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AZ CORP COMMISSION
DOCKET CONTROL

COMMISSIONERS
KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

IN THE MATTER OF THE APPLICATION OF BELLA VISTA WATER CO., INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.	DOCKET NO. W-02465A-09-0411
IN THE MATTER OF THE APPLICATION OF NORTHERN SUNRISE WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.	DOCKET NO. W-20453A-09-0412
IN THE MATTER OF THE APPLICATION OF SOUTHERN SUNRISE WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.	DOCKET NO. W-20454A-09-0413
IN THE MATTER OF THE JOINT APPLICATION OF BELLA VISTA WATER CO., INC., NORTHERN SUNRISE WATER COMPANY, INC., AND SOUTHERN SUNRISE WATER COMPANY, INC. FOR APPROVAL OF AUTHORITY TO CONSOLIDATE OPERATIONS, AND FOR THE TRANSFER OF UTILITY ASSETS TO BELLA VISTA WATER CO., INC., PURSUANT TO ARIZONA REVISED STATUTES 4-285.	DOCKET NO. W-02465A-09-0414 DOCKET NO. W-20453A-09-0414 DOCKET NO. W-20454A-09-0414 **STAFF'S FINAL SCHEDULES TO OPENING BRIEF**

Arizona Corporation Commission
DOCKETED
OCT 5 2010
DOCKETED BY

The Staff of the Arizona Corporation Commission ("Staff") hereby files the Final Schedules. in the above-referenced matter.

RESPECTFULLY SUBMITTED this 5th day of October 2010.

Robin R. Mitchell, Staff Attorney
Kimberly Ruht, Staff Attorney
Bridget Humphrey, Staff Attorney
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

Original and thirteen (13) copies of the foregoing were filed this 5th day of October 2010 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Copies of the foregoing were mailed and/or emailed this 5th day of October 2010 to:

Jay L. Shapiro, Esq.
Stephanie Johnson, Esq.
FENNEMORE CRAIG
3003 N. Central Avenue
Suite 2600
Phoenix, Arizona 85012
(jshapiro@fclaw.com)

Michelle L. Wood, Esq.
RUCO
1110 West Washington, Suite 220
Phoenix, Arizona 85007
(mwood@azruco.gov)

Consolidated Systems (Bellla Vista, Northern Sunrise, Southern Sunrise)
Docket No. W-02465A-09-0411, Et. Al
Test Year Ended: March 31, 2009

Opening Brief Schedule CSB-1

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	Bella Vista	Northern Sunrise	Southern Sunrise	Consolidated
1	Adjusted Rate Base	$ 5,997,538	$ 649,345	$ 1,295,446	$ 7,942,328
2	Adjusted Operating Income (Loss)	$ 386,710	$ (56,786)	$ 42,046	$ 408,569
3	Current Rate of Return (L2 / L1)	6.45%	-8.75%	3.25%	5.14%
4	Required Rate of Return	8.80%	8.80%	8.80%	8.80%
5	Required Operating Income (L4 * L1)	$ 527,783	$ 57,142	$ 113,999	$ 698,925
6	Operating Income Deficiency (L5 - L2)	$ 141,073	$ 113,928	$ 71,953	$ 290,356
7	Gross Revenue Conversion Factor	1.65130	1.65456	1.65359	1.65170
8	Increase (Decrease) In Gross Revenue (L7 * L6)	$ 232,954	$ 188,502	$ 118,982	$ 479,580
9	Adjusted Test Year Revenue	$ 3,526,033	$ 191,966	$ 444,136	$ 4,162,136
10	Proposed Annual Revenue (L8 + L9)	$ 3,758,987	$ 380,468	$ 563,118	$ 4,641,716
11	Required Increase/Decrease in Revenue (%) (L8/L9)	6.61%	98.20%	26.79%	11.52%
12	Number of Customers	7,500	349	789	8,638

Consolidated Systems (Bellla Vista, Northern Sunrise, Southern Sunrise)
Docket No. W-02465A-09-0411, Et. Al
Test Year Ended: March 31, 2009

Opening Brief Schedule CSB-2

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	Calculation of Gross Revenue Conversion Factor:				
1	Revenue	100.0000%			
2	Uncollecible Factor (Line 11)	0.0000%			
3	Revenues (L1 - L2)	100.0000%			
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	39.4562%			
5	Subtotal (L3 - L4)	60.5438%			
6	**Revenue Conversion Factor (L1 / L5)**	1.651696			
	Calculation of Uncollecttible Factor:				
7	Unity	100.0000%			
8	Combined Federal and State Tax Rate (Line 17)	38.5989%			
9	One Minus Combined Income Tax Rate (L7 - L8)	61.4011%			
10	Uncollectible Rate	0.0000%			
11	Uncollectible Factor (L9 * L10)	0.0000%			
	Calculation of Effective Tax Rate:				
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
13	Arizona State Income Tax Rate	6.9680%			
14	Federal Taxable Income (L12 - L13)	93.0320%			
15	Applicable Federal Income Tax Rate (Line 53)	34.0000%			
16	Effective Federal Income Tax Rate (L14 x L15)	31.6309%			
17	Combined Federal and State Income Tax Rate (L13 +L16)		38.5989%		
	Calculation of Effective Property Tax Factor				
18	Unity	100.0000%			
19	Combined Federal and State Income Tax Rate (L17)	38.5989%			
20	One Minus Combined Income Tax Rate (L18-L19)	61.4011%			
21	Property Tax Factor (Schedule CSB-5)	1.3962%			
22	Effective Property Tax Factor (L20*L21)		0.8573%		
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			39.4562%	
24	Required Operating Income (Schedule CSB-1, Line 5)	$ 698,925			
25	AdjustedTest Year Operating Income (Loss) (Schedule CSB-4)	408,569			
26	Required Increase in Operating Income (L24 - L25)		$ 290,356		
27	Income Taxes on Recommended Revenue (Col. [C], L52)	$ 334,519			
28	Income Taxes on Test Year Revenue (Col. [B], L52)	151,991			
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		182,528		
30	Recommended Revenue Requirement (Schedule CSB-1, Line 10)	$ 4,641,716			
31	Uncollectible Rate (Line 10)	0.0000%			
32	Uncolllectible Expense on Recommended Revenue (L30*L31)	$ -			
33	Adjusted Test Year Uncollectible Expense	$ -			
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32-L33)		-		
35	Property Tax with Recommended Revenue (CSB-5)	$ 181,875			
36	Property Tax on Test Year Revenue (CSB-5)	175,178			
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		6,696		
38	Total Required Increase in Revenue (L26 + L29 + L34 + L37)		$ 479,580		

	Calculation of Income Tax:	Test Year		Staff Recommended
39	Revenue (Schedule CSB-4, Col. [C], Line 5 & Sch. CSB-1, Col. [D] Line 10)	$ 4,162,136	$ 479,580	$ 4,641,716
40	Operating Expenses Excluding Income Taxes	$ 3,601,576	$ 6,696	$ 3,608,272
41	Synchronized Interest (L56)	$ 166,789		$ 166,789
42	Arizona Taxable Income (L39 - L40 - L41)	$ 393,771		$ 866,655
43	Arizona State Income Tax Rate	6.9680%		6.9680%
44	Arizona Income Tax (L42 x L43)	$ 27,438		$ 60,389
45	Federal Taxable Income (L42 - L44)	$ 366,333		$ 806,267
46	Federal Tax on Income Bracket - Not Used	$ -		$ -
47	Federal Tax on Income Bracket - Not Used	$ -		$ -
48	Federal Tax on Income Bracket - Not Used	$ -		$ -
49	Federal Tax on Income Bracket - Not Used	$ -		$ -
50	Federal Tax on All Income ($0 -$10,000,000) @ 34%	$ 124,553		$ 274,131
51	Total Federal Income Tax	$ 124,553		$ 274,131
52	Combined Federal and State Income Tax (L44 + L51)	$ 151,991		$ 334,519
53	Applicable Federal Income Tax Rate [Col. [C], L51 - Col. [A], L51] / [Col. [C], L45 - Col. [A], L45]			34.0000%
	Calculation of Interest Synchronization:			
54	Rate Base (Schedule CSB-3, Col. (C), Line 14	$ 7,942,328		
55	Weighted Average Cost of Debt	2.1000%		
56	Synchronized Interest (L45 X L46)	$ 166,789		

Consolidated Systems (Bellla Vista, Northern Sunrise, Southern Sunrise)
Docket No. W-02465A-09-0411, Et. Al
Test Year Ended: March 31, 2009

Opening Brief Schedule CSB-3

RATE BASE

LINE NO.	Acct. No. - F	Plant Description	Bella Vista	Northern Sunrise	Southern Sunrise	Total
1	301	Organization Cost	$ -	$ -	$ -	-
2	302	Franchise Cost		890	71	961
3	303	Land and Land Rights	327,399	23,926	336,686	688,011
4	304	Structures and Improvements	1,307,935	280,668	326,168	1,914,771
5	305	Collecting and Impounding Res.	-	51,378	-	51,378
6	307	Wells and Springs	1,127,614	34,064	132,029	1,293,708
7	309	Supply Mains	-	-	3,256	3,256
8	310	Power Generation Equipment	-	1,293	-	1,293
9	311	Pumping Equipment	1,963,085	91,019	192,066	2,246,171
10	320	Water Treatment Equipment	83,385	-	-	83,385
11	330	Distribution Reservoirs and Standpipes	2,280,128	95,668	261,921	2,637,717
12	331	Transmission and Distribution Mains	12,109,036	36,763	81,090	12,226,889
13	333	Services	1,358,732	29,756	70,227	1,458,715
14	334	Meters and Meter Installations	1,358,176	3,449	16,708	1,378,333
15	335	Hydrants	884,182	59,298	18,416	961,896
16	336	Backflow Prevention Devices	-	-	-	-
17	339	Other Plant and Miscellaneous Equipment	69,551	23,472	21,516	114,539
18	340	Office Furniture and Equipment	177,328	-	-	177,328
19	340.1	Computers and Software	161,264	-	-	161,264
20	341	Transportation Equipment	268,464	-	-	268,464
21	343	Tools, Shop, and Garage Equipment	122,443	-	270	122,712
22	344	Laboratory Equipment	-	-	-	-
23	345	Power Operated Equipment	31,548	-	-	31,548
24	346	Communication Equipment	411,484	5,881	3,379	420,743
25	347	Miscellaneous Equipment	107,306	-	-	107,306
26	348	Other Tangible Equipment	-	48,984	106,394	155,378
		Rounding	1	-	-	1
27	Total Plant in Service - Actual		$ 24,149,061	$ 786,509	$ 1,570,196	$ 26,505,766
28		Less: Accumulated Depreciation	$ 9,954,974	$ 39,911	$ 82,992	10,077,878
29	Net Plant in Service		$ 14,194,086	$ 746,598	$ 1,487,204	$ 16,427,888
30						
31	*LESS:*					
32	Advances in Aid of Construction (AIAC)		$ 6,781,443	$ -	$ 2,870	$ 6,784,313
33	Service Line and Meter Advances		$ 556,325	$ 410	$ -	$ 556,735
34						
35	Contributions in Aid of Construction (CIAC)		$ 496,445	$ 26,000	$ 20,000	$ 542,445
36	Less: Accumulated Amortization of CIAC		$ 230,909	$ 63	15	230,987
37	Net CIAC		265,536	25,937	19,985	311,458
38						
39	Total Advances and Net Contributions		$ 7,603,304	$ 26,347	$ 22,855	$ 7,652,506
40						
41	Customer Deposits		$ 175,850	$ 7,972	$ 22,298	$ 206,120
42	Accumulated Deferred Taxes		$ 417,394	$ 62,934	$ 146,605	$ 626,933
43						
44	*ADD:*					
45	Working Capital Allowance		$ -	$ -	$ -	$ -
46			$ -	-	-	-
47	**Total Rate Base**		$ 5,997,538	$ 649,345	$ 1,295,446	$ 7,942,328

OPERATING INCOME - TEST YEAR AND STAFF RECOMMENDED

LINE NO.	DESCRIPTION	[A] Bella Vista Staff Test Year As Adjusted	[B] Northern Sunrise Staff Test Year As Adjusted	[C] Southern Sunrise Staff Test Year As Adjusted	[D] Consolidation Adjustments	Adj No.	[E] TOTAL STAFF TEST YEAR AS ADJUSTED	[F] STAFF PROPOSED CHANGES	Adj No.	[G] Consolidated STAFF RECOMMENDED
	REVENUES:									
1	Metered Water Sales	$ 3,400,892	$ 188,672	$ 433,457			$ 4,023,022	$ 479,580		$ 4,502,602
2	Unmetered Water Sales	-	-	-			-			-
3	Other Operating Revenues	125,141	3,294	10,679			139,114	-		139,114
4	**Total Revenues**	$ 3,526,033	$ 191,966	$ 444,136			$ 4,162,136	$ 479,580		$ 4,641,716
5										
6	*EXPENSES:*									
7	Salaries and Wages	$ -	$ -	$ -			$ -	$ -		$ -
8	Purchased Water	708	-	-			708	-		708
9	Purchased Power	561,094	16,012	32,354			609,459	-		609,459
10	Fuel for Power Production	-	-	-			-	-		-
11	Chemicals	4,273	178	1,265			5,715	-		5,715
12	Materials & Supplies	36,932	5,094	7,972			49,998	-		49,998
13	Outside Services	4,605	-	91			4,696	-		4,696
14	Outside Services- Legal	35,245	1,302	5,390			41,937	-		41,937
15	Outside Services- Other	1,104,768	157,552	164,925			1,427,244	-		1,427,244
16	Water Testing	43,192	3,568	4,395			51,155	-		51,155
17	Equipment Rental	-	140	-			140	-		140
18	Rents	60,600	-	-			60,600	-		60,600
19	Transportation Expenses	71,094	20,877	24,448			116,419	-		116,419
20	Insurance - General Liability	38,930	9,692	10,788			59,410	-		59,410
21	Insurance - Health and Life	7,290	-	-			7,290	-		7,290
22	Reg. Comm. Exp.	9,017	587	1,024			10,628	-		10,628
23	Reg. Comm. Exp. - Rate Case	37,466	11,240	18,733			67,439	-		67,439
24	Miscellaneous Expense	60,285	11,116	14,037			85,438	-		85,438
25	Bad Debt Expense	9,526	3,306	5,346			18,178	-		18,178
26	Depreciation Expense	710,519	34,761	64,663			809,943	-		809,943
27	Taxes Other Than Income	-	-	-			-	-		-
29	Taxes Other Than Income-Property Taxes	145,924	9,025	20,230			175,178	6,696	2	181,875
31	Income Taxes	197,856	(35,698)	26,431	(36,599)	1	151,991	182,528	3	334,519
32	**Total Operating Expenses**	$ 3,139,323	$ 248,753	$ 402,090	$ (36,599)		$ 3,753,567	$ 189,224		$ 3,942,791
33										
34	**Operating Income (Loss)**	$ 386,710	$ (56,786)	$ 42,046			$ 408,569	$ 290,356		$ 698,925
35										
36			**Adj. No. 1**	Consolidated						
37				Income Tax						
38	References:		Bella Vista Income Tax	$ 197,856						
39	Column (A): Schedule CSB-5 for Bella Vista		Northern Sunrise Income Tax	$ (35,698)						
40	Column (B): Schedule CSB-5 for Northern Sunrise		Southern Sunrise Income Tax	$ 26,431						
41	Column (C): Schedule CSB-7 for Southern Sunrise			$ 188,590						
42	Column (D): Line 43; Schedule CSB-2, Line 42		Less: Consolidated Income Tax	151,991	Sch CSB-2, Line 52					
43	Column (E): Col (A) + Col (B) + Col (C) + Col (D)			$ 36,599	Decrease in tax due to synchronized interest deduction					
44	Column (F): Schedule CSB-1									
45	Column (G): Col (E) + Col (F)		**Adj. No. 2**	Schedule CSB-5, Line 39						
			Adj. No. 3	Schedule CSB-2, Line 29						

Consolidated Systems (Bellla Vista, Northern Sunrise, Southern Sunrise)
Docket No. W-02465A-09-0411, Et. Al
Test Year Ended: March 31, 2009

Opening Brief Schedule CSB-5

LINE NO.	Property Tax Calculation	Bella Vista	Northern	Southern	Total
1	Staff Adjusted Test Year Revenues	$ 3,526,033	$ 191,966	$ 444,136	$ 4,162,136
2	Weight Factor	2	2	2	2
3	Subtotal (Line 1 * Line 2)	7,052,066	383,933	888,272	8,324,271
4	Staff Recommended Revenue (Test Year), Per Schedule CSB-1	3,526,033	191,966	444,136	4,162,136
5	Subtotal (Line 4 + Line 5)	10,578,099	575,899	1,332,409	12,486,407
6	Number of Years	3	3	3	3
7	Three Year Average (Line 5 / Line 6)	3,526,033	191,966	444,136	4,162,136
8	Department of Revenue Mutilplier	2	2	2	2
9	Revenue Base Value (Line 7 * Line 8)	7,052,066	383,933	888,272	8,324,271
10	Plus: 10% of CWIP -	37,989	-	5,318	43,307
11	Less: Net Book Value of Licensed Vehicles	3,305	-	-	3,305
12	Full Cash Value (Line 9 + Line 10 - Line 11)	7,086,750	383,933	893,590	8,364,273
13	Assessment Ratio	21.0%	21.0%	21.0%	21.0%
14	Assessment Value (Line 12 * Line 13)	1,488,218	80,626	187,654	1,756,497
15	Composite Property Tax Rate	9.8053%	11.1932%	10.7803%	9.9732%
16	Staff Test Year Adjusted Property Tax (Line 14 * Line 15)	$ 145,924	$ 9,025	$ 20,230	$ 175,178
17	Company Proposed Property Tax	$ -	$ -	$ -	$ -
18	Staff Test Year Adjustment (Line 16-Line 17)	$ 145,924	$ 9,025	$ 20,230	$ 175,178

		Bella Vista	Northern	Southern	Total
19	Staff Adjusted Test Year Revenues	$ 3,526,033	$ 191,966	$ 444,136	$ 4,162,136
20	Weight Factor	2	2	2	2
21	Subtotal (Line 19 * Line 20)	7,052,066	383,933	888,272	8,324,271
22	Staff Recommended Revenue, Per Schedule CSB-1	$ 3,758,987	$ 380,468	$ 563,118	$ 4,641,716
23	Subtotal (Line 21 + Line 22)	10,811,053	764,401	1,451,390	12,965,987
24	Number of Years	3	3	3	3
25	Three Year Average (Line 23 / Line 24)	3,603,684	254,800	483,797	4,321,996
26	Department of Revenue Mutilplier	2	2	2	2
27	Revenue Base Value (Line 25 * Line 26)	7,207,369	509,601	967,594	8,643,991
28	Plus: 10% of CWIP -	37,989	-	5,318	43,307
29	Less: Net Book Value of Licensed Vehicles	3,305	-	-	3,305
30	Full Cash Value (Line 27 + Line 28 - Line 29)	7,242,053	509,601	972,912	8,683,993
31	Assessment Ratio	21.0%	21.0%	21.0%	21.0%
32	Assessment Value (Line 30 * Line 31)	1,520,831	107,016	204,311	1,823,639
33	Composite Property Tax Rate	9.8053%	11.1932%	10.7803%	9.9732%
34					
35					
36	Property Tax - Staff Recommended Rev (Line 34)	$ 149,122	$ 11,979	$ 22,025	$ 181,875
37	Staff Test Year Adjusted Property Tax Expense (Line 18)	$ 145,924	$ 9,025	$ 20,230	$ 175,178
38	Increase in Prop Tax Exp Due to Incr in Rev Requ (Line 36 - Line 37)	$ 3,198	$ 2,954	$ 1,796	$ 6,696
39	Increase to Property Tax Expense (Line 38)	$ 3,198	$ 2,954	$ 1,796	$ 6,696
40	Increase in Revenue Requirement (Line 22 - Line 19)	232,954	188,502	118,982	479,580
41	Increase to Property Tax per Dollar Increase in Rev (Line39/Line 40)	1.372742%	1.567048%	1.509242%	1.396244%

Bella Vista Water Company
Docket No. W-02465A-09-0411
Test Year Ended March 31, 2009

Opening Brief Schedule CSB-1

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	[A] COMPANY ORIGINAL COST	[B] STAFF ORIGINAL COST
1	Adjusted Rate Base	$ 6,343,311	$ 5,997,538
2	Adjusted Operating Income (Loss)	$ 94,521	$ 386,710
3	Current Rate of Return (L2 / L1)	1.49%	6.45%
4	Required Rate of Return	10.77%	8.80%
5	Required Operating Income (L4 * L1)	$ 683,175	$ 527,783
6	Operating Income Deficiency (L5 - L2)	$ 588,653	$ 141,073
7	Gross Revenue Conversion Factor	1.62863	1.65130
8	Increase (Decrease) In Gross Revenue (L7 * L6)	$ 958,701	$ 232,954
9	Adjusted Test Year Revenue	$ 3,526,033	$ 3,526,033
10	Proposed Annual Revenue (L8 + L9)	$ 4,484,734	$ 3,758,987
11	Required Increase/(Decrease in Revenue) (%) (L8/L9)	27.19%	6.61%

References:
Column [A]: Company Schedules A-1, C-1, C-3, & D-1
Column [B]: Staff Schedules CSB-2, CSB-3, & CSB-11

Bella Vista Water Company
Docket No. W-02465A-09-0411
Test Year Ended March 31, 2009

Opening Brief Schedule CSB-2

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	Calculation of Gross Revenue Conversion Factor:				
1	Revenue	100.0000%			
2	Uncollecible Factor (Line 11)	0.0000%			
3	Revenues (L1 - L2)	100.0000%			
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	39.4418%			
5	Subtotal (L3 - L4)	60.5582%			
6	**Revenue Conversion Factor (L1 / L5)**	1.651303			
	Calculation of Uncollecttible Factor:				
7	Unity	100.0000%			
8	Combined Federal and State Tax Rate (Line 17)	38.5989%			
9	One Minus Combined Income Tax Rate (L7 - L8)	61.4011%			
10	Uncollectible Rate	0.0000%			
11	Uncollectible Factor (L9 * L10)	0.0000%			
	Calculation of Effective Tax Rate:				
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
13	Arizona State Income Tax Rate	6.9680%			
14	Federal Taxable Income (L12 - L13)	93.0320%			
15	Applicable Federal Income Tax Rate (Line 53)	34.0000%			
16	Effective Federal Income Tax Rate (L14 x L15)	31.6309%			
17	Combined Federal and State Income Tax Rate (L13 +L16)		38.5989%		
	Calculation of Effective Property Tax Factor				
18	Unity	100.0000%			
19	Combined Federal and State Income Tax Rate (L17)	38.5989%			
20	One Minus Combined Income Tax Rate (L18-L19)	61.4011%			
21	Property Tax Factor (CSB-20, Col B, L24)	1.3727%			
22	Effective Property Tax Factor (L20*L21)		0.8429%		
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			39.4418%	
24	Required Operating Income (Schedule CSB-1, Line 5)	$ 527,783			
25	AdjustedTest Year Operating Income (Loss) (Sch CSB-11, Col C, Line 34)	386,710			
26	Required Increase in Operating Income (L24 - L25)		$ 141,073		
27	Income Taxes on Recommended Revenue (Col. [C], L52)	$ 286,540			
28	Income Taxes on Test Year Revenue (Col. [A], L52)	197,856			
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		88,683		
30	Recommended Revenue Requirement (Schedule CSB-1, Line 10)	$ 3,758,987			
31	Uncollectible Rate (Line 10)	0.0000%			
32	Uncolllectible Expense on Recommended Revenue (L30*L31)	$ -			
33	Adjusted Test Year Uncollectible Expense	$ -			
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32-L33)		-		
35	Property Tax with Recommended Revenue (CSB-20, Col B, L19)	$ 149,122			
36	Property Tax on Test Year Revenue (CSB-20, Col A, L16)	145,924			
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		3,198		
38	Total Required Increase in Revenue (L26 + L29 + L34 + L37)		$ 232,954		

		Test Year		Staff Recommended
	Calculation of Income Tax:			
39	Revenue (Schedule CSB-11, Col. [C], Line 4 & Sch. CSB-1, Col. [D] Line 1	$ 3,526,033	$ 232,954	$ 3,758,987
40	Operating Expenses Excluding Income Taxes	$ 2,941,466	$ 3,198	$ 2,944,664
41	Synchronized Interest (L56)	$ 71,970		$ 71,970
42	Arizona Taxable Income (L39 - L40 - L41)	$ 512,596		$ 742,353
43	Arizona State Income Tax Rate	6.9680%		6.9680%
44	Arizona Income Tax (L42 x L43)	$ 35,718		$ 51,727
45	Federal Taxable Income (L42 - L44)	$ 476,879		$ 690,626
46	Federal Tax on Income Bracket - Not Used	$ -		$ -
47	Federal Tax on Income Bracket - Not Used	$ -		$ -
48	Federal Tax on Income Bracket - Not Used	$ -		$ -
49	Federal Tax on Income Bracket - Not Used	$ -		$ -
50	Federal Tax on All Income ($0 -$10,000,000) @ 34%	$ 162,139		$ 234,813
51	Total Federal Income Tax	$ 162,139		$ 234,813
52	Combined Federal and State Income Tax (L44 + L51)	$ 197,856		$ 286,540
53	Applicable Federal Income Tax Rate [Col. [C], L51 - Col. [A], L51] / [Col. [C], L45 - Col. [A], L45]			34.0000%
	Calculation of Interest Synchronization:			
54	Rate Base (Schedule CSB-3, Col. (C), Line 14	$ 5,997,538		
55	Weighted Average Cost of Debt	1.2000%		
56	Synchronized Interest (L45 X L46)	$ 71,970		

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Opening Brief Schedule CSB-3

RATE BASE - ORIGINAL COST

LINE NO.		(A) COMPANY AS FILED	(B) STAFF ADJUSTMENTS	ADJ NO.	(C) STAFF AS ADJUSTED
1	Plant in Service	$ 25,625,205	$ (1,476,144)	1, 2, 3	$ 24,149,061
2	Less: Accumulated Depreciation	11,909,440	(1,954,466)	4	9,954,974
3	Net Plant in Service	$ 13,715,765	$ 478,321		$ 14,194,086
	LESS:				
4	Advances in Aid of Construction (AIAC)	$ 6,781,443	$ -		$ 6,781,443
5	Service Line and Meter Advances	$ 556,325	$ -		$ 556,325
6	Contributions in Aid of Construction (CIAC)	$ 496,445	$ -		$ 496,445
7	Less: Accumulated Amortization	230,909	-		230,909
8	Net CIAC	$ 265,536	-		$ 265,536
9	Total Advances and Contributions	$ 7,603,304	$ -		$ 7,603,304
10	Customer Deposits	$ -	$ 175,850	5	$ 175,850
11	Accumulated Deferred Income Taxes	$ (230,850)	$ 648,244	6	$ 417,394
	ADD:				
12	Working Capital	$ -	$ -		$ -
13		$ -	$ -		$ -
14	**Total Rate Base**	$ 6,343,311	$ (345,773)		$ 5,997,538

References:
Column [A], Company Schedule B-1, Page 1
Column [B]: Schedule CSB-4
Column [C]: Column [A] + Column [B]

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Opening Brief Schedule CSB-4

