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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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- 3 GARY PIERCE
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- 5 PAUL NEWMAN
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- 6 BOB STUMP
COMMISSIONER

7

8 IN THE MATTER OF THE APPLICATION OF
9 GLOBAL WATER – PALO VERDE UTILITIES
10 COMPANY FOR THE ESTABLISHMENT OF
11 JUST AND REASONABLE RATES AND
12 CHARGES FOR UTILITY SERVICE DESIGNED
13 TO REALIZE A REASONABLE RATE OF
14 RETURN ON THE FAIR VALUE OF ITS
15 PROPERTY THROUGHOUT THE STATE OF
16 ARIZONA.

Docket No. SW-20445A-09-0077

17 IN THE MATTER OF THE APPLICATION OF
18 VALENCIA WATER COMPANY – GREATER
19 BUCKEYE DIVISION FOR THE
20 ESTABLISHMENT OF JUST AND REASONABLE
21 RATES AND CHARGES FOR UTILITY SERVICE
22 DESIGNED TO REALIZE A REASONABLE RATE
23 OF RETURN ON THE FAIR VALUE OF ITS
24 PROPERTY THROUGHOUT THE STATE OF
ARIZONA.

Docket No. W-02451A-09-0078

IN THE MATTER OF THE APPLICATION OF
WILLOW VALLEY WATER COMPANY FOR THE
ESTABLISHMENT OF JUST AND REASONABLE
RATES AND CHARGES FOR UTILITY SERVICE
DESIGNED TO REALIZE A REASONABLE RATE
OF RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE OF
ARIZONA.

Docket No. W-01732A-09-0079

IN THE MATTER OF THE APPLICATION OF
GLOBAL WATER – SANTA CRUZ WATER
COMPANY FOR THE ESTABLISHMENT OF
JUST AND REASONABLE RATES AND
CHARGES FOR UTILITY SERVICE DESIGNED
TO REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE OF
ARIZONA.

Docket No. W-20446A-09-0080

Arizona Corporation Commission

DOCKETED

OCT 27 2009

DOCKETED BY	
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1 IN THE MATTER OF THE APPLICATION OF
2 WATER UTILITY OF GREATER TONOPAH FOR
3 THE ESTABLISHMENT OF JUST AND
4 REASONABLE RATES AND CHARGES FOR
5 UTILITY SERVICE DESIGNED TO REALIZE A
6 REASONABLE RATE OF RETURN ON THE
7 FAIR VALUE OF ITS PROPERTY THROUGHOUT
8 THE STATE OF ARIZONA.

Docket No. W-02450A-09-0081

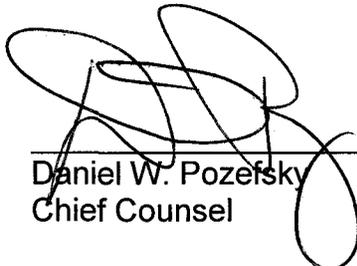
5 IN THE MATTER OF THE APPLICATION OF
6 VALENCIA WATER COMPANY - TOWN
7 DIVISION FOR THE ESTABLISHMENT OF JUST
8 AND REASONABLE RATES AND CHARGES
9 FOR UTILITY SERVICE DESIGNED TO
10 REALIZE A REASONABLE RATE OF RETURN
11 ON THE FAIR VALUE OF ITS PROPERTY
12 THROUGHOUT THE STATE OF ARIZONA.

Docket No. W-01212A-09-0082

10 **NOTICE OF ERRATA**

11
12 The Residential Utility Consumer Office ("RUCO") hereby files this Notice of Errata in
13 the above-referenced matter. Attached are the revised pages and schedules of the Direct
14 Testimony of William A. Rigsby and Rodney L. Moore, which was filed October 26, 2009.

15
16 RESPECTFULLY SUBMITTED this 27th day of October, 2009.

17
18 
19 Daniel W. Pozefsky
20 Chief Counsel

21 AN ORIGINAL AND TWENTY-THREE COPIES
22 of the foregoing filed this 27th day
23 of October, 2009 with:

23 Docket Control
24 Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

1 COPIES of the foregoing hand delivered/
2 mailed this 27th day of October, 2009 to:

3 Dwight D. Nodes, Asst. Chief
4 Administrative Law Judge
5 Hearing Division
6 Arizona Corporation Commission
7 1200 West Washington
8 Phoenix, Arizona 85007

9 Janice Alward, Chief Counsel
10 Legal Division
11 Arizona Corporation Commission
12 1200 West Washington
13 Phoenix, Arizona 85007

14 Steven M. Olea, Director
15 Utilities Division
16 Arizona Corporation Commission
17 1200 West Washington
18 Phoenix, Arizona 85007

19 Wesley C. Van Cleve, Attorney
20 Legal Division
21 Arizona Corporation Commission
22 1200 West Washington
23 Phoenix, Arizona 85007

24 Michael W. Patten
25 Timothy Sabo
26 Roshka, DeWulf & Patten, PLC
27 One Arizona Center
28 400 East Van Buren St., Ste.800
29 Phoenix, Arizona 85004

30 Greg Patterson
31 916 W. Adams - 3
32 Phoenix, Arizona 85007

33 By 
34 Ernestine Gamble
35 Secretary to Daniel Pozefsky

Direct Testimony of William A. Rigsby
Global Utilities
Docket No. SW-02445A-09-0077 et al.
Test Year Ended December 31, 2008

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REVISED PAGES 5,6, 7, 52 & 53

3

4

REVISED SCHEDULES WAR-1, Pages 1 & 2

1 Cost of Equity Capital – I am recommending an 8.01 percent cost of equity
2 capital. This 8.01 percent figure is based on the results that I obtained in
3 my cost of equity analysis, which employed both the DCF and CAPM
4 methodologies. My 8.01 percent cost of equity capital is 199 basis points
5 lower than the 10.00 percent cost of equity capital being proposed by the
6 Company.

