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8 **BEFORE THE ARIZONA CORPORATION COMMISSION**

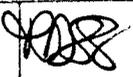
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10 **COMMISSIONERS**

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

Arizona Corporation Commission

DOCKETED

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16 **IN THE MATTER OF THE APPLICATION**
17 **OF SOUTHLAND UTILITIES COMPANY,**
18 **INC. FOR AUTHORITY TO INCUR LONG-**
19 **TERM DEBT**

DOCKET NO. W-02062A-09-0466
DOCKET NO. W-02062A-09-0515

20 **AND**

POST-HEARING BRIEF

21 **IN THE MATTER OF THE APPLICATION**
22 **OF SOUTHLAND UTILITIES COMPANY,**
23 **INC. FOR A RATE INCREASE.**

24
25 Southland Utilities Company, Inc. ("Southland" or "Company") hereby files its
26 post-hearing brief setting forth its final rate schedules and positions on outstanding
27 issues.
28

1 **Preliminary Statement**

2 Southland's current rates were set in the 1990's. Today, a typical residential
3 customer still pays a base rate (usage charge) of \$10.00 and a commodity rate of \$1.33
4 for 1,000 gallons. Such a customer currently can use 5,000 gallons of water for less than
5 \$17.00 a month. Clearly, these are extremely low rates, and through this rate case
6 Southland has established that these rates must substantially increase so the Company can
7
8 continue to operate and make necessary improvements.
9

10 The Company's concern is that Staff has decided to apply unconventional rate-
11 making methods that effectively reduce revenue that the Company needs to operate and
12 maintain the system and pay its debt obligations to WIFA. Staff's most irregular
13 approach is its use of debt-service coverage to be the driving factor in setting rates. Staff
14 has decided that the Company should have a debt service coverage of 1.25, and then
15 designed rates to achieve that coverage. *See* Tr. p. 137, ln. 10-24 (Becker).
16

17 Compounding the problem is the fact that Staff's proposed rates chip away at the
18 Company's proposed base rate usage fees, leaving the Company with less assured
19 revenue, and implements a fourth tier rate that is designed to promote water conservation,
20 which if successful will reduce the Company's revenue along with water consumption.
21 Finally, Staff substantially reduces the water testing expenses and leaves the Company
22 with only enough money to make the bare minimum of testing. The result of Staff's
23 proposal, if followed, is that the Company will not generate enough money to address
24 unforeseen system problems that may arise.
25
26
27
28

This brief discusses in detail: (1) the revenue requirement and debt service

1 coverage; (2) rate design; (3) water testing expense; (4) working capital; and (5) taxes.

2 As supported below, Southland moves the court to adopt its proposed schedules set forth
3 in Exhibit 1 and urges the court to follow the Company's positions regarding the issues
4 addressed herein.
5

6 **Revenue Requirement and Debt Service Coverage**

7
8 Simply stated, Staff is proposing to deprive the Company's owners of not only a
9 return on investment, but they are now proposing to deny the Company a return of
10 investment. They do this by essentially redirecting the return of investment (i.e.
11 depreciation) to pay to serve the WIFA loan. They justify it by adjusting the rates to be
12 just enough to meet the 1.25 debt service coverage ratio. This is neither standard nor
13 appropriate rate-making policy.
14

15
16 As the court may recall, the Company accepted Staff's unconventional approach to
17 bifurcate the revenue streams necessary to service the \$1,825,941 WIFA loan. Staff
18 proposed that \$1,045,941 of the loan would be recovered through a monthly surcharge.
19 The Company has no problem with the proposed surcharge.
20

21 The Company does disagree, however, with Staff's position that the remaining
22 \$780,000 necessary to service the WIFA loan should be paid using the Company's
23 depreciation and operating income. This approach would leave the Company with
24 virtually no money. The following table illustrates this point:
25
26
27
28

1	Company Depreciation ¹	\$30,612
2	Operating Income	\$41,798
3	Proforma Cash Flow Subtotal	\$72,410
4	Principle payment on \$780,000 WIFA Loan	\$22,662
5	Interest payment on \$780,000 WIFA Loan	\$40,410
6	Debt Service on \$780,000	\$63,072
7	Proforma Cash Flow – Debt Service on \$780,000	\$9,338

8
9 Thus, under Staff's proposal, out of the \$30,612 that the owners should receive as a
10 return of their investment, the Company owners would get back \$9,338. That means only
11 30.5% of the previous capital investment will be returned to the investors. Put another
12 way, the investors will be losing 69.5% of their investment and getting no return.

13
14 Finally, the Company believes that setting rates based upon debt service coverage
15 in inappropriate. Staff admits that it used debt service coverage to generate its proposed
16 rates. See Tr. p. 137, ln. 10-24 (Becker). By doing so, Staff completely disregards the
17 fact that the owners will lose much of their investment.
18

19 **Rate Design**

20 The Company's rate design applies a very common model. It sets the monthly
21 minimum (base rate) so it generates 50% of the necessary total revenue requirement,
22 leaving the other 50% of the revenue requirement to be generated from the commodity
23 rates. This is a widely accepted approach and makes sense here because the Company
24 will have a substantial debt service obligation which will not change due to operating
25
26
27

28 ¹ Staff Surrebuttal Schedule GWB-10.

1 factors. Admittedly, Staff's recommendation of 46% is close to the Company's proposal,
2 but Southland asserts 50% is a better approach due to the fact that the Company will have
3 a substantial WIFA loan and "they are going to need a guaranteed revenue stream to be
4 able to not slide into default with WIFA." See Tr. at p. 51, ln. 3-6 (Rowell).

5
6 The Company also maintains its position for applying three commodity tiers. This
7 has been Staff's standard formula for small water utilities for over a decade, it works well
8 and is administratively less burdensome. The Company cannot support a fourth
9 commodity tier. The purpose of the fourth tier is to encourage customers to conserve
10 water. While the Company supports that goal, it also recognizes that conservation means
11 a reduction in water sales and revenue. Ms. Rowell made this point at the hearing:
12

13
14 You need to have a certain amount of guaranteed revenue to pay the bills.
15 And when you throw this kind of tier rates that encourages conservation,
16 you're intentionally wrecking the demand because people will want to use
17 less water so they can pay less.... [S]o when those people start conserving,
18 there is going to be less revenue. And I'm afraid if the guaranteed revenue
19 that they will get from the monthly minimum is too low and people start
20 conserving, they will be right back in for more rates.

21 Tr. at p. 69, ln. 9-20 (Rowell). Thus, the Company believes that the court should follow
22 its recommendation and adopt its three-tier commodity rates and the monthly minimum
23 approach.

24 **Water Testing Expense**

25 The issue is whether water quality testing expense should be based upon either: (a)
26 actual water quality testing reasonably preformed during the test year; or (b) the cost to
27 perform the minimum amount of testing required by ADEQ? The Company believes that
28 all water quality testing actually preformed during the test year should be the basis for

1 establishing ongoing testing expense. As explained by Ms. O'Connor, water companies
2 usually have to conduct water tests beyond what ADEQ requires to ensure the water
3 quality is not compromised when a line breaks or when a customer makes a complaint
4 that could be an issue. See Tr. at p. 19, ln. 17-22. Here, the Company incurred some
5 additional water quality testing expense for testing of VOCs and disinfection byproducts.
6 See Tr. at p. 28, ln. 1 to p. 29, ln. 14. While these tests were not required by ADEQ at the
7 time they were taken, the Company's operator testified that such testing above and
8 beyond ADEQ regulations is prudent to ensure public health standards are being
9 continually met. See Tr. at p. 27, ln. 21-25. Accordingly, the Company believes that its
10 proposal for testing expense in the amount of \$6,087 is appropriate.
11
12
13

14 Finally, as requested by the court, the Company's current management did review
15 the TTHMs testing invoices and did confirm that the invoices are not duplicative – the
16 test was done twice.
17

18 **Working Capital**

19 The Company asserts working capital should be allowed in this case. Here,
20 Southland was a Class D during the test year and it will only become a Class C under the
21 proposed rates, primarily due to the need to generate revenue to pay the WIFA loan debt
22 obligations. Expecting a small water company like Southland to perform an expensive
23 lead/lag study is neither reasonable nor feasible. In support of this position, Ms. Rowell
24 explained:
25
26

27 Working capital is normally given without question to Class D and E
28 utilities using the formula method. As you get to be a larger company,
Staff does not allow the formula method to be used to calculate working

1 capital. They insist on a lead/lag study. In the test year the company was a
2 full-on Class D. They had \$135,000 of revenue, which makes them a D.
3 They only are going to be a C at proposed rates driven in most part by the
4 WIFA loan. So I feel that working capital – the working capital allowance
5 in rate base is necessary and important to small water companies to remain
6 viable

7 Tr. at p. 44, ln. 6-17 (Rowell). Thus, the Company believes it is reasonable in this case to
8 apply the working capital formula method.

