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AZ CORP COMMISSION  
DOCKET CONTROL

7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8  
9 **COMMISSIONERS**

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

Arizona Corporation Commission

**DOCKETED**

AUG 30 2010

DOCKETED BY

15 **EAST SLOPE WATER COMPANY'S**  
16 **APPLICATION FOR AN PERMANENT**  
17 **INCREASE IN ITS WATER RATES**

Docket No. W-01906A-10-0170

**AMENDED RATE APPLICATION**

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

1 **SUPPORTING DOCUMENTATION**

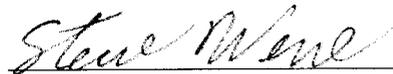
2 Pursuant to A.A.R. Rule 14-2-103, the Company submits the following  
3  
4 documentation in support of the proposed increase in rates and charges:

- 5 • Direct Testimony of Sonn S. Rowell (see Exhibit 1);
- 6 • Required Schedules, Statements, and Documentation (see Exhibit 2);
- 7
- 8 • Water Use Data Sheets (see Exhibit 3 (previously provided));
- 9 • Plant Descriptions (see Exhibit 4 (previously provided));
- 10 • ADEQ Compliance Status Report (see Exhibit 5 (previously provided));
- 11
- 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 As previously discussed with Staff's legal counsel, the public notice for this application  
18 will be provided by the Company pursuant to hearing officer order once the hearing is  
19 set.

20 RESPECTFULLY SUBMITTED this 30<sup>th</sup> day of August, 2010.

21  
22 **MOYES SELLERS & SIMS**

23  
24 

25 Steve Wene  
26 Attorneys for Company  
27  
28

1 Original and 15 copies of the foregoing  
2 filed this 30<sup>th</sup> 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 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2  
3 **COMMISSIONERS**

4 KRISTIN K. MAYES, CHAIRMAN  
5 GARY PIERCE  
6 PAUL NEWMAN  
7 SANDRA D. KENNEDY  
8 BOB STUMP

9 **APPLICATION OF EAST SLOPE**  
10 **WATER COMPANY, INC. FOR A**  
11 **PERMANENT INCREASE IN ITS**  
12 **WATER RATES**

**DIRECT TESTIMONY OF**  
**SONN S. ROWELL**

13 **Q-1 Please state your name and current employment position:**

14 **A-1** My name is Sonn S. Rowell, and I am a Certified Public Accountant and a  
15 managing member of Desert Mountain Analytical Services, PLLC (“DMAS”).

16 **Q-2 Describe your educational and professional background:**

17 **A-2** I hold a Bachelor of Science Degree in Accounting from Arizona State University,  
18 as well as my CPA certification from the Arizona State Board of Accountancy. I have  
19 worked for many years in the practice of public accounting and regulatory consulting,  
20 and have held part-time accountancy teaching positions at Mesa Community College.  
21 After employment with the Accounting and Rates Section of the Utilities Division at the  
22 Arizona Corporation Commission for four years, I started DMAS and now specialize in  
23 regulatory accounting and consulting.  
24  
25  
26  
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1 **Q-3 By whom are you employed and in what capacity?**

2 **A-3** I have been retained by the owners of East Slope Water Company (“East Slope” or  
3 “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  
8 **Q-4 What is the purpose of your testimony?**

9 **A-4** The purpose of my testimony is to present my analysis and recommendations  
10 concerning the development of the Company gross revenue requirement, taking into  
11 account adjusted rate base, adjusted operating income, working capital requirements,  
12 current rate of return, required operating income, required rate of return for the historic  
13 twelve month period, and other relevant factors to sponsor certain exhibits in support of  
14 the rate and finance applications.  
15  
16

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

18 **A-5** East Slope is seeking an increase in gross revenue of approximately \$331,372, or a  
19 rate increase of approximately 160.33%, for its customers to pay for increased  
20 operational expenses and needed improvements that will be funded with the proposed  
21 loan from the Water Infrastructure Finance Authority (“WIFA”).  
22

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

24 **A-6** I analyzed the Companies records to determine the adjusted revenues and  
25 expenses during the test year ending December 31, 2009. Next, I calculated a reasonable  
26 revenue requirement in order to ensure the Companies can earn sufficient revenue to pay  
27 ongoing operating expenses, the debt service on the proposed WIFA loan, and provide  
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 was made to reduce surcharge revenue by \$11,773 to eliminate the  
9 revenue generated by the emergency surcharge, which will be discontinued at the  
10 inception of new rates.  
11

12 **Q-8 Please explain Adjustments B and C.**

13 **A-8** Adjustment B removes \$433 of purchased power expense incurred prior to the test  
14 year. Adjustment C removes \$70 of expenses prior to the test year, and adds back \$90 of  
15 expenses related to December of 2009.  
16

17 **Q-9 Please explain Adjustments D, E, and F.**

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

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

1 temporary arrangement, and the correct amount must be included in the proposed revenue  
2 requirement.

3  
4 Adjustment F is calculated on Schedule C-2c, and is similar in purpose to Adjustment D.

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

6 **A-10** My estimate for Adjustment G is detailed in the following table. The current test  
7 year amount includes amounts paid for the 2009 emergency rate case.  
8

9 Test Year Expense	\$1,775
10 Estimated Rate Case Expense	\$30,000
11 Subtotal	\$31,775
12 Recovery period	3
13 Annual recovery amount	\$10,592
14 Adjustment amount	\$8,817

15 **Q-11 Please explain how you calculated Adjustment H to depreciation expense.**

16 **A-11** Schedule C-2d begins with plant in service at the end of the test year, and applies  
17 depreciation rates normally recommended by Staff, resulting in proposed depreciation  
18 expense of \$28,229, or an increase of \$15,755 over test year actual expense of \$12,474.  
19

20 **Q-12 Please explain Adjustments I and J on Schedule C-1.**

21 **A-12** Adjustment I adjusts payroll taxes (Account 408) by \$202 to remove negative  
22 payroll tax expense from when the utility had employees. Like Adjustment F, since a  
23 management contract with SUM now in place, this amount will not recur.  
24

25 Adjustment J removes property tax expense that is outside the current test year.

26 **Q-13 Please explain Adjustment K to Income Tax Expense.**

27 **A-13** East Slope is structured as a C-Corp, and as a result, income tax expense must be  
28 recovered in rates. The calculation to determine adjusted test year income tax expense is

1 detailed on Schedule C-2e, and is negative due to the adjusted test year resulting in a net  
2 loss.

3  
4 **Q-14 Please explain the increase to interest expense of \$108,406 as reflected by**  
5 **Adjustment L.**

6 **A-14** The \$108,406 of interest expense represents the prorata share of the proposed  
7 \$3,000,000 consolidated WIFA loan to improve all three commonly owned systems. The  
8 East Slope share of the WIFA loan is estimated as \$2,197,952, amortized at 5% over a  
9 20-year period.

10  
11 **Q-15 How was Adjustment M determined?**

12  
13 **A-15** Adjustment M increased metered water revenue from the adjusted test year  
14 amount of \$203,436, by \$331,372 to \$534,808 for East Slope, per the calculation set forth  
15 on Schedule A-1.

16  
17 **Q-16 Finally, please explain Adjustment N.**

18 **A-16** Adjustment N is detailed on Schedule C-2f, and calculated proposed income tax  
19 expense based upon the proposed revenue and expenses.

20  
21 **Q-17 Please summarize your rate design for East Slope.**

22 **A-17** East Slope currently has customers on four meter sizes: 5/8 by 3/4 inch, 1 inch, 1.5  
23 inch and 2 inch. There are both residential and commercial customers on the 5/8 by 3/4, 1  
24 inch, and 1.5 inch meters. All of the 2 inch customers are commercial customers. The  
25 proposed rates for East Slope were designed to recover the metered water revenue  
26 requirement of \$534,808.  
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 the minimum charge for the 1.5 inch meters is 5 times that of the 5/8 by 3/4 inch meters  
4 and the minimum charge of the 2 inch meters is 8 times that of the 5/8 by 3/4 inch meters.  
5

6           Commodity rates for the 5/8 by 3/4 inch meters have three tiers. The second tier  
7 commodity rate equals 1.8 times the first tier rate and the third tier rate equals 1.8 times  
8 the second tier rate. The tier breaks are set at 3,000 and 10,000 gallons.  
9

10           Commodity rates for the 1 inch meters have two tiers and equal the first two tier  
11 rates for the 5/8 by 3/4 inch meters. The tier break is set at 5,000 gallons. This level of  
12 tier break was selected in order to maximize the conservation benefit of the tiered rate  
13 structure.  
14

15           Commodity rates for the 1.5 inch meters have two tiers and equal the first two tier  
16 rates for the 5/8 by 3/4 inch meters. The tier break is set at 20,000 gallons. This level of  
17 tier break was selected in order to maximize the conservation benefit of the tiered rate  
18 structure.  
19

20           Commodity rates for the 2 inch meters have two tiers and equal the first two tier  
21 rates for the 5/8 by 3/4 inch meters. The tier break is set at 20,000 gallons. This level of  
22 tier break was selected in order to maximize the conservation benefit of the tiered rate  
23 structure.  
24

25           The following table shows the effect of the proposed rates on 5/8 by 3/4 inch  
26 residential customers with median consumption.  
27  
28

<b>Median Gallons</b>	<b>Current Bill (Including Surcharge)</b>	<b>Bill Under Proposed Rates</b>	<b>Percent Increase</b>
5,330	\$22.29	\$33.07	48.35%

1  
2  
3  
4  
5 **Q-18 Is there anything else you would like to add?**

6 **A-18** Yes. A complete application including proposed rates has been assembled for  
7 East Slope for comparative purposes per Staff's request. Although this application  
8 provides stand alone financial analysis for East Slope, it is the desire of the ownership  
9 that East Slope be consolidated with Indiada Water Company, Inc., and Antelope Run  
10 Water Company, into one entity. This new entity would be structured as a C-Corp, like  
11 East Slope as a stand alone entity, and includes a gross up for income tax recovery.  
12  
13

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

15 **A-18** Yes.  
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# **EXHIBIT 2**

**East Slope 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	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Special Reqmt	<input type="checkbox"/>

	Original Cost		RCND
1. Adjusted Rate Base	\$ 168,488	(a)	(a)
2. Adjusted Operating Income	\$ (21,870)	(b)	(b)
3. Current Rate of Return	-12.98%		
4. Required Operating Income	\$ 20,219		
5. Required Rate of Return	12.00%		
6. Operating Income Deficiency (4 - 2)	\$ 42,089		
7. Gross Revenue Conversion Factor	1.384	(c)	(c)
8. Increase in Gross Revenue Requirements (6 x 7)	\$ 58,269		

9. Proposed Revenue	\$ 538,058		
10. Required Operating Margin	40.44%		
11. Required Operating Income (9 x 10)	\$ 217,583		
12. Operating Income Deficiency (11 - 2)	\$ 239,453		
13. Gross Revenue Conversion Factor	1.384	(c)	
<b>14. Increase in Gross Revenue Requirements (12 x 13)</b>	<b>\$ 331,372</b>		