7
8 Capital Structure – I am recommending that the Commission adopt a
9 composite capital structure which is comprised of the various projected
10 levels of debt and equity for the six operating systems that make up
11 Global Utilities. My recommended composite capital structure is
12 comprised of 37.89 percent long-term debt and 62.11 percent common
13 equity.

14
15 Cost of Debt – I am recommending that the Commission adopt a cost of
16 debt of 6.45 percent, which is the weighted average cost of debt of the six
17 operating systems that make up Global Utilities.

18
19 Weighted Average Cost of Capital – Based on the results of my
20 recommended capital structure, I am recommending a 7.42 percent cost
21 of capital for Global Utilities, which is the weighted cost of my
22 recommended costs of long-term debt and common equity.

23

1 Q. Why do you believe that your recommended 7.42 percent weighted
2 average cost of capital is an appropriate rate of return for Global Utilities to
3 earn on its invested capital?

4 A. The 7.42 percent weighted average cost of capital figure that I am
5 recommending meets the criteria established in the landmark Supreme
6 Court cases of Bluefield Water Works & Improvement Co. v. Public
7 Service Commission of West Virginia (262 U.S. 679, 1923) and Federal
8 Power Commission v. Hope Natural Gas Company (320 U.S. 391, 1944).

9 Simply stated, these two cases affirmed that a public utility that is
10 efficiently and economically managed is entitled to a return on investment
11 that instills confidence in its financial soundness, allows the utility to attract
12 capital, and also allows the utility to perform its duty to provide service to
13 ratepayers. The rate of return adopted for the utility should also be
14 comparable to a return that investors would expect to receive from
15 investments with similar risk.

16 The Hope decision allows for the rate of return to cover both the operating
17 expenses and the "capital costs of the business" which includes interest
18 on debt and dividend payment to shareholders. This is predicated on the
19 belief that, in the long run, a company that cannot meet its debt obligations
20 and provide its shareholders with an adequate rate of return will not
21 continue to supply adequate public utility service to ratepayers.

22

1 Q. Do the Bluefield and Hope decisions indicate that a rate of return sufficient
2 to cover all operating and capital costs is guaranteed?

3 A. No. Neither case *guarantees* a rate of return on utility investment. What
4 the Bluefield and Hope decisions *do allow*, is for a utility to be provided
5 with the *opportunity* to earn a reasonable rate of return on its investment.
6 That is to say that a utility, such as Global Utilities, is provided with the
7 opportunity to earn an appropriate rate of return if the Company's
8 management exercises good judgment and manages its assets and
9 resources in a manner that is both prudent and economically efficient.

10

11 **COST OF EQUITY CAPITAL**

12 Q. What is your final recommended cost of equity capital for Global Utilities?

13 A. I am recommending a cost of equity of 8.01 percent. My recommended
14 8.01 percent cost of equity figure is the mean average of the results of my
15 DCF and CAPM analyses, which utilized both a sample of publicly traded
16 water providers and a sample of publicly traded natural gas local
17 distribution companies ("LDC"). This calculation is exhibited on page 3 of
18 my Schedule WAR-1.

19

20

21

22 ...

23

1 Decision No. 70662, dated December 23, 2008, the Commission stated
2 the following:

3 We agree with RUCO's hypothetical structure of 40 percent debt and 60
4 percent equity. A capital structure comprised of 100 percent equity
5 would be viewed as having little to no financial risk. The proposed
6 capital structure adopted by the Commission will bring the Company's
7 capital structure and weighted cost of capital in line with the industry
8 average and it will result in lower rates for the customers of the system.
9 We therefore adopt a hypothetical capital structure of 40 percent debt
10 and 60 percent equity.
11

12 Q. What costs of long-term debt is Global Utilities proposing?

13 A. Global Utilities is proposing the following cost of long-term debt for each of
14 the six operating systems:

	<u>Cost of L-T Debt</u>
15 Palo Verde Utilities Company	6.34%
16 Santa Cruz Water Company	6.57%
17 Valencia Water Company, Town Division	6.73%
18 Valencia Water Company, Greater Buckeye Division	6.38%
19 Water Utility of Greater Tonopah, Inc.	6.30%
20 Willow Valley Water Company, Inc.	5.48%

21
22
23
24
25 Q. How did you arrive at your recommended cost of long-term debt?

26 A. As can be seen on Page 2 of Schedule WAR-1, I calculated a weighted
27 average of the Company-proposed costs exhibited above using the
28 projected dollar amounts of long-term debt for each of the six operating
29 systems. This resulted in my recommended 6.45 percent cost of long-
30 term debt.

1 Q. What is the weighted average cost of capital ("WACC") produced by your
2 recommended composite capital structure, cost of long-term debt and cost
3 of common equity?

4 A. The WACC produced by my recommended composite capital structure,
5 cost of long-term debt and cost of common equity is 7.42 percent.

6

7 Q. How does this compare with what the Company is recommending on an
8 individual operating system basis?

9 A. The weighted average costs of equity being proposed by the Company
10 are as follows:

	<u>WACC</u>
11	
12	Palo Verde Utilities Company 8.34%
13	Santa Cruz Water Company 8.49%
14	Valencia Water Company, Town Division 9.56%
15	Valencia Water Company, Greater Buckeye Division 9.72%
16	Water Utility of Greater Tonopah, Inc. 9.94%
17	Willow Valley Water Company, Inc. 9.24%

18

19 Q. Why you believe that the Commission should adopt your recommended
20 7.42 percent WACC?

21 A. I believe that the approach that I have taken in this case provides the
22 Company with a rate of return that meets the standards established in the
23 Hope and Bluefield cases while also providing lower rates to Global
24 Utilities' customers. My recommended composite capital structure is more

WEIGHTED AVERAGE COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) RUCO ADJUSTED	(C) RUCO RECOMMENDED	(D) CAPITAL RATIO	(E) COST RATE	(F) WEIGHTED COST RATE
1	SHORT-TERM DEBT	\$ -	\$ -	\$ -	0.00%	0.00%	
2	LONG-TERM DEBT	118,466,992	-	118,466,992	37.89%	6.45%	2.44%
3	COMMON EQUITY	194,182,956	-	194,182,956	62.11%	8.01%	4.97%
4	TOTAL CAPITALIZATION	\$ 312,649,948	\$ -	\$ 312,649,948	100.00%		