9 **Taxes**

10 The Company and Staff agree on the method for calculating taxes, but the parties
11 disagree on revenue requirement which drives taxes. The proposed property tax and
12 income taxes are driven by the proposed revenue and taxable income. As a result, the
13 Company's higher proposed revenue and income calculate to higher property taxes and
14 income taxes. See Tr. at p. 43, ln. 3-22 (Rowell). Accordingly, Southland moves for the
15 court to adopt the Company's position on revenue and income, and follow the agreed-
16 upon method for calculating taxes, which should result in sufficient revenue to enable the
17 Company to pay its tax obligations.
18
19

20 RESPECTFULLY SUBMITTED this 1st day of October, 2010.

21 **MOYES SELLERS & SIMS LTD.**

22
23 

24 Steve Wene

25 Attorneys for Southland Utilities Company, Inc.
26
27
28

1 Original and 15 copies of the foregoing
2 filed this 1st day of October, 2010, with:

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

8 Copy of the foregoing emailed this
9 Same day to:

10 Robin Mitchell
11 rmitchell@azcc.gov

12 *Sonnely Herbert*

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EXHIBIT 1

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

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

	Original Cost	RCND
1. Adjusted Rate Base	\$ 440,294 (a)	(a)
2. Adjusted Operating Income	(63,779) (b)	(b)
3. Current Rate of Return	0.00%	
4. Required Operating Income	\$ 44,029	
5. Required Rate of Return	10.00%	
6. Operating Income Deficiency (4 - 2)	\$ 107,808	
7. Gross Revenue Conversion Factor	1.3895 (c)	(c)
8. Increase in Gross Revenue Requirements (6 x 7)	\$ 149,800	

9. Proposed Revenue	\$ 338,580
10. Required Operating Margin	23.29%
11. Required Operating Income (9 x 10)	\$ 78,840
12. Operating Income Deficiency (11 - 2)	\$ 142,619
13. Gross Revenue Conversion Factor	1.3895
14. Increase in Gross Revenue Requirements (12 x 13)	\$ 198,169

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase
Residential	\$ 125,605	\$ 304,626	\$ 179,021	142.53%
Commercial	10,108	29,256	19,148	189.43%
Industrial	-	-	-	-
Other	4,698	4,698	-	0.00%
Total	\$ 140,411	\$ 338,580	\$ 198,169	141.13%

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

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

Final 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-06	31-Dec-07	Rates	Rates	Rates	Rates
	(a)	(a)	(a)	(b)	(c)	(c)
1. Gross Revenues	\$ 143,769	\$ 143,460	\$ 140,666	\$ 140,411	\$ 140,411	\$ 338,580
2. Revenue Deductions & Operating Expenses	(127,504)	(149,397)	(167,530)	(204,190)	(204,190)	(259,740)
3. Operating Income	\$ 16,265	\$ (5,937)	\$ (26,864)	\$ (63,779)	\$ (63,779)	\$ 78,840
4. Other Income and Deductions	3,206	3,332	(15,707)	-	-	-
5. Interest Expense	(67)	(165)	(65)	(40,475)	(40,475)	(40,475)
6. Net Income	\$ 19,404	\$ (2,770)	\$ (42,636)	\$ (104,254)	\$ (104,254)	\$ 38,365
7. Earned Per Average Common Share*	\$ 48.51	\$ (6.93)	\$ (106.59)	\$ (260.63)		
8. Dividends Per Common Share*	-	-	-	-		
9. Payout Ratio*	0.00%	0.00%	0.00%	0.00%		
10. Return on Average Invested Capital	9.08%	-1.24%	-9.67%	-23.65%	-7.05%	2.60%
11. Return on Year End Capital	10.78%	-1.03%	-8.45%	-15.62%	-5.21%	1.92%
12. Return on Average Common Equity	11.33%	-1.99%	-28.24%	-69.05%	-91.80%	33.78%
13. Return on Year End Common Equity	20.43%	-1.51%	-24.67%	-60.33%	-60.11%	22.12%
14. Times Bond Interest Earned - Before Inc Tax	24007.46%	-1141.21%	-58789.91%	-217.95%	-217.95%	242.23%
15. Times Total Interest and Preferred Dividends Earned - After Income Taxes	-28861.19%	1778.79%	65694.53%	357.58%	357.58%	5.21%

Supporting Schedules:

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

*Optional for projected year

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

Final 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

Spec'l Reqmt

X

Year	Construction Expenditures (a)	Net Plant Placed In Service (b)	Gross Utility Plant In Service
1. Prior Year 1 - 2006	\$ 29,768	\$ 13,967	\$ 489,724
2. Prior Year 2 - 2007	89,689	(1,609)	488,115
3. Test Year - 2008	619,070	318,837	806,952
4. Projected Year 1	1,331,319	1,589,022	2,395,974
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

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

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

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

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

	Original Cost Rate Base*	RCND Rate Base*
1. Gross Utility Plant in Service	\$ 806,952	
2. Less: Accumulated Depreciation	<u>(379,845)</u>	
3. Net Utility Plant in Service	\$ 427,107 (a)	(b)
Less:		
4. Advances in Aid of Construction	\$ 3,182 (c)	(c)
5. Contributions in Aid of Construction	105,798	
6. Amortization of CIAC	<u>(99,602)</u>	
7. Net CIAC	\$ 6,196 (c)	(c)
Add:		
6. Allowance for Working Capital	<u>22,565 (d)</u>	(d)
7. Total Rate Base	<u>\$ 440,294 (e)</u>	(e)

* Including pro forma adjustments

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

Supporting Schedules:

- (a) B-2 (d) B-5
- (b) B-3
- (c) E-1

Recap Schedules:

- (e) A-1

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

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"/>

	Actual at End Of Test Year (a)	Pro forma Adjustment		Adjusted at End Of Test Year (b)
1. Gross Utility Plant in Service	\$ 780,091	\$ 26,861	1	\$ 806,952
2. Less: Accumulated Depreciation	(398,206)	18,361	2	(379,845)
3. Net Utility Plant in Service	\$ 381,885	\$ 26,861		\$ 427,107
Less:				
4. Advances in Aid of Construction	\$ 3,182	\$ -		\$ 3,182
5. Contributions in Aid of Construction	\$ 105,798	\$ (21,024)	3	\$ 84,774
6. Amortization of CIAC	(99,602)	21,024	4	(78,578)
7. Net CIAC	\$ 6,196	\$ -		\$ 6,196
Add:				
8. Allowance for Working Capital	\$ 22,501	\$ 64	5	\$ 22,565
9. WIFA Loan Construction WIP	1,331,319	(1,331,319)	6	-
10. Plant Held for Future Use	302,295	(302,295)	7	-
11. Total Rate Base	\$ 2,028,622	\$ (1,606,689)		\$ 440,294

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

1 Adopt Staff's Plant adjustments:

Increase value of new storage tank	\$ 45,222	Schedule	GWB-4	Adj #1
Old storage tank retirement	(21,024)	Schedule	GWB-4	Adj #2
Old storage tank retirement	2,663	Schedule	GWB-4	Adj #5
Total Company Proforma Adj 1	\$ 26,861			

Note: The Company has also accepted Staff Adjustment #3 on Schedule GWB-4, which reclassifies \$27,782 from Distribution Reservoirs to Storage Tanks, net effect zero to total.