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase	
Residential	\$ 187,629	\$ 492,592	\$ 304,963	162.54%	(d)
Commercial	15,807	42,216	26,409	167.07%	
Industrial	-	-	-	0.00%	
Other	3,250	3,250	-	0.00%	
<b>Total</b>	<b>\$ 206,686</b>	<b>\$ 538,058</b>	<b>\$ 331,372</b>	<b>160.33%</b>	

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

**East Slope 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	\$ 207,882	\$ 190,700	\$ 218,459	\$ 206,686	\$ 206,686	\$ 538,058
2. Revenue Deductions & Operating Expenses	(221,093)	(192,183)	(228,478)	(228,556)	(228,556)	(320,475)
3. Operating Income	\$ (13,211)	\$ (1,483)	\$ (10,019)	\$ (21,870)	\$ (21,870)	\$ 217,583
4. Other Income and Deductions	-	5,849	-	-	-	-
5. Interest Expense	(13,484)	(10,042)	(1,544)	(109,950)	(109,950)	(109,950)
<b>6. Net Income</b>	<b>\$ (26,695)</b>	<b>\$ (5,676)</b>	<b>\$ (11,563)</b>	<b>\$ (131,820)</b>	<b>\$ (131,820)</b>	<b>\$ 107,633</b>
7. Earned Per Average Common Share*	\$ (5.34)	\$ (1.14)	\$ (2.31)	\$ (26.36)		
8. Dividends Per Common Share*	-	-	-	-		
9. Payout Ratio*	0.00%	0.00%	0.00%	0.00%		
10. Return on Average Invested Capital	-20.85%	-4.74%	-10.50%	-119.75%	-119.75%	97.78%
11. Return on Year End Capital	-20.85%	-5.10%	-10.62%	-121.10%	-121.10%	98.88%
12. Return on Average Common Equity	Double Negative					-215.10%
13. Return on Year End Common Equity	Double Negative					-231.13%
14. Times Bond Interest Earned - Before Inc Tax	-104.75%	-14.77%	-161.79%	-55.73%	-55.73%	245.65%
15. Times Total Interest and Preferred Dividends Earned - After Income Taxes	-97.98%	-14.77%	-648.90%	-19.89%	-19.89%	197.89%

Supporting Schedules:

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

\*Optional for projected year

**East Slope 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   
 Class A   
 Class B   
 Class C   
 Class D   
 Specl Reqmt

Year	Construction Expenditures (a)	Net Plant Placed In Service (b)	Gross Utility Plant In Service
1. Prior Year 1 - 2007	\$ 30,008	\$ 30,008	\$ 463,102
2. Prior Year 2 - 2008	4,316	4,316	467,418
3. Test Year - 2009	27,392	27,392	494,810
4. Projected Year 1	2,197,953	2,197,953	2,692,763
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

East Slope 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	X
Class A	
Class B	
Class C	
Class D	
Spec'l Reqmt	

	Original Cost Rate Base*		RCND Rate Base*		
1. Gross Utility Plant in Service	\$ 494,810				
2. Less: Accumulated Depreciation	(330,223)				
3. Net Utility Plant in Service	\$ 164,587	(a)		(b)	
<b>Less:</b>					
4. Advances in Aid of Construction	\$ 20,383	(c)		(c)	
5. Contributions in Aid of Construction	-	(c)		(c)	
<b>Add:</b>					
6. Allowance for Working Capital	\$ 24,284	(d)		(d)	
<b>7. Total Rate Base</b>	<b>\$ 168,488</b>	<b>(e)</b>		<b>(e)</b>	

\* 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

East Slope 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	\$ 494,810		\$ 494,810
2. Less: Accumulated Depreciation	(330,223)		(330,223)
3. Net Utility Plant in Service	\$ 164,587		\$ 164,587
4. Advances in Aid of Construction	\$ 20,383		\$ 20,383
5. Contributions in Aid of Construction	-		-
6. Allowance for Working Capital	\$ 24,284		\$ 24,284
<b>7. Total Rate Base</b>	<b>\$ 168,488</b>		<b>\$ 168,488</b>

*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

East Slope 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	\$ 2,182	
1/24th Purchased Water	-	
1/8th Operation & Maintenance Expense	22,102	
2. Materials and Supplies Inventories	-	(a)
3. Prepayments	-	(a)
	<hr/>	
<b>4. Total Working Capital Allowance</b>	<b>\$ 24,284</b>	<b>(b)</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

**East Slope 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"/>
	Specf Reqmt	<input type="checkbox"/>

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

Description	Actual for Test		Ref	Proforma Adjustments (b)	Test Year Results After Pro Forma Adjustments		Ref	Proposed Rate Increase	Adjusted Test Year With Rate Increase
	Year Ended (a)	31-Dec-09			Pro Forma	Adjustments			
<b>Operating Revenues:</b>									
461 Metered Water Revenue	\$	203,436			\$	203,436	M	\$ 331,372	\$ 534,808
461.1 Surcharge Revenue		11,773	A	\$ (11,773)		-			-
474 Other Water Revenue		3,250				3,250			3,250
<b>Total Operating Revenue</b>	\$	218,459		\$ (11,773)	\$	206,686		\$ 331,372	\$ 538,058
<b>Operating Expenses:</b>									
601 Salaries & Wages	\$	-			\$	-			\$ -
610 Purchased Water		-				-			-
615 Purchased Power		52,801	B	(433)		52,368			52,368
618 Chemicals		460				460			460
620 Repairs & Maintenance		11,875	C	20		11,895			11,895
621 Office Supplies and Expense		8,431	D	(185)		8,246			8,246
630 Outside Services		95,049	E	27,100		122,149			122,149
635 Water Testing		3,980				3,980			3,980
641 Rental Expense		-				-			-
650 Transportation Expense		11,822	F	1,181		13,003			13,003
657 Insurance - General Liability		6,491				6,491			6,491
659 Insurance - Health and Life		-				-			-
666 Rate Case Expense		1,775	G	8,817		10,592			10,592
675 Miscellaneous Expense		-				-			-
403 Depreciation & Amortization		12,474	H	15,755		28,229			28,229
408 Taxes Other Than Income		(202)	I	202		-			-
408.11 Property Taxes		16,001	J	(5,454)		10,547			10,547
409 Income Taxes		7,521	K	(46,925)		(39,404)	N	91,919	52,515
<b>Total Operating Expenses</b>	\$	228,478		\$ 78	\$	228,556		\$ 91,919	\$ 320,475
<b>OPERATING INCOME/(LOSS)</b>	\$	(10,019)		\$ (11,851)	\$	(21,870)	(c)	\$ 239,453	\$ 217,583
<b>Other Income/(Expense):</b>									
419 Interest Income	\$	-			\$	-			\$ -
421 Non-Utility Income		-				-			-
426 Miscellaneous Non-Utility Expenses		-				-			-
427 Interest Expense		(1,544)	L	(108,406)		(109,950)			(109,950)
<b>Total Other Income/(Expense)</b>	\$	(1,544)		\$ (108,406)	\$	(109,950)		\$ -	\$ (109,950)
<b>NET INCOME/(LOSS)</b>	\$	(11,563)		\$ (120,257)	\$	(131,820)		\$ 239,453	\$ 107,633

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

**East Slope 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	
Spec 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	M	N	Total (a)
<b>Revenues:</b>															
Metered Water Revenue	\$ (11,773)												\$ 331,372		\$ 331,372
Surcharge Revenue															(11,773)
<b>Expenses:</b>															
Purchased Power		\$ (433)													\$ (433)
Repairs and Maintenance		\$ 20													20
Office Supplies and Expense			\$ (185)												(185)
Outside Services					\$ 27,100										27,100
Transportation Expenses					\$ 1,181										1,181
Rate Case Expense						\$ 8,817									8,817
Depreciation & Amortization							\$ 15,755								15,755
Taxes Other Than Income								\$ 202							202
Property Taxes										\$ (5,454)					(5,454)
Income Taxes											\$ (46,925)			\$ 91,919	44,994
Other Income/(Expense):															
Interest Expense												\$ (108,406)			\$ (108,406)

- Adjustment Descriptions:**
- A - Remove surcharge revenue from the test year as it is temporary, and will not be included in proposed rates.
  - B - Remove expense prior to test year.
  - C - Adjust expense to exclude expense prior to test year (\$70), include test year expense of \$90 for December 2009.
  - D - Adjust office supplies and expense per calculation on Schedule C-2a.
  - E - Adjust outside services expense per calculation on Schedule C-2b.
  - F - Adjust transportation expense per calculation on Schedule C-2c.
  - G - Increase rate case expense to recover \$1,775 incurred for the emergency rate case, and estimated costs of \$30,000 for this rate case, amortized over 3 years, (\$31,775/3).
  - H - Increase depreciation expense based upon proposed depreciation rates per schedule C-2d.
  - I - Remove negative payroll tax expense that will not recur due to management contract.
  - J - Remove property tax expense outside the current test year.
  - K - Adjust test year income tax expense per Schedule C-2e.
  - L - Increase expense to include proforma interest expense on the proposed WIFA loan.
  - M - Increase metered water revenue per calculation on Schedule A-1.
  - N - Increase income taxes for proposed rates per calculation on Schedule C-2f.