5 WEIGHTED AVERAGE COST OF CAPITAL

7.42%

REFERENCES:

- COLUMN (A): COMPANY SCHEDULE D-1
- COLUMN (B): TESTIMONY, WAR
- COLUMN (C): COLUMN (A) + COLUMN (B)
- COLUMN (D): LINES 1, 2 AND 3 DIVIDED BY LINE 4
- COLUMN (E): SCHEDULE WAR-1, PAGES 2 AND 3
- COLUMN (F): COLUMN (D) x COLUMN (E)

WEIGHTED COST OF DEBT

LINE NO.	SYSTEM	(A) COMPANY PROPOSED	(B) RUCO ADJUSTED	(C) RUCO RECOMMENDED	(D) CAPITAL RATIO	(E) COST RATE	(F) WEIGHTED COST RATE
1	PALO VERDE UTILITIES COMPANY	\$ 63,529,266	\$ -	\$ 63,529,266	53.63%	6.34%	3.40%
2	SANTA CRUZ WATER COMPANY	51,650,734	-	51,650,734	43.60%	6.57%	2.86%
3	VALENCIA WATER COMPANY, TOWN DIVISION	2,381,585	-	2,381,585	2.01%	6.73%	0.14%
4	VALENCIA WATER COMPANY, GREATER BUCKEYE DIVISION	168,100	-	168,100	0.14%	6.38%	0.01%
5	WATER UTILITY OF GREATER TONOPAH, INC.	509,354	-	509,354	0.43%	6.30%	0.03%
6	WILLOW VALLEY WATER COMPANY, INC.	227,953	-	227,953	0.19%	5.48%	0.01%
7	TOTALS	\$ 118,466,992	\$ -	\$ 118,466,992	100.00%		

8 WEIGHTED COST OF DEBT

6.45%

REFERENCES:
 COLUMN (A): COMPANY SCHEDULE D-1
 COLUMN (B): TESTIMONY, WAR
 COLUMN (C): COLUMN (A) + COLUMN (B)
 COLUMN (D): LINES 1, 2 AND 3 DIVIDED BY LINE 4
 COLUMN (E): COMPANY SCHEDULE D-1
 COLUMN (F): COLUMN (D) x COLUMN (E)

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2	REVISED PAGES 7 AND 8

1 **REVENUE REQUIREMENTS**

2 Q. Please summarize the results of RUCO's analysis of the Company's filing
3 and state RUCO's recommended revenue requirement.

4 A. As outlined in Schedule RLM-1, RUCO is recommending that the increase
5 in the Company's revenue requirement not exceed:

	<u>Global</u>	<u>RUCO</u>	<u>DIFFERENCE</u>
6 <u>PVUC</u>	\$8,493,379	\$7,050,941	(\$1,442,438)
7 <u>SCWC</u>	\$3,081,292	\$2,124,488	(\$938,804)
8 <u>VWC – Town Div.</u>	\$1,657,077	\$1,521,138	(\$135,939)
9 <u>VWC – GB Div.</u>	\$155,803	\$92,360	(\$63,443)
10 <u>WUGT</u>	\$677,179	\$270,437	(\$406,742)
11 <u>WVWC</u>	\$499,228	\$388,430	(\$110,798)

12
13
14 My recommended revenue requirement percentage increase versus the
15 Company's proposal is as follows:

	<u>Global</u>	<u>RUCO</u>	<u>DIFFERENCE</u>
16 <u>PVUC</u>	130.24%	108.12%	(22.12%)
17 <u>SCWC</u>	33.82%	23.32%	(10.50%)
18 <u>VWC – Town Div.</u>	57.25%	52.55%	(4.70%)
19 <u>VWC – GB Div.</u>	46.26%	27.42%	(18.84%)
20 <u>WUGT</u>	261.15%	80.29%	(180.86%)
21 <u>WVWC</u>	105.43%	82.03%	(23.40%)

1 RUCO's recommended Fair Value Rate Base ("FVRB") based on the
2 Original Cost Rate Base ("OCRB") is summarized on Schedule RLM-1:

	<u>Global</u>	<u>RUCO</u>	<u>DIFFERENCE</u>
3 <u>PVUC</u>	\$63,637,830	\$64,011,238	\$373,408
4 <u>SCWC</u>	\$45,260,919	\$45,902,454	\$641,535
5 <u>VWC – Town Div.</u>	\$4,240,018	\$4,539,198	\$299,180
6 <u>VWC – GB Div.</u>	\$929,057	\$895,377	(\$33,680)
7 <u>WUGT</u>	\$2,598,259	\$2,563,849	(\$34,410)
8 <u>WVWC</u>	\$2,251,164	\$2,177,504	(\$73,660)

9
10
11 RUCO's recommended required operating income is shown on Schedule
12 RLM-1 as:

	<u>Global</u>	<u>RUCO</u>	<u>DIFFERENCE</u>
13 <u>PVUC</u>	\$5,307,395	\$4,747,235	(\$560,160)
14 <u>SCWC</u>	\$3,842,652	\$3,404,242	(\$438,410)
15 <u>VWC – Town Div.</u>	\$405,346	\$336,638	(\$68,708)
16 <u>VWC – GB Div.</u>	\$90,304	\$66,403	(\$23,901)
17 <u>WUGT</u>	\$258,267	\$190,141	(\$68,126)
18 <u>WVWC</u>	\$208,008	\$161,489	(\$46,519)

Global Utilities
Docket No. SW-02445A-09-0077 ET AL
Test Year Ended December 31, 2008

Palo Verde Utilities Company

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RLM-6	1	OPERATING INCOME
RLM-10	1	COST OF CAPITAL

**REVISED
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Fair Value Rate Base	\$ 63,637,830	\$ 64,011,238
2	Adjusted Operating Income (Loss)	\$ 144,516	\$ 417,878
3	Current Rate Of Return (L2 / L1)	0.23%	0.65%
4	Required Operating Income (L5 X L1)	\$ 5,307,395	\$ 4,747,235
5	Required Rate Of Return On Fair Value Rate Base	8.34%	7.42%
6	Operating Income Deficiency (L4 - L2)	\$ 5,162,879	\$ 4,329,357
7	Gross Revenue Conversion Factor (RLM-1, Pg 2)	1.6451	1.6286
8	Increase In Gross Revenue Requirement (L7 X L6)	\$ 8,493,379	\$ 7,050,941
9	Adjusted Test Year Revenue	\$ 6,521,201	\$ 6,521,201
10	Proposed Annual Revenue (L8 + L9)	\$ 15,014,580	\$ 13,572,142
11	Required Percentage Increase In Revenue (L8 / L9)	130.24%	108.12%
12	Rate Of Return On Common Equity	10.00%	8.01%

References:

Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule RLM-2, RLM-6 And RLM-10

REVISED
OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJ'MTS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
Revenues:						
1	Flat Rate Revenues	\$ 6,009,748	\$ -	\$ 6,009,748	\$ 5,717,894	\$ 11,727,642
2	Other WW Revenues	339,704	-	339,704	373,375	713,079
3	Measured Reuse Revenues	171,749	-	171,749	959,672	1,131,421
4	TOTAL OPERATING REVENUE	<u>\$ 6,521,201</u>	<u>\$ -</u>	<u>\$ 6,521,201</u>	<u>\$ 7,050,941</u>	<u>\$ 13,572,142</u>
Operating Expenses:						
5	Salaries And Wages	\$ 924,853	-	\$ 924,853	\$ -	\$ 924,853
6	Pensions And Benefits	215,792	-	215,792	-	215,792
7	Purchased Power	595,157	-	595,157	-	595,157
8	Fuel For Power Production	7,004	-	7,004	-	7,004
9	Chemicals	157,134	-	157,134	-	157,134
10	Materials And Supplies	263,301	-	263,301	-	263,301
11	Materials And Supplies	295,301	-	295,301	-	295,301
12	Contractual Services - Mgmnt	-	-	-	-	-
13	Contractual Services - Testing	99,923	-	99,923	-	99,923
14	Contractual Services - Other	183,283	407,164	590,447	-	590,447
15	Building Rentals	93,111	-	93,111	-	93,111
16	Equipment Rentals	20,469	-	20,469	-	20,469
17	Transportation Expenses	35,559	-	35,559	-	35,559
18	Insurance - General Liability	52,375	-	52,375	-	52,375
19	Insurance - Other	4,320	-	4,320	-	4,320
20	Advertising Expense	-	-	-	-	-
21	Regulatory Comm. Expense	53,333	-	53,333	-	53,333
22	Bad Debt Expense	65,212	-	65,212	-	65,212
23	Miscellaneous Expense	56,965	-	56,965	-	56,965
24	Depreciation Expense	3,156,675	-	3,156,675	-	3,156,675
25	Taxes Other Than Income - Reg.	1,256	-	1,256	-	1,256
26	Property Tax	-	130,524	130,524	-	130,524
27	Taxes Other Than Income	4,814	-	4,814	-	4,814
28	Income Tax	90,848	(811,051)	(720,203)	2,721,584	2,001,381
29	TOTAL OPERATING EXPENSES	<u>\$ 6,376,685</u>	<u>\$ (273,362)</u>	<u>\$ 6,103,323</u>	<u>\$ 2,721,584</u>	<u>\$ 8,824,907</u>
30	OPERATING INCOME (LOSS)	<u>\$ 144,516</u>		<u>\$ 417,878</u>		<u>\$ 4,747,235</u>

References:

- Column (A): Company Schedule C-1
- Column (B): RLM-7, Columns (B) Thru (I)
- Column (C): Column (A) + Column (B)
- Column (D): Revenue From RLM-1, Column (B), Line 8 And Income Tax From RLM-1, Column (B), Line 8 - Line 6
- Column (E): Column (C) + Column (D)

REVISED
COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST RATE
1	Short-term Debt	\$ -	\$ -	\$ -	0.00%	0.00%	
2	Long-term Debt	\$ 118,466,992	\$ -	\$ 118,466,992	37.89%	6.45%	2.44%
3	Common Equity	\$ 194,182,956	\$ -	\$ 194,182,956	62.11%	8.01%	4.97%
4	TOTAL CAPITAL	<u>\$ 312,649,948</u>	<u>\$ -</u>	<u>\$ 312,649,948</u>	<u>100.00%</u>		
5	COST OF CAPITAL						<u>7.42%</u>

References:

Columns (A) Thru (F): Testimony, WAR

Global Utilities
Docket No. SW-02445A-09-0077 ET AL
Test Year Ended December 31, 2008

Santa Cruz Water Company

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RLM-1	1	REVENUE REQUIREMENT
RLM-6	1	OPERATING INCOME
RLM-10	1	COST OF CAPITAL

**REVISED
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Fair Value Rate Base	\$ 45,260,919	\$ 45,902,454
2	Adjusted Operating Income (Loss)	\$ 1,969,624	\$ 2,099,782
3	Current Rate Of Return (L2 / L1)	4.35%	4.57%
4	Required Operating Income (L5 X L1)	\$ 3,842,652	\$ 3,404,242
5	Required Rate Of Return On Fair Value Rate Base	8.49%	7.42%
6	Operating Income Deficiency (L4 - L2)	\$ 1,873,028	\$ 1,304,460
7	Gross Revenue Conversion Factor (RLM-1, Pg 2)	1.6451	1.6286
8	Increase In Gross Revenue Requirement (L7 X L6)	\$ 3,081,292	\$ 2,124,488
9	Adjusted Test Year Revenue	\$ 9,110,720	\$ 9,110,720
10	Proposed Annual Revenue (L8 + L9)	\$ 12,192,012	\$ 11,235,208
11	Required Percentage Increase In Revenue (L8 / L9)	33.82%	23.32%
12	Rate Of Return On Common Equity	10.00%	8.01%

References:

Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule RLM-2, RLM-6 And RLM-10

REVISED
OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJMTS	(C) RUCO TEST YEAR AS ADJTED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
Revenues:						
1	Metered Water Sales	\$ 8,744,774	\$ -	\$ 8,744,774	\$ 1,738,283	\$ 10,483,057
2	Water Sales - Unmetered	-	-	-	-	-
3	Other Operating Revenue	365,946	-	365,946	386,206	752,151
4	TOTAL OPERATING REVENUE	<u>\$ 9,110,720</u>	<u>\$ -</u>	<u>\$ 9,110,720</u>	<u>\$ 2,124,489</u>	<u>\$ 11,235,208</u>
Operating Expenses:						
5	Salary and Wages - Employees	\$ 781,051	-	\$ 781,051	-	\$ 781,051
6	Employee Pensions and Benefits	189,983	-	189,983	-	189,983
7	Purchased Water	-	-	-	-	-
8	Purchased Power	554,398	-	554,398	-	554,398
9	Fuel for Power Production	3,505	-	3,505	-	3,505
10	Chemicals	40,455	-	40,455	-	40,455
11	Materials and Supplies	18,969	-	18,969	-	18,969
12	Materials and Supplies	297,033	-	297,033	-	297,033
13	Contractual Services - Testing	36,113	-	36,113	-	36,113
14	Contractual Services - Other	67,911	337,056	404,967	-	404,967
15	Rental of Building/Real Property	94,369	-	94,369	-	94,369
16	Rental of Equipment	7,803	-	7,803	-	7,803
17	Transportation Expenses	45,296	-	45,296	-	45,296
18	Insurance - General Liability	53,083	-	53,083	-	53,083
19	Insurance - Other	4,647	-	4,647	-	4,647
20	Advertising Expense	-	-	-	-	-
21	Rate Case Expense	53,333	-	53,333	-	53,333
22	Bad Debt Expense	91,107	-	91,107	-	91,107
23	Miscellaneous Expenses	34,629	-	34,629	-	34,629
24	Depreciation Expense	3,506,485	-	3,506,485	-	3,506,485
25	Taxes Other Than Income	15,929	-	15,929	-	15,929
26	Property Taxes	-	155,798	155,798	-	155,798
27	Other Taxes and Licenses	6,823	-	6,823	-	6,823
28	Income Taxes	1,238,174	(623,012)	615,162	820,029	1,435,190
29	TOTAL OPERATING EXPENSES	<u>\$ 7,141,096</u>	<u>\$ (130,158)</u>	<u>\$ 7,010,938</u>	<u>\$ 820,029</u>	<u>\$ 7,830,966</u>
30	OPERATING INCOME (LOSS)	<u>\$ 1,969,624</u>		<u>\$ 2,099,782</u>		<u>\$ 3,404,242</u>

References:

- Column (A): Company Schedule C-1
- Column (B): RLM-7, Columns (B) Thru (I)
- Column (C): Column (A) + Column (B)
- Column (D): Revenue From RLM-1, Column (B), Line 8 And Income Tax From RLM-1, Column (B), Line 8 - Line 6
- Column (E): Column (C) + Column (D)

**REVISED
COST OF CAPITAL**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST RATE
1	Short-term Debt	\$ -	\$ -	\$ -	0.00%	0.00%	
2	Long-term Debt	\$ 118,466,992	\$ -	\$ 118,466,992	37.89%	6.45%	2.44%
3	Common Equity	\$ 194,182,956	\$ -	\$ 194,182,956	62.11%	8.01%	4.97%
4	TOTAL CAPITAL	<u>\$ 312,649,948</u>	<u>\$ -</u>	<u>\$ 312,649,948</u>	<u>100.00%</u>		
5	COST OF CAPITAL						<u>7.42%</u>

References:

Columns (A) Thru (F): Testimony, WAR

Global Utilities
Docket No. SW-02445A-09-0077 ET AL
Test Year Ended December 31, 2008

Valenica Water Company, Town Division

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RLM-1	1	REVENUE REQUIREMENT
RLM-6	1	OPERATING INCOME
RLM-10	1	COST OF CAPITAL

**REVISED
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Fair Value Rate Base	\$ 4,240,018	\$ 4,539,198
2	Adjusted Operating Income (Loss)	\$ (601,943)	\$ (597,358)
3	Current Rate Of Return (L2 / L1)	-14.20%	-13.16%
4	Required Operating Income (L5 X L1)	\$ 405,346	\$ 336,638
5	Required Rate Of Return On Fair Value Rate Base	9.56%	7.42%
6	Operating Income Deficiency (L4 - L2)	\$ 1,007,289	\$ 933,996
7	Gross Revenue Conversion Factor (RLM-1, Pg 2)	1.6451	1.6286
8	Increase In Gross Revenue Requirement (L7 X L6)	\$ 1,657,077	\$ 1,521,138
9	Adjusted Test Year Revenue	\$ 2,894,421	\$ 2,894,421
10	Proposed Annual Revenue (L8 + L9)	\$ 4,551,498	\$ 4,415,560
11	Required Percentage Increase In Revenue (L8 / L9)	57.25%	52.55%
12	Rate Of Return On Common Equity	10.00%	8.01%

References:

- Column (A): Company Schedules A-1 and C-1
- Column (B): RUCO Schedule RLM-2, RLM-6 And RLM-10

REVISED
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
Revenues:						
1	Metered Water Sales	\$ 2,659,938	\$ -	\$ 2,659,938	\$ 1,403,328	\$ 4,063,267
2	Water Sales - Unmetered	-	-	-	-	-
3	Other Operating Revenue	234,483	-	234,483	117,810	352,293
4	TOTAL OPERATING REVENUE	<u>\$ 2,894,421</u>	<u>\$ -</u>	<u>\$ 2,894,421</u>	<u>\$ 1,521,138</u>	<u>\$ 4,415,560</u>
Operating Expenses:						
5	Salary and Wages - Employees	\$ 670,808	-	\$ 670,808	\$ -	\$ 670,808
6	Employee Pensions and Benefits	143,080	-	143,080	-	143,080
7	Purchased Water	-	-	-	-	-
8	Purchased Power	291,613	-	291,613	-	291,613
9	Fuel for Power Production	-	-	-	-	-
10	Chemicals	143,618	-	143,618	-	143,618
11	Materials and Supplies	31,821	-	31,821	-	31,821
12	Materials and Supplies	128,737	-	128,737	-	128,737
13	Contractual Services - Testing	33,729	-	33,729	-	33,729
14	Contractual Services - Other	41,898	-	41,898	-	41,898
15	Rental of Building/Real Property	37,473	-	37,473	-	37,473
16	Rental of Equipment	4,239	-	4,239	-	4,239
17	Transportation Expenses	67,812	-	67,812	-	67,812
18	Insurance - General Liability	17,098	-	17,098	-	17,098
19	Insurance - Other	3,336	-	3,336	-	3,336
20	Advertising Expense	-	-	-	-	-
21	Rate Case Expense	18,667	-	18,667	-	18,667
22	Bad Debt Expense	28,944	-	28,944	-	28,944
23	Miscellaneous Expenses	28,042	-	28,042	-	28,042
24	Depreciation Expense	2,199,986	-	2,199,986	-	2,199,986
25	Taxes Other Than Income	5,885	-	5,885	-	5,885
26	Property Taxes	-	38,112	38,112	-	38,112
27	Other Taxes and Licenses	2,101	-	2,101	-	2,101
28	Income Taxes	(402,522)	(42,697)	(445,219)	587,142	141,923
29	TOTAL OPERATING EXPENSES	<u>\$ 3,496,365</u>	<u>\$ (4,586)</u>	<u>\$ 3,491,779</u>	<u>\$ 587,142</u>	<u>\$ 4,078,921</u>
30	OPERATING INCOME (LOSS)	<u>\$ (601,943)</u>		<u>\$ (597,358)</u>		<u>\$ 336,638</u>

References:

- Column (A): Company Schedule C-1
- Column (B): RLM-7, Columns (B) Thru (K)
- Column (C): Column (A) + Column (B)
- Column (D): Revenue From RLM-1, Column (B), Line 8 And Income Tax From RLM-1, Column (B), Line 8 - Line 6
- Column (E): Column (C) + Column (D)

**REVISED
COST OF CAPITAL**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST RATE
1	Short-term Debt	\$ -	\$ -	\$ -	0.00%	0.00%	
2	Long-term Debt	\$ 118,466,992	\$ -	\$ 118,466,992	37.89%	6.45%	2.44%
3	Common Equity	\$ 194,182,956	\$ -	\$ 194,182,956	62.11%	8.01%	4.97%
4	TOTAL CAPITAL	<u>\$ 312,649,948</u>	<u>\$ -</u>	<u>\$ 312,649,948</u>	<u>100.00%</u>		
5	COST OF CAPITAL						<u>7.42%</u>

References:
Columns (A) Thru (F): Testimony, WAR

Global Utilities
Docket No. SW-02445A-09-0077 ET AL
Test Year Ended December 31, 2008

Valenica Water Company, Greater Buckeye Division

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RLM-6	1	OPERATING INCOME
RLM-10	1	COST OF CAPITAL

**REVISED
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Fair Value Rate Base	\$ 929,057	\$ 895,377
2	Adjusted Operating Income (Loss)	\$ (4,404)	\$ (6,190)
3	Current Rate Of Return (L2 / L1)	-0.47%	-0.69%
4	Required Operating Income (L5 X L1)	\$ 90,304	\$ 66,403
5	Required Rate Of Return On Fair Value Rate Base	9.72%	7.42%
6	Operating Income Deficiency (L4 - L2)	\$ 94,708	\$ 72,594
7	Gross Revenue Conversion Factor (RLM-1, Pg 2)	1.6451	1.2723
8	Increase In Gross Revenue Requirement (L7 X L6)	\$ 155,803	\$ 92,360
9	Adjusted Test Year Revenue	\$ 336,819	\$ 336,819
10	Proposed Annual Revenue (L8 + L9)	\$ 492,622	\$ 429,179
11	Required Percentage Increase In Revenue (L8 / L9)	46.26%	27.42%
12	Rate Of Return On Common Equity	10.00%	8.01%

References:

Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule RLM-2, RLM-6 And RLM-10

**REVISED
OPERATING INCOME**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJ'MTS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
Revenues:						
1	Metered Water Sales	\$ 322,780	\$ -	\$ 322,780	\$ 96,249	\$ 419,029
2	Water Sales - Unmetered	-	-	-	-	-
3	Other Operating Revenue	14,039	-	14,039	(3,889)	10,150
4	TOTAL OPERATING REVENUE	\$ 336,819	\$ -	\$ 336,819	\$ 92,360	\$ 429,179
Operating Expenses:						
5	Salary and Wages - Employees	\$ 76,217	-	\$ 76,217	\$ -	\$ 76,217
6	Employee Pensions and Benefits	16,164	-	16,164	-	16,164
7	Purchased Water	52,085	-	52,085	-	52,085
8	Purchased Power	22,565	-	22,565	-	22,565
9	Fuel for Power Production	-	-	-	-	-
10	Chemicals	10,761	-	10,761	-	10,761
11	Materials and Supplies	4,236	-	4,236	-	4,236
12	Materials and Supplies	16,551	-	16,551	-	16,551
13	Contractual Services - Testing	-	-	-	-	-
14	Contractual Services - Other	3,774	-	3,774	-	3,774
15	Rental of Building/Real Property	593	-	593	-	593
16	Rental of Equipment	3,686	-	3,686	-	3,686
17	Transportation Expenses	56	-	56	-	56
18	Insurance - General Liability	9,876	-	9,876	-	9,876
19	Insurance - Other	2,073	-	2,073	-	2,073
20	Advertising Expense	-	-	-	-	-
21	Rate Case Expense	1,355	-	1,355	-	1,355
22	Bad Debt Expense	3,368	-	3,368	-	3,368
23	Miscellaneous Expenses	6,644	-	6,644	-	6,644
24	Depreciation Expense	113,580	-	113,580	-	113,580
25	Taxes Other Than Income	3,340	-	3,340	-	3,340
26	Property Taxes	-	3,725	3,725	-	3,725
27	Other Taxes and Licenses	-	-	-	-	-
28	Income Taxes	(5,703)	(1,938)	(7,641)	19,766	12,126
29	TOTAL OPERATING EXPENSES	\$ 341,223	\$ 1,787	\$ 343,009	\$ 19,766	\$ 362,775
30	OPERATING INCOME (LOSS)	\$ (4,404)		\$ (6,190)		\$ 66,403

References:

- Column (A): Company Schedule C-1
- Column (B): RLM-7, Columns (B) Thru (K)
- Column (C): Column (A) + Column (B)
- Column (D): Revenue From RLM-1, Column (B), Line 8 And Income Tax From RLM-1, Column (B), Line 8 - Line 6
- Column (E): Column (C) + Column (D)

**REVISED
COST OF CAPITAL**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST RATE
1	Short-term Debt	\$ -	\$ -	\$ -	0.00%	0.00%	
2	Long-term Debt	\$ 118,466,992	\$ -	\$ 118,466,992	37.89%	6.45%	2.44%
3	Common Equity	\$ 194,182,956	\$ -	\$ 194,182,956	62.11%	8.01%	4.97%
4	TOTAL CAPITAL	<u>\$ 312,649,948</u>	<u>\$ -</u>	<u>\$ 312,649,948</u>	<u>100.00%</u>		
5	COST OF CAPITAL						<u>7.42%</u>

References:
Columns (A) Thru (F): Testimony, WAR

Global Utilities
Docket No. SW-02445A-09-0077 ET AL
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Water Utility of Greater Tonopah, Inc.

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RLM-6	1	OPERATING INCOME
RLM-10	1	COST OF CAPITAL

**REVISED
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Fair Value Rate Base	\$ 2,598,259	\$ 2,563,849
2	Adjusted Operating Income (Loss)	\$ (153,371)	\$ 13,462
3	Current Rate Of Return (L2 / L1)	-5.90%	0.53%
4	Required Operating Income (L5 X L1)	\$ 258,267	\$ 190,141
5	Required Rate Of Return On Fair Value Rate Base	9.94%	7.42%
6	Operating Income Deficiency (L4 - L2)	\$ 411,638	\$ 176,680
7	Gross Revenue Conversion Factor (RLM-1, Pg 2)	1.6451	1.5307
8	Increase In Gross Revenue Requirement (L7 X L6)	\$ 677,179	\$ 270,437
9	Adjusted Test Year Revenue	\$ 259,304	\$ 336,819
10	Proposed Annual Revenue (L8 + L9)	\$ 936,483	\$ 607,256
11	Required Percentage Increase In Revenue (L8 / L9)	261.15%	80.29%
12	Rate Of Return On Common Equity	10.00%	8.01%

References:

- Column (A): Company Schedules A-1 and C-1
- Column (B): RUCO Schedule RLM-2, RLM-6 And RLM-10

REVISED
OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJMTS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
Revenues:						
1	Metered Water Sales	\$ 322,780	\$ -	\$ 322,780	\$ 269,498	\$ 592,278
2	Water Sales - Unmetered	-	-	-	-	-
3	Other Operating Revenue	14,039	-	14,039	939	14,978
4	TOTAL OPERATING REVENUE	<u>\$ 336,819</u>	<u>\$ -</u>	<u>\$ 336,819</u>	<u>\$ 270,437</u>	<u>\$ 607,256</u>
Operating Expenses:						
5	Salary and Wages - Employees	\$ 76,217	-	\$ 76,217	\$ -	\$ 76,217
6	Employee Pensions and Benefits	16,164	-	16,164	-	16,164
7	Purchased Water	52,085	-	52,085	-	52,085
8	Purchased Power	22,565	-	22,565	-	22,565
9	Fuel for Power Production	-	-	-	-	-
10	Chemicals	10,761	-	10,761	-	10,761
11	Materials and Supplies	4,236	-	4,236	-	4,236
12	Materials and Supplies	16,551	-	16,551	-	16,551
13	Contractual Services - Testing	-	-	-	-	-
14	Contractual Services - Other	3,774	-	3,774	-	3,774
15	Rental of Building/Real Property	593	-	593	-	593
16	Rental of Equipment	3,686	-	3,686	-	3,686
17	Transportation Expenses	56	-	56	-	56
18	Insurance - General Liability	9,876	-	9,876	-	9,876
19	Insurance - Other	2,073	-	2,073	-	2,073
20	Advertising Expense	-	-	-	-	-
21	Rate Case Expense	1,355	-	1,355	-	1,355
22	Bad Debt Expense	3,368	-	3,368	-	3,368
23	Miscellaneous Expenses	6,644	-	6,644	-	6,644
24	Depreciation Expense	113,580	-	113,580	-	113,580
25	Taxes Other Than Income	3,340	-	3,340	-	3,340
26	Property Taxes	-	2,521	2,521	-	2,521
27	Other Taxes and Licenses	-	-	-	-	-
28	Income Taxes	(5,703)	(20,386)	(26,089)	93,758	67,669
29	TOTAL OPERATING EXPENSES	<u>\$ 341,223</u>	<u>\$ (17,865)</u>	<u>\$ 323,357</u>	<u>\$ 93,758</u>	<u>\$ 417,115</u>
30	OPERATING INCOME (LOSS)	<u>\$ (4,404)</u>		<u>\$ 13,462</u>		<u>\$ 190,141</u>

References:

- Column (A): Company Schedule C-1
- Column (B): RLM-7, Columns (B) Thru (K)
- Column (C): Column (A) + Column (B)
- Column (D): Revenue From RLM-1, Column (B), Line 8 And Income Tax From RLM-1, Column (B), Line 8 - Line 6
- Column (E): Column (C) + Column (D)

**REVISED
COST OF CAPITAL**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST RATE
1	Short-term Debt	\$ -	\$ -	\$ -	0.00%	0.00%	
2	Long-term Debt	\$ 118,466,992	\$ -	\$ 118,466,992	37.89%	6.45%	2.44%
3	Common Equity	\$ 194,182,956	\$ -	\$ 194,182,956	62.11%	8.01%	4.97%
4	TOTAL CAPITAL	<u>\$ 312,649,948</u>	<u>\$ -</u>	<u>\$ 312,649,948</u>	<u>100.00%</u>		
5	COST OF CAPITAL						<u>7.42%</u>

References:
Columns (A) Thru (F): Testimony, WAR

Global Utilities
Docket No. SW-02445A-09-0077 ET AL
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Willow Valley Water Company, Inc.

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RLM-6	1	OPERATING INCOME
RLM-10	1	COST OF CAPITAL

**REVISED
REVENUE REQUIREMENT**

LINE NO.	DESCRIPTION	(A) COMPANY OCRB/FVRB COST	(B) RUCO OCRB/FVRB COST
1	Fair Value Rate Base	\$ 2,251,164	\$ 2,177,504
2	Adjusted Operating Income (Loss)	\$ (95,458)	\$ (99,272)
3	Current Rate Of Return (L2 / L1)	-4.24%	-4.56%
4	Required Operating Income (L5 X L1)	\$ 208,008	\$ 161,489
5	Required Rate Of Return On Fair Value Rate Base	9.24%	7.42%
6	Operating Income Deficiency (L4 - L2)	\$ 303,466	\$ 260,762
7	Gross Revenue Conversion Factor (RLM-1, Pg 2)	1.6451	1.4896
8	Increase In Gross Revenue Requirement (L7 X L6)	\$ 499,228	\$ 388,430
9	Adjusted Test Year Revenue	\$ 473,527	\$ 473,527
10	Proposed Annual Revenue (L8 + L9)	\$ 972,755	\$ 861,957
11	Required Percentage Increase In Revenue (L8 / L9)	105.43%	82.03%
12	Rate Of Return On Common Equity	10.00%	8.01%

References:

Column (A): Company Schedules A-1 and C-1
Column (B): RUCO Schedule RLM-2, RLM-6 And RLM-10

REVISED
OPERATING INCOME

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO TEST YEAR ADJ'M'TS	(C) RUCO TEST YEAR AS ADJ'TED	(D) RUCO PROP'D CHANGES	(E) RUCO AS RECOMM'D
Revenues:						
1	Metered Water Sales	\$ 453,784	\$ -	\$ 453,784	\$ 382,720	\$ 836,504
2	Water Sales - Unmetered	-	-	-	-	-
3	Other Operating Revenue	19,743	-	19,743	5,710	25,453
4	TOTAL OPERATING REVENUE	<u>\$ 473,527</u>	<u>\$ -</u>	<u>\$ 473,527</u>	<u>\$ 388,430</u>	<u>\$ 861,957</u>
Operating Expenses:						
5	Salary and Wages - Employees	\$ 226,369	-	\$ 226,369	\$ -	\$ 226,369
6	Employee Pensions and Benefits	50,965	-	50,965	-	50,965
7	Purchased Water	-	-	-	-	-
8	Purchased Power	33,567	-	33,567	-	33,567
9	Fuel for Power Production	-	-	-	-	-
10	Chemicals	18,049	-	18,049	-	18,049
11	Materials and Supplies	18,697	-	18,697	-	18,697
12	Materials and Supplies	41,492	-	41,492	-	41,492
13	Contractual Services - Testing	5,401	-	5,401	-	5,401
14	Contractual Services - Other	12,787	-	12,787	-	12,787
15	Rental of Building/Real Property	9,185	-	9,185	-	9,185
16	Rental of Equipment	-	-	-	-	-
17	Transportation Expenses	13,076	-	13,076	-	13,076
18	Insurance - General Liability	5,119	-	5,119	-	5,119
19	Insurance - Other	1,072	-	1,072	-	1,072
20	Advertising Expense	-	-	-	-	-
21	Rate Case Expense	5,333	-	5,333	-	5,333
22	Bad Debt Expense	4,735	-	4,735	-	4,735
23	Miscellaneous Expenses	10,257	-	10,257	-	10,257
24	Depreciation Expense	185,697	-	185,697	-	185,697
25	Taxes Other Than Income	140	-	140	-	140
26	Property Taxes	-	5,503	5,503	-	5,503
27	Other Taxes and Licenses	-	-	-	-	-
28	Income Taxes	(72,955)	(1,689)	(74,644)	127,668	53,024
29	TOTAL OPERATING EXPENSES	<u>\$ 568,985</u>	<u>\$ 3,814</u>	<u>\$ 572,799</u>	<u>\$ 127,668</u>	<u>\$ 700,467</u>
30	OPERATING INCOME (LOSS)	<u>\$ (95,458)</u>		<u>\$ (99,272)</u>		<u>\$ 161,489</u>

References:

- Column (A): Company Schedule C-1
- Column (B): RLM-7, Columns (B) Thru (K)
- Column (C): Column (A) + Column (B)
- Column (D): Revenue From RLM-1, Column (B), Line 8 And Income Tax From RLM-1, Column (B), Line 8 - Line 6
- Column (E): Column (C) + Column (D)

**REVISED
COST OF CAPITAL**

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST RATE
1	Short-term Debt	\$ -	\$ -	\$ -	0.00%	0.00%	
2	Long-term Debt	\$ 118,466,992	\$ -	\$ 118,466,992	37.89%	6.45%	2.44%
3	Common Equity	\$ 194,182,956	\$ -	\$ 194,182,956	62.11%	8.01%	4.97%
4	TOTAL CAPITAL	<u>\$ 312,649,948</u>	<u>\$ -</u>	<u>\$ 312,649,948</u>	<u>100.00%</u>		
5	COST OF CAPITAL						<u>7.42%</u>

References:
Columns (A) Thru (F): Testimony, WAR