2 Adopt Staff's Accumulated Depreciation adjustments:

Old storage tank retirement	\$ 21,024	Schedule	GWB-4	Adj #2
Old storage tank retirement	(2,663)	Schedule	GWB-4	Adj #5
Total Company Proforma Adj 2	\$ 18,361			

- 3 Adjust CIAC for old storage tank retirement per Schedule GWB-4 Adj #2.
- 4 Adjust CIAC amortization for old storage tank retirement per Schedule GWB-4 Adj #2.
- 5 Adjust working capital allowance to adjusted expense amounts per Rebuttal Schedule B-5.
- 6 Adopt Staff adjustment to CWIP per Schedule GWB-4 Adj #4.
- 7 Adopt Staff adjustment to Plant Held for Future Use per Schedule GWB-4 Adj #4.

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

Supporting Schedules:
 (a) E-1

Recap Schedules:
 (b) B-1

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

Final 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>Cash working capital</u>	<u>Amount</u>	<u>Total</u>
Test Year adjusted purchased power expense	\$ 30,416	
Factor	<u>24</u>	
Purchased Power share of allowance		\$ 1,267
Test Year adjusted purchased water expense	\$ -	
Factor	<u>24</u>	
Purchased Water share of allowance		\$ -
Test Year Operation & Maintenance Expenses	\$ 168,386	
Factor	<u>8</u>	
Operation & Maintenance share of allowance		\$ 21,048
Materials and Supplies Inventories		\$ - (a)
Prepayments		\$ <u>249</u> (a)
Total Working Capital Allowance		\$ <u>22,565</u> (b)

NOTES:

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

Supporting Schedules:
 (a) E-1

Recap Schedules:
 (b) B-1

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

Final Schedule C-1
 Title: Adjusted Test Year Income
 Statement

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

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

Description	Actual for Test		Proforma		Test Year		Proposed	Adjusted Test
	Year Ended (a)	Ref	Adjustments	Ref	Results After	Rate		
	31-Dec-08		(b)		Pro Forma	Increase	Rate Increase	
Operating Revenues:								
461 Metered Water Revenue	\$ 135,713				\$ 135,713	J	\$ 198,169	\$ 333,882
474 Other Water Revenue	4,953	A	(255)		4,698			4,698
Total Operating Revenue	\$ 140,666		\$ (255)		\$ 140,411		\$ 198,169	\$ 338,580
Operating Expenses:								
601 Salaries & Wages	\$ -				\$ -			\$ -
610 Purchased Water	-				-			-
615 Purchased Power	28,895	L	1,521		30,416			30,416
618 Chemicals	-				-			-
620 Repairs & Maintenance	25,903				25,903			25,903
621 Office Supplies and Expense	13,079	M	(2,800)		10,279			10,279
630 Outside Services	60,194	B	51,361		111,555			111,555
635 Water Testing	6,087				6,087			6,087
641 Rental Expense	-				-			-
650 Transportation Expense	2,308				2,308			2,308
657 Insurance - General Liability	1,204				1,204			1,204
659 Insurance - Health and Life	-				-			-
666 Rate Case Expense	-	C	8,333		8,333			8,333
675 Miscellaneous Expense	2,717				2,717			2,717
403 Depreciation & Amortization	15,153	D	15,459		30,612			30,612
408 Property Taxes	7,632	N	(67)		7,565	N	3,559	11,123
408.11 Taxes Other Than Income	-				-			-
409 Income Taxes	\$ 4,358	E	(37,148)		(32,790)	K	51,991	19,202
Total Operating Expenses	\$ 167,530		\$ 36,659		\$ 204,190		\$ 55,550	\$ 259,740
OPERATING INCOME/(LOSS)	\$ (26,864)		\$ (36,914)		\$ (63,779)	(c)	\$ 142,619	\$ 78,840
Other Income/(Expense):								
419 Interest Income	\$ 2,285	F	(2,285)		-			\$ -
421 Non-Utility Income	12,685	G	(12,685)		-			-
426 Miscellaneous Non-Utility Expenses	(30,677)	H	30,677		-			-
427 Interest Expense	(65)	I	(40,410)		(40,475)			(40,475)
Total Other Income/(Expense)	\$ (15,772)		\$ (24,703)		\$ (40,475)		\$ -	\$ (40,475)
NET INCOME/(LOSS)	\$ (42,636)		\$ (61,617)		\$ (104,254)		\$ 142,619	\$ 38,365

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

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

Final 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)
Revenues:															
Metered Water Revenue										\$ 198,169					\$ 198,169
Other Water Revenue	\$ (255)														(255)
Expenses:															
Purchased Power												\$ 1,521			\$ 1,521
Office Supplies and expense		\$ 51,361											\$ (2,800)		(2,800)
Outside Services															51,361
Rate Case Expense			\$ 8,333												8,333
Depreciation & Amortization				\$ 15,459											15,459
Property Taxes											\$ 3,491				3,491
Income Taxes					\$ (37,148)										14,844
Other Income/(Expense):															
Interest Income						\$ (2,285)									\$ (2,285)
Non-Utility Income							\$ (12,685)								(12,685)
Miscellaneous Non-Utility Expenses								\$ 30,677							30,677
Interest Expense									\$ (40,410)						(40,410)

Adjustment Descriptions:

- A - Decrease Other Water Revenue to remove non-recurring credit balance in Bad Debt Expense.
- B - Increase Outside Services to remove expenses prior to management agreement, include full year of mgmt fees for Southwestern Utility Management, Inc., and adopt Staff Adj #3 per Schedule GWB-11.
- C - Increase Rate Case Expense to include \$25,000 in estimated expenses amortized over three years.
- D - Adjust depreciation to adopt Staff proposed depreciation expense as recommended per Schedule GWB-11, Column H, Line 20.
- E - Decrease Test Year income taxes based on Schedule C-2a calculations.
- F - Remove non-recurring interest income.
- G - Remove non-recurring Non-Utility Income related to fire at storage trailer, which was the office prior to the management agreement.
- H - Write off Note Receivable from Sanitation, uncollectable, non-recurring expense.
- I - Increase interest expense to include proforma adjustment for interest on \$780,000 of proposed WIFA loan based on estimated terms.
- J - Increase Revenue per calculations on Schedule A-1
- K - Increase proposed year income taxes based on Schedule C-2b calculations
- L - Adopt Staff Adjustment #2 per Schedule GWB-11.
- M - Adopt Staff Adjustment #3 per Schedule GWB-11.
- N - Adjust property tax expense for adjusted test year and proposed revenue based on ADOR formula as calculated per Schedule C-2c.

