

0000130965

Transcript Exhibit(s)

Docket #(s): W-02031A-10-0168
W-02327A-10-0169
W-01906A-10-0170
W-01906A-10-0171
W-02031A-10-0171
W-02327A-10-0171
W-01906A-10-0183
W-02031A-10-0184
W-02327A-10-0185

Arizona Corporation Commission
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Exhibit #: AG-A-10, A12

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To: Docket Control

Date: November 4, 2011

Re: Indiada Water Company / Rates
W-02031A-10-0168, etc.
Volumes I and II, Concluded
September 14 and October 19, 2011

STATUS OF ORIGINAL EXHIBITS

FILED WITH DOCKET CONTROL

Indiada Water Company (A Exhibits)

1 through 10, 12

Staff (S Exhibits)

1 through 7

EXHIBITS RETURNED TO PARTIES

Indiada Water Company (A Exhibits)

11

Withdrawn

Copy to:

Ms. Belinda A. Martin, ALJ
Mr. Steve Wene, Indiada Water Company
Mr. Wesley Van Cleve, Staff

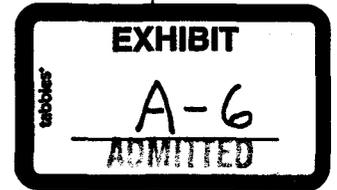
ORIGINAL

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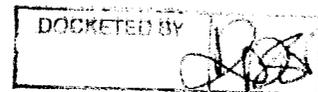
7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 **COMMISSIONERS**

9 GARY PIERCE, CHAIRMAN
10 PAUL NEWMAN
11 SANDRA D. KENNEDY
12 BOB STUMP
13 BRENDA BURNS

Arizona Corporation Commission
DOCKETED

AUG 10 2011



14 IN THE MATTER OF THE APPLICATION OF
15 INDIADA WATER COMPANY, INC., FOR
16 APPROVAL OF A PERMANENT INCREASE
17 IN ITS WATER RATES.

DOCKET NO. W-02031A-10-0168

18 IN THE MATTER OF THE APPLICATION OF
19 ANTELOPE RUN WATER COMPANY FOR
20 APPROVAL OF A PERMANENT INCREASE
21 IN ITS WATER RATES.

DOCKET NO. W-02327A-10-0169

22 IN THE MATTER OF THE APPLICATION OF
23 BOB B. WATKINS DBA EAST SLOPE
24 WATER COMPANY FOR APPROVAL OF
25 ITS PERMANENT INCREASE IN ITS
26 WATER RATES.

DOCKET NO. W-01906A-10-0170

27 IN THE MATTER OF THE APPLICATION OF
28 BOB B. WATKINS DBA EAST SLOPE
WATER COMPANY, INDIADA WATER
COMPANY, INC., AND ANTELOPE RUN
WATER COMPANY FOR APPROVAL OF A
TRANSFER OF ASSETS AND
CERTIFICATES OF CONVENIENCE AND

DOCKET NO. W-01906A-10-0171
DOCKET NO. W-02031A-10-0171
DOCKET NO. W-02327A-10-0171

1 NECESSITY.

2 IN THE MATTER OF THE APPLICATION OF
3 BOB B. WATKINS DBA EAST SLOPE
4 WATER COMPANY FOR AUTHORITY TO
INCUR LONG-TERM DEBT.

DOCKET NO. W-01906A-10-0183

5 IN THE MATTER OF THE APPLICATION OF
6 INDIADA WATER COMPANY, INC. FOR
7 AUTHORITY TO INCUR LONG-TERM
DEBT.

DOCKET NO. W-02031A-10-0184

8 IN THE MATTER OF THE APPLICATION OF
9 ANTELOPE RUN WATER COMPANY FOR
10 AUTHORITY TO INCUR LONG-TERM
DEBT.

DOCKET NO. W-02327A-10-0185

**REBUTTAL TESTIMONY OF
SONN ROWELL**

11
12
13 **Q. Please state your name and current employment position:**

14 **A.** My name is Sonn S. Rowell, and I am a Certified Public Accountant and
15
16 managing member of Desert Mountain Analytical Services, PLLC.

17 **Q. Describe your educational and professional background:**

18 **A.** I have a Bachelor of Science Degree in Accounting from Arizona State University,
19
20 as well as my CPA certification from the Arizona State Board of Accountancy. I have
21 worked for many years in the practice of public accounting, and have held part-time
22 teaching positions at Mesa Community College. After employment with the Utilities
23 Division of the Arizona Corporation Commission for four years, I started DMAS and
24
25 now specialize in regulatory accounting and consulting

26 **Q. By whom are you employed and in what capacity?**

27 **A.** I have been retained by the East Slope Water Company, Antelope Run Water
28 Company and Indiada Water Company (collectively "Companies" or "ESARIN")

1 management, Southwestern Utility Management, Inc. ("SUM"), to perform a financial
2 analysis of their books and records in order to prepare rate applications for submittal to
3 the Arizona Corporation Commission ("Commission") to comply with Commission
4 orders.
5

6 **Q. What is the purpose of your testimony?**

7
8 **A.** The purpose of my testimony is to present my analysis and recommendations
9 concerning the development of the Companies' gross revenue requirement, taking into
10 account adjusted rate base, adjusted operating income, working capital requirements, the
11 current rate of return for the historic twelve month period, required operating income, the
12 proposed rate of return, respond to Commission Staff positions, and other related tasks. I
13 will also sponsor certain exhibits in support of the rate application as well as the Rebuttal
14 Schedules attached to this testimony, which I hereby incorporate as part of my testimony.
15
16
17 *See Attachments.*

18 **Q. In his testimony Staff witness Jeffrey M. Michlik indicates that the**
19 **Companies "discarded" their rate base rate of return revenue requirements in favor**
20 **of operating margins. Please comment on your development of a revenue**
21 **requirement for the ESARIN companies.**

22
23 **A.** Staff's statements that the Companies discarded their rate base rate of return
24 revenue requirements in favor of operating margins is somewhat misleading. I calculated
25 revenue requirements based on a 12% rate of return on rate base for each of the
26 Companies and for the consolidated entity. However, the rates generated by that rate of
27 return were insufficient to cover the debt service and fees of the proposed WIFA loan.
28

1 Therefore it was *necessary* to develop rates based on an operating margin large enough to
2 cover the costs of the WIFA loan.
3

4 **Q. Are the Companies continuing to recommend rates based on the operating**
5 **margins discussed in your Direct Testimony?**

6 **A.** No. Staff's testimony indicates that the costs of the WIFA loan should be
7 recovered through a separate surcharge. We agree with Staff that a surcharge is an
8 appropriate way to recover the cost of the WIFA loan. Rates based on a rate of return on
9 rate base generate sufficient revenue for the company if a separate revenue source (i.e., a
10 surcharge) is established to cover the costs of the WIFA loan. Therefore the Companies
11 are now recommending rates based on a return on the rate bases of the utilities and the
12 establishment of a surcharge(s) to cover the costs of the WIFA loan.
13
14

15 **Q. Staff is recommending a 10% rate of return on equity. Please comment.**

16 **A.** The Companies do not have the resources to perform a full rate of return analysis
17 but I will offer brief comments. I selected ROEs for each utility and the consolidated
18 entity that produce operating margins close to 10%. A 10% ROE will produce operating
19 margins much lower than 10% for each utility and the consolidated entity. A utility with
20 an operating margin well below 10% cannot be considered to be financially healthy.
21
22

23 **Q. Do you agree with Staff's proposed methodology for developing the surcharge**
24 **to cover the costs of the WIFA loan as described on Staff Schedule JMM-19?**

25 **A.** In addition to interest WIFA imposes substantial fees on recipients of its loans.
26 WIFA also requires the establishment of a debt service reserve. As long as Staff's
27 methodology includes a provision to recover WIFA's fees through the surcharge and
28

1 accounts for the cash flow impact of the debt service reserve, the methodology laid out on
2 JMM-19 is acceptable to the Companies.
3

4 **INDIADA WATER COMPANY**

5 **Q. Please explain the changes on Indiada's Schedule B-2 (Original Cost Rate**
6 **Base – Pro Forma Adjustments) relative to the original filing.**
7

8 **A.** Indiada now has a management agreement with SUM, so certain office equipment
9 and a truck are removed from rate base. This change is consistent with Staff's
10 adjustments shown on Staff schedule JMM-5.
11

12 **Q. Do you agree with Staff's rate base of \$27,227 for Indiada?**

13 **A.** No. Indiada and Staff agree on the plant and accumulated depreciation amounts.
14 However, Indiada proposes a rate base of \$28,541 for the stand alone Indiada entity. The
15 \$1,314 difference is due to Staff's reduction of rate base by \$680 due to security deposits
16 (not used for plant) and \$634 for working capital.
17

18 **Q. What changes are there to Indiada's Schedule C-1 (Adjusted Income**
19 **Statement) from the original filing?**
20

21 **A.** Due to our agreement with Staff on plant amounts the depreciation expense had to
22 be revised (and now matches Staff's recommended depreciation expense.) Interest
23 expense from the proposed WIFA loan was also removed from the income statement to
24 conform with Staff's recommendation to use a surcharge to cover the costs of that loan.
25 Also, the amount of property tax has been revised since the original filing.
26

27 **Q. Please discuss the revision to property tax expense.**
28

1 A. In the original filing, Indiada's actual test year property tax was used. Staff
2 typically recommends a formula method be used for property taxes rather than the actual
3 amount. A composite property tax rate needs to be calculated in order to use Staff's
4 recommended formula method.
5

6 In response to Staff Data Request JMM 2-44 we calculated a composite tax rate,
7 which is not accurate. To our knowledge Staff, the Commission, Arizona Department of
8 Revenue ("ADOR") or any other authorities have not endorsed any particular method for
9 developing composite property tax rates. Furthermore, the information contained on
10 property tax bills is not straightforward. Since the original composite rate we provided
11 generated a lower property tax bill under proposed revenue than during the test year, it
12 was apparent that there was a problem.
13
14

15 After realizing that there was a problem with the composite property tax rate we
16 engaged in extensive discussions with ADOR personnel and determined the appropriate
17 composite rate. The property tax rate on the Rebuttal Schedule C-1 is based on the
18 corrected composite rate.
19
20

21 **Q. Are there income statement issues for Indiada where the Company disagrees**
22 **with Staff?**

23 A. Yes. The company disagrees with Staff's \$4,704 reduction to outside services,
24 and continues to recommend \$14,101 for Indiada. When SUM took over management of
25 Indiada the Company was having financial difficulties. Recognizing this fact, SUM
26 provided its services at a substantial discount when it began managing the system. The
27 discount is reflected in the test year. Once the rate case is completed, SUM will charge
28

1 Indiada its normal rates. Not allowing recovery of SUM's normal rates going forward
2 would discourage SUM and other management companies from providing discounts to
3 (and generally working to help) water companies with financial difficulties going
4 forward.
5

6 **Q. Are the pro forma adjustments to SUM's fees known and measurable?**

7
8 **A.** Yes. Since SUM will be charging Indiada the same fees as its other customers, the
9 fees are known and measurable.

10 **Q. The Company also disagrees with Staff's recommendation to disallow rate**
11 **case expense. Please explain?**

12
13 **A.** Staff's argument for disallowing expenses associated with the emergency rate case
14 is not compelling. The fact that these expenses are not ongoing does not mean that they
15 were not actually incurred by the Company. Typically, actual and necessary expenses
16 that are not ongoing are amortized or recovered through a surcharge not simply
17 disallowed without reason. Further, the rates established as a result of the emergency rate
18 case did not include any revenue for emergency rate case expense, and knowing that the
19 emergency rates were found necessary by the Commission, it seems appropriate that the
20 emergency rate case expenses should be recovered.
21
22

23 **Q. Please discuss the proposed surcharge to recover the cost of the WIFA loan as**
24 **it pertains to Indiada.**

25
26 **A.** If Indiada were to remain as a stand-alone entity the surcharge imposed on its 5/8"
27 meter customers would have to be \$28.76. This is double the \$14.29 surcharge that will
28 be necessary if Indiada is consolidated with its sister companies, Antelope Run and East

1 Slope. Indiada is so small that we do not believe it could ever be viable without
2 consolidation.

3
4 **ANTELOPE RUN**

5 **Q. Please explain the changes on Antelope Run's Schedule B-2 (Original Cost**
6 **Rate Base – Pro Forma Adjustments) relative to the original filing.**

7
8 **A.** AIAC has been adjusted as a result of the information provided in the Company's
9 response to Staff data request JMM 2-29. AIAC and CIAC amortization have also been
10 adjusted as a result of the response to JMM 2-28.

11 **Q. Does the Company agree with Staff's rate base of \$54,975 for Antelope Run?**

12
13 **A.** No. Antelope Run and Staff agree on the plant and accumulated depreciation
14 amounts. However, the company proposes rate base of \$94,475 for Antelope Run, a
15 difference of \$39,500 from Staff's recommendation. This is due to Staff's proposed
16 reduction to rate base by \$5,139 due to security deposits (which are not used for plant),
17 and \$1,655 due to working capital. The formula for determining working capital uses
18 operating expenses as an input. Since Staff disallowed operating expenses from outside
19 services this reduces the working capital allowance. Also, we believe that the refundable
20 nature of security deposits makes it impossible to use them for long term plant
21 investments and thus removing them from rate base is inappropriate. For a larger
22 company 4 digit tweaks to the rate base like this may be insignificant but to a company of
23 Antelope Run's size it makes developing a rate base large enough to set rates with next to
24 impossible.
25
26
27
28

1 The balance of the rate base difference is a \$41,660 decrease to AIAC and a
2 \$8,954 net increase to CIAC. The revised AIAC and CIAC balances were provided to
3 Staff in response to Staff data requests JMM 2-28 and 2-29 but Staff did not include these
4 revisions in its rate base recommendation.
5

6 **Q. What changes are there to Antelope Run's Schedule C-1 (Adjusted Income**
7 **Statement) from the original filing?**
8

9 **A. Interest expense from the proposed WIFA loan was also removed from the income**
10 **statement to conform with Staff's recommendation to use a surcharge to cover the costs**
11 **of that loan. Also, the amount of property tax has been revised since the original filing.**
12 **The rationale for the revision to property taxes is identical to that discussed above under**
13 **Indiada.**
14

15 **Q. Are there income statement issues for Antelope Run where the Company**
16 **disagrees with Staff?**
17

18 **A. Yes, the Company differs with Staff on outside services, emergency rate case**
19 **expense and property taxes. The company disagrees with Staff's \$12,770 reduction to**
20 **outside services, and continues to recommend \$33,478 for Antelope Run. As with**
21 **Indiada, the test year outside services expense was based on a discounted rate that SUM**
22 **agreed to due to Antelope Run's financial situation. SUM always intended to charge its**
23 **normal rates once Antelope Run got back on its feet. SUM's normal rates are known and**
24 **measurable.**
25

26
27 Also, Staff's disallowance of known and measurable emergency rate case
28 expenses is inappropriate. The fact that these expenses are not ongoing does not mean

1 that they were not actually incurred by the Company. Typically, actual and necessary
2 expenses that are not ongoing are amortized or recovered through a surcharge not simply
3 disallowed without reason.
4

5 **Q. Please discuss the proposed surcharge to recover the cost of the WIFA loan as**
6 **it pertains to Antelope Run.**

7
8 **A.** If Antelope Run were to remain as a stand-alone entity the surcharge imposed on
9 its 5/8" meter customers would have to be \$22.33. This is substantially more than the
10 \$14.29 surcharge that will be necessary if Antelope Run is consolidated with its sister
11 companies Indiada and East Slope.
12

13 **EAST SLOPE**

14 **Q. Please explain the changes to East Slope's Schedule B-2 (Original Cost Rate**
15 **Base) from the original filing.**

16
17 **A.** The Company has adopted Staff's adjustments to Office Furniture (\$11,330) and
18 transportation equipment (\$27,891) totaling \$39,221.