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

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

Recap Schedules:  
 (a) C-1

East Slope Water Company  
Test Year Ended December 31, 2009

Schedule C-2a  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF PROPOSED OFFICE SUPPLIES AND EXPENSE ADJUSTMENT**

<u>Description</u>	<u>Amount</u>
November 2008 billing forms	\$ (27)
December 2008 billing forms	(27)
December 2009 billing forms	26
November 2008 postage	(211)
December 2008 postage	(213)
December 2009 postage	267
<b>Total Adjustment D</b>	<b>\$ <u>(185)</u></b>

East Slope Water Company  
Test Year Ended December 31, 2009

Schedule C-2b  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF PROPOSED OUTSIDE SERVICES EXPENSE ADJUSTMENT**

<u>Description</u>	<u>Amount</u>
Other November 2008 services	\$ (472)
December 2008 accounting	(195)
December 2009 accounting	195
Remove recorded Test Year management fees expense	(87,926)
Proforma management fees expense	115,498
<b>Total Adjustment E</b>	<b>\$ <u>27,100</u></b>

East Slope Water Company  
Test Year Ended December 31, 2009

Schedule C-2c  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF PROPOSED TRANSPORTATION EXPENSE ADJUSTMENT**

<b>Description</b>	<b>Amount</b>
November 2008 mileage	\$ (367)
December 2008 mileage	(1,031)
December 2009 mileage	817
Non-recurring vehicle lease expenses	(200)
Non-recurring vehicle insurance refund	1,962
<b>Total Adjustment F</b>	<b>\$ 1,181</b>

**DETAIL OF PROPOSED DEPRECIATION EXPENSE CALCULATION**

Account Number	Description	Plant @ End of Test Year 31-Dec-09	Proposed Depreciation Rate	Ref	Proposed Depreciation Expense
301	Intangibles	\$ 2,180	0.00%		\$ -
303	Land & Land Rights	75	0.00%		-
304	Structures & Improvements	9,003	3.33%		300
307	Wells & Springs	44,427	3.33%	1	318
311	Pumping Equipment	148,499	12.50%		18,562
320	Water Treatment Equipment	-			-
320.1	Water Treatment Plants	-	3.33%		-
320.2	Solution Chemical Feeders	-	20.00%		-
330	Distribution Reservoirs & Standpipes	-	2.22%		-
330.1	Storage Tanks	20,799	2.22%		462
330.2	Pressure Tanks.	5,474	5.00%		274
331	Transmission & Distribution Mains	209,649	2.00%	2	1,701
333	Services	-	3.33%		-
334	Meters & Meter Installations	11,498	8.33%	3	278
335	Hydrants	-	2.00%		-
339	Other Plant and Misc Equipment	-	6.67%		-
340	Office Furniture & Equipment	11,330	6.67%		756
340.1	Computers and Software	-	20.00%		-
341	Transportation Equipment	31,876	20.00%	4	5,578
343	Tools, Shop, and Garage Equipment	-	5.00%		-
345	Power Operated Equipment	-	5.00%		-
348	Other Tangible Plant	-	0.00%		-
<b>Totals</b>		<b>\$ 494,810</b>			<b>\$ 28,229</b>

Test Year Depreciation Expense 12,474

**Total Adjustment H \$ 15,755**

- 1 \$34,863 of the total amount in account 307 - Wells & Springs, is fully depreciated.
- 2 \$124,578 of the total amount in account 331 - Transmission & Distribution Mains, is fully depreciated.
- 3 \$8,166 of the total amount in account 334 - Meters & Meter Installations, is fully depreciated.
- 4 \$3,985 of the total amount in account 341 - Transportation Equipment, is fully depreciated.

**CALCULATION OF OPERATING INCOME ADJUSTMENT G  
TO TEST YEAR INCOME TAX EXPENSE**

***STATE INCOME TAX CALCULATION:***

Operating Income/(Loss) Before Taxes	\$	(61,274)	
Less:			
Estimated Interest Expense		<u>(109,950)</u>	
Arizona Taxable Income	\$	(171,224)	
Arizona Income Tax Rate		<u>6.9680%</u>	
Arizona Income Tax Expense	\$		(11,931)

***FEDERAL INCOME TAX CALCULATION:***

Operating Income/(Loss) Before Taxes	\$	(61,274)	
Less:			
Arizona Income Tax	\$	(11,931)	
Estimated Interest Expense		<u>(109,950)</u>	
Federal Taxable Income	\$	(183,155)	
Federal Income Tax Rate		<u>15.0000%</u>	
Federal Income Tax Expense	\$		(27,473)

Adjusted Test Year Income Tax Expense \$ (39,404)

**Test Year Income Tax Expense** 7,521

**Total Adjustment K to Income Taxes** \$ (46,925)

East Slope Water Company  
 Test Year Ended December 31, 2009

Schedule C-2f  
 Title: Income Statement Proforma  
 Adjustments

**CALCULATION OF OPERATING INCOME ADJUSTMENT K  
 TO PROPOSED INCOME TAX EXPENSE**

Revenue	\$ 538,058	
Operating Expenses Excluding Income Tax	267,960	
Estimated Interest Expense	<u>109,950</u>	
Arizona Taxable Income	\$ 160,148	
Arizona Income Tax Rate	<u>6.9680%</u>	
Arizona Income Tax Expense		\$ 11,159
Federal Taxable Income	\$ 148,989	
Federal Tax on 1st Income Range (\$1 - \$50,000) @ 15%	\$ 7,500	
Federal Tax on 2nd Income Range (\$50,001 - \$75,000) @ 25%	6,250	
Federal Tax on 3rd Income Range (\$75,001 - \$100,000) @ 34%	8,500	
Federal Tax on 4th Income Range (\$100,001 - \$335,000) @ 39%	19,106	
Federal Tax on 5th Income Range (\$335,001 - \$10M) @ 34%	<u>-</u>	
Total Federal Income Tax Expense		<u>41,356</u>
Combined Federal and State Income Tax Expense		\$ 52,515
Adjusted Test Year Income Tax Expense		(39,404)
<b>Adjustment N to Proposed Income Tax Expense</b>		<b><u><u>\$ 91,919</u></u></b>
Required Operating Income	\$ 217,583	
Adjusted Test Year Operating Income/(Loss)	<u>(21,870)</u>	
Proposed Increase In Operating Income		\$ 239,453
Income Taxes On Proposed Revenue	\$ 52,515	
Income Taxes On Test Year Revenue	<u>(39,404)</u>	
Proposed Revenue Increase For Income Taxes		\$ 91,919
<b>Total Proposed Increase In Revenue</b>		<b><u><u>\$ 331,372</u></u></b>

East Slope 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	1.000
Combined Federal And State Tax Rate	(0.278)
Subtotal	0.722
<b>Gross Revenue Conversion Factor = 1/Operating Income %</b>	<b>1.384</b>

*CALCULATION OF COMBINED FEDERAL AND STATE TAX RATE:*

Operating Income Before Taxes (Arizona Taxable Income)	100.0000%
Arizona State Income Tax Rate	6.9680%
Federal Taxable Income	93.0320%
Federal Income Tax Rate	20.8000%
Effective Federal Income Tax Rate	19.3507%
Combined Federal And State Income Tax Rates	27.7680%

**East Slope 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)					\$ 2,197,952	95.28%	5.00%	4.76%
Short-Term Debt (a)								
Wells Fargo Credit Line	\$ 104,877	96.35%	10.75%	10.36%	104,877	4.55%	10.75%	0.49%
N. Watkins note	50,545	46.43%	10.00%	4.64%	50,545	2.19%	10.00%	0.22%
Common Equity (c)	(46,568)	-42.78%	12.00%	-5.13%	(46,568)	-2.02%	12.00%	-0.24%
Totals	<u>\$ 108,854</u>	<u>100.00%</u>		<u>9.87%</u>	<u>\$ 2,306,806</u>	<u>100.00%</u>		<u>5.23%</u>

Supporting Schedules:

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

Recap Schedules:

- (e) A-3

**East Slope 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"/>
	Specil Reqmt	<input type="checkbox"/>

	Test Year At 31-Dec-09	Prior Year 31-Dec-08	Prior Year 31-Dec-07
<b>ASSETS</b>			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 494,810	\$ 467,418	\$ 463,102
103 Property Held for Future Use			
105 Construction Work in Process			
108 Accumulated Depreciation	(330,223)	(314,859)	(300,289)
Total Property Plant & Equipment	<u>\$ 164,587</u>	<u>\$ 152,558</u>	<u>\$ 162,813</u>
Current Assts:			
131 Cash	\$ 8,801	\$ 11,470	\$ 1,795
135 Temporary Cash Investments			
141 Customer Accounts Receivable	6,987		
146 Notes/Receivables from Associated Companies	13,114	13,114	13,114
151 Plant Material and Supplies			
162 Prepayments			
174 Miscellaneous Current and Accrued Assets			
Total Current Assets	<u>\$ 28,902</u>	<u>\$ 24,584</u>	<u>\$ 14,909</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 193,489</b></u>	<u><b>\$ 177,142</b></u>	<u><b>\$ 177,722</b></u>
<b>LIABILITIES and CAPITAL</b>			
Capitalization: (b)			
201 Common Stock Issued	\$ 5,000	\$ 5,000	\$ 5,000
211 Paid in Capital in Excess of Par Value	8,768	8,768	8,768
215 Retained Earnings	(60,336)	(67,275)	(48,494)
218 Proprietary Capital	-	-	-
Total Capital	<u>\$ (46,568)</u>	<u>\$ (53,507)</u>	<u>\$ (34,726)</u>
Current Liabilities:			
231 Accounts Payable	\$ 56,616	\$ 41,775	\$ 21,544
232 Notes Payable (Current Portion)			20,200
234 Notes/Accounts Payable to Associated Companies	-	-	-
235 Customer Deposits	7,440	23,821	4,680
236 Accrued Taxes	196	239	3,276
241 Miscellaneous Current and Accrued Liabilities	155,422	158,895	136,000
Total Current Liabilities	<u>\$ 219,674</u>	<u>\$ 224,730</u>	<u>\$ 185,700</u>
224 Long-Term Debt (Over 12 Months)			
Deferred Credits:			
252 Advances In Aid Of Construction	\$ 20,383	\$ 5,919	\$ 26,748
271 Contributions In Aid Of Construction			
272 Less: Amortization of Contributions			
281 Accumulated Deferred Income Tax			
Total Deferred Credits	<u>\$ 20,383</u>	<u>\$ 5,919</u>	<u>\$ 26,748</u>
Total Liabilities	<u>\$ 240,057</u>	<u>\$ 230,649</u>	<u>\$ 212,448</u>
<b>TOTAL LIABILITIES and CAPITAL</b>	<u><b>\$ 193,489</b></u>	<u><b>\$ 177,142</b></u>	<u><b>\$ 177,722</b></u>
Supporting Schedules: (a) E-5	Recap Schedules: (b) A-3		

**East Slope Water Company**  
 Test Year Ended December 31, 2009

**Schedule E-2**  
**Title: Comparative Income**  
**Statements**

Explanation:  
 Schedule showing comparative income statements 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"/>

	<b>Test Year Ended 31-Dec-09</b>	<b>Prior Year Ended 31-Dec-08</b>	<b>Prior Year Ended 31-Dec-07</b>
Revenues: (a)			
461 Metered Water Revenue	\$ 203,436	\$ 188,569	\$ 204,236
461.1 Surcharge Revenue	11,773	-	-
474 Other Water Revenue	3,250	2,131	3,646
Total Revenues	<u>\$ 218,459</u>	<u>\$ 190,700</u>	<u>\$ 207,882</u>
Operating Expenses (a)			
601 Salaries & Wages	\$ -	\$ 56,250	\$ 83,800
610 Purchased Water	-	-	-
615 Purchased Power	52,801	51,995	55,973
618 Chemicals	460	-	-
620 Repairs and Maintenance	11,875	6,253	5,351
621 Office Supplies and Expense	8,431	12,363	7,823
630 Outside Services	95,049	16,938	-
635 Water Testing	3,980	2,369	1,005
641 Rents	-	1,800	2,400
650 Transportation Expense	11,822	12,259	11,260
657 Insurance - General liability	6,491	3,685	5,298
659 Insurance - Health and Life	-	-	-
666 Regulatory Commission Expense - Rate Case	1,775	-	-
675 Miscellaneous Expense	-	182	10,492
403 Depreciation Expense	12,474	14,664	15,953
408 Taxes Other Than Income	(202)	6,651	10,180
408.11 Property Taxes	16,001	6,774	12,471
409 Income Tax	7,521	-	(913)
Total Operating Expenses	<u>\$ 228,478</u>	<u>\$ 192,183</u>	<u>\$ 221,093</u>
<b>OPERATING INCOME/(LOSS)</b>	<u><b>\$ (10,019)</b></u>	<u><b>\$ (1,483)</b></u>	<u><b>\$ (13,211)</b></u>
Other Income/(Expense)			
419 Interest and Dividend Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	5,849	-
426 Miscellaneous Non-Utility Expense	-	-	-
427 Interest Expense	(1,544)	(10,042)	(13,484)
Total Other Income/(Expense)	<u>\$ (1,544)</u>	<u>\$ (4,193)</u>	<u>\$ (13,484)</u>
<b>NET INCOME/(LOSS)</b>	<u><b>\$ (11,563)</b></u>	<u><b>\$ (5,676)</b></u>	<u><b>\$ (26,695)</b></u>