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

Supporting Schedules:
 Recap Schedules:
 (a) C-1
 C-2a through C-2c

Southland Utilities Company, Inc.
Test Year Ended December 31, 2008

Final Schedule C-2a
Title: Income Statement Proforma
Adjustments

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

STATE INCOME TAX CALCULATION:

Operating Income/(Loss) Before Taxes	\$	(96,568)	
Less:			
Staff's Synchronized Interest		17,973	
Arizona Taxable Income	\$	(114,541)	
Arizona Income Tax Rate		6.9680%	
Arizona Income Tax Expense	\$	(7,981)	

FEDERAL INCOME TAX CALCULATION:

Operating Income/(Loss) Before Taxes	\$	(96,568)	
Less:			
Arizona Income Tax	\$	(7,981)	
Staff's Synchronized Interest		17,973	
Federal Taxable Income	\$	(106,560)	
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%		(2,558)	
Federal Income Tax Expense	\$	(24,808)	
Adjusted Test Year Federal and AZ Income Tax Expense	\$	(32,790)	
Recorded Test Year Income Tax Expense		4,358	
Total Adjustment E to Test Year Income Tax Expense	\$	(37,148)	

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

Revenue	\$ 338,580		
Operating Expenses Excluding Income Tax	(240,538)		
Staff's Synchronized Interest	(17,973)		
Arizona Taxable Income	<u>80,069</u>	\$	
Arizona Income Tax Rate		6.9680%	
Arizona Income Tax Expense		<u>\$</u>	5,579
Federal Taxable Income		\$	74,490
Federal Tax on 1st Income Range (\$1 - \$50,000) @ 15%	\$ 50,000	\$	7,500
Federal Tax on 2nd Income Range (\$50,001 - \$75,000) @ 25%	25,000		6,122
Federal Tax on 3rd Income Range (\$75,001 - \$100,000) @ 34%			
Federal Tax on 4th Income Range (\$100,001 - \$335,000) @ 39%			
Federal Tax on 5th Income Range (\$335,001 - \$10M) @ 34%			
Total Federal Income Tax Expense			<u>13,622</u>
Combined Federal and State Income Tax Expense		\$	19,202
Adjusted Test Year Income Tax Expense			(32,790)
Adjustment K to Proposed Income Tax Expense		\$	<u>51,991</u>
Effective Tax Rate			19.27%
Required Operating Income	\$ 78,840		
Adjusted Test Year Operating Income/(Loss)	<u>(63,779)</u>		
Proposed Increase In Operating Income		\$	142,619
Income Taxes On Proposed Revenue	\$ 19,202		
Income Taxes On Test Year Revenue	<u>(32,790)</u>		
Proposed Revenue Increase For Income Taxes		\$	51,991
Property Taxes On Proposed Revenue	\$ 11,123		
Property Taxes On Adjusted Test Year Revenue	<u>7,565</u>		
Proposed Revenue Increase For Income Taxes		\$	3,559
Total Proposed Increase In Revenue		\$	<u>198,169</u>

Description	Test Year	Proposed Rates
Adjusted 2008 Test Year Revenue	\$ 140,411	\$ 140,411
Weight Factor	2	2
Subtotal	\$ 280,822	\$ 280,822
Adjusted 2008 Test Year Revenue	140,411	
Recommended Revenue		338,580
Subtotal	\$ 421,233	\$ 619,402
Number of Years	3	3
Three Year Revenue Average	\$ 140,411	\$ 206,467
AZ Department of Revenue Multiplier	2	2
Revenue Base Value	\$ 280,822	\$ 412,935
Less: Net Book Value of Licensed Vehicles	-	-
Full Cash Value	\$ 280,822	\$ 412,935
Assessment Ratio	23.00%	23.00%
Assessed Value	\$ 64,589	\$ 94,975
Composite Property Tax Rate	11.71%	11.71%
Adjusted Test Year Property Tax Per Formula	\$ 7,565	
Actual Test Year Property Tax Expense	\$ 7,632	
Adjustment N to Test Year Property Tax Expense	\$ (67)	
Projected Property Tax Expense		\$ 11,123
Adjusted Test Year Property Tax Per Formula		7,565
Adjustment N to Property Tax Expense at Proposed Rates		\$ 3,559
<i>Gross Revenue Conversion Factor Calculation:</i>		
Property Tax Increase		\$ 3,559
Revenue Requirement Increase		198,169
Percent Increase in Property Tax per Dollar Revenue Increase		1.7958%

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

Final 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	<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"/>

Description	Calculation
Revenue	1.0000
Combined Federal And State Tax Rate and Property Tax Rate	(0.2803)
Subtotal	<u>0.7197</u>
Gross Revenue Conversion Factor = 1/Operating Income %	<u><u>1.3895</u></u>

CALCULATION OF COMBINED FEDERAL AND STATE TAX RATE:

Operating Income Before Taxes (Arizona Taxable Income)	100.0000%
Arizona State Income Tax Rate	<u>6.9680%</u>
Federal Taxable Income	93.0320%
Federal Income Tax Rate	<u>19.2680%</u>
Effective Federal Income Tax Rate	17.9254%
Combined Federal And State Income Tax Rates	26.2360%

CALCULATION OF EFFECTIVE PROPERTY TAX FACTOR:

Operating Income Before Taxes	100.0000%
Combined Federal And State Income Tax Rates from above	<u>-26.2360%</u>
One Minus Combined Income Tax Rate	73.7640%
Property Tax Factor from Schedule C-2c	<u>1.7958%</u>
Effective Property Tax Factor	<u>1.3247%</u>
Combined Federal And State Tax Rate and Property Tax Rate	<u><u>28.0318%</u></u>

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

Final 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)	\$ -				\$ 1,825,941	91.33%	5.00%	4.57%
Short-Term Debt (a)	494,622	74.11%	2.19%	1.62%	-			
Common Equity (c)	172,813	25.89%	10.00%	2.59%	173,443	8.67%	10.00%	0.87%
Total	\$ 667,435	100.00%		4.21%	\$ 1,999,384	100.00%		5.43%

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

Recap Schedules:
 (e) A-3

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

Final Schedule E-1
Title: Comparative Balance
Sheet

Explanation:

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

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

	Test Year At	Prior Year	Prior Year
	31-Dec-08	31-Dec-07	31-Dec-06
ASSETS			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 780,091	\$ 488,115	\$ 489,724
103 Property Held for Future Use	302,295	-	-
105 Construction Work in Process	-	107,099	15,801
108 Accumulated Depreciation	(398,206)	(406,619)	(400,227)
Total Property Plant & Equipment	<u>\$ 684,180</u>	<u>\$ 188,595</u>	<u>\$ 105,298</u>
Current Assts:			
131 Cash	\$ 18,205	\$ 15,824	\$ 15,148
135 Temporary Cash Investments	198	6,116	7,054
141 Customer Accounts Receivable	10,854	10,780	11,374
146 Notes/Receivables from Associated Companies	-	82,922	78,212
151 Plant Material and Supplies	-	2,961	4,087
162 Prepayments	249	74	92
174 Miscellaneous Current and Accrued Assets	12,757	13,567	11,883
Total Current Assets	<u>\$ 42,263</u>	<u>\$ 132,244</u>	<u>\$ 127,850</u>
TOTAL ASSETS	<u>\$ 726,443</u>	<u>\$ 320,839</u>	<u>\$ 233,148</u>
LIABILITIES and CAPITAL			
Capitalization: (b)			
201 Common Stock Issued	\$ 6,000	\$ 6,000	\$ 6,000
211 Paid in Capital in Excess of Par Value	190,153	135,692	135,692
215 Retained Earnings	(23,340)	41,230	(46,727)
Total Capital	<u>\$ 172,813</u>	<u>\$ 182,922</u>	<u>\$ 94,965</u>
Current Liabilities:			
231 Accounts Payable	\$ 9,070	\$ 3,484	\$ 3,329
232 Notes Payable (Current Portion)	494,622	85,000	85,000
235 Customer Deposits	18,051	1,475	1,313
236 Accrued Taxes	4,508	5,910	5,438
241 Miscellaneous Current and Accrued Liabilities	514	18,853	19,427
Total Current Liabilities	<u>\$ 526,765</u>	<u>\$ 114,722</u>	<u>\$ 114,507</u>
224 Long-Term Debt (Over 12 Months)	\$ -	\$ -	\$ -
Deferred Credits:			
252 Advances In Aid Of Construction	\$ 3,182	\$ 3,182	\$ 3,249
271 Contributions In Aid Of Construction	105,798	105,798	105,798
272 Less: Amortization of Contributions	(99,602)	(99,000)	(98,398)
281 Accumulated Deferred Income Tax	17,487	13,215	13,027
Total Deferred Credits	<u>\$ 26,865</u>	<u>\$ 23,195</u>	<u>\$ 23,676</u>
Total Liabilities	<u>\$ 553,630</u>	<u>\$ 137,917</u>	<u>\$ 138,183</u>
TOTAL LIABILITIES and CAPITAL	<u>\$ 726,443</u>	<u>\$ 320,839</u>	<u>\$ 233,148</u>

