the adjustment as follows:

Eastern Group

Superstition	($ 29,942)	Bisbee	($ 5,979)
Sierra Vista	($ 3,097)	San Manuel	($ 2,017)
Oracle	($ 2,737)	Winkleman	($ 264)
Miami	($ 5,979)		

Western Group

Casa Grande	($ 31,875)	Stanfield	($ 324)
White Tank	($ 2,845)	Ajo	($ 972)
Coolidge	($ 6,327)		

Northern Group

Lakeside	($ 7,444)	Overgaard	($ 4,790)
Sedona	($ 10,145)	Pinewood	($ 3,542)
Rimrock	($ 1,777)		

An accompanying adjustment to decrease accumulated depreciation is necessary for the following amounts:

Eastern Group

Superstition	$ 999	Bisbee	$ 199
Sierra Vista	$ 103	San Manuel	$ 67
Oracle	$ 91	Winkleman	$ 9
Miami	$ 199		

Western Group

Casa Grande	$ 1,063	Stanfield	$ 11
White Tank	$ 95	Ajo	$ 32
Coolidge	$ 211		

Northern Group

Lakeside	$ 248	Overgaard	$ 160
Sedona	$ 338	Pinewood	$ 118
Rimrock	$ 59		

These adjustments are on Schedule TJC-2 and WAR-2. The supporting detail is on Schedules TJC-3, WAR-3 and Schedules TJC-5 and WAR-5.

...

RUCO Rate Base Adjustment #3 – Remove Plant Held for Future Use ("PHFFU") and Record Plant Retirements

Q. Please explain RUCO's adjustment to remove PHFFU and to record certain plant retirements.

A. This adjustment incorporates the Company's response to Staff data request BKB 11.16. In the Company's response to that data request, AWC agreed it failed to properly remove certain PHFFU and to record certain retirements prior to filing its rate application. This adjustment accounts for the plant items properly.

Q. What adjustments did RUCO make to properly account for the plant items in question?

A. RUCO removed the plant items that were held for future use and accounted for the retirements and removed the necessary accumulated depreciation amounts related to the retirements and plant items held for future use for each system as follows:

Eastern Group

	Increase/(Decrease) UPIS	(Increase)/Decrease Accumulated Depreciation
Superstition	($ 877,585)	$ 235,225
Bisbee	($ 704)	$ 746
Sierra Vista	$ 0	$ 0
San Manuel	$ 0	$ 0
Oracle	$ 0	$ 0
Winkelman	($ 66,360)	$ 79,635

Eastern Group (Continued)

	Increase/(Decrease) UPIS	(Increase)/Decrease Accumulated Depreciation
Miami	($ 279,237)	$ 76,321

Western Group

	Increase/(Decrease) UPIS	(Increase)/Decrease Accumulated Depreciation
Casa Grande	($ 896,925)	$ 676,446
Stanfield	($ 42,641)	$ 17,077
White Tank	($ 36,008)	$ 27,491
Ajo	$ 0	$ 0
Coolidge	($ 856,324)	$ 46,188

Northern Group

	Increase/(Decrease) UPIS	(Increase)/Decrease Accumulated Depreciation
Lakeside	($ 313,824)	$ 207,265
Overgaard	$ 0	$ 0
Sedona	($ 1,392,903)	$ 926,106
Pinewood	($ 13,512)	$ 10,674
Rimrock	($ 62,097)	$ 60,312

These adjustments are on Schedule TJC-2 and WAR-2. The supporting detail is on Schedules TJC-3, WAR-3.

RUCO Rate Base Adjustment #4 – Remove Other Post Test Year Plant

Q. Please explain RUCO's adjustment that removes other post test year plant from rate base.

A. This adjustment removes post test year plant from rate base that is either not serving current ratepayers or is not federally or state mandated such as arsenic and nitrate removal treatment plant.

Q. When does RUCO believe that the recognition of post test year plant is appropriate?

A. Generally, RUCO does not believe that post test year plant should ever be recognized in a historical test year setting for rate making. Post test year plant is normally mismatched with the revenues, expenses, and the other rate base elements of the test year chosen by the Company. If post test year plant is recognized, RUCO believes the following items should also be recognized on a *post test year* basis:

1) Plant Retirements,
2) Plant Adjustments,
3) Accumulated Depreciation,
4) Advances in Aid of Construction,
5) Contributions in Aid of Construction,
6) Deferred Income Taxes,
7) Regulatory Assets and Liabilities,
8) Revenues, and;

9) Expenses.

Matching is a fundamental principle of accounting and ratemaking. The absence of matching distorts the meaning of and reduces the usefulness of the rate of return and operating income in determining the fairness and reasonableness of rates established in a rate proceeding.

Q. You mentioned earlier that some of the post test plant requested in the Company's rate application is still not in service today, please identify some of those plant items that RUCO refers to.

A. The Carroll Canyon well located in Sedona is currently not in service, a portion of a waterline relocation project in Sedona is not yet in service, an electrical panel located in Pinewood is also not in service.

Q. What adjustments were necessary for RUCO to remove the post test year plant items identified in RUCO rate base adjustment #4?

A. The following adjustments were necessary to the Sedona and Pinewood rate bases for plant items identified in adjustment #4:

Northern Group

	Increase/(Decrease) UPIS	(Increase)/Decrease Accumulated Depreciation
Sedona	($ 2,011,576)	$ 21,940
Pinewood	($ 40,553)	$ 1,191

Those adjustments are shown on Schedules WAR-2 and the supporting details are on Schedules WAR-3.

RUCO Rate Base Adjustment #5 – Remove Post Test Year HWY 179 Improvement

Q. Please explain your adjustment that removes 35 percent of the costs associated with a post test year plant project in the Northern Group's Sedona System.

A. The adjustment removes 35 percent of the costs associated with a post test year improvement project that involved the relocation of transmission mains for an Arizona Department of Transportation ("ADOT") highway project in Sedona. RUCO's adjustment can be viewed on Schedule WAR-3, in the direct testimony of RUCO witness William A. Rigsby.

Q. Why has RUCO only removed 35 percent of the costs associated with the project?

A. RUCO's decision to remove 35 percent of the costs associated with the project was based on information provided by the Company in response to an ACC Staff informal data request dated May 13, 2009. The Company responded that the project is 65 percent complete.

Q. What is the effect of RUCO's adjustment on the Company's plant in service account and associated accumulated depreciation for the Sedona System?

A. RUCO's adjustment reduces the Sedona System's plant in service account balance by $661,738. RUCO has also made a corresponding adjustment, which reduces the accumulated depreciation associated with the HWY 179 project by $5,923.

Q. Has RUCO also accounted for the removal of 35 percent of the HWY 179 project in its pro forma depreciation expense?

A. Yes. The effect of RUCO's adjustment is accounted for in the level of depreciation expense that RUCO is recommending for the Sedona System (Schedule WAR-11).

RUCO Rate Base Adjustment #6 – Working Capital

Q. Please explain the concept of cash working capital.

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

Q. Is RUCO proposing a cash working capital requirement adjustment in this case?

A. Yes. RUCO proposes cash working capital requirement adjustments that decrease the working capital requirement for each system. These adjustments are shown on Schedules TJC and WAR-6, page 1, with the details of the lead/lag studies on Schedules TJC and WAR-6, page 2.

Q. Did AWC file a lead/lag study supporting its requested cash working capital requirements in this case?

A. Yes.

Q. Did RUCO make any adjustments to the Company's lead/lag study?

A. Yes. However, RUCO developed and utilized its own lead/lag study in determining its required cash working capital adjustment.

Q. Does RUCO agree with the Company's revenue lag days?

A. Yes. The revenue lag days are comparable to RUCO's calculation using customer bills.

Q. Does RUCO agree with the Company's expense lag days?

A. RUCO does not agree with all of the Company's expense lags. However, RUCO does agree with the majority of the Company's expense lag days.

Q. Which expense lag days did RUCO differ with?

A. RUCO adjusted the expense lag days for the expense accounts to the following days:

		Company Lag Days	RUCO Lag Days
1.	Purchased Power	30.87	35.92
2.	Purchased Water	(0.11)	Varies[1]
3.	Chemicals	(18.11)	20.43
4.	Other O & M Expenses	(9.27)	30.00

Q. How did RUCO determine its lag days for those expenses?

A. The purchased power expense lag days are the same that was used in the Company's last rate case for the Western Group. For purchased water, RUCO analyzed the test year invoices in each system for those expenses at the Company's office in Phoenix. The same analysis was done for chemical expense lag days, which are comparable to other analyses RUCO has performed for other water companies in the past. Other operating and maintenance expense lag days were calculated at the Company's Phoenix office. The majority of those invoices indicated terms of net 30 days for an expense lag.

...

[1] The number of purchased water lag days is dependent on the system.

Q. What other element of expenses did RUCO adjust in its lead/lag study?

A. RUCO made some operating expense adjustments that are reflected in RUCO's recommended lead/lag expense levels. In addition, RUCO removed rate case expense from other operating and maintenance expenses. Rate case expense is a going forward non-cash expense just as depreciation and amortization expense. That expense is a nonrecurring cash expense once the Commission authorizes rates in this case.

Q. Did RUCO make any adjustments to the operating income elements in the lead/lag study?

A. Yes.

Q. Please describe the adjustments RUCO made to the operating income lead/lag elements.

A. RUCO's made some rate base adjustments that are reflected in its recommended level of rate base to synchronize interest. RUCO reduced the Company's cost of equity component to zero.

...

Q. Shouldn't the cost of common equity be included in a lead/lag study?

A. No. In AWC's lead/lag study, the Company treats the common equity as if AWC compensates stockholders on a daily basis. Normally, the fact is that compensation is received by stockholders in two forms; i.e., through quarterly dividend payments, if any, or upon the sale of the stock. If one were to measure the actual delay in the cash outlay by the utility to stockholders, one would refer to the quarterly dividend payments that are being paid and not simply assume a zero lag as the Company has done. But, because there is no contractual requirement for AWC to pay fixed quarterly dividends to stockholders, the cost of common equity should not be included in the cash working capital measurement in the first place.

Q. What is RUCO's rationale for including the interest expense in the lead/lag study?

A. Unlike the quarterly dividend payments, there are contractual requirements associated with AWC's debt issuances that obligate the Company to make fixed interest payments on certain dates. In this respect, debt interest more closely resembles AWC's other cash operating expenses. Thus, the payment lead for AWC's interest expense should be separately recognized in the lead/lag calculation as the Commission has recognized in numerous cases. Typically, long-term debt interest is paid semi-annually, creating a 91.25-day expense lead.

Q. Did the Company utilize the 91.25-day lead in calculating its interest expense for cash working capital?

A. Yes.

Q. What adjustments to cash working capital are necessary when taking all of RUCO's adjustments to the Company's lead/lag study into consideration?

A. The following adjustments are necessary when taking all of RUCO's adjustments to the Company's lead/lag study into consideration:

Eastern Group			
Superstition	($ 535,541)	Bisbee	($ 46,375)
Sierra Vista	($ 31,875)	San Manuel	($ 43,131)
Oracle	($ 29,950)	Winkleman	($ 3,007)
Miami	($ 66,910)		
Western Group			
Casa Grande	($ 372,867)	Stanfield	($ 13,366)
White Tank	($ 95,854)	Ajo	($ 28,274)
Coolidge	($ 52,375)		
Northern Group			
Lakeside	($ 72,041)	Overgaard	($ 81,957)
Sedona	($ 223,231)	Pinewood	($ 30,858)
Rimrock	($ 41,710)		

OTHER RATE BASE ISSUES

Q. Does RUCO have any other rate base issues it would like to address?

A. Yes.

Q. Please discuss the other rate base issues RUCO would like to address at this time.

A. The Company uses a flat Gross Revenue Conversion Factor ("GRCF") across all systems. For instance, under RUCO's recommended revenue requirement, the Winkleman System has an operating income of $30,087, which is subject to federal and state income tax. The effective federal income tax rate is 15 percent not the 34 percent rate that the Company uses to gross up the operating income deficiency. That unfairly penalizes the ratepayers in Winkleman by overburdening the ratepayers with an amount of tax they neither incurred nor should legally shoulder.

Q. What impact does the Company's method of calculating the GRCF have on the Winkleman System?

A. Using a GRCF assuming a 34 percent federal income tax rate as the Company does increases the operating income by 30 percent alone. RUCO recommends the Commission reject such a proposal. The ratepayers of Winkleman and some of the other smaller systems do not have a 34 percent tax liability but a lower tax liability as the tax brackets indicate.

Q. Does your silence on any of the issues, matters or findings addressed in the Company's testimony constitute your acceptance of its positions on such issues, matters or findings?

A. No, it does not.

Q. Does this conclude your testimony?

A. Yes, it does.

APPENDIX 1

Qualifications of Timothy J. Coley

WORK HISTORY

July 2000 – Present: **RESIDENTIAL UTILITY CONSUMER OFFICE,** Phoenix, Arizona
Public Utilities Analyst V. The Residential Utility Consumer Office (RUCO) is a consumer advocate group providing residential consumers a voice in utility regulation and backed by a professional staff with legal and financial expertise. Responsibilities include: audited, reviewed and analyzed public utility companies various filings; prepared written testimony, schedules, financial statements, and spreadsheet models and analyses. Testified and stand cross-examination before the Arizona Corporation Commission.

January 2000 - April 2000: **JACKSON HEWITT TAX SERVICE,** Phoenix, Arizona
Tax Preparer. Interviewed clients, determined tax situation, and explained how the tax laws benefited them in their specific situation. Ensured that each customer received every deduction that they were entitled. Prepared individual and business income tax returns, which best utilized each specific situation that minimized their tax obligations.

May 1998 - November 1999: **BENEFITS CONSULTING,** Cypress, Texas
Consultant Assistant. The consulting firm specialized in alleged medical claim charges brought against the government of Harris County in Houston, Texas. Assisted in the review, examination, and analysis of the attested charges. Determined if the purported medical claim charges were prudent, customary, and reasonable for the alleged sustained injuries. The firm analyzed cases for both the County's Risk Department and Attorneys Office.

January 1992 - April 1998: **PHOENIX SERVICES,** Villa Rica, Georgia
Owner. Provided landscaping services primarily in a high growth gated community where the Property Owners' Association approved mandated ordinances to be strictly adhered and abided by. Coordinated and supervised all aspects of projects from inception to completion, from master planning to site design to installation.

May 1989 - October 1991: **GEORGIA PUBLIC SERVICE COMMISSION,** Atlanta, GA
Senior Auditor. The Public Service Commission (PSC) was responsible for regulating many intrastate telecommunications, electric, and gas utility industries operating in Georgia. It was the PSC's job to ensure that consumers received adequate and reliable service at reasonable rates. It must also assure the utility companies and investors an opportunity to earn a fair rate of return on prudent investments. The Commission participated significantly in Georgia's economic health and growth. I was promoted to the PSC's Electric/Gas Division where I examined, verified, and analyzed various financial documents, accounting records, reports, ledgers, and statements. In addition, I was assigned to automate the PSC's Electric Division where I utilized a computer application process that I had developed earlier while with the (PSC) Telecommunication Division. I was later ascribed to work in conjunction with the Engineering Department and established a procedure to track and compare costs of operation and maintenance (O&M) expenses of nuclear electric generating plants. This effort determined a comparative price per kilowatt-hour produced that influenced the awareness for the company to control the O&M costs, which benefited the consumer through lower prices.

- Developed computer application system that streamlined audit procedures by 30 – 40%.
- Various other schedules were implemented to track, maintain, and control costs.

GEORGIA PUBLIC SERVICE COMMISSION (continued)

November 1986 - April 1989: **Georgia Public Service Commission,** Atlanta, Georgia **Auditor.** Regulated telecommunications and also oversaw the deregulation process that was currently under way in that industry. Examined and analyzed accounting records to determine financial status of companies and prepared financial reports concerning audit findings. Reviewed data including payroll, time sheets, purchase vouchers, cash receipt ledgers, financial reports, and disbursements. Verified statewide telephone company transaction classifications and documentation.

- Developed computer application utilizing Lotus to completely automate and streamline the entire telecommunication audit process. The results saved 25% in field audit time and produced a product of professional appearance.
- Created, coordinated, and implemented "Operational Project Training" automated procedure-training program. Trained and supervised staff of five auditors.
- Computerized "Desk Audit Analysis" program that identified 11 independent telephone companies in the state of over-earning and resulted in $4.1M annual savings to the Georgia ratepayers affected.

October 1985 - October 1986: **Georgia Public Service Commission,** Atlanta, Georgia **Junior Auditor.** Assisted in planning and performing telecommunication audit engagements. Examined financial records, internal management control, correspondence, bills, and records of services delivered in order to verify or recommend compliance with company specifications contained in contracts, agreements, regulations, and/or laws.

- As a special project, I was assigned to analyze the results of a survey designed to evaluate "Interest in Organizing a Multi-State Nuclear Management Review Group" by the Director of Utilities. Wrote the draft and findings for the speech that was presented to all participatory commissions.

PROFESSIONAL MEMBERSHIPS

- Elected Member of the National Honor Society for Public Affairs and Administration.
- Active Member of Delta Sigma Pi - Professional Business Fraternity.

SPECIAL TRAINING AND CERTIFICATES

- The Graduate School of Business Administration - Michigan State University; completed the Annual Regulatory Studies Program of the National Association of Regulatory Utility Commissioners.
- Completed Graduate Exit Paper on "Deregulation of the Electric Industry".
- Attended Eastern Utility Rate School in 2000 and 2005.

EDUCATION

- Currently enrolled at Arizona State University - West in the Post Baccalaureate Graduate Certificate Program in Accountancy with two courses remaining.
- Master of Public Administration, State University of West Georgia, 1997, GPA 3.5.
- BS Business Management & Administration, Minor in Economics, Sorrel School of Business, Troy State University, 1985.
- AA Business Administration, Miles Community College, 1981.

RESUME OF PUBLIC UTILITY RATE CASES & AUDITS PARTICIPATION

Residential Utility Consumer Office For Years 2000 To Present

Arizona-American Water Company – Docket No. WS-01303A-05-0405

Arizona Public Service Co. – Docket No. E-01345A-03-0437

Tucson Electric Power Company – Docket No. E-01933A-04-0408

UniSource Merger – Docket No. E-04230A-03-0933

Arizona-American Water Company – Docket No. WS-01303A-02-0867

Arizona Water Company (Eastern Group) – Docket No. W01445A-02-0619

Litchfield Park Service Company – Docket Nos. W-01427A-01-0487 & SW-01428A-01-0487

Arizona Water Company (Northern Group) – Docket No. W-01445A-00-0962

Rio Verde Utilities, Inc. – Docket Nos. W-02156A-00-0321 & SW-02156A-00-0323

Arizona-American Water Company (Paradise Valley) – Docket Nos. W-01303A-05-0405 & W-01303A-05-0910

Arizona-American Water Company (Mohave District) – Docket No. WS-01303A-06-0014

Arizona-American Water Company (Sun City & Sun Cit West Wastewater) – Docket No. WS-01303A-06-0491

Arizona-American Water Company - Docket No. W-01303A-07-0209

Chaparral City Water Company – Docket No. W-02113A-07-0551

Arizona-American Water Company - Docket No. W-01303A-08-0227 et. al.

Georgia Public Service Commission For Years 1985 – 1991

Atlanta Gas Light Company

Georgia Power Company

Atlanta Gas Light Company (Management Audit)

Georgia Power Company

Trenton Telephone Company

Fairmount Telephone Company

Ellijay Telephone Company

GTE, Inc.

ALL-TEL Telephone Company

Citizens Utilities Co.

Ball Ground Telephone Company

Lanett Telephone Company

Brantley Telephone Company

Blue Ridge Telephone Company

Waverly Hall Telephone Company

St. Marys Telephone Company

Darien Telephone Company

Statesboro Telephone Company

Statesboro Telephone Co-op

Wilkes Telephone Company

ARIZONA WATER COMPNAY

W-01445A-08-0440

EASTERN OPERATING GROUP

Superstition

Bisbee

Sierra Vista

San Manuel

Oracle

Winkelman

Miami

ARIZONA WATER COMPNAY

W-01445A-08-0440

Superstition System

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

Superstition System

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TJC-4 DIRECT PLANT	1 TO 7	RATE BASE ADJUSTMENT NO. 1 - PLANT & ACCUMULATED DEPRECIATION RECONCILIATION ADJUSTMENT
TJC-4 PHOENIX OFFICE	1 TO 5	RATE BASE ADJUSTMENT NO. 1 - PLANT & ACCUMULATED DEPRECIATION RECONCILIATION ADJUSTMENT
TJC-4 METER SHOP	1 TO 5	RATE BASE ADJUSTMENT NO. 1 - PLANT & ACCUMULATED DEPRECIATION RECONCILIATION ADJUSTMENT
TJC-5	1	RATE BASE ADJUSTMENT NO. 2 - REMOVE POST TEST-YEAR PLANT FOR PHOENIX OFFICE
TESTIMONY		RATE BASE ADJUSTMENT NO. 3 - REMOVE PLANT AND RETIREMENTS INCLUDED IN RATE APPLICATION
		RATE BASE ADJUSTMENT NO. 4 - INTENTIONALLY LEFT BLANK
		RATE BASE ADJUSTMENT NO. 5 - INTENTIONALLY LEFT BLANK
TJC-6	1 & 2	RATE BASE ADJUSTMENT NO. 6 - WORKING CAPITAL AND LEAD/LAG STUDY
TJC-7	1	OPERATING INCOME
TJC-8	1	SUMMARY OF OPERATING INCOME ADJUSTMENTS
TJC-9	1 OF 3	OPERATING INCOME ADJUSTMENT NO. 1 - PAYROLL EXPENSE
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TJC-12	1	OPERATING INCOME ADJUSTMENT NO. 8 - PROPERTY TAX COMPUTATION
TJC-13	1	OPERATING INCOME ADJUSTMENT NO. 9 - RATE CASE EXPENSE
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TJC-15	1	COST OF CAPITAL

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	$ 43,424,545	$ 42,201,371
2	Adjusted Operating Income (Loss)	$ 1,850,403	$ 1,968,683
3	Current Rate of Return (L2 / L1)	4.26%	4.66%
4	Required Operating Income (L5 X L1)	$ 4,261,800	$ 3,295,243
5	Required Rate of Return on Fair Value Rate Base	9.81%	7.81%
6	Operating Income Deficiency (L4 - L2)	$ 2,411,397	$ 1,326,560
7	Gross Revenue Conversion Factor (TJC-1, Page 2)	1.6286	1.6286
8	Required Increase in Gross Revenue Requirement (L7 X L6)	$ 3,927,284	$ 2,160,482
9	Adjusted Test Year Revenue	$ 11,939,904	$ 11,939,904
10	Proposed Annual Revenue (L8 + L9)	$ 15,867,189	$ 14,100,386
11	Required Percentage Increase in Revenue (L8 / L9)	32.89%	18.09%
12	Consolidated Revenue Adjustment (Superstition/Miami)	$ 937,341	$ -
13	Required Increase in Gross Revenue Under Company Proposed Consolidation	$ 4,864,542	$ 2,160,482
14	Required Revenue Under Company Proposed Consolidation	$ 16,804,800	$ 14,100,386
15	Required Percentage Increase in Revenue Under Company Proposed Consolidation	40.74%	18.09%
16	Rate of Return on Common Equity	12.40%	8.33%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule TJC-2, TJC-7, and TJC-13

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Combined Federal And State Tax Rate (L10)	0.3860			
3	Subtotal (L1 - L2)	0.6140			
4	**Revenue Conversion Factor** (L1 / L3)	**1.6286**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	34.0000%			
9	Effective Federal Income Tax Rate (L7 X L8)	31.6309%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	38.5989%			
11	Required Operating Income (Sch. TJC-1, Pg 1, C (B), L4)	$ 3,295,243			
12	Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Pg 1, C (B), L2)	1,968,683			
13	Required Increase In Operating Income (L11 - L12)		$ 1,326,560		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 1,087,559			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	253,637			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ 833,922		
17	Total Required Increase In Revenue (L13 + L16)		$ 2,160,482		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. TJC-1, Pg 1, Col. (B), L12)			$ 14,100,386	
19	Operating Expense Excluding Income Tax (TJC-7, Col. (E), L27 - L22 - L23)			9,717,585	
20	Synchronized Interest (Col. (C), L37)			1,565,211	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 2,817,591	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 196,330
24	Fed. Taxable Income (L21 - L23)			$ 2,621,261	
25	Fed. Tax on 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax on 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			$ 6,250	
27	Fed. Tax on 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			$ 8,500	
28	Fed. Tax on 4th Inc. Bracket ($100,001 - $335,000) @ 39%			$ 91,650	
29	Fed. Tax on 5th Inc. Bracket ($335,001 - $10M) @ 34%			$ 777,329	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 891,229
31	Combined Federal and State Income Tax (L23 + L30)				$ 1,087,559
32	Test Year Combined Income Tax, RUCO as Adjusted (TJC-7, Col. (C), L22 + L23)				$ 253,637
33	RUCO Adjustment (L31 - L32) (See TJC-6, Col. (D), L23)				$ 833,922
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				34.00%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. WAR-2, Col. (C), L17)			$ 42,201,371	
36	Weighted Avg. Cost of Debt (Sch. TJC-16, Col. (F), L1)			3.71%	
37	Synchronized Interest (L35 X L36)			$ 1,565,211	

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

Superstition System
Schedule TJC-2
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RATE BASE - ORIGINAL COST

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) RUCO OCRB/FVRB ADJUSTMENTS	(C) RUCO ADJ'TED OCRB/FVRB
	Plant Classification			
1	Intangible Plant	$ 12,555	$ 1	$ 12,556
2	Source of Supply Plant	5,528,785	(801,061)	4,727,724
3	Pumping Plant	7,692,391	(59,595)	7,632,796
4	Water Treatment Plant	6,885,736	(3,057)	6,882,679
5	Transmission & Distribution Plant	68,915,456	(502)	68,914,955
6	General Plant	4,555,508	(37,031)	4,518,478
7	Total Gross Plant in Service	$ 93,590,431	$ (901,245)	$ 92,689,186
8	Accumulated Depreciation	(17,724,938)	213,611	(17,511,326)
9	Net Utility Plant In Service (Sum L1 & L2)	$ 75,865,493	$ (687,633)	$ 75,177,860
10	Advances In Aid Of Const.	$ (18,952,520)	$ -	$ (18,952,520)
11	Contribution In Aid Of Const.	$ (10,888,555)	$ -	$ (10,888,555)
12	Accumulated Amortization Of CIAC	1,733,417	-	1,733,417
13	NET CIAC (L5 + L6)	$ (9,155,138)	$ -	$ (9,155,138)
14	Deferred Income Tax	$ (4,779,751)	$ -	$ (4,779,751)
15	Allowance For Working Capital	$ 446,461	$ (535,541)	$ (89,081)
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -
17	Rounding	$ -	$ -	$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 43,424,545	$ (1,223,175)	$ 42,201,371

References:
Column (A): Company Schedule B-1
Column (B): Schedule RLM-3
Column (C): Column (A) + Column (B)

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SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) ADJMT NO. 1 PLANT & ACCUM DEP.	(C) ADJMT NO. 2 REMOVE PTY PLANT	(D) ADJMT NO. 3 PER BKB 11.16	(E) ADJMT NO. 4	(F) ADJMT NO. 5	(G) ADJMT NO. 6 WORKING CAPITAL	(H) RUCO ADJ'TED OCRB/FVRB
	Plant Classification								
1	Intangible Plant	$ 12,555	$ 1	$ -	$ -	$ -	$ -	$ -	$ 12,556
2	Source of Supply Plant	5,528,785	(8)	-	(801,053)	-	-	-	4,727,724
3	Pumping Plant	7,692,391	6,292	-	(65,887)	-	-	-	7,632,796
4	Water Treatment Plant	6,885,736	(0)	-	(3,057)	-	-	-	6,882,679
5	Transmission & Distribution Plant	68,915,456	(2)	-	(500)	-	-	-	68,914,955
6	General Plant	4,555,508	(1)	(29,942)	(7,088)	-	-	-	4,518,478
7	Total Gross Plant in Service	$ 93,590,431	$ 6,282	$ (29,942)	$ (877,585)	$ -	$ -	$ -	$ 92,689,186
8	Accumulated Depreciation	$ (17,724,938)	(22,612)	999	235,225	-	-	-	(17,511,326)
9	Net Utility Plant In Service (Sum L1 & L2)	$ 75,865,493	$ (16,330)	$ (28,944)	$ (642,360)	$ -	$ -	$ -	$ 75,177,860
10	Advances In Aid Of Const.	$ (18,952,520)	$ -	$ -	$ -	$ -	$ -	$ -	$ (18,952,520)
11	Contribution In Aid Of Const.	$ (10,888,555)	$ -	$ -	$ -	$ -	$ -	$ -	$ (10,888,555)
12	Accumulated Amortization Of CIAC	1,733,417	-	-	-	-	-	-	1,733,417
13	NET CIAC (L5 + L6)	$ (9,155,138)	$ -	$ -	$ -	$ -	$ -	$ -	$ (9,155,138)
14	Deferred Income Tax	$ (4,779,751)	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,779,751)
15	Allowance For Working Capital	$ 446,461	$ -	$ -	$ -	$ -	$ -	$ (535,541)	$ (89,081)
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	Rounding	$ -							$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 43,424,545	$ (16,330)	$ (28,944)	$ (642,360)	$ -	$ -	$ (535,541)	$ 42,201,371

References:
Column (A): Company Schedule B-2
Column (B): Adjustment No. 1 - Adjust Test-Year Plant, PTY Plant & Accumulated Depreciation (See TJC-4 Total, TJC-4 Direct, TJC-4 PHX OFF and TJC-4 MS Schedules and TJC Testimony)
Column (C): Adjustment No. 2 - To Remove Post Test Year Phoenix Office Plant and Accum. Depre.
Column (D): Adjustment No. 3 - Conforming Adkustment Per Data Response to BKB 11.16 to Remove Plant and Record Retirements
Column (E): Adjustment No. 4 - Intentionally Left Blank
Column (F): Adjustment No. 5 - Intentionally Left Blank
Column (G): Adjustment No. 6 - Working Capital
Column (H): Sum Of Columns (A), (B), (C), (D), (E), (F) & (G)

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	(C) 12/31/2001 Per Decision No. 66849	(D) ADJ-1 Remove Post Test Year Plant	(E) Plant Balance 12/31/2001
1	301	Organization	0.00%	0.00%	$ -	$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111	5,644	-	5,644
3	303	Other Intangibles	See Acct. 111	See Acct. 111	-	-	-
4	310.1	Water Rights	0.00%	0.00%	137,965	-	137,965
5	310.3	Other Source of Supply Land	0.00%	0.00%	63,190	-	63,190
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-	-	-
7	314	Wells	2.59%	3.13%	2,642,831	-	2,642,831
8	320	Pumping Plant Land	0.00%	0.00%	14,187	-	14,187
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	91,526	-	91,526
10	325	Electtric Pumping Equipment	2.59%	5.88%	3,051,746	-	3,051,746
11	328	Gas Engine Equipment	2.59%	4.00%	-	-	-
12	330	Water Treatment Plant Land	0.00%	0.00%	-	-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	17,821	-	17,821
14	332	Water Treatment Equipment	2.59%	2.86%	250,198	-	250,198
15	340	Transmission and Distribution Land	0.00%	0.00%	185,773	-	185,773
16	342	Storage Tanks	2.59%	2.00%	3,935,713	-	3,935,713
17	343	Transmission & Distribution Mains	2.59%	1.79%	30,318,265	-	30,318,265
18	344	Fire Sprinkler Taps	2.59%	2.00%	360,748	-	360,748
19	345	Services	2.59%	2.38%	7,950,113	-	7,950,113
20	346	Meters	2.59%	4.55%	1,360,478	-	1,360,478
21	348	Hydrants	2.59%	1.82%	2,527,219	-	2,527,219
22	389	General Plant Land	0.00%	0.00%	47,015	-	47,015
23	390	General Plant Structures	2.59%	2.50%	429,882	-	429,882
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	165,979	-	165,979
25	391	Office Furniture & Equipment	2.59%	6.67%	233,941	-	233,941
26	393	Warehouse Equipment	2.59%	5.00%	3,528	-	3,528
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	187,477	-	187,477
28	395	Laboratory Equipment	2.59%	5.00%	12,433	-	12,433
29	396	Power Operated Equipment	2.59%	6.67%	35,709	-	35,709
30	397	Communication Equipment	2.59%	6.67%	733,769	-	733,769
31	398	Miscellaneous Equipment	2.59%	3.33%	35,332	-	35,332
32		**TOTAL DIRECT WATER PLANT**			$ 54,798,482	$ -	$ 54,798,482
33		Post Test Year Plant (PTYP)			1,459,122	(1,459,122)	-
34		**RUCO Total Water Plant In Service**			$ 56,257,604	$ (1,459,122)	$ 54,798,482
35							
36		**Company Direct Plant As Filed**					
37							
38		**RUCO Direct Plant Adjustment**					
39							
40		Reserve Deficiency Accrual - Decision No. 38733					
41							
42		Net (Salvage)/Cost of Removal					
43		Accumulated Depreciation			$ (9,681,966)		$ (9,681,966)
44		Accumulated Depreciation - PTYP			(1,367,524.00)	1,367,524.00	-
45		RUCO Total Accumulated Depreciation - Calculated			$ (11,049,490)		$ (9,681,966)
46							
47		Company As Filed - Accumulated Depreciation			(11,049,490)	-	(9,651,742)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ (30,224)
49							
50		**RUCO Net Adjustment**					
51							
52							
53							

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2002 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2002
1	301	Organization	0.00%	0.00%	$ -	$ -	$ -	$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111	-	-	-	168	5,644
3	303	Other Intangibles	See Acct. 111	See Acct. 111	-	-	-	-	-
4	310.1	Water Rights	0.00%	0.00%	18,525	-	-	-	156,490
5	310.3	Other Source of Supply Land	0.00%	0.00%	-	-	-	-	63,190
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-	-	-	-	-
7	314	Wells	2.59%	3.13%	594,081	(24,552)	-	75,825	3,212,360
8	320	Pumping Plant Land	0.00%	0.00%	-	-	-	-	14,187
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	7,066	-	-	2,462	98,592
10	325	Electtric Pumping Equipment	2.59%	5.88%	403,301	(72,208)	-	83,328	3,382,839
11	328	Gas Engine Equipment	2.59%	4.00%	-	-	-	-	-
12	330	Water Treatment Plant Land	0.00%	0.00%	-	-	-	-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	-	-	-	462	17,821
14	332	Water Treatment Equipment	2.59%	2.86%	10,147	(26,754)	-	6,265	233,591
15	340	Transmission and Distribution Land	0.00%	0.00%	-	-	-	-	185,773
16	342	Storage Tanks	2.59%	2.00%	45,793	-	-	102,528	3,981,506
17	343	Transmission & Distribution Mains	2.59%	1.79%	1,374,833	(99,119)	(914)	801,752	31,593,065
18	344	Fire Sprinkler Taps	2.59%	2.00%	14,968	-	-	9,537	375,716
19	345	Services	2.59%	2.38%	748,923	(10,527)	-	215,470	8,688,509
20	346	Meters	2.59%	4.55%	112,121	(8,645)	-	36,576	1,463,954
21	348	Hydrants	2.59%	1.82%	148,909	(12,421)	-	67,222	2,663,707
22	389	General Plant Land	0.00%	0.00%	-	-	-	-	47,015
23	390	General Plant Structures	2.59%	2.50%	26,799	(69)	-	11,480	456,612
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	-	-	-	6,804	165,979
25	391	Office Furniture & Equipment	2.59%	6.67%	13,060	-	-	6,228	247,001
26	393	Warehouse Equipment	2.59%	5.00%	846	-	-	102	4,374
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	15,506	(2,265)	-	5,027	200,718
28	395	Laboratory Equipment	2.59%	5.00%	1,845	-	-	346	14,278
29	396	Power Operated Equipment	2.59%	6.67%	-	-	-	925	35,709
30	397	Communication Equipment	2.59%	6.67%	6,618	-	-	19,090	740,387
31	398	Miscellaneous Equipment	2.59%	3.33%	-	(1,041)	-	902	34,291
32		**TOTAL DIRECT WATER PLANT**			$ 3,543,340	$ (257,601)	$ (914)	$ 1,452,500	$ 58,083,307
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 3,543,340	$ (257,601)	$ (914)	$ 1,452,500	$ 58,083,307
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ (605)	
41									
42		Net (Salvage)/Cost of Removal						(2,345)	
43		Accumulated Depreciation						(10,879,815)	$ (10,879,815)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(10,879,815)	$ (10,879,815)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	(10,850,481)	(10,850,481)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (29,334)	$ (29,334)
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2003 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2003
1	301	Organization	0.00%	0.00%	$ -	$ -	$ -	$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111	-	-	-	168	5,644
3	303	Other Intangibles	See Acct. 111	See Acct. 111	-	-	-	-	-
4	310.1	Water Rights	0.00%	0.00%	29,599	-	-	-	186,089
5	310.3	Other Source of Supply Land	0.00%	0.00%	-	-	-	-	63,190
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-	-	-	-	-
7	314	Wells	2.59%	3.13%	199	-	-	83,203	3,212,559
8	320	Pumping Plant Land	0.00%	0.00%	-	-	-	-	14,187
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	3,757	-	-	2,602	102,349
10	325	Electtric Pumping Equipment	2.59%	5.88%	73,495	(4,479)	-	88,509	3,451,855
11	328	Gas Engine Equipment	2.59%	4.00%	-	-	-	-	-
12	330	Water Treatment Plant Land	0.00%	0.00%	-	-	-	-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	-	-	-	462	17,821
14	332	Water Treatment Equipment	2.59%	2.86%	-	(1,520)	-	6,030	232,071
15	340	Transmission and Distribution Land	0.00%	0.00%	-	-	-	-	185,773
16	342	Storage Tanks	2.59%	2.00%	-	-	-	103,121	3,981,506
17	343	Transmission & Distribution Mains	2.59%	1.79%	1,383,387	(147,961)	(55,861)	833,536	32,772,630
18	344	Fire Sprinkler Taps	2.59%	2.00%	27,284	-	-	10,084	403,000
19	345	Services	2.59%	2.38%	657,331	(12,263)	-	233,386	9,333,577
20	346	Meters	2.59%	4.55%	73,103	(9,540)	-	38,740	1,527,516
21	348	Hydrants	2.59%	1.82%	135,297	(8,351)	-	70,634	2,790,653
22	389	General Plant Land	0.00%	0.00%	-	-	-	-	47,015
23	390	General Plant Structures	2.59%	2.50%	77,235	-	-	12,826	533,848
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	-	-	-	6,804	165,979
25	391	Office Furniture & Equipment	2.59%	6.67%	17,556	-	-	6,625	264,557
26	393	Warehouse Equipment	2.59%	5.00%	-	(205)	-	111	4,169
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	13,479	(41)	-	5,373	214,156
28	395	Laboratory Equipment	2.59%	5.00%	7,395	-	-	466	21,673
29	396	Power Operated Equipment	2.59%	6.67%	44	-	-	925	35,753
30	397	Communication Equipment	2.59%	6.67%	35,167	-	-	19,631	775,554
31	398	Miscellaneous Equipment	2.59%	3.33%	-	-	-	888	34,291
32		**TOTAL DIRECT WATER PLANT**			$ 2,534,327	$ (184,360)	$ (55,861)	$ 1,524,124	$ 60,377,413
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 2,534,327	$ (184,360)	$ (55,861)	$ 1,524,124	$ 60,377,413
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ (605)	
41									
42		Net (Salvage)/Cost of Removal						11,507	
43		Accumulated Depreciation						(12,208,676)	$ (12,208,676)
44		Accumulated Depreciation - PTYP						-	$ -
45		RUCO Total Accumulated Depreciation - Calculated						(12,208,676)	$ (12,208,676)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	(12,191,476)	(12,191,476)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (17,200)	$ (17,200)
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
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60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2004
1	301	Organization	0.00%	0.00%	$ -	$ -	$ -	$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111	-	-	-	168	5,644
3	303	Other Intangibles	See Acct. 111	See Acct. 111	4,630	-	-	-	4,630
4	310.1	Water Rights	0.00%	0.00%	16,126	-	-	-	202,215
5	310.3	Other Source of Supply Land	0.00%	0.00%	-	-	-	-	63,190
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-	-	-	-	-
7	314	Wells	2.59%	3.13%	5,389	-	-	96,297	3,217,948
8	320	Pumping Plant Land	0.00%	0.00%	-	-	-	-	14,187
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	15,384	-	-	3,073	117,733
10	325	Electtric Pumping Equipment	2.59%	5.88%	1,135,006	(37,734)	-	202,325	4,549,127
11	328	Gas Engine Equipment	2.59%	4.00%	-	-	-	-	-
12	330	Water Treatment Plant Land	0.00%	0.00%	-	-	-	-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	-	-	-	450	17,821
14	332	Water Treatment Equipment	2.59%	2.86%	1,419	(1,517)	-	6,479	231,973
15	340	Transmission and Distribution Land	0.00%	0.00%	-	-	-	-	185,773
16	342	Storage Tanks	2.59%	2.00%	14,918	-	-	85,663	3,996,423
17	343	Transmission & Distribution Mains	2.59%	1.79%	1,952,853	(20,556)	(30,612)	671,097	34,674,315
18	344	Fire Sprinkler Taps	2.59%	2.00%	43,084	-	-	9,117	446,084
19	345	Services	2.59%	2.38%	453,193	(12,308)	-	232,402	9,774,462
20	346	Meters	2.59%	4.55%	52,830	(5,084)	-	62,986	1,575,262
21	348	Hydrants	2.59%	1.82%	78,073	(3,270)	-	56,915	2,865,455
22	389	General Plant Land	0.00%	0.00%	-	-	-	-	47,015
23	390	General Plant Structures	2.59%	2.50%	28,348	-	-	13,824	562,196
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	645,207	-	-	23,558	811,186
25	391	Office Furniture & Equipment	2.59%	6.67%	17,805	(536)	-	15,435	281,826
26	393	Warehouse Equipment	2.59%	5.00%	-	-	-	183	4,169
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	15,951	(3,373)	-	8,041	226,734
28	395	Laboratory Equipment	2.59%	5.00%	3,756	-	-	1,036	25,428
29	396	Power Operated Equipment	2.59%	6.67%	-	-	-	2,020	35,753
30	397	Communication Equipment	2.59%	6.67%	3,300	(38,342)	-	42,829	740,512
31	398	Miscellaneous Equipment	2.59%	3.33%	5,930	-	-	1,172	40,221
32		**TOTAL DIRECT WATER PLANT**			$ 4,493,201	$ (122,720)	$ (30,612)	$ 1,535,068	$ 64,717,282
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 4,493,201	$ (122,720)	$ (30,612)	$ 1,535,068	$ 64,717,282
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ (605)	
41									
42		Net (Salvage)/Cost of Removal						(552)	
43		Accumulated Depreciation						(13,622,182)	$ (13,622,182)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(13,622,182)	(13,622,182)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	(13,611,278)	(13,611,278)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (10,904)	$ (10,904)
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2005 Additions	2005 Retirements	2005 Adjustments	2005 Depreciation Expense	Balance 12/30/2005
1	301	Organization	0.00%	0.00%	$ -	$ -	$ -	$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				147	5,644
3	303	Other Intangibles	See Acct. 111	See Acct. 111				1,434	4,630
4	310.1	Water Rights	0.00%	0.00%	29,027			-	231,242
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	63,190
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	5,936	(1,565)		100,790	3,222,319
8	320	Pumping Plant Land	0.00%	0.00%				-	14,187
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	24,681	(208)		3,717	142,206
10	325	Electtric Pumping Equipment	2.59%	5.88%	687,101	(410,833)		275,611	4,825,395
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				446	17,821
14	332	Water Treatment Equipment	2.59%	2.86%	560			6,642	232,533
15	340	Transmission and Distribution Land	0.00%	0.00%				-	185,773
16	342	Storage Tanks	2.59%	2.00%	10,144			80,030	4,006,567
17	343	Transmission & Distribution Mains	2.59%	1.79%	2,517,331	(41,541)		642,829	37,150,105
18	344	Fire Sprinkler Taps	2.59%	2.00%	28,463	(6,943)		9,137	467,604
19	345	Services	2.59%	2.38%	520,065	(6,733)		238,741	10,287,794
20	346	Meters	2.59%	4.55%	68,160	(7,903)		73,045	1,635,519
21	348	Hydrants	2.59%	1.82%	100,943	(12,268)		52,958	2,954,130
22	389	General Plant Land	0.00%	0.00%				-	47,015
23	390	General Plant Structures	2.59%	2.50%	19,120			14,294	581,316
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	655			26,821	811,840
25	391	Office Furniture & Equipment	2.59%	6.67%	19,662	(5,053)		19,285	296,435
26	393	Warehouse Equipment	2.59%	5.00%				208	4,169
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	18,680	(1,489)		9,413	243,925
28	395	Laboratory Equipment	2.59%	5.00%	19,428			1,757	44,856
29	396	Power Operated Equipment	2.59%	6.67%		(662)		2,363	35,091
30	397	Communication Equipment	2.59%	6.67%	45,611	(189,236)		44,602	596,887
31	398	Miscellaneous Equipment	2.59%	3.33%	453			1,347	40,675
32		**TOTAL DIRECT WATER PLANT**			$ 4,116,017	$ (684,434)	$ -	$ 1,605,617	$ 68,148,865
33		Post Test Year Plant (PTYP)			-	-		-	-
34		**RUCO Total Water Plant In Service**			$ 4,116,017	$ (684,434)	$ -	$ 1,605,617	$ 68,148,865
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ (605)	
41									
42		Net (Salvage)/Cost of Removal						(77)	
43		Accumulated Depreciation						(14,544,046)	$ (14,544,046)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(14,544,046)	(14,544,046)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	(14,522,561)	(14,522,561)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (21,485)	$ (21,485)
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2006
1	301	Organization	0.00%	0.00%	$ -	$ -	$ -	$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				168	5,644
3	303	Other Intangibles	See Acct. 111	See Acct. 111				1	4,630
4	310.1	Water Rights	0.00%	0.00%	49,378			-	280,620
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	63,190
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	98,058	(2,240)		102,358	3,318,136
8	320	Pumping Plant Land	0.00%	0.00%				-	14,187
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	3,479			4,117	145,685
10	325	Electtric Pumping Equipment	2.59%	5.88%	172,017	(247,662)		281,509	4,749,749
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				446	17,821
14	332	Water Treatment Equipment	2.59%	2.86%	122,204	(79,069)		7,267	275,668
15	340	Transmission and Distribution Land	0.00%	0.00%				-	185,773
16	342	Storage Tanks	2.59%	2.00%	7,530			80,207	4,014,097
17	343	Transmission & Distribution Mains	2.59%	1.79%	651,080	(13,565)		670,693	37,787,619
18	344	Fire Sprinkler Taps	2.59%	2.00%	68,725			10,039	536,329
19	345	Services	2.59%	2.38%	451,153	(9,246)		250,108	10,729,701
20	346	Meters	2.59%	4.55%	71,334	(10,098)		75,809	1,696,755
21	348	Hydrants	2.59%	1.82%	79,790	(4,233)		54,453	3,029,688
22	389	General Plant Land	0.00%	0.00%				-	47,015
23	390	General Plant Structures	2.59%	2.50%	11,831			14,681	593,146
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				27,375	811,840
25	391	Office Furniture & Equipment	2.59%	6.67%	25,152	(1,037)		20,576	320,550
26	393	Warehouse Equipment	2.59%	5.00%	190			213	4,359
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	16,197	(714)		10,067	259,408
28	395	Laboratory Equipment	2.59%	5.00%	5,545			2,381	50,402
29	396	Power Operated Equipment	2.59%	6.67%	1,696			2,397	36,787
30	397	Communication Equipment	2.59%	6.67%	9,625			40,133	606,512
31	398	Miscellaneous Equipment	2.59%	3.33%	1,612			1,381	42,286
32		**TOTAL DIRECT WATER PLANT**			$ 1,846,597	$ (367,864)	$ -	$ 1,656,380	$ 69,627,598
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 1,846,597	$ (367,864)	$ -	$ 1,656,380	$ 69,627,598
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ -	
41									
42		Net (Salvage)/Cost of Removal						(347)	
43		Accumulated Depreciation						(15,832,909)	$ (15,832,909)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(15,832,909)	(15,832,909)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	(15,811,054)	(15,811,054)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (21,855)	$ (21,855)
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2007
1	301	Organization	0.00%	0.00%	$ -	$ -	$ -	$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				168	5,644
3	303	Other Intangibles	See Acct. 111	See Acct. 111				231	4,630
4	310.1	Water Rights	0.00%	0.00%	82,340			-	362,960
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	63,190
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	1,938,781	(153,285)	(1,025)	131,785	5,102,607
8	320	Pumping Plant Land	0.00%	0.00%				-	14,187
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	10,355			4,315	156,041
10	325	Electtric Pumping Equipment	2.59%	5.88%	4,076,772	(74,039)	(1,224,027)	360,979	7,528,455
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				446	17,821
14	332	Water Treatment Equipment	2.59%	2.86%	13,210,571	(6,852)	(6,611,984)	102,146	6,867,403
15	340	Transmission and Distribution Land	0.00%	0.00%				-	185,773
16	342	Storage Tanks	2.59%	2.00%	949,228	(29,819)	(479,655)	84,679	4,453,852
17	343	Transmission & Distribution Mains	2.59%	1.79%	16,367,487	(36,387)	(6,937,969)	760,467	47,180,750
18	344	Fire Sprinkler Taps	2.59%	2.00%	37,343	(3,191)		11,068	570,481
19	345	Services	2.59%	2.38%	810,760	(15,080)	(10,798)	264,707	11,514,583
20	346	Meters	2.59%	4.55%	20,621	(1,337)		77,641	1,716,039
21	348	Hydrants	2.59%	1.82%	302,555	(2,291)	(37,486)	57,532	3,292,465
22	389	General Plant Land	0.00%	0.00%				-	47,015
23	390	General Plant Structures	2.59%	2.50%	141,900	(9,002)		16,490	726,045
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				23,132	811,840
25	391	Office Furniture & Equipment	2.59%	6.67%	26,739	(793)		22,246	346,496
26	393	Warehouse Equipment	2.59%	5.00%	162			222	4,520
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	27,812	(1,475)		10,903	285,745
28	395	Laboratory Equipment	2.59%	5.00%	15,854		(513)	2,904	65,743
29	396	Power Operated Equipment	2.59%	6.67%	(871)			2,425	35,916
30	397	Communication Equipment	2.59%	6.67%	11,622			40,842	618,134
31	398	Miscellaneous Equipment	2.59%	3.33%	6,037			1,509	48,323
32		**TOTAL DIRECT WATER PLANT**			$ 38,036,067	$ (333,551)	$ (15,303,457)	$ 1,976,835	$ 92,026,657
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 38,036,067	$ (333,551)	$ (15,303,457)	$ 1,976,835	$ 92,026,657
35									
36		**Company Direct Plant As Filed**							92,020,375
37									
38		**RUCO Direct Plant Adjustment**							$ 6,282
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ -	
41									
42		Net (Salvage)/Cost of Removal						(534)	
43		Accumulated Depreciation						(17,476,727)	$ (17,476,727)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(17,476,727)	(17,476,727)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	(17,454,502)	(17,454,502)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (22,225)	$ (22,225)
49									
50		**RUCO Net Adjustment**							$ (15,942)
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	2003 Balance 12/31/2003
1	301	Organization	0.00%	651		651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	8,496		8,496
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	-		-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	-		-
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	-		-
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	31,795		31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	1,267,373		1,267,373
25	391	Office Furniture and Equipment	2.59%	3,505,411		3,505,411
26	393	Warehouse Equipment	2.59%	3,705		3,705
27	394	Tools, Shop and Garage Equipment	2.59%	30,450		30,450
28	395	Laboratory Equipment	2.59%	977		977
29	396	Power Operated Equipment	2.59%	-		-
30	397	Communication Equipment	2.59%	143,052		143,052
31	398	Miscellaneous Equipment	2.59%	7,207		7,207
32		**TOTAL PHOENIX OFFICE PLANT**		4,999,117	-	4,999,117
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Phoenix Office**		4,999,117	-	4,999,117
35						
36		**Company Phoenix Office As Filed**		4,999,117		4,999,117
37						
38		RUCO Phoenix Office Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733		-		-
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(503,775)	-	(503,775)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(503,775)	-	(503,775)
46						
47		Company As Filed - Accumulated Depreciation				(503,775)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	48,512			78,228	1,315,885
25	391	Office Furniture and Equipment	2.59%	129,135	(7,465)		92,366	3,627,081
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	24,820			1,110	55,270
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	6,465			3,789	149,517
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		208,932	(7,465)	-	176,624	5,200,584
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,200,584
35								
36		**Company Phoenix Office As Filed**						5,200,584
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(672,934)	(672,934)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(672,934)	(672,934)
46								
47		Company As Filed - Accumulated Depreciation						(672,934)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				89,580	1,315,885
25	391	Office Furniture and Equipment	2.59%	221,339			96,808	3,848,420
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	20,585			1,698	75,855
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	885			3,884	150,402
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		242,809	-	-	193,101	5,443,393
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,443,393
35								
36		**Company Phoenix Office As Filed**						5,443,393
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(866,035)	(866,035)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(866,035)	(866,035)
46								
47		Company As Filed - Accumulated Depreciation						(866,035)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				94,864	1,315,885
25	391	Office Furniture and Equipment	2.59%	369,071			104,454	4,217,491
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	59,519			2,735	135,374
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	1,741			3,918	152,143
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		430,332	-	-	207,102	5,873,725
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,873,725
35								
36		**Company Phoenix Office As Filed**						5,873,725
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,073,138)	(1,073,138)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,073,138)	(1,073,138)
46								
47		Company As Filed - Accumulated Depreciation						(1,073,137)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				425	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	10,463			959	42,258
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	93			86,708	1,315,978
25	391	Office Furniture and Equipment	2.59%	464,535	(243,714)		112,093	4,438,312
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	40,312			4,028	175,686
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	4,089			3,993	156,232
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		519,493	(243,714)	-	208,514	6,149,503
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						6,149,503
35								
36		**Company Phoenix Office As Filed**						6,149,503
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,037,938)	(1,037,938)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,037,938)	(1,037,938)
46								
47		Company As Filed - Accumulated Depreciation						(1,036,382)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1,556)
49								
50		**RUCO Net Adjustment**						(1,556)
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	ADJ-1 Remove Post Test Year Plant	Balance 12/31/2003
1	301	Organization	0.00%	-		-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	80		80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	2,050		2,050
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	6,066		6,066
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	37,472		37,472
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	-		-
25	391	Office Furniture and Equipment	2.59%	3,983		3,983
26	393	Warehouse Equipment	2.59%	1,088		1,088
27	394	Tools, Shop and Garage Equipment	2.59%	58,430		58,430
28	395	Laboratory Equipment	2.59%	2,981		2,981
29	396	Power Operated Equipment	2.59%	1,458		1,458
30	397	Communication Equipment	2.59%	-		-
31	398	Miscellaneous Equipment	2.59%	-		-
32		**TOTAL METER SHOP PLANT**		113,608	-	113,608
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Meter Shop**		113,608	-	113,608
35						
36		**Company Meter Shop As Filed**		113,608		113,608
37						
38		RUCO Meter Shop Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733				
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(30,118)	-	(30,118)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(30,118)	-	(30,118)
46						
47		Company As Filed - Accumulated Depreciation				(30,118)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						
56		Notes				
57		Acct. 302 - Franchises amortized over 25 years.				
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.				
59		Acct. 310.4 - Wells - Other amortized over 24 years.				
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.				

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	12,809			1,136	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	3,166			144	7,149
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	1,575			1,534	60,005
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		17,550	-	-	3,168	131,158
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						131,158
35								
36		**Company Meter Shop As Filed**						131,158
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733						
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(33,286)	(33,286)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(33,286)	(33,286)
46								
47		Company As Filed - Accumulated Depreciation						(33,286)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,302	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	94			186	7,243
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	2,004			1,580	62,009
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		2,097	-	-	3,422	133,256
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						133,256
35								
36		**Company Meter Shop As Filed**						133,256
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(36,708)	(36,708)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(36,708)	(36,708)
46								
47		Company As Filed - Accumulated Depreciation						(36,708)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	2,571			1,336	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	1,610			208	8,853
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	3,115			1,646	65,124
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		7,296	-	-	3,544	140,551
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						140,551
35								
36		**Company Meter Shop As Filed**						140,551
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(40,251)	(40,251)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(40,251)	(40,251)
46								
47		Company As Filed - Accumulated Depreciation						(40,251)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,369	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	1,893			254	10,745
26	393	Warehouse Equipment	2.59%	1,089			42	2,177
27	394	Tools, Shop and Garage Equipment	2.59%	2,298			1,716	67,422
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		5,280	-	-	3,707	145,832
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						145,832
35								
36		**Company Meter Shop As Filed**						145,832
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(43,958)	(43,958)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(43,958)	(43,958)
46								
47		Company As Filed - Accumulated Depreciation						(43,959)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						1
49								
50		**RUCO Net Adjustment**						1
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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EXPLANATION OF RATE BASE ADJUSTMENT NO. 2
POST TEST-YEAR PLANT - PHOENIX OFFICE

LINE NO.	ACCT NO.	ACCOUNT NAME	(A) COMPANY ADJUSTED TY PLANT	(B) POST TY ADDITIONS	(C) 3-FACTOR ALLOCATOR	(D) REMOVE PTY PLANT
1	301	Organization	$ 162	$ -	24.94%	$ -
2	302	Franchises	5,644	-	24.94%	-
3	303	Other Intangibles	6,748	-	24.94%	-
4	310.1	Water Rights	362,960	-	24.94%	-
5	310.3	Other Source of Supply Land	63,210	-	24.94%	-
6	310.4	Wells - Other	-	-	24.94%	-
7	314	Wells	5,096,324	-	24.94%	-
8	320	Pumping Plant Land	14,187	-	24.94%	-
9	321	Pumping Plant Structures & Imprm'ts	156,041	-	24.94%	-
10	325	Electtric Pumping Equipment	7,528,455	-	24.94%	-
11	328	Gas Engine Equipment	-	-	24.94%	-
12	330	Water Treatment Plant Land	-	-	24.94%	-
13	331	Water Treatment Structures & Imprm'ts	17,821	-	24.94%	-
14	332	Water Treatment Equipment	6,867,915	-	24.94%	-
15	340	Transmission and Distribution Land	185,773	-	24.94%	-
16	342	Storage Tanks	4,453,852	-	24.94%	-
17	343	Transmission & Distribution Mains	47,182,263	-	24.94%	-
18	344	Fire Sprinkler Taps	570,481	-	24.94%	-
19	345	Services	11,514,583	-	24.94%	-
20	346	Meters	1,716,039	-	24.94%	-
21	348	Hydrants	3,292,465	-	24.94%	-
22	389	General Plant Land	47,015	-	24.94%	-
23	390	General Plant Structures	749,765	-	24.94%	-
24	390.1	Leasehold Improvements	1,140,045	-	24.94%	-
25	391	Office Furniture & Equipment	1,456,091	120,057	24.94%	29,942
26	393	Warehouse Equipment	5,987	-	24.94%	-
27	394	Tools, Shop & Garage Equipment	346,377	-	24.94%	-
28	395	Laboratory Equipment	66,730	-	24.94%	-
29	396	Power Operated Equipment	36,279	-	24.94%	-
30	397	Communication Equipment	657,099	-	24.94%	-
31	398	Miscellaneous Equipment	50,120	-	24.94%	-
32						
33		**TOTAL PTY WATER PLANT**	$ 93,590,431	$ 120,057		$ 29,942
34		Company As Filed	$ 93,590,431	120,057		29,942
35		Difference	$ -	$ -		$ -
36						
37		RUCO PTY Plant Adjustment				$ (29,942)
38						
39		RUCO PTY Accumulated Depreciation Plant Adjustment				$ 999
40						
41						

42 References:
43 Column (A): Company Schedules B-2
44 Column (B): Post Test Year Phoenix Office Plant Allocation
45 Column (C): 3-Factor Allocator
46 Column (D): Adjustment

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6
ALLOWANCE FOR WORKING CAPITAL

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) REFERENCE
1	Working Cash Requirement As Per Company	$ 172,162	Company Schedule B-5, PG. 1
2	Working Cash Requirement As Per RUCO	(363,379)	RUCO Schedule RLM-5, Page 2
3	Adjustment	$ (535,541)	Line 2 - Line 1
4	Material and Supplies Inventories As Per Company	$ 12,059	Company Schedule B-5, PG. 1
5	Material and Supplies Inventories As Per RUCO	12,059	Company Schedule B-5, PG. 1
6	Adjustment	$ -	Line 5 - Line 4
7	Required Bank Balances As Per Company	$ 128,294	Company Schedule B-5, PG. 1
8	Required Bank Balances As Per RUCO	128,294	Company Schedule B-5, PG. 1
9	Adjustment	$ -	Line 8 - Line 7
10	Prepayments & Special Deposits As Per Company	$ 133,946	Company Schedule B-5, PG. 1
11	Prepayments & Special Deposits As Per RUCO	133,946	Company Schedule B-5, PG. 1
12	Adjustment	$ -	Line 11 - Line 10
13	TOTAL ADJUSTMENT (See RLM-2, Column (K))	$ (535,541)	Sum Lines 3, 6, 9 & 12

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6 - CONT'D
LEAD/LAG DAY SUMMARY

LINE NO.	DESCRIPTION	(A) COMPANY EXPENSES AS FILED	(B) RUCO ADJUSTM'TS	(C) RUCO EXPENSES AS ADJUSTED	(D) (LEAD)/LAG DAYS	(E) DOLLAR DAYS
	Operating Expenses					
1	Purchased Power	$ 1,170,704	$ -	$ 1,170,704	35.92	$ 42,051,700
2	Payroll	2,085,023	(75,504)	2,009,518	14.00	28,133,258
3	Purchased Water	1,019,696	-	1,019,696	46.04	46,946,344
4	Chemicals	136,522	-	136,522	20.43	2,788,666
5	Property & Liability Insurance	74,503	-	74,503	(45.27)	(3,372,742)
6	Workman's Compensation Insurance	37,245	-	37,245	(46.50)	(1,731,871)
7	Health Insurance	508,881	(273)	508,607	(8.92)	(4,536,777)
8	Other Operating & Maintenance Expenses	1,478,516	(41,567)	1,436,949	30.00	43,108,483
9	Federal Current Income Taxes	1,365,782	(474,553)	891,229	37.00	32,975,467
10	State Current Income Taxes	300,869	(104,540)	196,330	37.00	7,264,200
11	FICA Taxes	167,515	(5,642)	161,873	14.00	2,266,221
12	FUTA & SUTA Taxes	4,009	-	4,009	83.10	333,122
13	Property Taxes	815,362	(63,929)	751,433	212.00	159,303,725
14	Registration, Svc. Contracts, & Misc. Fees	137,947	-	137,947	(98.83)	(13,633,332)
15	Retirement Annuities (401k)	167,966	(6,338)	161,628	34.72	5,611,737
16	Subtotal	9,470,539	(772,345)	8,698,193		347,508,201
17	Synchronized Interest	$ 1,610,577	$ (45,366)	$ 1,565,211	91.25	$ 142,825,466
18	Cost of Equity	2,651,223	(2,651,223)	-	-	-
19	Subtotal	$ 4,261,800	$ (2,696,589)	$ 1,565,211		$ 142,825,466
20	Total	$ 13,732,339	$ (3,468,935)	$ 10,263,404		$ 490,333,667

21	Expense Lag	Line 17, Col. (E) / (C)	47.77
22	Revenue Lag	Company B-5 Schedules	34.85
23	Net Lag	Line 18 - Line 17	(12.92)
24	RUCO Adjusted Expenses	Col. (C), Line 16	$ 10,263,404
25	Cash Working Capital	Line 19 X Line 20 / 365 Days	(363,379)
26	Company As Filed	Co. Schedule B-6, Page 1	172,162
27	Difference	Line 21 - Line 22	$ (535,541)
28	ADJUSTMENT	Line 27	$ (535,541)

NOTE: Expense Lag Days Used in the Last Western Group Rate Case.
NOTE: Dependent on System
NOTE: RUCO reviewed several invoices from a number of companies with terms of net 30 days.

References:
Column (A): - Company Schedule B-5
Column (B): RUCO Operating Income Adjustments (See Schedule WAR-7)
Column (C): Column (A) + (B)
Column (D): - Company Schedule B-5
Column (E): Column (C) X Column (D)

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OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJM'TS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
	Operating Revenues					
1	Residential	$ 8,708,171	$ -	$ 8,708,171	$ 1,816,925	$ 10,525,096
2	Commercial	2,125,918	-	2,125,918	279,921	2,405,839
3	Industrial	35,010	-	35,010	1,061	36,070
4	Private Fire Service	8,293	-	8,293	33,132	41,425
5	Other Water Revenues	346,347	-	346,347	29,712	376,059
6	Total Water Revenues	$ 11,223,738	$ -	$ 11,223,738	$ 2,160,751	$ 13,384,489
7	Miscellaneous	$ 716,166	$ -	$ 716,166	$ (269)	$ 715,897
8	Total Operating Revenues	$ 11,939,904	$ -	$ 11,939,904	$ 2,160,482	$ 14,100,386
	Operating Expenses					
	Source of Supply Expenses:					
9	Purchased Water	$ 1,019,696	$ -	$ 1,019,696	$ -	$ 1,019,696
10	Other	48,540	-	48,540	-	48,540
11	Pumping Expenses:					
12	Purchased Power	1,170,704	-	1,170,704	-	1,170,704
13	Purchased Gas	-	-	-	-	-
14	Other	307,004	-	307,004	-	307,004
15	Water Treatment Expenses	389,035	-	389,035	-	389,035
16	Transmission & Distribution Expenses	1,339,694	-	1,339,694	-	1,339,694
17	Customer Accounting Expenses	945,427	-	945,427	-	945,427
18	Sales Expense	5,489	-	5,489	-	5,489
19	Administrative & General Expenses	1,591,413	(98,742)	1,492,671	-	1,492,671
20	Total Operations & Maintenance Expense	$ 6,817,003	$ (98,742)	$ 6,718,261	$ -	$ 6,718,261
21	Depreciation & Amortization Expenses	$ 2,169,209	$ (52,840)	$ 2,116,369	$ -	$ 2,116,369
	Taxes					
22	Federal Income Taxes	$ 123,547	$ 84,302	$ 207,849	$ 683,379	$ 891,229
23	State Income Taxes	27,216	18,571	45,787	150,542	196,330
24	Property Taxes	815,362	(63,929)	751,433	-	751,433
25	Other	137,164	(5,642)	131,522	-	131,522
26	Total Taxes	$ 1,103,289	$ 33,303	$ 1,136,592	$ 833,922	$ 1,970,514
27	Total Operating Expenses	$ 10,089,501	$ (118,280)	$ 9,971,221	$ 833,922	$ 10,805,143
28	Operating Income	$ 1,850,403	$ 118,280	$ 1,968,683	$ 1,326,560	$ 3,295,243

References:
Column (A): Company Schedule C-1
Column (B): TJC-8, Columns (B) Thru (I)
Column (C): Column (A) + Column (B)
Column (D): TJC-1
Column (E): Column (C) + Column (D)

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Schedule TJC-8
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SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJMT NO. 1 LABOR EXPENSE	(C) ADJMT NO. 2 PAYROLL TAX EXPENSE	(D) ADJMT NO. 3 401(K) EXPENSE	(E) ADJMT NO. 4 REVERSE ADJ. FOR CONSERVATION	(F) ADJMT NO. 5 PURCH. POWER REVENUES	(G) ADJMT NO. 6 INSURANCE EXPENSE	(H) ADJMT NO. 7 DEPRECIATION EXPENSE	(I) ADJMT NO. 8 PROPERTY TAX	(J) ADJMT NO. 9 RATE CASE EXPENSE	(K) ADJMT NO. 10 INCOME TAXES	(L) RUCO AS ADJT'D
	Operating Revenues												
1	Residential	$ 8,708,171	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,708,171
2	Commercial	2,125,918	-	-	-	-	-	-	-	-	-	-	2,125,918
3	Industrial	35,010	-	-	-	-	-	-	-	-	-	-	35,010
4	Private Fire Service	8,293	-	-	-	-	-	-	-	-	-	-	8,293
5	Other Water Revenues	346,347	-	-	-	-	-	-	-	-	-	-	346,347
6	Total Water Revenues	$ 11,223,738	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,223,738
7	Miscellaneous	$ 716,166	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 716,166
8	Total Operating Revenues	$ 11,939,904	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,939,904
	Operating Expenses												
	Source of Supply Expenses:												
9	Purchased Water	$ 1,019,696	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,019,696
10	Other	48,540	-	-	-	-	-	-	-	-	-	-	48,540
11	Pumping Expenses:	-	-	-	-	-		-	-	-	-	-	-
12	Purchased Power	1,170,704	-	-	-	-	-	-	-	-	-	-	1,170,704
13	Purchased Gas	-	-	-	-	-	-	-	-	-	-	-	-
14	Other	307,004	-	-	-	-	-	-	-	-	-	-	307,004
15	Water Treatment Expenses	389,035	-	-	-	-	-	-	-	-	-	-	389,035
16	Transmission & Distribution Expenses	1,339,694	-	-	-	-	-	-	-	-	-	-	1,339,694
17	Customer Accounting Expenses	945,427	-	-	-	-	-	-	-	-	-	-	945,427
18	Sales Expense	5,489	-	-	-	-	-	-	-	-	-	-	5,489
19	Administrative & General Expenses	1,591,413	(75,504)	-	(6,338)	-	-	(273)	-	-	(16,627)	-	1,492,671
20	Total Operations & Maintenance Expense	$ 6,817,003	$ (75,504)	$ -	$ (6,338)	$ -	$ -	$ (273)	$ -	$ -	$ (16,627)	$ -	$ 6,718,261
21	Depreciation & Amortization Expenses	$ 2,169,209	$ -	$ -	$ -	$ -	$ -	$ -	$ (52,840)	$ -	$ -	$ -	$ 2,116,369
	Taxes												
22	Federal Income Taxes	$ 123,547	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 84,302	$ 207,849
23	State Income Taxes	27,216	-	-	-	-	-	-	-	-	-	18,571	45,787
24	Property Taxes	815,362	-	-	-	-	-	-	-	(63,929)	-	-	751,433
25	Other	137,164	-	(5,642)	-	-	-	-	-	-	-	-	131,522
26	Total Taxes	$ 1,103,289	$ -	$ (5,642)	$ -	$ -	$ -	$ -	$ -	$ (63,929)	$ -	$ 102,874	$ 1,136,592
27	Total Operating Expenses	$ 10,089,501	$ (75,504)	$ (5,642)	$ (6,338)	$ -	$ -	$ (273)	$ (52,840)	$ (63,929)	$ (16,627)	$ 102,874	$ 9,971,221
28	Operating Income	$ 1,850,403	$ 75,504	$ 5,642	$ 6,338	$ -	$ -	$ 273	$ 52,840	$ 63,929	$ 16,627	$ (102,874)	$ 1,968,683

ADJUSTMENTS:
1 - Labor Expense - Normalize OT Hours in Test Year
2 - Payroll Tax Expense Related to Adjustment 1
3 - 401(K) Expense Related to Adjustment 1
4 - Reverse Adjustment for Conservation
5 - Purchased Power Revenues
6 - Insurance Expense
7 - Depreciation Expense
8 - Property Tax Expense
9 - Rate Case Expense

REFERENCE:
Testimony, WAR And Schedule TJC-9 Page, 1 of 3
Testimony, WAR And Schedule TJC-9 Page, 2 of 3
Testimony, WAR And Schedule TJC-9 Page, 3 of 3
Testimony WAR
Testimony WAR
Testimony, WAR And Schedule TJC-10
Testimony, WAR And Schedule TJC-11
Testimony, WAR And Schedule TJC-12
Testimony, WAR And Schedule TJC-13

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 1
PAYROLL EXPENSE

LINE NO.	DESCRIPTION		(A) PER RUCO DR 1.11.d
1	Normalize Over-Time Over 4 Years:		
2	2005 OT Hours		15,008.5
3	2006 OT Hours		18,080.0
4	2007 OT Hours		28,132.5
5	2008 OT Hours		17,530.0
6			
7	Total OT Hours for 2005 - 2008		78,751.0
8	Divided by 4 Years		4
9			
10	Normalized Level of OT Hours/Yr.		19,687.8
11			
12	OT Hours in Test Year		28,132.5
13			
14	Amount of Abnormal TY OT Hours		8,444.8
15			
16	Multiplied by Average OT Hrly. Rate	**See NOTE**	35.85
17			
18	Total Abnormal OT Dollars in TY		$ 302,744
19			
20	3-Factor Allocator Per District		24.94%
21			
22	RUCO Adjustment		$ (75,504)
23			
24			
25			
26			
27			

28	3-Factor Allocator By District:			
29	Superstition	24.94%	White Tank	2.37%
30	Bisbee	4.98%	Ajo	0.81%
31	Sierra Vista	2.58%	Coolidge	5.27%
32	San Manuel	1.68%	Lakeside	6.20%
33	Oracle	2.28%	Overgaard	3.99%
34	Winkelman	0.22%	Sedona	8.45%
35	Miami	4.98%	Pinewood	2.95%
36	Casa Grande	26.55%	Rimrock	1.48%
37	Stanfield	0.27%		
38				
39				
40				
41				
42	**Calculation Notes:**			
43	Average of Hourly Rate	$ 21.65		
44	OT Hourly Rate 1.5	32.48		

NOTE: The Company calculated the average hourly rate for overtime in response to data request AII-11.6 to be $35.85. RUCO accepts that rate in making its payroll adjustments.

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
PAYROLL TAX EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll Tax Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	24.94%
6		
7	RUCO Allocated Payroll by District	$ 75,504
8		
9	Payroll Tax Expense Allocator By Group:	
10		
11	RUCO Payroll Tax Expense Allocator by Group	7.47%
12		
13	RUCO Payroll Tax Expense Adjustment	$ (5,642)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	7.47%
40	Western Group	11.65%
41	Northern Group	15.90%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
PAYROLL 401(K) EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll 401(K) Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	24.94%
6		
7	RUCO Allocated Payroll by District	$ 75,504
8		
9	Payroll 401(K) Expense Allocator By Group:	
10		
11	RUCO Payroll 401(K) Expense Allocator by Group	8.39%
12		
13	RUCO Payroll 401(K) Expense Adjustment	$ (6,338)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	8.39%
40	Western Group	8.45%
41	Northern Group	8.12%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
INSURANCE EXPENSE

LINE NO.		(A) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER COMPANY	(B) RUCO ADJUSTMENT	(C) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER RUCO
1	System			
2				
3	Eastern Group			
4	Supersition	$ 2,224	$ (273)	$ 1,950
5	Apache Junction			
6	Superior			
7	Bisbee	122	(45)	77
8	Sierra Vista	115	(38)	77
9	San Manuel	5	(20)	(16)
10	Oracle	25	(20)	5
11	Saddlebrook	5	(0)	4
12	Winkelman	0	(2)	(2)
13	Miami	(338)	(40)	(378)
14	Subtotal	$ 2,157	$ (439)	$ 1,718
15				
16	Western Group			
17	Casa Grande	2,137	(298)	1,839
18	Stanfield	20	(3)	17
19	White Tank	148	(22)	126
20	Ajo	58	(9)	49
21	Coolidge	(127)	(62)	(189)
22	Subtotal	$ 2,235	$ (393)	$ 1,842
23				
24	Northern Group			
25	Lakeside	570	(65)	506
26	Overgaard	507	(55)	452
27	Sedona	445	(84)	361
28	Pinewood	199	(38)	162
29	Rimrock	87	(16)	71
30	Subtotal	$ 1,809	$ (257)	$ 1,551
31				
32				
33	Total Company	$ 6,201	$ (1,090)	$ 5,111 (a)

REFERENCE

COLUMN (A): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (B): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (C): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD

NOTES:

(a) CALCULATED AS FOLLOWS:		PER COMPANY	RUCO ADJUSTMENT	PER RUCO	REFERENCE
1	Current Rate per Payroll Dollar	$ 0.0036		$ 0.0036	COMPANY WORKPAPER - "GROUP INSURANCE" TAB LTD
2	Pro Forma Payroll Dollars	$ 11,095,569	$ 302,744	$ 10,792,825	COMPANY WORKPAPER - "GROUP INSURANCE)
3	Pro Forma LTD - Total Company	$ 39,944		$ 38,854	LINE 1 x LINE 2
4	Y/E Number of Customers	$ 83,825		$ 83,825	COMPANY WORKPAPER - "GROUP INSURANCE)
5	Pro Forma 2007 LTD - Spread	$ 38,854		$ 38,854	COMPANY WORKPAPER - "GROUP INSURANCE)
6	Increase / (Decrease)	$ 6,201		$ 5,111	COMPANY WORKPAPER - "GROUP INSURANCE)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCOUNT NO.	ACCOUNT NAME	(A) RUCO PLANT VALUE	(B) COMPANY PROPOSED DEP. RATES	(C) TEST YEAR DEPRECIATION EXPENSE
1	301	Organization	$ 162	0.00%	$ -
2	302	Franchises	5,644	See Acct. 111	168
3	303	Other Intangibles	6,748	See Acct. 111	231
4	310.1	Water Rights	362,960	0.00%	-
5	310.3	Other Source of Supply Land	63,210	0.00%	-
6	310.4	Wells - Other	-	See Acct. 111	-
7	314	Wells	4,301,554	3.13%	134,639
8	320	Pumping Plant Land	14,187	0.00%	-
9	321	Pumping Plant Structures & Imprm'ts	154,868	2.86%	4,429
10	325	Electtric Pumping Equipment	7,463,741	5.88%	438,868
11	328	Gas Engine Equipment	-	4.00%	-
12	330	Water Treatment Plant Land	-	0.00%	-
13	331	Water Treatment Structures & Imprm'ts	17,821	2.50%	446
14	332	Water Treatment Equipment	6,864,858	2.86%	196,335
15	340	Transmission and Distribution Land	185,773	0.00%	-
16	342	Storage Tanks	4,453,352	2.00%	89,067
17	343	Transmission & Distribution Mains	47,182,263	1.79%	844,563
18	344	Fire Sprinkler Taps	570,481	2.00%	11,410
19	345	Services	11,514,583	2.38%	274,047
20	346	Meters	1,716,039	4.55%	78,080
21	348	Hydrants	3,292,465	1.82%	59,923
22	389	General Plant Land	47,015	0.00%	-
23	390	General Plant Structures	749,765	2.50%	18,744
24	390.1	Leasehold Improvements	1,140,045	See Acct. 108.2	23,132
25	391	Office Furniture & Equipment	1,426,149	6.67%	95,124
26	393	Warehouse Equipment	5,987	5.00%	299
27	394	Tools, Shop & Garage Equipment	346,377	4.00%	13,855
28	395	Laboratory Equipment	66,730	5.00%	3,337
29	396	Power Operated Equipment	36,279	6.67%	2,420
30	397	Communication Equipment	650,011	6.67%	43,356
31	398	Miscellaneous Equipment	50,120	3.33%	1,669
32		Rounding	(1)		
33		TEST YEAR GROSS PLANT AND DEPRECIATION EXPENSE	$ 92,689,186		$ 2,334,140
34					
35		AMORTIZATION OF CONTRIBUTIONS	(10,888,555)	2.00%	(217,771)
36		Rounding			-
37	**TOTAL DEPRECIATION EXPENSE**				$ 2,116,369
38					
39	Company As Filed				2,169,209
40	Difference				$ (52,840)
41					
42	RUCO Adjustment (See RLM-8, Column (B))				$ (52,840)
43					
44					

LINE NO.	3-Factor Allocator By District:			
45				
46	Superstition	24.94%	White Tank	2.37%
47	Bisbee	4.98%	Ajo	0.81%
48	Sierra Vista	2.58%	Coolidge	5.27%
49	San Manuel	1.68%	Lakeside	6.20%
50	Oracle	2.28%	Overgaard	3.99%
51	Winkelman	0.22%	Sedona	8.45%
52	Miami	4.98%	Pinewood	2.95%
	Casa Grande	26.55%	Rimrock	1.48%
	Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	REFERENCE	(A)	(B)
	Calculation Of The Company's Full Cash Value:			
	Annual Operating Revenues:			
1	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	$ 11,939,904	
2	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	11,939,904	
3	Proposed Revenues	Sch. TJC-7, Col (E), Ln 8	14,100,386	
4	Total Three Year Operating Revenues	Sum Of Lines 1, 2 & 3	$ 37,980,194	
5	Average Annual Operating Revenues	Line 4 / 3	12,660,065	
6	Two Times Three Year Average Operating Revenues	Line 5 X 2		$ 25,320,129
	ADD:			
	10% Of Construction Work In Progress ("CWIP"):			
7	Test Year CWIP	Company Schedule E	$ 893,005	
8	10% Of CWIP	Line 7 X 10%		$ 89,301
	SUBTRACT:			
	Transportation At Book Value:			
9	Original Cost Of Transportation Equipment	Company Workpapers	$ -	
10	Acc. Dep. Of Transportation Equipment	Company Workpapers	-	
11	Net Book Value Of Transportation Equipment	Line 9 + Line 10		$ (449,021)
12	Company's Full Cash Value ("FCV")	Sum Of Lines 6, 8 & 11		$ 24,960,409
	Calculation Of The Company's Tax Liability:			
	MULTIPLY:			
	FCV X Valuation Assessment Ratio X Property Tax Rates:			
13	Assessment Ratio	House Bill 2779	22.5%	
14	Assessed Value	Line 12 X Line 13	$ 5,616,092	
	Property Tax Rates:			
15	Primary Tax Rate	Company Workpapers	13.38%	
16	Secondary Tax Rate	Company Workpapers	0.00%	
17	Estimated Tax Rate Liability	Line 15 + Line 16	13.38%	
	Property Tax			$ 751,433
	Tax On Parcel			-
18	Company's Total Tax Liability - Based On Full Cash Value	Line 14 X Line 17		$ 751,433
19	Test Year Adjusted Property Tax Expense As Filed	Co. Sch. C-1		815,362
20	Decrease In Property Tax Expense	Line 18 - Line 19		$ (63,929)
21	RUCO Adjustment (See RLM-8, Column (C))	Line 20		$ (63,929)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 9
RATE CASE EXPENSE

LINE NO.	DESCRIPTION	(A) COMPANY ESTIMATE	(B) RUCO ADJUSTMENT	(C) RUCO AS ADJUSTED
1	Rate Case Expense Total	$ 500,000	$ (200,000)	$ 300,000
2	Allocation Factor			24.94%
3	Superstition System (Line 1 X Line 2)			$ 74,820
4	Amortization Period - 3 Years			3
5	RUCO Adjusted Rate Case Expense (Line 3 / 3 Years)			$ 24,940
6	Company Rate Case Expenses As Filed (Company Sch. C-2)			$ 41,567
7	RUCO Pro Forma Rate Case Expense (Lines 5 - 6)			$ (16,627)
8	RUCO Adjustment (Line 7) (See RLM-8, Column (E))			$ (16,627)

3-Factor Allocator By District:

Superstition	24.94%	White Tank	2.37%
Bisbee	4.98%	Ajo	0.81%
Sierra Vista	2.58%	Coolidge	5.27%
San Manuel	1.68%	Lakeside	6.20%
Oracle	2.28%	Overgaard	3.99%
Winkelman	0.22%	Sedona	8.45%
Miami	4.98%	Pinewood	2.95%
Casa Grande	26.55%	Rimrock	1.48%
Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. TJC-7, Column (C), L28 + L22 + L23	$ 2,222,320
	LESS:		
2	Arizona State Tax	Line 11	45,787
3	Interest Expense	Note (A) Line 21	1,565,211
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ 611,322
5	Federal Tax Rate	Sch. TJC-1, Pg 2, Col. (D), L34	34.00%
6	Federal Income Tax Expense	Line 4 X line 5	$ 207,849
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 2,222,320
	LESS:		
8	Interest Expense	Note (A) Line 21	1,565,211
9	State Taxable Income	Line 7 - Line 8	$ 657,109
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ 45,787
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ 207,849
13	State Income Tax Expense	Line 11	45,787
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ 253,637
15	Total Federal Income Tax Expense Per Company (Per Company Sch. C-1, L30)		123,547
16	Total State Income Tax Expense Per Company (Per Company Sch. C-1, L31)		27,216
17	RUCO Federal Income Tax Adjustment	Line 12 - Line 15	$ 84,302
18	RUCO State Income Tax Adjustment	Line 13 - Line 16	$ 18,571

NOTE (A):
Interest Synchronization:

19	Adjusted Rate Base (Sch. TJC-2, Col. (H), L17)	$ 42,201,371
20	Weighted Cost Of Debt (Sch. TJC-16 Col. (F), L1)	3.71%
21	Interest Expense (L18 X L19)	$ 1,565,211

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) DOLLAR AMOUNT	(B) CAPITAL RATIO	(C) COST RATE	(D) WEIGHTED COST RATE
1	Long-Term Debt	$ 75,000,000	50.76%	7.31%	3.71%
2	Common Equity	72,744,646	49.24%	8.33%	4.10%
3	Total Capitalization	$ 147,744,646	100.00%		
4	WEIGHTED AVERAGE COST OF CAPITAL				7.81%

References:
Columns (A) Thru (D): Testimony, WAR

ARIZONA WATER COMPNAY

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Bisbee System

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Bisbee System

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TJC-4 PHOENIX OFFICE	1 TO 5	RATE BASE ADJUSTMENT NO. 1 - PLANT & ACCUMULATED DEPRECIATION RECONCILIATION ADJUSTMENT
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TJC-15	1	COST OF CAPITAL

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Schedule TJC-1
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REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	$ 4,660,984	$ 4,604,287
2	Adjusted Operating Income (Loss)	$ 168,796	$ 190,607
3	Current Rate of Return (L2 / L1)	3.62%	4.14%
4	Required Operating Income (L5 X L1)	$ 457,441	$ 359,520
5	Required Rate of Return on Fair Value Rate Base	9.81%	7.81%
6	Operating Income Deficiency (L4 - L2)	$ 288,646	$ 168,913
7	Gross Revenue Conversion Factor (TJC-1, Page 2)	1.6286	1.6058
8	Required Increase in Gross Revenue Requirement (L7 X L6)	$ 470,098	$ 271,233
9	Adjusted Test Year Revenue	$ 1,723,475	$ 1,723,475
10	Proposed Annual Revenue (L8 + L9)	$ 2,193,573	$ 1,994,707
11	Required Percentage Increase in Revenue (L8 / L9)	27.28%	15.74%
12	Consolidated Revenue Adjustment (Bisbee/Sierra Vista)	$ (106,651)	$ -
13	Required Increase in Gross Revenue Under Company Proposed Consolidation	$ 363,319	$ -
14	Required Revenue Under Company Proposed Consolidation	$ 2,086,472	$ -
15	Required Percentage Increase in Revenue Under Company Proposed Consolidation	21.08%	-
16	Rate of Return on Common Equity	12.40%	8.33%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule TJC-2, TJC-7, and TJC-13

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Combined Federal And State Tax Rate (L10)	0.3772			
3	Subtotal (L1 - L2)	0.6228			
4	**Revenue Conversion Factor** (L1 / L3)	**1.6058**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	33.0596%			
9	Effective Federal Income Tax Rate (L7 X L8)	30.7560%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	37.7240%			
11	Required Operating Income (Sch. TJC-1, Pg 1, C (B), L4)	$ 359,520			
12	Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Pg 1, C (B), L2)	190,607			
13	Required Increase In Operating Income (L11 - L12)		$ 168,913		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 114,337			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	12,017			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ 102,320		
17	Total Required Increase In Revenue (L13 + L16)		$ 271,233		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. TJC-1, Pg 1, Col. (B), L12)			$ 1,994,707	
19	Operating Expense Excluding Income Tax (TJC-7, Col. (E), L27 - L22 - L23)			1,520,850	
20	Synchronized Interest (Col. (C), L37)			170,769	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 303,089	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 21,119
24	Fed. Taxable Income (L21 - L23)			$ 281,969	
25	Fed. Tax on 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax on 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			$ 6,250	
27	Fed. Tax on 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			$ 8,500	
28	Fed. Tax on 4th Inc. Bracket ($100,001 - $335,000) @ 39%			$ 70,968	
29	Fed. Tax on 5th Inc. Bracket ($335,001 - $10M) @ 34%			$ -	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 93,218
31	Combined Federal and State Income Tax (L23 + L30)				$ 114,337
32	Test Year Combined Income Tax, RUCO as Adjusted (TJC-7, Col. (C), L22 + L23)				$ 12,017
33	RUCO Adjustment (L31 - L32) (See TJC-6, Col. (D), L23)				$ 102,320
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				33.06%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. WAR-2, Col. (C), L17)			$ 4,604,287	
36	Weighted Avg. Cost of Debt (Sch. TJC-16, Col. (F), L1)			3.71%	
37	Synchronized Interest (L35 X L36)			$ 170,769	

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RATE BASE - ORIGINAL COST

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) RUCO OCRB/FVRB ADJUSTMENTS	(C) RUCO ADJ'TED OCRB/FVRB
	Plant Classification			
1	Intangible Plant	$ 43,332	$ -	$ 43,332
2	Source of Supply Plant	849,846	-	849,846
3	Pumping Plant	889,639	6,328	895,967
4	Water Treatment Plant	46,503	-	46,503
5	Transmission & Distribution Plant	7,664,743	-	7,664,743
6	General Plant	820,594	(6,683)	813,912
7	Total Gross Plant in Service	$ 10,314,658	$ (355)	$ 10,314,303
8	Accumulated Depreciation	(4,218,432)	(9,968)	(4,228,399)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 6,096,226	$ (10,323)	$ 6,085,903
10	Advances in Aid Of Const.	$ (258,981)	$ -	$ (258,981)
11	Contribution in Aid of Const.	$ (452,659)	$ -	$ (452,659)
12	Accumulated Amortization of CIAC	106,681	-	106,681
13	NET CIAC (L5 + L6)	$ (345,978)	$ -	$ (345,978)
14	Deferred Income Tax	$ (954,417)	$ -	$ (954,417)
15	Allowance for Working Capital	$ 124,134	$ (46,375)	$ 77,759
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -
17	Rounding	$ -	$ -	$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 4,660,984	$ (56,697)	$ 4,604,287

References:
Column (A): Company Schedule B-1
Column (B): Schedule TJC-3
Column (C): Column (A) + Column (B)

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SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) ADJMT NO. 1 PLANT & ACCUM DEP.	(C) ADJMT NO. 2 REMOVE PTY PLANT	(D) ADJMT NO. 3 PER BKB 11.16	(E) ADJMT NO. 4	(F) ADJMT NO. 5	(G) ADJMT NO. 6 WORKING CAPITAL	(H) RUCO ADJ'TED OCRB/FVRB
	Plant Classification								
1	Intangible Plant	$ 43,332	$ -	$ -	$ -	$ -	$ -	$ -	$ 43,332
2	Source of Supply Plant	849,846	-	-	-	-	-	-	849,846
3	Pumping Plant	889,639	6,328	-	-	-	-	-	895,967
4	Water Treatment Plant	46,503	-	-	-	-	-	-	46,503
5	Transmission & Distribution Plant	7,664,743	-	-	-	-	-	-	7,664,743
6	General Plant	820,594	-	(5,979)	(704)	-	-	-	813,912
7	Total Gross Plant in Service	$ 10,314,658	$ 6,328	$ (5,979)	$ (704)	$ -	$ -	$ -	$ 10,314,303
8	Accumulated Depreciation	(4,218,432)	(10,913)	199	746	-	-	-	(4,228,399)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 6,096,226	$ (4,585)	$ (5,779)	$ 42	$ -	$ -	$ -	$ 6,085,903
10	Advances in Aid Of Const.	$ (258,981)	$ -	$ -	$ -	$ -	$ -	$ -	$ (258,981)
11	Contribution in Aid of Const.	$ (452,659)	$ -	$ -	$ -	$ -	$ -	$ -	$ (452,659)
12	Accumulated Amortization of CIAC	106,681	-	-	-	-	-	-	106,681
13	NET CIAC (L5 + L6)	$ (345,978)	$ -	$ -	$ -	$ -	$ -	$ -	$ (345,978)
14	Deferred Income Tax	$ (954,417)	$ -	$ -	$ -	$ -	$ -	$ -	$ (954,417)
15	Allowance for Working Capital	$ 124,134	$ -	$ -	$ -	$ -	$ -	$ (46,375)	$ 77,759
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	Rounding	$ -							$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 4,660,984	$ (4,585)	$ (5,779)	$ 42	$ -	$ -	$ (46,375)	$ 4,604,287