SUMMARY OF RATE BASE ADJUSTMENTS

LINE NO.	PLANT IN SERVICE Acct. No. - I	Plant Description	[A] COMPANY AS FILED	[B] Adj No.1 PTY Plant and Retirement Ref: Sch CSB-5	[C] ADJ No. 2 Inadequately Supported Plant Ref: Sch CSB-6	[D] ADJ No. 3 Plant Retirements Ref: Sch CSB-7	[E] ADJ No. 4 Accumulated Depreciation Ref: Sch CSB-8	[F] ADJ No. 5 Customer Deposits Ref: Sch CSB-9	[G] ADJ No. 6 ADIT Ref: Sch CSB-10	[H] STAFF AS ADJUSTED
2	303	Land and Land Rights	$ 327,399	$ -	$ -	$ -	$ -	$ -	$ -	$ 327,399
3	304	Structures and Improvements	1,312,116	-	-	(4,181)	-	-	-	1,307,935
4	306	Lake, River, and Other Intakes	-	-	-	-	-	-	-	-
5	307	Wells and Springs	1,132,179	-	-	(4,565)	-	-	-	1,127,614
6	309	Supply Mains	-	-	-	-	-	-	-	-
7	310	Power Generation Equipment	-	-	-	-	-	-	-	-
8	311	Pumping Equipment	2,487,503	-	(91,708)	(432,710)	-	-	-	1,963,085
9	320	Water Treatment Equipment	109,639	-	-	(26,254)	-	-	-	83,385
10	330	Distribution Reservoirs and Standpipes	2,343,634	-	(19,649)	(43,858)	-	-	-	2,280,128
11	331	Transmission and Distribution Mains	12,698,084	2,954	-	(592,002)	-	-	-	12,109,036
12	333	Services	1,399,781	-	(24,733)	(16,315)	-	-	-	1,358,732
13	334	Meters and Meter Installations	1,491,209	-	(8,829)	(124,204)	-	-	-	1,358,176
14	335	Hydrants	892,445	-	(498)	(7,765)	-	-	-	884,182
15	336	Backflow Prevention Devices	-	-	-	-	-	-	-	-
16	339	Other Plant and Miscellaneous Equipment	69,551	-	-	-	-	-	-	69,551
17	340	Office Furniture and Equipment	202,929	-	(344)	(25,258)	-	-	-	177,328
18	340.1	Computers and Software	161,264	-	-	-	-	-	-	161,264
19	341	Transportation Equipment	295,224	-	-	(26,760)	-	-	-	268,464
20	343	Tools, Shop, and Garage Equipment	124,683	-	(109)	(2,132)	-	-	-	122,443
21	344	Laboratory Equipment	-	-	-	-	-	-	-	-
22	345	Power Operated Equipment	31,548	-	-	-	-	-	-	31,548
23	346	Communication Equipment	435,668	-	-	(24,184)	-	-	-	411,484
24	347	Miscellaneous Equipment	110,348	-	-	(3,042)	-	-	-	107,306
25	348	Other Tangible Equipment	-	-	-	-	-	-	-	-
26		Rounding	1	-	-	-	-	-	-	1
27	Total Plant in Service		$ 25,625,205	$ 2,954	$ (145,870)	$ (1,333,228)		$ -	$ -	$ 24,149,061
31		Less: Accumulated Depreciation	$ 11,909,440	$ -	$ -	$ -	$ (1,954,466)	$ -	$ -	9,954,974
32	Net Plant in Service		$ 13,715,765	$ 2,954	$ (145,870)	$ (1,333,228)	$ 1,954,466	$ -	$ -	$ 14,194,086
34	*LESS:*									
35	Advances in Aid of Construction (AIAC)		$ 6,781,443	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,781,443
36	Meter Deposits - Service Line & Meter Advances		$ 556,325	-	-	-	-	-	-	$ 556,325
38	Contributions in Aid of Construction (CIAC)		$ 496,445	-	-	-	-	-	-	$ 496,445
39	Less: Accumulated Amortization of CIAC		$ 230,909	-	-	-	-	-	-	$ 230,909
40	Net CIAC		$ 265,536	$ -	$ -	$ -	$ -	$ -	$ -	$ 265,536
42	Total Advances and Net Contributions		$ 7,603,304	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,603,304
44	Customer Deposits		$ -	-	-	-	-	175,850	-	$ 175,850
45	Accumulated Deferred Taxes		$ (230,850)	-	-	-	-	-	648,244	$ 417,394
47	*ADD:*									
48	Working Capital Allowance		$ -	-	-	-	-	-	-	$ -
49			$ -	-	-	-	-	-	-	$ -
50	**Total Rate Base**		$ 6,343,311	$ 2,954	$ (145,870)	$ (1,333,228)	$ 1,954,466	$ (175,850)	$ (648,244)	$ 5,997,538

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Opening Brief Schedule CSB-5

RATE BASE ADJUSTMENT NO. 1 - POST TEST-YEAR PLANT AND RETIREMENT

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED (MSJ 5.2)
1	Acct. No. 331 Mains, Post-Test Year Plant	$ 110,057	$ (5,550)	$ 104,507
2	Acct. No. 331 Mains, PTY Plant Retirements	$ 12,000	$ (8,504)	$ 3,496
3	**Net Post-Test Year Plant (L1 - L3)**	**$ 98,057**	**$ 2,954**	**$ 101,011**

References:

Column [A]: Company Schedule B-2, Page 3
Column [B]: Testimony, CSB; Data Request Response to Marlin Scott, Jr. (MSJ 5.2)
Column [C]: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 2 - INADEQUATELY SUPPORTED PLANT COSTS

Line No.	Acct. No.	Description	[A] No Invoices	[B] AFUDC	[C] Total
1	301	Organization Cost	$ -	$ -	$ -
2	302	Franchise Cost	$ -	$ -	$ -
3	303	Land and Land Rights	$ -	$ -	$ -
4	304	Structures and Improvements	$ -	$ -	$ -
5	305	Collecting and Impounding Res.	$ -	$ -	$ -
6	306	Lake River and Other Intakes	$ -	$ -	$ -
7	307	Wells and Springs	$ -	$ -	$ -
8	308	Infiltration Galleries and Tunnels	$ -	$ -	$ -
9	309	Supply Mains	$ -	$ -	$ -
10	310	Power Generation Equipment	$ -	$ -	$ -
11	311	Electric Pumping Equipment	$ (81,236)	$(10,472)	$ (91,708)
12	320	Water Treatment Equipment	$ -	$ -	$ -
13	320.1	Water Treatment Plant	$ -	$ -	$ -
14	320.2	Chemical Solution Feeders	$ -	$ -	$ -
15	330	Dist. Reservoirs & Standpipe	$ -	$(19,649)	$ (19,649)
16	330.1	Storage tanks	$ -	$ -	$ -
17	330.2	Pressure Tanks	$ -	$ -	$ -
18	331	Trans. and Dist. Mains	$ -	$ -	$ -
19	333	Services	$ (23,747)	$ (986)	$ (24,733)
20	334	Meters	$ -	$ (8,829)	$ (8,829)
21	335	Hydrants	$ -	$ (498)	$ (498)
22	336	Backflow Prevention Devices	$ -	$ -	$ -
23	339	Other Plant and Misc. Equip.	$ -	$ -	$ -
24	340	Office Furniture and Fixtures	$ -	$ -	$ -
25	340.1	Computers and Software	$ -	$ (344)	$ (344)
26	341	Transportation Equipment	$ -	$ -	$ -
27	342	Stores Equipment	$ -	$ -	$ -
28	343	Tools and Work Equipment	$ -	$ (109)	$ (109)
29	344	Laboratory Equipment	$ -	$ -	$ -
30	345	Power Operated Equipment	$ -	$ -	$ -
31	346	Communications Equipment	$ -	$ -	$ -
32	347	Miscellaneous Equipment	$ -	$ -	$ -
33	348	Other Tangible Plant	$ -	$ -	$ -
34		Total	$(104,983)	$(40,887)	$(145,870)

References:

Column A: Schedule CSB-6, P.2
Column B: Company Rebuttal Schedule B-2, P.3
Column C: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 2 - INADEQUATELY SUPPORTED PLANT COSTS

LINE NO.	DESCRIPTION	[A] PLANT SELECTED IN SAMPLE	[B] INADEQUATELY SUPPORTED COSTS	[C] STAFF AS ADJUSTED
1	2002 Plant Addition, Acct No. 311 - Pumping Equipment	$ 71,076	$ (71,076)	$ -
2	2003 Plant Addition, Acct No. 311 - Pumping Equipment	105,990	(10,160)	95,830
3	**Acct No. 311- Pumping Equipment Subtotal**	$ 177,066	$ (81,236)	$ 95,830
4	2004 Plant Addition, Acct No. 333-Services	100,089	(23,747)	76,342
5	**Acct No. 333- Services Subtotal**	$ 100,089	$ (23,747)	$ 76,342
6	**Total**	**$ 277,155**	**$ (104,983)**	**$ 172,172**

References:

Column A: Company Schedule B-2
Column B: Testimony, CSB, Company Data Request Responses CSB 1-6
Column C: Column [A] + Column [B]

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RATE BASE ADJUSTMENT NO. 3 - PLANT RETIREMENTS

Line No.	Acct. No.	Description	Retirements Per Company Rebuttal Sch B-2, P.3
1	301	Organization Cost	$ -
2	302	Franchise Cost	$ -
3	303	Land and Land Rights	$ -
4	304	Structures and Improvements	$ (4,181)
5	305	Collecting and Impounding Res.	$ -
6	306	Lake River and Other Intakes	$ -
7	307	Wells and Springs	$ (4,565)
8	308	Infiltration Galleries and Tunnels	$ -
9	309	Supply Mains	$ -
10	310	Power Generation Equipment	$ -
11	311	Electric Pumping Equipment	$ (432,710)
12	320	Water Treatment Equipment	$ (26,254)
13	320.1	Water Treatment Plant	$ -
14	320.2	Chemical Solution Feeders	$ -
15	330	Dist. Reservoirs & Standpipe	$ (43,858)
16	330.1	Storage tanks	$ -
17	330.2	Pressure Tanks	$ -
18	331	Trans. and Dist. Mains	$ (592,002)
19	333	Services	$ (16,315)
20	334	Meters	$ (124,204)
21	335	Hydrants	$ (7,765)
22	336	Backflow Prevention Devices	$ -
23	339	Other Plant and Misc. Equip.	$ (0)
24	340	Office Furniture and Fixtures	$ (25,258)
25	340.1	Computers and Software	$ -
26	341	Transportation Equipment	$ (26,760)
27	342	Stores Equipment	$ -
28	343	Tools and Work Equipment	$ (2,132)
29	344	Laboratory Equipment	$ -
30	345	Power Operated Equipment	$ (0)
31	346	Communications Equipment	$ (24,184)
32	347	Miscellaneous Equipment	$ (3,042)
33	348	Other Tangible Plant	$ -
34		Total	$ (1,333,228)

RATE BASE ADJUSTMENT NO. 4 - ACCUMULATED DEPRECIATION

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Accumulated Depreciation	$ 11,909,440	$ (1,954,466)	$9,954,974

References:

Column A: Company Schedule C-1
Column B: Testimony, CSB; Data Request Response CSB 1-7
Column C: Column [A] + Column [B]

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	Dec. 31, 2000 Ending Original Cost (Dec. No. 65350)	Dec. 31, 2000 Ending Accumulated Depreciation (Dec. No. 65350)	Depr. Rates Effective on November 1, 2002 (Decision No. 65350)	2001 Additions / (Retirements)	2001 Fully Depreciated	2001 Depr Exp	2001 Cost	2001 Acc Depr
301 Organization Cost	$0	$0	0.00%	$0	$0	$0	$0	$0
302 Franchise Cost	0	0	0.00%	0	0	0	0	0
303 Land & Land Rights	322,875	0	0.00%	0	0	0	322,875	0
304 Structures & Improv	822,687	207,134	2.50%	27,430	0	20,910	850,117	228,044
307 Wells & Springs	864,013	304,933	2.70%	48,204	0	23,979	912,217	328,912
311 Electric Pumping Equip	1,667,296	991,154	10.00%	8,731	0	167,166	1,676,027	1,158,320
320 Water Treatment Equip	17,938	9,739	10.00%	1,952	0	1,891	19,890	11,630
330 Dist. Resrvr & Stndpipe	1,321,238	498,098	2.50%	138,243	0	34,759	1,459,481	532,857
331 Trans. & Distr. Mains	7,056,631	2,450,915	2.00%	1,663,434	0	157,767	8,720,065	2,608,682
333 Services	829,747	660,025	2.00%	(2,059)	0	16,574	827,688	676,599
334 Meters	903,840	758,362	10.00%	22,370	0	91,503	926,210	849,865
335 Hydrants	457,210	177,863	2.00%	17,739	0	9,322	474,949	187,185
339 Other Plant and Misc Equip	0	0	10.00%	0	0	0	0	0
340 Office Furniture & Fixt	100,023	86,329	6.67%	3,837	0	6,799	103,860	93,128
340.1 Computers and Software	161,264	29,062	6.67%	0	0	10,756	161,264	39,818
341 Transportation Equip	190,168	108,206	14.29%	(1,644)	0	27,058	188,524	135,264
343 Tools & Work Equip	121,859	80,790	11.76%	931	0	14,385	122,790	95,175
345 Power Operated Equip	0	0	10.00%	0	0	0	0	0
346 Communications Equip	38,740	20,080	10.00%	(3,023)	0	3,723	35,717	23,803
347 Miscellaneous Equip	100,766	51,170	6.25%	(380)	0	6,286	100,386	57,456
2000/2001 Totals	$14,976,295	$6,433,860		$1,925,765	$0	$592,879	$16,902,060	$7,026,739

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	2002 Additions Cost	2002 Adj. - Inadequate Support and Plant Retirements		Fully Depreciated	2002 Depr. Expense	2002 Total Cost	2002 Accumulated Depreciation	2002 Net Book Value
		Cost Removal	Depreciation					
301 Organization Cost	$0	$0	$0	$0	$0	$0	$0	$0
302 Franchise Cost	0	0	0	0	0	0	0	0
303 Land & Land Rights	0	0	0	0	0	322,875	0	322,875
304 Structures & Improv	0	523	523	0	21,246	849,594	248,767	600,827
307 Wells & Springs	0	571	571	0	24,622	911,646	352,963	558,683
311 Electric Pumping Equip	71,076	125,165	54,089	0	164,898	1,621,938	1,269,129	352,809
320 Water Treatment Equip	0	3,282	3,282	0	1,825	16,608	10,173	6,435
330 Dist. Resrvr & Stndpipe	0	3,346	3,346	0	36,445	1,456,135	565,956	890,179
331 Trans. & Distr. Mains	354,211	20,083	20,083	0	177,743	9,054,193	2,766,342	6,287,851
333 Services	42,378	2,039	2,039	0	16,957	868,027	691,518	176,510
334 Meters	29,053	15,525	15,525	0	93,297	939,738	927,637	12,101
335 Hydrants	43,354	971	971	0	9,923	517,332	196,136	321,196
339 Other Plant and Misc Equip	0	0	0	0	0	0	0	0
340 Office Furniture & Fixt	0	3,157	3,157	0	6,822	100,703	96,794	3,909
340.1 Computers and Software	0	0	0	0	10,756	161,264	50,575	110,689
341 Transportation Equip	4,844	1,644	1,644	0	27,169	191,724	160,788	30,936
343 Tools & Work Equip	0	266	266	0	14,424	122,524	109,334	13,190
345 Power Operated Equip	0	0	0	0	0	0	0	0
346 Communications Equip	0	3,023	3,023	0	3,421	32,694	24,200	8,494
347 Miscellaneous Equip	0	380	380	0	6,262	100,006	63,338	36,668
2002 Totals	$544,916	$179,975	$108,899	$0	$615,811	$17,267,001	$7,533,651	$9,733,350

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	2003 Additions Cost	2003 Adj. - Inadequate Support		Fully Depreciated	2003 Depr. Expense	2003 Total Cost	2003 Accumulated Depreciation	2003 Net Book Value
		Cost Removal	Depreciation					
301 Organization Cost	$0	$0	$0	$0	$0	$0	$0	$0
302 Franchise Cost	0	0	0	0	0	0	0	0
303 Land & Land Rights	0	0	0	0	0	322,875	0	322,875
304 Structures & Improv	0	523	523	0	21,233	849,071	269,478	579,593
307 Wells & Springs	21,972	571	571	0	24,903	933,047	377,296	555,751
311 Electric Pumping Equip	105,990	64,249	54,089	0	164,281	1,663,679	1,379,321	284,358
320 Water Treatment Equip	24,705	3,282	3,282	0	2,732	38,031	9,623	28,408
330 Dist. Resrvr & Stndpipe	106	3,346	3,346	0	36,363	1,452,895	598,973	853,922
331 Trans. & Distr. Mains	118,031	20,083	20,083	0	182,063	9,152,141	2,928,322	6,223,819
333 Services	18,726	2,039	2,039	0	17,527	884,714	707,006	177,708
334 Meters	47,302	15,525	15,525	931,980	2,365	971,515	914,477	57,038
335 Hydrants	4,242	971	971	0	10,379	520,603	205,545	315,058
339 Other Plant and Misc Equip	0	0	0	0	0	0	0	0
340 Office Furniture & Fixt	32,875	3,157	3,157	0	7,708	130,421	101,345	29,076
340.1 Computers and Software	0	0	0	0	10,756	161,264	61,331	99,933
341 Transportation Equip	8,623	1,644	1,644	0	27,896	198,703	187,040	11,663
343 Tools & Work Equip	0	266	266	10,230	13,190	122,258	122,258	0
345 Power Operated Equip	0	0	0	0	0	0	0	0
346 Communications Equip	0	3,023	3,023	0	3,118	29,671	24,296	5,375
347 Miscellaneous Equip	0	380	380	0	6,239	99,626	69,197	30,429
2003 Totals	$382,572	$119,059	$108,899	$942,210	$530,754	$17,530,514	$7,955,506	$9,575,008

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	2004 Additions Cost	2004 Adj. - Inadequate Support		Fully Depreciated	2004 Depr. Expense	2004 Total Cost	2004 Accumulated Depreciation	2004 Net Book Value
		Cost Removal	Depreciation					
301 Organization Cost	$0	$0	$0	$0	$0	$0	$0	$0
302 Franchise Cost	0	0	0	0	0	0	0	0
303 Land & Land Rights	0	0	0	0	0	322,875	0	322,875
304 Structures & Improv	15,322	523	523	0	21,412	863,870	290,367	573,503
307 Wells & Springs	99,307	571	571	0	26,525	1,031,783	403,250	628,533
311 Electric Pumping Equip	97,537	54,089	54,089	0	168,540	1,707,127	1,493,773	213,354
320 Water Treatment Equip	0	3,282	3,282	0	3,639	34,749	9,980	24,769
330 Dist. Resrvr & Stndpipe	1,500	3,346	3,346	0	36,299	1,451,049	631,926	819,123
331 Trans. & Distr. Mains	459,511	20,083	20,083	0	187,437	9,591,569	3,095,676	6,495,893
333 Services	100,089	25,786	2,039	0	18,437	959,017	723,404	235,613
334 Meters	112,553	15,525	15,525	924,217	9,581	1,068,543	908,533	160,010
335 Hydrants	55,861	971	971	0	10,961	575,493	215,535	359,958
339 Other Plant and Misc Equip	0	0	0	0	0	0	0	0
340 Office Furniture & Fixt	31,854	3,157	3,157	0	9,656	159,118	107,844	51,274
340.1 Computers and Software	0	0	0	0	10,756	161,264	72,087	89,177
341 Transportation Equip	77,639	1,644	1,644	0	33,825	274,698	219,221	55,477
343 Tools & Work Equip	0	266	266	122,123	0	121,992	121,992	(0)
345 Power Operated Equip	0	0	0	0	0	0	0	0
346 Communications Equip	8,868	3,023	3,023	0	3,259	35,516	24,532	10,984
347 Miscellaneous Equip	0	380	380	0	6,215	99,246	75,032	24,215
2004 Totals	$1,060,041	$132,646	$108,899	$1,046,340	$546,543	$18,457,909	$8,393,151	$10,064,758

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	2005 Additions Cost	2005 Retirements Cost	2005 Retirements Depreciation	Fully Depreciated	2005 Depr. Expense	2005 Total Cost	2005 Accumulated Depreciation	2005 Net Book Value
301 Organization Cost	$0	$0	$0	$0	$0	$0	$0	$0
302 Franchise Cost	0	0	0	0	0	0	0	0
303 Land & Land Rights	0	0	0	0	0	322,875	0	322,875
304 Structures & Improv	1,500	523	523	0	21,609	864,847	311,452	553,395
307 Wells & Springs	0	571	571	0	27,850	1,031,212	430,529	600,683
311 Electric Pumping Equip	59,445	54,089	54,089	0	170,981	1,712,483	1,610,664	101,819
320 Water Treatment Equip	11,336	3,282	3,282	0	3,878	42,803	10,576	32,227
330 Dist. Resrvr & Stndpipe	0	3,346	3,346	0	36,234	1,447,703	664,815	782,888
331 Trans. & Distr. Mains	715,198	20,083	20,083	0	198,783	10,286,684	3,274,376	7,012,308
333 Services	118,712	2,039	2,039	0	20,347	1,075,690	741,712	333,978
334 Meters	151,792	15,525	15,525	916,454	22,022	1,204,810	915,030	289,780
335 Hydrants	67,646	971	971	0	12,177	642,168	226,740	415,428
339 Other Plant and Misc Equip	0	0	0	0	0	0	0	0
340 Office Furniture & Fixt	0	3,157	3,157	0	10,508	155,961	115,195	40,766
340.1 Computers and Software	0	0	0	0	10,756	161,264	82,844	78,420
341 Transportation Equip	0	1,644	1,644	0	39,137	273,054	256,714	16,340
343 Tools & Work Equip	0	266	266	121,857	0	121,726	121,726	(0)
345 Power Operated Equip	0	0	0	0	0	0	0	0
346 Communications Equip	64,857	3,023	3,023	0	6,643	97,350	28,152	69,198
347 Miscellaneous Equip	5,600	380	380	0	6,366	104,466	81,018	23,449
2005 Totals	$1,196,086	$108,899	$108,899	$1,038,311	$587,291	$19,545,096	$8,871,543	$10,673,553

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	2006 Additions Cost	2006 Retirements Cost	2006 Retirements Depreciation	Fully Depreciated	2006 Depr. Expense	2006 Total Cost	2006 Accumulated Depreciation	2006 Net Book Value
301 Organization Cost	$0	$0	$0	$0	$0	$0	$0	$0
302 Franchise Cost	0	0	0	0	0	0	0	0
303 Land & Land Rights	0	0	0	0	0	322,875	0	322,875
304 Structures & Improv	0	523	523	0	21,615	864,324	332,544	531,780
307 Wells & Springs	0	571	571	0	27,835	1,030,641	457,793	572,848
311 Electric Pumping Equip	95,954	54,089	54,089	0	173,342	1,754,348	1,729,917	24,431
320 Water Treatment Equip	0	3,282	3,282	0	4,116	39,521	11,410	28,111
330 Dist. Resrvr & Stndpipe	(18,843)	3,346	3,346	0	35,915	1,425,514	697,384	728,130
331 Trans. & Distr. Mains	1,106,649	20,083	20,083	0	216,599	11,373,250	3,470,892	7,902,358
333 Services	181,795	2,039	2,039	0	23,311	1,255,446	762,985	492,461
334 Meters	109,008	15,525	15,525	908,691	34,286	1,298,293	933,791	364,502
335 Hydrants	116,306	971	971	0	13,997	757,503	239,766	517,737
339 Other Plant and Misc Equip	0	0	0	0	0	0	0	0
340 Office Furniture & Fixt	8,090	3,157	3,157	0	10,567	160,894	122,605	38,289
340.1 Computers and Software	0	0	0	0	10,756	161,264	93,600	67,664
341 Transportation Equip	0	1,644	1,644	157,882	16,341	271,410	271,410	(0)
343 Tools & Work Equip	0	266	266	121,593	0	121,460	121,460	(0)
345 Power Operated Equip	0	0	0	0	0	0	0	0
346 Communications Equip	148,115	3,023	3,023	0	16,990	242,442	42,119	200,323
347 Miscellaneous Equip	0	380	380	0	6,517	104,086	87,155	16,931
2006 Totals	$1,747,074	$108,899	$108,899	$1,188,166	$612,187	$21,183,271	$9,374,831	$11,808,440

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	2007 Additions Cost	2007 Retirements Cost	2007 Retirements Depreciation	Fully Depreciated	2007 Depr. Expense	2007 Total Cost	2007 Accumulated Depreciation	2007 Net Book Value
301 Organization Cost	$0	$0	$0	$0	$0	$0	$0	$0
302 Franchise Cost	0	0	0	0	0	0	0	0
303 Land & Land Rights	4,524	0	0	0	0	327,399	0	327,399
304 Structures & Improv	46,661	523	523	0	22,185	910,462	354,206	556,256
307 Wells & Springs	22,357	571	571	0	28,121	1,052,427	485,344	567,083
311 Electric Pumping Equip	149,458	54,089	54,089	63,140	173,889	1,849,717	1,849,717	0
320 Water Treatment Equip	12,503	3,282	3,282	0	4,413	48,742	12,541	36,201
330 Dist. Resrvr & Stndpipe	0	3,346	3,346	0	35,596	1,422,168	729,634	692,534
331 Trans. & Distr. Mains	0	451,420	451,420	0	222,951	10,921,830	3,242,423	7,679,407
333 Services	16,451	2,039	2,039	0	25,253	1,269,858	786,199	483,659
334 Meters	9,790	15,525	15,525	900,928	39,450	1,292,558	957,716	334,842
335 Hydrants	66,561	971	971	0	15,806	823,093	254,601	568,492
339 Other Plant and Misc Equip	362	0	0	0	18	362	18	344
340 Office Furniture & Fixt	7,438	3,157	3,157	0	10,874	165,175	130,322	34,853
340.1 Computers and Software	0	0	0	0	10,756	161,264	104,356	56,908
341 Transportation Equip	0	1,644	1,644	270,588	0	269,766	269,766	(0)
343 Tools & Work Equip	1,412	266	266	121,327	83	122,606	121,277	1,329
345 Power Operated Equip	35,160	0	0	0	1,758	35,160	1,758	33,402
346 Communications Equip	3,141	3,023	3,023	0	24,250	242,560	63,346	179,214
347 Miscellaneous Equip	0	380	380	0	6,494	103,706	93,268	10,438
2007 Totals	$375,818	$540,236	$540,236	$1,355,983	$621,898	$21,018,853	$9,456,492	$11,562,361

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	2008 Additions Cost	2008 Retirements Cost	2008 Retirements Depreciation	Fully Depreciated	2008 Depr. Expense	2008 Total Cost	2008 Accumulated Depreciation	2008 Net Book Value
301 Organization Cost	$0	$0	$0	$0	$0	$0	$0	$0
302 Franchise Cost	0	0	0	0	0	0	0	0
303 Land & Land Rights	0	0	0	0	0	327,399	0	327,399
304 Structures & Improv	39,362	523	523	0	23,247	949,301	376,930	572,371
307 Wells & Springs	5,469	571	571	0	28,482	1,057,325	513,254	544,071
311 Electric Pumping Equip	110,982	54,089	54,089	1,822,673	5,549	1,906,610	1,801,177	105,433
320 Water Treatment Equip	5,764	3,282	3,282	0	4,998	51,224	14,258	36,967
330 Dist. Resrvr & Stndpipe	822,575	20,435	20,435	0	45,581	2,224,308	754,780	1,469,528
331 Trans. & Distr. Mains	779,446	20,083	20,083	0	226,030	11,681,193	3,448,370	8,232,823
333 Services	57,358	2,039	2,039	0	25,950	1,325,177	810,110	515,067
334 Meters	60,593	15,525	15,525	893,165	42,193	1,337,626	984,384	353,243
335 Hydrants	29,957	971	971	0	16,752	852,079	270,382	581,697
339 Other Plant and Misc Equip	69,189	0	0	0	3,496	69,551	3,514	66,037
340 Office Furniture & Fixt	9,033	3,157	3,157	0	11,213	171,051	138,378	32,673
340.1 Computers and Software	0	0	0	0	10,756	161,264	115,112	46,152
341 Transportation Equip	341	15,253	15,253	262,140	24	254,854	254,538	316
343 Tools & Work Equip	63	266	266	121,194	154	122,403	121,166	1,237
345 Power Operated Equip	(3,612)	0	0	0	3,335	31,548	5,093	26,455
346 Communications Equip	41,046	3,023	3,023	0	26,157	280,583	86,480	194,103
347 Miscellaneous Equip	2,805	380	380	0	6,557	106,131	99,446	6,685
2008 Totals	$2,030,371	$139,597	$139,597	$3,099,172	$480,475	$22,909,627	$9,797,371	$13,112,256

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	2009 Additions (Adjustments)	January thru March 2009 Retirements Cost	2009 Retirements Depreciation	Fully Depreciated	2009 Depr. Expense	2009 Total Cost	2009 Accumulated Depreciation	2009 Net Book Value
301 Organization Cost	$0	$0	$0	$0	$0	$0	$0	$0
302 Franchise Cost	0	0	0	0	0	0	0	0
303 Land & Land Rights	0	0	0	0	0	327,399	0	327,399
304 Structures & Improv	358,631	0	0	0	7,054	1,307,932	383,984	923,948
307 Wells & Springs	70,286	0	0	0	7,374	1,127,611	520,628	606,983
311 Electric Pumping Equip	56,472	0	0	1,048,281	22,164	1,963,082	1,823,341	139,741
320 Water Treatment Equip	32,159	0	0	0	1,683	83,383	15,940	67,443
330 Dist. Resrvr & Stndpipe	55,820	0	0	0	14,076	2,280,128	768,856	1,511,272
331 Trans. & Distr. Mains	431,339	3,496	3,496	0	59,476	12,109,036	3,504,349	8,604,687
333 Services	33,559	0	0	0	6,710	1,358,736	816,820	541,916
334 Meters	20,554	0	0	705,342	16,064	1,358,180	1,000,448	357,732
335 Hydrants	32,100	0	0	0	4,341	884,179	274,722	609,457
339 Other Plant and Misc Equip	0	0	0	0	1,739	69,551	5,253	64,298
340 Office Furniture & Fixt	6,622	0	0	0	2,907	177,673	141,286	36,387
340.1 Computers and Software	(344)	0	0	0	2,686	160,920	117,799	43,121
341 Transportation Equip	13,609	0	0	194,750	2,390	268,463	256,928	11,535
343 Tools & Work Equip	44	0	0	70,707	1,521	122,447	122,686	(239)
345 Power Operated Equip	0	0	0	0	789	31,548	5,882	25,666
346 Communications Equip	130,902	0	0	7,666	8,459	411,485	94,939	316,546
347 Miscellaneous Equip	1,177	0	0	0	1,667	107,308	101,113	6,195
2009 Totals	$1,242,930	$3,496	$3,496	$2,026,746	$161,100	$24,149,061	$9,954,974	$14,194,087

Plant Description[1]	12/31/1998 Plant Balances Per Bella Vista	Retirements Per Bella Vista Rebuttal Sch B-2, P. 4	Fully Depreciated Plant
311 Electric Pumping Equip	$ 1,480,991	(432,710)	1,048,281
320 Water Treatment Equip	$ 17,938	(26,254)	0
334 Meters	$ 829,546	(124,204)	705,342
341 Transportation Equip	$ 221,510	(26,760)	194,750
343 Tools & Work Equip	$ 72,839	(2,132)	70,707
346 Communications Equip	$ 31,850	(24,184)	7,666
1998/1999 Totals	$2,654,673	($636,244)	$2,026,746

[1] Plant with useful lives of 10 years or less as indicated by Bella Vista's depreciation rate.