Supporting Schedules:  
 (a) E-6

Recap Schedules:  
 A-2

East Slope 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"/>
Spec'l 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
301	Intangibles	\$ 2,180		\$ 2,180
303	Land & Land Rights	75		75
304	Structures & Improvements	9,003		9,003
307	Wells & Springs	44,427		44,427
311	Pumping Equipment	125,355	23,144	148,499
320	Water Treatment Equipment	-		-
320.1	Water Treatment Plants	-		-
320.2	Solution Chemical Feeders	-		-
330	Distribution Reservoirs & Standpipes	-		-
330.1	Storage Tanks	20,799		20,799
330.2	Pressure Tanks.	5,474		5,474
331	Transmission & Distribution Mains	205,401	4,248	209,649
333	Services	-		-
334	Meters & Meter Installations	11,498		11,498
335	Hydrants	-		-
339	Other Plant and Misc Equipment	-		-
340	Office Furniture & Equipment	11,330		11,330
340.1	Computers and Software	-		-
341	Transportation Equipment	31,876		31,876
343	Tools, Shop, and Garage Equipment	-		-
345	Power Operated Equipment	-		-
348	Other Tangible Plant	-		-
	<b>Total Plant In Service</b>	<b>\$ 467,418</b>	<b>\$ 27,392</b>	<b>\$ 494,810</b>
108	Accumulated Depreciation	(314,859)		(330,223)
	<b>Net Plant In Service</b>	<b>\$ 152,558</b>	<b>\$ 27,392</b>	<b>\$ 164,587</b>
103	Property Held for Future Use	\$ -		\$ -
105	Construction Work in Process	-		-
	<b>Total Net Plant</b>	<b>\$ 152,558</b>	<b>\$ 27,392</b>	<b>\$ 164,587</b>

Supporting Schedules:

Recap Schedules:  
 E-1 A-4

**East Slope 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"/>
	Spec'l Reqmt	<input type="checkbox"/>

<b>Water Statistics:</b>	<b>Test Year Ended 31-Dec-09</b>	<b>Prior Year Ended 31-Dec-08</b>	<b>Prior Year Ended 31-Dec-07</b>
<b>Gallons Sold - By Class of Service:</b>			
Residential	76,326,708	70,694,604	91,526,085
Commercial	5,514,292	5,107,396	6,612,385
<b>Average Number of Customers - By Class of Service:</b>			
Residential	736	768	735
Commercial	51	53	51
Average Annual Gallons Per Residential Customer	103,705	92,075	124,514
Average Annual Revenue Per Residential Customer	\$ 244.30	\$ 224.41	\$ 279.88
Pumping Cost Per 1,000 Gallons	\$ 0.6452	\$ 0.6859	\$ 0.5703

**East Slope 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   
 Class A   
 Class B   
 Class C   
 Class D   
 Specl Reqmt

<b>Description</b>	<b>Test Year Ended 31-Dec-09</b>	<b>Prior Year Ended 31-Dec-08</b>	<b>Prior Year Ended 31-Dec-07</b>
<b>Federal Taxes:</b>			
Income	\$ 7,521	\$ -	\$ (931)
Payroll	(202)	4,753	7,081
<b>Total Federal Taxes</b>	<b>\$ 7,319</b>	<b>\$ 4,753</b>	<b>\$ 6,150</b>
<b>State Taxes:</b>			
Income			
Payroll	-	1,898	3,099
<b>Total State Taxes</b>	<b>\$ -</b>	<b>\$ 1,898</b>	<b>\$ 3,099</b>
<b>Local Taxes:</b>			
Property	\$ 16,001	\$ 6,774	\$ 12,471
<b>Total Taxes</b>	<b>\$ 23,320</b>	<b>\$ 13,425</b>	<b>\$ 21,720</b>

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

Supporting Schedules:

Recap Schedules:

East Slope 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"/>
	Spec'l 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 57076 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.

**Depreciation is the same for ratemaking purposes and income tax purposes.**

4 Interest rate used to charge interest during construction, if applicable.

**Not Applicable.**

Supporting Schedules:

Recap Schedules:

**East Slope 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"/>
	Specl 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
<b>Operating Revenues:</b>			
461 Metered Water Revenue	\$ 203,436	\$ 203,436	\$ 534,808
461.1 Surcharge Revenue	11,773	-	-
474 Other Water Revenue	3,250	3,250	3,250
<b>Total Operating Revenue</b>	<b>\$ 218,459</b>	<b>\$ 206,686</b>	<b>\$ 538,058</b>
<b>Operating Expenses:</b>			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	-	-	-
615 Purchased Power	52,801	52,368	52,368
618 Chemicals	460	460	460
620 Repairs & Maintenance	11,875	11,895	11,895
621 Office Supplies and Expense	8,431	8,246	8,246
630 Outside Services	95,049	122,149	122,149
635 Water Testing	3,980	3,980	3,980
641 Rental Expense	-	-	-
650 Transportation Expense	11,822	13,003	13,003
657 Insurance - General Liability	6,491	6,491	6,491
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	1,775	10,592	10,592
675 Miscellaneous Expense	-	-	-
403 Depreciation & Amortization	12,474	28,229	28,229
408 Property Taxes	(202)	-	-
408.1 Taxes Other Than Income	16,001	10,547	10,547
409 Income Taxes	7,521	(39,404)	52,515
<b>Total Operating Expenses</b>	<b>\$ 228,478</b>	<b>\$ 228,556</b>	<b>\$ 320,475</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>\$ (10,019)</b>	<b>\$ (21,870)</b>	<b>\$ 217,583</b>
<b>Other Income/(Expense):</b>			
419 Interest Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	-	-
426 Miscellaneous Non-Utility Expenses	-	-	-
427 Interest Expense	(1,544)	(109,950)	(109,950)
<b>Total Other Income/(Expense)</b>	<b>\$ (1,544)</b>	<b>\$ (109,950)</b>	<b>\$ (109,950)</b>
<b>NET INCOME/(LOSS)</b>	<b>\$ (11,563)</b>	<b>\$ (131,820)</b>	<b>\$ 107,633</b>
Earnings per share of average Common Stock Outstanding	\$ (2.31)	\$ (26.36)	\$ 21.53
% Return on Common Equity		Negative Equity	

Supporting Schedules:  
 (a) E-2

Recap Schedules:  
 (b) A-2

East Slope 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  
 Class A  
 Class B  
 Class C  
 Class D  
 Specl Reqmt

X

<b>Property Classification</b>	<b>Actual Test Year Ended 12/31/2009</b>	<b>End of Projected Year 1</b>
Production Plant	\$ 192,926	\$ 318,691
Transmission Plant	235,922	2,308,110
Other Plant	65,962	65,962
<b>Total Plant</b>	<b>\$ 494,810</b>	<b>\$ 2,692,763</b>

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

Supporting Schedules:

Recap Schedules:  
 (a) F-2 & A-4

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

Required for: All Utilities  
Class A  
Class B  
Class C  
Class D  
Speci 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 East Slope Water Company 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. East Slope's share of the interest expense is included on the unconsolidated income statement for comparative purposes.**

Supporting Schedules:

Recap Schedules:

East Slope 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	X
Class A	
Class B	
Class C	
Class D	
Spec'l Reqmt	

Customer Classification	Revenues in the Test Year (a)		Proposed Increase (b)		
	Present Rates	Proposed Rates	Amount	%	
<b>Residential</b>					
5/8 x 3/4 inch	\$ 180,219	\$ 474,065	\$ 293,846	163.05%	
1 inch	2,993	7,797	4,804	160.50%	
1.5 inch	4,417	10,730	6,313	142.91%	
<b>Total Residential</b>	<b>\$ 187,629</b>	<b>\$ 492,592</b>	<b>\$ 304,963</b>	<b>162.53%</b>	
<b>Commercial</b>					
5/8 x 3/4 inch	\$ 9,534	\$ 25,858	\$ 16,324	171.23%	
1 inch	1,844	4,957	3,113	168.87%	
1.5 inch	1,855	4,844	2,989	161.08%	
2 inch	2,574	6,557	3,983	154.77%	
<b>Total Commercial</b>	<b>15,807</b>	<b>42,216</b>	<b>26,409</b>	<b>167.07%</b>	
<b>Total Metered Water Revenues</b>	<b>\$ 203,436</b>	<b>\$ 534,808</b>	<b>\$ 331,372</b>	<b>162.89%</b>	
Residential Emergency Surcharge	\$ 10,945	\$ -	\$ (10,945)	-100.00%	
Commercial Emergency Surcharge	828	-	(828)	-100.00%	
Other Revenues	3,250	3,250	-	0.00%	
<b>Total Revenues</b>	<b>\$ 218,459</b>	<b>\$ 538,058</b>	<b>\$ 319,598</b>	<b>146.30%</b>	

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"/>
Specil 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
<b>MONTHLY USAGE CHARGE</b>			
5/8" x 3/4" Meter	\$ 9.00	\$ 18.68	107.56%
3/4" Meter	9.00	28.02	211.33%
1" Meter	15.00	46.70	211.33%
1-1/2" Meter	25.00	93.40	273.60%
2" Meter	50.00	149.44	198.88%
3" Meter	NA	298.88	NA
4" Meter	NA	467.00	NA
6" Meter	NA	934.00	NA
Gallons Included in Usage Charge	2,000	-	

**COMMODITY CHARGE (EXCESS OF MINIMUM)**

1.71 Per 1,000 Gallons

EMERGENCY INTERIM SURCHARGE EFFECTIVE: OCTOBER 30, 2009

DECISION NO. 71322

DOCKET NO. W-01906A-09-0283

\$7.60 PER CUSTOMER PER MONTH

**Commodity Charges Per 1,000 Gallons:**

5/8 x 3/4 - inch meter	Current Rate	Proposed Rate	% Change
Tier one: 0 - 2,000 Gallons	\$ -	\$ 2.00	NA
Tier one: 2001- 3,000 Gallons	1.71	2.00	17.00%
Tier two: 3,001 to 10,000 Gallons	1.71	3.60	110.60%
Tier three: All Gallons Over 10,000	1.71	6.48	279.07%

**3/4 - inch meter**

Tier one: 0 - 2,000 Gallons	\$ -	\$ 2.00	NA
Tier one: 2001- 3,000 Gallons	1.71	2.00	17.00%
Tier two: 3,001 to 10,000 Gallons	1.71	3.60	110.60%
Tier three: All Gallons Over 10,000	1.71	6.48	279.07%

**One - inch meter**

Tier one: 0 - 2,000 Gallons	\$ -	\$ 2.00	NA
Tier one: 2001 -5,000 Gallons	1.71	2.00	17.00%
Tier two: All Gallons Over 5,000	1.71	3.60	110.60%

**One and one half - inch meter**

Tier one: 0 - 2,000 Gallons	\$ -	\$ 2.00	NA
Tier one: 2001 - 20,000 Gallons	1.71	2.00	17.00%
Tier two: All Gallons Over 20,000	1.71	3.60	110.60%

**Two - inch meter**

Tier one: 0 - 2,000 Gallons	\$ -	\$ 2.00	NA
Tier one: 2001 - 20,000 Gallons	1.71	2.00	17.00%
Tier two: All Gallons Over 20,000	1.71	3.60	110.60%

**Three - inch meter**

Tier one: 0 - 2,000 Gallons	NA	\$ 2.00	NA
Tier one: 2001 - 20,000 Gallons	NA	2.00	NA
Tier two: All Gallons Over 20,000	NA	3.60	NA

Four - inch meter	Current Rate	Proposed Rate	% Change
Tier one: 0 - 2,000 Gallons	NA	\$ 2.00	NA
Tier one: 2001 - 20,000 Gallons	NA	2.00	NA
Tier two: All Gallons Over 20,000	NA	3.60	NA

Six - inch meter	Current Rate	Proposed Rate	% Change
Tier one: 0 - 2,000 Gallons	NA	\$ 2.00	NA
Tier one: 2001 - 20,000 Gallons	NA	2.00	NA
Tier two: All Gallons Over 20,000	NA	3.60	NA

Description	Present Rate	Proposed Rate	% change
<b>SERVICE CHARGES</b>			
Establishment	\$ 15.00	\$ 25.000	66.67%
Establishment (After Hours)	20.00	20.00	0.00%
Reconnection (Delinquent)	15.00	25.00	66.67%
Reconnection (After Hours)	NA	*	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)	*	\$ -	
Deferred Payment (Per Month)	15% per anum	\$ -	
Late Charge (Per Month)	blank	****	
Re-establishment (Within 12 Month	***	\$ -	

**MONTHLY SERVICE CHARGE FOR FIRE SPRINKLER:** NA \*\*\*\*

**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	\$ 275.00	\$ 430.00	\$ 130.00	\$ 560.00	103.64%
3/4" Meter	300.00	430.00	230.00	660.00	120.00%
1" Meter	325.00	480.00	290.00	770.00	136.92%
1-1/2" Meter	475.00	535.00	500.00	1,035.00	117.89%
2" Meter - Turbine	650.00	815.00	1,020.00	1,835.00	100.00%
2" Meter - Compound		815.00	1,865.00	2,680.00	
3" Meter - Turbine		1,030.00	1,645.00	2,675.00	100.00%
3" Meter - Compound		1,150.00	2,545.00	3,695.00	
4" Meter - Turbine		1,460.00	2,620.00	4,080.00	100.00%
4" Meter - Compound		1,640.00	3,595.00	5,235.00	
6" Meter - Turbine		2,180.00	4,975.00	7,155.00	100.00%
6" Meter - Compound		2,300.00	6,870.00	9,170.00	

\* 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:

**East Slope Water Company**  
 Test Year Ended December 31, 2009

**Schedule: H-4**  
**Title: Typical Bill**  
**Analysis**  
**Page 1 of 4**

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

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

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

**5/8" x 3/4" meter**

<b>Monthly Consumption</b>	<b>Present Bill W/O Surcharge</b>	<b>Present Bill With Surcharge</b>	<b>Proposed Bill W/O Surcharge</b>	<b>Percent Increase W/O Surcharge</b>	<b>Percent Increase With Surcharge</b>
-	\$ 9.00	\$ 16.60	\$ 18.68	107.56%	12.53%
1,000	9.00	16.60	20.68	129.79%	24.58%
2,000	9.00	16.60	22.68	152.01%	36.63%
3,000	10.71	18.31	24.68	130.46%	34.80%
4,000	12.42	20.02	28.28	127.72%	41.27%
5,000	14.13	21.73	31.88	125.65%	46.73%
6,000	15.84	23.44	35.49	124.02%	51.39%
7,000	17.55	25.15	39.09	122.72%	55.41%
8,000	19.26	26.86	42.69	121.64%	58.93%
9,000	20.97	28.57	46.29	120.74%	62.02%
10,000	22.68	30.28	49.89	119.97%	64.76%
13,000	27.81	35.41	69.34	149.32%	95.81%
15,000	31.23	38.83	82.30	163.53%	111.95%
20,000	39.78	47.38	114.71	188.36%	142.11%
25,000	48.33	55.93	147.12	204.41%	163.05%
50,000	91.08	98.68	309.18	239.45%	213.31%
75,000	133.83	141.43	471.23	252.11%	233.19%
100,000	176.58	184.18	633.28	258.64%	243.84%
125,000	219.33	226.93	795.33	262.62%	250.48%
150,000	262.08	269.68	957.39	265.30%	255.01%
175,000	304.83	312.43	1,119.44	267.23%	258.30%
200,000	347.58	355.18	1,281.49	268.69%	260.80%

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

(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	

**1 inch meter**

<b>Monthly Consumption</b>	<b>Present Bill W/O Surcharge</b>	<b>Present Bill With Surcharge</b>	<b>Proposed Bill W/O Surcharge</b>	<b>Percent Increase W/O Surcharge</b>	<b>Percent Increase With Surcharge</b>
-	\$ 15.00	\$ 22.60	\$ 46.70	211.33%	106.64%
1,000	15.00	22.60	48.70	224.67%	115.49%
2,000	15.00	22.60	50.70	238.01%	124.34%
3,000	16.71	24.31	52.70	215.39%	116.79%
4,000	18.42	26.02	54.70	196.97%	110.23%
5,000	20.13	27.73	56.70	181.69%	104.48%
6,000	21.84	29.44	60.30	176.12%	104.84%
7,000	23.55	31.15	63.91	171.36%	105.15%
8,000	25.26	32.86	67.51	167.25%	105.44%
9,000	26.97	34.57	71.11	163.66%	105.69%
10,000	28.68	36.28	74.71	160.49%	105.92%
15,000	37.23	44.83	92.72	149.03%	106.81%
20,000	45.78	53.38	110.72	141.85%	107.42%
25,000	54.33	61.93	128.73	136.94%	107.86%
40,000	79.98	87.58	182.74	128.49%	108.66%
50,000	97.08	104.68	218.76	125.34%	108.98%
75,000	139.83	147.43	308.79	120.83%	109.45%
100,000	182.58	190.18	398.82	118.43%	109.70%
125,000	225.33	232.93	488.84	116.95%	109.87%
150,000	268.08	275.68	578.87	115.93%	109.98%
175,000	310.83	318.43	668.90	115.20%	110.06%
200,000	353.58	361.18	758.93	114.64%	110.13%

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

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

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

X

1.5 inch meter

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase W/O Surcharge
-	\$ 25.00	\$ 32.60	\$ 93.40	273.60%	186.50%
1,000	25.00	32.60	95.40	281.60%	192.64%
2,000	25.00	32.60	97.40	289.61%	198.78%
3,000	26.71	34.31	99.40	272.15%	189.72%
4,000	28.42	36.02	101.40	256.80%	181.52%
5,000	30.13	37.73	103.40	243.19%	174.06%
6,000	31.84	39.44	105.40	231.04%	167.25%
7,000	33.55	41.15	107.40	220.13%	161.01%
8,000	35.26	42.86	109.41	210.28%	155.26%
9,000	36.97	44.57	111.41	201.34%	149.96%
10,000	38.68	46.28	113.41	193.19%	145.04%
15,000	47.23	54.83	123.41	161.30%	125.08%
20,000	55.78	63.38	133.41	139.18%	110.50%
25,000	64.33	71.93	151.42	135.38%	110.51%
50,000	107.08	114.68	241.45	125.48%	110.54%
75,000	149.83	157.43	331.48	121.24%	110.56%
100,000	192.58	200.18	421.51	118.87%	110.56%
125,000	235.33	242.93	511.54	117.37%	110.57%
150,000	278.08	285.68	601.57	116.33%	110.57%
175,000	320.83	328.43	691.60	115.56%	110.58%
200,000	363.58	371.18	781.63	114.98%	110.58%

Explanation:  
 Schedule(s) comparing typical customer bills at varying  
 consumption levels 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"/>

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

**2 inch meter**

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
-	\$ 50.00	\$ 57.60	\$ 149.44	198.88%	159.44%
1,000	50.00	57.60	151.44	202.88%	162.92%
2,000	50.00	57.60	153.44	206.88%	166.39%
3,000	51.71	59.31	155.44	200.60%	162.08%
4,000	53.42	61.02	157.44	194.73%	158.02%
5,000	55.13	62.73	159.44	189.21%	154.17%
6,000	56.84	64.44	161.44	184.03%	150.53%
7,000	58.55	66.15	163.44	179.15%	147.08%
8,000	60.26	67.86	165.45	174.55%	143.80%
9,000	61.97	69.57	167.45	170.20%	140.69%
10,000	63.68	71.28	169.45	166.09%	137.72%
15,000	72.23	79.83	179.45	148.44%	124.79%
20,000	80.78	88.38	189.45	134.53%	114.36%
25,000	89.33	96.93	207.46	132.24%	114.03%
50,000	132.08	139.68	297.49	125.23%	112.98%
75,000	174.83	182.43	387.52	121.65%	112.42%
100,000	217.58	225.18	477.55	119.48%	112.07%
125,000	260.33	267.93	567.58	118.02%	111.84%
150,000	303.08	310.68	657.61	116.97%	111.67%
175,000	345.83	353.43	747.64	116.19%	111.54%
200,000	388.58	396.18	837.67	115.57%	111.44%

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

5/8 x 3/4 inch meter - Residential

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

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	216	-	216	2.49%	-	0.00%
1 to 1,000	443	221,500	659	7.59%	221,500	0.28%
1,001 to 2,000	677	1,015,500	1,336	15.38%	1,237,000	1.56%
2,001 to 3,000	863	2,157,500	2,199	25.31%	3,394,500	4.28%
3,001 to 4,000	940	3,290,000	3,139	36.13%	6,684,500	8.42%
4,001 to 5,000	932	4,194,000	4,071	46.86%	10,878,500	13.71%
5,001 to 6,000	771	4,240,500	4,842	55.74%	15,119,000	19.05%
6,001 to 7,000	575	3,737,500	5,417	62.36%	18,856,500	23.76%
7,001 to 8,000	449	3,367,500	5,866	67.53%	22,224,000	28.00%
8,001 to 9,000	386	3,281,000	6,252	71.97%	25,505,000	32.13%
9,001 to 10,000	302	2,869,000	6,554	75.45%	28,374,000	35.75%
10,001 to 12,000	432	4,752,000	6,986	80.42%	33,126,000	41.73%
12,001 to 14,000	335	4,355,000	7,321	84.28%	37,481,000	47.22%
14,001 to 16,000	250	8,042,001	7,571	87.15%	45,523,001	57.35%
16,001 to 18,000	186	3,162,000	7,757	89.29%	48,685,001	61.34%
18,001 to 20,000	148	2,812,000	7,905	91.00%	51,497,001	64.88%
20,001 to 25,000	256	5,760,000	8,161	93.94%	57,257,001	72.14%
25,001 to 30,000	162	4,455,000	8,323	95.81%	61,712,001	77.75%
30,001 to 35,000	101	3,282,500	8,424	96.97%	64,994,501	81.88%
35,001 to 40,000	54	2,025,000	8,478	97.59%	67,019,501	84.43%
40,001 to 50,000	91	4,095,000	8,569	98.64%	71,114,501	89.59%
50,001 to 60,000	49	2,695,000	8,618	99.21%	73,809,501	92.99%
60,001 to 70,000	21	1,365,000	8,639	99.45%	75,174,501	94.71%
70,001 to 80,000	15	1,125,000	8,654	99.62%	76,299,501	96.13%
80,001 to 90,000	6	510,000	8,660	99.69%	76,809,501	96.77%
90,001 to 99,999	8	760,000	8,668	99.78%	77,569,501	97.73%
102,180	1	95,000	8,669	99.79%	77,664,501	97.85%
102,280	1	95,000	8,670	99.80%	77,759,501	97.97%
108,540	1	95,000	8,671	99.82%	77,854,501	98.09%
108,570	1	95,000	8,672	99.83%	77,949,501	98.20%
114,980	1	95,000	8,673	99.84%	78,044,501	98.32%
119,360	1	95,000	8,674	99.85%	78,139,501	98.44%
120,560	1	95,000	8,675	99.86%	78,234,501	98.56%
125,130	1	95,000	8,676	99.87%	78,329,501	98.68%
125,670	1	95,000	8,677	99.88%	78,424,501	98.80%
127,000	1	95,000	8,678	99.90%	78,519,501	98.92%
129,330	1	95,000	8,679	99.91%	78,614,501	99.04%
132,310	1	95,000	8,680	99.92%	78,709,501	99.16%
138,190	1	95,000	8,681	99.93%	78,804,501	99.28%
144,140	1	95,000	8,682	99.94%	78,899,501	99.40%
146,590	1	95,000	8,683	99.95%	78,994,501	99.52%
151,900	1	95,000	8,684	99.97%	79,089,501	99.64%
154,150	1	95,000	8,685	99.98%	79,184,501	99.76%
197,030	1	95,000	8,686	99.99%	79,279,501	99.88%
217,240	1	95,000	8,687	100.00%	79,374,501	100.00%
	8,687	79,374,501				

Average Number of Customers	724
Average Consumption	9,137
Median Consumption	5,330

Supporting Schedules:

Recap Schedules:

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

5/8 x 3/4 inch meter - Commercial

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

X

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	38	-	38	8.12%	-	0.00%
1 to 1,000	106	53,000	144	30.77%	53,000	1.39%
1,001 to 2,000	70	105,000	214	45.73%	158,000	4.13%
2,001 to 3,000	32	80,000	246	52.56%	238,000	6.22%
3,001 to 4,000	17	59,500	263	56.20%	297,500	7.78%
4,001 to 5,000	18	81,000	281	60.04%	378,500	9.89%
5,001 to 6,000	17	93,500	298	63.68%	472,000	12.34%
6,001 to 7,000	11	71,500	309	66.03%	543,500	14.21%
7,001 to 8,000	22	165,000	331	70.73%	708,500	18.52%
8,001 to 9,000	11	93,500	342	73.08%	802,000	20.96%
9,001 to 10,000	9	85,500	351	75.00%	887,500	23.20%
10,001 to 12,000	23	253,000	374	79.91%	1,140,500	29.81%
12,001 to 14,000	17	221,000	391	83.55%	1,361,500	35.59%
14,001 to 16,000	13	312,501	404	86.32%	1,674,001	43.76%
16,001 to 18,000	8	136,000	412	88.03%	1,810,001	47.31%
18,001 to 20,000	7	133,000	419	89.53%	1,943,001	50.79%
20,001 to 25,000	19	427,500	438	93.59%	2,370,501	61.97%
25,001 to 30,000	9	247,500	447	95.51%	2,618,001	68.44%
30,001 to 35,000	3	97,500	450	96.15%	2,715,501	70.98%
35,001 to 40,000	4	150,000	454	97.01%	2,865,501	74.91%
40,001 to 50,000	3	135,000	457	97.65%	3,000,501	78.43%
50,001 to 60,000	2	110,000	459	98.08%	3,110,501	81.31%
60,001 to 70,000	4	260,000	463	98.93%	3,370,501	88.11%
70,001 to 80,000	1	75,000	464	99.15%	3,445,501	90.07%
80,001 to 90,000	-	-	464	99.15%	3,445,501	90.07%
90,001 to 99,999	3	285,000	467	99.79%	3,730,501	97.52%
165,110	1	95,000	468	100.00%	3,825,501	100.00%
	468	3,825,501				

Average Number of Customers 39  
 Average Consumption 8,174  
 Median Consumption 2,625

Supporting Schedules:

Recap Schedules:

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

1 inch meter Residential

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

X

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
-	13	-	13	13.27%	-	0.00%
1 to 1,000	1	500	14	14.29%	500	0.05%
1,001 to 2,000	5	7,500	19	19.39%	8,000	0.74%
2,001 to 3,000	9	22,500	28	28.57%	30,500	2.81%
3,001 to 4,000	5	17,500	33	33.67%	48,000	4.43%
4,001 to 5,000	15	67,500	48	48.98%	115,500	10.65%
5,001 to 6,000	5	27,500	53	54.08%	143,000	13.19%
6,001 to 7,000	5	32,500	58	59.18%	175,500	16.19%
7,001 to 8,000	1	7,500	59	60.20%	183,000	16.88%
8,001 to 9,000	5	42,500	64	65.31%	225,500	20.80%
9,001 to 10,000	2	19,000	66	67.35%	244,500	22.55%
10,001 to 12,000	5	55,000	71	72.45%	299,500	27.63%
12,001 to 14,000	5	65,000	76	77.55%	364,500	33.62%
14,001 to 16,000	3	72,501	79	80.61%	437,001	40.31%
16,001 to 18,000	2	34,000	81	82.65%	471,001	43.45%
18,001 to 20,000	1	19,000	82	83.67%	490,001	45.20%
20,001 to 25,000	8	180,000	90	91.84%	670,001	61.80%
25,001 to 30,000	2	55,000	92	93.88%	725,001	66.88%
30,001 to 35,000	1	32,500	93	94.90%	757,501	69.87%
35,001 to 40,000	-	-	93	94.90%	757,501	69.87%
40,001 to 50,000	3	135,000	96	97.96%	892,501	82.33%
50,001 to 60,000	-	-	96	97.96%	892,501	82.33%
60,001 to 70,000	1	65,000	97	98.98%	957,501	88.32%
70,001 to 80,000	-	-	97	98.98%	957,501	88.32%
80,001 to 90,000	-	-	97	98.98%	957,501	88.32%
90,001 to 99,999	-	-	97	98.98%	957,501	88.32%
126,590	1	126,590	98	100.00%	1,084,091	100.00%
	98	1,084,091				

Average Number of Customers 8.17  
 Average Consumption 11,062  
 Median Consumption 5,140

Supporting Schedules:

Recap Schedules:

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

1 inch meter Commercial

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

X

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	13	-	13	18.06%	-	0.00%
1 to 1,000	-	-	13	18.06%	-	0.00%
1,001 to 2,000	-	-	13	18.06%	-	0.00%
2,001 to 3,000	4	10,000	17	23.61%	10,000	1.63%
3,001 to 4,000	5	17,500	22	30.56%	27,500	4.48%
4,001 to 5,000	7	31,500	29	40.28%	59,000	9.61%
5,001 to 6,000	5	27,500	34	47.22%	86,500	14.09%
6,001 to 7,000	9	58,500	43	59.72%	145,000	23.62%
7,001 to 8,000	4	30,000	47	65.28%	175,000	28.50%
8,001 to 9,000	3	25,500	50	69.44%	200,500	32.65%
9,001 to 10,000	2	19,000	52	72.22%	219,500	35.75%
10,001 to 12,000	7	77,000	59	81.94%	296,500	48.29%
12,001 to 14,000	3	39,000	62	86.11%	335,500	54.64%
14,001 to 16,000	3	94,501	65	90.28%	430,001	70.03%
16,001 to 18,000	2	34,000	67	93.06%	464,001	75.57%
18,001 to 20,000	-	-	67	93.06%	464,001	75.57%
20,001 to 25,000	3	67,500	70	97.22%	531,501	86.56%
25,001 to 30,000	-	-	70	97.22%	531,501	86.56%
30,001 to 35,000	-	-	70	97.22%	531,501	86.56%
35,001 to 40,000	1	37,500	71	98.61%	569,001	92.67%
40,001 to 50,000	1	45,000	72	100.00%	614,001	100.00%
50,001 to 60,000	-	-	72	100.00%	614,001	100.00%
60,001 to 70,000	-	-	72	100.00%	614,001	100.00%
70,001 to 80,000	-	-	72	100.00%	614,001	100.00%
80,001 to 90,000	-	-	72	100.00%	614,001	100.00%
90,001 to 99,999	-	-	72	100.00%	614,001	100.00%
>=100,000	-	-	72	100.00%	614,001	100.00%
	72	614,001				

Average Number of Customers 6.00  
 Average Consumption 8,528  
 Median Consumption 6,235

