ORIGINAL

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Phoenix, Arizona 85029

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED
OCT 15 2010
DOCKETED BY

October 15, 2010

Gary McMurry
Public Utilities Analyst
Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007-2927

Re: Goodman Water Company
Application for rate increase - Docket No. W-02500A-10-0382

Dear Mr. McMurray,

In response to your informal list of deficiency items, the Company hereby submits the following:

Item 1 – Schedule H-3 page two shows the incorrect tier one rates for 1" and 1.5" meters ($3.95), it should be $5.91.

Company Response – Please see the attached revised Schedule H-3.

Item 2 – Schedules B-1 and B-2 indicate no Contributions in aid of Construction ("CIAC"), only AIAC. Schedule A-5 however shows yearly receipts of contributions (CIAC) and Schedule B-2 p.5 shows $1,471,334 in CIAC. Please explain and reconcile this apparent discrepancy.

Company Response – Please see attached revised Schedule A-5. The amounts on the original schedule appeared on the incorrect line. Please also see attached revised schedules E-3 and F-2 which had a similar problem as the Schedule A-5.

Item 3 – On Schedule B-2 p.5 it shows -0- for the book value for Advances in aid of Construction ("AIAC") yet schedule B-1 shows balances for AIAC of $2,101,905.

Company Response – Schedule B-2, page 5 is correct. There is no AIAC accumulated deferred income tax ("ADIT") component for the book value of fixed assets. AIAC is a separate component of ADIT as shown on the schedule. Please see footnotes 4 and 5 on

page 5.1 for details supporting the CIAC amount included in the fixed asset component and the AIAC amount used in the AIAC component.

Item 4 – On Schedule E-1 total assets does not equal total liabilities & common equity in 2009 as it should ($1 rounding discrepancy).

Company Response – Please see the attached revised Schedule E-1.

Item 5 – On Schedule B-2 page 3.3 the 2007 plant retirement of $6,580 in meters is improperly added to rather than subtracted rate base.

Company Response – Please see the attached revised schedules. A correction of this error does not materially impact rate base or the revenue requirement. The revised rate base is $2,402,221 compared to the $2,397,419 in the original filing. The revised revenue requirement is $291,454 compared to $291,083 in the original filing.

Item 6 – Because of the overstatement of the meters account in 2007 (see #5), depreciation expense and accumulated depreciation are overstated in the test year.

Company Response – Please see response to Item 5, above.

I appreciate you taking the time to notify me of these problems with the schedules before the end of the sufficiency period. I understand that Staff may not have time to review these responses by October 18th, the end of the sufficiency period, and that Staff may still issue a deficiency letter. However, I hope that upon such review Staff will find the Application sufficient and in a timely manner. If you need further information or have questions, please give me a call at 602-246-7150.

Sincerely,

Thomas J. Bourassa

Cc: Lawrence V. Robertson, Jr., Attorney for Goodman Water Company
Jackie Ziliox, Goodman Water Company

ITEM 1

Goodman Water Company
Test Year Ended December 31, 2009
Present and Proposed Rates

Exhibit
Schedule H-3
Page 1
REVISED

Line No.	Monthly Usage Charge for:	Present Rates	Proposed Rates	Change	Percent Change
1	Meter Size (All Classes):				
2	5/8 Inch	$ 42.20	$ 56.97	$ 14.77	35.00%
2	3/4 Inch	63.30	85.46	22.16	35.00%
3	1 Inch	105.50	142.43	36.93	35.00%
4	1 1/2 Inch	211.50	284.85	73.35	34.68%
5	2 Inch	339.68	455.76	116.08	34.17%
6	3 Inch	675.20	911.52	236.32	35.00%
7	4 Inch	1,055.00	1,424.25	369.25	35.00%
8	6 Inch	2,110.00	2,848.50	738.50	35.00%
9					
10					
11	Gallons In Minimum (All Classes)	-	-		
12					
13			(Per 1,000 gallons)		
14	**Commodity Rates**		**Present**	**Proposed**	
15	**(All Classes)**	**Block**	**Rate**	**Rate**	
16					
17	5/8 Inch	1 gallons to 4,000 gallons	$ 3.95	$ 6.80	
18		4,001 gallons to 9,000 gallons	$ 5.91	$ 10.92	
19		over 9,000 gallons	$ 7.11	$ 13.13	
20					
21					
22	3/4 Inch Meter	1 gallons to 4,000 gallons	$ 3.95	$ 6.80	
23		4,001 gallons to 9,000 gallons	$ 5.91	$ 10.92	
24		over 9,000 gallons	$ 7.11	$ 13.13	
25					
26					
27					
28					
29					
30	NT = No Tariff				
31					

Goodman Water Company
Test Year Ended December 31, 2009
Present and Proposed Rates

Exhibit
Schedule H-3
Page 2
REVISED

Line No.			(Per 1,000 gallons) Present Rate	Proposed Rate
1				
2	**Commodity Rates**			
3	**(All Classes)**	**Block**		
4	1 Inch Meter	1 gallons to 22,500 gallons	$ 5.91	$ 10.92
5		over 22,500 gallons	$ 7.11	$ 13.13
6				
7				
8	1.5 Inch Meter	1 gallons to 34,000 gallons	$ 5.91	$ 10.92
9		over 34,000 gallons	$ 7.11	$ 13.13
10				
11				
12	2 Inch Meter	1 gallons to 45,000 gallons	$ 5.91	$ 10.92
13		over 45,000 gallons	$ 7.11	$ 13.13
14				
15				
16	3 Inch Meter	1 gallons to 68,000 gallons	$ 5.91	$ 10.92
17		over 68,000 gallons	$ 7.11	$ 13.13
18				
19				
20	4 Inch Meter	1 gallons to 90,000 gallons	$ 5.91	$ 10.92
21		over 90,000 gallons	$ 7.11	$ 13.13
22				
23				
24	6 Inch Meter	1 gallons to 135,000 gallons	$ 5.91	$ 10.92
25		over 135,000 gallons	$ 7.11	$ 13.13
26				
27				
28				
29	Construction/Standpipe	All gallons	$ 7.11	$ 13.13
30				
31				
32				
33				
34				
35				
36				
37				
38				
39	NT = No Tariff			

ITEM 2

Goodman Water Company
Test Year Ended December 31, 2009
Summary Statements of Cash Flows

Exhibit
Schedule A-5
Page 1
Witness: Bourassa
REVISED

Line No.		Prior Year Ended 12/31/2007	Prior Year Ended 12/31/2008	Test Year Ended 12/31/2009	Projected Year Present Rates 12/31/2010	Projected Year Proposed Rates 12/31/2010
5	Cash Flows from Operating Activities					
6	Net Income	$ 127,588	$ 2,142	$ 2,819	$ 36,574	$ 215,885
7	Adjustments to reconcile net income to net cash					
8	provided by operating activities:					
9	Depreciation and Amortization	136,134	215,903	228,578	227,855	227,855
10	Deferred Income Taxes	-	-	-		
11	Other -Adjustments	(875)	4	-		
12	Changes in Certain Assets and Liabilities:	-	-	-		
13	Accounts Receivable	(36,541)	653	(4,557)		
14	Unbilled Revenues	-	-	-		
15	Materials and Supplies Inventory	-	-	-		
16	Prepaid Expenses	(23,233)	23,233	(3,149)		
17	Deferred Charges	-	-	-		
18	Accounts Payable	73,273	(63,129)	(8,285)		
19	Intercompany payable	-	74,238	(74,238)		
20	Customer Deposits	14,851	263	10,175		
21	Interco taxes receivable and taxes payable	400	47,534	(27,591)		
22	Other assets and liabilities	(65,324)	(87,629)	96,938		
23						
24	Net Cash Flow provided by Operating Activities	$ 226,273	$ 213,212	$ 220,690	$ 264,428	$ 443,740
25	Cash Flow From Investing Activities:					
26	Capital Expenditures	(977,249)	(1,737,370)	(29,399)	-	-
27	Plant Held for Future Use	-	-	-		
28	Changes in debt reserve fund	-	-	-		
29	Net Cash Flows from Investing Activities	$ (977,249)	$ (1,737,370)	$ (29,399)	$ -	$ -
30	Cash Flow From Financing Activities					
31	Change in Restricted Cash	-	-	-		
32	Change in net amounts due to parent and affiliates	-	518,715	-		
33	net receipt of contributions in aid of construction	-	-	-	-	-
34	Net receipt of advances for construction	849,647	264,172	(45,589)	264,172	849,647
35	Repayments of Long-Term Debt	-	-	(11,264)	(12,349)	(12,349)
36	Dividends Paid	-	-	(90,000)	(90,000)	(90,000)
37	Deferred Financing Costs	-	-	-	-	-
38	Paid in Capital	-	534,193	-	-	-
39	Net Cash Flows Provided by Financing Activities	$ 849,647	$ 1,317,080	$ (146,853)	$ 161,823	$ 747,298
40	Increase(decrease) in Cash and Cash Equivalents	98,671	(207,078)	44,438	426,252	1,191,038
41	Cash and Cash Equivalents at Beginning of Year	181,605	280,276	73,198	117,637	117,637
42	Cash and Cash Equivalents at End of Year	$ 280,276	$ 73,198	$ 117,637	$ 543,889	$ 1,308,675
43	SUPPORTING SCHEDULES:					
44	E-3					
45	F-2					

Docket No. W-02500A-10-0382

Goodman Water Company
Test Year Ended December 31, 2009
Comparative Statements of Cash Flows

Exhibit
Schedule E-3
Page 1
Witness: Bourassa
REVISED

Line No.		Test Year Ended 12/31/2009	Prior Year Ended 12/31/2008	Prior Year Ended 12/31/2007
1				
2				
3	Cash Flows from Operating Activities			
4	Net Income	$ 2,819	$ 2,142	$ 127,588
5	Adjustments to reconcile net income to net cash			
6	provided by operating activities:			
7	Depreciation and Amortization	228,578	215,903	136,134
8	Deferred Income Taxes	-	-	-
9	Other - Adjustments	-	4	(875)
10	Changes in Certain Assets and Liabilities:			
11	Accounts Receivable	(4,557)	653	(36,541)
12	Unbilled Revenues	-	-	-
13	Materials and Supplies Inventory	-	-	-
14	Prepaid Expenses	(3,149)	23,233	(23,233)
15	Deferred Charges	-	-	-
16	Accounts Payable	(8,285)	(63,129)	73,273
17	Intercompany payable	(74,238)	74,238	-
18	Customer Meter Deposits	10,175	263	14,851
19	Taxes Payable	(27,591)	47,534	400
20	Other assets and liabilities	96,938	(87,629)	(65,324)
21				
22	Net Cash Flow provided by Operating Activities	$ 220,690	$ 213,212	$ 226,273
23	Cash Flow From Investing Activities:			
24	Capital Expenditures	(29,399)	(1,737,370)	(977,249)
25	Plant Held for Future Use	-	-	-
26	Changes in debt reserve fund	-	-	-
27	Net Cash Flows from Investing Activities	$ (29,399)	$ (1,737,370)	$ (977,249)
28	Cash Flow From Financing Activities			
29	Change in Restricted Cash	-	-	-
30	Proceeds from Long-Term Debt	-	518,715	-
31	Net receipt of contributions in aid of construction	-	-	-
32	Net receipts of advances in aid of construction	(45,589)	264,172	849,647
33	Repayments of Long-Term Debt	(11,264)	-	-
34	Dividends Paid	(90,000)	-	-
35	Deferred Financing Costs	-	-	-
36	Paid in Capital	-	534,193	-
37	Net Cash Flows Provided by Financing Activities	$ (146,853)	$ 1,317,080	$ 849,647
38	Increase(decrease) in Cash and Cash Equivalents	44,438	(207,078)	98,671
39	Cash and Cash Equivalents at Beginning of Year	73,198	280,276	181,605
40	Cash and Cash Equivalents at End of Year	$ 117,637	$ 73,198	$ 280,276
41				
42				
43	SUPPORTING SCHEDULES:		RECAP SCHEDULES:	
44			A-5	
45				

Goodman Water Company
Test Year Ended December 31, 2009
Projected Statements of Changes in Financial Position
Present and Proposed Rates

Exhibit
Schedule F-2
Page 1
Witness: Bourassa
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Line No.		Test Year Ended 12/31/2009	At Present Rates Year Ended 12/31/2010	At Proposed Rates Year Ended 12/31/2010
5	Cash Flows from Operating Activities			
6	Net Income	$ 2,819	$ 36,574	$ 215,885
7	Adjustments to reconcile net income to net cash			
8	provided by operating activities:			
9	Depreciation and Amortization	228,578	227,855	227,855
10	Deferred Income Taxes	-		
11	Other	-		
12	Changes in Certain Assets and Liabilities:			
13	Accounts Receivable	(4,557)		
14	Unbilled Revenues	-		
15	Materials and Supplies Inventory	-		
16	Prepaid Expenses	(3,149)		
17	Deferred Charges	-		
18	Accounts Payable	(8,285)		
19	Intercompany payable	(74,238)		
20	Customer Deposits	10,175		
21	Taxes Payable	(27,591)		
22	Other assets and liabilities	96,938		
23				
24	Net Cash Flow provided by Operating Activities	$ 220,690	$ 264,428	$ 443,740
25	Cash Flow From Investing Activities:			
26	Capital Expenditures	(29,399)	-	-
27	Plant Held for Future Use	-		
28	Changes in debt reserve fund	-		
29	Net Cash Flows from Investing Activities	$ (29,399)	$ -	$ -
30	Cash Flow From Financing Activities			
31	Change in Restricted Cash	-		
32	Change in net amounts due to parent and affiliates	-		
33	Net Receipt contributions in aid of construction	-	-	-
34	Net receipts of advances in aid of construction	(45,589)	264,172	849,647
35	Repayments of Long-Term Debt	(11,264)	(12,349)	(12,349)
36	Dividends Paid	(90,000)	(90,000)	(90,000)
37	Deferred Financing Costs	-	-	-
38	Paid in Capital	-	-	-
39	Net Cash Flows Provided by Financing Activities	$ (146,853)	$ 161,823	$ 747,298
40	Increase(decrease) in Cash and Cash Equivalents	44,438	426,252	1,191,038
41	Cash and Cash Equivalents at Beginning of Year	73,198	117,637	117,637
42	Cash and Cash Equivalents at End of Year	$ 117,637	$ 543,889	$ 1,308,675
43				
44				

ITEM 3

(See response contained in cover letter)

ITEM 4

Goodman Water Company
Test Year Ended December 31, 2009
Comparative Balance Sheets

Exhibit
Schedule E-1
Page 1
Witness: Bourassa
REVISED

Line No.		Test Year Ended 12/31/2009	Year Ended 12/31/2008	Year Ended 12/31/2007
1	**ASSETS**			
2	Plant In Service	$ 5,432,261	$ 5,402,861	$ 3,665,491
3				
4	Non-Utility Plant	-	-	-
5	Construction Work in Progress	-	-	-
6	Less: Accumulated Depreciation	(799,027)	(570,449)	(373,358)
7	Net Plant	$ 4,633,234	$ 4,832,412	$ 3,292,133
8				
9	Debt Reserve Fund	$ -	$ -	$ -
10				
11		$ -	$ -	$ -
12				
13	CURRENT ASSETS			
14	Cash and Equivalents	$ 117,635	$ 73,198	$ 280,276
15	Restricted Cash	-	-	-
16	Accounts Receivable, Net	60,349	55,792	56,445
17	Unbilled Revenues	-	-	-
18	Materials and Supplies	-	-	-
19	Prepayments	3,149	-	23,233
20	Other Current Assets	114,197	211,135	123,506
21	Total Current Assets	$ 295,331	$ 340,125	$ 483,460
22				
23	Deferred Debits	$ -	$ -	$ -
24				
25	Other Investments & Special Funds	$ -	$ -	$ -
26				
27	TOTAL ASSETS	$ 4,928,565	$ 5,172,537	$ 3,775,593
28				
29				
30	**LIABILITIES AND STOCKHOLDERS' EQUITY**			
31				
32	Common Equity	$ 2,180,436	$ 2,267,615	$ 1,712,464
33				
34	Long-Term Debt	$ 507,451	$ 518,715	$ -
35				
36	CURRENT LIABILITIES			
37	Accounts Payable	$ 7,515	$ 15,800	$ 78,929
38	Current Portion of Long-Term Debt	-	74,238	-
39	Payables to Associated Companies	-	-	-
40	Security Deposits	25,800	19,945	11,979
41	Customer Meter Deposits, Current	83,087	78,767	86,470
42	Accrued Taxes	22,371	49,963	2,428
43	Accrued Interest	-	-	-
44	Other Current Liabilities	-	-	-
45	Total Current Liabilities	$ 138,773	$ 238,713	$ 179,807
46	DEFERRED CREDITS			
47	Customer Meter Deposits, less current	$ -	$ -	$ -
48	Advances in Aid of Construction	2,101,905	2,147,494	1,883,322
49	Accumulated Deferred Income Taxes	-	-	-
50	Contributions In Aid of Construction	-	-	-
51	Accumulated Amortization	-	-	-
52	Total Deferred Credits	$ 2,101,905	$ 2,147,494	$ 1,883,322
53				
54	Total Liabilities & Common Equity	$ 4,928,565	$ 5,172,537	$ 3,775,593
55				
56	* Adjusted for prior rate case adjustments			
57				
58	SUPPORTING SCHEDULES:		RECAP SCHEDULES:	
59	E-5		A-3	

ITEM 5 & 6

Dokcet No. W-02500A-10-0382

Goodman Water Company
Test Year Ended December 31, 2009
Computation of Increase in Gross Revenue
Requirements As Adjusted

Exhibit
Schedule A-1
Page 1
Witness: Bourassa
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Line No.			
1	Fair Value Rate Base	$	2,402,221
2			
3	Adjusted Operating Income		73,883
4			
5	Current Rate of Return		3.08%
6			
7	Required Operating Income	$	253,194
8			
9	Required Rate of Return on Fair Value Rate Base		10.54%
10			
11	Operating Income Deficiency	$	179,311
12			
13	Gross Revenue Conversion Factor		1.6254
14			
15	Increase in Gross Revenue		
16	Requirement	$	291,454
17			
18	Adjusted Test Year Revenues	$	572,751
19	Increase in Gross Revenue Revenue Requirement	$	291,454
20	Proposed Revenue Requirement	$	864,205
21	% Increase		50.89%

	Customer Classification		Present Rates	Proposed Rates	Dollar Increase	Percent Increase
23						
24						
25	(Residential Commercial, Irrigation)					
26	5/8x3/4 Inch	Residential	$ 438,217	$ 665,007	$ 226,790	51.75%
27	3/4 Inch	Residential	88,623	133,504	44,881	50.64%
28	1 Inch	Residential	6,812	10,223	3,410	50.06%
29						
30	1 Inch	Commercial	$ 13,599	$ 23,754	10,155	74.67%
31	1 1/2 Inch	Commercial	458	635	177	38.55%
32	2 Inch	Commercial	14,440	23,409	8,969	62.12%
33						
34	Construction/Standpipe		$ 3,456	$ 6,382	2,927	84.70%
35						
36	Revenue Annualization		$ (7,359)	$ (12,778)	(5,420)	73.65%
37						
38	**Subtotal**		$ 558,246	$ 850,136	$ 291,890	52.29%
39						
40	Other Water Revenues		13,738	13,738	-	0.00%
41	Reconciling Amount		767	331	(436)	-56.84%
42					-	0.00%
43	**Total of Water Revenues**		$ 572,751	$ 864,205	$ 291,454	50.89%
44						
45						
46	SUPPORTING SCHEDULES:					
47	B-1					
48	C-1					
49	C-3					
50	H-1					

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Goodman Water Company
Test Year Ended December 31, 2009
Summary of Rate Base

Exhibit
Schedule B-1
Page 1
Witness: Bourassa
REVISED

Line No.		Original Cost Rate base	Fair Value Rate Base
1			
2	Gross Utility Plant in Service	$ 5,453,761	$ 5,453,761
3	Less: Accumulated Depreciation	731,205	731,205
4			
5	Net Utility Plant in Service	$ 4,722,556	$ 4,722,556
6			
7	Less:		
8	Advances in Aid of		
9	Construction	2,101,905	2,101,905
10	Contributions in Aid of		
11	Construction - Net of amortization	-	-
12	Customer Meter Deposits	83,087	83,087
13	Deferred Income Taxes & Credits	135,342	135,342
14	Investment tax Credits	-	-
15			
16			
17	Plus:		
18	Unamortized Finance		
19	Charges	-	-
20	Deferred Tax Assets	-	-
21	Allowance for Working Capital	-	-
22			
23			
24	Total Rate Base	$ 2,402,221	$ 2,402,221
25			
26			
27			
28	SUPPORTING SCHEDULES:		
29	B-2		
30	B-3		
31	B-5		
32	E-1		
33			

Docket No. W-02500A-10-0382

Goodman Water Company
Test Year Ended December 31, 2009
Original Cost Rate Base Proforma Adjustments

Exhibit
Schedule B-2
Page 1
Witness: Bourassa
REVISED

Line No.		Actual at End of Test Year	Proforma Adjustments Amount	Adjusted at end of Test Year
1	Gross Utility			
2	Plant in Service	$ 5,432,261	21,500	$ 5,453,761
3				
4	**Less:**			
5	Accumulated			
6	Depreciation	799,034	(67,829)	731,205
7				
8				
9	Net Utility Plant			
10	in Service	$ 4,633,227		$ 4,722,556
11				
12	**Less:**			
13	Advances in Aid of			
14	Construction	2,101,905	-	2,101,905
15				
16	Contributions in Aid of			
17	Construction - Net	-	-	-
18				
19	Service Line and Meter Installation Chgs	83,087		83,087
20	Accumulated Deferred Income Tax	-	135,342	135,342
21				-
22				-
23				
24	**Plus:**			
25	Unamortized Finance			
26	Charges	-		-
27	Prepayments	-		-
28	Materials and Supplies	-		-
29	Working capital	-	-	-
30				-
31				
32	Total	$ 2,448,235		$ 2,402,221
33				
34				
35				
36	SUPPORTING SCHEDULES:			RECAP SCHEDULES:
37	B-2, pages 2			B-1
38	E-1			
39				
40				
41				
42				
43				
44				
45				

Docket No. W-02500A-10-0382

Goodman Water Company
Test Year Ended December 31, 2009
Original Cost Rate Base Proforma Adjustments

Exhibit
Schedule B-2
Page 2
Witness: Bourassa
REVISED

Line No.		Actual at End of Test Year	Proforma Adjustments 1 Plant-in-Service	2 Accumulated Depreciation	3 Accumulated Deferred Income Taxes	4 Intentionally Left Blank	Adjusted at end of Test Year
1	Gross Utility						
2	Plant in Service	$ 5,432,261	21,500				$ 5,453,761
3							
4	**Less:**						
5	Accumulated						
6	Depreciation	799,034		(67,829)			731,205
7							
8							
9	Net Utility Plant						
10	in Service	$ 4,633,227	$ 21,500	$ 67,829	$ -	$ -	$ 4,722,556
11							
12	**Less:**						
13	Advances in Aid of						
14	Construction	2,101,905					2,101,905
15							
16	Contributions in Aid of						
17	Construction (CIAC)	-					-
18							
19	Accumulated Amort of CIAC	-					-
20							
21	Service Line and Installaion Chgs	83,087					83,087
22	Accumulated Deferred Income Taxes	-			135,342		135,342
23							
24							
25	**Plus:**						
26	Unamortized Finance						
27	Charges	-					-
28	Prepayments	-					
29	Materials and Supplies	-					
30	Allowance for Cash Working Capital	-					-
31							
32	Total	$ 2,448,235	$ 21,500	$ 67,829	$ (135,342)	$ -	$ 2,402,221
33							
34							
35							
36	SUPPORTING SCHEDULES:						
37	B-2, pages 3-5						
38	E-1						

Goodman Water Company
Test Year Ended December 31, 2009
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1

Exhibit
Schedule B-2
Page 3
Witness: Bourassa
REVISED

Line No.	Acct. No.	Description	Actual Orginal Cost	A Adjustments to Reconcile To Prior Rate Case	B Intentionally Left Blank	C Intentionally Left Blank	D Intentionally Left Blank	Adjusted Original Cost
1	Plant-in-Service							
5	301	Organization Cost	127,103	-				127,103
6	302	Franchise Cost	-	-				-
7	303	Land and Land Rights	494,159	-				494,159
8	304	Structures and Improvements	182,570	-				182,570
9	305	Collecting and Impounding Res.	-	-				-
10	306	Lake River and Other Intakes	-	-				-
11	307	Wells and Springs	386,591	-				386,591
12	308	Infiltration Galleries and Tunnels	-	-				-
13	309	Supply Mains	-	-				-
14	310	Power Generation Equipment	-	-				-
15	311	Electric Pumping Equipment	968,652	-				968,652
16	320	Water Treatment Equipment	15,947	-				15,947
17	320.1	Water Treatment Plant	-	-				-
18	320.2	Chemical Solution Feeders	-	-				-
19	330	Dist. Reservoirs & Standpipe	836,890	-				836,890
20	330.1	Storage tanks	-	-				-
21	330.2	Pressure Tanks	-	-				-
22	331	Trans. and Dist. Mains	1,593,995	17,325				1,611,321
23	333	Services	386,947	-				386,947
24	334	Meters	90,088	4,175				94,263
25	335	Hydrants	161,737	-				161,737
26	336	Backflow Prevention Devices	-	-				-
27	339	Other Plant and Misc. Equip.	187,582	-				187,582
28	340	Office Furniture and Fixtures	-	-				-
29	340.1	Computers and Software	-	-				-
30	341	Transportation Equipment	-	-				-
31	342	Stores Equipment	-	-				-
32	343	Tools and Work Equipment	-	-				-
33	344	Laboratory Equipment	-	-				-
34	345	Power Operated Equipment	-	-				-
35	346	Communications Equipment	-	-				-
36	347	Miscellaneous Equipment	-	-				-
37	348	Other Tangible Plant	-	-				-
38			-					-
39		TOTALS	$ 5,432,261	$ 21,500	$ -	$ -	$ -	$ 5,453,761
40								
41	Plant-in-Service per Books							$ 5,432,261
42								
43	Increase (decrease) in Plant-in-Service							$ 21,500
44								
45	Adjustment to Plant-in-Service							$ 21,500
46								
47	SUPPORTING SCHEDULES							
48	B-2, pages 3.1-3.8							

Goodman Water Company
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.1
Witness: Bourassa

Account No.	Description	Deprec. Rate	Deprec. Rate After 4/16/2007 Rate	Decision 69404 9/30/2005	Accum. Depr.	Oct-Dec 2005 Plant Additions	Oct-Dec 2005 Plant Adjustments	Oct-Dec 2005 Adjusted Plant Additions	Oct-Dec 2005 Plant Retirements	Dec 2005 Plant Balance	Oct-Dec 2005 Depr.
301	Organization Cost	0.00%	0.00%	104,528	-	1,500		1,500		106,028	-
302	Franchise Cost	0.00%	0.00%	-	-			-		-	-
303	Land and Land Rights	0.00%	0.00%	-	-			-		-	-
304	Structures and Improvements	2.50%	3.33%	9,788	306	1,276		1,276		11,064	65
305	Collecting and Impounding Res.	2.50%	2.50%	-	-			-		-	-
306	Lake River and Other Intakes	2.50%	2.50%	-	-			-		-	-
307	Wells and Springs	2.50%	3.33%	386,591	17,925			-		386,591	2,416
308	Infiltration Galleries and Tunnels	2.50%	6.67%	-	-			-		-	-
309	Supply Mains	2.50%	2.00%	-	-			-		-	-
310	Power Generation Equipment	2.50%	5.00%	-	-			-		-	-
311	Electric Pumping Equipment	2.50%	12.50%	686,993	35,041			-		686,993	4,294
320	Water Treatment Equipment	2.50%	3.33%	11,054	345			-		11,054	69
320.1	Water Treatment Plant	2.50%	3.33%	-	-			-		-	-
320.2	Chemical Solution Feeders	2.50%	20.00%	-	-			-		-	-
330	Dist. Reservoirs & Standpipe	2.50%	2.22%	294,460	15,489			-		294,460	1,840
330.1	Storage tanks	2.50%	2.22%	-	-			-		-	-
330.2	Pressure Tanks	2.50%	5.00%	-	-			-		-	-
331	Trans. and Dist. Mains	2.50%	2.00%	628,673	29,324	122,779		122,779		751,451	4,313
333	Services	2.50%	3.33%	129,274	5,679	17,266		17,266		146,540	862
334	Meters	2.50%	8.33%	67,497	2,310	270		270		67,767	423
335	Hydrants	2.50%	2.00%	46,955	2,090	36,220		36,220		83,174	407
336	Backflow Prevention Devices	2.50%	6.67%	-	-			-		-	-
339	Other Plant and Misc. Equip.	2.50%	6.67%	-	-	152,473		152,473		152,473	476
340	Office Furniture and Fixtures	2.50%	6.67%	-	-			-		-	-
340.1	Computers and Software	2.50%	20.00%	-	-			-		-	-
341	Transportation Equipment	2.50%	20.00%	-	-			-		-	-
342	Stores Equipment	2.50%	4.00%	-	-			-		-	-
343	Tools and Work Equipment	2.50%	5.00%	-	-			-		-	-
344	Laboratory Equipment	2.50%	10.00%	-	-			-		-	-
345	Power Operated Equipment	2.50%	5.00%	-	-			-		-	-
346	Communications Equipment	2.50%	10.00%	-	-			-		-	-
347	Miscellaneous Equipment	2.50%	10.00%	-	-			-		-	-
348	Other Tangible Plant	2.50%	10.00%	-	-			-		-	-
	Rounding			2							
	TOTAL WATER PLANT			2,365,813	108,509	331,783	-	331,783	-	2,697,594	15,165

Goodman Water Company
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.2
Witness: Bourassa

Account No.	Description	Deprec. Rate	Deprec. Rate After 4/16/2007 Rate	2006 Plant Additions	2006 Plant Adjustments	2006 Adjusted Plant Additions	2006 Plant Retirements	2006 Plant Balance	2006 Deprec.
301	Organization Cost	0.00%	0.00%	4,920		4,920		110,948	-
302	Franchise Cost	0.00%	0.00%			-		-	-
303	Land and Land Rights	0.00%	0.00%			-		-	-
304	Structures and Improvements	2.50%	3.33%			-		11,064	277
305	Collecting and Impounding Res.	2.50%	2.50%			-		-	-
306	Lake River and Other Intakes	2.50%	2.50%			-		-	-
307	Wells and Springs	2.50%	3.33%			-		386,591	9,665
308	Infiltration Galleries and Tunnels	2.50%	6.67%			-		-	-
309	Supply Mains	2.50%	2.00%			-		-	-
310	Power Generation Equipment	2.50%	5.00%			-		-	-
311	Electric Pumping Equipment	2.50%	12.50%			-		686,993	17,175
320	Water Treatment Equipment	2.50%	3.33%	266		266		11,319	280
320.1	Water Treatment Plant	2.50%	3.33%			-		-	-
320.2	Chemical Solution Feeders	2.50%	20.00%			-		-	-
330	Dist. Reservoirs & Standpipe	2.50%	2.22%			-		294,460	7,361
330.1	Storage tanks	2.50%	2.22%			-		-	-
330.2	Pressure Tanks	2.50%	5.00%			-		-	-
331	Trans. and Dist. Mains	2.50%	2.00%			-		751,451	18,786
333	Services	2.50%	3.33%	3		3		146,543	3,664
334	Meters	2.50%	8.33%	270		270		68,037	1,698
335	Hydrants	2.50%	2.00%	5		5		83,180	2,079
336	Backflow Prevention Devices	2.50%	6.67%			-		-	-
339	Other Plant and Misc. Equip.	2.50%	6.67%	13,245		13,245		165,718	3,977
340	Office Furniture and Fixtures	2.50%	6.67%			-		-	-
340.1	Computers and Software	2.50%	20.00%			-		-	-
341	Transportation Equipment	2.50%	20.00%			-		-	-
342	Stores Equipment	2.50%	4.00%			-		-	-
343	Tools and Work Equipment	2.50%	5.00%			-		-	-
344	Laboratory Equipment	2.50%	10.00%			-		-	-
345	Power Operated Equipment	2.50%	5.00%			-		-	-
346	Communications Equipment	2.50%	10.00%			-		-	-
347	Miscellaneous Equipment	2.50%	10.00%			-		-	-
348	Other Tangible Plant	2.50%	10.00%			-		-	-
	Rounding								
	TOTAL WATER PLANT			18,709	-	18,709	-	2,716,303	64,962

Goodman Water Company
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.3
Witness: Bourassa

Account No.	Description	Deprec. Rate	Deprec. Rate After 4/16/2007 Rate	2007 Plant Additions	2007 Plant Adjustments	2007 Adjusted Plant Additions	2007 Plant Retirements	2007 Plant Balance	2007 Deprec.
301	Organization Cost	0.00%	0.00%	6,539		6,539		117,487	-
302	Franchise Cost	0.00%	0.00%			-		-	-
303	Land and Land Rights	0.00%	0.00%			-		-	-
304	Structures and Improvements	2.50%	3.33%			-		11,064	334
305	Collecting and Impounding Res.	2.50%	2.50%			-		-	-
306	Lake River and Other Intakes	2.50%	2.50%			-		-	-
307	Wells and Springs	2.50%	3.33%			-		386,591	11,670
308	Infiltration Galleries and Tunnels	2.50%	6.67%			-		-	-
309	Supply Mains	2.50%	2.00%			-		-	-
310	Power Generation Equipment	2.50%	5.00%			-		-	-
311	Electric Pumping Equipment	2.50%	12.50%	2,963		2,963		689,955	60,241
320	Water Treatment Equipment	2.50%	3.33%	4,628		4,628		15,947	412
320.1	Water Treatment Plant	2.50%	3.33%			-		-	-
320.2	Chemical Solution Feeders	2.50%	20.00%			-		-	-
330	Dist. Reservoirs & Standpipe	2.50%	2.22%	72,350		72,350		366,810	7,687
330.1	Storage tanks	2.50%	2.22%			-		-	-
330.2	Pressure Tanks	2.50%	5.00%			-		-	-
331	Trans. and Dist. Mains	2.50%	2.00%	685,094		685,094		1,436,546	23,931
333	Services	2.50%	3.33%	143,352		143,352		289,895	6,587
334	Meters	2.50%	8.33%	18,359		18,359	(6,580)	79,816	4,542
335	Hydrants	2.50%	2.00%	43,205		43,205		126,384	2,292
336	Backflow Prevention Devices	2.50%	6.67%			-		-	-
339	Other Plant and Misc. Equip.	2.50%	6.67%	759		759		166,477	8,481
340	Office Furniture and Fixtures	2.50%	6.67%			-		-	-
340.1	Computers and Software	2.50%	20.00%			-		-	-
341	Transportation Equipment	2.50%	20.00%			-		-	-
342	Stores Equipment	2.50%	4.00%			-		-	-
343	Tools and Work Equipment	2.50%	5.00%			-		-	-
344	Laboratory Equipment	2.50%	10.00%			-		-	-
345	Power Operated Equipment	2.50%	5.00%			-		-	-
346	Communications Equipment	2.50%	10.00%			-		-	-
347	Miscellaneous Equipment	2.50%	10.00%			-		-	-
348	Other Tangible Plant	2.50%	10.00%			-		-	-
	Rounding								
	TOTAL WATER PLANT			977,249	-	977,249	(6,580)	3,686,972	126,179

Goodman Water Company
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.4
Witness: Bourassa

Account No.	Description	Deprec. Rate	Deprec. Rate After 4/16/2007 Rate	2008 Plant Additions	2008 Plant Adjustments	2008 Adjusted Plant Additions	2008 Plant Retirements	2008 Plant Balance	2008 Deprec.
301	Organization Cost	0.00%	0.00%	9,616		9,616		127,103	-
302	Franchise Cost	0.00%	0.00%			-		-	-
303	Land and Land Rights	0.00%	0.00%	494,159		494,159		494,159	-
304	Structures and Improvements	2.50%	3.33%	171,506		171,506		182,570	3,224
305	Collecting and Impounding Res.	2.50%	2.50%			-		-	-
306	Lake River and Other Intakes	2.50%	2.50%			-		-	-
307	Wells and Springs	2.50%	3.33%			-		386,591	12,873
308	Infiltration Galleries and Tunnels	2.50%	6.67%			-		-	-
309	Supply Mains	2.50%	2.00%			-		-	-
310	Power Generation Equipment	2.50%	5.00%			-		-	-
311	Electric Pumping Equipment	2.50%	12.50%	275,541		275,541		965,496	103,466
320	Water Treatment Equipment	2.50%	3.33%			-		15,947	531
320.1	Water Treatment Plant	2.50%	3.33%			-		-	-
320.2	Chemical Solution Feeders	2.50%	20.00%			-		-	-
330	Dist. Reservoirs & Standpipe	2.50%	2.22%	470,081		470,081		836,890	13,361
330.1	Storage tanks	2.50%	2.22%			-		-	-
330.2	Pressure Tanks	2.50%	5.00%			-		-	-
331	Trans. and Dist. Mains	2.50%	2.00%	174,757		174,757		1,611,302	30,478
333	Services	2.50%	3.33%	97,051		97,051		386,947	11,269
334	Meters	2.50%	8.33%	9,299		9,299		89,115	7,036
335	Hydrants	2.50%	2.00%	35,352		35,352		161,737	2,881
336	Backflow Prevention Devices	2.50%	6.67%			-		-	-
339	Other Plant and Misc. Equip.	2.50%	6.67%	-		-		166,477	11,104
340	Office Furniture and Fixtures	2.50%	6.67%			-		-	-
340.1	Computers and Software	2.50%	20.00%			-		-	-
341	Transportation Equipment	2.50%	20.00%			-		-	-
342	Stores Equipment	2.50%	4.00%			-		-	-
343	Tools and Work Equipment	2.50%	5.00%			-		-	-
344	Laboratory Equipment	2.50%	10.00%			-		-	-
345	Power Operated Equipment	2.50%	5.00%			-		-	-
346	Communications Equipment	2.50%	10.00%			-		-	-
347	Miscellaneous Equipment	2.50%	10.00%			-		-	-
348	Other Tangible Plant	2.50%	10.00%			-		-	-
	Rounding								
	TOTAL WATER PLANT			1,737,362	-	1,737,362	-	5,424,334	196,224

Goodman Water Company
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.5
Witness: Bourassa

Account No.	Description	Deprec. Rate	Deprec. Rate After 4/16/2007 Rate	2009 Plant Additions	2009 Plant Adjustments	2009 Adjusted Plant Additions	2009 Plant Retirements	2009 Plant Balance	2009 Deprec.
301	Organization Cost	0.00%	0.00%			-		127,103	-
302	Franchise Cost	0.00%	0.00%			-		-	-
303	Land and Land Rights	0.00%	0.00%			-		494,159	-
304	Structures and Improvements	2.50%	3.33%			-		182,570	6,080
305	Collecting and Impounding Res.	2.50%	2.50%			-		-	-
306	Lake River and Other Intakes	2.50%	2.50%			-		-	-
307	Wells and Springs	2.50%	3.33%			-		386,591	12,873
308	Infiltration Galleries and Tunnels	2.50%	6.67%			-		-	-
309	Supply Mains	2.50%	2.00%			-		-	-
310	Power Generation Equipment	2.50%	5.00%			-		-	-
311	Electric Pumping Equipment	2.50%	12.50%	3,155		3,155		968,652	120,884
320	Water Treatment Equipment	2.50%	3.33%			-		15,947	531
320.1	Water Treatment Plant	2.50%	3.33%			-		-	-
320.2	Chemical Solution Feeders	2.50%	20.00%			-		-	-
330	Dist. Reservoirs & Standpipe	2.50%	2.22%			-		836,890	18,579
330.1	Storage tanks	2.50%	2.22%			-		-	-
330.2	Pressure Tanks	2.50%	5.00%			-		-	-
331	Trans. and Dist. Mains	2.50%	2.00%	18		18		1,611,321	32,226
333	Services	2.50%	3.33%			-		386,947	12,885
334	Meters	2.50%	8.33%	5,148		5,148		94,263	7,638
335	Hydrants	2.50%	2.00%			-		161,737	3,235
336	Backflow Prevention Devices	2.50%	6.67%			-		-	-
339	Other Plant and Misc. Equip.	2.50%	6.67%	21,105		21,105		187,582	11,808
340	Office Furniture and Fixtures	2.50%	6.67%			-		-	-
340.1	Computers and Software	2.50%	20.00%			-		-	-
341	Transportation Equipment	2.50%	20.00%			-		-	-
342	Stores Equipment	2.50%	4.00%			-		-	-
343	Tools and Work Equipment	2.50%	5.00%			-		-	-
344	Laboratory Equipment	2.50%	10.00%			-		-	-
345	Power Operated Equipment	2.50%	5.00%			-		-	-
346	Communications Equipment	2.50%	10.00%			-		-	-
347	Miscellaneous Equipment	2.50%	10.00%			-		-	-
348	Other Tangible Plant	2.50%	10.00%			-		-	-
	Rounding								
	TOTAL WATER PLANT			29,426	-	29,426	-	5,453,761	226,739

Goodman Water Company
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.6
Witness: Bourassa

Account No.	Description	Deprec. Rate	Deprec. Rate After 4/16/2007 Rate	Year End Accumulated Depreciation by Account Sept 30 2005	Dec. 2005	Dec. 2006	Dec. 2007	Dec. 2008	Dec. 2009
301	Organization Cost	0.00%	0.00%	-	-	-	-	-	-
302	Franchise Cost	0.00%	0.00%	-	-	-	-	-	-
303	Land and Land Rights	0.00%	0.00%	-	-	-	-	-	-
304	Structures and Improvements	2.50%	3.33%	306	371	648	982	4,206	10,285
305	Collecting and Impounding Res.	2.50%	2.50%	-	-	-	-	-	-
306	Lake River and Other Intakes	2.50%	2.50%	-	-	-	-	-	-
307	Wells and Springs	2.50%	3.33%	17,925	20,341	30,006	41,676	54,550	67,423
308	Infiltration Galleries and Tunnels	2.50%	6.67%	-	-	-	-	-	-
309	Supply Mains	2.50%	2.00%	-	-	-	-	-	-
310	Power Generation Equipment	2.50%	5.00%	-	-	-	-	-	-
311	Electric Pumping Equipment	2.50%	12.50%	35,041	39,335	56,510	116,751	220,217	341,101
320	Water Treatment Equipment	2.50%	3.33%	345	414	694	1,105	1,636	2,167
320.1	Water Treatment Plant	2.50%	3.33%	-	-	-	-	-	-
320.2	Chemical Solution Feeders	2.50%	20.00%	-	-	-	-	-	-
330	Dist. Reservoirs & Standpipe	2.50%	2.22%	15,489	17,329	24,691	32,378	45,739	64,318
330.1	Storage tanks	2.50%	2.22%	-	-	-	-	-	-
330.2	Pressure Tanks	2.50%	5.00%	-	-	-	-	-	-
331	Trans. and Dist. Mains	2.50%	2.00%	29,324	33,637	52,423	76,354	106,833	139,059
333	Services	2.50%	3.33%	5,679	6,541	10,204	16,792	28,061	40,947
334	Meters	2.50%	8.33%	2,310	2,733	4,430	2,393	9,428	17,066
335	Hydrants	2.50%	2.00%	2,090	2,497	4,576	6,868	9,749	12,984
336	Backflow Prevention Devices	2.50%	6.67%	-	-	-	-	-	-
339	Other Plant and Misc. Equip.	2.50%	6.67%	-	476	4,454	12,935	24,039	35,847
340	Office Furniture and Fixtures	2.50%	6.67%	-	-	-	-	-	-
340.1	Computers and Software	2.50%	20.00%	-	-	-	-	-	-
341	Transportation Equipment	2.50%	20.00%	-	-	-	-	-	-
342	Stores Equipment	2.50%	4.00%	-	-	-	-	-	-
343	Tools and Work Equipment	2.50%	5.00%	-	-	-	-	-	-
344	Laboratory Equipment	2.50%	10.00%	-	-	-	-	-	-
345	Power Operated Equipment	2.50%	5.00%	-	-	-	-	-	-
346	Communications Equipment	2.50%	10.00%	-	-	-	-	-	-
347	Miscellaneous Equipment	2.50%	10.00%	-	-	-	-	-	-
348	Other Tangible Plant	2.50%	10.00%	-	-	-	-	-	-
	Rounding								
	TOTAL WATER PLANT			108,509	123,674	188,636	308,235	504,459	731,198

Goodman Water Company
Test Year Ended December 31, 2009
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2

Exhibit
Schedule B-2
Page 4
Witness: Bourassa
REVISED

Line No.	Acct. No.	Description	Per Books Accum. Depr.	A Difference to Computed Balance	B Intentionally Left Blank	C Intentionally Left Blank	D Intentionally Left Blank	Adjusted Accum. Depr.
1	Plant-in-Service							
5	301	Organization Cost	-	-				-
6	302	Franchise Cost	-	-				-
7	303	Land and Land Rights	-	-				-
8	304	Structures and Improvements	12,833	(2,548)				10,285
9	305	Collecting and Impounding Res.	-	-				-
10	306	Lake River and Other Intakes	-	-				-
11	307	Wells and Springs	72,415	(4,992)				67,423
12	308	Infiltration Galleries and Tunnels	-	-				-
13	309	Supply Mains	-	-				-
14	310	Power Generation Equipment	-	-				-
15	311	Electric Pumping Equipment	365,929	(24,828)				341,101
16	320	Water Treatment Equipment	2,349	(182)				2,167
17	320.1	Water Treatment Plant	-	-				-
18	320.2	Chemical Solution Feeders	-	-				-
19	330	Dist. Reservoirs & Standpipe	72,581	(8,263)				64,318
20	330.1	Storage tanks	-	-				-
21	330.2	Pressure Tanks	-	-				-
22	331	Trans. and Dist. Mains	148,811	(9,752)				139,059
23	333	Services	43,764	(2,817)				40,947
24	334	Meters	22,803	(5,737)				17,066
25	335	Hydrants	15,029	(2,045)				12,984
26	336	Backflow Prevention Devices	-	-				-
27	339	Other Plant and Misc. Equip.	42,520	(6,673)				35,847
28	340	Office Furniture and Fixtures	-	-				-
29	340.1	Computers and Software	-	-				-
30	341	Transportation Equipment	-	-				-
31	342	Stores Equipment	-	-				-
32	343	Tools and Work Equipment	-	-				-
33	344	Laboratory Equipment	-	-				-
34	345	Power Operated Equipment	-	-				-
35	346	Communications Equipment	-	-				-
36	347	Miscellaneous Equipment	-	-				-
37	348	Other Tangible Plant	-	-				-
38			-					-
39		TOTALS	$ 799,034	$ (67,836)	$ -	$ -	$ -	$ 731,198
40								
41	Accumulated Depreciation per Books							$ 799,027
42								
43	Increase (decrease) in Accumulated Depreciation							$ (67,829)
44								
45	Adjustment to Accumulated Depreciation							$ (67,829)
46								
47	SUPPORTING SCHEDULES							
48	B-2, pages 3.1 to 3.8							
49								

Goodman Water Company
Test Year Ended December 31, 2009
Original Cost Rate Base Proforma Adjustments
Adjustment 3

Deferred Income Tax as of December 31, 2009

Line No.		Adjusted Book Value	Tax Value	Probability of Realization of Future Tax Benefit	Deductible TD (Taxable TD) Expected to be Realized	Tax Rate[5]	Future Tax Asset Current	Future Tax Asset Non Current	Future Tax Liability Current	Future Tax Liability Non Current
6	Plant-in-Service	$ 5,453,761 [1]								
7	Accum. Deprec.	(731,205) [1]								
8	CIAC	(1,471,334) [3]								
9	Fixed Assets	$ 3,251,222	$ 2,268,902 [2]	100.0%	$ (982,320)	38.5%		-		(377,968)
10	AIAC		2,101,905 [4]	30.0%	$ 630,572 [4]	38.5%		$ 242,625		
11	Tax Benefits from O.L. Carry Forward.			100.0%	$ -	38.5%		$ -		
12							$ -	$ 242,625	$ -	$ (377,968)
14					Net Asset (Liability)		$ (135,342)			
16	DIT Asset (Liability) per Books						$ -			
18	Adjustment to DIT						$ 135,342			

Footnotes - See page 5.1

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Goodman Water Company
Test Year Ended December 31, 2009
Original Cost Rate Base Proforma Adjustments
Adjustment 3

Exhibit
Schedule B-2
Page 5.1
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Line No.				
1	[1] **Adjusted per B-2, page 2**			
2	[2] **Computation of Net Tax Value at December 31, 2009**			
3	Based on 2009 Tax Depreciation report (December 31, 2009)			
4	Unadjusted Cost per 2009 Tax Depr. Report	$ 4,938,108		
5	Reconciling Items not on tax report:			
6	Land costs not on tax, on books	494,159		
7	Net Unadjusted Cost tax Basis			$ 5,432,267
8				
9	Basis Reduction			
10	Basis Reduction 2009 and Prior Years (from 2009 Tax Depr. Report)	$ (14,706)		
11	Advanced or contributed plant with no depreciable basis listed on 2009 Tax Depr. Report	(2,707,816)		
12	Accumulated Depreciation 2008 and prior (2009 Tax Depr Report)	(339,352)		
13	2009 Current Year Tax Depreciation	(101,491)		-
14	Net Basis Reduction 2007 and Prior years			(3,163,365)
15	Net tax value of plant-in-service at December 31, 2008			$ 2,268,902
16				
17	[3] **CIAC (including impact of change to probability of realization)**			
18				
19	Gross CIAC per B-2		$ -	
20	Less: Pre-1996 CIAC		-	
21	A.A per B-2	$ -		
22	A.A on Pre-1996 CIAC	-		
23	A.A. on Post 1996 CIAC		-	
24	Net CIAC before unrealized AIAC			$ -
25				
26	Unrealized AIAC Component			
27	Adjusted Net AIAC (see footnote 5 below)		$ 2,101,905	
28	Unrealized AIAC Component % (1-Realized AIAC Component)		70.0%	
29				$ 1,471,334
30	Total realizable CIAC			$ 1,471,334
31				
32	[4] **AIAC (including impact of change in probability of realization)**			
33	AIAC per B-2		$ 2,101,905	
34	Less: Pre-1996 AIAC included for book and tax purposes		-	
35	Net AIAC before unrealized portion			$ 2,101,905
36	Less: Unrealized AIAC (from Note 4, above)			$ (1,471,334)
37	Net realizable AIAC			$ 630,572
38				
39	[5] **Effective tax rates Per C-3 schedule**			

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Goodman Water Company
Test Year Ended December 31, 2009
Income Statement

Exhibit
Schedule C-1
Page 1
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Line No.		Test Year Book Results	Adjustment	Test Year Adjusted Results	Proposed Rate Increase	Adjusted with Rate Increase
1	**Revenues**					
2	Metered Water Revenues	$ 566,372	$ (7,359)	$ 559,013	$ 291,454	$ 850,468
3	Unmetered Water Revenues	-	-	-		-
4	Other Water Revenues	13,738	-	13,738		13,738
5		$ 580,110	$ (7,359)	$ 572,751	$ 291,454	$ 864,205
6	**Operating Expenses**					
7	Salaries and Wages	$ 32,000	8,000	$ 40,000		$ 40,000
8	Purchased Water	-	-	-		-
9	Purchased Power	26,703	363	27,066		27,066
10	Chemicals	-	-	-		-
11	Repairs and Maintenance	7,746	-	7,746		7,746
12	Office Supplies and Expense	12,557	2,298	14,855		14,855
13	Outside Services	116,780	(13,855)	102,925		102,925
14	Water Testing	1,215	-	1,215		1,215
15	Rents	-	-	-		-
16	Transportation Expenses	-	-	-		-
17	Insurance - General Liability	9,669	-	9,669		9,669
18	Insurance - Health and Life	-	-	-		-
19	Regulatory Commission Expense - Rate Case	1,624	18,376	20,000		20,000
20	Miscellaneous Expense	378	-	378		378
21	Depreciation Expense	228,578	(723)	227,855		227,855
22	Taxes Other Than Income	12,185	(9,197)	2,988		2,988
23	Property Taxes	8,576	12,722	21,299		21,299
24	Income Tax	74,627	(51,754)	22,873	112,143	135,017
25			-	-		-
26	**Total Operating Expenses**	$ 532,638	$ (33,770)	$ 498,868	$ 112,143	$ 611,011
27	**Operating Income**	$ 47,472	$ 26,411	$ 73,883	$ 179,311	$ 253,194
28	**Other Income (Expense)**					
29	Interest Income	1,438	(1,438)	-		-
30	Other income	-	-	-		-
31	Interest Expense	(46,091)	8,782	(37,309)		(37,309)
32	Other Expense	-	-	-		-
33		-	-	-		-
34	**Total Other Income (Expense)**	$ (44,653)	$ 7,343	$ (37,309)	$ -	$ (37,309)
35	**Net Profit (Loss)**	$ 2,819	$ 33,754	$ 36,574	$ 179,311	$ 215,885
36						
37	SUPPORTING SCHEDULES:				RECAP SCHEDULES:	
38	C-1, page 2.1 and 2.2				A-1	
39	E-2					
40						

Goodman Water Company
Test Year Ended December 31, 2009
Income Statement

Exhibit
Schedule C-1
Page 2.1
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(Continued on page 2.2)
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Line No.		LABEL>>>>> Test Year Book Results	1 Depreciation	2 Property Taxes	3 Rate Case Expense	4 Revenue Annualization	5 Sales Tax Expense	6 Other Income/ Expense	7 Purchased Power	8 Annualize Purchased Power	9 CHW2 Contractual Services
1	**Revenues**										
2	Metered Water Revenues	$ 566,372				$ (7,359)					
3	Unmetered Water Revenues	-									
4	Other Water Revenues	13,738									
5		$ 580,110	$ -	$ -	$ -	$ (7,359)	$ -	$ -	$ -	$ -	$ -
6	**Operating Expenses**										
7	Salaries and Wages	$ 32,000									
8	Purchased Water	-									
9	Purchased Power	26,703							363	(0)	
10	Chemicals	-									
11	Repairs and Maintenance	7,746									
12	Office Supplies and Expense	12,557									
13	Contractual Services	116,780									(18,260)
14	Water Testing	1,215									
15	Rents	-									
16	Transportation Expenses	-									
17	Insurance - General Liability	9,669									
18	Insurance - Health and Life	-									
19	Reg. Comm. Exp. - Rate Case	1,624			18,376						
20	Miscellaneous Expense	378									
21	Depreciation Expense	228,578	(723)								
22	Taxes Other Than Income	12,185					(9,737)				
23	Property Taxes	8,576		12,722							
24	Income Tax	74,627									
25											
26	**Total Operating Expenses**	$ 532,638	$ (723)	$ 12,722	$ 18,376	$ -	$ (9,737)	$ -	$ 363	$ (0)	$ (18,260)
27	**Operating Income**	$ 47,472	$ 723	$ (12,722)	$ (18,376)	$ (7,359)	$ 9,737	$ -	$ (363)	$ 0	$ 18,260
28	**Other Income (Expense)**										
29	Interest Income	1,438						(1,438)			
30	Other income	-									
31	Interest Expense	(46,091)									
32	Other Expense	-									
33		-									
34	**Total Other Income (Expense)**	$ (44,653)	$ -	$ -	$ -	$ -	$ -	$ (1,438)	$ -	$ -	$ -
35	**Net Profit (Loss)**	$ 2,819	$ 723	$ (12,722)	$ (18,376)	$ (7,359)	$ 9,737	$ (1,438)	$ (363)	$ 0	$ 18,260
36											
37	SUPPORTING SCHEDULES:										
38	C-2										
39	E-2										
40											

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Goodman Water Company
Test Year Ended December 31, 2009
Income Statement

Exhibit
Schedule C-1
Page 2.2
Witness: Bourassa

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Line No.		10 Annualize Contractual Services	11 Salaries and Wages	12 Contractual Services	13 Annualize Online Payment Processing	14 Interest Synch.	15 Income tax	Test Year Adjusted Results	Proposed Rate Increase	Adjusted with Rate Increase
1	**Revenues**									
2	Metered Water Revenues							$ 559,013	$ 291,454	$ 850,468
3	Unmetered Water Revenues							-		-
4	Other Water Revenues							13,738		13,738
5		$ -	$ -			$ -	$ -	$ 572,751	$ 291,454	$ 864,205
6	**Operating Expenses**									
7	Salaries and Wages		8,000					$ 40,000		$ 40,000
8	Purchased Water							-		-
9	Purchased Power							27,066		27,066
10	Chemicals							-		-
11	Repairs and Maintenance							7,746		7,746
12	Office Supplies and Expense				2,298			14,855		14,855
13	Contractual Services	405		4,000				102,925		102,925
14	Water Testing							1,215		1,215
15	Rents							-		-
16	Transportation Expenses							-		-
17	Insurance - General Liability							9,669		9,669
18	Insurance - Health and Life							-		-
19	Reg. Comm. Exp. - Rate Case							20,000		20,000
20	Miscellaneous Expense							378		378
21	Depreciation Expense							227,855		227,855
22	Taxes Other Than Income		540					2,988		2,988
23	Property Taxes							21,299		21,299
24	Income Tax						(51,754)	22,873	112,143	135,017
25										
26	**Total Operating Expenses**	$ 405	$ 8,540	$ 4,000	$ 2,298	$ -	$ (51,754)	$ 498,868	$ 112,143	$ 611,011
27	**Operating Income**	$ (405)	$ (8,540)	$ (4,000)	$ (2,298)	$ -	$ 51,754	$ 73,883	$ 179,311	$ 253,194
28	**Other Income (Expense)**									
29	Interest Income							-		-
30	Other income							-		-
31	Interest Expense					8,782		(37,309)		(37,309)
32	Other Expense							-		-
33								-		-
34	**Total Other Income (Expense)**	$ -	$ -	$ -	$ -	$ 8,782	$ -	$ (37,309)	$ -	$ (37,309)
35	**Net Profit (Loss)**	$ (405)	$ (8,540)	$ (4,000)	$ (2,298)	$ 8,782	$ 51,754	$ 36,574	$ 179,311	$ 215,885
36										
37	SUPPORTING SCHEDULES:								RECAP SCHEDULES:	
38	C-2								C-1, page 1	
39	E-2									
40										

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Goodman Water Company
Test Year Ended December 31, 2009
Adjustments to Revenues and Expenses

Exhibit
Schedule C-2
Page 1
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Adjustments to Revenues and Expenses

Line No.		1 Depreciation Expense	2 Property Taxes	3 Rate Case Expense	4 Revenue Annualization	5 Sales Tax Expense	6 Other Inc. Oth. Expense	Subtotal
3	Revenues				(7,359)			(7,359)
5	Expenses	(723)	12,722	18,376		(9,737)		20,638
8	Operating Income	723	(12,722)	(18,376)	(7,359)	9,737	-	(27,996)
11	Interest Expense							-
13	Other Income / Expense						(1,438)	(1,438)
16	Net Income	723	(12,722)	(18,376)	(7,359)	9,737	(1,438)	(29,435)

Adjustments to Revenues and Expenses

Line No.		7 Purchased Power	8 Annualize Purch. Power	9 CHW2 Contract Serv.	10 Annualize Contract Serv.	11 Salaries and Wages	12 Jim Shiner Contract Serv.	Subtotal
23	Revenues							(7,359)
25	Expenses	363	(0)	(18,260)	405	8,540	4,000	15,685
28	Operating Income	(363)	0	18,260	(405)	(8,540)	(4,000)	(23,044)
31	Interest Expense							-
33	Other Income / Expense							(1,438)
36	Net Income	(363)	0	18,260	(405)	(8,540)	(4,000)	(24,482)

Adjustments to Revenues and Expenses

Line No.		13 Annualize CC Fees	14 Interest Synch.	15 Income Taxes	16	17	18	Total
43	Revenues							(7,359)
45	Expenses	2,298		(51,754)				(33,770)
48	Operating Income	(2,298)	-	51,754	-	-	-	26,411
51	Interest Expense		8,782					8,782
53	Other Income / Expense							(1,438)
56	Net Income	(2,298)	8,782	51,754	-	-	-	33,754

Goodman Water Company
Test Year Ended December 31, 2009
Adjustments to Revenues and Expenses
Adjustment Number 1

Exhibit
Schedule C-2
Page 2
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Line No.

1 Depreciation Expense

Line	Acct. No.	Description	Adjusted Original Cost	Proposed Rates	Depreciation Expense
5	301	Organization Cost	127,103	0.00%	-
6	302	Franchise Cost	-	0.00%	-
7	303	Land and Land Rights	494,159	0.00%	-
8	304	Structures and Improvements	182,570	3.33%	6,080
9	305	Collecting and Impounding Res.	-	2.50%	-
10	306	Lake River and Other Intakes	-	2.50%	-
11	307	Wells and Springs	386,591	3.33%	12,873
12	308	Infiltration Galleries and Tunnels	-	6.67%	-
13	309	Supply Mains	-	2.00%	-
14	310	Power Generation Equipment	-	5.00%	-
15	311	Electric Pumping Equipment	968,652	12.50%	121,081
16	320	Water Treatment Equipment	15,947	3.33%	531
17	320.1	Water Treatment Plant	-	3.33%	-
18	320.2	Chemical Solution Feeders	-	20.00%	-
19	330	Dist. Reservoirs & Standpipe	836,890	2.22%	18,579
20	330.1	Storage tanks	-	2.22%	-
21	330.2	Pressure Tanks	-	5.00%	-
22	331	Trans. and Dist. Mains	1,611,321	2.00%	32,226
23	333	Services	386,947	3.33%	12,885
24	334	Meters	94,263	8.33%	7,852
25	335	Hydrants	161,737	2.00%	3,235
26	336	Backflow Prevention Devices	-	6.67%	-
27	339	Other Plant and Misc. Equip.	187,582	6.67%	12,512
28	340	Office Furniture and Fixtures	-	6.67%	-
29	340.1	Computers and Software	-	20.00%	-
30	341	Transportation Equipment	-	20.00%	-
31	342	Stores Equipment	-	4.00%	-
32	343	Tools and Work Equipment	-	5.00%	-
33	344	Laboratory Equipment	-	10.00%	-
34	345	Power Operated Equipment	-	5.00%	-
35	346	Communications Equipment	-	10.00%	-
36	347	Miscellaneous Equipment	-	10.00%	-
37	348	Other Tangible Plant	-	10.00%	-
39		TOTALS	$ 5,453,761		$ 227,855
42		Less: Amortization of Contributions	$ -	4.1779%	$ -
46		Total Depreciation Expense			$ 227,855
48		Adjusted Test Year Depreciation Expense			228,578
50		Increase (decrease) in Depreciation Expense			(723)
52		Adjustment to Revenues and/or Expenses			$ (723)

54 SUPPORTING SCHEDULE
55 B-2, page 3

* Fully Depreciated

Goodman Water Company
Revenue Summary
Test Year Ended December 31, 2009

Exhibit
Schedule H-1
Page 1
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Line No.	Meter Size	Classification	Total Revenues at Present Rates	Total Revenues at Proposed Rates	Dollar Change	Percent Change	Percent of Present Water Revenues	Percent of Proposed Water Revenues	Additional Bills	Additional Gallons
1	5/8x3/4 Inch	Residential	$ 438,217	$ 665,007	$ 226,790	51.75%	76.51%	76.95%		
2	3/4 Inch	Residential	88,623	133,504	44,881	50.64%	15.47%	15.45%		
3	1 Inch	Residential	6,812	10,223	3,410	50.06%	1.19%	1.18%		
4										
5										
6	1 Inch	Commercial	13,599	23,754	10,155	74.67%	2.37%	2.75%		
7	1 1/2 Inch	Commercial	458	635	177	38.55%	0.08%	0.07%		
8	2 Inch	Commercial	14,440	23,409	8,969	62.12%	2.52%	2.71%		
9										
10	Construction/Standpipe		3,456	6,382	2,927	84.70%	0.60%	0.74%		
11										
12	**Subtotals of Revenues**		$ 565,605	$ 862,914	$ 297,310	52.56%	98.75%	99.85%		
13	**Revenue Annualizations:**								Bills	Gallons
14	5/8x3/4 Inch	Residential	$ (1,997)	$ (2,975)	$ (979)	49.03%	-0.35%	-0.34%	(31)	(16,894)
15	3/4 Inch	Residential	11,057	16,474	5,417	48.99%	1.93%	1.91%	118	763,542
16	1 Inch	Residential	(1,382)	(2,081)	(699)	50.56%	-0.24%	-0.24%	(9)	(22,282)
17										
18										
19	1 Inch	Commercial	(260)	(376)	(115)	44.38%	-0.05%	-0.04%	(2)	(14,500)
20	1 1/2 Inch	Commercial	(458)	(635)	(177)	38.55%	-0.08%	-0.07%	(2)	(2)
21	2 Inch	Commercial	(14,318)	(23,184)	(8,866)	61.92%	-2.50%	-2.68%	(19)	(1,250,008)
22										
23	**Subtotal Revenue Annualization**		(7,359)	(12,778)	(5,420)	73.65%	-1.28%	-2.23%	55	(540,144)
24										
25	**Total Revenues w/ Annualization**		$ 558,246	$ 850,136	$ 291,890	52.29%	97.47%	98.37%		
26	**Misc Revenues**		13,738	13,738	-	0.00%	2.40%	1.59%		
27	**Reconciling Amount**		767	331	(436)	-56.84%	0.13%	0.04%		
28	**Total Revenues**		$ 572,751	$ 864,205	$ 291,454	50.89%	100.00%	100.00%		
29										
30										
31	**Reconciliation to GL Revenues**									
32	Metered Revenues Per GL		$ 566,372							
33	Adjustments									
34	Adjusted Metered Revenues		$ 566,372							
35										
36	Bill Count Rev. before Annualization		565,605							
37	Difference		$ 767							
38	% Difference		0.14%							
39	Tolerance (+/- 0.5%)		$ 2,832							
40	Acceptable		Yes							