Supporting Schedules:
 (a) E-5

Recap Schedules:
 (b) A-3

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

Final Schedule E-2
Title: Comparative Income
Statements

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

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

	Test Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07	Prior Year Ended 31-Dec-06
Revenues: (a)			
461 Metered Water Revenue	\$ 135,713	\$ 137,790	\$ 138,042
474 Other Water Revenue	4,953	5,670	5,727
Total Revenues	\$ 140,666	\$ 143,460	\$ 143,769
Operating Expenses (a)			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	-	-	-
615 Purchased Power	28,895	29,467	26,715
618 Chemicals	-	-	-
620 Repairs and Maintenance	25,903	32,026	25,511
621 Office Supplies and Expense	13,079	14,962	6,617
630 Outside Services	60,194	48,250	40,910
635 Water Testing	6,087	3,092	5,339
641 Rents	-	-	-
650 Transportation Expense	2,308	-	-
657 Insurance - General liability	1,204	432	507
659 Insurance - Health and Life	-	-	-
666 Regulatory Commission Expense - Rate Case	-	-	-
675 Miscellaneous Expense	2,717	2,741	5,159
403 Depreciation Expense	15,153	8,184	12,525
408 Taxes Other Than Income	-	65	-
408 Property Taxes	7,632	9,456	7,607
409 Income Tax	4,358	722	(3,386)
Total Operating Expenses	\$ 167,530	\$ 149,397	\$ 127,504
OPERATING INCOME/(LOSS)	\$ (26,864)	\$ (5,937)	\$ 16,265
Other Income/(Expense)			
419 Interest and Dividend Income	\$ 2,285	\$ 3,332	\$ 3,206
421 Non-Utility Income	12,685	-	-
426 Miscellaneous Non-Utility Expense	(30,677)	-	-
427 Interest Expense	(65)	(165)	(67)
Total Other Income/(Expense)	\$ (15,772)	\$ 3,167	\$ 3,139
NET INCOME/(LOSS)	\$ (42,636)	\$ (2,770)	\$ 19,404

Supporting Schedules:
 (a) E-6

Recap Schedules:
 A-2

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

Final 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-07	Net Additions	End of Test Year at 31-Dec-08
302	Franchises	\$ -	\$ -	\$ -
303	Land & Land Rights	1,070	-	1,070
304	Structures & Improvements	21,549	(17,161)	4,388
307	Wells & Springs	30,144	-	30,144
311	Pumping Equipment	70,567	5,107	75,674
320	Water Treatment Equipment	-	-	-
320.1	Water Treatment Plants	-	-	-
320.2	Solution Chemical Feeders	-	4,732	4,732
330	Distribution Reservoirs & Standpipes	48,806	(48,806)	-
330.1	Storage Tanks	-	375,930	375,930
330.2	Pressure Tanks.	-	-	-
331	Transmission & Distribution Mains	209,091	-	209,091
333	Services	41,070	-	41,070
334	Meters & Meter Installations	61,474	3,379	64,853
335	Hydrants	-	-	-
339	Other Plant and Misc Equipment	-	-	-
340	Office Furniture & Equipment	2,494	(2,494)	-
340.1	Computers and Software	-	-	-
341	Transportation Equipment	1,850	(1,850)	-
343	Tools, Shop, and Garage Equipment	-	-	-
345	Power Operated Equipment	-	-	-
348	Other Tangible Plant	-	-	-
Total Plant In Service		\$ 488,115	\$ 318,837	\$ 806,952
108	Accumulated Depreciation	406,619	(26,773)	379,845
Net Plant In Service		\$ 81,496	\$ 345,610	\$ 427,107
103	Property Held for Future Use	\$ -	\$ 257,703	\$ 257,703
105	Construction Work in Process	107,099	(107,099)	-
Total Net Plant		\$ 188,595	\$ 496,214	\$ 684,810

Supporting Schedules:

Recap Schedules:

E-1 A-4

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

Final 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	X
Class A	
Class B	
Class C	
Class D	
Specl Reqmt	

Water Statistics:	Test Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07	Prior Year Ended 31-Dec-06
Gallons Sold - By Class of Service:			
Residential	42,765,500	45,823,919	46,376,510
Commercial	2,972,500	3,185,081	3,223,490
Average Number of Customers - By Class of Service:			
Residential	584	566	562
Commercial	41	39	39
Average Annual Gallons Per Residential Customer	73,229	80,961	82,520
Average Annual Revenue Per Residential Customer	\$ 217.39	\$ 227.68	\$ 229.75
Pumping Cost Per 1,000 Gallons	\$ 0.6318	\$ 0.6013	\$ 0.5386

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

Final 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

Description	Test Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07	Prior Year Ended 31-Dec-06
Federal Taxes:			
Income	\$ 4,308	\$ 672	\$ (3,436)
Payroll	-	-	-
Total Federal Taxes	\$ 4,308	\$ 672	\$ (3,436)
State Taxes:			
Income	\$ 50	\$ 50	\$ 50
Payroll	-	-	-
Total State Taxes	\$ 50	\$ 50	\$ 50
Local Taxes:			
Property	\$ 7,632	\$ 9,456	\$ 7,607
Total Taxes	\$ 11,990	\$ 10,178	\$ 4,221

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

Supporting Schedules:

Recap Schedules:

Southland Utilities Company, Inc.
Test Year Ended December 31, 2008

Final 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"/>
Speci Reqmt	<input type="checkbox"/>

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

1 Accounting Method.

The books of Southland 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 2008, depreciation rates as authorized in Decision 61335 were 5% for all plant asset categories. Proposed depreciation rates are depicted on the plant schedule as part of the financing application. These rates 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 normalized for ratemaking purposes, but not income tax purposes.

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

Not Applicable.

Supporting Schedules:

Recap Schedules:

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

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

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

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

	Actual Test Year Ended (a) 31-Dec-08	Projected Year	
		At Present Rates Year Ended (b) 31-Dec-09	At Proposed Rates Year Ended (b) 31-Dec-09
Operating Revenues:			
461 Metered Water Revenue	\$ 135,713	\$ 135,713	\$ 333,882
474 Other Water Revenue	4,953	4,698	4,698
Total Operating Revenue	\$ 140,666	\$ 140,411	\$ 338,580
Operating Expenses:			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	-	-	-
615 Purchased Power	28,895	30,416	30,416
618 Chemicals	-	-	-
620 Repairs & Maintenance	25,903	25,903	25,903
621 Office Supplies and Expense	13,079	10,279	10,279
630 Outside Services	60,194	111,555	111,555
635 Water Testing	6,087	6,087	6,087
641 Rental Expense	-	-	-
650 Transportation Expense	2,308	2,308	2,308
657 Insurance - General Liability	1,204	1,204	1,204
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	-	8,333	8,333
675 Miscellaneous Expense	2,717	2,717	2,717
403 Depreciation & Amortization	15,153	30,612	30,612
408 Property Taxes	7,632	7,565	11,123
408.1 Taxes Other Than Income	-	-	-
409 Income Taxes	4,358	(32,790)	19,202
Total Operating Expenses	\$ 167,530	\$ 204,190	\$ 259,740
OPERATING INCOME/(LOSS)	\$ (26,864)	\$ (63,779)	\$ 78,840
Other Income/(Expense):			
419 Interest Income	\$ 2,285	\$ -	\$ -
421 Non-Utility Income	12,685	-	-
426 Miscellaneous Non-Utility Expenses	(30,677)	-	-
427 Interest Expense	(65)	(40,475)	(40,475)
Total Other Income/(Expense)	\$ (15,772)	\$ (40,475)	\$ (40,475)
NET INCOME/(LOSS)	\$ (42,636)	\$ (104,254)	\$ 38,365
Earnings per share of average Common Stock Outstanding			
	\$ (106.59)	\$ (260.63)	\$ 95.91
% Return on Common Equity			
	-0.062%	-0.151%	0.056%

Supporting Schedules:
 (a) E-2

Recap Schedules:
 (b) A-2

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

Final 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

Property Classification	Actual Test Year Ended 12/31/2008	End of Projected Year 1
Production Plant	\$ 110,550	\$ 181,743
Transmission Plant	585,021	2,102,850
Other Plant	111,381	111,381
Total Plant	\$ 806,952	\$ 2,395,974

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

Supporting Schedules:

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

Southland Utilities Company, Inc.
Test Year Ended December 31, 2008

Final Schedule F-4
Title: Assumptions Used in
Developing Projections

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

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

X

Important assumptions used in preparing projections should be explained.