Bella Vista Water Company
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Test Year Ended March 31, 2009

Opening Brief Schedule CSB-9

RATE BASE ADJUSTMENT NO. 5 - CUSTOMER DEPOSITS

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Customer Deposits	$ -	$ 175,850	$ 175,850

References:

Column A: Company Schedule B-2
Column B: Testimony, CSB; Data Request Response CSB 1-15
Column C: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 6 - ACCUMULATED DEFERRED INCOME TAXES

LINE NO.	DESCRIPTION	[A] PER COMPANY	[B] ADJUSTMENT	[C] PER STAFF
1	**ADIT Net Asset/(Liability)**	**$ 230,850**	**$ (648,244)**	**$ (417,394)**

References:

Column A: Company Schedule B-2, page 5
Column B: Testimony, CSB,
Column C: Column [A] + Column [B]; Opening Brief Sch CSB-10, Page 2 of 2

RATE BASE ADJUSTMENT NO. 6 - ACCUMULATED DEFERRED INCOME TAXES CONTINUED

LINE NO.	DESCRIPTION	[A] PER COMPANY	[B] ADJUSTMENT	[C] PER STAFF
1	Tax Value of Fixed Assets	$ 7,035,952	$ (384,069)	$ 6,651,883
2	Less: Book Value Fixed Asset Value (From Line 27)	13,219,320	(3,451,641)	9,767,679
3	Subtotal	$ (6,183,368)	$ 3,067,572	$ (3,115,796)
4	Multiplied by Probability of Realization	100.0%	100.0%	100.0%
5		(6,183,368)	3,067,572	(3,115,796)
6	Multiplied by Tax Rate	38.6%	38.6%	38.6%
7	Noncurrent Future Tax Asset/(Liability)	(2,386,780)	1,184,049	(1,202,663)
8	Reconciling Amount	-	-	-
9	Noncurrent Future Tax Asset/(Liability)	$ (2,386,780)		$ (1,202,663)
10				
11	Tax Value of AIAC	$ -	$ -	$ -
12	Less: Book Value of AIAC	(6,781,443)	-	(6,781,443)
13		$ 6,781,443	$ -	$ 6,781,443
14	Multiplied by Probability of Realization	100.0%	100.0%	30.0%
15		6,781,443	-	2,034,433
16	Multiplied by Tax Rate	38.6%	38.6%	38.6%
17	Noncurrent Future Tax Asset/(Liability)	2,617,637	-	785,269
18				
19	**Net Tax Asset/(Liability) (Line 9 + Line 17)**	**$ 230,857**	**$ (648,251)**	**$ (417,394)**
20				
21				
22		Book Value		Book Value
23		Per Company	Adjustment	Staff
24	Plant-in-Service	$ 25,625,205	$ (1,476,144)	$ 24,149,061
25	Accum. Deprec.	$(11,909,440)	$ 1,954,466	$ (9,954,974)
26	CIAC	$ (496,445)	$ (3,929,962)	$ (4,426,407) From Company Rebuttal Sch B-2, P.5
27	Fixed Assets	$ 13,219,320	$ (3,451,641)	$ 9,767,679
28				
29		Tax Value		Tax Value
30		Per Company	Adjustment	Per Staff
31	Plant-in-Service	$ 7,035,952	$ (384,069)	$ 6,651,883 [1]
32				
33				
34	Footnote 1: The $6,651,883 is calculated as follows:			
35		$ 6,730,491	From Co's Rebuttal w/p's for BV stand alone	
36		$ (104,983)	From Staff's Rate Base Adj 2, Inadequately Supported Plant	
37		$ 26,375	Tax Depreciation related to Inadequately Supported Plant	
38		$ 6,651,883	Tax Value of Fixed Assets	

References:

Column A: Company Direct Schedule B-2, page 5
Column B: Testimony, CSB, Company Data Request Responses CSB 1-10 and 1-11
Column C: Column [A] + Column [B]

Bella Vista Water Company
Docket No. W-02465A-09-0411
Test Year Ended March 31, 2009

Opening Brief Schedule CSB-11

OPERATING INCOME - TEST YEAR AND STAFF RECOMMENDED

LINE NO.	DESCRIPTION	[A] COMPANY TEST YEAR AS FILED	[B] STAFF TEST YEAR ADJUSTMENTS	ADJ NO.	[C] STAFF TEST YEAR AS ADJUSTED	[D] STAFF PROPOSED CHANGES	[E] STAFF RECOMMENDED
	REVENUES:						
1	Metered Water Sales	$ 3,400,892	$ -		$ 3,400,892	$ 232,954	$ 3,633,846
2	Water Sales - Unmetered	-	-		-		-
3	Other Operating Revenues	125,141	-		125,141	-	125,141
4	**Total Revenues**	$ 3,526,033	$ -		$ 3,526,033	$ 232,954	$ 3,758,987
5							
6	*EXPENSES:*						
7	Salaries and Wages	$ -	$ -		$ -	$ -	$ -
8	Purchased Water	708	-		708	-	708
9	Purchased Power	561,094	-		561,094	-	561,094
10	Fuel for Power Production	-	-		-	-	-
11	Chemicals	4,273	-		4,273	-	4,273
12	Materials & Supplies	36,932	-		36,932	-	36,932
13	Outside Services	4,605	-		4,605	-	4,605
14	Outside Services- Legal	35,245	-		35,245	-	35,245
15	Outside Services- Other	1,258,045	(153,278)	1,3	1,104,768	-	1,104,768
16	Water Testing	18,805	24,387		43,192	-	43,192
17	Equipment Rental	-	-		-	-	-
18	Rents	60,600	-		60,600	-	60,600
19	Transportation Expenses	78,117	(7,023)	4	71,094	-	71,094
20	Insurance - General Liability	38,930	-		38,930	-	38,930
21	Insurance - Health and Life	7,290	-		7,290	-	7,290
22	Reg. Comm. Exp.	9,017	-		9,017	-	9,017
23	Reg. Comm. Exp. - Rate Case	83,333	(45,867)	5	37,466	-	37,466
24	Miscellaneous Expense	65,966	(5,681)	6	60,285	-	60,285
25	Bad Debt Expense	9,526	-		9,526	-	9,526
26	Depreciation Expense	1,009,435	(298,916)	7	710,519	-	710,519
27	Taxes Other Than Income	-	-		-	-	-
28	Property Taxes	159,659	(13,735)	8	145,924	3,198	149,122
29	Income Taxes	(10,068)	207,925	9	197,856	88,683	286,540
31		-	-		-		-
32	**Total Operating Expenses**	$ 3,431,512	$ (292,189)		$ 3,139,323	$ 91,881	$ 3,231,204
33							
34	**Operating Income (Loss)**	$ 94,521	$ 292,189		$ 386,710	$ 141,073	$ 527,783

References:
Column (A): Company Schedule C-1, Page 2
Column (B): Schedule CSB-12
Column (C): Column (A) + Column (B)
Column (D): Schedules CSB-1 and CSB-2
Column (E): Column (C) + Column (D)

Bella Vista Water Company
Docket No. W-02465A-09-0411
Test Year Ended March 31, 2009

SUMMARY OF OPERATING INCOME ADJUSTMENTS - TEST YEAR

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] ADJ #1 Corporate Expense Allocation	[C] ADJ #2 Outside Services Other	[D] ADJ #3 Gen Office Alloc/ Affiliate Increase	[E] ADJ #4 Water Testing Expense	[F] ADJ #5 Transportation Expense	[G] ADJ #6 Rate Case Expense	[H] ADJ #7 Meals, Entertainment, & Contributions	[I] ADJ #8 Depreciation Expense	[J] ADJ #9 Property Taxes	[K] ADJ #10 Income Taxes	[L] STAFF ADJUSTED
	REVENUES:		Ref: Sch CSB-13	Ref: Sch CSB-14	Ref: Sch CSB-15	Ref: Sch CSB-16	Ref: Sch CSB-17	Ref: Sch CSB-18	Ref: Sch CSB-19	Ref: Sch CSB-20	Ref: Sch CSB-21	Ref: Sch CSB-22	
1	Metered Water Sales	$ 3,400,892	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,400,892
2	Water Sales - Unmetered	-	-	-	-	-	-	-	-	-	-	-	-
3	Other Operating Revenues	125,141	-	-	-	-	-	-	-	-	-	-	125,141
4	**Total Revenues**	$ 3,526,033	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,526,033
5													
6	*OPERATING EXPENSES:*												
7	Salaries and Wages	$ -	-	-	-	-	-	-	-	-	-	-	$ -
8	Purchased Water	708	-	-	-	-	-	-	-	-	-	-	708
9	Purchased Power	561,094	-	-	-	-	-	-	-	-	-	-	561,094
10	Fuel for Power Production	-	-	-	-	-	-	-	-	-	-	-	-
11	Chemicals	4,273	-	-	-	-	-	-	-	-	-	-	4,273
12	Materials & Supplies	36,932	-	-	-	-	-	-	-	-	-	-	36,932
13	Outside Services	4,605	-	-	-	-	-	-	-	-	-	-	4,605
14	Outside Services- Legal	35,245	-	-	-	-	-	-	-	-	-	-	35,245
15	Outside Services- Other	1,258,045	(123,890)	-	(29,388)	-	-	-	-	-	-	-	1,104,768
16	Water Testing	18,805	-	-	-	24,387	-	-	-	-	-	-	43,192
17	Equipment Rental	-	-	-	-	-	-	-	-	-	-	-	-
18	Rents	60,600	-	-	-	-	-	-	-	-	-	-	60,600
19	Transportation Expenses	78,117	-	-	-	-	(7,023)	-	-	-	-	-	71,094
20	Insurance - General Liability	38,930	-	-	-	-	-	-	-	-	-	-	38,930
21	Insurance - Health and Life	7,290	-	-	-	-	-	-	-	-	-	-	7,290
22	Reg. Comm. Exp.	9,017	-	-	-	-	-	-	-	-	-	-	9,017
23	Reg. Comm. Exp. - Rate Case	83,333	-	-	-	-	-	(45,867)	-	-	-	-	37,466
24	Miscellaneous Expense	65,966	-	-	-	-	-	-	(5,681)	-	-	-	60,285
25	Bad Debt Expense	9,526	-	-	-	-	-	-	-	-	-	-	9,526
26	Depreciation Expense	1,009,435	-	-	-	-	-	-	-	(298,916)	-	-	710,519
27	Taxes Other Than Income	-	-	-	-	-	-	-	-	-	-	-	-
28	Property Taxes	159,659	-	-	-	-	-	-	-	-	(13,735)	-	145,924
29	Income Taxes	(10,068)	-	-	-	-	-	-	-	-	-	207,925	197,856
31													
32	**Total Operating Expenses**	$ 3,431,512	$ (123,890)	$ -	$ (29,388)	$ 24,387	$ (7,023)	$ (45,867)	$ (5,681)	$ (298,916)	$ (13,735)	$ 207,925	$ 3,139,323
33													
34	**Operating Income (Loss)**	$ 94,521	$ 123,890	$ -	$ 29,388	$ (24,387)	$ 7,023	$ 45,867	$ 5,681	$ 298,916	$ 13,735	$ (207,925)	$ 386,710

OPERATING INCOME ADJUSTMENT NO. 1 - EXPENSE ALLOCATIONS FROM UNREGULATED AFFILIATE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS (Col C - Col A)	[C] STAFF AS ADJUSTED
1	Contractual Services - Other	$ 1,130,931	$ -	$ 1,130,931
2	Corporate Expense Allocation	127,114	(123,890)	3,224
3	Total Contractual Services - Other	$ 1,258,045	$ (123,890)	$ 1,134,155

	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
	COSTS TO BE ALLOCATED TO BELLA VISTA							
	Description		Amount (Per RUCO 3.01)	Unallowable Costs (Sch CSB-6, P2)	Direct Costs of Unregulated Affiliate(s)	Allowable Common Costs Allocated to All 70 Companies	Allocation[7] %	Costs to be Allocated to Bella Vista (Col I x Col J)
12	Audit[1]		$ 680,812	$ -	$ (612,730)	$ 68,081	1.47%	$ 1,001.19
13	Tax Services[2]		$ 469,804	$ -	$ (422,824)	$ 46,980	1.47%	$ 690.89
14	Legal-General[3]		$ 138,531	$ -	$ (124,678)	$ 13,853	1.47%	$ 203.72
15	Other Professional Services[4]		$ 452,202	$ -	$ (406,982)	$ 45,220	1.47%	$ 665.00
16	Management Fee		$ 563,803	$ -	$ (563,803)	$ -	1.47%	$ -
17	Unit Holder Communications		$ 145,658	$ -	$ (145,658)	$ -	1.47%	$ -
18	Trustee Fees		$ 127,116	$ -	$ (127,116)	$ -	1.47%	$ -
19	Escrow and Transfer Fees		$ 85,354	$ -	$ (85,354)	$ -	1.47%	$ -
20	Rent		$ 273,965	$ -	$ (273,965)	$ -	1.47%	$ -
21	Licenses/Fees and Permits		$ 14,565	$ -	$ (14,565)	$ -	1.47%	$ -
22	Office Expenses[5]		$ 555,759	$ (123,829)	$ (405,801)	$ 26,129	1.47%	$ 384.25
23	Depreciation Expense[6]		$ 189,797	$ -	$ (170,818)	$ 18,980	1.47%	$ 279.11
24			$ 3,697,367	$ (123,829)	$ (3,354,294)	$ 219,244		$ 3,224.17

Foot Note 1: Audit - As the parent company's lenders require the APIF to have annual financial audits, Staff assigned the majority of the cost (i.e., 90 percent) to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 2: Tax Services - Given the tax complexity of the APIF's many holdings and transactions, Staff assigned the majority of the cost (i.e., 90 percent) to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 3: Legal, General - Staff reviewed the invoices and found that the very large majority of the cost (i.e., 90 percent) was directly related to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 4: Other Professional Services - Staff reviewed the invoices and found that the very large majority of the cost (i.e., 90 percent) was directly related to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 5: Office Expense - Staff reviewed the invoices and found that the very large majority of the cost (i.e., 90 percent) was directly related to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 6: Depreciation Expense - Given that most of APIF's plant costs benefit primarily APIF, Staff assigned the majority of the cost (i.e., 90 percent) to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 7: In Staff's Direct and Surrebuttal testimonies the allocation percentage was calculated as follows: 1 / 70 companies = 1.43%. The 70 companies represented the average of the year-end 2007, 71 companies, and year-end 2008, 70 companies. However, the allocation percentage has changed to 1/68 companies = 1.47% to reflect Staff's recommendation to consolidate Bella Vista, Northern Sunrise, and Southern Sunrise into one company (i.e. Bella Vista).

References:

Column A: Company Schedule C-2
Column B: Testimony, CSB, Company Data Request Responses CSB 1.26, CSB 1.27, RUCO 3.01
Column C: Column [A] + Column [B]

LINE NO.	Category	Description of Unallowable Cost	Vendor	Invoice No.	Amount
1	**Category**	**Description of Unallowable Cost**	**Vendor**	**Invoice No.**	**Amount**
2	Office Expenses	Furniture	Grand & Toy	612	$12,530
3	Office Expenses	Furniture Installation	Grand & Toy	612	$60,909
4	Office Expenses	Dell Server and Software	Dell		$16,330
5	Office Expenses	Shelving	Stor-Tec Ltd.	JF-394	$7,459
6	Office Expenses	Telephone System	Cableteck	10802	$7,641
7	Office Expenses	Phones/Cabling/Network Install	Cableteck	11009820-0074	$18,960
8		**Total for Office Expenses**			**$123,829**

Bella Vista Water Company
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Opening Brief Schedule CSB-14

OPERATING INCOME ADJUSTMENT NO. 2 - OUTSIDE SERVICES OTHER

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS (Col C - Col A)	[C] STAFF AS ADJUSTED	
1	Outside Services - Other	$ 1,228,657	$ -	$ 1,228,657	Removed $47,644 Adj
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					

References:

Column A: Company Schedule C-2

Column B: Testimony, CSB; Company Data Request Responses to CSB 1-20, 1-21, & 1-26

Column C: Column [A] + Column [B]

Bella Vista Water Company
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Opening Brief Schedule CSB-15

OPERATING INCOME ADJUSTMENT NO. 3 - GENERAL OFFICE ALLOCATION / AFFILIATE INCREASE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS (Col C - Col A)	[C] STAFF AS ADJUSTED
1	Outside Services - Other	$ 1,228,657	$ -	$ 1,228,657
2	Affiliate Increase	29,388	(29,388)	-
3	Total Outside Services - Other	$ 1,258,045	$ (29,388)	$ 1,228,657
4				
5				
6				

References:

Column A: Company Schedule C-2

Column B: Testimony, CSB; Company Data Request Responses to CSB 1-20, 1-21, & 1-26

Column C: Column [A] + Column [B]

Bella Vista Water Company
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Opening Brief Schedule CSB-16

OPERATING INCOME ADJUSTMENT NO. 4 - WATER TESTING EXPENSE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Water Testing Expense	18,805	$24,387	$43,192

References:

Column A: Company Schedule C-1
Column B: Testimony, CSB; Company Rebuttal Schedule C-1
Column C: Column [A] + Column [B]

Bella Vista Water Company
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Opening Brief Schedule CSB-17

OPERATING INCOME ADJUSTMENT NO. 5 - TRANSPORTATION EXPENSE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Transportation Expense	78,117	$ (7,023)	$ 71,094

References:

Column A: Company Schedule C-1 & E-2
Column B: Testimony, CSB; Company Rebuttal Schedule C-1
Column C: Column [A] + Column [B]

Bella Vista Water Company
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Opening Brief Schedule CSB-18

OPERATING INCOME ADJUSTMENT NO. 6 - RATE CASE EXPENSE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Rate Case Expense - Bella Vista	$ 83,333	$ (45,867)	$ 37,466

[D] Company Name	[E] Total Rate Case Expense Per Co.	[F] Percent of Total Expense	[G] Total Rate Case Exp Per Staff From Line 19	[H] Total Rate Case For Each Company Per Staff Col F x Col G	[I] Normalized Rate Case Expense Col H / 3 Years
Bella Vista	**$250,000**	**55.56%**	**$ 202,316**	**$ 112,398**	**$ 37,466**
Northern Sunrise	$75,000	16.67%	$ 202,316	$ 33,719	$ 11,240
Southern Sunrise	$125,000	27.78%	$ 202,316	$ 56,199	$ 18,733
Total	**$450,000**	**100.00%**		**$ 202,316**	

	Total Rate Case Exp.	
Average Cost	$ 50,579	From Line 30
Multiplied by	4	Three Companies & 1 Consolidation
Total Rate Case Expense-Per Staff	$ 202,316	

[J] Company Name	[K] Rate Case Exp Amount	[L] No. of Companies, Systems, and Consolidations	[M] Average Rate Case Expense Col K / Col L
Arizona-American Water Company[1]	$ 456,275	7	$ 65,182
Arizona Water Company[1]	$ 500,000	17	$ 29,412
Global Water Company[1]	$ 400,000	7	$ 57,143
		Total	$ 151,737
		Divided by	3
		Average Cost	$ 50,579

[1] See Below for Docket Numbers

Name	Docket Numbers
Arizona-American Water Company	W-01303A-08-0227
Arizona Water Company	W-01445A-08-0440
Global Water Company	SW-20445A-09-0077, et al

References:

Column A: Company Schedule C-1
Column B: Testimony, CSB
Column C: Column [A] + Column [B]

Bella Vista Water Company
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Opening Brief Schedule CSB-19

OPERATING INCOME ADJUSTMENT NO. 7 - MEALS, ENTERTAINMENT, & CONTRIBUTIONS

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Miscellaneous Expense	$ 65,966	$ (5,681)	$ 60,285

	Meals, Entertainment, & Contributions	
Meals and Entertainment	$ 5,181	CSB 1-32
Contributions	$ 500	CSB 1-32
	$ 5,681	

References:

Column A: Company Schedule C-1 & E-2
Column B: Testimony, CSB; Data Request CSB 1-32
Column C: Column [A] + Column [B]

Bella Vista Water Company
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OPERATING INCOME ADJUSTMENT NO. 8 - DEPRECIATION EXPENSE ON TEST YEAR PLANT

LINE NO.		DESCRIPTION	[A] PLANT In SERVICE Per Staff	[B] NonDepreciable or Fully Depreciated PLANT	[C] DEPRECIABLE PLANT (Col A - Col B)	[D] DEPRECIATION RATE	[E] DEPRECIATION EXPENSE (Col C x Col D)
1	303	Land and Land Rights	$ 327,399	$ 327,399	$ -	0.00%	$ -
2	304	Structures and Improvements	1,307,935	-	1,307,935	3.33%	43,554
3	306	Lake, River, and Other Intakes	-	-	-	2.50%	-
4	307	Wells and Springs	1,127,614	-	1,127,614	3.33%	37,550
5	309	Supply Mains	-	-	-	2.00%	-
6	310	Power Generation Equipment	-	-	-	5.00%	-
7	311	Pumping Equipment	1,963,085	1,048,281	914,804	12.50%	114,351
8	320	Water Treatment Equipment	83,385	-	83,385	3.33%	2,777
9	330	Distribution Reservoirs and Standpipes	2,280,128	-	2,280,128	2.22%	50,619
10	331	Transmission and Distribution Mains	12,109,036	-	12,109,036	2.00%	242,181
11	333	Services	1,358,732	-	1,358,732	3.33%	45,246
12	334	Meters and Meter Installations	1,358,176	705,342	652,834	8.33%	54,381
13	335	Hydrants	884,182	-	884,182	2.00%	17,684
14	336	Backflow Prevention Devices	-	-	-	6.67%	-
15	339	Other Plant and Miscellaneous Equipment	69,551	-	69,551	6.67%	4,639
16	340	Office Furniture and Equipment	177,328	-	177,328	6.67%	11,828
17	341	Transportation Equipment	268,464	194,750	73,715	20.00%	14,743
18	340.1	Computers and Software	161,264	-	161,264	20.00%	32,253
19	343	Tools, Shop, and Garage Equipment	122,443	70,707	51,736	5.00%	2,587
20	344	Laboratory Equipment	-	-	-	10.00%	-
21	345	Power Operated Equipment	31,548	-	31,548	5.00%	1,577
22	346	Communication Equipment	411,484	7,666	403,818	10.00%	40,382
23	347	Miscellaneous Equipment	107,306	-	107,306	10.00%	10,731
24	348	Other Tangible Equipment	-	-	-	10.00%	-
25		Total Plant	$ 24,149,060	$ 2,026,746	$ 21,794,915		$ 727,080
26							
27							
28							
29		Composite Depreciation Rate (Depr Exp / Depreciable Plant):	3.34%				
30		CIAC:	$ 496,445				
31		Amortization of CIAC (Line 32 x Line 33):	$ 16,561				
32							
33		Depreciation Expense Before Amortization of CIAC:	$ 727,080				
34		Less Amortization of CIAC:	$ 16,561				
35		Test Year Depreciation Expense - Staff:	$ 710,519				
36		Depreciation Expense - Company:	1,009,435				
37		**Staff's Total Adjustment:**	**$ (298,916)**				

References:
Column [A]: Schedule CSB-4
Column [B]: From Column [A]
Column [C]: Column [A] - Column [B]
Column [D]: Engineering Staff Report
Column [E]: Column [C] x Column [D]

Bella Vista Water Company
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Opening Brief Schedule CSB-21

OPERATING INCOME ADJUSTMENT NO. 9 - PROPERTY TAX EXPENSE

LINE NO.	Property Tax Calculation	[A] STAFF AS ADJUSTED	[B] STAFF RECOMMENDED
1	Staff Adjusted Test Year Revenues	$ 3,526,033	$ 3,526,033
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	7,052,066	$ 7,052,066
4	Staff Recommended Revenue, Per Schedule CSB-1	3,526,033	$ 3,758,987
5	Subtotal (Line 4 + Line 5)	10,578,099	10,811,053
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	3,526,033	$ 3,603,684
8	Department of Revenue Mutilplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	7,052,066	$ 7,207,369
10	Plus: 10% of CWIP -	37,989	37,989
11	Less: Net Book Value of Licensed Vehicles	3,305	$ 3,305
12	Full Cash Value (Line 9 + Line 10 - Line 11)	7,086,750	$ 7,242,053
13	Assessment Ratio	21.0%	21.0%
14	Assessment Value (Line 12 * Line 13)	1,488,218	$ 1,520,831
15	Composite Property Tax Rate	9.8053%	9.8053%
			$ -
16	Staff Test Year Adjusted Property Tax (Line 14 * Line 15)	$ 145,924	
17	Company Proposed Property Tax	159,659	
18	Staff Test Year Adjustment (Line 16-Line 17)	$ (13,735)	
19	Property Tax - Staff Recommended Revenue (Line 14 * Line 15)		$ 149,122
20	Staff Test Year Adjusted Property Tax Expense (Line 16)		$ 145,924
21	Increase in Property Tax Expense Due to Increase in Revenue Requirement		$ 3,198
22	Increase to Property Tax Expense		$ 3,198
23	Increase in Revenue Requirement		232,954
24	Increase to Property Tax per Dollar Increase in Revenue (Line19/Line 20)		1.372742%

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Opening Brief Schedule CSB-22

OPERATING INCOME ADJUSTMENT NO. 10 - TEST YEAR INCOME TAXES

LINE NO.	DESCRIPTION	(A)	(B)
	Calculation of Income Tax:	Test Year	
1	Revenue	$ 3,526,033	
2	Less: Operating Expenses - Excluding Income Taxes	$ 2,941,466	
3	Less: Synchronized Interest (L17)	$ 71,970	
4	Arizona Taxable Income (L1- L2 - L3)	$ 512,596	
5	Arizona State Income Tax Rate	6.968%	
6	Arizona Income Tax (L4 x L5)		$ 35,718
7	Federal Taxable Income (L4 - L6)	$ 476,879	
8	Federal Tax on First Income Bracket ($1 - $50,000) @ 15%	$ 7,500	
9	Federal Tax on Second Income Bracket ($51,001 - $75,000) @ 25%	$ 6,250	
10	Federal Tax on Third Income Bracket ($75,001 - $100,000) @ 34%	$ 8,500	
11	Federal Tax on Fourth Income Bracket ($100,001 - $335,000) @ 39%	$ 91,650	
12	Federal Tax on Fifth Income Bracket ($335,001 - $10,000,000) @ 34%	$ 48,239	
13	Total Federal Income Tax		$ 162,139
14	Combined Federal and State Income Tax (L6 + L13)		$ 197,856
	Calculation of Interest Synchronization:		
15	Rate Base (Schedule CSB-13, Col. (C), Line 16)	$ 5,997,538	
16	Weighted Average Cost of Debt	1.20%	
17	Synchronized Interest (L16 x L17)	$ 71,970	
18	Income Tax - Per Staff	$ 197,856	
19	Income Tax - Per Company	$ (10,068)	
20	**Staff Adjustment**	**$ 207,925**	

Northern Sunrise Water Company
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Opening Brief Schedule CSB-1

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	[A] COMPANY ORIGINAL COST	[B] STAFF ORIGINAL COST
1	Adjusted Rate Base	$ 742,657	$ 649,345
2	Adjusted Operating Income (Loss)	$ (81,316)	$ (56,786)
3	Current Rate of Return (L2 / L1)	-10.95%	-8.75%
4	Required Rate of Return	12.80%	8.80%
5	Required Operating Income (L4 * L1)	$ 95,060	$ 57,142
6	Operating Income Deficiency (L5 - L2)	$ 176,376	$ 113,928
7	Gross Revenue Conversion Factor	1.4516941	1.6545626
8	Increase (Decrease) In Gross Revenue (L7 * L6)	$ 256,044	$ 188,502
9	Adjusted Test Year Revenue	$ 191,966	$ 191,966
10	Proposed Annual Revenue (L8 + L9)	$ 448,011	$ 380,468
11	Required Increase/(Decrease in Revenue) (%) (L8/L9)	133.38%	98.20%

References:
Column [A]: Company Schedules A-1, C-1, C-3, & D-1
Column [B]: Staff Schedules CSB-2, CSB-3, & CSB-10

Northern Sunrise Water Company
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Opening Brief Schedule CSB-2

