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AZ CORP COMMISSION
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Arizona Corporation Commission
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Water Company

9 **BEFORE THE ARIZONA CORPORATION COMMISSION**

10 IN THE MATTER OF THE
11 APPLICATION OF ARIZONA-
AMERICAN WATER COMPANY,
12 AN ARIZONA CORPORATION, FOR
A DETERMINATION OF THE
13 CURRENT FAIR VALUE OF ITS
UTILITY PLANT AND PROPERTY
14 AND FOR INCREASES IN ITS
RATES AND CHARGES BASED
15 THEREON FOR UTILITY SERVICE
BY ITS ANTHEM WATER, AGUA
16 FRIA WATER AND ANTHEM/AGUA
FRIA WASTEWATER DISTRICTS.

Docket No. WS-01303A-02-0870

**ARIZONA-AMERICAN WATER
COMPANY'S NOTICE OF FILING
SUPPLEMENTS TO DIRECT
TESTIMONY AND RELATED
SCHEDULES**

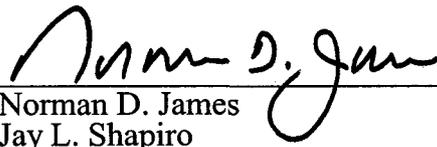
17 Arizona-American Water Company ("the Company") hereby files Supplements to
18 the Direct Testimony of David P. Stephenson, Ronald L. Kozoman and Thomas Bourassa
19 in the above-entitled matter. Attached to this supplemental testimony are certain revised
20 schedules, which are explained in the testimony.

21 This supplemental testimony and related schedules are filed for the purpose of
22 addressing the items identified in a letter dated December 23, 2002, by John S. Thornton,
23 Jr. on behalf of the Utilities Division ("Staff"), and accompanying "List of Items Causing
24 the Filing to be Insufficient." Since the Company's Application was filed on November
25 22, 2002, the Company's consultants have worked closely with Staff in order to answer
26

1 questions and provide additional information that would assist Staff with its review of the
2 sufficiency of the Application pursuant to A.A.C. R14-2-103(B)(7). Although certain of
3 the items were, in fact, erroneously identified, the Company's paramount goal is to
4 cooperate with Staff and avoid disputes over Staff's review, which is narrow and limited
5 to verifying whether the Company's Application contains the schedules and other data
6 specified in R14-2-103 for Class A water and sewer utilities. This supplemental testimony
7 and accompanying schedules should eliminate any questions or concerns identified by
8 Staff, and allow the Application to proceed without further delay.

9 DATED this 3rd day of January, 2003.

10 FENNEMORE CRAIG

11
12 By 
13 Norman D. James
14 Jay L. Shapiro
Attorneys for Arizona-American Water
Company

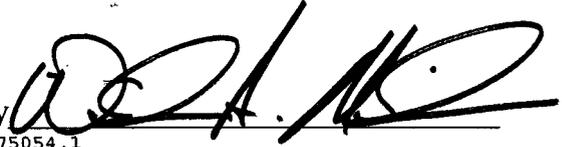
15 ORIGINAL and 15 copies
16 of the foregoing were
delivered this 3rd day
of January, 2003, to:

17 Docket Control
18 Arizona Corporation Commission
1200 W. Washington St.
19 Phoenix, AZ 85007

20 COPY of the foregoing was
delivered this 3rd day of
21 January, 2003 to:

22 Timothy J. Sabo
23 Staff Attorney
Legal Division
Arizona Corporation Commission
1200 W. Washington St.
24 Phoenix, AZ 85007

1 John S. Thornton, Jr.
2 Chief, Accounting & Rates
3 Utilities Division
4 Arizona Corporation Commission
5 1200 W. Washington St.
6 Phoenix, AZ 85007

7 By 
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9 APPLICATION OF ARIZONA- AMERICAN WATER COMPANY, AN DOCKET NO. WS-01303A-02-0870
10 ARIZONA CORPORATION, FOR A
11 DETERMINATION OF THE
12 CURRENT FAIR VALUE OF ITS
13 UTILITY PLANT AND PROPERTY
14 AND FOR INCREASES IN ITS RATES
15 AND CHARGES BASED THEREON
16 FOR UTILITY SERVICE BY ITS
17 AGUA FRIA WATER DISTRICT, ITS
18 ANTHEM WATER DISTRICT AND
19 ITS ANTHEM/AGUA FRIA
20 WASTEWATER DISTRICT.

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**SUPPLEMENT TO DIRECT TESTIMONY OF
DAVID P. STEPHENSON**

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II. CAUSE OF INSUFFICIENCY: ANTHEM WATER DISTRICT (NO. 5),
AGUA FRIA WATER DISTRICT (NO. 4) AND ANTHEM/AGUA FRIA
WASTEWATER DISTRICT (NO. 4) 1

1373857.1

1 **I. INTRODUCTION**

2 **Q. WHAT IS THE PURPOSE OF THIS SUPPLEMENT TO YOUR DIRECT**
3 **TESTIMONY?**

4 **A.** The purpose of this supplemental testimony is to respond to Staff's List of Items
5 Causing the Filing to be Insufficient dated December 23, 2002 ("Staff
6 Insufficiency Finding"). In addition, the Company is concurrently filing
7 supplements to the direct testimony of Thomas Bourassa and Ronald L. Kozoman
8 in response to the Staff Insufficiency Finding.

9 **Q. HOW WILL YOUR SUPPLEMENTAL TESTIMONY BE ORGANIZED?**

10 **A.** In this testimony, I address Staff's expressed concerns over the application for the
11 Anthem water, Agua Fria water and Anthem/Agua Fria wastewater districts.
12 Specifically, I address Staff's conclusion that Arizona-American's rate filings are
13 insufficient because the Company's D Schedules did not present dollar values.
14 The remaining items listed as causes of the insufficiency determination are
15 addressed by Mr. Bourassa and Mr. Kozoman in the supplements to their direct
16 testimony filed concurrently herewith.

17 **II. CAUSE OF INSUFFICIENCY: ANTHEM WATER DISTRICT (NO. 5),**
18 **AGUA FRIA WATER DISTRICT (NO. 4) AND ANTHEM/AGUA FRIA**
WASTEWATER DISTRICT (NO. 4)

19 **Q. IN THE STAFF INSUFFICIENCY FINDING, STAFF INDICATES THAT**
20 **THE D SCHEDULES DO NOT HAVE DOLLAR VALUES. DO YOU**
21 **HAVE ANY COMMENT?**

22 **A.** Yes, Staff correctly notes that the D-1 and D-2 Schedules lack "dollar values," but
23 the Company is not aware that the Commission's rules require that dollar amounts
24 be included in the D Schedules. The D-1 and D-2 Schedules show the percentages
25 of debt and equity and their respective cost, including the weighted costs. These
26

1 schedules provide support for the weighted cost of capital. I also do not believe it
2 is Staff's practice to include dollar value in its cost of capital schedules.

3 **Q. HOW DOES THE COMPANY RESPOND TO STAFF'S FINDING**
4 **CONCERNING THE D SCHEDULES?**

5 A. Although Arizona-American disagrees that this is a basis for an insufficiency
6 finding, we have revised the D-1 and D-2 Schedules for the Anthem water, Agua
7 Fria water and Anthem/Agua Fria wastewater districts to reflect the amount of debt
8 and equity in its capital structure. These schedules are attached hereto at Tab A.

9 **Q. PLEASE YOU EXPLAIN THE DOLLAR VALUES YOU PROVIDED.**

10 A. The amounts shown on the D-1 and D-2 Schedules reflect the debt and equity of
11 the former Citizens properties of Arizona-American as a whole, rather than on a
12 district-by-district basis. Because Arizona-American is an Arizona corporation
13 and raises capital (debt and equity) on a company-wide basis, it is necessary to
14 identify its capital structure on a company-wide basis. The debt and equity for the
15 acquisition of the Citizens properties can easily be identified, at this time, and
16 therefore we have done so for this filing. None of the different rate structures
17 established during Citizens' ownership, have individual capital structures, nor can
18 any of the Company's individual districts borrow funds or separately maintain
19 capital accounts. Consequently, Arizona-American is requesting that its capital
20 structure for the acquisition of the former Citizens property be used in
21 determining the cost of capital for each district.

22 **Q. DO ANY OF THESE REVISIONS TO THE D SCHEDULES EFFECT THE**
23 **COMPANY'S COST OF CAPITAL ANALYSIS OR THE AMOUNT**
24 **SHOWN ON SCHEDULE A-1?**

25 A. No.

26 **Q. DOES THAT CONCLUDE THE SUPPLEMENT TO YOUR DIRECT**

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TESTIMONY?

A. Yes.

Arizona American
 Test Year Ended December 31, 2001
 Summary of Cost of Capital

Exhibit
 Schedule D-1
 Page 1
 Witness: Stephenson

Line No.	Item of Capital	End of Test Year			End of Projected Year		
		Dollar Amount	Percent of Total	Cost Rate (a)	Dollar Amount	Percent of Total	Cost Rate (a)
1	Long-Term Debt	165,583,119	59.89%	3.04%	177,583,119	60.00%	3.15%
2							
3	Stockholder's Equity	110,888,158	40.11%	4.61%	118,888,158	40.00%	11.50%
4							
5	Totals	<u>276,471,277</u>	<u>100.00%</u>	<u>7.65%</u>	<u>296,471,277</u>	<u>100.00%</u>	<u>7.75% (b)</u>
6							
7	(a) See D-2						
8	(b) Used on A-1						
9							

SUPPORTING SCHEDULES:

- D-1
- D-3
- D-4
- E-1

Line No. 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29

A

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19 ANTHEM WATER DISTRICT AND
20 ITS ANTHEM/AGUA FRIA
21 WASTEWATER DISTRICT.
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19 **SUPPLEMENT TO DIRECT TESTIMONY OF**
20 **THOMAS J. BOURASSA, CPA**
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I. INTRODUCTION..... 1

II. CAUSE OF INSUFFICIENCY: AGUA FRIA WATER NO. 1, ANTHEM WATER, NO. 1 AND ANTHEM/AGUA FRIA WASTEWATER NO. 1..... 1

III. CAUSE OF INSUFFICIENCY: AGUA FRIA WATER NO. 2, ANTHEM WATER NO, 2 AND ANTHEM/AGUA FRIA WASTEWATER NO. 2..... 4

IV. CAUSE OF INSUFFICIENCY: AGUA FRIA WATER NO. 3, ANTHEM WATER NO. 3 AND ANTHEM/AGUA FRIA WASTEWATER NO. 3..... 7

V. CAUSE OF INSUFFICIENCY: AGUA FRIA WATER NO. 5, ANTHEM WATER NO. 5 AND ANTHEM/AGUA FRIA WASTEWATER NO. 5..... 7

JSHAPIRO/1373736

1 **I. INTRODUCTION**

2 **Q. WHAT IS THE PURPOSE OF THIS SUPPLEMENT TO YOUR DIRECT**
3 **TESTIMONY?**

4 **A.** The purpose of this supplemental testimony is to respond to Staff's List of Items
5 Causing the Filing to be Insufficient dated December 23, 2002 ("Staff
6 Insufficiency Finding"). In addition, the Company is concurrently filing
7 supplements to the direct testimony of David P. Stephenson and Ronald L.
8 Kozoman in response to the Staff Insufficiency Finding.

9 **Q. HOW WILL YOUR SUPPLEMENTAL TESTIMONY BE ORGANIZED?**

10 **A.** In this testimony, I address Staff's expressed concerns over the application for the
11 Agua Fria water, Anthem water and Anthem/Agua Fria wastewater districts.
12 Specifically, Staff claims to have found six reasons that each of the filings for
13 these districts is insufficient. I address several of those findings. My responses
14 are identified consistent with the numbering in the Staff Insufficiency Finding.
15 Those items in the Staff Insufficiency Finding not covered in my supplemental
16 testimony are addressed by either Mr. Stephenson or Mr. Kozoman.

17 **Q. HAVE YOU MADE ANY CHANGES AS A RESULT OF STAFF'S**
18 **FINDINGS?**

19 **A.** Yes. Revised Schedules B-2, B-3, E-5, and A-4 are attached hereto at Tab A. I
20 wish to point out, however, that none of the changes affect the plant in service, rate
21 base, and/or the revenue requirement in this case.

22 **II. CAUSE OF INSUFFICIENCY: AGUA FRIA WATER NO. 1, ANTHEM**
23 **WATER, NO. 1 AND ANTHEM/AGUA FRIA WASTEWATER NO. 1**

24 **Q. MR. BOURASSA, STAFF CLAIMS THAT THE PLANT IN SERVICE ON**
25 **SCHEDULE B-2, PAGE 1 AND PAGE 2 DO NOT TIE TO THE**
26 **SCHEDULES B-2, PAGE 5 AND E-1, PAGE 1. DO YOU AGREE?**

1 A. No. I do not agree. However, Schedule B-2, page 2, for Agua Fria water district
2 showed an incorrect common plant allocation, which may have caused some
3 confusion. The correct common plant allocation was shown on the supporting
4 schedules, Schedule B-2, pages 3 and 4. Further, the correct plant balances did
5 appear on Schedule B-2, page 1.

6 For both the Anthem water district and Anthem/Agua Fria wastewater
7 districts the correct common plant allocation is reflected on Schedule B-2, page 2.

8 **Q. WOULD YOU PLEASE EXPLAIN HOW THE PLANT AMOUNT ON THE**
9 **SCHEDULE E-1 TIES TO THE SCHEDULE B-2, PAGE 1 AND PAGE 2?**

10 A. The plant in service amount shown on E-1 has been adjusted to reflect the amount
11 shown on the B-2, page 1 and page 2 as follows:

- 12 1. Plant in service at 12/31/2001 (E-1) **less**
- 13 2. Plant adjustments (AFUDC for Agua Fria only. There is none for
14 Anthem water or Anthem/Agua Fria wastewater) from prior rate case
15 (B-2, page 2) **less**
- 16 3. General Plant (as shown B-2, page 5) pooled to Maricopa Common
17 Plant **plus**
- 18 4. Common plant allocation (as shown on B-2, page 2) **equals**
- 19 5. Plant in service (as shown on B-2, page 1 and 2).

20 **Q. AND THIS IS ILLUSTRATED ON THE B-2 SCHEDULES?**

21 A. Yes. Schedule B-2, page 2, illustrates both the common plant allocation. For the
22 Agua Fria water, the plant adjustments from the last rate proceeding dated May 7,
23 1997 (test year ending March 1995) were also shown. There is no specific general
24 plant on this schedule. Instead, the general plant has been replaced by allocated
25 common plant. The support for the common plant allocation appears on Schedules
26 B-2, page 3 and page 4. Also, Schedule B-2, page 2, reflects adjustments from the

1 Agua Fria water district's prior rate case.

2 Schedule B-2, page 5 shows the general plant balance prior to the common
3 plant allocation. This schedule also reflects the prior rate case plant adjustments
4 for Agua Fria water. Adding in the plant adjustments to the plant balance on
5 Schedule B-2, page 5 results in a match with the balance shown on Schedule E-1.

6 Schedule B-2, pages 6a through 6c show the plant additions and balances by
7 year since the last rate case. This schedule also shows the prior rate case plant
8 adjustments (Agua Fria water only) as well as the general plant before the common
9 plant allocation. Again, the total of the column labeled "2001 Plant Balance" on
10 Schedule B-2, page 6c plus the plant adjustments equals the amount on Schedule
11 E-1.

12 **Q. WHAT IS THE BASIS FOR THE COMMON PLANT ALLOCATION**
13 **ADJUSTMENT?**

14 **A.** The common plant allocation adjustment was made to equitably allocate plant that
15 is shared with other districts. For example, office furniture and equipment,
16 software, communications equipment, buildings are all shared. All of the general
17 plant for the Maricopa districts was pooled and reallocated based on year-end
18 customer counts. The handling of the general plant in the instant case is consistent
19 with treatment approved in the prior rate case for the Agua Fria water district,
20 where the amounts on the E-1 and B-2 Schedules were not the same.

21 **Q. WHY DID THE COMPANY MAKE THE AFUDC ADJUSTMENT FOR**
22 **AGUA FRIA WATER?**

23 **A.** To reflect the prior Commission decision disallowing the AFUDC amount
24 included in plant.

25 **Q. DID YOU DISCUSS THIS MATTER WITH STAFF REPRESENTATIVES**
26 **BEFORE THE STAFF INSUFFICIENCY FINDING WAS ISSUED?**

1 A. Yes. I discussed concerns raised over both the B-2 and E-1 schedules with Staff
2 on two separate occasions. Unfortunately, it appears my explanations were not
3 considered in Staff's review.

4 **III. CAUSE OF INSUFFICIENCY: AGUA FRIA WATER NO. 2, ANTHEM**
5 **WATER NO. 2 AND ANTHEM/AGUA FRIA WASTEWATER NO. 2**

6 **Q. MR. BOURASSA, STAFF NEXT CLAIMS THAT THE ACCUMULATED**
7 **DEPRECIATION ON SCHEDULE B-2, PAGE 1 AND PAGE 2 DO NOT**
8 **TIE TO THE SCHEDULES B-2, PAGE 5 AND E-1, PAGE 1. DO YOU**
9 **AGREE?**

10 A. No, for the same reasons explained above for the plant balances.

11 **Q. PLEASE EXPLAIN.**

12 A. The accumulated depreciation amount shown on E-1 has been adjusted to reflect
13 the amount shown on the B-2, page 1 and page 2 as follows:

- 14 1. Accumulated depreciation at 12/31/2001 (E-1) less
- 15 2. Accumulated depreciation plant adjustments¹ from the prior rate case
16 (B-2, page 2) less
- 17 3. Accumulated depreciation on General Plant (as shown B-2, page 5)
18 pooled to Maricopa Common Plant accumulated depreciation plus
- 19 4. Common plant accumulated depreciation allocation (as shown on B-
20 2, page 2) equals
- 21 5. Accumulated depreciation (as shown on B-2, page 1 and 2).

22 **Q. HOW IS THIS ILLUSTRATED ON THE B-2 SCHEDULES?**

23 A. Schedule B-2, page 2, illustrates both the common plant allocation accumulated
24 depreciation as well as the plant adjustments accumulated depreciation. As I

25 _____
26 ¹ AFUDC was removed for the Agua Fria water district only. There was none for
Anthem water and Anthem/Agua Fria wastewater.

1 stated above, Agua Fria water's Schedule B-2, page 2, has an incorrect common
2 plant allocation. Again, the correct common plant allocation was shown on the
3 supporting schedules, Schedule B-2, page 3 and 4. Further, the correct
4 accumulated depreciation balance did appear on Schedule B-2, page 1.

5 For both the Anthem water district and Anthem/Agua Fria wastewater
6 district the correct common plant allocation and accumulated depreciation balance
7 is reflected on Schedule B-2, page 2.

8 **Q. PLEASE CONTINUE.**

9 A. There is no specific general plant accumulated depreciation on the Schedule B-2,
10 page 2. Instead, the general plant has been replaced by allocated common plant.
11 The support for the common plant allocation appears on Schedules B-2, page 3 and
12 page 4. Also on Schedule B-2, page 2 are found the adjustments from the prior
13 rate case (Agua Fria water district only).

14 Schedule B-2, page 5 shows the general plant accumulated depreciation
15 balance prior to the common plant allocation. This schedule also reflects the prior
16 case plant adjustments (Agua Fria water district only). Adding in the plant
17 adjustments to the plant balance on Schedule B-2, page 5 results in a match with
18 the balance shown on Schedule E-1.

19 **Q. HAVE YOU PROVIDED A SCHEDULE RECONCILING THE PLANT
20 BALANCE ON E-1 TO THE PLANT BALANCE ON B-2, PAGE 1?**

21 A. Yes. I have prepared a supplementary plant reconciliation schedule attached
22 hereto at Tab A. This schedule follows the formula outlined above.

23 **Q. AND YOU EXPLAINED THIS TO STAFF'S AUDITORS?**

24 A. Yes. I met with Staff representatives on two separate occasions and specifically
25 explained how plant was allocated. While the accumulated depreciation balance
26 issue was not specifically addressed, my explanations on the plant balances should

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have allowed Staff to verify the accumulated depreciation balances, since they follow exactly the explanations given for the plant balances.

1 **IV. CAUSE OF INSUFFICIENCY: AGUA FRIA WATER NO. 3, ANTHEM**
2 **WATER NO. 3 AND ANTHEM/AGUA FRIA WASTEWATER NO. 3**

3 **Q. STAFF ALSO CONTENDS THAT THE INTENDED ADJUSTMENTS TO**
4 **ADVANCES IN AID OF CONSTRUCTION AND CONTRIBUTIONS IN**
5 **AID OF CONSTRUCTION ON LINES 13-17 OF SCHEDULE B-2, PAGE 1**
6 **AND SCHEDULE B-3, PAGE 1 ARE NOT CLEARLY SHOWN. IS THIS**
7 **TRUE?**

8 **A.** No, it is not true. As described in my direct testimony, Adjustments 4 and 5 are
9 clearly labeled on the specific B Schedules Staff identifies. Each Schedule
10 contains a footnote referencing the nature of the adjustments. Nevertheless, to
11 assist Staff in reviewing the filing, attached at Tab A are revised B-2, page 1 and
12 B-3, page 1 Schedules, with relabeled adjustments 4a, 4b, 5a, and 5b, as well as
13 relabeled footnote references.

14 **V. CAUSE OF INSUFFICIENCY: AGUA FRIA WATER NO. 5, ANTHEM**
15 **WATER NO. 5 AND ANTHEM/AGUA FRIA WASTEWATER NO. 5**

16 **Q. STAFF ALSO CONTENDS THAT THE PLANT BALANCE ON**
17 **SCHEDULE E-5, PAGE 1 DO NOT TIE TO THE TOTAL PLANT ON**
18 **SCHEDULE B-2 PAGES 1 AND 2. DO YOU HAVE ANY COMMENT?**

19 **A.** I agree that at first glance the numbers are not the same. However, as I explained
20 above, and as explained to Staff during my informal discussions before the Staff
21 Insufficiency Finding was issued, the plant balance has been adjusted. In the
22 instant case, adjustments were made for the common plant allocation.

23 For Agua Fria water, some confusion may have been caused by the
24 incorrect common plant allocation shown on Schedule B-2, page 2.

25 For Anthem/Agua Fria wastewater, Staff has correctly pointed out that
26 Schedule E-5 does not tie. I have prepared a revised Schedule E-5 (Tab A) that

1 reflects the same amount as Schedule E-1.

2 **Q. HOW DOES THE PLANT AMOUNT ON SCHEDULE E-5 TIE TO THE**
3 **PLANT AMOUNT ON SCHEDULE B-2, PAGE 1 AND PAGE 2?**

4 A. The plant in service balance as of December 31, 2001 shown on E-5 is same as
5 shown on Schedule E-1 for Agua Fria water and Anthem water. The explanation
6 for the amount on Schedule E-5 follows exactly as described above for the amount
7 on Schedule E-1.

8 The plant in service balance as of December 31, 2001 shown on E-5 for
9 Anthem/Agua Fria wastewater has been revised to show the same plant amount on
10 the Schedule E-1. The explanation for the amount on the revised Schedule E-5
11 follows exactly as described above for the amount on Schedule E-1.

12 **Q. WHY HAVE YOU REVISED SCHEDULE A-4?**

13 A. Although Staff did not cite any cause for insufficiency regarding Schedule A-4 for
14 Agua Fria water, footnote (a) referring to unadjusted amounts was incorrect. The
15 gross utility plant in service are the adjusted amounts as shown on Schedule B-2,
16 page 6a-6c.

17 Schedules A-4 for Anthem water and Anthem/Agua Fria wastewater have
18 also been revised to reflect the amounts as shown on the Schedule B-2, page 6a-6b.

19 **Q. HAVE YOU MADE ANY OTHER CHANGES?**

20 A. Yes. I have prepared a revised Schedule B-4, page 1 (Tab A), for the Agua Fria
21 water district to reflect the correct RCN common plant allocation as shown on the
22 supporting schedule B-4, page 2. I have also prepared a revised Schedule B-4,
23 page 3 (attached at Tab A), to show the trended accumulated depreciation balance
24 on the AFUDC adjustment in the footnote calculation.

25 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

26 A. Yes. I want to reiterate that none of the changes made to the Company's filing in

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response to Staff's Insufficiency Finding impact the plant in service, rate base, and/or the revenue requirement requested by Arizona-American in this docket.

Arizona American - Agua Fria Water
Test Year Ended December 31, 2001
Construction Expenditures
and Gross Utility Plant in Service

Exhibit
Schedule A-4
Page 1
Witness: Bourassa
REVISED

Line No.	<u>Construction Expenditures</u>	<u>Net Plant Placed in Service</u>	<u>Gross Utility Plant in Service</u> (a)
1			
2	Prior Year Ended 12/31/1998	-	27,979,943
3			
4	Prior Year Ended 12/31/1999	9,285,971	5,464,793
5			
6	Prior Year Ended 12/31/2000	14,118,940	11,799,171
7			
8	Test Year Ended 12/31/2001	6,027,629	7,859,673
9			
10	Projected Year Ended 12/31/2002	10,303,148	10,303,148
11			
12	(a) Adjusted (See B-2, page 6a-c)		
13			
14			
15	<u>SUPPORTING SCHEDULES:</u>		
16	B-2		
17	E-5		
18	F-3		
19			

A

Arizona American - Agua Fria Water
 Test Year Ended December 31, 2001
 Original Cost Rate Base Proforma Adjustments

Exhibit
 Schedule B-2
 Page 1
 Witness: Bourassa
REVISED

Line No.		Actual at End of <u>Test Year</u>	Proforma Adjustments <u>Label</u>	<u>Amount</u>	Adjusted at end of <u>Test Year</u>
1	Gross Utility				
2	Plant in Service	\$ 53,776,026	(1)	640,368	\$ 50,919,882
3			(2)	559,081	
4	Less:		(6)	-	
5			(8)	73,137	
6	Accumulated		(9)	(4,128,730)	
7	Depreciation	<u>4,473,146</u>	(3)	717,750	<u>4,993,699</u>
8			(9)	(197,198)	
9	Net Utility Plant				
10	in Service	\$ 49,302,880			\$ 45,926,183
11					
12	Less:				
13	Advances in Aid of				
14	Construction (Ratemaking Purposes Only)	33,028,561	(4a)	(4,359,345)	27,385,370
15			(5a)	(1,283,846)	
16	Contributions in Aid of				
17	Construction - Net (Ratemaking	690,358	(4b)	(766)	1,973,438
18	Purposes Only)		(5b)	1,283,846	
19	Customer Meter Deposits	17,289			17,289
20	Deferred Income Taxes	-			-
21	Investment Tax Credits	-			-
22	Plus:				
23	Unamortized Finance				
24	Charges	-			-
25	Deferred Tax Assets	-			-
26	Working capital	-			-
27	Citizens Acquisition Adjustment	-	(7)	13,305,699	13,305,699
28					
29	Total	<u>\$ 15,566,672</u>			<u>\$ 29,855,785</u>
30					
31					
32	(1) Additional Plant at Closing				
33	(2) Plant to be completed by 12/31/2002.				
34	(3) Additional Accumulated Depreciation at Closing				
35	(4) Increase (decrease) AIAC (4a) and CIAC (4b) to Amount at Closing				
36	(5) Adjust AIAC (5a) and CIAC (5b) for Ratemaking Purposes				
37	(6) Intentionally Left Blank				
38	(7) Acquisition Adjustment Premium				
39	(8) Orcom Costs				
40	(9) Post Close Plant Adjustments				
41					
42	<u>SUPPORTING SCHEDULES:</u>				<u>RECAP SCHEDULES:</u>
43	B-2				B-1
44	E-1				

Arizona American - Agua Fria Water
 Test Year Ended December 31, 2001
 RCND Rate Base Proforma Adjustments

Exhibit
 Schedule B-3
 Page 1
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Line No.		Actual at End of <u>Test Year</u>	Proforma Adjustments <u>Label</u>	<u>Amount</u>	Adjusted at end of <u>Test Year</u>
1	Gross Utility				
2	Plant in Service	\$ 61,778,883	(1)	640,368	\$ 58,322,512
3			(2)	559,081	
4	Less:		(6)	-	
5			(7)	73,137	
6	Accumulated		(8)	(4,728,957)	
7	Depreciation	<u>5,166,781</u>	(3)	717,750	<u>5,658,666</u>
8			(8)	(225,866)	
9	Net Utility Plant				
10	in Service	\$ 56,612,101			\$ 52,663,846
11					
12	Less:				
13	Advances in Aid of				
14	Construction (Ratemaking Purposes Only)	37,830,187	(4a)	(4,993,098)	31,366,601
15			(5a)	(1,470,489)	
16	Contributions in Aid of				
17	Construction - Net (Ratemaking	790,721	(4b)	(877)	2,260,332
18	Purposes Only)		(5b)	1,470,489	
19	Customer Meter Deposits	17,289			17,289
20	Deferred Income Taxes	-			-
21	Investment Tax Credits	-			-
22	Plus:				
23	Unamortized Finance				
24	Charges	-			-
25	Deferred Tax Assets	-			-
26	Working capital	-			-
27	Citizens Acquisition Adjustment	-			-
28					
29	Total	<u>\$ 17,973,904</u>			<u>\$ 19,019,624</u>

- 32 (1) Additional Plant at Closing
- 33 (2) Plant to be completed by 12/31/2002.
- 34 (3) Additional Accumulated Depreciation at Closing
- 35 (4) Increase (decrease) AIAC (4a) and CIAC (4b) to Amount at Closing
- 36 (5) Adjust AIAC (5a) and CIAC (5b) for Ratemaking Purposes
- 37 (6) Intentionally Left Blank

39 SUPPORTING SCHEDULES:
 40 B-4

RECAP SCHEDULES:
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Arizona American - Agua Fria
Plant Summary with Common Plant Allocation
at December 31, 2001

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Line No.	Account No.	Description	Original Cost	Accumulated Depreciation
1		Intangible		
2	301.00	Organization	\$ 1,229	\$ -
3	302.00	Franchises	78,887	-
4	303.00	Miscellaneous Intangibles	115,264	-
5		Subtotal Intangible	\$ 195,380	\$ -
6				
7		Source of Supply		
8	310.00	Land and Land Rights	\$ 217,682	\$ -
9	311.00	Structures and Improvements	1,144,167	43,705
10	312.00	Collecting and Impounding Res.	-	-
11	313.00	Lakes, Rivers, Other Intakes	-	-
12	314.00	Wells and Springs	3,438,215	284,050
13		Subtotal Source of Supply	\$ 4,800,065	\$ 327,755
14				
15		Pumping		
16	320.00	Land and Land Rights	\$ 47,681	\$ -
17	321.00	Structures and Improvements	1,246,735	43,850
18	323.00	Other Power Production	-	-
19	325.00	Electric Pumping Equipment	14,495,886	1,663,002
20	326.00	Diesel Pumping Equipment	25,799	18,816
21	328.10	Gas Engine Pumping Equipment	697	292
22		Subtotal Pumping	\$ 15,816,798	\$ 1,725,960
23				
24		Water Treatment		
25	330.00	Land and Land Rights	\$ -	\$ -
26	331.00	Structures and Improvements	39,917	-
27	332.00	Water Treatment Equipment	377,497	44,052
28		Subtotal Water Treatment	\$ 417,414	\$ 44,052
29				
30		Transmission and Distribution		
31	340.00	Land and Land Rights	\$ 225	\$ -
32	341.00	Structures and Improvements	-	-
33	342.00	Distribution, Reservoirs, & ST	2,861,570	(3,199)
34	343.00	Transmission and Distribution	21,390,029	1,577,034
35	344.00	Fire Mains	-	-
36	345.00	Services	2,694,166	258,328
37	346.00	Meters	1,744,305	126,715
38	348.00	Hydrants	2,799,956	213,717
39	349.00	Other Transmission & Distribution	-	-
40		Subtotal Transmission and Distribution	\$ 31,490,251	\$ 2,172,595
41				
42		ALLOCATED COMMON PLANT	\$ 1,273,919	\$ 255,243
43				
44				
45				
46		ADFUC adjustment 3/95 - Agua Fria	(217,801)	(52,460)
47		TOTAL WATER PLANT	\$ 53,776,026	\$ 4,473,146

50 SUPPORTING SCHEDULES

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52 B-2, Page 5

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Arizona American - Agua Fria
 RCND Plant Summary with Common Plant Allocation
 at December 31, 2001

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Line No.	Account No.	Description	Trended Reproduction Cost New	Accumulated Depreciation
1		Intangible		
2	301.00	Organization	\$ 3,247	\$ -
3	302.00	Franchises	137,066	-
4	303.00	Miscellaneous Intangibles	127,581	-
5		Subtotal Intangible	<u>\$ 267,894</u>	<u>\$ -</u>
6				
7		Source of Supply		
8	310.00	Land and Land Rights	\$ 278,216	\$ -
9	311.00	Structures and Improvements	1,251,140	47,791
10	312.00	Collecting and Impounding Res.	-	-
11	313.00	Lakes, Rivers, Other Intakes	-	-
12	314.00	Wells and Springs	3,823,335	315,867
13		Subtotal Source of Supply	<u>\$ 5,352,691</u>	<u>\$ 363,659</u>
14				
15		Pumping		
16	320.00	Land and Land Rights	\$ 55,756	\$ -
17	321.00	Structures and Improvements	1,373,902	48,322
18	323.00	Other Power Production	-	-
19	325.00	Electric Pumping Equipment	16,152,870	1,853,095
20	326.00	Diesel Pumping Equipment	39,034	28,468
21	328.10	Gas Engine Pumping Equipment	913	383
22		Subtotal Pumping	<u>\$ 17,622,475</u>	<u>\$ 1,930,269</u>
23				
24		Water Treatment		
25	330.00	Land and Land Rights	\$ -	\$ -
26	331.00	Structures and Improvements	51,378	-
27	332.00	Water Treatment Equipment	425,278	49,627
28		Subtotal Water Treatment	<u>\$ 476,656</u>	<u>\$ 49,627</u>
29				
30		Transmission and Distribution		
31	340.00	Land and Land Rights	387	-
32	341.00	Structures and Improvements	-	-
33	342.00	Distribution, Reservoirs, & ST	3,117,675	(3,486)
34	343.00	Transmission and Distribution	25,274,148	1,863,400
35	344.00	Fire Mains	-	-
36	345.00	Services	3,164,188	303,396
37	346.00	Meters	1,946,770	141,423
38	348.00	Hydrants	3,229,305	246,488
39	349.00	Other Transmission & Distribution	-	-
40		Subtotal Transmission and Distribution	<u>\$ 36,732,473</u>	<u>\$ 2,551,222</u>
41				
42		ALLOCATED COMMON PLANT	<u>\$ 1,589,383</u>	<u>\$ 335,276</u>
43				
44				
45				
46		ADEUC adjustment 3/95 - Agua Fria	(262,690)	(63,271)
47		TOTAL WATER PLANT	<u>\$ 61,778,883</u>	<u>\$ 5,166,781</u>

SUPPORTING SCHEDULES

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Arizona American - Agua Fria
RCND Plant Summary
at December 31, 2002

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Line No.	Account No.	Description	Trended Reproduction Cost New	Accumulated Depreciation
1		Intangible		
2	301.00	Organization	\$ 3,247	\$ -
3	302.00	Franchises	137,066	-
4	303.00	Miscellaneous Intangibles	127,581	-
5		Subtotal Intangible	\$ 267,894	\$ -
6				
7		Source of Supply		
8	310.00	Land and Land Rights	\$ 278,216	\$ -
9	311.00	Structures and Improvements	1,251,140	47,791
10	312.00	Collecting and Impounding Res.	-	-
11	313.00	Lakes, Rivers, Other Intakes	-	-
12	314.00	Wells and Springs	3,823,335	315,867
13		Subtotal Source of Supply	\$ 5,352,691	\$ 363,659
14				
15		Pumping		
16	320.00	Land and Land Rights	\$ 55,756	\$ -
17	321.00	Structures and Improvements	1,373,902	48,322
18	323.00	Other Power Production	-	-
19	325.00	Electric Pumping Equipment	16,152,870	1,853,095
20	326.00	Diesel Pumping Equipment	39,034	28,468
21	328.10	Gas Engine Pumping Equipment	913	383
22		Subtotal Pumping	\$ 17,622,475	\$ 1,930,269
23				
24		Water Treatment		
25	330.00	Land and Land Rights	\$ -	\$ -
26	331.00	Structures and Improvements	51,378	-
27	332.00	Water Treatment Equipment	425,278	49,627
28		Subtotal Water Treatment	\$ 476,656	\$ 49,627
29				
30		Transmission and Distribution		
31	340.00	Land and Land Rights	\$ 387	\$ -
32	341.00	Structures and Improvements	-	-
33	342.00	Distribution, Reservoirs, & ST	3,117,675	(3,486)
34	343.00	Transmission and Distribution	25,274,148	1,863,400
35	344.00	Fire Mains	-	-
36	345.00	Services	3,164,188	303,396
37	346.00	Meters	1,946,770	141,423
38	348.00	Hydrants	3,229,305	246,488
39	349.00	Other Transmission & Distribution	-	-
40		Subtotal Transmission and Distribution	\$ 36,732,473	\$ 2,551,222
41				
42		General		
43	389.00	Land and Land Rights	\$ -	\$ -
44	390.00	Structures and Improvements	112,646	9,153
45	391.00	Office Furniture and Equipment	97,546	13,258
46	391.10	Computer Equipment	66,019	5,648
47	392.00	Transportation Equipment	313,808	216,633
48	393.00	Stores Equipment	-	-
49	394.00	Tools, Shop and Garage	4,299	869
50	395.00	Laboratory Equipment	-	-
51	396.00	Power Operated Equipment	-	-
52	397.00	Communication Equipment	5,299	5,390
53	398.00	Miscellaneous Equipment	73,031	25,582
54		Subtotal General	\$ 672,648	\$ 276,532
55				
56				
57				
58		AFUDC adjustment 3/95	(262,690)	(63,271)
59		TOTAL WATER PLANT	\$ 60,862,148	\$ 5,108,038
60				
61				
62		* AFUDC Accumulated Depreciation		
63		AFUDC Adjustment	\$ 217,801	
64		Years	6.75	
65		Composite Rate	2.24%	
66		Total	\$	32,932
67		Plus A/D @ 3/95 per Staff		19,528
68		Total A/D at 12/2001		\$ 52,460
69		Trended Cost (Trend Factor from 1995)	1.2061	\$ 63,271
70		Plant		
71		Trended Cost (Trend Factor from 1995)	1.2061	\$ 262,690

SUPPORTING SCHEDULES

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Arizona American - Anthem Water
 Test Year Ending December 31, 2001
 Construction Expenditures
 and Gross Utility Plant in Service

Exhibit
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<u>Line No.</u>	<u>Construction Expenditures</u>	<u>Net Plant Placed in Service</u>	<u>Gross Utility Plant in Service</u> (a)
1			
2			
3			
4	Prior Year Ended 12/31/1999	9,358,477	32,815,433
5			
6	Prior Year Ended 12/31/2000	9,875,853	(3,187,534)
7			
8	Test Year Ended 12/31/2001	5,946,629	11,567,919
9			
10	Projected Year Ended 12/31/2002	9,917,159	9,917,159
11			
12	(a) Unadjusted		
13			
14			
15	<u>SUPPORTING SCHEDULES:</u>		
16	B-2		
17	E-5		
18	F-3		
19			
20			
21			
22			
23			
24			
25			
26			
27			

Arizona American - Anthem Water
 Test Year Ending December 31, 2001
 Original Cost Rate Base Proforma Adjustments

Exhibit
 Schedule B-2
 Page 1
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Line No.		Actual at End of <u>Test Year</u>	Proforma Adjustments <u>Label</u>	<u>Amount</u>	Adjusted at end of <u>Test Year</u>
1	Gross Utility				
2	Plant in Service	\$ 41,215,200	(1)	-	\$ 41,428,652
3			(2)	182,500	
4	Less:		(6)	-	
5			(8)	30,952	
6	Accumulated				
7	Depreciation	<u>1,651,294</u>	(3)	436,625	<u>2,087,920</u>
8					
9	Net Utility Plant				
10	in Service	\$ 39,563,906			\$ 39,340,732
11					
12	Less:				
13	Advances in Aid of				
14	Construction (Ratemaking Purposes Only)	24,209,071	(4a)	5,959,996	29,093,642
15			(5a)	(1,075,425)	
16	Contributions in Aid of				
17	Construction - Net (Ratemaking	-	(4b)	-	1,075,425
18	Purposes Only)		(5b)	1,075,425	
19	Customer Meter Deposits	3,296			3,296
20	Deferred Income Taxes	-			-
21	Investment Tax Credits	-			-
22	Plus:				
23	Unamortized Finance				
24	Charges	-			-
25	Deferred Tax Assets	-			-
26	Working capital	-			-
27	Citizens Acquisition Adjustment	-	(7)	11,045,860	11,045,860
28					
29	Total	<u>\$ 15,351,539</u>			<u>\$ 20,214,229</u>

- 32 (1) Additional Plant at Closing
- 33 (2) Plant to be completed by 12/31/2002.
- 34 (3) Additional Accumulated Depreciation at Closing
- 35 (4) Increase (decrease) AIAC (4a) and CIAC (4b) to Amount at Closing
- 36 (5) Adjust AIAC (5a) and CIAC (5b) for Ratemaking Purposes
- 37 (6) Intentionally Left Blank
- 38 (7) Acquisition Adjustment Premium
- 39 (8) Orcom Costs

41 SUPPORTING SCHEDULES:
 42 B-2
 43 E-1

RECAP SCHEDULES:
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Arizona American - Anthem Water
 Test Year Ending December 31, 2001
 RCND Rate Base Proforma Adjustments

Exhibit
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Line No.		Actual at End of <u>Test Year</u>	Proforma Adjustments <u>Label</u>	<u>Amount</u>	Adjusted at end of <u>Test Year</u>
1	Gross Utility				
2	Plant in Service	\$ 44,205,297	(1)	-	\$ 44,418,748
3			(2)	182,500	
4	Less:		(6)	-	
5			(7)	30,952	
6	Accumulated				
7	Depreciation	<u>1,795,212</u>	(3)	436,625	<u>2,231,837</u>
8					
9	Net Utility Plant				
10	in Service	\$ 42,410,085			\$ 42,186,911
11					
12	Less:				
13	Advances in Aid of				
14	Construction (Ratemaking Purposes Only)	25,956,351	(4a)	6,390,156	31,193,464
15			(5a)	(1,153,043)	
16	Contributions in Aid of				
17	Construction - Net (Ratemaking	-	(4b)	-	1,153,043
18	Purposes Only)		(5b)	1,153,043	
19	Customer Meter Deposits	3,296			3,296
20	Deferred Income Taxes	-			-
21	Investment Tax Credits	-			-
22	Plus:				
23	Unamortized Finance				
24	Charges	-			-
25	Deferred Tax Assets	-			-
26	Working capital	-			-
27					
28					
29	Total	<u>\$ 16,450,438</u>			<u>\$ 9,837,108</u>
30					
31					
32	(1) Additional Plant at Closing				
33	(2) Plant to be completed by 12/31/2002.				
34	(3) Additional Accumulated Depreciation at Closing				
35	(4) Increase (decrease) AIAC (4a) and CIAC (4b) to Amount at Closing (Trended)				
36	(5) Adjust AIAC (5a) and CIAC (5b) for Ratemaking Purposes				
37	(6) Intentionally Left Blank				
38	(7) Orcom Costs				
39					
40	<u>SUPPORTING SCHEDULES:</u>				<u>RECAP SCHEDULES:</u>
41	B-4				B-1
42					

Arizona American - Anthem/Agua Fria Wastewater
 Test Year Ended December 31, 2001
 Construction Expenditures
 and Gross Utility Plant in Service

Exhibit
 Schedule A-4
 Page 1
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Line No.	Construction Expenditures	Net Plant Placed in Service	Gross Utility Plant in Service (a)
1			
2	Prior Year Ended 12/31/1998	-	-
3			
4	Prior Year Ended 12/31/1999	3,307,782	9,862,958
5			
6	Prior Year Ended 12/31/2000	5,216,327	781,468
7			10,644,426
8	Test Year Ended 12/31/2001	9,795,399	12,702,974
9			23,347,400
10	Projected Year Ended 12/31/2002	9,714,220	9,714,220
11			33,061,619
12	<u>(a) Unadjusted</u>		
13			
14			
15	<u>SUPPORTING SCHEDULES:</u>		
16	B-2		
17	E-5		
18	F-3		

Arizona American - Anthem/Agua Fria Wastewater
 Test Year Ended December 31, 2001
 Original Cost Rate Base Proforma Adjustments

Exhibit
 Schedule B-2
 Page 1
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Line No.		Actual at End of Test Year	Proforma Adjustments Label	Amount	Adjusted at end of Test Year
1	Gross Utility				
2	Plant in Service	\$ 22,891,302	(1)	88,103	\$ 23,053,411
3			(2)	43,054	
4	Less:		(6)	-	
5			(8)	30,952	
6	Accumulated				
7	Depreciation	<u>789,221</u>	(3)	-	<u>789,221</u>
8					
9	Net Utility Plant				
10	in Service	\$ 22,102,081			\$ 22,264,190
11					
12	Less:				
13	Advances in Aid of				
14	Construction (Ratemaking Purposes Only)	5,181,331	(4a)	14,335,963	19,045,098
15			(5a)	(472,196)	
16	Contributions in Aid of				
17	Construction - Net (Ratemaking	-	(4b)	-	472,196
18	Purposes Only)		(5b)	472,196	
19	Customer Meter Deposits	-			-
20	Deferred Income Taxes	-			-
21	Investment Tax Credits	-			-
22	Plus:				
23	Deferred Finance				
24	Charges	-			-
25	Deferred Tax Assets	-			-
26	Working capital	-			-
27	Citizens Acquisition Adjustment	-	(7)	6,134,972	6,134,972
28					
29	Total	<u>\$ 16,920,750</u>			<u>\$ 8,881,868</u>

- 32 (1) Additional Plant at Closing
- 33 (2) Plant to be completed by 12/31/2002.
- 34 (3) Additional Accumulated Depreciation at Closing
- 35 (4) Increase (decrease) AIAC (4a) and CIAC (4b) to Amount at Closing
- 36 (5) Adjust AIAC (5a) and CIAC (5b) for Ratemaking Purposes
- 37 (6) Intentionally Left Blank
- 38 (7) Acquisition Adjustment Premium
- 39 (8) Orcom Costs

40
 41 SUPPORTING SCHEDULES:
 42 B-2
 43 E-1
 44
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RECAP SCHEDULES:
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Arizona American - Anthem/Agua Fria Wastewater
 Test Year Ended December 31, 2001
 RCND Rate Base Proforma Adjustments

Exhibit
 Schedule B-3
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Line No.		Actual at End of Test Year	Proforma Adjustments Label	Amount	Adjusted at end of Test Year
1	Gross Utility				
2	Plant in Service	\$ 23,944,809	(1)	88,103	\$ 24,106,918
3			(2)	43,054	
4	Less:		(6)	-	
5			(7)	30,952	
6	Accumulated				
7	Depreciation	<u>843,970</u>	(3)	-	<u>843,970</u>
8					
9	Net Utility Plant				
10	in Service	\$ 23,100,839			\$ 23,262,948
11					
12	Less:				
13	Advances in Aid of				
14	Construction (Ratemaking Purposes Only)	5,418,110	(4a)	14,991,096	19,937,010
15			(5a)	(472,196)	
16	Contributions in Aid of				
17	Construction - Net (Ratemaking	-	(4b)	-	472,196
18	Purposes Only)		(5b)	472,196	
19	Customer Meter Deposits	-			-
20	Deferred Income Taxes	-			-
21	Investment Tax Credits	-			-
22	Plus:				
23	Deferred Finance				
24	Charges	-			-
25	Deferred Tax Assets	-			-
26	Working capital	-			-
27	Citizens Acquisition Adjustment	-			-
28					
29	Total	<u>\$ 17,682,728</u>			<u>\$ 2,853,742</u>

- 32 (1) Additional Plant at Closing
- 33 (2) Plant to be completed by 12/31/2002.
- 34 (3) Additional Accumulated Depreciation at Closing
- 35 (4) Increase (decrease) AIAC (4a) and CIAC (4b) to Amount at Closing (Trended)
- 36 (5) Adjust AIAC (5a) and CIAC (5b) for Ratemaking Purposes
- 37 (6) Intentionally Left Blank
- 38 (7) Orcom Costs

40 SUPPORTING SCHEDULES:
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RECAP SCHEDULES:
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Arizona American - Anthem/Agua Fria Wastewater
 Test Year Ended December 31, 2001
 Detail of Plant in Service

Exhibit
 Schedule E-5
 Page 1
 Witness: Bourassa

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Line No.	Acct. No.	Plant Description	Plant Balance at 12/31/00	Plant Additions, Reclassifications or Retirements	Plant Balance at 12/31/01
1		Intangible			
2	301.00	Organization	\$ -	\$ -	\$ -
3	302.00	Franchises	361,699	(113,020)	248,678
4	303.00	Miscellaneous Intangibles	-	-	-
5		Subtotal Intangible	\$ 361,699	\$ (113,020)	\$ 248,678
6					
7		Treatment & Discharge			
8	310.00	Land and Land Rights	\$ -	\$ 336,560	\$ 336,560
9	311.00	Structures and Improvements	-	-	-
10	312.00	Preliminary Treatment	-	800,483	800,483
11	313.00	Primary Treatment Equipment	-	-	-
12	314.00	Secondary Treatment Equipment	423,421	1,620,486	2,043,907
13	315.00	Tertiary Equipment	3,852,851	3,048,851	6,901,702
14	316.00	Disinfection Equipment	33,565	838,651	872,216
15	317.00	Effluent Lift Station E	-	808,883	808,883
16	318.00	Outfall Line	-	-	-
17	319.00	Sludge, Treatment & Distribution	142,373	1,666,144	1,808,517
18	321.00	Influent Lift Station	-	-	-
19	322.00	General Treatment Equipment	53,108	30,000	83,108
20		Subtotal Treatment & Discharge	\$ 4,505,318	\$ 9,150,058	\$ 13,655,376
21					
22		Collection and Influent			
23	340.00	Land and Land Rights	\$ -	\$ -	\$ -
24	341.00	Structures and Improvements	-	-	-
25	342.00	Collection System Lift	104,107	35,941	140,048
26	343.00	Collection Mains	3,209,091	2,641,084	5,850,175
27	344.00	Force Mains	-	1,918	1,918
28	345.00	Discharge Services	764,797	406,140	1,170,937
29	348.00	Manholes	1,006,296	568,655	1,574,950
30		Subtotal Collection and Influent	\$ 5,084,292	\$ 3,653,736	\$ 8,738,028
31					
32		General			
33	389.00	Land and Land Rights	\$ -	\$ -	\$ -
34	390.00	Structures and Improvements	627,475	10,000	637,475
35	391.00	Office Furniture and Equipment	31,682	-	31,682
36	391.10	Computer Equipment	-	-	-
37	392.00	Transportation Equipment	-	-	-
38	393.00	Stores Equipment	-	-	-
39	394.00	Tools, Shop and Garage	-	-	-
40	395.00	Laboratory Equipment	33,960	2,200	36,160
41	396.00	Power Operated Equipment	-	-	-
42	397.00	Communication Equipment	-	-	-
43	398.00	Miscellaneous Equipment	-	-	-
44		Subtotal General	\$ 693,117	\$ 12,200	\$ 705,317
45					
46					
47					
48		TOTAL WASTEWATER PLANT	\$ 10,644,426	\$ 12,702,974	\$ 23,347,400

SUPPORTING SCHEDULES

RECAP SCHEDULES:

A-4
 E-1

51
 52
 53
 54
 55

Arizona American
 Schedule E-1 To Schedule B2, page 1, Plant Reconciliation

	<u>Mohave</u>	<u>Havasu</u>	<u>Aqua Fria (*)</u>	<u>Anthem Water</u>	<u>Anthem Sewer (*)</u>	<u>Sun City Water (*)</u>	<u>Sun City Sewer</u>	<u>SC West Water</u>	<u>SC West Sewer</u>
Plant Balance E-1	\$ 22,821,782	\$ 1,989,979	\$ 53,321,381	\$ 4,195,817	\$ 23,347,399	\$ 39,364,286	\$ 17,887,373	\$ 29,950,787	\$ 39,775,541
Less Plant Adjustments (B-2, p2)	-	-	217,801	-	-	450,822	93,075	431,998	242,717
AFUDC	-	-	-	-	-	148,497	96,727	-	-
Plant	-	-	-	-	-	4,572,145	125,064	580,556	2,180,953
Less General Plant B-2, p5	1,330,518	153,858	601,473	300,860	705,317	2,174,303	2,071,343	1,528,371	1,458,580
Plus Common Plant Alloc B-2, p2	1,351,379	116,468	1,273,919	320,243	249,219	2,174,303	2,071,343	1,528,371	1,458,580
Calculated Plant B-2, p1	\$ 22,842,643	\$ 1,952,589	\$ 53,776,026	\$ 4,215,200	\$ 22,891,301	\$ 36,367,125	\$ 19,643,850	\$ 30,464,604	\$ 38,810,451
Plant B-2, p1	22,842,642	1,952,588	53,776,026	4,215,200	22,891,302	36,367,124	19,643,850	30,464,605	38,810,451
Diff	1	1	-	-	(1)	1	-	(1)	-

(*) Corrected E-5
 (***) Corrected B-2, p2

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4 Attorneys for Arizona-American
Water Company, Inc.

5
6
7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 IN THE MATTER OF THE
APPLICATION OF ARIZONA-
9 AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A
10 DETERMINATION OF THE
CURRENT FAIR VALUE OF ITS
11 UTILITY PLANT AND PROPERTY
AND FOR INCREASES IN ITS RATES
12 AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS
13 ANTHEM WATER, AGUA FRIA
WATER AND ANTHEM/AGUA FRIA
14 WASTEWATER DISTRICTS.

DOCKET NO. WS-01303A-02-0870

15
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17
18
19 **SUPPLEMENT TO DIRECT TESTIMONY OF**
20 **RONALD KOZOMAN, CPA**

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Page

I. INTRODUCTION..... 1
II. CAUSE OF INSUFFICIENCY: ITEM NUMBER 6..... 1

1374588.1

1 **I. INTRODUCTION**

2 **Q. WHAT IS THE PURPOSE OF THIS SUPPLEMENT TO YOUR DIRECT**
3 **TESTIMONY?**

4 A. The purpose of this supplemental testimony is to respond to Staff's List of Items
5 Causing the Filing to be Insufficient dated December 23, 2002 ("Staff
6 Insufficiency Finding"). In addition, the Company is concurrently filing
7 supplements to the direct testimony of David P. Stephenson and Thomas Bourassa
8 in response to the Staff Insufficiency Finding.

9 **Q. HOW WILL YOUR SUPPLEMENTAL TESTIMONY BE ORGANIZED?**

10 A. Specifically, in this testimony, I address only one of Staff's expressed reasons for
11 insufficiency—its finding that Schedule H-4 for the Agua Fria water district fails
12 to identify present and proposed rates on certain pages.

13 **Q. HAVE YOU MADE ANY CHANGES AS A RESULT OF STAFF'S**
14 **FINDINGS?**

15 A. Yes, and where appropriate revised schedules are attached hereto at Tab A. I wish
16 to point out, however, that none of the changes effect the plant in service, rate
17 base, and/or the revenue requirement in this case.

18 **II. CAUSE OF INSUFFICIENCY: AGUA FRIA WATER DISTRICT ITEM**
19 **NUMBER 6**

20 **Q. STAFF CLAIMS THAT CERTAIN "H" SCHEDULES FOR THE AGUA**
21 **FRIA WATER DISTRICT ARE MISSING PRESENT AND PROPOSED**
22 **RATES. WHAT HAS THE COMPANY DONE TO RESPOND TO THIS**
23 **FINDING?**

24 A. For the Agua Fria water district Staff found that Schedule H-4, pages 8, 9, 10, 11,
25 13 and 17 failed to include the present and proposed rates. Schedules correcting
26 this are attached hereto.

1 Q. DO ANY OF YOUR CHANGES AFFECT THE PRESENT OR PROPOSED
2 RATES/REVENUES AS REFLECTED ON THE COMPANY'S
3 SCHEDULES H-1 AND H-2?

4 A. No.

5 Q. DOES THAT CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?

6 A. Yes.

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A

Arizona American - Agua Fria
 Bill Comparison
 Customer Classification

AWCL 34 Inch

Exhibit
 Schedule H-4
 Page 8
 Witness: Kozoman
REVISED

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 15.00	\$ 16.14	\$ 1.14	7.60%
1,000	16.78	18.05	\$ 1.27	7.57%
2,000	18.56	19.96	\$ 1.40	7.54%
3,000	20.34	21.87	\$ 1.53	7.52%
4,000	22.12	23.78	\$ 1.66	7.50%
5,000	23.90	25.69	\$ 1.79	7.49%
6,000	25.68	27.60	\$ 1.92	7.48%
7,000	27.46	29.51	\$ 2.05	7.47%
8,000	29.24	31.42	\$ 2.18	7.46%
9,000	31.48	33.83	\$ 2.35	7.47%
10,000	33.72	36.24	\$ 2.52	7.47%
11,000	35.96	38.65	\$ 2.69	7.48%
12,000	38.20	41.06	\$ 2.86	7.49%
13,000	40.44	43.47	\$ 3.03	7.49%
14,000	42.68	45.88	\$ 3.20	7.50%
15,000	44.92	48.29	\$ 3.37	7.50%
16,000	47.16	50.70	\$ 3.54	7.51%
17,000	49.40	53.11	\$ 3.71	7.51%
18,000	51.64	55.52	\$ 3.88	7.51%
19,000	53.88	57.93	\$ 4.05	7.52%
20,000	56.12	60.34	\$ 4.22	7.52%
21,000	58.36	62.75	\$ 4.39	7.52%
22,000	60.60	65.16	\$ 4.56	7.52%
23,000	62.84	67.57	\$ 4.73	7.53%
24,000	65.08	69.98	\$ 4.90	7.53%
25,000	67.32	72.39	\$ 5.07	7.53%
26,000	69.56	74.80	\$ 5.24	7.53%
27,000	71.80	77.21	\$ 5.41	7.53%
28,000	74.04	79.62	\$ 5.58	7.54%
29,000	76.28	82.03	\$ 5.75	7.54%
30,000	78.52	84.44	\$ 5.92	7.54%
31,000	80.76	86.85	\$ 6.09	7.54%
32,000	83.00	89.26	\$ 6.26	7.54%
33,000	85.24	91.67	\$ 6.43	7.54%
34,000	87.48	94.08	\$ 6.60	7.54%
Average Usage				
14,989	\$ 44.90	\$ 48.26	\$ 3.37	7.50%
Median Usage				
2,000	\$ 18.56	\$ 19.96	\$ 1.40	7.54%

Present Rates:

Monthly Minimum:	\$ 15.00
Gallons in Minimum	-
Charge Per 1,000 Gallons	
Up to 8,000	\$ 1.78
Up to 99,999,998	\$ 2.24
Over 99,999,999	\$ 2.24

Proposed Rates:

Monthly Minimum:	\$ 16.14
Gallons in Minimum	-
Charge Per 1,000 Gallons	
Up to 8,000	\$ 1.91
Up to 99,999,999	\$ 2.41
Over 100,000,000	\$ 2.41

Arizona American - Agua Fria
 Bill Comparison
 Customer Classification

AWCL 1 Inch

Exhibit
 Schedule H-4
 Page 9
 Witness: Kozoman
REVISED

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 25.00	\$ 26.90	\$ 1.90	7.60%
1,000	26.78	28.81	\$ 2.03	7.58%
2,000	28.56	30.72	\$ 2.16	7.56%
3,000	30.34	32.63	\$ 2.29	7.55%
4,000	32.12	34.54	\$ 2.42	7.53%
5,000	33.90	36.45	\$ 2.55	7.52%
6,000	35.68	38.36	\$ 2.68	7.51%
7,000	37.46	40.27	\$ 2.81	7.50%
8,000	39.24	42.18	\$ 2.94	7.49%
9,000	41.48	44.59	\$ 3.11	7.50%
10,000	43.72	47.00	\$ 3.28	7.50%
11,000	45.96	49.41	\$ 3.45	7.51%
12,000	48.20	51.82	\$ 3.62	7.51%
13,000	50.44	54.23	\$ 3.79	7.51%
14,000	52.68	56.64	\$ 3.96	7.52%
15,000	54.92	59.05	\$ 4.13	7.52%
16,000	57.16	61.46	\$ 4.30	7.52%
17,000	59.40	63.87	\$ 4.47	7.53%
18,000	61.64	66.28	\$ 4.64	7.53%
19,000	63.88	68.69	\$ 4.81	7.53%
20,000	66.12	71.10	\$ 4.98	7.53%
21,000	68.36	73.51	\$ 5.15	7.53%
22,000	70.60	75.92	\$ 5.32	7.54%
23,000	72.84	78.33	\$ 5.49	7.54%
24,000	75.08	80.74	\$ 5.66	7.54%
25,000	77.32	83.15	\$ 5.83	7.54%
26,000	79.56	85.56	\$ 6.00	7.54%
27,000	81.80	87.97	\$ 6.17	7.54%
28,000	84.04	90.38	\$ 6.34	7.54%
29,000	86.28	92.79	\$ 6.51	7.55%
30,000	88.52	95.20	\$ 6.68	7.55%
31,000	90.76	97.61	\$ 6.85	7.55%
32,000	93.00	100.02	\$ 7.02	7.55%
33,000	95.24	102.43	\$ 7.19	7.55%
Average Usage				
22,823	\$ 72.44	\$ 77.90	\$ 5.46	7.54%
Median Usage				
9,000	\$ 41.48	\$ 44.59	\$ 3.11	7.50%

Present Rates:

Monthly Minimum:	\$ 25.00
Gallons in Minimum	-
Charge Per 1,000 Gallons	
Up to 8,000	\$ 1.78
Up to 99,999,998	\$ 2.24
Over 99,999,999	\$ 2.24

Proposed Rates:

Monthly Minimum:	\$ 26.90
Gallons in Minimum	-
Charge Per 1,000 Gallons	
Up to 8,000	\$ 1.91
Up to 99,999,999	\$ 2.41
Over 100,000,000	\$ 2.41

Arizona American - Agua Fria
 Bill Comparison
 Customer Classification

AWCL 1.5 Inch

Exhibit
 Schedule H-4
 Page 10
 Witness: Kozoman
REVISED

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 53.00	\$ 57.02	\$ 4.02	7.58%
1,000	54.78	58.93	\$ 4.15	7.58%
2,000	56.56	60.84	\$ 4.28	7.57%
3,000	58.34	62.75	\$ 4.41	7.56%
4,000	60.12	64.66	\$ 4.54	7.55%
5,000	61.90	66.57	\$ 4.67	7.54%
6,000	63.68	68.48	\$ 4.80	7.54%
7,000	65.46	70.39	\$ 4.93	7.53%
8,000	67.24	72.30	\$ 5.06	7.53%
9,000	69.48	74.71	\$ 5.23	7.53%
10,000	71.72	77.12	\$ 5.40	7.53%
11,000	73.96	79.53	\$ 5.57	7.53%
12,000	76.20	81.94	\$ 5.74	7.53%
13,000	78.44	84.35	\$ 5.91	7.53%
14,000	80.68	86.76	\$ 6.08	7.54%
15,000	82.92	89.17	\$ 6.25	7.54%
16,000	85.16	91.58	\$ 6.42	7.54%
17,000	87.40	93.99	\$ 6.59	7.54%
18,000	89.64	96.40	\$ 6.76	7.54%
19,000	91.88	98.81	\$ 6.93	7.54%
20,000	94.12	101.22	\$ 7.10	7.54%
21,000	96.36	103.63	\$ 7.27	7.54%
22,000	98.60	106.04	\$ 7.44	7.55%
23,000	100.84	108.45	\$ 7.61	7.55%
24,000	103.08	110.86	\$ 7.78	7.55%
25,000	105.32	113.27	\$ 7.95	7.55%
26,000	107.56	115.68	\$ 8.12	7.55%
27,000	109.80	118.09	\$ 8.29	7.55%
28,000	112.04	120.50	\$ 8.46	7.55%
29,000	114.28	122.91	\$ 8.63	7.55%
30,000	116.52	125.32	\$ 8.80	7.55%
31,000	118.76	127.73	\$ 8.97	7.55%
32,000	121.00	130.14	\$ 9.14	7.55%
33,000	123.24	132.55	\$ 9.31	7.55%
34,000	125.48	134.96	\$ 9.48	7.55%
35,000	127.72	137.37	\$ 9.65	7.56%
36,000	129.96	139.78	\$ 9.82	7.56%
37,000	132.20	142.19	\$ 9.99	7.56%
38,000	134.44	144.60	\$ 10.16	7.56%
39,000	136.68	147.01	\$ 10.33	7.56%
40,000	138.92	149.42	\$ 10.50	7.56%
41,000	141.16	151.83	\$ 10.67	7.56%
Average Usage				
89,393	\$ 249.56	\$ 268.46	\$ 18.90	7.57%
Median Usage				
62,000	\$ 188.20	\$ 202.44	\$ 14.24	7.57%

Present Rates:

Monthly Minimum:	\$ 53.00
Gallons in Minimum	-
Charge Per 1,000 Gallons	
Up to 8,000	\$ 1.78
Up to 99,999,998	\$ 2.24
Over 99,999,999	\$ 2.24

Proposed Rates:

Monthly Minimum:	\$ 57.02
Gallons in Minimum	-
Charge Per 1,000 Gallons	
Up to 8,000	\$ 1.91
Up to 99,999,999	\$ 2.41
Over 100,000,000	\$ 2.41

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 80.00	\$ 86.07	\$ 6.07	7.59%
1,000	81.78	87.98	\$ 6.20	7.58%
2,000	83.56	89.89	\$ 6.33	7.58%
3,000	85.34	91.80	\$ 6.46	7.57%
4,000	87.12	93.71	\$ 6.59	7.56%
5,000	88.90	95.62	\$ 6.72	7.56%
6,000	90.68	97.53	\$ 6.85	7.55%
7,000	92.46	99.44	\$ 6.98	7.55%
8,000	94.24	101.35	\$ 7.11	7.54%
9,000	96.48	103.76	\$ 7.28	7.55%
10,000	98.72	106.17	\$ 7.45	7.55%
11,000	100.96	108.58	\$ 7.62	7.55%
12,000	103.20	110.99	\$ 7.79	7.55%
13,000	105.44	113.40	\$ 7.96	7.55%
14,000	107.68	115.81	\$ 8.13	7.55%
15,000	109.92	118.22	\$ 8.30	7.55%
16,000	112.16	120.63	\$ 8.47	7.55%
17,000	114.40	123.04	\$ 8.64	7.55%
18,000	116.64	125.45	\$ 8.81	7.55%
19,000	118.88	127.86	\$ 8.98	7.55%
20,000	121.12	130.27	\$ 9.15	7.55%
60,000	210.72	226.67	\$ 15.95	7.57%
61,000	212.96	229.08	\$ 16.12	7.57%
62,000	215.20	231.49	\$ 16.29	7.57%
63,000	217.44	233.90	\$ 16.46	7.57%
64,000	219.68	236.31	\$ 16.63	7.57%
65,000	221.92	238.72	\$ 16.80	7.57%
66,000	224.16	241.13	\$ 16.97	7.57%
67,000	226.40	243.54	\$ 17.14	7.57%
68,000	228.64	245.95	\$ 17.31	7.57%
69,000	230.88	248.36	\$ 17.48	7.57%
70,000	233.12	250.77	\$ 17.65	7.57%
71,000	235.36	253.18	\$ 17.82	7.57%
72,000	237.60	255.59	\$ 17.99	7.57%
73,000	239.84	258.00	\$ 18.16	7.57%
74,000	242.08	260.41	\$ 18.33	7.57%
75,000	244.32	262.82	\$ 18.50	7.57%
76,000	246.56	265.23	\$ 18.67	7.57%
77,000	248.80	267.64	\$ 18.84	7.57%
78,000	251.04	270.05	\$ 19.01	7.57%
79,000	253.28	272.46	\$ 19.18	7.57%
80,000	255.52	274.87	\$ 19.35	7.57%
81,000	257.76	277.28	\$ 19.52	7.57%
82,000	260.00	279.69	\$ 19.69	7.57%
83,000	262.24	282.10	\$ 19.86	7.57%
84,000	264.48	284.51	\$ 20.03	7.57%
85,000	266.72	286.92	\$ 20.20	7.57%
86,000	268.96	289.33	\$ 20.37	7.57%
87,000	271.20	291.74	\$ 20.54	7.57%
88,000	273.44	294.15	\$ 20.71	7.57%
89,000	275.68	296.56	\$ 20.88	7.57%
90,000	277.92	298.97	\$ 21.05	7.57%
Average Usage				
125,151	\$ 356.66	\$ 383.68	\$ 27.03	7.58%
Median Usage				
34,000	\$ 152.48	\$ 164.01	\$ 11.53	7.56%

Present Rates:
 Monthly Minimum:
 Gallons in Minimum
 Charge Per 1,000 Gallons
 Up to 8,000
 Up to 99,999,998
 Over 99,999,999

Proposed Rates:
 Monthly Minimum:
 Gallons in Minimum
 Charge Per 1,000 Gallons
 Up to 8,000
 Up to 99,999,999
 Over 100,000,000

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 400.00	\$ 430.34	\$ 30.34	7.58%
1,000	401.78	432.25	30.47	7.58%
2,000	403.56	434.16	30.60	7.58%
3,000	405.34	436.07	30.73	7.58%
4,000	407.12	437.98	30.86	7.58%
5,000	408.90	439.89	30.99	7.58%
6,000	410.68	441.80	31.12	7.58%
7,000	412.46	443.71	31.25	7.58%
8,000	414.24	445.62	31.38	7.58%
9,000	416.48	448.03	31.55	7.58%
10,000	418.72	450.44	31.72	7.58%
11,000	420.96	452.85	31.89	7.58%
12,000	423.20	455.26	32.06	7.58%
13,000	425.44	457.67	32.23	7.58%
14,000	427.68	460.08	32.40	7.58%
15,000	429.92	462.49	32.57	7.58%
16,000	432.16	464.90	32.74	7.58%
17,000	434.40	467.31	32.91	7.58%
18,000	436.64	469.72	33.08	7.58%
19,000	438.88	472.13	33.25	7.58%
20,000	441.12	474.54	33.42	7.58%
2,608,000	6,238.24	6,711.62	473.38	7.59%
2,710,000	6,466.72	6,957.44	490.72	7.59%
2,730,000	6,511.52	7,005.64	494.12	7.59%
2,989,000	7,091.68	7,629.83	538.15	7.59%
3,048,000	7,223.84	7,772.02	548.18	7.59%
3,327,000	7,848.80	8,444.41	595.61	7.59%
3,455,000	8,135.52	8,752.89	617.37	7.59%
3,583,000	8,422.24	9,061.37	639.13	7.59%
3,740,000	8,773.92	9,439.74	665.82	7.59%
4,153,000	9,699.04	10,435.07	736.03	7.59%
4,317,000	10,066.40	10,830.31	763.91	7.59%
4,884,000	11,336.48	12,196.78	860.30	7.59%
5,938,000	13,697.44	14,736.92	1,039.48	7.59%
Average Usage				
1,816,455	4,465.18	4,804.00	338.82	7.59%
Median Usage				
1,763,000	4,345.44	4,675.17	329.73	7.59%

Present Rates:

Monthly Minimum:	\$ 400.00
Gallons in Minimum	-
Charge Per 1,000 Gallons	
Up to 8,000	\$ 1.78
Up to 99,999,998	\$ 2.24
Over 99,999,999	\$ 2.24
	\$ 2.24

Proposed Rates:

Monthly Minimum:	\$ 430.34
Gallons in Minimum	-
Charge Per 1,000 Gallons	
Up to 8,000	\$ 1.91
Up to 99,999,999	\$ 2.41
Over 100,000,000	\$ 2.41
	\$ 2.41

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	-	-	-	-
1,000	\$ 1.00	\$ 1.00	\$ -	0.00%
2,000	2.00	2.00	-	0.00%
3,000	3.00	3.00	-	0.00%
4,000	4.00	4.00	-	0.00%
5,000	5.00	5.00	-	0.00%
6,000	6.00	6.00	-	0.00%
7,000	7.00	7.00	-	0.00%
8,000	8.00	8.00	-	0.00%
9,000	9.00	9.00	-	0.00%
10,000	10.00	10.00	-	0.00%
11,000	11.00	11.00	-	0.00%
12,000	12.00	12.00	-	0.00%
13,000	13.00	13.00	-	0.00%
14,000	14.00	14.00	-	0.00%
15,000	15.00	15.00	-	0.00%
16,000	16.00	16.00	-	0.00%
17,000	17.00	17.00	-	0.00%
18,000	18.00	18.00	-	0.00%
19,000	19.00	19.00	-	0.00%
20,000	20.00	20.00	-	0.00%
1,142,000	1,142.00	1,142.00	-	0.00%
1,397,000	1,397.00	1,397.00	-	0.00%
2,330,000	2,330.00	2,330.00	-	0.00%
3,345,000	3,345.00	3,345.00	-	0.00%
6,530,000	6,530.00	6,530.00	-	0.00%
6,815,000	6,815.00	6,815.00	-	0.00%
6,935,000	6,935.00	6,935.00	-	0.00%
8,300,000	8,300.00	8,300.00	-	0.00%
9,130,000	9,130.00	9,130.00	-	0.00%
11,090,000	11,090.00	11,090.00	-	0.00%
11,305,000	11,305.00	11,305.00	-	0.00%
Average Usage				
1,995,250	\$ 1,995.25	\$ 1,995.25	\$ -	0.00%
Median Usage				
157,500	\$ 157.50	\$ 157.50	\$ -	0.00%

Present Rates:

Monthly Minimum:	\$ -
Gallons in Minimum	-
Charge Per 1,000 Gallons	
Up to 99,999,999	\$ 1.00
Up to 99,999,999	\$ 1.00
Over 99,999,999	\$ 1.00
	\$ 1.00

Proposed Rates:

Monthly Minimum:	\$ -
Gallons in Minimum	-
Charge Per 1,000 Gallons	
Up to 99,999,999	\$ 1.00
Up to 99,999,999	\$ 1.00
Over 99,999,999	\$ 1.00
	\$ 1.00