Areas covered should include:

- 1 Customer growth
The company has experienced modest growth in the past few years, but does anticipate that will change.
- 2 Growth in consumption and customer demand
Customer demand and consumption has actually been *decreasing*.
- 3 Changes in expenses
The company believes the test year 2008, with the limited proforma adjustments included in this application, accurately depict expense levels going forward.
- 4 Construction requirements including production reserves and changes in plant capacity
Proceeds of the WIFA loan will be used to install a 350 KW generator, replace substantially all the system distribution mains, install new boosters at tank 3, bring tank 3 on-line, and installation of fire hydrants throughout the system.
- 5 Capital structure changes
As a result of the installation of Tank 2 and preparations for installation of Tank 3, short term debt and equity increased. Long-term debt will increase if the WIFA loan is approved.
- 6 Financing costs, interest rates
Currently, the Company has a short term loan in the amount of \$494,622 with Tucson/Sierra Properties, LLC at a 2.19% interest rate that was used to install in the storage tank during the Test Year. Southland is seeking to borrow this amount, plus an additional \$1,331,319 from WIFA, for the construction described above in item 4.

Supporting Schedules:

Recap Schedules:

Southland Utilities Company, Inc.
 Test Year Ended December 31, 2008

Final 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	%
Residential				
5/8 by 3/4-inch	\$ 122,572	\$ 293,373	\$ 170,801	139.35%
3-inch	3,033	11,253	8,220	270.99%
Total Residential	\$ 125,605	\$ 304,626	\$ 179,021	142.53%
Commercial				
5/8 by 3/4-inch	\$ 7,729	\$ 19,792	\$ 12,063	156.07%
2-inch	1,161	4,456	3,295	283.90%
4-inch	1,218	5,008	3,790	311.04%
Total Commercial	\$ 10,108	\$ 29,256	\$ 19,148	189.43%
Total Metered Revenue	\$ 135,713	\$ 333,882	\$ 198,169	146.02%
Other Revenue	\$ 4,698	4,698	-	0.00%
Total Revenues	\$ 140,411	\$ 338,580	\$ 198,169	141.13%

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

Supporting Schedules:
 (a) H-2

Recap Schedules:
 (b) A-1

Explanation:
 Schedule comparing present rate schedules with proposed
 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 Reqmt	<input type="checkbox"/>

(Rates apply to both residential and commercial usage)

Description	Present Rate	Proposed Rate	% change
MONTHLY USAGE CHARGE			
5/8" x 3/4" Meter	\$ 10.00	\$ 21.50	115%
3/4" Meter	11.00	25.00	127%
1" Meter	15.00	50.00	233%
1-1/2" Meter	20.00	75.00	275%
2" Meter	23.00	96.75	321%
3" Meter	49.00	258.00	427%
4" Meter	70.00	322.50	361%
6" Meter	100.00	500.00	400%
Gallons included in minimum	-	-	0.00%

Commodity Charge (per 1,000 gallons in excess of monthly minimum)

Description	Present Rate	Proposed Rate
All gallons for all meter sizes	\$ 1.33	
<u>5/8 x 3/4 - inch meter</u>		
1 - 4,000 Gallons		\$ 2.60
4,001 to 12,000 Gallons		4.00
Over 12,000 Gallons		6.04
<u>3/4 - inch meter</u>		
1 - 4,000 Gallons		\$ 2.60
4,001 to 12,000 Gallons		4.00
Over 12,000 Gallons		6.04
<u>One - inch meter</u>		
1 to 30,000 Gallons		\$ 4.00
Over 30,000 Gallons		6.04
<u>One and one half - inch meter</u>		
1 to 60,000 Gallons		\$ 4.00
Over 60,000 Gallons		6.04
<u>Two - inch meter</u>		
1 to 90,000 Gallons		\$ 4.00
Over 90,000 Gallons		6.04
<u>Three - inch meter</u>		
1 to 125,000 Gallons		\$ 4.00
Over 125,000 Gallons		6.04
<u>Four - inch meter</u>		
1 to 200,000 Gallons		\$ 4.00
Over 200,000 Gallons		6.04
<u>Six - inch meter</u>		
1 to 400,000 Gallons		\$ 4.00
Over 400,000 Gallons		6.04

Description	Present Rate	Proposed Rate	% change
SERVICE CHARGES			
Establishment	\$ 25.00	\$ 30.00	20.00%
Establishment (After Hours)	30.00	40.00	33.33%
Reconnection (Delinquent)	25.00	40.00	60.00%
Reconnection (Delinquent-after hours)	-	50.00	100.00%
Meter Test (If Correct)	30.00	35.00	16.67%
Deposit	Note a	*	
Deposit Interest	Note a	*	
Reestablishment (Within 12 Months)	Note b	**	
NSF Check	\$ 15.00	\$ 25.00	67%
Deferred Payment	Note c	1.50%	
Meter Reread (If Correct)	\$ 15.00	\$ 20.00	33%
Late Payment Penalty	Note d	1.50%	

MONTHLY SERVICE CHARGE FOR FIRE SPRINKLER: N/A ***

SERVICE LINE AND METER INSTALLATION CHARGES

Description	Present Rate	Proposed Rates			% change
		Service Line	Meter Charge	Total Charge	
Refundable Pursuant to AAC R14-2-405					
5/8" x 3/4" Meter	\$ 225.00	\$ 445.00	\$ 155.00	\$ 600.00	167%
3/4" Meter	300.00	445.00	255.00	700.00	133%
1" Meter	350.00	495.00	315.00	810.00	131%
1-1/2" Meter	500.00	550.00	525.00	1,075.00	115%
2" Meter - Turbine	625.00	830.00	1,045.00	1,875.00	200%
2" Meter - Compound	N/A	830.00	1,890.00	2,720.00	100%
3" Meter - Turbine	900.00	1,045.00	1,670.00	2,715.00	202%
3" Meter - Compound	N/A	1,165.00	2,545.00	3,710.00	100%
4" Meter - Turbine	1,450.00	1,490.00	2,670.00	4,160.00	187%
4" Meter - Compound	N/A	1,670.00	3,645.00	5,315.00	100%
6" Meter - Turbine	3,000.00	2,210.00	5,025.00	7,235.00	141%
6" Meter - Compound	N/A	2,330.00	6,920.00	9,250.00	100%

Note a - Deposits Per Commission Rules R14-2-403(B)(7)(a), (b) and (c); Interest Per Commission Rules R14-2-403(B)(3).

Note b - Service Establishments re-establishments or reconnection charges per Commission Rule R14-2-403(D).

Note c - Deferred Payments Per Commission Rules R14-2-409(G), with finance charge of 1.5 percent per month on the unpaid balance, Per R14-2-409(G)(6).

Note d - Late payment Penalty of 1.5 percent of the unpaid balance.

* Per Commission Rules R14-2-403.B.