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	Calculation of Gross Revenue Conversion Factor:				
1	Revenue	100.0000%			
2	Uncollecible Factor (Line 11)	0.0000%			
3	Revenues (L1 - L2)	100.0000%			
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	39.5611%			
5	Subtotal (L3 - L4)	60.4389%			
6	**Revenue Conversion Factor (L1 / L5)**	1.654563			
	Calculation of Uncollecttible Factor:				
7	Unity	100.0000%			
8	Combined Federal and State Tax Rate (Line 17)	38.5989%			
9	One Minus Combined Income Tax Rate (L7 - L8)	61.4011%			
10	Uncollectible Rate	0.0000%			
11	Uncollectible Factor (L9 * L10)	0.0000%			
	Calculation of Effective Tax Rate:				
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
13	Arizona State Income Tax Rate	6.9680%			
14	Federal Taxable Income (L12 - L13)	93.0320%			
15	Applicable Federal Income Tax Rate (Line 53)	34.0000%			
16	Effective Federal Income Tax Rate (L14 x L15)	31.6309%			
17	Combined Federal and State Income Tax Rate (L13 +L16)		38.5989%		
	Calculation of Effective Property Tax Factor				
18	Unity	100.0000%			
19	Combined Federal and State Income Tax Rate (L17)	38.5989%			
20	One Minus Combined Income Tax Rate (L18-L19)	61.4011%			
21	Property Tax Factor (CSB-18, Col B, L24)	1.5670%			
22	Effective Property Tax Factor (L20*L21)		0.9622%		
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			39.5611%	
24	Required Operating Income (Schedule CSB-1, Line 5)	$ 57,142			
25	AdjustedTest Year Operating Income (Loss) (Sch CSB-10, Col C, Line 34)	(56,786)			
26	Required Increase in Operating Income (L24 - L25)		$ 113,928		
27	Income Taxes on Recommended Revenue (Col. [C], L52)	$ 35,922			
28	Income Taxes on Test Year Revenue (Col. [A], L52)	(35,698)			
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		71,619		
30	Recommended Revenue Requirement (Schedule CSB-1, Line 10)	$ 380,468			
31	Uncollectible Rate (Line 10)	0.0000%			
32	Uncolllectible Expense on Recommended Revenue (L30*L31)	$ -			
33	Adjusted Test Year Uncollectible Expense	$ -			
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32-L33)		-		
35	Property Tax with Recommended Revenue (CSB-18, Col B, L19)	$ 11,979			
36	Property Tax on Test Year Revenue (CSB-18, Col A, L16)	9,025			
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		2,954		
38	Total Required Increase in Revenue (L26 + L29 + L34 + L37)		$ 188,502		

		Test Year		Staff Recommended
	Calculation of Income Tax:			
39	Revenue (Schedule CSB-10, Col. [C], Line 4 & Sch. CSB-1, Col. [D] Line 1	$ 191,966	$ 188,502	$ 380,468
40	Operating Expenses Excluding Income Taxes	$ 284,450	$ 2,954	$ 287,404
41	Synchronized Interest (L56)	$ -		$ -
42	Arizona Taxable Income (L39 - L40 - L41)	$ (92,484)		$ 93,064
43	Arizona State Income Tax Rate	6.9680%		6.9680%
44	Arizona Income Tax (L42 x L43)	$ (6,444)		$ 6,485
45	Federal Taxable Income (L42 - L44)	$ (86,040)		$ 86,579
46	Federal Tax on Income Bracket - Not Used	$ -		$ -
47	Federal Tax on Income Bracket - Not Used	$ -		$ -
48	Federal Tax on Income Bracket - Not Used	$ -		$ -
49	Federal Tax on Income Bracket - Not Used	$ -		$ -
50	Federal Tax on All Income ($0 -$10,000,000) @ 34%	$ (29,253)		$ 29,437
51	Total Federal Income Tax	$ (29,253)		$ 29,437
52	Combined Federal and State Income Tax (L44 + L51)	$ (35,698)		$ 35,922
53	Applicable Federal Income Tax Rate [Col. [C], L51 - Col. [A], L51] / [Col. [C], L45 - Col. [A], L45]			34.0000%
	Calculation of Interest Synchronization:			
54	Rate Base (Schedule CSB-3, Col. (C), Line 14	$ 649,345		
55	Weighted Average Cost of Debt	0.0000%		
56	Synchronized Interest (L45 X L46)	$ -		

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Opening Brief Schedule CSB-3

RATE BASE - ORIGINAL COST

LINE NO.		(A) COMPANY AS FILED	(B) STAFF ADJUSTMENTS	ADJ NO.	(C) STAFF AS ADJUSTED
1	Plant in Service	$ 815,886	$ (29,377)	1, 2	$ 786,509
2	Less: Accumulated Depreciation	42,738	(2,827)	3	39,911
3	Net Plant in Service	$ 773,148	$ (26,550)		$ 746,598
	LESS:				
4	Advances in Aid of Construction (AIAC)	$ -	$ -		$ -
5	Service Line and Meter Advances	$ 410	$ -		$ 410
6	Contributions in Aid of Construction (CIAC)	$ 26,000	$ -		$ 26,000
7	Less: Accumulated Amortization	63	-		63
8	Net CIAC	$ 25,937	-		$ 25,937
9	Total Advances and Contributions	$ 26,347	$ -		$ 26,347
10	Customer Deposits	$ -	$ 7,972	4	$ 7,972
11	Accumulated Deferred Income Taxes	$ 4,144	$ 58,790	5	$ 62,934
	ADD:				
12	Working Capital	$ -	$ -		$ -
13		$ -	$ -		$ -
14	**Total Rate Base**	$ 742,657	$ (93,312)		$ 649,345

References:
Column [A], Company Schedule B-1, Page 1
Column [B]: Schedule CSB-4
Column [C]: Column [A] + Column [B]

Northern Sunrise Water Company
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Test Year Ended March 31, 2009

Opening Brief Schedule CSB-4

SUMMARY OF RATE BASE ADJUSTMENTS

LINE NO.	Acct. No.	PLANT IN SERVICE Plant Description	[A] COMPANY AS FILED	[B] Adj No.1 Inadequately Supported Plant, AFUDC Ref: Sch CSB-5	[C] ADJ No. 2 Regulatory Asset Ref: Sch CSB-6	[D] ADJ No. 3 Accumulated Depreciation Ref: Sch CSB-7	[E] ADJ No. 4 Customer Deposits Ref: Sch CSB-8	[F] ADJ No. 5 ADIT Ref: Sch CSB-9	[G] STAFF AS ADJUSTED
2	301	Organization Cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -
3	302	Franchise Cost	890	-	-	-	-	-	890
4	303	Land and Land Rights	23,926	-	-	-	-	-	23,926
5	304	Structures and Improvements	281,810	(1,142)	-	-	-	-	280,668
6	305	Collecting and Impounding Res.	51,378	-	-	-	-	-	51,378
7	307	Wells and Springs	34,064	-	-	-	-	-	34,064
8	309	Supply Mains	-	-	-	-	-	-	-
9	310	Power Generation Equipment	1,293	-	-	-	-	-	1,293
10	311	Electric Pumping Equipment	92,122	(1,103)	-	-	-	-	91,019
11	320	Water Treatment Equipment	-	-	-	-	-	-	-
12	330	Distribution Reservoirs & Standpipe	102,018	(6,349)	-	-	-	-	95,668
13	331	Transmission and Distribution Mains	36,763	-	-	-	-	-	36,763
14	333	Services	30,106	(350)	-	-	-	-	29,756
15	334	Meters	8,244	(4,795)	-	-	-	-	3,449
16	335	Hydrants	59,298	-	-	-	-	-	59,298
17	336	Backflow Prevention Devices	-	-	-	-	-	-	-
18	339	Other Plant and Miscellaneous Equipment	23,472	-	-	-	-	-	23,472
19	340	Office Furniture and Fixtures	-	-	-	-	-	-	-
20	340.1	Computers and Software	-	-	-	-	-	-	-
21	341	Transportation Equipment	-	-	-	-	-	-	-
22	343	Tools and Work Equipment	-	-	-	-	-	-	-
23	344	Laboratory Equipment	-	-	-	-	-	-	-
24	345	Power Operated Equipment	-	-	-	-	-	-	-
25	346	Communications Equipment	5,881	-	-	-	-	-	5,881
26	347	Miscellaneous Equipment	-	-	-	-	-	-	-
27	348	Other Tangible Plant	64,621	-	(15,636)	-	-	-	48,984
28		Rounding	-	-	-	-	-	-	-
29		Total Plant in Service	$ 815,886	$ (13,740)	$ (15,636)	$ -	$ -	$ -	$ 786,509
30		Less: Accumulated Depreciation	$ 42,738	$ -	$ -	$ (2,827)	$ -	$ -	39,911
31		Net Plant in Service	$ 773,148	$ (13,740)	$ (15,636)	$ 2,827	$ -	$ -	$ 746,598
32									
33		*LESS:*							
34		Advances in Aid of Construction (AIAC)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
35		Service Line and Meter Advances	$ 410	-	-	-	-	-	$ 410
36									
37		Contributions in Aid of Construction (CIAC)	$ 26,000	-	-	-	-	-	$ 26,000
38		Less: Accumulated Amortization of CIAC	$ 63	-	-	-	-	-	$ 63
39		Net CIAC	$ 25,937	$ -	$ -	$ -	$ -	$ -	$ 25,937
40									
41		Total Advances and Net Contributions	$ 26,347	$ -	$ -	$ -	$ -	$ -	$ 26,347
42									
43		Customer Deposits	$ -	-	-	-	7,972	-	$ 7,972
44		Accumulated Deferred Taxes	$ 4,144	-	-	-	-	58,790	$ 62,934
45									
46		*ADD:*							
47		Working Capital Allowance	$ -	-	-	-	-	-	$ -
48			$ -	-	-	-	-	-	$ -
49		**Total Rate Base**	$ 742,657	$ (13,740)	$ (15,636)	$ 2,827	$ (7,972)	$ (58,790)	$ 649,345

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Opening Brief Schedule CSB-5

RATE BASE ADJUSTMENT NO. 1 - INADEQUATELY SUPPORTED PLANT, AFUDC

LINE NO.	Acct. No.	Account Description	[A] STAFF'S ADJUSTMENT
1	304	Structures and Improvements	$ (1,142)
2	311	Electric Pumping Equipment	$ (1,103)
3	330	Dist. Reservoirs & Standpipe	$ (6,349)
4	333	Services	$ (350)
5	334	Meters	$ (4,795)
6		**Total**	$ (13,740)

References:

Column A: Company Schedule B-2, P.3 for Northern Sunrise

Northern Sunrise Water Company
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Opening Brief Schedule CSB-6

RATE BASE ADJUSTMENT NO. 2 - REGULATORY ASSET

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Other Tangible Plant - Regulatory Asset	$ 64,621	$ (15,636)	$ 48,984

References:

Column A: Company Schedule B-2
Column B: Testimony, CSB; Data Request Response CSB 3-5 and CSB 10-3
Column C: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 3 - ACCUMULATED DEPRECIATION

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Accumulated Depreciation	$ 42,738	$ (2,827)	$39,911

References:

Column A: Company Schedule C-1
Column B: Testimony, CSB; Data Request Response CSB 3-6
Column C: Column [A] + Column [B]

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	Plant 31-Dec-06 Original Cost	31-Dec-06 Accumulated Depreciation	Depr. Rates Effective on 31-Dec-06 (Dec. No. 68412)	2007 Additions	2007 Retirements Cost Removal	2007 Retirements Depreciation	2007 Depr. Expense	2007 Total Cost	2007 Accumulated Depreciation
301 Organization Cost	$0	$0	0.00%	$0	$0	$0	$0	$0	$0
302 Franchise Cost	0	0	0.00%	0	0	0	$0	0	0
303 Land & Land Rights	23,926	0	0.00%	0	0	0	$0	23,926	0
304 Structures & Improv	335	0	3.33%	0	0	0	$11	335	11
305 Collecting & Impounding Res.	0	0	2.50%	46,603	0	0	$583	46,603	583
307 Wells & Springs	0	0	3.33%	25,209	0	0	$420	25,209	420
310 Power Generation Equip	0	0	5.00%	531	0	0	$13	531	13
311 Electric Pumping Equip	24,594	0	12.50%	6,698	0	0	$3,493	31,292	3,493
320 Water Treatment Equip	0	0	3.33%	0	0	0	$0	0	0
330 Dist. Resrvr & Stndpipe	4,680	0	2.22%	0	0	0	$104	4,680	104
331 Trans. & Distr. Mains	36,984	0	2.00%	0	0	0	$740	36,984	740
333 Services	1,065	0	3.33%	9,381	0	0	$192	10,446	192
334 Meters	0	0	8.33%	2,354	0	0	$98	2,354	98
335 Hydrants	0	0	2.00%	57,373	0	0	$574	57,373	574
339 Other Plant and Misc Equip	0	0	6.67%	9,370	0	0	$312	9,370	312
340 Office Furniture & Fixt	0	0	6.67%	0	0	0	$0	0	0
340.1 Computers and Software	0	0	20.00%	0	0	0	$0	0	0
341 Transportation Equip	0	0	20.00%	0	0	0	$0	0	0
343 Tools & Work Equip	0	0	5.00%	0	0	0	$0	0	0
345 Power Operated Equip	0	0	5.00%	0	0	0	$0	0	0
346 Communications Equip	0	0	10.00%	2,502	0	0	$125	2,502	125
348 Other Tangible Equipment	0	0	10.00%	48,984	0	0	$2,449	48,984	2,449
2006/2007 Totals	$91,584	$0		$209,005	$0		$9,113	$300,589	$9,113

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	2008 Additions Cost	2008 Retirements		Fully Depreciated	2008 Depr. Expense	2008 Total Cost	2008 Accumulated Depreciation	2008 Net Book Value
		Cost Removal	Depreciation					
301 Organization Cost	$0	$0	$0	$0	$0	$0	$0	$0
302 Franchise Cost	0	0	0	0	0	0	0	0
303 Land & Land Rights	0	0	0	0	0	23,926	0	23,926
304 Structures & Improv	229,294	0	0	0	3,829	229,629	3,840	225,789
305 Collecting & Impounding Res.	308	0	0	0	1,169	46,911	1,751	45,160
307 Wells & Springs	6,629	0	0	0	950	31,838	1,370	30,468
310 Power Generation Equip	763	0	0	0	46	1,294	59	1,235
311 Electric Pumping Equip	38,521	0	0	0	6,319	69,813	9,812	60,001
320 Water Treatment Equip	0	0	0	0	0	0	0	0
330 Dist. Resrvr & Stndpipe	90,679	0	0	0	1,110	95,359	1,214	94,145
331 Trans. & Distr. Mains	(221)	0	0	0	737	36,763	1,477	35,286
333 Services	10,637	0	0	0	525	21,083	717	20,366
334 Meters	1,095	0	0	0	242	3,449	340	3,109
335 Hydrants	1,925	0	0	0	1,167	59,298	1,740	57,558
339 Other Plant and Misc Equip	14,102	0	0	0	1,095	23,472	1,408	22,064
340 Office Furniture & Fixt	0	0	0	0	0	0	0	0
340.1 Computers and Software	0	0	0	0	0	0	0	0
341 Transportation Equip	0	0	0	0	0	0	0	0
343 Tools & Work Equip	0	0	0	0	0	0	0	0
345 Power Operated Equip	0	0	0	0	0	0	0	0
346 Communications Equip	3,379	0	0	0	419	5,881	544	5,337
348 Other Tangible Equipment	0	0	0	0	4,898	48,984	7,348	41,637
2008 Totals	$397,111	$0	$0	$0	$22,506	$697,700	$31,620	$666,080

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	2009 Additions Costs	January through March 2009						
		2009 Retirements		Fully Depreciated	2009 Depr. Expense	2009 Total Cost	2009 Accumulated Depreciation	2009 Net Book Value
		Cost Removal	Depreciation					
301 Organization Cost	$0	$0	$0	$0	$0	$0	$0	$0
302 Franchise Cost	890	0	0	0	0	890	0	890
303 Land & Land Rights	0	0	0	0	0	23,926	0	23,926
304 Structures & Improv	52,181	1,142	0	0	2,124	280,668	5,964	274,704
305 Collecting & Impounding Res.	4,466	0	0	0	307	51,377	2,059	49,318
307 Wells & Springs	2,226	0	0	0	274	34,064	1,644	32,420
310 Power Generation Equip	0	0	0	0	16	1,294	75	1,219
311 Electric Pumping Equip	22,309	1,103	0	0	2,513	91,019	12,325	78,694
320 Water Treatment Equip	0	0	0	0	0	0	0	0
330 Dist. Resrvr & Stndpipe	6,659	6,349	0	0	530	95,669	1,744	93,925
331 Trans. & Distr. Mains	0	0	0	0	184	36,763	1,661	35,102
333 Services	9,023	350	0	0	212	29,756	928	28,828
334 Meters	4,795	4,795	0	0	72	3,449	412	3,037
335 Hydrants	0	0	0	0	296	59,298	2,037	57,261
339 Other Plant and Misc Equip	0	0	0	0	391	23,472	1,799	21,673
340 Office Furniture & Fixt	0	0	0	0	0	0	0	0
340.1 Computers and Software	0	0	0	0	0	0	0	0
341 Transportation Equip	0	0	0	0	0	0	0	0
343 Tools & Work Equip	0	0	0	0	0	0	0	0
345 Power Operated Equip	0	0	0	0	0	0	0	0
346 Communications Equip	0	0	0	0	147	5,881	691	5,190
348 Other Tangible Equipment	0	0	0	0	1,225	48,984	8,572	40,412
2009 Totals	$102,549	$13,739	$0	$0	$8,292	$786,510	$39,911	$746,599

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Opening Brief Schedule CSB-8

RATE BASE ADJUSTMENT NO. 4 - CUSTOMER DEPOSITS

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Customer Deposits	$ -	$ 7,972	$ 7,972

References:

Column A: Company Schedule B-2
Column B: Testimony, CSB; Data Request Response CSB 3-8
Column C: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 5 - ACCUMULATED DEFERRED INCOME TAXES

LINE NO.	DESCRIPTION	[A] PER COMPANY	[B] ADJUSTMENT	[C] PER STAFF
1	ADIT Net Asset/(Liability)	$ 4,144	$ 58,790	$ 62,934

References:

Column A: Company Schedule B-2, page 5
Column B: Testimony, CSB,
Column C: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 5 - ACCUMULATED DEFERRED INCOME TAXES CONTINUED

LINE NO.	DESCRIPTION	[A] PER COMPANY	[B] ADJUSTMENT	[C] PER STAFF
1	Tax Value of Fixed Assets	$ 733,894	$ (255,544)	$ 478,350
2	Less: Book Value Fixed Asset Value (From Line 27)	747,211	(26,550)	720,661
3	Subtotal	$ (13,317)	$ (228,994)	$ (242,311)
4	Multiplied by Probability of Realization	100.0%	100.0%	100.0%
5		(13,317)	(228,994)	(242,311)
6	Multiplied by Tax Rate	31.1%		26.0%
7	Noncurrent Future Tax Asset/(Liability)	(4,142)	-	(62,934)
8	Reconciling Amount	(2)	2	-
9	Noncurrent Future Tax Asset/(Liability)	$ (4,144)		$ (62,934)
10				
11	Tax Value of AIAC	$ -	$ -	$ -
12	Less: Book Value of AIAC	-	-	-
13		$ -	$ -	$ -
14	Multiplied by Probability of Realization	100.0%	100.0%	100.0%
15		-	-	-
16	Multiplied by Tax Rate	38.6%	38.6%	38.6%
17	Noncurrent Future Tax Asset/(Liability)	-	-	-
18				
19	**Net Tax Asset/(Liability) (Line 9 + Line 17)**	**$ (4,144)**	**$ (58,790)**	**$ (62,934)**
20				
21				
22		Book Value		Book Value
23		Per Company	Adjustment	Staff
24	Plant-in-Service	$ 815,886	$ (29,377)	$ 786,509
25	Accum. Deprec.	$ (42,738)	$ 2,827	$ (39,911)
26	CIAC	$ (25,937)	$ -	$ (25,937)
27	Fixed Assets	$ 747,211	$ (26,550)	$ 720,661
28				
29				
30				
31		Tax Value		Tax Value
32		Per Company	Adjustment	Per Staff
33	Plant-in-Service	$ 733,894	$ (255,544)	$ 478,350 [1]
34				
35				
36	Footnote 1: The $478,350 is calculated as follows:			
37		$ 492,090	From Co's Rebuttal w/p's for NS stand alone	
38		$ (13,740)	From Staff's Rate Base Adj 1, Inadequately Supported Plant	
39		$ 478,350	Tax Value of Fixed Assets	

References:

Column A: Company Schedule B-2, page 5
Column B: Testimony, CSB, Company Data Request Responses CSB 1-10 and 1-11
Column C: Column [A] + Column [B]

Northern Sunrise Water Company
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Opening Brief Schedule CSB-10

OPERATING INCOME - TEST YEAR AND STAFF RECOMMENDED

LINE NO.	DESCRIPTION	[A] COMPANY TEST YEAR AS FILED	[B] STAFF TEST YEAR ADJUSTMENTS	ADJ NO.	[C] STAFF TEST YEAR AS ADJUSTED	[D] STAFF PROPOSED CHANGES	[E] STAFF RECOMMENDED
	REVENUES:						
1	Metered Water Sales	$ 188,672	$ -		$ 188,672	$ 188,502	$ 377,174
2	Water Sales - Unmetered	-	-		-		-
3	Other Operating Revenues	3,294	-		3,294	-	3,294
4	**Total Revenues**	$ 191,966	$ -		$ 191,966	$ 188,502	$ 380,468
5							
6	*EXPENSES:*						
7	Salaries and Wages	$ -	$ -		$ -	$ -	$ -
8	Purchased Water	-	-		-	-	-
9	Purchased Power	16,012	-		16,012	-	16,012
10	Fuel for Power Production	-	-		-	-	-
11	Chemicals	178	-		178	-	178
12	Materials & Supplies	5,094	-		5,094	-	5,094
13	Outside Services	-	-		-	-	-
14	Outside Services- Legal	1,302	-		1,302	-	1,302
15	Outside Services- Other	161,902	(4,350)	1,3	157,552	-	157,552
16	Water Testing	3,787	(219)		3,568	-	3,568
17	Equipment Rental	140	-		140	-	140
18	Rents	-	-		-	-	-
19	Transportation Expenses	21,524	(647)		20,877	-	20,877
20	Insurance - General Liability	9,692	-		9,692	-	9,692
21	Insurance - Health and Life	-	-		-	-	-
22	Reg. Comm. Exp.	587	-		587	-	587
23	Reg. Comm. Exp. - Rate Case	25,000	(13,760)	4	11,240	-	11,240
24	Miscellaneous Expense	11,726	(610)	5	11,116	-	11,116
25	Bad Debt Expense	3,306	-		3,306	-	3,306
26	Depreciation Expense	36,631	(1,869)	6	34,761	-	34,761
27	Taxes Other Than Income	-	-		-	-	-
28	Property Taxes	13,128	(4,104)	7	9,025	2,954	11,979
29	Income Taxes	(36,727)	1,029	8	(35,698)	71,619	35,922
31							
32	**Total Operating Expenses**	$ 273,282	$ (24,530)		$ 248,753	$ 74,573	$ 323,326
33							
34	**Operating Income (Loss)**	$ (81,316)	$ 24,530		$ (56,786)	$ 113,928	$ 57,142

References:
Column (A): Company Schedule C-1, Page 2
Column (B): Schedule CSB-10
Column (C): Column (A) + Column (B)
Column (D): Schedules CSB-1 and CSB-2
Column (E): Column (C) + Column (D)

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SUMMARY OF OPERATING INCOME ADJUSTMENTS - TEST YEAR

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] ADJ #1 Corporate Expense Allocation Ref: Sch CSB-12	[C] ADJ #2 Outside Services Other Ref: Sch CSB-13	[D] ADJ #3 Gen Office Alloc/ Affiliate Increase Ref: Sch CSB-14	[E] ADJ #4 Water Testing Expense Ref: Sch CSB-15	[F] ADJ #5 Transportation Expense Ref: Sch CSB-16	[G] ADJ #6 Rate Case Expense Ref: Sch CSB-17	[H] ADJ #7 Meals, Entertainment, & Contributions Ref: Sch CSB-18	[I] ADJ #8 Depreciation Expense Ref: Sch CSB-19	[J] ADJ #9 Property Taxes Ref: Sch CSB-20	[K] ADJ #10 Income Taxes Ref: Sch CSB-21	[L] STAFF ADJUSTED
	REVENUES:												
1	Metered Water Revenues	$ 188,672	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 188,672
2	Unmetered Water Revenues	-	-	-	-	-	-	-	-	-	-	-	-
3	Other Water Revenues	3,294	-	-	-	-	-	-	-	-	-	-	3,294
4	**Total Revenues**	$ 191,966	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 191,966
5													
6	*OPERATING EXPENSES:*												
7	Salaries and Wages	$ -	-	-	-	-	-	-	-	-	-	-	$ -
8	Purchased Water	-	-	-	-	-	-	-	-	-	-	-	-
9	Purchased Power	16,012	-	-	-	-	-	-	-	-	-	-	16,012
10	Fuel for Power Production	-	-	-	-	-	-	-	-	-	-	-	-
11	Chemicals	178	-	-	-	-	-	-	-	-	-	-	178
12	Materials & Supplies	5,094	-	-	-	-	-	-	-	-	-	-	5,094
13	Outside Services	-	-	-	-	-	-	-	-	-	-	-	-
14	Outside Services- Legal	1,302	-	-	-	-	-	-	-	-	-	-	1,302
15	Outside Services- Other	161,902	(2,037)	-	(2,313)	-	-	-	-	-	-	-	157,552
16	Water Testing	3,787	-	-	-	(219)	-	-	-	-	-	-	3,568
17	Equipment Rental	140	-	-	-	-	-	-	-	-	-	-	140
18	Rents - Building	-	-	-	-	-	-	-	-	-	-	-	-
19	Transportation Expenses	21,524	-	-	-	-	(647)	-	-	-	-	-	20,877
20	Insurance - General Liability	9,692	-	-	-	-	-	-	-	-	-	-	9,692
21	Insurance - Health and Life	-	-	-	-	-	-	-	-	-	-	-	-
22	Reg. Comm. Exp.	587	-	-	-	-	-	-	-	-	-	-	587
23	Reg. Comm. Exp. - Rate Case	25,000	-	-	-	-	-	(13,760)	-	-	-	-	11,240
24	Miscellaneous Expense	11,726	-	-	-	-	-	-	(610)	-	-	-	11,116
25	Bad Debt Expense	3,306	-	-	-	-	-	-	-	-	-	-	3,306
26	Depreciation Expense	36,631	-	-	-	-	-	-	-	(1,869)	-	-	34,761
27	Taxes Other Than Income	-	-	-	-	-	-	-	-	-	-	-	-
28	Property Taxes	13,128	-	-	-	-	-	-	-	-	(4,104)	-	9,025
29	Income Tax	(36,727)	-	-	-	-	-	-	-	-	-	1,029	(35,698)
31													
32	**Total Operating Expenses**	$ 273,282	$ (2,037)	$ -	$ (2,313)	$ (219)	$ (647)	$ (13,760)	$ (610)	$ (1,869)	$ (4,104)	$ 1,029	$ 248,753
33													
34	**Operating Income (Loss)**	$ (81,316)	$ 2,037	$ -	$ 2,313	$ 219	$ 647	$ 13,760	$ 610	$ 1,869	$ 4,104	$ (1,029)	$ (56,786)

OPERATING INCOME ADJUSTMENT NO. 1 - EXPENSE ALLOCATIONS FROM UNREGULATED AFFILIATE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS (Col C - Col A)	[C] STAFF AS ADJUSTED
1	Contractual Services - Other	$ 156,641	$ -	$ 156,641
2	Corporate Expense Allocation	5,261	(2,037)	3,224
3	Total Contractual Services - Other	$ 161,902	$ (2,037)	$ 159,865

	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
	COSTS TO BE ALLOCATED TO NORTHERN SUNRISE							
	Description		Amount (Per RUCO 3.01)	Unallowable Costs (Sch CSB-6, P2)	Direct Costs of Unregulated Affiliate(s)	Allowable Common Costs Allocated to All 70 Companies	Allocation[7] %	Costs to be Allocated to Northern (Col I x Col J)
12	Audit[1]		$ 680,812	$ -	$ (612,730)	$ 68,081	1.47%	$ 1,001.19
13	Tax Services[2]		$ 469,804	$ -	$ (422,824)	$ 46,980	1.47%	$ 690.89
14	Legal-General[3]		$ 138,531	$ -	$ (124,678)	$ 13,853	1.47%	$ 203.72
15	Other Professional Services[4]		$ 452,202	$ -	$ (406,982)	$ 45,220	1.47%	$ 665.00
16	Management Fee		$ 563,803	$ -	$ (563,803)	$ -	1.47%	$ -
17	Unit Holder Communications		$ 145,658	$ -	$ (145,658)	$ -	1.47%	$ -
18	Trustee Fees		$ 127,116	$ -	$ (127,116)	$ -	1.47%	$ -
19	Escrow and Transfer Fees		$ 85,354	$ -	$ (85,354)	$ -	1.47%	$ -
20	Rent		$ 273,965	$ -	$ (273,965)	$ -	1.47%	$ -
21	Licenses/Fees and Permits		$ 14,565	$ -	$ (14,565)	$ -	1.47%	$ -
22	Office Expenses[5]		$ 555,759	$ (123,829)	$ (405,801)	$ 26,129	1.47%	$ 384.25
23	Depreciation Expense[6]		$ 189,797	$ -	$ (170,818)	$ 18,980	1.47%	$ 279.11
24			$ 3,697,367	$ (123,829)	$ (3,354,294)	$ 219,244		$ 3,224.17

Foot Note 1: Audit - As the parent company's lenders require the APIF to have annual financial audits, Staff assigned the majority of the cost (i.e., 90 percent) to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 2: Tax Services - Given the tax complexity of the APIF's many holdings and transactions, Staff assigned the majority of the cost (i.e., 90 percent) to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 3: Legal, General - Staff reviewed the invoices and found that the very large majority of the cost (i.e., 90 percent) was directly related to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 4: Other Professional Services - Staff reviewed the invoices and found that the very large majority of the cost (i.e., 90 percent) was directly related to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 5: Office Expense - Staff reviewed the invoices and found that the very large majority of the cost (i.e., 90 percent) was directly related to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 6: Depreciation Expense - Given that most of APIF's plant costs benefit primarily APIF, Staff assigned the majority of the cost (i.e., 90 percent) to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 7: In Staff's Direct and Surrebuttal testimonies the allocation percentage was calculated as follows: 1 / 70 companies = 1.43%. The 70 companies represented the average of the year-end 2007, 71 companies, and year-end 2008, 70 companies. However, the allocation percentage has changed to 1/68 companies = 1.47% to reflect Staff's recommendation to consolidate Bella Vista, Northern Sunrise, and Southern Sunrise into one company (i.e. Bella Vista).

References:

Column A: Company Schedule C-2
Column B: Testimony, CSB, Company Data Request Responses CSB 1.26, RUCO 3.01
Column C: Column [A] + Column [B]

LINE NO.	Category	Description of Unallowable Cost	Vendor	Invoice No.	Amount
1	**Category**	**Description of Unallowable Cost**	**Vendor**	**Invoice No.**	**Amount**
2	Office Expenses	Furniture	Grand & Toy	612	$12,530
3	Office Expenses	Furniture Installation	Grand & Toy	612	$60,909
4	Office Expenses	Dell Server and Software	Dell		$16,330
5	Office Expenses	Shelving	Stor-Tec Ltd.	JF-394	$7,459
6	Office Expenses	Telephone System	Cableteck	10802	$7,641
7	Office Expenses	Phones/Cabling/Network Install	Cableteck	11009820-0074	$18,960
8		**Total for Office Expenses**			**$123,829**

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Opening Brief Schedule CSB-13

OPERATING INCOME ADJUSTMENT NO. 2 - OUTSIDE SERVICES OTHER

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS (Col C - Col A)	[C] STAFF AS ADJUSTED	
1	Outside Services - Other	$ 159,589	$ -	$ 159,589	Removed $21,332 Adj
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					

References:

Column A: Company Schedule C-2

Column B: Testimony, CSB; Company Data Request Responses to CSB 3-17

Column C: Column [A] + Column [B]

OPERATING INCOME ADJUSTMENT NO. 3 - GENERAL OFFICE ALLOCATION / AFFILIATE INCREASE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS (Col C - Col A)	[C] STAFF AS ADJUSTED
1	Outside Services - Other	$ 159,589	$ -	$ 159,589
2	Affiliate Increase	2,313	(2,313)	-
3	Total Outside Services - Other	$ 161,902	$ (2,313)	$ 159,589
4				
5				
6				

References:

Column A: Company Schedule C-2

Column B: Testimony, CSB; Company Data Request Responses to CSB 3-12 & 3-13

Column C: Column [A] + Column [B]

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Opening Brief Schedule CSB-15

OPERATING INCOME ADJUSTMENT NO. 4 - WATER TESTING EXPENSE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Water Testing Expense	$ 3,787	$ (219)	$3,568

References:

Column A: Company Schedule C-1
Column B: Testimony, CSB
Column C: Column [A] + Column [B]

Northern Sunrise Water Company
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Opening Brief Schedule CSB-16

OPERATING INCOME ADJUSTMENT NO. 5 - TRANSPORTATION EXPENSE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Transportation Expense	$ 21,524	$ (647)	$ 20,877

References:

Column A: Company Schedule C-1
Column B: Testimony, CSB
Column C: Column [A] + Column [B]

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Opening Brief Schedule CSB-17

OPERATING INCOME ADJUSTMENT NO. 6 - RATE CASE EXPENSE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Rate Case Expense - Northern Sunrise	$ 25,000	$ (13,760)	$ 11,240

[D] Company Name	[E] Total Rate Case Expense Per Co.	[F] Percent of Total Expense	[G] Total Rate Case Exp Per Staff From Line 19	[H] Total Rate Case For Each Company Per Staff Col F x Col G	[I] Normalized Rate Case Expense Col H / 3 Years
Bella Vista	$250,000	55.56%	$ 202,316	$ 112,398	$ 37,466
Northern Sunrise	**$75,000**	**16.67%**	**$ 202,316**	**$ 33,719**	**$ 11,240**
Southern Sunrise	$125,000	27.78%	$ 202,316	$ 56,199	$ 18,733
Total	**$450,000**	**100.00%**		**$ 202,316**	

	Total Rate Case Exp.	
Average Cost	$ 50,579	From Line 30
Multiplied by	4	Three Companies & 1 Consolidation
Total Rate Case Expense-Per Staff	$ 202,316	

[J] Company Name	[K] Rate Case Exp Amount	[L] No. of Companies, Systems, and Consolidations	[M] Average Rate Case Expense Col K / Col L
Arizona-American Water Company[1]	$ 456,275	7	$ 65,182
Arizona Water Company[1]	$ 500,000	17	$ 29,412
Global Water Company[1]	$ 400,000	7	$ 57,143
		Total	$ 151,737
		Divided by	3
		Average Cost	$ 50,579

[1] See Below for Docket Numbers

Name	Docket Numbers
Arizona-American Water Company	W-01303A-08-0227
Arizona Water Company	W-01445A-08-0440
Global Water Company	SW-20445A-09-0077, et al

References:

Column A: Company Schedule C-1
Column B: Testimony, CSB; CSB 3-28
Column C: Column [A] + Column [B]

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Opening Brief Schedule CSB-18

OPERATING INCOME ADJUSTMENT NO. 7 - MEALS, ENTERTAINMENT, & CONTRIBUTIONS

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Miscellaneous Expense	$ 65,966	$ (610)	$ 65,356

Meals, and Entertainment,	
$ 610	CSB 3-20

References:

Column A: Company Schedule C-1 & E-2
Column B: Testimony, CSB; Data Request CSB 3-20
Column C: Column [A] + Column [B]

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OPERATING INCOME ADJUSTMENT NO. 8 - DEPRECIATION EXPENSE ON TEST YEAR PLANT

LINE NO.		DESCRIPTION	[A] PLANT In SERVICE Per Staff	[B] NonDepreciable or Fully Depreciated PLANT	[C] DEPRECIABLE PLANT (Col A - Col B)	[D] DEPRECIATION RATE	[E] DEPRECIATION EXPENSE (Col C x Col D)
1	302	Franchise Cost	$ 890	$ 890	$ -	0.00%	$ -
2	303	Land and Land Rights	23,926	23,926	-	0.00%	-
3	304	Structures and Improvements	280,668	-	280,668	3.33%	9,346
4	305	Collecting and Impounding Res.	51,378	-	51,378	2.50%	1,284
5	307	Wells and Springs	34,064	-	34,064	3.33%	1,134
6	309	Supply Mains	-	-	-	2.00%	-
7	310	Power Generation Equipment	1,293	-	1,293	5.00%	65
8	311	Pumping Equipment	91,019	-	91,019	12.50%	11,377
9	320	Water Treatment Equipment	-	-	-	3.33%	-
10	330	Distribution Reservoirs and Standpipes	95,668	-	95,668	2.22%	2,124
11	331	Transmission and Distribution Mains	36,763	-	36,763	2.00%	735
12	333	Services	29,756	-	29,756	3.33%	991
13	334	Meters and Meter Installations	8,244	-	8,244	8.33%	687
14	335	Hydrants	59,298	-	59,298	2.00%	1,186
15	336	Backflow Prevention Devices	-	-	-	6.67%	-
16	339	Other Plant and Miscellaneous Equipment	23,472	-	23,472	6.67%	1,566
17	340	Office Furniture and Equipment	-	-	-	6.67%	-
18	341	Transportation Equipment	-	-	-	20.00%	-
19	343	Tools, Shop, and Garage Equipment	-	-	-	5.00%	-
20	344	Laboratory Equipment	-	-	-	10.00%	-
21	345	Power Operated Equipment	-	-	-	5.00%	-
22	346	Communication Equipment	5,881	-	5,881	10.00%	588
23	347	Miscellaneous Equipment	-	-	-	10.00%	-
24	348	Other Tangible Equipment	48,984	-	48,984	10.00%	4,898
25		Total Plant	$ 791,305	$ -	$ 766,489		$ 35,982
26							
27							
28							
29		Composite Depreciation Rate (Depr Exp / Depreciable Plant):	4.69%				
30		CIAC:	$ 26,000				
31		Amortization of CIAC (Line 32 x Line 33):	$ 1,221				
32							
33		Depreciation Expense Before Amortization of CIAC:	$ 35,982				
34		Less Amortization of CIAC:	$ 1,221				
35		Test Year Depreciation Expense - Staff:	$ 34,761				
36		Depreciation Expense - Company:	36,631				
37		**Staff's Total Adjustment:**	**$ (1,869)**				

References:
Column [A]: Schedule CSB-4
Column [B]: From Column [A]
Column [C]: Column [A] - Column [B]
Column [D]: Engineering Staff Report
Column [E]: Column [C] x Column [D]

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Opening Brief Schedule CSB-20

OPERATING INCOME ADJUSTMENT NO. 9 - PROPERTY TAX EXPENSE

LINE NO.	Property Tax Calculation	[A] STAFF AS ADJUSTED	[B] STAFF RECOMMENDED
1	Staff Adjusted Test Year Revenues	$ 191,966	$ 191,966
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	383,933	$ 383,933
4	Staff Recommended Revenue, Per Schedule CSB-1	191,966	$ 380,468
5	Subtotal (Line 4 + Line 5)	575,899	764,401
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	191,966	$ 254,800
8	Department of Revenue Mutilplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	383,933	$ 509,601
10	Plus: 10% of CWIP -	-	-
11	Less: Net Book Value of Licensed Vehicles	-	$ -
12	Full Cash Value (Line 9 + Line 10 - Line 11)	383,933	$ 509,601
13	Assessment Ratio	21.0%	21.0%
14	Assessment Value (Line 12 * Line 13)	80,626	$ 107,016
15	Property Tax Rate	11.1932%	11.1932%
			$ -
16	Staff Test Year Adjusted Property Tax (Line 14 * Line 15)	$ 9,025	
17	Company Proposed Property Tax	13,128	
18	Staff Test Year Adjustment (Line 16-Line 17)	$ (4,104)	
19	Property Tax - Staff Recommended Revenue (Line 14 * Line 15)		$ 11,979
20	Staff Test Year Adjusted Property Tax Expense (Line 16)		$ 9,025
21	Increase in Property Tax Expense Due to Increase in Revenue Requirement		$ 2,954
22	Increase to Property Tax Expense		$ 2,954
23	Increase in Revenue Requirement		188,502
24	Increase to Property Tax per Dollar Increase in Revenue (Line19/Line 20)		1.567048%

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Opening Brief Schedule CSB-21

OPERATING INCOME ADJUSTMENT NO. 10 - TEST YEAR INCOME TAXES

LINE NO.	DESCRIPTION	(A)	(B)
	Calculation of Income Tax:	Test Year	
1	Revenue	$ 191,966	
2	Less: Operating Expenses - Excluding Income Taxes	$ 284,450	
3	Less: Synchronized Interest (L17)	$ -	
4	Arizona Taxable Income (L1- L2 - L3)	$ (92,484)	
5	Arizona State Income Tax Rate	6.968%	
6	Arizona Income Tax (L4 x L5)		$ (6,444)
7	Federal Taxable Income (L4 - L6)	$ (86,040)	
8	Federal Tax on Income Bracket - Not Used	$ -	
9	Federal Tax on Income Bracket - Not Used	$ -	
10	Federal Tax on Income Bracket - Not Used	$ -	
11	Federal Tax on Income Bracket - Not Used	$ -	
12	Federal Tax on All Income ($0 -$10,000,000) @ 34%	$ (29,253)	
13	Total Federal Income Tax		$ (29,253)
14	Combined Federal and State Income Tax (L6 + L13)		$ (35,698)
	Calculation of Interest Synchronization:		
15	Rate Base (Schedule CSB-13, Col. (C), Line 16)	$ 649,345	
16	Weighted Average Cost of Debt	0.00%	
17	Synchronized Interest (L16 x L17)	$ -	
18	Income Tax - Per Staff	$ (35,698)	
19	Income Tax - Per Company	$ (36,727)	
20	**Staff Adjustment**	**$ 1,029**	

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Opening Brief Schedule CSB-1

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	[A] COMPANY ORIGINAL COST	[B] STAFF ORIGINAL COST
1	Adjusted Rate Base	$ 1,544,434	$ 1,295,446
2	Adjusted Operating Income (Loss)	$ 6,042	$ 42,046
3	Current Rate of Return (L2 / L1)	0.39%	3.25%
4	Required Rate of Return	12.80%	8.80%
5	Required Operating Income (L4 * L1)	$ 197,688	$ 113,999
6	Operating Income Deficiency (L5 - L2)	$ 191,645	$ 71,953
7	Gross Revenue Conversion Factor	1.6127997	1.6535915
8	Increase (Decrease) In Gross Revenue (L7 * L6)	$ 309,085	$ 118,982
9	Adjusted Test Year Revenue	$ 444,136	$ 444,136
10	Proposed Annual Revenue (L8 + L9)	$ 753,222	$ 563,118
11	Required Increase/(Decrease in Revenue) (%) (L8/L9)	69.59%	26.79%

References:
Column [A]: Company Schedules A-1, C-1, C-3, & D-1
Column [B]: Staff Schedules CSB-2, CSB-3, & CSB-7

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Opening Brief Schedule CSB-2

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
	Calculation of Gross Revenue Conversion Factor:				
1	Revenue	100.0000%			
2	Uncollecible Factor (Line 11)	0.0000%			
3	Revenues (L1 - L2)	100.0000%			
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	39.5256%			
5	Subtotal (L3 - L4)	60.4744%			
6	**Revenue Conversion Factor (L1 / L5)**	1.653591			
	Calculation of Uncollecttible Factor:				
7	Unity	100.0000%			
8	Combined Federal and State Tax Rate (Line 17)	38.5989%			
9	One Minus Combined Income Tax Rate (L7 - L8)	61.4011%			
10	Uncollectible Rate	0.0000%			
11	Uncollectible Factor (L9 * L10)	0.0000%			
	Calculation of Effective Tax Rate:				
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
13	Arizona State Income Tax Rate	6.9680%			
14	Federal Taxable Income (L12 - L13)	93.0320%			
15	Applicable Federal Income Tax Rate (Line 53)	34.0000%			
16	Effective Federal Income Tax Rate (L14 x L15)	31.6309%			
17	Combined Federal and State Income Tax Rate (L13 +L16)		38.5989%		
	Calculation of Effective Property Tax Factor				
18	Unity	100.0000%			
19	Combined Federal and State Income Tax Rate (L17)	38.5989%			
20	One Minus Combined Income Tax Rate (L18-L19)	61.4011%			
21	Property Tax Factor (CSB-18, Col B, L24)	1.5092%			
22	Effective Property Tax Factor (L20*L21)		0.9267%		
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			39.5256%	
24	Required Operating Income (Schedule CSB-1, Line 5)	$ 113,999			
25	AdjustedTest Year Operating Income (Loss) (Sch CSB-10, Col C, Line 34)	42,046			
26	Required Increase in Operating Income (L24 - L25)		$ 71,953		
27	Income Taxes on Recommended Revenue (Col. [C], L52)	$ 71,664			
28	Income Taxes on Test Year Revenue (Col. [A], L52)	26,431			
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		45,232		
30	Recommended Revenue Requirement (Schedule CSB-1, Line 10)	$ 563,118			
31	Uncollectible Rate (Line 10)	0.0000%			
32	Uncollectible Expense on Recommended Revenue (L30*L31)	$ -			
33	Adjusted Test Year Uncollectible Expense	$ -			
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32-L33)		-		
35	Property Tax with Recommended Revenue (CSB-18, Col B, L19)	$ 22,025			
36	Property Tax on Test Year Revenue (CSB-18, Col A, L16)	20,230			
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		1,796		
38	Total Required Increase in Revenue (L26 + L29 + L34 + L37)		$ 118,982		

		Test Year		Staff Recommended
	Calculation of Income Tax:			
39	Revenue (Schedule CSB-10, Col. [C], Line 4 & Sch. CSB-1, Col. [D] Line 1	$ 444,136	$ 118,982	$ 563,118
40	Operating Expenses Excluding Income Taxes	$ 375,659	$ 1,796	$ 377,455
41	Synchronized Interest (L56)	$ -		$ -
42	Arizona Taxable Income (L39 - L40 - L41)	$ 68,477		$ 185,663
43	Arizona State Income Tax Rate	6.9680%		6.9680%
44	Arizona Income Tax (L42 x L43)	$ 4,771		$ 12,937
45	Federal Taxable Income (L42 - L44)	$ 63,706		$ 172,726
46	Federal Tax on Income Bracket - Not Used	$ -		$ -
47	Federal Tax on Income Bracket - Not Used	$ -		$ -
48	Federal Tax on Income Bracket - Not Used	$ -		$ -
49	Federal Tax on Income Bracket - Not Used	$ -		$ -
50	Federal Tax on All Income ($0 -$10,000,000) @ 34%	$ 21,660		$ 58,727
51	Total Federal Income Tax	$ 21,660		$ 58,727
52	Combined Federal and State Income Tax (L44 + L51)	$ 26,431		$ 71,664
53	Applicable Federal Income Tax Rate [Col. [C], L51 - Col. [A], L51] / [Col. [C], L45 - Col. [A], L45]			34.0000%
	Calculation of Interest Synchronization:			
54	Rate Base (Schedule CSB-3, Col. (C), Line 14	$ 1,295,446		
55	Weighted Average Cost of Debt	0.0000%		
56	Synchronized Interest (L45 X L46)	$ -		

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Opening Brief Schedule CSB-3

RATE BASE - ORIGINAL COST

LINE NO.		(A) COMPANY AS FILED	(B) STAFF ADJUSTMENTS	ADJ NO.	(C) STAFF AS ADJUSTED
1	Plant in Service	$ 1,724,610	$ (154,415)	1, 2	$ 1,570,196
2	Less: Accumulated Depreciation	105,733	(22,741)	3	82,992
3	Net Plant in Service	$ 1,618,877	$ (131,674)		$ 1,487,204
	LESS:				
4	Advances in Aid of Construction (AIAC)	$ 2,870	$ -		$ 2,870
5	Service Line and Meter Advances	$ -	$ -		$ -
6	Contributions in Aid of Construction (CIAC)	$ 20,000	$ -		$ 20,000
7	Less: Accumulated Amortization	15	-		15
8	Net CIAC	$ 19,985	-		$ 19,985
9	Total Advances and Contributions	$ 22,855	$ -		$ 22,855
10	Customer Deposits	$ -	$ 22,298	4	$ 22,298
11	Accumulated Deferred Income Taxes	$ 51,588	$ 95,017	5	$ 146,605
	ADD:				
12	Working Capital	$ -	$ -		$ -
13		$ -	$ -		$ -
14	**Total Rate Base**	$ 1,544,434	$ (248,989)		$ 1,295,446

References:
Column [A], Company Schedule B-1, Page 1
Column [B]: Schedule CSB-4
Column [C]: Column [A] + Column [B]

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Opening Brief Schedule CSB-4

SUMMARY OF RATE BASE ADJUSTMENTS

LINE NO.	Acct. No.	PLANT IN SERVICE Plant Description	[A] COMPANY AS FILED	[B] Adj No.1 Inadequately Supported Plant, AFUDC & Other Ref: Sch CSB-5	[C] ADJ No. 2 Regulatory Asset Ref: Sch CSB-6	[D] ADJ No. 3 Accumulated Depreciation Ref: Sch CSB-7	[E] ADJ No. 4 Customer Deposits Ref: Sch CSB-8	[F] ADJ No. 5 ADIT Ref: Sch CSB-9	[G] STAFF AS ADJUSTED
2	301	Organization Cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -
3	302	Franchise Cost	71	-	-	-	-	-	71
4	303	Land and Land Rights	336,686	-	-	-	-	-	336,686
5	304	Structures and Improvements	335,501	(9,334)	-	-	-	-	326,168
6	305	Collecting and Impounding Res.	-	-	-	-	-	-	-
7	307	Wells and Springs	133,969	(1,940)	-	-	-	-	132,029
8	309	Supply Mains	3,798	(542)	-	-	-	-	3,256
9	310	Power Generation Equipment	-	-	-	-	-	-	-
10	311	Electric Pumping Equipment	197,625	(5,558)	-	-	-	-	192,066
11	320	Water Treatment Equipment	-	-	-	-	-	-	-
12	330	Distribution Reservoirs & Standpipe	263,512	(1,591)	-	-	-	-	261,921
13	331	Transmission and Distribution Mains	85,865	(4,775)	-	-	-	-	81,090
14	333	Services	70,365	(138)	-	-	-	-	70,227
15	334	Meters	18,257	(1,549)	-	-	-	-	16,708
16	335	Hydrants	18,416	-	-	-	-	-	18,416
17	336	Backflow Prevention Devices	-	-	-	-	-	-	-
18	339	Other Plant and Miscellaneous Equipm	21,516	-	-	-	-	-	21,516
19	340	Office Furniture and Fixtures	-	-	-	-	-	-	-
20	340.1	Computers and Software	-	-	-	-	-	-	-
21	341	Transportation Equipment	-	-	-	-	-	-	-
22	343	Tools and Work Equipment	270	-	-	-	-	-	270
23	344	Laboratory Equipment	-	-	-	-	-	-	-
24	345	Power Operated Equipment	-	-	-	-	-	-	-
25	346	Communications Equipment	3,379	-	-	-	-	-	3,379
26	347	Miscellaneous Equipment	-	-	-	-	-	-	-
27	348	Other Tangible Plant	235,381	-	(128,987)	-	-	-	106,394
28		Rounding	-	-	-	-	-	-	-
29		Total Plant in Service	$ 1,724,610	$ (25,428)	$ (128,987)	$ -	$ -	$ -	$ 1,570,196
30		Less: Accumulated Depreciation	$ 105,733	$ -	$ -	$ (22,741)	$ -	$ -	82,992
31		Net Plant in Service	$ 1,618,877	$ (25,428)	$ (128,987)	$ 22,741	$ -	$ -	$ 1,487,204
33		*LESS:*							
34		Advances in Aid of Construction (AIAC)	$ 2,870	$ -	$ -	$ -	$ -	$ -	$ 2,870
35		Service Line and Meter Advances	$ -	-	-	-	-	-	$ -
37		Contributions in Aid of Construction (CIAC)	$ 20,000	-	-	-	-	-	$ 20,000
38		Less: Accumulated Amortization of CIAC	$ 15	-	-	-	-	-	$ 15
39		Net CIAC	$ 19,985	$ -	$ -	$ -	$ -	$ -	$ 19,985
41		Total Advances and Net Contributions	$ 22,855	$ -	$ -	$ -	$ -	$ -	$ 22,855
43		Customer Deposits	$ -	-	-	-	22,298	-	$ 22,298
44		Accumulated Deferred Taxes	$ 51,588	-	-	-	-	95,017	$ 146,605
46		*ADD:*							
47		Working Capital Allowance	$ -	-	-	-	-	-	$ -
48			$ -	-	-	-	-	-	$ -
49		**Total Rate Base**	$ 1,544,434	$ (25,428)	$ (128,987)	$ 22,741	$ (22,298)	$ (95,017)	$ 1,295,446

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Opening Brief Schedule CSB-5

RATE BASE ADJUSTMENT NO. 1 - INADEQUATELY SUPPORTED PLANT, AFUDC

Line No.	Acct. No.	Account Description	STAFF'S ADJUSTMENT
1	304	Structures and Improvements	$ (9,334)
2	307	Wells and Springs	$ (1,940)
3	309	Supply Mains	$ (542)
4	311	Electric Pumping Equipment	$ (5,558)
5	330	Dist. Reservoirs & Standpipe	$ (1,591)
6	331	Trans. and Dist. Mains	$ (4,775)
7	333	Services	$ (138)
8	334	Meters	$ (1,549)
			$ (25,428)

References:

Column A: Company Schedule B-2, P.3 for Southern Sunrise

Southern Sunrise Water Company
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Opening Brief Schedule CSB-6

RATE BASE ADJUSTMENT NO. 2 - REGULATORY ASSET

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Other Tangible Plant - Regulatory Asset	$ 235,381	$ (128,987)	$ 106,394

References:

Column A: Company Schedule B-2
Column B: Testimony, CSB; Data Request Response CSB 3-5 and CSB 10-3
Column C: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 3 - ACCUMULATED DEPRECIATION

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Accumulated Depreciation	$ 105,733	$ (22,741)	$82,992

References:

Column A: Company Schedule C-1
Column B: Testimony, CSB;
Column C: Column [A] + Column [B]

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	Plant 31-Dec-06 Original Cost	31-Dec-06 Accumulated Depreciation	Depr. Rates Effective on 31-Dec-06 (Dec. No. 68412)	2007 Additions	2007 Retirements Cost Removal	2007 Retirements Depreciation	2007 Depr. Expense	2007 Total Cost	2007 Accumulated Depreciation
301 Organization Cost	$0	$0	0.00%	$0	$0	$0	$0	$0	$0
302 Franchise Cost	0	0	0.00%	0	0	0	0	0	0
303 Land & Land Rights	336,686	0	0.00%	0	0	0	0	336,686	0
304 Structures & Improv	1,287	0	3.33%	0	0	0	43	1,287	43
305 Collecting & Impounding Res.	0	0	2.50%	0	0	0	0	0	0
307 Wells & Springs	26,825	0	3.33%	25,315	0	0	1,315	52,140	1,315
309 Supply Mains	0	0	2.00%	2,706	0	0	27	2,706	27
310 Power Generation Equip	0	0	5.00%	0	0	0	0	0	0
311 Electric Pumping Equip	42,847	0	12.50%	63,528	0	0	9,326	106,375	9,326
320 Water Treatment Equip	0	0	3.33%	0	0	0	0	0	0
330 Dist. Resrvr & Stndpipe	125,556	0	2.22%	2,079	0	0	2,810	127,635	2,810
331 Trans. & Distr. Mains	71,667	0	2.00%	3,263	0	0	1,466	74,930	1,466
333 Services	0	0	3.33%	22,618	0	0	377	22,618	377
334 Meters	0	0	8.33%	2,997	0	0	125	2,997	125
335 Hydrants	300	0	2.00%	4,701	0	0	53	5,001	53
339 Other Plant and Misc Equip	0	0	6.67%	9,370	0	0	312	9,370	312
340 Office Furniture & Fixt	0	0	6.67%	0	0	0	0	0	0
340.1 Computers and Software	0	0	20.00%	0	0	0	0	0	0
341 Transportation Equip	0	0	20.00%	0	0	0	0	0	0
343 Tools & Work Equip	0	0	5.00%	0	0	0	0	0	0
345 Power Operated Equip	0	0	5.00%	0	0	0	0	0	0
346 Communications Equip	0	0	10.00%	0	0	0	0	0	0
348 Other Tangible Equipment	0	0	10.00%	106,394	0	0	5,320	106,394	5,320
2006/2007 Totals	$605,168	$0		$242,971	$0		$21,174	$848,139	$21,174

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	2008 Additions Cost	2008 Retirements Cost Removal	2008 Retirements Depreciation	Fully Depreciated	2008 Depr. Expense	2008 Total Cost	2008 Accumulated Depreciation	2008 Net Book Value
301 Organization Cost	$0	$0	$0	$0	$0	$0	$0	$0
302 Franchise Cost	0	0	0	0	0	0	0	0
303 Land & Land Rights	0	0	0	0	0	336,686	0	336,686
304 Structures & Improv	305,955	0	0	0	5,137	307,242	5,180	302,062
305 Collecting & Impounding Res.	0	0	0	0	0	0	0	0
307 Wells & Springs	75,969	0	0	0	3,001	128,109	4,316	123,793
309 Supply Mains	550	0	0	0	60	3,256	87	3,169
310 Power Generation Equip	0	0	0	0	0	0	0	0
311 Electric Pumping Equip	76,636	0	0	0	18,087	183,011	27,413	155,598
320 Water Treatment Equip	0	0	0	0	0	0	0	0
330 Dist. Resrvr & Stndpipe	130,916	0	0	0	4,287	258,551	7,097	251,454
331 Trans. & Distr. Mains	3,976	0	0	0	1,538	78,906	3,004	75,902
333 Services	35,148	0	0	0	1,338	57,766	1,715	56,051
334 Meters	12,866	0	0	0	786	15,863	910	14,953
335 Hydrants	13,415	0	0	0	234	18,416	287	18,129
339 Other Plant and Misc Equip	12,146	0	0	0	1,030	21,516	1,343	20,173
340 Office Furniture & Fixt	0	0	0	0	0	0	0	0
340.1 Computers and Software	0	0	0	0	0	0	0	0
341 Transportation Equip	0	0	0	0	0	0	0	0
343 Tools & Work Equip	125	0	0	0	3	125	3	122
345 Power Operated Equip	0	0	0	0	0	0	0	0
346 Communications Equip	3,379	0	0	0	169	3,379	169	3,210
348 Other Tangible Equipment	0	0	0	0	10,639	106,394	15,959	90,435
2008 Totals	$671,081	$0	$0	$0	$46,309	$1,519,220	$67,483	$1,451,737

19,044

PLANT AND ACCUMULATED DEPRECIATION SCHEDULE

	2009 Additions Adjustments	Adjustments	2009 Adj. - Inadequate Support Cost Removal	2009 Adj. - Inadequate Support Depreciation	Fully Depreciated	2009 Depr. Expense	2009 Total Cost	2009 Accumulated Depreciation	2009 Net Book Value
301 Organization Cost	$0	$0	$0	$0	$0	$0	$0	$0	$0
302 Franchise Cost	71	0	0	0	0	0	71	0	71
303 Land & Land Rights	0	0	0	0	0	0	336,686	0	336,686
304 Structures & Improv	28,259	0	9,334	0	0	2,637	326,167	7,816	318,351
305 Collecting & Impounding Res.	0	0	0	0	0	0	0	0	0
307 Wells & Springs	5,858	0	1,940	0	0	1,083	132,027	5,399	126,628
309 Supply Mains	542	0	542	0	0	16	3,256	103	3,153
310 Power Generation Equip	0	0	0	0	0	0	0	0	0
311 Electric Pumping Equip	14,613	0	5,558	0	0	5,861	192,066	33,274	158,792
320 Water Treatment Equip	0	0	0	0	0	0	0	0	0
330 Dist. Resrvr & Stndpipe	4,961	0	1,591	0	0	1,444	261,921	8,541	253,380
331 Trans. & Distr. Mains	6,474	485	4,775	0	0	399	81,090	3,403	77,687
333 Services	12,598	0	138	0	0	533	70,226	2,248	67,978
334 Meters	2,395	0	1,549	0	0	339	16,709	1,250	15,460
335 Hydrants	0	0	0	0	0	92	18,416	379	18,037
339 Other Plant and Misc Equip	0	0	0	0	0	359	21,516	1,701	19,815
340 Office Furniture & Fixt	0	0	0	0	0	0	0	0	0
340.1 Computers and Software	0	0	0	0	0	0	0	0	0
341 Transportation Equip	0	0	0	0	0	0	0	0	0
343 Tools & Work Equip	144	0	0	0	0	2	269	6	263
345 Power Operated Equip	0	0	0	0	0	0	0	0	0
346 Communications Equip	0	0	0	0	0	84	3,379	253	3,126
348 Other Tangible Equipment	0	0	0	0	0	2,660	106,394	18,619	87,775
2009 Totals	$75,915		$25,427	$0	$0	$15,509	$1,570,193	$82,992	$1,487,201

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Opening Brief Schedule CSB-8

RATE BASE ADJUSTMENT NO. 4 - CUSTOMER DEPOSITS

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Customer Deposits	$ -	$ 22,298	$ 22,298

References:

Column A: Company Schedule B-2
Column B: Testimony, CSB; Data Request Response CSB 4-8
Column C: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 5 - ACCUMULATED DEFERRED INCOME TAXES

LINE NO.	DESCRIPTION	[A] PER COMPANY	[B] ADJUSTMENT	[C] PER STAFF
1	ADIT Net Asset/(Liability)	$ 51,588	$ 95,017	$ 146,605
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

References:

Column A: Company Schedule B-2, page 5
Column B: Testimony, CSB
Column C: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 5 - ACCUMULATED DEFERRED INCOME TAXES CONTINUED

LINE NO.	DESCRIPTION	[A] PER COMPANY	[B] ADJUSTMENT	[C] PER STAFF
1	Tax Value of Fixed Assets	$ 1,463,108	$ (423,451)	$ 1,039,657
2	Less: Book Value Fixed Asset Value (From Line 27)	1,598,877	(131,673)	1,467,204
3	Subtotal	$ (135,769)	$ (291,778)	$ (427,547)
4	Multiplied by Probability of Realization	100.0%	100.0%	100.0%
5		(135,769)	(291,778)	(427,547)
6	Multiplied by Tax Rate	38.0%	38.0%	34.3%
7	Noncurrent Future Tax Asset/(Liability)	(51,592)	(110,876)	(146,605)
8	Reconciling Amount	4	(4)	-
9	Noncurrent Future Tax Asset/(Liability)	$ (51,588)		$ (146,605)
10				
11	Tax Value of AIAC	$ -	$ -	$ -
12	Less: Book Value of AIAC	-	-	-
13		$ -	$ -	$ -
14	Multiplied by Probability of Realization	100.0%	100.0%	100.0%
15		-	-	-
16	Multiplied by Tax Rate	38.6%	38.6%	38.6%
17	Noncurrent Future Tax Asset/(Liability)	-	-	-
18				
19	**Net Tax Asset/(Liability) (Line 9 + Line 17)**	**$ (51,588)**	**$ (95,017)**	**$ (146,605)**
20				
21				
22		Book Value		Book Value
23		Per Company	Adjustment	Staff
24	Plant-in-Service	$ 1,724,610	$ (154,414)	$ 1,570,196
25	Accum. Deprec.	$ (105,733)	$ 22,741	$ (82,992)
26	CIAC	$ (20,000)	$ -	$ (20,000)
27	Fixed Assets	$ 1,598,877	$ (131,673)	$ 1,467,204

	Tax Value Per Company	Adjustment	Tax Value Per Staff
Plant-in-Service	$ 1,463,108	$ (423,451)	$ 1,039,657 [1]

Footnote 1: The $1,039,657 is calculated as follows:

$ 1,065,085	From Co's Rebuttal w/p's for SS stand alone
$ (25,428)	From Staff's Rate Base Adj 1, Inadequately Supported Plant
$ 1,039,657	Tax Value of Fixed Assets

References:

Column A: Company Schedule B-2, page 5
Column B: Testimony, CSB, Company Data Request Responses CSB 1-10 and 1-11
Column C: Column [A] + Column [B]

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Opening Brief Schedule CSB-10

OPERATING INCOME - TEST YEAR AND STAFF RECOMMENDED

LINE NO.	DESCRIPTION	[A] COMPANY TEST YEAR AS FILED	[B] STAFF TEST YEAR ADJUSTMENTS	ADJ NO.	[C] STAFF TEST YEAR AS ADJUSTED	[D] STAFF PROPOSED CHANGES	[E] STAFF RECOMMENDED
	REVENUES:						
1	Metered Water Sales	$ 433,457	$ -		$ 433,457	$ 118,982	$ 552,439
2	Water Sales - Unmetered	-	-		-		-
3	Other Operating Revenues	10,679	-		10,679	-	10,679
4	**Total Revenues**	$ 444,136	$ -		$ 444,136	$ 118,982	$ 563,118
5							
6	*EXPENSES:*						
7	Salaries and Wages	$ -	$ -		$ -	$ -	$ -
8	Purchased Water	-	-		-	-	-
9	Purchased Power	32,354	-		32,354	-	32,354
10	Fuel for Power Production	-	-		-	-	-
11	Chemicals	1,265	-		1,265	-	1,265
12	Materials & Supplies	7,972	-		7,972	-	7,972
13	Outside Services	91	-		91	-	91
14	Outside Services- Legal	5,390	-		5,390	-	5,390
15	Outside Services- Other	179,427	(14,503)	1,3	164,925	-	164,925
16	Water Testing	5,592	(1,197)		4,395	-	4,395
17	Equipment Rental	-	-		-	-	-
18	Rents	-	-		-	-	-
19	Transportation Expenses	25,481	(1,033)		24,448	-	24,448
20	Insurance - General Liability	10,788	-		10,788	-	10,788
21	Insurance - Health and Life	-	-		-	-	-
22	Reg. Comm. Exp.	1,024	-		1,024	-	1,024
23	Reg. Comm. Exp. - Rate Case	41,667	(22,934)	4	18,733	-	18,733
24	Miscellaneous Expense	14,810	(773)	5	14,037	-	14,037
25	Bad Debt Expense	5,346	-		5,346	-	5,346
26	Depreciation Expense	76,419	(11,756)	6	64,663	-	64,663
27	Taxes Other Than Income	-	-		-	-	-
28	Property Taxes	26,765	(6,536)	7	20,230	1,796	22,025
29	Income Taxes	3,703	22,728	8	26,431	45,232	71,664
31		-	-		-		0
32	**Total Operating Expenses**	$ 438,094	$ (36,003)		$ 402,090	$ 47,028	$ 449,119
33							
34	**Operating Income (Loss)**	$ 6,042	$ 36,003		$ 42,046	$ 71,953	$ 113,999

References:
Column (A): Company Schedule C-1, Page 2
Column (B): Schedule CSB-8
Column (C): Column (A) + Column (B)
Column (D): Schedules CSB-1 and CSB-2
Column (E): Column (C) + Column (D)

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SUMMARY OF OPERATING INCOME ADJUSTMENTS - TEST YEAR

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] ADJ #1 Corporate Expense Allocation	[C] ADJ #2 Outside Services Other	[D] ADJ #3 Gen Office Alloc/ Affiliate Increase	[E] ADJ #4 Water Testing Expense	[F] ADJ #5 Transportation Expense	[G] ADJ #6 Rate Case Expense	[H] ADJ #7 Meals, Entertainment, & Contributions	[I] ADJ #8 Depreciation Expense	[J] ADJ #9 Property Taxes	[K] ADJ #10 Income Taxes	[L] STAFF ADJUSTED
			Ref: Sch CSB-12	Ref: Sch CSB-13	Ref: Sch CSB-14	Ref: Sch CSB-15	Ref: Sch CSB-16	Ref: Sch CSB-17	Ref: Sch CSB-18	Ref: Sch CSB-19	Ref: Sch CSB-20	Ref: Sch CSB-21	
	REVENUES:												
1	Metered Water Revenues	$ 433,457	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 433,457
2	Unmetered Water Revenues	-	-	-	-	-	-	-	-	-	-	-	-
3	Other Water Revenues	10,679	-	-	-	-	-	-	-	-	-	-	10,679
4	**Total Revenues**	$ 444,136	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 444,136
5													
6	*OPERATING EXPENSES:*												
7	Salaries and Wages	$ -	-	-	-	-	-	-	-	-	-	-	$ -
8	Purchased Water	-	-	-	-	-	-	-	-	-	-	-	-
9	Purchased Power	32,354	-	-	-	-	-	-	-	-	-	-	32,354
10	Fuel for Power Production	-	-	-	-	-	-	-	-	-	-	-	-
11	Chemicals	1,265	-	-	-	-	-	-	-	-	-	-	1,265
12	Materials & Supplies	7,972	-	-	-	-	-	-	-	-	-	-	7,972
13	Outside Services	91	-	-	-	-	-	-	-	-	-	-	91
14	Outside Services- Legal	5,390	-	-	-	-	-	-	-	-	-	-	5,390
15	Outside Services- Other	179,427	(10,166)	-	(4,337)	-	-	-	-	-	-	-	164,925
16	Water Testing	5,592	-	-	-	(1,197)	-	-	-	-	-	-	4,395
17	Equipment Rental	-	-	-	-	-	-	-	-	-	-	-	-
18	Rents - Building	-	-	-	-	-	-	-	-	-	-	-	-
19	Transportation Expenses	25,481	-	-	-	-	(1,033)	-	-	-	-	-	24,448
20	Insurance - General Liability	10,788	-	-	-	-	-	-	-	-	-	-	10,788
21	Insurance - Health and Life	-	-	-	-	-	-	-	-	-	-	-	-
22	Reg. Comm. Exp.	1,024	-	-	-	-	-	-	-	-	-	-	1,024
23	Reg. Comm. Exp. - Rate Case	41,667	-	-	-	-	-	(22,934)	-	-	-	-	18,733
24	Miscellaneous Expense	14,810	-	-	-	-	-	-	(773)	-	-	-	14,037
25	Bad Debt Expense	5,346	-	-	-	-	-	-	-	-	-	-	5,346
26	Depreciation Expense	76,419	-	-	-	-	-	-	-	(11,756)	-	-	64,663
27	Taxes Other Than Income	-	-	-	-	-	-	-	-	-	-	-	-
28	Property Taxes	26,765	-	-	-	-	-	-	-	-	(6,536)	-	20,230
29	Income Tax	3,703	-	-	-	-	-	-	-	-	-	22,728	26,431
31													
32	**Total Operating Expenses**	$ 438,094	$ (10,166)	$ -	$ (4,337)	$ (1,197)	$ (1,033)	$ (22,934)	$ (773)	$ (11,756)	$ (6,536)	$ 22,728	$ 402,090
33													
34	**Operating Income (Loss)**	$ 6,042	$ 10,166	$ -	$ 4,337	$ 1,197	$ 1,033	$ 22,934	$ 773	$ 11,756	$ 6,536	$ (22,728)	$ 42,046

OPERATING INCOME ADJUSTMENT NO. 1 - EXPENSE ALLOCATIONS FROM UNREGULATED AFFILIATE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS (Col C - Col A)	[C] STAFF AS ADJUSTED
1	Contractual Services - Other	$ 166,037	$ -	$ 166,037
2	Corporate Expense Allocation	13,390	(10,166)	3,224
3	Total Contractual Services - Other	$ 179,427	$ (10,166)	$ 169,261

	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
7	COSTS TO BE ALLOCATED TO SOUTHERN SUNRISE							
8–11	Description		Amount (Per RUCO 3.01)	Unallowable Costs (Sch CSB-6, P2)	Direct Costs of Unregulated Affiliate(s)	Allowable Common Costs Allocated to All 70 Companies	Allocation[7] %	Costs to be Allocated to Southern (Col I x Col J)
12	Audit[1]		$ 680,812	$ -	$ (612,730)	$ 68,081	1.47%	$ 1,001.19
13	Tax Services[2]		$ 469,804	$ -	$ (422,824)	$ 46,980	1.47%	$ 690.89
14	Legal-General[3]		$ 138,531	$ -	$ (124,678)	$ 13,853	1.47%	$ 203.72
15	Other Professional Services[4]		$ 452,202	$ -	$ (406,982)	$ 45,220	1.47%	$ 665.00
16	Management Fee		$ 563,803	$ -	$ (563,803)	$ -	1.47%	$ -
17	Unit Holder Communications		$ 145,658	$ -	$ (145,658)	$ -	1.47%	$ -
18	Trustee Fees		$ 127,116	$ -	$ (127,116)	$ -	1.47%	$ -
19	Escrow and Transfer Fees		$ 85,354	$ -	$ (85,354)	$ -	1.47%	$ -
20	Rent		$ 273,965	$ -	$ (273,965)	$ -	1.47%	$ -
21	Licenses/Fees and Permits		$ 14,565	$ -	$ (14,565)	$ -	1.47%	$ -
22	Office Expenses[5]		$ 555,759	$ (123,829)	$ (405,801)	$ 26,129	1.47%	$ 384.25
23	Depreciation Expense[6]		$ 189,797	$ -	$ (170,818)	$ 18,980	1.47%	$ 279.11
24			$ 3,697,367	$ (123,829)	$ (3,354,294)	$ 219,244		$ 3,224.17

Foot Note 1: Audit - As the parent company's lenders require the APIF to have annual financial audits, Staff assigned the majority of the cost (i.e., 90 percent) to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 2: Tax Services - Given the tax complexity of the APIF's many holdings and transactions, Staff assigned the majority of the cost (i.e., 90 percent) to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 3: Legal, General - Staff reviewed the invoices and found that the very large majority of the cost (i.e., 90 percent) was directly related to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 4: Other Professional Services - Staff reviewed the invoices and found that the very large majority of the cost (i.e., 90 percent) was directly related to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 5: Office Expense - Staff reviewed the invoices and found that the very large majority of the cost (i.e., 90 percent) was directly related to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 6: Depreciation Expense - Given that most of APIF's plant costs benefit primarily APIF, Staff assigned the majority of the cost (i.e., 90 percent) to APIF and the remaining 10 percent to its 70 companies/interests.

Foot Note 7: In Staff's Direct and Surrebuttal testimonies the allocation percentage was calculated as follows: 1 / 70 companies = 1.43%. The 70 companies represented the average of the year-end 2007, 71 companies, and year-end 2008, 70 companies. However, the allocation percentage has changed to 1/68 companies = 1.47% to reflect Staff's recommendation to consolidate Bella Vista, Northern Sunrise, and Southern Sunrise into one company (i.e. Bella Vista).

References:

Column A: Company Schedule C-2
Column B: Testimony, CSB, Company Data Request Responses CSB 1.26, RUCO 3.01
Column C: Column [A] + Column [B]

LINE NO.	Category	Description of Unallowable Cost	Vendor	Invoice No.	Amount
1	**Category**	**Description of Unallowable Cost**	**Vendor**	**Invoice No.**	**Amount**
2	Office Expenses	Furniture	Grand & Toy	612	$12,530
3	Office Expenses	Furniture Installation	Grand & Toy	612	$60,909
4	Office Expenses	Dell Server and Software	Dell		$16,330
5	Office Expenses	Shelving	Stor-Tec Ltd.	JF-394	$7,459
6	Office Expenses	Telephone System	Cableteck	10802	$7,641
7	Office Expenses	Phones/Cabling/Network Install	Cableteck	11009820-0074	$18,960
8		**Total for Office Expenses**			**$123,829**

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OPERATING INCOME ADJUSTMENT NO. 2 - OUTSIDE SERVICES OTHER

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS (Col C - Col A)	[C] STAFF AS ADJUSTED	
1	Outside Services - Other	$ 179,427	$ -	$ 179,427	Removed $21,043 Adj.
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					

References:

Column A: Company Schedule C-2

Column B: Testimony, CSB;

Column C: Column [A] + Column [B]

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Opening Brief Schedule CSB-14

OPERATING INCOME ADJUSTMENT NO. 3 - GENERAL OFFICE ALLOCATION / AFFILIATE INCREASE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Outside Services - Other	$ 175,090	$ -	$ 175,090
2	Affiliate Increase	4,337	(4,337)	-
3	Total Outside Services - Other	$ 179,427	$ (4,337)	$ 175,090
4				
5				
6				

References:

Column A: Company Schedule C-2

Column B: Testimony, CSB

Column C: Column [A] + Column [B]

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Opening Brief Schedule CSB-15

OPERATING INCOME ADJUSTMENT NO. 4 - WATER TESTING EXPENSE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Water Testing Expense	$ 5,592	$ (1,197)	$4,395

References:

Column A: Company Schedule C-1 & E-2
Column B: Testimony, CSB; Data Request CSB 4-20
Column C: Column [A] + Column [B]

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Opening Brief Schedule CSB-16

OPERATING INCOME ADJUSTMENT NO. 5 - TRANSPORTATION EXPENSE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Transportation Expense	$ 25,481	$ (1,033)	$ 24,448

References:

Column A: Company Schedule C-1 & E-2
Column B: Testimony, CSB; Data Request CSB 4-20
Column C: Column [A] + Column [B]

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Opening Brief Schedule CSB-17

OPERATING INCOME ADJUSTMENT NO. 6 - RATE CASE EXPENSE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Rate Case Expense - Southern Sunrise	$ 41,667	$ (22,934)	$ 18,733

[D] Company Name	[E] Total Rate Case Expense Per Co.	[F] Percent of Total Expense	[G] Total Rate Case Exp Per Staff From Line 19	[H] Total Rate Case For Each Company Per Staff Col F x Col G	[I] Normalized Rate Case Expense Col H / 3 Years
Bella Vista	$250,000	55.56%	$ 202,316	$ 112,398	$ 37,466
Northern Sunrise	$75,000	16.67%	$ 202,316	$ 33,719	$ 11,240
Southern Sunrise	**$125,000**	**27.78%**	**$ 202,316**	**$ 56,199**	**$ 18,733**
Total	**$450,000**	**100.00%**		**$ 202,316**	

	Total Rate Case Exp.	
Average Cost	$ 50,579	From Line 30
Multiplied by	4	Three Companies & 1 Consolidation
Total Rate Case Expense-Per Staff	$ 202,316	

[J] Company Name	[K] Rate Case Exp Amount	[L] No. of Companies, Systems, and Consolidations	[M] Average Rate Case Expense Col K / Col L
Arizona-American Water Company[1]	$ 456,275	7	$ 65,182
Arizona Water Company[1]	$ 500,000	17	$ 29,412
Global Water Company[1]	$ 400,000	7	$ 57,143
		Total	$ 151,737
		Divided by	3
		Average Cost	$ 50,579

[1] See Below for Docket Numbers

Name	Docket Numbers
Arizona-American Water Company	W-01303A-08-0227
Arizona Water Company	W-01445A-08-0440
Global Water Company	SW-20445A-09-0077, et al

References:

Column A: Company Schedule C-1
Column B: Testimony, CSB
Column C: Column [A] + Column [B]

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Opening Brief Schedule CSB-18

OPERATING INCOME ADJUSTMENT NO. 7 - MEALS, ENTERTAINMENT, & CONTRIBUTIONS

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] STAFF ADJUSTMENTS	[C] STAFF AS ADJUSTED
1	Miscellaneous Expense	$ 14,810	$ (773)	$ 14,037

Meals, and Entertainment,	
$ 773	CSB 4-20

References:

Column A: Company Schedule C-1 & E-2
Column B: Testimony, CSB; Data Request CSB 4-20
Column C: Column [A] + Column [B]

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Opening Brief Schedule CSB-19

OPERATING INCOME ADJUSTMENT NO. 8 - DEPRECIATION EXPENSE ON TEST YEAR PLANT

LINE NO.		DESCRIPTION	[A] PLANT In SERVICE Per Staff	[B] NonDepreciable or Fully Depreciated PLANT	[C] DEPRECIABLE PLANT (Col A - Col B)	[D] DEPRECIATION RATE	[E] DEPRECIATION EXPENSE (Col C x Col D)
1	301	Organization Cost	$ -	$ -	$ -	0.00%	$ -
2	302	Franchise Cost	71	71	-	0.00%	-
3	303	Land and Land Rights	336,686	-	336,686	0.00%	-
4	304	Structures and Improvements	326,168	-	326,168	3.33%	10,861
6	309	Supply Mains	3,256	-	3,256	2.00%	65
7	310	Power Generation Equipment	132,029	-	132,029	5.00%	6,601
8	311	Electric Pumping Equipment	192,066	-	192,066	12.50%	24,008
9	330	Distribution Reservoirs & Standpipe	261,921	-	261,921	2.22%	5,815
12	331	Transmission and Distribution Mains	81,090	-	81,090	2.00%	1,622
13	333	Services	70,227	-	70,227	3.33%	2,339
14	334	Meters	16,708	-	16,708	8.33%	1,392
15	335	Hydrants	18,416	-	18,416	2.00%	368
16	336	Backflow Prevention Devices	-	-	-	6.67%	-
17	339	Other Plant and Miscellaneous Equipment	21,516	-	21,516	6.67%	1,435
18	343	Tools and Work Equipment	270	-	270	5.00%	13
20	345	Power Operated Equipment	-	-	-	5.00%	-
21	346	Communications Equipment	3,379	-	3,379	10.00%	338
22	347	Miscellaneous Equipment	-	-	-	10.00%	-
23	348	Other Tangible Plant	106,394	-	106,394	10.00%	10,639
24		Total Plant	$ 1,570,196	$ -	$ 1,570,125		$ 65,497
25							
29							
30							
31		Composite Depreciation Rate (Depr Exp / Depreciable Plant):	4.17%				
32		CIAC:	$ 20,000				
33		Amortization of CIAC (Line 32 x Line 33):	$ 834				
34							
35		Depreciation Expense Before Amortization of CIAC:	$ 65,497				
36		Less Amortization of CIAC:	$ 834				
37		Test Year Depreciation Expense - Staff:	$ 64,663				
38		Depreciation Expense - Company:	76,419				
39		**Staff's Total Adjustment:**	**$ (11,756)**				

References:
Column [A]: Schedule CSB-4
Column [B]: From Column [A]
Column [C]: Column [A] - Column [B]
Column [D]: Engineering Staff Report
Column [E]: Column [C] x Column [D]

Southern Sunrise Water Company
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Opening Brief Schedule CSB-20

OPERATING INCOME ADJUSTMENT NO. 9 - PROPERTY TAX EXPENSE

LINE NO.	Property Tax Calculation	[A] STAFF AS ADJUSTED	[B] STAFF RECOMMENDED
1	Staff Adjusted Test Year Revenues	$ 444,136	$ 444,136
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	888,272	$ 888,272
4	Staff Recommended Revenue, Per Schedule CSB-1	444,136	$ 563,118
5	Subtotal (Line 4 + Line 5)	1,332,409	1,451,390
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	444,136	$ 483,797
8	Department of Revenue Mutilplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	888,272	$ 967,594
10	Plus: 10% of CWIP -	5,318	5,318
11	Less: Net Book Value of Licensed Vehicles	-	$ -
12	Full Cash Value (Line 9 + Line 10 - Line 11)	893,590	$ 972,912
13	Assessment Ratio	21.0%	21.0%
14	Assessment Value (Line 12 * Line 13)	187,654	$ 204,311
15	Property Tax Rate	10.7803%	10.7803%
			$ -
16	Staff Test Year Adjusted Property Tax (Line 14 * Line 15)	$ 20,230	
17	Company Proposed Property Tax	26,765	
18	Staff Test Year Adjustment (Line 16-Line 17)	$ (6,536)	
19	Property Tax - Staff Recommended Revenue (Line 14 * Line 15)		$ 22,025
20	Staff Test Year Adjusted Property Tax Expense (Line 16)		$ 20,230
21	Increase in Property Tax Expense Due to Increase in Revenue Requirement		$ 1,796
22	Increase to Property Tax Expense		$ 1,796
23	Increase in Revenue Requirement		118,982
24	Increase to Property Tax per Dollar Increase in Revenue (Line19/Line 20)		1.509242%

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Opening Brief Schedule CSB-21

OPERATING INCOME ADJUSTMENT NO. 10 - TEST YEAR INCOME TAXES

LINE NO.	DESCRIPTION	(A)	(B)
	Calculation of Income Tax:	Test Year	
1	Revenue	$ 444,136	
2	Less: Operating Expenses - Excluding Income Taxes	$ 375,659	
3	Less: Synchronized Interest (L17)	$ -	
4	Arizona Taxable Income (L1- L2 - L3)	$ 68,477	
5	Arizona State Income Tax Rate	6.968%	
6	Arizona Income Tax (L4 x L5)		$ 4,771
7	Federal Taxable Income (L4 - L6)	$ 63,706	
8	Federal Tax on Income Bracket - Not Used	$ -	
9	Federal Tax on Income Bracket - Not Used	$ -	
10	Federal Tax on Income Bracket - Not Used	$ -	
11	Federal Tax on Income Bracket - Not Used	$ -	
12	Federal Tax on All Income ($0 -$10,000,000) @ 34%	$ 21,660	
13	Total Federal Income Tax		$ 21,660
14	Combined Federal and State Income Tax (L6 + L13)		$ 26,431
	Calculation of Interest Synchronization:		
15	Rate Base (Schedule CSB-13, Col. (C), Line 16)	$ 1,295,446	
16	Weighted Average Cost of Debt	0.00%	
17	Synchronized Interest (L16 x L17)	$ -	
18	Income Tax - Per Staff	$ 26,431	
19	Income Tax - Per Company	$ 3,703	
20	**Staff Adjustment**	**$ 22,728**	

Monthly Minimum Charge	Present	Company Proposed	Staff Recommended
Meter Size (All Classes):			
5/8 Inch x 3/4 Inch	No Tariff	$ 17.92	$ 12.00
3/4 Inch	No Tariff	32.26	12.00
1 Inch	No Tariff	42.56	25.00
1 1/2 Inch	No Tariff	71.68	50.00
2 Inch	No Tariff	129.02	80.00
3 Inch	No Tariff	143.36	160.00
4 Inch	No Tariff	179.20	250.00
6 Inch	No Tariff	985.60	500.00
8 Inch	No Tariff	1,576.96	880.00
Fire Sprinklers - 4 Inch (See Note1)	No Tariff	15.00	N/A
Fire Sprinklers - 6 Inch (See Note1)	No Tariff	19.71	N/A
Fire Sprinklers - 8 Inch (See Note1)	No Tariff	31.54	N/A
Fire Sprinklers - 4 Inch	No Tariff	N/A	Note 2
Fire Sprinklers - 6 Inch	No Tariff	N/A	Note 2
Fire Sprinklers - 8 Inch	No Tariff	N/A	Note 2

Note 1 - Proposed rates are 2% of monthly minimum for comparable sized meters, but not less than $15 per month.
Note 2 - Staff recommended rates are 2% of the equivalent monthly meter size or $10 whichever is greater for all meter sizes.
N/A - Non applicable

Commodity Charge - Per Thousand Gallons

5/8" x 3/4" Meter and 3/4" Meter (Residential)			
First 4,000 gallons	No Tariff	1.9800	$ 0.9000
4,001 gallons to 10,000 gallons	No Tariff	2.9800	2.0000
Over 10,000 gallons	No Tariff	3.8800	3.5260
5/8" x 3/4" Meter and 3/4" Meter (Commercial)			
0 gallons to 4,000 gallons	No Tariff	1.7700	N/A
Over 4,000 gallons	No Tariff	2.7700	N/A
First 10,000 gallons	No Tariff	N/A	2.0000
Over 10,000 gallons	No Tariff	N/A	3.5260
1" Meter (All Classes Except Standpipe)			
0 gallons to 10,000 gallons	No Tariff	1.7700	N/A
Over 10,000 gallons	No Tariff	2.7700	N/A
First 10,000 gallons	No Tariff	N/A	2.0000
Over 10,000 gallons	No Tariff	N/A	3.5260
1.5" Meter (All Classes Except Standpipe)			
0 gallons to 25,000 gallons	No Tariff	1.7700	N/A
Over 25,000 gallons	No Tariff	2.7700	N/A
First 29,000 gallons	No Tariff	N/A	2.0000
Over 29,000 gallons	No Tariff	N/A	3.5260

N/A - Non applicable

	Present	Company Proposed	Staff Recommended
Commodity Charge - Per Thousand Gallons Continued			
2" Meter (All Classes Except Standpipe)			
0 gallons to 50,000 gallons	No Tariff	1.7700	N/A
over 50,000 gallons	No Tariff	2.7700	N/A
First 50,000 gallons	No Tariff	N/A	2.0000
Over 50,000 gallons	No Tariff	N/A	3.5260
3" Meter (All Classes Except Standpipe)			
0 gallons to 80,000 gallons	No Tariff	1.7700	N/A
over 80,000 gallons	No Tariff	2.7700	N/A
First 115,000 gallons	No Tariff	N/A	2.0000
Over 115,000 gallons	No Tariff	N/A	3.5260
4" Meter (All Classes Except Standpipe)			
0 gallons to 350,000 gallons	No Tariff	1.7700	N/A
over 350,000 gallons	No Tariff	2.7700	N/A
First 188,000 gallons	No Tariff	N/A	2.0000
Over 188,000 gallons	No Tariff	N/A	3.5260
6" Meter (All Classes Except Standpipe)			
0 gallons to 450,000 gallons	No Tariff	1.7700	N/A
over 450,000 gallons	No Tariff	2.7700	N/A
First 394,000 gallons	No Tariff	N/A	2.0000
Over 394,000 gallons	No Tariff	N/A	3.5260
8" Meter (All Classes Except Standpipe)			
0 gallons to 720,000 gallons	No Tariff	1.7700	N/A
over 720,000 gallons	No Tariff	2.7700	N/A
First 642,000 gallons	No Tariff	N/A	2.0000
Over 642,000 gallons	No Tariff	N/A	3.5260
Standpipe (Hydrant/Bulk)			
Per 1,000 gallons	No Tariff	$ 3.88	3.5260

N/A - Non applicable

	Present	Company Proposed	Staff Recommended
Miscellaneous Charges			
Establishment (Regular Hours) per Rule R14-2-403D	No Tariff	$ 30.00	$ 30.00
Establishment (After Hours) per Rule R14-2-403D	No Tariff	$ 45.00	$ 45.00
Re-Establishment of Service per Rule R14-2-403D	No Tariff	[a]	[a]
Reconnection (Delinquent) per Rule R14-2-403D	No Tariff	$ 30.00	$ 30.00
Reconnection (After Hours) per Rule R14-2-403D	No Tariff	$ 45.00	$ 45.00
Meter Test (if correct) per Rule R14-2-408F	No Tariff	$ 30.00	$ 30.00
Meter Reread per Rule R14-2-408C (if correct)	No Tariff	$ 15.00	$ 15.00
NSF Check per Rule R14-2-409F	No Tariff	$ 15.00	$ 15.00
Deferred Payment, Per Month	No Tariff	1.50%	1.50%
Late Charge	No Tariff	[b]	N/A
Late Charge	No Tariff	N/A	1.5% [d]
Service Calls - Per Hour/After Hours(e)	No Tariff	$ 50.00	N/A
Service Calls - Flat Rate / After Hours(e)	No Tariff	N/A	$ 50.00
Deposit Requirements	No Tariff	[c]	[c]
Moving Meter at Customer Request	No Tariff	Cost	Cost

[a] Minimum charge times number of full months off the system. per Rule R14-2-403(D).
[b] Greater of $5.00 or 1.5% of unpaid balance.
[c] Per ACC Rules R14-2-403(B) Residential - two times the average bill.
Commercial - two and one-half times the average bill.
[d] 1.5% of unpaid balance.
[e] Commission Rules provide for recovery of damage to meter

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).

Service and Meter Installation Charges

	Total Present Charge	Company Proposed Service Line Charge	Company Proposed Meter Installation Charge	Total Company Proposed Charge*
5/8 x 3/4 Inch	No Tariff	At Cost	At Cost	At Cost
3/4 Inch	No Tariff	At Cost	At Cost	At Cost
1 Inch	No Tariff	At Cost	At Cost	At Cost
1 1/2 Inch	No Tariff	At Cost	At Cost	At Cost
2 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
2 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
3 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
3 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
4 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
4 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
6 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
6 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
8 Inch & Larger	No Tariff	At Cost	At Cost	At Cost

* Plus actual road crossing costs.

	Total Present Charge	Staff Recommended Service Line Charge	Staff Recommended Meter Installation Charge	Total Staff Recommended Charge
5/8 x 3/4 Inch	No Tariff	$1,765	$105	$1,870
3/4 Inch	No Tariff	$1,765	$180	$1,945
1 Inch	No Tariff	$1,765	$240	$2,005
1 1/2 Inch	No Tariff	At Cost	At Cost	At Cost
2 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
2 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
3 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
3 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
4 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
4 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
6 Inch / Turbine	No Tariff	At Cost	At Cost	At Cost
6 Inch / Compound	No Tariff	At Cost	At Cost	At Cost
8 Inch & Larger	No Tariff	At Cost	At Cost	At Cost

Off-site Facilities Hook-up Fee	Present	Company Proposed	Staff Recommended*
5/8 x 3/4 Inch	No Tariff	$ 1,600	$ 1,600
3/4 Inch	No Tariff	2,400	2,400
1 Inch	No Tariff	4,000	4,000
1 1/2 Inch	No Tariff	8,000	8,000
2 Inch	No Tariff	12,800	12,800
3 Inch	No Tariff	25,600	25,600
4 Inch	No Tariff	40,000	40,000
6 Inch or larger	No Tariff	80,000	80,000

* Staff does not recommend approval of the hook-up fee.

Typical Bill Analysis - Consolidation (Bella Vista)
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	6,612	$ 22.90	$ 33.62	$ 10.73	46.85%
Median Usage	4,500	19.37	27.33	$ 7.97	41.13%
Staff Recommended					
Average Usage	6,612	$ 22.90	$ 20.82	$ (2.07)	-9.05%
Median Usage	4,500	19.37	16.60	$ (2.77)	-14.28%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	$ 15.00	$ 17.92	19.47%	$ 12.00	-20.00%
1,000	15.97	19.90	24.61%	12.90	-19.22%
2,000	16.94	21.88	29.16%	13.80	-18.54%
3,000	17.91	23.86	33.22%	14.70	-17.92%
4,000	18.88	25.84	36.86%	15.60	-17.37%
4,500	19.37	27.33	41.13%	16.60	-14.28%
5,000	19.85	28.82	45.19%	17.60	-11.34%
6,000	21.74	31.80	46.27%	19.60	-9.84%
6,612	22.90	33.62	46.85%	20.82	-9.05%
7,000	23.63	34.78	47.19%	21.60	-8.59%
8,000	25.52	37.76	47.96%	23.60	-7.52%
9,000	27.41	40.74	48.63%	25.60	-6.60%
10,000	29.30	43.72	49.22%	27.60	-5.80%
11,000	31.19	47.60	52.61%	31.13	-0.21%
12,000	33.08	51.48	55.62%	34.65	4.75%
13,000	34.97	55.36	58.31%	38.18	9.17%
14,000	36.86	59.24	60.72%	41.70	13.14%
15,000	38.75	63.12	62.89%	45.23	16.72%
16,000	40.64	67.00	64.86%	48.76	19.97%
17,000	42.53	70.88	66.66%	52.28	22.93%
18,000	44.42	74.76	68.30%	55.81	25.64%
19,000	46.31	78.64	69.81%	59.33	28.12%
20,000	48.20	82.52	71.20%	62.86	30.41%
25,000	57.65	101.92	76.79%	80.49	39.62%
30,000	69.70	121.32	74.06%	98.12	40.77%
35,000	81.75	140.72	72.13%	115.75	41.59%
40,000	93.80	160.12	70.70%	133.38	42.20%
45,000	105.85	179.52	69.60%	151.01	42.66%
50,000	117.90	198.92	68.72%	168.64	43.04%
75,000	178.15	295.92	66.11%	256.79	44.14%
100,000	238.40	392.92	64.82%	344.94	44.69%

Typical Bill Analysis - Consolidation (Northern Sunrise)
General Service 5/8 x 3/4-Inch Meter

Company Propose	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	5,755	$ 43.08	$ 31.07	$ (12.01)	-27.87%
Median Usage	4,500	40.00	27.33	$ (12.67)	-31.68%
Staff Recommended					
Average Usage	5,755	$ 43.08	$ 19.11	$ (23.97)	-55.64%
Median Usage	4,500	40.00	16.60	$ (23.40)	-58.50%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommende Rates	% Increase
-	$ 31.00	$ 17.92	-42.19%	$ 12.00	-61.29%
1,000	33.00	19.90	-39.70%	12.90	-60.91%
2,000	35.00	21.88	-37.49%	13.80	-60.57%
3,000	37.00	23.86	-35.51%	14.70	-60.27%
4,000	39.00	25.84	-33.74%	15.60	-60.00%
4,500	40.00	27.33	-31.68%	16.60	-58.50%
5,000	41.00	28.82	-29.71%	17.60	-57.07%
5,755	43.08	31.07	-27.87%	19.11	-55.64%
6,000	43.75	31.80	-27.31%	19.60	-55.20%
7,000	46.50	34.78	-25.20%	21.60	-53.55%
8,000	49.25	37.76	-23.33%	23.60	-52.08%
9,000	52.00	40.74	-21.65%	25.60	-50.77%
10,000	54.75	43.72	-20.15%	27.60	-49.59%
11,000	58.65	47.60	-18.84%	31.13	-46.93%
12,000	62.55	51.48	-17.70%	34.65	-44.60%
13,000	66.45	55.36	-16.69%	38.18	-42.55%
14,000	70.35	59.24	-15.79%	41.70	-40.72%
15,000	74.25	63.12	-14.99%	45.23	-39.08%
16,000	78.15	67.00	-14.27%	48.76	-37.61%
17,000	82.05	70.88	-13.61%	52.28	-36.28%
18,000	85.95	74.76	-13.02%	55.81	-35.07%
19,000	89.85	78.64	-12.48%	59.33	-33.96%
20,000	93.75	82.52	-11.98%	62.86	-32.95%
25,000	113.25	101.92	-10.00%	80.49	-28.93%
30,000	132.75	121.32	-8.61%	98.12	-26.09%
35,000	152.25	140.72	-7.57%	115.75	-23.97%
40,000	171.75	160.12	-6.77%	133.38	-22.34%
45,000	191.25	179.52	-6.13%	151.01	-21.04%
50,000	210.75	198.92	-5.61%	168.64	-19.98%
75,000	308.25	295.92	-4.00%	256.79	-16.69%
100,000	405.75	392.92	-3.16%	344.94	-14.99%

Typical Bill Analysis - Consolidated (Southern Sunrise)
General Service 5/8 x 3/4-Inch Meter

Company Proposec	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	5,581	$ 42.60	$ 30.55	$ (12.05)	-28.28%
Median Usage	4,500	40.00	27.33	$ (12.67)	-31.68%
Staff Recommended					
Average Usage	5,581	$ 42.60	$ 18.76	$ (23.84)	-55.96%
Median Usage	4,500	40.00	16.60	$ (23.40)	-58.50%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	$ 31.00	$ 17.92	-42.19%	$ 12.00	-61.29%
1,000	33.00	19.90	-39.70%	12.90	-60.91%
2,000	35.00	21.88	-37.49%	13.80	-60.57%
3,000	37.00	23.86	-35.51%	14.70	-60.27%
4,000	39.00	25.84	-33.74%	15.60	-60.00%
4,500	40.00	27.33	-31.68%	16.60	-58.50%
5,000	41.00	28.82	-29.71%	17.60	-57.07%
5,581	42.60	30.55	-28.28%	18.76	-55.96%
6,000	43.75	31.80	-27.31%	19.60	-55.20%
7,000	46.50	34.78	-25.20%	21.60	-53.55%
8,000	49.25	37.76	-23.33%	23.60	-52.08%
9,000	52.00	40.74	-21.65%	25.60	-50.77%
10,000	54.75	43.72	-20.15%	27.60	-49.59%
11,000	58.65	47.60	-18.84%	31.13	-46.93%
12,000	62.55	51.48	-17.70%	34.65	-44.60%
13,000	66.45	55.36	-16.69%	38.18	-42.55%
14,000	70.35	59.24	-15.79%	41.70	-40.72%
15,000	74.25	63.12	-14.99%	45.23	-39.08%
16,000	78.15	67.00	-14.27%	48.76	-37.61%
17,000	82.05	70.88	-13.61%	52.28	-36.28%
18,000	85.95	74.76	-13.02%	55.81	-35.07%
19,000	89.85	78.64	-12.48%	59.33	-33.96%
20,000	93.75	82.52	-11.98%	62.86	-32.95%
25,000	113.25	101.92	-10.00%	80.49	-28.93%
30,000	132.75	121.32	-8.61%	98.12	-26.09%
35,000	152.25	140.72	-7.57%	115.75	-23.97%
40,000	171.75	160.12	-6.77%	133.38	-22.34%
45,000	191.25	179.52	-6.13%	151.01	-21.04%
50,000	210.75	198.92	-5.61%	168.64	-19.98%
75,000	308.25	295.92	-4.00%	256.79	-16.69%
100,000	405.75	392.92	-3.16%	344.94	-14.99%

Monthly Minimum Charge	Present	Company Proposed	Staff Recommended
Meter Size (All Classes):			
5/8 Inch x 3/4 Inch	$ 15.00	$ 18.46	$ 13.50
3/4 Inch	22.70	29.07	19.00
1 Inch	28.10	36.92	29.00
1 1/2 Inch	34.50	69.23	58.00
2 Inch	42.25	118.14	90.00
3 Inch	121.90	147.68	185.60
4 Inch	173.00	184.60	290.00
6 Inch	950.00	830.70	580.00
8 Inch	1,295.00	1,329.12	928.00
Fire Sprinklers			
Fire Sprinklers - 4 Inch (See Note1 and Note 2)	5.00	15.00	N/A
Fire Sprinklers - 6 Inch (See Note1 and Note 2)	9.50	16.61	N/A
Fire Sprinklers - 8 Inch (See Note1 and Note 2)	12.95	26.58	N/A
Fire Sprinklers - 4 Inch (See Note1 and Note 3)	5.00	N/A	Note 3
Fire Sprinklers - 6 Inch (See Note1 and Note 3)	9.50	N/A	Note 3
Fire Sprinklers - 8 Inch (See Note1 and Note 3)	12.95	N/A	Note 3

Note 1 - Present Rates are 1% of monthly minimum for comparable sized meters, but not less than $5.00 per month
Note 2 - Proposed rates are 2% of monthly minimum for comparable sized meters, but not less than $15 per month.
Note 3 - Staff's recommended monthly charges are 2% of the monthly minimum for an equivalent sized meter or $10, whichever is greater, for all meter sizes.

Commodity Charge - Per Thousand Gallons

All Meter Sizes and Classes			
0 gallons to 5,000 gallons	$ 0.9700	N/A	N/A
5,001 gallons to 25,000 gallons	1.8900	N/A	N/A
Over 25,000 gallons	2.4100	N/A	N/A
5/8" x 3/4" Meter and 3/4" Meter (Residential)			
First 4,000 gallons	N/A	1.5300	$ 0.9000
4,001 gallons to 10,000 gallons	N/A	2.2300	1.5000
Over 10,000 gallons	N/A	2.6300	2.4640
5/8" x 3/4" Meter and 3/4" Meter (Commercial)			
0 gallons to 4,000 gallons	N/A	1.4500	N/A
over 4,000 gallons	N/A	1.9000	N/A
First 10,000 gallons	N/A	N/A	1.5000
Over 10,000 gallons	N/A	N/A	2.4640
1" Meter (All Classes Except Standpipe)			
First 10,000 gallons	N/A	1.4500	1.5000
Over 10,000 gallons	N/A	1.9000	2.4640
1.5" Meter (All Classes Except Standpipe)			
0 gallons to 25,000 gallons	N/A	1.4500	N/A
over 25,000 gallons	N/A	1.9000	N/A
First 23,000 gallons	N/A	N/A	1.5000
Over 23,000 gallons	N/A	N/A	2.4640

	Present	Company Proposed	Staff Recommended
Commodity Charge - Per Thousand Gallons Continued			
2" Meter (All Classes Except Standpipe)			
0 gallons to 50,000 gallons	N/A	1.4500	N/A
over 50,000 gallons	N/A	1.9000	N/A
First 40,000 gallons	N/A	N/A	1.5000
Over 40,000 gallons	N/A	N/A	2.4640
3" Meter (All Classes Except Standpipe)			
0 gallons to 80,000 gallons	N/A	1.4500	N/A
over 80,000 gallons	N/A	1.9000	N/A
First 85,000 gallons	N/A	N/A	1.5000
Over 85,000 gallons	N/A	N/A	2.4640
4" Meter (All Classes Except Standpipe)			
0 gallons to 175,000 gallons	N/A	1.4500	N/A
over 175,000 gallons	N/A	1.9000	N/A
First 140,000 gallons	N/A	N/A	1.5000
Over 140,000 gallons	N/A	N/A	2.4640
6" Meter (All Classes Except Standpipe)			
0 gallons to 450,000 gallons	N/A	1.4500	N/A
over 450,000 gallons	N/A	1.9000	N/A
First 290,000 gallons	N/A	N/A	1.5000
Over 290,000 gallons	N/A	N/A	2.4640
8" Meter (All Classes Except Standpipe)			
0 gallons to 720,000 gallons	N/A	1.4500	N/A
over 720,000 gallons	N/A	1.9000	N/A
First 470,000 gallons	N/A	N/A	1.5000
Over 470,000 gallons	N/A	N/A	2.4640
Standpipe (Hydrant/Bulk)			
Per 1,000 gallons	No Tariff	$ 2.63	2.4640

	Present	Company Proposed	Staff Recommended
Miscellaneous Charges			
Establishment (Regular Hours) per Rule R14-2-403D	30.00	30.00	30.00
Establishment (After Hours) per Rule R14-2-403D	$ 45.00	$ 45.00	$ 45.00
Re-Establishment of Service per Rule R14-2-403D	[a]	[a]	[a]
Reconnection (Delinquent) per Rule R14-2-403D	$ 30.00	$ 30.00	$ 30.00
Reconnection (After Hours) per Rule R14-2-403D	$ 45.00	$ 45.00	$ 45.00
Meter Test (if correct) per Rule R14-2-408F	$ 30.00	$ 30.00	$ 30.00
Meter Reread per Rule R14-2-408C (if correct)	$ 15.00	$ 15.00	$ 15.00
NSF Check per Rule R14-2-409F	$ 15.00	$ 15.00	$ 15.00
Deferred Payment, Per Month	1.50%	1.50%	1.50%
Late Charge	[b]	[b]	[b]
Service Calls - Per Hour/After Hours(e)	NT	$ 40.00	N/A
Service Calls - Flat Rate / After Hours(e)	NT	N/A	$ 40.00
Deposit Requirements	[c]	[c]	[c]
Moving Meter at Customer Request	Cost	Cost	Cost
Damage to Meter	Cost	Cost	[d]
Main Extension Tariff	Cost	Cost	[d]

NT = No Tariff

[a] Minimum charge times number of full months off the system. per Rule R14-2-403(D).
[b] Greater of $5.00 or 1.5% of unpaid balance.
[c] Per ACC Rules R14-2-403(B) Residential - two times the average bill.
Commercial - two and one-half times the average bill.
[d] The charges are not reflected in Staff's rate design as provisions for these costs are in the Commission Rules.

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).

Service and Meter Installation Charges	Total Present Charge	Company Proposed Service Line Charge	Company Proposed Meter Installation Charge	Total Company Proposed Charge*
5/8 x 3/4 Inch	$ 350	$ 385.00	At Cost	At Cost
3/4 Inch	$ 350	385.00	At Cost	At Cost
1 Inch	$ 400	435.00	At Cost	At Cost
1 1/2 Inch	$ 500	470.00	At Cost	At Cost
2 Inch / Turbine	NT	630.00	At Cost	At Cost
2 Inch / Compound	$ 675	630.00	At Cost	At Cost
3 Inch / Turbine	NT	805.00	At Cost	At Cost
3 Inch / Compound	$ 1,500	845.00	At Cost	At Cost
4 Inch / Turbine	NT	1,170.00	At Cost	At Cost
4 Inch / Compound	$ 1,500	1,230.00	At Cost	At Cost
6 Inch / Turbine	NT	1,730.00	At Cost	At Cost
6 Inch / Compound	$ 4,400	1,770.00	At Cost	At Cost
8 Inch & Larger	NT	At Cost	At Cost	At Cost

* Plus actual road crossing costs.
NT = No Tariff

	Total Present Charge	Staff Recommended Service Line Charge**	Staff Recommended Meter Installation Charge	Total Staff Recommended Charge
5/8 x 3/4 Inch	$ 350	$ 1,765	$ 105	$ 1,870
3/4 Inch	$ 350	$ 1,765	$ 180	$ 1,945
1 Inch	$ 400	$ 1,765	$ 240	$ 2,005
1 1/2 Inch	$ 500	At Cost	At Cost	At Cost
2 Inch / Turbine	NT	At Cost	At Cost	At Cost
2 Inch / Compound	$ 675	At Cost	At Cost	At Cost
3 Inch / Turbine	NT	At Cost	At Cost	At Cost
3 Inch / Compound	$ 1,500	At Cost	At Cost	At Cost
4 Inch / Turbine	NT	At Cost	At Cost	At Cost
4 Inch / Compound	$ 1,500	At Cost	At Cost	At Cost
6 Inch / Turbine	NT	At Cost	At Cost	At Cost
6 Inch / Compound	$ 4,400	At Cost	At Cost	At Cost
8 Inch & Larger	NT	At Cost	At Cost	At Cost

NT = No Tariff
** To include the actual cost incurred when road crossing is required.

Off-site Facilities Hook-up Fee	Present	Company Proposed	Staff Recommended*
5/8 x 3/4 Inch	NT	$ 1,600	$ 1,600
3/4 Inch	NT	2,400	2,400
1 Inch	NT	4,000	4,000
1 1/2 Inch	NT	8,000	8,000
2 Inch	NT	12,800	12,800
3 Inch	NT	25,600	25,600
4 Inch	NT	40,000	40,000
6 Inch or larger	NT	80,000	80,000

NT = No Tariff
* Staff does not recommend approval of the hook-up fee.

Bella Vista Water Company
Docket No. W-02465A-09-0411
Test Year Ended March 31, 2009

Opening Brief Schedule CSB-2 RD

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Propose	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	6,612	$ 22.90	$ 30.40	$ 7.51	32.79%
Median Usage	4,500	19.37	25.70	$ 6.33	32.69%
Staff Recommended					
Average Usage	6,612	$ 22.90	$ 27.38	$ 4.49	19.59%
Median Usage	4,500	19.37	22.18	$ 2.81	14.53%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended recommended Rates	% Increase
-	$ 15.00	$ 18.46	23.07%	$ 13.50	-10.00%
1,000	15.97	19.99	25.17%	14.40	-9.83%
2,000	16.94	21.52	27.04%	15.30	-9.68%
3,000	17.91	23.05	28.70%	16.20	-9.55%
4,000	18.88	24.58	30.19%	17.10	-9.43%
4,500	19.37	25.70	32.69%	22.18	14.53%
5,000	19.85	26.81	35.06%	23.41	17.94%
6,000	21.74	29.04	33.58%	25.87	19.02%
6,612	22.90	30.40	32.79%	27.38	19.59%
7,000	23.63	31.27	32.33%	28.34	19.93%
8,000	25.52	33.50	31.27%	30.80	20.70%
9,000	27.41	35.73	30.35%	33.27	21.37%
10,000	29.30	37.96	29.56%	35.73	21.95%
11,000	31.19	40.59	30.14%	38.19	22.46%
12,000	33.08	43.22	30.65%	40.66	22.91%
13,000	34.97	45.85	31.11%	43.12	23.31%
14,000	36.86	48.48	31.52%	45.59	23.67%
15,000	38.75	51.11	31.90%	48.05	24.00%
16,000	40.64	53.74	32.23%	50.51	24.30%
17,000	42.53	56.37	32.54%	52.98	24.57%
18,000	44.42	59.00	32.82%	55.44	24.81%
19,000	46.31	61.63	33.08%	57.91	25.04%
20,000	48.20	64.26	33.32%	60.37	25.25%
25,000	57.65	77.41	34.28%	72.69	26.09%
30,000	69.70	90.56	29.93%	85.01	21.97%
35,000	81.75	103.71	26.86%	97.33	19.06%
40,000	93.80	116.86	24.58%	109.65	16.90%
45,000	105.85	130.01	22.82%	121.97	15.23%
50,000	117.90	143.16	21.42%	134.29	13.90%
75,000	178.15	208.91	17.27%	195.89	9.96%
100,000	238.40	274.66	15.21%	257.49	8.01%

	Present	Company Proposed	Staff Recommended
Monthly Minimum Charge			
Meter Size (All Classes):			
5/8 Inch x 3/4 Inch	$ 31.00	$ 75.39	$ 44.00
3/4 Inch	46.50	113.09	66.00
1 Inch	77.50	188.48	110.00
1 1/2 Inch	155.00	376.95	220.00
2 Inch	248.00	603.12	352.00
3 Inch	496.00	1,206.24	704.00
4 Inch	775.00	1,884.75	1,100.00
6 Inch	930.00	3,769.50	2,200.00
8 Inch	1,550.00	6,031.20	3,520.00
Commodity Charge - Per Thousand Gallons			
All Meter Sizes and Classes, Except Irrigation			
0 gallons to 5,000 gallons	$ 2.0000	N/A	N/A
5,001 gallons to10,000 gallons	2.7500	N/A	
Over 10,000 gallons	3.9000	N/A	N/A
All Meter Sizes - Irrigation			
0 gallons to 45,000 gallons	2.7500	N/A	N/A
Over 45,000 gallons	3.9000	N/A	N/A
5/8 Inch x 3/4 Inch Meter and 3/4 Inch Meter - Residential			
0 gallons to 4,000 gallons	N/A	4.8600	N/A
4,001 gallons to 10,000 gallons	N/A	5.8600	N/A
over 10,000 gallons	N/A	7.0100	N/A
0 gallons to 3,000 gallons	N/A	N/A	6.0000
3,001 gallons to 10,000 gallons	N/A	N/A	9.0000
Over 10,000 gallons	N/A	N/A	12.7050
5/8 Inch x 3/4 Inch Meter and 3/4 Inch Meter - Commercial, Irrigation	N/A	4.8600	N/A
over 10,000 gallons	N/A	5.8600	N/A
0 gallons to 10,000 gallons	N/A	N/A	9.0000
Over 10,000 gallons	N/A	N/A	12.7050
1" Meter (All Classes, Except Standpipe)			
0 gallons to 25,000 gallons	N/A	4.8600	N/A
over 25,000 gallons	N/A	5.8600	N/A
0 gallons to 22,000 gallons	N/A	N/A	9.0000
Over 22,000 gallons	N/A	N/A	12.7050
1.5" Meter (All Classes, Except Standpipe)			
0 gallons to 50,000 gallons	N/A	4.8600	N/A
over 50,000 gallons	N/A	5.8600	N/A
0 gallons to 53,000 gallons	N/A	N/A	9.0000
Over 53,000 gallons	N/A	N/A	12.7050
2" Meter (All Classes, Except Standpipe/Construction)			
0 gallons to 80,000 gallons	N/A	4.8600	N/A
over 80,000 gallons	N/A	5.8600	N/A
0 gallons to 92,000 gallons	N/A	N/A	9.0000
Over 92,000 gallons	N/A	N/A	12.7050

Commodity Charge - Per Thousand Gallons Continued	Present	Company Proposed	Staff Recommended
3" Meter (All Classes, Except Standpipe)			
0 gallons to 160,000 gallons	N/A	4.8600	N/A
over 160,000 gallons	N/A	5.8600	N/A
0 gallons to 197,000 gallons	N/A	N/A	9.0000
Over 197,000 gallons	N/A	N/A	12.7050
4" Meter (All Classes, Except Standpipe)			
0 gallons to 250,000 gallons	N/A	4.8600	N/A
over 250,000 gallons	N/A	5.8600	N/A
0 gallons to 315,000 gallons	N/A	N/A	9.0000
Over 315,000 gallons	N/A	N/A	12.7050
6" Meter (All Classes, Except Standpipe)			
0 gallons to 500,000 gallons	N/A	4.8600	N/A
over 500,000 gallons	N/A	5.8600	N/A
0 gallons to 645,000 gallons	N/A	N/A	9.0000
Over 645,000 gallons	N/A	N/A	12.7050
8" Meter (All Classes, Except Standpipe)			
0 gallons to 800,000 gallons	N/A	4.8600	N/A
over 800,000 gallons	N/A	5.8600	N/A
0 gallons to 1,000,000 gallons	N/A	N/A	9.0000
Over 1,000,000 gallons	N/A	N/A	12.7050
Standpipe (Construction)			
Per 1,000 gallons	3.9000	5.8600	12.7050

Miscellaneous Charges	Present	Company Proposed	Staff Recommended
Establishment (Regular Hours) per Rule R14-2-403.D	$ 25.00	$ 25.00	$ 25.00
Establishment (After Hours) per Rule R14-2-403.D	$ 35.00	$ 35.00	$ 35.00
Re-Establishment of Service per Rule R14-2-403.D	[a]	[a]	[a]
Reconnection (Delinquent) per Rule R14-2-403.D	$ 35.00	$ 35.00	$ 35.00
Reconnection (After Hours) per Rule R14-2-403.D	NT	$ 45.00	$ 45.00
Meter Test (if correct) per Rule R14-2-408.F	NT	$ 30.00	$ 30.00
Meter Reread per Rule R14-2-408.C (if correct)	$ 5.00	$ 15.00	$ 15.00
NSF Check per Rule R14-2-409.F	NT	$ 15.00	$ 15.00
Deferred Payment, Per Month per Rule R14-2-409.G	1.50%	1.50%	1.50%
Late Charge	1.50%	1.50%	1.50%
Service Calls - Per Hour/After Hours(e)	$ 50.00	$ 50.00	$ 50.00
Deposit Requirements	[b]	[b]	[b]
Moving Meter at Customer Request	NT	Cost	Cost
Damage to Meter	NT	Cost	[c]
Main Extension Tariff	Cost	Cost	[c]

[a] Minimum charge times number of full months off the system. per Rule R14-2-403.D.
[b] Per ACC Rules R14-2-403.B Residential - two times the average bill.
Commercial - two and one-half times the average bill.
[c] The charges are not reflected in Staff's rate design as provisions for these costs are in the Commission Rules.

NT = No Tariff

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).

Service Line and Meter Installation Charges	Total Present Charge	Company Proposed Service Line Charge	Company Proposed Meter Installation Charge	Total Company Proposed Charge*
5/8 x 3/4 Inch	$ 410.00	$ 385.00	At Cost	At Cost
3/4 Inch	410.00	385.00	At Cost	At Cost
1 Inch	520.00	435.00	At Cost	At Cost
1 1/2 Inch	660.00	470.00	At Cost	At Cost
2 Inch / Turbine	1,155.00	630.00	At Cost	At Cost
2 Inch / Compound	1,720.00	630.00	At Cost	At Cost
3 Inch / Turbine	1,625.00	805.00	At Cost	At Cost
3 Inch / Compound	2,260.00	845.00	At Cost	At Cost
4 Inch / Turbine	2,500.00	1,170.00	At Cost	At Cost
4 Inch / Compound	3,200.00	1,230.00	At Cost	At Cost
6 Inch / Turbine	4,500.00	1,730.00	At Cost	At Cost
6 Inch / Compound	6,300.00	1,770.00	At Cost	At Cost
8 Inch & Larger	8,200.00	At Cost	At Cost	At Cost

* Plus actual road crossing costs.
NT = No Tariff

	Total Present Charge	Staff Recommended Service Line Charge**	Staff Recommended Meter Installation Charge	Total Staff Recommended Charge
5/8 x 3/4 Inch	$ 410.00	$1,765	$105	$1,870
3/4 Inch	410.00	$1,765	$180	$1,945
1 Inch	520.00	$1,765	$240	$2,005
1 1/2 Inch	660.00	At Cost	At Cost	At Cost
2 Inch / Turbine	1,155.00	At Cost	At Cost	At Cost
2 Inch / Compound	1,720.00	At Cost	At Cost	At Cost
3 Inch / Turbine	1,625.00	At Cost	At Cost	At Cost
3 Inch / Compound	2,260.00	At Cost	At Cost	At Cost
4 Inch / Turbine	2,500.00	At Cost	At Cost	At Cost
4 Inch / Compound	3,200.00	At Cost	At Cost	At Cost
6 Inch / Turbine	4,500.00	At Cost	At Cost	At Cost
6 Inch / Compound	6,300.00	At Cost	At Cost	At Cost
8 Inch & Larger	8,200.00	At Cost	At Cost	At Cost

NT = No Tariff
** To include the actual cost incurred when road crossing is required.

Off-site Facilities Hook-up Fee	Present	Company Proposed	Staff Recommended*
5/8 x 3/4 Inch	NT	$ 1,600	$ 1,600
3/4 Inch	NT	2,400	2,400
1 Inch	NT	4,000	4,000
1 1/2 Inch	NT	8,000	8,000
2 Inch	NT	12,800	12,800
3 Inch	NT	25,600	25,600
4 Inch	NT	40,000	40,000
6 Inch or larger	NT	80,000	80,000

* Staff does not recommend approval of the hook-up fee.
NT = No Tariff

Northen Sunrise
Docket No. W-20465A-09-0411
Test Year Ended March 31, 2009

Opening Brief Schedule CSB-4 RD

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	5,755	$ 43.08	$ 105.11	$ 62.04	144.02%
Median Usage	4,500	40.00	97.76	$ 57.76	144.40%
Staff Recommended					
Average Usage	5,755	$ 43.08	$ 86.80	$ 43.72	101.49%
Median Usage	4,500	40.00	75.50	$ 35.50	88.75%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	$ 31.00	$ 75.39	143.19%	$ 44.00	41.94%
1,000	33.00	80.25	143.18%	50.00	51.52%
2,000	35.00	85.11	143.17%	56.00	60.00%
3,000	37.00	89.97	143.16%	62.00	67.57%
4,000	39.00	94.83	143.15%	71.00	82.05%
4,500	40.00	97.76	144.40%	75.50	88.75%
5,000	41.00	100.69	145.59%	80.00	95.12%
5,755	43.08	105.11	144.02%	86.80	101.49%
6,000	43.75	106.55	143.54%	89.00	103.43%
7,000	46.50	112.41	141.74%	98.00	110.75%
8,000	49.25	118.27	140.14%	107.00	117.26%
9,000	52.00	124.13	138.71%	116.00	123.08%
10,000	54.75	129.99	137.42%	128.71	135.08%
11,000	58.65	137.00	133.59%	141.41	141.11%
12,000	62.55	144.01	130.23%	154.12	146.39%
13,000	66.45	151.02	127.27%	166.82	151.05%
14,000	70.35	158.03	124.63%	179.53	155.19%
15,000	74.25	165.04	122.28%	192.23	158.90%
16,000	78.15	172.05	120.15%	204.94	162.23%
17,000	82.05	179.06	118.23%	217.64	165.25%
18,000	85.95	186.07	116.49%	230.35	168.00%
19,000	89.85	193.08	114.89%	243.05	170.51%
20,000	93.75	200.09	113.43%	255.76	172.81%
25,000	113.25	235.14	107.63%	319.28	181.92%
30,000	132.75	270.19	103.53%	382.81	188.37%
35,000	152.25	305.24	100.49%	446.33	193.16%
40,000	171.75	340.29	98.13%	509.86	196.86%
45,000	191.25	375.34	96.26%	573.38	199.81%
50,000	210.75	410.39	94.73%	636.91	202.21%
75,000	308.25	585.64	89.99%	954.53	209.66%
100,000	405.75	760.89	87.53%	1,272.16	213.53%

	Present	Company Proposed	Staff Recommended
Monthly Minimum Charge			
Meter Size (All Classes):			
5/8 Inch x 3/4 Inch	$ 31.00	$ 54.37	$ 30.00
3/4 Inch	46.50	81.56	45.00
1 Inch	77.50	135.93	75.00
1 1/2 Inch	155.00	271.85	150.00
2 Inch	248.00	434.96	240.00
3 Inch	496.00	869.92	480.00
4 Inch	775.00	1,359.25	750.00
6 Inch	930.00	2,718.50	1,500.00
8 Inch	1,550.00	4,349.60	2,400.00
Fire Sprinklers			
* One percent of monthly minimum for comparable sized meters but not less than $5.00 per month	*	*	N/A
** Two percent of monthly minimum for equivalent sized meters but not less than $10.00 per month whichever is greater for all meter sizes.	*	N/A	**
Commodity Charge - Per Thousand Gallons			
All Meter Sizes and Classes, Except Irrigation			
0 gallons to 5,000 gallons	$ 2.0000	N/A	N/A
5,001 gallons to10,000 gallons	2.7500	N/A	N/A
Over 10,000 gallons	3.9000	N/A	N/A
All Meter Sizes - Irrigation			
0 gallons to 45,000 gallons	2.7500	N/A	N/A
Over 45,000 gallons	3.9000	N/A	N/A
5/8 Inch x 3/4 Inch Meter and 3/4 Inch Meter - Residential			
0 gallons to 4,000 gallons	N/A	$ 3.5100	N/A
4,001 gallons to 10,000 gallons	N/A	4.2600	N/A
over 10,000 gallons	N/A	5.4100	N/A
0 to 3,000 gallons	N/A	N/A	$ 2.9800
3,001 to 9,000 gallons	N/A	N/A	5.9800
Over 9,000 gallons	N/A	N/A	9.5630
5/8 Inch x 3/4 Inch Meter and 3/4 Inch Meter - Commercial, Irrigation			
0 gallons to 10,000 gallons	N/A	3.5100	N/A
over 10,000 gallons	N/A	4.2600	N/A
0 to 9,000 gallons	N/A	N/A	5.9800
Over 9,000 gallons	N/A	N/A	9.5630
1" Meter (All Classes, Except Standpipe)			
0 gallons to 15,000 gallons	N/A	3.5100	N/A
over 15,000 gallons	N/A	4.2600	N/A
0 to 16,000 gallons	N/A	N/A	5.9800
Over 16,000 gallons	N/A	N/A	9.5630
1.5" Meter (All Classes, Except Standpipe)			
0 gallons to 25,000 gallons	N/A	3.5100	N/A
over 25,000 gallons	N/A	4.2600	N/A
0 to 35,000 gallons	N/A	N/A	5.9800
Over 35,000 gallons	N/A	N/A	9.5630

Commodity Charge - Per Thousand Gallons Continued	Present	Company Proposed	Staff Recommended
2" Meter (All Classes, Except Standpipe)			
0 gallons to 50,000 gallons	N/A	3.5100	N/A
over 50,000 gallons	N/A	4.2600	N/A
0 to 58,000 gallons	N/A	N/A	5.9800
Over 58,000 gallons	N/A	N/A	9.5630
3" Meter (All Classes, Except Standpipe)			
0 gallons to 80,000 gallons	N/A	3.5100	N/A
over 80,000 gallons	N/A	4.2600	N/A
0 to 121,000 gallons	N/A	N/A	5.9800
Over 121,000 gallons	N/A	N/A	9.5630
4" Meter (All Classes, Except Standpipe)			
0 gallons to 160,000 gallons	N/A	3.5100	N/A
over 160,000 gallons	N/A	4.2600	N/A
0 to 192,000 gallons	N/A	N/A	5.9800
Over 192,000 gallons	N/A	N/A	9.5630
6" Meter (All Classes, Except Standpipe)			
0 gallons to 250,000 gallons	N/A	3.5100	N/A
over 250,000 gallons	N/A	4.2600	N/A
0 to 390,000 gallons	N/A	N/A	5.9800
Over 390,000 gallons	N/A	N/A	9.5630
8" Meter (All Classes, Except Standpipe)			
0 gallons to 500,000 gallons	N/A	3.5100	N/A
over 500,000 gallons	N/A	4.2600	N/A
0 to 625,000 gallons	N/A	N/A	5.9800
Over 625,000 gallons	N/A	N/A	9.5630
Standpipe			
Per 1,000 gallons	3.9000	4.2600	8.5000

Miscellaneous Charges	Present	Company Proposed	Staff Recommended
Establishment (Regular Hours) per Rule R14-2-403.D	$ 25.00	$ 25.00	$ 25.00
Establishment (After Hours) per Rule R14-2-403.D	$ 35.00	$ 35.00	$ 35.00
Re-Establishment of Service per Rule R14-2-403.D	[a]	[a]	[a]
Reconnection (Delinquent) per Rule R14-2-403.D	$ 35.00	$ 35.00	$ 35.00
Reconnection (After Hours) per Rule R14-2-403.D	NT	$ 45.00	$ 45.00
Meter Test (if correct) per Rule R14-2-408.F	NT	$ 30.00	$ 30.00
Meter Reread per Rule R14-2-408.C (if correct)	$ 5.00	$ 15.00	$ 15.00
NSF Check per Rule R14-2-409.F	NT	$ 15.00	NT
Deferred Payment, Per Month per Rule R14-2-409.G	1.50%	1.50%	1.50%
Late Charge	1.50%	1.50%	1.50%
Service Calls - Per Hour/After Hours(e)	$ 50.00	$ 50.00	$ 50.00
Deposit Requirements	[b]	[b]	[b]
Moving Meter at Customer Request	NT	Cost	Cost
Damage to Meter	NT	Cost	[c]
Main Extension Tariff	Cost	Cost	[c]

[a] Minimum charge times number of full months off the system. per Rule R14-2-403.D.
[b] Per ACC Rules R14-2-403.B Residential - two times the average bill.
Commercial - two and one-half times the average bill.
[c] The charges are not reflected in Staff's rate design as provisions for these costs are in the Commission Rules.

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).

Service and Meter Installation Charges	Total Present Charge	Company Proposed Service Line Charge	Company Proposed Meter Installation Charge	Total Company Proposed Charge*
5/8 x 3/4 Inch	$ 410.00	At Cost	At Cost	At Cost
3/4 Inch	410.00	At Cost	At Cost	At Cost
1 Inch	520.00	At Cost	At Cost	At Cost
1 1/2 Inch	660.00	At Cost	At Cost	At Cost
2 Inch / Turbine	1,155.00	At Cost	At Cost	At Cost
2 Inch / Compound	1,720.00	At Cost	At Cost	At Cost
3 Inch / Turbine	1,625.00	At Cost	At Cost	At Cost
3 Inch / Compound	2,260.00	At Cost	At Cost	At Cost
4 Inch / Turbine	2,500.00	At Cost	At Cost	At Cost
4 Inch / Compound	3,200.00	At Cost	At Cost	At Cost
6 Inch / Turbine	4,500.00	At Cost	At Cost	At Cost
6 Inch / Compound	6,300.00	At Cost	At Cost	At Cost
8 Inch & Larger	8,200.00	At Cost	At Cost	At Cost

* Plus actual road crossing costs.

	Total Present Charge	Staff Recommended Service Line Charge**	Staff Recommended Meter Installation Charge	Total Staff Recommended Charge
5/8 x 3/4 Inch	$ 410.00	$1,765	$105	$1,870
3/4 Inch	410.00	$1,765	$180	$1,945
1 Inch	520.00	$1,765	$240	$2,005
1 1/2 Inch	660.00	At Cost	At Cost	At Cost
2 Inch / Turbine	1,155.00	At Cost	At Cost	At Cost
2 Inch / Compound	1,720.00	At Cost	At Cost	At Cost
3 Inch / Turbine	1,625.00	At Cost	At Cost	At Cost
3 Inch / Compound	2,260.00	At Cost	At Cost	At Cost
4 Inch / Turbine	2,500.00	At Cost	At Cost	At Cost
4 Inch / Compound	3,200.00	At Cost	At Cost	At Cost
6 Inch / Turbine	4,500.00	At Cost	At Cost	At Cost
6 Inch / Compound	6,300.00	At Cost	At Cost	At Cost
8 Inch & Larger	8,200.00	At Cost	At Cost	At Cost

** To include the actual cost incurred when road crossing is required.

Off-site Facilities Hook-up Fee	Present	Company Proposed	Staff Recommended*
5/8 x 3/4 Inch	NT	$ 1,600	$ 1,600
3/4 Inch	NT	2,400	2,400
1 Inch	NT	4,000	4,000
1 1/2 Inch	NT	8,000	8,000
2 Inch	NT	12,800	12,800
3 Inch	NT	25,600	25,600
4 Inch	NT	40,000	40,000
6 Inch or larger	NT	80,000	80,000

* Staff does not recommend approval of the hook-up fee.
NT = No Tariff

Southern Sunrise
Docket No. W-20465A-09-0411
Test Year Ended March 31, 2009

Opening Brief Schedule CSB-6 RD

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	5,581	$ 42.60	$ 75.15	$ 32.55	76.41%
Median Usage	4,500	40.00	70.54	$ 30.54	76.35%
Staff Recommended					
Average Usage	5,581	$ 42.60	$ 54.37	$ 11.78	27.65%
Median Usage	4,500	40.00	47.91	$ 7.91	19.78%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	Staff Recommended Rates	% Increase
-	$ 31.00	$ 54.37	75.39%	$ 30.00	-3.23%
1,000	33.00	57.88	75.39%	32.98	-0.06%
2,000	35.00	61.39	75.40%	35.96	2.74%
3,000	37.00	64.90	75.41%	38.94	5.24%
4,000	39.00	68.41	75.41%	44.92	15.18%
4,500	40.00	70.54	76.35%	47.91	19.78%
5,000	41.00	72.67	77.24%	50.90	24.15%
5,581	42.60	75.15	76.41%	54.37	27.65%
6,000	43.75	76.93	75.84%	56.88	30.01%
7,000	46.50	81.19	74.60%	62.86	35.18%
8,000	49.25	85.45	73.50%	68.84	39.78%
9,000	52.00	89.71	72.52%	74.82	43.88%
10,000	54.75	93.97	71.63%	84.38	54.12%
11,000	58.65	99.38	69.45%	93.95	60.18%
12,000	62.55	104.79	67.53%	103.51	65.48%
13,000	66.45	110.20	65.84%	113.07	70.16%
14,000	70.35	115.61	64.34%	122.64	74.32%
15,000	74.25	121.02	62.99%	132.20	78.04%
16,000	78.15	126.43	61.78%	141.76	81.40%
17,000	82.05	131.84	60.68%	151.32	84.43%
18,000	85.95	137.25	59.69%	160.89	87.19%
19,000	89.85	142.66	58.78%	170.45	89.71%
20,000	93.75	148.07	57.94%	180.01	92.01%
25,000	113.25	175.12	54.63%	227.83	101.17%
30,000	132.75	202.17	52.29%	275.64	107.64%
35,000	152.25	229.22	50.56%	323.46	112.45%
40,000	171.75	256.27	49.21%	371.27	116.17%
45,000	191.25	283.32	48.14%	419.09	119.13%
50,000	210.75	310.37	47.27%	466.90	121.54%
75,000	308.25	445.62	44.56%	705.98	129.03%
100,000	405.75	580.87	43.16%	945.05	132.92%

Bella Vista Water Company, Inc., et al.
Capital Structure
And Weighted Average Cost of Capital
Staff Recommended and Company Proposed

[A]	[B]	[C]	[D]
Description	Weight (%)	Cost	Weighted Cost
Staff Recommended Structure			
Debt	18.7%	6.3%	1.2%
Common Equity	81.3%	9.3%	7.6%
Weighted Average Cost of Capital			**8.8%**
Company Proposed Structure			
Debt	22.6%	6.3%	1.4%
Common Equity	77.4%	10.9%	8.4%
Weighted Average Cost of Capital			**9.9%**

[D] : [B] x [C]

Supporting Schedules: PMC-2 and PMC-3.

Bella Vista Water Company, Inc., et al.
Final Cost of Equity Estimates
Sample Water Utilities

[A]	[B]		[C]		[D]		[E]
DCF Method			D_1/P_0 [1]	+	g [2]	=	k
Constant Growth DCF Estimate			3.6%	+	5.3%	=	8.9%
Multi-Stage DCF Estimate						=	10.0%
Average of DCF Estimates							**9.5%**
CAPM Method	Rf	+	β [5]	x	(Rp)	=	k
Historical Market Risk Premium[3]	2.8%	+	0.78	x	7.2% [6]	=	8.4%
Current Market Risk Premium[4]	4.2%	+	0.78	x	12.0% [7]	=	13.7%
Average of CAPM Estimates							**11.1%**
					Average		**10.3%**
					Financial risk adjustment		-1.0%
					Overall Return On Equity		**9.3%**

1 MSN Money and Value Line

2 Schedule PMC-7

3 Risk-free rate (Rf) for 5, 7, and 10 year Treasury rates from the U.S. Treasury Department at www.ustreas.gov

4 Risk-free rate (Rf) for 30 Year Treasury bond rate from the U.S. Treasury Department at www.ustreas.gov

5 Value Line

6 Historical Market Risk Premium (Rp) calculated from Ibbotson Associates SBBI 2010 Yearbook data

7 Testimony

Bella Vista Water Company, Inc., et al.
Average Capital Structure of Sample Water Utilities

[A]	[B]	[C]	[D]
Company	Debt	Common Equity	Total
American States Water	46.8%	53.2%	100.0%
California Water	48.0%	52.0%	100.0%
Aqua America	56.6%	43.4%	100.0%
Connecticut Water	55.8%	44.2%	100.0%
Middlesex Water	53.3%	46.7%	100.0%
SJW Corp	49.0%	51.0%	100.0%
Average Sample Water Utilities	**51.6%**	**48.4%**	**100.0%**
Applicants Current Capital Structure[1]	**18.7%**	**81.3%**	**100.0%**

Source:
Sample Water Companies from Value Line
Supporting Schedule: PMC-9
[1] As of March 31, 2010.

Bella Vista Water Company, Inc., et al.
Growth in Earnings and Dividends
Sample Water Utilities

[A]	[B]	[C]	[D]	[E]
Company	Dividends Per Share 1999 to 2009 DPS[1]	Dividends Per Share Projected DPS[1]	Earnings Per Share 1999 to 2009 EPS[1]	Earnings Per Share Projected EPS[1]
American States Water	1.6%	3.4%	3.1%	7.7%
California Water	0.7%	1.3%	2.5%	5.9%
Aqua America	6.6%	6.5%	6.2%	12.7%
Connecticut Water	1.3%	No Projection	1.5%	No Projection
Middlesex Water	1.7%	No Projection	-0.5%	No Projection
SJW Corp	5.1%	No Projection	-0.7%	No Projection
Average Sample Water Utilities	**2.8%**	**3.7%**	**2.0%**	**8.8%**

1 Value Line

Bella Vista Water Company, Inc., et al.
Sustainable Growth
Sample Water Utilities

[A]	[B]	[C]	[D]	[E]	[F]
Company	Retention Growth **2000 to 2009** br	Retention Growth Projected br	Stock Financing Growth vs	Sustainable Growth **2000 to 2009** br + vs	Sustainable Growth Projected br + vs
American States Water	3.0%	5.4%	1.9%	5.0%	7.3%
California Water	2.0%	5.9%	3.8%	5.8%	9.7%
Aqua America	4.6%	7.2%	3.7%	8.3%	11.0%
Connecticut Water	2.5%	No Projection	0.7%	3.2%	No Projection
Middlesex Water	1.2%	No Projection	3.0%	4.1%	No Projection
SJW Corp	4.0%	No Projection	0.1%	4.1%	No Projection
Average Sample Water Utilities	**2.9%**	**6.2%**	**2.2%**	**5.1%**	**9.3%**

[B]: Value Line
[C]: Value Line
[D]: Value Line and MSN Money
[E]: [B]+[D]
[F]: [C]+[D]

Bella Vista Water Company, Inc., et al.
Selected Financial Data of Sample Water Utilities

[A]	[B]	[C]	[D]	[E]	[F]	[G]
Company	Symbol	Spot Price 6/2/2010	Book Value	Mkt To Book	*Value Line* Beta β	Raw Beta β *raw*
American States Water	AWR	**34.64**	19.61	1.8	**0.80**	0.67
California Water	CWT	**35.71**	20.58	1.7	**0.75**	0.60
Aqua America	WTR	**17.33**	8.28	2.1	**0.65**	0.45
Connecticut Water	CTWS	**21.49**	12.80	1.7	**0.80**	0.67
Middlesex Water	MSEX	**17.50**	10.94	1.6	**0.75**	0.60
SJW Corp	SJW	**24.55**	14.73	1.7	**0.95**	0.90
Average				**1.8**	**0.78**	**0.65**

[C]: Msn Money

[D]: Value Line

[E]: [C] / [D]

[F]: Value Line

[G]: (-0.35 + [F]) / 0.67

Bella Vista Water Company, Inc., et al.
Calculation of Expected Infinite Annual Growth in Dividends
Sample Water Utilities

[A]	[B]
Description	g
DPS Growth - Historical[1]	2.8%
DPS Growth - Projected[1]	3.7%
EPS Growth - Historical[1]	2.0%
EPS Growth - Projected[1]	8.8%
Sustainable Growth - Historical[2]	5.1%
Sustainable Growth - Projected[2]	9.3%
Average	**5.3%**

1 Schedule PMC-4

2 Schedule PMC-5

Bella Vista Water Company, Inc., et al.
Multi-Stage DCF Estimates
Sample Water Utilities

[A]	[B]	[C]	[D]	[E]	[F]	[H]	[I]
Company	Current Mkt. Price (P_o)[1] 6/2/2010	Projected Dividends[2] (Stage 1 growth) (D_t) d_1	d_2	d_3	d_4	Stage 2 growth[3] (g_n)	Equity Cost Estimate (K)[4]
American States Water	34.6	1.07	1.12	1.18	1.25	6.6%	9.6%
California Water	35.7	1.24	1.30	1.37	1.44	6.6%	9.9%
Aqua America	17.3	0.60	0.63	0.66	0.69	6.6%	9.9%
Connecticut Water	21.5	0.92	0.97	1.02	1.08	6.6%	10.8%
Middlesex Water	17.5	0.74	0.78	0.82	0.86	6.6%	10.7%
SJW Corp	24.6	0.71	0.74	0.78	0.83	6.6%	9.4%
						Average	**10.0%**

$$P_0 = \sum_{t=1}^{n} \frac{D_t}{(1+K)^t} + \frac{D_n(1+g_n)}{K-g_n}\left[\frac{1}{(1+K)}\right]^n$$

Where : P_0 = current stock price

D_t = dividends expected during stage 1

K = cost of equity

n = years of non – constant growth

D_n = dividend expected in year n

g_n = constant rate of growth expected after year n

1 [B] see Schedule PMC-6

2 Derived from Value Line Information

3 Average annual growth in GDP 1929 - 2009 in current dollars.

4 Internal Rate of Return of Projected Dividends

Bella Vista Water Company, Inc., et al.
Capitalization

		Amount outstanding as of 3/31/2010	Percentage of Capital Structure
Total Debt	$	1,557,567	18.7%
Total Equity [1]	$	6,751,367	81.3%
Total Capitalization	$	8,308,933	100.0%

[1] Adjustments to Equity -

Note: Staff's recommended capital structure does not include the adjustments because they are immaterial.

Applicants Equity as of 3/31/2010	$	6,751,367
Accumulated Depreciation Adjustment (a)	$	1,873,781
CIAC Adjustment (Bella Vista Water Company (Consolidated) Schedule D-1)	$	(27,772)
Accumulated Deferred Income Tax Adjustment (b)	$	(645,055)
Plant Retirements (Surrebuttal Testimony of Crystal Brown for Bella Vista, Schedule CSB-4)	$	(1,333,228)
Total Equity	$	6,619,093
Immaterial Adjustments not recognized	$	132,274
Staff's Recommended Equity	$	6,751,367

(a) Accumulated Depreciation Adjustment		
Bella Vista Water Company (Consolidated) Schedule D-1	$	(106,253)
Surrebuttal Testimony of Crystal Brown for Bella Vista, Schedule CSB-4	$	1,954,466
Surrebuttal Testimony of Crystal Brown for Northern Sunrise, Schedule CSB-4	$	2,827
Surrebuttal Testimony of Crystal Brown for Southern Sunrise, Schedule CSB-4	$	22,741
Total Accumulated Depreciation Adjustment	$	1,873,781
(b) Accumulated Deferred Income Tax Adjustment		
Bella Vista Water Company (Consolidated) Schedule D-1	$	72,169
Surrebuttal Testimony of Crystal Brown for Bella Vista, Schedule CSB-4	$	(558,105)
Surrebuttal Testimony of Crystal Brown for Northern Sunrise, Schedule CSB-4	$	(65,743)
Surrebuttal Testimony of Crystal Brown for Southern Sunrise, Schedule CSB-4	$	(93,376)
Total Accumulated Deferred Income Tax Adjustment	$	(645,055)