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

1.5 inch meter Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	8	-	8	16.33%	-	0.00%
1 to 1,000	3	1,500	11	22.45%	1,500	0.10%
1,001 to 2,000	1	1,500	12	24.49%	3,000	0.20%
2,001 to 3,000	-	-	12	24.49%	3,000	0.20%
3,001 to 4,000	1	3,500	13	26.53%	6,500	0.44%
4,001 to 5,000	1	4,500	14	28.57%	11,000	0.74%
5,001 to 6,000	7	38,500	21	42.86%	49,500	3.33%
6,001 to 7,000	1	6,500	22	44.90%	56,000	3.77%
7,001 to 8,000	2	15,000	24	48.98%	71,000	4.78%
8,001 to 9,000	2	17,000	26	53.06%	88,000	5.93%
9,001 to 10,000	-	-	26	53.06%	88,000	5.93%
10,001 to 12,000	-	-	26	53.06%	88,000	5.93%
12,001 to 14,000	2	26,000	28	57.14%	114,000	7.68%
14,001 to 16,000	1	3,501	29	59.18%	117,501	7.91%
16,001 to 18,000	-	-	29	59.18%	117,501	7.91%
18,001 to 20,000	-	-	29	59.18%	117,501	7.91%
20,001 to 25,000	2	45,000	31	63.27%	162,501	10.94%
25,001 to 30,000	1	27,500	32	65.31%	190,001	12.79%
30,001 to 35,000	2	65,000	34	69.39%	255,001	17.17%
35,001 to 40,000	2	75,000	36	73.47%	330,001	22.22%
40,001 to 50,000	1	45,000	37	75.51%	375,001	25.25%
50,001 to 60,000	-	-	37	75.51%	375,001	25.25%
60,001 to 70,000	-	-	37	75.51%	375,001	25.25%
70,001 to 80,000	1	75,000	38	77.55%	450,001	30.30%
80,001 to 90,000	1	85,000	39	79.59%	535,001	36.03%
90,001 to 99,999	1	95,000	40	81.63%	630,001	42.42%
191,730	1	95,000	41	83.67%	725,001	48.82%
116,710	1	95,000	42	85.71%	820,001	55.22%
119,190	1	95,000	43	87.76%	915,001	61.62%
130,080	1	95,000	44	89.80%	1,010,001	68.01%
139,890	1	95,000	45	91.84%	1,105,001	74.41%
140,710	1	95,000	46	93.88%	1,200,001	80.81%
151,200	1	95,000	47	95.92%	1,295,001	87.21%
151,620	1	95,000	48	97.96%	1,390,001	93.60%
161,220	1	95,000	49	100.00%	1,485,001	100.00%
	49	1,485,001				

Average Number of Customers 4.08  
 Average Consumption 30,306  
 Median Consumption 8,500

Supporting Schedules:

Recap Schedules:

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

1.5 inch meter Commercial

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

X

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	4	-	4	12.12%	-	0.00%
1 to 1,000	8	4,000	12	36.36%	4,000	0.60%
1,001 to 2,000	-	-	12	36.36%	4,000	0.60%
2,001 to 3,000	1	2,500	13	39.39%	6,500	0.98%
3,001 to 4,000	1	3,500	14	42.42%	10,000	1.51%
4,001 to 5,000	1	4,500	15	45.45%	14,500	2.19%
5,001 to 6,000	-	-	15	45.45%	14,500	2.19%
6,001 to 7,000	-	-	15	45.45%	14,500	2.19%
7,001 to 8,000	-	-	15	45.45%	14,500	2.19%
8,001 to 9,000	-	-	15	45.45%	14,500	2.19%
9,001 to 10,000	-	-	15	45.45%	14,500	2.19%
10,001 to 12,000	1	11,000	16	48.48%	25,500	3.85%
12,001 to 14,000	1	13,000	17	51.52%	38,500	5.81%
14,001 to 16,000	-	14,501	17	51.52%	53,001	7.99%
16,001 to 18,000	-	-	17	51.52%	53,001	7.99%
18,001 to 20,000	-	-	17	51.52%	53,001	7.99%
20,001 to 25,000	1	22,500	18	54.55%	75,501	11.39%
25,001 to 30,000	3	82,500	21	63.64%	158,001	23.83%
30,001 to 35,000	5	162,500	26	78.79%	320,501	48.34%
35,001 to 40,000	3	112,500	29	87.88%	433,001	65.31%
40,001 to 50,000	2	90,000	31	93.94%	523,001	78.88%
50,001 to 60,000	-	-	31	93.94%	523,001	78.88%
60,001 to 70,000	1	65,000	32	96.97%	588,001	88.69%
70,001 to 80,000	1	75,000	33	100.00%	663,001	100.00%
80,001 to 90,000	-	-	33	100.00%	663,001	100.00%
90,001 to 99,999	-	-	33	100.00%	663,001	100.00%
>100,000	-	-	33	100.00%	663,001	100.00%
	33	663,001				

Average Number of Customers 2.75  
 Average Consumption 20,091  
 Median Consumption 13,800

Supporting Schedules:

Recap Schedules:

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

2 inch meter

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

X

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	-	-	-	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	4	18,000	4	11.11%	18,000	3.39%
5,001 to 6,000	3	16,500	7	19.44%	34,500	6.49%
6,001 to 7,000	3	19,500	10	27.78%	54,000	10.16%
7,001 to 8,000	3	22,500	13	36.11%	76,500	14.39%
8,001 to 9,000	2	17,000	15	41.67%	93,500	17.59%
9,001 to 10,000	2	19,000	17	47.22%	112,500	21.17%
10,001 to 12,000	2	22,000	19	52.78%	134,500	25.31%
12,001 to 14,000	3	39,000	22	61.11%	173,500	32.64%
14,001 to 16,000	1	22,001	23	63.89%	195,501	36.78%
16,001 to 18,000	1	17,000	24	66.67%	212,501	39.98%
18,001 to 20,000	1	19,000	25	69.44%	231,501	43.56%
20,001 to 25,000	4	90,000	29	80.56%	321,501	60.49%
25,001 to 30,000	6	165,000	35	97.22%	486,501	91.53%
30,001 to 35,000	-	-	35	97.22%	486,501	91.53%
35,001 to 40,000	-	-	35	97.22%	486,501	91.53%
40,001 to 50,000	1	45,000	36	100.00%	531,501	100.00%
50,001 to 60,000	-	-	36	100.00%	531,501	100.00%
60,001 to 70,000	-	-	36	100.00%	531,501	100.00%
70,001 to 80,000	-	-	36	100.00%	531,501	100.00%
80,001 to 90,000	-	-	36	100.00%	531,501	100.00%
90,001 to 100,000	-	-	36	100.00%	531,501	100.00%
>100,000	-	-	36	100.00%	531,501	100.00%
	36	531,501				

Average Number of Customers 3.00  
 Average Consumption 14,764  
 Median Consumption 10,750

Supporting Schedules:

Recap Schedules:

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

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"/>

**Emergency Surcharge**

Amount of Surcharge: \$7.60 per customer per month  
 Surcharge Approved in Decision 71322, October 30, 2009

	<u>Nov and Dec 2009 Bills</u>	<u>Surcharge</u>	<u>Surcahrge Revenue</u>
<b>Residential</b>			
5-8 inch	1416	\$ 7.60	\$ 10,761.60
1.5 inch	16	7.60	121.60
1 inch	8	7.60	60.80
2 inch	0	7.60	-
<b>Residential Total</b>			<b>\$ 10,944.00</b>
<b>Commercial</b>			
5-8 inch	83	\$ 7.60	\$ 630.80
1.5 inch	12	\$ 7.60	\$ 91.20
1 inch	8	\$ 7.60	\$ 60.80
2 inch	6	\$ 7.60	\$ 45.60
<b>Commercial Total</b>			<b>\$ 828.40</b>
<b>Total East Slope Surcharge Revenues</b>			<b>\$ 11,772.40</b>

# **EXHIBIT 3**

**WATER USE DATA SHEET**

<b>NAME OF COMPANY</b>	East Slope Water Company
<b>ADEQ Public Water System Number:</b>	02-028

<b>MONTH/YEAR (12 Months of Test Year)</b>	<b>NUMBER OF CUSTOMERS</b>	<b>GALLONS SOLD (Thousands)</b>	<b>GALLONS PUMPED (Thousands)</b>
1. January	786	5,137	5,279
2. February	788	4,151	5,330
3. March	792	5,340	5,331
4. April	791	4,238	6,659
5. May	785	9,527	10,149
6. June	782	9,006	9,009
7. July	786	8,054	8,334
8. August	789	10,329	10,674
9. September	786	8,003	8,546
10. October	788	6,501	6,847
11. November	787	7,044	7,880
12. December	781	4,511	4,959
<b>TOTAL</b>	N/A	81,841	88,997

Is the water utility located in an ADWR Active Management Area ("AMA")?

YES       NO

Does the Company have an ADWR gallons per capita day ("GPCD") requirement?

YES       NO

If Yes, please provide the GPCD amount:      N/A

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

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

# **EXHIBIT 4**

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-805786 Well 1	20	80	549	8	3	1964
55-805787 Well 2	20	100	560	8	3	1963
55-805788 Well 3	75	40	620	12	2	1971
55-805789 Well 4	75	300	802	10	4	1977
55-551665 Well 8	5.5	60	300	6	1	1995

\* 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
15.0	2
30.0	2

**FIRE HYDRANTS**

Quantity Standard	Quantity Other
4	1

**STORAGE TANKS**

Capacity	Quantity
200,000 gal	1
50,000 gal	1

**PRESSURE TANKS**

Capacity	Quantity
5,000 gal	3
3,000 gal	1
1,000 gal	1
85 gal	1

Company Name: East Slope Water Company

Test Year Ended: 31-Dec-09

WATER COMPANY PLANT DESCRIPTION CONTINUED

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	28,000
3	AC	16,000
4	AC/PVC	97,000
5		
6	AC/PVC	10,000
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	792
3/4	
1	15
1 1/2	10
2	3
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:

5 chlorinators

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STRUCTURES:

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OTHER:

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# **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**

<b>System Name</b> EAST SLOPE WATER COMPANY	<b>System Type</b> <input checked="" type="checkbox"/> Community <input type="checkbox"/> Non-transient Non-community <input type="checkbox"/> Transient Non-community	<b>Is system consecutive?</b> <input type="checkbox"/> Yes, to PWS # <input checked="" type="checkbox"/> No
<b>System ID #</b> 02028		

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

<b>Operation and Maintenance status</b>	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
<b>Date of last Sanitary Survey</b>	3/5/07	<b>Inspector</b> John Eyre, SRO
<b>Major unresolved/ongoing operation and maintenance deficiencies:</b>		
<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: Recommendations made on source and distribution system.		

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

System Information	
Population Served	2000
Service Connections	773
Number of Entry Points to the Distribution System	7
Number of Sources	7
Initial Monitoring Year	1994
Monitoring Assistance Program (MAP) System	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<b>Evaluation completed by</b>	Donna Calderon, Manager <i>DC</i> Drinking Water Monitoring and Protection Unit		
<b>Phone</b>	802-771-4841	<b>Date</b>	April 22, 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.		
<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.		
<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.		

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

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

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

Owner Id #: 10118	Invoice Number 66308
To: WATKINS, BOB PO BOX 85160 TUCSON AZ 85754	Public Water System ID #: 02028
	Billing for Calendar Year: 2010
	Due Date: December 11, 2009
	Total Amount Due ..... \$ 2,365.11
	Amount Paid ..... \$

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

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

ADEQ Federal Tax #866004791

Annual Sampling Fee Invoice

Invoice # 66308

WATKINS, BOB PO BOX 85160  TUCSON AZ 85754	Owner Id #: 10118	MAP
	Billing for Calendar Year: 2010	
	Due Date: 12/11/2009	
	02028 - Watkins, Bob	

ANNUAL SAMPLING FEE WORKSHEET *ESW*

**ENTERED**  
NOV - 3 2009  
BY: \_\_\_\_\_

Base Fee (all MAP systems) .....	\$ 250.00
Fee per Connection in 2010..... 823 connections X \$ 2.57 .....	\$ 2,115.11
Total Sampling Fee .....	\$ 2,365.11
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 .....	\$ 2,365.11
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:	CS3 10/27/2009 WM200G

# **EXHIBIT 7**

East Slope - Monitoring Cycle/Costs per Test

Contaminant	Monitoring Cycle	# of tests per cycle	Cost per Test
Total Coliform	Monthly	3	\$ 25.00
TTHM	Yearly	4	110.00
HAA5	Yearly	4	155.00
Copper & Lead	Tri-Annually	10	33.00

# **EXHIBIT 8**

Turner Laboratories, Inc.

DATE: 06-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 East Slope  
P.O. Box 85160  
Tucson, AZ 85754  
Attn: Keith Dojaquez

Phone: (520) 437-4613

Work Order: 0901748

PO Number:

Order Name

Date Received 1/29/2009

Invoice Number:	901748
-----------------	--------

Payment Due Date: 08-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	5	\$20.00	1	\$20.00	\$100.00

**Order TOTAL: \$100.00**

Discount: 0.00%

Surcharge: 0.00%

Misc Charges: \$0.00

### Misc Comments

Subtotal: \$100.00

Payment Received: \$0.00

**INVOICE Total \$100.00**

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 East Slope  
P.O. Box 85160  
Tucson, AZ 85754  
Attn: Keith Dojaquez  
  
Phone: (520) 437-4613  
Work Order: 0901266  
PO Number:  
Order Name  
Date Received 1/8/2009

**Invoice Number: 901266**

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	2	\$20.00	1	\$20.00	\$40.00

**Order TOTAL: \$40.00**  
Discount: 0.00%  
Surcharge: 0.00%  
Misc Charges: \$0.00

Misc Comments

Subtotal: \$40.00  
Payment Received: \$0.00  
**INVOICE Total \$40.00**

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

Turner Laboratories, Inc.

DATE: 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 East Slope  
P.O. Box 85160  
Tucson, AZ 85754  
Attn: Keith Dojaquez

Phone: (520) 437-4613

Work Order: 0902616

PO Number:

Order Name

Date Received 2/19/2009

**Invoice Number: 902616**

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	5	\$20.00	1	\$20.00	\$100.00

**Order TOTAL: \$100.00**

Discount: 0.00%

Surcharge: 0.00%

Misc Charges: \$0.00

Misc Comments

Subtotal: \$100.00

Payment Received: \$0.00

**INVOICE Total \$100.00**

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

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: East Slope Water  
PO Box 85160  
Tucson, Arizona 85754  
Attn: Elane Byfield

**Invoice Number: 09C0416**

Phone: (520) 623-5172  
Work Order: 09C0416  
PO Number:  
Received: 03/11/2009

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	5	\$20.00	\$100.00

**Invoice Total: \$100.00**

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

Invoice Date: 03/18/2009

# Turner Laboratories, Inc.

## INVOICE

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

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

Invoice To: East Slope Water  
P.O. Box 390  
Sahuarita, Arizona 85629-0390  
Attn: Elane Byfield

Invoice Number: 09C0331

Phone: (520) 623-5172  
Work Order: 09C0331  
PO Number:  
Received: 03/09/2009

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	2	\$20.00	\$40.00

Invoice Total: \$40.00

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: East Slope Water  
Attn: Elane Byfield  
PO Box 85160  
Tucson, AZ 85754

**Invoice Number: 09D0240**

Payment Due Date: 05/11/2009

Phone: (520) 623-5172  
Work Order: 09D0240  
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	5	\$20.00	\$100.00

**Invoice Total: \$100.00**

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: 04/13/2009

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: East Slope Water  
Attn: Elane Byfield  
PO Box 85160  
Tucson, AZ 85754

**Invoice Number: 09D0371**

Payment Due Date: 05/13/2009

Phone: (520) 623-5172  
Work Order: 09D0371  
PO Number:  
Received: 04/08/2009

Payment Terms: Net 30 Days

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Coliform by Colilert [10 day]	Drinking Water	6	\$20.00	\$120.00

**Invoice Total: \$120.00**

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

Turner Laboratories, Inc.

DATE: 10-Nov-08

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

Invoice TO East Slope  
P.O. Box 85160  
Tucson, AZ 85754  
Attn: Keith Dojaquez

Phone: (520) 437-4613  
Work Order: 0811238  
PO Number:  
Order Name  
Date Received 11/5/2008

**Invoice Number: 811238**

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	2	\$20.00	1	\$20.00	\$40.00

**Order TOTAL: \$40.00**

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

Misc Comments

Subtotal: \$40.00  
Payment Received: \$0.00

**INVOICE Total \$40.00**

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

Turner Laboratories, Inc.

DATE: 15-Dec-08

# 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 East Slope  
P.O. Box 85160  
Tucson, AZ 85754  
Attn: Keith Dojaquez  
Phone: (520) 437-4613  
Work Order: 0812431  
PO Number:  
Order Name  
Date Received 12/10/2008

**Invoice Number: 812431**

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	2	\$20.00	1	\$20.00	\$40.00

**Order TOTAL: \$40.00**  
Discount: 0.00%  
Surcharge: 0.00%  
Misc Charges: \$0.00

**Misc Comments**

Subtotal: \$40.00  
Payment Received: \$0.00  
**INVOICE Total \$40.00**

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: East Slope Water  
Attn: Elane Byfield  
PO Box 85160  
Tucson, AZ 85754

Project Name: Drinking Water

**Invoice Number: 09E0178**

Payment Due Date: 06/12/2009

Phone: (520) 623-5172  
Work Order: 09E0178  
PO Number:  
Received: 05/05/2009

Payment Terms: Net 30 Days

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Coliform by Collert [10 day]	Drinking Water	5	\$20.00	\$100.00

**Invoice Total: \$100.00**

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: 06/25/2009

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: East Slope Water  
Attn: Elane Byfield  
PO Box 85160  
Tucson, AZ 85754

Project Name: Drinking Water

**Invoice Number: 09F0578**

Payment Due Date: 07/27/2009

Phone: (520) 623-5172  
Work Order: 09F0578  
PO Number:  
Received: 06/16/2009

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

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: East Slope Water  
Attn: Elane Byfield  
PO Box 85160  
Tucson, AZ 85754

Project Name: Drinking Water

**Invoice Number: 09G0318**

Payment Due Date: 08/17/2009

Phone: (520) 623-5172  
Work Order: 09G0318  
PO Number:  
Received: 07/07/2009

Payment Terms: Net 30 Days

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Coliform by Colilert [10 day]	Drinking Water	2	\$20.00	\$40.00

**Invoice Total: \$40.00**

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: 07/31/2009

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: East Slope Water  
Attn: Elane Byfield  
PO Box 85160  
Tucson, AZ 85754

Project Name: Drinking Water

**Invoice Number: 09G0483**

Payment Due Date: 09/01/2009

Phone: (520) 623-5172  
Work Order: 09G0483  
PO Number:  
Received: 07/14/2009

Payment Terms: Net 30 Days

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
TTHM by E524.2 [10 day]	Drinking Water	2	\$150.00	\$300.00
Haloacetic Acids by 552.2 [10 day]	Drinking Water	2	\$155.00	\$310.00

**Invoice Total: \$610.00**

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

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: East Slope Water  
Attn: Elane Byfield  
PO Box 85160  
Tucson, AZ 85754

Project Name: Drinking Water 02-028

Invoice Number: 09H0280

Payment Due Date: 09/11/2009

Phone: (520) 623-5172  
Work Order: 09H0280  
PO Number:  
Received: 08/05/2009

Payment Terms: Net 30 Days

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Coliform by Collert [10 day]	Drinking Water	2	\$20.00	\$40.00

**Invoice Total: \$40.00**

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: 06/09/2009

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: East Slope Water  
Attn: Elane Byfield  
PO Box 85160  
Tucson, AZ 85754

Project Name: Drinking Water

**Invoice Number: 09F0193**

Payment Due Date: 07/09/2009

Phone: (520) 623-5172  
Work Order: 09F0193  
PO Number:  
Received: 06/02/2009

Payment Terms: Net 30 Days

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Coliform by Colilert [10 day]	Drinking Water	2	\$20.00	\$40.00

**Invoice Total: \$40.00**

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

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: East Slope Water  
Attn: Elane Byfield  
PO Box 85160  
Tucson, AZ 85754

Project Name: Drinking Water 02-028

Invoice Number: 09K0266

Payment Due Date: 12/11/2009

Phone: (520) 623-5172  
Work Order: 09K0266  
PO Number:  
Received: 11/04/2009

Payment Terms: Net 30 Days

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Coliform by Colilert [10 day]	Drinking Water	2	\$20.00	\$40.00

**Invoice Total: \$40.00**

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

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: East Slope Water  
Attn: Keith Dojaquez  
PO Box 85160  
Tucson, AZ 85754

Project Name: Drinking Water 02-028

**Invoice Number: 09L0177**

Payment Due Date: 01/07/2010

Phone: (520) 623-5172  
Work Order: 09L0177  
PO Number:  
Received: 12/02/2009

Payment Terms: Net 30 Days

Analysis/Description	Matrix	Quantity	Unit Cost	Extended Cost
Coliform by Colilert [10 day]	Drinking Water	2	\$20.00	\$40.00
<b>Invoice Total:</b>				<b>\$40.00</b>

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**



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

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

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

Owner Id #: 10118	Invoice Number 66308
To: WATKINS, BOB PO BOX 85160 TUCSON AZ 85754	Public Water System ID #: 02028
	Billing for Calendar Year: 2010
	Due Date: December 11, 2009
	Total Amount Due ..... \$ 2,365.11
	Amount Paid ..... \$

↑ Keep the top portion for your records. ↑

ADEQ Federal Tax #866004791

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

ADEQ Federal Tax #866004791

Annual Sampling Fee Invoice

Invoice # 66308

WATKINS, BOB PO BOX 85160  TUCSON AZ 85754	Owner Id #: 10118	MAP
	Billing for Calendar Year: 2010	
	Due Date: 12/11/2009	
	02028 - Watkins, Bob	

ANNUAL SAMPLING FEE WORKSHEET *ESW*

**ENTERED**  
NOV - 3 2009  
BY: \_\_\_\_\_

Base Fee (all MAP systems) .....	\$ 250.00
Fee per Connection in 2010. .... 823 connections X \$ 2.57 .....	\$ 2,115.11
Total Sampling Fee .....	\$ 2,365.11
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 .....	\$ 2,365.11
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:

CS3 10/27/2009  
WM300Go