** Month off the system times the monthly minimum per R14-2-403.D.

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

Supporting Schedules:

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

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

5/8" x 3/4" meter - residential and commercial

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
- \$	10.00 \$	21.50	115.00%
1,000	11.33	24.10	112.71%
2,000	12.66	26.70	110.90%
3,000	13.99	29.30	109.44%
4,000	15.32	31.90	108.22%
5,000	16.65	35.90	115.62%
6,000	17.98	39.90	121.91%
7,000	19.31	43.90	127.34%
8,000	20.64	47.90	132.07%
9,000	21.97	51.90	136.23%
10,000	23.30	55.90	139.91%
15,000	29.95	82.02	173.86%
20,000	36.60	112.22	206.61%
25,000	43.25	142.42	229.29%
50,000	76.50	293.42	283.56%
75,000	109.75	444.42	304.94%
100,000	143.00	595.42	316.38%
125,000	176.25	746.42	323.50%
150,000	209.50	897.42	328.36%
175,000	242.75	1,048.42	331.89%
200,000	276.00	1,199.42	334.57%

Supporting Schedules:

Explanation: Required for: All Utilities
 Class A
 Schedule(s) comparing typical customer bills at varying Class B
 consumption levels at present and proposed rates. Class C
 Class D
 Specl Reqmt

2 inch meter - commercial

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
- \$	23.00 \$	96.75	320.65%
1,000	24.33	100.75	314.10%
2,000	25.66	104.75	308.22%
3,000	26.99	108.75	302.93%
4,000	28.32	112.75	298.13%
5,000	29.65	116.75	293.76%
6,000	30.98	120.75	289.77%
7,000	32.31	124.75	286.10%
8,000	33.64	128.75	282.73%
9,000	34.97	132.75	279.61%
10,000	36.30	136.75	276.72%
15,000	42.95	156.75	264.96%
20,000	49.60	176.75	256.35%
25,000	56.25	196.75	249.78%
50,000	89.50	296.75	231.56%
75,000	122.75	396.75	223.22%
100,000	156.00	517.15	231.51%
125,000	189.25	668.15	253.05%
150,000	222.50	819.15	268.16%
175,000	255.75	970.15	279.34%
200,000	289.00	1,121.15	287.94%

Supporting Schedules:

Explanation: Schedule(s) comparing typical customer bills at varying consumption levels at present and proposed rates.	Required for: All Utilities	X
	Class A	
	Class B	
	Class C	
	Class D	
	Spec'l Reqmt	

3 inch meter - residential

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
- \$	49.00 \$	258.00	426.53%
1,000	50.33	262.00	420.56%
2,000	51.66	266.00	414.91%
3,000	52.99	270.00	409.53%
4,000	54.32	274.00	404.42%
5,000	55.65	278.00	399.55%
6,000	56.98	282.00	394.91%
7,000	58.31	286.00	390.48%
8,000	59.64	290.00	386.25%
9,000	60.97	294.00	382.20%
10,000	62.30	298.00	378.33%
15,000	68.95	318.00	361.20%
20,000	75.60	338.00	347.09%
25,000	82.25	358.00	335.26%
50,000	115.50	458.00	296.54%
75,000	148.75	558.00	275.13%
100,000	182.00	658.00	261.54%
125,000	215.25	758.00	252.15%
150,000	248.50	909.00	265.79%
175,000	281.75	1,060.00	276.22%
200,000	315.00	1,211.00	284.44%

Supporting Schedules:

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"/>

4 inch meter - commercial

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
- \$	70.00 \$	322.50	360.71%
1,000	71.33	326.50	357.73%
2,000	72.66	330.50	354.86%
3,000	73.99	334.50	352.09%
4,000	75.32	338.50	349.42%
5,000	76.65	342.50	346.84%
6,000	77.98	346.50	344.34%
7,000	79.31	350.50	341.94%
8,000	80.64	354.50	339.61%
9,000	81.97	358.50	337.36%
10,000	83.30	362.50	335.17%
15,000	89.95	382.50	325.24%
20,000	96.60	402.50	316.67%
25,000	103.25	422.50	309.20%
50,000	136.50	522.50	282.78%
75,000	169.75	622.50	266.72%
100,000	203.00	722.50	255.91%
125,000	236.25	822.50	248.15%
150,000	269.50	922.50	242.30%
175,000	302.75	1,022.50	237.74%
200,000	336.00	1,122.50	234.08%

Supporting Schedules:

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

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

5/8 x 3/4 inch meter - residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	131	-	131	1.92%	-	0.00%
1,000	521	521,000	652	9.55%	521,000	1.19%
2,000	819	1,638,000	1,471	21.55%	2,159,000	4.93%
3,000	927	2,781,000	2,398	35.13%	4,940,000	11.29%
4,000	829	3,316,000	3,227	47.28%	8,256,000	18.86%
5,000	727	3,635,000	3,954	57.93%	11,891,000	27.17%
6,000	573	3,438,000	4,527	66.32%	15,329,000	35.02%
7,000	473	3,311,000	5,000	73.25%	18,640,000	42.59%
8,000	332	2,656,000	5,332	78.11%	21,296,000	48.66%
9,000	293	2,637,000	5,625	82.41%	23,933,000	54.68%
10,000	211	2,110,000	5,836	85.50%	26,043,000	59.50%
10,001 to 12,000	292	3,212,000	6,128	89.77%	29,255,000	66.84%
12,001 to 14,000	174	2,262,000	6,302	92.32%	31,517,000	72.01%
14,001 to 16,000	133	1,995,000	6,435	94.27%	33,512,000	76.57%
16,001 to 18,000	93	1,581,000	6,528	95.63%	35,093,000	80.18%
18,001 to 20,000	61	1,159,000	6,589	96.53%	36,252,000	82.83%
20,001 to 25,000	106	2,385,000	6,695	98.08%	38,637,000	88.28%
25,001 to 30,000	50	1,375,000	6,745	98.81%	40,012,000	91.42%
30,001 to 35,000	31	1,007,500	6,776	99.27%	41,019,500	93.72%
35,001 to 40,000	10	375,000	6,786	99.41%	41,394,500	94.58%
40,001 to 50,000	17	765,000	6,803	99.66%	42,159,500	96.32%
50,001 to 60,000	7	385,000	6,810	99.77%	42,544,500	97.20%
60,001 to 70,000	6	390,000	6,816	99.85%	42,934,500	98.09%
70,001 to 80,000	5	375,000	6,821	99.93%	43,309,500	98.95%
80,001 to 90,000	4	340,000	6,825	99.99%	43,649,500	99.73%
90,001 to 100,000	-	-	6,825	99.99%	43,649,500	99.73%
119,100	1	119,100	6,826	100.00%	43,768,600	100.00%
	6,826	43,768,600				

Average Number of Customers	569
Average Consumption	6,412
Median Consumption	4,256

Supporting Schedules:

Recap Schedules:

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

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

5/8 x 3/4 inch meter - commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	9	-	9	2.00%	-	0.00%
1,000	202	202,000	211	46.78%	202,000	7.76%
2,000	61	122,000	272	60.31%	324,000	12.44%
3,000	22	66,000	294	65.19%	390,000	14.98%
4,000	23	92,000	317	70.29%	482,000	18.51%
5,000	10	50,000	327	72.51%	532,000	20.43%
6,000	14	84,000	341	75.61%	616,000	23.66%
7,000	4	28,000	345	76.50%	644,000	24.73%
8,000	8	64,000	353	78.27%	708,000	27.19%
9,000	12	108,000	365	80.93%	816,000	31.34%
10,000	11	110,000	376	83.37%	926,000	35.56%
10,001 to 12,000	19	209,000	395	87.58%	1,135,000	43.59%
12,001 to 14,000	5	65,000	400	88.69%	1,200,000	46.08%
14,001 to 16,000	3	45,000	403	89.36%	1,245,000	47.81%
16,001 to 18,000	5	85,000	408	90.47%	1,330,000	51.08%
18,001 to 20,000	1	19,000	409	90.69%	1,349,000	51.80%
20,001 to 25,000	17	382,500	426	94.46%	1,731,500	66.49%
25,001 to 30,000	10	275,000	436	96.67%	2,006,500	77.05%
30,001 to 35,000	6	195,000	442	98.00%	2,201,500	84.54%
35,001 to 40,000	3	112,500	445	98.67%	2,314,000	88.86%
40,001 to 50,000	5	225,000	450	99.78%	2,539,000	97.50%
50,001 to 60,000	-	-	450	99.78%	2,539,000	97.50%
60,001 to 70,000	1	65,000	451	100.00%	2,604,000	100.00%
70,001 to 80,000	-	-	451	100.00%	2,604,000	100.00%
80,001 to 90,000	-	-	451	100.00%	2,604,000	100.00%
90,001 to 100,000	-	-	451	100.00%	2,604,000	100.00%
Over 100,000	-	-	451	100.00%	2,604,000	100.00%
	451	2,604,000				

Average Number of Customers 38
 Average Consumption 5,774
 Median Consumption 1,238

Supporting Schedules:

Recap Schedules:

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

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

X

2 inch meter - commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	1	-	1	2.86%	-	0.00%
1,000	3	3,000	4	11.43%	3,000	1.07%
2,000	2	4,000	6	17.14%	7,000	2.50%
3,000	1	3,000	7	20.00%	10,000	3.58%
4,000	1	4,000	8	22.86%	14,000	5.01%
5,000	6	30,000	14	40.00%	44,000	15.74%
6,000	2	12,000	16	45.71%	56,000	20.04%
7,000	3	21,000	19	54.29%	77,000	27.55%
8,000	5	40,000	24	68.57%	117,000	41.86%
9,000	-	-	24	68.57%	117,000	41.86%
10,000	1	10,000	25	71.43%	127,000	45.44%
10,001 to 12,000	5	55,000	30	85.71%	182,000	65.12%
12,001 to 14,000	2	26,000	32	91.43%	208,000	74.42%
14,001 to 16,000	1	15,000	33	94.29%	223,000	79.79%
16,001 to 18,000	-	-	33	94.29%	223,000	79.79%
18,001 to 20,000	1	19,000	34	97.14%	242,000	86.58%
20,001 to 25,000	-	-	34	97.14%	242,000	86.58%
25,001 to 30,000	-	-	34	97.14%	242,000	86.58%
30,001 to 35,000	-	-	34	97.14%	242,000	86.58%
35,001 to 40,000	1	37,500	35	100.00%	279,500	100.00%
40,001 to 50,000	-	-	35	100.00%	279,500	100.00%
50,001 to 60,000	-	-	35	100.00%	279,500	100.00%
60,001 to 70,000	-	-	35	100.00%	279,500	100.00%
70,001 to 80,000	-	-	35	100.00%	279,500	100.00%
80,001 to 90,000	-	-	35	100.00%	279,500	100.00%
90,001 to 100,000	-	-	35	100.00%	279,500	100.00%
Over 100,000	-	-	35	100.00%	279,500	100.00%
	<u>35</u>	<u>279,500</u>				

Average Number of Customers 3
 Average Consumption 7,986
 Median Consumption 6,500

Supporting Schedules:

Recap Schedules:

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

3 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		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1,000	-	-	-	0.00%	-	0.00%
2,000	-	-	-	0.00%	-	0.00%
3,000	-	-	-	0.00%	-	0.00%
4,000	-	-	-	0.00%	-	0.00%
5,000	-	-	-	0.00%	-	0.00%
6,000	-	-	-	0.00%	-	0.00%
7,000	-	-	-	0.00%	-	0.00%
8,000	-	-	-	0.00%	-	0.00%
9,000	-	-	-	0.00%	-	0.00%
10,000	-	-	-	0.00%	-	0.00%
10,001 to 12,000	-	-	-	0.00%	-	0.00%
12,001 to 14,000	-	-	-	0.00%	-	0.00%
14,001 to 16,000	-	-	-	0.00%	-	0.00%
16,001 to 18,000	-	-	-	0.00%	-	0.00%
18,001 to 20,000	-	-	-	0.00%	-	0.00%
20,001 to 25,000	-	-	-	0.00%	-	0.00%
25,001 to 30,000	-	-	-	0.00%	-	0.00%
30,001 to 35,000	-	-	-	0.00%	-	0.00%
35,001 to 40,000	-	-	-	0.00%	-	0.00%
40,001 to 50,000	-	-	-	0.00%	-	0.00%
50,001 to 60,000	-	-	-	0.00%	-	0.00%
60,001 to 70,000	-	-	-	0.00%	-	0.00%
70,001 to 80,000	1	75,000	1	8.33%	75,000	4.08%
80,001 to 90,000	-	-	1	8.33%	75,000	4.08%
90,001 to 100,000	-	-	1	8.33%	75,000	4.08%
119,200	1	119,200	2	16.67%	194,200	10.56%
131,500	1	131,500	3	25.00%	325,700	17.72%
134,400	1	134,400	4	33.33%	460,100	25.03%
138,200	1	138,200	5	41.67%	598,300	32.54%
141,300	1	141,300	6	50.00%	739,600	40.23%
146,700	1	146,700	7	58.33%	886,300	48.21%
153,900	1	153,900	8	66.67%	1,040,200	56.58%
166,500	1	166,500	9	75.00%	1,206,700	65.64%
192,500	1	192,500	10	83.33%	1,399,200	76.11%
197,800	1	197,800	11	91.67%	1,597,000	86.86%
241,500	1	241,500	12	100.00%	1,838,500	100.00%
	12	1,838,500				

Average Number of Customers 1
 Average Consumption 153,208
 Median Consumption 144,000

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
 Specil Reqmt

X

4 inch meter - commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
-	-	-	-	0.00%	-	0.00%
1,000	-	-	-	0.00%	-	0.00%
2,000	-	-	-	0.00%	-	0.00%
3,000	-	-	-	0.00%	-	0.00%
4,000	-	-	-	0.00%	-	0.00%
5,000	-	-	-	0.00%	-	0.00%
6,000	-	-	-	0.00%	-	0.00%
7,000	-	-	-	0.00%	-	0.00%
8,000	-	-	-	0.00%	-	0.00%
9,000	1	9,000	1	8.33%	9,000	3.16%
10,000	-	-	1	8.33%	9,000	3.16%
10,001 to 12,000	-	-	1	8.33%	9,000	3.16%
12,001 to 14,000	1	13,000	2	16.67%	22,000	7.72%
14,001 to 16,000	1	15,000	3	25.00%	37,000	12.98%
16,001 to 18,000	-	-	3	25.00%	37,000	12.98%
18,001 to 20,000	2	38,000	5	41.67%	75,000	26.32%
20,001 to 25,000	5	112,500	10	83.33%	187,500	65.79%
25,001 to 30,000	-	-	10	83.33%	187,500	65.79%
30,001 to 35,000	1	32,500	11	91.67%	220,000	77.19%
35,001 to 40,000	-	-	11	91.67%	220,000	77.19%
40,001 to 50,000	-	-	11	91.67%	220,000	77.19%
50,001 to 60,000	-	-	11	91.67%	220,000	77.19%
60,001 to 70,000	1	65,000	12	100.00%	285,000	100.00%
70,001 to 80,000	-	-	12	100.00%	285,000	100.00%
80,001 to 90,000	-	-	12	100.00%	285,000	100.00%
90,001 to 100,000	-	-	12	100.00%	285,000	100.00%
Over 100,000	-	-	12	100.00%	285,000	100.00%
	12	285,000				

Average Number of Customers 1
 Average Consumption 23,750
 Median Consumption 21,000

Supporting Schedules:

Recap Schedules: