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AZ CORP COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

9 KRISTIN K. MAYES, CHAIRMAN
10 GARY PIERCE
11 PAUL NEWMAN
12 SANDRA D. KENNEDY
13 BOB STUMP

Arizona Corporation Commission

DOCKETED

AUG. 27 2010

DOCKETED BY 

14 ANTELOPE RUN WATER
15 COMPANY'S APPLICATION FOR AN
16 PERMANENT INCREASE IN ITS
17 WATER RATES

Docket No. W-02327A-10-0169

AMENDED RATE APPLICATION

19
20 The Antelope Run Water Company ("Company" or "Antelope Run"), hereby
21 submit this amended rate application for an increase in water rates. This application is
22 being amended at the request of the Arizona Corporation Commission Staff ("Staff").
23
24 This application for proposed rates has been assembled for comparative purposes per
25 Staff's request, and even though provides stand alone financial analysis for Antelope, it is
26 the desire of the ownership that the Company be consolidated with Indiada Water
27
28

1 Company and East Slope Water Company into one entity. This new entity would be
2 structured as a Class C water company.

3
4 **SUPPORTING DOCUMENTATION**

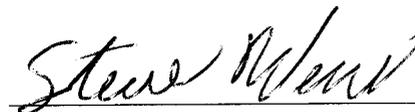
5 Pursuant to A.A.R. Rule 14-2-103, the Company submits the following
6 documentation in support of the proposed increase in rates and charges:

- 7 • Direct Testimony of Sonn S. Rowell (see Exhibit 1);
- 8 • Required Schedules, Statements, and Documentation (see Exhibit 2);
- 9 • Water Use Data Sheets (see Exhibit 3 (previously provided));
- 10 • Plant Descriptions (see Exhibit 4 (previously provided));
- 11 • ADEQ Compliance Status Report (see Exhibit 5 (previously provided));
- 12 • Monitoring Assistance Program Sampling Fee Invoice (see Exhibit 6 (previously
13 provided));
- 14 • Water Quality Testing Information (see Exhibit 7); and
- 15 • Water Quality Testing Invoices (see Exhibit 8).

16
17
18
19 As previously discussed with Staff's legal counsel, the public notice for this application
20 will be provided by the Company pursuant to hearing officer order once the hearing is
21 set.

22
23 RESPECTFULLY SUBMITTED this 27th day of August, 2010.

24
25 **MOYES SELLERS & SIMS**

26
27 

28 Steve Wene
Attorneys for Company

1 Original and 15 copies of the foregoing
2 filed this 27th day of August, 2010, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, Arizona 85007

7 Donnelly Herbert
8

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EXHIBIT 1

1 **Q-3 By whom are you employed and in what capacity?**

2 **A-3** I have been retained by the owners of Antelope Run Water Company (“Antelope”
3 or “Company”) and its management company, Southwestern Utility Management, Inc.
4 (“SUM”) to prepare rate and finance applications for submittal to the Arizona
5 Corporation Commission.
6

7 **Q-4 What is the purpose of your testimony?**

8 **A-4** The purpose of my testimony is to present my analysis and recommendations
9 concerning the development of the Company gross revenue requirement, taking into
10 account adjusted rate base, adjusted operating income, working capital requirements,
11 current rate of return, required operating income, required rate of return for the historic
12 twelve month period, and other relevant factors to sponsor certain exhibits in support of
13 the rate and finance applications.
14

15 **Q-5 Please summarize the Company proposal.**

16 **A-5** Antelope Run is seeking an increase in gross revenue of approximately \$90,065,
17 or a rate increase of approximately 182.85%, for its customers to pay for increased
18 operational expenses and needed improvements that will be funded with the proposed
19 loan from the Water Infrastructure Finance Authority (“WIFA”).
20

21 **Q-6 What is the basis for your recommendation?**

22 **A-6** I analyzed the Companies records to determine the adjusted revenues and
23 expenses during the test year ending December 31, 2009. Next, I calculated a reasonable
24 revenue requirement in order to ensure the Companies can earn sufficient revenue to pay
25 ongoing operating expenses, the debt service on the proposed WIFA loan, and provide
26
27
28

1 adequate and reliable water service to its customers. Based upon my analysis, I have
2 prepared the schedules in accordance with A.A.C. Rule 14-2-103 that are set forth in
3 Application Exhibit 2, which I adopt as part of my testimony.
4

5 **Q-7 Please identify and explain the adjustments made on Schedule C-1 – Adjusted**
6 **Test Year Income Statement of this application.**

7
8 **A-7** Adjustment A removes \$1,437 of Antelope Run’s metered water revenue, which
9 was purchased by Indiada Water Company, Inc. (“Indiada”). This would be considered a
10 non-recurring expense due to the proposed consolidation of the Companies, and the
11 revenue requirement should not include this amount.
12

13 **Q-8 Please explain Adjustment B.**

14 **A-8** Adjustment B was made to reduce surcharge revenue by \$1,875 to eliminate the
15 revenue generated by the emergency surcharge, which will be discontinued at the
16 inception of new rates.
17

18 **Q-9 Please explain Adjustments C, D, and E.**

19 **A-9** Adjustment C, as reflected on Schedule C-2a removes office related expenses that
20 appeared on the general ledger prior to the test year, and added expenses incurred during
21 the test year but were recorded in the general ledger subsequent to it.
22

23 Schedule C-2b depicts Adjustment D to Outside Services. Part of this adjustment
24 normalizes accounting expenses for the test year, but the major portion of Adjustment D
25 removes management fees recorded in the general ledger and replaces them per the
26 calculation at the bottom of Schedule C-2b. Due to the dire financial situation of this
27 company, SUM has been charging a reduced rate for its services. However, this is a
28

1 temporary arrangement, and the correct amount must be included in the proposed revenue
2 requirement. Adjustment E is calculated on Schedule C-2c, and is similar in purpose to
3 Adjustment C.
4

5 **Q-10 Please explain Adjustment F to the income statement.**

6 **A-10** Adjustment F removes a small amount of expense related to workers
7 compensation insurance the utility carried when it had employees. Due to the
8 management contract with SUM now in place, this amount will not recur.
9

10 **Q-11 How did you determine the amount of proposed rate case expense?**

11 **A-11** My estimate for Adjustment G is detailed in the following table. The current test
12 year amount includes amounts paid for the 2009 emergency rate case.
13

14 Test Year Expense	\$1,404
15 Estimated Rate Case Expense	\$6,000
16 Subtotal	\$7,404
17 Recovery period	3
18 Annual recovery amount	\$2,468
19 Adjustment amount	\$1,064

20 **Q-12 Please explain how you calculated Adjustment H to depreciation expense.**

21 **A-12** Schedule C-2d begins with plant in service at the end of the test year, and applies
22 depreciation rates normally recommended by Staff, resulting in proposed depreciation
23 expense of \$14,443, or an increase of \$4,640 over test year actual expense of \$9,803.
24

25 **Q-13 Please explain Adjustments I and J on Schedule C-1.**

26 **A-13** Adjustment I adjusts payroll taxes (Account 408) by \$33 to remove expenses
27 related to payroll taxes when the utility had employees. Like Adjustment F, since a
28 management contract with SUM now in place, this amount will not recur.

1 Adjustment J removes a small amount of late fees associated with property tax expense.

2 **Q-14 Please explain the increase to interest expense of \$27,738 as reflected by**

3 **Adjustment K.**

4
5 **A-14** The \$27,738 of interest expense represents the prorata share of the proposed
6 \$3,000,000 consolidated WIFA loan to improve all three commonly owned systems. The
7 Antelope Run share of the WIFA loan is estimated as \$562,397, amortized at 5% over a
8 20-year period.

9
10 **Q-15 Finally, explain how Adjustment L was determined.**

11 **A-15** Adjustment L increased metered water revenue from the adjusted test year amount
12 of \$48,910, by \$90,065 to \$138,975 for Antelope Run, per the calculation set forth on
13 Schedule A-1.

14
15 **Q-16 Please summarize your rate design for Antelope Run.**

16
17 **A-16** Antelope Run currently has customers on three meter sizes: 5/8 by 3/4 inch, 1 inch
18 and 2 inch. There are both residential and commercial customers on the 5/8 by 3/4 meters.
19 All of the 1 inch customers are residential customers. Antelope Run's only customer on a
20 2 inch meter is its sister company Indiada. The sales to Indiada from the 2 inch meter
21 were included in current revenues in order to match revenues to the bill count. However,
22 in designing proposed rates the revenue received from Indiada was not included in the
23 calculation as it is not expected that Indiada will purchase water from Antelope Run after
24 the companies are consolidated. The proposed rates for Antelope Run were designed to
25 recover the metered water revenue requirement of \$138,975.
26
27
28

1 The monthly minimums were set using the standard meter size multipliers such
2 that minimum charge for the 1 inch meters is 2.5 times that of the 5/8 by 3/4 inch meters.
3

4 Commodity rates for the 5/8 by 3/4 inch meters have three tiers. The second tier
5 commodity rate equals 1.8 times the first tier rate and the third tier rate equals 1.8 times
6 the second tier rate. The tier breaks are set at 3,000 and 10,000 gallons.
7

8 Commodity rates for the 1 inch meters have two tiers and equal the first two tier
9 rates for the 5/8 by 3/4 inch meters. The tier break is set at 8,000 gallons. This level of
10 tier break was selected in order to maximize the conservation benefit of the tiered rate
11 structure. The following table shows the effect of the proposed rates on 5/8 by 3/4 inch
12 residential customers with median consumption.
13

14	15	16	17
Median Gallons	Current Bill (Including Surcharge)	Bill Under Proposed Rates	Percent Increase
6,900	\$23.98	\$43.45	81.19%

18 **Q-17 Is there anything else you would like to add?**

19 **A-17** Yes. A complete application including proposed rates has been assembled for
20 Antelope Run for comparative purposes per Staff's request. Although this application
21 provides stand alone financial analysis for Antelope Run, it is the desire of the ownership
22 that Antelope Run be consolidated with Indiada Water Company and East Slope Water
23 Company, Inc. into one entity. This new entity would be structured as a C-Corp, unlike
24 Antelope Run as a stand alone entity, and includes a gross up for income tax recovery.
25
26

27 **Q-18 Does this conclude your testimony?**

28 **A-18** Yes.

EXHIBIT 2

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule A-1
Title: Computation of Increase in Gross
Revenue Requirements

Explanation:
 Schedule showing computation of increase in gross revenue requirements and spread of revenue increase by customer classification.

Required for: All Utilities	X
Class A	
Class B	
Class C	
Class D	
Special Reqmt	

	Original Cost		RCND
1. Adjusted Rate Base	\$ 61,769	(a)	(a)
2. Adjusted Operating Income	\$ (34,390)	(b)	(b)
3. Current Rate of Return	-55.68%		
4. Required Operating Income	\$ 7,412		
5. Required Rate of Return	12.00%		
6. Operating Income Deficiency (4 - 2)	\$ 41,803		
7. Gross Revenue Conversion Factor	1.0000	(c)	(c)
8. Increase in Gross Revenue Requirements (6 x 7)	\$ 41,803		

9. Proposed Revenue	\$ 139,322
10. Required Operating Margin	39.96%
11. Required Operating Income (9 x 10)	\$ 55,675
12. Operating Income Deficiency (11 - 2)	\$ 90,065
13. Gross Revenue Conversion Factor	1.000
14. Increase in Gross Revenue Requirements (12 x 13)	\$ 90,065

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase
Residential	\$ 48,448	\$ 137,435	\$ 88,987	183.67%
Commercial	462	1,540	1,078	233.33%
Industrial	-	-	-	0.00%
Other	347	347	-	0.00%
Total	\$ 49,257	\$ 139,322	\$ 90,065	182.85%

Note: For combination utilities, the above information should be presented in total and by department.

Supporting Schedules:

- (a) B-1 (c) C-3
- (b) C-1 (d) H-1

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule A-2
Title: Summary Results of Operations

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Spec'l Reqmt	<input type="checkbox"/>

Explanation:
 Schedule showing comparative operating results for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

Description	<u>Prior Years</u>		<u>Test Year</u>		<u>Projected Year</u>	
	Year End	Year End	Actual	Adjusted	Present	Proposed
	31-Dec-07	31-Dec-08	Rates	Rates	Rates	Rates
	(a)	(a)	(a)	(b)	(c)	(c)
1. Gross Revenues	\$ 53,008	\$ 48,480	\$ 52,569	\$ 49,257	\$ 49,257	\$ 139,322
2. Revenue Deductions & Operating Expenses	(49,645)	(65,450)	(68,043)	(83,647)	(83,647)	(83,647)
3. Operating Income	\$ 3,363	\$ (16,970)	\$ (15,474)	\$ (34,390)	\$ (34,390)	\$ 55,675
4. Other Income and Deductions	(450)	9	-	-	-	-
5. Interest Expense	-	-	-	(27,738)	(27,738)	(27,738)
6. Net Income	\$ 2,913	\$ (16,961)	\$ (15,474)	\$ (62,129)	\$ (62,129)	\$ 27,937

7. Earned Per Average Common Share*	No Shares Issued						
8. Dividends Per Common Share*	No Shares Issued						
9. Payout Ratio*	No Shares Issued						
10. Return on Average Invested Capital	16.65%	-125.67%	-410.83%	-1649.50%	-1649.50%	741.73%	
11. Return on Year End Capital	16.65%	-178.63%	Double Negative			-1423.91%	
12. Return on Average Common Equity	16.65%	-125.67%	-410.83%	-1649.50%	-1649.50%	741.73%	
13. Return on Year End Common Equity	16.65%	-178.63%	Db'l Neg	Double Negative		-1423.91%	
14. Times Bond Interest Earned - Before Inc Tax	No interest expense		Double Negative			200.72%	
15. Times Total Interest and Preferred Dividends Earned - After Income Taxes						200.72%	

Supporting Schedules:

- (a) E-2
- (b) C-1
- (c) F-1

*Optional for projected year

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule A-4
Title: Construction Expenditures and
Gross Utility Plant in Service

Explanation:
 Schedule showing construction expenditures, plant placed in service and gross utility plant in service for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

Required for:	All Utilities	X
	Class A	
	Class B	
	Class C	
	Class D	
	Spec'l Reqmt	

Year	Construction Expenditures (a)	Net Plant Placed In Service (b)	Gross Utility Plant In Service
1. Prior Year 1 - 2007	\$ 16,169	\$ 16,169	\$ 159,683
2. Prior Year 2 - 2008	31,641	31,641	191,324
3. Test Year - 2009	6,501	3,647	194,971
4. Projected Year 1	562,397	565,251	760,222
5. Projected *			
6. Projected *			

* Required only for Class A and B Utilities

NOTE: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:

(a) F-3

(b) E-5

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule B-1
Title: Summary of Original Cost and RCND

Explanation:
 Schedule showing elements of adjusted original cost and RCND rate bases.

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Specil Reqmt	<input type="checkbox"/>

	<u>Original Cost</u> Rate Base*		<u>RCND</u> Rate Base*
1. Gross Utility Plant in Service	\$ 194,971		
2. Less: Accumulated Depreciation	<u>(93,631)</u>		
3. Net Utility Plant in Service	\$ 101,340 (a)		(b)
Less:			
4. Advances in Aid of Construction	46,435 (c)		(c)
5. Contributions in Aid of Construction	- (c)		(c)
Add:			
6. Allowance for Working Capital	<u>6,864 (d)</u>		(d)
7. Total Rate Base	<u><u>\$ 61,769 (e)</u></u>		(e)

* Including pro forma adjustments

NOTE: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:

(a) B-2 (d) B-5

(b) B-3

(c) E-1

Recap Schedules:

(e) A-1

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule B-2
Title: Original Cost Rate Base
Proforma Adjustments

Explanation:
 Schedule showing pro forma adjustments to gross plant
 in service and accumulated depreciation for the original
 cost rate base.

Required for: All Utilities
 Class A
 Class B
 Class C
 Class D
 Specl Reqmt

	Actual at End Of Test Year (a)	Pro forma Adjustment	Adjusted at End Of Test Year (b)
1. Gross Utility Plant in Service	\$ 194,971		\$ 194,971
2. Less: Accumulated Depreciation	(93,631)		(93,631)
3. Net Utility Plant in Service	<u>\$ 101,340</u>	\$ -	<u>\$ 101,340</u>

All pro forma adjustments should be adequately explained on this schedule or on attachments hereto.

NOTE: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:
 (a) E-1

Recap Schedules:
 (b) B-1

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule B-5
Title: Computation of Working Capital

Explanation:
 Schedule showing computation of working capital allowance.

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Spec'l Reqmt	<input type="checkbox"/>

	<u>Amount</u>	
1. Cash working capital		
1/24th Purchased Power	\$ 737	
1/24th Purchased Water	-	
1/8th Operation & Maintenance Expense	6,127	
2. Materials and Supplies Inventories	-	(a)
3. Prepayments	-	(a)
4. Total Working Capital Allowance	<u>\$ 6,864</u>	(b)

NOTES:

1. Adequate detail should be provided to determine the bases for the above computations.
2. Adjusted test year operating expenses should be used in computing cash working capital requirements.
3. Combination utilities should compute working capital allowances for each department.

Supporting Schedules:
 (a) E-1

Recap Schedules:
 (b) B-1

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule C-1
Title: Adjusted Test Year Income Statement

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

Explanation:
 Schedule showing statement of income for the test year,
 including pro forma adjustments.

Description	Actual for Test Year Ended (a)		Proforma Adjustments		Test Year Results After Pro Forma Adjustments		Proposed Rate Increase	Adjusted Test Year With Rate Increase
	31-Dec-09	Ref	(b)	Ref	Ref			
Operating Revenues:								
461 Metered Water Revenue	\$ 50,347	A	\$ (1,437)		\$ 48,910	L	\$ 90,065	\$ 138,975
461.1 Surcharge Revenue	1,875	B	(1,875)		-			-
474 Other Water Revenue	347				347			347
Total Operating Revenue	\$ 52,569		\$ (3,312)		\$ 49,257		\$ 90,065	\$ 139,322
Operating Expenses:								
601 Salaries & Wages	\$ -				\$ -			\$ -
610 Purchased Water	-				-			-
615 Purchased Power	17,695				17,695			17,695
618 Chemicals	166				166			166
620 Repairs & Maintenance	3,358				3,358			3,358
621 Office Supplies and Expense	2,435	C	(42)		2,393			2,393
630 Outside Services	22,748	D	10,730		33,478			33,478
635 Water Testing	1,899				1,899			1,899
641 Rental Expense	-				-			-
650 Transportation Expense	5,909	E	(664)		5,245			5,245
657 Insurance - General Liability	25	F	(25)		-			-
659 Insurance - Health and Life	-				-			-
666 Rate Case Expense	1,404	G	1,064		2,468			2,468
675 Miscellaneous Expense	5				5			5
403 Depreciation & Amortization	9,803	H	4,640		14,443			14,443
408 Taxes Other Than Income	33	I	(33)		-			-
408.11 Property Taxes	2,563	J	(66)		2,497			2,497
409 Income Taxes	-				-			-
Total Operating Expenses	\$ 68,043		\$ 15,604		\$ 83,647		\$ -	\$ 83,647
OPERATING INCOME/(LOSS)	\$ (15,474)		\$ (18,916)		\$ (34,390)	(c)	\$ 90,065	\$ 55,675
Other Income/(Expense):								
419 Interest Income	\$ -				\$ -			\$ -
421 Non-Utility Income	-				-			-
426 Miscellaneous Non-Utility Expenses	-				-			-
427 Interest Expense	-	K	(27,738)		(27,738)			(27,738)
Total Other Income/(Expense)	\$ -		\$ (27,738)		\$ (27,738)		\$ -	\$ (27,738)
NET INCOME/(LOSS)	\$ (15,474)		\$ (46,655)		\$ (62,129)		\$ 90,065	\$ 27,937

Note: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:
 (a) E-2
 (b) C-2

Recap Schedules:
 (c) A-1

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule C-2
Title: Income Statement Proforma
Adjustments

Required for: All Utilities	X
Class A	
Class B	
Class C	
Class D	
Specil Reqmt	

Explanation:
 Schedule itemizing pro forma adjustments to the test year income statement.

Description	A	B	C	D	E	F	G	H	I	J	K	L	Total (a)
Revenues:													
Metered Water Revenue	\$ (1,437)												\$ 88,628
Surcharge Revenue		\$ (1,875)											(1,875)
Expenses:													
Office Supplies and Expense			\$ (42)										\$ (42)
Outside Services				\$ 10,730									10,730
Transportation Expenses					\$ (664)								(664)
Insurance - General Liability						\$ (25)							(25)
Rate Case Expense							\$ 1,064						1,064
Depreciation & Amortization								\$ 4,640					4,640
Taxes Other Than Income									\$ (33)				(33)
Property Tax										\$ (66)			(66)
Other Income/(Expense):													
Interest Expense											\$ (27,738)		\$ (27,738)

Adjustment Descriptions:

- A - Remove intercompany water sales during the test year to Indiada by a 2-inch meter.
- B - Remove surcharge revenue from the test year as it is temporary, and will not be included in proposed rates.
- C - Adjust office supplies and expense per calculation on Schedule C-2a.
- D - Adjust outside services expense per calculation on Schedule C-2b.
- E - Adjust transportation expense per calculation on Schedule C-2c.
- F - Remove workers compensation insurance expense that will non-recur as a result of management contract.
- G - Increase rate case expense to recover \$1,404 incurred for the emergency rate case, and estimated costs of \$6,000 for this rate case, amortized over 3 years, (\$7,404/3).
- H - Increase depreciation expense based upon proposed depreciation rates per schedule C-2d.
- I - Remove payroll tax expense that will not recur due to management contract.
- J - Remove late fees associated with property taxes.
- K - Increase interest expense for proposed WIFA loan.
- L - Increase proposed revenue per calculation on Schedule A-1.

Note: All pro forma adjustments should be adequately explained on this schedule or on attachments thereto.

Supporting Schedules:
 C-2a through C-2d

Recap Schedules:
 (a) C-1

Antelope Run Water Company
Test Year Ended December 31, 2009

Schedule C-2a
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED OFFICE SUPPLIES AND EXPENSE ADJUSTMENT

Description	Amount
November 2008 billing forms	\$ (6)
December 2008 billing forms	(6)
December 2009 billing forms	6
November 2008 postage	(45)
December 2008 postage	(45)
December 2009 postage	54
Total Adjustment C	\$ (42)

Antelope Run Water Company
Test Year Ended December 31, 2009

Schedule C-2b
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED OUTSIDE SERVICES EXPENSE ADJUSTMENT

Description	Amount
December 2008 accounting	\$ (130)
December 2009 accounting	130
Remove test year management fees expense per general ledger	(18,528)
Proforma management fees expense	29,258
Total Adjustment D	\$ 10,730

Antelope Run Water Company
Test Year Ended December 31, 2009

Schedule C-2c
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED TRANSPORTATION EXPENSE ADJUSTMENT

<u>Description</u>	<u>Amount</u>
November 2008 mileage	\$ (109)
December 2008 mileage	(338)
December 2009 mileage	383
Non-recurring vehicle lease expenses	(600)
Total Adjustment E	<u><u>\$ (664)</u></u>

DETAIL OF PROPOSED DEPRECIATION EXPENSE CALCULATION

Account Number	Description	Plant @ End of Test Year 31-Dec-09	Proposed Depreciation Rate	Proposed Depreciation Expense
302	Franchises	\$ -	0.00%	\$ -
303	Land & Land Rights	5,159	0.00%	-
304	Structures & Improvements	619	3.33%	21
307	Wells & Springs	17,939	3.33%	597
311	Pumping Equipment	94,263	12.50%	11,783
320	Water Treatment Equipment	-	-	-
320.1	Water Treatment Plants	-	3.33%	-
320.2	Solution Chemical Feeders	-	20.00%	-
330	Distribution Reservoirs & Standpipes	3,475	2.22%	77
330.1	Storage Tanks	425	2.22%	9
330.2	Pressure Tanks.	3,413	5.00%	171
331	Transmission & Distribution Mains	63,498	2.00%	1,270
333	Services	-	3.33%	-
334	Meters & Meter Installations	6,180	8.33%	515
335	Hydrants	-	2.00%	-
339	Other Plant and Misc Equipment	-	6.67%	-
340	Office Furniture & Equipment	-	6.67%	-
340.1	Computers and Software	-	20.00%	-
341	Transportation Equipment	-	20.00%	-
343	Tools, Shop, and Garage Equipment	-	5.00%	-
345	Power Operated Equipment	-	5.00%	-
348	Other Tangible Plant	-	0.00%	-
Proposed Totals		\$ 194,971		\$ 14,443
Test Year Depreciation Expense				9,803
Total Adjustment H				\$ 4,640

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule C-3
Title: Computation of Gross Revenue
Conversion Factor

Explanation:
 Schedule showing incremental taxes on gross revenues and
 the development of a gross revenue conversion factor.

Required for:	All Utilities	X
	Class A	
	Class B	
	Class C	
	Class D	
	Spec'l Reqmt	

Description	Calculation
Revenue	1.0000
Combined Federal And State Tax Rate	-
Subtotal	1.0000
Gross Revenue Conversion Factor = 1/Operating Income %	1.0000

CALCULATION OF COMBINED FEDERAL AND STATE TAX RATE:

Operating Income Before Taxes (Arizona Taxable Income)	100.0000%
Arizona State Income Tax Rate	0.0000%
Federal Taxable Income	100.0000%
Federal Income Tax Rate	0.0000%
Effective Federal Income Tax Rate	0.0000%
Combined Federal And State Income Tax Rates	0.0000%

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule D-1
Title: Summary Cost of Capital

Explanation:
 Schedule showing elements of capital structure
 and the related cost.

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Spec'l Reqmt	<input type="checkbox"/>

Invested Capital	End of Test Year				End of Projected Year			
	Amount	%	Cost Rate (e)	Composite Cost %	Amount	%	Cost Rate (e)	Composite Cost %
Long-Term Debt (a)					\$ 562,397	100.35%	5.00%	5.02%
Short-Term Debt (a)					-			
Common Equity (c)	\$ (1,962)	100.00%	12.00%	12.00%	(1,962)	-0.35%	12.00%	-0.04%
Total	<u>\$ (1,962)</u>	<u>100.00%</u>		<u>12.00%</u>	<u>\$ 560,435</u>	<u>100.00%</u>		<u>4.98%</u>

Supporting Schedules:

- (a) D-2
- (b) D-3
- (c) D-4
- (d) E-1

Recap Schedules:

- (e) A-3

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule E-1
Title: Comparative Balance Sheet

Explanation:
 Schedule showing comparative balance sheets at the end of the test year and the 2 fiscal years ended prior to the test year.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

	Test Year At 31-Dec-09	Prior Year 31-Dec-08	Prior Year 31-Dec-07
ASSETS			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 194,971	\$ 191,324	\$ 159,683
103 Property Held for Future Use			
105 Construction Work in Process	2,854		
108 Accumulated Depreciation	(93,631)	(84,232)	(75,714)
Total Property Plant & Equipment	\$ 104,194	\$ 107,092	\$ 83,969
Current Assts:			
131 Cash	\$ 939	\$ 3,683	\$ 634
135 Temporary Cash Investments			
141 Customer Accounts Receivable	4,169	92	92
146 Notes/Receivables from Associated Companies			
151 Plant Material and Supplies			
162 Prepayments			
174 Miscellaneous Current and Accrued Assets	10		
Total Current Assets	\$ 5,118	\$ 3,775	\$ 726
TOTAL ASSETS	\$ 109,312	\$ 110,867	\$ 84,695
LIABILITIES and CAPITAL			
Capitalization: (b)			
201 Common Stock Issued	\$ -	\$ -	\$ -
211 Paid in Capital in Excess of Par Value			
215 Retained Earnings			
218 Proprietary Capital	(1,962)	9,495	17,497
Total Capital	\$ (1,962)	\$ 9,495	\$ 17,497
Current Liabilities:			
231 Accounts Payable	\$ 29,054	\$ 38,442	\$ 4,558
232 Notes Payable (Current Portion)			
234 Notes/Accounts Payable to Associated Companies	35,114	15,114	14,114
235 Customer Deposits	364	5,740	
236 Accrued Taxes	307	416	576
241 Miscellaneous Current and Accrued Liabilities			
Total Current Liabilities	\$ 64,839	\$ 59,712	\$ 19,248
224 Long-Term Debt (Over 12 Months)	\$ -	\$ -	\$ -
Deferred Credits:			
252 Advances In Aid Of Construction	\$ 46,435	\$ 41,660	\$ 47,950
271 Contributions In Aid Of Construction			
272 Less: Amortization of Contributions			
281 Accumulated Deferred Income Tax			
Total Deferred Credits	\$ 46,435	\$ 41,660	\$ 47,950
Total Liabilities	\$ 111,274	\$ 101,372	\$ 67,198
TOTAL LIABILITIES and CAPITAL	\$ 109,312	\$ 110,867	\$ 84,695

Supporting Schedules:
 (a) E-5

Recap Schedules:
 (b) A-3

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule E-2
Title: Comparative Income
Statements

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Specf Reqmt	<input type="checkbox"/>

Explanation:
 Schedule showing comparative income statements for the test year and the 2 fiscal years ended prior to the test year.

	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Revenues: (a)			
461 Metered Water Revenue	\$ 50,347	\$ 48,329	\$ 52,528
461.1 Surcharge Revenue	1,875	-	-
474 Other Water Revenue	347	151	480
Total Revenues	<u>\$ 52,569</u>	<u>\$ 48,480</u>	<u>\$ 53,008</u>
Operating Expenses (a)			
601 Salaries & Wages	\$ -	\$ 5,400	\$ 7,200
610 Purchased Water	-	-	-
615 Purchased Power	17,695	15,296	16,104
618 Chemicals	166	-	-
620 Repairs and Maintenance	3,358	12,747	4,606
621 Office Supplies and Expense	2,435	12,332	1,210
630 Outside Services	22,748	2,847	1,401
635 Water Testing	1,899	1,485	630
641 Rents	-	900	1,200
650 Transportation Expense	5,909	1,572	1,500
657 Insurance - General liability	25	-	-
659 Insurance - Health and Life	-	-	-
666 Regulatory Commission Expense - Rate Case	1,404	-	-
675 Miscellaneous Expense	5	374	132
403 Depreciation Expense	9,803	10,873	11,573
408 Taxes Other Than Income	33	457	1,031
408.11 Property Taxes	2,563	1,167	3,058
409 Income Tax	-	-	-
Total Operating Expenses	<u>\$ 68,043</u>	<u>\$ 65,450</u>	<u>\$ 49,645</u>
OPERATING INCOME/(LOSS)	<u>\$ (15,474)</u>	<u>\$ (16,970)</u>	<u>\$ 3,363</u>
Other Income/(Expense)			
419 Interest and Dividend Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	9	-
426 Miscellaneous Non-Utility Expense	-	-	(450)
427 Interest Expense	-	-	-
Total Other Income/(Expense)	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ (450)</u>
NET INCOME/(LOSS)	<u>\$ (15,474)</u>	<u>\$ (16,961)</u>	<u>\$ 2,913</u>

Supporting Schedules:
 (a) E-6

Recap Schedules:
 A-2

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule E-5
Title: Detail of Utility Plant

Explanation:
 Schedule showing utility plant balance, by detailed account number, at the end of the test year and the end of the prior fiscal year.

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Speci Reqmt	<input type="checkbox"/>

Account Number	Description	End of Prior Year at 31-Dec-08	Net Additions	End of Test Year at 31-Dec-09
302	Franchises	\$ -		\$ -
303	Land & Land Rights	5,159		5,159
304	Structures & Improvements	619		619
307	Wells & Springs	17,939		17,939
311	Pumping Equipment	91,796	2,467	94,263
320	Water Treatment Equipment	-		-
320.1	Water Treatment Plants	-		-
320.2	Solution Chemical Feeders	-		-
330	Distribution Reservoirs & Standpipes	3,475		3,475
330.1	Storage Tanks	425		425
330.2	Pressure Tanks.	3,413		3,413
331	Transmission & Distribution Mains	63,498		63,498
333	Services	-		-
334	Meters & Meter Installations	5,000	1,180	6,180
335	Hydrants	-		-
339	Other Plant and Misc Equipment	-		-
340	Office Furniture & Equipment	-		-
340.1	Computers and Software	-		-
341	Transportation Equipment	-		-
343	Tools, Shop, and Garage Equipment	-		-
345	Power Operated Equipment	-		-
348	Other Tangible Plant	-		-
	Total Plant In Service	\$ 191,324	\$ 3,647	\$ 194,971
108	Accumulated Depreciation	(84,232)	(9,399)	(93,631)
	Net Plant In Service	\$ 107,092	\$ (5,752)	\$ 101,340
103	Property Held for Future Use	\$ -		\$ -
105	Construction Work in Process	-	2,854	2,854
	Total Net Plant	\$ 107,092	\$ (2,898)	\$ 104,194

Supporting Schedules:

Recap Schedules:
 E-1 A-4

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule E-7
Title: Operating Statistics

Explanation:
 Schedule showing key operating statistics in comparative format,
 for the test year and the 2 fiscal years ended prior to the test year.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Specl Reqmt	<input type="checkbox"/>

Water Statistics:	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Gallons Sold - By Class of Service:			
Residential	25,165,060	25,712,190	24,102,020
Commercial	315,940	394,810	319,240
Average Number of Customers - By Class of Service:			
Residential	166	165	162
Commercial	1	1	1
Average Annual Gallons Per Residential Customer	151,597	155,831	148,778
Average Annual Revenue Per Residential Customer	\$ 356.56	\$ 360.79	\$ 353.74
Pumping Cost Per 1,000 Gallons	\$ 0.6944	\$ 0.5859	\$ 0.6594

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule E-8
Title: Taxes Charged to Operations

Explanation:
 Schedule showing all significant taxes charged to operations for
 the test year and the 2 fiscal years ended prior to the test year.

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Speci Reqmt	<input type="checkbox"/>

Description	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Federal Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	-	457	608
Total Federal Taxes	\$ -	\$ 457	\$ 608
State Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	33	-	423
Total State Taxes	\$ 33	\$ -	\$ 423
Local Taxes:			
Property	\$ 2,563	\$ 1,167	\$ 3,058
Total Taxes	\$ 2,596	\$ 1,624	\$ 4,089

NOTE: For combination utilities, the above should be presented in total and by department.

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company
Test Year Ended December 31, 2009

Schedule E-9
Title: Notes to Financial
Statements

Explanation:
Disclosure of important facts pertaining to the understanding
of the financial statements.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Specif Reqmt	<input type="checkbox"/>

Disclosures should include, but not be limited to the following:

- 1 Accounting Method.
The books of the unconsolidated entity are kept as accrual based, and also follow NARUC rules, including the USoA.
- 2 Depreciation lives and methods employed by major classification of utility property.
For years up to and including the test year 2009, the depreciation rate as authorized in Decision 56062 was 5% for all plant asset categories. Proposed depreciation rates are depicted on Schedule C-2d, and were taken from ACC Engineering Staff Memo regarding their recommended rates for depreciation dated April 21, 2000, and revised March 1, 2001.
- 3 Income tax treatment - normalization or flow through.
Income taxes are not a factor in the unconsolidated company since the entity is a Sole Proprietorship.
- 4 Interest rate used to charge interest during construction, if applicable.
Not Applicable.

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule F-1
Title: Projected Income Statements -
Present and Proposed Rates

Explanation:
 Schedule showing an income statement for the projected year,
 compared with actual test year results, at present and proposed
 rates.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec Reqmt	<input type="checkbox"/>

	Actual Test Year Ended (a) 31-Dec-09	Projected Year	
		At Present Rates Year Ended (b) 31-Dec-10	At Proposed Rates Year Ended (b) 31-Dec-10
Operating Revenues:			
461 Metered Water Revenue	\$ 50,347	\$ 48,910	\$ 138,975
461.1 Surcharge Revenue	1,875	-	-
474 Other Water Revenue	347	347	347
Total Operating Revenue	\$ 52,569	\$ 49,257	\$ 139,322
Operating Expenses:			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	-	-	-
615 Purchased Power	17,695	17,695	17,695
618 Chemicals	166	166	166
620 Repairs & Maintenance	3,358	3,358	3,358
621 Office Supplies and Expense	2,435	2,393	2,393
630 Outside Services	22,748	33,478	33,478
635 Water Testing	1,899	1,899	1,899
641 Rental Expense	-	-	-
650 Transportation Expense	5,909	5,245	5,245
657 Insurance - General Liability	25	-	-
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	1,404	2,468	2,468
675 Miscellaneous Expense	5	5	5
403 Depreciation & Amortization	9,803	14,443	14,443
408 Property Taxes	33	-	-
408.1 Taxes Other Than Income	2,563	2,497	2,497
409 Income Taxes	-	-	-
Total Operating Expenses	\$ 68,043	\$ 83,647	\$ 83,647
OPERATING INCOME/(LOSS)	\$ (15,474)	\$ (34,390)	\$ 55,675
Other Income/(Expense):			
419 Interest Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	-	-
426 Miscellaneous Non-Utility Expenses	-	-	-
427 Interest Expense	-	(27,738)	(27,738)
Total Other Income/(Expense)	\$ -	\$ (27,738)	\$ (27,738)
NET INCOME/(LOSS)	\$ (15,474)	\$ (62,129)	\$ 27,937

Earnings per share of average
 Common Stock Outstanding

No stock issued

% Return on Common Equity

Double Negative

-1423.89%

Supporting Schedules:
 (a) E-2

Recap Schedules:
 (b) A-2

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule F-3
Title: Projected Construction Requirements

Explanation:
 Schedule showing projected annual construction requirements,
 by property classification, for 1 to 3 years subsequent to the
 test year compared with the test year.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

Property Classification	Actual Test Year Ended 12/31/2009	End of Projected Year 1
Production Plant	\$ 2,467	\$ 251,529
Transmission Plant	-	310,868
Other Plant	1,180	-
Total Plant	\$ 3,647	\$ 562,397

NOTE: For combination utilities, the above should be presented by department.

Supporting Schedules:

Recap Schedules:

(a) F-2 & A-4

Antelope Run Water Company
Test Year Ended December 31, 2009

Schedule F-4
Title: Assumptions Used in
Developing Projection

Explanation:
Documentation of important assumptions used in preparing
forecasts and projections

Required for: All Utilities
Class A
Class B
Class C
Class D
Spec'l Reqmt

X

Important assumptions used in preparing projections should be explained.

Areas covered should include:

- 1 Customer growth
The company has experienced no growth in the past few years.
- 2 Growth in consumption and customer demand
The company does not anticipate an increase in customer consumption and demand due to the proposed tiered rate structure.
- 3 Changes in expenses
The company believes the test year 2009, with the limited proforma adjustments included in this application, accurately depict expense levels for the unconsolidated utility going forward.
- 4 Construction requirements including production reserves and changes in plant capacity
The Company is seeking a loan from WIFA for the three commonly owned entities totaling \$3 million to replace lines, add storage, and upgrade pumps and electrical at well and booster sites.
- 5 Capital structure changes
If the proposed consolidation of Antelope Run Water with the two related entities is approved, the new utility's structure would be a C-Corp.
- 6 Financing costs, interest rates
The company proposes to borrow funds from WIFA, and it will be required to pay WIFA's normal fees, reserves, and the prevailing interest rate at the time the loan is closed. Antelope Run's share of the interest expense is included on the unconsolidated income statement for comparative purposes.

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company
 Test Year Ended December 31, 2009

Schedule: H-1
 Title: Summary of Revenues by Customer
 Classification - Present and Proposed Rates

Explanation:
 Schedule comparing revenues by customer classification for
 the Test Year, at present and proposed rates.

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Spec'l Reqmt	<input type="checkbox"/>

Customer Classification	Revenues in the Test Year (a)		Proposed Increase (b)	
	Present Rates	Proposed Rates	Amount	%
Residential				
5/8 x 3/4 inch	\$ 45,217	\$ 129,620	84,404	186.66%
1 inch	\$ 3,226	\$ 7,814	4,588	142.25%
2 inch	-	-	-	NA
Commercial				
5/8 x 3/4 inch	\$ 462	\$ 1,540	1,078	233.43%
1 inch	\$ -	\$ -	-	NA
2 inch	1,443	-	(1,443)	-100.00%
Total Metered Water Revenues	\$ 50,347	\$ 138,975	\$ 88,628	176.03%
Emergency Surcharge	\$ 1,875	\$ -	(1,875)	-100.00%
Other Revenues	\$ 347	\$ 347	-	0.00%
Total Revenues	\$ 52,569	\$ 139,322	\$ 86,753	165.03%

Note: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:
 (a) H-2

Recap Schedules:
 (b) A-1

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Spec'l Reqmt	<input type="checkbox"/>

Explanation:
 Schedule comparing present rate schedules with proposed rate schedule.