References:
Column (A): Company Schedule B-2
Column (B): Adjustment No. 1 - Adjust Test-Year Plant, PTY Plant & Accumulated Depreciation (See TJC-4 Total, TJC-4 Direct, TJC-4 PHX OFF and TJC-4 MS Schedules and TJC Testimony)
Column (C): Adjustment No. 2 - To Remove Post Test Year Phoenix Office Plant and Accum. Depre.
Column (D): Adjustment No. 3 - Conforming Adkustment Per Data Response to BKB 11.16 to Remove Plant and Record Retirements
Column (E): Adjustment No. 4 - Intentionally Left Blank
Column (F): Adjustment No. 5 - Intentionally Left Blank
Column (G): Adjustment No. 6 - Working Capital
Column (H): Sum Of Columns (A), (B), (C), (D), (E), (F) & (G)

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

Bisbee System
Schedule TJC-4 - Direct Plant

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	(C) 12/31/2001 Per Decision No. 66849	(D) ADJ-1 Remove Post Test Year Plant	(E) Plant Balance 12/31/2001
1	301	Organization	0.00%	0.00%	-	-	$ -
2	302	Franchises	See Acct. 111	See Acct. 111	-		-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	-		-
4	310.1	Water Rights	0.00%	0.00%	5,294		5,294
5	310.3	Other Source of Supply Land	0.00%	0.00%	4,033		4,033
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-		-
7	314	Wells	2.59%	3.13%	48,766		48,766
8	320	Pumping Plant Land	0.00%	0.00%	7,054		7,054
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	26,509		26,509
10	325	Electtric Pumping Equipment	2.59%	5.88%	519,733		519,733
11	328	Gas Engine Equipment	2.59%	4.00%	164,220		164,220
12	330	Water Treatment Plant Land	0.00%	0.00%	-		-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	31,930		31,930
14	332	Water Treatment Equipment	2.59%	2.86%	38,243		38,243
15	340	Transmission and Distribution Land	0.00%	0.00%	5,044		5,044
16	342	Storage Tanks	2.59%	2.00%	353,044		353,044
17	343	Transmission & Distribution Mains	2.59%	1.79%	3,965,590		3,965,590
18	344	Fire Sprinkler Taps	2.59%	2.00%	29,546		29,546
19	345	Services	2.59%	2.38%	817,067		817,067
20	346	Meters	2.59%	4.55%	211,876		211,876
21	348	Hydrants	2.59%	1.82%	193,556		193,556
22	389	General Plant Land	0.00%	0.00%	-		-
23	390	General Plant Structures	2.59%	2.50%	16,438		16,438
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	8,058		8,058
25	391	Office Furniture & Equipment	2.59%	6.67%	79,855		79,855
26	393	Warehouse Equipment	2.59%	5.00%	-		-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	37,681		37,681
28	395	Laboratory Equipment	2.59%	5.00%	543		543
29	396	Power Operated Equipment	2.59%	6.67%	15,583		15,583
30	397	Communication Equipment	2.59%	6.67%	242,999		242,999
31	398	Miscellaneous Equipment	2.59%	3.33%	20,062		20,062
32		**TOTAL DIRECT WATER PLANT**			$ 6,842,724	$ -	$ 6,842,724
33		Post Test Year Plant (PTYP)			783,155	(783,155)	-
34		**RUCO Total Water Plant In Service**			$ 7,625,879	$ (783,155)	$ 6,842,724
35							
36		**Company Direct Plant As Filed**					
37							
38		**RUCO Direct Plant Adjustment**					
39							
40		Reserve Deficiency Accrual - Decision No. 38733					
41							
42		Net (Salvage)/Cost of Removal					
43		Accumulated Depreciation			(3,063,962)		$ (3,063,962)
44		Accumulated Depreciation - PTYP			(169,015)	169,015.00	-
45		RUCO Total Accumulated Depreciation - Calculated			$ (3,232,977)		$ (3,063,962)
46							
47		Company As Filed - Accumulated Depreciation			-	-	(3,071,420)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ (3,232,977)	$ -	$ 7,458
49							
50		**RUCO Net Adjustment**					
51							
52							

53 References:
54 Column (A): Approved Depreciation Rate From Decision No. 58120
55 Columns (B): Approved Depreciation Rate From Decision No. 66849
56 Acct. 302 - Franchises amortized over 25 years.
57 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
58 Acct. 310.4 - Wells - Other amortized over 24 years.
59 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
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Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2002 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2002
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	-
4	310.1	Water Rights	0.00%	0.00%	3,564			-	8,858
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	4,033
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	486,276			7,560	535,042
8	320	Pumping Plant Land	0.00%	0.00%				-	7,054
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	7,028			778	33,537
10	325	Electtric Pumping Equipment	2.59%	5.88%	131,452	(10,501)		15,027	640,684
11	328	Gas Engine Equipment	2.59%	4.00%				4,253	164,220
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				827	31,930
14	332	Water Treatment Equipment	2.59%	2.86%	2,328			1,021	40,571
15	340	Transmission and Distribution Land	0.00%	0.00%				-	5,044
16	342	Storage Tanks	2.59%	2.00%	1,716			9,166	354,760
17	343	Transmission & Distribution Mains	2.59%	1.79%	124,632	(2,933)	(250)	104,282	4,087,039
18	344	Fire Sprinkler Taps	2.59%	2.00%				765	29,546
19	345	Services	2.59%	2.38%	30,667	(3,106)		21,519	844,628
20	346	Meters	2.59%	4.55%	1,871	(758)		5,502	212,989
21	348	Hydrants	2.59%	1.82%	6,643			5,099	200,199
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				426	16,438
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				780	8,058
25	391	Office Furniture & Equipment	2.59%	6.67%	5,854			2,144	85,709
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	5,936			1,053	43,617
28	395	Laboratory Equipment	2.59%	5.00%				14	543
29	396	Power Operated Equipment	2.59%	6.67%				404	15,583
30	397	Communication Equipment	2.59%	6.67%	2,234	(2,965)		6,284	242,268
31	398	Miscellaneous Equipment	2.59%	3.33%	720			529	20,782
32		**TOTAL DIRECT WATER PLANT**			$ 810,922	$ (20,263)	$ (250)	$ 187,433	$ 7,633,133
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 810,922	$ (20,263)	$ (250)	$ 187,433	$ 7,633,133
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(1,288)	
41									
42		Net (Salvage)/Cost of Removal						1,224	
43		Accumulated Depreciation						(3,231,195)	$ (3,231,195)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(3,231,195)	$ (3,231,195)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(3,239,889)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (3,231,195)	$ 8,694
49									
50		**RUCO Net Adjustment**							
51									
52									

53 References:
54 Column (A): Approved Depreciation Rate From Decision No. 58120
55 Columns (B): Approved Depreciation Rate From Decision No. 66849
56 Acct. 302 - Franchises amortized over 25 years.
57 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
58 Acct. 310.4 - Wells - Other amortized over 24 years.
59 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2003 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2003
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	-
4	310.1	Water Rights	0.00%	0.00%	5,810			-	14,668
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	4,033
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	1,098			13,872	536,140
8	320	Pumping Plant Land	0.00%	0.00%				-	7,054
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				869	33,537
10	325	Electtric Pumping Equipment	2.59%	5.88%	11,655	(45,504)		16,155	606,835
11	328	Gas Engine Equipment	2.59%	4.00%				4,253	164,220
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				827	31,930
14	332	Water Treatment Equipment	2.59%	2.86%	3,167			1,092	43,738
15	340	Transmission and Distribution Land	0.00%	0.00%				-	5,044
16	342	Storage Tanks	2.59%	2.00%	13,465	(50)		9,362	368,174
17	343	Transmission & Distribution Mains	2.59%	1.79%	103,726	(2,868)		107,160	4,187,897
18	344	Fire Sprinkler Taps	2.59%	2.00%				765	29,546
19	345	Services	2.59%	2.38%	42,193	(2,919)		22,384	883,902
20	346	Meters	2.59%	4.55%		(776)		5,506	212,213
21	348	Hydrants	2.59%	1.82%	108	(19)		5,186	200,287
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				426	16,438
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				9,036	8,058
25	391	Office Furniture & Equipment	2.59%	6.67%	924			2,232	86,634
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%				1,130	43,617
28	395	Laboratory Equipment	2.59%	5.00%				14	543
29	396	Power Operated Equipment	2.59%	6.67%				404	15,583
30	397	Communication Equipment	2.59%	6.67%	15,341			6,473	257,610
31	398	Miscellaneous Equipment	2.59%	3.33%				538	20,782
32		**TOTAL DIRECT WATER PLANT**			$ 197,486	$ (52,136)	$ -	$ 207,685	$ 7,778,483
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 197,486	$ (52,136)	$ -	$ 207,685	$ 7,778,483
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(1,288)	
41									
42		Net (Salvage)/Cost of Removal						99	
43		Accumulated Depreciation						(3,387,933)	$ (3,387,933)
44		Accumulated Depreciation - PTYP						-	$ -
45		RUCO Total Accumulated Depreciation - Calculated						(3,387,933)	$ (3,387,933)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(3,387,427)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (3,387,933)	$ (506)
49									
50		**RUCO Net Adjustment**							
51									
52									

53 References:
54 Column (A): Approved Depreciation Rate From Decision No. 58120
55 Columns (B): Approved Depreciation Rate From Decision No. 66849
56 Acct. 302 - Franchises amortized over 25 years.
57 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
58 Acct. 310.4 - Wells - Other amortized over 24 years.
59 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
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Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2004
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	24,122			-	24,122
4	310.1	Water Rights	0.00%	0.00%	3,189			-	17,857
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	4,033
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	1,677			16,082	537,817
8	320	Pumping Plant Land	0.00%	0.00%				-	7,054
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				937	33,537
10	325	Electtric Pumping Equipment	2.59%	5.88%	50,248	(5,033)		31,834	652,050
11	328	Gas Engine Equipment	2.59%	4.00%				5,990	164,220
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				805	31,930
14	332	Water Treatment Equipment	2.59%	2.86%				1,221	43,738
15	340	Transmission and Distribution Land	0.00%	0.00%				-	5,044
16	342	Storage Tanks	2.59%	2.00%	36			7,907	368,210
17	343	Transmission & Distribution Mains	2.59%	1.79%	72,275	(518)		84,053	4,259,654
18	344	Fire Sprinkler Taps	2.59%	2.00%				635	29,546
19	345	Services	2.59%	2.38%	55,669	(4,057)		22,129	935,513
20	346	Meters	2.59%	4.55%	2,455	(557)		8,654	214,111
21	348	Hydrants	2.59%	1.82%	2,508			4,056	202,795
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				415	16,438
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				9,036	8,058
25	391	Office Furniture & Equipment	2.59%	6.67%	1,528			4,938	88,162
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	5,758			1,696	49,375
28	395	Laboratory Equipment	2.59%	5.00%				24	543
29	396	Power Operated Equipment	2.59%	6.67%				880	15,583
30	397	Communication Equipment	2.59%	6.67%	7,243			14,760	264,852
31	398	Miscellaneous Equipment	2.59%	3.33%	2,568			694	23,350
32		**TOTAL DIRECT WATER PLANT**			$ 229,275	$ (10,165)	$ -	$ 216,746	$ 7,997,592
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 229,275	$ (10,165)	$ -	$ 216,746	$ 7,997,592
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(1,288)	
41									
42		Net (Salvage)/Cost of Removal						(824)	
43		Accumulated Depreciation						(3,596,626)	$ (3,596,626)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(3,596,626)	(3,596,626)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(3,585,895)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (3,596,626)	$ (10,731)
49									
50		**RUCO Net Adjustment**							
51									
52									

53 References:
54 Column (A): Approved Depreciation Rate From Decision No. 58120
55 Columns (B): Approved Depreciation Rate From Decision No. 66849
56 Acct. 302 - Franchises amortized over 25 years.
57 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
58 Acct. 310.4 - Wells - Other amortized over 24 years.
59 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2005
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111	16,644			-	16,644
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	24,122
4	310.1	Water Rights	0.00%	0.00%	53,758			-	71,615
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	4,033
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	617			16,843	538,434
8	320	Pumping Plant Land	0.00%	0.00%				-	7,054
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				959	33,537
10	325	Electtric Pumping Equipment	2.59%	5.88%	12,160	(3,113)		38,606	661,096
11	328	Gas Engine Equipment	2.59%	4.00%				6,569	164,220
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				798	31,930
14	332	Water Treatment Equipment	2.59%	2.86%				1,251	43,738
15	340	Transmission and Distribution Land	0.00%	0.00%				-	5,044
16	342	Storage Tanks	2.59%	2.00%	1,528	(458)		7,375	369,280
17	343	Transmission & Distribution Mains	2.59%	1.79%	109,735	(4,495)		77,190	4,364,894
18	344	Fire Sprinkler Taps	2.59%	2.00%	20,364			795	49,910
19	345	Services	2.59%	2.38%	75,766	(4,012)		23,119	1,007,267
20	346	Meters	2.59%	4.55%	5,306	(626)		9,849	218,791
21	348	Hydrants	2.59%	1.82%	3,775			3,725	206,570
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				411	16,438
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	8,058
25	391	Office Furniture & Equipment	2.59%	6.67%	8,571	(73)		6,164	96,659
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	3,851			2,052	53,226
28	395	Laboratory Equipment	2.59%	5.00%				27	543
29	396	Power Operated Equipment	2.59%	6.67%	976			1,072	16,559
30	397	Communication Equipment	2.59%	6.67%	519			17,683	265,371
31	398	Miscellaneous Equipment	2.59%	3.33%				778	23,350
32		**TOTAL DIRECT WATER PLANT**			$ 313,569	$ (12,777)	$ -	$ 215,265	$ 8,298,384
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 313,569	$ (12,777)	$ -	$ 215,265	$ 8,298,384
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(1,288)	
41								-	
42		Net (Salvage)/Cost of Removal						(3,800,402)	$ (3,800,402)
43		Accumulated Depreciation						-	-
44		Accumulated Depreciation - PTYP						(3,800,402)	(3,800,402)
45		RUCO Total Accumulated Depreciation - Calculated							
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(3,790,311)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (3,800,402)	$ (10,091)
49									
50		**RUCO Net Adjustment**							
51									
52									

53 References:
54 Column (A): Approved Depreciation Rate From Decision No. 58120
55 Columns (B): Approved Depreciation Rate From Decision No. 66849
56 Acct. 302 - Franchises amortized over 25 years.
57 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
58 Acct. 310.4 - Wells - Other amortized over 24 years.
59 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2006
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111	2,110			188	18,754
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	24,122
4	310.1	Water Rights	0.00%	0.00%	189,433			-	261,048
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	4,033
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				16,853	538,434
8	320	Pumping Plant Land	0.00%	0.00%				-	7,054
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				959	33,537
10	325	Electtric Pumping Equipment	2.59%	5.88%	63,421	(42,573)		39,485	681,945
11	328	Gas Engine Equipment	2.59%	4.00%	7,665			6,722	171,885
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%		(30,478)		417	1,452
14	332	Water Treatment Equipment	2.59%	2.86%	1,211			1,268	44,949
15	340	Transmission and Distribution Land	0.00%	0.00%				-	5,044
16	342	Storage Tanks	2.59%	2.00%				7,386	369,280
17	343	Transmission & Distribution Mains	2.59%	1.79%	606,360	(4,969)		83,514	4,966,285
18	344	Fire Sprinkler Taps	2.59%	2.00%	5,171			1,050	55,080
19	345	Services	2.59%	2.38%	197,999	(3,155)		26,292	1,202,112
20	346	Meters	2.59%	4.55%	3,241	(537)		10,016	221,494
21	348	Hydrants	2.59%	1.82%	59,742	(1,992)		4,285	264,320
22	389	General Plant Land	0.00%	0.00%	1,872			-	1,872
23	390	General Plant Structures	2.59%	2.50%				411	16,438
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	176			-	8,234
25	391	Office Furniture & Equipment	2.59%	6.67%	1,940			6,512	98,599
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	5,080			2,231	58,306
28	395	Laboratory Equipment	2.59%	5.00%				27	543
29	396	Power Operated Equipment	2.59%	6.67%				1,104	16,559
30	397	Communication Equipment	2.59%	6.67%	5,776			17,893	271,147
31	398	Miscellaneous Equipment	2.59%	3.33%				778	23,350
32		**TOTAL DIRECT WATER PLANT**			$ 1,151,196	$ (83,704)	$ -	$ 227,391	$ 9,365,876
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 1,151,196	$ (83,704)	$ -	$ 227,391	$ 9,365,876
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						(1,126)	
43		Accumulated Depreciation						(3,945,216)	$ (3,945,216)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(3,945,216)	(3,945,216)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(3,934,752)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (3,945,216)	$ (10,464)
49									
50		**RUCO Net Adjustment**							
51									
52									

53 References:
54 Column (A): Approved Depreciation Rate From Decision No. 58120
55 Columns (B): Approved Depreciation Rate From Decision No. 66849
56 Acct. 302 - Franchises amortized over 25 years.
57 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
58 Acct. 310.4 - Wells - Other amortized over 24 years.
59 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2007
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				750	18,754
3	303	Other Intangibles	See Acct. 111	See Acct. 111				1,206	24,122
4	310.1	Water Rights	0.00%	0.00%	46,037			-	307,085
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	4,033
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	289			16,858	538,724
8	320	Pumping Plant Land	0.00%	0.00%				-	7,054
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				959	33,537
10	325	Electtric Pumping Equipment	2.59%	5.88%	2,359	(813)		40,144	683,491
11	328	Gas Engine Equipment	2.59%	4.00%				6,875	171,885
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				36	1,452
14	332	Water Treatment Equipment	2.59%	2.86%				1,286	44,949
15	340	Transmission and Distribution Land	0.00%	0.00%				-	5,044
16	342	Storage Tanks	2.59%	2.00%				7,386	369,280
17	343	Transmission & Distribution Mains	2.59%	1.79%	422,692	(3,463)		92,649	5,385,514
18	344	Fire Sprinkler Taps	2.59%	2.00%		(3,514)		1,066	51,566
19	345	Services	2.59%	2.38%	149,570	(4,902)		30,332	1,346,780
20	346	Meters	2.59%	4.55%	5,423	(602)		10,188	226,315
21	348	Hydrants	2.59%	1.82%	16,795	(1,172)		4,953	279,943
22	389	General Plant Land	0.00%	0.00%	513			-	2,384
23	390	General Plant Structures	2.59%	2.50%				411	16,438
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				175	8,234
25	391	Office Furniture & Equipment	2.59%	6.67%	4,515			6,727	103,115
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	5,427			2,441	63,733
28	395	Laboratory Equipment	2.59%	5.00%				27	543
29	396	Power Operated Equipment	2.59%	6.67%				1,104	16,559
30	397	Communication Equipment	2.59%	6.67%	2,448			18,167	273,595
31	398	Miscellaneous Equipment	2.59%	3.33%				778	23,350
32		**TOTAL DIRECT WATER PLANT**			$ 656,067	$ (14,466)	$ -	$ 244,517	$ 10,007,478
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 656,067	$ (14,466)	$ -	$ 244,517	$ 10,007,478
35									
36		**Company Direct Plant As Filed**							10,001,150
37									
38		**RUCO Direct Plant Adjustment**							$ 6,328
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal							
43		Accumulated Depreciation						(4,175,267)	$ (4,175,267)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(4,175,267)	(4,175,267)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(4,164,431)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (4,175,267)	$ (10,836)
49									
50		**RUCO Net Adjustment**							$ (4,508)
51									
52									

53 References:
54 Column (A): Approved Depreciation Rate From Decision No. 58120
55 Columns (B): Approved Depreciation Rate From Decision No. 66849
56 Acct. 302 - Franchises amortized over 25 years.
57 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
58 Acct. 310.4 - Wells - Other amortized over 24 years.
59 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	2003 Balance 12/31/2003
1	301	Organization	0.00%	651		651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	8,496		8,496
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	-		-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	-		-
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	-		-
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	31,795		31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	1,267,373		1,267,373
25	391	Office Furniture and Equipment	2.59%	3,505,411		3,505,411
26	393	Warehouse Equipment	2.59%	3,705		3,705
27	394	Tools, Shop and Garage Equipment	2.59%	30,450		30,450
28	395	Laboratory Equipment	2.59%	977		977
29	396	Power Operated Equipment	2.59%	-		-
30	397	Communication Equipment	2.59%	143,052		143,052
31	398	Miscellaneous Equipment	2.59%	7,207		7,207
32		**TOTAL PHOENIX OFFICE PLANT**		4,999,117	-	4,999,117
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Phoenix Office**		4,999,117	-	4,999,117
35						
36		**Company Phoenix Office As Filed**		4,999,117		4,999,117
37						
38		RUCO Phoenix Office Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733		-		-
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(503,775)	-	(503,775)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(503,775)	-	(503,775)
46						
47		Company As Filed - Accumulated Depreciation				(503,775)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	48,512			78,228	1,315,885
25	391	Office Furniture and Equipment	2.59%	129,135	(7,465)		92,366	3,627,081
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	24,820			1,110	55,270
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	6,465			3,789	149,517
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		208,932	(7,465)	-	176,624	5,200,584
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,200,584
35								
36		**Company Phoenix Office As Filed**						5,200,584
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(672,934)	(672,934)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(672,934)	(672,934)
46								
47		Company As Filed - Accumulated Depreciation						(672,934)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				89,580	1,315,885
25	391	Office Furniture and Equipment	2.59%	221,339			96,808	3,848,420
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	20,585			1,698	75,855
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	885			3,884	150,402
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		242,809	-	-	193,101	5,443,393
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,443,393
35								
36		**Company Phoenix Office As Filed**						5,443,393
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(866,035)	(866,035)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(866,035)	(866,035)
46								
47		Company As Filed - Accumulated Depreciation						(866,035)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				94,864	1,315,885
25	391	Office Furniture and Equipment	2.59%	369,071			104,454	4,217,491
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	59,519			2,735	135,374
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	1,741			3,918	152,143
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		430,332	-	-	207,102	5,873,725
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,873,725
35								
36		**Company Phoenix Office As Filed**						5,873,725
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41							-	
42		Net (Salvage)/Cost of Removal						
43		Accumulated Depreciation					(1,073,138)	(1,073,138)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,073,138)	(1,073,138)
46								
47		Company As Filed - Accumulated Depreciation						(1,073,137)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				425	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	10,463			959	42,258
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	93			86,708	1,315,978
25	391	Office Furniture and Equipment	2.59%	464,535	(243,714)		112,093	4,438,312
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	40,312			4,028	175,686
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	4,089			3,993	156,232
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		519,493	(243,714)	-	208,514	6,149,503
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						6,149,503
35								
36		**Company Phoenix Office As Filed**						6,149,503
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,037,938)	(1,037,938)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,037,938)	(1,037,938)
46								
47		Company As Filed - Accumulated Depreciation						(1,036,382)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1,556)
49								
50		**RUCO Net Adjustment**						(1,556)
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	ADJ-1 Remove Post Test Year Plant	Balance 12/31/2003
1	301	Organization	0.00%	-		-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	80		80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	2,050		2,050
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	6,066		6,066
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	37,472		37,472
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	-		-
25	391	Office Furniture and Equipment	2.59%	3,983		3,983
26	393	Warehouse Equipment	2.59%	1,088		1,088
27	394	Tools, Shop and Garage Equipment	2.59%	58,430		58,430
28	395	Laboratory Equipment	2.59%	2,981		2,981
29	396	Power Operated Equipment	2.59%	1,458		1,458
30	397	Communication Equipment	2.59%	-		-
31	398	Miscellaneous Equipment	2.59%	-		-
32		**TOTAL METER SHOP PLANT**		113,608	-	113,608
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Meter Shop**		113,608	-	113,608
35						
36		**Company Meter Shop As Filed**		113,608		113,608
37						
38		RUCO Meter Shop Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733				
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(30,118)	-	(30,118)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(30,118)	-	(30,118)
46						
47		Company As Filed - Accumulated Depreciation				(30,118)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	12,809			1,136	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	3,166			144	7,149
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	1,575			1,534	60,005
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		17,550	-	-	3,168	131,158
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						131,158
35								
36		**Company Meter Shop As Filed**						131,158
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733						
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(33,286)	(33,286)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(33,286)	(33,286)
46								
47		Company As Filed - Accumulated Depreciation						(33,286)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,302	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	94			186	7,243
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	2,004			1,580	62,009
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		2,097	-	-	3,422	133,256
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						133,256
35								
36		**Company Meter Shop As Filed**						133,256
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(36,708)	(36,708)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(36,708)	(36,708)
46								
47		Company As Filed - Accumulated Depreciation						(36,708)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	2,571			1,336	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	1,610			208	8,853
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	3,115			1,646	65,124
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		7,296	-	-	3,544	140,551
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						140,551
35								
36		**Company Meter Shop As Filed**						140,551
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(40,251)	(40,251)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(40,251)	(40,251)
46								
47		Company As Filed - Accumulated Depreciation						(40,251)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,369	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	1,893			254	10,745
26	393	Warehouse Equipment	2.59%	1,089			42	2,177
27	394	Tools, Shop and Garage Equipment	2.59%	2,298			1,716	67,422
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		5,280	-	-	3,707	145,832
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						145,832
35								
36		**Company Meter Shop As Filed**						145,832
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(43,958)	(43,958)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(43,958)	(43,958)
46								
47		Company As Filed - Accumulated Depreciation						(43,959)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						1
49								
50		**RUCO Net Adjustment**						1
51								
52								
53								
54								
55								
56		Notes						
57		Acct. 302 - Franchises amortized over 25 years.						
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.						
59		Acct. 310.4 - Wells - Other amortized over 24 years.						
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.						

Arizona Water Company
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Test Year Ended December 31, 2007

Bisbee System
Schedule TJC-5
Page 1 of 1

EXPLANATION OF RATE BASE ADJUSTMENT NO. 2
POST TEST-YEAR PLANT - PHOENIX OFFICE

LINE NO.	ACCT NO.	ACCOUNT NAME	(A) COMPANY ADJUSTED TY PLANT	(B) POST TY ADDITIONS	(C) 3-FACTOR ALLOCATOR	(D) REMOVE PTY PLANT
1	301	Organization	$ 32	$ -	4.98%	$ -
2	302	Franchises	18,754	-	4.98%	-
3	303	Other Intangibles	24,545	-	4.98%	-
4	310.1	Water Rights	307,085	-	4.98%	-
5	310.3	Other Source of Supply Land	4,037	-	4.98%	-
6	310.4	Wells - Other	-	-	4.98%	-
7	314	Wells	538,724	-	4.98%	-
8	320	Pumping Plant Land	7,054	-	4.98%	-
9	321	Pumping Plant Structures & Imprm'ts	33,537	-	4.98%	-
10	325	Electtric Pumping Equipment	677,163	-	4.98%	-
11	328	Gas Engine Equipment	171,885	-	4.98%	-
12	330	Water Treatment Plant Land	-	-	4.98%	-
13	331	Water Treatment Structures & Imprm'ts	1,452	-	4.98%	-
14	332	Water Treatment Equipment	45,051	-	4.98%	-
15	340	Transmission and Distribution Land	5,044	-	4.98%	-
16	342	Storage Tanks	369,280	-	4.98%	-
17	343	Transmission & Distribution Mains	5,385,816	-	4.98%	-
18	344	Fire Sprinkler Taps	51,566	-	4.98%	-
19	345	Services	1,346,780	-	4.98%	-
20	346	Meters	226,315	-	4.98%	-
21	348	Hydrants	279,943	-	4.98%	-
22	389	General Plant Land	2,384	-	4.98%	-
23	390	General Plant Structures	21,174	-	4.98%	-
24	390.1	Leasehold Improvements	73,769	-	4.98%	-
25	391	Office Furniture & Equipment	324,678	120,057	4.98%	5,979
26	393	Warehouse Equipment	293	-	4.98%	-
27	394	Tools, Shop & Garage Equipment	75,839	-	4.98%	-
28	395	Laboratory Equipment	740	-	4.98%	-
29	396	Power Operated Equipment	16,632	-	4.98%	-
30	397	Communication Equipment	281,375	-	4.98%	-
31	398	Miscellaneous Equipment	23,709	-	4.98%	-
32						
33		**TOTAL PTY WATER PLANT**	$ 10,314,658	$ 120,057		$ 5,979
34		Company As Filed	$ 10,314,658	120,057		5,979
35		Difference	$ -	$ -		$ -
36						
37		RUCO PTY Plant Adjustment				$ (5,979)
38						
39		RUCO PTY Accumulated Depreciation Plant Adjustment				$ 199
40						
41						

42 References:
43 Column (A): Company Schedules B-2
44 Column (B): Post Test Year Phoenix Office Plant Allocation
45 Column (C): 3-Factor Allocator
46 Column (D): Adjustment

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6
ALLOWANCE FOR WORKING CAPITAL

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) REFERENCE
1	Working Cash Requirement Per Company	$ 14,949	Company Schedule B-5, PG. 1
2	Working Cash Requirement Per RUCO	(31,426)	RUCO Schedule TJC-6, Page 2
3	Adjustment	$ (46,375)	Line 2 - Line 1
4	Material and Supplies Inventories Per Company	$ 56,821	Company Schedule B-5, PG. 1
5	Material and Supplies Inventories Per RUCO	56,821	Company Schedule B-5, PG. 1
6	Adjustment	$ -	Line 5 - Line 4
7	Required Bank Balances Per Company	$ 25,618	Company Schedule B-5, PG. 1
8	Required Bank Balances Per RUCO	25,618	Company Schedule B-5, PG. 1
9	Adjustment	$ -	Line 8 - Line 7
10	Prepayments & Special Deposits Per Company	$ 26,746	Company Schedule B-5, PG. 1
11	Prepayments & Special Deposits Per RUCO	26,746	Company Schedule B-5, PG. 1
12	Adjustment	$ -	Line 11 - Line 10
13	TOTAL ADJUSTMENT (See TJC-2, Column (K))	$ (46,375)	Sum of Lines 3, 6, 9 & 12

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6 - CONT'D
LEAD/LAG DAY SUMMARY

LINE NO.	DESCRIPTION	(A) COMPANY EXPENSES AS FILED	(B) RUCO ADJUSTM'TS	(C) RUCO EXPENSES AS ADJUSTED	(D) (LEAD)/LAG DAYS	(E) DOLLAR DAYS
	Operating Expenses					
1	Purchased Power	$ 224,856	$ -	$ 224,856	35.92	$ 8,076,828
2	Payroll	426,619	(15,077)	411,542	14.00	5,761,593
3	Purchased Water	-	-	-	-	-
4	Chemicals	16,598	-	16,598	20.43	339,039
5	Property & Liability Insurance	14,877	-	14,877	(45.27)	(673,482)
6	Workman's Compensation Insurance	7,437	-	7,437	(46.50)	(345,821)
7	Health Insurance	161,575	(45)	161,530	(8.92)	(1,440,848)
8	Other Operating & Maintenance Expenses	219,974	(8,300)	211,674	30.00	6,350,220
9	Federal Current Income Taxes	146,597	(53,379)	93,218	37.00	3,449,069
10	State Current Income Taxes	32,294	(11,175)	21,119	37.00	781,411
11	FICA Taxes	33,449	(1,127)	32,322	14.00	452,515
12	FUTA & SUTA Taxes	800	-	800	83.10	66,480
13	Property Taxes	114,911	(11,144)	103,767	212.00	21,998,584
14	Registration, Svc. Contracts, & Misc. Fees	28,787	-	28,787	(98.83)	(2,845,019)
15	Retirement Annuities (401k)	53,331	(1,266)	52,065	34.72	1,807,714
16	Subtotal	1,482,105	(101,511)	1,380,594		43,778,282
17	Synchronized Interest	$ 172,872	$ (2,103)	$ 170,769	91.25	$ 15,582,656
18	Cost of Equity	284,570	(284,570)	-	-	-
19	Subtotal	$ 457,442	$ (286,673)	$ 170,769		$ 15,582,656
20	Total	$ 1,939,547	$ (388,185)	$ 1,551,362		$ 59,360,939

21	Expense Lag	Line 17, Col. (E) / (C)	38.26
22	Revenue Lag	Company B-5 Schedules	30.87
23	Net Lag	Line 18 - Line 17	(7.39)
24	RUCO Adjusted Expenses	Col. (C), Line 16	$ 1,551,362
25	Cash Working Capital	Line 19 X Line 20 / 365 Days	(31,426)
26	Company As Filed	Co. Schedule B-6, Page 1	14,949
27	Difference	Line 21 - Line 22	$ (46,375)
28	ADJUSTMENT	Line 27	$ (46,375)

NOTE: Expense Lag Days Used in the Last Western Group Rate Case.

NOTE: RUCO reviewed several invoices from a number of companies with terms of net 30 days.

References:
Column (A): - Company Schedule B-5
Column (B): RUCO Operating Income Adjustments (See Schedule TJC-7)
Column (C): Column (A) + (B)
Column (D): - Company Schedule B-5
Column (E): Column (C) X Column (D)

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJM'TS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
	Operating Revenues					
1	Residential	$ 1,192,596	$ -	$ 1,192,596	$ 181,690	$ 1,374,287
2	Commercial	491,700	-	491,700	86,094	577,794
3	Industrial	2,302	-	2,302	1,290	3,591
4	Private Fire Service	908	-	908	3,617	4,525
5	Other Water Revenues	12,628	-	12,628	(1,909)	10,720
6	Total Water Revenues	$ 1,700,135	$ -	$ 1,700,135	$ 270,782	$ 1,970,917
7	Miscellaneous	$ 23,340	$ -	$ 23,340	$ 451	$ 23,791
8	Total Operating Revenues	$ 1,723,475	$ -	$ 1,723,475	$ 271,233	$ 1,994,707
	Operating Expenses					
	Source of Supply Expenses:					
9	Purchased Water	$ -	$ -	$ -	$ -	$ -
10	Other	2,443	-	2,443	-	2,443
11	Pumping Expenses:	-				
12	Purchased Power	224,856	-	224,856	-	224,856
13	Purchased Gas	615	-	615	-	615
14	Other	50,077	-	50,077	-	50,077
15	Water Treatment Expenses	32,933	-	32,933	-	32,933
16	Transmission & Distribution Expenses	270,483	-	270,483	-	270,483
17	Customer Accounting Expenses	179,534	-	179,534	-	179,534
18	Sales Expense	529	-	529	-	529
19	Administrative & General Expenses	392,583	(19,707)	372,876	-	372,876
20	Total Operations & Maintenance Expense	$ 1,154,054	$ (19,707)	$ 1,134,347	$ -	$ 1,134,347
21	Depreciation & Amortization Expenses	$ 261,462	$ (4,413)	$ 257,048	$ -	$ 257,048
	Taxes					
22	Federal Income Taxes	$ (2,100)	$ 11,897	$ 9,798	$ 83,420	$ 93,218
23	State Income Taxes	(463)	2,682	2,220	18,900	21,119
24	Property Taxes	114,911	(11,144)	103,767	-	103,767
25	Other	26,815	(1,127)	25,688	-	25,688
26	Total Taxes	$ 139,163	$ 2,309	$ 141,472	$ 102,320	$ 243,792
27	Total Operating Expenses	$ 1,554,679	$ (21,812)	$ 1,532,867	$ 102,320	$ 1,635,187
28	Operating Income	$ 168,796	$ 21,812	$ 190,607	$ 168,913	$ 359,520

References:
Column (A): Company Schedule C-1
Column (B): TJC-8, Columns (B) Thru (I)
Column (C): Column (A) + Column (B)
Column (D): TJC-1
Column (E): Column (C) + Column (D)

Arizona Water Company
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Bisbee System
Schedule TJC-8
Page 1 of 1

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJMT NO. 1 LABOR EXPENSE	(C) ADJMT NO. 2 PAYROLL TAX EXPENSE	(D) ADJMT NO. 3 401(K) EXPENSE	(E) ADJMT NO. 4 REVERSE ADJ. FOR CONSERVATION	(F) ADJMT NO. 5 PURCH. POWER REVENUES	(G) ADJMT NO. 6 INSURANCE EXPENSE	(H) ADJMT NO. 7 DEPRECIATION EXPENSE	(I) ADJMT NO. 8 PROPERTY TAX	(J) ADJMT NO. 9 RATE CASE EXPENSE	(K) ADJMT NO. 10 INCOME TAXES	(L) RUCO AS ADJT'D
	Operating Revenues												
1	Residential	$ 1,192,596	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,192,596
2	Commercial	491,700	-	-	-	-	-	-	-	-	-	-	491,700
3	Industrial	2,302	-	-	-	-	-	-	-	-	-	-	2,302
4	Private Fire Service	908	-	-	-	-	-	-	-	-	-	-	908
5	Other Water Revenues	12,628	-	-	-	-	-	-	-	-	-	-	12,628
6	Total Water Revenues	$ 1,700,135	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,700,135
7	Miscellaneous	$ 23,340	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 23,340
8	Total Operating Revenues	$ 1,723,475	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,723,475
	Operating Expenses												
	Source of Supply Expenses:												
9	Purchased Water	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	Other	2,443	-	-	-	-	-	-	-	-	-	-	2,443
11	Pumping Expenses:					-							
12	Purchased Power	224,856	-	-	-	-	-	-	-	-	-	-	224,856
13	Purchased Gas	615	-	-	-	-	-	-	-	-	-	-	615
14	Other	50,077	-	-	-	-	-	-	-	-	-	-	50,077
15	Water Treatment Expenses	32,933	-	-	-	-	-	-	-	-	-	-	32,933
16	Transmission & Distribution Expenses	270,483	-	-	-	-	-	-	-	-	-	-	270,483
17	Customer Accounting Expenses	179,534	-	-	-	-	-	-	-	-	-	-	179,534
18	Sales Expense	529	-	-	-	-	-	-	-	-	-	-	529
19	Administrative & General Expenses	392,583	(15,077)	-	(1,266)	-	-	(45)	-	-	(3,320)	-	372,876
20	Total Operations & Maintenance Expense	$ 1,154,054	$ (15,077)	$ -	$ (1,266)	$ -	$ -	$ (45)	$ -	$ -	$ (3,320)	$ -	$ 1,134,347
21	Depreciation & Amortization Expenses	$ 261,462	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,413)	$ -	$ -	$ -	$ 257,048
	Taxes												
22	Federal Income Taxes	$ (2,100)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,897	$ 9,798
23	State Income Taxes	(463)	-	-	-	-	-	-	-	-	-	2,682	2,220
24	Property Taxes	114,911	-	-	-	-	-	-	-	(11,144)	-	-	103,767
25	Other	26,815	-	(1,127)	-	-	-	-	-	-	-	-	25,688
26	Total Taxes	$ 139,163	$ -	$ (1,127)	$ -	$ -	$ -	$ -	$ -	$ (11,144)	$ -	$ 14,580	$ 141,472
27	Total Operating Expenses	$ 1,554,679	$ (15,077)	$ (1,127)	$ (1,266)	$ -	$ -	$ (45)	$ (4,413)	$ (11,144)	$ (3,320)	$ 14,580	$ 1,532,867
28	Operating Income	$ 168,796	$ 15,077	$ 1,127	$ 1,266	$ -	$ -	$ 45	$ 4,413	$ 11,144	$ 3,320	$ (14,580)	$ 190,607

ADJUSTMENTS:	REFERENCE:
1 - Labor Expense - Normalize OT Hours in Test Year	Testimony, WAR And Schedule TJC-9 Page, 1 of 3
2 - Payroll Tax Expense Related to Adjustment 1	Testimony, WAR And Schedule TJC-9 Page, 2 of 3
3 - 401(K) Expense Related to Adjustment 1	Testimony, WAR And Schedule TJC-9 Page, 3 of 3
4 - Reverse Adjustment for Conservation	Testimony WAR
5 - Purchased Power Revenues	Testimony WAR
6 - Insurance Expense	Testimony, WAR And Schedule TJC-10
7 - Depreciation Expense	Testimony, WAR And Schedule TJC-11
8 - Property Tax Expense	Testimony, WAR And Schedule TJC-12
9 - Rate Case Expense	Testimony, WAR And Schedule TJC-13
10 Income Tax	Testimony, WAR And Schedule TJC-14

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 1
PAYROLL EXPENSE

LINE NO.	DESCRIPTION		(A) PER RUCO DR 1.11.d
1	Normalize Over-Time Over 4 Years:		
2	2005 OT Hours		15,008.5
3	2006 OT Hours		18,080.0
4	2007 OT Hours		28,132.5
5	2008 OT Hours		17,530.0
6			
7	Total OT Hours for 2005 - 2008		78,751.0
8	Divided by 4 Years		4
9			
10	Normalized Level of OT Hours/Yr.		19,687.8
11			
12	OT Hours in Test Year		28,132.5
13			
14	Amount of Abnormal TY OT Hours		8,444.8
15			
16	Multiplied by Average OT Hrly. Rate	**See NOTE**	35.85
17			
18	Total Abnormal OT Dollars in TY		$ 302,744
19			
20	3-Factor Allocator Per District		4.98%
21			
22	RUCO Adjustment		$ (15,077)
23			
24			
25			
26			
27			
28	3-Factor Allocator By District:		
29	Superstition	24.94%	White Tank 2.37%
30	Bisbee	4.98%	Ajo 0.81%
31	Sierra Vista	2.58%	Coolidge 5.27%
32	San Manuel	1.68%	Lakeside 6.20%
33	Oracle	2.28%	Overgaard 3.99%
34	Winkelman	0.22%	Sedona 8.45%
35	Miami	4.98%	Pinewood 2.95%
36	Casa Grande	26.55%	Rimrock 1.48%
37	Stanfield	0.27%	
38			
39			
40			
41			
42	**Calculation Notes:**		
43	Average of Hourly Rate	$ 21.65	
44	OT Hourly Rate 1.5	32.48	

NOTE: The Company calculated the average hourly rate for overtime in response to data request AII-11.6 to be $35.85. RUCO accepts that rate in making its payroll adjustments.

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
PAYROLL TAX EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll Tax Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	4.98%
6		
7	RUCO Allocated Payroll by District	$ 15,077
8		
9	Payroll Tax Expense Allocator By Group:	
10		
11	RUCO Payroll Tax Expense Allocator by Group	7.47%
12		
13	RUCO Payroll Tax Expense Adjustment	$ (1,127)
14		
15		
16		
17		
18		
19		
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22		
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24		
25		
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27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	7.47%
40	Western Group	11.65%
41	Northern Group	15.90%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
PAYROLL 401(K) EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll 401(K) Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	4.98%
6		
7	RUCO Allocated Payroll by District	$ 15,077
8		
9	Payroll 401(K) Expense Allocator By Group:	
10		
11	RUCO Payroll 401(K) Expense Allocator by Group	8.39%
12		
13	RUCO Payroll 401(K) Expense Adjustment	$ (1,266)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	8.39%
40	Western Group	8.45%
41	Northern Group	8.12%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
INSURANCE EXPENSE

LINE NO.		(A) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER COMPANY	(B) RUCO ADJUSTMENT	(C) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER RUCO	
1	System				
2					
3	Eastern Group				
4	Supersition	$ 2,224	$ (273)	$ 1,950	
5	Apache Junction				
6	Superior				
7	Bisbee	122	(45)	77	
8	Sierra Vista	115	(38)	77	
9	San Manuel	5	(20)	(16)	
10	Oracle	25	(20)	5	
11	Saddlebrook	5	(0)	4	
12	Winkelman	0	(2)	(2)	
13	Miami	(338)	(40)	(378)	
14	Subtotal	$ 2,157	$ (439)	$ 1,718	
15					
16	Western Group				
17	Casa Grande	2,137	(298)	1,839	
18	Stanfield	20	(3)	17	
19	White Tank	148	(22)	126	
20	Ajo	58	(9)	49	
21	Coolidge	(127)	(62)	(189)	
22	Subtotal	$ 2,235	$ (393)	$ 1,842	
23					
24	Northern Group				
25	Lakeside	570	(65)	506	
26	Overgaard	507	(55)	452	
27	Sedona	445	(84)	361	
28	Pinewood	199	(38)	162	
29	Rimrock	87	(16)	71	
30	Subtotal	$ 1,809	$ (257)	$ 1,551	
31					
32					
33	Total Company	$ 6,201	$ (1,090)	$ 5,111	(a)

REFERENCE

COLUMN (A): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (B): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (C): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD

NOTES:

(a) CALCULATED AS FOLLOWS:		PER COMPANY	RUCO ADJUSTMENT	PER RUCO	REFERENCE
1	Current Rate per Payroll Dollar	$ 0.0036		$ 0.0036	COMPANY WORKPAPER - "GROUP INSURANCE" TAB LTD
2	Pro Forma Payroll Dollars	$ 11,095,569	$ 302,744	$ 10,792,825	COMPANY WORKPAPER - "GROUP INSURANCE)
3	Pro Forma LTD - Total Company	$ 39,944		$ 38,854	LINE 1 x LINE 2
4	Y/E Number of Customers	$ 83,825		$ 83,825	COMPANY WORKPAPER - "GROUP INSURANCE)
5	Pro Forma 2007 LTD - Spread	$ 38,854		$ 38,854	COMPANY WORKPAPER - "GROUP INSURANCE)
6	Increase / (Decrease)	$ 6,201		$ 5,111	COMPANY WORKPAPER - "GROUP INSURANCE)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCOUNT NO.	ACCOUNT NAME	(A) RUCO PLANT VALUE	(B) COMPANY PROPOSED DEP. RATES	(C) TEST YEAR DEPRECIATION EXPENSE
1	301	Organization	$ 32	0.00%	$ -
2	302	Franchises	18,754	See Acct. 111	750
3	303	Other Intangibles	24,545	See Acct. 111	1,206
4	310.1	Water Rights	307,085	0.00%	-
5	310.3	Other Source of Supply Land	4,037	0.00%	-
6	310.4	Wells - Other	-	See Acct. 111	-
7	314	Wells	538,724	3.13%	16,862
8	320	Pumping Plant Land	7,054	0.00%	-
9	321	Pumping Plant Structures & Imprm'ts	33,537	2.86%	959
10	325	Electtric Pumping Equipment	683,491	5.88%	40,189
11	328	Gas Engine Equipment	171,885	4.00%	6,875
12	330	Water Treatment Plant Land	-	0.00%	-
13	331	Water Treatment Structures & Imprm'ts	1,452	2.50%	36
14	332	Water Treatment Equipment	45,051	2.86%	1,288
15	340	Transmission and Distribution Land	5,044	0.00%	-
16	342	Storage Tanks	369,280	2.00%	7,386
17	343	Transmission & Distribution Mains	5,385,816	1.79%	96,406
18	344	Fire Sprinkler Taps	51,566	2.00%	1,031
19	345	Services	1,346,780	2.38%	32,053
20	346	Meters	226,315	4.55%	10,297
21	348	Hydrants	279,943	1.82%	5,095
22	389	General Plant Land	2,384	0.00%	-
23	390	General Plant Structures	21,174	2.50%	529
24	390.1	Leasehold Improvements	73,769	See Acct. 108.2	175
25	391	Office Furniture & Equipment	318,699	6.67%	21,257
26	393	Warehouse Equipment	293	5.00%	15
27	394	Tools, Shop & Garage Equipment	75,839	4.00%	3,034
28	395	Laboratory Equipment	740	5.00%	37
29	396	Power Operated Equipment	16,632	6.67%	1,109
30	397	Communication Equipment	280,671	6.67%	18,721
31	398	Miscellaneous Equipment	23,709	3.33%	790
32		Rounding	1		
33		TEST YEAR GROSS PLANT AND DEPRECIATION EXPENSE	$ 10,314,303		$ 266,102
34					
35		AMORTIZATION OF CONTRIBUTIONS	(452,659)	2.00%	(9,053)
36		Rounding			-
37	**TOTAL DEPRECIATION EXPENSE**				$ 257,049
38					
39	Company As Filed				261,462
40	Difference				$ (4,413)
41					
42	RUCO Adjustment (See TJC-8, Column (B))				$ (4,413)
43					
44					
45	3-Factor Allocator By District:				
46	Superstition	24.94%	White Tank	2.37%	
47	Bisbee	4.98%	Ajo	0.81%	
48	Sierra Vista	2.58%	Coolidge	5.27%	
49	San Manuel	1.68%	Lakeside	6.20%	
50	Oracle	2.28%	Overgaard	3.99%	
51	Winkelman	0.22%	Sedona	8.45%	
52	Miami	4.98%	Pinewood	2.95%	
53	Casa Grande	26.55%	Rimrock	1.48%	
54	Stanfield	0.27%			

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	REFERENCE	(A)	(B)
	Calculation Of The Company's Full Cash Value:			
	Annual Operating Revenues:			
1	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	$ 1,723,475	
2	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	1,723,475	
3	Proposed Revenues	Sch. TJC-7, Col (E), Ln 8	1,994,707	
4	Total Three Year Operating Revenues	Sum Of Lines 1, 2 & 3	$ 5,441,656	
5	Average Annual Operating Revenues	Line 4 / 3	1,813,885	
6	Two Times Three Year Average Operating Revenues	Line 5 X 2		$ 3,627,771
	ADD:			
	10% Of Construction Work In Progress ("CWIP"):			
7	Test Year CWIP	Company Schedule E	$ 610	
8	10% Of CWIP	Line 7 X 10%		$ 61
	SUBTRACT:			
	Transportation At Book Value:			
9	Original Cost Of Transportation Equipment	Company Workpapers	$ -	
10	Acc. Dep. Of Transportation Equipment	Company Workpapers	-	
11	Net Book Value Of Transportation Equipment	Line 9 + Line 10		$ (157,657)
12	Company's Full Cash Value ("FCV")	Sum Of Lines 6, 8 & 11		$ 3,470,175
	Calculation Of The Company's Tax Liability:			
	MULTIPLY:			
	FCV X Valuation Assessment Ratio X Property Tax Rates:			
13	Assessment Ratio	House Bill 2779	22.5%	
14	Assessed Value	Line 12 X Line 13	$ 780,789	
	Property Tax Rates:			
15	Primary Tax Rate	Company Workpapers	13.29%	
16	Secondary Tax Rate	Company Workpapers	0.00%	
17	Estimated Tax Rate Liability	Line 15 + Line 16	13.29%	
	Property Tax			$ 103,767
	Tax On Parcel			-
18	Company's Total Tax Liability - Based On Full Cash Value	Line 14 X Line 17		$ 103,767
19	Test Year Adjusted Property Tax Expense As Filed	Co. Sch. C-1		114,911
20	Decrease In Property Tax Expense	Line 18 - Line 19		$ (11,144)
21	RUCO Adjustment (See TJC-8, Column (C))	Line 20		$ (11,144)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 9
RATE CASE EXPENSE

LINE NO.	DESCRIPTION	(A) COMPANY ESTIMATE	(B) RUCO ADJUSTMENT	(C) RUCO AS ADJUSTED
1	Rate Case Expense Total	$ 500,000	$ (200,000)	$ 300,000
2	Allocation Factor			4.98%
3	Bisbee System (Line 1 X Line 2)			$ 14,940
4	Amortization Period - 3 Years			3
5	RUCO Adjusted Rate Case Expense (Line 3 / 3 Years)			$ 4,980
6	Company Rate Case Expenses As Filed (Company Sch. C-2)			$ 8,300
7	RUCO Pro Forma Rate Case Expense (Lines 5 - 6)			$ (3,320)
8	RUCO Adjustment (Line 7) (See TJC-8, Column (E))			$ (3,320)

3-Factor Allocator By District:

Superstition	24.94%	White Tank	2.37%
Bisbee	4.98%	Ajo	0.81%
Sierra Vista	2.58%	Coolidge	5.27%
San Manuel	1.68%	Lakeside	6.20%
Oracle	2.28%	Overgaard	3.99%
Winkelman	0.22%	Sedona	8.45%
Miami	4.98%	Pinewood	2.95%
Casa Grande	26.55%	Rimrock	1.48%
Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. TJC-7, Column (C), L28 + L22 + L23	$ 202,625
	LESS:		
2	Arizona State Tax	Line 11	2,220
3	Interest Expense	Note (A) Line 21	170,769
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ 29,636
5	Federal Tax Rate	Sch. TJC-1, Pg 2, Col. (D), L34	33.06%
6	Federal Income Tax Expense	Line 4 X line 5	$ 9,798
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 202,625
	LESS:		
8	Interest Expense	Note (A) Line 21	170,769
9	State Taxable Income	Line 7 - Line 8	$ 31,856
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ 2,220
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ 9,798
13	State Income Tax Expense	Line 11	2,220
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ 12,017
15	Total Federal Income Tax Expense Per Company (Per Company Sch. C-1, L30)		(2,100)
16	Total State Income Tax Expense Per Company (Per Company Sch. C-1, L31)		(463)
17	RUCO Federal Income Tax Adjustment	Line 12 - Line 15	$ 11,897
18	RUCO State Income Tax Adjustment	Line 13 - Line 16	$ 2,682

NOTE (A):
Interest Synchronization:

19	Adjusted Rate Base (Sch. TJC-2, Col. (H), L17)	$ 4,604,287
20	Weighted Cost Of Debt (Sch. TJC-15 Col. (D), L1)	3.71%
21	Interest Expense (L18 X L19)	$ 170,769

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COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) DOLLAR AMOUNT	(B) CAPITAL RATIO	(C) COST RATE	(D) WEIGHTED COST RATE
1	Long-Term Debt	$ 75,000,000	50.76%	7.31%	3.71%
2	Common Equity	72,744,646	49.24%	8.33%	4.10%
3	Total Capitalization	$ 147,744,646	100.00%		
4	WEIGHTED AVERAGE COST OF CAPITAL				7.81%

References:
Columns (A) Thru (D): Testimony, WAR

ARIZONA WATER COMPNAY

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Sierra Vista System

Arizona Water Company
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Sierra Vista System

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TJC-3	1	SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS
TJC-4 DIRECT PLANT	1 TO 7	RATE BASE ADJUSTMENT NO. 1 - PLANT & ACCUMULATED DEPRECIATION RECONCILIATION ADJUSTMENT
TJC-4 PHOENIX OFFICE	1 TO 5	RATE BASE ADJUSTMENT NO. 1 - PLANT & ACCUMULATED DEPRECIATION RECONCILIATION ADJUSTMENT
TJC-4 METER SHOP	1 TO 5	RATE BASE ADJUSTMENT NO. 1 - PLANT & ACCUMULATED DEPRECIATION RECONCILIATION ADJUSTMENT
TJC-5	1	RATE BASE ADJUSTMENT NO. 2 - REMOVE POST TEST-YEAR PLANT FOR PHOENIX OFFICE
TESTIMONY		RATE BASE ADJUSTMENT NO. 3 - REMOVE PLANT AND RETIREMENTS INCLUDED IN RATE APPLICATION
		RATE BASE ADJUSTMENT NO. 4 - INTENTIONALLY LEFT BLANK
		RATE BASE ADJUSTMENT NO. 5 - INTENTIONALLY LEFT BLANK
TJC-6	1 & 2	RATE BASE ADJUSTMENT NO. 6 - WORKING CAPITAL AND LEAD/LAG STUDY
TJC-7	1	OPERATING INCOME
TJC-8	1	SUMMARY OF OPERATING INCOME ADJUSTMENTS
TJC-9	1 OF 3	OPERATING INCOME ADJUSTMENT NO. 1 - PAYROLL EXPENSE
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TJC-9	3 OF 3	OPERATING INCOME ADJUSTMENT NO. 3 - 401(K) EXPENSE RELATED TO PAYROLL EXPENSE ADJ. #1
TJC-10	1	OPERATING INCOME ADJUSTMENT NO. 6 - INSURANCE EXPENSE
TJC-11	1	OPERATING INCOME ADJUSTMENT NO. 7 - TEST YEAR DEPRECIATION EXPENSE
TJC-12	1	OPERATING INCOME ADJUSTMENT NO. 8 - PROPERTY TAX COMPUTATION
TJC-13	1	OPERATING INCOME ADJUSTMENT NO. 9 - RATE CASE EXPENSE
TJC-14	1	OPERATING INCOME ADJUSTMENT NO. 10 - INCOME TAX EXPENSE
TJC-15	1	COST OF CAPITAL

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Sierra Vista System
Schedule TJC-1
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REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	$ 2,520,716	$ 2,492,548
2	Adjusted Operating Income (Loss)	$ 275,060	$ 305,393
3	Current Rate of Return (L2 / L1)	10.91%	12.25%
4	Required Operating Income (L5 X L1)	$ 247,390	$ 194,628
5	Required Rate of Return on Fair Value Rate Base	9.81%	7.81%
6	Operating Income Deficiency (L4 - L2)	$ (27,670)	$ (110,765)
7	Gross Revenue Conversion Factor (TJC-1, Page 2)	1.6286	1.4733
8	Required Increase in Gross Revenue Requirement (L7 X L6)	$ (45,064)	$ (163,188)
9	Adjusted Test Year Revenue	$ 1,461,897	$ 1,461,897
10	Proposed Annual Revenue (L8 + L9)	$ 1,416,833	$ 1,298,710
11	Required Percentage Increase in Revenue (L8 / L9)	-3.08%	-11.16%
12	Consolidated Revenue Adjustment (Bisbee/Sierra Vista)	$ 106,651	$ -
13	Required Increase in Gross Revenue Under Company Proposed Consolidation	$ 61,586	$ (163,188)
14	Required Revenue Under Company Proposed Consolidation	$ 1,523,034	$ 1,298,710
15	Required Percentage Increase in Revenue Under Company Proposed Consolidation	4.20%	-11.16%
16	Rate of Return on Common Equity	12.40%	8.33%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule TJC-2, TJC-7, and TJC-13

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Combined Federal And State Tax Rate (L10)	0.3212			
3	Subtotal (L1 - L2)	0.6788			
4	**Revenue Conversion Factor** (L1 / L3)	**1.4733**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	27.0401%			
9	Effective Federal Income Tax Rate (L7 X L8)	25.1559%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	32.1239%			
11	Required Operating Income (Sch. TJC-1, Pg 1, C (B), L4)	$ 194,628			
12	Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Pg 1, C (B), L2)	305,393			
13	Required Increase In Operating Income (L11 - L12)		$ (110,765)		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 48,360			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	100,782			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ (52,422)		
17	Total Required Increase In Revenue (L13 + L16)		$ (163,188)		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. TJC-1, Pg 1, Col. (B), L12)			$ 1,298,710	
19	Operating Expense Excluding Income Tax (TJC-7, Col. (E), L27 - L22 - L23)			1,055,722	
20	Synchronized Interest (Col. (C), L37)			92,446	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 150,541	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 10,490
24	Fed. Taxable Income (L21 - L23)			$ 140,051	
25	Fed. Tax on 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax on 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			$ 6,250	
27	Fed. Tax on 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			$ 8,500	
28	Fed. Tax on 4th Inc. Bracket ($100,001 - $335,000) @ 39%			$ 15,620	
29	Fed. Tax on 5th Inc. Bracket ($335,001 - $10M) @ 34%			$ -	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 37,870
31	Combined Federal and State Income Tax (L23 + L30)				$ 48,360
32	Test Year Combined Income Tax, RUCO as Adjusted (TJC-7, Col. (C), L22 + L23)				$ 100,782
33	RUCO Adjustment (L31 - L32) (See TJC-6, Col. (D), L23)				$ (52,422)
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				27.04%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. WAR-2, Col. (C), L17)			$ 2,492,548	
36	Weighted Avg. Cost of Debt (Sch. TJC-16, Col. (F), L1)			3.71%	
37	Synchronized Interest (L35 X L36)			$ 92,446	

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Sierra Vista System
Schedule TJC-2
Page 1 of 1

RATE BASE - ORIGINAL COST

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) RUCO OCRB/FVRB ADJUSTMENTS	(C) RUCO ADJ'TED OCRB/FVRB
	Plant Classification			
1	Intangible Plant	$ 756	$ -	$ 756
2	Source of Supply Plant	688,417	-	688,417
3	Pumping Plant	719,189	-	719,189
4	Water Treatment Plant	92,922	-	92,922
5	Transmission & Distribution Plant	5,348,207	-	5,348,207
6	General Plant	546,855	(3,097)	543,757
7	Total Gross Plant in Service	$ 7,396,345	$ (3,097)	$ 7,393,247
8	Accumulated Depreciation	(2,113,607)	6,805	(2,106,802)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 5,282,738	$ 3,707	$ 5,286,446
10	Advances in Aid Of Const.	$ (1,453,186)	$ -	$ (1,453,186)
11	Contribution in Aid of Const.	$ (1,089,317)	$ -	$ (1,089,317)
12	Accumulated Amortization of CIAC	226,089	-	226,089
13	NET CIAC (L5 + L6)	$ (863,228)	$ -	$ (863,228)
14	Deferred Income Tax	$ (494,457)	$ -	$ (494,457)
15	Allowance for Working Capital	$ 48,849	$ (31,875)	$ 16,975
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -
17	Rounding	$ -	$ -	$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 2,520,716	$ (28,168)	$ 2,492,548

References:
Column (A): Company Schedule B-1
Column (B): Schedule TJC-3
Column (C): Column (A) + Column (B)

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SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) ADJMT NO. 1 PLANT & ACCUM DEP.	(C) ADJMT NO. 2 REMOVE PTY PLANT	(D) ADJMT NO. 3 PER BKB 11.16	(E) ADJMT NO. 4	(F) ADJMT NO. 5	(G) ADJMT NO. 6 WORKING CAPITAL	(H) RUCO ADJ'TED OCRB/FVRB
	Plant Classification								
1	Intangible Plant	$ 756	$ -	$ -	$ -	$ -	$ -	$ -	$ 756
2	Source of Supply Plant	688,417	-	-	-	-	-	-	688,417
3	Pumping Plant	719,189	-	-	-	-	-	-	719,189
4	Water Treatment Plant	92,922	-	-	-	-	-	-	92,922
5	Transmission & Distribution Plant	5,348,207	-	-	-	-	-	-	5,348,207
6	General Plant	546,855	-	(3,097)	-	-	-	-	543,757
7	Total Gross Plant in Service	$ 7,396,345	$ -	$ (3,097)	$ -	$ -	$ -	$ -	$ 7,393,247
8	Accumulated Depreciation	(2,113,607)	6,701	103	-	-	-	-	(2,106,802)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 5,282,738	$ 6,701	$ (2,994)	$ -	$ -	$ -	$ -	$ 5,286,446
10	Advances in Aid Of Const.	$ (1,453,186)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,453,186)
11	Contribution in Aid of Const.	$ (1,089,317)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,089,317)
12	Accumulated Amortization of CIAC	226,089	-	-	-	-	-	-	226,089
13	NET CIAC (L5 + L6)	$ (863,228)	$ -	$ -	$ -	$ -	$ -	$ -	$ (863,228)
14	Deferred Income Tax	$ (494,457)	$ -	$ -	$ -	$ -	$ -	$ -	$ (494,457)
15	Allowance for Working Capital	$ 48,849	$ -	$ -	$ -	$ -	$ -	$ (31,875)	$ 16,975
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	Rounding	$ -							$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 2,520,716	$ 6,701	$ (2,994)	$ -	$ -	$ -	$ (31,875)	$ 2,492,548

References:
Column (A): Company Schedule B-2
Column (B): Adjustment No. 1 - Adjust Test-Year Plant, PTY Plant & Accumulated Depreciation (See TJC-4 Total, TJC-4 Direct, TJC-4 PHX OFF and TJC-4 MS Schedules and TJC Testimony)
Column (C): Adjustment No. 2 - To Remove Post Test Year Phoenix Office Plant and Accum. Depre.
Column (D): Adjustment No. 3 - Intentionally Left Blank
Column (E): Adjustment No. 4 - Intentionally Left Blank
Column (F): Adjustment No. 5 - Intentionally Left Blank
Column (G): Adjustment No. 6 - Working Capital
Column (H): Sum Of Columns (A), (B), (C), (D), (E), (F) & (G)

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Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	(C) 12/31/2001 Per Decision No. 66849	(D) ADJ-1 Remove Post Test Year Plant	(E) Plant Balance 12/31/2001
1	301	Organization	0.00%	0.00%	-		$ -
2	302	Franchises	See Acct. 111	See Acct. 111	-		-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	-		-
4	310.1	Water Rights	0.00%	0.00%	3,470		3,470
5	310.3	Other Source of Supply Land	0.00%	0.00%	8,932		8,932
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-		-
7	314	Wells	2.59%	3.13%	665,211		665,211
8	320	Pumping Plant Land	0.00%	0.00%	1,881		1,881
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	13,385		13,385
10	325	Electtric Pumping Equipment	2.59%	5.88%	626,077		626,077
11	328	Gas Engine Equipment	2.59%	4.00%	15,174		15,174
12	330	Water Treatment Plant Land	0.00%	0.00%	-		-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	14,812		14,812
14	332	Water Treatment Equipment	2.59%	2.86%	117,341		117,341
15	340	Transmission and Distribution Land	0.00%	0.00%	-		-
16	342	Storage Tanks	2.59%	2.00%	380,625		380,625
17	343	Transmission & Distribution Mains	2.59%	1.79%	2,034,956		2,034,956
18	344	Fire Sprinkler Taps	2.59%	2.00%	46,740		46,740
19	345	Services	2.59%	2.38%	522,118		522,118
20	346	Meters	2.59%	4.55%	143,103		143,103
21	348	Hydrants	2.59%	1.82%	191,343		191,343
22	389	General Plant Land	0.00%	0.00%	66		66
23	390	General Plant Structures	2.59%	2.50%	23,225		23,225
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	-		-
25	391	Office Furniture & Equipment	2.59%	6.67%	63,433		63,433
26	393	Warehouse Equipment	2.59%	5.00%	-		-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	21,180		21,180
28	395	Laboratory Equipment	2.59%	5.00%	539		539
29	396	Power Operated Equipment	2.59%	6.67%	12,198		12,198
30	397	Communication Equipment	2.59%	6.67%	208,384		208,384
31	398	Miscellaneous Equipment	2.59%	3.33%	7,609		7,609
32		**TOTAL DIRECT WATER PLANT**			$ 5,121,802	$ -	$ 5,121,802
33		Post Test Year Plant (PTYP)			105,243	(105,243)	-
34		**RUCO Total Water Plant In Service**			$ 5,227,045	$ (105,243)	$ 5,121,802
35							
36		**Company Direct Plant As Filed**					
37							
38		**RUCO Direct Plant Adjustment**					
39							
40		Reserve Deficiency Accrual - Decision No. 38733					
41							
42		Net (Salvage)/Cost of Removal					
43		Accumulated Depreciation			(1,380,265)		$ (1,380,265)
44		Accumulated Depreciation - PTYP			(122,403)	122,403.00	-
45		RUCO Total Accumulated Depreciation - Calculated			$ (1,502,668)		$ (1,380,265)
46							
47		Company As Filed - Accumulated Depreciation			-	-	(1,381,211)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ (1,502,668)	$ -	$ 946
49							
50		**RUCO Net Adjustment**					
51							
52							
53							

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2002 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2002
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	-
4	310.1	Water Rights	0.00%	0.00%	1,946			-	5,416
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	8,932
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				17,229	665,211
8	320	Pumping Plant Land	0.00%	0.00%				-	1,881
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				347	13,385
10	325	Electtric Pumping Equipment	2.59%	5.88%	19,532	(16,139)		16,259	629,470
11	328	Gas Engine Equipment	2.59%	4.00%				393	15,174
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				384	14,812
14	332	Water Treatment Equipment	2.59%	2.86%	1,379	(42,383)		2,508	76,337
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%	2,684	(3,439)		9,848	379,870
17	343	Transmission & Distribution Mains	2.59%	1.79%	211,789	(6)		55,448	2,246,739
18	344	Fire Sprinkler Taps	2.59%	2.00%	5,844			1,286	52,584
19	345	Services	2.59%	2.38%	118,407	(18,295)		14,819	622,230
20	346	Meters	2.59%	4.55%	14,385	(592)		3,885	156,896
21	348	Hydrants	2.59%	1.82%	19,494			5,208	210,837
22	389	General Plant Land	0.00%	0.00%				-	66
23	390	General Plant Structures	2.59%	2.50%				602	23,225
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	2,959			1,681	66,392
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	2,890			586	24,070
28	395	Laboratory Equipment	2.59%	5.00%				14	539
29	396	Power Operated Equipment	2.59%	6.67%				316	12,198
30	397	Communication Equipment	2.59%	6.67%	107			5,399	208,491
31	398	Miscellaneous Equipment	2.59%	3.33%				197	7,609
32		**TOTAL DIRECT WATER PLANT**			$ 401,415	$ (80,854)	$ -	$ 136,409	$ 5,442,363
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 401,415	$ (80,854)	$ -	$ 136,409	$ 5,442,363
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(36)	
41									
42		Net (Salvage)/Cost of Removal						(25)	
43		Accumulated Depreciation						(1,435,881)	$ (1,435,881)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(1,435,881)	$ (1,435,881)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,436,827)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,435,881)	$ 946
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2003 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2003
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	-
4	310.1	Water Rights	0.00%	0.00%	3,168			-	8,584
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	8,932
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%		(14,827)		17,037	650,384
8	320	Pumping Plant Land	0.00%	0.00%				-	1,881
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				347	13,385
10	325	Electtric Pumping Equipment	2.59%	5.88%	23,512	(1,370)		16,590	651,613
11	328	Gas Engine Equipment	2.59%	4.00%				393	15,174
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				384	14,812
14	332	Water Treatment Equipment	2.59%	2.86%				1,977	76,337
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%	3			9,839	379,873
17	343	Transmission & Distribution Mains	2.59%	1.79%	372,544	(2,022)		62,989	2,617,261
18	344	Fire Sprinkler Taps	2.59%	2.00%	5,572			1,434	58,155
19	345	Services	2.59%	2.38%	94,141	(6,780)		17,247	709,591
20	346	Meters	2.59%	4.55%	19,120	(57)		4,310	175,959
21	348	Hydrants	2.59%	1.82%	50,303			6,112	261,139
22	389	General Plant Land	0.00%	0.00%				-	66
23	390	General Plant Structures	2.59%	2.50%				602	23,225
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	185			1,722	66,577
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%				623	24,070
28	395	Laboratory Equipment	2.59%	5.00%				14	539
29	396	Power Operated Equipment	2.59%	6.67%				316	12,198
30	397	Communication Equipment	2.59%	6.67%	12,016			5,556	220,507
31	398	Miscellaneous Equipment	2.59%	3.33%				197	7,609
32		**TOTAL DIRECT WATER PLANT**			$ 580,565	$ (25,056)	$ -	$ 147,688	$ 5,997,872
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 580,565	$ (25,056)	$ -	$ 147,688	$ 5,997,872
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(36)	
41									
42		Net (Salvage)/Cost of Removal						288	
43		Accumulated Depreciation						(1,558,261)	$ (1,558,261)
44		Accumulated Depreciation - PTYP						-	$ -
45		RUCO Total Accumulated Depreciation - Calculated						(1,558,261)	$ (1,558,261)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,559,208)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,558,261)	$ 947
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2004
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	520			-	520
4	310.1	Water Rights	0.00%	0.00%	1,810			-	10,394
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	8,932
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	1,494			19,501	651,878
8	320	Pumping Plant Land	0.00%	0.00%				-	1,881
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				374	13,385
10	325	Electtric Pumping Equipment	2.59%	5.88%	64,242	(23,496)		33,986	692,359
11	328	Gas Engine Equipment	2.59%	4.00%				553	15,174
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				374	14,812
14	332	Water Treatment Equipment	2.59%	2.86%	1,124			2,147	77,461
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%	10,243			8,268	390,115
17	343	Transmission & Distribution Mains	2.59%	1.79%	2,114	(530)		52,099	2,618,845
18	344	Fire Sprinkler Taps	2.59%	2.00%	3,149			1,283	61,304
19	345	Services	2.59%	2.38%	28,760	(9,279)		17,498	729,072
20	346	Meters	2.59%	4.55%	5,266	(86)		7,249	181,139
21	348	Hydrants	2.59%	1.82%				5,255	261,139
22	389	General Plant Land	0.00%	0.00%				-	66
23	390	General Plant Structures	2.59%	2.50%				586	23,225
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	1,417			3,802	67,994
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	2,294			920	26,364
28	395	Laboratory Equipment	2.59%	5.00%				24	539
29	396	Power Operated Equipment	2.59%	6.67%	1,871			742	14,069
30	397	Communication Equipment	2.59%	6.67%	6,196			12,634	226,703
31	398	Miscellaneous Equipment	2.59%	3.33%	2,548			279	10,157
32		**TOTAL DIRECT WATER PLANT**			$ 133,046	$ (33,391)	$ -	$ 167,573	$ 6,097,526
33		Post Test Year Plant (PTYP)			-	-		-	-
34		**RUCO Total Water Plant In Service**			$ 133,046	$ (33,391)	$ -	$ 167,573	$ 6,097,526
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(36)	
41									
42		Net (Salvage)/Cost of Removal						(14)	
43		Accumulated Depreciation						(1,692,494)	$ (1,692,494)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(1,692,494)	(1,692,494)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,692,868)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,692,494)	$ 374
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2005
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	520
4	310.1	Water Rights	0.00%	0.00%	3,257			-	13,651
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	8,932
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	235			20,407	652,113
8	320	Pumping Plant Land	0.00%	0.00%				-	1,881
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				383	13,385
10	325	Electtric Pumping Equipment	2.59%	5.88%	83,820	(42,776)		41,917	733,403
11	328	Gas Engine Equipment	2.59%	4.00%	1,293			633	16,467
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				370	14,812
14	332	Water Treatment Equipment	2.59%	2.86%				2,215	77,461
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%	7,154	(17,168)		7,702	380,102
17	343	Transmission & Distribution Mains	2.59%	1.79%	243,526	(609)		49,051	2,861,762
18	344	Fire Sprinkler Taps	2.59%	2.00%	6,898			1,295	68,202
19	345	Services	2.59%	2.38%	131,530	(13,710)		18,754	846,892
20	346	Meters	2.59%	4.55%	11,322			8,499	192,461
21	348	Hydrants	2.59%	1.82%	28,343			5,011	289,483
22	389	General Plant Land	0.00%	0.00%				-	66
23	390	General Plant Structures	2.59%	2.50%				581	23,225
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	1,088			4,571	69,081
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%				1,055	26,364
28	395	Laboratory Equipment	2.59%	5.00%				27	539
29	396	Power Operated Equipment	2.59%	6.67%	3,134			1,043	17,203
30	397	Communication Equipment	2.59%	6.67%				15,121	226,703
31	398	Miscellaneous Equipment	2.59%	3.33%				338	10,157
32		**TOTAL DIRECT WATER PLANT**			$ 521,599	$ (74,263)	$ -	$ 178,975	$ 6,544,863
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 521,599	$ (74,263)	$ -	$ 178,975	$ 6,544,863
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(36)	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(1,797,241)	$ (1,797,241)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(1,797,241)	(1,797,241)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,798,450)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,797,241)	$ 1,209
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2006
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	520
4	310.1	Water Rights	0.00%	0.00%	5,366			-	19,017
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	8,932
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%		(165)		20,409	651,948
8	320	Pumping Plant Land	0.00%	0.00%				-	1,881
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				383	13,385
10	325	Electtric Pumping Equipment	2.59%	5.88%	7,836	(4,264)		43,229	736,975
11	328	Gas Engine Equipment	2.59%	4.00%				659	16,467
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				370	14,812
14	332	Water Treatment Equipment	2.59%	2.86%				2,215	77,461
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				7,602	380,102
17	343	Transmission & Distribution Mains	2.59%	1.79%	12,828	(5,883)	(1,488)	51,274	2,867,219
18	344	Fire Sprinkler Taps	2.59%	2.00%	38,993			1,754	107,195
19	345	Services	2.59%	2.38%	73,854	(3,204)		20,997	917,542
20	346	Meters	2.59%	4.55%	4,690			8,864	197,151
21	348	Hydrants	2.59%	1.82%	25,437			5,500	314,920
22	389	General Plant Land	0.00%	0.00%				-	66
23	390	General Plant Structures	2.59%	2.50%	564			588	23,789
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	1,456			4,656	70,537
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	1,305			1,081	27,669
28	395	Laboratory Equipment	2.59%	5.00%				27	539
29	396	Power Operated Equipment	2.59%	6.67%				1,147	17,203
30	397	Communication Equipment	2.59%	6.67%				15,121	226,703
31	398	Miscellaneous Equipment	2.59%	3.33%				338	10,157
32		**TOTAL DIRECT WATER PLANT**			$ 172,330	$ (13,516)	$ (1,488)	$ 186,214	$ 6,702,189
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 172,330	$ (13,516)	$ (1,488)	$ 186,214	$ 6,702,189
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						5,533	
43		Accumulated Depreciation						(1,964,406)	$ (1,964,406)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(1,964,406)	(1,964,406)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,971,148)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,964,406)	$ 6,742
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2007
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				26	520
4	310.1	Water Rights	0.00%	0.00%	8,518			-	27,535
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	8,932
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				20,406	651,948
8	320	Pumping Plant Land	0.00%	0.00%				-	1,881
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				383	13,385
10	325	Electtric Pumping Equipment	2.59%	5.88%	6,148	(55,667)		41,878	687,456
11	328	Gas Engine Equipment	2.59%	4.00%				659	16,467
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				370	14,812
14	332	Water Treatment Equipment	2.59%	2.86%	597			2,224	78,057
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				7,602	380,102
17	343	Transmission & Distribution Mains	2.59%	1.79%	226,830	(3,925)		53,318	3,090,123
18	344	Fire Sprinkler Taps	2.59%	2.00%	42,236	(911)		2,557	148,520
19	345	Services	2.59%	2.38%	258,968	(17,904)		24,706	1,158,606
20	346	Meters	2.59%	4.55%	18,950	(36)		9,401	216,066
21	348	Hydrants	2.59%	1.82%	39,715			6,093	354,635
22	389	General Plant Land	0.00%	0.00%				-	66
23	390	General Plant Structures	2.59%	2.50%				595	23,789
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	2,479			4,788	73,016
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%				1,107	27,669
28	395	Laboratory Equipment	2.59%	5.00%	1,438			63	1,977
29	396	Power Operated Equipment	2.59%	6.67%				1,147	17,203
30	397	Communication Equipment	2.59%	6.67%	4,301			15,265	231,004
31	398	Miscellaneous Equipment	2.59%	3.33%				338	10,157
32		**TOTAL DIRECT WATER PLANT**			$ 610,179	$ (78,443)	$ -	$ 192,925	$ 7,233,925
33		Post Test Year Plant (PTYP)			-	-		-	-
34		**RUCO Total Water Plant In Service**			$ 610,179	$ (78,443)	$ -	$ 192,925	$ 7,233,925
35									
36		**Company Direct Plant As Filed**							7,233,925
37									
38		**RUCO Direct Plant Adjustment**							$ (0)
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(2,078,889)	$ (2,078,889)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(2,078,889)	(2,078,889)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(2,085,630)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (2,078,889)	$ 6,741
49									
50		**RUCO Net Adjustment**							$ 6,741
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	ADJ-1 Remove Post Test Year Plant	Balance 12/31/2003
1	301	Organization	0.00%	651		651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intanglbles	See Acct. 111 - Amort of Ltd. Trm. Inv.	8,496		8,496
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	-		-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	-		-
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	-		-
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	31,795		31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	1,267,373		1,267,373
25	391	Office Furniture and Equipment	2.59%	3,505,411		3,505,411
26	393	Warehouse Equipment	2.59%	3,705		3,705
27	394	Tools, Shop and Garage Equipment	2.59%	30,450		30,450
28	395	Laboratory Equipment	2.59%	977		977
29	396	Power Operated Equipment	2.59%	-		-
30	397	Communication Equipment	2.59%	143,052		143,052
31	398	Miscellaneous Equipment	2.59%	7,207		7,207
32		**TOTAL PHOENIX OFFICE PLANT**		4,999,117	-	4,999,117
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Phoenix Office**		4,999,117	-	4,999,117
35						
36		**Company Phoenix Office As Filed**		4,999,117		4,999,117
37						
38		RUCO Phoenix Office Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733		-		-
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(503,775)	-	(503,775)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(503,775)	-	(503,775)
46						
47		Company As Filed - Accumulated Depreciation				(503,775)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	48,512			78,228	1,315,885
25	391	Office Furniture and Equipment	2.59%	129,135	(7,465)		92,366	3,627,081
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	24,820			1,110	55,270
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	6,465			3,789	149,517
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		208,932	(7,465)	-	176,624	5,200,584
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,200,584
35								
36		**Company Phoenix Office As Filed**						5,200,584
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(672,934)	(672,934)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(672,934)	(672,934)
46								
47		Company As Filed - Accumulated Depreciation						(672,934)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				89,580	1,315,885
25	391	Office Furniture and Equipment	2.59%	221,339			96,808	3,848,420
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	20,585			1,698	75,855
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	885			3,884	150,402
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		242,809	-	-	193,101	5,443,393
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,443,393
35								
36		**Company Phoenix Office As Filed**						5,443,393
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(866,035)	(866,035)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(866,035)	(866,035)
46								
47		Company As Filed - Accumulated Depreciation						(866,035)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
			Dec. 58120					
			1/1/1993					
			To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				94,864	1,315,885
25	391	Office Furniture and Equipment	2.59%	369,071			104,454	4,217,491
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	59,519			2,735	135,374
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	1,741			3,918	152,143
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		430,332	-	-	207,102	5,873,725
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,873,725
35								
36		**Company Phoenix Office As Filed**						5,873,725
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,073,138)	(1,073,138)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,073,138)	(1,073,138)
46								
47		Company As Filed - Accumulated Depreciation						(1,073,137)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				425	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	10,463			959	42,258
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	93			86,708	1,315,978
25	391	Office Furniture and Equipment	2.59%	464,535	(243,714)		112,093	4,438,312
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	40,312			4,028	175,686
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	4,089			3,993	156,232
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		519,493	(243,714)	-	208,514	6,149,503
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						6,149,503
35								
36		**Company Phoenix Office As Filed**						6,149,503
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,037,938)	(1,037,938)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,037,938)	(1,037,938)
46								
47		Company As Filed - Accumulated Depreciation						(1,036,382)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1,556)
49								
50		**RUCO Net Adjustment**						(1,556)
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	2003 Balance 12/31/2003
1	301	Organization	0.00%	-		-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	80		80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	2,050		2,050
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	6,066		6,066
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	37,472		37,472
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	-		-
25	391	Office Furniture and Equipment	2.59%	3,983		3,983
26	393	Warehouse Equipment	2.59%	1,088		1,088
27	394	Tools, Shop and Garage Equipment	2.59%	58,430		58,430
28	395	Laboratory Equipment	2.59%	2,981		2,981
29	396	Power Operated Equipment	2.59%	1,458		1,458
30	397	Communication Equipment	2.59%	-		-
31	398	Miscellaneous Equipment	2.59%	-		-
32		**TOTAL METER SHOP PLANT**		113,608	-	113,608
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Meter Shop**		113,608	-	113,608
35						
36		**Company Meter Shop As Filed**		113,608		113,608
37						
38		RUCO Meter Shop Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733				
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(30,118)	-	(30,118)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(30,118)	-	(30,118)
46						
47		Company As Filed - Accumulated Depreciation				(30,118)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
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Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	12,809			1,136	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	3,166			144	7,149
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	1,575			1,534	60,005
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		17,550	-	-	3,168	131,158
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						131,158
35								
36		**Company Meter Shop As Filed**						131,158
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733						
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(33,286)	(33,286)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(33,286)	(33,286)
46								
47		Company As Filed - Accumulated Depreciation						(33,286)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
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Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,302	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	94			186	7,243
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	2,004			1,580	62,009
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		2,097	-	-	3,422	133,256
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						133,256
35								
36		**Company Meter Shop As Filed**						133,256
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(36,708)	(36,708)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(36,708)	(36,708)
46								
47		Company As Filed - Accumulated Depreciation						(36,708)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
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Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	2,571			1,336	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	1,610			208	8,853
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	3,115			1,646	65,124
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		7,296	-	-	3,544	140,551
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						140,551
35								
36		**Company Meter Shop As Filed**						140,551
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(40,251)	(40,251)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(40,251)	(40,251)
46								
47		Company As Filed - Accumulated Depreciation						(40,251)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,369	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	1,893			254	10,745
26	393	Warehouse Equipment	2.59%	1,089			42	2,177
27	394	Tools, Shop and Garage Equipment	2.59%	2,298			1,716	67,422
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		5,280	-	-	3,707	145,832
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						145,832
35								
36		**Company Meter Shop As Filed**						145,832
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(43,958)	(43,958)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(43,958)	(43,958)
46								
47		Company As Filed - Accumulated Depreciation						(43,959)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						1
49								
50		**RUCO Net Adjustment**						1
51								
52								
53								
54								
55								
56		Notes						
57		Acct. 302 - Franchises amortized over 25 years.						
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.						
59		Acct. 310.4 - Wells - Other amortized over 24 years.						
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.						

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EXPLANATION OF RATE BASE ADJUSTMENT NO. 2
POST TEST-YEAR PLANT - PHOENIX OFFICE

LINE NO.	ACCT NO.	ACCOUNT NAME	(A) COMPANY ADJUSTED TY PLANT	(B) POST TY ADDITIONS	(C) 3-FACTOR ALLOCATOR	(D) REMOVE PTY PLANT
1	301	Organization	$ 17	$ -	2.58%	$ -
2	302	Franchises	-	-	2.58%	-
3	303	Other Intangibles	739	-	2.58%	-
4	310.1	Water Rights	27,535	-	2.58%	-
5	310.3	Other Source of Supply Land	8,934	-	2.58%	-
6	310.4	Wells - Other	-	-	2.58%	-
7	314	Wells	651,948	-	2.58%	-
8	320	Pumping Plant Land	1,881	-	2.58%	-
9	321	Pumping Plant Structures & Imprm'ts	13,385	-	2.58%	-
10	325	Electtric Pumping Equipment	687,456	-	2.58%	-
11	328	Gas Engine Equipment	16,467	-	2.58%	-
12	330	Water Treatment Plant Land	-	-	2.58%	-
13	331	Water Treatment Structures & Imprm'ts	14,812	-	2.58%	-
14	332	Water Treatment Equipment	78,110	-	2.58%	-
15	340	Transmission and Distribution Land	-	-	2.58%	-
16	342	Storage Tanks	380,102	-	2.58%	-
17	343	Transmission & Distribution Mains	3,090,280	-	2.58%	-
18	344	Fire Sprinkler Taps	148,520	-	2.58%	-
19	345	Services	1,158,606	-	2.58%	-
20	346	Meters	216,066	-	2.58%	-
21	348	Hydrants	354,635	-	2.58%	-
22	389	General Plant Land	66	-	2.58%	-
23	390	General Plant Structures	26,243	-	2.58%	-
24	390.1	Leasehold Improvements	33,952	-	2.58%	-
25	391	Office Furniture & Equipment	187,802	120,057	2.58%	3,097
26	393	Warehouse Equipment	152	-	2.58%	-
27	394	Tools, Shop & Garage Equipment	33,942	-	2.58%	-
28	395	Laboratory Equipment	2,079	-	2.58%	-
29	396	Power Operated Equipment	17,241	-	2.58%	-
30	397	Communication Equipment	235,035	-	2.58%	-
31	398	Miscellaneous Equipment	10,343	-	2.58%	-
32						
33		**TOTAL PTY WATER PLANT**	$ 7,396,345	$ 120,057		$ 3,097
34		Company As Filed	$ 7,396,345	120,057		3,097
35		Difference	$ -	$ -		$ -
36						
37		RUCO PTY Plant Adjustment				$ (3,097)
38						
39		RUCO PTY Accumulated Depreciation Plant Adjustment				$ 103
40						
41						

42 References:
43 Column (A): Company Schedules B-2
44 Column (B): Post Test Year Phoenix Office Plant Allocation
45 Column (C): 3-Factor Allocator
46 Column (D): Adjustment

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6
ALLOWANCE FOR WORKING CAPITAL

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) REFERENCE
1	Working Cash Requirement Per Company	$ 1,319	Company Schedule B-5, PG. 1
2	Working Cash Requirement Per RUCO	(30,556)	RUCO Schedule WAR-5, Page 2
3	Adjustment	$ (31,875)	Line 2 - Line 1
4	Material and Supplies Inventories Per Company	$ 20,402	Company Schedule B-5, PG. 1
5	Material and Supplies Inventories Per RUCO	20,402	Company Schedule B-5, PG. 1
6	Adjustment	$ -	Line 5 - Line 4
7	Required Bank Balances Per Company	$ 13,272	Company Schedule B-5, PG. 1
8	Required Bank Balances Per RUCO	13,272	Company Schedule B-5, PG. 1
9	Adjustment	$ -	Line 8 - Line 7
10	Prepayments & Special Deposits Per Company	$ 13,856	Company Schedule B-5, PG. 1
11	Prepayments & Special Deposits Per RUCO	13,856	Company Schedule B-5, PG. 1
12	Adjustment	$ -	Line 11 - Line 10
13	TOTAL ADJUSTMENT (See TJC-2, Column (K))	$ (31,875)	Sum of Lines 3, 6, 9 & 12

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6 - CONT'D
LEAD/LAG DAY SUMMARY

LINE NO.	DESCRIPTION	(A) COMPANY EXPENSES AS FILED	(B) RUCO ADJUSTM'TS	(C) RUCO EXPENSES AS ADJUSTED	(D) (LEAD)/LAG DAYS	(E) DOLLAR DAYS
	Operating Expenses					
1	Purchased Power	$ 220,661	$ -	$ 220,661	35.92	$ 7,926,143
2	Payroll	323,498	(7,811)	315,687	14.00	4,419,621
3	Purchased Water	-	-	-	-	-
4	Chemicals	8,699	-	8,699	20.43	177,690
5	Property & Liability Insurance	7,707	-	7,707	(45.27)	(348,896)
6	Workman's Compensation Insurance	3,853	-	3,853	(46.50)	(179,165)
7	Health Insurance	37,602	(38)	37,564	(8.92)	(335,071)
8	Other Operating & Maintenance Expenses	163,165	(4,300)	158,865	30.00	4,765,950
9	Federal Current Income Taxes	79,281	(41,411)	37,870	37.00	1,401,190
10	State Current Income Taxes	17,465	(6,975)	10,490	37.00	388,119
11	FICA Taxes	17,329	(584)	16,745	14.00	234,435
12	FUTA & SUTA Taxes	415	-	415	83.10	34,487
13	Property Taxes	80,115	(3,713)	76,402	212.00	16,197,280
14	Registration, Svc. Contracts, & Misc. Fees	14,914	-	14,914	(98.83)	(1,473,951)
15	Retirement Annuities (401k)	12,411	(656)	11,755	34.72	408,147
16	Subtotal	987,115	(65,487)	921,628		33,615,978
17	Synchronized Interest	$ 93,491	$ (1,045)	$ 92,446	91.25	$ 8,435,730
18	Cost of Equity	153,899	(153,899)	-	-	-
19	Subtotal	$ 247,390	$ (154,944)	$ 92,446		$ 8,435,730
20	Total	$ 1,234,505	$ (220,431)	$ 1,014,074		$ 42,051,709

21	Expense Lag	Line 17, Col. (E) / (C)	41.47
22	Revenue Lag	Company B-5 Schedules	30.47
23	Net Lag	Line 18 - Line 17	(11.00)
24	RUCO Adjusted Expenses	Col. (C), Line 16	$ 1,014,074
25	Cash Working Capital	Line 19 X Line 20 / 365 Days	(30,556)
26	Company As Filed	Co. Schedule B-6, Page 1	1,319
27	Difference	Line 21 - Line 22	$ (31,875)
28	ADJUSTMENT	Line 27	$ (31,875)

NOTE: Expense Lag Days Used in the Last Western Group Rate Case.

NOTE: RUCO reviewed several invoices from a number of companies with terms of net 30 days.

References:
Column (A): - Company Schedule B-5
Column (B): RUCO Operating Income Adjustments (See Schedule TJC-7)
Column (C): Column (A) + (B)
Column (D): - Company Schedule B-5
Column (E): Column (C) X Column (D)

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OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJM'TS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
	Operating Revenues					
1	Residential	$ 1,067,828	$ -	$ 1,067,828	$ (111,295)	$ 956,533
2	Commercial	346,169	-	346,169	(53,325)	292,845
3	Industrial	-	-	-	-	-
4	Private Fire Service	1,924	-	1,924	7,701	9,625
5	Other Water Revenues	29,331	-	29,331	(6,719)	22,613
6	Total Water Revenues	$ 1,445,253	$ -	$ 1,445,253	$ (163,638)	$ 1,281,615
7	Miscellaneous	$ 16,645	$ -	$ 16,645	$ 450	$ 17,095
8	Total Operating Revenues	$ 1,461,897	$ -	$ 1,461,897	$ (163,188)	$ 1,298,710
	Operating Expenses					
	Source of Supply Expenses:					
9	Purchased Water	$ -	$ -	$ -	$ -	$ -
10	Other	2,096	-	2,096	-	2,096
11	Pumping Expenses:	-				
12	Purchased Power	220,661	-	220,661	-	220,661
13	Purchased Gas	698	-	698	-	698
14	Other	46,020	-	46,020	-	46,020
15	Water Treatment Expenses	22,454	-	22,454	-	22,454
16	Transmission & Distribution Expenses	213,548	-	213,548	-	213,548
17	Customer Accounting Expenses	134,508	-	134,508	-	134,508
18	Sales Expense	275	-	275	-	275
19	Administrative & General Expenses	152,251	(10,224)	142,026	-	142,026
20	Total Operations & Maintenance Expense	$ 792,510	$ (10,224)	$ 782,286	$ -	$ 782,286
21	Depreciation & Amortization Expenses	$ 186,533	$ (2,454)	$ 184,079	$ -	$ 184,079
	Taxes					
22	Federal Income Taxes	$ 93,535	$ (14,614)	$ 78,921	$ (41,051)	$ 37,870
23	State Income Taxes	20,605	1,256	21,861	(11,371)	10,490
24	Property Taxes	80,115	(3,713)	76,402	-	76,402
25	Other	13,539	(584)	12,956	-	12,956
26	Total Taxes	$ 207,794	$ (17,655)	$ 190,140	$ (52,422)	$ 137,717
27	Total Operating Expenses	$ 1,186,838	$ (30,333)	$ 1,156,504	$ (52,422)	$ 1,104,082
28	Operating Income	$ 275,060	$ 30,333	$ 305,393	$ (110,765)	$ 194,628

References:
Column (A): Company Schedule C-1
Column (B): TJC-8, Columns (B) Thru (I)
Column (C): Column (A) + Column (B)
Column (D): TJC-1
Column (E): Column (C) + Column (D)

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJMT NO. 1 LABOR EXPENSE	(C) ADJMT NO. 2 PAYROLL TAX EXPENSE	(D) ADJMT NO. 3 401(K) EXPENSE	(E) ADJMT NO. 4 REVERSE ADJ. FOR CONSERVATION	(F) ADJMT NO. 5 PURCH. POWER REVENUES	(G) ADJMT NO. 6 INSURANCE EXPENSE	(H) ADJMT NO. 7 DEPRECIATION EXPENSE	(I) ADJMT NO. 8 PROPERTY TAX	(J) ADJMT NO. 9 RATE CASE EXPENSE	(K) ADJMT NO. 10 INCOME TAXES	(L) RUCO AS ADJT'D
	Operating Revenues												
1	Residential	$ 1,067,828	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,067,828
2	Commercial	346,169	-	-	-	-	-	-	-	-	-	-	346,169
3	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
4	Private Fire Service	1,924	-	-	-	-	-	-	-	-	-	-	1,924
5	Other Water Revenues	29,331	-	-	-	-	-	-	-	-	-	-	29,331
6	Total Water Revenues	$ 1,445,253	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,445,253
7	Miscellaneous	$ 16,645	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,645
8	Total Operating Revenues	$ 1,461,897	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,461,897
	Operating Expenses												
	Source of Supply Expenses:												
9	Purchased Water	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	Other	2,096	-	-	-	-	-	-	-	-	-	-	2,096
11	Pumping Expenses:												
12	Purchased Power	220,661	-	-	-	-	-	-	-	-	-	-	220,661
13	Purchased Gas	698	-	-	-	-	-	-	-	-	-	-	698
14	Other	46,020	-	-	-	-	-	-	-	-	-	-	46,020
15	Water Treatment Expenses	22,454	-	-	-	-	-	-	-	-	-	-	22,454
16	Transmission & Distribution Expenses	213,548	-	-	-	-	-	-	-	-	-	-	213,548
17	Customer Accounting Expenses	134,508	-	-	-	-	-	-	-	-	-	-	134,508
18	Sales Expense	275	-	-	-	-	-	-	-	-	-	-	275
19	Administrative & General Expenses	152,251	(7,811)	-	(656)	-	-	(38)	-	-	(1,720)	-	142,026
20	Total Operations & Maintenance Expense	$ 792,510	$ (7,811)	$ -	$ (656)	$ -	$ -	$ (38)	$ -	$ -	$ (1,720)	$ -	$ 782,286
21	Depreciation & Amortization Expenses	$ 186,533	$ -	$ -	$ -	$ -	$ -	$ -	$ (2,454)	$ -	$ -	$ -	$ 184,079
	Taxes												
22	Federal Income Taxes	$ 93,535	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (14,614)	$ 78,921
23	State Income Taxes	20,605	-	-	-	-	-	-	-	-	-	1,256	21,861
24	Property Taxes	80,115	-	-	-	-	-	-	-	(3,713)	-	-	76,402
25	Other	13,539	-	(584)	-	-	-	-	-	-	-	-	12,956
26	Total Taxes	$ 207,794	$ -	$ (584)	$ -	$ -	$ -	$ -	$ -	$ (3,713)	$ -	$ (13,358)	$ 190,140
27	Total Operating Expenses	$ 1,186,838	$ (7,811)	$ (584)	$ (656)	$ -	$ -	$ (38)	$ (2,454)	$ (3,713)	$ (1,720)	$ (13,358)	$ 1,156,504
28	Operating Income	$ 275,060	$ 7,811	$ 584	$ 656	$ -	$ -	$ 38	$ 2,454	$ 3,713	$ 1,720	$ 13,358	$ 305,393

ADJUSTMENTS:
1 - Labor Expense - Normalize OT Hours in Test Year
2 - Payroll Tax Expense Related to Adjustment 1
3 - 401(K) Expense Related to Adjustment 1
4 - Reverse Adjustment for Conservation
5 - Purchased Power Revenues
6 - Insurance Expense
7 - Depreciation Expense
8 - Property Tax Expense
9 - Rate Case Expense

REFERENCE:
Testimony, WAR And Schedule TJC-9 Page, 1 of 3
Testimony, WAR And Schedule TJC-9 Page, 2 of 3
Testimony, WAR And Schedule TJC-9 Page, 3 of 3
Testimony WAR
Testimony WAR
Testimony, WAR And Schedule TJC-10
Testimony, WAR And Schedule TJC-11
Testimony, WAR And Schedule TJC-12
Testimony, WAR And Schedule TJC-13

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 1
PAYROLL EXPENSE

LINE NO.	DESCRIPTION		(A) PER RUCO DR 1.11.d
1	Normalize Over-Time Over 4 Years:		
2	2005 OT Hours		15,008.5
3	2006 OT Hours		18,080.0
4	2007 OT Hours		28,132.5
5	2008 OT Hours		17,530.0
6			
7	Total OT Hours for 2005 - 2008		78,751.0
8	Divided by 4 Years		4
9			
10	Normalized Level of OT Hours/Yr.		19,687.8
11			
12	OT Hours in Test Year		28,132.5
13			
14	Amount of Abnormal TY OT Hours		8,444.8
15			
16	Multiplied by Average OT Hrly. Rate	**See NOTE**	35.85
17			
18	Total Abnormal OT Dollars in TY		$ 302,744
19			
20	3-Factor Allocator Per District		2.58%
21			
22	RUCO Adjustment		$ (7,811)
23			
24			
25			
26			
27			

28	3-Factor Allocator By District:			
29	Superstition	24.94%	White Tank	2.37%
30	Bisbee	4.98%	Ajo	0.81%
31	Sierra Vista	2.58%	Coolidge	5.27%
32	San Manuel	1.68%	Lakeside	6.20%
33	Oracle	2.28%	Overgaard	3.99%
34	Winkelman	0.22%	Sedona	8.45%
35	Miami	4.98%	Pinewood	2.95%
36	Casa Grande	26.55%	Rimrock	1.48%
37	Stanfield	0.27%		
38				
39				
40				
41				
42	**Calculation Notes:**			
43	Average of Hourly Rate	$ 21.65		
44	OT Hourly Rate 1.5	32.48		

NOTE: The Company calculated the average hourly rate for overtime in response to data request AII-11.6 to be $35.85. RUCO accepts that rate in making its payroll adjustments.

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
PAYROLL TAX EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll Tax Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	2.58%
6		
7	RUCO Allocated Payroll by District	$ 7,811
8		
9	Payroll Tax Expense Allocator By Group:	
10		
11	RUCO Payroll Tax Expense Allocator by Group	7.47%
12		
13	RUCO Payroll Tax Expense Adjustment	$ (584)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
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26		
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28		
29		
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31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group 7.47%	
40	Western Group 11.65%	
41	Northern Group 15.90%	

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
PAYROLL 401(K) EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll 401(K) Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	2.58%
6		
7	RUCO Allocated Payroll by District	$ 7,811
8		
9	Payroll 401(K) Expense Allocator By Group:	
10		
11	RUCO Payroll 401(K) Expense Allocator by Group	8.39%
12		
13	RUCO Payroll 401(K) Expense Adjustment	$ (656)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group 8.39%	
40	Western Group 8.45%	
41	Northern Group 8.12%	

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
INSURANCE EXPENSE

LINE NO.		(A) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER COMPANY	(B) RUCO ADJUSTMENT	(C) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER RUCO
1	System			
2				
3	Eastern Group			
4	Supersition	$ 2,224	$ (273)	$ 1,950
5	Apache Junction			
6	Superior			
7	Bisbee	122	(45)	77
8	Sierra Vista	115	(38)	77
9	San Manuel	5	(20)	(16)
10	Oracle	25	(20)	5
11	Saddlebrook	5	(0)	4
12	Winkelman	0	(2)	(2)
13	Miami	(338)	(40)	(378)
14	Subtotal	$ 2,157	$ (439)	$ 1,718
15				
16	Western Group			
17	Casa Grande	2,137	(298)	1,839
18	Stanfield	20	(3)	17
19	White Tank	148	(22)	126
20	Ajo	58	(9)	49
21	Coolidge	(127)	(62)	(189)
22	Subtotal	$ 2,235	$ (393)	$ 1,842
23				
24	Northern Group			
25	Lakeside	570	(65)	506
26	Overgaard	507	(55)	452
27	Sedona	445	(84)	361
28	Pinewood	199	(38)	162
29	Rimrock	87	(16)	71
30	Subtotal	$ 1,809	$ (257)	$ 1,551
31				
32				
33	Total Company	$ 6,201	$ (1,090)	$ 5,111 (a)

REFERENCE

COLUMN (A): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (B): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (C): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD

NOTES:

(a) CALCULATED AS FOLLOWS:		PER COMPANY	RUCO ADJUSTMENT	PER RUCO	REFERENCE
1	Current Rate per Payroll Dollar	$ 0.0036		$ 0.0036	COMPANY WORKPAPER - "GROUP INSURANCE" TAB LTD
2	Pro Forma Payroll Dollars	$ 11,095,569	$ 302,744	$ 10,792,825	COMPANY WORKPAPER - "GROUP INSURANCE)
3	Pro Forma LTD - Total Company	$ 39,944		$ 38,854	LINE 1 x LINE 2
4	Y/E Number of Customers	$ 83,825		$ 83,825	COMPANY WORKPAPER - "GROUP INSURANCE)
5	Pro Forma 2007 LTD - Spread	$ 38,854		$ 38,854	COMPANY WORKPAPER - "GROUP INSURANCE)
6	Increase / (Decrease)	$ 6,201		$ 5,111	COMPANY WORKPAPER - "GROUP INSURANCE)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCOUNT NO.	ACCOUNT NAME	(A) RUCO PLANT VALUE	(B) COMPANY PROPOSED DEP. RATES	(C) TEST YEAR DEPRECIATION EXPENSE
1	301	Organization	$ 17	0.00%	$ -
2	302	Franchises	-	See Acct. 111	-
3	303	Other Intangibles	739	See Acct. 111	26
4	310.1	Water Rights	27,535	0.00%	-
5	310.3	Other Source of Supply Land	8,934	0.00%	-
6	310.4	Wells - Other	-	See Acct. 111	-
7	314	Wells	651,948	3.13%	20,406
8	320	Pumping Plant Land	1,881	0.00%	-
9	321	Pumping Plant Structures & Imprm'ts	13,385	2.86%	383
10	325	Electtric Pumping Equipment	687,456	5.88%	40,422
11	328	Gas Engine Equipment	16,467	4.00%	659
12	330	Water Treatment Plant Land	-	0.00%	-
13	331	Water Treatment Structures & Imprm'ts	14,812	2.50%	370
14	332	Water Treatment Equipment	78,110	2.86%	2,234
15	340	Transmission and Distribution Land	-	0.00%	-
16	342	Storage Tanks	380,102	2.00%	7,602
17	343	Transmission & Distribution Mains	3,090,280	1.79%	55,316
18	344	Fire Sprinkler Taps	148,520	2.00%	2,970
19	345	Services	1,158,606	2.38%	27,575
20	346	Meters	216,066	4.55%	9,831
21	348	Hydrants	354,635	1.82%	6,454
22	389	General Plant Land	66	0.00%	-
23	390	General Plant Structures	26,243	2.50%	656
24	390.1	Leasehold Improvements	33,952	See Acct. 108.2	-
25	391	Office Furniture & Equipment	184,705	6.67%	12,320
26	393	Warehouse Equipment	152	5.00%	8
27	394	Tools, Shop & Garage Equipment	33,942	4.00%	1,358
28	395	Laboratory Equipment	2,079	5.00%	104
29	396	Power Operated Equipment	17,241	6.67%	1,150
30	397	Communication Equipment	235,035	6.67%	15,677
31	398	Miscellaneous Equipment	10,343	3.33%	344
32		Rounding	(1)		
33		TEST YEAR GROSS PLANT AND DEPRECIATION EXPENSE	$ 7,393,247		$ 205,865
34					
35		AMORTIZATION OF CONTRIBUTIONS	(1,089,317)	2.00%	(21,786)
36		Rounding			-
37	**TOTAL DEPRECIATION EXPENSE**				$ 184,079
38					
39	Company As Filed				186,533
40	Difference				$ (2,454)
41					
42	RUCO Adjustment (See TJC-8, Column (B))				$ (2,454)
43					
44					

45	3-Factor Allocator By District:			
46	Superstition	24.94%	White Tank	2.37%
47	Bisbee	4.98%	Ajo	0.81%
48	Sierra Vista	2.58%	Coolidge	5.27%
49	San Manuel	1.68%	Lakeside	6.20%
50	Oracle	2.28%	Overgaard	3.99%
51	Winkelman	0.22%	Sedona	8.45%
52	Miami	4.98%	Pinewood	2.95%
53	Casa Grande	26.55%	Rimrock	1.48%
54	Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	REFERENCE	(A)	(B)
	Calculation Of The Company's Full Cash Value:			
	Annual Operating Revenues:			
1	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	$ 1,461,897	
2	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	1,461,897	
3	Proposed Revenues	Sch. TJC-7, Col (E), Ln 8	1,298,710	
4	Total Three Year Operating Revenues	Sum Of Lines 1, 2 & 3	$ 4,222,505	
5	Average Annual Operating Revenues	Line 4 / 3	1,407,502	
6	Two Times Three Year Average Operating Revenues	Line 5 X 2		$ 2,815,003
	ADD:			
	10% Of Construction Work In Progress ("CWIP"):			
7	Test Year CWIP	Company Schedule E	$ 72,684	
8	10% Of CWIP	Line 7 X 10%		$ 7,268
	SUBTRACT:			
	Transportation At Book Value:			
9	Original Cost Of Transportation Equipment	Company Workpapers	$ -	
10	Acc. Dep. Of Transportation Equipment	Company Workpapers	-	
11	Net Book Value Of Transportation Equipment	Line 9 + Line 10		$ (1,959)
12	Company's Full Cash Value ("FCV")	Sum Of Lines 6, 8 & 11		$ 2,820,312
	Calculation Of The Company's Tax Liability:			
	MULTIPLY:			
	FCV X Valuation Assessment Ratio X Property Tax Rates:			
13	Assessment Ratio	House Bill 2779	22.5%	
14	Assessed Value	Line 12 X Line 13	$ 634,570	
	Property Tax Rates:			
15	Primary Tax Rate	Company Workpapers	12.04%	
16	Secondary Tax Rate	Company Workpapers	0.00%	
17	Estimated Tax Rate Liability	Line 15 + Line 16	12.04%	
	Property Tax			$ 76,402
	Tax On Parcel			-
18	Company's Total Tax Liability - Based On Full Cash Value	Line 14 X Line 17		$ 76,402
19	Test Year Adjusted Property Tax Expense As Filed	Co. Sch. C-1		80,115
20	Decrease In Property Tax Expense	Line 18 - Line 19		$ (3,713)
21	RUCO Adjustment (See TJC-8, Column (C))	Line 20		$ (3,713)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 9
RATE CASE EXPENSE

LINE NO.	DESCRIPTION	(A) COMPANY ESTIMATE	(B) RUCO ADJUSTMENT	(C) RUCO AS ADJUSTED
1	Rate Case Expense Total	$ 500,000	$ (200,000)	$ 300,000
2	Allocation Factor			2.58%
3	Sierra Vista System (Line 1 X Line 2)			$ 7,740
4	Amortization Period - 3 Years			3
5	RUCO Adjusted Rate Case Expense (Line 3 / 3 Years)			$ 2,580
6	Company Rate Case Expenses As Filed (Company Sch. C-2)			$ 4,300
7	RUCO Pro Forma Rate Case Expense (Lines 5 - 6)			$ (1,720)
8	RUCO Adjustment (Line 7) (See TJC-8, Column (E))			$ (1,720)

3-Factor Allocator By District:

Superstition	24.94%	White Tank	2.37%
Bisbee	4.98%	Ajo	0.81%
Sierra Vista	2.58%	Coolidge	5.27%
San Manuel	1.68%	Lakeside	6.20%
Oracle	2.28%	Overgaard	3.99%
Winkelman	0.22%	Sedona	8.45%
Miami	4.98%	Pinewood	2.95%
Casa Grande	26.55%	Rimrock	1.48%
Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. TJC-7, Column (C), L28 + L22 + L23	$ 406,175
	LESS:		
2	Arizona State Tax	Line 11	21,861
3	Interest Expense	Note (A) Line 21	92,446
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ 291,868
5	Federal Tax Rate	Sch. TJC-1, Pg 2, Col. (D), L34	27.04%
6	Federal Income Tax Expense	Line 4 X line 5	$ 78,921
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 406,175
	LESS:		
8	Interest Expense	Note (A) Line 21	92,446
9	State Taxable Income	Line 7 - Line 8	$ 313,729
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ 21,861
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ 78,921
13	State Income Tax Expense	Line 11	21,861
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ 100,782
15	Total Federal Income Tax Expense Per Company (Per Company Sch. C-1, L30)		93,535
16	Total State Income Tax Expense Per Company (Per Company Sch. C-1, L31)		20,605
17	RUCO Federal Income Tax Adjustment	Line 12 - Line 15	$ (14,614)
18	RUCO State Income Tax Adjustment	Line 13 - Line 16	$ 1,256

NOTE (A):
Interest Synchronization:

19	Adjusted Rate Base (Sch. TJC-2, Col. (H), L17)	$ 2,492,548
20	Weighted Cost Of Debt (Sch. TJC-15 Col. (D), L1)	3.71%
21	Interest Expense (L18 X L19)	$ 92,446

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) DOLLAR AMOUNT	(B) CAPITAL RATIO	(C) COST RATE	(D) WEIGHTED COST RATE
1	Long-Term Debt	$ 75,000,000	50.76%	7.31%	3.71%
2	Common Equity	72,744,646	49.24%	8.33%	4.10%
3	Total Capitalization	$ 147,744,646	100.00%		
4	WEIGHTED AVERAGE COST OF CAPITAL				7.81%

References:
Columns (A) Thru (D): Testimony, WAR

ARIZONA WATER COMPNAY

W-01445A-08-0440

San Manuel System

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

San Manuel System

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TJC-2	1	RATE BASE
TJC-3	1	SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS
TJC-4 DIRECT PLANT	1 TO 7	RATE BASE ADJUSTMENT NO. 1 - PLANT & ACCUMULATED DEPRECIATION RECONCILIATION ADJUSTMENT
TJC-4 PHOENIX OFFICE	1 TO 5	RATE BASE ADJUSTMENT NO. 1 - PLANT & ACCUMULATED DEPRECIATION RECONCILIATION ADJUSTMENT
TJC-4 METER SHOP	1 TO 5	RATE BASE ADJUSTMENT NO. 1 - PLANT & ACCUMULATED DEPRECIATION RECONCILIATION ADJUSTMENT
TJC-5	1	RATE BASE ADJUSTMENT NO. 2 - REMOVE POST TEST-YEAR PLANT FOR PHOENIX OFFICE
TESTIMONY		RATE BASE ADJUSTMENT NO. 3 - REMOVE PLANT AND RETIREMENTS INCLUDED IN RATE APPLICATION
		RATE BASE ADJUSTMENT NO. 4 - INTENTIONALLY LEFT BLANK
		RATE BASE ADJUSTMENT NO. 5 - INTENTIONALLY LEFT BLANK
TJC-6	1 & 2	RATE BASE ADJUSTMENT NO. 6 - WORKING CAPITAL AND LEAD/LAG STUDY
TJC-7	1	OPERATING INCOME
TJC-8	1	SUMMARY OF OPERATING INCOME ADJUSTMENTS
TJC-9	1 OF 3	OPERATING INCOME ADJUSTMENT NO. 1 - PAYROLL EXPENSE
TJC-9	2 OF 3	OPERATING INCOME ADJUSTMENT NO. 2 - PAYROLL TAX EXPENSE RELATED TO PAYROLL EXPENSE ADJ. #1
TJC-9	3 OF 3	OPERATING INCOME ADJUSTMENT NO. 3 - 401(K) EXPENSE RELATED TO PAYROLL EXPENSE ADJ. #1
TJC-10	1	OPERATING INCOME ADJUSTMENT NO. 6 - INSURANCE EXPENSE
TJC-11	1	OPERATING INCOME ADJUSTMENT NO. 7 - TEST YEAR DEPRECIATION EXPENSE
TJC-12	1	OPERATING INCOME ADJUSTMENT NO. 8 - PROPERTY TAX COMPUTATION
TJC-13	1	OPERATING INCOME ADJUSTMENT NO. 9 - RATE CASE EXPENSE
TJC-14	1	OPERATING INCOME ADJUSTMENT NO. 10 - INCOME TAX EXPENSE
TJC-15	1	COST OF CAPITAL

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San Manuel System
Schedule TJC-1

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	$ 2,035,209	$ 2,026,115
2	Adjusted Operating Income (Loss)	$ (47,524)	$ (56,827)
3	Current Rate of Return (L2 / L1)	-2.34%	-2.80%
4	Required Operating Income (L5 X L1)	$ 199,741	$ 158,207
5	Required Rate of Return on Fair Value Rate Base	9.81%	7.81%
6	Operating Income Deficiency (L4 - L2)	$ 247,264	$ 215,034
7	Gross Revenue Conversion Factor (TJC-1, Page 2)	1.6286	1.4068
8	Required Increase in Gross Revenue Requirement (L7 X L6)	$ 402,704	$ 302,504
9	Adjusted Test Year Revenue	$ 812,359	$ 812,359
10	Proposed Annual Revenue (L8 + L9)	$ 1,215,223	$ 1,114,863
11	Required Percentage Increase in Revenue (L8 / L9)	49.57%	37.24%
12	Consolidated Revenue Adjustment	$ -	$ -
13	Required Increase in Gross Revenue Under Company Proposed Consolidation	$ -	$ -
14	Required Revenue Under Company Proposed Consolidation	$ -	$ -
15	Required Percentage Increase in Revenue Under Company Proposed Consolidation	-	-
16	Rate of Return on Common Equity	12.40%	8.33%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule TJC-2, TJC-7, and TJC-13

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Combined Federal And State Tax Rate (L10)	0.2892			
3	Subtotal (L1 - L2)	0.7108			
4	**Revenue Conversion Factor** (L1 / L3)	**1.4068**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	23.5913%			
9	Effective Federal Income Tax Rate (L7 X L8)	21.9475%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	28.9155%			
11	Required Operating Income (Sch. TJC-1, Pg 1, C (B), L4)	$ 158,207			
12	Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Pg 1, C (B), L2)	(56,827)			
13	Required Increase In Operating Income (L11 - L12)		$ 215,034		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 33,787			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	(53,684)			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ 87,471		
17	Total Required Increase In Revenue (L13 + L16)		$ 302,504		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. TJC-1, Pg 1, Col. (B), L12)			$ 1,114,863	
19	Operating Expense Excluding Income Tax (TJC-7, Col. (E), L27 - L22 - L23)			922,870	
20	Synchronized Interest (Col. (C), L37)			75,147	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 116,847	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 8,142
24	Fed. Taxable Income (L21 - L23)			$ 108,705	
25	Fed. Tax on 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax on 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			$ 6,250	
27	Fed. Tax on 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			$ 8,500	
28	Fed. Tax on 4th Inc. Bracket ($100,001 - $335,000) @ 39%			$ 3,395	
29	Fed. Tax on 5th Inc. Bracket ($335,001 - $10M) @ 34%			$ -	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 25,645
31	Combined Federal and State Income Tax (L23 + L30)				$ 33,787
32	Test Year Combined Income Tax, RUCO as Adjusted (TJC-7, Col. (C), L22 + L23)				$ (53,684)
33	RUCO Adjustment (L31 - L32) (See TJC-6, Col. (D), L23)				$ 87,471
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				23.59%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. WAR-2, Col. (C), L17)			$ 2,026,115	
36	Weighted Avg. Cost of Debt (Sch. TJC-16, Col. (F), L1)			3.71%	
37	Synchronized Interest (L35 X L36)			$ 75,147	

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RATE BASE - ORIGINAL COST

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) RUCO OCRB/FVRB ADJUSTMENTS	(C) RUCO ADJ'TED OCRB/FVRB
	Plant Classification			
1	Intangible Plant	$ 488	$ -	$ 488
2	Source of Supply Plant	175,502	-	175,502
3	Pumping Plant	376,086	2,058	378,144
4	Water Treatment Plant	1,398,624	-	1,398,624
5	Transmission & Distribution Plant	1,712,957	-	1,712,957
6	General Plant	458,818	(2,017)	456,801
7	Total Gross Plant in Service	$ 4,122,476	$ 41	$ 4,122,517
8	Accumulated Depreciation	(997,040)	33,996	(963,044)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 3,125,436	$ 34,037	$ 3,159,473
10	Advances in Aid Of Const.	$ (73,164)	$ -	$ (73,164)
11	Contribution in Aid of Const.	$ (742,146)	$ -	$ (742,146)
12	Accumulated Amortization of CIAC	7,505	-	7,505
13	NET CIAC (L5 + L6)	$ (734,641)	$ -	$ (734,641)
14	Deferred Income Tax	$ (321,972)	$ -	$ (321,972)
15	Allowance for Working Capital	$ 39,551	$ (43,131)	$ (3,580)
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -
17	Rounding	$ -	$ -	$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 2,035,209	$ (9,094)	$ 2,026,115

References:
Column (A): Company Schedule B-1
Column (B): Schedule TJC-3
Column (C): Column (A) + Column (B)

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Schedule TJC-3
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SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) ADJMT NO. 1 PLANT & ACCUM DEP.	(C) ADJMT NO. 2 REMOVE PTY PLANT	(D) ADJMT NO. 3 PER BKB 11.16	(E) ADJMT NO. 4	(F) ADJMT NO. 5	(G) ADJMT NO. 6 WORKING CAPITAL	(H) RUCO ADJ'TED OCRB/FVRB
	Plant Classification								
1	Intangible Plant	$ 488	$ -	$ -	$ -	$ -	$ -	$ -	$ 488
2	Source of Supply Plant	175,502	-	-	-	-	-	-	175,502
3	Pumping Plant	376,086	2,058	-	-	-	-	-	378,144
4	Water Treatment Plant	1,398,624	-	-	-	-	-	-	1,398,624
5	Transmission & Distribution Plant	1,712,957	-	-	-	-	-	-	1,712,957
6	General Plant	458,818	-	(2,017)	-	-	-	-	456,801
7	Total Gross Plant in Service	$ 4,122,476	$ 2,058	$ (2,017)	$ -	$ -	$ -	$ -	$ 4,122,517
8	Accumulated Depreciation	(997,040)	33,929	67	-	-	-	-	(963,044)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 3,125,436	$ 35,986	$ (1,950)	$ -	$ -	$ -	$ -	$ 3,159,473
10	Advances in Aid Of Const.	$ (73,164)	$ -	$ -	$ -	$ -	$ -	$ -	$ (73,164)
11	Contribution in Aid of Const.	$ (742,146)	$ -	$ -	$ -	$ -	$ -	$ -	$ (742,146)
12	Accumulated Amortization of CIAC	7,505	-	-	-	-	-	-	7,505
13	NET CIAC (L5 + L6)	$ (734,641)	$ -	$ -	$ -	$ -	$ -	$ -	$ (734,641)
14	Deferred Income Tax	$ (321,972)	$ -	$ -	$ -	$ -	$ -	$ -	$ (321,972)
15	Allowance for Working Capital	$ 39,551	$ -	$ -	$ -	$ -	$ -	$ (43,131)	$ (3,580)
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	Rounding	$ -							$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 2,035,209	$ 35,986	$ (1,950)	$ -	$ -	$ -	$ (43,131)	$ 2,026,115

References:
Column (A): Company Schedule B-2
Column (B): Adjustment No. 1 - Adjust Test-Year Plant, PTY Plant & Accumulated Depreciation (See TJC-4 Total, TJC-4 Direct, TJC-4 PHX OFF and TJC-4 MS Schedules and TJC Testimony)
Column (C): Adjustment No. 2 - To Remove Post Test Year Phoenix Office Plant and Accum. Depre.
Column (D): Adjustment No. 3 - Intentionally Left Blank
Column (E): Adjustment No. 4 - Intentionally Left Blank
Column (F): Adjustment No. 5 - Intentionally Left Blank
Column (G): Adjustment No. 6 - Working Capital
Column (H): Sum Of Columns (A), (B), (C), (D), (E), (F) & (G)

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San Manuel System
Schedule TJC-4 - Direct Plant

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	(C) 12/31/2001 Per Decision No. 66849	(D) ADJ-1 Remove Post Test Year Plant	(E) Plant Balance 12/31/2001
1	301	Organization	0.00%	0.00%	-	$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111	-	-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	-	-	-
4	310.1	Water Rights	0.00%	0.00%	154,157	-	154,157
5	310.3	Other Source of Supply Land	0.00%	0.00%	-	-	-
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-	-	-
7	314	Wells	2.59%	3.13%	-	-	-
8	320	Pumping Plant Land	0.00%	0.00%	-	-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	457	-	457
10	325	Electtric Pumping Equipment	2.59%	5.88%	6,711	-	6,711
11	328	Gas Engine Equipment	2.59%	4.00%	-	-	-
12	330	Water Treatment Plant Land	0.00%	0.00%	-	-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	411	-	411
14	332	Water Treatment Equipment	2.59%	2.86%	3,303	-	3,303
15	340	Transmission and Distribution Land	0.00%	0.00%	-	-	-
16	342	Storage Tanks	2.59%	2.00%	98,349	-	98,349
17	343	Transmission & Distribution Mains	2.59%	1.79%	520,125	-	520,125
18	344	Fire Sprinkler Taps	2.59%	2.00%	100	-	100
19	345	Services	2.59%	2.38%	235,142	-	235,142
20	346	Meters	2.59%	4.55%	120,289	-	120,289
21	348	Hydrants	2.59%	1.82%	53,666	-	53,666
22	389	General Plant Land	0.00%	0.00%	-	-	-
23	390	General Plant Structures	2.59%	2.50%	12,496	-	12,496
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	35,214	-	35,214
25	391	Office Furniture & Equipment	2.59%	6.67%	86,811	-	86,811
26	393	Warehouse Equipment	2.59%	5.00%	1,128	-	1,128
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	61,006	-	61,006
28	395	Laboratory Equipment	2.59%	5.00%	2,618	-	2,618
29	396	Power Operated Equipment	2.59%	6.67%	2,695	-	2,695
30	397	Communication Equipment	2.59%	6.67%	55,305	-	55,305
31	398	Miscellaneous Equipment	2.59%	3.33%	7,084	-	7,084
32		**TOTAL DIRECT WATER PLANT**			$ 1,457,067	$ -	$ 1,457,067
33		Post Test Year Plant (PTYP)			60,117	(60,117)	-
34		**RUCO Total Water Plant In Service**			$ 1,517,184	$ (60,117)	$ 1,457,067
35							
36		**Company Direct Plant As Filed**					
37							
38		**RUCO Direct Plant Adjustment**					
39							
40		Reserve Deficiency Accrual - Decision No. 38733					
41							
42		Net (Salvage)/Cost of Removal					
43		Accumulated Depreciation			(688,062)		$ (688,062)
44		Accumulated Depreciation - PTYP			(23,317)	23,317.00	-
45		RUCO Total Accumulated Depreciation - Calculated			$ (711,379)		$ (688,062)
46							
47		Company As Filed - Accumulated Depreciation			-	-	(724,296)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ (711,379)	$ -	$ 36,234
49							
50		**RUCO Net Adjustment**					
51							
52							
53							

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2002 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2002
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	-
4	310.1	Water Rights	0.00%	0.00%	1,347			-	155,504
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				-	-
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				12	457
10	325	Electtric Pumping Equipment	2.59%	5.88%				174	6,711
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%			0	11	411
14	332	Water Treatment Equipment	2.59%	2.86%		(3,303)	0	43	0
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%	55			2,548	98,404
17	343	Transmission & Distribution Mains	2.59%	1.79%	23,445			13,775	543,570
18	344	Fire Sprinkler Taps	2.59%	2.00%				3	100
19	345	Services	2.59%	2.38%	8,483	(476)		6,194	243,149
20	346	Meters	2.59%	4.55%	2,294	(1,304)		3,128	121,279
21	348	Hydrants	2.59%	1.82%	1,674	(232)		1,409	55,108
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				324	12,496
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				3,540	35,214
25	391	Office Furniture & Equipment	2.59%	6.67%	3,378			2,292	90,189
26	393	Warehouse Equipment	2.59%	5.00%				29	1,128
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	1,113			1,594	62,119
28	395	Laboratory Equipment	2.59%	5.00%				68	2,618
29	396	Power Operated Equipment	2.59%	6.67%				70	2,695
30	397	Communication Equipment	2.59%	6.67%	24,055	(7,192)		1,651	72,168
31	398	Miscellaneous Equipment	2.59%	3.33%	3,794			233	10,878
32		**TOTAL DIRECT WATER PLANT**			$ 69,640	$ (12,507)	$ 0	$ 37,096	$ 1,514,200
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 69,640	$ (12,507)	$ 0	$ 37,096	$ 1,514,200
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(539)	
41									
42		Net (Salvage)/Cost of Removal						(189)	
43		Accumulated Depreciation						(713,378)	$ (713,378)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(713,378)	$ (713,378)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(749,660)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (713,378)	$ 36,282
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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Schedule TJC-4 - Direct Plant

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2003 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2003
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	-
4	310.1	Water Rights	0.00%	0.00%	2,223			-	157,727
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				-	-
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	7,534			109	7,991
10	325	Electtric Pumping Equipment	2.59%	5.88%				174	6,711
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				11	411
14	332	Water Treatment Equipment	2.59%	2.86%				0	0
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				2,549	98,404
17	343	Transmission & Distribution Mains	2.59%	1.79%	415			14,084	543,985
18	344	Fire Sprinkler Taps	2.59%	2.00%				3	100
19	345	Services	2.59%	2.38%	10,286	(266)		6,427	253,170
20	346	Meters	2.59%	4.55%		(926)		3,129	120,353
21	348	Hydrants	2.59%	1.82%	1,643	(227)		1,446	56,524
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%		(636)		315	11,860
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	35,214
25	391	Office Furniture & Equipment	2.59%	6.67%	1,347			2,353	91,537
26	393	Warehouse Equipment	2.59%	5.00%				29	1,128
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	661			1,617	62,780
28	395	Laboratory Equipment	2.59%	5.00%				68	2,618
29	396	Power Operated Equipment	2.59%	6.67%				70	2,695
30	397	Communication Equipment	2.59%	6.67%	1,050	(1,198)		1,867	72,020
31	398	Miscellaneous Equipment	2.59%	3.33%	4,940			346	15,818
32		**TOTAL DIRECT WATER PLANT**			$ 30,100	$ (3,253)	$ -	$ 34,597	$ 1,541,047
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 30,100	$ (3,253)	$ -	$ 34,597	$ 1,541,047
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(539)	
41									
42		Net (Salvage)/Cost of Removal						(129)	
43		Accumulated Depreciation						(745,391)	$ (745,391)
44		Accumulated Depreciation - PTYP						-	$ -
45		RUCO Total Accumulated Depreciation - Calculated						(745,391)	$ (745,391)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(781,619)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (745,391)	$ 36,228
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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San Manuel System
Schedule TJC-4 - Direct Plant

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2004
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	334			-	334
4	310.1	Water Rights	0.00%	0.00%	1,165			-	158,892
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	1,941			29	1,941
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				223	7,991
10	325	Electtric Pumping Equipment	2.59%	5.88%				339	6,711
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				10	411
14	332	Water Treatment Equipment	2.59%	2.86%				0	0
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				2,113	98,404
17	343	Transmission & Distribution Mains	2.59%	1.79%	55,040			11,373	599,025
18	344	Fire Sprinkler Taps	2.59%	2.00%				2	100
19	345	Services	2.59%	2.38%	6,957	(76)		6,242	260,051
20	346	Meters	2.59%	4.55%	38	(374)		4,880	120,017
21	348	Hydrants	2.59%	1.82%	4,202			1,180	60,727
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				299	11,860
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	35,214
25	391	Office Furniture & Equipment	2.59%	6.67%	6,620			5,359	98,156
26	393	Warehouse Equipment	2.59%	5.00%				50	1,128
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	1,586			2,319	64,366
28	395	Laboratory Equipment	2.59%	5.00%				115	2,618
29	396	Power Operated Equipment	2.59%	6.67%				152	2,695
30	397	Communication Equipment	2.59%	6.67%	3,638			4,172	75,657
31	398	Miscellaneous Equipment	2.59%	3.33%	1,404			520	17,222
32		**TOTAL DIRECT WATER PLANT**			$ 82,924	$ (450)	$ -	$ 39,377	$ 1,623,520
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 82,924	$ (450)	$ -	$ 39,377	$ 1,623,520
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(539)	
41									
42		Net (Salvage)/Cost of Removal						(112)	
43		Accumulated Depreciation						(784,969)	$ (784,969)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(784,969)	(784,969)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(825,802)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (784,969)	$ 40,833
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2005
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	334
4	310.1	Water Rights	0.00%	0.00%	2,096			-	160,988
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	1,000			76	2,941
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	6,119			316	14,110
10	325	Electtric Pumping Equipment	2.59%	5.88%	1,706	(444)		432	7,973
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				10	411
14	332	Water Treatment Equipment	2.59%	2.86%				0	0
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				1,968	98,404
17	343	Transmission & Distribution Mains	2.59%	1.79%	462			10,727	599,487
18	344	Fire Sprinkler Taps	2.59%	2.00%				2	100
19	345	Services	2.59%	2.38%	38,798	(183)		6,649	298,666
20	346	Meters	2.59%	4.55%	2,913	(550)		5,515	122,380
21	348	Hydrants	2.59%	1.82%	2,238	(227)		1,124	62,738
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				297	11,860
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	35,214
25	391	Office Furniture & Equipment	2.59%	6.67%	1,740			6,605	99,896
26	393	Warehouse Equipment	2.59%	5.00%				56	1,128
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	1,084			2,596	65,449
28	395	Laboratory Equipment	2.59%	5.00%				131	2,618
29	396	Power Operated Equipment	2.59%	6.67%				180	2,695
30	397	Communication Equipment	2.59%	6.67%	(84)			5,044	75,573
31	398	Miscellaneous Equipment	2.59%	3.33%				573	17,222
32		**TOTAL DIRECT WATER PLANT**			$ 58,072	$ (1,404)	$ -	$ 42,300	$ 1,680,188
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 58,072	$ (1,404)	$ -	$ 42,300	$ 1,680,188
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(539)	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(826,404)	$ (826,404)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(826,404)	(826,404)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(860,599)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (826,404)	$ 34,195
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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San Manuel System
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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2006
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	334
4	310.1	Water Rights	0.00%	0.00%	3,406			-	164,394
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				92	2,941
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				404	14,110
10	325	Electtric Pumping Equipment	2.59%	5.88%	7,974			703	15,947
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				10	411
14	332	Water Treatment Equipment	2.59%	2.86%				0	0
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				1,968	98,404
17	343	Transmission & Distribution Mains	2.59%	1.79%	10,249			10,823	609,736
18	344	Fire Sprinkler Taps	2.59%	2.00%				2	100
19	345	Services	2.59%	2.38%	16,985	(153)		7,309	315,498
20	346	Meters	2.59%	4.55%	5,278	(1,951)		5,644	125,708
21	348	Hydrants	2.59%	1.82%	2,859			1,168	65,596
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%	8,363			401	20,223
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	35,214
25	391	Office Furniture & Equipment	2.59%	6.67%	1,194			6,703	101,089
26	393	Warehouse Equipment	2.59%	5.00%				56	1,128
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	3,082			2,680	68,531
28	395	Laboratory Equipment	2.59%	5.00%				131	2,618
29	396	Power Operated Equipment	2.59%	6.67%				180	2,695
30	397	Communication Equipment	2.59%	6.67%	377			5,053	75,950
31	398	Miscellaneous Equipment	2.59%	3.33%				573	17,222
32		**TOTAL DIRECT WATER PLANT**			$ 59,767	$ (2,104)	$ -	$ 43,900	$ 1,737,851
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 59,767	$ (2,104)	$ -	$ 43,900	$ 1,737,851
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						(221)	
43		Accumulated Depreciation						(868,420)	$ (868,420)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(868,420)	(868,420)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(902,495)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (868,420)	$ 34,075
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2007
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				17	334
4	310.1	Water Rights	0.00%	0.00%	5,547			-	169,941
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	4,448		(1,829)	133	5,560
8	320	Pumping Plant Land	0.00%	0.00%	7,000			-	7,000
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				404	14,110
10	325	Electtric Pumping Equipment	2.59%	5.88%	341,087			10,966	357,034
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%	2,000			-	2,000
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	83,171		(41,004)	537	42,578
14	332	Water Treatment Equipment	2.59%	2.86%	2,415,714		(1,061,702)	19,362	1,354,012
15	340	Transmission and Distribution Land	0.00%	0.00%	69,500			-	69,500
16	342	Storage Tanks	2.59%	2.00%				1,968	98,404
17	343	Transmission & Distribution Mains	2.59%	1.79%	460,189		(44,609)	14,634	1,025,317
18	344	Fire Sprinkler Taps	2.59%	2.00%				2	100
19	345	Services	2.59%	2.38%	14,212	(658)		7,670	329,052
20	346	Meters	2.59%	4.55%		(821)		5,701	124,887
21	348	Hydrants	2.59%	1.82%				1,194	65,596
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				506	20,223
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	35,214
25	391	Office Furniture & Equipment	2.59%	6.67%	2,089	(1,502)		6,762	101,677
26	393	Warehouse Equipment	2.59%	5.00%				56	1,128
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	2,425	(79)		2,788	70,877
28	395	Laboratory Equipment	2.59%	5.00%				131	2,618
29	396	Power Operated Equipment	2.59%	6.67%				180	2,695
30	397	Communication Equipment	2.59%	6.67%	25,742			5,924	101,693
31	398	Miscellaneous Equipment	2.59%	3.33%				573	17,222
32		**TOTAL DIRECT WATER PLANT**			$ 3,433,124	$ (3,060)	$ (1,149,143)	$ 79,509	$ 4,018,773
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 3,433,124	$ (3,060)	$ (1,149,143)	$ 79,509	$ 4,018,773
35									
36		**Company Direct Plant As Filed**							4,016,715
37									
38		**RUCO Direct Plant Adjustment**							$ 2,058
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(944,868)	$ (944,868)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(944,868)	(944,868)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(978,823)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (944,868)	$ 33,955
49									
50		**RUCO Net Adjustment**							$ 36,012
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	2003 Balance 12/31/2003
1	301	Organization	0.00%	651		651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	8,496		8,496
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	-		-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	-		-
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	-		-
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	31,795		31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	1,267,373		1,267,373
25	391	Office Furniture and Equipment	2.59%	3,505,411		3,505,411
26	393	Warehouse Equipment	2.59%	3,705		3,705
27	394	Tools, Shop and Garage Equipment	2.59%	30,450		30,450
28	395	Laboratory Equipment	2.59%	977		977
29	396	Power Operated Equipment	2.59%	-		-
30	397	Communication Equipment	2.59%	143,052		143,052
31	398	Miscellaneous Equipment	2.59%	7,207		7,207
32		**TOTAL PHOENIX OFFICE PLANT**		4,999,117	-	4,999,117
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Phoenix Office**		4,999,117	-	4,999,117
35						
36		**Company Phoenix Office As Filed**		4,999,117		4,999,117
37						
38		RUCO Phoenix Office Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733		-		-
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(503,775)	-	(503,775)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(503,775)	-	(503,775)
46						
47		Company As Filed - Accumulated Depreciation				(503,775)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	48,512			78,228	1,315,885
25	391	Office Furniture and Equipment	2.59%	129,135	(7,465)		92,366	3,627,081
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	24,820			1,110	55,270
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	6,465			3,789	149,517
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		208,932	(7,465)	-	176,624	5,200,584
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,200,584
35								
36		**Company Phoenix Office As Filed**						5,200,584
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(672,934)	(672,934)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(672,934)	(672,934)
46								
47		Company As Filed - Accumulated Depreciation						(672,934)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				89,580	1,315,885
25	391	Office Furniture and Equipment	2.59%	221,339			96,808	3,848,420
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	20,585			1,698	75,855
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	885			3,884	150,402
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		242,809	-	-	193,101	5,443,393
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,443,393
35								
36		**Company Phoenix Office As Filed**						5,443,393
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(866,035)	(866,035)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(866,035)	(866,035)
46								
47		Company As Filed - Accumulated Depreciation						(866,035)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				94,864	1,315,885
25	391	Office Furniture and Equipment	2.59%	369,071			104,454	4,217,491
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	59,519			2,735	135,374
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	1,741			3,918	152,143
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		430,332	-	-	207,102	5,873,725
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,873,725
35								
36		**Company Phoenix Office As Filed**						5,873,725
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,073,138)	(1,073,138)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,073,138)	(1,073,138)
46								
47		Company As Filed - Accumulated Depreciation						(1,073,137)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				425	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	10,463			959	42,258
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	93			86,708	1,315,978
25	391	Office Furniture and Equipment	2.59%	464,535	(243,714)		112,093	4,438,312
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	40,312			4,028	175,686
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	4,089			3,993	156,232
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		519,493	(243,714)	-	208,514	6,149,503
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						6,149,503
35								
36		**Company Phoenix Office As Filed**						6,149,503
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,037,938)	(1,037,938)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,037,938)	(1,037,938)
46								
47		Company As Filed - Accumulated Depreciation						(1,036,382)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1,556)
49								
50		**RUCO Net Adjustment**						(1,556)
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	2003 Balance 12/31/2003
1	301	Organization	0.00%	-		-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	80		80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	2,050		2,050
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	6,066		6,066
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	37,472		37,472
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	-		-
25	391	Office Furniture and Equipment	2.59%	3,983		3,983
26	393	Warehouse Equipment	2.59%	1,088		1,088
27	394	Tools, Shop and Garage Equipment	2.59%	58,430		58,430
28	395	Laboratory Equipment	2.59%	2,981		2,981
29	396	Power Operated Equipment	2.59%	1,458		1,458
30	397	Communication Equipment	2.59%	-		-
31	398	Miscellaneous Equipment	2.59%	-		-
32		**TOTAL METER SHOP PLANT**		113,608	-	113,608
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Meter Shop**		113,608	-	113,608
35						
36		**Company Meter Shop As Filed**		113,608		113,608
37						
38		RUCO Meter Shop Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733				
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(30,118)	-	(30,118)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(30,118)	-	(30,118)
46						
47		Company As Filed - Accumulated Depreciation				(30,118)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						
56		Notes				
57		Acct. 302 - Franchises amortized over 25 years.				
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.				
59		Acct. 310.4 - Wells - Other amortized over 24 years.				
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.				

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	12,809			1,136	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	3,166			144	7,149
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	1,575			1,534	60,005
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		17,550	-	-	3,168	131,158
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						131,158
35								
36		**Company Meter Shop As Filed**						131,158
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733						
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(33,286)	(33,286)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(33,286)	(33,286)
46								
47		Company As Filed - Accumulated Depreciation						(33,286)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,302	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	94			186	7,243
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	2,004			1,580	62,009
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		2,097	-	-	3,422	133,256
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						133,256
35								
36		**Company Meter Shop As Filed**						133,256
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(36,708)	(36,708)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(36,708)	(36,708)
46								
47		Company As Filed - Accumulated Depreciation						(36,708)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	2,571			1,336	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	1,610			208	8,853
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	3,115			1,646	65,124
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		7,296	-	-	3,544	140,551
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						140,551
35								
36		**Company Meter Shop As Filed**						140,551
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(40,251)	(40,251)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(40,251)	(40,251)
46								
47		Company As Filed - Accumulated Depreciation						(40,251)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								
56		Notes						
57		Acct. 302 - Franchises amortized over 25 years.						
58		Acct. 303 - Other Intangibles amortized over 15 & 20 Years.						
59		Acct. 310.4 - Wells - Other amortized over 24 years.						
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.						

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,369	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	1,893			254	10,745
26	393	Warehouse Equipment	2.59%	1,089			42	2,177
27	394	Tools, Shop and Garage Equipment	2.59%	2,298			1,716	67,422
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		5,280	-	-	3,707	145,832
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						145,832
35								
36		**Company Meter Shop As Filed**						145,832
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(43,958)	(43,958)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(43,958)	(43,958)
46								
47		Company As Filed - Accumulated Depreciation						(43,959)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						1
49								
50		**RUCO Net Adjustment**						1
51								
52								
53								
54								
55								
56		Notes						
57		Acct. 302 - Franchises amortized over 25 years.						
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.						
59		Acct. 310.4 - Wells - Other amortized over 24 years.						
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.						

EXPLANATION OF RATE BASE ADJUSTMENT NO. 2
POST TEST-YEAR PLANT - PHOENIX OFFICE

LINE NO.	ACCT NO.	ACCOUNT NAME	(A) COMPANY ADJUSTED TY PLANT	(B) POST TY ADDITIONS	(C) 3-FACTOR ALLOCATOR	(D) REMOVE PTY PLANT
1	301	Organization	$ 11	$ -	1.68%	$ -
2	302	Franchises	-	-	1.68%	-
3	303	Other Intangibles	477	-	1.68%	-
4	310.1	Water Rights	169,941	-	1.68%	-
5	310.3	Other Source of Supply Land	1	-	1.68%	-
6	310.4	Wells - Other	-	-	1.68%	-
7	314	Wells	5,560	-	1.68%	-
8	320	Pumping Plant Land	7,000	-	1.68%	-
9	321	Pumping Plant Structures & Imprm'ts	14,110	-	1.68%	-
10	325	Electtric Pumping Equipment	354,976	-	1.68%	-
11	328	Gas Engine Equipment	-	-	1.68%	-
12	330	Water Treatment Plant Land	2,000	-	1.68%	-
13	331	Water Treatment Structures & Imprm'ts	42,578	-	1.68%	-
14	332	Water Treatment Equipment	1,354,047	-	1.68%	-
15	340	Transmission and Distribution Land	69,500	-	1.68%	-
16	342	Storage Tanks	98,404	-	1.68%	-
17	343	Transmission & Distribution Mains	1,025,419	-	1.68%	-
18	344	Fire Sprinkler Taps	100	-	1.68%	-
19	345	Services	329,052	-	1.68%	-
20	346	Meters	124,887	-	1.68%	-
21	348	Hydrants	65,596	-	1.68%	-
22	389	General Plant Land	-	-	1.68%	-
23	390	General Plant Structures	21,821	-	1.68%	-
24	390.1	Leasehold Improvements	57,322	-	1.68%	-
25	391	Office Furniture & Equipment	176,421	120,057	1.68%	2,017
26	393	Warehouse Equipment	1,227	-	1.68%	-
27	394	Tools, Shop & Garage Equipment	74,961	-	1.68%	-
28	395	Laboratory Equipment	2,684	-	1.68%	-
29	396	Power Operated Equipment	2,719	-	1.68%	-
30	397	Communication Equipment	104,317	-	1.68%	-
31	398	Miscellaneous Equipment	17,343	-	1.68%	-
32		Rounding				
33		**TOTAL PTY WATER PLANT**	$ 4,122,476	$ 120,057		$ 2,017
34		Company As Filed	$ 4,122,476	120,057		2,017
35		Difference	$ -	$ -		$ -
36						
37		RUCO PTY Plant Adjustment				$ (2,017)
38						
39		RUCO PTY Accumulated Depreciation Plant Adjustment				$ 67
40						
41						
42		References:				
43		Column (A): Company Schedules B-2				
44		Column (B): Post Test Year Phoenix Office Plant Allocation				
45		Column (C): 3-Factor Allocator				
46		Column (D): Adjustment				

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6
ALLOWANCE FOR WORKING CAPITAL

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) REFERENCE
1	Working Cash Requirement Per Company	$ 21,763	Company Schedule B-5, PG. 1
2	Working Cash Requirement Per RUCO	(21,368)	RUCO Schedule WAR-5, Page 2
3	Adjustment	$ (43,131)	Line 2 - Line 1
4	Material and Supplies Inventories Per Company	$ 123	Company Schedule B-5, PG. 1
5	Material and Supplies Inventories Per RUCO	123	Company Schedule B-5, PG. 1
6	Adjustment	$ -	Line 5 - Line 4
7	Required Bank Balances Per Company	$ 8,642	Company Schedule B-5, PG. 1
8	Required Bank Balances Per RUCO	8,642	Company Schedule B-5, PG. 1
9	Adjustment	$ -	Line 8 - Line 7
10	Prepayments & Special Deposits Per Company	$ 9,023	Company Schedule B-5, PG. 1
11	Prepayments & Special Deposits Per RUCO	9,023	Company Schedule B-5, PG. 1
12	Adjustment	$ -	Line 11 - Line 10
13	TOTAL ADJUSTMENT (See TJC-2, Column (K))	$ (43,131)	Sum of Lines 3, 6, 9 & 12

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6 - CONT'D
LEAD/LAG DAY SUMMARY

LINE NO.	DESCRIPTION	(A) COMPANY EXPENSES AS FILED	(B) RUCO ADJUSTM'TS	(C) RUCO EXPENSES AS ADJUSTED	(D) (LEAD)/LAG DAYS	(E) DOLLAR DAYS
	Operating Expenses					
1	Purchased Power	$ 38,358	$ -	$ 38,358	35.92	$ 1,377,819
2	Payroll	211,339	(5,086)	206,253	14.00	2,887,541
3	Purchased Water	241,318	-	241,318	26.04	6,282,781
4	Chemicals	5,855	-	5,855	20.43	119,597
5	Property & Liability Insurance	5,019	-	5,019	(45.27)	(227,210)
6	Workman's Compensation Insurance	2,509	-	2,509	(46.50)	(116,669)
7	Health Insurance	55,150	(20)	55,130	(8.92)	(491,757)
8	Other Operating & Maintenance Expenses	166,217	(2,800)	163,417	30.00	4,902,498
9	Federal Current Income Taxes	64,011	(38,366)	25,645	37.00	948,861
10	State Current Income Taxes	14,101	(5,959)	8,142	37.00	301,250
11	FICA Taxes	11,284	(380)	10,904	14.00	152,656
12	FUTA & SUTA Taxes	270	-	270	83.10	22,437
13	Property Taxes	68,170	(5,830)	62,340	212.00	13,216,153
14	Registration, Svc. Contracts, & Misc. Fees	9,837	-	9,837	(98.83)	(972,191)
15	Retirement Annuities (401k)	18,203	(427)	17,776	34.72	617,186
16	Subtotal	911,640	(58,868)	852,772		29,020,951
17	Synchronized Interest	$ 75,484	$ (337)	$ 75,147	91.25	$ 6,857,143
18	Cost of Equity	124,257	(124,257)	-	-	-
19	Subtotal	$ 199,741	$ (124,594)	$ 75,147		$ 6,857,143
20	Total	$ 1,111,381	$ (183,462)	$ 927,919		$ 35,878,094

21	Expense Lag	Line 17, Col. (E) / (C)	38.67
22	Revenue Lag	Company B-5 Schedules	30.26
23	Net Lag	Line 18 - Line 17	(8.41)
24	RUCO Adjusted Expenses	Col. (C), Line 16	$ 927,919
25	Cash Working Capital	Line 19 X Line 20 / 365 Days	(21,368)
26	Company As Filed	Co. Schedule B-6, Page 1	21,763
27	Difference	Line 21 - Line 22	$ (43,131)
28	ADJUSTMENT	Line 27	$ (43,131)

NOTE: Expense Lag Days Used in the Last Western Group Rate Case.
NOTE: Dependent on System
NOTE: RUCO reviewed several invoices from a number of companies with terms of net 30 days.

References:
Column (A): - Company Schedule B-5
Column (B): RUCO Operating Income Adjustments (See Schedule TJC-7)
Column (C): Column (A) + (B)
Column (D): - Company Schedule B-5
Column (E): Column (C) X Column (D)

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJM'TS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
	Operating Revenues					
1	Residential	$ 646,904	$ -	$ 646,904	$ 249,761	$ 896,665
2	Commercial	143,872	-	143,872	51,331	195,203
3	Industrial	-	-	-	-	-
4	Private Fire Service	56	-	56	244	300
5	Other Water Revenues	11,113	-	11,113	1,168	12,282
6	Total Water Revenues	$ 801,946	$ -	$ 801,946	$ 302,504	$ 1,104,450
7	Miscellaneous	$ 10,413	$ -	$ 10,413	$ (0)	$ 10,413
8	Total Operating Revenues	$ 812,359	$ -	$ 812,359	$ 302,504	$ 1,114,863
	Operating Expenses					
	Source of Supply Expenses:					
9	Purchased Water	$ 241,318	$ -	$ 241,318	$ -	$ 241,318
10	Other	6,907	-	6,907	-	6,907
11	Pumping Expenses:	-				
12	Purchased Power	38,358	-	38,358	-	38,358
13	Purchased Gas	-	-	-	-	-
14	Other	34,669	-	34,669	-	34,669
15	Water Treatment Expenses	40,816	-	40,816	-	40,816
16	Transmission & Distribution Expenses	145,743	-	145,743	-	145,743
17	Customer Accounting Expenses	104,642	-	104,642	-	104,642
18	Sales Expense	497	-	497	-	497
19	Administrative & General Expenses	140,854	(6,653)	134,201	-	134,201
20	Total Operations & Maintenance Expense	$ 753,804	$ (6,653)	$ 747,150	$ -	$ 747,150
21	Depreciation & Amortization Expenses	$ 106,134	$ (1,477)	$ 104,658	$ -	$ 104,658
	Taxes					
22	Federal Income Taxes	$ (63,368)	$ 22,621	$ (40,747)	$ 66,392	$ 25,645
23	State Income Taxes	(13,959)	1,023	(12,937)	21,078	8,142
24	Property Taxes	68,170	(5,830)	62,340	-	62,340
25	Other	9,102	(380)	8,722	-	8,722
26	Total Taxes	$ (56)	$ 17,434	$ 17,378	$ 87,470	$ 104,848
27	Total Operating Expenses	$ 859,882	$ 9,304	$ 869,186	$ 87,470	$ 956,656
28	Operating Income	$ (47,524)	$ (9,304)	$ (56,827)	$ 215,034	$ 158,207

References:
Column (A): Company Schedule C-1
Column (B): TJC-8, Columns (B) Thru (I)
Column (C): Column (A) + Column (B)
Column (D): TJC-1
Column (E): Column (C) + Column (D)

Arizona Water Company
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Test Year Ended December 31, 2007

San Manuel System
Schedule TJC-8
Page 1 of 1

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJMT NO. 1 LABOR EXPENSE	(C) ADJMT NO. 2 PAYROLL TAX EXPENSE	(D) ADJMT NO. 3 401(K) EXPENSE	(E) ADJMT NO. 4 REVERSE ADJ. FOR CONSERVATION	(F) ADJMT NO. 5 PURCH. POWER REVENUES	(G) ADJMT NO. 6 INSURANCE EXPENSE	(H) ADJMT NO. 7 DEPRECIATION EXPENSE	(I) ADJMT NO. 8 PROPERTY TAX	(J) ADJMT NO. 9 RATE CASE EXPENSE	(K) ADJMT NO. 10 INCOME TAXES	(L) RUCO AS ADJT'D
	Operating Revenues												
1	Residential	$ 646,904	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 646,904
2	Commercial	143,872	-	-	-	-	-	-	-	-	-	-	143,872
3	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
4	Private Fire Service	56	-	-	-	-	-	-	-	-	-	-	56
5	Other Water Revenues	11,113	-	-	-	-	-	-	-	-	-	-	11,113
6	Total Water Revenues	$ 801,946	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 801,946
7	Miscellaneous	$ 10,413	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,413
8	Total Operating Revenues	$ 812,359	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 812,359
	Operating Expenses												
	Source of Supply Expenses:												
9	Purchased Water	$ 241,318	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 241,318
10	Other	6,907	-	-	-	-	-	-	-	-	-	-	6,907
11	Pumping Expenses:												
12	Purchased Power	38,358	-	-	-	-	-	-	-	-	-	-	38,358
13	Purchased Gas	-	-	-	-	-	-	-	-	-	-	-	-
14	Other	34,669	-	-	-	-	-	-	-	-	-	-	34,669
15	Water Treatment Expenses	40,816	-	-	-	-	-	-	-	-	-	-	40,816
16	Transmission & Distribution Expenses	145,743	-	-	-	-	-	-	-	-	-	-	145,743
17	Customer Accounting Expenses	104,642	-	-	-	-	-	-	-	-	-	-	104,642
18	Sales Expense	497	-	-	-	-	-	-	-	-	-	-	497
19	Administrative & General Expenses	140,854	(5,086)	-	(427)	-	-	(20)	-	-	(1,120)	-	134,201
20	Total Operations & Maintenance Expense	$ 753,804	$ (5,086)	$ -	$ (427)	$ -	$ -	$ (20)	$ -	$ -	$ (1,120)	$ -	$ 747,150
21	Depreciation & Amortization Expenses	$ 106,134	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,477)	$ -	$ -	$ -	$ 104,658
	Taxes												
22	Federal Income Taxes	$ (63,368)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,620	$ (40,747)
23	State Income Taxes	(13,959)	-	-	-	-	-	-	-	-	-	1,023	(12,937)
24	Property Taxes	68,170	-	-	-	-	-	-	-	(5,830)	-	-	62,340
25	Other	9,102	-	(380)	-	-	-	-	-	-	-	-	8,722
26	Total Taxes	$ (56)	$ -	$ (380)	$ -	$ -	$ -	$ -	$ -	$ (5,830)	$ -	$ 23,643	$ 17,378
27	Total Operating Expenses	$ 859,882	$ (5,086)	$ (380)	$ (427)	$ -	$ -	$ (20)	$ (1,477)	$ (5,830)	$ (1,120)	$ 23,643	$ 869,186
28	Operating Income	$ (47,524)	$ 5,086	$ 380	$ 427	$ -	$ -	$ 20	$ 1,477	$ 5,830	$ 1,120	$ (23,643)	$ (56,827)

ADJUSTMENTS:	REFERENCE:
1 - Labor Expense - Normalize OT Hours in Test Year	Testimony, WAR And Schedule TJC-9 Page, 1 of 3
2 - Payroll Tax Expense Related to Adjustment 1	Testimony, WAR And Schedule TJC-9 Page, 2 of 3
3 - 401(K) Expense Related to Adjustment 1	Testimony, WAR And Schedule TJC-9 Page, 3 of 3
4 - Reverse Adjustment for Conservation	Testimony WAR
5 - Purchased Power Revenues	Testimony WAR
6 - Insurance Expense	Testimony, WAR And Schedule TJC-10
7 - Depreciation Expense	Testimony, WAR And Schedule TJC-11
8 - Property Tax Expense	Testimony, WAR And Schedule TJC-12
9 - Rate Case Expense	Testimony, WAR And Schedule TJC-13

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 1
PAYROLL EXPENSE

LINE NO.	DESCRIPTION		(A) PER RUCO DR 1.11.d
1	Normalize Over-Time Over 4 Years:		
2	2005 OT Hours		15,008.5
3	2006 OT Hours		18,080.0
4	2007 OT Hours		28,132.5
5	2008 OT Hours		17,530.0
6			
7	Total OT Hours for 2005 - 2008		78,751.0
8	Divided by 4 Years		4
9			
10	Normalized Level of OT Hours/Yr.		19,687.8
11			
12	OT Hours in Test Year		28,132.5
13			
14	Amount of Abnormal TY OT Hours		8,444.8
15			
16	Multiplied by Average OT Hrly. Rate	**See NOTE**	35.85
17			
18	Total Abnormal OT Dollars in TY		$ 302,744
19			
20	3-Factor Allocator Per District		1.68%
21			
22	RUCO Adjustment		$ (5,086)
23			
24			
25			
26			
27			
28	3-Factor Allocator By District:		
29	Superstition	24.94%	White Tank 2.37%
30	Bisbee	4.98%	Ajo 0.81%
31	Sierra Vista	2.58%	Coolidge 5.27%
32	San Manuel	1.68%	Lakeside 6.20%
33	Oracle	2.28%	Overgaard 3.99%
34	Winkelman	0.22%	Sedona 8.45%
35	Miami	4.98%	Pinewood 2.95%
36	Casa Grande	26.55%	Rimrock 1.48%
37	Stanfield	0.27%	
38			
39			
40			
41			
42	**Calculation Notes:**		
43	Average of Hourly Rate	$ 21.65	
44	OT Hourly Rate 1.5	32.48	

NOTE: The Company calculated the average hourly rate for overtime in response to data request AII-11.6 to be $35.85. RUCO accepts that rate in making its payroll adjustments.

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
PAYROLL TAX EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll Tax Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	1.68%
6		
7	RUCO Allocated Payroll by District	$ 5,086
8		
9	Payroll Tax Expense Allocator By Group:	
10		
11	RUCO Payroll Tax Expense Allocator by Group	7.47%
12		
13	RUCO Payroll Tax Expense Adjustment	$ (380)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group 7.47%	
40	Western Group 11.65%	
41	Northern Group 15.90%	

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
PAYROLL 401(K) EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll 401(K) Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	1.68%
6		
7	RUCO Allocated Payroll by District	$ 5,086
8		
9	Payroll 401(K) Expense Allocator By Group:	
10		
11	RUCO Payroll 401(K) Expense Allocator by Group	8.39%
12		
13	RUCO Payroll 401(K) Expense Adjustment	$ (427)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group 8.39%	
40	Western Group 8.45%	
41	Northern Group 8.12%	

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
INSURANCE EXPENSE

LINE NO.		(A) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER COMPANY	(B) RUCO ADJUSTMENT	(C) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER RUCO	
1	System				
2					
3	Eastern Group				
4	Supersition	$ 2,224	$ (273)	$ 1,950	
5	Apache Junction				
6	Superior				
7	Bisbee	122	(45)	77	
8	Sierra Vista	115	(38)	77	
9	San Manuel	5	(20)	(16)	
10	Oracle	25	(20)	5	
11	Saddlebrook	5	(0)	4	
12	Winkelman	0	(2)	(2)	
13	Miami	(338)	(40)	(378)	
14	Subtotal	$ 2,157	$ (439)	$ 1,718	
15					
16	Western Group				
17	Casa Grande	2,137	(298)	1,839	
18	Stanfield	20	(3)	17	
19	White Tank	148	(22)	126	
20	Ajo	58	(9)	49	
21	Coolidge	(127)	(62)	(189)	
22	Subtotal	$ 2,235	$ (393)	$ 1,842	
23					
24	Northern Group				
25	Lakeside	570	(65)	506	
26	Overgaard	507	(55)	452	
27	Sedona	445	(84)	361	
28	Pinewood	199	(38)	162	
29	Rimrock	87	(16)	71	
30	Subtotal	$ 1,809	$ (257)	$ 1,551	
31					
32					
33	Total Company	$ 6,201	$ (1,090)	$ 5,111	(a)

REFERENCE

COLUMN (A): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (B): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (C): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD

NOTES:

(a) CALCULATED AS FOLLOWS:

		PER COMPANY	RUCO ADJUSTMENT	PER RUCO	REFERENCE
1	Current Rate per Payroll Dollar	$ 0.0036		$ 0.0036	COMPANY WORKPAPER - "GROUP INSURANCE" TAB LTD
2	Pro Forma Payroll Dollars	$ 11,095,569	$ 302,744	$ 10,792,825	COMPANY WORKPAPER - "GROUP INSURANCE)
3	Pro Forma LTD - Total Company	$ 39,944		$ 38,854	LINE 1 x LINE 2
4	Y/E Number of Customers	$ 83,825		$ 83,825	COMPANY WORKPAPER - "GROUP INSURANCE)
5	Pro Forma 2007 LTD - Spread	$ 38,854		$ 38,854	COMPANY WORKPAPER - "GROUP INSURANCE)
6	Increase / (Decrease)	$ 6,201		$ 5,111	COMPANY WORKPAPER - "GROUP INSURANCE)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCOUNT NO.	ACCOUNT NAME	(A) RUCO PLANT VALUE	(B) COMPANY PROPOSED DEP. RATES	(C) TEST YEAR DEPRECIATION EXPENSE
1	301	Organization	$ 11	0.00%	$ -
2	302	Franchises	-	See Acct. 111	-
3	303	Other Intangibles	477	See Acct. 111	17
4	310.1	Water Rights	169,941	0.00%	-
5	310.3	Other Source of Supply Land	1	0.00%	-
6	310.4	Wells - Other	-	See Acct. 111	-
7	314	Wells	5,560	3.13%	174
8	320	Pumping Plant Land	7,000	0.00%	-
9	321	Pumping Plant Structures & Imprm'ts	14,110	2.86%	404
10	325	Electtric Pumping Equipment	357,034	5.88%	20,994
11	328	Gas Engine Equipment	-	4.00%	-
12	330	Water Treatment Plant Land	2,000	0.00%	-
13	331	Water Treatment Structures & Imprm'ts	42,578	2.50%	1,064
14	332	Water Treatment Equipment	1,354,047	2.86%	38,726
15	340	Transmission and Distribution Land	69,500	0.00%	-
16	342	Storage Tanks	98,404	2.00%	1,968
17	343	Transmission & Distribution Mains	1,025,419	1.79%	18,355
18	344	Fire Sprinkler Taps	100	2.00%	2
19	345	Services	329,052	2.38%	7,831
20	346	Meters	124,887	4.55%	5,682
21	348	Hydrants	65,596	1.82%	1,194
22	389	General Plant Land	-	0.00%	-
23	390	General Plant Structures	21,821	2.50%	546
24	390.1	Leasehold Improvements	57,322	See Acct. 108.2	-
25	391	Office Furniture & Equipment	174,404	6.67%	11,633
26	393	Warehouse Equipment	1,227	5.00%	61
27	394	Tools, Shop & Garage Equipment	74,961	4.00%	2,998
28	395	Laboratory Equipment	2,684	5.00%	134
29	396	Power Operated Equipment	2,719	6.67%	181
30	397	Communication Equipment	104,317	6.67%	6,958
31	398	Miscellaneous Equipment	17,343	3.33%	578
32		Rounding	-		
33		TEST YEAR GROSS PLANT AND DEPRECIATION EXPENSE	$ 4,122,517		$ 119,500
34					
35		AMORTIZATION OF CONTRIBUTIONS	(742,146)	2.00%	(14,843)
36		Rounding			-
37	**TOTAL DEPRECIATION EXPENSE**				$ 104,657
38					
39	Company As Filed				106,134
40	Difference				$ (1,477)
41					
42	RUCO Adjustment (See TJC-8, Column (B))				$ (1,477)
43					
44					
45	3-Factor Allocator By District:				
46	Superstition	24.94%	White Tank	2.37%	
47	Bisbee	4.98%	Ajo	0.81%	
48	Sierra Vista	2.58%	Coolidge	5.27%	
49	San Manuel	1.68%	Lakeside	6.20%	
50	Oracle	2.28%	Overgaard	3.99%	
51	Winkelman	0.22%	Sedona	8.45%	
52	Miami	4.98%	Pinewood	2.95%	
53	Casa Grande	26.55%	Rimrock	1.48%	
54	Stanfield	0.27%			

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	REFERENCE	(A)	(B)
	Calculation Of The Company's Full Cash Value:			
	Annual Operating Revenues:			
1	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	$ 812,359	
2	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	812,359	
3	Proposed Revenues	Sch. TJC-7, Col (E), Ln 8	1,114,863	
4	Total Three Year Operating Revenues	Sum Of Lines 1, 2 & 3	$ 2,739,581	
5	Average Annual Operating Revenues	Line 4 / 3	913,194	
6	Two Times Three Year Average Operating Revenues	Line 5 X 2		$ 1,826,387
	ADD:			
	10% Of Construction Work In Progress ("CWIP"):			
7	Test Year CWIP	Company Schedule E	$ -	
8	10% Of CWIP	Line 7 X 10%		$ -
	SUBTRACT:			
	Transportation At Book Value:			
9	Original Cost Of Transportation Equipment	Company Workpapers	$ -	
10	Acc. Dep. Of Transportation Equipment	Company Workpapers	-	
11	Net Book Value Of Transportation Equipment	Line 9 + Line 10		$ (57,114)
12	Company's Full Cash Value ("FCV")	Sum Of Lines 6, 8 & 11		$ 1,769,273
	Calculation Of The Company's Tax Liability:			
	MULTIPLY:			
	FCV X Valuation Assessment Ratio X Property Tax Rates:			
13	Assessment Ratio	House Bill 2779	22.5%	
14	Assessed Value	Line 12 X Line 13	$ 398,086	
	Property Tax Rates:			
15	Primary Tax Rate	Company Workpapers	15.66%	
16	Secondary Tax Rate	Company Workpapers	0.00%	
17	Estimated Tax Rate Liability	Line 15 + Line 16	15.66%	
	Property Tax			$ 62,340
	Tax On Parcel			-
18	Company's Total Tax Liability - Based On Full Cash Value	Line 14 X Line 17		$ 62,340
19	Test Year Adjusted Property Tax Expense As Filed	Co. Sch. C-1		68,170
20	Decrease In Property Tax Expense	Line 18 - Line 19		$ (5,830)
21	RUCO Adjustment (See TJC-8, Column (C))	Line 20		$ (5,830)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 9
RATE CASE EXPENSE

LINE NO.	DESCRIPTION	(A) COMPANY ESTIMATE	(B) RUCO ADJUSTMENT	(C) RUCO AS ADJUSTED
1	Rate Case Expense Total	$ 500,000	$ (200,000)	$ 300,000
2	Allocation Factor			1.68%
3	San Manuel System (Line 1 X Line 2)			$ 5,040
4	Amortization Period - 3 Years			3
5	RUCO Adjusted Rate Case Expense (Line 3 / 3 Years)			$ 1,680
6	Company Rate Case Expenses As Filed (Company Sch. C-2)			$ 2,800
7	RUCO Pro Forma Rate Case Expense (Lines 5 - 6)			$ (1,120)
8	RUCO Adjustment (Line 7) (See TJC-8, Column (E))			$ (1,120)

3-Factor Allocator By District:

Superstition	24.94%	White Tank	2.37%
Bisbee	4.98%	Ajo	0.81%
Sierra Vista	2.58%	Coolidge	5.27%
San Manuel	1.68%	Lakeside	6.20%
Oracle	2.28%	Overgaard	3.99%
Winkelman	0.22%	Sedona	8.45%
Miami	4.98%	Pinewood	2.95%
Casa Grande	26.55%	Rimrock	1.48%
Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. TJC-7, Column (C), L28 + L22 + L23	$ (110,511)
	LESS:		
2	Arizona State Tax	Line 11	(12,937)
3	Interest Expense	Note (A) Line 21	75,147
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ (172,721)
5	Federal Tax Rate	Sch. TJC-1, Pg 2, Col. (D), L34	23.59%
6	Federal Income Tax Expense	Line 4 X line 5	$ (40,747)
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ (110,511)
	LESS:		
8	Interest Expense	Note (A) Line 21	75,147
9	State Taxable Income	Line 7 - Line 8	$ (185,658)
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ (12,937)
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ (40,747)
13	State Income Tax Expense	Line 11	(12,937)
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ (53,684)
15	Total Federal Income Tax Expense Per Company (Per Company Sch. C-1, L30)		(63,368)
16	Total State Income Tax Expense Per Company (Per Company Sch. C-1, L31)		(13,959)
17	RUCO Federal Income Tax Adjustment	Line 12 - Line 15	$ 22,620
18	RUCO State Income Tax Adjustment	Line 13 - Line 16	$ 1,023

NOTE (A):
Interest Synchronization:

19	Adjusted Rate Base (Sch. TJC-2, Col. (H), L17)	$	2,026,115
20	Weighted Cost Of Debt (Sch. TJC-15 Col. (D), L1)		3.71%
21	Interest Expense (L18 X L19)	$	75,147

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) DOLLAR AMOUNT	(B) CAPITAL RATIO	(C) COST RATE	(D) WEIGHTED COST RATE
1	Long-Term Debt	$ 75,000,000	50.76%	7.31%	3.71%
2	Common Equity	72,744,646	49.24%	8.33%	4.10%
3	Total Capitalization	$ 147,744,646	100.00%		
4	WEIGHTED AVERAGE COST OF CAPITAL				7.81%

References:
Columns (A) Thru (D): Testimony, WAR

ARIZONA WATER COMPNAY

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TJC-15	1	COST OF CAPITAL

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REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	$ 2,412,232	$ 2,378,598
2	Adjusted Operating Income (Loss)	$ 194,248	$ 234,024
3	Current Rate of Return (L2 / L1)	8.05%	9.84%
4	Required Operating Income (L5 X L1)	$ 236,743	$ 185,730
5	Required Rate of Return on Fair Value Rate Base	9.81%	7.81%
6	Operating Income Deficiency (L4 - L2)	$ 42,494	$ (48,294)
7	Gross Revenue Conversion Factor (TJC-1, Page 2)	1.6286	1.4594
8	Required Increase in Gross Revenue Requirement (L7 X L6)	$ 69,208	$ (70,482)
9	Adjusted Test Year Revenue	$ 1,126,215	$ 1,126,215
10	Proposed Annual Revenue (L8 + L9)	$ 1,195,423	$ 1,055,732
11	Required Percentage Increase in Revenue (L8 / L9)	6.15%	-6.26%
12	Consolidated Revenue Adjustment	$ -	$ -
13	Required Increase in Gross Revenue Under Company Proposed Consolidation	$ -	$ -
14	Required Revenue Under Company Proposed Consolidation	$ -	$ -
15	Required Percentage Increase in Revenue Under Company Proposed Consolidation	-	-
16	Rate of Return on Common Equity	12.40%	8.33%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule TJC-2, TJC-7, and TJC-13

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Combined Federal And State Tax Rate (L10)	0.3148			
3	Subtotal (L1 - L2)	0.6852			
4	**Revenue Conversion Factor** (L1 / L3)	**1.4594**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	26.3483%			
9	Effective Federal Income Tax Rate (L7 X L8)	24.5124%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	31.4804%			
11	Required Operating Income (Sch. TJC-1, Pg 1, C (B), L4)	$ 185,730			
12	Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Pg 1, C (B), L2)	234,024			
13	Required Increase In Operating Income (L11 - L12)		$ (48,294)		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 44,800			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	66,988			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ (22,188)		
17	Total Required Increase In Revenue (L13 + L16)		$ (70,482)		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. TJC-1, Pg 1, Col. (B), L12)			$ 1,055,732	
19	Operating Expense Excluding Income Tax (TJC-7, Col. (E), L27 - L22 - L23)			825,203	
20	Synchronized Interest (Col. (C), L37)			88,220	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 142,309	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 9,916
24	Fed. Taxable Income (L21 - L23)			$ 132,393	
25	Fed. Tax on 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax on 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			$ 6,250	
27	Fed. Tax on 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			$ 8,500	
28	Fed. Tax on 4th Inc. Bracket ($100,001 - $335,000) @ 39%			$ 12,633	
29	Fed. Tax on 5th Inc. Bracket ($335,001 - $10M) @ 34%			$ -	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 34,883
31	Combined Federal and State Income Tax (L23 + L30)				$ 44,800
32	Test Year Combined Income Tax, RUCO as Adjusted (TJC-7, Col. (C), L22 + L23)				$ 66,988
33	RUCO Adjustment (L31 - L32) (See TJC-6, Col. (D), L23)				$ (22,188)
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				26.35%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. WAR-2, Col. (C), L17)			$ 2,378,598	
36	Weighted Avg. Cost of Debt (Sch. TJC-16, Col. (F), L1)			3.71%	
37	Synchronized Interest (L35 X L36)			$ 88,220	

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RATE BASE - ORIGINAL COST

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) RUCO OCRB/FVRB ADJUSTMENTS	(C) RUCO ADJ'TED OCRB/FVRB
	Plant Classification			
1	Intangible Plant	$ 627	$ -	$ 627
2	Source of Supply Plant	571,108	-	571,108
3	Pumping Plant	951,836	-	951,836
4	Water Treatment Plant	104,121	-	104,121
5	Transmission & Distribution Plant	4,194,584	-	4,194,584
6	General Plant	262,652	(2,737)	259,915
7	Total Gross Plant in Service	$ 6,084,930	$ (2,737)	$ 6,082,193
8	Accumulated Depreciation	(2,307,793)	(946)	(2,308,739)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 3,777,137	$ (3,684)	$ 3,773,453
10	Advances in Aid Of Const.	$ (432,749)	$ -	$ (432,749)
11	Contribution in Aid of Const.	$ (623,732)	$ -	$ (623,732)
12	Accumulated Amortization of CIAC	93,964	-	93,964
13	NET CIAC (L5 + L6)	$ (529,768)	$ -	$ (529,768)
14	Deferred Income Tax	$ (436,962)	$ -	$ (436,962)
15	Allowance for Working Capital	$ 34,574	$ (29,950)	$ 4,624
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -
17	Rounding	$ -	$ -	$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 2,412,232	$ (33,633)	$ 2,378,598

References:
Column (A): Company Schedule B-1
Column (B): Schedule TJC-3
Column (C): Column (A) + Column (B)

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Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

Oracle System
Schedule TJC-3

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) ADJMT NO. 1 PLANT & ACCUM DEP.	(C) ADJMT NO. 2 REMOVE PTY PLANT	(D) ADJMT NO. 3 PER BKB 11.16	(E) ADJMT NO. 4	(F) ADJMT NO. 5	(G) ADJMT NO. 6 WORKING CAPITAL	(H) RUCO ADJ'TED OCRB/FVRB
	Plant Classification								
1	Intangible Plant	$ 627	$ -	$ -	$ -	$ -	$ -	$ -	$ 627
2	Source of Supply Plant	571,108	-	-	-	-	-	-	571,108
3	Pumping Plant	951,836	-	-	-	-	-	-	951,836
4	Water Treatment Plant	104,121	-	-	-	-	-	-	104,121
5	Transmission & Distribution Plant	4,194,584	-	-	-	-	-	-	4,194,584
6	General Plant	262,652	-	(2,737)	-	-	-	-	259,915
7	Total Gross Plant in Service	$ 6,084,930	$ -	$ (2,737)	$ -	$ -	$ -	$ -	$ 6,082,193
8	Accumulated Depreciation	(2,307,793)	(1,038)	91	-	-	-	-	(2,308,739)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 3,777,137	$ (1,038)	$ (2,646)	$ -	$ -	$ -	$ -	$ 3,773,453
10	Advances in Aid Of Const.	$ (432,749)	$ -	$ -	$ -	$ -	$ -	$ -	$ (432,749)
11	Contribution in Aid of Const.	$ (623,732)	$ -	$ -	$ -	$ -	$ -	$ -	$ (623,732)
12	Accumulated Amortization of CIAC	93,964	-	-	-	-	-	-	93,964
13	NET CIAC (L5 + L6)	$ (529,768)	$ -	$ -	$ -	$ -	$ -	$ -	$ (529,768)
14	Deferred Income Tax	$ (436,962)	$ -	$ -	$ -	$ -	$ -	$ -	$ (436,962)
15	Allowance for Working Capital	34,574	$ -	$ -	$ -	$ -	$ -	$ (29,950)	$ 4,624
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	Rounding	$ -							$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 2,412,232	$ (1,038)	$ (2,646)	$ -	$ -	$ -	$ (29,950)	$ 2,378,598

References:
Column (A): Company Schedule B-2
Column (B): Adjustment No. 1 - Adjust Test-Year Plant, PTY Plant & Accumulated Depreciation (See TJC-4 Total, TJC-4 Direct, TJC-4 PHX OFF and TJC-4 MS Schedules and TJC Testimony)
Column (C): Adjustment No. 2 - To Remove Post Test Year Phoenix Office Plant and Accum. Depre.
Column (D): Adjustment No. 3 - Conforming Adkustment Per Data Response to BKB 11.16 to Remove Plant and Record Retirements
Column (E): Adjustment No. 4 - Intentionally Left Blank
Column (F): Adjustment No. 5 - Intentionally Left Blank
Column (G): Adjustment No. 6 - Working Capital
Column (H): Sum Of Columns (A), (B), (C), (D), (E), (F) & (G)

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	(C) 12/31/2001 Per Decision No. 66849	(D) ADJ-1 Remove Post Test Year Plant	(E) Plant Balance 12/31/2001
1	301	Organization	0.00%	0.00%	-		$ -
2	302	Franchises	See Acct. 111	See Acct. 111	-		-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	-		-
4	310.1	Water Rights	0.00%	0.00%	54,555		54,555
5	310.3	Other Source of Supply Land	0.00%	0.00%	15,943		15,943
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-		-
7	314	Wells	2.59%	3.13%	244,509		244,509
8	320	Pumping Plant Land	0.00%	0.00%	2,742		2,742
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	22,043		22,043
10	325	Electtric Pumping Equipment	2.59%	5.88%	723,785		723,785
11	328	Gas Engine Equipment	2.59%	4.00%	-		-
12	330	Water Treatment Plant Land	0.00%	0.00%	-		-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	35,054		35,054
14	332	Water Treatment Equipment	2.59%	2.86%	44,721		44,721
15	340	Transmission and Distribution Land	0.00%	0.00%	19,680		19,680
16	342	Storage Tanks	2.59%	2.00%	287,052		287,052
17	343	Transmission & Distribution Mains	2.59%	1.79%	2,712,853		2,712,853
18	344	Fire Sprinkler Taps	2.59%	2.00%	-		-
19	345	Services	2.59%	2.38%	407,077		407,077
20	346	Meters	2.59%	4.55%	81,774		81,774
21	348	Hydrants	2.59%	1.82%	102,497		102,497
22	389	General Plant Land	0.00%	0.00%	-		-
23	390	General Plant Structures	2.59%	2.50%	28,141		28,141
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	-		-
25	391	Office Furniture & Equipment	2.59%	6.67%	1,440		1,440
26	393	Warehouse Equipment	2.59%	5.00%	32		32
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	12,557		12,557
28	395	Laboratory Equipment	2.59%	5.00%	146		146
29	396	Power Operated Equipment	2.59%	6.67%	-		-
30	397	Communication Equipment	2.59%	6.67%	51,514		51,514
31	398	Miscellaneous Equipment	2.59%	3.33%	-		-
32		**TOTAL DIRECT WATER PLANT**			$ 4,848,115	$ -	$ 4,848,115
33		Post Test Year Plant (PTYP)			224,864	(224,864)	-
34		**RUCO Total Water Plant In Service**			$ 5,072,979	$ (224,864)	$ 4,848,115
35							
36		**Company Direct Plant As Filed**					
37							
38		**RUCO Direct Plant Adjustment**					
39							
40		Reserve Deficiency Accrual - Decision No. 38733					
41							
42		Net (Salvage)/Cost of Removal					
43		Accumulated Depreciation			$ (1,456,060)		$ (1,456,060)
44		Accumulated Depreciation - PTYP			(116,245)	116,245	-
45		RUCO Total Accumulated Depreciation - Calculated			$ (1,572,305)		$ (1,456,060)
46							
47		Company As Filed - Accumulated Depreciation			-	-	(1,455,964)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ (1,572,305)	$ -	$ (96)
49							
50		**RUCO Net Adjustment**					
51							
52							
53							

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2002 Additions	2002 Retirements	2002 Adjustments	2002 Depreciation Expense	Balance 12/31/2002
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	-
4	310.1	Water Rights	0.00%	0.00%	5,706			-	60,261
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	15,943
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	96			6,334	244,605
8	320	Pumping Plant Land	0.00%	0.00%				-	2,742
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	37,786	(2,120)		1,033	57,709
10	325	Electtric Pumping Equipment	2.59%	5.88%	7,158			18,839	730,943
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				908	35,054
14	332	Water Treatment Equipment	2.59%	2.86%	1,819			1,182	46,540
15	340	Transmission and Distribution Land	0.00%	0.00%				-	19,680
16	342	Storage Tanks	2.59%	2.00%	1,503			7,454	288,555
17	343	Transmission & Distribution Mains	2.59%	1.79%	158,945	(3,695)	(1,241)	72,257	2,866,862
18	344	Fire Sprinkler Taps	2.59%	2.00%				-	-
19	345	Services	2.59%	2.38%	15,513	(180)		10,742	422,410
20	346	Meters	2.59%	4.55%	1,978	(434)		2,138	83,318
21	348	Hydrants	2.59%	1.82%	1,728	(77)		2,676	104,148
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%	1,191			744	29,332
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	77			38	1,517
26	393	Warehouse Equipment	2.59%	5.00%				1	32
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	1,441			344	13,998
28	395	Laboratory Equipment	2.59%	5.00%				4	146
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%	444			1,340	51,958
31	398	Miscellaneous Equipment	2.59%	3.33%	3,074			40	3,074
32		**TOTAL DIRECT WATER PLANT**			$ 238,458	$ (6,506)	$ (1,241)	$ 126,073	$ 5,078,826
33		Post Test Year Plant (PTYP)			-	-		-	-
34		**RUCO Total Water Plant In Service**			$ 238,458	$ (6,506)	$ (1,241)	$ 126,073	$ 5,078,826
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ -	
41									
42		Net (Salvage)/Cost of Removal						(78)	
43		Accumulated Depreciation						(1,575,705)	$ (1,575,705)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(1,575,705)	$ (1,575,705)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,575,609)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,575,705)	$ (96)
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2003 Additions	2003 Retirements	2003 Adjustments	2003 Depreciation Expense	2003 Balance 12/31/2003
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	-
4	310.1	Water Rights	0.00%	0.00%	4,017			-	64,278
5	310.3	Other Source of Supply Land	0.00%	0.00%	3,750			-	19,693
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	188,000			8,770	432,605
8	320	Pumping Plant Land	0.00%	0.00%				-	2,742
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				1,495	57,709
10	325	Electtric Pumping Equipment	2.59%	5.88%	6,982			19,022	737,925
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				908	35,054
14	332	Water Treatment Equipment	2.59%	2.86%				1,205	46,540
15	340	Transmission and Distribution Land	0.00%	0.00%				-	19,680
16	342	Storage Tanks	2.59%	2.00%				7,474	288,555
17	343	Transmission & Distribution Mains	2.59%	1.79%	508			74,258	2,867,370
18	344	Fire Sprinkler Taps	2.59%	2.00%				-	-
19	345	Services	2.59%	2.38%	31,284	(695)		11,337	452,999
20	346	Meters	2.59%	4.55%	4,896	(716)		2,212	87,499
21	348	Hydrants	2.59%	1.82%				2,697	104,148
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				760	29,332
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	1,347			57	2,864
26	393	Warehouse Equipment	2.59%	5.00%				1	32
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	1,043			376	15,041
28	395	Laboratory Equipment	2.59%	5.00%				4	146
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%	4,181	(2,013)		1,374	54,126
31	398	Miscellaneous Equipment	2.59%	3.33%	1,624			101	4,698
32		**TOTAL DIRECT WATER PLANT**			$ 247,632	$ (3,424)	$ -	$ 132,049	$ 5,323,034
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 247,632	$ (3,424)	$ -	$ 132,049	$ 5,323,034
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ -	
41									
42		Net (Salvage)/Cost of Removal						(115)	
43		Accumulated Depreciation						(1,704,445)	$ (1,704,445)
44		Accumulated Depreciation - PTYP						-	$ -
45		RUCO Total Accumulated Depreciation - Calculated						(1,704,445)	$ (1,704,445)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,704,349)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,704,445)	$ (96)
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
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Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2004
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	418			-	418
4	310.1	Water Rights	0.00%	0.00%	2,204			-	66,482
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	19,693
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	1,135			12,974	433,740
8	320	Pumping Plant Land	0.00%	0.00%				-	2,742
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				1,612	57,709
10	325	Electtric Pumping Equipment	2.59%	5.88%	49,838			38,581	787,763
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				884	35,054
14	332	Water Treatment Equipment	2.59%	2.86%				1,300	46,540
15	340	Transmission and Distribution Land	0.00%	0.00%				-	19,680
16	342	Storage Tanks	2.59%	2.00%				6,197	288,555
17	343	Transmission & Distribution Mains	2.59%	1.79%	10,833			57,168	2,878,203
18	344	Fire Sprinkler Taps	2.59%	2.00%				-	-
19	345	Services	2.59%	2.38%	20,841	(681)		11,264	473,159
20	346	Meters	2.59%	4.55%	34	(278)		3,547	87,255
21	348	Hydrants	2.59%	1.82%				2,096	104,148
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				740	29,332
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				162	2,864
26	393	Warehouse Equipment	2.59%	5.00%				1	32
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	1,648			579	16,689
28	395	Laboratory Equipment	2.59%	5.00%				6	146
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%	2,741			3,136	56,867
31	398	Miscellaneous Equipment	2.59%	3.33%				148	4,698
32		**TOTAL DIRECT WATER PLANT**			$ 89,692	$ (959)	$ -	$ 140,394	$ 5,411,767
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 89,692	$ (959)	$ -	$ 140,394	$ 5,411,767
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ -	
41									
42		Net (Salvage)/Cost of Removal						(102)	
43		Accumulated Depreciation						(1,843,983)	$ (1,843,983)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(1,843,983)	(1,843,983)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,842,760)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,843,983)	$ (1,223)
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
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59 Acct. 310.4 - Wells - Other amortized over 24 years.
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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2005 Additions	2005 Retirements	2005 Adjustments	2005 Depreciation Expense	Balance 12/30/2005
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	418
4	310.1	Water Rights	0.00%	0.00%	4,507			-	70,989
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	19,693
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	513			13,584	434,254
8	320	Pumping Plant Land	0.00%	0.00%				-	2,742
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				1,650	57,709
10	325	Electtric Pumping Equipment	2.59%	5.88%	9,781	(1,960)		46,550	795,584
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				876	35,054
14	332	Water Treatment Equipment	2.59%	2.86%				1,331	46,540
15	340	Transmission and Distribution Land	0.00%	0.00%				-	19,680
16	342	Storage Tanks	2.59%	2.00%				5,771	288,555
17	343	Transmission & Distribution Mains	2.59%	1.79%	16,773			51,670	2,894,976
18	344	Fire Sprinkler Taps	2.59%	2.00%				-	-
19	345	Services	2.59%	2.38%	31,816	(697)		11,631	504,278
20	346	Meters	2.59%	4.55%	10,642	(1,076)		4,188	96,821
21	348	Hydrants	2.59%	1.82%	3,163	(838)		1,917	106,473
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				733	29,332
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				191	2,864
26	393	Warehouse Equipment	2.59%	5.00%				2	32
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	3,619			740	20,307
28	395	Laboratory Equipment	2.59%	5.00%				7	146
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%	251			3,801	57,118
31	398	Miscellaneous Equipment	2.59%	3.33%				156	4,698
32		**TOTAL DIRECT WATER PLANT**			$ 81,066	$ (4,571)	$ -	$ 144,800	$ 5,488,262
33		Post Test Year Plant (PTYP)				-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 81,066	$ (4,571)	$ -	$ 144,800	$ 5,488,262
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ -	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(1,984,212)	$ (1,984,212)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(1,984,212)	(1,984,212)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,983,662)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,984,212)	$ (550)
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2006
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	418
4	310.1	Water Rights	0.00%	0.00%	5,264			-	76,253
5	310.3	Other Source of Supply Land	0.00%	0.00%	5,052			-	24,745
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	447,803			20,600	882,057
8	320	Pumping Plant Land	0.00%	0.00%				-	2,742
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	14,477			1,857	72,186
10	325	Electtric Pumping Equipment	2.59%	5.88%	90,597	(9,273)		49,171	876,908
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				876	35,054
14	332	Water Treatment Equipment	2.59%	2.86%				1,331	46,540
15	340	Transmission and Distribution Land	0.00%	0.00%				-	19,680
16	342	Storage Tanks	2.59%	2.00%				5,771	288,555
17	343	Transmission & Distribution Mains	2.59%	1.79%	798,156			58,964	3,693,133
18	344	Fire Sprinkler Taps	2.59%	2.00%				-	-
19	345	Services	2.59%	2.38%	36,817	(465)		12,434	540,630
20	346	Meters	2.59%	4.55%	12,470	(1,815)		4,648	107,475
21	348	Hydrants	2.59%	1.82%	2,574	(470)		1,957	108,577
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				733	29,332
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				191	2,864
26	393	Warehouse Equipment	2.59%	5.00%				2	32
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	917			831	21,225
28	395	Laboratory Equipment	2.59%	5.00%				7	146
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%	2,204			3,883	59,322
31	398	Miscellaneous Equipment	2.59%	3.33%				156	4,698
32		**TOTAL DIRECT WATER PLANT**			$ 1,416,331	$ (12,023)	$ -	$ 163,414	$ 6,892,570
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 1,416,331	$ (12,023)	$ -	$ 163,414	$ 6,892,570
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ -	
41									
42		Net (Salvage)/Cost of Removal						(410)	
43		Accumulated Depreciation						(2,136,013)	$ (2,136,013)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(2,136,013)	(2,136,013)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(2,135,463)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (2,136,013)	$ (550)
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2007
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				21	418
4	310.1	Water Rights	0.00%	0.00%	16,869			-	93,122
5	310.3	Other Source of Supply Land	0.00%	0.00%			(52)	-	24,693
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	185		52	27,612	882,293
8	320	Pumping Plant Land	0.00%	0.00%				-	2,742
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				2,065	72,186
10	325	Electtric Pumping Equipment	2.59%	5.88%	1			51,562	876,909
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				876	35,054
14	332	Water Treatment Equipment	2.59%	2.86%	22,480			1,653	69,020
15	340	Transmission and Distribution Land	0.00%	0.00%				-	19,680
16	342	Storage Tanks	2.59%	2.00%	17,571			5,947	306,126
17	343	Transmission & Distribution Mains	2.59%	1.79%	61,186	(2,021)		66,637	3,752,298
18	344	Fire Sprinkler Taps	2.59%	2.00%				-	-
19	345	Services	2.59%	2.38%	44,057		(160)	13,389	584,527
20	346	Meters	2.59%	4.55%	3,403		(293)	4,961	110,585
21	348	Hydrants	2.59%	1.82%	13,361			2,098	121,938
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				733	29,332
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	399			204	3,262
26	393	Warehouse Equipment	2.59%	5.00%				2	32
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	304			855	21,529
28	395	Laboratory Equipment	2.59%	5.00%				7	146
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%	1,194			3,997	60,515
31	398	Miscellaneous Equipment	2.59%	3.33%				156	4,698
32		**TOTAL DIRECT WATER PLANT**			$ 181,010	$ (2,021)	$ (453)	$ 182,775	$ 5,941,397
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 181,010	$ (2,021)	$ (453)	$ 182,775	$ 5,941,397
35									
36		**Company Direct Plant As Filed**							5,941,397
37									
38		**RUCO Direct Plant Adjustment**							$ 0
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ -	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(2,316,766)	$ (2,316,766)
44		Accumulated Depreciation - PTYP				Less: Company RB Adj. #4		32,694	32,694
45		RUCO Total Accumulated Depreciation - Calculated						(2,284,072)	(2,284,072)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(2,283,070)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (2,284,072)	$ (1,002)
49									
50		**RUCO Net Adjustment**							$ (1,002)
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	2003 Balance 12/31/2003
1	301	Organization	0.00%	651		651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	8,496		8,496
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	-		-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	-		-
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	-		-
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	31,795		31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	1,267,373		1,267,373
25	391	Office Furniture and Equipment	2.59%	3,505,411		3,505,411
26	393	Warehouse Equipment	2.59%	3,705		3,705
27	394	Tools, Shop and Garage Equipment	2.59%	30,450		30,450
28	395	Laboratory Equipment	2.59%	977		977
29	396	Power Operated Equipment	2.59%	-		-
30	397	Communication Equipment	2.59%	143,052		143,052
31	398	Miscellaneous Equipment	2.59%	7,207		7,207
32		**TOTAL PHOENIX OFFICE PLANT**		4,999,117	-	4,999,117
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Phoenix Office**		4,999,117	-	4,999,117
35						
36		**Company Phoenix Office As Filed**		4,999,117		4,999,117
37						
38		RUCO Phoenix Office Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733		-		-
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(503,775)	-	(503,775)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(503,775)	-	(503,775)
46						
47		Company As Filed - Accumulated Depreciation				(503,775)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	48,512			78,228	1,315,885
25	391	Office Furniture and Equipment	2.59%	129,135	(7,465)		92,366	3,627,081
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	24,820			1,110	55,270
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	6,465			3,789	149,517
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		208,932	(7,465)	-	176,624	5,200,584
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,200,584
35								
36		**Company Phoenix Office As Filed**						5,200,584
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(672,934)	(672,934)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(672,934)	(672,934)
46								
47		Company As Filed - Accumulated Depreciation						(672,934)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				89,580	1,315,885
25	391	Office Furniture and Equipment	2.59%	221,339			96,808	3,848,420
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	20,585			1,698	75,855
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	885			3,884	150,402
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		242,809	-	-	193,101	5,443,393
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,443,393
35								
36		**Company Phoenix Office As Filed**						5,443,393
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(866,035)	(866,035)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(866,035)	(866,035)
46								
47		Company As Filed - Accumulated Depreciation						(866,035)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				94,864	1,315,885
25	391	Office Furniture and Equipment	2.59%	369,071			104,454	4,217,491
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	59,519			2,735	135,374
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	1,741			3,918	152,143
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		430,332	-	-	207,102	5,873,725
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,873,725
35								
36		**Company Phoenix Office As Filed**						5,873,725
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,073,138)	(1,073,138)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,073,138)	(1,073,138)
46								
47		Company As Filed - Accumulated Depreciation						(1,073,137)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				425	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	10,463			959	42,258
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	93			86,708	1,315,978
25	391	Office Furniture and Equipment	2.59%	464,535	(243,714)		112,093	4,438,312
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	40,312			4,028	175,686
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	4,089			3,993	156,232
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		519,493	(243,714)	-	208,514	6,149,503
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						6,149,503
35								
36		**Company Phoenix Office As Filed**						6,149,503
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,037,938)	(1,037,938)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,037,938)	(1,037,938)
46								
47		Company As Filed - Accumulated Depreciation						(1,036,382)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1,556)
49								
50		**RUCO Net Adjustment**						(1,556)
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	2003 Balance 12/31/2003
1	301	Organization	0.00%	-		-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	80		80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	2,050		2,050
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	6,066		6,066
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	37,472		37,472
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	-		-
25	391	Office Furniture and Equipment	2.59%	3,983		3,983
26	393	Warehouse Equipment	2.59%	1,088		1,088
27	394	Tools, Shop and Garage Equipment	2.59%	58,430		58,430
28	395	Laboratory Equipment	2.59%	2,981		2,981
29	396	Power Operated Equipment	2.59%	1,458		1,458
30	397	Communication Equipment	2.59%	-		-
31	398	Miscellaneous Equipment	2.59%	-		-
32		**TOTAL METER SHOP PLANT**		113,608	-	113,608
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Meter Shop**		113,608	-	113,608
35						
36		**Company Meter Shop As Filed**		113,608		113,608
37						
38		RUCO Meter Shop Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733				
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(30,118)	-	(30,118)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(30,118)	-	(30,118)
46						
47		Company As Filed - Accumulated Depreciation				(30,118)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						
56		Notes				
57		Acct. 302 - Franchises amortized over 25 years.				
58		Acct. 303 - Other Intangibles amortized over 15 & 20 Years.				
59		Acct. 310.4 - Wells - Other amortized over 24 years.				
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.				

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	12,809			1,136	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	3,166			144	7,149
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	1,575			1,534	60,005
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		17,550	-	-	3,168	131,158
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						131,158
35								
36		**Company Meter Shop As Filed**						131,158
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733						
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(33,286)	(33,286)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(33,286)	(33,286)
46								
47		Company As Filed - Accumulated Depreciation						(33,286)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,302	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	94			186	7,243
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	2,004			1,580	62,009
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		2,097	-	-	3,422	133,256
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						133,256
35								
36		**Company Meter Shop As Filed**						133,256
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(36,708)	(36,708)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(36,708)	(36,708)
46								
47		Company As Filed - Accumulated Depreciation						(36,708)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	2,571			1,336	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	1,610			208	8,853
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	3,115			1,646	65,124
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		7,296	-	-	3,544	140,551
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						140,551
35								
36		**Company Meter Shop As Filed**						140,551
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(40,251)	(40,251)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(40,251)	(40,251)
46								
47		Company As Filed - Accumulated Depreciation						(40,251)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								
56		Notes						
57		Acct. 302 - Franchises amortized over 25 years.						
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.						
59		Acct. 310.4 - Wells - Other amortized over 24 years.						
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.						

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,369	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	1,893			254	10,745
26	393	Warehouse Equipment	2.59%	1,089			42	2,177
27	394	Tools, Shop and Garage Equipment	2.59%	2,298			1,716	67,422
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		5,280	-	-	3,707	145,832
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						145,832
35								
36		**Company Meter Shop As Filed**						145,832
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(43,958)	(43,958)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(43,958)	(43,958)
46								
47		Company As Filed - Accumulated Depreciation						(43,959)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						1
49								
50		**RUCO Net Adjustment**						1
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

Oracle System
Schedule TJC-5

EXPLANATION OF RATE BASE ADJUSTMENT NO. 2
POST TEST-YEAR PLANT - PHOENIX OFFICE

LINE NO.	ACCT NO.	ACCOUNT NAME	(A) COMPANY ADJUSTED TY PLANT	(B) POST TY ADDITIONS	(C) 3-FACTOR ALLOCATOR	(D) REMOVE PTY PLANT
1	301	Organization	$ 15	$ -	2.28%	$ -
2	302	Franchises	-	-	2.28%	-
3	303	Other Intangibles	612	-	2.28%	-
4	310.1	Water Rights	93,122	-	2.28%	-
5	310.3	Other Source of Supply Land	24,695	-	2.28%	-
6	310.4	Wells - Other	-	-	2.28%	-
7	314	Wells	882,293	-	2.28%	-
8	320	Pumping Plant Land	2,742	-	2.28%	-
9	321	Pumping Plant Structures & Imprm'ts	72,186	-	2.28%	-
10	325	Electtric Pumping Equipment	876,909	-	2.28%	-
11	328	Gas Engine Equipment	-	-	2.28%	-
12	330	Water Treatment Plant Land	-	-	2.28%	-
13	331	Water Treatment Structures & Imprm'ts	35,054	-	2.28%	-
14	332	Water Treatment Equipment	69,067	-	2.28%	-
15	340	Transmission and Distribution Land	19,680	-	2.28%	-
16	342	Storage Tanks	306,126	-	2.28%	-
17	343	Transmission & Distribution Mains	3,752,436	-	2.28%	-
18	344	Fire Sprinkler Taps	-	-	2.28%	-
19	345	Services	584,527	-	2.28%	-
20	346	Meters	110,585	-	2.28%	-
21	348	Hydrants	121,938	-	2.28%	-
22	389	General Plant Land	-	-	2.28%	-
23	390	General Plant Structures	31,501	120,057	2.28%	2,737
24	390.1	Leasehold Improvements	30,004	-	2.28%	-
25	391	Office Furniture & Equipment	104,701	-	2.28%	-
26	393	Warehouse Equipment	166	-	2.28%	-
27	394	Tools, Shop & Garage Equipment	27,072	-	2.28%	-
28	395	Laboratory Equipment	236	-	2.28%	-
29	396	Power Operated Equipment	33	-	2.28%	-
30	397	Communication Equipment	64,077	-	2.28%	-
31	398	Miscellaneous Equipment	4,862	-	2.28%	-
32		Less: Company RB Adj. #4	(1,129,708)			
33		**TOTAL PTY WATER PLANT**	$ 6,084,930	$ 120,057		$ 2,737
34		Company As Filed	$ 6,084,930	120,057		2,737
35		Difference	$ -	$ -		$ -
36						
37		RUCO PTY Plant Adjustment				$ (2,737)
38						
39		RUCO PTY Accumulated Depreciation Plant Adjustment				$ 91
40						
41						

42 References:
43 Column (A): Company Schedules B-2
44 Column (B): Post Test Year Phoenix Office Plant Allocation
45 Column (C): 3-Factor Allocator
46 Column (D): Adjustment

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6
ALLOWANCE FOR WORKING CAPITAL

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) REFERENCE
1	Working Cash Requirement Per Company	$ 10,481	Company Schedule B-5, PG. 1
2	Working Cash Requirement Per RUCO	(19,469)	RUCO Schedule WAR-5, Page 2
3	Adjustment	$ (29,950)	Line 2 - Line 1
4	Material and Supplies Inventories Per Company	$ 119	Company Schedule B-5, PG. 1
5	Material and Supplies Inventories Per RUCO	119	Company Schedule B-5, PG. 1
6	Adjustment	$ -	Line 5 - Line 4
7	Required Bank Balances Per Company	$ 11,729	Company Schedule B-5, PG. 1
8	Required Bank Balances Per RUCO	11,729	Company Schedule B-5, PG. 1
9	Adjustment	$ -	Line 8 - Line 7
10	Prepayments & Special Deposits Per Company	$ 12,245	Company Schedule B-5, PG. 1
11	Prepayments & Special Deposits Per RUCO	12,245	Company Schedule B-5, PG. 1
12	Adjustment	$ -	Line 11 - Line 10
13	TOTAL ADJUSTMENT (See TJC-2, Column (K))	$ (29,950)	Sum of Lines 3, 6, 9 & 12

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6 - CONT'D
LEAD/LAG DAY SUMMARY

LINE NO.	DESCRIPTION	(A) COMPANY EXPENSES AS FILED	(B) RUCO ADJUSTM'TS	(C) RUCO EXPENSES AS ADJUSTED	(D) (LEAD)/LAG DAYS	(E) DOLLAR DAYS
	Operating Expenses					
1	Purchased Power	$ 149,736	$ -	$ 149,736	35.92	$ 5,378,517
2	Payroll	211,104	(6,903)	204,201	14.00	2,858,820
3	Purchased Water	-	-	-	-	-
4	Chemicals	575	-	575	20.43	11,745
5	Property & Liability Insurance	6,811	-	6,811	(45.27)	(308,334)
6	Workman's Compensation Insurance	3,405	-	3,405	(46.50)	(158,333)
7	Health Insurance	52,643	(20)	52,623	(8.92)	(469,396)
8	Other Operating & Maintenance Expenses	163,327	(3,800)	159,527	30.00	4,785,810
9	Federal Current Income Taxes	75,869	(40,986)	34,883	37.00	1,290,686
10	State Current Income Taxes	16,713	(6,797)	9,916	37.00	366,896
11	FICA Taxes	15,314	(516)	14,798	14.00	207,175
12	FUTA & SUTA Taxes	366	-	366	83.10	30,415
13	Property Taxes	53,921	(3,217)	50,704	212.00	10,749,206
14	Registration, Svc. Contracts, & Misc. Fees	13,350	-	13,350	(98.83)	(1,319,381)
15	Retirement Annuities (401k)	17,376	(579)	16,797	34.72	583,178
16	Subtotal	780,510	(62,818)	717,692		24,007,007
17	Synchronized Interest	$ 89,467	$ (1,247)	$ 88,220	91.25	$ 8,050,080
18	Cost of Equity	147,275	(147,275)	-	-	-
19	Subtotal	$ 236,742	$ (148,522)	$ 88,220		$ 8,050,080
20	Total	$ 1,017,252	$ (211,340)	$ 805,912		$ 32,057,087

21	Expense Lag	Line 17, Col. (E) / (C)	39.78
22	Revenue Lag	Company B-5 Schedules	30.96
23	Net Lag	Line 18 - Line 17	(8.82)
24	RUCO Adjusted Expenses	Col. (C), Line 16	$ 805,912
25	Cash Working Capital	Line 19 X Line 20 / 365 Days	(19,469)
26	Company As Filed	Co. Schedule B-6, Page 1	10,481
27	Difference	Line 21 - Line 22	$ (29,950)
28	ADJUSTMENT	Line 27	$ (29,950)

NOTE: Expense Lag Days Used in the Last Western Group Rate Case.

NOTE: RUCO reviewed several invoices from a number of companies with terms of net 30 days.

References:
Column (A): - Company Schedule B-5
Column (B): RUCO Operating Income Adjustments (See Schedule TJC-7)
Column (C): Column (A) + (B)
Column (D): - Company Schedule B-5
Column (E): Column (C) X Column (D)

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

Oracle System
Schedule TJC-7

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJM'TS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
	Operating Revenues					
1	Residential	$ 864,595	$ -	$ 864,595	$ (39,384)	$ 825,211
2	Commercial	229,443	-	229,443	(30,031)	199,412
3	Industrial	-	-	-	-	-
4	Private Fire Service	56	-	56	244	300
5	Other Water Revenues	21,015	-	21,015	(1,206)	19,809
6	Total Water Revenues	$ 1,115,109	$ -	$ 1,115,109	$ (70,377)	$ 1,044,732
7	Miscellaneous	$ 11,106	$ -	$ 11,106	$ (106)	$ 11,001
8	Total Operating Revenues	$ 1,126,215	$ -	$ 1,126,215	$ (70,482)	$ 1,055,732
	Operating Expenses					
	Source of Supply Expenses:					
9	Purchased Water	$ -	$ -	$ -	$ -	$ -
10	Other	9,508	-	9,508	-	9,508
11	Pumping Expenses:	-				
12	Purchased Power	149,736	-	149,736	-	149,736
13	Purchased Gas	-	-	-	-	-
14	Other	38,603	-	38,603	-	38,603
15	Water Treatment Expenses	15,542	-	15,542	-	15,542
16	Transmission & Distribution Expenses	152,010	-	152,010	-	152,010
17	Customer Accounting Expenses	100,428	-	100,428	-	100,428
18	Sales Expense	549	-	549	-	549
19	Administrative & General Expenses	151,950	(9,022)	142,928	-	142,928
20	Total Operations & Maintenance Expense	$ 618,326	$ (9,022)	$ 609,304	$ -	$ 609,304
21	Depreciation & Amortization Expenses	$ 181,393	$ (28,140)	$ 153,253	$ -	$ 153,253
	Taxes					
22	Federal Income Taxes	$ 53,978	$ (1,818)	$ 52,160	$ (17,277)	$ 34,883
23	State Income Taxes	11,891	2,936	14,827	(4,911)	9,916
24	Property Taxes	53,921	(3,217)	50,704	-	50,704
25	Other	12,458	(516)	11,942	-	11,942
26	Total Taxes	$ 132,248	$ (2,614)	$ 129,633	$ (22,188)	$ 107,445
27	Total Operating Expenses	$ 931,966	$ (39,776)	$ 892,191	$ (22,188)	$ 870,002
28	Operating Income	$ 194,248	$ 39,776	$ 234,024	$ (48,294)	$ 185,730

References:
Column (A): Company Schedule C-1
Column (B): TJC-8, Columns (B) Thru (I)
Column (C): Column (A) + Column (B)
Column (D): TJC-1
Column (E): Column (C) + Column (D)

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJMT NO. 1 LABOR EXPENSE	(C) ADJMT NO. 2 PAYROLL TAX EXPENSE	(D) ADJMT NO. 3 401(K) EXPENSE	(E) ADJMT NO. 4 REVERSE ADJ. FOR CONSERVATION	(F) ADJMT NO. 5 PURCH. POWER REVENUES	(G) ADJMT NO. 6 INSURANCE EXPENSE	(H) ADJMT NO. 7 DEPRECIATION EXPENSE	(I) ADJMT NO. 8 PROPERTY TAX	(J) ADJMT NO. 9 RATE CASE EXPENSE	(K) ADJMT NO. 10 INCOME TAXES	(L) RUCO AS ADJT'D
	Operating Revenues												
1	Residential	$ 864,595	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 864,595
2	Commercial	229,443	-	-	-	-	-	-	-	-	-	-	229,443
3	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
4	Private Fire Service	56	-	-	-	-	-	-	-	-	-	-	56
5	Other Water Revenues	21,015	-	-	-	-	-	-	-	-	-	-	21,015
6	Total Water Revenues	$ 1,115,109	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,115,109
7	Miscellaneous	$ 11,106	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,106
8	Total Operating Revenues	$ 1,126,215	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,126,215
	Operating Expenses												
	Source of Supply Expenses:												
9	Purchased Water	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	Other	9,508	-	-	-	-	-	-	-	-	-	-	9,508
11	Pumping Expenses:												
12	Purchased Power	149,736	-	-	-	-	-	-	-	-	-	-	149,736
13	Purchased Gas	-	-	-	-	-	-	-	-	-	-	-	-
14	Other	38,603	-	-	-	-	-	-	-	-	-	-	38,603
15	Water Treatment Expenses	15,542	-	-	-	-	-	-	-	-	-	-	15,542
16	Transmission & Distribution Expenses	152,010	-	-	-	-	-	-	-	-	-	-	152,010
17	Customer Accounting Expenses	100,428	-	-	-	-	-	-	-	-	-	-	100,428
18	Sales Expense	549	-	-	-	-	-	-	-	-	-	-	549
19	Administrative & General Expenses	151,950	(6,903)	-	(579)	-	-	(20)	-	-	(1,520)	-	142,928
20	Total Operations & Maintenance Expense	$ 618,326	$ (6,903)	$ -	$ (579)	$ -	$ -	$ (20)	$ -	$ -	$ (1,520)	$ -	$ 609,304
21	Depreciation & Amortization Expenses	$ 181,393	$ -	$ -	$ -	$ -	$ -	$ -	$ (28,140)	$ -	$ -	$ -	$ 153,253
	Taxes												
22	Federal Income Taxes	$ 53,978	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,818)	$ 52,160
23	State Income Taxes	11,891	-	-	-	-	-	-	-	-	-	2,936	14,827
24	Property Taxes	53,921	-	-	-	-	-	-	-	(3,217)	-	-	50,704
25	Other	12,458	-	(516)	-	-	-	-	-	-	-	-	11,942
26	Total Taxes	$ 132,248	$ -	$ (516)	$ -	$ -	$ -	$ -	$ -	$ (3,217)	$ -	$ 1,119	$ 129,633
27	Total Operating Expenses	$ 931,966	$ (6,903)	$ (516)	$ (579)	$ -	$ -	$ (20)	$ (28,140)	$ (3,217)	$ (1,520)	$ 1,119	$ 892,191
28	Operating Income	$ 194,248	$ 6,903	$ 516	$ 579	$ -	$ -	$ 20	$ 28,140	$ 3,217	$ 1,520	$ (1,119)	$ 234,024

ADJUSTMENTS:	REFERENCE:
1 Labor Expense - Normalize OT Hours in Test Year	Testimony, WAR And Schedule TJC-9 Page, 1 of 3
2 Payroll Tax Expense Related to Adjustment 1	Testimony, WAR And Schedule TJC-9 Page, 2 of 3
3 401(K) Expense Related to Adjustment 1	Testimony, WAR And Schedule TJC-9 Page, 3 of 3
4 Reverse Adjustment for Conservation	Testimony WAR
5 Purchased Power Revenues	Testimony WAR
6 Insurance Expense	Testimony, WAR And Schedule TJC-10
7 Depreciation Expense	Testimony, WAR And Schedule TJC-11
8 Property Tax Expense	Testimony, WAR And Schedule TJC-12
9 Rate Case Expense	Testimony, WAR And Schedule TJC-13

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 1
PAYROLL EXPENSE

LINE NO.	DESCRIPTION		(A) PER RUCO DR 1.11.d
1	Normalize Over-Time Over 4 Years:		
2	2005 OT Hours		15,008.5
3	2006 OT Hours		18,080.0
4	2007 OT Hours		28,132.5
5	2008 OT Hours		17,530.0
6			
7	Total OT Hours for 2005 - 2008		78,751.0
8	Divided by 4 Years		4
9			
10	Normalized Level of OT Hours/Yr.		19,687.8
11			
12	OT Hours in Test Year		28,132.5
13			
14	Amount of Abnormal TY OT Hours		8,444.8
15			
16	Multiplied by Average OT Hrly. Rate	**See NOTE**	35.85
17			
18	Total Abnormal OT Dollars in TY		$ 302,744
19			
20	3-Factor Allocator Per District		2.28%
21			
22	RUCO Adjustment		$ (6,903)
23			
24			
25			
26			
27			

28	3-Factor Allocator By District:			
29	Superstition	24.94%	White Tank	2.37%
30	Bisbee	4.98%	Ajo	0.81%
31	Sierra Vista	2.58%	Coolidge	5.27%
32	San Manuel	1.68%	Lakeside	6.20%
33	Oracle	2.28%	Overgaard	3.99%
34	Winkelman	0.22%	Sedona	8.45%
35	Miami	4.98%	Pinewood	2.95%
36	Casa Grande	26.55%	Rimrock	1.48%
37	Stanfield	0.27%		
38				
39				
40				
41				
42	**Calculation Notes:**			
43	Average of Hourly Rate	$ 21.65		
44	OT Hourly Rate 1.5	32.48		

NOTE: The Company calculated the average hourly rate for overtime in response to data request AII-11.6 to be $35.85. RUCO accepts that rate in making its payroll adjustments.

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
PAYROLL TAX EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll Tax Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	2.28%
6		
7	RUCO Allocated Payroll by District	$ 6,903
8		
9	Payroll Tax Expense Allocator By Group:	
10		
11	RUCO Payroll Tax Expense Allocator by Group	7.47%
12		
13	RUCO Payroll Tax Expense Adjustment	$ (516)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group 7.47%	
40	Western Group 11.65%	
41	Northern Group 15.90%	

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
PAYROLL 401(K) EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll 401(K) Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	2.28%
6		
7	RUCO Allocated Payroll by District	$ 6,903
8		
9	Payroll 401(K) Expense Allocator By Group:	
10		
11	RUCO Payroll 401(K) Expense Allocator by Group	8.39%
12		
13	RUCO Payroll 401(K) Expense Adjustment	$ (579)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group 8.39%	
40	Western Group 8.45%	
41	Northern Group 8.12%	

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
INSURANCE EXPENSE

LINE NO.		(A) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER COMPANY	(B) RUCO ADJUSTMENT	(C) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER RUCO
1	System			
2				
3	Eastern Group			
4	Supersition	$ 2,224	$ (273)	$ 1,950
5	Apache Junction			
6	Superior			
7	Bisbee	122	(45)	77
8	Sierra Vista	115	(38)	77
9	San Manuel	5	(20)	(16)
10	Oracle	25	(20)	5
11	Saddlebrook	5	(0)	4
12	Winkelman	0	(2)	(2)
13	Miami	(338)	(40)	(378)
14	Subtotal	$ 2,157	$ (439)	$ 1,718
15				
16	Western Group			
17	Casa Grande	2,137	(298)	1,839
18	Stanfield	20	(3)	17
19	White Tank	148	(22)	126
20	Ajo	58	(9)	49
21	Coolidge	(127)	(62)	(189)
22	Subtotal	$ 2,235	$ (393)	$ 1,842
23				
24	Northern Group			
25	Lakeside	570	(65)	506
26	Overgaard	507	(55)	452
27	Sedona	445	(84)	361
28	Pinewood	199	(38)	162
29	Rimrock	87	(16)	71
30	Subtotal	$ 1,809	$ (257)	$ 1,551
31				
32				
33	Total Company	$ 6,201	$ (1,090)	$ 5,111 (a)

REFERENCE

COLUMN (A): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (B): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (C): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD

NOTES:

(a) CALCULATED AS FOLLOWS:		PER COMPANY	RUCO ADJUSTMENT	PER RUCO	REFERENCE
1	Current Rate per Payroll Dollar	$ 0.0036		$ 0.0036	COMPANY WORKPAPER - "GROUP INSURANCE" TAB LTD
2	Pro Forma Payroll Dollars	$ 11,095,569	$ 302,744	$ 10,792,825	COMPANY WORKPAPER - "GROUP INSURANCE)
3	Pro Forma LTD - Total Company	$ 39,944		$ 38,854	LINE 1 x LINE 2
4	Y/E Number of Customers	$ 83,825		$ 83,825	COMPANY WORKPAPER - "GROUP INSURANCE)
5	Pro Forma 2007 LTD - Spread	$ 38,854		$ 38,854	COMPANY WORKPAPER - "GROUP INSURANCE)
6	Increase / (Decrease)	$ 6,201		$ 5,111	COMPANY WORKPAPER - "GROUP INSURANCE)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCOUNT NO.	ACCOUNT NAME	(A) RUCO PLANT VALUE	(B) COMPANY PROPOSED DEP. RATES	(C) TEST YEAR DEPRECIATION EXPENSE
1	301	Organization	$ 15	0.00%	$ -
2	302	Franchises	-	See Acct. 111	-
3	303	Other Intangibles	612	See Acct. 111	21
4	310.1	Water Rights	93,122	0.00%	-
5	310.3	Other Source of Supply Land	24,695	0.00%	-
6	310.4	Wells - Other	-	See Acct. 111	-
7	314	Wells	453,292	3.13%	14,188
8	320	Pumping Plant Land	2,742	0.00%	-
9	321	Pumping Plant Structures & Imprm'ts	72,186	2.86%	2,065
10	325	Electtric Pumping Equipment	876,909	5.88%	51,562
11	328	Gas Engine Equipment	-	4.00%	-
12	330	Water Treatment Plant Land	-	0.00%	-
13	331	Water Treatment Structures & Imprm'ts	35,054	2.50%	876
14	332	Water Treatment Equipment	69,067	2.86%	1,975
15	340	Transmission and Distribution Land	19,680	0.00%	-
16	342	Storage Tanks	306,126	2.00%	6,123
17	343	Transmission & Distribution Mains	3,051,729	1.79%	54,626
18	344	Fire Sprinkler Taps	-	2.00%	-
19	345	Services	584,527	2.38%	13,912
20	346	Meters	110,585	4.55%	5,032
21	348	Hydrants	121,938	1.82%	2,219
22	389	General Plant Land	-	0.00%	-
23	390	General Plant Structures	31,501	2.50%	788
24	390.1	Leasehold Improvements	30,004	See Acct. 108.2	-
25	391	Office Furniture & Equipment	101,964	6.67%	6,801
26	393	Warehouse Equipment	166	5.00%	8
27	394	Tools, Shop & Garage Equipment	27,072	4.00%	1,083
28	395	Laboratory Equipment	236	5.00%	12
29	396	Power Operated Equipment	33	6.67%	2
30	397	Communication Equipment	64,077	6.67%	4,274
31	398	Miscellaneous Equipment	4,862	3.33%	162
32		Rounding	(1)		
33		TEST YEAR GROSS PLANT AND DEPRECIATION EXPENSE	$ 6,082,193		$ 165,728
34					
35		AMORTIZATION OF CONTRIBUTIONS	(623,732)	2.00%	(12,475)
36		Rounding			-
37	**TOTAL DEPRECIATION EXPENSE**				$ 153,253
38					
39	Company As Filed				181,393
40	Difference				$ (28,140)
41					
42	RUCO Adjustment (See TJC-8, Column (B))				$ (28,140)
43					
44					

45	3-Factor Allocator By District:			
46	Superstition	24.94%	White Tank	2.37%
47	Bisbee	4.98%	Ajo	0.81%
48	Sierra Vista	2.58%	Coolidge	5.27%
49	San Manuel	1.68%	Lakeside	6.20%
50	Oracle	2.28%	Overgaard	3.99%
51	Winkelman	0.22%	Sedona	8.45%
52	Miami	4.98%	Pinewood	2.95%
53	Casa Grande	26.55%	Rimrock	1.48%
54	Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	REFERENCE	(A)	(B)
	Calculation Of The Company's Full Cash Value:			
	Annual Operating Revenues:			
1	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	$ 1,126,215	
2	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	1,126,215	
3	Proposed Revenues	Sch. TJC-7, Col (E), Ln 8	1,055,732	
4	Total Three Year Operating Revenues	Sum Of Lines 1, 2 & 3	$ 3,308,162	
5	Average Annual Operating Revenues	Line 4 / 3	1,102,721	
6	Two Times Three Year Average Operating Revenues	Line 5 X 2		$ 2,205,441
	ADD:			
	10% Of Construction Work In Progress ("CWIP"):			
7	Test Year CWIP	Company Schedule E	$ 58,037	
8	10% Of CWIP	Line 7 X 10%		$ 5,804
	SUBTRACT:			
	Transportation At Book Value:			
9	Original Cost Of Transportation Equipment	Company Workpapers	$ -	
10	Acc. Dep. Of Transportation Equipment	Company Workpapers	-	
11	Net Book Value Of Transportation Equipment	Line 9 + Line 10		$ (1,929)
12	Company's Full Cash Value ("FCV")	Sum Of Lines 6, 8 & 11		$ 2,209,316
	Calculation Of The Company's Tax Liability:			
	MULTIPLY:			
	FCV X Valuation Assessment Ratio X Property Tax Rates:			
13	Assessment Ratio	House Bill 2779	22.5%	
14	Assessed Value	Line 12 X Line 13	$ 497,096	
	Property Tax Rates:			
15	Primary Tax Rate	Company Workpapers	10.20%	
16	Secondary Tax Rate	Company Workpapers	0.00%	
17	Estimated Tax Rate Liability	Line 15 + Line 16	10.20%	
	Property Tax			$ 50,704
	Tax On Parcel			-
18	Company's Total Tax Liability - Based On Full Cash Value	Line 14 X Line 17		$ 50,704
19	Test Year Adjusted Property Tax Expense As Filed	Co. Sch. C-1		53,921
20	Decrease In Property Tax Expense	Line 18 - Line 19		$ (3,217)
21	RUCO Adjustment (See TJC-8, Column (C))	Line 20		$ (3,217)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 9
RATE CASE EXPENSE

LINE NO.	DESCRIPTION	(A) COMPANY ESTIMATE	(B) RUCO ADJUSTMENT	(C) RUCO AS ADJUSTED
1	Rate Case Expense Total	$ 500,000	$ (200,000)	$ 300,000
2	Allocation Factor			2.28%
3	Oracle System (Line 1 X Line 2)			$ 6,840
4	Amortization Period - 3 Years			3
5	RUCO Adjusted Rate Case Expense (Line 3 / 3 Years)			$ 2,280
6	Company Rate Case Expenses As Filed (Company Sch. C-2)			$ 3,800
7	RUCO Pro Forma Rate Case Expense (Lines 5 - 6)			$ (1,520)
8	RUCO Adjustment (Line 7) (See TJC-8, Column (E))			$ (1,520)

3-Factor Allocator By District:

Superstition	24.94%	White Tank	2.37%
Bisbee	4.98%	Ajo	0.81%
Sierra Vista	2.58%	Coolidge	5.27%
San Manuel	1.68%	Lakeside	6.20%
Oracle	2.28%	Overgaard	3.99%
Winkelman	0.22%	Sedona	8.45%
Miami	4.98%	Pinewood	2.95%
Casa Grande	26.55%	Rimrock	1.48%
Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. TJC-7, Column (C), L28 + L22 + L23	$ 301,012
	LESS:		
2	Arizona State Tax	Line 11	14,827
3	Interest Expense	Note (A) Line 21	88,220
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ 197,965
5	Federal Tax Rate	Sch. TJC-1, Pg 2, Col. (D), L34	26.35%
6	Federal Income Tax Expense	Line 4 X line 5	$ 52,160
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 301,012
	LESS:		
8	Interest Expense	Note (A) Line 21	88,220
9	State Taxable Income	Line 7 - Line 8	$ 212,792
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ 14,827
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ 52,160
13	State Income Tax Expense	Line 11	14,827
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ 66,988
15	Total Federal Income Tax Expense Per Company (Per Company Sch. C-1, L30)		53,978
16	Total State Income Tax Expense Per Company (Per Company Sch. C-1, L31)		11,891
17	RUCO Federal Income Tax Adjustment	Line 12 - Line 15	$ (1,818)
18	RUCO State Income Tax Adjustment	Line 13 - Line 16	$ 2,936

NOTE (A):
Interest Synchronization:

19	Adjusted Rate Base (Sch. TJC-2, Col. (H), L17)	$ 2,378,598
20	Weighted Cost Of Debt (Sch. TJC-15 Col. (D), L1)	3.71%
21	Interest Expense (L18 X L19)	$ 88,220

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) DOLLAR AMOUNT	(B) CAPITAL RATIO	(C) COST RATE	(D) WEIGHTED COST RATE
1	Long-Term Debt	$ 75,000,000	50.76%	7.31%	3.71%
2	Common Equity	72,744,646	49.24%	8.33%	4.10%
3	Total Capitalization	$ 147,744,646	100.00%		
4	WEIGHTED AVERAGE COST OF CAPITAL				7.81%

References:
Columns (A) Thru (D): Testimony, WAR

ARIZONA WATER COMPNAY

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Winkelman System

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Winkelman System

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TJC-5	1	RATE BASE ADJUSTMENT NO. 2 - REMOVE POST TEST-YEAR PLANT FOR PHOENIX OFFICE
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		RATE BASE ADJUSTMENT NO. 4 - INTENTIONALLY LEFT BLANK
		RATE BASE ADJUSTMENT NO. 5 - INTENTIONALLY LEFT BLANK
TJC-6	1 & 2	RATE BASE ADJUSTMENT NO. 6 - WORKING CAPITAL AND LEAD/LAG STUDY
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TJC-10	1	OPERATING INCOME ADJUSTMENT NO. 6 - INSURANCE EXPENSE
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TJC-15	1	COST OF CAPITAL

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	$ 325,142	$ 338,318
2	Adjusted Operating Income (Loss)	$ 10,198	$ 12,946
3	Current Rate of Return (L2 / L1)	3.14%	3.83%
4	Required Operating Income (L5 X L1)	$ 31,910	$ 26,417
5	Required Rate of Return on Fair Value Rate Base	9.81%	7.81%
6	Operating Income Deficiency (L4 - L2)	$ 21,712	$ 13,471
7	Gross Revenue Conversion Factor (TJC-1, Page 2)	1.6286	1.2646
8	Required Increase in Gross Revenue Requirement (L7 X L6)	$ 35,361	$ 17,035
9	Adjusted Test Year Revenue	$ 98,722	$ 98,722
10	Proposed Annual Revenue (L8 + L9)	$ 134,083	$ 115,757
11	Required Percentage Increase in Revenue (L8 / L9)	35.82%	17.26%
12	Consolidated Revenue Adjustment	$ -	$ -
13	Required Increase in Gross Revenue Under Company Proposed Consolidation	$ -	$ -
14	Required Revenue Under Company Proposed Consolidation	$ -	$ -
15	Required Percentage Increase in Revenue Under Company Proposed Consolidation	-	-
16	Rate of Return on Common Equity	12.40%	8.33%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule TJC-2, TJC-7, and TJC-13

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Combined Federal And State Tax Rate (L10)	0.2092			
3	Subtotal (L1 - L2)	0.7908			
4	**Revenue Conversion Factor** (L1 / L3)	**1.2646**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	15.0000%			
9	Effective Federal Income Tax Rate (L7 X L8)	13.9548%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	20.9228%			
11	Required Operating Income (Sch. TJC-1, Pg 1, C (B), L4)	$ 26,417			
12	Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Pg 1, C (B), L2)	12,946			
13	Required Increase In Operating Income (L11 - L12)		$ 13,471		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 3,670			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	105			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ 3,564		
17	Total Required Increase In Revenue (L13 + L16)		$ 17,035		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. TJC-1, Pg 1, Col. (B), L12)			$ 115,757	
19	Operating Expense Excluding Income Tax (TJC-7, Col. (E), L27 - L22 - L23)			85,670	
20	Synchronized Interest (Col. (C), L37)			12,548	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 17,539	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 1,222
24	Fed. Taxable Income (L21 - L23)			$ 16,317	
25	Fed. Tax on 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 2,448	
26	Fed. Tax on 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			$ -	
27	Fed. Tax on 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			$ -	
28	Fed. Tax on 4th Inc. Bracket ($100,001 - $335,000) @ 39%			$ -	
29	Fed. Tax on 5th Inc. Bracket ($335,001 - $10M) @ 34%			$ -	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 2,448
31	Combined Federal and State Income Tax (L23 + L30)				$ 3,670
32	Test Year Combined Income Tax, RUCO as Adjusted (TJC-7, Col. (C), L22 + L23)				$ 105
33	RUCO Adjustment (L31 - L32) (See TJC-6, Col. (D), L23)				$ 3,564
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				15.00%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. WAR-2, Col. (C), L17)			$ 338,318	
36	Weighted Avg. Cost of Debt (Sch. TJC-16, Col. (F), L1)			3.71%	
37	Synchronized Interest (L35 X L36)			$ 12,548	

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RATE BASE - ORIGINAL COST

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) RUCO OCRB/FVRB ADJUSTMENTS	(C) RUCO ADJ'TED OCRB/FVRB
	Plant Classification			
1	Intangible Plant	$ 2,137	$ -	$ 2,137
2	Source of Supply Plant	51,263	(66,360)	(15,097)
3	Pumping Plant	163,932	-	163,932
4	Water Treatment Plant	39,948	-	39,948
5	Transmission & Distribution Plant	265,881	-	265,881
6	General Plant	31,008	(264)	30,744
7	Total Gross Plant in Service	$ 554,169	$ (66,624)	$ 487,545
8	Accumulated Depreciation	(167,152)	82,806	(84,345)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 387,018	$ 16,182	$ 403,200
10	Advances in Aid Of Const.	$ (18,649)	$ -	$ (18,649)
11	Contribution in Aid of Const.	$ (1,835)	$ -	$ (1,835)
12	Accumulated Amortization of CIAC	506	-	506
13	NET CIAC (L5 + L6)	$ (1,329)	$ -	$ (1,329)
14	Deferred Income Tax	$ (42,163)	$ -	$ (42,163)
15	Allowance for Working Capital	$ 266	$ (3,007)	$ (2,741)
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -
17	Rounding	$ -	$ -	$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 325,142	$ 13,175	$ 338,318

References:
Column (A): Company Schedule B-1
Column (B): Schedule TJC-3
Column (C): Column (A) + Column (B)

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SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) ADJMT NO. 1 PLANT & ACCUM DEP.	(C) ADJMT NO. 2 REMOVE PTY PLANT	(D) ADJMT NO. 3 PER BKB 11.16	(E) ADJMT NO. 4	(F) ADJMT NO. 5	(G) ADJMT NO. 6 WORKING CAPITAL	(H) RUCO ADJ'TED OCRB/FVRB
	Plant Classification								
1	Intangible Plant	$ 2,137	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,137
2	Source of Supply Plant	51,263	-	-	(66,360)	-	-	-	(15,097)
3	Pumping Plant	163,932	-	-	-	-	-	-	163,932
4	Water Treatment Plant	39,948	-	-	-	-	-	-	39,948
5	Transmission & Distribution Plant	265,881	-	-	-	-	-	-	265,881
6	General Plant	31,008	-	(264)	-	-	-	-	30,744
7	Total Gross Plant in Service	$ 554,169	$ -	$ (264)	$ (66,360)	$ -	$ -	$ -	$ 487,545
8	Accumulated Depreciation	(167,152)	3,162	9	79,635	-	-	-	(84,345)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 387,018	$ 3,162	$ (255)	$ 13,275	$ -	$ -	$ -	$ 403,200
10	Advances in Aid Of Const.	$ (18,649)	$ -	$ -	$ -	$ -	$ -	$ -	$ (18,649)
11	Contribution in Aid of Const.	$ (1,835)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,835)
12	Accumulated Amortization of CIAC	506	-	-	-	-	-	-	506
13	NET CIAC (L5 + L6)	$ (1,329)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,329)
14	Deferred Income Tax	$ (42,163)	$ -	$ -	$ -	$ -	$ -	$ -	$ (42,163)
15	Allowance for Working Capital	266	$ -	$ -	$ -	$ -	$ -	$ (3,007)	$ (2,741)
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	Rounding	$ -							$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 325,142	$ 3,162	$ (255)	$ 13,275	$ -	$ -	$ (3,007)	$ 338,318

References:

Column (A): Company Schedule B-2
Column (B): Adjustment No. 1 - Adjust Test-Year Plant, PTY Plant & Accumulated Depreciation (See TJC-4 Total, TJC-4 Direct, TJC-4 PHX OFF and TJC-4 MS Schedules and TJC Testimony)
Column (C): Adjustment No. 2 - To Remove Post Test Year Phoenix Office Plant and Accum. Depre.
Column (D): Adjustment No. 3 - Conforming Adkustment Per Data Response to BKB 11.16 to Remove Plant and Record Retirements
Column (E): Adjustment No. 4 - Intentionally Left Blank
Column (F): Adjustment No. 5 - Intentionally Left Blank
Column (G): Adjustment No. 6 - Working Capital
Column (H): Sum Of Columns (A), (B), (C), (D), (E), (F) & (G)

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Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	(C) 12/31/2001 Per Decision No. 66849	(D) ADJ-1 Remove Post Test Year Plant	(E) Plant Balance 12/31/2001
1	301	Organization	0.00%	0.00%	-		$ -
2	302	Franchises	See Acct. 111	See Acct. 111	2,072		2,072
3	303	Other Intangibles	See Acct. 111	See Acct. 111	-		-
4	310.1	Water Rights	0.00%	0.00%	432		432
5	310.3	Other Source of Supply Land	0.00%	0.00%	422		422
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-		-
7	314	Wells	2.59%	3.13%	48,327		48,327
8	320	Pumping Plant Land	0.00%	0.00%	-		-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	6,073		6,073
10	325	Electtric Pumping Equipment	2.59%	5.88%	89,117		89,117
11	328	Gas Engine Equipment	2.59%	4.00%	-		-
12	330	Water Treatment Plant Land	0.00%	0.00%	-		-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	3,906		3,906
14	332	Water Treatment Equipment	2.59%	2.86%	16,417		16,417
15	340	Transmission and Distribution Land	0.00%	0.00%	-		-
16	342	Storage Tanks	2.59%	2.00%	28,861		28,861
17	343	Transmission & Distribution Mains	2.59%	1.79%	116,404		116,404
18	344	Fire Sprinkler Taps	2.59%	2.00%	-		-
19	345	Services	2.59%	2.38%	51,591		51,591
20	346	Meters	2.59%	4.55%	19,182		19,182
21	348	Hydrants	2.59%	1.82%	16,294		16,294
22	389	General Plant Land	0.00%	0.00%	-		-
23	390	General Plant Structures	2.59%	2.50%	127		127
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	-		-
25	391	Office Furniture & Equipment	2.59%	6.67%	-		-
26	393	Warehouse Equipment	2.59%	5.00%	-		-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	1,296		1,296
28	395	Laboratory Equipment	2.59%	5.00%	-		-
29	396	Power Operated Equipment	2.59%	6.67%	-		-
30	397	Communication Equipment	2.59%	6.67%	10,734		10,734
31	398	Miscellaneous Equipment	2.59%	3.33%	-		-
32		**TOTAL DIRECT WATER PLANT**			$ 411,255	$ -	$ 411,255
33		Post Test Year Plant (PTYP)			10,703	(10,703)	-
34		**RUCO Total Water Plant In Service**			$ 421,958	$ (10,703)	$ 411,255
35							
36		**Company Direct Plant As Filed**					
37							
38		**RUCO Direct Plant Adjustment**					
39							
40		Reserve Deficiency Accrual - Decision No. 38733					
41							
42		Net (Salvage)/Cost of Removal					
43		Accumulated Depreciation			(113,182)		$ (113,182)
44		Accumulated Depreciation - PTYP			-	-	-
45		RUCO Total Accumulated Depreciation - Calculated			$ (113,182)		$ (113,182)
46							
47		Company As Filed - Accumulated Depreciation			-	-	(116,356)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ (113,182)	$ -	$ 3,174
49							
50		**RUCO Net Adjustment**					
51							
52							
53							

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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Plant Reconciliation Schedule

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2002 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2002
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				Fully Amortized	2,072
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	-
4	310.1	Water Rights	0.00%	0.00%	193			-	625
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	422
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				1,252	48,327
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				157	6,073
10	325	Electtric Pumping Equipment	2.59%	5.88%	8,899	(11,559)		2,274	86,457
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				101	3,906
14	332	Water Treatment Equipment	2.59%	2.86%	8,399			534	24,816
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%	41			748	28,902
17	343	Transmission & Distribution Mains	2.59%	1.79%				3,015	116,404
18	344	Fire Sprinkler Taps	2.59%	2.00%				-	-
19	345	Services	2.59%	2.38%	9			1,336	51,600
20	346	Meters	2.59%	4.55%	1,743	(110)	(55)	517	20,759
21	348	Hydrants	2.59%	1.82%				422	16,294
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				3	127
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				-	-
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%				34	1,296
28	395	Laboratory Equipment	2.59%	5.00%				-	-
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%	2,036			304	12,770
31	398	Miscellaneous Equipment	2.59%	3.33%	465			6	465
32		**TOTAL DIRECT WATER PLANT**			$ 21,785	$ (11,669)	$ (55)	$ 10,704	$ 421,316
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 21,785	$ (11,669)	$ (55)	$ 10,704	$ 421,316
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(73)	
41								-	
42		Net (Salvage)/Cost of Removal						(18)	
43		Accumulated Depreciation						(112,308)	$ (112,308)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(112,308)	$ (112,308)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(115,485)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (112,308)	$ 3,177
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2003 Additions	2003 Retirements	2003 Adjustments	2003 Depreciation Expense	Balance 12/31/2003
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				Fully Amortized	2,072
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	-
4	310.1	Water Rights	0.00%	0.00%	290			-	915
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	422
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				1,252	48,327
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				157	6,073
10	325	Electtric Pumping Equipment	2.59%	5.88%	228			2,242	86,685
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				101	3,906
14	332	Water Treatment Equipment	2.59%	2.86%				643	24,816
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				749	28,902
17	343	Transmission & Distribution Mains	2.59%	1.79%	27	(68)		3,014	116,363
18	344	Fire Sprinkler Taps	2.59%	2.00%				-	-
19	345	Services	2.59%	2.38%	954	(87)		1,348	52,467
20	346	Meters	2.59%	4.55%		(174)		535	20,585
21	348	Hydrants	2.59%	1.82%				422	16,294
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				3	127
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				-	-
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%				34	1,296
28	395	Laboratory Equipment	2.59%	5.00%				-	-
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%	1,050			344	13,820
31	398	Miscellaneous Equipment	2.59%	3.33%				12	465
32		**TOTAL DIRECT WATER PLANT**			$ 2,549	$ (329)	$ -	$ 10,856	$ 423,536
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 2,549	$ (329)	$ -	$ 10,856	$ 423,536
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(73)	
41									
42		Net (Salvage)/Cost of Removal						(22)	
43		Accumulated Depreciation						(122,930)	$ (122,930)
44		Accumulated Depreciation - PTYP						-	$ -
45		RUCO Total Accumulated Depreciation - Calculated						(122,930)	$ (122,930)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(126,107)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (122,930)	$ 3,177
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2004 Additions	2004 Retirements	2004 Adjustments	2004 Depreciation Expense	Balance 12/30/2004
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				Fully Amortized	2,072
3	303	Other Intangibles	See Acct. 111	See Acct. 111	45			-	45
4	310.1	Water Rights	0.00%	0.00%	155			-	1,070
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	422
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				1,447	48,327
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				170	6,073
10	325	Electtric Pumping Equipment	2.59%	5.88%	30,997	(22,825)		4,591	94,858
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				99	3,906
14	332	Water Treatment Equipment	2.59%	2.86%				693	24,816
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				621	28,902
17	343	Transmission & Distribution Mains	2.59%	1.79%	6	(274)		2,313	116,095
18	344	Fire Sprinkler Taps	2.59%	2.00%				-	-
19	345	Services	2.59%	2.38%	12,243	(89)		1,424	64,621
20	346	Meters	2.59%	4.55%		(129)		833	20,456
21	348	Hydrants	2.59%	1.82%				328	16,294
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				3	127
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				-	-
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%				47	1,296
28	395	Laboratory Equipment	2.59%	5.00%				-	-
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%	514			795	14,334
31	398	Miscellaneous Equipment	2.59%	3.33%				15	465
32		**TOTAL DIRECT WATER PLANT**			$ 43,959	$ (23,317)	$ -	$ 13,378	$ 444,178
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 43,959	$ (23,317)	$ -	$ 13,378	$ 444,178
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(73)	
41								-	
42		Net (Salvage)/Cost of Removal						(28)	
43		Accumulated Depreciation						(113,093)	$ (113,093)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(113,093)	(113,093)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(116,190)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (113,093)	$ 3,097
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2005
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				Fully Amortized	2,072
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	45
4	310.1	Water Rights	0.00%	0.00%	280			-	1,350
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	422
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				1,513	48,327
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				174	6,073
10	325	Electtric Pumping Equipment	2.59%	5.88%				5,578	94,858
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				98	3,906
14	332	Water Treatment Equipment	2.59%	2.86%				710	24,816
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				578	28,902
17	343	Transmission & Distribution Mains	2.59%	1.79%	605			2,084	116,699
18	344	Fire Sprinkler Taps	2.59%	2.00%				-	-
19	345	Services	2.59%	2.38%	3,077			1,575	67,698
20	346	Meters	2.59%	4.55%	2,248	(109)		979	22,595
21	348	Hydrants	2.59%	1.82%				297	16,294
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				3	127
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				-	-
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	652			65	1,948
28	395	Laboratory Equipment	2.59%	5.00%				-	-
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%				956	14,334
31	398	Miscellaneous Equipment	2.59%	3.33%				15	465
32		**TOTAL DIRECT WATER PLANT**			$ 6,861	$ (109)	$ -	$ 14,623	$ 450,930
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 6,861	$ (109)	$ -	$ 14,623	$ 450,930
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(73)	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(127,680)	$ (127,680)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(127,680)	(127,680)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(130,845)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (127,680)	$ 3,165
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2006
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				Fully Amortized	2,072
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	45
4	310.1	Water Rights	0.00%	0.00%	438			-	1,788
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	422
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				1,513	48,327
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				174	6,073
10	325	Electtric Pumping Equipment	2.59%	5.88%	50,589			7,065	145,447
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				98	3,906
14	332	Water Treatment Equipment	2.59%	2.86%	292			714	25,108
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				578	28,902
17	343	Transmission & Distribution Mains	2.59%	1.79%	411			2,093	117,110
18	344	Fire Sprinkler Taps	2.59%	2.00%				-	-
19	345	Services	2.59%	2.38%	500			1,617	68,197
20	346	Meters	2.59%	4.55%	1,802	(247)		1,063	24,149
21	348	Hydrants	2.59%	1.82%				297	16,294
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				3	127
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				-	-
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	174			81	2,122
28	395	Laboratory Equipment	2.59%	5.00%				-	-
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%				956	14,334
31	398	Miscellaneous Equipment	2.59%	3.33%				15	465
32		**TOTAL DIRECT WATER PLANT**			$ 54,205	$ (247)	$ -	$ 16,267	$ 504,888
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 54,205	$ (247)	$ -	$ 16,267	$ 504,888
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						(35)	
43		Accumulated Depreciation						(143,735)	$ (143,735)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(143,735)	(143,735)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(146,900)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (143,735)	$ 3,165
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2007
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				Fully Amortized	2,072
3	303	Other Intangibles	See Acct. 111	See Acct. 111				2	45
4	310.1	Water Rights	0.00%	0.00%	726			-	2,514
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	422
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				1,513	48,327
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				174	6,073
10	325	Electtric Pumping Equipment	2.59%	5.88%	12,412			8,917	157,859
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				98	3,906
14	332	Water Treatment Equipment	2.59%	2.86%	10,930			874	36,038
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				578	28,902
17	343	Transmission & Distribution Mains	2.59%	1.79%				2,096	117,110
18	344	Fire Sprinkler Taps	2.59%	2.00%				-	-
19	345	Services	2.59%	2.38%	1,228			1,638	69,426
20	346	Meters	2.59%	4.55%		(130)		1,096	24,019
21	348	Hydrants	2.59%	1.82%	10,559	(443)		389	26,410
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				3	127
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				-	-
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%				85	2,122
28	395	Laboratory Equipment	2.59%	5.00%				-	-
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%	149			961	14,482
31	398	Miscellaneous Equipment	2.59%	3.33%				15	465
32		**TOTAL DIRECT WATER PLANT**			$ 36,004	$ (573)	$ -	$ 18,439	$ 540,319
33		Post Test Year Plant (PTYP)				-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 36,004	$ (573)	$ -	$ 18,439	$ 540,319
35									
36		**Company Direct Plant As Filed**							540,319
37									
38		**RUCO Direct Plant Adjustment**							$ 0
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(161,600)	$ (161,600)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(161,600)	(161,600)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(164,766)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (161,600)	$ 3,166
49									
50		**RUCO Net Adjustment**							$ 3,166
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	ADJ-1 Remove Post Test Year Plant	Balance 12/31/2003
1	301	Organization	0.00%	651		651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	8,496		8,496
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	-		-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	-		-
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	-		-
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	31,795		31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	1,267,373		1,267,373
25	391	Office Furniture and Equipment	2.59%	3,505,411		3,505,411
26	393	Warehouse Equipment	2.59%	3,705		3,705
27	394	Tools, Shop and Garage Equipment	2.59%	30,450		30,450
28	395	Laboratory Equipment	2.59%	977		977
29	396	Power Operated Equipment	2.59%	-		-
30	397	Communication Equipment	2.59%	143,052		143,052
31	398	Miscellaneous Equipment	2.59%	7,207		7,207
32		**TOTAL PHOENIX OFFICE PLANT**		4,999,117	-	4,999,117
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Phoenix Office**		4,999,117	-	4,999,117
35						
36		**Company Phoenix Office As Filed**		4,999,117		4,999,117
37						
38		RUCO Phoenix Office Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733		-		-
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(503,775)	-	(503,775)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(503,775)	-	(503,775)
46						
47		Company As Filed - Accumulated Depreciation				(503,775)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	48,512			78,228	1,315,885
25	391	Office Furniture and Equipment	2.59%	129,135	(7,465)		92,366	3,627,081
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	24,820			1,110	55,270
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	6,465			3,789	149,517
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		208,932	(7,465)	-	176,624	5,200,584
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,200,584
35								
36		**Company Phoenix Office As Filed**						5,200,584
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(672,934)	(672,934)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(672,934)	(672,934)
46								
47		Company As Filed - Accumulated Depreciation						(672,934)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				89,580	1,315,885
25	391	Office Furniture and Equipment	2.59%	221,339			96,808	3,848,420
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	20,585			1,698	75,855
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	885			3,884	150,402
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		242,809	-	-	193,101	5,443,393
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,443,393
35								
36		**Company Phoenix Office As Filed**						5,443,393
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(866,035)	(866,035)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(866,035)	(866,035)
46								
47		Company As Filed - Accumulated Depreciation						(866,035)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				94,864	1,315,885
25	391	Office Furniture and Equipment	2.59%	369,071			104,454	4,217,491
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	59,519			2,735	135,374
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	1,741			3,918	152,143
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		430,332	-	-	207,102	5,873,725
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,873,725
35								
36		**Company Phoenix Office As Filed**						5,873,725
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,073,138)	(1,073,138)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,073,138)	(1,073,138)
46								
47		Company As Filed - Accumulated Depreciation						(1,073,137)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				425	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	10,463			959	42,258
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	93			86,708	1,315,978
25	391	Office Furniture and Equipment	2.59%	464,535	(243,714)		112,093	4,438,312
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	40,312			4,028	175,686
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	4,089			3,993	156,232
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		519,493	(243,714)	-	208,514	6,149,503
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						6,149,503
35								
36		**Company Phoenix Office As Filed**						6,149,503
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,037,938)	(1,037,938)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,037,938)	(1,037,938)
46								
47		Company As Filed - Accumulated Depreciation						(1,036,382)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1,556)
49								
50		**RUCO Net Adjustment**						(1,556)
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	ADJ-1 Remove Post Test Year Plant	Balance 12/31/2003
1	301	Organization	0.00%	-		-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	80		80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	2,050		2,050
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	6,066		6,066
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	37,472		37,472
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	-		-
25	391	Office Furniture and Equipment	2.59%	3,983		3,983
26	393	Warehouse Equipment	2.59%	1,088		1,088
27	394	Tools, Shop and Garage Equipment	2.59%	58,430		58,430
28	395	Laboratory Equipment	2.59%	2,981		2,981
29	396	Power Operated Equipment	2.59%	1,458		1,458
30	397	Communication Equipment	2.59%	-		-
31	398	Miscellaneous Equipment	2.59%	-		-
32		**TOTAL METER SHOP PLANT**		113,608	-	113,608
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Meter Shop**		113,608	-	113,608
35						
36		**Company Meter Shop As Filed**		113,608		113,608
37						
38		RUCO Meter Shop Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733				
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(30,118)	-	(30,118)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(30,118)	-	(30,118)
46						
47		Company As Filed - Accumulated Depreciation				(30,118)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						
56		Notes				
57		Acct. 302 - Franchises amortized over 25 years.				
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.				
59		Acct. 310.4 - Wells - Other amortized over 24 years.				
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.				

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	12,809			1,136	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	3,166			144	7,149
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	1,575			1,534	60,005
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		17,550	-	-	3,168	131,158
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						131,158
35								
36		**Company Meter Shop As Filed**						131,158
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733						
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(33,286)	(33,286)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(33,286)	(33,286)
46								
47		Company As Filed - Accumulated Depreciation						(33,286)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
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Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	80
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				53	2,050
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				157	6,066
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				1,302	50,281
23	390	General Plant Structures	2.59%				-	-
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				186	7,243
25	391	Office Furniture and Equipment	2.59%	94			28	1,088
26	393	Warehouse Equipment	2.59%				1,580	62,009
27	394	Tools, Shop and Garage Equipment	2.59%	2,004			77	2,981
28	395	Laboratory Equipment	2.59%				38	1,458
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		2,097	-	-	3,422	133,256
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						133,256
35								
36		**Company Meter Shop As Filed**						133,256
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(36,708)	(36,708)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(36,708)	(36,708)
46								
47		Company As Filed - Accumulated Depreciation						(36,708)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								
56		Notes						
57		Acct. 302 - Franchises amortized over 25 years.						
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.						
59		Acct. 310.4 - Wells - Other amortized over 24 years.						
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.						

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Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	2,571			1,336	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	1,610			208	8,853
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	3,115			1,646	65,124
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		7,296	-	-	3,544	140,551
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						140,551
35								
36		**Company Meter Shop As Filed**						140,551
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(40,251)	(40,251)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(40,251)	(40,251)
46								
47		Company As Filed - Accumulated Depreciation						(40,251)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
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Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,369	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr				-	-
25	391	Office Furniture and Equipment	2.59%	1,893			254	10,745
26	393	Warehouse Equipment	2.59%	1,089			42	2,177
27	394	Tools, Shop and Garage Equipment	2.59%	2,298			1,716	67,422
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		5,280	-	-	3,707	145,832
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						145,832
35								
36		**Company Meter Shop As Filed**						145,832
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(43,958)	(43,958)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(43,958)	(43,958)
46								
47		Company As Filed - Accumulated Depreciation						(43,959)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						1
49								
50		**RUCO Net Adjustment**						1
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

EXPLANATION OF RATE BASE ADJUSTMENT NO. 2
POST TEST-YEAR PLANT - PHOENIX OFFICE

LINE NO.	ACCT NO.	ACCOUNT NAME	(A) COMPANY ADJUSTED TY PLANT	(B) POST TY ADDITIONS	(C) 3-FACTOR ALLOCATOR	(D) REMOVE PTY PLANT
1	301	Organization	$ 1	$ -	0.22%	$ -
2	302	Franchises	2,072	-	0.22%	-
3	303	Other Intangibles	63	-	0.22%	-
4	310.1	Water Rights	2,514	-	0.22%	-
5	310.3	Other Source of Supply Land	422	-	0.22%	-
6	310.4	Wells - Other	-	-	0.22%	-
7	314	Wells	48,327	-	0.22%	-
8	320	Pumping Plant Land	-	-	0.22%	-
9	321	Pumping Plant Structures & Imprm'ts	6,073	-	0.22%	-
10	325	Electtric Pumping Equipment	157,859	-	0.22%	-
11	328	Gas Engine Equipment	-	-	0.22%	-
12	330	Water Treatment Plant Land	-	-	0.22%	-
13	331	Water Treatment Structures & Imprm'ts	3,906	-	0.22%	-
14	332	Water Treatment Equipment	36,043	-	0.22%	-
15	340	Transmission and Distribution Land	-	-	0.22%	-
16	342	Storage Tanks	28,902	-	0.22%	-
17	343	Transmission & Distribution Mains	117,123	-	0.22%	-
18	344	Fire Sprinkler Taps	-	-	0.22%	-
19	345	Services	69,426	-	0.22%	-
20	346	Meters	24,019	-	0.22%	-
21	348	Hydrants	26,410	-	0.22%	-
22	389	General Plant Land	-	-	0.22%	-
23	390	General Plant Structures	336	-	0.22%	-
24	390.1	Leasehold Improvements	2,895	-	0.22%	-
25	391	Office Furniture & Equipment	9,788	120,057	0.22%	264
26	393	Warehouse Equipment	13	-	0.22%	-
27	394	Tools, Shop & Garage Equipment	2,657	-	0.22%	-
28	395	Laboratory Equipment	9	-	0.22%	-
29	396	Power Operated Equipment	3	-	0.22%	-
30	397	Communication Equipment	14,826	-	0.22%	-
31	398	Miscellaneous Equipment	481	-	0.22%	-
32						
33		**TOTAL PTY WATER PLANT**	$ 554,169	$ 120,057		$ 264
34		Company As Filed	$ 554,169	120,057		264
35		Difference	$ -	$ -		$ -
36						
37		RUCO PTY Plant Adjustment				$ (264)
38						
39		RUCO PTY Accumulated Depreciation Plant Adjustment				$ 9
40						
41						

42 References:
43 Column (A): Company Schedules B-2
44 Column (B): Post Test Year Phoenix Office Plant Allocation
45 Column (C): 3-Factor Allocator
46 Column (D): Adjustment

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6
ALLOWANCE FOR WORKING CAPITAL

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) REFERENCE
1	Working Cash Requirement Per Company	$ (2,061)	Company Schedule B-5, PG. 1
2	Working Cash Requirement Per RUCO	(5,068)	RUCO Schedule WAR-5, Page 2
3	Adjustment	$ (3,007)	Line 2 - Line 1
4	Material and Supplies Inventories Per Company	$ 13	Company Schedule B-5, PG. 1
5	Material and Supplies Inventories Per RUCO	13	Company Schedule B-5, PG. 1
6	Adjustment	$ -	Line 5 - Line 4
7	Required Bank Balances Per Company	$ 1,132	Company Schedule B-5, PG. 1
8	Required Bank Balances Per RUCO	1,132	Company Schedule B-5, PG. 1
9	Adjustment	$ -	Line 8 - Line 7
10	Prepayments & Special Deposits Per Company	$ 1,182	Company Schedule B-5, PG. 1
11	Prepayments & Special Deposits Per RUCO	1,182	Company Schedule B-5, PG. 1
12	Adjustment	$ -	Line 11 - Line 10
13	TOTAL ADJUSTMENT (See TJC-2, Column (K))	$ (3,007)	Sum of Lines 3, 6, 9 & 12

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6 - CONT'D
LEAD/LAG DAY SUMMARY

LINE NO.	DESCRIPTION	(A) COMPANY EXPENSES AS FILED	(B) RUCO ADJUSTM'TS	(C) RUCO EXPENSES AS ADJUSTED	(D) (LEAD)/LAG DAYS	(E) DOLLAR DAYS
	Operating Expenses					
1	Purchased Power	$ 7,310	$ -	$ 7,310	35.92	$ 262,575
2	Payroll	23,622	(666)	22,956	14.00	321,383
3	Purchased Water	-	-	-	-	-
4	Chemicals	-	-	-	20.43	-
5	Property & Liability Insurance	657	-	657	(45.27)	(29,742)
6	Workman's Compensation Insurance	329	-	329	(46.50)	(15,299)
7	Health Insurance	5,925	(2)	5,923	(8.92)	(52,831)
8	Other Operating & Maintenance Expenses	16,768	(367)	16,401	30.00	492,030
9	Federal Current Income Taxes	10,226	(7,778)	2,448	37.00	90,558
10	State Current Income Taxes	2,253	(1,031)	1,222	37.00	45,218
11	FICA Taxes	1,478	(50)	1,428	14.00	19,995
12	FUTA & SUTA Taxes	35	-	35	83.10	2,909
13	Property Taxes	10,675	(816)	9,859	212.00	2,090,096
14	Registration, Svc. Contracts, & Misc. Fees	1,288	-	1,288	(98.83)	(127,293)
15	Retirement Annuities (401k)	1,956	(56)	1,900	34.72	65,971
16	Subtotal	82,522	(10,766)	71,756		3,165,570
17	Synchronized Interest	$ 12,059	$ 489	$ 12,548	91.25	$ 1,144,996
18	Cost of Equity	19,851	(19,851)	-	-	-
19	Subtotal	$ 31,910	$ (19,362)	$ 12,548		$ 1,144,996
20	Total	$ 114,432	$ (30,128)	$ 84,304		$ 4,310,566

21	Expense Lag	Line 17, Col. (E) / (C)	51.13
22	Revenue Lag	Company B-5 Schedules	29.19
23	Net Lag	Line 18 - Line 17	(21.94)
24	RUCO Adjusted Expenses	Col. (C), Line 16	$ 84,304
25	Cash Working Capital	Line 19 X Line 20 / 365 Days	(5,068)
26	Company As Filed	Co. Schedule B-6, Page 1	(2,061)
27	Difference	Line 21 - Line 22	$ (3,007)
28	ADJUSTMENT	Line 27	$ (3,007)

NOTE: Expense Lag Days Used in the Last Western Group Rate Case.

NOTE: RUCO reviewed several invoices from a number of companies with terms of net 30 days.

References:
Column (A): - Company Schedule B-5
Column (B): RUCO Operating Income Adjustments (See Schedule TJC-7)
Column (C): Column (A) + (B)
Column (D): - Company Schedule B-5
Column (E): Column (C) X Column (D)

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Winkelman System
Schedule TJC-7
Page 1 of 1

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJM'TS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
	Operating Revenues					
1	Residential	$ 44,901	$ -	$ 44,901	$ 12,279	$ 57,180
2	Commercial	50,096	-	50,096	4,109	54,204
3	Industrial	1,774	-	1,774	691	2,464
4	Private Fire Service	-	-	-	-	-
5	Other Water Revenues	749	-	749	(42)	707
6	Total Water Revenues	$ 97,519	$ -	$ 97,519	$ 17,037	$ 114,556
7	Miscellaneous	$ 1,203	$ -	$ 1,203	$ (2)	$ 1,201
8	Total Operating Revenues	$ 98,722	$ -	$ 98,722	$ 17,035	$ 115,757
	Operating Expenses					
	Source of Supply Expenses:					
9	Purchased Water	$ -	$ -	$ -	$ -	$ -
10	Other	897	-	897	-	897
11	Pumping Expenses:	-				
12	Purchased Power	7,310	-	7,310	-	7,310
13	Purchased Gas	-	-	-	-	-
14	Other	4,150	-	4,150	-	4,150
15	Water Treatment Expenses	1,372	-	1,372	-	1,372
16	Transmission & Distribution Expenses	16,618	-	16,618	-	16,618
17	Customer Accounting Expenses	11,332	-	11,332	-	11,332
18	Sales Expense	58	-	58	-	58
19	Administrative & General Expenses	16,116	(871)	15,245	-	15,245
20	Total Operations & Maintenance Expense	$ 57,855	$ (871)	$ 56,984	$ -	$ 56,984
21	Depreciation & Amortization Expenses	$ 19,928	$ (2,286)	$ 17,642	$ -	$ 17,642
	Taxes					
22	Federal Income Taxes	$ (959)	$ 1,029	$ 70	$ 2,377	$ 2,448
23	State Income Taxes	(211)	246	35	1,187	1,222
24	Property Taxes	10,675	(816)	9,859	-	9,859
25	Other	1,235	(50)	1,186	-	1,186
26	Total Taxes	$ 10,741	$ 409	$ 11,150	$ 3,564	$ 14,714
27	Total Operating Expenses	$ 88,524	$ (2,748)	$ 85,776	$ 3,564	$ 89,340
28	Operating Income	$ 10,198	$ 2,748	$ 12,946	$ 13,471	$ 26,417

References:
Column (A): Company Schedule C-1
Column (B): TJC-8, Columns (B) Thru (I)
Column (C): Column (A) + Column (B)
Column (D): TJC-1
Column (E): Column (C) + Column (D)

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SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJMT NO. 1 LABOR EXPENSE	(C) ADJMT NO. 2 PAYROLL TAX EXPENSE	(D) ADJMT NO. 3 401(K) EXPENSE	(E) ADJMT NO. 4 REVERSE ADJ. FOR CONSERVATION	(F) ADJMT NO. 5 PURCH. POWER REVENUES	(G) ADJMT NO. 6 INSURANCE EXPENSE	(H) ADJMT NO. 7 DEPRECIATION EXPENSE	(I) ADJMT NO. 8 PROPERTY TAX	(J) ADJMT NO. 9 RATE CASE EXPENSE	(K) ADJMT NO. 10 INCOME TAXES	(L) RUCO AS ADJT'D
	Operating Revenues												
1	Residential	$ 44,901	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 44,901
2	Commercial	50,096	-	-	-	-	-	-	-	-	-	-	50,096
3	Industrial	1,774	-	-	-	-	-	-	-	-	-	-	1,774
4	Private Fire Service	-	-	-	-	-	-	-	-	-	-	-	-
5	Other Water Revenues	749	-	-	-	-	-	-	-	-	-	-	749
6	Total Water Revenues	$ 97,519	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 97,519
7	Miscellaneous	$ 1,203	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,203
8	Total Operating Revenues	$ 98,722	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 98,722
	Operating Expenses												
	Source of Supply Expenses:												
9	Purchased Water	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	Other	897	-	-	-	-	-	-	-	-	-	-	897
11	Pumping Expenses:												
12	Purchased Power	7,310	-	-	-	-	-	-	-	-	-	-	7,310
13	Purchased Gas	-	-	-	-	-	-	-	-	-	-	-	-
14	Other	4,150	-	-	-	-	-	-	-	-	-	-	4,150
15	Water Treatment Expenses	1,372	-	-	-	-	-	-	-	-	-	-	1,372
16	Transmission & Distribution Expenses	16,618	-	-	-	-	-	-	-	-	-	-	16,618
17	Customer Accounting Expenses	11,332	-	-	-	-	-	-	-	-	-	-	11,332
18	Sales Expense	58	-	-	-	-	-	-	-	-	-	-	58
19	Administrative & General Expenses	16,116	(666)	-	(56)	-	-	(2)	-	-	(147)	-	15,245
20	Total Operations & Maintenance Expense	$ 57,855	$ (666)	$ -	$ (56)	$ -	$ -	$ (2)	$ -	$ -	$ (147)	$ -	$ 56,984
21	Depreciation & Amortization Expenses	$ 19,928	$ -	$ -	$ -	$ -	$ -	$ -	$ (2,286)	$ -	$ -	$ -	$ 17,642
	Taxes												
22	Federal Income Taxes	$ (959)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,029	$ 70
23	State Income Taxes	(211)	-	-	-	-	-	-	-	-	-	246	35
24	Property Taxes	10,675	-	-	-	-	-	-	-	(816)	-	-	9,859
25	Other	1,235	-	(50)	-	-	-	-	-	-	-	-	1,186
26	Total Taxes	$ 10,741	$ -	$ (50)	$ -	$ -	$ -	$ -	$ -	$ (816)	$ -	$ 1,275	$ 11,150
27	Total Operating Expenses	$ 88,524	$ (666)	$ (50)	$ (56)	$ -	$ -	$ (2)	$ (2,286)	$ (816)	$ (147)	$ 1,275	$ 85,776
28	Operating Income	$ 10,198	$ 666	$ 50	$ 56	$ -	$ -	$ 2	$ 2,286	$ 816	$ 147	$ (1,275)	$ 12,946

ADJUSTMENTS:
1 - Labor Expense - Normalize OT Hours in Test Year
2 - Payroll Tax Expense Related to Adjustment 1
3 - 401(K) Expense Related to Adjustment 1
4 - Reverse Adjustment for Conservation
5 - Purchased Power Revenues
6 - Insurance Expense
7 - Depreciation Expense
8 - Property Tax Expense
9 - Rate Case Expense
10 - Income Tax

REFERENCE:
Testimony, WAR And Schedule TJC-9 Page, 1 of 3
Testimony, WAR And Schedule TJC-9 Page, 2 of 3
Testimony, WAR And Schedule TJC-9 Page, 3 of 3
Testimony WAR
Testimony WAR
Testimony, WAR And Schedule TJC-10
Testimony, WAR And Schedule TJC-11
Testimony, WAR And Schedule TJC-12
Testimony, WAR And Schedule TJC-13
Testimony, WAR And Schedule TJC-14

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 1
PAYROLL EXPENSE

LINE NO.	DESCRIPTION		(A) PER RUCO DR 1.11.d
1	Normalize Over-Time Over 4 Years:		
2	2005 OT Hours		15,008.5
3	2006 OT Hours		18,080.0
4	2007 OT Hours		28,132.5
5	2008 OT Hours		17,530.0
6			
7	Total OT Hours for 2005 - 2008		78,751.0
8	Divided by 4 Years		4
9			
10	Normalized Level of OT Hours/Yr.		19,687.8
11			
12	OT Hours in Test Year		28,132.5
13			
14	Amount of Abnormal TY OT Hours		8,444.8
15			
16	Multiplied by Average OT Hrly. Rate	**See NOTE**	35.85
17			
18	Total Abnormal OT Dollars in TY		$ 302,744
19			
20	3-Factor Allocator Per District		0.22%
21			
22	RUCO Adjustment		$ (666)
23			
24			
25			
26			
27			
28	3-Factor Allocator By District:		
29	Superstition	24.94%	White Tank 2.37%
30	Bisbee	4.98%	Ajo 0.81%
31	Sierra Vista	2.58%	Coolidge 5.27%
32	San Manuel	1.68%	Lakeside 6.20%
33	Oracle	2.28%	Overgaard 3.99%
34	Winkelman	0.22%	Sedona 8.45%
35	Miami	4.98%	Pinewood 2.95%
36	Casa Grande	26.55%	Rimrock 1.48%
37	Stanfield	0.27%	
38			
39			
40			
41			
42	**Calculation Notes:**		
43	Average of Hourly Rate	$ 21.65	
44	OT Hourly Rate 1.5	32.48	

NOTE: The Company calculated the average hourly rate for overtime in response to data request AII-11.6 to be $35.85. RUCO accepts that rate in making its payroll adjustments.

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
PAYROLL TAX EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll Tax Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	0.22%
6		
7	RUCO Allocated Payroll by District	$ 666
8		
9	Payroll Tax Expense Allocator By Group:	
10		
11	RUCO Payroll Tax Expense Allocator by Group	7.47%
12		
13	RUCO Payroll Tax Expense Adjustment	$ (50)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	7.47%
40	Western Group	11.65%
41	Northern Group	15.90%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
PAYROLL 401(K) EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll 401(K) Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	0.22%
6		
7	RUCO Allocated Payroll by District	$ 666
8		
9	Payroll 401(K) Expense Allocator By Group:	
10		
11	RUCO Payroll 401(K) Expense Allocator by Group	8.39%
12		
13	RUCO Payroll 401(K) Expense Adjustment	$ (56)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	8.39%
40	Western Group	8.45%
41	Northern Group	8.12%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
INSURANCE EXPENSE

LINE NO.		(A) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER COMPANY	(B) RUCO ADJUSTMENT	(C) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER RUCO
1	System			
2				
3	Eastern Group			
4	Supersition	$ 2,224	$ (273)	$ 1,950
5	Apache Junction			
6	Superior			
7	Bisbee	122	(45)	77
8	Sierra Vista	115	(38)	77
9	San Manuel	5	(20)	(16)
10	Oracle	25	(20)	5
11	Saddlebrook	5	(0)	4
12	Winkelman	0	(2)	(2)
13	Miami	(338)	(40)	(378)
14	Subtotal	$ 2,157	$ (439)	$ 1,718
15				
16	Western Group			
17	Casa Grande	2,137	(298)	1,839
18	Stanfield	20	(3)	17
19	White Tank	148	(22)	126
20	Ajo	58	(9)	49
21	Coolidge	(127)	(62)	(189)
22	Subtotal	$ 2,235	$ (393)	$ 1,842
23				
24	Northern Group			
25	Lakeside	570	(65)	506
26	Overgaard	507	(55)	452
27	Sedona	445	(84)	361
28	Pinewood	199	(38)	162
29	Rimrock	87	(16)	71
30	Subtotal	$ 1,809	$ (257)	$ 1,551
31				
32				
33	Total Company	$ 6,201	$ (1,090)	$ 5,111 (a)

REFERENCE

COLUMN (A): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (B): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (C): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD

NOTES:

(a) CALCULATED AS FOLLOWS:		PER COMPANY	RUCO ADJUSTMENT	PER RUCO	REFERENCE
1	Current Rate per Payroll Dollar	$ 0.0036		$ 0.0036	COMPANY WORKPAPER - "GROUP INSURANCE" TAB LTD
2	Pro Forma Payroll Dollars	$ 11,095,569	$ 302,744	$ 10,792,825	COMPANY WORKPAPER - "GROUP INSURANCE)
3	Pro Forma LTD - Total Company	$ 39,944		$ 38,854	LINE 1 x LINE 2
4	Y/E Number of Customers	$ 83,825		$ 83,825	COMPANY WORKPAPER - "GROUP INSURANCE)
5	Pro Forma 2007 LTD - Spread	$ 38,854		$ 38,854	COMPANY WORKPAPER - "GROUP INSURANCE)
6	Increase / (Decrease)	$ 6,201		$ 5,111	COMPANY WORKPAPER - "GROUP INSURANCE)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCOUNT NO.	ACCOUNT NAME	(A) RUCO PLANT VALUE	(B) COMPANY PROPOSED DEP. RATES	(C) TEST YEAR DEPRECIATION EXPENSE
1	301	Organization	$ 1	0.00%	$ -
2	302	Franchises	2,072	See Acct. 111	-
3	303	Other Intangibles	63	See Acct. 111	2
4	310.1	Water Rights	2,514	0.00%	-
5	310.3	Other Source of Supply Land	422	0.00%	-
6	310.4	Wells - Other	-	See Acct. 111	-
7	314	Wells	(18,033)	3.13%	(564)
8	320	Pumping Plant Land	-	0.00%	-
9	321	Pumping Plant Structures & Imprm'ts	6,073	2.86%	174
10	325	Electtric Pumping Equipment	157,859	5.88%	9,282
11	328	Gas Engine Equipment	-	4.00%	-
12	330	Water Treatment Plant Land	-	0.00%	-
13	331	Water Treatment Structures & Imprm'ts	3,906	2.50%	98
14	332	Water Treatment Equipment	36,043	2.86%	1,031
15	340	Transmission and Distribution Land	-	0.00%	-
16	342	Storage Tanks	28,902	2.00%	578
17	343	Transmission & Distribution Mains	117,123	1.79%	2,097
18	344	Fire Sprinkler Taps	-	2.00%	-
19	345	Services	69,426	2.38%	1,652
20	346	Meters	24,019	4.55%	1,093
21	348	Hydrants	26,410	1.82%	481
22	389	General Plant Land	-	0.00%	-
23	390	General Plant Structures	336	2.50%	8
24	390.1	Leasehold Improvements	2,895	See Acct. 108.2	-
25	391	Office Furniture & Equipment	9,524	6.67%	635
26	393	Warehouse Equipment	13	5.00%	1
27	394	Tools, Shop & Garage Equipment	2,657	4.00%	106
28	395	Laboratory Equipment	9	5.00%	0
29	396	Power Operated Equipment	3	6.67%	0
30	397	Communication Equipment	14,826	6.67%	989
31	398	Miscellaneous Equipment	481	3.33%	16
32		Rounding	-		
33		TEST YEAR GROSS PLANT AND DEPRECIATION EXPENSE	$ 487,545		$ 17,678
34					
35		AMORTIZATION OF CONTRIBUTIONS	(1,835)	2.00%	(37)
36		Rounding			-
37	**TOTAL DEPRECIATION EXPENSE**				$ 17,642
38					
39	Company As Filed				19,928
40	Difference				$ (2,286)
41					
42	RUCO Adjustment (See TJC-8, Column (B))				$ (2,286)
43					
44					
45	3-Factor Allocator By District:				
46	Superstition	24.94%	White Tank	2.37%	
47	Bisbee	4.98%	Ajo	0.81%	
48	Sierra Vista	2.58%	Coolidge	5.27%	
49	San Manuel	1.68%	Lakeside	6.20%	
50	Oracle	2.28%	Overgaard	3.99%	
51	Winkelman	0.22%	Sedona	8.45%	
52	Miami	4.98%	Pinewood	2.95%	
53	Casa Grande	26.55%	Rimrock	1.48%	
54	Stanfield	0.27%			

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	REFERENCE	(A)	(B)
	Calculation Of The Company's Full Cash Value:			
	Annual Operating Revenues:			
1	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	$ 98,722	
2	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	98,722	
3	Proposed Revenues	Sch. TJC-7, Col (E), Ln 8	115,757	
4	Total Three Year Operating Revenues	Sum Of Lines 1, 2 & 3	$ 313,201	
5	Average Annual Operating Revenues	Line 4 / 3	104,400	
6	Two Times Three Year Average Operating Revenues	Line 5 X 2		$ 208,801
	ADD:			
	10% Of Construction Work In Progress ("CWIP"):			
7	Test Year CWIP	Company Schedule E	$ -	
8	10% Of CWIP	Line 7 X 10%		$ -
	SUBTRACT:			
	Transportation At Book Value:			
9	Original Cost Of Transportation Equipment	Company Workpapers	$ -	
10	Acc. Dep. Of Transportation Equipment	Company Workpapers	-	
11	Net Book Value Of Transportation Equipment	Line 9 + Line 10		$ (146)
12	Company's Full Cash Value ("FCV")	Sum Of Lines 6, 8 & 11		$ 208,655
	Calculation Of The Company's Tax Liability:			
	MULTIPLY:			
	FCV X Valuation Assessment Ratio X Property Tax Rates:			
13	Assessment Ratio	House Bill 2779	22.5%	
14	Assessed Value	Line 12 X Line 13	$ 46,947	
	Property Tax Rates:			
15	Primary Tax Rate	Company Workpapers	21.00%	
16	Secondary Tax Rate	Company Workpapers	0.00%	
17	Estimated Tax Rate Liability	Line 15 + Line 16	21.00%	
	Property Tax			$ 9,859
	Tax On Parcel			-
18	Company's Total Tax Liability - Based On Full Cash Value	Line 14 X Line 17		$ 9,859
19	Test Year Adjusted Property Tax Expense As Filed	Co. Sch. C-1		10,675
20	Decrease In Property Tax Expense	Line 18 - Line 19		$ (816)
21	RUCO Adjustment (See TJC-8, Column (C))	Line 20		$ (816)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 9
RATE CASE EXPENSE

LINE NO.	DESCRIPTION	(A) COMPANY ESTIMATE	(B) RUCO ADJUSTMENT	(C) RUCO AS ADJUSTED
1	Rate Case Expense Total	$ 500,000	$ (200,000)	$ 300,000
2	Allocation Factor			0.22%
3	Winkelman System (Line 1 X Line 2)			$ 660
4	Amortization Period - 3 Years			3
5	RUCO Adjusted Rate Case Expense (Line 3 / 3 Years)			$ 220
6	Company Rate Case Expenses As Filed (Company Sch. C-2)			$ 367
7	RUCO Pro Forma Rate Case Expense (Lines 5 - 6)			$ (147)
8	RUCO Adjustment (Line 7) (See TJC-8, Column (E))			$ (147)

3-Factor Allocator By District:

Superstition	24.94%	White Tank	2.37%
Bisbee	4.98%	Ajo	0.81%
Sierra Vista	2.58%	Coolidge	5.27%
San Manuel	1.68%	Lakeside	6.20%
Oracle	2.28%	Overgaard	3.99%
Winkelman	0.22%	Sedona	8.45%
Miami	4.98%	Pinewood	2.95%
Casa Grande	26.55%	Rimrock	1.48%
Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. TJC-7, Column (C), L28 + L22 + L23	$ 13,052
	LESS:		
2	Arizona State Tax	Line 11	35
3	Interest Expense	Note (A) Line 21	12,548
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ 469
5	Federal Tax Rate	Sch. TJC-1, Pg 2, Col. (D), L34	15.00%
6	Federal Income Tax Expense	Line 4 X line 5	$ 70
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 13,052
	LESS:		
8	Interest Expense	Note (A) Line 21	12,548
9	State Taxable Income	Line 7 - Line 8	$ 504
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ 35
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ 70
13	State Income Tax Expense	Line 11	35
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ 105
15	Total Federal Income Tax Expense Per Company (Per Company Sch. C-1, L30)		(959)
16	Total State Income Tax Expense Per Company (Per Company Sch. C-1, L31)		(211)
17	RUCO Federal Income Tax Adjustment	Line 12 - Line 15	$ 1,029
18	RUCO State Income Tax Adjustment	Line 13 - Line 16	$ 246

NOTE (A):
Interest Synchronization:

19	Adjusted Rate Base (Sch. TJC-2, Col. (H), L17)	$ 338,318
20	Weighted Cost Of Debt (Sch. TJC-15 Col. (D), L1)	3.71%
21	Interest Expense (L18 X L19)	$ 12,548

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) DOLLAR AMOUNT	(B) CAPITAL RATIO	(C) COST RATE	(D) WEIGHTED COST RATE
1	Long-Term Debt	$ 75,000,000	50.76%	7.31%	3.71%
2	Common Equity	72,744,646	49.24%	8.33%	4.10%
3	Total Capitalization	$ 147,744,646	100.00%		
4	WEIGHTED AVERAGE COST OF CAPITAL				7.81%

References:
Columns (A) Thru (D): Testimony, WAR

ARIZONA WATER COMPNAY

W-01445A-08-0440

Miami System

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

Miami System

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TJC-15	1	COST OF CAPITAL

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

Miami System
Schedule TJC-1
Page 1 of 1

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	$ 7,663,611	$ 7,413,498
2	Adjusted Operating Income (Loss)	$ 143,848	$ 170,523
3	Current Rate of Return (L2 / L1)	1.88%	2.30%
4	Required Operating Income (L5 X L1)	$ 752,127	$ 578,874
5	Required Rate of Return on Fair Value Rate Base	9.81%	7.81%
6	Operating Income Deficiency (L4 - L2)	$ 608,279	$ 408,351
7	Gross Revenue Conversion Factor (TJC-1, Page 2)	1.6286	1.6286
8	Required Increase in Gross Revenue Requirement (L7 X L6)	$ 990,665	$ 665,054
9	Adjusted Test Year Revenue	$ 1,850,677	$ 1,850,677
10	Proposed Annual Revenue (L8 + L9)	$ 2,841,341	$ 2,515,731
11	Required Percentage Increase in Revenue (L8 / L9)	53.53%	35.94%
12	Consolidated Revenue Adjustment (Superstition/Miami)	$ (937,341)	$ -
13	Required Increase in Gross Revenue Under Company Proposed Consolidation	$ 53,500	$ -
14	Required Revenue Under Company Proposed Consolidation	$ 1,904,272	$ -
15	Required Percentage Increase in Revenue Under Company Proposed Consolidation	2.89%	-
16	Rate of Return on Common Equity	12.40%	8.33%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule TJC-2, TJC-7, and TJC-13

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Combined Federal And State Tax Rate (L10)	0.3860			
3	Subtotal (L1 - L2)	0.6140			
4	**Revenue Conversion Factor** (L1 / L3)	**1.6286**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	34.0000%			
9	Effective Federal Income Tax Rate (L7 X L8)	31.6309%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	38.5989%			
11	Required Operating Income (Sch. TJC-1, Pg 1, C (B), L4)	$ 578,874			
12	Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Pg 1, C (B), L2)	170,523			
13	Required Increase In Operating Income (L11 - L12)		$ 408,351		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 191,051			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	(65,652)			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ 256,703		
17	Total Required Increase In Revenue (L13 + L16)		$ 665,054		
				RUCO Recommended	
	CALCULATION OF INCOME TAX:				
18	Revenue (Sch. TJC-1, Pg 1, Col. (B), L12)			$ 2,515,731	
19	Operating Expense Excluding Income Tax (TJC-7, Col. (E), L27 - L22 - L23)			1,745,806	
20	Synchronized Interest (Col. (C), L37)			274,960	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 494,965	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 34,489
24	Fed. Taxable Income (L21 - L23)			$ 460,476	
25	Fed. Tax on 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax on 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			$ 6,250	
27	Fed. Tax on 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			$ 8,500	
28	Fed. Tax on 4th Inc. Bracket ($100,001 - $335,000) @ 39%			$ 91,650	
29	Fed. Tax on 5th Inc. Bracket ($335,001 - $10M) @ 34%			$ 42,662	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 156,562
31	Combined Federal and State Income Tax (L23 + L30)				$ 191,051
32	Test Year Combined Income Tax, RUCO as Adjusted (TJC-7, Col. (C), L22 + L23)				$ (65,652)
33	RUCO Adjustment (L31 - L32) (See TJC-6, Col. (D), L23)				$ 256,703
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				34.00%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. TJC-2, Col. (C), L17)			$ 7,413,498	
				3.71%	
				$ 274,960	

RATE BASE - ORIGINAL COST

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) RUCO OCRB/FVRB ADJUSTMENTS	(C) RUCO ADJ'TED OCRB/FVRB
	Plant Classification			
1	Intangible Plant	$ 2,557	$ -	$ 2,557
2	Source of Supply Plant	4,436,512	(77,542)	4,358,970
3	Pumping Plant	1,646,392	(201,695)	1,444,697
4	Water Treatment Plant	86,137	-	86,137
5	Transmission & Distribution Plant	5,281,481	-	5,281,481
6	General Plant	848,882	(5,979)	842,903
7	Total Gross Plant in Service	$ 12,301,961	$ (285,216)	$ 12,016,745
8	Accumulated Depreciation	(2,957,804)	102,013	(2,855,791)
9	Net Utility Plant In Service (Sum L1 & L2)	$ 9,344,157	$ (183,203)	$ 9,160,954
10	Advances In Aid Of Const.	$ (12,005)	$ -	$ (12,005)
11	Contribution In Aid Of Const.	$ (324,169)	$ -	$ (324,169)
12	Accumulated Amortization Of CIAC	62,181	-	62,181
13	NET CIAC (L5 + L6)	$ (261,988)	$ -	$ (261,988)
14	Deferred Income Tax	$ (954,417)	$ -	$ (954,417)
15	Allowance For Working Capital	$ 79,865	$ (66,910)	$ 12,955
16	Net Regulatory Asset / (Liability)	$ (532,000)	$ -	$ (532,000)
17	Rounding	$ -	$ -	$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 7,663,611	$ (250,113)	$ 7,413,498

References:
Column (A): Company Schedule B-1
Column (B): Schedule TJC-3
Column (C): Column (A) + Column (B)

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SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) ADJMT NO. 1 PLANT & ACCUM DEP.	(C) ADJMT NO. 2 REMOVE PTY PLANT	(D) ADJMT NO. 3 PER BKB 11.16	(E) ADJMT NO. 4	(F) ADJMT NO. 5	(G) ADJMT NO. 6 WORKING CAPITAL	(H) RUCO ADJ'TED OCRB/FVRB
	Plant Classification								
1	Intangible Plant	$ 2,557	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,557
2	Source of Supply Plant	4,436,512	-	-	(77,542)	-	-	-	4,358,970
3	Pumping Plant	1,646,392	-	-	(201,695)	-	-	-	1,444,697
4	Water Treatment Plant	86,137	-	-	-	-	-	-	86,137
5	Transmission & Distribution Plant	5,281,481	-	-	-	-	-	-	5,281,481
6	General Plant	848,882	-	(5,979)	-	-	-	-	842,903
7	Total Gross Plant in Service	$ 12,301,961	$ -	$ (5,979)	$ (279,237)	$ -	$ -	$ -	$ 12,016,745
8	Accumulated Depreciation	$ (2,957,804)	25,492	199	76,321	-	-	-	(2,855,791)
9	Net Utility Plant In Service (Sum L1 & L2)	$ 9,344,157	$ 25,492	$ (5,779)	$ (202,916)	$ -	$ -	$ -	$ 9,160,954
10	Advances In Aid Of Const.	$ (12,005)	$ -	$ -	$ -	$ -	$ -	$ -	$ (12,005)
11	Contribution In Aid Of Const.	$ (324,169)	$ -	$ -	$ -	$ -	$ -	$ -	$ (324,169)
12	Accumulated Amortization Of CIAC	62,181	-	-	-	-	-	-	62,181
13	NET CIAC (L5 + L6)	$ (261,988)	$ -	$ -	$ -	$ -	$ -	$ -	$ (261,988)
14	Deferred Income Tax	$ (954,417)	$ -	$ -	$ -	$ -	$ -	$ -	$ (954,417)
15	Allowance For Working Capital	$ 79,865	$ -	$ -	$ -	$ -	$ -	$ (66,910)	$ 12,955
16	Net Regulatory Asset / (Liability)	$ (532,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ (532,000)
17	Rounding	$ -							$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 7,663,611	$ 25,492	$ (5,779)	$ (202,916)	$ -	$ -	$ (66,910)	$ 7,413,498

References:
Column (A): Company Schedule B-2
Column (B): Adjustment No. 1 - Adjust Test-Year Plant, PTY Plant & Accumulated Depreciation (See TJC-4 Total, TJC-4 Direct, TJC-4 PHX OFF and TJC-4 MS Schedules and TJC Testimony)
Column (C): Adjustment No. 2 - To Remove Post Test Year Phoenix Office Plant and Accum. Depre.
Column (D): Adjustment No. 3 - Conforming Adkustment Per Data Response to BKB 11.16 to Remove Plant and Record Retirements
Column (E): Adjustment No. 4 - Intentionally Left Blank
Column (F): Adjustment No. 5 - Intentionally Left Blank
Column (G): Adjustment No. 6 - Working Capital
Column (H): Sum Of Columns (A), (B), (C), (D), (E), (F) & (G)

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	(C) 12/31/2001 Per Decision No. 66849	(D) ADJ-1 Remove Post Test Year Plant	(E) Plant Balance 12/31/2001
1	301	Organization	0.00%	0.00%	$ -	$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111	1,225	-	1,225
3	303	Other Intangibles	See Acct. 111	See Acct. 111	-	-	-
4	310.1	Water Rights	0.00%	0.00%	328,531	-	328,531
5	310.3	Other Source of Supply Land	0.00%	0.00%	62,425	-	62,425
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-	-	-
7	314	Wells	2.59%	3.13%	1,133,177	-	1,133,177
8	320	Pumping Plant Land	0.00%	0.00%	4,723	-	4,723
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	32,391	-	32,391
10	325	Electtric Pumping Equipment	2.59%	5.88%	864,602	-	864,602
11	328	Gas Engine Equipment	2.59%	4.00%	163	-	163
12	330	Water Treatment Plant Land	0.00%	0.00%	550	-	550
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	19,640	-	19,640
14	332	Water Treatment Equipment	2.59%	2.86%	61,624	-	61,624
15	340	Transmission and Distribution Land	0.00%	0.00%	5,835	-	5,835
16	342	Storage Tanks	2.59%	2.00%	424,176	-	424,176
17	343	Transmission & Distribution Mains	2.59%	1.79%	1,957,169	-	1,957,169
18	344	Fire Sprinkler Taps	2.59%	2.00%	29,580	-	29,580
19	345	Services	2.59%	2.38%	664,496	-	664,496
20	346	Meters	2.59%	4.55%	202,443	-	202,443
21	348	Hydrants	2.59%	1.82%	143,406	-	143,406
22	389	General Plant Land	0.00%	0.00%	2,814	-	2,814
23	390	General Plant Structures	2.59%	2.50%	48,770	-	48,770
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	30,876	-	30,876
25	391	Office Furniture & Equipment	2.59%	6.67%	75,599	-	75,599
26	393	Warehouse Equipment	2.59%	5.00%	4,509	-	4,509
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	74,593	-	74,593
28	395	Laboratory Equipment	2.59%	5.00%	2,066	-	2,066
29	396	Power Operated Equipment	2.59%	6.67%	3,898	-	3,898
30	397	Communication Equipment	2.59%	6.67%	136,472	-	136,472
31	398	Miscellaneous Equipment	2.59%	3.33%	22,062	-	22,062
32		**TOTAL DIRECT WATER PLANT**			$ 6,337,815	$ -	$ 6,337,815
33		Post Test Year Plant (PTYP)			446,898	-	-
34		**RUCO Total Water Plant In Service**			$ 6,784,713	$ -	$ 6,337,815
35							
36		**Company Direct Plant As Filed**					
37							
38		**RUCO Direct Plant Adjustment**					
39							
40		Reserve Deficiency Accrual - Decision No. 38733					
41							
42		Net (Salvage)/Cost of Removal					
43		Accumulated Depreciation			$ (1,636,373)		$ (1,636,373)
44		Accumulated Depreciation - PTYP			(110,324)	110,324.00	-
45		RUCO Total Accumulated Depreciation - Calculated			$ (1,746,697)		$ (1,636,373)
46							
47		Company As Filed - Accumulated Depreciation			-	-	(1,667,874)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**				$ -	$ 31,501
49							
50		**RUCO Net Adjustment**					
51							
52							
53							
54		References:					
55		Column (A): Approved Depreciation Rate From Decision No. 58120					
56		Columns (B): Approved Depreciation Rate From Decision No. 66849					
57		Acct. 302 - Franchises amortized over 25 years.					
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.					
59		Acct. 310.4 - Wells - Other amortized over 24 years.					
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.					

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2002 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2002
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				49	1,225
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	-
4	310.1	Water Rights	0.00%	0.00%	3,319			-	331,850
5	310.3	Other Source of Supply Land	0.00%	0.00%			(81)	-	62,344
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	3,329			29,392	1,136,506
8	320	Pumping Plant Land	0.00%	0.00%				-	4,723
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	3,588			885	35,979
10	325	Electtric Pumping Equipment	2.59%	5.88%	54,890	(44,858)		22,523	874,634
11	328	Gas Engine Equipment	2.59%	4.00%				4	163
12	330	Water Treatment Plant Land	0.00%	0.00%				-	550
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				509	19,640
14	332	Water Treatment Equipment	2.59%	2.86%	918			1,608	62,542
15	340	Transmission and Distribution Land	0.00%	0.00%				-	5,835
16	342	Storage Tanks	2.59%	2.00%	660			10,995	424,836
17	343	Transmission & Distribution Mains	2.59%	1.79%	263,826	(13,449)		53,933	2,207,546
18	344	Fire Sprinkler Taps	2.59%	2.00%	4,732			827	34,312
19	345	Services	2.59%	2.38%	92,132	(3,787)		18,355	752,841
20	346	Meters	2.59%	4.55%	11,414	(562)		5,384	213,295
21	348	Hydrants	2.59%	1.82%	2,554			3,747	145,960
22	389	General Plant Land	0.00%	0.00%			81	-	2,895
23	390	General Plant Structures	2.59%	2.50%				1,263	48,770
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				7,056	30,876
25	391	Office Furniture & Equipment	2.59%	6.67%	3,268			2,000	78,867
26	393	Warehouse Equipment	2.59%	5.00%				117	4,509
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	4,771			1,994	79,364
28	395	Laboratory Equipment	2.59%	5.00%	519			60	2,585
29	396	Power Operated Equipment	2.59%	6.67%				101	3,898
30	397	Communication Equipment	2.59%	6.67%	32,709	(16,910)		3,739	152,271
31	398	Miscellaneous Equipment	2.59%	3.33%	720			581	22,782
32		**TOTAL DIRECT WATER PLANT**			$ 483,348	$ (79,566)	$ -	$ 165,123	$ 6,741,597
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 483,348	$ (79,566)	$ -	$ 165,123	$ 6,741,597
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ (498)	
41									
42		Net (Salvage)/Cost of Removal						(107)	
43		Accumulated Depreciation						(1,722,535)	$ (1,722,535)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(1,722,535)	$ (1,722,535)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,755,151)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,722,535)	$ 32,616
49									
50		**RUCO Net Adjustment**							
51									
52									
53									
54		References:							
55		Column (A): Approved Depreciation Rate From Decision No. 58120							
56		Columns (B): Approved Depreciation Rate From Decision No. 66849							
57		Acct. 302 - Franchises amortized over 25 years.							
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.							
59		Acct. 310.4 - Wells - Other amortized over 24 years.							
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.							

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2003 Additions	2003 Retirements	2003 Adjustments	2003 Depreciation Expense	Balance 12/31/2003
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				Fully Amortized	1,225
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	-
4	310.1	Water Rights	0.00%	0.00%	5,746			-	337,596
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	62,344
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	10,210			29,568	1,146,716
8	320	Pumping Plant Land	0.00%	0.00%				-	4,723
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				932	35,979
10	325	Electric Pumping Equipment	2.59%	5.88%	76,717	(60,728)		22,860	890,622
11	328	Gas Engine Equipment	2.59%	4.00%				4	163
12	330	Water Treatment Plant Land	0.00%	0.00%				-	550
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	180			511	19,820
14	332	Water Treatment Equipment	2.59%	2.86%				1,620	62,542
15	340	Transmission and Distribution Land	0.00%	0.00%				-	5,835
16	342	Storage Tanks	2.59%	2.00%				11,003	424,836
17	343	Transmission & Distribution Mains	2.59%	1.79%	43,005	(1,955)		57,707	2,248,596
18	344	Fire Sprinkler Taps	2.59%	2.00%	22,089			1,175	56,400
19	345	Services	2.59%	2.38%	44,821	(2,200)		20,051	795,462
20	346	Meters	2.59%	4.55%	8,313	(1,312)		5,615	220,295
21	348	Hydrants	2.59%	1.82%	3,682			3,828	149,642
22	389	General Plant Land	0.00%	0.00%				-	2,895
23	390	General Plant Structures	2.59%	2.50%				1,263	48,770
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				1,162	30,876
25	391	Office Furniture & Equipment	2.59%	6.67%	2,555			2,076	81,422
26	393	Warehouse Equipment	2.59%	5.00%				117	4,509
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	4,746			2,117	84,111
28	395	Laboratory Equipment	2.59%	5.00%				67	2,585
29	396	Power Operated Equipment	2.59%	6.67%				101	3,898
30	397	Communication Equipment	2.59%	6.67%	428			3,949	152,699
31	398	Miscellaneous Equipment	2.59%	3.33%				590	22,782
32		**TOTAL DIRECT WATER PLANT**			$ 222,491	$ (66,195)	$ -	$ 166,315	$ 6,897,893
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 222,491	$ (66,195)	$ -	$ 166,315	$ 6,897,893
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ (498)	
41									
42		Net (Salvage)/Cost of Removal						(229)	
43		Accumulated Depreciation						(1,823,382)	$ (1,823,382)
44		Accumulated Depreciation - PTYP						-	$ -
45		RUCO Total Accumulated Depreciation - Calculated						(1,823,382)	$ (1,823,382)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,855,998)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,823,382)	$ 32,616
49									
50		**RUCO Net Adjustment**							
51									
52									
53									
54		References:							
55		Column (A): Approved Depreciation Rate From Decision No. 58120							
56		Columns (B): Approved Depreciation Rate From Decision No. 66849							
57		Acct. 302 - Franchises amortized over 25 years.							
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.							
59		Acct. 310.4 - Wells - Other amortized over 24 years.							
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.							

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2004
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				Fully Amortized	1,225
3	303	Other Intangibles	See Acct. 111	See Acct. 111	876			-	876
4	310.1	Water Rights	0.00%	0.00%	3,052			-	340,648
5	310.3	Other Source of Supply Land	0.00%	0.00%	28,257			-	90,601
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	1,526,600			-	1,526,600
7	314	Wells	2.59%	3.13%	1,185,634	(2,626)		52,060	2,329,724
8	320	Pumping Plant Land	0.00%	0.00%				-	4,723
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	24,238	(1,778)		1,318	58,439
10	325	Electtric Pumping Equipment	2.59%	5.88%	661,895	(59,328)		60,281	1,493,190
11	328	Gas Engine Equipment	2.59%	4.00%				6	163
12	330	Water Treatment Plant Land	0.00%	0.00%				-	550
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				500	19,820
14	332	Water Treatment Equipment	2.59%	2.86%				1,746	62,542
15	340	Transmission and Distribution Land	0.00%	0.00%				-	5,835
16	342	Storage Tanks	2.59%	2.00%				9,123	424,836
17	343	Transmission & Distribution Mains	2.59%	1.79%	537,799	(2,512)		50,073	2,783,882
18	344	Fire Sprinkler Taps	2.59%	2.00%				1,211	56,400
19	345	Services	2.59%	2.38%	21,317	(1,277)		19,593	815,502
20	346	Meters	2.59%	4.55%	4,909	(1,259)		9,018	223,945
21	348	Hydrants	2.59%	1.82%	5,255	(4,416)		3,020	150,481
22	389	General Plant Land	0.00%	0.00%				-	2,895
23	390	General Plant Structures	2.59%	2.50%	656			1,238	49,426
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	30,876
25	391	Office Furniture & Equipment	2.59%	6.67%	6,951	(1,933)		4,742	86,440
26	393	Warehouse Equipment	2.59%	5.00%	1,076			222	5,585
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	11,664			3,281	95,775
28	395	Laboratory Equipment	2.59%	5.00%	1,119			138	3,705
29	396	Power Operated Equipment	2.59%	6.67%	1,439			261	5,337
30	397	Communication Equipment	2.59%	6.67%	12,265			8,974	164,964
31	398	Miscellaneous Equipment	2.59%	3.33%	7,216			830	29,998
32		**TOTAL DIRECT WATER PLANT**			$ 4,042,218	$ (75,129)	$ -	$ 227,636	$ 10,864,982
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 4,042,218	$ (75,129)	$ -	$ 227,636	$ 10,864,982
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ (498)	
41									
42		Net (Salvage)/Cost of Removal						(270)	
43		Accumulated Depreciation						(1,976,657)	$ (1,976,657)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(1,976,657)	(1,976,657)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(2,001,263)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,976,657)	$ 24,606
49									
50		**RUCO Net Adjustment**							
51									
52									
53									
54		References:							
55		Column (A): Approved Depreciation Rate From Decision No. 58120							
56		Columns (B): Approved Depreciation Rate From Decision No. 66849							
57		Acct. 302 - Franchises amortized over 25 years.							
58		Acct. 303 - Other Intangibles amortized over 15 & 20 Years.							
59		Acct. 310.4 - Wells - Other amortized over 24 years.							
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.							

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2005
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				Fully Amortized	1,225
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	876
4	310.1	Water Rights	0.00%	0.00%	5,494			-	346,142
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	90,601
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				63,616	1,526,600
7	314	Wells	2.59%	3.13%	7,602			73,039	2,337,325
8	320	Pumping Plant Land	0.00%	0.00%				-	4,723
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	2,793			1,711	61,232
10	325	Electtric Pumping Equipment	2.59%	5.88%	38,166	(1,209)		88,886	1,530,147
11	328	Gas Engine Equipment	2.59%	4.00%				7	163
12	330	Water Treatment Plant Land	0.00%	0.00%				-	550
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	947			507	20,767
14	332	Water Treatment Equipment	2.59%	2.86%				1,789	62,542
15	340	Transmission and Distribution Land	0.00%	0.00%				-	5,835
16	342	Storage Tanks	2.59%	2.00%				8,497	424,836
17	343	Transmission & Distribution Mains	2.59%	1.79%	342,544			52,897	3,126,426
18	344	Fire Sprinkler Taps	2.59%	2.00%	4,376			1,172	60,776
19	345	Services	2.59%	2.38%	53,745	(743)		20,040	868,504
20	346	Meters	2.59%	4.55%	1,067	(1,073)		10,189	223,940
21	348	Hydrants	2.59%	1.82%	4,993			2,784	155,474
22	389	General Plant Land	0.00%	0.00%	4,151			-	7,046
23	390	General Plant Structures	2.59%	2.50%				1,236	49,426
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	3,893			433	34,769
25	391	Office Furniture & Equipment	2.59%	6.67%	2,366			5,844	88,806
26	393	Warehouse Equipment	2.59%	5.00%				279	5,585
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	8,554			4,002	104,329
28	395	Laboratory Equipment	2.59%	5.00%				185	3,705
29	396	Power Operated Equipment	2.59%	6.67%				356	5,337
30	397	Communication Equipment	2.59%	6.67%	6,630			11,224	171,594
31	398	Miscellaneous Equipment	2.59%	3.33%	165	(65)		1,001	30,099
32		TOTAL DIRECT WATER PLANT			$ 487,486	$ (3,090)	$ -	$ 349,695	$ 11,349,378
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 487,486	$ (3,090)	$ -	$ 349,695	$ 11,349,378
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ (498)	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(2,323,760)	$ (2,323,760)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(2,323,760)	(2,323,760)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(2,349,329)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (2,323,760)	$ 25,569
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2006
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				Fully Amortized	1,225
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	876
4	310.1	Water Rights	0.00%	0.00%	9,895			-	356,037
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	90,601
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				63,608	1,526,600
7	314	Wells	2.59%	3.13%	99,591			74,717	2,436,916
8	320	Pumping Plant Land	0.00%	0.00%				-	4,723
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	15,582			1,974	76,814
10	325	Electtric Pumping Equipment	2.59%	5.88%	77,013	(99,074)		89,324	1,508,086
11	328	Gas Engine Equipment	2.59%	4.00%				7	163
12	330	Water Treatment Plant Land	0.00%	0.00%				-	550
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				519	20,767
14	332	Water Treatment Equipment	2.59%	2.86%				1,789	62,542
15	340	Transmission and Distribution Land	0.00%	0.00%				-	5,835
16	342	Storage Tanks	2.59%	2.00%	16,952			8,666	441,788
17	343	Transmission & Distribution Mains	2.59%	1.79%	178,403	(39,162)		57,209	3,265,667
18	344	Fire Sprinkler Taps	2.59%	2.00%				1,216	60,776
19	345	Services	2.59%	2.38%	19,485	(1,011)		20,890	886,978
20	346	Meters	2.59%	4.55%	10,965	(1,703)		10,400	233,201
21	348	Hydrants	2.59%	1.82%				2,830	155,474
22	389	General Plant Land	0.00%	0.00%				-	7,046
23	390	General Plant Structures	2.59%	2.50%	2,991			1,273	52,417
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	508			3,469	35,277
25	391	Office Furniture & Equipment	2.59%	6.67%	2,572	(361)		5,997	91,017
26	393	Warehouse Equipment	2.59%	5.00%				279	5,585
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	7,330			4,320	111,658
28	395	Laboratory Equipment	2.59%	5.00%				185	3,705
29	396	Power Operated Equipment	2.59%	6.67%	2,140			427	7,477
30	397	Communication Equipment	2.59%	6.67%	905			11,475	172,499
31	398	Miscellaneous Equipment	2.59%	3.33%				1,002	30,099
32		**TOTAL DIRECT WATER PLANT**			$ 444,332	$ (141,311)	$ -	$ 361,577	$ 11,652,399
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 444,332	$ (141,311)	$ -	$ 361,577	$ 11,652,399
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ -	
41									
42		Net (Salvage)/Cost of Removal						(182)	
43		Accumulated Depreciation						(2,544,208)	$ (2,544,208)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(2,544,208)	(2,544,208)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(2,569,778)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (2,544,208)	$ 25,570
49									
50		**RUCO Net Adjustment**							
51									
52									
53									
54		References:							
55		Column (A): Approved Depreciation Rate From Decision No. 58120							
56		Columns (B): Approved Depreciation Rate From Decision No. 66849							
57		Acct. 302 - Franchises amortized over 25 years.							
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.							
59		Acct. 310.4 - Wells - Other amortized over 24 years.							
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.							

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 3/31/2004	(B) DEPRECIATION RATE 4/1/2004 To 12/31/2007	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/30/2007
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				Fully Amortized	1,225
3	303	Other Intangibles	See Acct. 111	See Acct. 111				44	876
4	310.1	Water Rights	0.00%	0.00%	16,442			-	372,479
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	90,601
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				63,608	1,526,600
7	314	Wells	2.59%	3.13%	9,913			76,431	2,446,829
8	320	Pumping Plant Land	0.00%	0.00%				-	4,723
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	30,233			2,629	107,047
10	325	Electtric Pumping Equipment	2.59%	5.88%	53,654	(27,280)		89,451	1,534,460
11	328	Gas Engine Equipment	2.59%	4.00%				7	163
12	330	Water Treatment Plant Land	0.00%	0.00%				-	550
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	289			523	21,057
14	332	Water Treatment Equipment	2.59%	2.86%	1,886			1,816	64,429
15	340	Transmission and Distribution Land	0.00%	0.00%				-	5,835
16	342	Storage Tanks	2.59%	2.00%	54			8,836	441,841
17	343	Transmission & Distribution Mains	2.59%	1.79%	204,473	(101)		60,285	3,470,038
18	344	Fire Sprinkler Taps	2.59%	2.00%				1,216	60,776
19	345	Services	2.59%	2.38%	20,501	(975)		21,342	906,504
20	346	Meters	2.59%	4.55%	9,816	(2,307)		10,781	240,710
21	348	Hydrants	2.59%	1.82%				2,830	155,474
22	389	General Plant Land	0.00%	0.00%				-	7,046
23	390	General Plant Structures	2.59%	2.50%	129			1,312	52,546
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	2,582			165	37,860
25	391	Office Furniture & Equipment	2.59%	6.67%	4,559	(1,018)		6,189	94,558
26	393	Warehouse Equipment	2.59%	5.00%				279	5,585
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	9,262			4,652	120,920
28	395	Laboratory Equipment	2.59%	5.00%	1,310			218	5,014
29	396	Power Operated Equipment	2.59%	6.67%				499	7,477
30	397	Communication Equipment	2.59%	6.67%	2,634			11,594	175,133
31	398	Miscellaneous Equipment	2.59%	3.33%				1,002	30,099
32		**TOTAL DIRECT WATER PLANT**			$ 367,735	$ (31,681)	$ -	$ 365,707	$ 11,988,454
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 367,735	$ (31,681)	$ -	$ 365,707	$ 11,988,454
35									
36		**Company Direct Plant As Filed**							11,988,454
37									
38		**RUCO Direct Plant Adjustment**							$ (0)
39									
40		Reserve Deficiency Accrual - Decision No. 38733						$ -	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(2,878,233)	$ (2,878,233)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(2,878,233)	(2,878,233)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(2,903,803)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (2,878,233)	$ 25,570
49									
50		**RUCO Net Adjustment**							$ 25,569
51									
52									
53									
54		References:							
55		Column (A): Approved Depreciation Rate From Decision No. 58120							
56		Columns (B): Approved Depreciation Rate From Decision No. 66849							
57		Acct. 302 - Franchises amortized over 25 years.							
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.							
59		Acct. 310.4 - Wells - Other amortized over 24 years.							
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.							

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Schedule TJC-4 PHX OFF- Phoenix Office
Miami System
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Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	Balance 12/31/2003
1	301	Organization	0.00%			
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.			
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	651		651
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	8,496		8,496
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	-		-
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	-		-
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	-		-
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	-		-
25	391	Office Furniture and Equipment	2.59%	31,795		31,795
26	393	Warehouse Equipment	2.59%	1,267,373		1,267,373
27	394	Tools, Shop and Garage Equipment	2.59%	3,505,411		3,505,411
28	395	Laboratory Equipment	2.59%	3,705		3,705
29	396	Power Operated Equipment	2.59%	30,450		30,450
30	397	Communication Equipment	2.59%	977		977
31	398	Miscellaneous Equipment	2.59%	-		-
32		**TOTAL PHOENIX OFFICE PLANT**		143,052		143,052
33		Post Test Year Plant (PTYP)		7,207		7,207
34		**RUCO Total Phoenix Office**		4,999,117		4,999,117
35				-		-
36		**Company Phoenix Office As Filed**		4,999,117		4,999,117
37				-		-
38		RUCO Phoenix Office Plant Adjustment		4,999,117		4,999,117
39				-		-
40		Reserve Deficiency Accrual - Dec. 38733		(503,775)		(503,775)
41				-		-
42		Net (Salvage)/Cost of Removal		-		-
43		Accumulated Depreciation		-		-
44		Accumulated Depreciation - PTYP		(503,775)		(503,775)
45		RUCO Total Accumulated Depreciation - Calculated		-		-
46						

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	48,512			78,228	1,315,885
25	391	Office Furniture and Equipment	2.59%	129,135	(7,465)		92,366	3,627,081
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	24,820			1,110	55,270
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	6,465			3,789	149,517
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		208,932	(7,465)	-	176,624	5,200,584
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,200,584
35								
36		**Company Phoenix Office As Filed**						5,200,584
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(672,934)	(672,934)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(672,934)	(672,934)
46								
								(672,934)
								(0)

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				89,580	1,315,885
25	391	Office Furniture and Equipment	2.59%	221,339			96,808	3,848,420
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	20,585			1,698	75,855
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	885			3,884	150,402
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		242,809	-	-	193,101	5,443,393
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,443,393
35								
36		**Company Phoenix Office As Filed**						5,443,393
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(866,035)	(866,035)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(866,035)	(866,035)
46								
								(866,035)
								0

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				94,864	1,315,885
25	391	Office Furniture and Equipment	2.59%	369,071			104,454	4,217,491
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	59,519			2,735	135,374
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	1,741			3,918	152,143
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		430,332	-	-	207,102	5,873,725
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,873,725
35								
36		**Company Phoenix Office As Filed**						5,873,725
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,073,138)	(1,073,138)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,073,138)	(1,073,138)
46								
								(1,073,137)
								(1)

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				425	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	10,463			959	42,258
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	93			86,708	1,315,978
25	391	Office Furniture and Equipment	2.59%	464,535	(243,714)		112,093	4,438,312
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	40,312			4,028	175,686
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	4,089			3,993	156,232
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		519,493	(243,714)	-	208,514	6,149,503
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						6,149,503
35								
36		**Company Phoenix Office As Filed**						6,149,503
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,037,938)	(1,037,938)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,037,938)	(1,037,938)
46								
								(1,036,382)
								(1,556)
								(1,556)

Arizona Water Company
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Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	2003 Balance 12/31/2003
1	301	Organization	0.00%	-		-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	80		80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	2,050		2,050
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	6,066		6,066
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	37,472		37,472
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	-		-
25	391	Office Furniture and Equipment	2.59%	3,983		3,983
26	393	Warehouse Equipment	2.59%	1,088		1,088
27	394	Tools, Shop and Garage Equipment	2.59%	58,430		58,430
28	395	Laboratory Equipment	2.59%	2,981		2,981
29	396	Power Operated Equipment	2.59%	1,458		1,458
30	397	Communication Equipment	2.59%	-		-
31	398	Miscellaneous Equipment	2.59%	-		-
32		**TOTAL METER SHOP PLANT**		113,608	-	113,608
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Meter Shop**		113,608	-	113,608
35						
36		**Company Meter Shop As Filed**		113,608		113,608
37						
38		RUCO Meter Shop Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733				
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(30,118)	-	(30,118)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(30,118)	-	(30,118)
46						
						(30,118)
						-

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	12,809			1,136	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	3,166			144	7,149
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	1,575			1,534	60,005
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		17,550	-	-	3,168	131,158
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						131,158
35								
36		**Company Meter Shop As Filed**						131,158
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733						
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(33,286)	(33,286)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(33,286)	(33,286)
46								
								(33,286)
								0

Arizona Water Company
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Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,302	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	94			186	7,243
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	2,004			1,580	62,009
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		2,097	-	-	3,422	133,256
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						133,256
35								
36		**Company Meter Shop As Filed**						133,256
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(36,708)	(36,708)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(36,708)	(36,708)
46								
								(36,708)
								0

Arizona Water Company
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Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	2,571			1,336	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	1,610			208	8,853
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	3,115			1,646	65,124
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		7,296	-	-	3,544	140,551
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						140,551
35								
36		**Company Meter Shop As Filed**						140,551
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(40,251)	(40,251)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(40,251)	(40,251)
46								
								(40,251)
								(0)

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Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,369	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	1,893			254	10,745
26	393	Warehouse Equipment	2.59%	1,089			42	2,177
27	394	Tools, Shop and Garage Equipment	2.59%	2,298			1,716	67,422
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		5,280	-	-	3,707	145,832
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						145,832
35								
36		**Company Meter Shop As Filed**						145,832
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(43,958)	(43,958)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(43,958)	(43,958)
46								
								(43,959)
								1
								1

EXPLANATION OF RATE BASE ADJUSTMENT NO. 2
POST TEST-YEAR PLANT - PHOENIX OFFICE

LINE NO.	ACCT NO.	ACCOUNT NAME	(A) COMPANY ADJUSTED TY PLANT	(B) POST TY ADDITIONS	(C) 3-FACTOR ALLOCATOR	(D) REMOVE PTY PLANT
1	301	Organization	$ 32	$ -	4.98%	$ -
2	302	Franchises	5,644	-	4.98%	-
3	303	Other Intangibles	6,748	-	4.98%	-
4	310.1	Water Rights	362,960	-	4.98%	-
5	310.3	Other Source of Supply Land	63,210	-	4.98%	-
6	310.4	Wells - Other	-	-	4.98%	-
7	314	Wells	5,096,324	-	4.98%	-
8	320	Pumping Plant Land	14,187	-	4.98%	-
9	321	Pumping Plant Structures & Imprm'ts	156,041	-	4.98%	-
10	325	Electtric Pumping Equipment	7,528,455	-	4.98%	-
11	328	Gas Engine Equipment	-	-	4.98%	-
12	330	Water Treatment Plant Land	-	-	4.98%	-
13	331	Water Treatment Structures & Imprm'ts	17,821	-	4.98%	-
14	332	Water Treatment Equipment	6,867,915	-	4.98%	-
15	340	Transmission and Distribution Land	185,773	-	4.98%	-
16	342	Storage Tanks	4,453,852	-	4.98%	-
17	343	Transmission & Distribution Mains	47,182,263	-	4.98%	-
18	344	Fire Sprinkler Taps	570,481	-	4.98%	-
19	345	Services	11,514,583	-	4.98%	-
20	346	Meters	1,716,039	-	4.98%	-
21	348	Hydrants	3,292,465	-	4.98%	-
22	389	General Plant Land	47,015	-	4.98%	-
23	390	General Plant Structures	749,765	-	4.98%	-
24	390.1	Leasehold Improvements	1,140,045	-	4.98%	-
25	391	Office Furniture & Equipment	1,456,091	120,057	4.98%	5,979
26	393	Warehouse Equipment	5,987	-	4.98%	-
27	394	Tools, Shop & Garage Equipment	346,377	-	4.98%	-
28	395	Laboratory Equipment	66,730	-	4.98%	-
29	396	Power Operated Equipment	36,279	-	4.98%	-
30	397	Communication Equipment	657,099	-	4.98%	-
31	398	Miscellaneous Equipment	50,120	-	4.98%	-
32						
33		**TOTAL PTY WATER PLANT**	$ 93,590,301	$ 120,057		$ 5,979
34		Company As Filed	$ 93,590,301	120,057		5,979
35		Difference	$ -	$ -		$ -
36						
37		RUCO PTY Plant Adjustment				$ (5,979)
38						
39		RUCO PTY Accumulated Depreciation Plant Adjustment				$ 199
40						
41						

42 References:
43 Column (A): Company Schedules B-2
44 Column (B): Post Test Year Phoenix Office Plant Allocation
45 Column (C): 3-Factor Allocator

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6
ALLOWANCE FOR WORKING CAPITAL

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) REFERENCE
1	Working Cash Requirement As Per Company	$ 19,303	Company Schedule B-5, PG. 1
2	Working Cash Requirement As Per RUCO	(47,607)	RUCO Schedule RLM-5, Page 2
3	Adjustment	$ (66,910)	Line 2 - Line 1
4	Material and Supplies Inventories As Per Company	$ 8,198	Company Schedule B-5, PG. 1
5	Material and Supplies Inventories As Per RUCO	8,198	Company Schedule B-5, PG. 1
6	Adjustment	$ -	Line 5 - Line 4
7	Required Bank Balances As Per Company	$ 25,618	Company Schedule B-5, PG. 1
8	Required Bank Balances As Per RUCO	25,618	Company Schedule B-5, PG. 1
9	Adjustment	$ -	Line 8 - Line 7
10	Prepayments & Special Deposits As Per Company	$ 26,746	Company Schedule B-5, PG. 1
11	Prepayments & Special Deposits As Per RUCO	26,746	Company Schedule B-5, PG. 1
12	Adjustment	$ -	Line 11 - Line 10
13	TOTAL ADJUSTMENT (See RLM-2, Column (K))	$ (66,910)	Sum Lines 3, 6, 9 & 12

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6 - CONT'D
LEAD/LAG DAY SUMMARY

LINE NO.	DESCRIPTION	(A) COMPANY EXPENSES AS FILED	(B) RUCO ADJUSTM'TS	(C) RUCO EXPENSES AS ADJUSTED	(D) (LEAD)/LAG DAYS	(E) DOLLAR DAYS
	Operating Expenses					
1	Purchased Power	$ 199,919	$ -	$ 199,919	35.92	$ 7,181,090
2	Payroll	537,761	(15,077)	522,684	14.00	7,317,581
3	Purchased Water	-	-	-	-	-
4	Chemicals	4,099	-	4,099	20.43	83,728
5	Property & Liability Insurance	14,877	-	14,877	(45.27)	(673,482)
6	Workman's Compensation Insurance	7,437	-	7,437	(46.50)	(345,821)
7	Health Insurance	152,915	(40)	152,875	(8.92)	(1,363,642)
8	Other Operating & Maintenance Expenses	306,280	(8,300)	297,980	30.00	8,939,400
9	Federal Current Income Taxes	241,035	(84,473)	156,562	37.00	5,792,787
10	State Current Income Taxes	53,098	(18,609)	34,489	37.00	1,276,099
11	FICA Taxes	33,449	(1,127)	32,322	14.00	452,515
12	FUTA & SUTA Taxes	800	-	800	83.10	66,480
13	Property Taxes	107,575	(9,422)	98,153	212.00	20,808,369
14	Registration, Svc. Contracts, & Misc. Fees	29,284	-	29,284	(98.83)	(2,894,138)
15	Retirement Annuities (401k)	50,473	(1,266)	49,207	34.72	1,708,467
16	Subtotal	1,739,001	(138,313)	1,600,688		48,349,435
17	Synchronized Interest	$ 284,236	$ (9,276)	$ 274,960	91.25	$ 25,090,094
18	Cost of Equity	467,891	(467,891)	-	-	-
19	Subtotal	$ 752,127	$ (477,167)	$ 274,960		$ 25,090,094
20	Total	$ 2,491,128	$ (615,480)	$ 1,875,648		$ 73,439,529

21	Expense Lag	Line 17, Col. (E) / (C)	39.15
22	Revenue Lag	Company B-5 Schedules	29.89
23	Net Lag	Line 18 - Line 17	(9.26)
24	RUCO Adjusted Expenses	Col. (C), Line 16	$ 1,875,648
25	Cash Working Capital	Line 19 X Line 20 / 365 Days	(47,607)
26	Company As Filed	Co. Schedule B-6, Page 1	19,303
27	Difference	Line 21 - Line 22	$ (66,910)
		Line 27	$ (66,910)

NOTE: Expense Lag Days Used in the Last Western Group Rate Case.

NOTE: RUCO reviewed several invoices from a number of companies with terms of net 30 days.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

Miami System
Schedule TJC-7

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJM'TS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
	Operating Revenues					
1	Residential	$ 1,223,975	$ -	$ 1,223,975	$ 502,317	$ 1,726,291
2	Commercial	491,044	-	491,044	137,177	628,220
3	Industrial	98,160	-	98,160	17,323	115,483
4	Private Fire Service	874	-	874	3,476	4,350
5	Other Water Revenues	16,285	-	16,285	5,031	21,316
6	Total Water Revenues	$ 1,830,337	$ -	$ 1,830,337	$ 665,324	$ 2,495,661
7	Miscellaneous	$ 20,340	$ -	$ 20,340	$ (270)	$ 20,070
8	Total Operating Revenues	$ 1,850,677	$ -	$ 1,850,677	$ 665,054	$ 2,515,731
	Operating Expenses					
	Source of Supply Expenses:					
9	Purchased Water	$ -	$ -	$ -	$ -	$ -
10	Other	9,610	-	9,610	-	9,610
11	Pumping Expenses:					
12	Purchased Power	199,919	-	199,919	-	199,919
13	Purchased Gas	-	-	-	-	-
14	Other	106,061	-	106,061	-	106,061
15	Water Treatment Expenses	10,374	-	10,374	-	10,374
16	Transmission & Distribution Expenses	353,495	-	353,495	-	353,495
17	Customer Accounting Expenses	226,344	-	226,344	-	226,344
18	Sales Expense	2,486	-	2,486	-	2,486
19	Administrative & General Expenses	394,754	(19,703)	375,052	-	375,052
20	Total Operations & Maintenance Expense	$ 1,303,044	$ (19,703)	$ 1,283,341	$ -	$ 1,283,341
21	Depreciation & Amortization Expenses	$ 355,564	$ (19,025)	$ 336,539	$ -	$ 336,539
	Taxes					
22	Federal Income Taxes	$ (72,321)	$ 18,520	$ (53,801)	$ 210,362	$ 156,562
23	State Income Taxes	(15,932)	4,080	(11,852)	46,341	34,489
24	Property Taxes	107,575	(9,422)	98,153	-	98,153
25	Other	28,899	(1,127)	27,772	-	27,772
26	Total Taxes	$ 48,221	$ 12,052	$ 60,273	$ 256,703	$ 316,976
27	Total Operating Expenses	$ 1,706,829	$ (26,675)	$ 1,680,153	$ 256,703	$ 1,936,857
28	Operating Income	$ 143,848	$ 26,675	$ 170,523	$ 408,351	$ 578,874

References:
Column (A): Company Schedule C-1
Column (B): TJC-8, Columns (B) Thru (I)
Column (C): Column (A) + Column (B)
Column (D): TJC-1
Column (E): Column (C) + Column (D)

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJMT NO. 1 LABOR EXPENSE	(C) ADJMT NO. 2 PAYROLL TAX EXPENSE	(D) ADJMT NO. 3 401(K) EXPENSE	(E) ADJMT NO. 4 REVERSE ADJ. FOR CONSERVATION	(F) ADJMT NO. 5 PURCH. POWER REVENUES	(G) ADJMT NO. 6 INSURANCE EXPENSE	(H) ADJMT NO. 7 DEPRECIATION EXPENSE	(I) ADJMT NO. 8 PROPERTY TAX	(J) ADJMT NO. 9 RATE CASE EXPENSE	(K) ADJMT NO. 10 INCOME TAXES	(L) RUCO AS ADJT'D
	Operating Revenues												
1	Residential	$ 1,223,975	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,223,975
2	Commercial	491,044	-	-	-	-	-	-	-	-	-	-	491,044
3	Industrial	98,160	-	-	-	-	-	-	-	-	-	-	98,160
4	Private Fire Service	874	-	-	-	-	-	-	-	-	-	-	874
5	Other Water Revenues	16,285	-	-	-	-	-	-	-	-	-	-	16,285
6	Total Water Revenues	$ 1,830,337	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,830,337
7	Miscellaneous	$ 20,340	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,340
8	Total Operating Revenues	$ 1,850,677	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,850,677
	Operating Expenses												
	Source of Supply Expenses:												
9	Purchased Water	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	Other	9,610	-	-	-	-	-	-	-	-	-	-	9,610
11	Pumping Expenses:	-	-	-	-	-			-	-	-	-	-
12	Purchased Power	199,919	-	-	-	-	-	-	-	-	-	-	199,919
13	Purchased Gas	-	-	-	-	-	-	-	-	-	-	-	-
14	Other	106,061	-	-	-	-	-	-	-	-	-	-	106,061
15	Water Treatment Expenses	10,374	-	-	-	-	-	-	-	-	-	-	10,374
16	Transmission & Distribution Expenses	353,495	-	-	-	-	-	-	-	-	-	-	353,495
17	Customer Accounting Expenses	226,344	-	-	-	-	-	-	-	-	-	-	226,344
18	Sales Expense	2,486	-	-	-	-	-	-	-	-	-	-	2,486
19	Administrative & General Expenses	394,754	(15,077)	-	(1,266)	-	-	(40)	-	-	(3,320)	-	375,052
20	Total Operations & Maintenance Expense	$ 1,303,044	$ (15,077)	$ -	$ (1,266)	$ -	$ -	$ (40)	$ -	$ -	$ (3,320)	$ -	$ 1,283,341
21	Depreciation & Amortization Expenses	$ 355,564	$ -	$ -	$ -	$ -	$ -	$ -	$ (19,025)	$ -	$ -	$ -	$ 336,539
	Taxes												
22	Federal Income Taxes	$ (72,321)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 18,520	$ (53,801)
23	State Income Taxes	(15,932)	-	-	-	-	-	-	-	-	-	4,080	(11,852)
24	Property Taxes	107,575	-	-	-	-	-	-	-	(9,422)	-	-	98,153
25	Other	28,899	-	(1,127)	-	-	-	-	-	-	-	-	27,772
26	Total Taxes	$ 48,221	$ -	$ (1,127)	$ -	$ -	$ -	$ -	$ -	$ (9,422)	$ -	$ 22,601	$ 60,273
27	Total Operating Expenses	$ 1,706,829	$ (15,077)	$ (1,127)	$ (1,266)	$ -	$ -	$ (40)	$ (19,025)	$ (9,422)	$ (3,320)	$ 22,601	$ 1,680,153
28	Operating Income	$ 143,848	$ 15,077	$ 1,127	$ 1,266	$ -	$ -	$ 40	$ 19,025	$ 9,422	$ 3,320	$ (22,601)	$ 170,523

ADJUSTMENTS:	REFERENCE:
1 - Labor Expense - Normalize OT Hours in Test Year	Testimony, WAR And Schedule TJC-9 Page, 1 of 3
2 - Payroll Tax Expense Related to Adjustment 1	Testimony, WAR And Schedule TJC-9 Page, 2 of 3
3 - 401(K) Expense Related to Adjustment 1	Testimony, WAR And Schedule TJC-9 Page, 3 of 3
4 - Reverse Adjustment for Conservation	Testimony WAR
5 - Purchased Power Revenues	Testimony WAR
6 - Insurance Expense	Testimony, WAR And Schedule TJC-10
7 - Depreciation Expense	Testimony, WAR And Schedule TJC-11
8 - Property Tax Expense	Testimony, WAR And Schedule TJC-12
9 - Rate Case Expense	Testimony, WAR And Schedule TJC-13

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 1
PAYROLL EXPENSE

LINE NO.	DESCRIPTION		(A) PER RUCO DR 1.11.d
1	Normalize Over-Time Over 4 Years:		
2	2005 OT Hours		15,008.5
3	2006 OT Hours		18,080.0
4	2007 OT Hours		28,132.5
5	2008 OT Hours		17,530.0
6			
7	Total OT Hours for 2005 - 2008		78,751.0
8	Divided by 4 Years		4
9			
10	Normalized Level of OT Hours/Yr.		19,687.8
11			
12	OT Hours in Test Year		28,132.5
13			
14	Amount of Abnormal TY OT Hours		8,444.8
15			
16	Multiplied by Average OT Hrly. Rate	**See NOTE**	35.85
17			
18	Total Abnormal OT Dollars in TY		$ 302,744
19			
20	3-Factor Allocator Per District		4.98%
21			
22	RUCO Adjustment		$ (15,077)
23			
24			
25			
26			
27			

28	3-Factor Allocator By District:			
29	Superstition	24.94%	White Tank	2.37%
30	Bisbee	4.98%	Ajo	0.81%
31	Sierra Vista	2.58%	Coolidge	5.27%
32	San Manuel	1.68%	Lakeside	6.20%
33	Oracle	2.28%	Overgaard	3.99%
34	Winkelman	0.22%	Sedona	8.45%
35	Miami	4.98%	Pinewood	2.95%
36	Casa Grande	26.55%	Rimrock	1.48%
37	Stanfield	0.27%		
38				
39				
40				
41				
42	**Calculation Notes:**			
43	Average of Hourly Rate	$ 21.65		
44	OT Hourly Rate 1.5	32.48		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
PAYROLL TAX EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll Tax Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	4.98%
6		
7	RUCO Allocated Payroll by District	$ 15,077
8		
9	Payroll Tax Expense Allocator By Group:	
10		
11	RUCO Payroll Tax Expense Allocator by Group	7.47%
12		
13	RUCO Payroll Tax Expense Adjustment	$ (1,127)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	7.47%
40	Western Group	11.65%
41	Northern Group	15.90%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
PAYROLL 401(K) EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll 401(K) Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	4.98%
6		
7	RUCO Allocated Payroll by District	$ 15,077
8		
9	Payroll 401(K) Expense Allocator By Group:	
10		
11	RUCO Payroll 401(K) Expense Allocator by Group	8.39%
12		
13	RUCO Payroll 401(K) Expense Adjustment	$ (1,266)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	8.39%
40	Western Group	8.45%
41	Northern Group	8.12%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
INSURANCE EXPENSE

LINE NO.		(A) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER COMPANY	(B) RUCO ADJUSTMENT	(C) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER RUCO	
1	System				
2					
3	Eastern Group				
4	Supersition	$ 2,224	$ (273)	$ 1,950	
5	Apache Junction				
6	Superior				
7	Bisbee	122	(45)	77	
8	Sierra Vista	115	(38)	77	
9	San Manuel	5	(20)	(16)	
10	Oracle	25	(20)	5	
11	Saddlebrook	5	(0)	4	
12	Winkelman	0	(2)	(2)	
13	Miami	(338)	(40)	(378)	
14	Subtotal	$ 2,157	$ (439)	$ 1,718	
15					
16	Western Group				
17	Casa Grande	2,137	(298)	1,839	
18	Stanfield	20	(3)	17	
19	White Tank	148	(22)	126	
20	Ajo	58	(9)	49	
21	Coolidge	(127)	(62)	(189)	
22	Subtotal	$ 2,235	$ (393)	$ 1,842	
23					
24	Northern Group				
25	Lakeside	570	(65)	506	
26	Overgaard	507	(55)	452	
27	Sedona	445	(84)	361	
28	Pinewood	199	(38)	162	
29	Rimrock	87	(16)	71	
30	Subtotal	$ 1,809	$ (257)	$ 1,551	
31					
32					
33	Total Company	$ 6,201	$ (1,090)	$ 5,111	(a)

REFERENCE

COLUMN (A): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (B): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (C): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD

NOTES:

		PER COMPANY	RUCO ADJUSTMENT	PER RUCO	REFERENCE
		$ 0.0036		$ 0.0036	COMPANY WORKPAPER - "GROUP INSURANCE" TAB LTD
		$ 11,095,569	$ 302,744	$ 10,792,825	COMPANY WORKPAPER - "GROUP INSURANCE)
		$ 39,944		$ 38,854	LINE 1 x LINE 2
		$ 83,825		$ 83,825	COMPANY WORKPAPER - "GROUP INSURANCE)
		$ 38,854		$ 38,854	COMPANY WORKPAPER - "GROUP INSURANCE)
6	Increase / (Decrease)	$ 6,201		$ 5,111	COMPANY WORKPAPER - "GROUP INSURANCE)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCOUNT NO.	ACCOUNT NAME	(A) RUCO PLANT VALUE	(B) COMPANY PROPOSED DEP. RATES	(C) TEST YEAR DEPRECIATION EXPENSE
1	301	Organization	$ 32	0.00%	$ -
2	302	Franchises	1,225	See Acct. 111	-
3	303	Other Intangibles	1,299	See Acct. 111	44
4	310.1	Water Rights	372,479	0.00%	-
5	310.3	Other Source of Supply Land	90,605	0.00%	-
6	310.4	Wells - Other	1,526,600	See Acct. 111	63,608
7	314	Wells	2,369,287	3.13%	74,159
8	320	Pumping Plant Land	4,723	0.00%	-
9	321	Pumping Plant Structures & Imprm'ts	107,047	2.86%	3,062
10	325	Electtric Pumping Equipment	1,332,765	5.88%	78,367
11	328	Gas Engine Equipment	163	4.00%	7
12	330	Water Treatment Plant Land	550	0.00%	-
13	331	Water Treatment Structures & Imprm'ts	21,057	2.50%	526
14	332	Water Treatment Equipment	64,531	2.86%	1,846
15	340	Transmission and Distribution Land	5,835	0.00%	-
16	342	Storage Tanks	441,841	2.00%	8,837
17	343	Transmission & Distribution Mains	3,470,340	1.79%	62,119
18	344	Fire Sprinkler Taps	60,776	2.00%	1,216
19	345	Services	906,504	2.38%	21,575
20	346	Meters	240,710	4.55%	10,952
21	348	Hydrants	155,474	1.82%	2,830
22	389	General Plant Land	7,046	0.00%	-
23	390	General Plant Structures	57,282	2.50%	1,432
24	390.1	Leasehold Improvements	103,396	See Acct. 108.2	165
25	391	Office Furniture & Equipment	310,142	6.67%	20,686
26	393	Warehouse Equipment	5,878	5.00%	294
27	394	Tools, Shop & Garage Equipment	133,027	4.00%	5,321
28	395	Laboratory Equipment	5,211	5.00%	261
29	396	Power Operated Equipment	7,549	6.67%	504
30	397	Communication Equipment	182,914	6.67%	12,200
31	398	Miscellaneous Equipment	30,458	3.33%	1,014
32		Rounding	0		
33		TEST YEAR GROSS PLANT AND DEPRECIATION EXPENSE	$ 12,016,745		$ 371,023
34					
35		NET REGULATORY ASSET / (LIABILITY)			(28,000)
36		AMORTIZATION OF CONTRIBUTIONS	(324,169)	2.00%	(6,483)
37					-
38	**TOTAL DEPRECIATIC**	Rounding			$ 336,539
39					
40	Company As Filed				355,564
41	Difference				$ (19,025)
42					
43	RUCO Adjustment (See RLM-8, Column (B))				$ (19,025)
44					
45					

24.94%	White Tank	2.37%
4.98%	Ajo	0.81%
2.58%	Coolidge	5.27%
1.68%	Lakeside	6.20%
2.28%	Overgaard	3.99%
0.22%	Sedona	8.45%
4.98%	Pinewood	2.95%
26.55%	Rimrock	1.48%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	REFERENCE	(A)	(B)
	Calculation Of The Company's Full Cash Value:			
	Annual Operating Revenues:			
1	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	$ 1,850,677	
2	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	1,850,677	
3	Proposed Revenues	Sch. TJC-7, Col (E), Ln 8	2,515,731	
4	Total Three Year Operating Revenues	Sum Of Lines 1, 2 & 3	$ 6,217,084	
5	Average Annual Operating Revenues	Line 4 / 3	2,072,361	
6	Two Times Three Year Average Operating Revenues	Line 5 X 2		$ 4,144,722
	ADD:			
	10% Of Construction Work In Progress ("CWIP"):			
7	Test Year CWIP	Company Schedule E	$ 11,944	
8	10% Of CWIP	Line 7 X 10%		$ 1,194
	SUBTRACT:			
	Transportation At Book Value:			
9	Original Cost Of Transportation Equipment	Company Workpapers	$ -	
10	Acc. Dep. Of Transportation Equipment	Company Workpapers	-	
11	Net Book Value Of Transportation Equipment	Line 9 + Line 10		$ (76,558)
12	Company's Full Cash Value ("FCV")	Sum Of Lines 6, 8 & 11		$ 4,069,359
	Calculation Of The Company's Tax Liability:			
	MULTIPLY:			
	FCV X Valuation Assessment Ratio X Property Tax Rates:			
13	Assessment Ratio	House Bill 2779	22.5%	
14	Assessed Value	Line 12 X Line 13	$ 915,606	
	Property Tax Rates:			
15	Primary Tax Rate	Company Workpapers	10.72%	
16	Secondary Tax Rate	Company Workpapers	0.00%	
17	Estimated Tax Rate Liability	Line 15 + Line 16	10.72%	
	Property Tax			$ 98,153
	Tax On Parcel			-
18	Company's Total Tax Liability - Based On Full Cash Value	Line 14 X Line 17		$ 98,153
19	Test Year Adjusted Property Tax Expense As Filed	Co. Sch. C-1		107,575
20	Decrease In Property Tax Expense	Line 18 - Line 19		$ (9,422)
		Line 20		$ (9,422)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 9
RATE CASE EXPENSE

LINE NO.	DESCRIPTION	(A) COMPANY ESTIMATE	(B) RUCO ADJUSTMENT	(C) RUCO AS ADJUSTED
1	Rate Case Expense Total	$ 500,000	$ (200,000)	$ 300,000
2	Allocation Factor			4.98%
3	Miami System (Line 1 X Line 2)			$ 14,940
4	Amortization Period - 3 Years			3
5	RUCO Adjusted Rate Case Expense (Line 3 / 3 Years)			$ 4,980
6	Company Rate Case Expenses As Filed (Company Sch. C-2)			$ 8,300
7	RUCO Pro Forma Rate Case Expense (Lines 5 - 6)			$ (3,320)
8	RUCO Adjustment (Line 7) (See RLM-8, Column (E))			$ (3,320)

3-Factor Allocator By District:

Superstition	24.94%	White Tank	2.37%
Bisbee	4.98%	Ajo	0.81%
Sierra Vista	2.58%	Coolidge	5.27%
San Manuel	1.68%	Lakeside	6.20%
Oracle	2.28%	Overgaard	3.99%
Winkelman	0.22%	Sedona	8.45%
Miami	4.98%	Pinewood	2.95%
Casa Grande	26.55%	Rimrock	1.48%
Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. TJC-7, Column (C), L28 + L22 + L23	$ 104,871
	LESS:		
2	Arizona State Tax	Line 11	(11,852)
3	Interest Expense	Note (A) Line 21	274,960
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ (158,237)
5	Federal Tax Rate	Sch. TJC-1, Pg 2, Col. (D), L34	34.00%
6	Federal Income Tax Expense	Line 4 X line 5	$ (53,801)
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 104,871
	LESS:		
8	Interest Expense	Note (A) Line 21	274,960
9	State Taxable Income	Line 7 - Line 8	$ (170,089)
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ (11,852)
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ (53,801)
13	State Income Tax Expense	Line 11	(11,852)
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ (65,652)
15	Total Federal Income Tax Expense Per Company (Per Company Sch. C-1, L30)		(72,321)
16	Total State Income Tax Expense Per Company (Per Company Sch. C-1, L31)		(15,932)
17	RUCO Federal Income Tax Adjustment	Line 12 - Line 15	$ 18,520
18	RUCO State Income Tax Adjustment	Line 13 - Line 16	$ 4,080

NOTE (A):
Interest Synchronization:

19	Adjusted Rate Base (Sch. TJC-2, Col. (H), L17)	$	7,413,498
20	Weighted Cost Of Debt (Sch. TJC-16 Col. (F), L1)		3.71%
		$	274,960

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) DOLLAR AMOUNT	(B) CAPITAL RATIO	(C) COST RATE	(D) WEIGHTED COST RATE
1	Long-Term Debt	$ 75,000,000	50.76%	7.31%	3.71%
2	Common Equity	72,744,646	49.24%	8.33%	4.10%
3	Total Capitalization	$ 147,744,646	100.00%		
4	WEIGHTED AVERAGE COST OF CAPITAL				7.81%

References:
Columns (A) Thru (D): Testimony, WAR

ARIZONA WATER COMPNAY

W-01445A-08-0440

WESTERN OPERATING GROUP

Casa Grande

Stanfield

White Tank

Ajo

Coolidge

ARIZONA WATER COMPNAY

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Casa Grande System

Arizona Water Company
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Casa Grande System

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TJC-3	1	SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS
TJC-4 DIRECT PLANT	1 TO 7	RATE BASE ADJUSTMENT NO. 1 - PLANT & ACCUMULATED DEPRECIATION RECONCILIATION ADJUSTMENT
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TJC-5	1	RATE BASE ADJUSTMENT NO. 2 - REMOVE POST TEST-YEAR PLANT FOR PHOENIX OFFICE
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		RATE BASE ADJUSTMENT NO. 4 - INTENTIONALLY LEFT BLANK
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TJC-6	1 & 2	RATE BASE ADJUSTMENT NO. 6 - WORKING CAPITAL AND LEAD/LAG STUDY
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TJC-15	1	COST OF CAPITAL

Arizona Water Company
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Casa Grande System
Schedule TJC-1
Page 1 of 1

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	$ 41,274,515	$ 39,826,084
2	Adjusted Operating Income (Loss)	$ 656,994	$ 839,294
3	Current Rate of Return (L2 / L1)	1.59%	2.11%
4	Required Operating Income (L5 X L1)	$ 4,050,790	$ 3,110,548
5	Required Rate of Return on Fair Value Rate Base	9.81%	7.81%
6	Operating Income Deficiency (L4 - L2)	$ 3,393,796	$ 2,271,254
7	Gross Revenue Conversion Factor (TJC-1, Page 2)	1.6286	1.6286
8	Required Increase in Gross Revenue Requirement (L7 X L6)	$ 5,527,254	$ 3,699,044
9	Adjusted Test Year Revenue	$ 10,934,895	$ 10,934,895
10	Proposed Annual Revenue (L8 + L9)	$ 16,462,148	$ 14,633,938
11	Required Percentage Increase in Revenue (L8 / L9)	50.55%	33.83%
12	Consolidated Revenue Adjustment (Casa Grande/Coolidge/Stanfield)	$ (146,842)	$ -
13	Required Increase in Gross Revenue Under Company Proposed Consolidation	$ 5,380,398	$ -
14	Required Revenue Under Company Proposed Consolidation	$ 16,315,353	$ -
15	Required Percentage Increase in Revenue Under Company Proposed Consolidation	49.20%	-
16	Rate of Return on Common Equity	12.40%	8.33%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule TJC-2, TJC-7, and TJC-15

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Combined Federal And State Tax Rate (L10)	0.3860			
3	Subtotal (L1 - L2)	0.6140			
4	**Revenue Conversion Factor** (L1 / L3)	**1.6286**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	34.0000%			
9	Effective Federal Income Tax Rate (L7 X L8)	31.6309%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	38.5989%			
11	Required Operating Income (Sch. TJC-1, Pg 1, C (B), L4)	$ 3,110,548			
12	Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Pg 1, C (B), L2)	839,294			
13	Required Increase In Operating Income (L11 - L12)		$ 2,271,254		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 1,026,834			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	(400,955)			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ 1,427,789		
17	Total Required Increase In Revenue (L13 + L16)		$ 3,699,044		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. TJC-1, Pg 1, Col. (B), L12)			$ 14,633,938	
19	Operating Expense Excluding Income Tax (TJC-7, Col. (E), L27 - L22 - L23)			10,496,556	
20	Synchronized Interest (Col. (C), L37)			1,477,113	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 2,660,269	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 185,368
24	Fed. Taxable Income (L21 - L23)			$ 2,474,902	
25	Fed. Tax on 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax on 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			$ 6,250	
27	Fed. Tax on 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			$ 8,500	
28	Fed. Tax on 4th Inc. Bracket ($100,001 - $335,000) @ 39%			$ 91,650	
29	Fed. Tax on 5th Inc. Bracket ($335,001 - $10M) @ 34%			$ 727,567	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 841,467
31	Combined Federal and State Income Tax (L23 + L30)				$ 1,026,834
32	Test Year Combined Income Tax, RUCO as Adjusted (TJC-7, Col. (C), L22 + L23)				$ (400,955)
33	RUCO Adjustment (L31 - L32) (See TJC-6, Col. (D), L23)				$ 1,427,789
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				34.00%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. WAR-2, Col. (C), L17)			$ 39,826,084	
36	Weighted Avg. Cost of Debt (Sch. TJC-16, Col. (F), L1)			3.71%	
37	Synchronized Interest (L35 X L36)			$ 1,477,113	

RATE BASE - ORIGINAL COST

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) RUCO OCRB/FVRB ADJUSTMENTS	(C) RUCO ADJ'TED OCRB/FVRB
	Plant Classification			
1	Intangible Plant	$ 1,975,834	$ (822,694)	$ 1,153,140
2	Source of Supply Plant	6,113,706	(896,925)	5,216,781
3	Pumping Plant	5,577,501	-	5,577,501
4	Water Treatment Plant	7,112,797	-	7,112,797
5	Transmission & Distribution Plant	80,496,004	-	80,496,004
6	General Plant	3,245,256	(31,875)	3,213,381
7	Total Gross Plant in Service	$ 104,521,097	$ (1,751,494)	$ 102,769,603
8	Accumulated Depreciation	(17,639,046)	675,930	(16,963,116)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 86,882,051	$ (1,075,564)	$ 85,806,487
10	Advances in Aid Of Const.	$ (29,671,663)	$ -	$ (29,671,663)
11	Contribution in Aid of Const.	$ (14,050,085)	$ -	$ (14,050,085)
12	Accumulated Amortization of CIAC	2,242,757	-	2,242,757
13	NET CIAC (L5 + L6)	$ (11,807,328)	$ -	$ (11,807,328)
14	Deferred Income Tax	$ (5,088,308)	$ -	$ (5,088,308)
15	Allowance for Working Capital	$ 383,959	$ (372,867)	$ 11,092
16	Net Regulatory Asset / (Liability)	$ 575,803	$ -	$ 575,803
17	Rounding	$ -	$ -	$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 41,274,515	$ (1,448,431)	$ 39,826,084

References:
Column (A): Company Schedule B-1
Column (B): Schedule TJC-3
Column (C): Column (A) + Column (B)

Arizona Water Company
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Casa Grande System
Schedule TJC-3

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) ADJMT NO. 1 PLANT & ACCUM DEP.	(C) ADJMT NO. 2 REMOVE PTY PLANT	(D) ADJMT NO. 3 PER BKB 11.16	(E) ADJMT NO. 4	(F) ADJMT NO. 5	(G) ADJMT NO. 6 WORKING CAPITAL	(H) RUCO ADJ'TED OCRB/FVRB
	Plant Classification								
1	Intangible Plant	$ 1,975,834	$ (822,694)	$ -	$ -	$ -	$ -	$ -	$ 1,153,140
2	Source of Supply Plant	6,113,706	-	-	(896,925)	-	-	-	5,216,781
3	Pumping Plant	5,577,501	-	-	-	-	-	-	5,577,501
4	Water Treatment Plant	7,112,797	-	-	-	-	-	-	7,112,797
5	Transmission & Distribution Plant	80,496,004	-	-	-	-	-	-	80,496,004
6	General Plant	3,245,256	-	(31,875)	-	-	-	-	3,213,381
7	Total Gross Plant in Service	$ 104,521,097	$ (822,694)	$ (31,875)	$ (896,925)	$ -	$ -	$ -	$ 102,769,603
8	Accumulated Depreciation	(17,639,046)	(1,579)	1,063	676,446	-	-	-	(16,963,116)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 86,882,051	$ (824,273)	$ (30,812)	$ (220,479)	$ -	$ -	$ -	$ 85,806,487
10	Advances in Aid Of Const.	$ (29,671,663)	$ -	$ -	$ -	$ -	$ -	$ -	$ (29,671,663)
11	Contribution in Aid of Const.	$ (14,050,085)	$ -	$ -	$ -	$ -	$ -	$ -	$ (14,050,085)
12	Accumulated Amortization of CIAC	2,242,757	-	-	-	-	-	-	2,242,757
13	NET CIAC (L5 + L6)	$ (11,807,328)	$ -	$ -	$ -	$ -	$ -	$ -	$ (11,807,328)
14	Deferred Income Tax	$ (5,088,308)	$ -	$ -	$ -	$ -	$ -	$ -	$ (5,088,308)
15	Allowance for Working Capital	383,959	$ -	$ -	$ -	$ -	$ -	$ (372,867)	$ 11,092
16	Net Regulatory Asset / (Liability)	$ 575,803	$ -	$ -	$ -	$ -	$ -	$ -	$ 575,803
17	Rounding	$ -							$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 41,274,515	$ (824,273)	$ (30,812)	$ (220,479)	$ -	$ -	$ (372,867)	$ 39,826,084

References:
Column (A): Company Schedule B-2
Column (B): Adjustment No. 1 - Adjust Test-Year Plant, PTY Plant & Accumulated Depreciation (See TJC-4 Total, TJC-4 Direct, TJC-4 PHX OFF and TJC-4 MS Schedules and TJC Testimony)
Column (C): Adjustment No. 2 - To Remove Post Test Year Phoenix Office Plant and Accum. Depre.
Column (D): Adjustment No. 3 - Conforming Adkustment Per Data Response to BKB 11.16 to Remove Plant and Record Retirements
Column (E): Adjustment No. 4 - Intentionally Left Blank
Column (F): Adjustment No. 5 - Intentionally Left Blank
Column (G): Adjustment No. 6 - Working Capital
Column (H): Sum Of Columns (A), (B), (C), (D), (E), (F) & (G)

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

Casa Grande System
Schedule TJC-4 - Direct Plant

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	(C) 12/31/2003 Per Decision No. 68302	(D) ADJ-1 Remove Post Test Year Plant	(E) Plant Balance 12/31/2003
1	301	Organization	0.00%	0.00%	-	$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111	3,018	-	3,018
3	303	Other Intangibles	See Acct. 111	See Acct. 111	-	-	-
4	310.1	Water Rights	0.00%	0.00%	67,192	-	67,192
5	310.3	Other Source of Supply Land	0.00%	0.00%	93,865	-	93,865
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-	-	-
7	314	Wells	2.59%	3.13%	2,711,417	-	2,711,417
8	320	Pumping Plant Land	0.00%	0.00%	6,013	-	6,013
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	91,607	-	91,607
10	325	Electtric Pumping Equipment	2.59%	5.88%	2,394,587	-	2,394,587
11	328	Gas Engine Equipment	2.59%	4.00%	-	-	-
12	330	Water Treatment Plant Land	0.00%	0.00%	-	-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	70,538	-	70,538
14	332	Water Treatment Equipment	2.59%	2.86%	133,666	-	133,666
15	340	Transmission and Distribution Land	0.00%	0.00%	64,886	-	64,886
16	342	Storage Tanks	2.59%	2.00%	1,699,748	-	1,699,748
17	343	Transmission & Distribution Mains	2.59%	1.79%	25,581,627	-	25,581,627
18	344	Fire Sprinkler Taps	2.59%	2.00%	849,998	-	849,998
19	345	Services	2.59%	2.38%	8,672,173	-	8,672,173
20	346	Meters	2.59%	4.55%	1,205,217	-	1,205,217
21	348	Hydrants	2.59%	1.82%	2,390,623	-	2,390,623
22	389	General Plant Land	0.00%	0.00%	8,772	-	8,772
23	390	General Plant Structures	2.59%	2.50%	368,806	-	368,806
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	-	-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	161,506	-	161,506
26	393	Warehouse Equipment	2.59%	5.00%	12,913	-	12,913
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	130,579	-	130,579
28	395	Laboratory Equipment	2.59%	5.00%	5,253	-	5,253
29	396	Power Operated Equipment	2.59%	6.67%	59,810	-	59,810
30	397	Communication Equipment	2.59%	6.67%	376,139	-	376,139
31	398	Miscellaneous Equipment	2.59%	3.33%	46,069	-	46,069
32		**TOTAL DIRECT WATER PLANT**			$ 47,206,022	$ -	$ 47,206,022
33		Post Test Year Plant (PTYP)			142,896	(142,896)	-
34		**RUCO Total Water Plant In Service**			$ 47,348,918	$ (142,896)	$ 47,206,022
35							
36		**Company Direct Plant As Filed**					
37							
38		**RUCO Direct Plant Adjustment**					
39							
40		Reserve Deficiency Accrual - Decision No. 38733					
41							
42		Net (Salvage)/Cost of Removal					
43		Accumulated Depreciation			(12,087,978)		$ (12,087,978)
44		Accumulated Depreciation - PTYP			15,761	(15,761)	-
45		RUCO Total Accumulated Depreciation - Calculated			$ (12,072,217)		$ (12,087,978)
46							
47		Company As Filed - Accumulated Depreciation			-	-	(12,087,978)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ (12,072,217)	$ -	$ -
49							
50		**RUCO Net Adjustment**					
51							
52							

53 References:
54 Column (A): Approved Depreciation Rate From Decision No. 58120
55 Columns (B): Approved Depreciation Rate From Decision No. 66849
56 Acct. 302 - Franchises amortized over 25 years.
57 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
58 Acct. 310.4 - Wells - Other amortized over 24 years.
59 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				Fully Amortized	3,018
3	303	Other Intangibles	See Acct. 111	See Acct. 111	8,111			-	8,111
4	310.1	Water Rights	0.00%	0.00%	12,889			-	80,081
5	310.3	Other Source of Supply Land	0.00%	0.00%	40,000			-	133,865
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	540,017	(35,845)		76,755	3,215,589
8	320	Pumping Plant Land	0.00%	0.00%				-	6,013
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	17,406			2,598	109,013
10	325	Electtric Pumping Equipment	2.59%	5.88%	423,881	(112,095)		66,057	2,706,373
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	7,047			1,918	77,585
14	332	Water Treatment Equipment	2.59%	2.86%	44,164	(60,477)		3,251	117,353
15	340	Transmission and Distribution Land	0.00%	0.00%				-	64,886
16	342	Storage Tanks	2.59%	2.00%	35	(544)		44,017	1,699,239
17	343	Transmission & Distribution Mains	2.59%	1.79%	2,876,713	(7,084)	(22,725)	699,432	28,428,531
18	344	Fire Sprinkler Taps	2.59%	2.00%	184,044			24,398	1,034,042
19	345	Services	2.59%	2.38%	1,421,116	(23,380)		242,710	10,069,909
20	346	Meters	2.59%	4.55%	154,387	(4,895)		33,151	1,354,709
21	348	Hydrants	2.59%	1.82%	396,254	(5,195)		66,981	2,781,682
22	389	General Plant Land	0.00%	0.00%				-	8,772
23	390	General Plant Structures	2.59%	2.50%	9,521			9,675	378,327
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	13,253	(1,129)		4,340	173,630
26	393	Warehouse Equipment	2.59%	5.00%	789			345	13,702
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	8,318			3,490	138,897
28	395	Laboratory Equipment	2.59%	5.00%	2,967			174	8,220
29	396	Power Operated Equipment	2.59%	6.67%	1,020			1,562	60,830
30	397	Communication Equipment	2.59%	6.67%	30,787	(25,208)		9,814	381,718
31	398	Miscellaneous Equipment	2.59%	3.33%	1,654			1,215	47,723
32		**TOTAL DIRECT WATER PLANT**			$ 6,194,373	$ (275,852)	$ (22,725)	$ 1,291,884	$ 53,101,818
33		Post Test Year Plant (PTYP)			-	-		-	-
34		**RUCO Total Water Plant In Service**			$ 6,194,373	$ (275,852)	$ (22,725)	$ 1,291,884	$ 53,101,818
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(912)	
41								-	
42		Net (Salvage)/Cost of Removal						1,297	
43		Accumulated Depreciation						(13,103,625)	$ (13,103,625)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(13,103,625)	$ (13,103,625)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(13,103,624)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (13,103,625)	$ (1)
49									
50		**RUCO Net Adjustment**							
51									
52									

53 References:
54 Column (A): Approved Depreciation Rate From Decision No. 58120
55 Columns (B): Approved Depreciation Rate From Decision No. 66849
56 Acct. 302 - Franchises amortized over 25 years.
57 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
58 Acct. 310.4 - Wells - Other amortized over 24 years.
59 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

Casa Grande System
Schedule TJC-4 - Direct Plant

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%	0.00%				-	$ -
2	302	Franchises	See Acct. 111	See Acct. 111	62,167			621	65,185
3	303	Other Intangibles	See Acct. 111	See Acct. 111	165,764			-	173,875
4	310.1	Water Rights	0.00%	0.00%	23,200			-	103,281
5	310.3	Other Source of Supply Land	0.00%	0.00%	36,500			-	170,365
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	20,444			85,000	3,236,034
8	320	Pumping Plant Land	0.00%	0.00%				-	6,013
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	17,312			3,074	126,325
10	325	Electtric Pumping Equipment	2.59%	5.88%	545,450	(182,851)		82,708	3,068,971
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%	680,718			-	680,718
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	2,364			2,034	79,950
14	332	Water Treatment Equipment	2.59%	2.86%	29,103			3,446	146,456
15	340	Transmission and Distribution Land	0.00%	0.00%				-	64,886
16	342	Storage Tanks	2.59%	2.00%	4,491			43,232	1,703,729
17	343	Transmission & Distribution Mains	2.59%	1.79%	5,553,217	(560)		787,403	33,981,188
18	344	Fire Sprinkler Taps	2.59%	2.00%	89,126			27,406	1,123,169
19	345	Services	2.59%	2.38%	2,411,112	(35,520)		289,604	12,445,501
20	346	Meters	2.59%	4.55%	339,450	(3,423)		41,926	1,690,736
21	348	Hydrants	2.59%	1.82%	977,396	(1,485)		82,586	3,757,593
22	389	General Plant Land	0.00%	0.00%				-	8,772
23	390	General Plant Structures	2.59%	2.50%				9,770	378,327
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	13,644			5,287	187,274
26	393	Warehouse Equipment	2.59%	5.00%				382	13,702
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	29,907	(3,011)		4,125	165,793
28	395	Laboratory Equipment	2.59%	5.00%	13,055			412	21,276
29	396	Power Operated Equipment	2.59%	6.67%	3,973	(571)		1,832	64,232
30	397	Communication Equipment	2.59%	6.67%	25,123			11,552	406,841
31	398	Miscellaneous Equipment	2.59%	3.33%	5,011			1,332	52,734
32		**TOTAL DIRECT WATER PLANT**			$ 11,048,526	$ (227,421)	$ -	$ 1,483,732	$ 63,922,923
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 11,048,526	$ (227,421)	$ -	$ 1,483,732	$ 63,922,923
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(912)	
41									
42		Net (Salvage)/Cost of Removal						100	
43		Accumulated Depreciation						(14,360,748)	$ (14,360,748)
44		Accumulated Depreciation - PTYP						-	$ -
45		RUCO Total Accumulated Depreciation - Calculated						(14,360,748)	$ (14,360,748)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(14,360,747)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (14,360,748)	$ (1)
49									
50		**RUCO Net Adjustment**							
51									
52									

53 References:
54 Column (A): Approved Depreciation Rate From Decision No. 58120
55 Columns (B): Approved Depreciation Rate From Decision No. 66849
56 Acct. 302 - Franchises amortized over 25 years.
57 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
58 Acct. 310.4 - Wells - Other amortized over 24 years.
59 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

Casa Grande System
Schedule TJC-4 - Direct Plant
Page 4 of 5

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111	190			2,615	65,375
3	303	Other Intangibles	See Acct. 111	See Acct. 111	423,526			-	597,401
4	310.1	Water Rights	0.00%	0.00%	46,601			-	149,882
5	310.3	Other Source of Supply Land	0.00%	0.00%	35,519			-	205,884
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	583,849			110,425	3,819,883
8	320	Pumping Plant Land	0.00%	0.00%				-	6,013
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				3,613	126,325
10	325	Electtric Pumping Equipment	2.59%	5.88%	831,123	(313,915)		195,661	3,586,180
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	680,718
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	5,834			2,072	85,784
14	332	Water Treatment Equipment	2.59%	2.86%	48,138			4,877	194,594
15	340	Transmission and Distribution Land	0.00%	0.00%				-	64,886
16	342	Storage Tanks	2.59%	2.00%	2,262			34,097	1,705,991
17	343	Transmission & Distribution Mains	2.59%	1.79%	2,619,052	(59,040)	(36,806)	630,846	36,504,394
18	344	Fire Sprinkler Taps	2.59%	2.00%	220,723			24,671	1,343,892
19	345	Services	2.59%	2.38%	1,625,353	(10,415)		315,421	14,060,439
20	346	Meters	2.59%	4.55%	270,632	(3,794)		82,999	1,957,573
21	348	Hydrants	2.59%	1.82%	367,257			71,730	4,124,850
22	389	General Plant Land	0.00%	0.00%				-	8,772
23	390	General Plant Structures	2.59%	2.50%	42,766			9,993	421,093
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	12,431			12,906	199,705
26	393	Warehouse Equipment	2.59%	5.00%	1,487			722	15,189
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	38,613			7,404	204,405
28	395	Laboratory Equipment	2.59%	5.00%	6,299			1,221	27,575
29	396	Power Operated Equipment	2.59%	6.67%				4,284	64,232
30	397	Communication Equipment	2.59%	6.67%	22,174			27,876	429,015
31	398	Miscellaneous Equipment	2.59%	3.33%	2,899			1,804	55,633
32		**TOTAL DIRECT WATER PLANT**			$ 7,206,729	$ (387,164)	$ (36,806)	$ 1,545,237	$ 70,705,682
33		Post Test Year Plant (PTYP)			-		-	-	-
34		**RUCO Total Water Plant In Service**			$ 7,206,729	$ (387,164)	$ (36,806)	$ 1,545,237	$ 70,705,682
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						36,710	
43		Accumulated Depreciation						(15,482,111)	$ (15,482,111)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(15,482,111)	(15,482,111)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(15,480,943)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (15,482,111)	$ (1,168)
49									
50		**RUCO Net Adjustment**							
51									
52									

53 References:
54 Column (A): Approved Depreciation Rate From Decision No. 58120
55 Columns (B): Approved Depreciation Rate From Decision No. 66849
56 Acct. 302 - Franchises amortized over 25 years.
57 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
58 Acct. 310.4 - Wells - Other amortized over 24 years.
59 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				2,615	65,375
3	303	Other Intangibles	See Acct. 111	See Acct. 111	487,935			98,268	1,085,336
4	310.1	Water Rights	0.00%	0.00%	87,655			-	237,537
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	205,884
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	1,939,754	(1,200)		149,901	5,758,437
8	320	Pumping Plant Land	0.00%	0.00%				-	6,013
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	9,337			3,746	135,662
10	325	Electtric Pumping Equipment	2.59%	5.88%	1,849,956	(22,395)		264,598	5,413,740
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	680,718
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	836,572			12,602	922,356
14	332	Water Treatment Equipment	2.59%	2.86%	4,836,284			74,724	5,030,878
15	340	Transmission and Distribution Land	0.00%	0.00%				-	64,886
16	342	Storage Tanks	2.59%	2.00%	506,058			39,180	2,212,049
17	343	Transmission & Distribution Mains	2.59%	1.79%	14,146,100	(185,682)	(77,686)	777,679	50,387,125
18	344	Fire Sprinkler Taps	2.59%	2.00%	309,690	(589)		29,969	1,652,993
19	345	Services	2.59%	2.38%	3,146,707	(20,027)		371,846	17,187,119
20	346	Meters	2.59%	4.55%	281,112	(1,137)		95,439	2,237,548
21	348	Hydrants	2.59%	1.82%	2,570,297	(9,598)		98,375	6,685,549
22	389	General Plant Land	0.00%	0.00%				-	8,772
23	390	General Plant Structures	2.59%	2.50%	12,972			10,689	434,065
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	16,631			13,875	216,336
26	393	Warehouse Equipment	2.59%	5.00%	369			769	15,559
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	32,848			8,833	237,253
28	395	Laboratory Equipment	2.59%	5.00%	11,106			1,656	38,681
29	396	Power Operated Equipment	2.59%	6.67%	18,250			4,893	82,482
30	397	Communication Equipment	2.59%	6.67%	56,632			30,504	485,646
31	398	Miscellaneous Equipment	2.59%	3.33%	5,486			1,944	61,119
32		TOTAL DIRECT WATER PLANT			$ 31,161,751	$ (240,628)	$ (77,686)	$ 2,092,105	$ 101,549,120
33		Post Test Year Plant (PTYP)			-	-		-	-
34		**RUCO Total Water Plant In Service**			$ 31,161,751	$ (240,628)	$ (77,686)	$ 2,092,105	$ 101,549,120
35									
36		**Company Direct Plant As Filed**							102,371,813
37									
38		**RUCO Direct Plant Adjustment**							(822,693)
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						(11,912)	
43		Accumulated Depreciation						(17,345,500)	$ (17,345,500)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(17,345,500)	(17,345,500)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(17,344,334)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (17,345,500)	$ (1,166)
49									
50		**RUCO Net Adjustment**							$ (823,860)
51									
52									

53 References:
54 Column (A): Approved Depreciation Rate From Decision No. 58120
55 Columns (B): Approved Depreciation Rate From Decision No. 66849
56 Acct. 302 - Franchises amortized over 25 years.
57 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
58 Acct. 310.4 - Wells - Other amortized over 24 years.
59 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	2003 Balance 12/31/2003
1	301	Organization	0.00%	651		651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	8,496		8,496
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	-		-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	-		-
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	-		-
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	31,795		31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	1,267,373		1,267,373
25	391	Office Furniture and Equipment	2.59%	3,505,411		3,505,411
26	393	Warehouse Equipment	2.59%	3,705		3,705
27	394	Tools, Shop and Garage Equipment	2.59%	30,450		30,450
28	395	Laboratory Equipment	2.59%	977		977
29	396	Power Operated Equipment	2.59%	-		-
30	397	Communication Equipment	2.59%	143,052		143,052
31	398	Miscellaneous Equipment	2.59%	7,207		7,207
32		**TOTAL PHOENIX OFFICE PLANT**		4,999,117	-	4,999,117
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Phoenix Office**		4,999,117	-	4,999,117
35						
36		**Company Phoenix Office As Filed**		4,999,117		4,999,117
37						
38		RUCO Phoenix Office Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733		-		-
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(503,775)	-	(503,775)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(503,775)	-	(503,775)
46						
47		Company As Filed - Accumulated Depreciation				(503,775)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
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54						
55						

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	48,512			78,228	1,315,885
25	391	Office Furniture and Equipment	2.59%	129,135	(7,465)		92,366	3,627,081
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	24,820			1,110	55,270
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	6,465			3,789	149,517
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		208,932	(7,465)	-	176,624	5,200,584
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,200,584
35								
36		**Company Phoenix Office As Filed**						5,200,584
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(672,934)	(672,934)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(672,934)	(672,934)
46								
47		Company As Filed - Accumulated Depreciation						(672,934)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				89,580	1,315,885
25	391	Office Furniture and Equipment	2.59%	221,339			96,808	3,848,420
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	20,585			1,698	75,855
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	885			3,884	150,402
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		242,809	-	-	193,101	5,443,393
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,443,393
35								
36		**Company Phoenix Office As Filed**						5,443,393
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(866,035)	(866,035)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(866,035)	(866,035)
46								
47		Company As Filed - Accumulated Depreciation						(866,035)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				94,864	1,315,885
25	391	Office Furniture and Equipment	2.59%	369,071			104,454	4,217,491
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	59,519			2,735	135,374
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	1,741			3,918	152,143
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		430,332	-	-	207,102	5,873,725
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,873,725
35								
36		**Company Phoenix Office As Filed**						5,873,725
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,073,138)	(1,073,138)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,073,138)	(1,073,138)
46								
47		Company As Filed - Accumulated Depreciation						(1,073,137)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				425	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	10,463			959	42,258
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	93			86,708	1,315,978
25	391	Office Furniture and Equipment	2.59%	464,535	(243,714)		112,093	4,438,312
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	40,312			4,028	175,686
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	4,089			3,993	156,232
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		519,493	(243,714)	-	208,514	6,149,503
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						6,149,503
35								
36		**Company Phoenix Office As Filed**						6,149,503
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,037,938)	(1,037,938)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,037,938)	(1,037,938)
46								
47		Company As Filed - Accumulated Depreciation						(1,036,382)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1,556)
49								
50		**RUCO Net Adjustment**						(1,556)
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	ADJ-1 Remove Post Test Year Plant	Balance 12/31/2003
1	301	Organization	0.00%	-		-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	80		80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	2,050		2,050
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	6,066		6,066
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	37,472		37,472
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	-		-
25	391	Office Furniture and Equipment	2.59%	3,983		3,983
26	393	Warehouse Equipment	2.59%	1,088		1,088
27	394	Tools, Shop and Garage Equipment	2.59%	58,430		58,430
28	395	Laboratory Equipment	2.59%	2,981		2,981
29	396	Power Operated Equipment	2.59%	1,458		1,458
30	397	Communication Equipment	2.59%	-		-
31	398	Miscellaneous Equipment	2.59%	-		-
32		**TOTAL METER SHOP PLANT**		113,608	-	113,608
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Meter Shop**		113,608	-	113,608
35						
36		**Company Meter Shop As Filed**		113,608		113,608
37						
38		RUCO Meter Shop Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733				
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(30,118)	-	(30,118)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(30,118)	-	(30,118)
46						
47		Company As Filed - Accumulated Depreciation				(30,118)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						
56		Notes				
57		Acct. 302 - Franchises amortized over 25 years.				
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.				
59		Acct. 310.4 - Wells - Other amortized over 24 years.				
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.				

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	12,809			1,136	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	3,166			144	7,149
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	1,575			1,534	60,005
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		17,550	-	-	3,168	131,158
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						131,158
35								
36		**Company Meter Shop As Filed**						131,158
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733						
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(33,286)	(33,286)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(33,286)	(33,286)
46								
47		Company As Filed - Accumulated Depreciation						(33,286)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,302	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	94			186	7,243
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	2,004			1,580	62,009
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		2,097	-	-	3,422	133,256
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						133,256
35								
36		**Company Meter Shop As Filed**						133,256
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(36,708)	(36,708)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(36,708)	(36,708)
46								
47		Company As Filed - Accumulated Depreciation						(36,708)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	2,571			1,336	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	1,610			208	8,853
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	3,115			1,646	65,124
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		7,296	-	-	3,544	140,551
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						140,551
35								
36		**Company Meter Shop As Filed**						140,551
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(40,251)	(40,251)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(40,251)	(40,251)
46								
47		Company As Filed - Accumulated Depreciation						(40,251)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,369	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	1,893			254	10,745
26	393	Warehouse Equipment	2.59%	1,089			42	2,177
27	394	Tools, Shop and Garage Equipment	2.59%	2,298			1,716	67,422
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		5,280	-	-	3,707	145,832
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						145,832
35								
36		**Company Meter Shop As Filed**						145,832
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(43,958)	(43,958)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(43,958)	(43,958)
46								
47		Company As Filed - Accumulated Depreciation						(43,959)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						1
49								
50		**RUCO Net Adjustment**						1
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

EXPLANATION OF RATE BASE ADJUSTMENT NO. 2
POST TEST-YEAR PLANT - PHOENIX OFFICE

LINE NO.	ACCT NO.	ACCOUNT NAME	(A) COMPANY ADJUSTED TY PLANT	(B) POST TY ADDITIONS	(C) 3-FACTOR ALLOCATOR	(D) REMOVE PTY PLANT
1	301	Organization	$ 173	$ -	26.55%	$ -
2	302	Franchises	65,375	-	26.55%	-
3	303	Other Intangibles	1,910,286	-	26.55%	-
4	310.1	Water Rights	237,537	-	26.55%	-
5	310.3	Other Source of Supply Land	205,905	-	26.55%	-
6	310.4	Wells - Other	-	-	26.55%	-
7	314	Wells	5,670,264	-	26.55%	-
8	320	Pumping Plant Land	6,013	-	26.55%	-
9	321	Pumping Plant Structures & Imprm'ts	135,662	-	26.55%	-
10	325	Electtric Pumping Equipment	5,435,825	-	26.55%	-
11	328	Gas Engine Equipment	-	-	26.55%	-
12	330	Water Treatment Plant Land	680,718	-	26.55%	-
13	331	Water Treatment Structures & Imprm'ts	922,356	-	26.55%	-
14	332	Water Treatment Equipment	5,509,721	-	26.55%	-
15	340	Transmission and Distribution Land	64,886	-	26.55%	-
16	342	Storage Tanks	2,212,049	-	26.55%	-
17	343	Transmission & Distribution Mains	50,455,861	-	26.55%	-
18	344	Fire Sprinkler Taps	1,652,993	-	26.55%	-
19	345	Services	17,187,119	-	26.55%	-
20	346	Meters	2,237,548	-	26.55%	-
21	348	Hydrants	6,685,549	-	26.55%	-
22	389	General Plant Land	8,772	-	26.55%	-
23	390	General Plant Structures	459,317	-	26.55%	-
24	390.1	Leasehold Improvements	349,392	-	26.55%	-
25	391	Office Furniture & Equipment	1,396,097	120,057	26.55%	31,875
26	393	Warehouse Equipment	17,120	-	26.55%	-
27	394	Tools, Shop & Garage Equipment	301,798	-	26.55%	-
28	395	Laboratory Equipment	39,732	-	26.55%	-
29	396	Power Operated Equipment	82,869	-	26.55%	-
30	397	Communication Equipment	527,126	-	26.55%	-
31	398	Miscellaneous Equipment	63,033	-	26.55%	-
32						
33		**TOTAL PTY WATER PLANT**	$ 104,521,097	$ 120,057		$ 31,875
34		Company As Filed	$ 104,521,097	120,057		31,875
35		Difference	$ -	$ -		$ -
36						
37		RUCO PTY Plant Adjustment				$ (31,875)
38						
39		RUCO PTY Accumulated Depreciation Plant Adjustment				$ 1,063
40						
41						
42		References:				
43		Column (A): Company Schedules B-2				
44		Column (B): Post Test Year Phoenix Office Plant Allocation				
45		Column (C): 3-Factor Allocator				
46		Column (D): Adjustment				

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6
ALLOWANCE FOR WORKING CAPITAL

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) REFERENCE
1	Working Cash Requirement Per Company	$ 52,304	Company Schedule B-5, PG. 1
2	Working Cash Requirement Per RUCO	(320,563)	RUCO Schedule WAR-5, Page 2
3	Adjustment	$ (372,867)	Line 2 - Line 1
4	Material and Supplies Inventories Per Company	$ 52,486	Company Schedule B-5, PG. 1
5	Material and Supplies Inventories Per RUCO	52,486	Company Schedule B-5, PG. 1
6	Adjustment	$ -	Line 5 - Line 4
7	Required Bank Balances Per Company	$ 136,576	Company Schedule B-5, PG. 1
8	Required Bank Balances Per RUCO	136,576	Company Schedule B-5, PG. 1
9	Adjustment	$ -	Line 8 - Line 7
10	Prepayments & Special Deposits Per Company	$ 142,593	Company Schedule B-5, PG. 1
11	Prepayments & Special Deposits Per RUCO	142,593	Company Schedule B-5, PG. 1
12	Adjustment	$ -	Line 11 - Line 10
13	TOTAL ADJUSTMENT (See TJC-2, Column (K))	$ (372,867)	Sum of Lines 3, 6, 9 & 12

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6 - CONT'D
LEAD/LAG DAY SUMMARY

LINE NO.	DESCRIPTION	(A) COMPANY EXPENSES AS FILED	(B) RUCO ADJUSTM'TS	(C) RUCO EXPENSES AS ADJUSTED	(D) (LEAD)/LAG DAYS	(E) DOLLAR DAYS
	Operating Expenses					
1	Purchased Power	$ 1,387,878	$ -	$ 1,387,878	35.92	$ 49,852,595
2	Payroll	2,349,262	(80,379)	2,268,884	14.00	31,764,374
3	Purchased Water	374,207	-	374,207	(55.31)	(20,698,147)
4	Chemicals	135,843	-	135,843	20.43	2,774,793
5	Property & Liability Insurance	79,312	-	79,312	(45.27)	(3,590,454)
6	Workman's Compensation Insurance	39,649	-	39,649	(46.50)	(1,843,679)
7	Health Insurance	596,846	(298)	596,548	(8.92)	(5,321,212)
8	Other Operating & Maintenance Expenses	2,169,776	(44,250)	2,125,526	30.00	63,765,792
9	Federal Current Income Taxes	1,298,159	(456,692)	841,467	37.00	31,134,263
10	State Current Income Taxes	285,973	(100,605)	185,368	37.00	6,858,600
11	FICA Taxes	178,329	(9,363)	168,966	14.00	2,365,527
12	FUTA & SUTA Taxes	4,267	-	4,267	83.10	354,588
13	Property Taxes	806,467	(62,383)	744,084	212.00	157,745,822
14	Registration, Svc. Contracts, & Misc. Fees	141,878	-	141,878	(98.83)	(14,021,803)
15	Retirement Annuities (401k)	197,001	(6,793)	190,208	34.72	6,604,033
16	Subtotal	10,044,849	(760,762)	9,284,086		307,745,093
17	Synchronized Interest	$ 1,530,834	$ (53,721)	$ 1,477,113	91.25	$ 134,786,594
18	Cost of Equity	2,519,956	(2,519,956)	-	-	-
19	Subtotal	$ 4,050,790	$ (2,573,677)	$ 1,477,113		$ 134,786,594
20	Total	$ 14,095,639	$ (3,334,439)	$ 10,761,200		$ 442,531,686

21	Expense Lag	Line 17, Col. (E) / (C)	41.12
22	Revenue Lag	Company B-5 Schedules	30.25
23	Net Lag	Line 18 - Line 17	(10.87)
24	RUCO Adjusted Expenses	Col. (C), Line 16	$ 10,761,200
25	Cash Working Capital	Line 19 X Line 20 / 365 Days	(320,563)
26	Company As Filed	Co. Schedule B-6, Page 1	52,304
27	Difference	Line 21 - Line 22	$ (372,867)
28	ADJUSTMENT	Line 27	$ (372,867)

NOTE: Expense Lag Days Used in the Last Western Group Rate Case.
NOTE: Dependent on System
NOTE: RUCO reviewed several invoices from a number of companies with terms of net 30 days.

References:
Column (A): - Company Schedule B-5
Column (B): RUCO Operating Income Adjustments (See Schedule TJC-7)
Column (C): Column (A) + (B)
Column (D): - Company Schedule B-5
Column (E): Column (C) X Column (D)

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJM'TS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
	Operating Revenues					
1	Residential	$ 6,578,320	$ -	$ 6,578,320	$ 2,548,690	$ 9,127,010
2	Commercial	2,217,689	-	2,217,689	959,957	3,177,645
3	Industrial	1,085,224	-	1,085,224	(105,442)	979,782
4	Private Fire Service	13,268	-	13,268	52,257	65,525
5	Other Water Revenues	450,711	-	450,711	243,628	694,340
6	Total Water Revenues	$ 10,345,212	$ -	$ 10,345,212	$ 3,699,090	$ 14,044,302
7	Miscellaneous	$ 589,682	$ -	$ 589,682	$ (46)	$ 589,636
8	Total Operating Revenues	$ 10,934,895	$ -	$ 10,934,895	$ 3,699,044	$ 14,633,938
	Operating Expenses					
	Source of Supply Expenses:					
9	Purchased Water	$ 374,207	$ -	$ 374,207	$ -	$ 374,207
10	Other	76,178	-	76,178	-	76,178
11	Pumping Expenses:	-				
12	Purchased Power	1,387,878	-	1,387,878	-	1,387,878
13	Purchased Gas	509	-	509	-	509
14	Other	537,890	-	537,890	-	537,890
15	Water Treatment Expenses	531,617	-	531,617	-	531,617
16	Transmission & Distribution Expenses	1,887,995	-	1,887,995	-	1,887,995
17	Customer Accounting Expenses	909,384	-	909,384	-	909,384
18	Sales Expense	4,312	-	4,312	-	4,312
19	Administrative & General Expenses	1,761,682	(104,096)	1,657,586	-	1,657,586
20	Total Operations & Maintenance Expense	$ 7,471,653	$ (104,096)	$ 7,367,557	$ -	$ 7,367,557
21	Depreciation & Amortization Expenses	$ 2,329,760	$ (154,531)	$ 2,175,228	$ -	$ 2,175,228
	Taxes					
22	Federal Income Taxes	$ (450,160)	$ 121,586	$ (328,574)	$ 1,170,040	$ 841,467
23	State Income Taxes	(99,166)	26,784	(72,382)	257,749	185,368
24	Property Taxes	806,467	(62,680)	743,787	-	743,787
25	Other	219,346	(9,363)	209,983	-	209,983
26	Total Taxes	$ 476,487	$ 76,328	$ 552,815	$ 1,427,789	$ 1,980,604
27	Total Operating Expenses	$ 10,277,900	$ (182,300)	$ 10,095,600	$ 1,427,789	$ 11,523,390
28	Operating Income	$ 656,994	$ 182,300	$ 839,294	$ 2,271,254	$ 3,110,548

References:
Column (A): Company Schedule C-1
Column (B): TJC-8, Columns (B) Thru (I)
Column (C): Column (A) + Column (B)
Column (D): TJC-1
Column (E): Column (C) + Column (D)

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJMT NO. 1 LABOR EXPENSE	(C) ADJMT NO. 2 PAYROLL TAX EXPENSE	(D) ADJMT NO. 3 401(K) EXPENSE	(E) ADJMT NO. 4 REVERSE ADJ. FOR CONSERVATION	(F) ADJMT NO. 5 PURCH. POWER REVENUES	(G) ADJMT NO. 6 INSURANCE EXPENSE	(H) ADJMT NO. 7 DEPRECIATION EXPENSE	(I) ADJMT NO. 8 PROPERTY TAX	(J) ADJMT NO. 9 RATE CASE EXPENSE	(K) ADJMT NO. 10 INCOME TAXES	(L) RUCO AS ADJ'D
	Operating Revenues												
1	Residential	$ 6,578,320	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,578,320
2	Commercial	2,217,689	-	-	-	-	-	-	-	-	-	-	2,217,689
3	Industrial	1,085,224	-	-	-	-	-	-	-	-	-	-	1,085,224
4	Private Fire Service	13,268	-	-	-	-	-	-	-	-	-	-	13,268
5	Other Water Revenues	450,711	-	-	-	-	-	-	-	-	-	-	450,711
6	Total Water Revenues	$ 10,345,212	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,345,212
7	Miscellaneous	$ 589,682	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 589,682
8	Total Operating Revenues	$ 10,934,895	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,934,895
	Operating Expenses												
	Source of Supply Expenses:												
9	Purchased Water	$ 374,207	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 374,207
10	Other	76,178	-	-	-	-	-	-	-	-	-	-	76,178
11	Pumping Expenses:												
12	Purchased Power	1,387,878	-	-	-	-	-	-	-	-	-	-	1,387,878
13	Purchased Gas	509	-	-	-	-	-	-	-	-	-	-	509
14	Other	537,890	-	-	-	-	-	-	-	-	-	-	537,890
15	Water Treatment Expenses	531,617	-	-	-	-	-	-	-	-	-	-	531,617
16	Transmission & Distribution Expenses	1,887,995	-	-	-	-	-	-	-	-	-	-	1,887,995
17	Customer Accounting Expenses	909,384	-	-	-	-	-	-	-	-	-	-	909,384
18	Sales Expense	4,312	-	-	-	-	-	-	-	-	-	-	4,312
19	Administrative & General Expenses	1,761,682	(80,379)	-	(6,793)	-	-	(298)	-	-	(16,627)	-	1,657,586
20	Total Operations & Maintenance Expense	$ 7,471,653	$ (80,379)	$ -	$ (6,793)	$ -	$ -	$ (298)	$ -	$ -	$ (16,627)	$ -	$ 7,367,557
21	Depreciation & Amortization Expenses	$ 2,329,760	$ -	$ -	$ -	$ -	$ -	$ -	$ (154,531)	$ -	$ -	$ -	$ 2,175,228
	Taxes												
22	Federal Income Taxes	$ (450,160)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 121,586	$ (328,574)
23	State Income Taxes	(99,166)	-	-	-	-	-	-	-	-	-	26,784	(72,382)
24	Property Taxes	806,467	-	-	-	-	-	(298)	-	(62,383)	-	-	743,787
25	Other	219,346	-	(9,363)	-	-	-	-	-	-	-	-	209,983
26	Total Taxes	$ 476,487	$ -	$ (9,363)	$ -	$ -	$ -	$ (298)	$ -	$ (62,383)	$ -	$ 148,371	$ 552,815
27	Total Operating Expenses	$ 10,277,900	$ (80,379)	$ (9,363)	$ (6,793)	$ -	$ -	$ (595)	$ (154,531)	$ (62,383)	$ (16,627)	$ 148,371	$ 10,095,600
28	Operating Income	$ 656,994	$ 80,379	$ 9,363	$ 6,793	$ -	$ -	$ 595	$ 154,531	$ 62,383	$ 16,627	$ (148,371)	$ 839,294

ADJUSTMENTS:	REFERENCE:
1 - Labor Expense - Normalize OT Hours in Test Year	Testimony, WAR And Schedule TJC-9 Page, 1 of 3
2 - Payroll Tax Expense Related to Adjustment 1	Testimony, WAR And Schedule TJC-9 Page, 2 of 3
3 - 401(K) Expense Related to Adjustment 1	Testimony, WAR And Schedule TJC-9 Page, 3 of 3
4 - Reverse Adjustment for Conservation	Testimony WAR
5 - Purchased Power Revenues	Testimony WAR
6 - Insurance Expense	Testimony, WAR And Schedule TJC-10
7 - Depreciation Expense	Testimony, WAR And Schedule TJC-11
8 - Property Tax Expense	Testimony, WAR And Schedule TJC-12
9 - Rate Case Expense	Testimony, WAR And Schedule TJC-13
10 - Income Tax	Testimony, WAR And Schedule TJC-14

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 1
PAYROLL EXPENSE

LINE NO.	DESCRIPTION		PER RUCO DR 1.11.d
1	Normalize Over-Time Over 4 Years:		
2	2005 OT Hours		15,008.5
3	2006 OT Hours		18,080.0
4	2007 OT Hours		28,132.5
5	2008 OT Hours		17,530.0
6			
7	Total OT Hours for 2005 - 2008		78,751.0
8	Divided by 4 Years		4
9			
10	Normalized Level of OT Hours/Yr.		19,687.8
11			
12	OT Hours in Test Year		28,132.5
13			
14	Amount of Abnormal TY OT Hours		8,444.8
15			
16	Multiplied by Average OT Hrly. Rate	**See NOTE**	35.85
17			
18	Total Abnormal OT Dollars in TY		$ 302,744
19			
20	3-Factor Allocator Per District		26.55%
21			
22	RUCO Adjustment		$ (80,379)
23			
24			
25			
26			
27			

28	3-Factor Allocator By District:			
29	Superstition	24.94%	White Tank	2.37%
30	Bisbee	4.98%	Ajo	0.81%
31	Sierra Vista	2.58%	Coolidge	5.27%
32	San Manuel	1.68%	Lakeside	6.20%
33	Oracle	2.28%	Overgaard	3.99%
34	Winkelman	0.22%	Sedona	8.45%
35	Miami	4.98%	Pinewood	2.95%
36	Casa Grande	26.55%	Rimrock	1.48%
37	Stanfield	0.27%		
38				
39				
40				
41				
42	**Calculation Notes:**			
43	Average of Hourly Rate	$ 21.65		
44	OT Hourly Rate 1.5	32.48		

NOTE: The Company calculated the average hourly rate for overtime in response to data request AII-11.6 to be $35.85. RUCO accepts that rate in making its payroll adjustments.

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
PAYROLL TAX EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll Tax Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	26.55%
6		
7	RUCO Allocated Payroll by District	$ 80,379
8		
9	Payroll Tax Expense Allocator By Group:	
10		
11	RUCO Payroll Tax Expense Allocator by Group	11.65%
12		
13	RUCO Payroll Tax Expense Adjustment	$ (9,363)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	7.47%
40	Western Group	11.65%
41	Northern Group	15.90%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
PAYROLL 401(K) EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll 401(K) Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	26.55%
6		
7	RUCO Allocated Payroll by District	$ 80,379
8		
9	Payroll 401(K) Expense Allocator By Group:	
10		
11	RUCO Payroll 401(K) Expense Allocator by Group	8.45%
12		
13	RUCO Payroll 401(K) Expense Adjustment	$ (6,793)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	8.39%
40	Western Group	8.45%
41	Northern Group	8.12%

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJMT NO. 1 LABOR EXPENSE	(C) ADJMT NO. 2 PAYROLL TAX EXPENSE	(D) ADJMT NO. 3 401(K) EXPENSE	(E) ADJMT NO. 4 REVERSE ADJ. FOR CONSERVATION	(F) ADJMT NO. 5 PURCH. POWER REVENUES	(G) ADJMT NO. 6 INSURANCE EXPENSE	(H) ADJMT NO. 7 DEPRECIATION EXPENSE	(I) ADJMT NO. 8 PROPERTY TAX	(J) ADJMT NO. 9 RATE CASE EXPENSE	(K) ADJMT NO. 10 INCOME TAXES	(L) RUCO AS ADJT'D
	Operating Revenues												
1	Residential	$ 6,578,320	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,578,320
2	Commercial	2,217,689	-	-	-	-	-	-	-	-	-	-	2,217,689
3	Industrial	1,085,224	-	-	-	-	-	-	-	-	-	-	1,085,224
4	Private Fire Service	13,268	-	-	-	-	-	-	-	-	-	-	13,268
5	Other Water Revenues	450,711	-	-	-	-	-	-	-	-	-	-	450,711
6	Total Water Revenues	$ 10,345,212	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,345,212
7	Miscellaneous	$ 589,682	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 589,682
8	Total Operating Revenues	$ 10,934,895	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,934,895
	Operating Expenses												
	Source of Supply Expenses:												
9	Purchased Water	$ 374,207	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 374,207
10	Other	76,178	-	-	-	-	-	-	-	-	-	-	76,178
11	Pumping Expenses:												
12	Purchased Power	1,387,878	-	-	-	-	-	-	-	-	-	-	1,387,878
13	Purchased Gas	509	-	-	-	-	-	-	-	-	-	-	509
14	Other	537,890	-	-	-	-	-	-	-	-	-	-	537,890
15	Water Treatment Expenses	531,617	-	-	-	-	-	-	-	-	-	-	531,617
16	Transmission & Distribution Expenses	1,887,995	-	-	-	-	-	-	-	-	-	-	1,887,995
17	Customer Accounting Expenses	909,384	-	-	-	-	-	-	-	-	-	-	909,384
18	Sales Expense	4,312	-	-	-	-	-	-	-	-	-	-	4,312
19	Administrative & General Expenses	1,761,682	(80,379)	-	(6,793)	-	-	(298)	-	-	(16,627)	-	1,657,586
20	Total Operations & Maintenance Expense	$ 7,471,653	$ (80,379)	$ -	$ (6,793)	$ -	$ -	$ (298)	$ -	$ -	$ (16,627)	$ -	$ 7,367,557
21	Depreciation & Amortization Expenses	$ 2,329,760	$ -	$ -	$ -	$ -	$ -	$ -	$ (154,531)	$ -	$ -	$ -	$ 2,175,228
	Taxes												
22	Federal Income Taxes	$ (450,160)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 121,586	$ (328,574)
23	State Income Taxes	(99,166)	-	-	-	-	-	-	-	-	-	26,784	(72,382)
24	Property Taxes	806,467	-	-	-	-	-	(298)	-	(62,383)	-	-	743,787
25	Other	219,346	-	(9,363)	-	-	-	-	-	-	-	-	209,983
26	Total Taxes	$ 476,487	$ -	$ (9,363)	$ -	$ -	$ -	$ (298)	$ -	$ (62,383)	$ -	$ 148,371	$ 552,815
27	Total Operating Expenses	$ 10,277,900	$ (80,379)	$ (9,363)	$ (6,793)	$ -	$ -	$ (595)	$ (154,531)	$ (62,383)	$ (16,627)	$ 148,371	$ 10,095,600
28	Operating Income	$ 656,994	$ 80,379	$ 9,363	$ 6,793	$ -	$ -	$ 595	$ 154,531	$ 62,383	$ 16,627	$ (148,371)	$ 839,294

ADJUSTMENTS:
1 - Labor Expense - Normalize OT Hours in Test Year
2 - Payroll Tax Expense Related to Adjustment 1
3 - 401(K) Expense Related to Adjustment 1
4 - Reverse Adjustment for Conservation
5 - Purchased Power Revenues
6 - Insurance Expense
7 - Depreciation Expense
8 - Property Tax Expense
9 - Rate Case Expense
10 - Income Tax

REFERENCE:
Testimony, WAR And Schedule TJC-9 Page, 1 of 3
Testimony, WAR And Schedule TJC-9 Page, 2 of 3
Testimony, WAR And Schedule TJC-9 Page, 3 of 3
Testimony WAR
Testimony WAR
Testimony, WAR And Schedule TJC-10
Testimony, WAR And Schedule TJC-11
Testimony, WAR And Schedule TJC-12
Testimony, WAR And Schedule TJC-13
Testimony, WAR And Schedule TJC-14

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
INSURANCE EXPENSE

LINE NO.		(A) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER COMPANY	(B) RUCO ADJUSTMENT	(C) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER RUCO
1	System			
2				
3	Eastern Group			
4	Supersition	$ 2,224	$ (273)	$ 1,950
5	Apache Junction			
6	Superior			
7	Bisbee	122	(45)	77
8	Sierra Vista	115	(38)	77
9	San Manuel	5	(20)	(16)
10	Oracle	25	(20)	5
11	Saddlebrook	5	(0)	4
12	Winkelman	0	(2)	(2)
13	Miami	(338)	(40)	(378)
14	Subtotal	$ 2,157	$ (439)	$ 1,718
15				
16	Western Group			
17	Casa Grande	2,137	(298)	1,839
18	Stanfield	20	(3)	17
19	White Tank	148	(22)	126
20	Ajo	58	(9)	49
21	Coolidge	(127)	(62)	(189)
22	Subtotal	$ 2,235	$ (393)	$ 1,842
23				
24	Northern Group			
25	Lakeside	570	(65)	506
26	Overgaard	507	(55)	452
27	Sedona	445	(84)	361
28	Pinewood	199	(38)	162
29	Rimrock	87	(16)	71
30	Subtotal	$ 1,809	$ (257)	$ 1,551
31				
32				
33	Total Company	$ 6,201	$ (1,090)	$ 5,111 (a)

REFERENCE

COLUMN (A): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (B): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (C): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD

NOTES:

(a) CALCULATED AS FOLLOWS:		PER COMPANY	RUCO ADJUSTMENT	PER RUCO	REFERENCE
1	Current Rate per Payroll Dollar	$ 0.0036		$ 0.0036	COMPANY WORKPAPER - "GROUP INSURANCE" TAB LTD
2	Pro Forma Payroll Dollars	$ 11,095,569	$ 302,744	$ 10,792,825	COMPANY WORKPAPER - "GROUP INSURANCE)
3	Pro Forma LTD - Total Company	$ 39,944		$ 38,854	LINE 1 x LINE 2
4	Y/E Number of Customers	$ 83,825		$ 83,825	COMPANY WORKPAPER - "GROUP INSURANCE)
5	Pro Forma 2007 LTD - Spread	$ 38,854		$ 38,854	COMPANY WORKPAPER - "GROUP INSURANCE)
6	Increase / (Decrease)	$ 6,201		$ 5,111	COMPANY WORKPAPER - "GROUP INSURANCE)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCOUNT NO.	ACCOUNT NAME	(A) RUCO PLANT VALUE	(B) COMPANY PROPOSED DEP. RATES	(C) TEST YEAR DEPRECIATION EXPENSE
1	301	Organization	$ 173	0.00%	$ -
2	302	Franchises	65,375	See Acct. 111	-
3	303	Other Intangibles	1,087,592	See Acct. 111	-
4	310.1	Water Rights	237,537	0.00%	-
5	310.3	Other Source of Supply Land	205,905	0.00%	-
6	310.4	Wells - Other	-	See Acct. 111	-
7	314	Wells	4,773,339	3.13%	149,405
8	320	Pumping Plant Land	6,013	0.00%	-
9	321	Pumping Plant Structures & Imprm'ts	135,662	2.86%	3,880
10	325	Electtric Pumping Equipment	5,435,825	5.88%	319,627
11	328	Gas Engine Equipment	-	4.00%	-
12	330	Water Treatment Plant Land	680,718	0.00%	-
13	331	Water Treatment Structures & Imprm'ts	922,356	2.50%	23,059
14	332	Water Treatment Equipment	5,509,722	2.86%	157,578
15	340	Transmission and Distribution Land	64,886	0.00%	-
16	342	Storage Tanks	2,212,049	2.00%	44,241
17	343	Transmission & Distribution Mains	50,455,860	1.79%	903,160
18	344	Fire Sprinkler Taps	1,652,993	2.00%	33,060
19	345	Services	17,187,119	2.38%	409,053
20	346	Meters	2,237,548	4.55%	101,808
21	348	Hydrants	6,685,549	1.82%	121,677
22	389	General Plant Land	8,772	0.00%	-
23	390	General Plant Structures	459,317	2.50%	11,483
24	390.1	Leasehold Improvements	349,392	See Acct. 108.2	-
25	391	Office Furniture & Equipment	1,364,222	6.67%	90,994
26	393	Warehouse Equipment	17,120	5.00%	856
27	394	Tools, Shop & Garage Equipment	301,798	4.00%	12,072
28	395	Laboratory Equipment	39,732	5.00%	1,987
29	396	Power Operated Equipment	82,869	6.67%	5,527
30	397	Communication Equipment	527,126	6.67%	35,159
31	398	Miscellaneous Equipment	63,033	3.33%	2,099
32		Rounding	-		
33		TEST YEAR GROSS PLANT AND DEPRECIATION EXPENSE	$ 102,769,603		$ 2,426,725
34		Net Regulatory Asset / (Liability)	590,093		29,505
35		AMORTIZATION OF CONTRIBUTIONS	(14,050,085)	2.00%	(281,002)
36		Rounding			-
37	**TOTAL DEPRECIATION EXPENSE**				$ 2,175,229
38					
39	Company As Filed				2,329,760
40	Difference				$ (154,531)
41					
42	RUCO Adjustment (See TJC-8, Column (B))				$ (154,531)
43					
44					
45	3-Factor Allocator By District:				
46	Superstition	24.94%	White Tank	2.37%	
47	Bisbee	4.98%	Ajo	0.81%	
48	Sierra Vista	2.58%	Coolidge	5.27%	
49	San Manuel	1.68%	Lakeside	6.20%	
50	Oracle	2.28%	Overgaard	3.99%	
51	Winkelman	0.22%	Sedona	8.45%	
52	Miami	4.98%	Pinewood	2.95%	
53	Casa Grande	26.55%	Rimrock	1.48%	
54	Stanfield	0.27%			

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	REFERENCE	(A)	(B)
	Calculation Of The Company's Full Cash Value:			
	Annual Operating Revenues:			
1	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	$ 10,934,895	
2	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	10,934,895	
3	Proposed Revenues	Sch. TJC-7, Col (E), Ln 8	14,633,938	
4	Total Three Year Operating Revenues	Sum Of Lines 1, 2 & 3	$ 36,503,728	
5	Average Annual Operating Revenues	Line 4 / 3	12,167,909	
6	Two Times Three Year Average Operating Revenues	Line 5 X 2		$ 24,335,818
	ADD:			
	10% Of Construction Work In Progress ("CWIP"):			
7	Test Year CWIP	Company Schedule E	$ 3,133,308	
8	10% Of CWIP	Line 7 X 10%		$ 313,331
	SUBTRACT:			
	Transportation At Book Value:			
9	Original Cost Of Transportation Equipment	Company Workpapers	$ -	
10	Acc. Dep. Of Transportation Equipment	Company Workpapers	-	
11	Net Book Value Of Transportation Equipment	Line 9 + Line 10		$ (545,357)
12	Company's Full Cash Value ("FCV")	Sum Of Lines 6, 8 & 11		$ 24,103,792
	Calculation Of The Company's Tax Liability:			
	MULTIPLY:			
	FCV X Valuation Assessment Ratio X Property Tax Rates:			
13	Assessment Ratio	House Bill 2779	22.5%	
14	Assessed Value	Line 12 X Line 13	$ 5,423,353	
	Property Tax Rates:			
15	Primary Tax Rate	Company Workpapers	13.72%	
16	Secondary Tax Rate	Company Workpapers	0.00%	
17	Estimated Tax Rate Liability	Line 15 + Line 16	13.72%	
	Property Tax			$ 744,084
	Tax On Parcel			-
18	Company's Total Tax Liability - Based On Full Cash Value	Line 14 X Line 17		$ 744,084
19	Test Year Adjusted Property Tax Expense As Filed	Co. Sch. C-1		806,467
20	Decrease In Property Tax Expense	Line 18 - Line 19		$ (62,383)
21	RUCO Adjustment (See TJC-8, Column (C))	Line 20		$ (62,383)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 9
RATE CASE EXPENSE

LINE NO.	DESCRIPTION	(A) COMPANY ESTIMATE	(B) RUCO ADJUSTMENT	(C) RUCO AS ADJUSTED
1	Rate Case Expense Total	$ 500,000	$ (200,000)	$ 300,000
2	Allocation Factor			24.9%
3	Casa Grande System (Line 1 X Line 2)			$ 74,820
4	Amortization Period - 3 Years			3
5	RUCO Adjusted Rate Case Expense (Line 3 / 3 Years)			$ 24,940
6	Company Rate Case Expenses As Filed (Company Sch. C-2)			$ 41,567
7	RUCO Pro Forma Rate Case Expense (Lines 5 - 6)			$ (16,627)
8	RUCO Adjustment (Line 7) (See TJC-8, Column (E))			$ (16,627)

3-Factor Allocator By District:

Superstition	24.94%	White Tank	2.37%
Bisbee	4.98%	Ajo	0.81%
Sierra Vista	2.58%	Coolidge	5.27%
San Manuel	1.68%	Lakeside	6.20%
Oracle	2.28%	Overgaard	3.99%
Winkelman	0.22%	Sedona	8.45%
Miami	4.98%	Pinewood	2.95%
Casa Grande	26.55%	Rimrock	1.48%
Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. TJC-7, Column (C), L28 + L22 + L23	$ 438,339
	LESS:		
2	Arizona State Tax	Line 11	(72,382)
3	Interest Expense	Note (A) Line 21	1,477,113
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ (966,393)
5	Federal Tax Rate	Sch. TJC-1, Pg 2, Col. (D), L34	34.00%
6	Federal Income Tax Expense	Line 4 X line 5	$ (328,574)
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 438,339
	LESS:		
8	Interest Expense	Note (A) Line 21	1,477,113
9	State Taxable Income	Line 7 - Line 8	$ (1,038,775)
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ (72,382)
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ (328,574)
13	State Income Tax Expense	Line 11	(72,382)
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ (400,955)
15	Total Federal Income Tax Expense Per Company (Per Company Sch. C-1, L30)		(450,160)
16	Total State Income Tax Expense Per Company (Per Company Sch. C-1, L31)		(99,166)
17	RUCO Federal Income Tax Adjustment	Line 12 - Line 15	$ 121,586
18	RUCO State Income Tax Adjustment	Line 13 - Line 16	$ 26,784

NOTE (A):
Interest Synchronization:

19	Adjusted Rate Base (Sch. TJC-2, Col. (H), L17)	$	39,826,084
20	Weighted Cost Of Debt (Sch. TJC-15 Col. (D), L1)		3.71%
21	Interest Expense (L18 X L19)	$	1,477,113

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) DOLLAR AMOUNT	(B) CAPITAL RATIO	(C) COST RATE	(D) WEIGHTED COST RATE
1	Long-Term Debt	$ 75,000,000	50.76%	7.31%	3.71%
2	Common Equity	72,744,646	49.24%	8.33%	4.10%
3	Total Capitalization	$ 147,744,646	100.00%		
4	WEIGHTED AVERAGE COST OF CAPITAL				7.81%

References:
Columns (A) Thru (D): Testimony, WAR

ARIZONA WATER COMPNAY

W-01445A-08-0440

Stanfield System

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007

Stanfield System

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REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	$ 823,590	$ 774,655
2	Adjusted Operating Income (Loss)	$ (31,092)	$ (47,110)
3	Current Rate of Return (L2 / L1)	-3.78%	-6.08%
4	Required Operating Income (L5 X L1)	$ 80,829	$ 60,488
5	Required Rate of Return on Fair Value Rate Base	9.81%	7.81%
6	Operating Income Deficiency (L4 - L2)	$ 111,922	$ 107,598
7	Gross Revenue Conversion Factor (TJC-1, Page 2)	1.6286	1.2646
8	Required Increase in Gross Revenue Requirement (L7 X L6)	$ 182,279	$ 136,067
9	Adjusted Test Year Revenue	$ 131,926	$ 131,926
10	Proposed Annual Revenue (L8 + L9)	$ 314,205	$ 267,993
11	Required Percentage Increase in Revenue (L8 / L9)	138.17%	103.14%
12	Consolidated Revenue Adjustment (Casa Grande/Coolidge/Stanfield)	$ (174,589)	$ -
13	Required Increase in Gross Revenue Under Company Proposed Consolidation	$ 7,690	$ -
14	Required Revenue Under Company Proposed Consolidation	$ 139,662	$ -
15	Required Percentage Increase in Revenue Under Company Proposed Consolidation	5.85%	-
16	Rate of Return on Common Equity	12.40%	8.33%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule TJC-2, TJC-7, and TJC-15

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Combined Federal And State Tax Rate (L10)	0.2092			
3	Subtotal (L1 - L2)	0.7908			
4	**Revenue Conversion Factor** (L1 / L3)	**1.2646**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	15.0000%			
9	Effective Federal Income Tax Rate (L7 X L8)	13.9548%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	20.9228%			
11	Required Operating Income (Sch. TJC-1, Pg 1, C (B), L4)	$ 60,488			
12	Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Pg 1, C (B), L2)	(47,110)			
13	Required Increase In Operating Income (L11 - L12)		$ 107,598		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 8,402			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	(20,067)			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ 28,469		
17	Total Required Increase In Revenue (L13 + L16)		$ 136,067		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. TJC-1, Pg 1, Col. (B), L12)			$ 267,993	
19	Operating Expense Excluding Income Tax (TJC-7, Col. (E), L27 - L22 - L23)			199,102	
20	Synchronized Interest (Col. (C), L37)			28,731	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 40,159	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 2,798
24	Fed. Taxable Income (L21 - L23)			$ 37,361	
25	Fed. Tax on 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 5,604	
26	Fed. Tax on 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			$ -	
27	Fed. Tax on 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			$ -	
28	Fed. Tax on 4th Inc. Bracket ($100,001 - $335,000) @ 39%			$ -	
29	Fed. Tax on 5th Inc. Bracket ($335,001 - $10M) @ 34%			$ -	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 5,604
31	Combined Federal and State Income Tax (L23 + L30)				$ 8,402
32	Test Year Combined Income Tax, RUCO as Adjusted (TJC-7, Col. (C), L22 + L23)				$ (20,067)
33	RUCO Adjustment (L31 - L32) (See TJC-6, Col. (D), L23)				$ 28,469
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				15.00%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. WAR-2, Col. (C), L17)			$ 774,655	
36	Weighted Avg. Cost of Debt (Sch. TJC-16, Col. (F), L1)			3.71%	
37	Synchronized Interest (L35 X L36)			$ 28,731	

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RATE BASE - ORIGINAL COST

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) RUCO OCRB/FVRB ADJUSTMENTS	(C) RUCO ADJ'TED OCRB/FVRB
	Plant Classification			
1	Intangible Plant	$ 1,223	$ -	$ 1,223
2	Source of Supply Plant	172,909	-	172,909
3	Pumping Plant	428,386	(2,500)	425,886
4	Water Treatment Plant	32,783	(35,041)	(2,258)
5	Transmission & Distribution Plant	438,789	(5,100)	433,689
6	General Plant	106,655	(324)	106,331
7	Total Gross Plant in Service	$ 1,180,745	$ (42,965)	$ 1,137,780
8	Accumulated Depreciation	(260,401)	7,396	(253,005)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 920,344	$ (35,569)	$ 884,775
10	Advances in Aid Of Const.	$ (15,715)	$ -	$ (15,715)
11	Contribution in Aid of Const.	$ (49,164)	$ -	$ (49,164)
12	Accumulated Amortization of CIAC	12,246	-	12,246
13	NET CIAC (L5 + L6)	$ (36,918)	$ -	$ (36,918)
14	Deferred Income Tax	$ (51,746)	$ -	$ (51,746)
15	Allowance for Working Capital	$ 7,625	$ (13,366)	$ (5,741)
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -
17	Rounding	$ -	$ -	$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 823,590	$ (48,935)	$ 774,655

References:
Column (A): Company Schedule B-1
Column (B): Schedule TJC-3
Column (C): Column (A) + Column (B)

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SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) ADJMT NO. 1 PLANT & ACCUM DEP.	(C) ADJMT NO. 2 REMOVE PTY PLANT	(D) ADJMT NO. 3 PER BKB 11.16	(E) ADJMT NO. 4	(F) ADJMT NO. 5	(G) ADJMT NO. 6 WORKING CAPITAL	(H) RUCO ADJ'TED OCRB/FVRB
	Plant Classification								
1	Intangible Plant	$ 1,223	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,223
2	Source of Supply Plant	172,909	-	-	-	-	-	-	172,909
3	Pumping Plant	428,386	-	-	(2,500)	-	-	-	425,886
4	Water Treatment Plant	32,783	-	-	(35,041)	-	-	-	(2,258)
5	Transmission & Distribution Plant	438,789	-	-	(5,100)	-	-	-	433,689
6	General Plant	106,655	-	(324)	-	-	-	-	106,331
7	Total Gross Plant in Service	$ 1,180,745	$ -	$ (324)	$ (42,641)	$ -	$ -	$ -	$ 1,137,780
8	Accumulated Depreciation	(260,401)	(9,692)	11	17,077	-	-	-	(253,005)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 920,344	$ (9,692)	$ (313)	$ (25,564)	$ -	$ -	$ -	$ 884,775
10	Advances in Aid Of Const.	$ (15,715)	$ -	$ -	$ -	$ -	$ -	$ -	$ (15,715)
11	Contribution in Aid of Const.	$ (49,164)	$ -	$ -	$ -	$ -	$ -	$ -	$ (49,164)
12	Accumulated Amortization of CIAC	12,246		-	-	-	-	-	12,246
13	NET CIAC (L5 + L6)	$ (36,918)	$ -	$ -	$ -	$ -	$ -	$ -	$ (36,918)
14	Deferred Income Tax	$ (51,746)	$ -	$ -	$ -	$ -	$ -	$ -	$ (51,746)
15	Allowance for Working Capital	7,625	$ -	$ -	$ -	$ -	$ -	$ (13,366)	$ (5,741)
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	Rounding	$ -							$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 823,590	$ (9,692)	$ (313)	$ (25,564)	$ -	$ -	$ (13,366)	$ 774,655

References:
Column (A): Company Schedule B-2
Column (B): Adjustment No. 1 - Adjust Test-Year Plant, PTY Plant & Accumulated Depreciation (See TJC-4 Total, TJC-4 Direct, TJC-4 PHX OFF and TJC-4 MS Schedules and TJC Testimony)
Column (C): Adjustment No. 2 - To Remove Post Test Year Phoenix Office Plant and Accum. Depre.
Column (D): Adjustment No. 3 - Conforming Adkustment Per Data Response to BKB 11.16 to Remove Plant and Record Retirements
Column (E): Adjustment No. 4 - Intentionally Left Blank
Column (F): Adjustment No. 5 - Intentionally Left Blank
Column (G): Adjustment No. 6 - Working Capital
Column (H): Sum Of Columns (A), (B), (C), (D), (E), (F) & (G)

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	(C) 12/31/2003 Per Decision No. 68302	(D) ADJ-1 Remove Post Test Year Plant	(E) Plant Balance 12/31/2003
1	301	Organization	0.00%	0.00%	-		$ -
2	302	Franchises	See Acct. 111	See Acct. 111	-		-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	-		-
4	310.1	Water Rights	0.00%	0.00%	1,128		1,128
5	310.3	Other Source of Supply Land	0.00%	0.00%	600		600
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-		-
7	314	Wells	2.59%	3.13%	106,975		106,975
8	320	Pumping Plant Land	0.00%	0.00%	200		200
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	1,243		1,243
10	325	Electtric Pumping Equipment	2.59%	5.88%	190,368		190,368
11	328	Gas Engine Equipment	2.59%	4.00%	-		-
12	330	Water Treatment Plant Land	0.00%	0.00%	-		-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	6,778		6,778
14	332	Water Treatment Equipment	2.59%	2.86%	13,763		13,763
15	340	Transmission and Distribution Land	0.00%	0.00%	-		-
16	342	Storage Tanks	2.59%	2.00%	40,876		40,876
17	343	Transmission & Distribution Mains	2.59%	1.79%	99,139		99,139
18	344	Fire Sprinkler Taps	2.59%	2.00%	268		268
19	345	Services	2.59%	2.38%	35,888		35,888
20	346	Meters	2.59%	4.55%	17,035		17,035
21	348	Hydrants	2.59%	1.82%	9,243		9,243
22	389	General Plant Land	0.00%	0.00%	-		-
23	390	General Plant Structures	2.59%	2.50%	1,312		1,312
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	-		-
25	391	Office Furniture & Equipment	2.59%	6.67%	-		-
26	393	Warehouse Equipment	2.59%	5.00%	-		-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	534		534
28	395	Laboratory Equipment	2.59%	5.00%	-		-
29	396	Power Operated Equipment	2.59%	6.67%	-		-
30	397	Communication Equipment	2.59%	6.67%	76,676		76,676
31	398	Miscellaneous Equipment	2.59%	3.33%	534		534
32		**TOTAL DIRECT WATER PLANT**			$ 602,560	$ -	$ 602,560
33		Post Test Year Plant (PTYP)			-	-	-
34		**RUCO Total Water Plant In Service**			$ 602,560	$ -	$ 602,560
35							
36		**Company Direct Plant As Filed**					
37							
38		**RUCO Direct Plant Adjustment**					
39							
40		Reserve Deficiency Accrual - Decision No. 38733					
41							
42		Net (Salvage)/Cost of Removal					
43		Accumulated Depreciation			(195,716)		$ (195,716)
44		Accumulated Depreciation - PTYP			-	-	-
45		RUCO Total Accumulated Depreciation - Calculated			$ (195,716)		$ (195,716)
46							
47		Company As Filed - Accumulated Depreciation			-	-	(186,029)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ (195,716)	$ -	$ (9,687)
49							
50		**RUCO Net Adjustment**					
51							
52							
53							

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	51			-	51
4	310.1	Water Rights	0.00%	0.00%	179			-	1,307
5	310.3	Other Source of Supply Land	0.00%	0.00%	9,993			-	10,593
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				2,771	106,975
8	320	Pumping Plant Land	0.00%	0.00%				-	200
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	1,470			51	2,713
10	325	Electtric Pumping Equipment	2.59%	5.88%	4,722			4,992	195,090
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				176	6,778
14	332	Water Treatment Equipment	2.59%	2.86%	4,201	(6,882)		322	11,082
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				1,059	40,876
17	343	Transmission & Distribution Mains	2.59%	1.79%	1,406			2,586	100,545
18	344	Fire Sprinkler Taps	2.59%	2.00%				7	268
19	345	Services	2.59%	2.38%	1,381	(56)		947	37,213
20	346	Meters	2.59%	4.55%		(27)		441	17,008
21	348	Hydrants	2.59%	1.82%				239	9,243
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				34	1,312
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				-	-
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%				14	534
28	395	Laboratory Equipment	2.59%	5.00%				-	-
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%				1,986	76,676
31	398	Miscellaneous Equipment	2.59%	3.33%				14	534
32		**TOTAL DIRECT WATER PLANT**			$ 23,403	$ (6,965)	$ -	$ 15,637	$ 618,998
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 23,403	$ (6,965)	$ -	$ 15,637	$ 618,998
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41								-	
42		Net (Salvage)/Cost of Removal						(11)	
43		Accumulated Depreciation						(204,398)	$ (204,398)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(204,398)	$ (204,398)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(194,711)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (204,398)	$ (9,687)
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%	0.00%				-	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	51
4	310.1	Water Rights	0.00%	0.00%	323			-	1,630
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	10,593
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	50,580			3,485	157,555
8	320	Pumping Plant Land	0.00%	0.00%				-	200
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				71	2,713
10	325	Electtric Pumping Equipment	2.59%	5.88%	5,149			5,661	200,239
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				175	6,778
14	332	Water Treatment Equipment	2.59%	2.86%				290	11,082
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%		(87)		1,037	40,789
17	343	Transmission & Distribution Mains	2.59%	1.79%	1,519			2,556	102,064
18	344	Fire Sprinkler Taps	2.59%	2.00%				7	268
19	345	Services	2.59%	2.38%	13,903	(285)		1,132	50,831
20	346	Meters	2.59%	4.55%				468	17,008
21	348	Hydrants	2.59%	1.82%				233	9,243
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				34	1,312
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				-	-
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%				14	534
28	395	Laboratory Equipment	2.59%	5.00%				-	-
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%				2,247	76,676
31	398	Miscellaneous Equipment	2.59%	3.33%				14	534
32		**TOTAL DIRECT WATER PLANT**			$ 71,474	$ (372)	$ -	$ 17,426	$ 690,100
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 71,474	$ (372)	$ -	$ 17,426	$ 690,100
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(221,452)	$ (221,452)
44		Accumulated Depreciation - PTYP						-	$ -
45		RUCO Total Accumulated Depreciation - Calculated						(221,452)	$ (221,452)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(211,765)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (221,452)	$ (9,687)
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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Stanfield System
Schedule TJC-4 - Direct Plant
Page 4 of 5

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	460			-	511
4	310.1	Water Rights	0.00%	0.00%	514			-	2,144
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	10,593
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				4,931	157,555
8	320	Pumping Plant Land	0.00%	0.00%				-	200
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				78	2,713
10	325	Electtric Pumping Equipment	2.59%	5.88%	78,696			14,088	278,935
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				169	6,778
14	332	Water Treatment Equipment	2.59%	2.86%				317	11,082
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				816	40,789
17	343	Transmission & Distribution Mains	2.59%	1.79%				1,827	102,064
18	344	Fire Sprinkler Taps	2.59%	2.00%				5	268
19	345	Services	2.59%	2.38%	7,897			1,304	58,728
20	346	Meters	2.59%	4.55%	1,677	(9)		812	18,676
21	348	Hydrants	2.59%	1.82%				168	9,243
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				33	1,312
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				-	-
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%				21	534
28	395	Laboratory Equipment	2.59%	5.00%				-	-
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%				5,114	76,676
31	398	Miscellaneous Equipment	2.59%	3.33%				18	534
32		**TOTAL DIRECT WATER PLANT**			$ 89,245	$ (9)	$ -	$ 29,701	$ 779,336
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 89,245	$ (9)	$ -	$ 29,701	$ 779,336
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(251,145)	$ (251,145)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(251,145)	(251,145)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(241,457)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (251,145)	$ (9,688)
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
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Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	686			$ 91	1,198
4	310.1	Water Rights	0.00%	0.00%	891			-	3,035
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	10,593
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	1,727			4,958	159,282
8	320	Pumping Plant Land	0.00%	0.00%				-	200
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				78	2,713
10	325	Electtric Pumping Equipment	2.59%	5.88%	50,146	(22,097)		17,226	306,984
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				169	6,778
14	332	Water Treatment Equipment	2.59%	2.86%				317	11,082
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%	336			819	41,125
17	343	Transmission & Distribution Mains	2.59%	1.79%	22,863	(823)		2,024	124,105
18	344	Fire Sprinkler Taps	2.59%	2.00%				5	268
19	345	Services	2.59%	2.38%	10,512	(157)		1,521	69,083
20	346	Meters	2.59%	4.55%	3,582			931	22,259
21	348	Hydrants	2.59%	1.82%				168	9,243
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				33	1,312
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				-	-
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%				21	534
28	395	Laboratory Equipment	2.59%	5.00%				-	-
29	396	Power Operated Equipment	2.59%	6.67%				-	-
30	397	Communication Equipment	2.59%	6.67%	2,679			5,204	79,355
31	398	Miscellaneous Equipment	2.59%	3.33%				18	534
32		**TOTAL DIRECT WATER PLANT**			$ 93,423	$ (23,077)	$ -	$ 33,584	$ 849,682
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 93,423	$ (23,077)	$ -	$ 33,584	$ 849,682
35									
36		**Company Direct Plant As Filed**							849,682
37									
38		**RUCO Direct Plant Adjustment**							0
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(261,652)	$ (261,652)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(261,652)	(261,652)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(251,964)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (261,652)	$ (9,688)
49									
50		**RUCO Net Adjustment**							$ (9,688)
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	Direct Plant Classification Balances	RUCO Direct Plant Balances 12/31/2007	Company Balances	RUCO Difference
1	301	Organization	0.00%	0.00%	$ -	Intangible Plant	Intangible Plant	
2	302	Franchises	See Acct. 111	See Acct. 111	-			
3	303	Other Intangibles	See Acct. 111	See Acct. 111	1,198	$ 1,198	$ 1,198	(0)
4	310.1	Water Rights	0.00%	0.00%	3,035	Source of Supply	Source of Supply	
5	310.3	Other Source of Supply Land	0.00%	0.00%	10,593			
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-			
7	314	Wells	2.59%	3.13%	159,282	172,910	172,909	1
8	320	Pumping Plant Land	0.00%	0.00%	200	Pumping Plant	Pumping Plant	
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	2,713			
10	325	Electtric Pumping Equipment	2.59%	5.88%	306,984			
11	328	Gas Engine Equipment	2.59%	4.00%	-	309,897	309,898	(1)
12	330	Water Treatment Plant Land	0.00%	0.00%	-	Treatment Plant	Treatment Plant	
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	6,778			
14	332	Water Treatment Equipment	2.59%	2.86%	11,082	17,860	17,860	(0)
15	340	Transmission and Distribution Land	0.00%	0.00%	-	T & D Plant	T & D Plant	
16	342	Storage Tanks	2.59%	2.00%	41,125			
17	343	Transmission & Distribution Mains	2.59%	1.79%	124,105			
18	344	Fire Sprinkler Taps	2.59%	2.00%	268			
19	345	Services	2.59%	2.38%	69,083			
20	346	Meters	2.59%	4.55%	22,259			
21	348	Hydrants	2.59%	1.82%	9,243	266,082	266,082	0
22	389	General Plant Land	0.00%	0.00%	-	General Plant	General Plant	
23	390	General Plant Structures	2.59%	2.50%	1,312			
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	-			
25	391	Office Furniture & Equipment	2.59%	6.67%	-			
26	393	Warehouse Equipment	2.59%	5.00%	-			
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	534			
28	395	Laboratory Equipment	2.59%	5.00%	-			
29	396	Power Operated Equipment	2.59%	6.67%	-			
30	397	Communication Equipment	2.59%	6.67%	79,355			
31	398	Miscellaneous Equipment	2.59%	3.33%	534	81,735	81,735	0
32		**TOTAL DIRECT WATER PLANT**			$ 849,682			
33		Post Test Year Plant (PTYP)				$ 849,682	$ 849,682	(0)
34		**RUCO Total Water Plant In Service**						
35								
36		**Company Direct Plant As Filed**						
37								
38		**RUCO Direct Plant Adjustment**						
39								
40		Reserve Deficiency Accrual - Decision No. 38733						
41								
42		Net (Salvage)/Cost of Removal						
43		Accumulated Depreciation						
44		Accumulated Depreciation - PTYP						
45		RUCO Total Accumulated Depreciation - Calculated						
46								
47		Company As Filed - Accumulated Depreciation						
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						
49								
50		**RUCO Net Adjustment**						
51								
52								
53								

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
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Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present
1	301	Organization	0.00%	0.00%
2	302	Franchises	See Acct. 111	See Acct. 111
3	303	Other Intangibles	See Acct. 111	See Acct. 111
4	310.1	Water Rights	0.00%	0.00%
5	310.3	Other Source of Supply Land	0.00%	0.00%
6	310.4	Wells - Other	See Acct. 111	See Acct. 111
7	314	Wells	2.59%	3.13%
8	320	Pumping Plant Land	0.00%	0.00%
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%
10	325	Electtric Pumping Equipment	2.59%	5.88%
11	328	Gas Engine Equipment	2.59%	4.00%
12	330	Water Treatment Plant Land	0.00%	0.00%
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%
14	332	Water Treatment Equipment	2.59%	2.86%
15	340	Transmission and Distribution Land	0.00%	0.00%
16	342	Storage Tanks	2.59%	2.00%
17	343	Transmission & Distribution Mains	2.59%	1.79%
18	344	Fire Sprinkler Taps	2.59%	2.00%
19	345	Services	2.59%	2.38%
20	346	Meters	2.59%	4.55%
21	348	Hydrants	2.59%	1.82%
22	389	General Plant Land	0.00%	0.00%
23	390	General Plant Structures	2.59%	2.50%
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2
25	391	Office Furniture & Equipment	2.59%	6.67%
26	393	Warehouse Equipment	2.59%	5.00%
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%
28	395	Laboratory Equipment	2.59%	5.00%
29	396	Power Operated Equipment	2.59%	6.67%
30	397	Communication Equipment	2.59%	6.67%
31	398	Miscellaneous Equipment	2.59%	3.33%
32		**TOTAL DIRECT WATER PLANT**		
33		Post Test Year Plant (PTYP)		
34		**RUCO Total Water Plant In Service**		
35				
36		**Company Direct Plant As Filed**		
37				
38		**RUCO Direct Plant Adjustment**		
39				
40		Reserve Deficiency Accrual - Decision No. 38733		
41				
42		Net (Salvage)/Cost of Removal		
43		Accumulated Depreciation		
44		Accumulated Depreciation - PTYP		
45		RUCO Total Accumulated Depreciation - Calculated		
46				
47		Company As Filed - Accumulated Depreciation		
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**		
49				
50		**RUCO Net Adjustment**		
51				
52				
53				

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
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Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	2003 Balance 12/31/2003
1	301	Organization	0.00%	651		651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	8,496		8,496
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	-		-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	-		-
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	-		-
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	31,795		31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	1,267,373		1,267,373
25	391	Office Furniture and Equipment	2.59%	3,505,411		3,505,411
26	393	Warehouse Equipment	2.59%	3,705		3,705
27	394	Tools, Shop and Garage Equipment	2.59%	30,450		30,450
28	395	Laboratory Equipment	2.59%	977		977
29	396	Power Operated Equipment	2.59%	-		-
30	397	Communication Equipment	2.59%	143,052		143,052
31	398	Miscellaneous Equipment	2.59%	7,207		7,207
32		**TOTAL PHOENIX OFFICE PLANT**		4,999,117	-	4,999,117
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Phoenix Office**		4,999,117	-	4,999,117
35						
36		**Company Phoenix Office As Filed**		4,999,117		4,999,117
37						
38		RUCO Phoenix Office Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733		-		-
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(503,775)	-	(503,775)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(503,775)	-	(503,775)
46						
47		Company As Filed - Accumulated Depreciation				(503,775)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	48,512			78,228	1,315,885
25	391	Office Furniture and Equipment	2.59%	129,135	(7,465)		92,366	3,627,081
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	24,820			1,110	55,270
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	6,465			3,789	149,517
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		208,932	(7,465)	-	176,624	5,200,584
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,200,584
35								
36		**Company Phoenix Office As Filed**						5,200,584
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(672,934)	(672,934)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(672,934)	(672,934)
46								
47		Company As Filed - Accumulated Depreciation						(672,934)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				89,580	1,315,885
25	391	Office Furniture and Equipment	2.59%	221,339			96,808	3,848,420
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	20,585			1,698	75,855
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	885			3,884	150,402
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		242,809	-	-	193,101	5,443,393
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,443,393
35								
36		**Company Phoenix Office As Filed**						5,443,393
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(866,035)	(866,035)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(866,035)	(866,035)
46								
47		Company As Filed - Accumulated Depreciation						(866,035)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				94,864	1,315,885
25	391	Office Furniture and Equipment	2.59%	369,071			104,454	4,217,491
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	59,519			2,735	135,374
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	1,741			3,918	152,143
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		430,332	-	-	207,102	5,873,725
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,873,725
35								
36		**Company Phoenix Office As Filed**						5,873,725
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,073,138)	(1,073,138)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,073,138)	(1,073,138)
46								
47		Company As Filed - Accumulated Depreciation						(1,073,137)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				425	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	10,463			959	42,258
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	93			86,708	1,315,978
25	391	Office Furniture and Equipment	2.59%	464,535	(243,714)		112,093	4,438,312
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	40,312			4,028	175,686
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	4,089			3,993	156,232
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		519,493	(243,714)	-	208,514	6,149,503
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						6,149,503
35								
36		**Company Phoenix Office As Filed**						6,149,503
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,037,938)	(1,037,938)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,037,938)	(1,037,938)
46								
47		Company As Filed - Accumulated Depreciation						(1,036,382)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1,556)
49								
50		**RUCO Net Adjustment**						(1,556)
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	2003 Balance 12/31/2003
1	301	Organization	0.00%	-		-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	80		80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	2,050		2,050
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	6,066		6,066
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	37,472		37,472
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	-		-
25	391	Office Furniture and Equipment	2.59%	3,983		3,983
26	393	Warehouse Equipment	2.59%	1,088		1,088
27	394	Tools, Shop and Garage Equipment	2.59%	58,430		58,430
28	395	Laboratory Equipment	2.59%	2,981		2,981
29	396	Power Operated Equipment	2.59%	1,458		1,458
30	397	Communication Equipment	2.59%	-		-
31	398	Miscellaneous Equipment	2.59%	-		-
32		**TOTAL METER SHOP PLANT**		113,608	-	113,608
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Meter Shop**		113,608	-	113,608
35						
36		**Company Meter Shop As Filed**		113,608		113,608
37						
38		RUCO Meter Shop Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733				
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(30,118)	-	(30,118)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(30,118)	-	(30,118)
46						
47		Company As Filed - Accumulated Depreciation				(30,118)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						
56	Notes					
57	Acct. 302 - Franchises amortized over 25 years.					
58	Acct. 303 - Other intangibles amortized over 15 & 20 Years.					
59	Acct. 310.4 - Wells - Other amortized over 24 years.					
60	Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.					

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	12,809			1,136	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	3,166			144	7,149
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	1,575			1,534	60,005
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		17,550	-	-	3,168	131,158
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						131,158
35								
36		**Company Meter Shop As Filed**						131,158
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733						
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(33,286)	(33,286)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(33,286)	(33,286)
46								
47		Company As Filed - Accumulated Depreciation						(33,286)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,302	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	94			186	7,243
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	2,004			1,580	62,009
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		2,097	-	-	3,422	133,256
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						133,256
35								
36		**Company Meter Shop As Filed**						133,256
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(36,708)	(36,708)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(36,708)	(36,708)
46								
47		Company As Filed - Accumulated Depreciation						(36,708)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	2,571			1,336	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	1,610			208	8,853
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	3,115			1,646	65,124
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		7,296	-	-	3,544	140,551
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						140,551
35								
36		**Company Meter Shop As Filed**						140,551
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(40,251)	(40,251)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(40,251)	(40,251)
46								
47		Company As Filed - Accumulated Depreciation						(40,251)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								
56		Notes						
57		Acct. 302 - Franchises amortized over 25 years.						
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.						
59		Acct. 310.4 - Wells - Other amortized over 24 years.						
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.						

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,369	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	1,893			254	10,745
26	393	Warehouse Equipment	2.59%	1,089			42	2,177
27	394	Tools, Shop and Garage Equipment	2.59%	2,298			1,716	67,422
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		5,280	-	-	3,707	145,832
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						145,832
35								
36		**Company Meter Shop As Filed**						145,832
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(43,958)	(43,958)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(43,958)	(43,958)
46								
47		Company As Filed - Accumulated Depreciation						(43,959)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						1
49								
50		**RUCO Net Adjustment**						1
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

EXPLANATION OF RATE BASE ADJUSTMENT NO. 2
POST TEST-YEAR PLANT - PHOENIX OFFICE

LINE NO.	ACCT NO.	ACCOUNT NAME	(A) COMPANY ADJUSTED TY PLANT	(B) POST TY ADDITIONS	(C) 3-FACTOR ALLOCATOR	(D) REMOVE PTY PLANT
1	301	Organization	$ 2	$ -	0.27%	$ -
2	302	Franchises	-	-	0.27%	-
3	303	Other Intangibles	1,221	-	0.27%	-
4	310.1	Water Rights	3,035	-	0.27%	-
5	310.3	Other Source of Supply Land	10,593	-	0.27%	-
6	310.4	Wells - Other	-	-	0.27%	-
7	314	Wells	159,282	-	0.27%	-
8	320	Pumping Plant Land	200	-	0.27%	-
9	321	Pumping Plant Structures & Imprm'ts	2,713	-	0.27%	-
10	325	Electtric Pumping Equipment	425,472	-	0.27%	-
11	328	Gas Engine Equipment	-	-	0.27%	-
12	330	Water Treatment Plant Land	-	-	0.27%	-
13	331	Water Treatment Structures & Imprm'ts	6,778	-	0.27%	-
14	332	Water Treatment Equipment	26,005	-	0.27%	-
15	340	Transmission and Distribution Land	-	-	0.27%	-
16	342	Storage Tanks	41,125	-	0.27%	-
17	343	Transmission & Distribution Mains	296,811	-	0.27%	-
18	344	Fire Sprinkler Taps	268	-	0.27%	-
19	345	Services	69,083	-	0.27%	-
20	346	Meters	22,259	-	0.27%	-
21	348	Hydrants	9,243	-	0.27%	-
22	389	General Plant Land	-	-	0.27%	-
23	390	General Plant Structures	9,539	-	0.27%	-
24	390.1	Leasehold Improvements	3,553	-	0.27%	-
25	391	Office Furniture & Equipment	12,012	120,057	0.27%	324
26	393	Warehouse Equipment	16	-	0.27%	-
27	394	Tools, Shop & Garage Equipment	1,190	-	0.27%	-
28	395	Laboratory Equipment	11	-	0.27%	-
29	396	Power Operated Equipment	4	-	0.27%	-
30	397	Communication Equipment	79,777	-	0.27%	-
31	398	Miscellaneous Equipment	553	-	0.27%	-
32		Rounding	(1)			
33		**TOTAL PTY WATER PLANT**	$ 1,180,745	$ 120,057		$ 324
34		Company As Filed	$ 1,180,745	120,057		324
35		Difference	$ -	$ -		$ -
36						
37		RUCO PTY Plant Adjustment				$ (324)
38						
39		RUCO PTY Accumulated Depreciation Plant Adjustment				$ 11
40						
41						
42		References:				
43		Column (A): Company Schedules B-2				
44		Column (B): Post Test Year Phoenix Office Plant Allocation				
45		Column (C): 3-Factor Allocator				
46		Column (D): Adjustment				

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6
ALLOWANCE FOR WORKING CAPITAL

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) REFERENCE
1	Working Cash Requirement Per Company	$ 4,293	Company Schedule B-5, PG. 1
2	Working Cash Requirement Per RUCO	(9,073)	RUCO Schedule WAR-5, Page 2
3	Adjustment	$ (13,366)	Line 2 - Line 1
4	Material and Supplies Inventories Per Company	$ 493	Company Schedule B-5, PG. 1
5	Material and Supplies Inventories Per RUCO	493	Company Schedule B-5, PG. 1
6	Adjustment	$ -	Line 5 - Line 4
7	Required Bank Balances Per Company	$ 1,389	Company Schedule B-5, PG. 1
8	Required Bank Balances Per RUCO	1,389	Company Schedule B-5, PG. 1
9	Adjustment	$ -	Line 8 - Line 7
10	Prepayments & Special Deposits Per Company	$ 1,450	Company Schedule B-5, PG. 1
11	Prepayments & Special Deposits Per RUCO	1,450	Company Schedule B-5, PG. 1
12	Adjustment	$ -	Line 11 - Line 10
13	TOTAL ADJUSTMENT (See TJC-2, Column (K))	$ (13,366)	Sum of Lines 3, 6, 9 & 12

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6 - CONT'D
LEAD/LAG DAY SUMMARY

LINE NO.	DESCRIPTION	(A) COMPANY EXPENSES AS FILED	(B) RUCO ADJUSTM'TS	(C) RUCO EXPENSES AS ADJUSTED	(D) (LEAD)/LAG DAYS	(E) DOLLAR DAYS
	Operating Expenses					
1	Purchased Power	$ 20,599	$ -	$ 20,599	35.92	$ 739,916
2	Payroll	22,437	(817)	21,620	14.00	302,674
3	Purchased Water	-	-	-		-
4	Chemicals	-	-	-	20.43	-
5	Property & Liability Insurance	807	-	807	(45.27)	(36,533)
6	Workman's Compensation Insurance	403	-	403	(46.50)	(18,740)
7	Health Insurance	5,925	(3)	5,922	(8.92)	(52,826)
8	Other Operating & Maintenance Expenses	86,555	(450)	86,105	30.00	2,583,150
9	Federal Current Income Taxes	25,903	(20,299)	5,604	37.00	207,353
10	State Current Income Taxes	5,706	(2,908)	2,798	37.00	103,537
11	FICA Taxes	1,814	(95)	1,719	14.00	24,063
12	FUTA & SUTA Taxes	43	-	43	83.10	3,573
13	Property Taxes	14,053	-	14,053	212.00	2,979,236
14	Registration, Svc. Contracts, & Misc. Fees	1,443	-	1,443	(98.83)	(142,612)
15	Retirement Annuities (401k)	1,956	(69)	1,887	34.72	65,514
16	Subtotal	187,644	(24,641)	163,003		6,758,306
17	Synchronized Interest	$ 30,546	$ (1,815)	$ 28,731	91.25	$ 2,621,726
18	Cost of Equity	50,283	(50,283)	-	-	-
19	Subtotal	$ 80,829	$ (52,098)	$ 28,731		$ 2,621,726
20	Total	$ 268,473	$ (76,739)	$ 191,734		$ 9,380,032

21	Expense Lag	Line 17, Col. (E) / (C)	48.92
22	Revenue Lag	Company B-5 Schedules	31.65
23	Net Lag	Line 18 - Line 17	(17.27)
24	RUCO Adjusted Expenses	Col. (C), Line 16	$ 191,734
25	Cash Working Capital	Line 19 X Line 20 / 365 Days	(9,073)
26	Company As Filed	Co. Schedule B-6, Page 1	4,293
27	Difference	Line 21 - Line 22	$ (13,366)
28	ADJUSTMENT	Line 27	$ (13,366)

NOTE: Expense Lag Days Used in the Last Western Group Rate Case.

NOTE: RUCO reviewed several invoices from a number of companies with terms of net 30 days.

References:
Column (A): - Company Schedule B-5
Column (B): RUCO Operating Income Adjustments (See Schedule TJC-7)
Column (C): Column (A) + (B)
Column (D): - Company Schedule B-5
Column (E): Column (C) X Column (D)

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Stanfield System
Schedule TJC-7
Page 1 of 1

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJM'TS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
	Operating Revenues					
1	Residential	$ 88,841	$ -	$ 88,841	$ 108,919	$ 197,760
2	Commercial	22,651	-	22,651	$ 28,600	51,252
3	Industrial	-	-	-	$ -	-
4	Private Fire Service	-	-	-	$ -	-
5	Other Water Revenues	19,498	-	19,498	$ (1,406)	18,092
6	Total Water Revenues	$ 130,990	$ -	$ 130,990	$ 136,114	$ 267,104
7	Miscellaneous	$ 936	$ -	$ 936	$ (47)	$ 889
8	Total Operating Revenues	$ 131,926	$ -	$ 131,926	$ 136,067	$ 267,993
	Operating Expenses					
	Source of Supply Expenses:					
9	Purchased Water	$ -	$ -	$ -	$ -	$ -
10	Other	378	-	378	-	378
11	Pumping Expenses:	-				
12	Purchased Power	20,599	-	20,599	-	20,599
13	Purchased Gas	-	-	-	-	-
14	Other	4,831	-	4,831	-	4,831
15	Water Treatment Expenses	62,986	-	62,986	-	62,986
16	Transmission & Distribution Expenses	25,008	-	25,008	-	25,008
17	Customer Accounting Expenses	8,718	-	8,718	-	8,718
18	Sales Expense	43	-	43	-	43
19	Administrative & General Expenses	17,560	(1,069)	16,491	-	16,491
20	Total Operations & Maintenance Expense	$ 140,124	$ (1,069)	$ 139,055	$ -	$ 139,055
21	Depreciation & Amortization Expenses	$ 46,067	$ (1,500)	$ 44,568	$ -	$ 44,568
	Taxes					
22	Federal Income Taxes	$ (31,753)	$ 18,369	$ (13,384)	$ 18,988	$ 5,604
23	State Income Taxes	(6,995)	312	(6,683)	9,481	2,798
24	Property Taxes	14,053	-	14,053	-	14,053
25	Other	1,522	(95)	1,426	-	1,426
26	Total Taxes	$ (23,173)	$ 18,586	$ (4,587)	$ 28,469	$ 23,882
27	Total Operating Expenses	$ 163,018	$ 16,018	$ 179,036	$ 28,469	$ 207,505
28	Operating Income	$ (31,092)	$ (16,018)	$ (47,110)	$ 107,598	$ 60,488

References:
Column (A): Company Schedule C-1
Column (B): TJC-8, Columns (B) Thru (I)
Column (C): Column (A) + Column (B)
Column (D): TJC-1
Column (E): Column (C) + Column (D)

Arizona Water Company
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Test Year Ended December 31, 2007

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJMT NO. 1 LABOR EXPENSE	(C) ADJMT NO. 2 PAYROLL TAX EXPENSE	(D) ADJMT NO. 3 401(K) EXPENSE	(E) ADJMT NO. 4 REVERSE ADJ. FOR CONSERVATION	(F) ADJMT NO. 5 PURCH. POWER REVENUES	(G) ADJMT NO. 6 INSURANCE EXPENSE	(H) ADJMT NO. 7 DEPRECIATION EXPENSE	(I) ADJMT NO. 8 PROPERTY TAX	(J) ADJMT NO. 9 RATE CASE EXPENSE	(K) ADJMT NO. 10 INCOME TAXES	(L) RUCO AS ADJT'D
	Operating Revenues												
1	Residential	$ 88,841	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 88,841
2	Commercial	22,651	-	-	-	-	-	-	-	-	-	-	22,651
3	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
4	Private Fire Service	-	-	-	-	-	-	-	-	-	-	-	-
5	Other Water Revenues	19,498	-	-	-	-	-	-	-	-	-	-	19,498
6	Total Water Revenues	$ 130,990	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 130,990
7	Miscellaneous	$ 936	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 936
8	Total Operating Revenues	$ 131,926	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 131,926
	Operating Expenses												
	Source of Supply Expenses:												
9	Purchased Water	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	Other	378	-	-	-	-	-	-	-	-	-	-	378
11	Pumping Expenses:												
12	Purchased Power	20,599	-	-	-	-	-	-	-	-	-	-	20,599
13	Purchased Gas	-	-	-	-	-	-	-	-	-	-	-	-
14	Other	4,831	-	-	-	-	-	-	-	-	-	-	4,831
15	Water Treatment Expenses	62,986	-	-	-	-	-	-	-	-	-	-	62,986
16	Transmission & Distribution Expenses	25,008	-	-	-	-	-	-	-	-	-	-	25,008
17	Customer Accounting Expenses	8,718	-	-	-	-	-	-	-	-	-	-	8,718
18	Sales Expense	43	-	-	-	-	-	-	-	-	-	-	43
19	Administrative & General Expenses	17,560	(817)	-	(69)	-	-	(3)	-	-	(180)	-	16,491
20	Total Operations & Maintenance Expense	$ 140,124	$ (817)	$ -	$ (69)	$ -	$ -	$ (3)	$ -	$ -	$ (180)	$ -	$ 139,055
21	Depreciation & Amortization Expenses	$ 46,067	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,500)	$ -	$ -	$ -	$ 44,568
	Taxes												
22	Federal Income Taxes	$ (31,753)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 18,369	$ (13,384)
23	State Income Taxes	(6,995)	-	-	-	-	-	-	-	-	-	312	(6,683)
24	Property Taxes	14,053	-	-	-	-	-	-	-	-	-	-	14,053
25	Other	1,522	-	(95)	-	-	-	-	-	-	-	-	1,426
26	Total Taxes	$ (23,173)	$ -	$ (95)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 18,682	$ (4,587)
27	Total Operating Expenses	$ 163,018	$ (817)	$ (95)	$ (69)	$ -	$ -	$ (3)	$ (1,500)	$ -	$ (180)	$ 18,682	$ 179,036
28	Operating Income	$ (31,092)	$ 817	$ 95	$ 69	$ -	$ -	$ 3	$ 1,500	$ -	$ 180	$ (18,682)	$ (47,110)

ADJUSTMENTS:	REFERENCE:
1 - Labor Expense - Normalize OT Hours in Test Year	Testimony, WAR And Schedule TJC-9 Page, 1 of 3
2 - Payroll Tax Expense Related to Adjustment 1	Testimony, WAR And Schedule TJC-9 Page, 2 of 3
3 - 401(K) Expense Related to Adjustment 1	Testimony, WAR And Schedule TJC-9 Page, 3 of 3
4 - Reverse Adjustment for Conservation	Testimony WAR
5 - Purchased Power Revenues	Testimony WAR
6 - Insurance Expense	Testimony, WAR And Schedule TJC-10
7 - Depreciation Expense	Testimony, WAR And Schedule TJC-11
8 - Property Tax Expense	Testimony, WAR And Schedule TJC-12
9 - Rate Case Expense	Testimony, WAR And Schedule TJC-13
10 Income Tax	Testimony, WAR And Schedule TJC-14

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 1
PAYROLL EXPENSE

LINE NO.	DESCRIPTION		(A) PER RUCO DR 1.11.d
1	Normalize Over-Time Over 4 Years:		
2	2005 OT Hours		15,008.5
3	2006 OT Hours		18,080.0
4	2007 OT Hours		28,132.5
5	2008 OT Hours		17,530.0
6			
7	Total OT Hours for 2005 - 2008		78,751.0
8	Divided by 4 Years		4
9			
10	Normalized Level of OT Hours/Yr.		19,687.8
11			
12	OT Hours in Test Year		28,132.5
13			
14	Amount of Abnormal TY OT Hours		8,444.8
15			
16	Multiplied by Average OT Hrly. Rate	**See NOTE**	35.85
17			
18	Total Abnormal OT Dollars in TY		$ 302,744
19			
20	3-Factor Allocator Per District		0.27%
21			
22	RUCO Adjustment		$ (817)
23			
24			
25			
26			
27			

28	3-Factor Allocator By District:			
29	Superstition	24.94%	White Tank	2.37%
30	Bisbee	4.98%	Ajo	0.81%
31	Sierra Vista	2.58%	Coolidge	5.27%
32	San Manuel	1.68%	Lakeside	6.20%
33	Oracle	2.28%	Overgaard	3.99%
34	Winkelman	0.22%	Sedona	8.45%
35	Miami	4.98%	Pinewood	2.95%
36	Casa Grande	26.55%	Rimrock	1.48%
37	Stanfield	0.27%		
38				
39				
40				
41				
42	**Calculation Notes:**			
43	Average of Hourly Rate	$ 21.65		
44	OT Hourly Rate 1.5	32.48		

NOTE: The Company calculated the average hourly rate for overtime in response to data request All-11.6 to be $35.85. RUCO accepts that rate in making its payroll adjustments.

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
PAYROLL TAX EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll Tax Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	0.27%
6		
7	RUCO Allocated Payroll by District	$ 817
8		
9	Payroll Tax Expense Allocator By Group:	
10		
11	RUCO Payroll Tax Expense Allocator by Group	11.65%
12		
13	RUCO Payroll Tax Expense Adjustment	$ (95)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	7.47%
40	Western Group	11.65%
41	Northern Group	15.90%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
PAYROLL 401(K) EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll 401(K) Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	0.27%
6		
7	RUCO Allocated Payroll by District	$ 817
8		
9	Payroll 401(K) Expense Allocator By Group:	
10		
11	RUCO Payroll 401(K) Expense Allocator by Group	8.45%
12		
13	RUCO Payroll 401(K) Expense Adjustment	$ (69)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	8.39%
40	Western Group	8.45%
41	Northern Group	8.12%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
INSURANCE EXPENSE

LINE NO.		(A) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER COMPANY	(B) RUCO ADJUSTMENT	(C) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER RUCO
1	System			
2				
3	Eastern Group			
4	Supersition	$ 2,224	$ (273)	$ 1,950
5	Apache Junction			
6	Superior			
7	Bisbee	122	(45)	77
8	Sierra Vista	115	(38)	77
9	San Manuel	5	(20)	(16)
10	Oracle	25	(20)	5
11	Saddlebrook	5	(0)	4
12	Winkelman	0	(2)	(2)
13	Miami	(338)	(40)	(378)
14	Subtotal	$ 2,157	$ (439)	$ 1,718
15				
16	Western Group			
17	Casa Grande	2,137	(298)	1,839
18	Stanfield	20	(3)	17
19	White Tank	148	(22)	126
20	Ajo	58	(9)	49
21	Coolidge	(127)	(62)	(189)
22	Subtotal	$ 2,235	$ (393)	$ 1,842
23				
24	Northern Group			
25	Lakeside	570	(65)	506
26	Overgaard	507	(55)	452
27	Sedona	445	(84)	361
28	Pinewood	199	(38)	162
29	Rimrock	87	(16)	71
30	Subtotal	$ 1,809	$ (257)	$ 1,551
31				
32				
33	Total Company	$ 6,201	$ (1,090)	$ 5,111 (a)

REFERENCE

COLUMN (A): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (B): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (C): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD

NOTES:

(a) CALCULATED AS FOLLOWS:		PER COMPANY	RUCO ADJUSTMENT	PER RUCO	REFERENCE
1	Current Rate per Payroll Dollar	$ 0.0036		$ 0.0036	COMPANY WORKPAPER - "GROUP INSURANCE" TAB LTD
2	Pro Forma Payroll Dollars	$ 11,095,569	$ 302,744	$ 10,792,825	COMPANY WORKPAPER - "GROUP INSURANCE)
3	Pro Forma LTD - Total Company	$ 39,944		$ 38,854	LINE 1 x LINE 2
4	Y/E Number of Customers	$ 83,825		$ 83,825	COMPANY WORKPAPER - "GROUP INSURANCE)
5	Pro Forma 2007 LTD - Spread	$ 38,854		$ 38,854	COMPANY WORKPAPER - "GROUP INSURANCE)
6	Increase / (Decrease)	$ 6,201		$ 5,111	COMPANY WORKPAPER - "GROUP INSURANCE)

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EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCOUNT NO.	ACCOUNT NAME	(A) RUCO PLANT VALUE	(B) COMPANY PROPOSED DEP. RATES	(C) TEST YEAR DEPRECIATION EXPENSE
1	301	Organization	$ 2	0.00%	$ -
2	302	Franchises	-	See Acct. 111	-
3	303	Other Intangibles	1,221	See Acct. 111	92
4	310.1	Water Rights	3,035	0.00%	-
5	310.3	Other Source of Supply Land	10,593	0.00%	-
6	310.4	Wells - Other	-	See Acct. 111	-
7	314	Wells	159,282	3.13%	4,986
8	320	Pumping Plant Land	200	0.00%	-
9	321	Pumping Plant Structures & Imprm'ts	2,713	2.86%	78
10	325	Electtric Pumping Equipment	422,973	5.88%	24,871
11	328	Gas Engine Equipment	-	4.00%	-
12	330	Water Treatment Plant Land	-	0.00%	-
13	331	Water Treatment Structures & Imprm'ts	6,778	2.50%	169
14	332	Water Treatment Equipment	(9,036)	2.86%	(258)
15	340	Transmission and Distribution Land	-	0.00%	-
16	342	Storage Tanks	41,125	2.00%	823
17	343	Transmission & Distribution Mains	291,711	1.79%	5,222
18	344	Fire Sprinkler Taps	268	2.00%	5
19	345	Services	69,083	2.38%	1,644
20	346	Meters	22,259	4.55%	1,013
21	348	Hydrants	9,243	1.82%	168
22	389	General Plant Land	-	0.00%	-
23	390	General Plant Structures	1,569	2.50%	39
24	390.1	Leasehold Improvements	3,553	See Acct. 108.2	-
25	391	Office Furniture & Equipment	19,657	6.67%	1,311
26	393	Warehouse Equipment	16	5.00%	1
27	394	Tools, Shop & Garage Equipment	1,190	4.00%	48
28	395	Laboratory Equipment	11	5.00%	1
29	396	Power Operated Equipment	4	6.67%	0
30	397	Communication Equipment	79,777	6.67%	5,321
31	398	Miscellaneous Equipment	553	3.33%	18
32		Rounding	(1)		
33		TEST YEAR GROSS PLANT AND DEPRECIATION EXPENSE	$ 1,137,780		$ 45,551
34					
35		AMORTIZATION OF CONTRIBUTIONS	(49,164)	2.00%	(983)
36		Rounding			-
37	**TOTAL DEPRECIATION EXPENSE**				$ 44,567
38					
39	Company As Filed				46,067
40	Difference				$ (1,500)
41					
42	RUCO Adjustment (See TJC-8, Column (B))				$ (1,500)
43					
44					

45	3-Factor Allocator By District:			
46	Superstition	24.94%	White Tank	2.37%
47	Bisbee	4.98%	Ajo	0.81%
48	Sierra Vista	2.58%	Coolidge	5.27%
49	San Manuel	1.68%	Lakeside	6.20%
50	Oracle	2.28%	Overgaard	3.99%
51	Winkelman	0.22%	Sedona	8.45%
52	Miami	4.98%	Pinewood	2.95%
53	Casa Grande	26.55%	Rimrock	1.48%
54	Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	REFERENCE	(A)	(B)
	Calculation Of The Company's Full Cash Value:			
	Annual Operating Revenues:			
1	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	$ 131,926	
2	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	131,926	
3	Proposed Revenues	Sch. TJC-7, Col (E), Ln 8	267,993	
4	Total Three Year Operating Revenues	Sum Of Lines 1, 2 & 3	$ 531,845	
5	Average Annual Operating Revenues	Line 4 / 3	177,282	
6	Two Times Three Year Average Operating Revenues	Line 5 X 2		$ 354,563
	ADD:			
	10% Of Construction Work In Progress ("CWIP"):			
7	Test Year CWIP	Company Schedule E	$ 281,755	
8	10% Of CWIP	Line 7 X 10%		$ 28,176
	SUBTRACT:			
	Transportation At Book Value:			
9	Original Cost Of Transportation Equipment	Company Workpapers	$ -	
10	Acc. Dep. Of Transportation Equipment	Company Workpapers	-	
11	Net Book Value Of Transportation Equipment	Line 9 + Line 10		$ (230)
12	Company's Full Cash Value ("FCV")	Sum Of Lines 6, 8 & 11		$ 382,509
	Calculation Of The Company's Tax Liability:			
	MULTIPLY:			
	FCV X Valuation Assessment Ratio X Property Tax Rates:			
13	Assessment Ratio	House Bill 2779	22.5%	
14	Assessed Value	Line 12 X Line 13	$ 86,064	
	Property Tax Rates:			
15	Primary Tax Rate	Company Workpapers	15.85%	
16	Secondary Tax Rate	Company Workpapers	0.00%	
17	Estimated Tax Rate Liability	Line 15 + Line 16	15.85%	
	Property Tax			$ 13,641
	Tax On Parcel			-
18	Company's Total Tax Liability - Based On Full Cash Value	Line 14 X Line 17		$ 13,641
19	Test Year Adjusted Property Tax Expense As Filed	Co. Sch. C-1		14,053
20	Decrease In Property Tax Expense	Line 18 - Line 19		$ (412)
21	RUCO Adjustment (See TJC-8, Column (C))	Line 20		$ (412)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 9
RATE CASE EXPENSE

LINE NO.	DESCRIPTION	(A) COMPANY ESTIMATE	(B) RUCO ADJUSTMENT	(C) RUCO AS ADJUSTED
1	Rate Case Expense Total	$ 500,000	$ (200,000)	$ 300,000
2	Allocation Factor			0.27%
3	Stanfield System (Line 1 X Line 2)			$ 810
4	Amortization Period - 3 Years			3
5	RUCO Adjusted Rate Case Expense (Line 3 / 3 Years)			$ 270
6	Company Rate Case Expenses As Filed (Company Sch. C-2)			$ 450
7	RUCO Pro Forma Rate Case Expense (Lines 5 - 6)			$ (180)
8	RUCO Adjustment (Line 7) (See TJC-8, Column (E))			$ (180)

3-Factor Allocator By District:

Superstition	24.94%	White Tank	2.37%
Bisbee	4.98%	Ajo	0.81%
Sierra Vista	2.58%	Coolidge	5.27%
San Manuel	1.68%	Lakeside	6.20%
Oracle	2.28%	Overgaard	3.99%
Winkelman	0.22%	Sedona	8.45%
Miami	4.98%	Pinewood	2.95%
Casa Grande	26.55%	Rimrock	1.48%
Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. TJC-7, Column (C), L28 + L22 + L23	$ (67,176)
	LESS:		
2	Arizona State Tax	Line 11	(6,683)
3	Interest Expense	Note (A) Line 21	28,731
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ (89,225)
5	Federal Tax Rate	Sch. TJC-1, Pg 2, Col. (D), L34	15.00%
6	Federal Income Tax Expense	Line 4 X line 5	$ (13,384)
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ (67,176)
	LESS:		
8	Interest Expense	Note (A) Line 21	28,731
9	State Taxable Income	Line 7 - Line 8	$ (95,908)
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ (6,683)
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ (13,384)
13	State Income Tax Expense	Line 11	(6,683)
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ (20,067)
15	Total Federal Income Tax Expense Per Company (Per Company Sch. C-1, L30)		(31,753)
16	Total State Income Tax Expense Per Company (Per Company Sch. C-1, L31)		(6,995)
17	RUCO Federal Income Tax Adjustment	Line 12 - Line 15	$ 18,369
18	RUCO State Income Tax Adjustment	Line 13 - Line 16	$ 312

NOTE (A):
Interest Synchronization:

19	Adjusted Rate Base (Sch. TJC-2, Col. (H), L17)	$	774,655
20	Weighted Cost Of Debt (Sch. TJC-15 Col. (D), L1)		3.71%
21	Interest Expense (L18 X L19)	$	28,731

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COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) DOLLAR AMOUNT	(B) CAPITAL RATIO	(C) COST RATE	(D) WEIGHTED COST RATE
1	Long-Term Debt	$ 75,000,000	50.76%	7.31%	3.71%
2	Common Equity	72,744,646	49.24%	8.33%	4.10%
3	Total Capitalization	$ 147,744,646	100.00%		
4	WEIGHTED AVERAGE COST OF CAPITAL				7.81%

References:
Columns (A) Thru (D): Testimony, WAR

ARIZONA WATER COMPNAY

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White Tank System

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White Tank System

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TJC-3	1	SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS
TJC-4 DIRECT PLANT	1 TO 7	RATE BASE ADJUSTMENT NO. 1 - PLANT & ACCUMULATED DEPRECIATION RECONCILIATION ADJUSTMENT
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TJC-5	1	RATE BASE ADJUSTMENT NO. 2 - REMOVE POST TEST-YEAR PLANT FOR PHOENIX OFFICE
TESTIMONY		RATE BASE ADJUSTMENT NO. 3 - REMOVE PLANT AND RETIREMENTS INCLUDED IN RATE APPLICATION
		RATE BASE ADJUSTMENT NO. 4 - INTENTIONALLY LEFT BLANK
		RATE BASE ADJUSTMENT NO. 5 - INTENTIONALLY LEFT BLANK
TJC-6	1 & 2	RATE BASE ADJUSTMENT NO. 6 - WORKING CAPITAL AND LEAD/LAG STUDY
TJC-7	1	OPERATING INCOME
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TJC-10	1	OPERATING INCOME ADJUSTMENT NO. 6 - INSURANCE EXPENSE
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TJC-12	1	OPERATING INCOME ADJUSTMENT NO. 8 - PROPERTY TAX COMPUTATION
TJC-13	1	OPERATING INCOME ADJUSTMENT NO. 9 - RATE CASE EXPENSE
TJC-14	1	OPERATING INCOME ADJUSTMENT NO. 10 - INCOME TAX EXPENSE
TJC-15	1	COST OF CAPITAL

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	$ 4,415,017	$ 4,307,949
2	Adjusted Operating Income (Loss)	$ 130,069	$ 137,059
3	Current Rate of Return (L2 / L1)	2.95%	3.18%
4	Required Operating Income (L5 X L1)	$ 433,301	$ 336,381
5	Required Rate of Return on Fair Value Rate Base	9.81%	7.81%
6	Operating Income Deficiency (L4 - L2)	$ 303,233	$ 199,322
7	Gross Revenue Conversion Factor (TJC-1, Page 2)	1.6286	1.5950
8	Required Increase in Gross Revenue Requirement (L7 X L6)	$ 493,855	$ 317,918
9	Adjusted Test Year Revenue	$ 1,244,735	$ 1,244,735
10	Proposed Annual Revenue (L8 + L9)	$ 1,739,054	$ 1,562,653
11	Required Percentage Increase in Revenue (L8 / L9)	39.68%	25.54%
12	Consolidated Revenue Adjustment	$ -	$ -
13	Required Increase in Gross Revenue Under Company Proposed Consolidation	$ -	$ -
14	Required Revenue Under Company Proposed Consolidation	$ -	$ -
15	Required Percentage Increase in Revenue Under Company Proposed Consolidation	-	-
16	Rate of Return on Common Equity	12.40%	8.33%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule TJC-2, TJC-7, and TJC-15

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Combined Federal And State Tax Rate (L10)	0.3730			
3	Subtotal (L1 - L2)	0.6270			
4	**Revenue Conversion Factor** (L1 / L3)	**1.5950**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	32.6082%			
9	Effective Federal Income Tax Rate (L7 X L8)	30.3361%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	37.3041%			
11	Required Operating Income (Sch. TJC-1, Pg 1, C (B), L4)	$ 336,381			
12	Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Pg 1, C (B), L2)	137,059			
13	Required Increase In Operating Income (L11 - L12)		$ 199,322		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 105,079			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	(13,518)			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ 118,596		
17	Total Required Increase In Revenue (L13 + L16)		$ 317,918		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. TJC-1, Pg 1, Col. (B), L12)			$ 1,562,653	
19	Operating Expense Excluding Income Tax (TJC-7, Col. (E), L27 - L22 - L23)			1,121,193	
20	Synchronized Interest (Col. (C), L37)			159,778	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 281,682	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 19,628
24	Fed. Taxable Income (L21 - L23)			$ 262,054	
25	Fed. Tax on 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax on 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			$ 6,250	
27	Fed. Tax on 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			$ 8,500	
28	Fed. Tax on 4th Inc. Bracket ($100,001 - $335,000) @ 39%			$ 63,201	
29	Fed. Tax on 5th Inc. Bracket ($335,001 - $10M) @ 34%			$ -	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 85,451
31	Combined Federal and State Income Tax (L23 + L30)				$ 105,079
32	Test Year Combined Income Tax, RUCO as Adjusted (TJC-7, Col. (C), L22 + L23)				$ (13,518)
33	RUCO Adjustment (L31 - L32) (See TJC-6, Col. (D), L23)				$ 118,596
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				32.61%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. WAR-2, Col. (C), L17)			$ 4,307,949	
36	Weighted Avg. Cost of Debt (Sch. TJC-16, Col. (F), L1)			3.71%	
37	Synchronized Interest (L35 X L36)			$ 159,778	

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RATE BASE - ORIGINAL COST

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) RUCO OCRB/FVRB ADJUSTMENTS	(C) RUCO ADJ'TED OCRB/FVRB
	Plant Classification			
1	Intangible Plant	$ 10,580	$ -	$ 10,580
2	Source of Supply Plant	615,238	-	615,238
3	Pumping Plant	881,883	(35,104)	846,779
4	Water Treatment Plant	1,119,829	(904)	1,118,925
5	Transmission & Distribution Plant	10,239,592	-	10,239,592
6	General Plant	269,914	(2,845)	267,069
7	Total Gross Plant in Service	$ 13,137,036	$ (38,853)	$ 13,098,182
8	Accumulated Depreciation	(1,716,046)	27,639	(1,688,407)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 11,420,990	$ (11,214)	$ 11,409,776
10	Advances in Aid Of Const.	$ (5,647,808)	$ -	$ (5,647,808)
11	Contribution in Aid of Const.	$ (1,134,727)	$ -	$ (1,134,727)
12	Accumulated Amortization of CIAC	175,250	-	175,250
13	NET CIAC (L5 + L6)	$ (959,477)	$ -	$ (959,477)
14	Deferred Income Tax	$ (454,211)	$ -	$ (454,211)
15	Allowance for Working Capital	$ 55,523	$ (95,854)	$ (40,331)
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -
17	Rounding	$ -	$ -	$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 4,415,017	$ (107,068)	$ 4,307,949

References:
Column (A): Company Schedule B-1
Column (B): Schedule TJC-3
Column (C): Column (A) + Column (B)

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White Tank System
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SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) ADJMT NO. 1 PLANT & ACCUM DEP.	(C) ADJMT NO. 2 REMOVE PTY PLANT	(D) ADJMT NO. 3 PER BKB 11.16	(E) ADJMT NO. 4	(F) ADJMT NO. 5	(G) ADJMT NO. 6 WORKING CAPITAL	(H) RUCO ADJ'TED OCRB/FVRB
1	Plant Classification								
2	Intangible Plant	$ 10,580	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,580
3	Source of Supply Plant	615,238	-	-	-	-	-	-	615,238
4	Pumping Plant	881,883	-	-	-	-	-	-	846,779
5	Water Treatment Plant	1,119,829	-	-	-	-	-	-	1,118,925
6	Transmission & Distribution Plant	10,239,592	-	-	-	-	-	-	10,239,592
7	General Plant	269,914	-	-	-	-	-	-	267,069
8	Total Gross Plant in Service	$ 13,137,036	$ -	$ -	$ (35,104)	$ -	$ -	$ -	$ 13,098,182
9	Accumulated Depreciation	(1,716,046)	-	-	(904)	-	-	-	(1,688,407)
10	Net Utility Plant in Service (Sum L1 & L2)	$ 11,420,990	$ -	$ (2,845)	-	-	-	-	$ 11,409,776
11	Advances in Aid Of Const.			(2,845)	-	-	-	-	
12	Contribution in Aid of Const.	$ (5,647,808)	$ 54	$ -	$ (36,008)	$ -	$ -	$ -	$ (5,647,808)
13	Accumulated Amortization of CIAC	$ (1,134,727)	$ 54	$ 95	$ 27,491	$ -	$ -	$ -	$ (1,134,727)
14	NET CIAC (L5 + L6)	175,250	$ -	$ (2,750)	$ (8,517)	$ -	$ -	$ -	175,250
15	Deferred Income Tax	$ (959,477)	$ -	$ -	$ -	$ -	$ -	$ -	$ (959,477)
16	Allowance for Working Capital	$ (454,211)	$ -	$ -	$ -	$ -	$ -	$ -	$ (454,211)
17	Net Regulatory Asset / (Liability)	$ 55,523	$ -	$ -	$ -	$ -	$ -	$ -	$ (40,331)
18	Rounding	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 4,415,017	$ 54	$ (2,750)	$ (8,517)	$ -	$ -	$ (95,854)	$ 4,307,949

References:
Column (A): Company Schedule B-2
Column (B): Adjustment No. 1 - Adjust Test-Year Plant, PTY Plant & Accumulated Depreciation (See TJC-4 Total, TJC-4 Direct, TJC-4 PHX OFF and TJC-4 MS Schedules and TJC Testimony)
Column (C): Adjustment No. 2 - To Remove Post Test Year Phoenix Office Plant and Accum. Depre.
Column (D): Adjustment No. 3 - Conforming Adkustment Per Data Response to BKB 11.16 to Remove Plant and Record Retirements
Column (E): Adjustment No. 4 - Intentionally Left Blank
Column (F): Adjustment No. 5 - Intentionally Left Blank
Column (G): Adjustment No. 6 - Working Capital
Column (H): Sum Of Columns (A), (B), (C), (D), (E), (F) & (G)

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

White Tank System
Schedule TJC-4 - Direct Plant

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	(C) 12/31/2003 Per Decision No. 68302	(D) ADJ-1 Remove Post Test Year Plant	(E) Plant Balance 12/31/2003
1	301	Organization	0.00%	0.00%	-		$ -
2	302	Franchises	See Acct. 111	See Acct. 111	-		-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	-		-
4	310.1	Water Rights	0.00%	0.00%	5,379		5,379
5	310.3	Other Source of Supply Land	0.00%	0.00%	28,521		28,521
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-		-
7	314	Wells	2.59%	3.13%	535,369		535,369
8	320	Pumping Plant Land	0.00%	0.00%	-		-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	18,637		18,637
10	325	Electtric Pumping Equipment	2.59%	5.88%	509,917		509,917
11	328	Gas Engine Equipment	2.59%	4.00%	-		-
12	330	Water Treatment Plant Land	0.00%	0.00%	-		-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	79		79
14	332	Water Treatment Equipment	2.59%	2.86%	15,053		15,053
15	340	Transmission and Distribution Land	0.00%	0.00%	35,990		35,990
16	342	Storage Tanks	2.59%	2.00%	481,206		481,206
17	343	Transmission & Distribution Mains	2.59%	1.79%	2,979,570		2,979,570
18	344	Fire Sprinkler Taps	2.59%	2.00%	11,849		11,849
19	345	Services	2.59%	2.38%	554,285		554,285
20	346	Meters	2.59%	4.55%	90,488		90,488
21	348	Hydrants	2.59%	1.82%	218,331		218,331
22	389	General Plant Land	0.00%	0.00%	-		-
23	390	General Plant Structures	2.59%	2.50%	19,976		19,976
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	-		-
25	391	Office Furniture & Equipment	2.59%	6.67%	15,017		15,017
26	393	Warehouse Equipment	2.59%	5.00%	1,043		1,043
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	18,697		18,697
28	395	Laboratory Equipment	2.59%	5.00%	2,477		2,477
29	396	Power Operated Equipment	2.59%	6.67%	635		635
30	397	Communication Equipment	2.59%	6.67%	27,428		27,428
31	398	Miscellaneous Equipment	2.59%	3.33%	10,573		10,573
32		**TOTAL DIRECT WATER PLANT**			$ 5,580,520	$ -	$ 5,580,520
33		Post Test Year Plant (PTYP)			-	-	-
34		**RUCO Total Water Plant In Service**			$ 5,580,520	$ -	$ 5,580,520
35							
36		**Company Direct Plant As Filed**					
37							
38		**RUCO Direct Plant Adjustment**					
39							
40		Reserve Deficiency Accrual - Decision No. 38733					
41							
42		Net (Salvage)/Cost of Removal					
43		Accumulated Depreciation			(1,079,029)		$ (1,079,029)
44		Accumulated Depreciation - PTYP			(9,877)	9,877	-
45		RUCO Total Accumulated Depreciation - Calculated			$ (1,088,906)		$ (1,079,029)
46							
47		Company As Filed - Accumulated Depreciation			-	-	(1,079,029)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ (1,088,906)	$ -	$ -
49							
50		**RUCO Net Adjustment**					
51							
52							
53							

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

White Tank System
Schedule TJC-4 - Direct Plant

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	369			-	369
4	310.1	Water Rights	0.00%	0.00%	1,284			-	6,663
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	28,521
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	1,891			13,891	537,260
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	442			488	19,079
10	325	Electtric Pumping Equipment	2.59%	5.88%	72,029	(50,164)		13,490	531,782
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				2	79
14	332	Water Treatment Equipment	2.59%	2.86%	706			399	15,759
15	340	Transmission and Distribution Land	0.00%	0.00%				-	35,990
16	342	Storage Tanks	2.59%	2.00%				12,463	481,206
17	343	Transmission & Distribution Mains	2.59%	1.79%	557,626			84,392	3,537,196
18	344	Fire Sprinkler Taps	2.59%	2.00%	3,242			349	15,091
19	345	Services	2.59%	2.38%	32,845	(583)		14,774	586,547
20	346	Meters	2.59%	4.55%	16,496	(77)		2,556	106,907
21	348	Hydrants	2.59%	1.82%	94			5,656	218,425
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				517	19,976
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				389	15,017
26	393	Warehouse Equipment	2.59%	5.00%				27	1,043
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	360			489	19,057
28	395	Laboratory Equipment	2.59%	5.00%				64	2,477
29	396	Power Operated Equipment	2.59%	6.67%				16	635
30	397	Communication Equipment	2.59%	6.67%	122			712	27,550
31	398	Miscellaneous Equipment	2.59%	3.33%				274	10,573
32		**TOTAL DIRECT WATER PLANT**			$ 687,504	$ (50,824)	$ -	$ 150,949	$ 6,217,200
33		Post Test Year Plant (PTYP)			-	-		-	-
34		**RUCO Total Water Plant In Service**			$ 687,504	$ (50,824)	$ -	$ 150,949	$ 6,217,200
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						(11)	
43		Accumulated Depreciation						(1,179,164)	$ (1,179,164)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(1,179,164)	$ (1,179,164)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,179,165)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,179,164)	$ 1
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

White Tank System
Schedule TJC-4 - Direct Plant

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%	0.00%				-	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	369
4	310.1	Water Rights	0.00%	0.00%	2,311			-	8,974
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	28,521
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				14,157	537,260
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				498	19,079
10	325	Electtric Pumping Equipment	2.59%	5.88%	53,483	(8,886)		15,870	576,379
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				2	79
14	332	Water Treatment Equipment	2.59%	2.86%				412	15,759
15	340	Transmission and Distribution Land	0.00%	0.00%				-	35,990
16	342	Storage Tanks	2.59%	2.00%	359	(3,265)		12,190	478,300
17	343	Transmission & Distribution Mains	2.59%	1.79%	862,270	(36)		100,134	4,399,431
18	344	Fire Sprinkler Taps	2.59%	2.00%	20,981			650	36,072
19	345	Services	2.59%	2.38%	139,099	(89)		16,877	725,558
20	346	Meters	2.59%	4.55%	9,022	(52)		3,067	115,877
21	348	Hydrants	2.59%	1.82%	77,373			6,494	295,797
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				516	19,976
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				440	15,017
26	393	Warehouse Equipment	2.59%	5.00%				29	1,043
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	830			527	19,887
28	395	Laboratory Equipment	2.59%	5.00%				69	2,477
29	396	Power Operated Equipment	2.59%	6.67%	111			20	746
30	397	Communication Equipment	2.59%	6.67%				807	27,550
31	398	Miscellaneous Equipment	2.59%	3.33%	398			286	10,971
32		**TOTAL DIRECT WATER PLANT**			$ 1,166,237	$ (12,328)	$ -	$ 173,045	$ 7,371,110
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 1,166,237	$ (12,328)	$ -	$ 173,045	$ 7,371,110
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(1,339,881)	$ (1,339,881)
44		Accumulated Depreciation - PTYP						-	$ -
45		RUCO Total Accumulated Depreciation - Calculated						(1,339,881)	$ (1,339,881)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,339,882)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,339,881)	$ 1
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

White Tank System
Schedule TJC-4 - Direct Plant
Page 4 of 5

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	3,971			-	4,340
4	310.1	Water Rights	0.00%	0.00%	4,434			-	13,408
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	28,521
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	624			16,826	537,884
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				546	19,079
10	325	Electtric Pumping Equipment	2.59%	5.88%	45,872	(30,315)		34,348	591,936
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				2	79
14	332	Water Treatment Equipment	2.59%	2.86%				451	15,759
15	340	Transmission and Distribution Land	0.00%	0.00%				-	35,990
16	342	Storage Tanks	2.59%	2.00%				9,566	478,300
17	343	Transmission & Distribution Mains	2.59%	1.79%	314,991	(90)	(1,430)	81,555	4,712,902
18	344	Fire Sprinkler Taps	2.59%	2.00%				721	36,072
19	345	Services	2.59%	2.38%	166,553	(1,132)		19,237	890,979
20	346	Meters	2.59%	4.55%	7,611			5,446	123,488
21	348	Hydrants	2.59%	1.82%	2,760			5,409	298,558
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%	4,159			551	24,135
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	1,264			1,044	16,281
26	393	Warehouse Equipment	2.59%	5.00%	117			55	1,160
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	9,546			986	29,433
28	395	Laboratory Equipment	2.59%	5.00%	176			128	2,653
29	396	Power Operated Equipment	2.59%	6.67%				50	746
30	397	Communication Equipment	2.59%	6.67%				1,838	27,550
31	398	Miscellaneous Equipment	2.59%	3.33%				365	10,971
32		**TOTAL DIRECT WATER PLANT**			$ 562,080	$ (31,537)	$ (1,430)	$ 179,124	$ 7,900,223
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 562,080	$ (31,537)	$ (1,430)	$ 179,124	$ 7,900,223
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						83	
43		Accumulated Depreciation						(1,487,385)	$ (1,487,385)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(1,487,385)	(1,487,385)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,487,476)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,487,385)	$ 91
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	6,023			783	10,363
4	310.1	Water Rights	0.00%	0.00%	7,825			-	21,233
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	28,521
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	22,927			17,195	560,811
8	320	Pumping Plant Land	0.00%	0.00%				-	-
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	553			554	19,632
10	325	Electtric Pumping Equipment	2.59%	5.88%	130,536	(39,201)		37,491	683,271
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				2	79
14	332	Water Treatment Equipment	2.59%	2.86%	3,683			503	19,441
15	340	Transmission and Distribution Land	0.00%	0.00%				-	35,990
16	342	Storage Tanks	2.59%	2.00%				9,566	478,300
17	343	Transmission & Distribution Mains	2.59%	1.79%	1,808,222	(4,450)	(33,638)	100,204	6,483,036
18	344	Fire Sprinkler Taps	2.59%	2.00%	66			722	36,138
19	345	Services	2.59%	2.38%	929,091			32,261	1,820,070
20	346	Meters	2.59%	4.55%	79,498	(64)		7,426	202,922
21	348	Hydrants	2.59%	1.82%	243,778			7,652	542,336
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%	2,563			635	26,698
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	434			1,100	16,715
26	393	Warehouse Equipment	2.59%	5.00%				58	1,160
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	446			1,186	29,879
28	395	Laboratory Equipment	2.59%	5.00%				133	2,653
29	396	Power Operated Equipment	2.59%	6.67%	1,043			85	1,788
30	397	Communication Equipment	2.59%	6.67%	496			1,854	28,046
31	398	Miscellaneous Equipment	2.59%	3.33%	1,541			391	12,512
32		**TOTAL DIRECT WATER PLANT**			$ 3,238,725	$ (43,715)	$ (33,638)	$ 219,801	$ 11,061,595
33		Post Test Year Plant (PTYP)			-	-		-	-
34		**RUCO Total Water Plant In Service**			$ 3,238,725	$ (43,715)	$ (33,638)	$ 219,801	$ 11,061,595
35									
36		**Company Direct Plant As Filed**							11,061,594
37									
38		**RUCO Direct Plant Adjustment**							1
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(1,663,471)	$ (1,663,471)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(1,663,471)	(1,663,471)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(1,663,562)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (1,663,471)	$ 91
49									
50		**RUCO Net Adjustment**							$ 91
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	Direct Plant Classification Balances	RUCO Direct Plant Balances 12/31/2007	Company Balances	RUCO Difference
1	301	Organization	0.00%	0.00%	$ -	Intangible Plant	Intangible Plant	
2	302	Franchises	See Acct. 111	See Acct. 111	-			
3	303	Other Intangibles	See Acct. 111	See Acct. 111	10,363	$ 10,363	$ 10,363	0
4	310.1	Water Rights	0.00%	0.00%	21,233	Source of Supply	Source of Supply	
5	310.3	Other Source of Supply Land	0.00%	0.00%	28,521			
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-			
7	314	Wells	2.59%	3.13%	560,811	610,565	610,565	(0)
8	320	Pumping Plant Land	0.00%	0.00%	-	Pumping Plant	Pumping Plant	
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	19,632			
10	325	Electtric Pumping Equipment	2.59%	5.88%	683,271			
11	328	Gas Engine Equipment	2.59%	4.00%	-	702,903	702,903	(0)
12	330	Water Treatment Plant Land	0.00%	0.00%	-	Treatment Plant	Treatment Plant	
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	79			
14	332	Water Treatment Equipment	2.59%	2.86%	19,441	19,520	19,520	0
15	340	Transmission and Distribution Land	0.00%	0.00%	35,990	T & D Plant	T & D Plant	
16	342	Storage Tanks	2.59%	2.00%	478,300			
17	343	Transmission & Distribution Mains	2.59%	1.79%	6,483,036			
18	344	Fire Sprinkler Taps	2.59%	2.00%	36,138			
19	345	Services	2.59%	2.38%	1,820,070			
20	346	Meters	2.59%	4.55%	202,922			
21	348	Hydrants	2.59%	1.82%	542,336	9,598,792	9,598,791	1
22	389	General Plant Land	0.00%	0.00%	-	General Plant	General Plant	
23	390	General Plant Structures	2.59%	2.50%	26,698			
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	-			
25	391	Office Furniture & Equipment	2.59%	6.67%	16,715			
26	393	Warehouse Equipment	2.59%	5.00%	1,160			
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	29,879			
28	395	Laboratory Equipment	2.59%	5.00%	2,653			
29	396	Power Operated Equipment	2.59%	6.67%	1,788			
30	397	Communication Equipment	2.59%	6.67%	28,046			
31	398	Miscellaneous Equipment	2.59%	3.33%	12,512	119,452	119,452	0
32		**TOTAL DIRECT WATER PLANT**			$ 11,061,595			
33		Post Test Year Plant (PTYP)				$ 11,061,595	$ 11,061,594	1
34		**RUCO Total Water Plant In Service**						
35								
36		**Company Direct Plant As Filed**						
37								
38		**RUCO Direct Plant Adjustment**						
39								
40		Reserve Deficiency Accrual - Decision No. 38733						
41								
42		Net (Salvage)/Cost of Removal						
43		Accumulated Depreciation						
44		Accumulated Depreciation - PTYP						
45		RUCO Total Accumulated Depreciation - Calculated						
46								
47		Company As Filed - Accumulated Depreciation						
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						
49								
50		**RUCO Net Adjustment**						
51								
52								
53								

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present
1	301	Organization	0.00%	0.00%
2	302	Franchises	See Acct. 111	See Acct. 111
3	303	Other Intangibles	See Acct. 111	See Acct. 111
4	310.1	Water Rights	0.00%	0.00%
5	310.3	Other Source of Supply Land	0.00%	0.00%
6	310.4	Wells - Other	See Acct. 111	See Acct. 111
7	314	Wells	2.59%	3.13%
8	320	Pumping Plant Land	0.00%	0.00%
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%
10	325	Electtric Pumping Equipment	2.59%	5.88%
11	328	Gas Engine Equipment	2.59%	4.00%
12	330	Water Treatment Plant Land	0.00%	0.00%
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%
14	332	Water Treatment Equipment	2.59%	2.86%
15	340	Transmission and Distribution Land	0.00%	0.00%
16	342	Storage Tanks	2.59%	2.00%
17	343	Transmission & Distribution Mains	2.59%	1.79%
18	344	Fire Sprinkler Taps	2.59%	2.00%
19	345	Services	2.59%	2.38%
20	346	Meters	2.59%	4.55%
21	348	Hydrants	2.59%	1.82%
22	389	General Plant Land	0.00%	0.00%
23	390	General Plant Structures	2.59%	2.50%
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2
25	391	Office Furniture & Equipment	2.59%	6.67%
26	393	Warehouse Equipment	2.59%	5.00%
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%
28	395	Laboratory Equipment	2.59%	5.00%
29	396	Power Operated Equipment	2.59%	6.67%
30	397	Communication Equipment	2.59%	6.67%
31	398	Miscellaneous Equipment	2.59%	3.33%
32		**TOTAL DIRECT WATER PLANT**		
33		Post Test Year Plant (PTYP)		
34		**RUCO Total Water Plant In Service**		
35				
36		**Company Direct Plant As Filed**		
37				
38		**RUCO Direct Plant Adjustment**		
39				
40		Reserve Deficiency Accrual - Decision No. 38733		
41				
42		Net (Salvage)/Cost of Removal		
43		Accumulated Depreciation		
44		Accumulated Depreciation - PTYP		
45		RUCO Total Accumulated Depreciation - Calculated		
46				
47		Company As Filed - Accumulated Depreciation		
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**		
49				
50		**RUCO Net Adjustment**		
51				
52				
53				

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	ADJ-1 Remove Post Test Year Plant	Balance 12/31/2003
1	301	Organization	0.00%	651		651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	8,496		8,496
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	-		-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	-		-
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	-		-
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	31,795		31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	1,267,373		1,267,373
25	391	Office Furniture and Equipment	2.59%	3,505,411		3,505,411
26	393	Warehouse Equipment	2.59%	3,705		3,705
27	394	Tools, Shop and Garage Equipment	2.59%	30,450		30,450
28	395	Laboratory Equipment	2.59%	977		977
29	396	Power Operated Equipment	2.59%	-		-
30	397	Communication Equipment	2.59%	143,052		143,052
31	398	Miscellaneous Equipment	2.59%	7,207		7,207
32		**TOTAL PHOENIX OFFICE PLANT**		4,999,117	-	4,999,117
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Phoenix Office**		4,999,117	-	4,999,117
35						
36		**Company Phoenix Office As Filed**		4,999,117		4,999,117
37						
38		RUCO Phoenix Office Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733		-		-
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(503,775)	-	(503,775)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(503,775)	-	(503,775)
46						
47		Company As Filed - Accumulated Depreciation				(503,775)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

White Tank System
Schedule TJC-4 PHX OFF- Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	48,512			78,228	1,315,885
25	391	Office Furniture and Equipment	2.59%	129,135	(7,465)		92,366	3,627,081
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	24,820			1,110	55,270
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	6,465			3,789	149,517
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		208,932	(7,465)	-	176,624	5,200,584
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,200,584
35								
36		**Company Phoenix Office As Filed**						5,200,584
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(672,934)	(672,934)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(672,934)	(672,934)
46								
47		Company As Filed - Accumulated Depreciation						(672,934)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				89,580	1,315,885
25	391	Office Furniture and Equipment	2.59%	221,339			96,808	3,848,420
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	20,585			1,698	75,855
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	885			3,884	150,402
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		242,809	-	-	193,101	5,443,393
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,443,393
35								
36		**Company Phoenix Office As Filed**						5,443,393
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(866,035)	(866,035)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(866,035)	(866,035)
46								
47		Company As Filed - Accumulated Depreciation						(866,035)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				94,864	1,315,885
25	391	Office Furniture and Equipment	2.59%	369,071			104,454	4,217,491
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	59,519			2,735	135,374
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	1,741			3,918	152,143
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		430,332	-	-	207,102	5,873,725
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,873,725
35								
36		**Company Phoenix Office As Filed**						5,873,725
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,073,138)	(1,073,138)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,073,138)	(1,073,138)
46								
47		Company As Filed - Accumulated Depreciation						(1,073,137)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				425	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	10,463			959	42,258
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	93			86,708	1,315,978
25	391	Office Furniture and Equipment	2.59%	464,535	(243,714)		112,093	4,438,312
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	40,312			4,028	175,686
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	4,089			3,993	156,232
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		519,493	(243,714)	-	208,514	6,149,503
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						6,149,503
35								
36		**Company Phoenix Office As Filed**						6,149,503
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,037,938)	(1,037,938)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,037,938)	(1,037,938)
46								
47		Company As Filed - Accumulated Depreciation						(1,036,382)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1,556)
49								
50		**RUCO Net Adjustment**						(1,556)
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	2003 Balance 12/31/2003
1	301	Organization	0.00%	-		-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	80		80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	2,050		2,050
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	6,066		6,066
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	37,472		37,472
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	-		-
25	391	Office Furniture and Equipment	2.59%	3,983		3,983
26	393	Warehouse Equipment	2.59%	1,088		1,088
27	394	Tools, Shop and Garage Equipment	2.59%	58,430		58,430
28	395	Laboratory Equipment	2.59%	2,981		2,981
29	396	Power Operated Equipment	2.59%	1,458		1,458
30	397	Communication Equipment	2.59%	-		-
31	398	Miscellaneous Equipment	2.59%	-		-
32		**TOTAL METER SHOP PLANT**		113,608	-	113,608
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Meter Shop**		113,608	-	113,608
35						
36		**Company Meter Shop As Filed**		113,608		113,608
37						
38		RUCO Meter Shop Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733				
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(30,118)	-	(30,118)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(30,118)	-	(30,118)
46						
47		Company As Filed - Accumulated Depreciation				(30,118)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						
56		Notes				
57		Acct. 302 - Franchises amortized over 25 years.				
58		Acct. 303 - Other Intangibles amortized over 15 & 20 Years.				
59		Acct. 310.4 - Wells - Other amortized over 24 years.				
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.				

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	12,809			1,136	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	3,166			144	7,149
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	1,575			1,534	60,005
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		17,550	-	-	3,168	131,158
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						131,158
35								
36		**Company Meter Shop As Filed**						131,158
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733						
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(33,286)	(33,286)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(33,286)	(33,286)
46								
47		Company As Filed - Accumulated Depreciation						(33,286)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,302	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	94			186	7,243
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	2,004			1,580	62,009
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		2,097	-	-	3,422	133,256
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						133,256
35								
36		**Company Meter Shop As Filed**						133,256
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(36,708)	(36,708)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(36,708)	(36,708)
46								
47		Company As Filed - Accumulated Depreciation						(36,708)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	2,571			1,336	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	1,610			208	8,853
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	3,115			1,646	65,124
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		7,296	-	-	3,544	140,551
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						140,551
35								
36		**Company Meter Shop As Filed**						140,551
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(40,251)	(40,251)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(40,251)	(40,251)
46								
47		Company As Filed - Accumulated Depreciation						(40,251)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

White Tank System
Schedule TJC-4 MS - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,369	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	1,893			254	10,745
26	393	Warehouse Equipment	2.59%	1,089			42	2,177
27	394	Tools, Shop and Garage Equipment	2.59%	2,298			1,716	67,422
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		5,280	-	-	3,707	145,832
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						145,832
35								
36		**Company Meter Shop As Filed**						145,832
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(43,958)	(43,958)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(43,958)	(43,958)
46								
47		Company As Filed - Accumulated Depreciation						(43,959)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						1
49								
50		**RUCO Net Adjustment**						1
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

EXPLANATION OF RATE BASE ADJUSTMENT NO. 2
POST TEST-YEAR PLANT - PHOENIX OFFICE

LINE NO.	ACCT NO.	ACCOUNT NAME	(A) COMPANY ADJUSTED TY PLANT	(B) POST TY ADDITIONS	(C) 3-FACTOR ALLOCATOR	(D) REMOVE PTY PLANT
1	301	Organization	$ 15	$ -	2.37%	$ -
2	302	Franchises	-	-	2.37%	-
3	303	Other Intangibles	10,564	-	2.37%	-
4	310.1	Water Rights	21,233	-	2.37%	-
5	310.3	Other Source of Supply Land	28,523	-	2.37%	-
6	310.4	Wells - Other	-	-	2.37%	-
7	314	Wells	565,482	-	2.37%	-
8	320	Pumping Plant Land	-	-	2.37%	-
9	321	Pumping Plant Structures & Imprm'ts	19,632	-	2.37%	-
10	325	Electtric Pumping Equipment	862,251	-	2.37%	-
11	328	Gas Engine Equipment	-	-	2.37%	-
12	330	Water Treatment Plant Land	-	-	2.37%	-
13	331	Water Treatment Structures & Imprm'ts	79	-	2.37%	-
14	332	Water Treatment Equipment	1,119,750	-	2.37%	-
15	340	Transmission and Distribution Land	35,990	-	2.37%	-
16	342	Storage Tanks	478,300	-	2.37%	-
17	343	Transmission & Distribution Mains	7,123,837	-	2.37%	-
18	344	Fire Sprinkler Taps	36,138	-	2.37%	-
19	345	Services	1,820,070	-	2.37%	-
20	346	Meters	202,922	-	2.37%	-
21	348	Hydrants	542,336	-	2.37%	-
22	389	General Plant Land	-	-	2.37%	-
23	390	General Plant Structures	28,952	-	2.37%	-
24	390.1	Leasehold Improvements	31,189	-	2.37%	-
25	391	Office Furniture & Equipment	123,832	120,057	2.37%	2,845
26	393	Warehouse Equipment	1,299	-	2.37%	-
27	394	Tools, Shop & Garage Equipment	35,641	-	2.37%	-
28	395	Laboratory Equipment	2,747	-	2.37%	-
29	396	Power Operated Equipment	1,823	-	2.37%	-
30	397	Communication Equipment	31,749	-	2.37%	-
31	398	Miscellaneous Equipment	12,683	-	2.37%	-
32						
33		**TOTAL PTY WATER PLANT**	$ 13,137,036	$ 120,057		$ 2,845
34		Company As Filed	$ 13,137,036	120,057		2,845
35		Difference	$ -	$ -		$ -
36						
37		RUCO PTY Plant Adjustment				$ (2,845)
38						
39		RUCO PTY Accumulated Depreciation Plant Adjustment				$ 95
40						
41						

42 References:
43 Column (A): Company Schedules B-2
44 Column (B): Post Test Year Phoenix Office Plant Allocation
45 Column (C): 3-Factor Allocator
46 Column (D): Adjustment

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6
ALLOWANCE FOR WORKING CAPITAL

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) REFERENCE
1	Working Cash Requirement Per Company	$ 26,652	Company Schedule B-5, PG. 1
2	Working Cash Requirement Per RUCO	(69,202)	RUCO Schedule WAR-5, Page 2
3	Adjustment	$ (95,854)	Line 2 - Line 1
4	Material and Supplies Inventories Per Company	$ 3,950	Company Schedule B-5, PG. 1
5	Material and Supplies Inventories Per RUCO	3,950	Company Schedule B-5, PG. 1
6	Adjustment	$ -	Line 5 - Line 4
7	Required Bank Balances Per Company	$ 12,192	Company Schedule B-5, PG. 1
8	Required Bank Balances Per RUCO	12,192	Company Schedule B-5, PG. 1
9	Adjustment	$ -	Line 8 - Line 7
10	Prepayments & Special Deposits Per Company	$ 12,729	Company Schedule B-5, PG. 1
11	Prepayments & Special Deposits Per RUCO	12,729	Company Schedule B-5, PG. 1
12	Adjustment	$ -	Line 11 - Line 10
13	TOTAL ADJUSTMENT (See TJC-2, Column (K))	$ (95,854)	Sum of Lines 3, 6, 9 & 12

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6 - CONT'D
LEAD/LAG DAY SUMMARY

LINE NO.	DESCRIPTION	(A) COMPANY EXPENSES AS FILED	(B) RUCO ADJUSTM'TS	(C) RUCO EXPENSES AS ADJUSTED	(D) (LEAD)/LAG DAYS	(E) DOLLAR DAYS
	Operating Expenses					
1	Purchased Power	$ 105,581	$ -	$ 105,581	35.92	$ 3,792,470
2	Payroll	183,411	(7,175)	176,236	14.00	2,467,303
3	Purchased Water	150,244	-	150,244	121.15	18,202,848
4	Chemicals	8,608	-	8,608	20.43	175,831
5	Property & Liability Insurance	7,080	-	7,080	(45.27)	(320,512)
6	Workman's Compensation Insurance	3,539	-	3,539	(46.50)	(164,564)
7	Health Insurance	46,262	(22)	46,240	(8.92)	(412,461)
8	Other Operating & Maintenance Expenses	198,280	(3,950)	194,330	30.00	5,829,900
9	Federal Current Income Taxes	138,860	(53,409)	85,451	37.00	3,161,692
10	State Current Income Taxes	30,590	(10,962)	19,628	37.00	726,221
11	FICA Taxes	15,919	(836)	15,083	14.00	211,165
12	FUTA & SUTA Taxes	381	-	381	83.10	31,661
13	Property Taxes	53,436	(283)	53,153	212.00	11,268,362
14	Registration, Svc. Contracts, & Misc. Fees	12,665	-	12,665	(98.83)	(1,251,682)
15	Retirement Annuities (401k)	15,270	(606)	14,664	34.72	509,122
16	Subtotal	970,126	(77,244)	892,882		44,227,357
17	Synchronized Interest	$ 163,749	$ (3,971)	$ 159,778	91.25	$ 14,579,734
18	Cost of Equity	269,552	(269,552)	-	-	-
19	Subtotal	$ 433,301	$ (273,523)	$ 159,778		$ 14,579,734
20	Total	$ 1,403,427	$ (350,767)	$ 1,052,660		$ 58,807,091

21	Expense Lag	Line 17, Col. (E) / (C)	55.87
22	Revenue Lag	Company B-5 Schedules	31.87
23	Net Lag	Line 18 - Line 17	(24.00)
24	RUCO Adjusted Expenses	Col. (C), Line 16	$ 1,052,660
25	Cash Working Capital	Line 19 X Line 20 / 365 Days	(69,202)
26	Company As Filed	Co. Schedule B-6, Page 1	26,652
27	Difference	Line 21 - Line 22	$ (95,854)
28	ADJUSTMENT	Line 27	$ (95,854)

NOTE: Expense Lag Days Used in the Last Western Group Rate Case.
NOTE: Dependent on System
NOTE: RUCO reviewed several invoices from a number of companies with terms of net 30 days.

References:
Column (A): - Company Schedule B-5
Column (B): RUCO Operating Income Adjustments (See Schedule TJC-7)
Column (C): Column (A) + (B)
Column (D): - Company Schedule B-5
Column (E): Column (C) X Column (D)

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJM'TS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
	Operating Revenues					
1	Residential	$ 1,057,928	$ -	$ 1,057,928	$ 261,024	$ 1,318,952
2	Commercial	119,358	-	119,358	29,488	148,845
3	Industrial	18,658	-	18,658	12,003	30,661
4	Private Fire Service	295	-	295	1,180	1,475
5	Other Water Revenues	36,166	-	36,166	14,687	50,852
6	Total Water Revenues	$ 1,232,404	$ -	$ 1,232,404	$ 318,382	$ 1,550,785
7	Miscellaneous	$ 12,331	$ -	$ 12,331	$ (464)	$ 11,867
8	Total Operating Revenues	$ 1,244,735	$ -	$ 1,244,735	$ 317,918	$ 1,562,653
	Operating Expenses					
	Source of Supply Expenses:					
9	Purchased Water	$ 150,244	$ -	$ 150,244	$ -	$ 150,244
10	Other	5,606	-	5,606	-	5,606
11	Pumping Expenses:	-				
12	Purchased Power	105,581	-	105,581	-	105,581
13	Purchased Gas	-	-	-	-	-
14	Other	41,276	-	41,276	-	41,276
15	Water Treatment Expenses	34,975	-	34,975	-	34,975
16	Transmission & Distribution Expenses	173,577	-	173,577	-	173,577
17	Customer Accounting Expenses	72,619	-	72,619	-	72,619
18	Sales Expense	362	-	362	-	362
19	Administrative & General Expenses	146,701	(9,383)	137,318	-	137,318
20	Total Operations & Maintenance Expense	$ 730,940	$ (9,383)	$ 721,556	$ -	$ 721,556
21	Depreciation & Amortization Expenses	$ 294,495	$ (4,142)	$ 290,353	$ -	$ 290,353
	Taxes					
22	Federal Income Taxes	$ (17,350)	$ 6,358	$ (10,993)	$ 96,444	$ 85,451
23	State Income Taxes	(3,822)	1,297	(2,525)	22,153	19,628
24	Property Taxes	53,436	(283)	53,153	-	53,153
25	Other	56,967	(836)	56,131	-	56,131
26	Total Taxes	$ 89,231	$ 6,536	$ 95,767	$ 118,596	$ 214,363
27	Total Operating Expenses	$ 1,114,666	$ (6,990)	$ 1,107,676	$ 118,596	$ 1,226,272
28	Operating Income	$ 130,069	$ 6,990	$ 137,059	$ 199,322	$ 336,381

References:
Column (A): Company Schedule C-1
Column (B): TJC-8, Columns (B) Thru (I)
Column (C): Column (A) + Column (B)
Column (D): TJC-1
Column (E): Column (C) + Column (D)

Arizona Water Company
Docket Nos. W-01445A-08-0440
Test Year Ended December 31, 2007

White Tank System
Schedule TJC-8
Page 1 of 1

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJMT NO. 1 LABOR EXPENSE	(C) ADJMT NO. 2 PAYROLL TAX EXPENSE	(D) ADJMT NO. 3 401(K) EXPENSE	(E) ADJMT NO. 4 REVERSE ADJ. FOR CONSERVATION	(F) ADJMT NO. 5 PURCH. POWER REVENUES	(G) ADJMT NO. 6 INSURANCE EXPENSE	(H) ADJMT NO. 7 DEPRECIATION EXPENSE	(I) ADJMT NO. 8 PROPERTY TAX	(J) ADJMT NO. 9 RATE CASE EXPENSE	(K) ADJMT NO. 10 INCOME TAXES	(L) RUCO AS ADJT'D
	Operating Revenues												
1	Residential	$ 1,057,928	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,057,928
2	Commercial	119,358	-	-	-	-	-	-	-	-	-	-	119,358
3	Industrial	18,658	-	-	-	-	-	-	-	-	-	-	18,658
4	Private Fire Service	295	-	-	-	-	-	-	-	-	-	-	295
5	Other Water Revenues	36,166	-	-	-	-	-	-	-	-	-	-	36,166
6	Total Water Revenues	$ 1,232,404	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,232,404
7	Miscellaneous	$ 12,331	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,331
8	Total Operating Revenues	$ 1,244,735	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,244,735
	Operating Expenses												
	Source of Supply Expenses:												
9	Purchased Water	$ 150,244	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 150,244
10	Other	5,606	-	-	-	-	-	-	-	-	-	-	5,606
11	Pumping Expenses:												
12	Purchased Power	105,581	-	-	-	-	-	-	-	-	-	-	105,581
13	Purchased Gas	-	-	-	-	-	-	-	-	-	-	-	-
14	Other	41,276	-	-	-	-	-	-	-	-	-	-	41,276
15	Water Treatment Expenses	34,975	-	-	-	-	-	-	-	-	-	-	34,975
16	Transmission & Distribution Expenses	173,577	-	-	-	-	-	-	-	-	-	-	173,577
17	Customer Accounting Expenses	72,619	-	-	-	-	-	-	-	-	-	-	72,619
18	Sales Expense	362	-	-	-	-	-	-	-	-	-	-	362
19	Administrative & General Expenses	146,701	(7,175)	-	(606)	-	-	(22)	-	-	(1,580)	-	137,318
20	Total Operations & Maintenance Expense	$ 730,940	$ (7,175)	$ -	$ (606)	$ -	$ -	$ (22)	$ -	$ -	$ (1,580)	$ -	$ 721,556
21	Depreciation & Amortization Expenses	$ 294,495	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,142)	$ -	$ -	$ -	$ 290,353
	Taxes												
22	Federal Income Taxes	$ (17,350)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,358	$ (10,993)
23	State Income Taxes	(3,822)	-	-	-	-	-	-	-	-	-	1,297	(2,525)
24	Property Taxes	53,436	-	-	-	-	-	-	-	(283)	-	-	53,153
25	Other	56,967	-	(836)	-	-	-	-	-	-	-	-	56,131
26	Total Taxes	$ 89,231	$ -	$ (836)	$ -	$ -	$ -	$ -	$ -	$ (283)	$ -	$ 7,655	$ 95,767
27	Total Operating Expenses	$ 1,114,666	$ (7,175)	$ (836)	$ (606)	$ -	$ -	$ (22)	$ (4,142)	$ (283)	$ (1,580)	$ 7,655	$ 1,107,676
28	Operating Income	$ 130,069	$ 7,175	$ 836	$ 606	$ -	$ -	$ 22	$ 4,142	$ 283	$ 1,580	$ (7,655)	$ 137,059

ADJUSTMENTS:
1 - Labor Expense - Normalize OT Hours in Test Year
2 - Payroll Tax Expense Related to Adjustment 1
3 - 401(K) Expense Related to Adjustment 1
4 - Reverse Adjustment for Conservation
5 - Purchased Power Revenues
6 - Insurance Expense
7 - Depreciation Expense
8 - Property Tax Expense
9 - Rate Case Expense
10 - Income Tax

REFERENCE:
Testimony, WAR And Schedule TJC-9 Page, 1 of 3
Testimony, WAR And Schedule TJC-9 Page, 2 of 3
Testimony, WAR And Schedule TJC-9 Page, 3 of 3
Testimony WAR
Testimony WAR
Testimony, WAR And Schedule TJC-10
Testimony, WAR And Schedule TJC-11
Testimony, WAR And Schedule TJC-12
Testimony, WAR And Schedule TJC-13
Testimony, WAR And Schedule TJC-14

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 1
PAYROLL EXPENSE

LINE NO.	DESCRIPTION		(A) PER RUCO DR 1.11.d
1	Normalize Over-Time Over 4 Years:		
2	2005 OT Hours		15,008.5
3	2006 OT Hours		18,080.0
4	2007 OT Hours		28,132.5
5	2008 OT Hours		17,530.0
6			
7	Total OT Hours for 2005 - 2008		78,751.0
8	Divided by 4 Years		4
9			
10	Normalized Level of OT Hours/Yr.		19,687.8
11			
12	OT Hours in Test Year		28,132.5
13			
14	Amount of Abnormal TY OT Hours		8,444.8
15			
16	Multiplied by Average OT Hrly. Rate	**See NOTE**	35.85
17			
18	Total Abnormal OT Dollars in TY		$ 302,744
19			
20	3-Factor Allocator Per District		2.37%
21			
22	RUCO Adjustment		$ (7,175)
23			
24			
25			
26			
27			
28	3-Factor Allocator By District:		
29	Superstition	24.94%	White Tank 2.37%
30	Bisbee	4.98%	Ajo 0.81%
31	Sierra Vista	2.58%	Coolidge 5.27%
32	San Manuel	1.68%	Lakeside 6.20%
33	Oracle	2.28%	Overgaard 3.99%
34	Winkelman	0.22%	Sedona 8.45%
35	Miami	4.98%	Pinewood 2.95%
36	Casa Grande	26.55%	Rimrock 1.48%
37	Stanfield	0.27%	
38			
39			
40			
41			
42	**Calculation Notes:**		
43	Average of Hourly Rate	$ 21.65	
44	OT Hourly Rate 1.5	32.48	

NOTE: The Company calculated the average hourly rate for overtime in response to data request AII-11.6 to be $35.85. RUCO accepts that rate in making its payroll adjustments.

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
PAYROLL TAX EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll Tax Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	2.37%
6		
7	RUCO Allocated Payroll by District	$ 7,175
8		
9	Payroll Tax Expense Allocator By Group:	
10		
11	RUCO Payroll Tax Expense Allocator by Group	11.65%
12		
13	RUCO Payroll Tax Expense Adjustment	$ (836)
14		
15		
16		
17		
18		
19		
20		
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33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group 7.47%	
40	Western Group 11.65%	
41	Northern Group 15.90%	

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
PAYROLL 401(K) EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll 401(K) Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	2.37%
6		
7	RUCO Allocated Payroll by District	$ 7,175
8		
9	Payroll 401(K) Expense Allocator By Group:	
10		
11	RUCO Payroll 401(K) Expense Allocator by Group	8.45%
12		
13	RUCO Payroll 401(K) Expense Adjustment	$ (606)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	8.39%
40	Western Group	8.45%
41	Northern Group	8.12%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
INSURANCE EXPENSE

LINE NO.		(A) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER COMPANY	(B) RUCO ADJUSTMENT	(C) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER RUCO
1	System			
2				
3	Eastern Group			
4	Supersition	$ 2,224	$ (273)	$ 1,950
5	Apache Junction			
6	Superior			
7	Bisbee	122	(45)	77
8	Sierra Vista	115	(38)	77
9	San Manuel	5	(20)	(16)
10	Oracle	25	(20)	5
11	Saddlebrook	5	(0)	4
12	Winkelman	0	(2)	(2)
13	Miami	(338)	(40)	(378)
14	Subtotal	$ 2,157	$ (439)	$ 1,718
15				
16	Western Group			
17	Casa Grande	2,137	(298)	1,839
18	Stanfield	20	(3)	17
19	White Tank	148	(22)	126
20	Ajo	58	(9)	49
21	Coolidge	(127)	(62)	(189)
22	Subtotal	$ 2,235	$ (393)	$ 1,842
23				
24	Northern Group			
25	Lakeside	570	(65)	506
26	Overgaard	507	(55)	452
27	Sedona	445	(84)	361
28	Pinewood	199	(38)	162
29	Rimrock	87	(16)	71
30	Subtotal	$ 1,809	$ (257)	$ 1,551
31				
32				
33	Total Company	$ 6,201	$ (1,090)	$ 5,111 (a)

REFERENCE

COLUMN (A): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (B): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (C): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD

NOTES:

(a) CALCULATED AS FOLLOWS:		PER COMPANY	RUCO ADJUSTMENT	PER RUCO	REFERENCE
1	Current Rate per Payroll Dollar	$ 0.0036		$ 0.0036	COMPANY WORKPAPER - "GROUP INSURANCE" TAB LTD
2	Pro Forma Payroll Dollars	$ 11,095,569	$ 302,744	$ 10,792,825	COMPANY WORKPAPER - "GROUP INSURANCE)
3	Pro Forma LTD - Total Company	$ 39,944		$ 38,854	LINE 1 x LINE 2
4	Y/E Number of Customers	$ 83,825		$ 83,825	COMPANY WORKPAPER - "GROUP INSURANCE)
5	Pro Forma 2007 LTD - Spread	$ 38,854		$ 38,854	COMPANY WORKPAPER - "GROUP INSURANCE)
6	Increase / (Decrease)	$ 6,201		$ 5,111	COMPANY WORKPAPER - "GROUP INSURANCE)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCOUNT NO.	ACCOUNT NAME	(A) RUCO PLANT VALUE	(B) COMPANY PROPOSED DEP. RATES	(C) TEST YEAR DEPRECIATION EXPENSE
1	301	Organization	$ 15	0.00%	$ -
2	302	Franchises	-	See Acct. 111	-
3	303	Other Intangibles	10,564	See Acct. 111	783
4	310.1	Water Rights	21,233	0.00%	-
5	310.3	Other Source of Supply Land	28,523	0.00%	-
6	310.4	Wells - Other	-	See Acct. 111	-
7	314	Wells	565,482	3.13%	17,700
8	320	Pumping Plant Land	-	0.00%	-
9	321	Pumping Plant Structures & Imprm'ts	17,880	2.86%	511
10	325	Electtric Pumping Equipment	828,898	5.88%	48,739
11	328	Gas Engine Equipment	-	4.00%	-
12	330	Water Treatment Plant Land	-	0.00%	-
13	331	Water Treatment Structures & Imprm'ts	(825)	2.50%	(21)
14	332	Water Treatment Equipment	1,119,750	2.86%	32,025
15	340	Transmission and Distribution Land	35,990	0.00%	-
16	342	Storage Tanks	478,300	2.00%	9,566
17	343	Transmission & Distribution Mains	7,123,837	1.79%	127,517
18	344	Fire Sprinkler Taps	36,138	2.00%	723
19	345	Services	1,820,070	2.38%	43,318
20	346	Meters	202,922	4.55%	9,233
21	348	Hydrants	542,336	1.82%	9,871
22	389	General Plant Land	-	0.00%	-
23	390	General Plant Structures	28,952	2.50%	724
24	390.1	Leasehold Improvements	31,189	See Acct. 108.2	-
25	391	Office Furniture & Equipment	120,987	6.67%	8,070
26	393	Warehouse Equipment	1,299	5.00%	65
27	394	Tools, Shop & Garage Equipment	35,641	4.00%	1,426
28	395	Laboratory Equipment	2,747	5.00%	137
29	396	Power Operated Equipment	1,823	6.67%	122
30	397	Communication Equipment	31,749	6.67%	2,118
31	398	Miscellaneous Equipment	12,683	3.33%	422
32		Rounding	-		
33		TEST YEAR GROSS PLANT AND DEPRECIATION EXPENSE	$ 13,098,182		$ 313,047
34					
35		AMORTIZATION OF CONTRIBUTIONS	(1,134,727)	2.00%	(22,695)
36		Rounding			-
37	**TOTAL DEPRECIATION EXPENSE**				$ 290,353
38					
39	Company As Filed				294,495
40	Difference				$ (4,142)
41					
42	RUCO Adjustment (See TJC-8, Column (B))				$ (4,142)
43					
44					
45	3-Factor Allocator By District:				
46	Superstition	24.94%	White Tank	2.37%	
47	Bisbee	4.98%	Ajo	0.81%	
48	Sierra Vista	2.58%	Coolidge	5.27%	
49	San Manuel	1.68%	Lakeside	6.20%	
50	Oracle	2.28%	Overgaard	3.99%	
51	Winkelman	0.22%	Sedona	8.45%	
52	Miami	4.98%	Pinewood	2.95%	
53	Casa Grande	26.55%	Rimrock	1.48%	
54	Stanfield	0.27%			

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	REFERENCE	(A)	(B)
	Calculation Of The Company's Full Cash Value:			
	Annual Operating Revenues:			
1	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	$ 1,244,735	
2	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	1,244,735	
3	Proposed Revenues	Sch. TJC-7, Col (E), Ln 8	1,562,653	
4	Total Three Year Operating Revenues	Sum Of Lines 1, 2 & 3	$ 4,052,122	
5	Average Annual Operating Revenues	Line 4 / 3	1,350,707	
6	Two Times Three Year Average Operating Revenues	Line 5 X 2		$ 2,701,415
	ADD:			
	10% Of Construction Work In Progress ("CWIP"):			
7	Test Year CWIP	Company Schedule E	$ 2,043,865	
8	10% Of CWIP	Line 7 X 10%		$ 204,387
	SUBTRACT:			
	Transportation At Book Value:			
9	Original Cost Of Transportation Equipment	Company Workpapers	$ -	
10	Acc. Dep. Of Transportation Equipment	Company Workpapers	-	
11	Net Book Value Of Transportation Equipment	Line 9 + Line 10		$ (38,884)
12	Company's Full Cash Value ("FCV")	Sum Of Lines 6, 8 & 11		$ 2,866,917
	Calculation Of The Company's Tax Liability:			
	MULTIPLY:			
	FCV X Valuation Assessment Ratio X Property Tax Rates:			
13	Assessment Ratio	House Bill 2779	22.5%	
14	Assessed Value	Line 12 X Line 13	$ 645,056	
	Property Tax Rates:			
15	Primary Tax Rate	Company Workpapers	8.24%	
16	Secondary Tax Rate	Company Workpapers	0.00%	
17	Estimated Tax Rate Liability	Line 15 + Line 16	8.24%	
	Property Tax			$ 53,153
	Tax On Parcel			-
18	Company's Total Tax Liability - Based On Full Cash Value	Line 14 X Line 17		$ 53,153
19	Test Year Adjusted Property Tax Expense As Filed	Co. Sch. C-1		53,436
20	Decrease In Property Tax Expense	Line 18 - Line 19		$ (283)
21	RUCO Adjustment (See TJC-8, Column (C))	Line 20		$ (283)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 9
RATE CASE EXPENSE

LINE NO.	DESCRIPTION	(A) COMPANY ESTIMATE	(B) RUCO ADJUSTMENT	(C) RUCO AS ADJUSTED
1	Rate Case Expense Total	$ 500,000	$ (200,000)	$ 300,000
2	Allocation Factor			2.4%
3	White Tank System (Line 1 X Line 2)			$ 7,110
4	Amortization Period - 3 Years			3
5	RUCO Adjusted Rate Case Expense (Line 3 / 3 Years)			$ 2,370
6	Company Rate Case Expenses As Filed (Company Sch. C-2)			$ 3,950
7	RUCO Pro Forma Rate Case Expense (Lines 5 - 6)			$ (1,580)
8	RUCO Adjustment (Line 7) (See TJC-8, Column (E))			$ (1,580)

3-Factor Allocator By District:

Superstition	24.94%	White Tank	2.37%
Bisbee	4.98%	Ajo	0.81%
Sierra Vista	2.58%	Coolidge	5.27%
San Manuel	1.68%	Lakeside	6.20%
Oracle	2.28%	Overgaard	3.99%
Winkelman	0.22%	Sedona	8.45%
Miami	4.98%	Pinewood	2.95%
Casa Grande	26.55%	Rimrock	1.48%
Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. TJC-7, Column (C), L28 + L22 + L23	$ 123,541
	LESS:		
2	Arizona State Tax	Line 11	(2,525)
3	Interest Expense	Note (A) Line 21	159,778
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ (33,712)
5	Federal Tax Rate	Sch. TJC-1, Pg 2, Col. (D), L34	32.61%
6	Federal Income Tax Expense	Line 4 X line 5	$ (10,993)
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 123,541
	LESS:		
8	Interest Expense	Note (A) Line 21	159,778
9	State Taxable Income	Line 7 - Line 8	$ (36,237)
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ (2,525)
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ (10,993)
13	State Income Tax Expense	Line 11	(2,525)
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ (13,518)
15	Total Federal Income Tax Expense Per Company (Per Company Sch. C-1, L30)		(17,350)
16	Total State Income Tax Expense Per Company (Per Company Sch. C-1, L31)		(3,822)
17	RUCO Federal Income Tax Adjustment	Line 12 - Line 15	$ 6,358
18	RUCO State Income Tax Adjustment	Line 13 - Line 16	$ 1,297

	NOTE (A):	
	Interest Synchronization:	
19	Adjusted Rate Base (Sch. TJC-2, Col. (H), L17)	$ 4,307,949
20	Weighted Cost Of Debt (Sch. TJC-15 Col. (D), L1)	3.71%
21	Interest Expense (L18 X L19)	$ 159,778

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) DOLLAR AMOUNT	(B) CAPITAL RATIO	(C) COST RATE	(D) WEIGHTED COST RATE
1	Long-Term Debt	$ 75,000,000	50.76%	7.31%	3.71%
2	Common Equity	72,744,646	49.24%	8.33%	4.10%
3	Total Capitalization	$ 147,744,646	100.00%		
4	WEIGHTED AVERAGE COST OF CAPITAL				7.81%

References:
Columns (A) Thru (D): Testimony, WAR

ARIZONA WATER COMPNAY

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Ajo System

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Ajo System

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TJC-3	1	SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS
TJC-4 DIRECT PLANT	1 TO 7	RATE BASE ADJUSTMENT NO. 1 - PLANT & ACCUMULATED DEPRECIATION RECONCILIATION ADJUSTMENT
TJC-4 PHOENIX OFFICE	1 TO 5	RATE BASE ADJUSTMENT NO. 1 - PLANT & ACCUMULATED DEPRECIATION RECONCILIATION ADJUSTMENT
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		RATE BASE ADJUSTMENT NO. 4 - INTENTIONALLY LEFT BLANK
		RATE BASE ADJUSTMENT NO. 5 - INTENTIONALLY LEFT BLANK
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TJC-10	1	OPERATING INCOME ADJUSTMENT NO. 6 - INSURANCE EXPENSE
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TJC-14	1	OPERATING INCOME ADJUSTMENT NO. 10 - INCOME TAX EXPENSE
TJC-15	1	COST OF CAPITAL

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Schedule TJC-1
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REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	$ 1,123,706	$ 1,094,479
2	Adjusted Operating Income (Loss)	$ 49,548	$ 54,354
3	Current Rate of Return (L2 / L1)	4.41%	4.97%
4	Required Operating Income (L5 X L1)	$ 110,284	$ 85,461
5	Required Rate of Return on Fair Value Rate Base	9.81%	7.81%
6	Operating Income Deficiency (L4 - L2)	$ 60,735	$ 31,107
7	Gross Revenue Conversion Factor (TJC-1, Page 2)	1.6286	1.2797
8	Required Increase in Gross Revenue Requirement (L7 X L6)	$ 98,916	$ 39,808
9	Adjusted Test Year Revenue	$ 470,994	$ 470,994
10	Proposed Annual Revenue (L8 + L9)	$ 569,955	$ 510,802
11	Required Percentage Increase in Revenue (L8 / L9)	20.99%	8.45%
12	Consolidated Revenue Adjustment	$ -	$ -
13	Required Incease in Gross Revenue Under Company Proposed Consolidation	$ -	$ -
14	Required Revenue Under Company Proposed Consolidation	$ -	$ -
15	Required Percentage Increase in Revenue Under Company Proposed Consolidation	-	-
16	Rate of Return on Common Equity	12.40%	8.33%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule TJC-2, TJC-7, and TJC-15

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Combined Federal And State Tax Rate (L10)	0.2186			
3	Subtotal (L1 - L2)	0.7814			
4	**Revenue Conversion Factor** (L1 / L3)	**1.2797**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	16.0042%			
9	Effective Federal Income Tax Rate (L7 X L8)	14.8890%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	21.8570%			
11	Required Operating Income (Sch. TJC-1, Pg 1, C (B), L4)	$ 85,461			
12	Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Pg 1, C (B), L2)	54,354			
13	Required Increase In Operating Income (L11 - L12)		$ 31,107		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 13,058			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	6,176			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ 6,883		
17	Total Required Increase In Revenue (L13 + L16)		$ 37,990		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. TJC-1, Pg 1, Col. (B), L12)			$ 510,802	
19	Operating Expense Excluding Income Tax (TJC-7, Col. (E), L27 - L22 - L23)			410,464	
20	Synchronized Interest (Col. (C), L37)			40,593	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 59,744	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 4,163
24	Fed. Taxable Income (L21 - L23)			$ 55,581	
25	Fed. Tax on 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax on 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			$ 1,395	
27	Fed. Tax on 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			$ -	
28	Fed. Tax on 4th Inc. Bracket ($100,001 - $335,000) @ 39%			$ -	
29	Fed. Tax on 5th Inc. Bracket ($335,001 - $10M) @ 34%			$ -	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 8,895
31	Combined Federal and State Income Tax (L23 + L30)				$ 13,058
32	Test Year Combined Income Tax, RUCO as Adjusted (TJC-7, Col. (C), L22 + L23)				$ 6,176
33	RUCO Adjustment (L31 - L32) (See TJC-6, Col. (D), L23)				$ 6,883
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				16.00%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. WAR-2, Col. (C), L17)			$ 1,094,479	
36	Weighted Avg. Cost of Debt (Sch. TJC-16, Col. (F), L1)			3.71%	
37	Synchronized Interest (L35 X L36)			$ 40,593	

RATE BASE - ORIGINAL COST

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) RUCO OCRB/FVRB ADJUSTMENTS	(C) RUCO ADJ'TED OCRB/FVRB
	Plant Classification			
1	Intangible Plant	$ 3,702	$ -	$ 3,702
2	Source of Supply Plant	9,477	-	9,477
3	Pumping Plant	89,231	-	89,231
4	Water Treatment Plant	4,306	-	4,306
5	Transmission & Distribution Plant	1,916,378	-	1,916,378
6	General Plant	184,119	(972)	183,146
7	Total Gross Plant in Service	$ 2,207,212	$ (972)	$ 2,206,240
8	Accumulated Depreciation	(812,825)	20	(812,805)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 1,394,387	$ (953)	$ 1,393,435
10	Advances in Aid Of Const.	$ (87,953)	$ -	$ (87,953)
11	Contribution in Aid of Const.	$ (65,554)	$ -	$ (65,554)
12	Accumulated Amortization of CIAC	15,854	-	15,854
13	NET CIAC (L5 + L6)	$ (49,700)	$ -	$ (49,700)
14	Deferred Income Tax	$ (155,237)	$ -	$ (155,237)
15	Allowance for Working Capital	$ 22,208	$ (28,274)	$ (6,066)
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -
17	Rounding	$ -	$ -	$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 1,123,706	$ (29,227)	$ 1,094,479

References:
Column (A): Company Schedule B-1
Column (B): Schedule TJC-3
Column (C): Column (A) + Column (B)

Arizona Water Company
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SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) ADJMT NO. 1 PLANT & ACCUM DEP.	(C) ADJMT NO. 2 REMOVE PTY PLANT	(D) ADJMT NO. 3 PER BKB 11.16	(E) ADJMT NO. 4	(F) ADJMT NO. 5	(G) ADJMT NO. 6 WORKING CAPITAL	(H) RUCO ADJ'TED OCRB/FVRB
	Plant Classification								
1	Intangible Plant	$ 3,702	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,702
2	Source of Supply Plant	9,477	-	-	-	-	-	-	9,477
3	Pumping Plant	89,231	-	-	-	-	-	-	89,231
4	Water Treatment Plant	4,306	-	-	-	-	-	-	4,306
5	Transmission & Distribution Plant	1,916,378	-	-	-	-	-	-	1,916,378
6	General Plant	184,119	-	(972)	-	-	-	-	183,146
7	Total Gross Plant in Service	$ 2,207,212	$ -	$ (972)	$ -	$ -	$ -	$ -	$ 2,206,240
8	Accumulated Depreciation	(812,825)	(13)	32	-	-	-	-	(812,805)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 1,394,387	$ (13)	$ (940)	$ -	$ -	$ -	$ -	$ 1,393,435
10	Advances in Aid Of Const.	$ (87,953)	$ -	$ -	$ -	$ -	$ -	$ -	$ (87,953)
11	Contribution in Aid of Const.	$ (65,554)	$ -	$ -	$ -	$ -	$ -	$ -	$ (65,554)
12	Accumulated Amortization of CIAC	15,854	-	-	-	-	-	-	15,854
13	NET CIAC (L5 + L6)	$ (49,700)	$ -	$ -	$ -	$ -	$ -	$ -	$ (49,700)
14	Deferred Income Tax	$ (155,237)	$ -	$ -	$ -	$ -	$ -	$ -	$ (155,237)
15	Allowance for Working Capital	22,208	$ -	$ -	$ -	$ -	$ -	$ (28,274)	$ (6,066)
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	Rounding	$ -							$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 1,123,706	$ (13)	$ (940)	$ -	$ -	$ -	$ (28,274)	$ 1,094,479

References:
Column (A): Company Schedule B-2
Column (B): Adjustment No. 1 - Adjust Test-Year Plant, PTY Plant & Accumulated Depreciation (See TJC-4 Total, TJC-4 Direct, TJC-4 PHX OFF and TJC-4 MS Schedules and TJC Testimony)
Column (C): Adjustment No. 2 - To Remove Post Test Year Phoenix Office Plant and Accum. Depre.
Column (D): Adjustment No. 3 - Conforming Adkustment Per Data Response to BKB 11.16 to Remove Plant and Record Retirements
Column (E): Adjustment No. 4 - Intentionally Left Blank
Column (F): Adjustment No. 5 - Intentionally Left Blank
Column (G): Adjustment No. 6 - Working Capital
Column (H): Sum Of Columns (A), (B), (C), (D), (E), (F) & (G)

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	(C) 12/31/2003 Per Decision No. 68302	(D) ADJ-1 Remove Post Test Year Plant	(E) Plant Balance 12/31/2003
	301	Organization	0.00%	0.00%	-		$ -
1	302	Franchises	See Acct. 111	See Acct. 111	-		-
2	303	Other Intangibles	See Acct. 111	See Acct. 111	-		-
3	310.1	Water Rights	0.00%	0.00%	2,916		2,916
4	310.3	Other Source of Supply Land	0.00%	0.00%	-		-
5	310.4	Wells - Other	See Acct. 111	See Acct. 111	-		-
6	314	Wells	2.59%	3.13%	-		-
7	320	Pumping Plant Land	0.00%	0.00%	3,208		3,208
8	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	3,015		3,015
9	325	Electtric Pumping Equipment	2.59%	5.88%	74,000		74,000
10	328	Gas Engine Equipment	2.59%	4.00%	-		-
11	330	Water Treatment Plant Land	0.00%	0.00%	-		-
12	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	-		-
13	332	Water Treatment Equipment	2.59%	2.86%	-		-
14	340	Transmission and Distribution Land	0.00%	0.00%	6,065		6,065
15	342	Storage Tanks	2.59%	2.00%	160,356		160,356
16	343	Transmission & Distribution Mains	2.59%	1.79%	984,946		984,946
17	344	Fire Sprinkler Taps	2.59%	2.00%	104		104
18	345	Services	2.59%	2.38%	244,045		244,045
19	346	Meters	2.59%	4.55%	49,367		49,367
20	348	Hydrants	2.59%	1.82%	41,536		41,536
21	389	General Plant Land	0.00%	0.00%	-		-
22	390	General Plant Structures	2.59%	2.50%	46,411		46,411
23	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	-		-
24	391	Office Furniture & Equipment	2.59%	6.67%	9,381		9,381
25	393	Warehouse Equipment	2.59%	5.00%	193		193
26	394	Tools, Shop & Garage Equipment	2.59%	4.00%	8,362		8,362
27	395	Laboratory Equipment	2.59%	5.00%	2,103		2,103
28	396	Power Operated Equipment	2.59%	6.67%	3,234		3,234
29	397	Communication Equipment	2.59%	6.67%	16,468		16,468
30	398	Miscellaneous Equipment	2.59%	3.33%	768		768
31		**TOTAL DIRECT WATER PLANT**			$ 1,656,478	$ -	$ 1,656,478
32		Post Test Year Plant (PTYP)			-	-	-
33		**RUCO Total Water Plant In Service**			$ 1,656,478	$ -	$ 1,656,478
34							
35		**Company Direct Plant As Filed**					
36							
37		**RUCO Direct Plant Adjustment**					
38							
39		Reserve Deficiency Accrual - Decision No. 38733					
40							
41		Net (Salvage)/Cost of Removal					
42		Accumulated Depreciation			(627,369)		$ (627,369)
43		Accumulated Depreciation - PTYP			3,125	(3,125)	-
44		RUCO Total Accumulated Depreciation - Calculated			$ (624,244)		$ (627,369)
45							
46		Company As Filed - Accumulated Depreciation			-	-	(627,369)
47		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ (624,244)	$ -	$ -
48							
49		**RUCO Net Adjustment**					
50							
51							

52 References:
53 Column (A): Approved Depreciation Rate From Decision No. 58120
54 Columns (B): Approved Depreciation Rate From Decision No. 66849
55 Acct. 302 - Franchises amortized over 25 years.
56 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
57 Acct. 310.4 - Wells - Other amortized over 24 years.
58 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	154			-	154
4	310.1	Water Rights	0.00%	0.00%	538			-	3,454
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	802			10	802
8	320	Pumping Plant Land	0.00%	0.00%				-	3,208
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				78	3,015
10	325	Electtric Pumping Equipment	2.59%	5.88%	2,644			1,951	76,644
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				-	-
14	332	Water Treatment Equipment	2.59%	2.86%				-	-
15	340	Transmission and Distribution Land	0.00%	0.00%				-	6,065
16	342	Storage Tanks	2.59%	2.00%				4,153	160,356
17	343	Transmission & Distribution Mains	2.59%	1.79%	139,126			27,312	1,124,072
18	344	Fire Sprinkler Taps	2.59%	2.00%	3,470			48	3,574
19	345	Services	2.59%	2.38%	6,883			6,410	250,928
20	346	Meters	2.59%	4.55%	1,267			1,295	50,634
21	348	Hydrants	2.59%	1.82%	27,916			1,437	69,452
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				1,202	46,411
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%				243	9,381
26	393	Warehouse Equipment	2.59%	5.00%				5	193
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	256			220	8,618
28	395	Laboratory Equipment	2.59%	5.00%				54	2,103
29	396	Power Operated Equipment	2.59%	6.67%				84	3,234
30	397	Communication Equipment	2.59%	6.67%	148			428	16,616
31	398	Miscellaneous Equipment	2.59%	3.33%				20	768
32		**TOTAL DIRECT WATER PLANT**			$ 183,203	$ -	$ -	$ 44,951	$ 1,839,681
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 183,203	$ -	$ -	$ 44,951	$ 1,839,681
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(153)	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(672,473)	$ (672,473)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(672,473)	$ (672,473)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(672,473)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (672,473)	$ 0
49									
50		**RUCO Net Adjustment**							
51									

52 References:
53 Column (A): Approved Depreciation Rate From Decision No. 58120
54 Columns (B): Approved Depreciation Rate From Decision No. 66849
55 Acct. 302 - Franchises amortized over 25 years.
56 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
57 Acct. 310.4 - Wells - Other amortized over 24 years.
58 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
	301	Organization	0.00%	0.00%				-	$ -
1	302	Franchises	See Acct. 111	See Acct. 111				-	-
2	303	Other Intangibles	See Acct. 111	See Acct. 111				-	154
3	310.1	Water Rights	0.00%	0.00%	968			-	4,422
4	310.3	Other Source of Supply Land	0.00%	0.00%				-	-
5	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
6	314	Wells	2.59%	3.13%				21	802
7	320	Pumping Plant Land	0.00%	0.00%				-	3,208
8	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				79	3,015
9	325	Electtric Pumping Equipment	2.59%	5.88%				2,195	76,644
10	328	Gas Engine Equipment	2.59%	4.00%				-	-
11	330	Water Treatment Plant Land	0.00%	0.00%				-	-
12	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				-	-
13	332	Water Treatment Equipment	2.59%	2.86%	4,290			56	4,290
14	340	Transmission and Distribution Land	0.00%	0.00%				-	6,065
15	342	Storage Tanks	2.59%	2.00%				4,074	160,356
16	343	Transmission & Distribution Mains	2.59%	1.79%	4,836	(1,181)		28,410	1,127,727
17	344	Fire Sprinkler Taps	2.59%	2.00%				91	3,574
18	345	Services	2.59%	2.38%	1,688	(262)		6,473	252,353
19	346	Meters	2.59%	4.55%		(43)		1,394	50,591
20	348	Hydrants	2.59%	1.82%		(1,921)		1,730	67,531
21	389	General Plant Land	0.00%	0.00%				-	-
22	390	General Plant Structures	2.59%	2.50%				1,199	46,411
23	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
24	391	Office Furniture & Equipment	2.59%	6.67%				275	9,381
25	393	Warehouse Equipment	2.59%	5.00%				5	193
26	394	Tools, Shop & Garage Equipment	2.59%	4.00%				233	8,618
27	395	Laboratory Equipment	2.59%	5.00%				59	2,103
28	396	Power Operated Equipment	2.59%	6.67%				95	3,234
29	397	Communication Equipment	2.59%	6.67%	7,313			594	23,929
30	398	Miscellaneous Equipment	2.59%	3.33%				20	768
31		**TOTAL DIRECT WATER PLANT**			$ 19,095	$ (3,407)	$ -	$ 47,003	$ 1,855,369
32		Post Test Year Plant (PTYP)			-	-	-	-	-
33		**RUCO Total Water Plant In Service**			$ 19,095	$ (3,407)	$ -	$ 47,003	$ 1,855,369
34									
35		**Company Direct Plant As Filed**							
36									
37		**RUCO Direct Plant Adjustment**							
38									
39		Reserve Deficiency Accrual - Decision No. 38733						(153)	
40									
41		Net (Salvage)/Cost of Removal						-	
42		Accumulated Depreciation						(716,222)	$ (716,222)
43		Accumulated Depreciation - PTYP						-	$ -
44		RUCO Total Accumulated Depreciation - Calculated						(716,222)	$ (716,222)
45									
46		Company As Filed - Accumulated Depreciation			-	-	-	-	(716,223)
47		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (716,222)	$ 1
48									
49		**RUCO Net Adjustment**							
50									
51									

52 References:
53 Column (A): Approved Depreciation Rate From Decision No. 58120
54 Columns (B): Approved Depreciation Rate From Decision No. 66849
55 Acct. 302 - Franchises amortized over 25 years.
56 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
57 Acct. 310.4 - Wells - Other amortized over 24 years.
58 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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Ajo System
Schedule TJC-4 - Direct Plant
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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
	301	Organization	0.00%	0.00%				$ -	$ -
1	302	Franchises	See Acct. 111	See Acct. 111				-	-
2	303	Other Intangibles	See Acct. 111	See Acct. 111	1,415			-	1,569
3	310.1	Water Rights	0.00%	0.00%	1,579			-	6,001
4	310.3	Other Source of Supply Land	0.00%	0.00%				-	-
5	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
6	314	Wells	2.59%	3.13%				25	802
7	320	Pumping Plant Land	0.00%	0.00%				-	3,208
8	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				86	3,015
9	325	Electtric Pumping Equipment	2.59%	5.88%	2,600			4,583	79,244
10	328	Gas Engine Equipment	2.59%	4.00%				-	-
11	330	Water Treatment Plant Land	0.00%	0.00%				-	-
12	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				-	-
13	332	Water Treatment Equipment	2.59%	2.86%				123	4,290
14	340	Transmission and Distribution Land	0.00%	0.00%				-	6,065
15	342	Storage Tanks	2.59%	2.00%				3,207	160,356
16	343	Transmission & Distribution Mains	2.59%	1.79%	67,896			20,794	1,195,622
17	344	Fire Sprinkler Taps	2.59%	2.00%	13,816			210	17,390
18	345	Services	2.59%	2.38%	2,236			6,033	254,589
19	346	Meters	2.59%	4.55%				2,302	50,591
20	348	Hydrants	2.59%	1.82%	7,607			1,298	75,138
21	389	General Plant Land	0.00%	0.00%				-	-
22	390	General Plant Structures	2.59%	2.50%				1,160	46,411
23	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
24	391	Office Furniture & Equipment	2.59%	6.67%	565			645	9,946
25	393	Warehouse Equipment	2.59%	5.00%				10	193
26	394	Tools, Shop & Garage Equipment	2.59%	4.00%				345	8,618
27	395	Laboratory Equipment	2.59%	5.00%	3,558			194	5,661
28	396	Power Operated Equipment	2.59%	6.67%				216	3,234
29	397	Communication Equipment	2.59%	6.67%	2,104			1,666	26,033
30	398	Miscellaneous Equipment	2.59%	3.33%				26	768
31		**TOTAL DIRECT WATER PLANT**			$ 103,375	$ -	$ -	$ 42,921	$ 1,958,744
32		Post Test Year Plant (PTYP)			-	-	-	-	-
33		**RUCO Total Water Plant In Service**			$ 103,375	$ -	$ -	$ 42,921	$ 1,958,744
34									
35		**Company Direct Plant As Filed**							
36									
37		**RUCO Direct Plant Adjustment**							
38									
39		Reserve Deficiency Accrual - Decision No. 38733						-	
40									
41		Net (Salvage)/Cost of Removal						(4)	
42		Accumulated Depreciation						(759,147)	$ (759,147)
43		Accumulated Depreciation - PTYP						-	-
44		RUCO Total Accumulated Depreciation - Calculated						(759,147)	(759,147)
45									
46		Company As Filed - Accumulated Depreciation			-	-	-	-	(759,147)
47		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (759,147)	$ 0
48									
49		**RUCO Net Adjustment**							
50									
51									

52 References:
53 Column (A): Approved Depreciation Rate From Decision No. 58120
54 Columns (B): Approved Depreciation Rate From Decision No. 66849
55 Acct. 302 - Franchises amortized over 25 years.
56 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
57 Acct. 310.4 - Wells - Other amortized over 24 years.
58 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
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Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				-	-
3	303	Other Intangibles	See Acct. 111	See Acct. 111	2,059			276	3,628
4	310.1	Water Rights	0.00%	0.00%	2,674			-	8,675
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%				25	802
8	320	Pumping Plant Land	0.00%	0.00%				-	3,208
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				86	3,015
10	325	Electtric Pumping Equipment	2.59%	5.88%	3,763			4,770	83,008
11	328	Gas Engine Equipment	2.59%	4.00%				-	-
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				-	-
14	332	Water Treatment Equipment	2.59%	2.86%				123	4,290
15	340	Transmission and Distribution Land	0.00%	0.00%				-	6,065
16	342	Storage Tanks	2.59%	2.00%				3,207	160,356
17	343	Transmission & Distribution Mains	2.59%	1.79%	124,917	(828)		22,512	1,319,711
18	344	Fire Sprinkler Taps	2.59%	2.00%	640			354	18,029
19	345	Services	2.59%	2.38%	27,304	(1,006)		6,372	280,887
20	346	Meters	2.59%	4.55%	590			2,315	51,182
21	348	Hydrants	2.59%	1.82%	4,961			1,413	80,099
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				1,160	46,411
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	-
25	391	Office Furniture & Equipment	2.59%	6.67%	89			666	10,034
26	393	Warehouse Equipment	2.59%	5.00%				10	193
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%				345	8,618
28	395	Laboratory Equipment	2.59%	5.00%	29,228			1,014	34,889
29	396	Power Operated Equipment	2.59%	6.67%				216	3,234
30	397	Communication Equipment	2.59%	6.67%	3,086			1,839	29,119
31	398	Miscellaneous Equipment	2.59%	3.33%				26	768
32		**TOTAL DIRECT WATER PLANT**			$ 199,311	$ (1,834)	$ -	$ 46,729	$ 2,156,221
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 199,311	$ (1,834)	$ -	$ 46,729	$ 2,156,221
35									
36		**Company Direct Plant As Filed**							2,156,220
37									
38		**RUCO Direct Plant Adjustment**							1
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						-	
43		Accumulated Depreciation						(804,042)	$ (804,042)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(804,042)	(804,042)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(804,042)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (804,042)	$ (0)
49									
50		**RUCO Net Adjustment**							$ 0
51									

52 References:
53 Column (A): Approved Depreciation Rate From Decision No. 58120
54 Columns (B): Approved Depreciation Rate From Decision No. 66849
55 Acct. 302 - Franchises amortized over 25 years.
56 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
57 Acct. 310.4 - Wells - Other amortized over 24 years.
58 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	Direct Plant Classification Balances	RUCO Direct Plant Balances 12/31/2007	Company Balances	RUCO Difference
	301	Organization	0.00%	0.00%	$ -	Intangible Plant	Intangible Plant	
1	302	Franchises	See Acct. 111	See Acct. 111	-			
2	303	Other Intangibles	See Acct. 111	See Acct. 111	3,628	$ 3,628	$ 3,628	(0)
3	310.1	Water Rights	0.00%	0.00%	8,675	Source of Supply	Source of Supply	
4	310.3	Other Source of Supply Land	0.00%	0.00%	-			
5	310.4	Wells - Other	See Acct. 111	See Acct. 111	-			
6	314	Wells	2.59%	3.13%	802	9,477	9,477	0
7	320	Pumping Plant Land	0.00%	0.00%	3,208	Pumping Plant	Pumping Plant	
8	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	3,015			
9	325	Electtric Pumping Equipment	2.59%	5.88%	83,008			
10	328	Gas Engine Equipment	2.59%	4.00%	-	89,231	89,231	(0)
11	330	Water Treatment Plant Land	0.00%	0.00%	-	Treatment Plant	Treatment Plant	
12	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	-			
13	332	Water Treatment Equipment	2.59%	2.86%	4,290	4,290	4,290	(0)
14	340	Transmission and Distribution Land	0.00%	0.00%	6,065	T & D Plant	T & D Plant	
15	342	Storage Tanks	2.59%	2.00%	160,356			
16	343	Transmission & Distribution Mains	2.59%	1.79%	1,319,711			
17	344	Fire Sprinkler Taps	2.59%	2.00%	18,029			
18	345	Services	2.59%	2.38%	280,887			
19	346	Meters	2.59%	4.55%	51,182			
20	348	Hydrants	2.59%	1.82%	80,099	1,916,329	1,916,329	0
21	389	General Plant Land	0.00%	0.00%	-	General Plant	General Plant	
22	390	General Plant Structures	2.59%	2.50%	46,411			
23	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	-			
24	391	Office Furniture & Equipment	2.59%	6.67%	10,034			
25	393	Warehouse Equipment	2.59%	5.00%	193			
26	394	Tools, Shop & Garage Equipment	2.59%	4.00%	8,618			
27	395	Laboratory Equipment	2.59%	5.00%	34,889			
28	396	Power Operated Equipment	2.59%	6.67%	3,234			
29	397	Communication Equipment	2.59%	6.67%	29,119			
30	398	Miscellaneous Equipment	2.59%	3.33%	768	133,266	133,267	(1)
31		**TOTAL DIRECT WATER PLANT**			$ 2,156,221			
32		Post Test Year Plant (PTYP)				$ 2,156,221	$ 2,156,222	(1)
33		**RUCO Total Water Plant In Service**						
34								
35		**Company Direct Plant As Filed**						
36								
37		**RUCO Direct Plant Adjustment**						
38								
39		Reserve Deficiency Accrual - Decision No. 38733						
40								
41		Net (Salvage)/Cost of Removal						
42		Accumulated Depreciation						
43		Accumulated Depreciation - PTYP						
44		RUCO Total Accumulated Depreciation - Calculated						
45								
46		Company As Filed - Accumulated Depreciation						
47		**RUCO Direct Plant Accumulated Depreciation Adjustment**						
48								
49		**RUCO Net Adjustment**						
50								
51								

52 References:
53 Column (A): Approved Depreciation Rate From Decision No. 58120
54 Columns (B): Approved Depreciation Rate From Decision No. 66849
55 Acct. 302 - Franchises amortized over 25 years.
56 Acct. 303 - Other Intangibles amortized over 15 & 20 Years.
57 Acct. 310.4 - Wells - Other amortized over 24 years.
58 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present
	301	Organization	0.00%	0.00%
1	302	Franchises	See Acct. 111	See Acct. 111
2	303	Other Intangibles	See Acct. 111	See Acct. 111
3	310.1	Water Rights	0.00%	0.00%
4	310.3	Other Source of Supply Land	0.00%	0.00%
5	310.4	Wells - Other	See Acct. 111	See Acct. 111
6	314	Wells	2.59%	3.13%
7	320	Pumping Plant Land	0.00%	0.00%
8	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%
9	325	Electtric Pumping Equipment	2.59%	5.88%
10	328	Gas Engine Equipment	2.59%	4.00%
11	330	Water Treatment Plant Land	0.00%	0.00%
12	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%
13	332	Water Treatment Equipment	2.59%	2.86%
14	340	Transmission and Distribution Land	0.00%	0.00%
15	342	Storage Tanks	2.59%	2.00%
16	343	Transmission & Distribution Mains	2.59%	1.79%
17	344	Fire Sprinkler Taps	2.59%	2.00%
18	345	Services	2.59%	2.38%
19	346	Meters	2.59%	4.55%
20	348	Hydrants	2.59%	1.82%
21	389	General Plant Land	0.00%	0.00%
22	390	General Plant Structures	2.59%	2.50%
23	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2
24	391	Office Furniture & Equipment	2.59%	6.67%
25	393	Warehouse Equipment	2.59%	5.00%
26	394	Tools, Shop & Garage Equipment	2.59%	4.00%
27	395	Laboratory Equipment	2.59%	5.00%
28	396	Power Operated Equipment	2.59%	6.67%
29	397	Communication Equipment	2.59%	6.67%
30	398	Miscellaneous Equipment	2.59%	3.33%
31		**TOTAL DIRECT WATER PLANT**		
32		Post Test Year Plant (PTYP)		
33		**RUCO Total Water Plant In Service**		
34				
35		**Company Direct Plant As Filed**		
36				
37		**RUCO Direct Plant Adjustment**		
38				
39		Reserve Deficiency Accrual - Decision No. 38733		
40				
41		Net (Salvage)/Cost of Removal		
42		Accumulated Depreciation		
43		Accumulated Depreciation - PTYP		
44		RUCO Total Accumulated Depreciation - Calculated		
45				
46		Company As Filed - Accumulated Depreciation		
47		**RUCO Direct Plant Accumulated Depreciation Adjustment**		
48				
49		**RUCO Net Adjustment**		
50				
51				
52		References:		
53		Column (A): Approved Depreciation Rate From Decision No. 58120		
54		Columns (B): Approved Depreciation Rate From Decision No. 66849		
55		Acct. 302 - Franchises amortized over 25 years.		
56		Acct. 303 - Other Intangibles amortized over 15 & 20 Years.		
57		Acct. 310.4 - Wells - Other amortized over 24 years.		
58		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.		

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Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	ADJ-1 Remove Post Test Year Plant	Balance 12/31/2003
1	301	Organization	0.00%	651		651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	8,496		8,496
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	-		-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	-		-
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	-		-
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	31,795		31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	1,267,373		1,267,373
25	391	Office Furniture and Equipment	2.59%	3,505,411		3,505,411
26	393	Warehouse Equipment	2.59%	3,705		3,705
27	394	Tools, Shop and Garage Equipment	2.59%	30,450		30,450
28	395	Laboratory Equipment	2.59%	977		977
29	396	Power Operated Equipment	2.59%	-		-
30	397	Communication Equipment	2.59%	143,052		143,052
31	398	Miscellaneous Equipment	2.59%	7,207		7,207
32		**TOTAL PHOENIX OFFICE PLANT**		4,999,117	-	4,999,117
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Phoenix Office**		4,999,117	-	4,999,117
35						
36		**Company Phoenix Office As Filed**		4,999,117		4,999,117
37						
38		RUCO Phoenix Office Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733		-		-
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(503,775)	-	(503,775)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(503,775)	-	(503,775)
46						
47		Company As Filed - Accumulated Depreciation				(503,775)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	48,512			78,228	1,315,885
25	391	Office Furniture and Equipment	2.59%	129,135	(7,465)		92,366	3,627,081
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	24,820			1,110	55,270
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	6,465			3,789	149,517
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		208,932	(7,465)	-	176,624	5,200,584
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,200,584
35								
36		**Company Phoenix Office As Filed**						5,200,584
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(672,934)	(672,934)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(672,934)	(672,934)
46								
47		Company As Filed - Accumulated Depreciation						(672,934)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				89,580	1,315,885
25	391	Office Furniture and Equipment	2.59%	221,339			96,808	3,848,420
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	20,585			1,698	75,855
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	885			3,884	150,402
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		242,809	-	-	193,101	5,443,393
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,443,393
35								
36		**Company Phoenix Office As Filed**						5,443,393
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(866,035)	(866,035)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(866,035)	(866,035)
46								
47		Company As Filed - Accumulated Depreciation						(866,035)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
			Dec. 58120					
			1/1/1993					
			To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				94,864	1,315,885
25	391	Office Furniture and Equipment	2.59%	369,071			104,454	4,217,491
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	59,519			2,735	135,374
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	1,741			3,918	152,143
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		430,332	-	-	207,102	5,873,725
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,873,725
35								
36		**Company Phoenix Office As Filed**						5,873,725
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,073,138)	(1,073,138)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,073,138)	(1,073,138)
46								
47		Company As Filed - Accumulated Depreciation						(1,073,137)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				425	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	10,463			959	42,258
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	93			86,708	1,315,978
25	391	Office Furniture and Equipment	2.59%	464,535	(243,714)		112,093	4,438,312
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	40,312			4,028	175,686
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	4,089			3,993	156,232
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		519,493	(243,714)	-	208,514	6,149,503
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						6,149,503
35								
36		**Company Phoenix Office As Filed**						6,149,503
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,037,938)	(1,037,938)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,037,938)	(1,037,938)
46								
47		Company As Filed - Accumulated Depreciation						(1,036,382)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1,556)
49								
50		**RUCO Net Adjustment**						(1,556)
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	ADJ-1 Remove Post Test Year Plant	Balance 12/31/2003
1	301	Organization	0.00%	-		-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	80		80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	2,050		2,050
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	6,066		6,066
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	37,472		37,472
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	-		-
25	391	Office Furniture and Equipment	2.59%	3,983		3,983
26	393	Warehouse Equipment	2.59%	1,088		1,088
27	394	Tools, Shop and Garage Equipment	2.59%	58,430		58,430
28	395	Laboratory Equipment	2.59%	2,981		2,981
29	396	Power Operated Equipment	2.59%	1,458		1,458
30	397	Communication Equipment	2.59%	-		-
31	398	Miscellaneous Equipment	2.59%	-		-
32		**TOTAL METER SHOP PLANT**		113,608	-	113,608
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Meter Shop**		113,608	-	113,608
35						
36		**Company Meter Shop As Filed**		113,608		113,608
37						
38		RUCO Meter Shop Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733				
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(30,118)	-	(30,118)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(30,118)	-	(30,118)
46						
47		Company As Filed - Accumulated Depreciation				(30,118)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						
56		Notes				
57		Acct. 302 - Franchises amortized over 25 years.				
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.				
59		Acct. 310.4 - Wells - Other amortized over 24 years.				
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.				

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	12,809			1,136	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	3,166			144	7,149
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	1,575			1,534	60,005
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		17,550	-	-	3,168	131,158
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						131,158
35								
36		**Company Meter Shop As Filed**						131,158
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733						
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(33,286)	(33,286)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(33,286)	(33,286)
46								
47		Company As Filed - Accumulated Depreciation						(33,286)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,302	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	94			186	7,243
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	2,004			1,580	62,009
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		2,097	-	-	3,422	133,256
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						133,256
35								
36		**Company Meter Shop As Filed**						133,256
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(36,708)	(36,708)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(36,708)	(36,708)
46								
47		Company As Filed - Accumulated Depreciation						(36,708)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	2,571			1,336	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	1,610			208	8,853
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	3,115			1,646	65,124
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		7,296	-	-	3,544	140,551
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						140,551
35								
36		**Company Meter Shop As Filed**						140,551
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(40,251)	(40,251)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(40,251)	(40,251)
46								
47		Company As Filed - Accumulated Depreciation						(40,251)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,369	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	1,893			254	10,745
26	393	Warehouse Equipment	2.59%	1,089			42	2,177
27	394	Tools, Shop and Garage Equipment	2.59%	2,298			1,716	67,422
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		5,280	-	-	3,707	145,832
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						145,832
35								
36		**Company Meter Shop As Filed**						145,832
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(43,958)	(43,958)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(43,958)	(43,958)
46								
47		Company As Filed - Accumulated Depreciation						(43,959)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						1
49								
50		**RUCO Net Adjustment**						1
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

EXPLANATION OF RATE BASE ADJUSTMENT NO. 2
POST TEST-YEAR PLANT - PHOENIX OFFICE

LINE NO.	ACCT NO.	ACCOUNT NAME	(A) COMPANY ADJUSTED TY PLANT	(B) POST TY ADDITIONS	(C) 3-FACTOR ALLOCATOR	(D) REMOVE PTY PLANT
1	301	Organization	$ 5	$ -	0.81%	$ -
2	302	Franchises	-	-	0.81%	-
3	303	Other Intangibles	3,697	-	0.81%	-
4	310.1	Water Rights	8,675	-	0.81%	-
5	310.3	Other Source of Supply Land	1	-	0.81%	-
6	310.4	Wells - Other	-	-	0.81%	-
7	314	Wells	802	-	0.81%	-
8	320	Pumping Plant Land	3,208	-	0.81%	-
9	321	Pumping Plant Structures & Imprm'ts	3,015	-	0.81%	-
10	325	Electtric Pumping Equipment	83,008	-	0.81%	-
11	328	Gas Engine Equipment	-	-	0.81%	-
12	330	Water Treatment Plant Land	-	-	0.81%	-
13	331	Water Treatment Structures & Imprm'ts	-	-	0.81%	-
14	332	Water Treatment Equipment	4,306	-	0.81%	-
15	340	Transmission and Distribution Land	6,065	-	0.81%	-
16	342	Storage Tanks	160,356	-	0.81%	-
17	343	Transmission & Distribution Mains	1,319,760	-	0.81%	-
18	344	Fire Sprinkler Taps	18,029	-	0.81%	-
19	345	Services	280,887	-	0.81%	-
20	346	Meters	51,182	-	0.81%	-
21	348	Hydrants	80,099	-	0.81%	-
22	389	General Plant Land	-	-	0.81%	-
23	390	General Plant Structures	47,181	-	0.81%	-
24	390.1	Leasehold Improvements	10,659	-	0.81%	-
25	391	Office Furniture & Equipment	46,072	120,057	0.81%	972
26	393	Warehouse Equipment	241	-	0.81%	-
27	394	Tools, Shop & Garage Equipment	10,587	-	0.81%	-
28	395	Laboratory Equipment	34,921	-	0.81%	-
29	396	Power Operated Equipment	3,246	-	0.81%	-
30	397	Communication Equipment	30,384	-	0.81%	-
31	398	Miscellaneous Equipment	826	-	0.81%	-
32		Rounding	(1)			
33		**TOTAL PTY WATER PLANT**	$ 2,207,212	$ 120,057		$ 972
34		Company As Filed	$ 2,207,212	120,057		972
35		Difference	$ -	$ -		$ -
36						
37		RUCO PTY Plant Adjustment				$ (972)
38						
39		RUCO PTY Accumulated Depreciation Plant Adjustment				$ 32
40						
41						

42 References:
43 Column (A): Company Schedules B-2
44 Column (B): Post Test Year Phoenix Office Plant Allocation
45 Column (C): 3-Factor Allocator
46 Column (D): Adjustment

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6
ALLOWANCE FOR WORKING CAPITAL

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) REFERENCE
1	Working Cash Requirement Per Company	$ 12,078	Company Schedule B-5, PG. 1
2	Working Cash Requirement Per RUCO	(16,196)	RUCO Schedule WAR-5, Page 2
3	Adjustment	$ (28,274)	Line 2 - Line 1
4	Material and Supplies Inventories Per Company	$ 1,614	Company Schedule B-5, PG. 1
5	Material and Supplies Inventories Per RUCO	1,614	Company Schedule B-5, PG. 1
6	Adjustment	$ -	Line 5 - Line 4
7	Required Bank Balances Per Company	$ 4,167	Company Schedule B-5, PG. 1
8	Required Bank Balances Per RUCO	4,167	Company Schedule B-5, PG. 1
9	Adjustment	$ -	Line 8 - Line 7
10	Prepayments & Special Deposits Per Company	$ 4,350	Company Schedule B-5, PG. 1
11	Prepayments & Special Deposits Per RUCO	4,350	Company Schedule B-5, PG. 1
12	Adjustment	$ -	Line 11 - Line 10
13	TOTAL ADJUSTMENT (See TJC-2, Column (K))	$ (28,274)	Sum of Lines 3, 6, 9 & 12

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6 - CONT'D
LEAD/LAG DAY SUMMARY

LINE NO.	DESCRIPTION	(A) COMPANY EXPENSES AS FILED	(B) RUCO ADJUSTM'TS	(C) RUCO EXPENSES AS ADJUSTED	(D) (LEAD)/LAG DAYS	(E) DOLLAR DAYS
	Operating Expenses					
1	Purchased Power	$ 3,297	$ -	$ 3,297	35.92	$ 118,428
2	Payroll	72,016	(2,452)	69,564	14.00	973,893
3	Purchased Water	159,092	-	159,092	38.97	6,199,971
4	Chemicals	448	-	448	20.43	9,151
5	Property & Liability Insurance	2,420	-	2,420	(45.27)	(109,553)
6	Workman's Compensation Insurance	1,210	-	1,210	(46.50)	(56,265)
7	Health Insurance	19,143	(9)	19,134	(8.92)	(170,676)
8	Other Operating & Maintenance Expenses	66,459	(1,350)	65,109	30.00	1,953,270
9	Federal Current Income Taxes	35,343	(26,448)	8,895	37.00	329,127
10	State Current Income Taxes	7,786	(3,623)	4,163	37.00	154,030
11	FICA Taxes	5,441	(286)	5,155	14.00	72,175
12	FUTA & SUTA Taxes	130	-	130	83.10	10,803
13	Property Taxes	26,265	(1,769)	24,496	212.00	5,193,233
14	Registration, Svc. Contracts, & Misc. Fees	4,328	-	4,328	(98.83)	(427,736)
15	Retirement Annuities (401k)	6,318	(207)	6,111	34.72	212,166
16	Subtotal	409,696	(36,143)	373,553		14,462,017
17	Synchronized Interest	$ 41,677	$ (1,084)	$ 40,593	91.25	$ 3,704,134
18	Cost of Equity	68,606	(68,606)	-	-	-
19	Subtotal	$ 110,283	$ (69,690)	$ 40,593		$ 3,704,134
20	Total	$ 519,979	$ (105,833)	$ 414,146		$ 18,166,150

21	Expense Lag	Line 17, Col. (E) / (C)	43.86
22	Revenue Lag	Company B-5 Schedules	29.59
23	Net Lag	Line 18 - Line 17	(14.27)
24	RUCO Adjusted Expenses	Col. (C), Line 16	$ 414,146
25	Cash Working Capital	Line 19 X Line 20 / 365 Days	(16,196)
26	Company As Filed	Co. Schedule B-6, Page 1	12,078
27	Difference	Line 21 - Line 22	$ (28,274)
28	ADJUSTMENT	Line 27	$ (28,274)

NOTE: Expense Lag Days Used in the Last Western Group Rate Case.
NOTE: Dependent on System
NOTE: RUCO reviewed several invoices from a number of companies with terms of net 30 days.

References Column (A): - Company Schedule B-5
Column (B): RUCO Operating Income Adjustments (See Schedule TJC-7)
Column (C): Column (A) + (B)
Column (D): - Company Schedule B-5
Column (E): Column (C) X Column (D)

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJM'TS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
	Operating Revenues					
1	Residential	$ 360,038	$ -	$ 360,038	$ 29,791	$ 389,828
2	Commercial	106,351	-	106,351	9,572	115,923
3	Industrial	-	-	-	-	-
4	Private Fire Service	124	-	124	476	600
5	Other Water Revenues	812	-	812	16	828
6	Total Water Revenues	$ 467,325	$ -	$ 467,325	$ 39,854	$ 507,179
7	Miscellaneous	$ 3,669	$ -	$ 3,669	$ (46)	$ 3,623
8	Total Operating Revenues	$ 470,994	$ -	$ 470,994	$ 39,808	$ 510,802
	Operating Expenses					
	Source of Supply Expenses:					
9	Purchased Water	$ 159,092	$ -	$ 159,092	$ -	$ 159,092
10	Other	71	-	71	-	71
11	Pumping Expenses:	-				
12	Purchased Power	3,297	-	3,297	-	3,297
13	Purchased Gas	-	-	-	-	-
14	Other	16,314	-	16,314	-	16,314
15	Water Treatment Expenses	4,904	-	4,904	-	4,904
16	Transmission & Distribution Expenses	66,320	-	66,320	-	66,320
17	Customer Accounting Expenses	29,076	-	29,076	-	29,076
18	Sales Expense	133	-	133	-	133
19	Administrative & General Expenses	55,525	(3,208)	52,316	-	52,316
20	Total Operations & Maintenance Expense	$ 334,732	$ (3,208)	$ 331,523	$ -	$ 331,523
21	Depreciation & Amortization Expenses	$ 51,154	$ (771)	$ 50,383	$ -	$ 50,383
	Taxes					
22	Federal Income Taxes	$ 4,055	$ (1,086)	$ 2,968	$ 5,927	$ 8,895
23	State Income Taxes	893	2,314	3,207	956	4,163
24	Property Taxes	26,265	(1,769)	24,497	-	24,497
25	Other	4,347	(286)	4,061	-	4,061
26	Total Taxes	$ 35,560	$ (827)	$ 34,733	$ 6,883	$ 41,616
27	Total Operating Expenses	$ 421,445	$ (4,806)	$ 416,640	$ 6,883	$ 423,522
28	Operating Income	$ 49,548	$ 4,806	$ 54,354	$ 32,925	$ 87,279

References:
Column (A): Company Schedule C-1
Column (B): TJC-8, Columns (B) Thru (I)
Column (C): Column (A) + Column (B)
Column (D): TJC-1
Column (E): Column (C) + Column (D)

Arizona Water Company
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Ajo System
Schedule TJC-8
Page 1 of 1

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJMT NO. 1 LABOR EXPENSE	(C) ADJMT NO. 2 PAYROLL TAX EXPENSE	(D) ADJMT NO. 3 401(K) EXPENSE	(E) ADJMT NO. 4 REVERSE ADJ. FOR CONSERVATION	(F) ADJMT NO. 5 PURCH. POWER REVENUES	(G) ADJMT NO. 6 INSURANCE EXPENSE	(H) ADJMT NO. 7 DEPRECIATION EXPENSE	(I) ADJMT NO. 8 PROPERTY TAX	(J) ADJMT NO. 9 RATE CASE EXPENSE	(K) ADJMT NO. 10 INCOME TAXES	(L) RUCO AS ADJT'D
1	Operating Revenues												
2	Residential	$ 360,038	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 360,038
3	Commercial	106,351	-	-	-	-	-	-	-	-	-	-	106,351
4	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
5	Private Fire Service	124	-	-	-	-	-	-	-	-	-	-	124
6	Other Water Revenues	812	-	-	-	-	-	-	-	-	-	-	812
	Total Water Revenues	$ 467,325	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 467,325
7	Miscellaneous	$ 3,669	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,669
8	Total Operating Revenues	$ 470,994	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 470,994
	Operating Expenses												
9	Source of Supply Expenses:												
10	Purchased Water	$ 159,092	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 159,092
11	Other	71	-	-	-	-	-	-	-	-	-	-	71
12	Pumping Expenses:												
13	Purchased Power	3,297	-	-	-	-	-	-	-	-	-	-	3,297
14	Purchased Gas	-	-	-	-	-	-	-	-	-	-	-	-
15	Other	18,314	-	-	-	-	-	-	-	-	-	-	16,314
16	Water Treatment Expenses	4,904	-	-	-	-	-	-	-	-	-	-	4,904
17	Transmission & Distribution Expenses	66,320	-	-	-	-	-	-	-	-	-	-	66,320
18	Customer Accounting Expenses	29,076	-	-	-	-	-	-	-	-	-	-	29,076
19	Sales Expense	133	-	-	-	-	-	-	-	-	-	-	133
20	Administrative & General Expenses	55,525	-	-	-	-	-	-	-	-	-	-	52,316
	Total Operations & Maintenance Expense	$ 334,732	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 331,523
21	Depreciation & Amortization Expenses	$ 51,154	$ (2,452)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,383
22	Taxes												
23	Federal Income Taxes	$ 4,055	$ (2,452)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,968
24	State Income Taxes	893	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	3,207
25	Property Taxes	28,265	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	24,487
26	Other	4,347	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	4,061
	Total Taxes	$ 35,560	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 34,733
27	Total Operating Expenses	$ 421,445	$ (2,452)	$ (286)	$ (207)	$ -	$ -	$ (9)	$ (771)	$ (1,769)	$ (540)	$ (1,086)	$ 416,640
28	Operating Income	$ 49,548	$ 2,452	$ 286	$ 207	$ -	$ -	$ 9	$ 771	$ 1,769	$ 540	$ 2,314	$ 54,354
												$ -	
												$ 1,228	
												$ 1,228	
												(1,228)	

ADJUSTMENTS:

1 - Labor Expense - Normalize OT Hours in Test Year
2 - Payroll Tax Expense Related to Adjustment 1
3 - 401(K) Expense Related to Adjustment 1
4 - Reverse Adjustment for Conservation
5 - Purchased Power Revenues
6 - Insurance Expense
7 - Depreciation Expense
8 - Property Tax Expense
9 - Rate Case Expense
10 - Income Tax

REFERENCE:

Testimony, WAR And Schedule TJC-9 Page, 1 of 3
Testimony, WAR And Schedule TJC-9 Page, 2 of 3
Testimony, WAR And Schedule TJC-9 Page, 3 of 3
Testimony WAR
Testimony WAR
Testimony, WAR And Schedule TJC-10
Testimony, WAR And Schedule TJC-11
Testimony, WAR And Schedule TJC-12
Testimony, WAR And Schedule TJC-13
Testimony, WAR And Schedule TJC-14

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 1
PAYROLL EXPENSE

LINE NO.	DESCRIPTION		(A) PER RUCO DR 1.11.d
1	Normalize Over-Time Over 4 Years:		
2	2005 OT Hours		15,008.5
3	2006 OT Hours		18,080.0
4	2007 OT Hours		28,132.5
5	2008 OT Hours		17,530.0
6			
7	Total OT Hours for 2005 - 2008		78,751.0
8	Divided by 4 Years		4
9			
10	Normalized Level of OT Hours/Yr.		19,687.8
11			
12	OT Hours in Test Year		28,132.5
13			
14	Amount of Abnormal TY OT Hours		8,444.8
15			
16	Multiplied by Average OT Hrly. Rate	**See NOTE**	35.85
17			
18	Total Abnormal OT Dollars in TY		$ 302,744
19			
20	3-Factor Allocator Per District		0.81%
21			
22	RUCO Adjustment		$ (2,452)
23			
24			
25			
26			
27			

28	3-Factor Allocator By District:			
29	Superstition	24.94%	White Tank	2.37%
30	Bisbee	4.98%	Ajo	0.81%
31	Sierra Vista	2.58%	Coolidge	5.27%
32	San Manuel	1.68%	Lakeside	6.20%
33	Oracle	2.28%	Overgaard	3.99%
34	Winkelman	0.22%	Sedona	8.45%
35	Miami	4.98%	Pinewood	2.95%
36	Casa Grande	26.55%	Rimrock	1.48%
37	Stanfield	0.27%		
38				
39				
40				
41				
42	**Calculation Notes:**			
43	Average of Hourly Rate	$ 21.65		
44	OT Hourly Rate 1.5	32.48		

NOTE: The Company calculated the average hourly rate for overtime in response to data request AII-11.6 to be $35.85. RUCO accepts that rate in making its payroll adjustments.

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
PAYROLL TAX EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll Tax Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	0.81%
6		
7	RUCO Allocated Payroll by District	$ 2,452
8		
9	Payroll Tax Expense Allocator By Group:	
10		
11	RUCO Payroll Tax Expense Allocator by Group	11.65%
12		
13	RUCO Payroll Tax Expense Adjustment	$ (286)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	7.47%
40	Western Group	11.65%
41	Northern Group	15.90%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
PAYROLL 401(K) EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll 401(K) Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	0.81%
6		
7	RUCO Allocated Payroll by District	$ 2,452
8		
9	Payroll 401(K) Expense Allocator By Group:	
10		
11	RUCO Payroll 401(K) Expense Allocator by Group	8.45%
12		
13	RUCO Payroll 401(K) Expense Adjustment	$ (207)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	8.39%
40	Western Group	8.45%
41	Northern Group	8.12%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
INSURANCE EXPENSE

LINE NO.		(A) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER COMPANY	(B) RUCO ADJUSTMENT	(C) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER RUCO	
1	System				
2					
3	Eastern Group				
4	Supersition	$ 2,224	$ (273)	$ 1,950	
5	Apache Junction				
6	Superior				
7	Bisbee	122	(45)	77	
8	Sierra Vista	115	(38)	77	
9	San Manuel	5	(20)	(16)	
10	Oracle	25	(20)	5	
11	Saddlebrook	5	(0)	4	
12	Winkelman	0	(2)	(2)	
13	Miami	(338)	(40)	(378)	
14	Subtotal	$ 2,157	$ (439)	$ 1,718	
15					
16	Western Group				
17	Casa Grande	2,137	(298)	1,839	
18	Stanfield	20	(3)	17	
19	White Tank	148	(22)	126	
20	Ajo	58	(9)	49	
21	Coolidge	(127)	(62)	(189)	
22	Subtotal	$ 2,235	$ (393)	$ 1,842	
23					
24	Northern Group				
25	Lakeside	570	(65)	506	
26	Overgaard	507	(55)	452	
27	Sedona	445	(84)	361	
28	Pinewood	199	(38)	162	
29	Rimrock	87	(16)	71	
30	Subtotal	$ 1,809	$ (257)	$ 1,551	
31					
32					
33	Total Company	$ 6,201	$ (1,090)	$ 5,111	(a)

REFERENCE

COLUMN (A): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (B): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (C): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD

NOTES:

(a) CALCULATED AS FOLLOWS:		PER COMPANY	RUCO ADJUSTMENT	PER RUCO	REFERENCE
1	Current Rate per Payroll Dollar	$ 0.0036		$ 0.0036	COMPANY WORKPAPER - "GROUP INSURANCE" TAB LTD
2	Pro Forma Payroll Dollars	$ 11,095,569	$ 302,744	$ 10,792,825	COMPANY WORKPAPER - "GROUP INSURANCE)
3	Pro Forma LTD - Total Company	$ 39,944		$ 38,854	LINE 1 x LINE 2
4	Y/E Number of Customers	$ 83,825		$ 83,825	COMPANY WORKPAPER - "GROUP INSURANCE)
5	Pro Forma 2007 LTD - Spread	$ 38,854		$ 38,854	COMPANY WORKPAPER - "GROUP INSURANCE)
6	Increase / (Decrease)	$ 6,201		$ 5,111	COMPANY WORKPAPER - "GROUP INSURANCE)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCOUNT NO.	ACCOUNT NAME	(A) RUCO PLANT VALUE	(B) COMPANY PROPOSED DEP. RATES	(C) TEST YEAR DEPRECIATION EXPENSE
1	301	Organization	$ 5	0.00%	$ -
2	302	Franchises	-	See Acct. 111	-
3	303	Other Intangibles	3,697	See Acct. 111	276
4	310.1	Water Rights	8,675	0.00%	-
5	310.3	Other Source of Supply Land	1	0.00%	-
6	310.4	Wells - Other	-	See Acct. 111	-
7	314	Wells	802	3.13%	25
8	320	Pumping Plant Land	3,208	0.00%	-
9	321	Pumping Plant Structures & Imprm'ts	3,015	2.86%	86
10	325	Electtric Pumping Equipment	83,008	5.88%	4,881
11	328	Gas Engine Equipment	-	4.00%	-
12	330	Water Treatment Plant Land	-	0.00%	-
13	331	Water Treatment Structures & Imprm'ts	-	2.50%	-
14	332	Water Treatment Equipment	4,306	2.86%	123
15	340	Transmission and Distribution Land	6,065	0.00%	-
16	342	Storage Tanks	160,356	2.00%	3,207
17	343	Transmission & Distribution Mains	1,319,760	1.79%	23,624
18	344	Fire Sprinkler Taps	18,029	2.00%	361
19	345	Services	280,887	2.38%	6,685
20	346	Meters	51,182	4.55%	2,329
21	348	Hydrants	80,099	1.82%	1,458
22	389	General Plant Land	-	0.00%	-
23	390	General Plant Structures	47,181	2.50%	1,180
24	390.1	Leasehold Improvements	10,659	See Acct. 108.2	-
25	391	Office Furniture & Equipment	45,100	6.67%	3,008
26	393	Warehouse Equipment	241	5.00%	12
27	394	Tools, Shop & Garage Equipment	10,587	4.00%	423
28	395	Laboratory Equipment	34,921	5.00%	1,746
29	396	Power Operated Equipment	3,246	6.67%	216
30	397	Communication Equipment	30,384	6.67%	2,027
31	398	Miscellaneous Equipment	826	3.33%	28
32		Rounding	(1)		
33		TEST YEAR GROSS PLANT AND DEPRECIATION EXPENSE	$ 2,206,240		$ 51,694
34					
35		AMORTIZATION OF CONTRIBUTIONS	(65,554)	2.00%	(1,311)
36		Rounding			-
37	**TOTAL DEPRECIATION EXPENSE**				$ 50,383
38					
39	Company As Filed				51,154
40	Difference				$ (771)
41					
42	RUCO Adjustment (See TJC-8, Column (B))				$ (771)
43					
44					
45	3-Factor Allocator By District:				
46	Superstition	24.94%	White Tank	2.37%	
47	Bisbee	4.98%	Ajo	0.81%	
48	Sierra Vista	2.58%	Coolidge	5.27%	
49	San Manuel	1.68%	Lakeside	6.20%	
50	Oracle	2.28%	Overgaard	3.99%	
51	Winkelman	0.22%	Sedona	8.45%	
52	Miami	4.98%	Pinewood	2.95%	
53	Casa Grande	26.55%	Rimrock	1.48%	
54	Stanfield	0.27%			

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	REFERENCE	(A)	(B)
	Calculation Of The Company's Full Cash Value:			
	Annual Operating Revenues:			
1	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	$ 470,994	
2	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	470,994	
3	Proposed Revenues	Sch. TJC-7, Col (E), Ln 8	510,802	
4	Total Three Year Operating Revenues	Sum Of Lines 1, 2 & 3	$ 1,452,789	
5	Average Annual Operating Revenues	Line 4 / 3	484,263	
6	Two Times Three Year Average Operating Revenues	Line 5 X 2		$ 968,526
	ADD:			
	10% Of Construction Work In Progress ("CWIP"):			
7	Test Year CWIP	Company Schedule E	$ -	
8	10% Of CWIP	Line 7 X 10%		$ -
	SUBTRACT:			
	Transportation At Book Value:			
9	Original Cost Of Transportation Equipment	Company Workpapers	$ -	
10	Acc. Dep. Of Transportation Equipment	Company Workpapers	-	
11	Net Book Value Of Transportation Equipment	Line 9 + Line 10		$ (7,601)
12	Company's Full Cash Value ("FCV")	Sum Of Lines 6, 8 & 11		$ 960,925
	Calculation Of The Company's Tax Liability:			
	MULTIPLY:			
	FCV X Valuation Assessment Ratio X Property Tax Rates:			
13	Assessment Ratio	House Bill 2779	22.5%	
14	Assessed Value	Line 12 X Line 13	$ 216,208	
	Property Tax Rates:			
15	Primary Tax Rate	Company Workpapers	11.33%	
16	Secondary Tax Rate	Company Workpapers	0.00%	
17	Estimated Tax Rate Liability	Line 15 + Line 16	11.33%	
	Property Tax			$ 24,496
	Tax On Parcel			-
18	Company's Total Tax Liability - Based On Full Cash Value	Line 14 X Line 17		$ 24,496
19	Test Year Adjusted Property Tax Expense As Filed	Co. Sch. C-1		26,265
20	Decrease In Property Tax Expense	Line 18 - Line 19		$ (1,769)
21	RUCO Adjustment (See TJC-8, Column (C))	Line 20		$ (1,769)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 9
RATE CASE EXPENSE

LINE NO.	DESCRIPTION	(A) COMPANY ESTIMATE	(B) RUCO ADJUSTMENT	(C) RUCO AS ADJUSTED
1	Rate Case Expense Total	$ 500,000	$ (200,000)	$ 300,000
2	Allocation Factor			0.81%
3	Ajo System (Line 1 X Line 2)			$ 2,430
4	Amortization Period - 3 Years			3
5	RUCO Adjusted Rate Case Expense (Line 3 / 3 Years)			$ 810
6	Company Rate Case Expenses As Filed (Company Sch. C-2)			$ 1,350
7	RUCO Pro Forma Rate Case Expense (Lines 5 - 6)			$ (540)
8	RUCO Adjustment (Line 7) (See TJC-8, Column (E))			$ (540)

3-Factor Allocator By District:

Superstition	24.94%	White Tank	2.37%
Bisbee	4.98%	Ajo	0.81%
Sierra Vista	2.58%	Coolidge	5.27%
San Manuel	1.68%	Lakeside	6.20%
Oracle	2.28%	Overgaard	3.99%
Winkelman	0.22%	Sedona	8.45%
Miami	4.98%	Pinewood	2.95%
Casa Grande	26.55%	Rimrock	1.48%
Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. TJC-7, Column (C), L28 + L22 + L23	$ 60,530
	LESS:		
2	Arizona State Tax	Line 11	1,389
3	Interest Expense	Note (A) Line 21	40,593
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ 18,547
5	Federal Tax Rate	Sch. TJC-1, Pg 2, Col. (D), L34	16.00%
6	Federal Income Tax Expense	Line 4 X line 5	$ 2,968
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 60,530
	LESS:		
8	Interest Expense	Note (A) Line 21	40,593
9	State Taxable Income	Line 7 - Line 8	$ 19,936
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ 1,389
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ 2,968
13	State Income Tax Expense	Line 11	1,389
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ 4,357
15	Total Federal Income Tax Expense Per Company (Per Company Sch. C-1, L30)		4,055
16	Total State Income Tax Expense Per Company (Per Company Sch. C-1, L31)		893
17	RUCO Federal Income Tax Adjustment	Line 12 - Line 15	$ (1,086)
18	RUCO State Income Tax Adjustment	Line 13 - Line 16	$ 496

NOTE (A):
Interest Synchronization:

19	Adjusted Rate Base (Sch. TJC-2, Col. (H), L17)	$ 1,094,479
20	Weighted Cost Of Debt (Sch. TJC-15 Col. (D), L1)	3.71%
21	Interest Expense (L18 X L19)	$ 40,593

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) DOLLAR AMOUNT	(B) CAPITAL RATIO	(C) COST RATE	(D) WEIGHTED COST RATE
1	Long-Term Debt	$ 75,000,000	50.76%	7.31%	3.71%
2	Common Equity	72,744,646	49.24%	8.33%	4.10%
3	Total Capitalization	$ 147,744,646	100.00%		
4	WEIGHTED AVERAGE COST OF CAPITAL				7.81%

References:
Columns (A) Thru (D): Testimony, WAR

ARIZONA WATER COMPNAY

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REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	$ 4,318,206	$ 3,455,162
2	Adjusted Operating Income (Loss)	$ 276,633	$ 313,031
3	Current Rate of Return (L2 / L1)	6.41%	9.06%
4	Required Operating Income (L5 X L1)	$ 423,800	$ 269,792
5	Required Rate of Return on Fair Value Rate Base	9.81%	7.81%
6	Operating Income Deficiency (L4 - L2)	$ 147,168	$ (43,239)
7	Gross Revenue Conversion Factor (TJC-1, Page 2)	1.6286	1.5537
8	Required Increase in Gross Revenue Requirement (L7 X L6)	$ 239,682	$ (67,182)
9	Adjusted Test Year Revenue	$ 2,214,952	$ 2,214,952
10	Proposed Annual Revenue (L8 + L9)	$ 2,454,634	$ 2,147,770
11	Required Percentage Increase in Revenue (L8 / L9)	10.82%	-3.03%
12	Consolidated Revenue Adjustment (Casa Grande/Coolidge/Stanfield)	$ 321,431	$ -
13	Required Increase in Gross Revenue Under Company Proposed Consolidation	$ 561,113	$ -
14	Required Revenue Under Company Proposed Consolidation	$ 2,776,111	$ -
15	Required Percentage Increase in Revenue Under Company Proposed Consolidation	25.34%	-
16	Rate of Return on Common Equity	12.40%	8.33%

References:
Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule TJC-2, TJC-7, and TJC-15

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	1.0000			
2	Combined Federal And State Tax Rate (L10)	0.3564			
3	Subtotal (L1 - L2)	0.6436			
4	**Revenue Conversion Factor** (L1 / L3)	**1.5537**			
	CALCULATION OF EFFECTIVE TAX RATE:				
5	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
6	Arizona State Income Tax Rate	6.9680%			
7	Federal Taxable Income (L5 - L6)	93.0320%			
8	Applicable Federal Income Tax Rate (Col. (D), L34)	30.8190%			
9	Effective Federal Income Tax Rate (L7 X L8)	28.6715%			
10	Combined Federal And State Income Tax Rate (L6 + L9)	35.6395%			
11	Required Operating Income (Sch. TJC-1, Pg 1, C (B), L4)	$ 269,792			
12	Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Pg 1, C (B), L2)	313,031			
13	Required Increase In Operating Income (L11 - L12)		$ (43,239)		
14	Income Taxes On Recommended Revenue (Col. (D), L31)	$ 78,435			
15	Income Taxes On Test Year Revenue (Col. (D), L32)	102,378			
16	Required Increase In Revenue To Provide For Income Taxes (L14 - L15)		$ (23,943)		
17	Total Required Increase In Revenue (L13 + L16)		$ (67,182)		
	CALCULATION OF INCOME TAX:			RUCO Recommended	
18	Revenue (Sch. TJC-1, Pg 1, Col. (B), L12)			$ 2,147,770	
19	Operating Expense Excluding Income Tax (TJC-7, Col. (E), L27 - L22 - L23)			1,799,543	
20	Synchronized Interest (Col. (C), L37)			128,149	
21	Arizona Taxable Income (L18 - L19 - L20)			$ 220,078	
22	Arizona State Income Tax Rate			6.9680%	
23	Arizona Income Tax (L21 X L22)				$ 15,335
24	Fed. Taxable Income (L21 - L23)			$ 204,743	
25	Fed. Tax on 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
26	Fed. Tax on 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			$ 6,250	
27	Fed. Tax on 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			$ 8,500	
28	Fed. Tax on 4th Inc. Bracket ($100,001 - $335,000) @ 39%			$ 40,850	
29	Fed. Tax on 5th Inc. Bracket ($335,001 - $10M) @ 34%			$ -	
30	Total Federal Income Tax (L25 + L26 + L27 + L28 + L29)				$ 63,100
31	Combined Federal and State Income Tax (L23 + L30)				$ 78,435
32	Test Year Combined Income Tax, RUCO as Adjusted (TJC-7, Col. (C), L22 + L23)				$ 102,378
33	RUCO Adjustment (L31 - L32) (See TJC-6, Col. (D), L23)				$ (23,943)
34	Applicable Federal Income Tax Rate (Col. (D), L30 / Col. (C), L24)				30.82%
	CALCULATION OF INTEREST SYNCHRONIZATION:				
35	Rate Base (Sch. WAR-2, Col. (C), L17)			$ 3,455,162	
36	Weighted Avg. Cost of Debt (Sch. TJC-16, Col. (F), L1)			3.71%	
37	Synchronized Interest (L35 X L36)			$ 128,149	

RATE BASE - ORIGINAL COST

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) RUCO OCRB/FVRB ADJUSTMENTS	(C) RUCO ADJ'TED OCRB/FVRB
	Plant Classification			
1	Intangible Plant	$ 42,011	$ -	$ 42,011
2	Source of Supply Plant	2,098,977	(856,324)	1,242,653
3	Pumping Plant	1,400,953	-	1,400,953
4	Water Treatment Plant	845,417	-	845,417
5	Transmission & Distribution Plant	11,910,083	-	11,910,083
6	General Plant	762,698	(6,327)	756,371
7	Total Gross Plant in Service	$ 17,060,139	$ (862,651)	$ 16,197,488
8	Accumulated Depreciation	(3,207,118)	51,981	(3,155,137)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 13,853,022	$ (810,670)	$ 13,042,352
10	Advances in Aid Of Const.	$ (7,214,952)	$ -	$ (7,214,952)
11	Contribution in Aid of Const.	$ (1,544,697)	$ -	$ (1,544,697)
12	Accumulated Amortization of CIAC	145,424	-	145,424
13	NET CIAC (L5 + L6)	$ (1,399,273)	$ -	$ (1,399,273)
14	Deferred Income Tax	$ (1,009,996)	$ -	$ (1,009,996)
15	Allowance for Working Capital	$ 89,405	$ (52,375)	$ 37,031
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -
17	Rounding	$ -	$ -	$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 4,318,206	$ (863,045)	$ 3,455,162

References:
Column (A): Company Schedule B-1
Column (B): Schedule TJC-3
Column (C): Column (A) + Column (B)

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Schedule TJC-3

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) ADJMT NO. 1 PLANT & ACCUM DEP.	(C) ADJMT NO. 2 REMOVE PTY PLANT	(D) ADJMT NO. 3 PER BKB 11.16	(E) ADJMT NO. 4	(F) ADJMT NO. 5	(G) ADJMT NO. 6 WORKING CAPITAL	(H) RUCO ADJ'TED OCRB/FVRB
	Plant Classification								
1	Intangible Plant	$ 42,011	$ -	$ -	$ -	$ -	$ -	$ -	$ 42,011
2	Source of Supply Plant	2,098,977	-	-	(856,324)	-	-	-	1,242,653
3	Pumping Plant	1,400,953	-	-	-	-	-	-	1,400,953
4	Water Treatment Plant	845,417	-	-	-	-	-	-	845,417
5	Transmission & Distribution Plant	11,910,083	-	-	-	-	-	-	11,910,083
6	General Plant	762,698	-	(6,327)	-	-	-	-	756,371
7	Total Gross Plant in Service	$ 17,060,139	$ -	$ (6,327)	$ (856,324)	$ -	$ -	$ -	$ 16,197,488
8	Accumulated Depreciation	(3,207,118)	5,582	211	46,188	-	-	-	(3,155,137)
9	Net Utility Plant in Service (Sum L1 & L2)	$ 13,853,022	$ 5,582	$ (6,116)	$ (810,136)	$ -	$ -	$ -	$ 13,042,352
10	Advances in Aid Of Const.	$ (7,214,952)	$ -	$ -	$ -	$ -	$ -	$ -	$ (7,214,952)
11	Contribution in Aid of Const.	$ (1,544,697)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,544,697)
12	Accumulated Amortization of CIAC	145,424	-	-	-	-	-	-	145,424
13	NET CIAC (L5 + L6)	$ (1,399,273)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,399,273)
14	Deferred Income Tax	$ (1,009,996)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,009,996)
15	Allowance for Working Capital	89,405	$ -	$ -	$ -	$ -	$ -	$ (52,375)	$ 37,031
16	Net Regulatory Asset / (Liability)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	Rounding	$ -							$ -
18	TOTAL RATE BASE (Sum L's 3, 4, & 7 Thru 16)	$ 4,318,206	$ 5,582	$ (6,116)	$ (810,136)	$ -	$ -	$ (52,375)	$ 3,455,162

References:
Column (A): Company Schedule B-2
Column (B): Adjustment No. 1 - Adjust Test-Year Plant, PTY Plant & Accumulated Depreciation (See TJC-4 Total, TJC-4 Direct, TJC-4 PHX OFF and TJC-4 MS Schedules and TJC Testimony)
Column (C): Adjustment No. 2 - To Remove Post Test Year Phoenix Office Plant and Accum. Depre.
Column (D): Adjustment No. 3 - Conforming Adkustment Per Data Response to BKB 11.16 to Remove Plant and Record Retirements
Column (E): Adjustment No. 4 - Intentionally Left Blank
Column (F): Adjustment No. 5 - Intentionally Left Blank
Column (G): Adjustment No. 6 - Working Capital
Column (H): Sum Of Columns (A), (B), (C), (D), (E), (F) & (G)

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

Coolidge System
Schedule TJC-4 - Direct Plant

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	(C) 12/31/2003 Per Decision No. 68302	(D) ADJ-1 Remove Post Test Year Plant	(E) Plant Balance 12/31/2003
1	301	Organization	0.00%	0.00%	-		$ -
2	302	Franchises	See Acct. 111	See Acct. 111	8,740		8,740
3	303	Other Intangibles	See Acct. 111	See Acct. 111	-		-
4	310.1	Water Rights	0.00%	0.00%	13,508		13,508
5	310.3	Other Source of Supply Land	0.00%	0.00%	2,927		2,927
6	310.4	Wells - Other	See Acct. 111	See Acct. 111	-		-
7	314	Wells	2.59%	3.13%	226,328		226,328
8	320	Pumping Plant Land	0.00%	0.00%	25,684		25,684
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	8,348		8,348
10	325	Electtric Pumping Equipment	2.59%	5.88%	732,365		732,365
11	328	Gas Engine Equipment	2.59%	4.00%	20,026		20,026
12	330	Water Treatment Plant Land	0.00%	0.00%	-		-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	1,847		1,847
14	332	Water Treatment Equipment	2.59%	2.86%	103,606		103,606
15	340	Transmission and Distribution Land	0.00%	0.00%	-		-
16	342	Storage Tanks	2.59%	2.00%	286,758		286,758
17	343	Transmission & Distribution Mains	2.59%	1.79%	2,721,370		2,721,370
18	344	Fire Sprinkler Taps	2.59%	2.00%	73,130		73,130
19	345	Services	2.59%	2.38%	1,151,206		1,151,206
20	346	Meters	2.59%	4.55%	209,735		209,735
21	348	Hydrants	2.59%	1.82%	218,296		218,296
22	389	General Plant Land	0.00%	0.00%	-		-
23	390	General Plant Structures	2.59%	2.50%	25,180		25,180
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	48,181		48,181
25	391	Office Furniture & Equipment	2.59%	6.67%	77,911		77,911
26	393	Warehouse Equipment	2.59%	5.00%	-		-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	47,217		47,217
28	395	Laboratory Equipment	2.59%	5.00%	6,726		6,726
29	396	Power Operated Equipment	2.59%	6.67%	15,016		15,016
30	397	Communication Equipment	2.59%	6.67%	52,470		52,470
31	398	Miscellaneous Equipment	2.59%	3.33%	6,554		6,554
32		**TOTAL DIRECT WATER PLANT**			$ 6,083,129	$ -	$ 6,083,129
33		Post Test Year Plant (PTYP)			-	-	-
34		**RUCO Total Water Plant In Service**			$ 6,083,129	$ -	$ 6,083,129
35							
36		**Company Direct Plant As Filed**					
37							
38		**RUCO Direct Plant Adjustment**					
39							
40		Reserve Deficiency Accrual - Decision No. 38733					
41							
42		Net (Salvage)/Cost of Removal					
43		Accumulated Depreciation			(2,249,826)		$ (2,249,826)
44		Accumulated Depreciation - PTYP			(21,871)	21,871	-
45		RUCO Total Accumulated Depreciation - Calculated			$ (2,271,697)		$ (2,249,826)
46							
47		Company As Filed - Accumulated Depreciation			-	-	(2,249,826)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ (2,271,697)	$ -	$ -
49							
50		**RUCO Net Adjustment**					
51							
52							
53							

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111	8,854			149	17,594
3	303	Other Intangibles	See Acct. 111	See Acct. 111	749			-	749
4	310.1	Water Rights	0.00%	0.00%	2,610			-	16,118
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	2,927
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	957			5,874	227,285
8	320	Pumping Plant Land	0.00%	0.00%				-	25,684
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				216	8,348
10	325	Electtric Pumping Equipment	2.59%	5.88%	46,332			19,568	778,697
11	328	Gas Engine Equipment	2.59%	4.00%				519	20,026
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	2,887			85	4,734
14	332	Water Treatment Equipment	2.59%	2.86%				2,683	103,606
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				7,427	286,758
17	343	Transmission & Distribution Mains	2.59%	1.79%	182,518	(100)		72,846	2,903,788
18	344	Fire Sprinkler Taps	2.59%	2.00%	3,388			1,938	76,518
19	345	Services	2.59%	2.38%	152,922	(1,057)		31,783	1,303,071
20	346	Meters	2.59%	4.55%	25,425	(834)		5,751	234,326
21	348	Hydrants	2.59%	1.82%	64,348			6,487	282,644
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%	10,561			789	35,741
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				-	48,181
25	391	Office Furniture & Equipment	2.59%	6.67%	7,644			2,117	85,555
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	5,294			1,291	52,511
28	395	Laboratory Equipment	2.59%	5.00%				174	6,726
29	396	Power Operated Equipment	2.59%	6.67%				389	15,016
30	397	Communication Equipment	2.59%	6.67%	2,538			1,392	55,008
31	398	Miscellaneous Equipment	2.59%	3.33%	1,404			188	7,958
32		**TOTAL DIRECT WATER PLANT**			$ 518,429	$ (1,991)	$ -	$ 161,667	$ 6,599,567
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 518,429	$ (1,991)	$ -	$ 161,667	$ 6,599,567
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(775)	
41									
42		Net (Salvage)/Cost of Removal						5,051	
43		Accumulated Depreciation						(2,405,226)	$ (2,405,226)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(2,405,226)	$ (2,405,226)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(2,406,366)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (2,405,226)	$ 1,140
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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Coolidge System
Schedule TJC-4 - Direct Plant
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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%	0.00%				-	$ -
2	302	Franchises	See Acct. 111	See Acct. 111	1,679		(1,679)	636	17,594
3	303	Other Intangibles	See Acct. 111	See Acct. 111				-	749
4	310.1	Water Rights	0.00%	0.00%	4,698			-	20,816
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	2,927
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	2,013			6,020	229,299
8	320	Pumping Plant Land	0.00%	0.00%				-	25,684
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%				218	8,348
10	325	Electtric Pumping Equipment	2.59%	5.88%	157,608			26,937	936,305
11	328	Gas Engine Equipment	2.59%	4.00%				542	20,026
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				122	4,734
14	332	Water Treatment Equipment	2.59%	2.86%	2,513			2,743	106,119
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				7,286	286,758
17	343	Transmission & Distribution Mains	2.59%	1.79%	1,899,097	(11,552)		90,166	4,791,333
18	344	Fire Sprinkler Taps	2.59%	2.00%				1,944	76,518
19	345	Services	2.59%	2.38%	510,953	(3,746)		39,557	1,810,278
20	346	Meters	2.59%	4.55%	112,927	(1,590)		8,985	345,663
21	348	Hydrants	2.59%	1.82%	217,610	(1,776)		9,103	498,478
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%	1,923			947	37,664
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2	3,748			1,269	51,929
25	391	Office Furniture & Equipment	2.59%	6.67%	7,055			2,742	92,610
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	9,407			1,610	61,918
28	395	Laboratory Equipment	2.59%	5.00%	4,777			307	11,503
29	396	Power Operated Equipment	2.59%	6.67%				440	15,016
30	397	Communication Equipment	2.59%	6.67%	795			1,638	55,803
31	398	Miscellaneous Equipment	2.59%	3.33%				211	7,958
32		TOTAL DIRECT WATER PLANT			$ 2,936,804	$ (18,664)	$ (1,679)	$ 203,424	$ 9,516,027
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 2,936,804	$ (18,664)	$ (1,679)	$ 203,424	$ 9,516,027
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						(775)	
41									
42		Net (Salvage)/Cost of Removal						3,862	
43		Accumulated Depreciation						(2,586,899)	$ (2,586,899)
44		Accumulated Depreciation - PTYP						-	$ -
45		RUCO Total Accumulated Depreciation - Calculated						(2,586,899)	$ (2,586,899)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(2,592,565)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (2,586,899)	$ 5,666
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

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Coolidge System
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LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%	0.00%				-	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				704	17,594
3	303	Other Intangibles	See Acct. 111	See Acct. 111	9,793			-	10,542
4	310.1	Water Rights	0.00%	0.00%	9,058			-	29,874
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	2,927
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	1,571			7,202	230,870
8	320	Pumping Plant Land	0.00%	0.00%				-	25,684
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	381			244	8,729
10	325	Electtric Pumping Equipment	2.59%	5.88%	68,201	(17,301)		56,551	987,205
11	328	Gas Engine Equipment	2.59%	4.00%				801	20,026
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%				118	4,734
14	332	Water Treatment Equipment	2.59%	2.86%	1,756			3,060	107,875
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%	3,535			5,771	290,293
17	343	Transmission & Distribution Mains	2.59%	1.79%	1,015,603	(25,691)		94,625	5,781,245
18	344	Fire Sprinkler Taps	2.59%	2.00%	5,574			1,586	82,092
19	345	Services	2.59%	2.38%	401,715	(686)		47,857	2,211,307
20	346	Meters	2.59%	4.55%	133,638	(1,514)		18,733	477,787
21	348	Hydrants	2.59%	1.82%	213,279	(2,716)		10,988	709,041
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				942	37,664
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				4,009	51,929
25	391	Office Furniture & Equipment	2.59%	6.67%	5,082			6,347	97,691
26	393	Warehouse Equipment	2.59%	5.00%				-	-
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	9,846			2,674	71,764
28	395	Laboratory Equipment	2.59%	5.00%	400			585	11,903
29	396	Power Operated Equipment	2.59%	6.67%				1,002	15,016
30	397	Communication Equipment	2.59%	6.67%	1,876			3,785	57,679
31	398	Miscellaneous Equipment	2.59%	3.33%	1,126			284	9,084
32		**TOTAL DIRECT WATER PLANT**			$ 1,882,436	$ (47,908)	$ -	$ 267,866	$ 11,350,555
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 1,882,436	$ (47,908)	$ -	$ 267,866	$ 11,350,555
35									
36		**Company Direct Plant As Filed**							
37									
38		**RUCO Direct Plant Adjustment**							
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						1,628	
43		Accumulated Depreciation						(2,805,229)	$ (2,805,229)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(2,805,229)	(2,805,229)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(2,810,895)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (2,805,229)	$ 5,666
49									
50		**RUCO Net Adjustment**							
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
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Plant Reconciliation Schedule

Coolidge System
Schedule TJC-4 - Direct Plant

LINE NO.	ACCT NO.	DESCRIPTION	(A) DEPRECIATION RATE 1/1/1993 To 11/30/2005	(B) DEPRECIATION RATE 12/1/2005 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%	0.00%				$ -	$ -
2	302	Franchises	See Acct. 111	See Acct. 111				704	17,594
3	303	Other Intangibles	See Acct. 111	See Acct. 111	13,394			1,654	23,936
4	310.1	Water Rights	0.00%	0.00%	17,399			-	47,273
5	310.3	Other Source of Supply Land	0.00%	0.00%				-	2,927
6	310.4	Wells - Other	See Acct. 111	See Acct. 111				-	-
7	314	Wells	2.59%	3.13%	1,817,903			35,676	2,048,773
8	320	Pumping Plant Land	0.00%	0.00%				-	25,684
9	321	Pumping Plant Structures & Imprm'ts	2.59%	2.86%	5,512			328	14,241
10	325	Electtric Pumping Equipment	2.59%	5.88%	354,546	(3,563)		68,367	1,338,188
11	328	Gas Engine Equipment	2.59%	4.00%				801	20,026
12	330	Water Treatment Plant Land	0.00%	0.00%				-	-
13	331	Water Treatment Structures & Imprm'ts	2.59%	2.50%	161,831			2,141	166,564
14	332	Water Treatment Equipment	2.59%	2.86%	8,259			3,203	116,134
15	340	Transmission and Distribution Land	0.00%	0.00%				-	-
16	342	Storage Tanks	2.59%	2.00%				5,806	290,293
17	343	Transmission & Distribution Mains	2.59%	1.79%	1,700,868	(7,878)		118,637	7,474,236
18	344	Fire Sprinkler Taps	2.59%	2.00%	27,682			1,919	109,774
19	345	Services	2.59%	2.38%	380,038	(6,803)		57,071	2,584,542
20	346	Meters	2.59%	4.55%	31,012	(206)		22,440	508,592
21	348	Hydrants	2.59%	1.82%	200,989	(3,199)		14,704	906,830
22	389	General Plant Land	0.00%	0.00%				-	-
23	390	General Plant Structures	2.59%	2.50%				942	37,664
24	390.1	Leasehold Improvements	See Acct. 108.2	See Acct. 108.2				671	51,929
25	391	Office Furniture & Equipment	2.59%	6.67%	2,203	(23)		6,589	99,871
26	393	Warehouse Equipment	2.59%	5.00%	6,631			166	6,631
27	394	Tools, Shop & Garage Equipment	2.59%	4.00%	3,605			2,943	75,369
28	395	Laboratory Equipment	2.59%	5.00%	121			598	12,024
29	396	Power Operated Equipment	2.59%	6.67%				1,002	15,016
30	397	Communication Equipment	2.59%	6.67%	2,465			3,929	60,144
31	398	Miscellaneous Equipment	2.59%	3.33%	94			304	9,178
32		**TOTAL DIRECT WATER PLANT**			$ 4,734,552	$ (21,672)	$ -	$ 350,594	$ 16,063,435
33		Post Test Year Plant (PTYP)			-	-	-	-	-
34		**RUCO Total Water Plant In Service**			$ 4,734,552	$ (21,672)	$ -	$ 350,594	$ 16,063,435
35									
36		**Company Direct Plant As Filed**							16,063,434
37									
38		**RUCO Direct Plant Adjustment**							1
39									
40		Reserve Deficiency Accrual - Decision No. 38733						-	
41									
42		Net (Salvage)/Cost of Removal						408	
43		Accumulated Depreciation						(3,133,744)	$ (3,133,744)
44		Accumulated Depreciation - PTYP						-	-
45		RUCO Total Accumulated Depreciation - Calculated						(3,133,744)	(3,133,744)
46									
47		Company As Filed - Accumulated Depreciation			-	-	-	-	(3,139,408)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**			$ -	$ -	$ -	$ (3,133,744)	$ 5,664
49									
50		**RUCO Net Adjustment**							$ 5,665
51									
52									
53									

54 References:
55 Column (A): Approved Depreciation Rate From Decision No. 58120
56 Columns (B): Approved Depreciation Rate From Decision No. 66849
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Coolidge System
Schedule TJC-4 PHX OFF- Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	2003 ADJ-1 Remove Post Test Year Plant	2003 Balance 12/31/2003
1	301	Organization	0.00%	651		651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	8,496		8,496
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	-		-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	-		-
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	-		-
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	31,795		31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	1,267,373		1,267,373
25	391	Office Furniture and Equipment	2.59%	3,505,411		3,505,411
26	393	Warehouse Equipment	2.59%	3,705		3,705
27	394	Tools, Shop and Garage Equipment	2.59%	30,450		30,450
28	395	Laboratory Equipment	2.59%	977		977
29	396	Power Operated Equipment	2.59%	-		-
30	397	Communication Equipment	2.59%	143,052		143,052
31	398	Miscellaneous Equipment	2.59%	7,207		7,207
32		**TOTAL PHOENIX OFFICE PLANT**		4,999,117	-	4,999,117
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Phoenix Office**		4,999,117	-	4,999,117
35						
36		**Company Phoenix Office As Filed**		4,999,117		4,999,117
37						
38		RUCO Phoenix Office Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733		-		-
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(503,775)	-	(503,775)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(503,775)	-	(503,775)
46						
47		Company As Filed - Accumulated Depreciation				(503,775)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	48,512			78,228	1,315,885
25	391	Office Furniture and Equipment	2.59%	129,135	(7,465)		92,366	3,627,081
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	24,820			1,110	55,270
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	6,465			3,789	149,517
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		208,932	(7,465)	-	176,624	5,200,584
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,200,584
35								
36		**Company Phoenix Office As Filed**						5,200,584
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(672,934)	(672,934)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(672,934)	(672,934)
46								
47		Company As Filed - Accumulated Depreciation						(672,934)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				89,580	1,315,885
25	391	Office Furniture and Equipment	2.59%	221,339			96,808	3,848,420
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	20,585			1,698	75,855
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	885			3,884	150,402
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		242,809	-	-	193,101	5,443,393
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,443,393
35								
36		**Company Phoenix Office As Filed**						5,443,393
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(866,035)	(866,035)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(866,035)	(866,035)
46								
47		Company As Filed - Accumulated Depreciation						(866,035)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				823	31,795
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				94,864	1,315,885
25	391	Office Furniture and Equipment	2.59%	369,071			104,454	4,217,491
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	59,519			2,735	135,374
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	1,741			3,918	152,143
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		430,332	-	-	207,102	5,873,725
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						5,873,725
35								
36		**Company Phoenix Office As Filed**						5,873,725
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,073,138)	(1,073,138)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,073,138)	(1,073,138)
46								
47		Company As Filed - Accumulated Depreciation						(1,073,137)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Phoenix Office

Line No.	Acct. No.	Description	Depreciation Rate	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
			Dec. 58120 1/1/1993 To Present					
1	301	Organization	0.00%				-	651
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				425	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	8,496
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	-
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				-	-
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				-	-
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	10,463			959	42,258
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	93			86,708	1,315,978
25	391	Office Furniture and Equipment	2.59%	464,535	(243,714)		112,093	4,438,312
26	393	Warehouse Equipment	2.59%				96	3,705
27	394	Tools, Shop and Garage Equipment	2.59%	40,312			4,028	175,686
28	395	Laboratory Equipment	2.59%				25	977
29	396	Power Operated Equipment	2.59%				-	-
30	397	Communication Equipment	2.59%	4,089			3,993	156,232
31	398	Miscellaneous Equipment	2.59%				187	7,207
32		**TOTAL PHOENIX OFFICE PLANT**		519,493	(243,714)	-	208,514	6,149,503
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Phoenix Office**						6,149,503
35								
36		**Company Phoenix Office As Filed**						6,149,503
37								
38		RUCO Phoenix Office Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(1,037,938)	(1,037,938)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(1,037,938)	(1,037,938)
46								
47		Company As Filed - Accumulated Depreciation						(1,036,382)
48		**RUCO Direct Plant Accumulated Depreciation Adjustment**						(1,556)
49								
50		**RUCO Net Adjustment**						(1,556)
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2003 12/31/2003 Per Decision 68302	ADJ-1 Remove Post Test Year Plant	Balance 12/31/2003
1	301	Organization	0.00%	-		-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
4	310.1	Water Rights	0.00%	-		-
5	310.3	Other Source of Supply Land	0.00%	80		80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.	-		-
7	314	Wells	2.59%	-		-
8	320	Pumping Plant Land	0.00%	-		-
9	321	Pumping Plant Structures and Improvements	2.59%	-		-
10	325	Electric Pumping Equipment	2.59%	-		-
11	328	Gas Engine Equipment	2.59%	-		-
12	330	Water Treatment Plant Land	0.00%	-		-
13	331	Water Treatment Structures and Improvements	2.59%	-		-
14	332	Water Treatment Equipment	2.59%	2,050		2,050
15	340	Transmission and Distribution Land	0.00%	-		-
16	342	Storage Tanks	2.59%	-		-
17	343	Transmission and Distribution Mains	2.59%	6,066		6,066
18	344	Fire Sprinkler Taps	2.59%	-		-
19	345	Services	2.59%	-		-
20	346	Meters	2.59%	-		-
21	348	Hydrants	2.59%	-		-
22	389	General Plant Land	0.00%	-		-
23	390	General Plant Structures	2.59%	37,472		37,472
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.	-		-
25	391	Office Furniture and Equipment	2.59%	3,983		3,983
26	393	Warehouse Equipment	2.59%	1,088		1,088
27	394	Tools, Shop and Garage Equipment	2.59%	58,430		58,430
28	395	Laboratory Equipment	2.59%	2,981		2,981
29	396	Power Operated Equipment	2.59%	1,458		1,458
30	397	Communication Equipment	2.59%	-		-
31	398	Miscellaneous Equipment	2.59%	-		-
32		**TOTAL METER SHOP PLANT**		113,608	-	113,608
33		Post Test Year Plant (PTYP)		-	-	-
34		**RUCO Total Meter Shop**		113,608	-	113,608
35						
36		**Company Meter Shop As Filed**		113,608		113,608
37						
38		RUCO Meter Shop Plant Adjustment		-		-
39						
40		Reserve Deficiency Accrual - Dec. 38733				
41						
42		Net (Salvage)/Cost of Removal				
43		Accumulated Depreciation		(30,118)	-	(30,118)
44		Accumulated Depreciation - PTYP		-	-	-
45		RUCO Total Accumulated Depreciation - Calculated		(30,118)	-	(30,118)
46						
47		Company As Filed - Accumulated Depreciation				(30,118)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**				-
49						
50		**RUCO Net Adjustment**				
51						
52						
53						
54						
55						
56		Notes				
57		Acct. 302 - Franchises amortized over 25 years.				
58		Acct. 303 - Other intangibles amortized over 15 & 20 Years.				
59		Acct. 310.4 - Wells - Other amortized over 24 years.				
60		Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.				

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2004 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2004
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	12,809			1,136	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	3,166			144	7,149
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	1,575			1,534	60,005
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		17,550	-	-	3,168	131,158
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						131,158
35								
36		**Company Meter Shop As Filed**						131,158
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733						
41								
42		Net (Salvage)/Cost of Removal					-	
43		Accumulated Depreciation					(33,286)	(33,286)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(33,286)	(33,286)
46								
47		Company As Filed - Accumulated Depreciation						(33,286)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2005 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2005
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,302	50,281
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	94			186	7,243
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	2,004			1,580	62,009
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		2,097	-	-	3,422	133,256
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						133,256
35								
36		**Company Meter Shop As Filed**						133,256
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(36,708)	(36,708)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(36,708)	(36,708)
46								
47		Company As Filed - Accumulated Depreciation						(36,708)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						0
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2006 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2006
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%	2,571			1,336	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	1,610			208	8,853
26	393	Warehouse Equipment	2.59%				28	1,088
27	394	Tools, Shop and Garage Equipment	2.59%	3,115			1,646	65,124
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		7,296	-	-	3,544	140,551
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						140,551
35								
36		**Company Meter Shop As Filed**						140,551
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(40,251)	(40,251)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(40,251)	(40,251)
46								
47		Company As Filed - Accumulated Depreciation						(40,251)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						(0)
49								
50		**RUCO Net Adjustment**						
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

Arizona Water Company
Docket No. W-01445A-08-0440
Test Year Ended December 31, 2007
Plant Reconciliation Schedule - Meter Shop

Line No.	Acct. No.	Description	Depreciation Rate Dec. 58120 1/1/1993 To Present	2007 Additions	Retirements	Adjustments	Depreciation Expense	Balance 12/31/2007
1	301	Organization	0.00%				-	-
2	302	Franchises	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
3	303	Other Intangibles	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
4	310.1	Water Rights	0.00%				-	-
5	310.3	Other Source of Supply Land	0.00%				-	80
6	310.4	Wells - Other	See Acct. 111 - Amort of Ltd. Trm. Inv.				-	-
7	314	Wells	2.59%				-	-
8	320	Pumping Plant Land	0.00%				-	-
9	321	Pumping Plant Structures and Improvements	2.59%				-	-
10	325	Electric Pumping Equipment	2.59%				-	-
11	328	Gas Engine Equipment	2.59%				-	-
12	330	Water Treatment Plant Land	0.00%				-	-
13	331	Water Treatment Structures and Improvements	2.59%				-	-
14	332	Water Treatment Equipment	2.59%				53	2,050
15	340	Transmission and Distribution Land	0.00%				-	-
16	342	Storage Tanks	2.59%				-	-
17	343	Transmission and Distribution Mains	2.59%				157	6,066
18	344	Fire Sprinkler Taps	2.59%				-	-
19	345	Services	2.59%				-	-
20	346	Meters	2.59%				-	-
21	348	Hydrants	2.59%				-	-
22	389	General Plant Land	0.00%				-	-
23	390	General Plant Structures	2.59%				1,369	52,852
24	390.1	Leasehold Improvements	See Acct. 108.2 - Amort of Leasehold Impr.				-	-
25	391	Office Furniture and Equipment	2.59%	1,893			254	10,745
26	393	Warehouse Equipment	2.59%	1,089			42	2,177
27	394	Tools, Shop and Garage Equipment	2.59%	2,298			1,716	67,422
28	395	Laboratory Equipment	2.59%				77	2,981
29	396	Power Operated Equipment	2.59%				38	1,458
30	397	Communication Equipment	2.59%				-	-
31	398	Miscellaneous Equipment	2.59%				-	-
32		**TOTAL METER SHOP PLANT**		5,280	-	-	3,707	145,832
33		Post Test Year Plant (PTYP)						-
34		**RUCO Total Meter Shop**						145,832
35								
36		**Company Meter Shop As Filed**						145,832
37								
38		RUCO Meter Shop Plant Adjustment						-
39								
40		Reserve Deficiency Accrual - Dec. 38733					-	
41								
42		Net (Salvage)/Cost of Removal					-	-
43		Accumulated Depreciation					(43,958)	(43,958)
44		Accumulated Depreciation - PTYP					-	-
45		RUCO Total Accumulated Depreciation - Calculated					(43,958)	(43,958)
46								
47		Company As Filed - Accumulated Depreciation						(43,959)
48		**RUCO Meter Shop Plant Accumulated Depreciation Adjustment**						1
49								
50		**RUCO Net Adjustment**						1
51								
52								
53								
54								
55								

56 Notes
57 Acct. 302 - Franchises amortized over 25 years.
58 Acct. 303 - Other intangibles amortized over 15 & 20 Years.
59 Acct. 310.4 - Wells - Other amortized over 24 years.
60 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

EXPLANATION OF RATE BASE ADJUSTMENT NO. 2
POST TEST-YEAR PLANT - PHOENIX OFFICE

LINE NO.	ACCT NO.	ACCOUNT NAME	(A) COMPANY ADJUSTED TY PLANT	(B) POST TY ADDITIONS	(C) 3-FACTOR ALLOCATOR	(D) REMOVE PTY PLANT
1	301	Organization	$ 34	$ -	5.27%	$ -
2	302	Franchises	17,594	-	5.27%	-
3	303	Other Intangibles	24,384	-	5.27%	-
4	310.1	Water Rights	47,273	-	5.27%	-
5	310.3	Other Source of Supply Land	2,931	-	5.27%	-
6	310.4	Wells - Other	-	-	5.27%	-
7	314	Wells	2,048,773	-	5.27%	-
8	320	Pumping Plant Land	25,684	-	5.27%	-
9	321	Pumping Plant Structures & Imprm'ts	17,055	-	5.27%	-
10	325	Electtric Pumping Equipment	1,338,188	-	5.27%	-
11	328	Gas Engine Equipment	20,026	-	5.27%	-
12	330	Water Treatment Plant Land	-	-	5.27%	-
13	331	Water Treatment Structures & Imprm'ts	166,564	-	5.27%	-
14	332	Water Treatment Equipment	678,853	-	5.27%	-
15	340	Transmission and Distribution Land	-	-	5.27%	-
16	342	Storage Tanks	290,293	-	5.27%	-
17	343	Transmission & Distribution Mains	7,510,051	-	5.27%	-
18	344	Fire Sprinkler Taps	109,774	-	5.27%	-
19	345	Services	2,584,542	-	5.27%	-
20	346	Meters	508,592	-	5.27%	-
21	348	Hydrants	906,830	-	5.27%	-
22	389	General Plant Land	-	-	5.27%	-
23	390	General Plant Structures	106,697	-	5.27%	-
24	390.1	Leasehold Improvements	121,281	-	5.27%	-
25	391	Office Furniture & Equipment	334,337	120,057	5.27%	6,327
26	393	Warehouse Equipment	6,941	-	5.27%	-
27	394	Tools, Shop & Garage Equipment	88,181	-	5.27%	-
28	395	Laboratory Equipment	12,232	-	5.27%	-
29	396	Power Operated Equipment	15,093	-	5.27%	-
30	397	Communication Equipment	68,377	-	5.27%	-
31	398	Miscellaneous Equipment	9,558	-	5.27%	-
32		Rounding	(2)			
33		**TOTAL PTY WATER PLANT**	$ 17,060,139	$ 120,057		$ 6,327
34		Company As Filed	$ 17,060,139	120,057		6,327
35		Difference	$ -	$ -		$ -
36						
37		RUCO PTY Plant Adjustment				$ (6,327)
38						
39		RUCO PTY Accumulated Depreciation Plant Adjustment				$ 211
40						
41						

42 References:
43 Column (A): Company Schedules B-2
44 Column (B): Post Test Year Phoenix Office Plant Allocation
45 Column (C): 3-Factor Allocator
46 Column (D): Adjustment

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6
ALLOWANCE FOR WORKING CAPITAL

LINE NO.	DESCRIPTION	(A) AMOUNT	(B) REFERENCE
1	Working Cash Requirement Per Company	$ 8,965	Company Schedule B-5, PG. 1
2	Working Cash Requirement Per RUCO	(43,410)	RUCO Schedule WAR-5, Page 2
3	Adjustment	$ (52,375)	Line 2 - Line 1
4	Material and Supplies Inventories Per Company	$ 25,027	Company Schedule B-5, PG. 1
5	Material and Supplies Inventories Per RUCO	25,027	Company Schedule B-5, PG. 1
6	Adjustment	$ -	Line 5 - Line 4
7	Required Bank Balances Per Company	$ 27,110	Company Schedule B-5, PG. 1
8	Required Bank Balances Per RUCO	27,110	Company Schedule B-5, PG. 1
9	Adjustment	$ -	Line 8 - Line 7
10	Prepayments & Special Deposits Per Company	$ 28,304	Company Schedule B-5, PG. 1
11	Prepayments & Special Deposits Per RUCO	28,304	Company Schedule B-5, PG. 1
12	Adjustment	$ -	Line 11 - Line 10
13	TOTAL ADJUSTMENT (See TJC-2, Column (K))	$ (52,375)	Sum of Lines 3, 6, 9 & 12

EXPLANATION OF RATE BASE ADJUSTMENT NO. 6 - CONT'D
LEAD/LAG DAY SUMMARY

LINE NO.	DESCRIPTION	(A) COMPANY EXPENSES AS FILED	(B) RUCO ADJUSTM'TS	(C) RUCO EXPENSES AS ADJUSTED	(D) (LEAD)/LAG DAYS	(E) DOLLAR DAYS
	Operating Expenses					
1	Purchased Power	$ 192,581	$ -	$ 192,581	35.92	$ 6,917,510
2	Payroll	464,280	(15,955)	448,325	14.00	6,276,555
3	Purchased Water	-	-	-	-	-
4	Chemicals	10,428	-	10,428	20.43	213,007
5	Property & Liability Insurance	15,743	-	15,743	(45.27)	(712,686)
6	Workman's Compensation Insurance	7,870	-	7,870	(46.50)	(365,955)
7	Health Insurance	131,493	(62)	131,431	(8.92)	(1,172,367)
8	Other Operating & Maintenance Expenses	338,524	(8,783)	329,741	30.00	9,892,230
9	Federal Current Income Taxes	135,816	(72,716)	63,100	37.00	2,334,693
10	State Current Income Taxes	29,919	(14,584)	15,335	37.00	567,397
11	FICA Taxes	35,397	(1,858)	33,539	14.00	469,540
12	FUTA & SUTA Taxes	847	-	847	83.10	70,386
13	Property Taxes	151,656	(8,367)	143,289	212.00	30,377,325
14	Registration, Svc. Contracts, & Misc. Fees	30,535	-	30,535	(98.83)	(3,017,774)
15	Retirement Annuities (401k)	43,402	(1,348)	42,054	34.72	1,460,104
16	Subtotal	1,588,491	(123,673)	1,464,818		53,309,965
17	Synchronized Interest	$ 160,158	$ (32,009)	$ 128,149	91.25	$ 11,693,579
18	Cost of Equity	263,642	(263,642)	-	-	-
19	Subtotal	$ 423,800	$ (295,651)	$ 128,149		$ 11,693,579
20	Total	$ 2,012,291	$ (419,324)	$ 1,592,967		$ 65,003,544

21	Expense Lag	Line 17, Col. (E) / (C)	40.81
22	Revenue Lag	Company B-5 Schedules	30.86
23	Net Lag	Line 18 - Line 17	(9.95)
24	RUCO Adjusted Expenses	Col. (C), Line 16	$ 1,592,967
25	Cash Working Capital	Line 19 X Line 20 / 365 Days	(43,410)
26	Company As Filed	Co. Schedule B-6, Page 1	8,965
27	Difference	Line 21 - Line 22	$ (52,375)
28	ADJUSTMENT	Line 27	$ (52,375)

NOTE: Expense Lag Days Used in the Last Western Group Rate Case.

NOTE: RUCO reviewed several invoices from a number of companies with terms of net 30 days.

References:
Column (A): - Company Schedule B-5
Column (B): RUCO Operating Income Adjustments (See Schedule TJC-7)
Column (C): Column (A) + (B)
Column (D): - Company Schedule B-5
Column (E): Column (C) X Column (D)

OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJM'TS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
	Operating Revenues					
1	Residential	$ 1,458,989	$ -	$ 1,458,989	$ (35,509)	$ 1,423,481
2	Commercial	609,270	-	609,270	(35,321)	573,948
3	Industrial	8,657	-	8,657	(1,996)	6,660
4	Private Fire Service	1,673	-	1,673	5,952	7,625
5	Other Water Revenues	84,784	-	84,784	(262)	84,521
6	Total Water Revenues	$ 2,163,372	$ -	$ 2,163,372	$ (67,136)	$ 2,096,235
7	Miscellaneous	$ 51,580	$ -	$ 51,580	$ (45)	$ 51,534
8	Total Operating Revenues	$ 2,214,952	$ -	$ 2,214,952	$ (67,182)	$ 2,147,770
	Operating Expenses					
	Source of Supply Expenses:					
9	Purchased Water	$ -	$ -	$ -	$ -	$ -
10	Other	10,262	-	10,262	-	10,262
11	Pumping Expenses:	-				
12	Purchased Power	192,581	-	192,581	-	192,581
13	Purchased Gas	878	-	878	-	878
14	Other	64,710	-	64,710	-	64,710
15	Water Treatment Expenses	33,911	-	33,911	-	33,911
16	Transmission & Distribution Expenses	285,973	-	285,973	-	285,973
17	Customer Accounting Expenses	267,290	-	267,290	-	267,290
18	Sales Expense	890	-	890	-	890
19	Administrative & General Expenses	378,361	(20,878)	357,483	-	357,483
20	Total Operations & Maintenance Expense	$ 1,234,856	$ (20,878)	$ 1,213,978	$ -	$ 1,213,978
21	Depreciation & Amortization Expenses	$ 426,056	$ (34,454)	$ 391,602	$ -	$ 391,602
	Taxes					
22	Federal Income Taxes	$ 60,002	$ 22,360	$ 82,362	$ (19,262)	$ 63,100
23	State Income Taxes	13,218	6,798	20,016	(4,681)	15,335
24	Property Taxes	151,656	(8,367)	143,289	-	143,289
25	Other	52,532	(1,858)	50,673	-	50,673
26	Total Taxes	$ 277,407	$ 18,933	$ 296,340	$ (23,943)	$ 272,397
27	Total Operating Expenses	$ 1,938,319	$ (36,398)	$ 1,901,921	$ (23,943)	$ 1,877,978
28	Operating Income	$ 276,633	$ 36,398	$ 313,031	$ (43,238)	$ 269,792

References:
Column (A): Company Schedule C-1
Column (B): TJC-8, Columns (B) Thru (I)
Column (C): Column (A) + Column (B)
Column (D): TJC-1
Column (E): Column (C) + Column (D)

Arizona Water Company
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Coolidge System
Schedule TJC-8
Page 1 of 1

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJMT NO. 1 LABOR EXPENSE	(C) ADJMT NO. 2 PAYROLL TAX EXPENSE	(D) ADJMT NO. 3 401(K) EXPENSE	(E) ADJMT NO. 4 REVERSE ADJ. FOR CONSERVATION	(F) ADJMT NO. 5 PURCH. POWER REVENUES	(G) ADJMT NO. 6 INSURANCE EXPENSE	(H) ADJMT NO. 7 DEPRECIATION EXPENSE	(I) ADJMT NO. 8 PROPERTY TAX	(J) ADJMT NO. 9 RATE CASE EXPENSE	(K) ADJMT NO. 10 INCOME TAXES	(L) RUCO AS ADJT'D
	Operating Revenues												
1	Residential	$ 1,458,989	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,458,989
2	Commercial	609,270	-	-	-	-	-	-	-	-	-	-	609,270
3	Industrial	8,657	-	-	-	-	-	-	-	-	-	-	8,657
4	Private Fire Service	1,673	-	-	-	-	-	-	-	-	-	-	1,673
5	Other Water Revenues	84,784	-	-	-	-	-	-	-	-	-	-	84,784
6	Total Water Revenues	$ 2,163,372	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,163,372
7	Miscellaneous	$ 51,580	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 51,580
8	Total Operating Revenues	$ 2,214,952	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,214,952
	Operating Expenses												
	Source of Supply Expenses:												
9	Purchased Water	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	Other	10,262	-	-	-	-	-	-	-	-	-	-	10,262
11	Pumping Expenses:												
12	Purchased Power	192,581	-	-	-	-	-	-	-	-	-	-	192,581
13	Purchased Gas	878	-	-	-	-	-	-	-	-	-	-	878
14	Other	64,710	-	-	-	-	-	-	-	-	-	-	64,710
15	Water Treatment Expenses	33,911	-	-	-	-	-	-	-	-	-	-	33,911
16	Transmission & Distribution Expenses	285,973	-	-	-	-	-	-	-	-	-	-	285,973
17	Customer Accounting Expenses	267,290	-	-	-	-	-	-	-	-	-	-	267,290
18	Sales Expense	890	-	-	-	-	-	-	-	-	-	-	890
19	Administrative & General Expenses	378,361	(15,955)	-	(1,348)	-	-	(62)	-	-	(3,513)	-	357,483
20	Total Operations & Maintenance Expense	$ 1,234,856	$ (15,955)	$ -	$ (1,348)	$ -	$ -	$ (62)	$ -	$ -	$ (3,513)	$ -	$ 1,213,978
21	Depreciation & Amortization Expenses	$ 426,056	$ -	$ -	$ -	$ -	$ -	$ -	$ (34,454)	$ -	$ -	$ -	$ 391,602
	Taxes												
22	Federal Income Taxes	$ 60,002	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,360	$ 82,362
23	State Income Taxes	13,218	-	-	-	-	-	-	-	-	-	6,798	20,016
24	Property Taxes	151,656	-	-	-	-	-	-	-	(8,367)	-	-	143,289
25	Other	52,532	-	(1,858)	-	-	-	-	-	-	-	-	50,673
26	Total Taxes	$ 277,407	$ -	$ (1,858)	$ -	$ -	$ -	$ -	$ -	$ (8,367)	$ -	$ 29,158	$ 296,340
27	Total Operating Expenses	$ 1,938,319	$ (15,955)	$ (1,858)	$ (1,348)	$ -	$ -	$ (62)	$ (34,454)	$ (8,367)	$ (3,513)	$ 29,158	$ 1,901,921
28	Operating Income	$ 276,633	$ 15,955	$ 1,858	$ 1,348	$ -	$ -	$ 62	$ 34,454	$ 8,367	$ 3,513	$ (29,158)	$ 313,031

ADJUSTMENTS:	REFERENCE:
1 - Labor Expense - Normalize OT Hours in Test Year	Testimony, WAR And Schedule TJC-9 Page, 1 of 3
2 - Payroll Tax Expense Related to Adjustment 1	Testimony, WAR And Schedule TJC-9 Page, 2 of 3
3 - 401(K) Expense Related to Adjustment 1	Testimony, WAR And Schedule TJC-9 Page, 3 of 3
4 - Reverse Adjustment for Conservation	Testimony WAR
5 - Purchased Power Revenues	Testimony WAR
6 - Insurance Expense	Testimony, WAR And Schedule TJC-10
7 - Depreciation Expense	Testimony, WAR And Schedule TJC-11
8 - Property Tax Expense	Testimony, WAR And Schedule TJC-12
9 - Rate Case Expense	Testimony, WAR And Schedule TJC-13
10 Income Tax	Testimony, WAR And Schedule TJC-14

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 1
PAYROLL EXPENSE

LINE NO.	DESCRIPTION		(A) PER RUCO DR 1.11.d
1	Normalize Over-Time Over 4 Years:		
2	2005 OT Hours		15,008.5
3	2006 OT Hours		18,080.0
4	2007 OT Hours		28,132.5
5	2008 OT Hours		17,530.0
6			
7	Total OT Hours for 2005 - 2008		78,751.0
8	Divided by 4 Years		4
9			
10	Normalized Level of OT Hours/Yr.		19,687.8
11			
12	OT Hours in Test Year		28,132.5
13			
14	Amount of Abnormal TY OT Hours		8,444.8
15			
16	Multiplied by Average OT Hrly. Rate	**See NOTE**	35.85
17			
18	Total Abnormal OT Dollars in TY		$ 302,744
19			
20	3-Factor Allocator Per District		5.27%
21			
22	RUCO Adjustment		$ (15,955)
23			
24			
25			
26			
27			
28	3-Factor Allocator By District:		
29	Superstition	24.94%	White Tank 2.37%
30	Bisbee	4.98%	Ajo 0.81%
31	Sierra Vista	2.58%	Coolidge 5.27%
32	San Manuel	1.68%	Lakeside 6.20%
33	Oracle	2.28%	Overgaard 3.99%
34	Winkelman	0.22%	Sedona 8.45%
35	Miami	4.98%	Pinewood 2.95%
36	Casa Grande	26.55%	Rimrock 1.48%
37	Stanfield	0.27%	
38			
39			
40			
41			
42	**Calculation Notes:**		
43	Average of Hourly Rate	$ 21.65	
44	OT Hourly Rate 1.5	32.48	

NOTE: The Company calculated the average hourly rate for overtime in response to data request All-11.6 to be $35.85. RUCO accepts that rate in making its payroll adjustments.

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 2
PAYROLL TAX EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll Tax Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	5.27%
6		
7	RUCO Allocated Payroll by District	$ 15,955
8		
9	Payroll Tax Expense Allocator By Group:	
10		
11	RUCO Payroll Tax Expense Allocator by Group	11.65%
12		
13	RUCO Payroll Tax Expense Adjustment	$ (1,858)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group 7.47%	
40	Western Group 11.65%	
41	Northern Group 15.90%	

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 3
PAYROLL 401(K) EXPENSE ASSOCIATED WITH RUCO ADJUSTMENT 1

LINE NO.	DESCRIPTION	(A) PER RUCO DR 1.11.d
1	Payroll 401(K) Expense:	
2		
3	Total Abnormal OT Dollars in TY	$ 302,744
4		
5	3-Factor Allocator Per District	5.27%
6		
7	RUCO Allocated Payroll by District	$ 15,955
8		
9	Payroll 401(K) Expense Allocator By Group:	
10		
11	RUCO Payroll 401(K) Expense Allocator by Group	8.45%
12		
13	RUCO Payroll 401(K) Expense Adjustment	$ (1,348)
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38	Payroll Tax Expense Allocator By Group:	
39	Eastern Group	8.39%
40	Western Group	8.45%
41	Northern Group	8.12%

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 6
INSURANCE EXPENSE

LINE NO.		(A) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER COMPANY	(B) RUCO ADJUSTMENT	(C) INCREASE/ (DECREASE) LONG-TERM DISABILITY PER RUCO	
1	System				
2					
3	Eastern Group				
4	Supersition	$ 2,224	$ (273)	$ 1,950	
5	Apache Junction				
6	Superior				
7	Bisbee	122	(45)	77	
8	Sierra Vista	115	(38)	77	
9	San Manuel	5	(20)	(16)	
10	Oracle	25	(20)	5	
11	Saddlebrook	5	(0)	4	
12	Winkelman	0	(2)	(2)	
13	Miami	(338)	(40)	(378)	
14	Subtotal	$ 2,157	$ (439)	$ 1,718	
15					
16	Western Group				
17	Casa Grande	2,137	(298)	1,839	
18	Stanfield	20	(3)	17	
19	White Tank	148	(22)	126	
20	Ajo	58	(9)	49	
21	Coolidge	(127)	(62)	(189)	
22	Subtotal	$ 2,235	$ (393)	$ 1,842	
23					
24	Northern Group				
25	Lakeside	570	(65)	506	
26	Overgaard	507	(55)	452	
27	Sedona	445	(84)	361	
28	Pinewood	199	(38)	162	
29	Rimrock	87	(16)	71	
30	Subtotal	$ 1,809	$ (257)	$ 1,551	
31					
32					
33	Total Company	$ 6,201	$ (1,090)	$ 5,111	(a)

REFERENCE

COLUMN (A): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (B): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD
COLUMN (C): COMPANY WORKPAPER "GROUP INSURANCE" TAB LTD

NOTES:

(a) CALCULATED AS FOLLOWS:		PER COMPANY	RUCO ADJUSTMENT	PER RUCO	REFERENCE
1	Current Rate per Payroll Dollar	$ 0.0036		$ 0.0036	COMPANY WORKPAPER - "GROUP INSURANCE" TAB LTD
2	Pro Forma Payroll Dollars	$ 11,095,569	$ 302,744	$ 10,792,825	COMPANY WORKPAPER - "GROUP INSURANCE)
3	Pro Forma LTD - Total Company	$ 39,944		$ 38,854	LINE 1 x LINE 2
4	Y/E Number of Customers	$ 83,825		$ 83,825	COMPANY WORKPAPER - "GROUP INSURANCE)
5	Pro Forma 2007 LTD - Spread	$ 38,854		$ 38,854	COMPANY WORKPAPER - "GROUP INSURANCE)
6	Increase / (Decrease)	$ 6,201		$ 5,111	COMPANY WORKPAPER - "GROUP INSURANCE)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 7
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	ACCOUNT NO.	ACCOUNT NAME	(A) RUCO PLANT VALUE	(B) COMPANY PROPOSED DEP. RATES	(C) TEST YEAR DEPRECIATION EXPENSE
1	301	Organization	$ 34	0.00%	$ -
2	302	Franchises	17,594	See Acct. 111	704
3	303	Other Intangibles	24,384	See Acct. 111	1,654
4	310.1	Water Rights	47,273	0.00%	-
5	310.3	Other Source of Supply Land	2,931	0.00%	-
6	310.4	Wells - Other	-	See Acct. 111	-
7	314	Wells	1,192,449	3.13%	37,324
8	320	Pumping Plant Land	25,684	0.00%	-
9	321	Pumping Plant Structures & Imprm'ts	14,241	2.86%	407
10	325	Electtric Pumping Equipment	1,341,002	5.88%	78,851
11	328	Gas Engine Equipment	20,026	4.00%	801
12	330	Water Treatment Plant Land	-	0.00%	-
13	331	Water Treatment Structures & Imprm'ts	166,564	2.50%	4,164
14	332	Water Treatment Equipment	678,853	2.86%	19,415
15	340	Transmission and Distribution Land	-	0.00%	-
16	342	Storage Tanks	290,293	2.00%	5,806
17	343	Transmission & Distribution Mains	7,510,051	1.79%	134,430
18	344	Fire Sprinkler Taps	109,774	2.00%	2,195
19	345	Services	2,584,542	2.38%	61,512
20	346	Meters	508,592	4.55%	23,141
21	348	Hydrants	906,830	1.82%	16,504
22	389	General Plant Land	-	0.00%	-
23	390	General Plant Structures	106,697	2.50%	2,667
24	390.1	Leasehold Improvements	121,281	See Acct. 108.2	670
25	391	Office Furniture & Equipment	328,010	6.67%	21,878
26	393	Warehouse Equipment	6,941	5.00%	347
27	394	Tools, Shop & Garage Equipment	88,181	4.00%	3,527
28	395	Laboratory Equipment	12,232	5.00%	612
29	396	Power Operated Equipment	15,093	6.67%	1,007
30	397	Communication Equipment	68,377	6.67%	4,561
31	398	Miscellaneous Equipment	9,558	3.33%	318
32		Rounding	(2)		
33		TEST YEAR GROSS PLANT AND DEPRECIATION EXPENSE	$ 16,197,488		$ 422,496
34					
35		AMORTIZATION OF CONTRIBUTIONS	(1,544,697)	2.00%	(30,894)
36		Rounding			-
37	**TOTAL DEPRECIATION EXPENSE**				$ 391,602
38					
39	Company As Filed				426,056
40	Difference				$ (34,454)
41					
42	RUCO Adjustment (See TJC-8, Column (B))				$ (34,454)
43					
44					
45	3-Factor Allocator By District:				
46	Superstition	24.94%	White Tank	2.37%	
47	Bisbee	4.98%	Ajo	0.81%	
48	Sierra Vista	2.58%	Coolidge	5.27%	
49	San Manuel	1.68%	Lakeside	6.20%	
50	Oracle	2.28%	Overgaard	3.99%	
51	Winkelman	0.22%	Sedona	8.45%	
52	Miami	4.98%	Pinewood	2.95%	
53	Casa Grande	26.55%	Rimrock	1.48%	
54	Stanfield	0.27%			

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 8
PROPERTY TAX COMPUTATION

LINE NO.	DESCRIPTION	REFERENCE	(A)	(B)
	Calculation Of The Company's Full Cash Value:			
	Annual Operating Revenues:			
1	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	$ 2,214,952	
2	Adjusted Revenues In Year Ended December 2007	Sch. TJC-7, Col (C), Ln 8	2,214,952	
3	Proposed Revenues	Sch. TJC-7, Col (E), Ln 8	2,147,770	
4	Total Three Year Operating Revenues	Sum Of Lines 1, 2 & 3	$ 6,577,673	
5	Average Annual Operating Revenues	Line 4 / 3	2,192,558	
6	Two Times Three Year Average Operating Revenues	Line 5 X 2		$ 4,385,115
	ADD:			
	10% Of Construction Work In Progress ("CWIP"):			
7	Test Year CWIP	Company Schedule E	$ 1,162,729	
8	10% Of CWIP	Line 7 X 10%		$ 116,273
	SUBTRACT:			
	Transportation At Book Value:			
9	Original Cost Of Transportation Equipment	Company Workpapers	$ -	
10	Acc. Dep. Of Transportation Equipment	Company Workpapers	-	
11	Net Book Value Of Transportation Equipment	Line 9 + Line 10		$ (69,647)
12	Company's Full Cash Value ("FCV")	Sum Of Lines 6, 8 & 11		$ 4,431,741
	Calculation Of The Company's Tax Liability:			
	MULTIPLY:			
	FCV X Valuation Assessment Ratio X Property Tax Rates:			
13	Assessment Ratio	House Bill 2779	22.5%	
14	Assessed Value	Line 12 X Line 13	$ 997,142	
	Property Tax Rates:			
15	Primary Tax Rate	Company Workpapers	14.37%	
16	Secondary Tax Rate	Company Workpapers	0.00%	
17	Estimated Tax Rate Liability	Line 15 + Line 16	14.37%	
	Property Tax			$ 143,289
	Tax On Parcel			-
18	Company's Total Tax Liability - Based On Full Cash Value	Line 14 X Line 17		$ 143,289
19	Test Year Adjusted Property Tax Expense As Filed	Co. Sch. C-1		151,656
20	Decrease In Property Tax Expense	Line 18 - Line 19		$ (8,367)
21	RUCO Adjustment (See TJC-8, Column (C))	Line 20		$ (8,367)

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 9
RATE CASE EXPENSE

LINE NO.	DESCRIPTION	(A) COMPANY ESTIMATE	(B) RUCO ADJUSTMENT	(C) RUCO AS ADJUSTED
1	Rate Case Expense Total	$ 500,000	$ (200,000)	$ 300,000
2	Allocation Factor			5.27%
3	Coolidge System (Line 1 X Line 2)			$ 15,810
4	Amortization Period - 3 Years			3
5	RUCO Adjusted Rate Case Expense (Line 3 / 3 Years)			$ 5,270
6	Company Rate Case Expenses As Filed (Company Sch. C-2)			$ 8,783
7	RUCO Pro Forma Rate Case Expense (Lines 5 - 6)			$ (3,513)
8	RUCO Adjustment (Line 7) (See TJC-8, Column (E))			$ (3,513)

3-Factor Allocator By District:

Superstition	24.94%	White Tank	2.37%
Bisbee	4.98%	Ajo	0.81%
Sierra Vista	2.58%	Coolidge	5.27%
San Manuel	1.68%	Lakeside	6.20%
Oracle	2.28%	Overgaard	3.99%
Winkelman	0.22%	Sedona	8.45%
Miami	4.98%	Pinewood	2.95%
Casa Grande	26.55%	Rimrock	1.48%
Stanfield	0.27%		

EXPLANATION OF OPERATING INCOME ADJUSTMENT NO. 10
INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAXES:		
1	Operating Income Before Taxes	Sch. TJC-7, Column (C), L28 + L22 + L23	$ 415,409
	LESS:		
2	Arizona State Tax	Line 11	20,016
3	Interest Expense	Note (A) Line 21	128,149
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ 267,244
5	Federal Tax Rate	Sch. TJC-1, Pg 2, Col. (D), L34	30.82%
6	Federal Income Tax Expense	Line 4 X line 5	$ 82,362
	STATE INCOME TAXES:		
7	Operating Income Before Taxes	Line 1	$ 415,409
	LESS:		
8	Interest Expense	Note (A) Line 21	128,149
9	State Taxable Income	Line 7 - Line 8	$ 287,260
10	State Tax Rate	Tax Rate	6.97%
11	State Income Tax Expense	Line 9 X Line 10	$ 20,016
	TOTAL INCOME TAX EXPENSE:		
12	Federal Income Tax Expense	Line 6	$ 82,362
13	State Income Tax Expense	Line 11	20,016
14	Total Income Tax Expense Per RUCO	Line12 + Line 13	$ 102,378
15	Total Federal Income Tax Expense Per Company (Per Company Sch. C-1, L30)		60,002
16	Total State Income Tax Expense Per Company (Per Company Sch. C-1, L31)		13,218
17	RUCO Federal Income Tax Adjustment	Line 12 - Line 15	$ 22,360
18	RUCO State Income Tax Adjustment	Line 13 - Line 16	$ 6,798

NOTE (A):
Interest Synchronization:

19	Adjusted Rate Base (Sch. TJC-2, Col. (H), L17)	$	3,455,162
20	Weighted Cost Of Debt (Sch. TJC-15 Col. (D), L1)		3.71%
21	Interest Expense (L18 X L19)	$	128,149

COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) DOLLAR AMOUNT	(B) CAPITAL RATIO	(C) COST RATE	(D) WEIGHTED COST RATE
1	Long-Term Debt	$ 75,000,000	50.76%	7.31%	3.71%
2	Common Equity	72,744,646	49.24%	8.33%	4.10%
3	Total Capitalization	$ 147,744,646	100.00%		
4	WEIGHTED AVERAGE COST OF CAPITAL				7.81%

References:
Columns (A) Thru (D): Testimony, WAR