19
20 **Q. Staff also recommends an adjustment of \$3,123 to Electric pumping**
21 **equipment. Did you accept this Staff adjustment?**

22 **A.** No. East Slope is providing 2 invoices from D&M Well Service that support
23 \$3,310, and an invoice from Jim's Electric for \$75. The invoice from Dana Kepner for
24 \$262 should not have been included in plant.
25

26 **Q. What is the difference between the adjustments above for \$39,221 and the**
27 **amount on B-2 of \$39,551, or \$330?**
28

1 A. Upon closer examination of the pumping equipment account in response to Staff's
2 disallowance, the \$75 invoice from Jim's Electric was reviewed and determined to be
3
4 more appropriately classified as Repairs and Maintenance Expense. In addition, 2 other
5 Jim's Electric invoices under \$150 were also determined to be Repairs and Maintenance
6 Expense instead of plant, one for \$130 and one for \$125.
7

8 **Q. What about the \$262 invoice from Dana Kepner?**

9 A. \$146 of this amount was included in Repairs and Maintenance Expense in the
10 original filing. The balance of the invoice, or \$116 was initially misclassified, but has
11 now been added to Repairs and Maintenance Expense.
12

13 **Q. Are there changes to the AIAC and CIAC balances for East Slope?**

14 A. Yes. AIAC had been adjusted as a result of the information provided in the
15 company response to JMM 2-29. AIAC and CIAC amortization have been adjusted as a
16 result of information provided in response to JMM 2-28.
17

18 **Q. Do you agree with Staff's rate base of \$114,716 for East Slope?**

19 A. No. The company proposes rate base of \$150,009, or a difference of \$35,293.
20 This is due to Staff's proposed reduction to rate base of \$21,904 due to security deposits
21 (not used for plant), and \$5,007 for working capital. In addition, Staff recommends an
22 additional \$2,723 reduction to net plant that the Company does not agree with. The basis
23
24 for the Company's disagreement with Staff on these issues is discussed above under
25 Antelope Run.
26

27 The remaining \$5,659 difference is made up of the AIAC adjustment of \$5,919,
28 the adjustment to net CIAC of (\$353), and working capital of \$92.

1 **Q. What changes are there to Schedule C-1 (Adjusted Income Statement) from**
2 **the original East Slope filing?**

3
4 **A.** Adjustment B to purchased power was incorrectly given a negative sign in the
5 initial filing but has been adjusted to reflect an increase on Schedule C-2i.

6 Adjustment C was increased by \$330 to include reclassifications from pumping
7 equipment, as discussed above, and includes the \$116 that was omitted in the original
8 filing. Details on Rebuttal Schedule C-2h.

9
10 Depreciation expense has been adjusted to match recommended plant in service
11 after removal of the office equipment and truck and the pumping equipment
12 reclassifications.
13

14 **Q. Does East Slope have the same issue with property taxes as its sister**
15 **companies?**

16
17 **A.** Yes. The property tax expense has been revised. As discussed above, the
18 property tax composite rate provided to Staff in response to data request JMM 2-44 was
19 incorrect. The property tax expense on the rebuttal C-1 is based on a revised composite
20 rate developed after extensive discussions with ADOR staff. Please see the discussion of
21 property tax above under Indiada for more information on this subject.
22

23 **Q. What other changes are there to the Income Statement for East Slope?**

24
25 **A.** Income taxes at current and proposed rates have changed due to changes to
26 expenses and the interest expense related to the WIFA loan was removed as this is
27 proposed to be recovered by a surcharge.
28

1 **Q. What about Staff's adjustments to the income statement as reflected on**
2 **Schedule JMM-8?**

3
4 **A.** The company disagrees with Staff's \$37,846 reduction to outside services, and
5 continues to recommend \$122,149 for East Slope. As discussed above under Indiada and
6 Antelope Run, when SUM began managing these companies a discounted rate was
7 agreed to because of their distressed financial state. Now that the companies are moving
8 towards financial viability we believe it is appropriate for SUM to begin charging its
9 normal rates which are known and measurable.
10

11
12 As with Indiada and Antelope Run, Staff is recommending to disallow the known
13 and measurable rate case expense associated with the emergency rate case. The fact that
14 these expenses are not ongoing does not mean that they were not actually incurred by the
15 Company. Typically, actual and necessary expenses that are not ongoing are amortized
16 or recovered through a surcharge not simply disallowed without reason.
17

18 **Q. Please discuss the \$4,862 decrease to purchased power recommended by**
19 **Staff.**

20
21 **A.** Although the invoices for this amount were inadvertently omitted in the initial
22 response to Staff's data request JMM 2-36 (due to the sheer volume of data that needed to
23 be supplied) the company has provided support and explanation for this amount on
24 Rebuttal Schedule C-2i. The \$4,862 is actually reflected on the February 2009 bills
25 (which were provided in response to JMM 2-36) as the amount paid in the prior month
26 (January.) So, had Staff paid careful attention to what was provided this adjustment
27 could have been avoided. While it is important that companies be able to support their
28

1 expenses with invoices, it is also important for auditors to make full use of the
2 information that is provided to them.
3

4 **Q. Is there another instance where Staff neglected to use the information**
5 **provided to them in response to their data requests?**

6 **A.** Yes. As discussed above AIAC and CIAC balances were adjusted as a result of
7 Staff data requests JMM 2-28 and 29 but Staff did not adjust the AIAC and CIAC
8 balances in their schedules.
9

10 **THE PROPOSED CONSOLIDATED ENTITY**

11 **Q. Please explain the changes on Schedule B-2 (Original Cost Rate Base Pro**
12 **Forma Adjustments) for the Consolidated Companies, East Slope, Antelope Run**
13 **and Indiada ("ESARIN") from the original filing.**
14

15 **A.** All of the changes were explained in the above discussions of the separate
16 companies, and are detailed on Rebuttal Schedule B-2.
17

18 **Q. Do you agree with Staff's consolidated rate base of \$196,918?**

19 **A.** No. The company proposes rate base of \$271,564, or a difference of \$74,646.
20 This is due to the reduction of rate base by \$27,723 due to security deposits (not used for
21 plant), and \$7,297 due to working capital. In addition, Staff recommends a \$2,723
22 reduction to net plant associated with invoices discussed above.
23
24

25 **Q. What makes up the remaining \$36,903 difference?**

26 **A.** The AIAC adjustment of \$47,579, the adjustment to net CIAC of (\$9,307), and
27 working capital of (\$1,369).
28

1 **Q. Why has working capital decreased by \$1,369 for ESARIN when Indiada's**
2 **and Antelope Run's working capital were unchanged, and East Slope's increased by**
3 **\$92?**
4

5 **A.** In the initial filing the sum of the working capital allowances for the three separate
6 entities was used to develop the working capital allowance for ESARIN. So the adjusted
7 operating expenses for ESARIN was not reflected in the allowance for working capital.
8
9 The revised working capital allowance is lower because it reflects the reduction to
10 outside services for management fees at the consolidated level versus at the individual
11 level. SUM's per customer management fees get progressively lower as customer count
12 increases so the consolidated expense includes a savings of \$11,691 as calculated on
13 Rebuttal Schedule C-2b.
14

15 **Q. What changes are there to Schedule C-1 (Adjusted Test Year Income**
16 **Statement) from the original filing for ESARIN?**
17

18 **A.** Adjustment D to purchased power was corrected for a negative sign. Initially it
19 was a decrease to purchased power, but has been adjusted to reflect an increase on
20 Schedule C-2g.
21

22 Adjustment E was increased by \$330 to include reclassifications from pumping
23 equipment as discussed earlier, and includes the \$116 that was omitted in the original
24 filing. Rebuttal Schedule C-2h for details.
25

26 Depreciation expense has been adjusted to match recommended plant in service
27 after removal of the office equipment, truck, and pumping equipment.
28

1 Consolidated income taxes at current and proposed rates have changed due to
2 changes to expense amounts.

3
4 Interest expense related to the WIFA loan was removed as this is proposed to be
5 recovered by a surcharge.

6 **Q. Has the property tax amount for ESARIN changed?**

7
8 **A.** Yes. As discussed above under the individual companies, after extensive
9 discussions with ADOR Staff the property tax composite rate has been revised and new
10 property tax amounts have been calculated.

11 **Q. Please discuss Staff's adjustments to the income statement as reflected on**
12 **Schedule JMM-8.**

13
14 **A.** The company disagrees with Staff's \$43,630 reduction to outside services, and
15 continues to recommend \$158,038 for the consolidated entity. As discussed above, SUM
16 provided management services to all three utilities at a discounted rate due to their
17 financial difficulties. Going forward SUM plans to charge its normal rates that are
18 known and measurable. Not allowing recovery of SUM's normal rates because it chose
19 to offer a temporary discount to utilities that were struggling will send the signal that
20 management companies should not go out of their way to help struggling utilities.
21
22

23 **Q. Are there any direct cost savings that can be pointed out as a result of these**
24 **companies consolidating?**

25
26 **A.** Yes. SUM's per customer management fees are progressively lowered as customer
27 count increases, and the consolidated expense includes a savings of \$11,691 as calculated
28 on Rebuttal Schedule C-2b.

1 **Q. Did Staff also recommend disallowing rate case expense for the emergency**
2 **rate case?**

3
4 **A.** Yes. Staff recommends that the Company not be able to recover the actual known
5 and measurable rate case expense because it is not ongoing. Typically, expenses that are
6 not ongoing are amortized or recovered through a surcharge not disallowed.
7

8 **Q. What about the \$4,862 decrease to purchased power recommended by Staff?**

9 **A.** Although the invoices for this amount were inadvertently omitted in the initial
10 response to Staff's data request JMM 2-36 (due to the sheer volume of data that needed to
11 be supplied) the company has provided support and explanation for this amount on
12 Rebuttal Schedule C-2i. The \$4,862 is actually reflected on the February 2009 bills
13 (which were provided in response to JMM 2-36) as the amount paid in the prior month
14 (January.) So, had Staff paid careful attention to what was provided this adjustment
15 could have been avoided. While it is important that companies be able to support their
16 expenses with invoices, it is also important for auditors to make full use of the
17 information that is provided to them.
18
19
20

21 **Q. Please discuss the impact new rates and consolidation will have on ESARIN's**
22 **customers.**

23 **A.** The table below shows the impact consolidation will have on an average
24 residential customer using 9,155 gallons per month under ESARIN's proposed rates:
25

26 ////

27 ////

	Proposed Bill			Percent Increase	
	Current Bill	Stand Alone	Consolidated	Stand Alone	Consolidated
Indiada	\$43.54	\$51.37	\$27.51	17.98%	-36.82%
AR	20.66	26.24	27.51	27.01%	33.16%
ES	21.24	28.84	27.51	35.78%	29.52%

As can be seen from the above table, consolidation will serve to keep Indiada's bills affordable while having only slight impacts on Antelope Run's and East Slope's bills.

On the whole, adoption of the Company's proposed consolidated rates (and approval of a surcharge for the necessary WIFA loan) will allow the company to substantially improve its financial situation while keeping the bills for average residential customers affordable.

Q. Does this conclude your rebuttal testimony?

A. Yes.

**ANTELOPE RUN
WATER COMPANY**

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule A-1
Title: Computation of Increase in Gross
Revenue Requirements

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

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

	<u>Original Cost</u>	<u>RCND</u>
<u>Rate of Return on Rate Base Method:</u>		
1. Adjusted Rate Base	\$ 94,475 (a)	(a)
2. Adjusted Operating Income/(Loss)	\$ (34,337) (b)	(b)
3. Current Rate of Return	-36.34%	
4. Required Rate of Return	12.00%	
5. Required Operating Income	\$ 11,337	
6. Operating Income Deficiency (5 - 2)	\$ 45,674	
7. Gross Revenue Conversion Factor	<u>1.0163 (c)</u>	(c)
8. Increase in Gross Revenue Requirements (6 x 7)	<u>\$ 46,419</u>	

<u>Operating Margin Method:</u>		
9. Proposed Revenue	\$ 95,764	
10. Proposed Operating Margin	<u>11.84%</u>	
11. Required Operating Income (9 x 10)	\$ 11,337	
12. Operating Income Deficiency (11 - 2)	\$ 45,674	
13. Gross Revenue Conversion Factor	<u>1.0163</u>	
14. Increase in Gross Revenue Requirements (12 x 13)	<u>\$ 46,419 (c)</u>	(c)

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase	
Residential	\$ 48,448	\$ 94,229	\$ 45,781	94.50%	(d)
Commercial	462	1,101	639	138.31%	
Industrial	-	-	-	0.00%	
Other	347	347	-	0.00%	
Total	<u>\$ 49,257</u>	<u>\$ 95,676</u>	<u>\$ 46,419</u>	<u>94.24%</u>	

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

Supporting Schedules:

(a) B-1 (c) C-3

(b) C-1 (d) H-1

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule A-2
Title: Summary Results of Operations

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

Explanation:
 Schedule showing comparative operating results for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

Description	Prior Years		Test Year		Projected Year	
	Year End	Year End	Actual	Adjusted	Present	Proposed
	31-Dec-07	31-Dec-08	Rates	Rates	Rates	Rates
	(a)	(a)	(a)	(b)	(c)	(c)
1. Gross Revenues	\$ 53,008	\$ 48,480	\$ 52,569	\$ 49,257	\$ 49,257	\$ 95,676
2. Revenue Deductions & Operating Expenses	(49,645)	(65,450)	(68,043)	(83,594)	(83,594)	(84,340)
3. Operating Income	\$ 3,363	\$ (16,970)	\$ (15,474)	\$ (34,337)	\$ (34,337)	\$ 11,337
4. Other Income and Deductions	(450)	9	-	-	-	-
5. Interest Expense	-	-	-	-	-	-
6. Net Income	\$ 2,913	\$ (16,961)	\$ (15,474)	\$ (34,337)	\$ (34,337)	\$ 11,337

7. Earned Per Average Common Share*
 8. Dividends Per Common Share*
 9. Payout Ratio*

No Shares Issued						
------------------	--	--	--	--	--	--

10. Return on Average Invested Capital	7.03%	-45.85%	-48.92%	-108.54%	-108.54%	35.84%
11. Return on Year End Capital	7.03%	-52.15%	Double Negative			36.88%
12. Return on Average Common Equity	7.03%	-45.85%	-48.92%	-108.54%	-108.54%	35.84%
13. Return on Year End Common Equity	7.03%	-52.15%	Dbl Neg	Double Negative		36.88%
14. Times Bond Interest Earned - Before Inc Tax	No interest expense			Double Negative		
15. Times Total Interest and Preferred Dividends Earned - After Income Taxes	No interest expense			Double Negative		

Supporting Schedules:

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

*Optional for projected year

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule A-4
Title: Construction Expenditures and
Gross Utility Plant in Service

Explanation:
 Schedule showing construction expenditures, plant placed
 in service and gross utility plant in service for the test year
 and the 2 fiscal years ended prior to the end of the test year,
 compared with the projected year.

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

Year	Construction Expenditures (a)	Net Plant Placed In Service (b)	Gross Utility Plant In Service
1. Prior Year 1 - 2007	\$ 16,169	\$ 16,169	\$ 159,683
2. Prior Year 2 - 2008	31,641	31,641	191,324
3. Test Year - 2009	6,501	3,647	194,971
4. Projected Year 1	562,397	565,251	760,222
5. Projected *			
6. Projected *			

* Required only for Class A and B Utilities

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

Supporting Schedules:

- (a) F-3
- (b) E-5

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

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

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

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

X

	<u>Original Cost</u> Rate Base*	<u>RCND</u> Rate Base*
1. Gross Utility Plant in Service	\$ 194,971	
2. Less: Accumulated Depreciation	<u>(93,631)</u>	
3. Net Utility Plant in Service	\$ 101,340 (a)	(b)
Less:		
4. Advances in Aid of Construction	\$ (4,775) (c)	(c)
5. Contributions in Aid of Construction	(40,171) (c)	(c)
Add:		
6. Amortization of CIAC	\$ 31,217	
7. Allowance for Working Capital	<u>6,864 (d)</u>	(d)
8. Total Rate Base	<u><u>\$ 94,475 (e)</u></u>	(e)

* Including pro forma adjustments

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

Supporting Schedules:

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

Recap Schedules:

- (e) A-1

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule B-2
Title: Original Cost Rate Base
Proforma Adjustments

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

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

	Actual at End Of Test Year (a)	Pro forma Adjustment	Ref	Adjusted at End Of Test Year (b)
1. Gross Utility Plant in Service	\$ 194,971			\$ 194,971
2. Less: Accumulated Depreciation	(93,631)			(93,631)
3. Net Utility Plant in Service	\$ 101,340	\$ -		\$ 101,340
Less:				
4. Advances in Aid of Construction	\$ (46,435)	\$ 41,660	1	\$ (4,775)
5. Contributions in Aid of Construction	-	(40,171)	2	(40,171)
Add:				
6. Amortization of CIAC	\$ -	\$ 31,217	3	\$ 31,217
7. Allowance for Working Capital	6,864	-		6,864
8. Total Rate Base	\$ 61,769	\$ 32,706		\$ 94,475

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

Explanations:

- 1 Adjust Advances in Aid of Construction based on Company response to JMM 2-29.
- 2 Adjust Contributions in Aid of Construction based on Company response to JMM 2-28.
- 3 Adjust Amortization of Contributions in Aid of Construction based on Company response to JMM 2-28.

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

Supporting Schedules:
 (a) E-1

Recap Schedules:
 (b) B-1

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule B-5
Title: Computation of Working Capital

Explanation:
 Schedule showing computation of working capital allowance.

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

	<u>Amount</u>	
1. Cash working capital		
1/24th Purchased Power	\$ 737	
1/24th Purchased Water	-	
1/8th Operation & Maintenance Expense	6,127	
2. Materials and Supplies Inventories	-	(a)
3. Prepayments	-	(a)
4. Total Working Capital Allowance	<u>\$ 6,864</u>	(b)

NOTES:

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

Supporting Schedules:
 (a) E-1

Recap Schedules:
 (b) B-1

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

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

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

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

Description	Actual for Test		Proforma		Test Year		Proposed	Adjusted Test
	Year Ended (a)	Ref	Adjustments	Ref	Results After	Rate		
	31-Dec-09		(b)		Pro Forma		Increase	Rate Increase
Operating Revenues:								
461 Metered Water Revenue	\$ 50,347	A	\$ (1,437)		\$ 48,910	L	\$ 46,419	\$ 95,329
461.1 Surcharge Revenue	1,875	B	(1,875)		-			-
474 Other Water Revenue	347				347			347
Total Operating Revenue	\$ 52,569		\$ (3,312)		\$ 49,257		\$ 46,419	\$ 95,676
Operating Expenses:								
601 Salaries & Wages	\$ -				\$ -			\$ -
610 Purchased Water	-				-			-
615 Purchased Power	17,695				17,695			17,695
618 Chemicals	166				166			166
620 Repairs & Maintenance	3,358				3,358			3,358
621 Office Supplies and Expense	2,435	C	(42)		2,393			2,393
630 Outside Services	22,748	D	10,730		33,478			33,478
635 Water Testing	1,899				1,899			1,899
641 Rental Expense	-				-			-
650 Transportation Expense	5,909	E	(664)		5,245			5,245
657 Insurance - General Liability	25	F	(25)		-			-
659 Insurance - Health and Life	-				-			-
666 Rate Case Expense	1,404	G	1,064		2,468			2,468
675 Miscellaneous Expense	5				5			5
403 Depreciation & Amortization	9,803	H	4,640		14,443			14,443
408 Taxes Other Than Income	33	I	(33)		-			-
408.11 Property Taxes	2,563	J	(120)		2,443	M	746	3,189
409 Income Taxes	-				-			-
Total Operating Expenses	\$ 68,043		\$ 15,551		\$ 83,594		\$ 746	\$ 84,340
OPERATING INCOME/(LOSS)	\$ (15,474)		\$ (18,863)		\$ (34,337)	(c)	\$ 45,673	\$ 11,337
Other Income/(Expense):								
419 Interest Income	\$ -				\$ -			\$ -
421 Non-Utility Income	-				-			-
426 Miscellaneous Non-Utility Expenses	-				-			-
427 Interest Expense	-	K	-		-			-
Total Other Income/(Expense)	\$ -		\$ -		\$ -		\$ -	\$ -
NET INCOME/(LOSS)	\$ (15,474)		\$ (18,863)		\$ (34,337)		\$ 45,673	\$ 11,337

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

Supporting Schedules:
(a) E-2
(b) C-2

Recap Schedules:
(c) A-1

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule C-2
Title: Income Statement Proforma
Adjustments

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

Explanation:
 Schedule itemizing pro forma adjustments to the test year income statement.

Description	A	B	C	D	E	F	G	H	I	J	K	L	M	Total (a)
Revenues:														
Metered Water Revenue	\$ (1,437)											\$ 46,419		\$ 44,982
Surcharge Revenue		\$ (1,875)												(1,875)
Expenses:														
Office Supplies and Expense			\$ (42)											(42)
Outside Services				\$ 10,730										10,730
Transportation Expenses					\$ (664)									(664)
Insurance - General Liability						\$ (25)								(25)
Rate Case Expense							\$ 1,064							1,064
Depreciation & Amortization								\$ 4,640						4,640
Taxes Other Than Income									\$ (33)					(33)
Property Tax										\$ (120)			\$ 746	626
Other Income/(Expense):														
Interest Expense														\$ -

- Adjustment Descriptions:
- A - Remove intercompany water sales during the test year to Indiana by a 2-inch meter.
 - B - Remove surcharge revenue from the test year as it is temporary, and will not be included in proposed rates.
 - C - Adjust office supplies and expense per calculation on Schedule C-2a.
 - D - Adjust outside services expense per calculation on Schedule C-2b.
 - E - Adjust transportation expense per calculation on Schedule C-2c.
 - F - Remove workers compensation insurance expense that will non-recur as a result of management contract.
 - G - Increase rate case expense to recover \$1,404 incurred for the emergency rate case, and estimated costs of \$6,000 for this rate case, amortized over 3 years, (\$7,404/3).
 - H - Increase depreciation expense based upon proposed depreciation rates per schedule C-2d.
 - I - Increase payroll tax expense that will not recur due to management contract.
 - J - Remove payroll tax expense per calculation on Schedule C-2e.
 - K - Removed.
 - L - Increase proposed revenue per calculation on Schedule A-1.
 - M - Increase property taxes at proposed rates per calculation on Schedule C-2e.

Note: All pro forma adjustments should be adequately explained on this schedule or on attachments thereto.
 Supporting Schedules:
 C-2a through C-2e

Recap Schedules:
 (a) C-1

Antelope Run Water Company
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Test Year Ended December 31, 2009

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

DETAIL OF PROPOSED OFFICE SUPPLIES AND EXPENSE ADJUSTMENT

Description	Amount
November 2008 billing forms	\$ (6)
December 2008 billing forms	(6)
December 2009 billing forms	6
November 2008 postage	(45)
December 2008 postage	(45)
December 2009 postage	54
Total Adjustment C	\$ (42)

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Test Year Ended December 31, 2009

Rebuttal Schedule C-2b
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED OUTSIDE SERVICES EXPENSE ADJUSTMENT

Description	Amount
December 2008 accounting	\$ (130)
December 2009 accounting	130
Remove test year management fees expense per general ledger	(18,528)
Proforma management fees expense	29,258
Total Adjustment D	\$ 10,730

Antelope Run Water Company
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Test Year Ended December 31, 2009

Rebuttal Schedule C-2c
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED TRANSPORTATION EXPENSE ADJUSTMENT

<u>Description</u>	<u>Amount</u>
November 2008 mileage	\$ (109)
December 2008 mileage	(338)
December 2009 mileage	383
Non-recurring vehicle lease expenses	(600)
Total Adjustment E	\$ <u>(664)</u>

Antelope Run Water Company
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Test Year Ended December 31, 2009

Rebuttal Schedule C-2d
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED DEPRECIATION EXPENSE CALCULATION

Account Number	Description	Plant @ End of Test Year 31-Dec-09	Proposed Depreciation Rate	Proposed Depreciation Expense
302	Franchises	\$ -	0.00%	\$ -
303	Land & Land Rights	5,159	0.00%	-
304	Structures & Improvements	619	3.33%	21
307	Wells & Springs	17,939	3.33%	597
311	Pumping Equipment	94,263	12.50%	11,783
320	Water Treatment Equipment	-	-	-
320.1	Water Treatment Plants	-	3.33%	-
320.2	Solution Chemical Feeders	-	20.00%	-
330	Distribution Reservoirs & Standpipes	3,475	2.22%	77
330.1	Storage Tanks	425	2.22%	9
330.2	Pressure Tanks.	3,413	5.00%	171
331	Transmission & Distribution Mains	63,498	2.00%	1,270
333	Services	-	3.33%	-
334	Meters & Meter Installations	6,180	8.33%	515
335	Hydrants	-	2.00%	-
339	Other Plant and Misc Equipment	-	6.67%	-
340	Office Furniture & Equipment	-	6.67%	-
340.1	Computers and Software	-	20.00%	-
341	Transportation Equipment	-	20.00%	-
343	Tools, Shop, and Garage Equipment	-	5.00%	-
345	Power Operated Equipment	-	5.00%	-
348	Other Tangible Plant	-	0.00%	-
Proposed Totals		\$ 194,971		\$ 14,443
Test Year Depreciation Expense				9,803
Total Adjustment H				\$ 4,640

Antelope Run Water Company
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Test Year Ended December 31, 2009

Rebuttal Schedule C-2e
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED PROPERTY TAX EXPENSE CALCULATION

	Test Year as Adjusted	Company at Proposed Rates
Adjusted 2009 Test Year Revenue	\$ 49,257	\$ 49,257
Weight Factor	2	2
Subtotal	\$ 98,514	\$ 98,514
Company Recommended Revenue	49,257	95,676
Subtotal	\$ 147,771	\$ 194,190
Number of Years	3	3
Three Year Revenue Average	\$ 49,257	\$ 64,730
AZ Department of Revenue Multiplier	2	2
Revenue Base Value	\$ 98,514	\$ 129,460
Plus 10% of CWIP	2,854	2,854
Less: Net Book Value of Licensed Vehicles	-	-
Full Cash Value	\$ 101,368	\$ 132,314
Assessment Ratio	20.50%	20.50%
Assessment Value	\$ 20,780	\$ 27,124
Revised Composite Property Tax Rate *	11.7583%	11.7583%
Adjusted Test Year Property Tax Expense	\$ 2,443	
Actual Test Year Property Tax Expense	2,563	
Total Adjustment J	\$ (120)	
Projected Property Tax Expense		\$ 3,189
Adjusted Test Year Property Tax Expense		2,443
Total Adjustment M		\$ 746

* Property tax composite rate calculation:

Assessed Value per 2009 Property Tax Notice	\$ 21,340
Property Tax due per 2009 Notice	2,509
Revised Composite Property Tax Rate	<u>11.7583%</u>

For Gross Revenue Conversion Factor:

Change in Property Tax Expense	\$ 746
Change in Revenue Requirement	46,419
Change in Property Tax per Dollar Increase in Revenue	<u>1.6070%</u>

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule C-3
 Title: Computation of Gross Revenue
 Conversion Factor

Explanation:
 Schedule showing incremental taxes on gross revenues and
 the development of a gross revenue conversion factor.

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

X

Description	Calculation
Revenue	1.0000
Combined Federal And State Tax Rate	-
Property Tax Rate	0.0161
Subtotal	0.9839
Gross Revenue Conversion Factor = 1/Operating Income %	1.0163

CALCULATION OF COMBINED FEDERAL AND STATE TAX RATE:

Operating Income Before Taxes (Arizona Taxable Income)	100.0000%
Arizona State Income Tax Rate	0.0000%
Federal Taxable Income	100.0000%
Federal Income Tax Rate	0.0000%
Effective Federal Income Tax Rate	0.0000%
Combined Federal And State Income Tax Rates	0.0000%

Antelope Run Water Company
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 Test Year Ended December 31, 2009

Rebuttal Schedule D-1
 Title: Summary Cost of Capital

Explanation:
 Schedule showing elements of capital structure
 and the related cost.

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

Invested Capital	End of Test Year				End of Projected Year			
	Amount	%	Cost Rate (e)	Composite Cost %	Amount	%	Cost Rate (e)	Composite Cost %
Long-Term Debt (a)					\$ 562,397	94.82%	5.00%	4.74%
Short-Term Debt (a)					-			
Common Equity (c)	\$ 30,744	100.00%	-36.34%	-36.34%	30,744	5.18%	12.00%	0.62%
Total	<u>\$ 30,744</u>	<u>100.00%</u>		<u>-36.34%</u>	<u>\$ 593,141</u>	<u>100.00%</u>		<u>5.36%</u>

Supporting Schedules:

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

Recap Schedules:

- (e) A-3

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rebuttal Schedule E-1
Title: Comparative Balance
Sheet

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

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

	Test Year At 31-Dec-09	Prior Year 31-Dec-08	Prior Year 31-Dec-07
ASSETS			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 194,971	\$ 191,324	\$ 159,683
103 Property Held for Future Use			
105 Construction Work in Process	2,854		
108 Accumulated Depreciation	(93,631)	(84,232)	(75,714)
Total Property Plant & Equipment	\$ 104,194	\$ 107,092	\$ 83,969
Current Assts:			
131 Cash	\$ 939	\$ 3,683	\$ 634
135 Temporary Cash Investments			
141 Customer Accounts Receivable	4,169	92	92
146 Notes/Receivables from Associated Companies			
151 Plant Material and Supplies			
162 Prepayments			
174 Miscellaneous Current and Accrued Assets	10		
Total Current Assets	\$ 5,118	\$ 3,775	\$ 726
TOTAL ASSETS	\$ 109,312	\$ 110,867	\$ 84,695
LIABILITIES and CAPITAL			
Capitalization: (b)			
201 Common Stock Issued	\$ -	\$ -	\$ -
211 Paid in Capital in Excess of Par Value			
215 Retained Earnings			
218 Proprietary Capital	30,744	32,524	41,459
Total Capital	\$ 30,744	\$ 32,524	\$ 41,459
Current Liabilities:			
231 Accounts Payable	\$ 29,054	\$ 38,442	\$ 4,558
232 Notes Payable (Current Portion)			
234 Notes/Accounts Payable to Associated Companies	35,114	15,114	14,114
235 Customer Deposits	364	5,740	
236 Accrued Taxes	307	416	576
241 Miscellaneous Current and Accrued Liabilities			
Total Current Liabilities	\$ 64,839	\$ 59,712	\$ 19,248
224 Long-Term Debt (Over 12 Months)	\$ -	\$ -	\$ -
Deferred Credits:			
252 Advances In Aid Of Construction	\$ 4,775	\$ 5,660	\$ 10,691
271 Contributions In Aid Of Construction	40,171	40,171	36,480
272 Less: Amortization of Contributions	(31,217)	(27,200)	(23,183)
281 Accumulated Deferred Income Tax			
Total Deferred Credits	\$ 13,729	\$ 18,631	\$ 23,988
Total Liabilities	\$ 78,568	\$ 78,343	\$ 43,236
TOTAL LIABILITIES and CAPITAL	\$ 109,312	\$ 110,867	\$ 84,695
Supporting Schedules:		Recap Schedules:	
(a) E-5		(b) A-3	

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rebuttal Schedule E-2
Title: Comparative Income
Statements

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

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

	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Revenues: (a)			
461 Metered Water Revenue	\$ 50,347	\$ 48,329	\$ 52,528
461.1 Surcharge Revenue	1,875	-	-
474 Other Water Revenue	347	151	480
Total Revenues	\$ 52,569	\$ 48,480	\$ 53,008
Operating Expenses (a)			
601 Salaries & Wages	\$ -	\$ 5,400	\$ 7,200
610 Purchased Water	-	-	-
615 Purchased Power	17,695	15,296	16,104
618 Chemicals	166	-	-
620 Repairs and Maintenance	3,358	12,747	4,606
621 Office Supplies and Expense	2,435	12,332	1,210
630 Outside Services	22,748	2,847	1,401
635 Water Testing	1,899	1,485	630
641 Rents	-	900	1,200
650 Transportation Expense	5,909	1,572	1,500
657 Insurance - General liability	25	-	-
659 Insurance - Health and Life	-	-	-
666 Regulatory Commission Expense - Rate Case	1,404	-	-
675 Miscellaneous Expense	5	374	132
403 Depreciation Expense	9,803	10,873	11,573
408 Taxes Other Than Income	33	457	1,031
408.11 Property Taxes	2,563	1,167	3,058
409 Income Tax	-	-	-
Total Operating Expenses	\$ 68,043	\$ 65,450	\$ 49,645
OPERATING INCOME/(LOSS)	\$ (15,474)	\$ (16,970)	\$ 3,363
Other Income/(Expense)			
419 Interest and Dividend Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	9	-
426 Miscellaneous Non-Utility Expense	-	-	(450)
427 Interest Expense	-	-	-
Total Other Income/(Expense)	\$ -	\$ 9	\$ (450)
NET INCOME/(LOSS)	\$ (15,474)	\$ (16,961)	\$ 2,913

Supporting Schedules:
(a) E-6

Recap Schedules:
A-2

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rebuttal Schedule E-5
Title: Detail of Utility Plant

Explanation:
Schedule showing utility plant balance, by detailed account number, at the end of the test year and the end of the prior fiscal year.

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

Account Number	Description	End of Prior Year at 31-Dec-08	Net Additions	End of Test Year at 31-Dec-09
302	Franchises	\$ -		\$ -
303	Land & Land Rights	5,159		5,159
304	Structures & Improvements	619		619
307	Wells & Springs	17,939		17,939
311	Pumping Equipment	91,796	2,467	94,263
320	Water Treatment Equipment	-		-
320.1	Water Treatment Plants	-		-
320.2	Solution Chemical Feeders	-		-
330	Distribution Reservoirs & Standpipes	3,475		3,475
330.1	Storage Tanks	425		425
330.2	Pressure Tanks.	3,413		3,413
331	Transmission & Distribution Mains	63,498		63,498
333	Services	-		-
334	Meters & Meter Installations	5,000	1,180	6,180
335	Hydrants	-		-
339	Other Plant and Misc Equipment	-		-
340	Office Furniture & Equipment	-		-
340.1	Computers and Software	-		-
341	Transportation Equipment	-		-
343	Tools, Shop, and Garage Equipment	-		-
345	Power Operated Equipment	-		-
348	Other Tangible Plant	-		-
Total Plant In Service		\$ 191,324	\$ 3,647	\$ 194,971
108	Accumulated Depreciation	(84,232)	(9,399)	(93,631)
Net Plant In Service		\$ 107,092	\$ (5,752)	\$ 101,340
103	Property Held for Future Use	\$ -		\$ -
105	Construction Work in Process	-	2,854	2,854
Total Net Plant		\$ 107,092	\$ (2,898)	\$ 104,194

Supporting Schedules:

Recap Schedules:
E-1 A-4

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule E-7
 Title: Operating Statistics

Explanation:
 Schedule showing key operating statistics in comparative format,
 for the test year and the 2 fiscal years ended prior to the test year.

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

Water Statistics:	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Gallons Sold - By Class of Service:			
Residential	25,165,060	25,712,190	24,102,020
Commercial	315,940	394,810	319,240
Average Number of Customers - By Class of Service:			
Residential	166	165	162
Commercial	1	1	1
Average Annual Gallons Per Residential Customer	151,597	155,831	148,778
Average Annual Revenue Per Residential Customer	\$ 356.56	\$ 360.79	\$ 353.74
Pumping Cost Per 1,000 Gallons	\$ 0.6944	\$ 0.5859	\$ 0.6594

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule E-8
 Title: Taxes Charged to
 Operations

Explanation:
 Schedule showing all significant taxes charged to operations for
 the test year and the 2 fiscal years ended prior to the test year.

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

Description	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Federal Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	-	457	608
Total Federal Taxes	\$ -	\$ 457	\$ 608
State Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	33	-	423
Total State Taxes	\$ 33	\$ -	\$ 423
Local Taxes:			
Property	\$ 2,563	\$ 1,167	\$ 3,058
Total Taxes	\$ 2,596	\$ 1,624	\$ 4,089

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

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rebuttal Schedule E-9
Title: Notes to Financial
Statements

Explanation:
Disclosure of important facts pertaining to the understanding
of the financial statements.

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

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

- 1 Accounting Method.
The books of the unconsolidated entity are kept as accrual based, and also follow NARUC rules, including the USoA.
- 2 Depreciation lives and methods employed by major classification of utility property.
For years up to and including the test year 2009, the depreciation rate as authorized in Decision 56062 was 5% for all plant asset categories. Proposed depreciation rates are depicted on Schedule C-2d, and were taken from ACC Engineering Staff Memo regarding their recommended rates for depreciation dated April 21, 2000, and revised March 1, 2001.
- 3 Income tax treatment - normalization or flow through.
Income taxes are not a factor in the unconsolidated company since the entity is a Sole Proprietorship, and this Commission does not allow recovery of income taxes in customer rates for flow-through entities.
- 4 Interest rate used to charge interest during construction, if applicable.
Not Applicable.

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

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

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

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

	Actual Test Year Ended (a) 31-Dec-09	Projected Year	
		At Present Rates Year Ended (b) 31-Dec-10	At Proposed Rates Year Ended (b) 31-Dec-10
Operating Revenues:			
461 Metered Water Revenue	\$ 50,347	\$ 48,910	\$ 95,329
461.1 Surcharge Revenue	1,875	-	-
474 Other Water Revenue	347	347	347
Total Operating Revenue	\$ 52,569	\$ 49,257	\$ 95,676
Operating Expenses:			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	-	-	-
615 Purchased Power	17,695	17,695	17,695
618 Chemicals	166	166	166
620 Repairs & Maintenance	3,358	3,358	3,358
621 Office Supplies and Expense	2,435	2,393	2,393
630 Outside Services	22,748	33,478	33,478
635 Water Testing	1,899	1,899	1,899
641 Rental Expense	-	-	-
650 Transportation Expense	5,909	5,245	5,245
657 Insurance - General Liability	25	-	-
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	1,404	2,468	2,468
675 Miscellaneous Expense	5	5	5
403 Depreciation & Amortization	9,803	14,443	14,443
408 Property Taxes	2,563	2,443	3,189
408.1 Taxes Other Than Income	33	-	-
409 Income Taxes	-	-	-
Total Operating Expenses	\$ 68,043	\$ 83,594	\$ 84,340
OPERATING INCOME/(LOSS)	\$ (15,474)	\$ (34,337)	\$ 11,337
Other Income/(Expense):			
419 Interest Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	-	-
426 Miscellaneous Non-Utility Expenses	-	-	-
427 Interest Expense	-	-	-
Total Other Income/(Expense)	\$ -	\$ -	\$ -
NET INCOME/(LOSS)	\$ (15,474)	\$ (34,337)	\$ 11,337

Earnings per share of average
Common Stock Outstanding
% Return on Common Equity

No stock issued

Double Negative

36.87%

Supporting Schedules:
(a) E-2

Recap Schedules:
(b) A-2

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule F-3
 Title: Projected Construction
 Requirements

Explanation:
 Schedule showing projected annual construction requirements,
 by property classification, for 1 to 3 years subsequent to the
 test year compared with the test year.

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

Property Classification	Actual Test Year Ended 12/31/2009	End of Projected Year 1
Production Plant	\$ 2,467	\$ 251,529
Transmission Plant	-	310,868
Other Plant	1,180	-
Total Plant	\$ 3,647	\$ 562,397

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

Supporting Schedules:

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

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rebuttal Schedule F-4
Title: Assumptions Used in
Developing Projection

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

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

X

Important assumptions used in preparing projections should be explained.

Areas covered should include:

1 Customer growth

The company has experienced no growth in the past few years.

2 Growth in consumption and customer demand

The company does not anticipate an increase in customer consumption and demand due to the proposed tiered rate structure.

3 Changes in expenses

The company believes the test year 2009, with the limited proforma adjustments included in this application, accurately depict expense levels for the unconsolidated utility going forward.

4 Construction requirements including production reserves and changes in plant capacity

The Company is seeking a loan from WIFA for the three commonly owned entities totaling \$3 million to replace lines, add storage, and upgrade pumps and electrical at well and booster sites.

5 Capital structure changes

If the proposed consolidation of Antelope Run Water with the two related entities is approved, the new utility's structure would be a C-Corp.

6 Financing costs, interest rates

The company proposes to borrow funds from WIFA, and it will be required to pay WIFA's normal fees, reserves, and the prevailing interest rate at the time the loan is closed. Antelope Run's share of the interest expense is included on the unconsolidated income statement for comparative purposes.

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule: H-1
Title: Summary of Revenues by Customer
Classification - Present and Proposed Rates

Explanation:
 Schedule comparing revenues by customer classification for
 the Test Year, at present and proposed rates.

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

Customer Classification	Revenues in the Test Year (a)		Proposed Increase (b)	
	Present Rates	Proposed Rates	Amount	%
Residential				
5/8 x 3/4 inch	\$ 45,222	\$ 86,678	41,456	91.67%
1 inch	\$ 3,226	\$ 7,550	4,325	134.07%
Commercial				
5/8 x 3/4 inch	\$ 462	\$ 1,101	639	138.31%
Total Metered Water Revenues	\$ 48,910	\$ 95,329	\$ 46,419	94.91%
Other Revenues	\$ 347	\$ 347	-	0.00%
Total Revenues	\$ 49,257	\$ 95,676	\$ 46,419	94.24%

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

Supporting Schedules:
 (a) H-2

Recap Schedules:
 (b) A-1

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule: H-3
 Title: Changes in Representative Rate
 Schedules - Page 1 of 2

Explanation:
 Schedule comparing present rate schedules with proposed
 rate schedule.

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

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

Description	Present Rate	Proposed Rate	% change
MONTHLY USAGE CHARGE			
5/8" x 3/4" Meter	\$ 11.50	\$ 16.12	40.17%
3/4" Meter	\$ 17.25	\$ 24.18	40.17%
1" Meter	\$ 28.75	\$ 40.30	40.17%
1-1/2" Meter	\$ 57.50	\$ 80.60	40.17%
2" Meter	\$ 92.00	\$ 128.96	40.17%
3" Meter	\$ 172.50	\$ 257.92	49.52%
4" Meter	\$ 287.50	\$ 403.00	40.17%
6" Meter	\$ 575.00	\$ 806.00	40.17%
Gallons Included in Monthly Usage Charge	-	-	0%

EMERGENCY INTERIM SURCHARGE EFFECTIVE: OCTOBER 30, 2009
 DECISION NO. 71323
 DOCKET NO. W-02327A-09-0284
 \$5.58 PER CUSTOMER PER MONTH

Commodity Charges Per 1,000 Gallons:

5/8 x 3/4 - inch meter	Present Rate	Proposed Rate	% change
Tier one: 0 - 3,000 Gallons	\$ 1.00	\$ 1.070	7.00%
Tier two: 3,001 to 10,000 Gallons	\$ 1.00	\$ 1.926	92.60%
Tier three: All Gallons Over 10,000	\$ 1.00	\$ 3.467	246.68%
3/4 - inch meter			
Tier one: 0 - 3,000 Gallons	\$ 1.00	\$ 1.070	7.00%
Tier two: 3,001 to 10,000 Gallons	\$ 1.00	\$ 1.926	92.60%
Tier three: All Gallons Over 10,000	\$ 1.00	\$ 3.467	246.68%
One - inch meter			
Tier one: 0 - 15,000 Gallons	\$ 1.00	\$ 1.926	92.60%
Tier two: All Gallons Over 15,000	\$ 1.00	\$ 3.467	246.68%
One and one half - inch meter			
Tier one: 0 - 35,000 Gallons	\$ 1.00	\$ 1.926	92.60%
Tier two: All Gallons Over 35,000	\$ 1.00	\$ 3.467	246.68%
Two - inch meter			
Tier one: 0 - 60,000 Gallons	\$ 1.00	\$ 1.926	92.60%
Tier two: All Gallons Over 60,000	\$ 1.00	\$ 3.467	246.68%
Three - inch meter			
Tier one: 0 - 120,000 Gallons	\$ 1.00	\$ 1.926	92.60%
Tier two: All Gallons Over 120,000	\$ 1.00	\$ 3.467	246.68%

Four - inch meter	Present Rate	Proposed Rate	% change
Tier one: 0 -200,000 Gallons	\$ 1.00	\$ 1.926	93%
Tier two: All Gallons Over 200,000	\$ 1.00	\$ 3.467	247%

Six - inch meter	Present Rate	Proposed Rate	% change
Tier one: 0 - 400,000 Gallons	\$ 1.00	\$ 1.926	93%
Tier two: All Gallons Over 400,000	\$ 1.00	\$ 3.467	247%

Description	Present Rate	Proposed Rate	% change
SERVICE CHARGES			
Establishment	\$ 20.00	\$ 35.00	75.00%
Establishment (After Hours)	30.00	NA	NA
Reconnection (Delinquent)	10.00	\$ 35.00	250.00%
Reconnection (After Hours)	NA	NA	NA
Meter Test (If Correct)	20.00	\$ 25.00	NA
Meter Reread (If Correct)	10.00	\$ 20.00	100.00%
NSF Check Charge	\$15.00	\$ 25.00	66.67%
Deposit	*	*	
Deposit Interest (Per Annum)	6%	*	
Deferred Payment (Per Month)	NA	**	
Late Charge (Per Month)	NA	**	
Re-establishment (Within 12 Months)	***	***	
After hours Service Charge	NA	\$ 35.00	

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

SERVICE LINE AND METER INSTALLATION CHARGES
 Refundable Pursuant to AAC R14-2-405

Description	Present Rate	Proposed Rates			% change
		Service Line	Meter Charge	Total Charge	
5/8" x 3/4" Meter	\$ 175.00	\$ 430.00	\$ 130.00	\$ 560.00	220%
3/4" Meter	220.00	430.00	230.00	660.00	200%
1" Meter	250.00	480.00	290.00	770.00	208%
1-1/2" Meter	275.00	535.00	500.00	1,035.00	276%
2" Meter - Turbine	500.00	815.00	1,020.00	1,835.00	100%
2" Meter - Compound	500.00	815.00	1,865.00	2,680.00	436%
3" Meter - Turbine	700.00	1,030.00	1,645.00	2,675.00	100%
3" Meter - Compound	700.00	1,150.00	2,545.00	3,695.00	428%
4" Meter - Turbine	1,300.00	1,460.00	2,620.00	4,080.00	100%
4" Meter - Compound	1,300.00	1,640.00	3,595.00	5,235.00	303%
6" Meter - Turbine	2,800.00	2,180.00	4,975.00	7,155.00	100%
6" Meter - Compound	2,800.00	2,300.00	6,870.00	9,170.00	228%

- * Per Commission Rule AAC R-14-2-403(B).
- ** 1.50% of unpaid monthly balance.
- *** Month off system times the monthly minimum per Commission rule AAC R14-2-403(D).
- **** 1% of monthly minimum for a comparable sized meter connection, but no less than \$5.00 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.

Supporting Schedules:

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule: H-4
 Title: Typical Bill
 Analysis
 Page 1 of 3

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

5/8" x 3/4" meter
 (Note: Rates apply to both residential and commercial usage)

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

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 11.50	\$ 17.08	\$ 16.12	40%	-6%
1,000	12.50	18.08	17.19	38%	-5%
2,000	13.50	19.08	18.26	35%	-4%
3,000	14.50	20.08	19.33	33%	-4%
4,000	15.50	21.08	21.26	37%	1%
5,000	16.50	22.08	23.18	40%	5%
6,000	17.50	23.08	25.11	43%	9%
7,000	18.50	24.08	27.03	46%	12%
8,000	19.50	25.08	28.96	49%	15%
9,000	20.50	26.08	30.89	51%	18%
10,000	21.50	27.08	32.81	53%	21%
13,000	24.50	30.08	43.21	76%	44%
15,000	26.50	32.08	50.15	89%	56%
20,000	31.50	37.08	67.48	114%	82%
25,000	36.50	42.08	84.81	132%	102%
50,000	61.50	67.08	171.48	179%	156%
75,000	86.50	92.08	258.15	198%	180%
100,000	111.50	117.08	344.82	209%	195%
125,000	136.50	142.08	431.49	216%	204%
150,000	161.50	167.08	518.16	221%	210%
175,000	186.50	192.08	604.83	224%	215%
200,000	211.50	217.08	691.50	227%	219%

Supporting Schedules:

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule: H-4
 Title: Typical Bill
 Analysis
 Page 2 of 3

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

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

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

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 28.75	\$ 34.33	\$ 40.30	40%	17%
1,000	29.75	35.33	42.23	42%	20%
2,000	30.75	36.33	44.15	44%	22%
3,000	31.75	37.33	46.08	45%	23%
4,000	32.75	38.33	48.00	47%	25%
5,000	33.75	39.33	49.93	48%	27%
6,000	34.75	40.33	51.86	49%	29%
7,000	35.75	41.33	53.78	50%	30%
8,000	36.75	42.33	55.71	52%	32%
9,000	37.75	43.33	59.17	57%	37%
10,000	38.75	44.33	62.64	62%	41%
15,000	43.75	49.33	79.98	83%	62%
20,000	48.75	54.33	97.31	100%	79%
25,000	53.75	59.33	114.64	113%	93%
40,000	68.75	74.33	166.65	142%	124%
50,000	78.75	84.33	201.31	156%	139%
75,000	103.75	109.33	287.98	178%	163%
100,000	128.75	134.33	374.65	191%	179%
125,000	153.75	159.33	461.32	200%	190%
150,000	178.75	184.33	547.99	207%	197%
175,000	203.75	209.33	634.66	211%	203%
200,000	228.75	234.33	721.33	215%	208%

Supporting Schedules:

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule: H-4
 Title: Typical Bill
 Analysis
 Page 3 of 3

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

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

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

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 92.00	\$ 97.58	\$ 128.96	40%	32%
1,000	93.00	98.58	130.89	41%	33%
2,000	94.00	99.58	132.81	41%	33%
3,000	95.00	100.58	134.74	42%	34%
4,000	96.00	101.58	136.66	42%	35%
5,000	97.00	102.58	138.59	43%	35%
6,000	98.00	103.58	140.52	43%	36%
7,000	99.00	104.58	142.44	44%	36%
8,000	100.00	105.58	144.37	44%	37%
9,000	101.00	106.58	145.91	44%	37%
10,000	102.00	107.58	149.38	46%	39%
15,000	107.00	112.58	166.71	56%	48%
20,000	112.00	117.58	184.04	64%	57%
25,000	117.00	122.58	201.38	72%	64%
50,000	142.00	147.58	288.05	103%	95%
75,000	167.00	172.58	374.72	124%	117%
100,000	192.00	197.58	461.39	140%	134%
125,000	217.00	222.58	548.06	153%	146%
150,000	242.00	247.58	634.73	162%	156%
175,000	267.00	272.58	721.40	170%	165%
200,000	292.00	297.58	808.07	177%	172%

Supporting Schedules:

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

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

5/8 x 3/4 inch meter - Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	20	-	20	1.03%	-	0.00%
1 to 1,000	56	28,000	76	3.91%	28,000	0.12%
1,001 to 2,000	119	178,500	195	10.03%	206,500	0.90%
2,001 to 3,000	139	347,500	334	17.17%	554,000	2.41%
3,001 to 4,000	186	651,000	520	26.74%	1,205,000	5.23%
4,001 to 5,000	195	877,500	715	36.76%	2,082,500	9.04%
5,001 to 6,000	151	830,500	866	44.52%	2,913,000	12.65%
6,001 to 7,000	120	780,000	986	50.69%	3,693,000	16.04%
7,001 to 8,000	89	667,500	1,075	55.27%	4,360,500	18.94%
8,001 to 9,000	86	731,000	1,161	59.69%	5,091,500	22.11%
9,001 to 10,000	61	579,500	1,222	62.83%	5,671,000	24.63%
10,001 to 12,000	122	1,342,000	1,344	69.10%	7,013,000	30.46%
12,001 to 14,000	92	1,196,000	1,436	73.83%	8,209,000	35.65%
14,001 to 16,000	75	1,125,000	1,511	77.69%	9,334,000	40.54%
16,001 to 18,000	66	1,122,000	1,577	81.08%	10,456,000	45.41%
18,001 to 20,000	49	931,000	1,626	83.60%	11,387,000	49.45%
20,001 to 25,000	106	2,385,000	1,732	89.05%	13,772,000	59.81%
25,001 to 30,000	67	1,842,500	1,799	92.49%	15,614,500	67.81%
30,001 to 35,000	44	1,430,000	1,843	94.76%	17,044,500	74.02%
35,001 to 40,000	32	1,200,000	1,875	96.40%	18,244,500	79.23%
40,001 to 50,000	26	1,170,000	1,901	97.74%	19,414,500	84.31%
50,001 to 60,000	14	770,000	1,915	98.46%	20,184,500	87.66%
60,001 to 70,000	11	715,000	1,926	99.02%	20,899,500	90.76%
70,001 to 80,000	7	525,000	1,933	99.38%	21,424,500	93.04%
80,001 to 90,000	3	255,000	1,936	99.54%	21,679,500	94.15%
90,001 to 99,999	1	95,000	1,937	99.59%	21,774,500	94.56%
106,900	1	106,900	1,938	99.64%	21,881,400	95.03%
124,600	1	124,600	1,939	99.69%	22,006,000	95.57%
124,790	1	124,790	1,940	99.74%	22,130,790	96.11%
149,390	1	149,390	1,941	99.79%	22,280,180	96.76%
177,740	1	177,740	1,942	99.85%	22,457,920	97.53%
180,720	1	180,720	1,943	99.90%	22,638,640	98.31%
192,510	1	192,510	1,944	99.95%	22,831,150	99.15%
195,840	1	195,840	1,945	100.00%	23,026,990	100.00%
	1,945	23,026,990				

Average Number of Customers	162
Average Consumption	11,839
Median Consumption	6,900

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rebuttal Schedule: H-5
 Title: Bill Count
 Page 2 of 5

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

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

5/8 x 3/4 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	-	-	-	0.00%	-	0.00%
1,001 to 2,000	-	-	-	0.00%	-	0.00%
2,001 to 3,000	-	-	-	0.00%	-	0.00%
3,001 to 4,000	-	-	-	0.00%	-	0.00%
4,001 to 5,000	-	-	-	0.00%	-	0.00%
5,001 to 6,000	-	-	-	0.00%	-	0.00%
6,001 to 7,000	-	-	-	0.00%	-	0.00%
7,001 to 8,000	-	-	-	0.00%	-	0.00%
8,001 to 9,000	-	-	-	0.00%	-	0.00%
9,001 to 10,000	-	-	-	0.00%	-	0.00%
10,001 to 12,000	-	-	-	0.00%	-	0.00%
12,001 to 14,000	-	-	-	0.00%	-	0.00%
14,001 to 16,000	2	30,000	2	16.67%	30,000	9.26%
16,001 to 18,000	2	34,000	4	33.33%	64,000	19.75%
18,001 to 20,000	-	-	4	33.33%	64,000	19.75%
20,001 to 25,000	3	67,500	7	58.33%	131,500	40.59%
25,001 to 30,000	2	55,000	9	75.00%	186,500	57.56%
30,001 to 35,000	-	-	9	75.00%	186,500	57.56%
35,001 to 40,000	1	37,500	10	83.33%	224,000	69.14%
40,001 to 50,000	1	45,000	11	91.67%	269,000	83.02%
50,001 to 60,000	1	55,000	12	100.00%	324,000	100.00%
60,001 to 70,000	-	-	12	100.00%	324,000	100.00%
70,001 to 80,000	-	-	12	100.00%	324,000	100.00%
80,001 to 90,000	-	-	12	100.00%	324,000	100.00%
90,001 to 99,999	-	-	12	100.00%	324,000	100.00%
>= 100,000	-	-	12	100.00%	324,000	100.00%
	12	324,000				

Average Number of Customers 1
 Average Consumption 27,000
 Median Consumption 22,390

Supporting Schedules:

Recap Schedules:

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

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

1 inch meter - Residential

Note: All customers on 1 inch meters are residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	1	500	1	2.08%	500	0.03%
1,001 to 2,000	-	-	1	2.08%	500	0.03%
2,001 to 3,000	1	2,500	2	4.17%	3,000	0.16%
3,001 to 4,000	4	14,000	6	12.50%	17,000	0.92%
4,001 to 5,000	5	22,500	11	22.92%	39,500	2.14%
5,001 to 6,000	1	5,500	12	25.00%	45,000	2.44%
6,001 to 7,000	2	13,000	14	29.17%	58,000	3.14%
7,001 to 8,000	4	30,000	18	37.50%	88,000	4.77%
8,001 to 9,000	-	-	18	37.50%	88,000	4.77%
9,001 to 10,000	-	-	18	37.50%	88,000	4.77%
10,001 to 12,000	-	-	18	37.50%	88,000	4.77%
12,001 to 14,000	-	-	18	37.50%	88,000	4.77%
14,001 to 16,000	3	45,000	21	43.75%	133,000	7.21%
16,001 to 18,000	3	51,000	24	50.00%	184,000	9.97%
18,001 to 20,000	1	19,000	25	52.08%	203,000	11.00%
20,001 to 25,000	1	22,500	26	54.17%	225,500	12.22%
25,001 to 30,000	2	55,000	28	58.33%	280,500	15.20%
30,001 to 35,000	2	65,000	30	62.50%	345,500	18.72%
35,001 to 40,000	-	-	30	62.50%	345,500	18.72%
40,001 to 50,000	1	45,000	31	64.58%	390,500	21.16%
50,001 to 60,000	1	55,000	32	66.67%	445,500	24.14%
60,001 to 70,000	5	325,000	37	77.08%	770,500	41.75%
70,001 to 80,000	3	225,000	40	83.33%	995,500	53.94%
80,001 to 90,000	1	85,000	41	85.42%	1,080,500	58.54%
90,001 to 99,999	2	190,000	43	89.58%	1,270,500	68.84%
101,150	1	101,150	44	91.67%	1,371,650	74.32%
103,110	1	103,110	45	93.75%	1,474,760	79.90%
108,130	1	108,130	46	95.83%	1,582,890	85.76%
119,030	1	119,030	47	97.92%	1,701,920	92.21%
143,750	1	143,750	48	100.00%	1,845,670	100.00%
	48	1,845,670				

Average Number of Customers	4.00
Average Consumption	38,451
Median Consumption	18,535

Supporting Schedules:

Recap Schedules:

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

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

2 inch meter - Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	-	-	-	0.00%	-	0.00%
1,001 to 2,000	-	-	-	0.00%	-	0.00%
2,001 to 3,000	-	-	-	0.00%	-	0.00%
3,001 to 4,000	-	-	-	0.00%	-	0.00%
4,001 to 5,000	-	-	-	0.00%	-	0.00%
5,001 to 6,000	-	-	-	0.00%	-	0.00%
6,001 to 7,000	-	-	-	0.00%	-	0.00%
7,001 to 8,000	-	-	-	0.00%	-	0.00%
8,001 to 9,000	-	-	-	0.00%	-	0.00%
9,001 to 10,000	1	9,500	1	8.33%	9,500	2.81%
10,001 to 12,000	2	22,000	3	25.00%	31,500	9.30%
12,001 to 14,000	3	39,000	6	50.00%	70,500	20.82%
14,001 to 16,000	1	15,000	7	58.33%	85,500	25.25%
16,001 to 18,000	-	-	7	58.33%	85,500	25.25%
18,001 to 20,000	1	19,000	8	66.67%	104,500	30.86%
20,001 to 25,000	-	-	8	66.67%	104,500	30.86%
25,001 to 30,000	1	27,500	9	75.00%	132,000	38.98%
30,001 to 35,000	-	-	9	75.00%	132,000	38.98%
35,001 to 40,000	1	37,500	10	83.33%	169,500	50.06%
40,001 to 50,000	1	45,000	11	91.67%	214,500	63.35%
50,001 to 60,000	-	-	11	91.67%	214,500	63.35%
60,001 to 70,000	-	-	11	91.67%	214,500	63.35%
70,001 to 80,000	-	-	11	91.67%	214,500	63.35%
80,001 to 90,000	-	-	11	91.67%	214,500	63.35%
90,001 to 99,999	-	-	11	91.67%	214,500	63.35%
<u>124,100</u>	<u>1</u>	<u>124,100</u>	<u>12</u>	<u>100.00%</u>	<u>338,600</u>	<u>100.00%</u>
	12	338,600				

Average Number of Customers 1.00
Average Consumption 28,217
Median Consumption 13,950

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rebuttal Schedule: H-5
Title: Bill Count
Page 5 of 5

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

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

Emergency Surcharge

Amount of Surcharge \$5.58 per customer per month
Surcharge Approved in Decision 71323, October 30, 2009

	<u># of Bills Nov and Dec 2009</u>	<u>Surcharge</u>	<u>Surcahrge Revenue</u>
Residential	334	\$5.58	\$1,864
Commercial	2	\$5.58	\$11
Total			\$1,875

**EAST SLOPE
WATER COMPANY**

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

Rebuttal Schedule A-1
Title: Computation of Increase in Gross Revenue Requirements

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

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

	Original Cost	RCND
<u>Rate of Return on Rate Base Method:</u>		
1. Adjusted Rate Base	\$ 150,009 (a)	(a)
2. Adjusted Operating Income	\$ (42,879) (b)	(b)
3. Current Rate of Return	-28.58%	
4. Required Rate of Return	20.00%	
5. Required Operating Income	\$ 30,002	
6. Operating Income Deficiency (5 - 2)	\$ 72,881	
7. Gross Revenue Conversion Factor	1.306 (c)	(c)
8. Increase in Gross Revenue Requirements (6 x 7)	<u>\$ 95,167</u>	

<u>Operating Margin Method:</u>		
9. Proposed Revenue	\$ 301,853	
10. Required Operating Margin	9.94%	
11. Required Operating Income (9 x 10)	\$ 30,002	
12. Operating Income Deficiency (11 - 2)	\$ 72,881	
13. Gross Revenue Conversion Factor	1.306 (c)	(c)
14. Increase in Gross Revenue Requirements (12 x 13)	<u>\$ 95,167</u>	

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase	
Residential	\$ 187,629	\$ 273,404	\$ 85,776	45.72%	(d)
Commercial	15,807	25,199	9,392	59.42%	
Industrial	-	-	-	0.00%	
Other	3,250	3,250	-	0.00%	
Total	<u>\$ 206,686</u>	<u>\$ 301,853</u>	<u>\$ 95,167</u>	<u>46.04%</u>	

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

Supporting Schedules:

(a) B-1 (c) C-3

(b) C-1 (d) H-1

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

Rebuttal Schedule A-2
Title: Summary Results of Operations

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

Explanation:
Schedule showing comparative operating results for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

Description	<u>Prior Years</u>		<u>Test Year</u>		<u>Projected Year</u>	
	Year End	Year End	Actual	Adjusted	Present	Proposed
	31-Dec-07	31-Dec-08	Rates	Rates	Rates	Rates
	(a)	(a)	(a)	(b)	(c)	(c)
1. Gross Revenues	\$ 207,882	\$ 190,700	\$ 218,459	\$ 206,686	\$ 206,686	\$ 301,853
2. Revenue Deductions & Operating Expenses	(221,093)	(192,183)	(228,478)	(249,565)	(249,565)	(271,850)
3. Operating Income	\$ (13,211)	\$ (1,483)	\$ (10,019)	\$ (42,879)	\$ (42,879)	\$ 30,002
4. Other Income and Deductions	-	5,849	-	-	-	-
5. Interest Expense	(13,484)	(10,042)	(1,544)	(1,544)	(1,544)	(1,544)
6. Net Income	\$ (26,695)	\$ (5,676)	\$ (11,563)	\$ (44,423)	\$ (44,423)	\$ 28,459
7. Earned Per Average Common Share*	\$ (5.34)	\$ (1.14)	\$ (2.31)	\$ (8.88)		
8. Dividends Per Common Share*	-	-	-	-		
9. Payout Ratio*	0.00%	0.00%	0.00%	0.00%		
10. Return on Average Invested Capital	-21.14%	-5.39%	-13.23%	-50.84%	-50.84%	32.57%
11. Return on Year End Capital	-21.14%	-6.72%	-12.81%	-49.21%	-49.21%	31.52%
12. Return on Average Common Equity	Double Negative					-36.21%
13. Return on Year End Common Equity	Double Negative					-43.69%
14. Times Bond Interest Earned - Before Inc Tax	-104.75%	-14.77%	-161.79%	-3607.32%	-3607.32%	2458.00%
15. Times Total Interest and Preferred Dividends Earned - After Income Taxes	-97.98%	-14.77%	-648.90%	-2777.16%	-2777.16%	1943.71%

Supporting Schedules:

*Optional for projected year

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

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

Rebuttal Schedule A-4
Title: Construction Expenditures and
Gross Utility Plant in Service

Explanation:
Schedule showing construction expenditures, plant placed in service and gross utility plant in service for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

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

Year	Construction Expenditures (a)	Net Plant Placed In Service (b)	Gross Utility Plant In Service
1. Prior Year 1 - 2007	\$ 30,008	\$ 30,008	\$ 463,102
2. Prior Year 2 - 2008	4,316	(34,905)	428,197
3. Test Year - 2009	27,062	27,062	455,259
4. Projected Year 1	2,197,953	2,197,953	2,653,212
5. Projected *			
6. Projected *			

* Required only for Class A and B Utilities

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

Supporting Schedules:

- (a) F-3
- (b) E-5

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

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

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

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

	<u>Original Cost</u> <u>Rate Base*</u>	<u>RCND</u> <u>Rate Base*</u>
1. Gross Utility Plant in Service	\$ 455,259	
2. Less: Accumulated Depreciation	<u>(314,810)</u>	
3. Net Utility Plant in Service	\$ 140,449 (a)	(b)
Less:		
4. Advances in Aid of Construction	\$ (14,464) (c)	(c)
5. Contributions in Aid of Construction	(201,862) (c)	(c)
Add:		
6. Amortization of CIAC	\$ 201,509	
7. Allowance for Working Capital	<u>24,376 (d)</u>	(d)
7. Total Rate Base	<u>\$ 150,009 (e)</u>	(e)

* Including pro forma adjustments

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

Supporting Schedules:

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

Recap Schedules:

- (e) A-1

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

Rebuttal Schedule B-2
Title: Original Cost Rate Base
Proforma Adjustments

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

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

	Actual at End Of Test Year (a)	Pro forma Adjustment	Ref	Adjusted at End Of Test Year (b)
1 Gross Utility Plant in Service	\$ 494,810	\$ (39,551)	1	\$ 455,259
2 Less: Accumulated Depreciation	(330,223)	15,413	2	(314,810)
3 Net Utility Plant in Service	\$ 164,587	\$ (24,138)		\$ 140,449
Less:				
4 Advances in Aid of Construction	\$ (20,383)	\$ 5,919	3	\$ (14,464)
5 Contributions in Aid of Construction	-	(201,862)	4	(201,862)
Add:				
6 Amortization of CIAC	\$ -	\$ 201,509	5	\$ 201,509
7 Allowance for Working Capital	24,284	92	6	24,376
8 Total Rate Base	\$ 168,488	\$ (18,479)		\$ 150,009

Ref

1 Remove Office Furniture from Plant in Service	\$ (11,330)
Remove Transportation Equipment from Plant in Service	(27,891)
Reclassify Jim's Electric invoice dated 1/6/09 to R&M	(130)
Reclassify Jim's Electric invoice dated 7/31/09 to R&M	(75)
Reclassify Jim's Electric invoice dated 11/18/09 to R&M	(125)
Total Company Adjustment to Plant in Service	\$ (39,551)

Staff decreased Electric Pumping Equipment by \$3,123, reconciled as follows:

D&M Well Service dated 5/19/09	\$ 2,822	Supporting invoice provided, amount remains in Account 311
D&M Well Service dated 7/9/09	488	Supporting invoice provided, amount remains in Account 311
Jim's Electric dated 7/31/09	75	Supporting invoice provided, amount reclassified to R&M per above
Dana Kepner dated 12/7/09 *	(262)	
Total Staff Adjustment	\$ 3,123	

* This invoice from Dana Kepner was not included in plant in service on the original application. Of this amount, \$146 was included in R&M expense on the original application, and the \$116 balance was not included in plant balance or in R&M expense. As a result of this change, the full amount of the Dana Kepner invoice is included in adjusted test year R&M expense. It should be noted that the plant in service account was never overstated.

- 2 Adjust accumulated depreciation based on adjustments to Plant in Service.
- 3 Adjust Advances in Aid of Construction based on Company response to JMM 2-29.
- 4 Adjust Contributions in Aid of Construction based on Company response to JMM 2-28.
- 5 Adjust Amortization of Contributions in Aid of Construction based on Company response to JMM 2-28.
- 6 Adjust working capital allowance based on changes to operating expenses on Rebuttal Schedule C-1.

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

Supporting Schedules:
(a) E-1

Recap Schedules:
(b) B-1

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rebuttal Schedule B-5
 Title: Computation of Working
 Capital

Explanation:
 Schedule showing computation of working capital allowance.

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

	<u>Amount</u>	
1. Cash working capital		
1/24th Purchased Power	\$ 2,218	
1/24th Purchased Water	-	
1/8th Operation & Maintenance Expense	22,158	
2. Materials and Supplies Inventories	-	(a)
3. Prepayments	-	(a)
4. Total Working Capital Allowance	<u>\$ 24,376</u>	(b)

NOTES:

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

Supporting Schedules:
 (a) E-1

Recap Schedules:
 (b) B-1

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

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

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

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

Description	Actual for Test Year Ended (a) 31-Dec-09	Ref	Proforma Adjustments (b)	Test Year Results After Pro Forma Adjustments	Ref	Proposed Rate Increase	Adjusted Test Year With Rate Increase
Operating Revenues:							
461 Metered Water Revenue	\$ 203,436			\$ 203,436	M	\$ 95,167	\$ 298,603
461.1 Surcharge Revenue	11,773	A	\$ (11,773)	-			-
474 Other Water Revenue	3,250			3,250			3,250
Total Operating Revenue	\$ 218,459		\$ (11,773)	\$ 206,686		\$ 95,167	\$ 301,853
Operating Expenses:							
601 Salaries & Wages	\$ -			\$ -			\$ -
610 Purchased Water	-			-			-
615 Purchased Power	52,801	B	433	53,234			53,234
618 Chemicals	460			460			460
620 Repairs & Maintenance	11,875	C	466	12,341			12,341
621 Office Supplies and Expense	8,431	D	(185)	8,246			8,246
630 Outside Services	95,049	E	27,100	122,149			122,149
635 Water Testing	3,980			3,980			3,980
641 Rental Expense	-			-			-
650 Transportation Expense	11,822	F	1,181	13,003			13,003
657 Insurance - General Liability	6,491			6,491			6,491
659 Insurance - Health and Life	-			-			-
666 Rate Case Expense	1,775	G	8,817	10,592			10,592
675 Miscellaneous Expense	-			-			-
403 Depreciation & Amortization	12,474	H	9,380	21,854			21,854
408 Taxes Other Than Income	(202)	I	202	-			-
408.11 Property Taxes	16,001	J	(5,968)	10,033	O	1,529	11,562
409 Income Taxes	7,521	K	(20,339)	(12,818)	N	20,756	7,938
Total Operating Expenses	\$ 228,478		\$ 21,087	\$ 249,565		\$ 22,285	\$ 271,850
OPERATING INCOME/(LOSS)	\$ (10,019)		\$ (32,860)	\$ (42,879)	(c)	\$ 72,881	\$ 30,002
Other Income/(Expense):							
419 Interest Income	\$ -			\$ -			\$ -
421 Non-Utility Income	-			-			-
426 Miscellaneous Non-Utility Expenses	-			-			-
427 Interest Expense	(1,544)	L	-	(1,544)			(1,544)
Total Other Income/(Expense)	\$ (1,544)		\$ -	\$ (1,544)		\$ -	\$ (1,544)
NET INCOME/(LOSS)	\$ (11,563)		\$ (32,860)	\$ (44,423)		\$ 72,881	\$ 28,459

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

Supporting Schedules:
(a) E-2
(b) C-2

Recap Schedules:
(c) A-1

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rebuttal Schedule C-2
 Title: Income Statement Proforma
 Adjustments

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

Explanation:
 Schedule itemizing pro forma adjustments to the test year income statement.

Description	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	Total (a) Adjustments
Revenues:																
Metered Water Revenue													\$ 95,167			\$ 95,167
Surcharge Revenue	\$ (11,773)															(11,773)
Expenses:																
Purchased Power		\$ 433														\$ 433
Repairs and Maintenance			\$ 466													466
Office Supplies and Expense				\$ (185)												(185)
Outside Services					\$ 27,100											27,100
Transportation Expenses						\$ 1,181										1,181
Rate Case Expense							\$ 8,817									8,817
Depreciation & Amortization								\$ 9,380								9,380
Taxes Other Than Income									\$ 202							202
Property Taxes										\$ (5,968)						(4,439)
Income Taxes											\$ (20,339)			\$ 20,756		417
Other Income/(Expense):																
Interest Expense																\$ -

Adjustment Descriptions:

- A - Remove surcharge revenue from the test year as it is temporary, and will not be included in proposed rates.
- B - Adjust purchased power expense per calculation on Schedule C-2i. Schedule also includes support to counter Staff's disallowance amount of \$4,862.
- C - Adjust repairs and maintenance expense per calculation on Schedule C-2a.
- D - Adjust office supplies and expense per calculation on Schedule C-2a.
- E - Adjust outside services expense per calculation on Schedule C-2b.
- F - Adjust transportation expense per calculation on Schedule C-2c.
- G - Increase rate case expense to recover \$1,775 incurred for the emergency rate case, and estimated costs of \$30,000 for this rate case, amortized over 3 years, (\$31,775/3).
- H - Increase depreciation expense based upon proposed depreciation rates per schedule C-2d.
- I - Remove negative payroll tax expense that will not recur due to management contract.
- J - Adjust test year property tax expense per Schedule C-2g.
- K - Adjust test year income tax expense per Schedule C-2e.
- L - Removed.
- M - Increase metered water revenue per calculation on Schedule A-1.
- N - Increase income taxes for proposed rates per calculation on Schedule C-2f.
- O - Increase property taxes for proposed rates per calculation on Schedule C-2g.

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

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

Recap Schedules:
 (a) C-1

East Slope Water Company
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Test Year Ended December 31, 2009

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

DETAIL OF PROPOSED OFFICE SUPPLIES AND EXPENSE ADJUSTMENT

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

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Rebuttal Schedule C-2b
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED OUTSIDE SERVICES EXPENSE ADJUSTMENT

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

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Rebuttal Schedule C-2c
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED TRANSPORTATION EXPENSE ADJUSTMENT

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

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Test Year Ended December 31, 2009

Rebuttal Schedule C-2d
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED DEPRECIATION EXPENSE CALCULATION

Account Number	Description	Plant @ End of Test Year 31-Dec-09	Proposed Depreciation Rate	Ref	Proposed Depreciation Expense
301	Intangibles	\$ 2,180	0.00%		\$ -
303	Land & Land Rights	75	0.00%		-
304	Structures & Improvements	9,003	3.33%		300
307	Wells & Springs	44,427	3.33%	1	318
311	Pumping Equipment	148,169	12.50%		18,521
320	Water Treatment Equipment	-			-
320.1	Water Treatment Plants	-	3.33%		-
320.2	Solution Chemical Feeders	-	20.00%		-
330	Distribution Reservoirs & Standpipes	-	2.22%		-
330.1	Storage Tanks	20,799	2.22%		462
330.2	Pressure Tanks.	5,474	5.00%		274
331	Transmission & Distribution Mains	209,649	2.00%	2	1,701
333	Services	-	3.33%		-
334	Meters & Meter Installations	11,498	8.33%	3	278
335	Hydrants	-	2.00%		-
339	Other Plant and Misc Equipment	-	6.67%		-
340	Office Furniture & Equipment	-	6.67%		-
340.1	Computers and Software	-	20.00%		-
341	Transportation Equipment	3,985	20.00%	4	-
343	Tools, Shop, and Garage Equipment	-	5.00%		-
345	Power Operated Equipment	-	5.00%		-
348	Other Tangible Plant	-	0.00%		-
Totals		\$ 455,259			\$ 21,854
Test Year Depreciation Expense					12,474
Total Adjustment H					\$ 9,380

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

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Rebuttal Schedule C-2e
Title: Income Statement Proforma
Adjustments

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

STATE INCOME TAX CALCULATION:

Operating Income/(Loss) Before Taxes	\$	(55,697)	
Less:			
Estimated Interest Expense			
Arizona Taxable Income	\$	<u>(55,697)</u>	
Arizona Income Tax Rate		<u>6.9680%</u>	
Arizona Income Tax Expense	\$		(3,881)

FEDERAL INCOME TAX CALCULATION:

Operating Income/(Loss) Before Taxes	\$	(55,697)	
Less:			
Arizona Income Tax	\$	(3,881)	
Estimated Interest Expense		<u>-</u>	
Federal Taxable Income	\$	<u>(59,578)</u>	
Federal Income Tax Rate		<u>15.0000%</u>	
Federal Income Tax Expense	\$		(8,937)
Adjusted Test Year Income Tax Expense	\$		<u>(12,818)</u>
Test Year Income Tax Expense			<u>7,521</u>
Total Adjustment K to Income Taxes	\$		<u><u>(20,339)</u></u>

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Rebuttal Schedule C-2f
Title: Income Statement Proforma
Adjustments

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

Revenue	\$	301,853	
Operating Expenses Excluding Income Tax		263,912	
Estimated Interest Expense		-	
Arizona Taxable Income			\$ 37,940
Arizona Income Tax Rate			6.9680%
Arizona Income Tax Expense			\$ 2,644
Federal Taxable Income	\$	35,297	
Federal Tax on 1st Income Range (\$1 - \$50,000) @ 15%	\$	5,295	
Federal Tax on 2nd Income Range (\$50,001 - \$75,000) @ 25%		-	
Federal Tax on 3rd Income Range (\$75,001 - \$100,000) @ 34%		-	
Federal Tax on 4th Income Range (\$100,001 - \$335,000) @ 39%		-	
Federal Tax on 5th Income Range (\$335,001 - \$10M) @ 34%		-	
Total Federal Income Tax Expense			5,295
Combined Federal and State Income Tax Expense	\$		7,938
Adjusted Test Year Income Tax Expense			(12,818)
Adjustment N to Proposed Income Tax Expense	\$		20,756

Required Operating Income	\$	30,002	
Adjusted Test Year Operating Income/(Loss)		(42,879)	
Proposed Increase In Operating Income	\$		72,881
Income Taxes On Proposed Revenue	\$	7,938	
Income Taxes On Test Year Revenue		(12,818)	
Proposed Revenue Increase For Income Taxes	\$		20,756
Property Taxes On Proposed Revenue	\$	11,562	
Property Taxes On Test Year Revenue		10,033	
Proposed Revenue Increase For Property Taxes	\$		1,529
Total Proposed Increase In Revenue	\$		95,167

East Slope Water Company
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Rebuttal Schedule C-2g
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED PROPERTY TAX EXPENSE CALCULATION

	Test Year as Adjusted	Company at Proposed Rates
Adjusted 2009 Test Year Revenue	\$ 206,686	\$ 206,686
Weight Factor	2	2
Subtotal	\$ 413,372	\$ 413,372
Company Recommended Revenue	206,686	301,853
Subtotal	\$ 620,058	\$ 715,225
Number of Years	3	3
Three Year Revenue Average	\$ 206,686	\$ 238,408
AZ Department of Revenue Multiplier	2	2
Revenue Base Value	\$ 413,372	\$ 476,816
Plus 10% of CWIP	2,854	2,854
Less: Net Book Value of Licensed Vehicles	-	-
Full Cash Value	\$ 416,226	\$ 479,670
Assessment Ratio	20.50%	20.50%
Assessment Value	\$ 85,326	\$ 98,332
Revised Composite Property Tax Rate *	11.7583%	11.7583%

Adjusted Test Year Property Tax Expense	\$ 10,033
Actual Test Year Property Tax Expense	16,001
Total Adjustment J	\$ (5,968)

Projected Property Tax Expense	\$ 11,562
Adjusted Test Year Property Tax Expense	10,033
Total Adjustment O	\$ 1,529

* Property tax composite rate calculation:

Assessed Value per 2009 Property Tax Notice	\$ 87,999
Property Tax due per 2009 Notice	10,331
Revised Composite Property Tax Rate	11.7405%
Rounding adjustment	0.0178%
Composite Rate of Indiada and Antelope Run	11.7583%

For Gross Revenue Conversion Factor:

Change in Property Tax Expense	\$ 1,529
Change in Revenue Requirement	95,166
Change in Property Tax per Dollar Increase in Revenue	1.6070%

East Slope Water Company
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Rebuttal Schedule C-2h
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED REPAIRS AND MAINTENANCE EXPENSE ADJUSTMENT

<u>Description</u>		<u>Amount</u>
Reclassify amount from Pumping Equipment	\$	125
Reclassify amount from Pumping Equipment		130
Reclassify amount from Pumping Equipment		75
Reclassify amount from Meters ¹		116
Exclude expense prior to test year		(70)
Include test year expense for December 2009		90
		<hr/>
	Total Adjustment C \$	466

¹ This amount was excluded from Meters (334) on the original application, but was not included in Repairs and Maintenance.

East Slope Water Company
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Test Year Ended December 31, 2009

Rebuttal Schedule C-2i
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED PURCHASED POWER EXPENSE ADJUSTMENT

<u>Description</u>	<u>Amount</u>
Remove expenses prior to Test Year	\$ (4,298)
Remove credit adjustment for prior year	4,731
Total Adjustment B	\$ 433

Please note: Adjustment B was reflected as a negative amount on the original application.

Invoices related to Staff's Adjustment #1 as reflected on Schedule JMM-9:

SSVEC Account 6506500	\$	213	
SSVEC Account 6956000		12	
SSVEC Account 6955900		12	
SSVEC Account 4154900		27	
SSVEC Account 4155200		2,388	
SSVEC Account 4159600		27	
SSVEC Account 4204600		893	
Total January SSVEC invoices provided	\$	3,573	
Remove amount paid for February 2009		(740)	
Add invoice amount for February 2009		2,029	Account 4155200
Staff's disallowance amount	\$	4,862	

The Company is providing \$3,573 of January 2009 invoices from Sulphur Springs Valley Electric Cooperative to support Staff's disallowed amount for purchased power. The remaining difference of \$1,289 is the amount that was overpaid on the January 2009 bill for account 4155200, resulting in a credit that was applied in February 2009.

East Slope Water Company
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 Test Year Ended December 31, 2009

Rebuttal Schedule C-3
 Title: Computation of Gross Revenue
 Conversion Factor

Explanation:
 Schedule showing incremental taxes on gross revenues and
 the development of a gross revenue conversion factor.

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

Description	Calculation
Revenue	1.000
Combined Federal And State Tax Rate	(0.218)
Property Tax Rate	(0.016)
Operating Income	0.766
Gross Revenue Conversion Factor = 1/Operating Income %	1.306

CALCULATION OF COMBINED FEDERAL AND STATE TAX RATE:

Operating Income Before Taxes (Arizona Taxable Income)	100.0000%
Arizona State Income Tax Rate	6.9680%
Federal Taxable Income	93.0320%
Federal Income Tax Rate	15.0000%
Effective Federal Income Tax Rate	13.9548%
Combined Federal And State Income Tax Rates	21.97%

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

Rebuttal Schedule D-1
Title: Summary Cost of Capital

Explanation:
Schedule showing elements of capital structure
and the related cost.

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

Invested Capital	End of Test Year				End of Projected Year			
	Amount	%	Cost Rate (e)	Composite Cost %	Amount	%	Cost Rate (e)	Composite Cost %
Long-Term Debt (a)					\$ 2,197,952	96.05%	5.00%	4.80%
Short-Term Debt (a)								
Wells Fargo Credit Line	\$ 104,877	116.17%	10.75%	12.49%	104,877	4.58%	10.75%	0.49%
N. Watkins note	50,545	55.99%	10.00%	5.60%	50,545	2.21%	10.00%	0.22%
Common Equity (c)	(65,140)	-72.15%	-28.58%	20.62%	(65,140)	-2.85%	20.00%	-0.57%
Totals	\$ 90,282	100.00%		38.71%	\$ 2,288,234	100.00%		4.95%

Supporting Schedules:

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

Recap Schedules:

- (e) A-3

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

Rebuttal Schedule E-1
Title: Comparative Balance
Sheet

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

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

	Test Year At 31-Dec-09	Prior Year 31-Dec-08	Prior Year 31-Dec-07
ASSETS			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 455,259	\$ 428,197	\$ 463,102
103 Property Held for Future Use			
105 Construction Work in Process			
108 Accumulated Depreciation	(314,810)	(301,416)	(300,289)
Total Property Plant & Equipment	\$ 140,449	\$ 126,781	\$ 162,813
Current Assts:			
131 Cash	\$ 8,801	\$ 11,470	\$ 1,795
135 Temporary Cash Investments			
141 Customer Accounts Receivable	6,987		
146 Notes/Receivables from Associated Companies	13,114	13,114	13,114
151 Plant Material and Supplies			
162 Prepayments			
174 Miscellaneous Current and Accrued Assets			
Total Current Assets	\$ 28,902	\$ 24,584	\$ 14,909
TOTAL ASSETS	\$ 169,351	\$ 151,365	\$ 177,722
LIABILITIES and CAPITAL			
Capitalization: (b)			
201 Common Stock Issued	\$ 5,000	\$ 5,000	\$ 5,000
211 Paid in Capital in Excess of Par Value	8,768	8,768	8,768
215 Retained Earnings	(78,908)	(105,829)	(45,164)
218 Proprietary Capital	-	-	-
Total Capital	\$ (65,140)	\$ (92,061)	\$ (31,396)
Current Liabilities:			
231 Accounts Payable	\$ 56,616	\$ 41,775	\$ 21,544
232 Notes Payable (Current Portion)			20,200
234 Notes/Accounts Payable to Associated Companies	-	-	-
235 Customer Deposits	7,440	23,821	4,680
236 Accrued Taxes	196	239	3,276
241 Miscellaneous Current and Accrued Liabilities	155,422	158,895	136,000
Total Current Liabilities	\$ 219,674	\$ 224,730	\$ 185,700
224 Long-Term Debt (Over 12 Months)			
Deferred Credits:			
252 Advances In Aid Of Construction	\$ 14,464	\$ 17,637	\$ 21,653
271 Contributions In Aid Of Construction	201,862	201,862	201,862
272 Less: Amortization of Contributions	(201,509)	(200,803)	(200,097)
281 Accumulated Deferred Income Tax			
Total Deferred Credits	\$ 14,817	\$ 18,696	\$ 23,418
Total Liabilities	\$ 234,491	\$ 243,426	\$ 209,118
TOTAL LIABILITIES and CAPITAL	\$ 169,351	\$ 151,365	\$ 177,722

Supporting Schedules:
(a) E-5

Recap Schedules:
(b) A-3

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

Rebuttal Schedule E-2
Title: Comparative Income
Statements

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

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

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

Supporting Schedules:
(a) E-6

Recap Schedules:
A-2

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rebuttal Schedule E-5
Title: Detail of Utility Plant

Explanation:
 Schedule showing utility plant balance, by detailed account number, at the end of the test year and the end of the prior fiscal year.

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

Account Number	Description	End of Prior Year at 31-Dec-08	Net Additions	End of Test Year at 31-Dec-09
301	Intangibles	\$ 2,180		\$ 2,180
303	Land & Land Rights	75		75
304	Structures & Improvements	9,003		9,003
307	Wells & Springs	44,427		44,427
311	Pumping Equipment	125,355	22,814	148,169
320	Water Treatment Equipment			-
320.1	Water Treatment Plants			-
320.2	Solution Chemical Feeders			-
330	Distribution Reservoirs & Standpipes			-
330.1	Storage Tanks	20,799		20,799
330.2	Pressure Tanks.	5,474		5,474
331	Transmission & Distribution Mains	205,401	4,248	209,649
333	Services			-
334	Meters & Meter Installations	11,498		11,498
335	Hydrants			-
339	Other Plant and Misc Equipment			-
340	Office Furniture & Equipment	-		-
340.1	Computers and Software			-
341	Transportation Equipment	3,985		3,985
343	Tools, Shop, and Garage Equipment			-
345	Power Operated Equipment			-
348	Other Tangible Plant			-
Total Plant In Service		\$ 428,197	\$ 27,062	\$ 455,259
108	Accumulated Depreciation	(301,416)	(13,394)	(314,810)
Net Plant In Service		\$ 126,781	\$ 13,668	\$ 140,449
103	Property Held for Future Use	\$ -		\$ -
105	Construction Work in Process	-		-
Total Net Plant		\$ 126,781	\$ 13,668	\$ 140,449

Supporting Schedules:

Recap Schedules:
 E-1 A-4

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rebuttal Schedule E-7
Title: Operating Statistics

Explanation:
 Schedule showing key operating statistics in comparative format,
 for the test year and the 2 fiscal years ended prior to the test year.

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

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

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rebuttal Schedule E-8
 Title: Taxes Charged to
 Operations

Explanation:
 Schedule showing all significant taxes charged to operations for
 the test year and the 2 fiscal years ended prior to the test year.

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

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

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

Supporting Schedules:

Recap Schedules:

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

Rebuttal Schedule E-9
Title: Notes to Financial
Statements

Explanation:
Disclosure of important facts pertaining to the understanding
of the financial statements.

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

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

1 Accounting Method.

The books of the unconsolidated entity are kept as accrual based, and also follow NARUC rules, including the USoA.

2 Depreciation lives and methods employed by major classification of utility property.

For years up to and including the test year 2009, the depreciation rate as authorized in Decision 57076 was 5% for all plant asset categories. Proposed depreciation rates are depicted on Schedule C-2d, and were taken from ACC Engineering Staff Memo regarding their recommended rates for depreciation dated April 21, 2000, and revised March 1, 2001.

3 Income tax treatment - normalization or flow through.

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

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

Not Applicable.