(Note: Rates apply to both residential and commercial usage)

Description	Present Rate	Proposed Rate	% change
MONTHLY USAGE CHARGE			
5/8" x 3/4" Meter	\$ 11.50	\$ 29.42	156%
3/4" Meter	\$ 17.25	\$ 44.13	156%
1" Meter	\$ 28.75	\$ 73.55	156%
1-1/2" Meter	\$ 57.50	\$ 147.10	156%
2" Meter	\$ 92.00	\$ 235.36	156%
3" Meter	\$ 172.50	\$ 470.72	173%
4" Meter	\$ 287.50	\$ 735.50	156%
6" Meter	\$ 575.00	\$ 1,471.00	156%
Gallons Included in Monthly Usage Charge	-	-	0%

EMERGENCY INTERIM SURCHARGE EFFECTIVE: OCTOBER 30, 2009
 DECISION NO. 71323
 DOCKET NO. W-02327A-09-0284
 \$5.58 PER CUSTOMER PER MONTH

COMMODITY CHARGE (EXCESS OF MINIMUM)

1.00 Per 1,000 Gallons

Commodity Charges Per 1,000 Gallons:

5/8 x 3/4 - inch meter	Present Rate	Proposed Rate	% change
Tier one: 0 - 3,000 Gallons	\$ 1.00	\$ 1.400	40%
Tier two: 3,001 to 10,000 Gallons	\$ 1.00	\$ 2.520	152%
Tier three: All Gallons Over 10,000	\$ 1.00	\$ 4.536	354%
3/4 - inch meter			
Tier one: 0 - 3,000 Gallons	\$ 1.00	\$ 1.400	40%
Tier two: 3,001 to 10,000 Gallons	\$ 1.00	\$ 2.520	152%
Tier three: All Gallons Over 10,000	\$ 1.00	\$ 4.536	354%
One - inch meter			
Tier one: 0 - 8,000 Gallons	\$ 1.00	\$ 1.400	40%
Tier two: All Gallons Over 8,000	\$ 1.00	\$ 2.520	152%
One and one half - inch meter			
Tier one: 0 - 8,000 Gallons	\$ 1.00	\$ 1.400	40%
Tier two: All Gallons Over 8,000	\$ 1.00	\$ 2.520	152%
Two - inch meter			
Tier one: 0 - 8,000 Gallons	\$ 1.00	\$ 1.400	40%
Tier two: All Gallons Over 8,000	\$ 1.00	\$ 2.520	152%
Three - inch meter			
Tier one: 0 - 8,000 Gallons	\$ 1.00	\$ 1.400	40%
Tier two: All Gallons Over 8,000	\$ 1.00	\$ 2.520	152%

Four - inch meter

Tier one: 0 - 8,000 Gallons	\$	1.00	\$	1.400	40%
Tier two: All Gallons Over 8,000	\$	1.00	\$	2.520	152%

Six - inch meter

Tier one: 0 - 8,000 Gallons	\$	1.00	\$	1.400	40%
Tier two: All Gallons Over 8,000	\$	1.00	\$	2.520	152%

Description	Present Rate	Proposed Rate	% change
SERVICE CHARGES			
Establishment	\$ 20.00	\$ 35.00	75.00%
Establishment (After Hours)	30.00	\$ 50.00	66.67%
Reconnection (Delinquent)	10.00	\$ 35.00	250.00%
Reconnection (After Hours)	NA	\$ 50.00	NA
Meter Test (If Correct)	20.00	\$ 25.00	NA
Meter Reread (If Correct)	10.00	\$ 20.00	100.00%
NSF Check Charge	\$15.00	\$ 25.00	66.67%
Deposit	*	*	
Deposit Interest (Per Annum)	6%	*	
Deferred Payment (Per Month)	NA	**	
Late Charge (Per Month)	NA	**	
Re-establishment (Within 12 Months)	***	***	

**MONTHLY SERVICE CHARGE
 FOR FIRE SPRINKLER:**

N/A ****

SERVICE LINE AND METER INSTALLATION CHARGES

Refundable Pursuant to AAC R14-2-405

Description	Present Rate	Proposed Rates			% change
		Service Line	Meter Charge	Total Charge	
5/8" x 3/4" Meter	\$ 175.00	\$ 430.00	\$ 130.00	\$ 560.00	220%
3/4" Meter	220.00	\$ 430.00	\$ 230.00	660.00	200%
1" Meter	250.00	\$ 480.00	\$ 290.00	770.00	208%
1-1/2" Meter	275.00	\$ 535.00	\$ 500.00	1,035.00	276%
2" Meter - Turbine	\$ 500.00	\$ 815.00	\$ 1,020.00	1,835.00	100%
2" Meter - Compound	\$ 500.00	\$ 815.00	\$ 1,865.00	2,680.00	436%
3" Meter - Turbine	\$ 700.00	\$ 1,030.00	\$ 1,645.00	2,675.00	100%
3" Meter - Compound	\$ 700.00	\$ 1,150.00	\$ 2,545.00	3,695.00	428%
4" Meter - Turbine	\$ 1,300.00	\$ 1,460.00	\$ 2,620.00	4,080.00	100%
4" Meter - Compound	\$ 1,300.00	\$ 1,640.00	\$ 3,595.00	5,235.00	303%
6" Meter - Turbine	\$ 2,800.00	\$ 2,180.00	\$ 4,975.00	7,155.00	100%
6" Meter - Compound	\$ 2,800.00	\$ 2,300.00	\$ 6,870.00	9,170.00	228%

* Per Commission Rule AAC R-14-2-403(B).

** 1.50% of unpaid monthly balance.

*** Month off system times the monthly minimum per Commission rule AAC R14-2-403(D).

**** 1% of monthly minimum for a comparable sized meter connection, but no less than \$5.00 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.

Supporting Schedules:

Explanation:
 Schedule(s) comparing typical customer bills at varying
 consumption levels at present and proposed rates.

5/8" x 3/4" meter
 (Note: Rates apply to both residential and commercial usage)

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Spec'l Reqmt	<input type="checkbox"/>

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 11.50	\$ 17.08	\$ 29.42	156%	72%
1,000	12.50	18.08	30.82	147%	70%
2,000	13.50	19.08	32.22	139%	69%
3,000	14.50	20.08	33.62	132%	67%
4,000	15.50	21.08	36.14	133%	71%
5,000	16.50	22.08	38.66	134%	75%
6,000	17.50	23.08	41.18	135%	78%
7,000	18.50	24.08	43.70	136%	81%
8,000	19.50	25.08	46.22	137%	84%
9,000	20.50	26.08	48.74	138%	87%
10,000	21.50	27.08	51.26	138%	89%
13,000	24.50	30.08	64.87	165%	116%
15,000	26.50	32.08	73.94	179%	130%
20,000	31.50	37.08	96.62	207%	161%
25,000	36.50	42.08	119.30	227%	184%
50,000	61.50	67.08	232.70	278%	247%
75,000	86.50	92.08	346.10	300%	276%
100,000	111.50	117.08	459.50	312%	292%
125,000	136.50	142.08	572.90	320%	303%
150,000	161.50	167.08	686.30	325%	311%
175,000	186.50	192.08	799.70	329%	316%
200,000	211.50	217.08	913.10	332%	321%

Supporting Schedules:

Explanation:
 Schedule(s) comparing typical customer bills at varying
 consumption levels at present and proposed rates.

1 inch meter
 (Note: Rates apply to both residential and commercial usage)

Required for: All Utilities	X
Class A	
Class B	
Class C	
Class D	
Spec'l Reqmt	

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 28.75	\$ 34.33	\$ 73.55	156%	114%
1,000	29.75	35.33	74.95	152%	112%
2,000	30.75	36.33	76.35	148%	110%
3,000	31.75	37.33	77.75	145%	108%
4,000	32.75	38.33	79.15	142%	106%
5,000	33.75	39.33	80.55	139%	105%
6,000	34.75	40.33	81.95	136%	103%
7,000	35.75	41.33	83.35	133%	102%
8,000	36.75	42.33	84.75	131%	100%
9,000	37.75	43.33	87.27	131%	101%
10,000	38.75	44.33	89.79	132%	103%
15,000	43.75	49.33	102.39	134%	108%
20,000	48.75	54.33	114.99	136%	112%
25,000	53.75	59.33	127.59	137%	115%
40,000	68.75	74.33	165.39	141%	123%
50,000	78.75	84.33	190.59	142%	126%
75,000	103.75	109.33	253.59	144%	132%
100,000	128.75	134.33	316.59	146%	136%
125,000	153.75	159.33	379.59	147%	138%
150,000	178.75	184.33	442.59	148%	140%
175,000	203.75	209.33	505.59	148%	142%
200,000	228.75	234.33	568.59	149%	143%

Supporting Schedules:

Explanation:
 Schedule(s) comparing typical customer bills at varying
 consumption levels at present and proposed rates.

2 inch meter
 (Note: Rates apply to both residential and commercial usage)

Required for: All Utilities	X
Class A	
Class B	
Class C	
Class D	
Spec'l Reqmt	

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 92.00	\$ 97.58	\$ 235.36	156%	141%
1,000	93.00	98.58	236.76	155%	140%
2,000	94.00	99.58	238.16	153%	139%
3,000	95.00	100.58	239.56	152%	138%
4,000	96.00	101.58	240.96	151%	137%
5,000	97.00	102.58	242.36	150%	136%
6,000	98.00	103.58	243.76	149%	135%
7,000	99.00	104.58	245.16	148%	134%
8,000	100.00	105.58	246.56	147%	134%
9,000	101.00	106.58	247.68	145%	132%
10,000	102.00	107.58	250.20	145%	133%
15,000	107.00	112.58	262.80	146%	133%
20,000	112.00	117.58	275.40	146%	134%
25,000	117.00	122.58	288.00	146%	135%
50,000	142.00	147.58	351.00	147%	138%
75,000	167.00	172.58	414.00	148%	140%
100,000	192.00	197.58	477.00	148%	141%
125,000	217.00	222.58	540.00	149%	143%
150,000	242.00	247.58	603.00	149%	144%
175,000	267.00	272.58	666.00	149%	144%
200,000	292.00	297.58	729.00	150%	145%

Supporting Schedules:

Required for: All Utilities
 Class A
 Class B
 Class C
 Class D
 Specl Reqmt

X

Explanation:
 Schedule(s) showing billing activity by block for each rate schedule.

5/8 x 3/4 inch meter - Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	20	-	20	1.03%	-	0.00%
1 to 1,000	56	28,000	76	3.91%	28,000	0.12%
1,001 to 2,000	119	178,500	195	10.03%	206,500	0.90%
2,001 to 3,000	139	347,500	334	17.17%	554,000	2.41%
3,001 to 4,000	186	651,000	520	26.74%	1,205,000	5.23%
4,001 to 5,000	195	877,500	715	36.76%	2,082,500	9.04%
5,001 to 6,000	151	830,500	866	44.52%	2,913,000	12.65%
6,001 to 7,000	120	780,000	986	50.69%	3,693,000	16.04%
7,001 to 8,000	89	667,500	1,075	55.27%	4,360,500	18.94%
8,001 to 9,000	86	731,000	1,161	59.69%	5,091,500	22.11%
9,001 to 10,000	61	579,500	1,222	62.83%	5,671,000	24.63%
10,001 to 12,000	122	1,342,000	1,344	69.10%	7,013,000	30.46%
12,001 to 14,000	92	1,196,000	1,436	73.83%	8,209,000	35.65%
14,001 to 16,000	75	1,125,000	1,511	77.69%	9,334,000	40.54%
16,001 to 18,000	66	1,122,000	1,577	81.08%	10,456,000	45.41%
18,001 to 20,000	49	931,000	1,626	83.60%	11,387,000	49.45%
20,001 to 25,000	106	2,385,000	1,732	89.05%	13,772,000	59.81%
25,001 to 30,000	67	1,842,500	1,799	92.49%	15,614,500	67.81%
30,001 to 35,000	44	1,430,000	1,843	94.76%	17,044,500	74.02%
35,001 to 40,000	32	1,200,000	1,875	96.40%	18,244,500	79.23%
40,001 to 50,000	26	1,170,000	1,901	97.74%	19,414,500	84.31%
50,001 to 60,000	14	770,000	1,915	98.46%	20,184,500	87.66%
60,001 to 70,000	11	715,000	1,926	99.02%	20,899,500	90.76%
70,001 to 80,000	7	525,000	1,933	99.38%	21,424,500	93.04%
80,001 to 90,000	3	255,000	1,936	99.54%	21,679,500	94.15%
90,001 to 99,999	1	95,000	1,937	99.59%	21,774,500	94.56%
106,900	1	106,900	1,938	99.64%	21,881,400	95.03%
124,600	1	124,600	1,939	99.69%	22,006,000	95.57%
124,790	1	124,790	1,940	99.74%	22,130,790	96.11%
149,390	1	149,390	1,941	99.79%	22,280,180	96.76%
177,740	1	177,740	1,942	99.85%	22,457,920	97.53%
180,720	1	180,720	1,943	99.90%	22,638,640	98.31%
192,510	1	192,510	1,944	99.95%	22,831,150	99.15%
195,840	1	195,840	1,945	100.00%	23,026,990	100.00%
	1,945	23,026,990				

Average Number of Customers 162
 Average Consumption 11,839
 Median Consumption 6,900

Supporting Schedules:

Recap Schedules:

Explanation:
 Schedule(s) showing billing activity by block for each rate
 schedule.

Required for: All Utilities
 Class A
 Class B
 Class C
 Class D
 Specl Reqmt

X

5/8 x 3/4 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	-	-	-	0.00%	-	0.00%
1,001 to 2,000	-	-	-	0.00%	-	0.00%
2,001 to 3,000	-	-	-	0.00%	-	0.00%
3,001 to 4,000	-	-	-	0.00%	-	0.00%
4,001 to 5,000	-	-	-	0.00%	-	0.00%
5,001 to 6,000	-	-	-	0.00%	-	0.00%
6,001 to 7,000	-	-	-	0.00%	-	0.00%
7,001 to 8,000	-	-	-	0.00%	-	0.00%
8,001 to 9,000	-	-	-	0.00%	-	0.00%
9,001 to 10,000	-	-	-	0.00%	-	0.00%
10,001 to 12,000	-	-	-	0.00%	-	0.00%
12,001 to 14,000	-	-	-	0.00%	-	0.00%
14,001 to 16,000	2	30,000	2	16.67%	30,000	9.26%
16,001 to 18,000	2	34,000	4	33.33%	64,000	19.75%
18,001 to 20,000	-	-	4	33.33%	64,000	19.75%
20,001 to 25,000	3	67,500	7	58.33%	131,500	40.59%
25,001 to 30,000	2	55,000	9	75.00%	186,500	57.56%
30,001 to 35,000	-	-	9	75.00%	186,500	57.56%
35,001 to 40,000	1	37,500	10	83.33%	224,000	69.14%
40,001 to 50,000	1	45,000	11	91.67%	269,000	83.02%
50,001 to 60,000	1	55,000	12	100.00%	324,000	100.00%
60,001 to 70,000	-	-	12	100.00%	324,000	100.00%
70,001 to 80,000	-	-	12	100.00%	324,000	100.00%
80,001 to 90,000	-	-	12	100.00%	324,000	100.00%
90,001 to 99,999	-	-	12	100.00%	324,000	100.00%
>= 100,000	-	-	12	100.00%	324,000	100.00%
	12	324,000				

Average Number of Customers 1
 Average Consumption 27,000
 Median Consumption 22,390

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company

Test Year Ended June 30, 2009

Schedule: H-5

Title: Bill Count

Page 3 of 5

Required for: All Utilities

X

Explanation:

Schedule(s) showing billing activity by block for each rate schedule.

1 inch meter - Residential

Note: All customers on 1 inch meters are residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	1	500	1	2.08%	500	0.03%
1,001 to 2,000	-	-	1	2.08%	500	0.03%
2,001 to 3,000	1	2,500	2	4.17%	3,000	0.16%
3,001 to 4,000	4	14,000	6	12.50%	17,000	0.92%
4,001 to 5,000	5	22,500	11	22.92%	39,500	2.14%
5,001 to 6,000	1	5,500	12	25.00%	45,000	2.44%
6,001 to 7,000	2	13,000	14	29.17%	58,000	3.14%
7,001 to 8,000	4	30,000	18	37.50%	88,000	4.77%
8,001 to 9,000	-	-	18	37.50%	88,000	4.77%
9,001 to 10,000	-	-	18	37.50%	88,000	4.77%
10,001 to 12,000	-	-	18	37.50%	88,000	4.77%
12,001 to 14,000	-	-	18	37.50%	88,000	4.77%
14,001 to 16,000	3	45,000	21	43.75%	133,000	7.21%
16,001 to 18,000	3	51,000	24	50.00%	184,000	9.97%
18,001 to 20,000	1	19,000	25	52.08%	203,000	11.00%
20,001 to 25,000	1	22,500	26	54.17%	225,500	12.22%
25,001 to 30,000	2	55,000	28	58.33%	280,500	15.20%
30,001 to 35,000	2	65,000	30	62.50%	345,500	18.72%
35,001 to 40,000	-	-	30	62.50%	345,500	18.72%
40,001 to 50,000	1	45,000	31	64.58%	390,500	21.16%
50,001 to 60,000	1	55,000	32	66.67%	445,500	24.14%
60,001 to 70,000	5	325,000	37	77.08%	770,500	41.75%
70,001 to 80,000	3	225,000	40	83.33%	995,500	53.94%
80,001 to 90,000	1	85,000	41	85.42%	1,080,500	58.54%
90,001 to 99,999	2	190,000	43	89.58%	1,270,500	68.84%
101,150	1	101,150	44	91.67%	1,371,650	74.32%
103,110	1	103,110	45	93.75%	1,474,760	79.90%
108,130	1	108,130	46	95.83%	1,582,890	85.76%
119,030	1	119,030	47	97.92%	1,701,920	92.21%
143,750	1	143,750	48	100.00%	1,845,670	100.00%
	48	1,845,670				

Average Number of Customers 4.00

Average Consumption 38,451

Median Consumption 18,535

Supporting Schedules:

Recap Schedules:

Explanation:
 Schedule(s) showing billing activity by block for each rate schedule.

Required for: All Utilities
 Class A
 Class B
 Class C
 Class D
 Specl Reqmt

X

2 inch meter - Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	-	-	-	0.00%	-	0.00%
1,001 to 2,000	-	-	-	0.00%	-	0.00%
2,001 to 3,000	-	-	-	0.00%	-	0.00%
3,001 to 4,000	-	-	-	0.00%	-	0.00%
4,001 to 5,000	-	-	-	0.00%	-	0.00%
5,001 to 6,000	-	-	-	0.00%	-	0.00%
6,001 to 7,000	-	-	-	0.00%	-	0.00%
7,001 to 8,000	-	-	-	0.00%	-	0.00%
8,001 to 9,000	-	-	-	0.00%	-	0.00%
9,001 to 10,000	1	9,500	1	8.33%	9,500	2.81%
10,001 to 12,000	2	22,000	3	25.00%	31,500	9.30%
12,001 to 14,000	3	39,000	6	50.00%	70,500	20.82%
14,001 to 16,000	1	15,000	7	58.33%	85,500	25.25%
16,001 to 18,000	-	-	7	58.33%	85,500	25.25%
18,001 to 20,000	1	19,000	8	66.67%	104,500	30.86%
20,001 to 25,000	-	-	8	66.67%	104,500	30.86%
25,001 to 30,000	1	27,500	9	75.00%	132,000	38.98%
30,001 to 35,000	-	-	9	75.00%	132,000	38.98%
35,001 to 40,000	1	37,500	10	83.33%	169,500	50.06%
40,001 to 50,000	1	45,000	11	91.67%	214,500	63.35%
50,001 to 60,000	-	-	11	91.67%	214,500	63.35%
60,001 to 70,000	-	-	11	91.67%	214,500	63.35%
70,001 to 80,000	-	-	11	91.67%	214,500	63.35%
80,001 to 90,000	-	-	11	91.67%	214,500	63.35%
90,001 to 99,999	-	-	11	91.67%	214,500	63.35%
124,100	1	124,100	12	100.00%	338,600	100.00%
	12	338,600				

Average Number of Customers 1.00
 Average Consumption 28,217
 Median Consumption 13,950

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company

Test Year Ended June 30, 2009

Schedule: H-5

Title: Bill Count

Page 5 of 5

Explanation:

Schedule(s) showing billing activity by block for each rate schedule.

Required for: All Utilities

X

Class A

Class B

Class C

Class D

Spec'l Reqmt

Emergency Surcharge

Amount of Surcharge \$5.58 per customer per month

Surcharge Approved in Decision 71323, October 30, 2009

	<u># of Bills Nov and Dec 2009</u>	<u>Surcharge</u>	<u>Surcahrge Revenue</u>
Residential	334	\$5.58	\$1,864
Commercial	2	\$5.58	\$11
Total			\$1,875

EXHIBIT 3

EXHIBIT 4

Company Name: Antelope Run Water Company

Test Year Ended: 31-Dec-09

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-632904 Well 3	20	180	140	10	3	1979
55-208555 Well 5	20	200	330	8	3	2005
55-632906 Well 1	Capped due to high nitrate levels					

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS

Horsepower	Quantity
5.0	2

FIRE HYDRANTS

Quantity Standard	Quantity Other

STORAGE TANKS

Capacity	Quantity
10,000 gal	1

PRESSURE TANKS

Capacity	Quantity
5,000 gal	1
1,000 gal	1

Company Name: Antelope Run Water Company

Test Year Ended: 31-Dec-09

WATER COMPANY PLANT DESCRIPTION CONTINUED

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	1,000
3		
4	PVC	13,500
5		
6	PVC	15,500
8	PVC	100
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	163
3/4	
1	4
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

2 chlorinators

STRUCTURES:

OTHER:

EXHIBIT 5

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

Drinking Water Compliance Status Report

System Name	System Type	Is system consecutive?
ANTELOPE RUN	<input checked="" type="checkbox"/> Community	<input type="checkbox"/> Yes, to PWS #
System ID #	<input type="checkbox"/> Non-transient Non-community	<input checked="" type="checkbox"/> No
02094	<input type="checkbox"/> Transient Non-community	

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

Operation and Maintenance status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Date of last Sanitary Survey	3-24-09	Inspector John Eyre, SRO
Major unresolved/ongoing operation and maintenance deficiencies:		
<input type="checkbox"/> unable to maintain 20psi	<input type="checkbox"/> inadequate storage	
<input type="checkbox"/> cross connection/backflow problems	<input type="checkbox"/> surface water treatment rule	
<input type="checkbox"/> treatment deficiencies	<input type="checkbox"/> ATC/AOC	
<input type="checkbox"/> certified operator	<input type="checkbox"/> other =	
Comments: None		

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

System Information	
Population Served	400
Service Connections	160
Number of Entry Points to the Distribution System	1
Number of Sources	2
Initial Monitoring Year	1993
Monitoring Assistance Program (MAP) System	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Evaluation completed by	Donna Calderon, Manager <i>DC</i> Drinking Water Monitoring and Protection Unit		
Phone	602-771-4641	Date	June 12, 2009
<input checked="" type="checkbox"/>	Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and PWS is in compliance.		
<input type="checkbox"/>	Based upon the monitoring and reporting deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.		
<input type="checkbox"/>	Based upon the operation and maintenance deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.		

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

EXHIBIT 6



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

* Pursuant to A.R.S. § 49-115, interest will be charged if full payment is not received by the specified due date. If you dispute the amount listed, please contact ADEQ as soon as possible. To receive credit on an unpaid invoice, you may forfeit an amount that you believe is not to dispute. However, if disputing is not to a final degree, you may suffer an additional five percent penalty of up to twenty five percent of the amount due for each month or fraction of a month the amount is past due.

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

Pursuant to A.R.S. § 49-360 F and A.A.C. R18-4-204 through R18-4-226. "The director shall establish fees for the monitoring assistance program to be collected from all public water systems..."

Owner Id #: 10118	Invoice Number 66309
Tax: WATKINS, BOB PO BOX 85160 TUCSON AZ 85754	Public Water System ID #: 02094
	Billing for Calendar Year: 2010
	Due Date: December 11, 2009
	Total Amount Due \$ 684.33
	Amount Paid \$

↑ Keep the top portion for your records. ↑ ADEQ Federal Tax #866004791

↓ This entire bottom portion must be returned to ADEQ. ↓

Annual Sampling Fee Invoice

ADEQ Federal Tax #866004791
Invoice # 66309

WATKINS, BOB PO BOX 85160 TUCSON AZ 85754	02094 - Watkins, Bob	Owner Id #: 10118 MAP	Billing for Calendar Year: 2010
		Due Date: 12/11/2009	

ANNUAL SAMPLING FEE WORKSHEET

ENTER
NOV - 3 2009

Base Fee (all MAP systems)		\$ 250.00
Fee per Connection in 2010	169 connections X \$ 2.57	\$ 434.33
Total Sampling Fee		\$ 684.33
Plus Paid Interest Charges and/or Other Adjustments		\$ 0.00
Plus Unpaid Interest Charges as of 10/27/2009		\$ 0.00
Minus Payments Received and/or Other Adjustments		\$ 0.00
Amount Due		\$ 684.33
Amount received by ADEQ (Make check payable to State of Arizona)		\$

* A 5% fee will be charged for any check not honored by the bank.
Make your check or money order payable to State of Arizona
THIS FORM MUST ACCOMPANY YOUR REMITTANCE.

Mail to: Arizona Department of Environmental Quality
PO Box 18228
Phoenix, AZ 85005

(Do not write below this line)

Check Number:
Received:
Postmarked:
Entered:

EXHIBIT 7

Antelope Run - Monitoring Cycle/Costs per Test

Contaminant	Monitoring Cycle	# of tests per cycle	Cost per Test
Total Coliform	Monthly	1	\$ 25.00
TTHM	Yearly	2	110.00
HAA5	Yearly	2	155.00
Copper & Lead	Tri-Annually	5	33.00

EXHIBIT 8

INVOICE

Remit To:	Turner Laboratories, Inc. 2445 North Coyote Drive, Suite 104 Tucson, AZ 85745
Attn:	Accounts Receivable
TEL:	(520) 882-5880 FAX (520) 882-9788

Invoice TO Antelope Run Water Company
P.O. Box 85160
Tucson, AZ 85754
Attn: Keith Dojaquez

Phone: (520) 437-4613
Work Order: 0811239
PO Number:
Order Name
Date Received 11/5/2008

Invoice Number:	811239
------------------------	---------------

Payment Due Date: 10-Dec-08
Payment Terms: Net 30 Days

Item	Remarks	Matrix	Qty	Unit Price	Mult	List Price	Test Total
Total Coliform by Colilert Method		Drinking Wat	1	\$25.00	1	\$25.00	\$25.00

Order TOTAL: \$25.00
Discount: 0.00%
Surcharge: 0.00%
Misc Charges: \$0.00

Misc Comments

Subtotal: \$25.00
Payment Received: \$0.00
INVOICE Total \$25.00

All invoices are due and payable net 30 days from receipt.
We accept MasterCard and Visa.
We appreciate your business.

INVOICE

Remit To: Turner Laboratories, Inc.
 2445 North Coyote Drive, Suite 104
 Tucson, AZ 85745
 Attn: Accounts Receivable
 TEL: (520) 882-5880 FAX (520) 882-9788

Invoice TO: Antelope Run Water Company
 P.O. Box 85160
 Tucson, AZ 85754
 Attn: Keith Dojaquez

Phone: (520) 437-4613
 Work Order: 0812434
 PO Number:
 Order Name
 Date Received 12/10/2008

Invoice Number: 812434

Payment Due Date: 14-Jan-09
 Payment Terms: Net 30 Days

Item	Remarks	Matrix	Qty	Unit Price	Mult	List Price	Test Total
Total Coliform by Colilert Method		Drinking Wat	1	\$25.00	1	\$25.00	\$25.00

Order TOTAL: \$25.00
 Discount: 0.00%
 Surcharge: 0.00%
 Misc Charges: \$0.00

Misc Comments

Subtotal: \$25.00
 Payment Received: \$0.00
INVOICE Total \$25.00

All invoices are due and payable net 30 days from receipt.
 We accept MasterCard and Visa.
 We appreciate your business.

Turner Laboratories, Inc.

DATE: 12-Jan-09

INVOICE

Remit To:	Turner Laboratories, Inc. 2445 North Coyote Drive, Suite 104 Tucson, AZ 85745
Attn:	Accounts Receivable
TEL:	(520) 882-5880 FAX (520) 882-9788

Invoice TO Antelope Run Water Company
P.O. Box 85160
Tucson, AZ 85754
Attn: Keith Dojaquez

Phone: (520) 437-4613
Work Order: 0901267
PO Number:
Order Name
Date Received 1/8/2009

Invoice Number: 901267

Payment Due Date: 11-Feb-09
Payment Terms: Net 30 Days

Item	Remarks	Matrix	Qty	Unit Price	Mult	List Price	Test Total
Total Coliform by Colilert Method		Drinking Wat	1	\$25.00	1	\$25.00	\$25.00

Order TOTAL:	\$25.00
Discount:	0.00%
Surcharge:	0.00%
Misc Charges:	\$0.00

Subtotal:	\$25.00
Payment Received:	\$0.00
INVOICE Total	\$25.00

Misc Comments

All invoices are due and payable net 30 days from receipt.
We accept MasterCard and Visa.
We appreciate your business.

Turner Laboratories, Inc.

DATE: 24-Feb-09

INVOICE

Remit To: Turner Laboratories, Inc.
2445 North Coyote Drive, Suite 104
Tucson, AZ 85745

Attn: Accounts Receivable
TEL: (520) 882-5880 FAX (520) 882-9788

Invoice TO Antelope Run Water Company
P.O. Box 85160
Tucson, AZ 85754
Attn: Keith Dojaquez

Phone: (520) 437-4613
Work Order: 0902620
PO Number:
Order Name
Date Received 2/19/2009

Invoice Number: 902620

Payment Due Date: 26-Mar-09
Payment Terms: Net 30 Days

Item	Remarks	Matrix	Qty	Unit Price	Mult	List Price	Test Total
Total Coliform by Colilert Method		Drinking Wat	1	\$25.00	1	\$25.00	\$25.00

Order TOTAL: \$25.00

Discount: 0.00%
Surcharge: 0.00%
Misc Charges: \$0.00

Misc Comments

Subtotal: \$25.00
Payment Received: \$0.00
INVOICE Total \$25.00

All invoices are due and payable net 30 days from receipt.
We accept MasterCard and Visa.
We appreciate your business.

Turner Laboratories, Inc.

Invoice Date: 03/18/2009

INVOICE

Remit to: Turner Laboratories, Inc.
2445 North Coyote Drive, Suite 104
Tucson, AZ 85745

Atten: Accounts Receivable
TEL: (520) 882-5880 FAX: (520) 882-9788

Invoice To: Antelope Water
PO Box 85160
Tucson, ARIZONA 85754
Attn: Elaine Byfield

Phone: (520) 623-5172
Work Order: 09C0333
PO Number:
Received: 03/09/2009

Invoice Number: 09C0333

Payment Due Date: 04/17/2009

Payment Terms: Net 30 Days

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Coliform by Colilert [10 day]	Drinking Water	1	\$25.00	\$25.00

Invoice Total: \$25.00

All invoices are due and payable net 30 days from receipt.
We accept MasterCard and Visa.
We appreciate your business.

Turner Laboratories, Inc.

Invoice Date: 04/09/2009

Remit to: Turner Laboratories, Inc.
2445 North Coyote Drive, Suite 104
Tucson, AZ 85745

INVOICE

Attn: Accounts Receivable
TEL: (520) 882-5880 FAX: (520) 882-9788

Invoice To: Antelope Water
Attn: Elaine Byfield
PO Box 85160
Tucson, AZ 85754

Invoice Number: 09D0239

Payment Due Date: 05/11/2009

Phone: (520) 623-5172
Work Order: 09D0239
PO Number:
Received: 04/06/2009

Payment Terms: Net 30 Days

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Coliform by Colilert [10 day]	Drinking Water	1	\$25.00	\$25.00

Invoice Total: \$25.00

All invoices are due and payable net 30 days from receipt.
We accept MasterCard and Visa.
We appreciate your business.

Turner Laboratories, Inc.

Invoice Date: 05/13/2009

Remit to: Turner Laboratories, Inc.
2445 North Coyote Drive, Suite 104
Tucson, AZ 85745

INVOICE

Attn: Accounts Receivable
TEL: (520) 882-5880 FAX: (520) 882-9788

Invoice To: Antelope Water
Attn: Elaine Byfield
PO Box 85160
Tucson, AZ 85754

Project Name: Drinking Water

Invoice Number: 09E0177

Payment Due Date: 06/12/2009

Phone: (520) 623-5172
Work Order: 09E0177
PO Number:
Received: 05/05/2009

Payment Terms: Net 30 Days

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Coliform by Colilert [10 day]	Drinking Water	1	\$25.00	\$25.00

Invoice Total: \$25.00

All invoices are due and payable net 30 days from receipt.
We accept MasterCard and Visa.
We appreciate your business.

Turner Laboratories, Inc.

Invoice Date: 07/16/2009

INVOICE

Remit to: Turner Laboratories, Inc.
2445 North Coyote Drive, Suite 104
Tucson, AZ 85745

Attn: Accounts Receivable
TEL: (520) 882-5880 FAX: (520) 882-9788

Invoice To: Antelope Water
Attn: Elaine Byfield
PO Box 85160
Tucson, AZ 85754

Project Name: Drinking Water

Invoice Number: 09G0312

Payment Due Date: 08/17/2009

Payment Terms: Net 30 Days

Phone: (520) 623-5172
Work Order: 09G0312
PO Number:
Received: 07/07/2009

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Coliform by Colilert [10 day]	Drinking Water	1	\$25.00	\$25.00

Invoice Total: \$25.00

All invoices are due and payable net 30 days from receipt.
We accept MasterCard and Visa.
We appreciate your business.

Turner Laboratories, Inc.

Invoice Date: 08/12/2009

INVOICE

Remit to: Turner Laboratories, Inc.
2445 North Coyote Drive, Suite 104
Tucson, AZ 85745

Attn: Accounts Receivable
TEL: (520) 882-5880 FAX: (520) 882-9788

Invoice To: Antelope Water
Attn: Elaine Byfield
PO Box 85160
Tucson, AZ 85754

Project Name: Drinking Water 02-094

Invoice Number: 09H0279

Payment Due Date: 09/11/2009

Payment Terms: Net 30 Days

Phone: (520) 623-5172
Work Order: 09H0279
PO Number:
Received: 08/05/2009

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Coliform by Colilert [10 day]	Drinking Water	1	\$25.00	\$25.00
Invoice Total:				\$25.00

All invoices are due and payable net 30 days from receipt.
We accept MasterCard and Visa.
We appreciate your business.

Turner Laboratories, Inc.

Invoice Date: 08/27/2009

INVOICE

Remit to: Turner Laboratories, Inc.
2445 North Coyote Drive, Suite 104
Tucson, AZ 85745

Attn: Accounts Receivable
TEL: (520) 882-5880 FAX: (520) 882-9788

Invoice To: Antelope Water
Attn: Elaine Byfield
PO Box 85160
Tucson, AZ 85754

Project Name: Drinking Water 02-094

Invoice Number: 09H0627

Payment Due Date: 09/28/2009

Payment Terms: Net 30 Days

Phone: (520) 623-5172
Work Order: 09H0627
PO Number:
Received: 08/18/2009

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Cu/Pb Testing [10 day]	Drinking Water	1	\$33.00	\$33.00

Invoice Total: \$33.00

All invoices are due and payable net 30 days from receipt.
We accept MasterCard and Visa.
We appreciate your business.

Turner Laboratories, Inc.

Invoice Date: 09/11/2009

INVOICE

Remit to: Turner Laboratories, Inc.
2445 North Coyote Drive, Suite 104
Tucson, AZ 85745

Attn: Accounts Receivable
TEL: (520) 882-5880 FAX: (520) 882-9788

Invoice To: Antelope Water
Attn: Elaine Byfield
PO Box 85160
Tucson, AZ 85754

Project Name: Drinking Water 02-094

Invoice Number: 09H0567

Payment Due Date: 10/12/2009

Payment Terms: Net 30 Days

Phone: (520) 623-5172
Work Order: 09H0567
PO Number:
Received: 08/14/2009

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Cu/Pb Testing [10 day]	Drinking Water	9	\$33.00	\$297.00

Invoice Total: \$297.00

All invoices are due and payable net 30 days from receipt.
We accept MasterCard and Visa.
We appreciate your business.

Turner Laboratories, Inc.

Invoice Date: 11/11/2009

INVOICE

Remit to: Turner Laboratories, Inc.
2445 North Coyote Drive, Suite 104
Tucson, AZ 85745

Attn: Accounts Receivable
TEL: (520) 882-5880 FAX: (520) 882-9788

Invoice To: Antelope Water
Attn: Accounts Payable
PO Box 85160
Tucson, AZ 85754

Project Name: Drinking Water 02-094

Invoice Number: 09K0265

Payment Due Date: 12/11/2009

Payment Terms: Net 30 Days

Phone: (520) 623-5172
Work Order: 09K0265
PO Number:
Received: 11/04/2009

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Coliform by Colilert [10 day]	Drinking Water	1	\$25.00	\$25.00
Invoice Total:			\$25.00	

All invoices are due and payable net 30 days from receipt.
We accept MasterCard and Visa.
We appreciate your business.

Turner Laboratories, Inc.

Invoice Date: 12/08/2009

INVOICE

Remit to: Turner Laboratories, Inc.
2445 North Coyote Drive, Suite 104
Tucson, AZ 85745

Attn: Accounts Receivable
TEL: (520) 882-5880 FAX: (520) 882-9788

Invoice To: Antelope Water
Attn: Accounts Payable
PO Box 85160
Tucson, AZ 85754

Project Name: Drinking Water 02-094

Invoice Number: 09L0180

Payment Due Date: 01/07/2010

Payment Terms: Net 30 Days

Phone: (520) 623-5172
Work Order: 09L0180
PO Number:
Received: 12/02/2009

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Coliform by Colilert [10 day]	Drinking Water	1	\$25.00	\$25.00
Invoice Total:			\$25.00	

All invoices are due and payable net 30 days from receipt.
We accept MasterCard and Visa.
We appreciate your business.



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

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

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

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

Owner Id #: 10118	Invoice Number 66309
To: WATKINS, BOB PO BOX 85160 TUCSON AZ 85754	Public Water System ID #: 02094
	Billing for Calendar Year: 2010
	Due Date: December 11, 2009
	Total Amount Due \$ 684.33
	Amount Paid \$

† Keep the top portion for your records. † ADEQ Federal Tax #866004791

↓ This entire bottom portion must be returned to ADEQ. ↓

Annual Sampling Fee Invoice

ADEQ Federal Tax #866004791
Invoice # 66309

WATKINS, BOB PO BOX 85160 TUCSON AZ 85754	02094 - Watkins, Bob	Owner Id #: 10118 MAP
		Billing for Calendar Year: 2010
		Due Date: 12/11/2009

ANNUAL SAMPLING FEE WORKSHEET **ARLU**

NOV 3 2009
ENTERED
NOV - 3 2009
BY: _____

Base Fee (all MAP systems)		\$ 250.00
Fee per Connection in 2010	169 connections X \$ 2.57	\$ 434.33
Total Sampling Fee		\$ 684.33
Plus Paid Interest Charges and/or Other Adjustments		\$ 0.00
Plus Unpaid Interest Charges as of 10/27/2009		\$ 0.00
Minus Payments Received and/or Other Adjustments		\$ 0.00
Amount Due		\$ 684.33
Amount received by ADEQ (Make check payable to State of Arizona)		\$

* A \$12 fee will be charged for any check not honored by the bank.

Do not write below this line

Make your check or money order payable to **State of Arizona**
THIS FORM MUST ACCOMPANY YOUR REMITTANCE.

Mail to: Arizona Department of Environmental Quality
PO Box 18228
Phoenix, AZ 85005

Check Number:
Received:
Postmarked:
Entered:

055 10/27/09
WATKINS