Supporting Schedules:

Recap Schedules:

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

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

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

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

	Actual Test Year Ended (a) 31-Dec-09	Projected Year	
		At Present Rates Year Ended (b) 31-Dec-10	At Proposed Rates Year Ended (b) 31-Dec-10
Operating Revenues:			
461 Metered Water Revenue	\$ 203,436	\$ 203,436	\$ 298,603
461.1 Surcharge Revenue	11,773	-	-
474 Other Water Revenue	3,250	3,250	3,250
Total Operating Revenue	\$ 218,459	\$ 206,686	\$ 301,853
Operating Expenses:			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	-	-	-
615 Purchased Power	52,801	53,234	53,234
618 Chemicals	460	460	460
620 Repairs & Maintenance	11,875	12,341	12,341
621 Office Supplies and Expense	8,431	8,246	8,246
630 Outside Services	95,049	122,149	122,149
635 Water Testing	3,980	3,980	3,980
641 Rental Expense	-	-	-
650 Transportation Expense	11,822	13,003	13,003
657 Insurance - General Liability	6,491	6,491	6,491
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	1,775	10,592	10,592
675 Miscellaneous Expense	-	-	-
403 Depreciation & Amortization	12,474	21,854	21,854
408 Property Taxes	16,001	10,033	11,562
408.1 Taxes Other Than Income	(202)	-	-
409 Income Taxes	7,521	(12,818)	7,938
Total Operating Expenses	\$ 228,478	\$ 249,565	\$ 271,850
OPERATING INCOME/(LOSS)	\$ (10,019)	\$ (42,879)	\$ 30,002
Other Income/(Expense):			
419 Interest Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	-	-
426 Miscellaneous Non-Utility Expenses	-	-	-
427 Interest Expense	(1,544)	(1,544)	(1,544)
Total Other Income/(Expense)	\$ (1,544)	\$ (1,544)	\$ (1,544)
NET INCOME/(LOSS)	\$ (11,563)	\$ (44,423)	\$ 28,459
Earnings per share of average Common Stock Outstanding	\$ (2.31)	\$ (8.88)	\$ 5.69
% Return on Common Equity		Negative Equity	

Supporting Schedules:
(a) E-2

Recap Schedules:
(b) A-2

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rebuttal Schedule F-3
 Title: Projected Construction
 Requirements

Explanation:
 Schedule showing projected annual construction requirements,
 by property classification, for 1 to 3 years subsequent to the
 test year compared with the test year.

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

Property Classification	Actual Test Year Ended 12/31/2009	End of Projected Year 1
Production Plant	\$ 22,814	\$ -
Transmission Plant	4,248	2,197,953
Other Plant	-	-
Total Plant	\$ 27,062	\$ 2,197,953

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

Supporting Schedules:

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

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

Rebuttal Schedule F-4
Title: Assumptions Used in
Developing Projection

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

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

Important assumptions used in preparing projections should be explained.

Areas covered should include:

- 1 Customer growth
The company has experienced no growth in the past few years.
- 2 Growth in consumption and customer demand
The company does not anticipate an increase in customer consumption and demand due to the proposed tiered rate structure.
- 3 Changes in expenses
The company believes the test year 2009, with the limited proforma adjustments included in this application, accurately depict expense levels for the unconsolidated utility going forward.
- 4 Construction requirements including production reserves and changes in plant capacity
The Company is seeking a loan from WIFA for the three commonly owned entities totaling \$3 million to replace lines, add storage, and upgrade pumps and electrical at well and booster sites.
- 5 Capital structure changes
If the proposed consolidation of East Slope Water Company with the two related entities is approved, the new utility's structure would be a C-Corp.
- 6 Financing costs, interest rates
The company proposes to borrow funds from WIFA, and it will be required to pay WIFA's normal fees, reserves, and the prevailing interest rate at the time the loan is closed. East Slope's share of the interest expense is included on the unconsolidated income statement for comparative purposes.

Supporting Schedules:

Recap Schedules:

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

Rebuttal Schedule: H-1
Title: Summary of Revenues by Customer
Classification - Present and Proposed Rates

Explanation:
Schedule comparing revenues by customer classification for
the Test Year, at present and proposed rates.

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

Customer Classification	Revenues in the Test Year (a)		Proposed Increase (b)		
	Present Rates	Proposed Rates	Amount	%	
Residential					
5/8 x 3/4 inch	\$ 180,219	\$ 259,811	\$ 79,592	44.16%	
1 inch	2,993	5,388	2,395	80.01%	
1.5 inch	4,417	8,206	3,789	85.77%	
Total Residential	\$ 187,629	\$ 273,404	\$ 85,776	45.72%	
Commercial					
5/8 x 3/4 inch	\$ 9,534	\$ 14,157	\$ 4,623	48.49%	
1 inch	1,844	3,299	1,455	78.94%	
1.5 inch	1,855	3,351	1,496	80.63%	
2 inch	2,574	4,391	1,818	70.62%	
Total Commercial	15,807	25,199	9,392	59.42%	
Total Metered Water Revenues	\$ 203,436	\$ 298,603	\$ 95,168	46.78%	
Other Revenues	3,250	3,250	-	0.00%	
Total Revenues	\$ 206,686	\$ 301,853	\$ 95,167	46.04%	

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

Supporting Schedules:
(a) H-2

Recap Schedules:
(b) A-1

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rebuttal Schedule: H-3
 Title: Changes in Representative Rate
 Schedules - Page 1 of 2

Explanation:
 Schedule comparing present rate schedules with proposed
 rate schedule.

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

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

Description	Present Rate	Proposed Rate	% change
MONTHLY USAGE CHARGE			
5/8" x 3/4" Meter	\$ 9.00	\$ 11.97	33.00%
3/4" Meter	9.00	17.96	99.50%
1" Meter	15.00	29.93	99.50%
1-1/2" Meter	25.00	59.85	139.40%
2" Meter	50.00	95.76	91.52%
3" Meter	NA	191.52	NA
4" Meter	NA	299.25	NA
6" Meter	NA	598.50	NA
Gallons Included in Usage Charge	2,000	-	-100.00%

EMERGENCY INTERIM SURCHARGE EFFECTIVE: OCTOBER 30, 2009
 DECISION NO. 71322 DOCKET NO. W-01906A-09-0283
 \$7.60 PER CUSTOMER PER MONTH

Commodity Charges Per 1,000 Gallons:

5/8 x 3/4 - inch meter	Current Rate	Proposed Rate	% Change
Tier one: 0 - 2,000 Gallons	\$ -	\$ 1.00	NA
Tier one: 2001- 3,000 Gallons	1.71	1.00	-41.52%
Tier two: 3,001 to 10,000 Gallons	1.71	1.80	5.26%
Tier three: All Gallons Over 10,000	1.71	3.24	89.47%
3/4 - inch meter			
Tier one: 0 - 2,000 Gallons	\$ -	\$ 1.00	NA
Tier one: 2001- 3,000 Gallons	1.71	1.00	-41.52%
Tier two: 3,001 to 10,000 Gallons	1.71	1.80	5.26%
Tier three: All Gallons Over 10,000	1.71	3.24	89.47%
One - inch meter			
Tier one: 0 - 2,000 Gallons	\$ -	\$ 1.80	NA
Tier one: 2001 - 15,000 Gallons	1.71	1.80	5.26%
Tier two: All Gallons Over 15,000	1.71	3.24	89.47%
One and one half - inch meter			
Tier one: 0 - 2,000 Gallons	\$ -	\$ 1.80	NA
Tier one: 2001 - 30,000 Gallons	1.71	1.80	5.26%
Tier two: All Gallons Over 30,000	1.71	3.24	89.47%
Two - inch meter			
Tier one: 0 - 2,000 Gallons	\$ -	\$ 1.80	NA
Tier one: 2001 - 50,000 Gallons	1.71	1.80	5.26%
Tier two: All Gallons Over 50,000	1.71	3.24	89.47%
Three - inch meter			
Tier one: 0 - 2,000 Gallons	NA	\$ 1.80	NA
Tier one: 2001 - 100,000 Gallons	NA	1.80	NA
Tier two: All Gallons Over 100,000	NA	3.24	NA

Four - inch meter	Current Rate	Proposed Rate	% Change
Tier one: 0 - 2,000 Gallons	NA	\$ 1.80	NA
Tier one: 2001 - 170,000 Gallons	NA	1.80	NA
Tier two: All Gallons Over 170,000	NA	3.24	NA

Six - inch meter	Current Rate	Proposed Rate	% Change
Tier one: 0 - 2,000 Gallons	NA	\$ 1.80	NA
Tier one: 2001 - 350,000 Gallons	NA	1.80	NA
Tier two: All Gallons Over 350,000	NA	3.24	NA

Description	Present Rate	Proposed Rate	% change
SERVICE CHARGES			
Establishment	\$ 15.00	\$ 35.00	133.33%
Establishment (After Hours)	20.00	NA	NA
Reconnection (Delinquent)	15.00	35.00	133.33%
Reconnection (After Hours)	NA	NA	NA
Meter Test (If Correct)	20.00	25.00	NA
Meter Reread (If Correct)	10.00	20.00	100.00%
NSF Check Charge	15.00	25.00	66.67%
Deposit	*	*	
Deposit Interest (Per Annum)	*	*	
Deferred Payment (Per Month)	15% per anum	**	
Late Charge (Per Month)	blank	**	
Re-establishment (Within 12 Month:	***	***	

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

SERVICE LINE AND METER INSTALLATION CHARGES
 Refundable Pursuant to AAC R14-2-405

Description	Present Rate	Proposed Rates			% change
		Service Line	Meter Charge	Total Charge	
5/8" x 3/4" Meter	\$ 275.00	\$ 430.00	\$ 130.00	\$ 560.00	103.64%
3/4" Meter	300.00	430.00	230.00	660.00	120.00%
1" Meter	325.00	480.00	290.00	770.00	136.92%
1-1/2" Meter	475.00	535.00	500.00	1,035.00	117.89%
2" Meter - Turbine	650.00	815.00	1,020.00	1,835.00	100.00%
2" Meter - Compound		815.00	1,865.00	2,680.00	
3" Meter - Turbine		1,030.00	1,645.00	2,675.00	100.00%
3" Meter - Compound		1,150.00	2,545.00	3,695.00	
4" Meter - Turbine		1,460.00	2,620.00	4,080.00	100.00%
4" Meter - Compound		1,640.00	3,595.00	5,235.00	
6" Meter - Turbine		2,180.00	4,975.00	7,155.00	100.00%
6" Meter - Compound		2,300.00	6,870.00	9,170.00	

* Per Commission Rule AAC R-14-2-403(B).

** 1.50% of unpaid monthly balance.

*** Month off system times the monthly minimum per Commission rule AAC R14-2-403(D).

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

Supporting Schedules:

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

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

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

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

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

5/8" x 3/4" meter

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 9.00	\$ 16.60	\$ 11.97	33.00%	-27.89%
1,000	9.00	16.60	12.97	44.11%	-21.87%
2,000	9.00	16.60	13.97	55.22%	-15.84%
3,000	10.71	18.31	14.97	39.78%	-18.24%
4,000	12.42	20.02	16.77	35.02%	-16.23%
5,000	14.13	21.73	18.57	31.42%	-14.54%
6,000	15.84	23.44	20.37	28.60%	-13.10%
7,000	17.55	25.15	22.17	26.32%	-11.85%
8,000	19.26	26.86	23.97	24.45%	-10.76%
9,000	20.97	28.57	25.77	22.89%	-9.80%
10,000	22.68	30.28	27.57	21.56%	-8.95%
13,000	27.81	35.41	37.29	34.09%	5.31%
15,000	31.23	38.83	43.77	40.15%	12.72%
20,000	39.78	47.38	59.97	50.75%	26.57%
25,000	48.33	55.93	76.17	57.60%	36.19%
50,000	91.08	98.68	157.17	72.56%	59.27%
75,000	133.83	141.43	238.17	77.96%	68.40%
100,000	176.58	184.18	319.17	80.75%	73.29%
125,000	219.33	226.93	400.17	82.45%	76.34%
150,000	262.08	269.68	481.17	83.60%	78.42%
175,000	304.83	312.43	562.17	84.42%	79.93%
200,000	347.58	355.18	643.17	85.04%	81.08%

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

1 inch meter

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 15.00	\$ 22.60	\$ 29.93	99.50%	32.41%
1,000	15.00	22.60	31.73	111.50%	40.38%
2,000	15.00	22.60	33.53	123.50%	48.34%
3,000	16.71	24.31	35.33	111.40%	45.31%
4,000	18.42	26.02	37.13	101.55%	42.68%
5,000	20.13	27.73	38.93	93.37%	40.37%
6,000	21.84	29.44	42.17	93.06%	43.22%
7,000	23.55	31.15	45.41	92.80%	45.76%
8,000	25.26	32.86	48.65	92.58%	48.04%
9,000	26.97	34.57	51.89	92.38%	50.09%
10,000	28.68	36.28	55.13	92.21%	51.94%
15,000	37.23	44.83	71.33	91.58%	59.10%
20,000	45.78	53.38	87.53	91.19%	63.97%
25,000	54.33	61.93	103.73	90.92%	67.49%
40,000	79.98	87.58	152.33	90.45%	73.93%
50,000	97.08	104.68	184.73	90.28%	76.47%
75,000	139.83	147.43	265.73	90.03%	80.24%
100,000	182.58	190.18	346.73	89.90%	82.31%
125,000	225.33	232.93	427.73	89.82%	83.63%
150,000	268.08	275.68	508.73	89.77%	84.53%
175,000	310.83	318.43	589.73	89.73%	85.20%
200,000	353.58	361.18	670.73	89.70%	85.70%

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rebuttal Schedule: H-4
 Title: Typical Bill Analysis
 Page 3 of 4

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

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

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

X

1.5 inch meter

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase W/O Surcharge
-	\$ 25.00	\$ 32.60	\$ 59.85	139.40%	83.59%
1,000	25.00	32.60	61.65	146.60%	89.11%
2,000	25.00	32.60	63.45	153.80%	94.63%
3,000	26.71	34.31	65.25	144.29%	90.18%
4,000	28.42	36.02	67.05	135.93%	86.15%
5,000	30.13	37.73	68.85	128.51%	82.48%
6,000	31.84	39.44	70.65	121.89%	79.13%
7,000	33.55	41.15	72.45	115.95%	76.06%
8,000	35.26	42.86	74.25	110.58%	73.24%
9,000	36.97	44.57	76.05	105.71%	70.63%
10,000	38.68	46.28	77.85	101.27%	68.22%
15,000	47.23	54.83	86.85	83.89%	58.40%
20,000	55.78	63.38	95.85	71.84%	51.23%
25,000	64.33	71.93	112.05	74.18%	55.78%
50,000	107.08	114.68	193.05	80.29%	68.34%
75,000	149.83	157.43	274.05	82.91%	74.08%
100,000	192.58	200.18	355.05	84.36%	77.37%
125,000	235.33	242.93	436.05	85.29%	79.50%
150,000	278.08	285.68	517.05	85.94%	80.99%
175,000	320.83	328.43	598.05	86.41%	82.09%
200,000	363.58	371.18	679.05	86.77%	82.94%

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

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

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

2 inch meter

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 50.00	\$ 57.60	\$ 95.76	91.52%	66.25%
1,000	50.00	57.60	97.56	95.12%	69.38%
2,000	50.00	57.60	99.36	98.72%	72.50%
3,000	51.71	59.31	101.16	95.63%	70.56%
4,000	53.42	61.02	102.96	92.74%	68.73%
5,000	55.13	62.73	104.76	90.02%	67.00%
6,000	56.84	64.44	106.56	87.47%	65.36%
7,000	58.55	66.15	108.36	85.07%	63.81%
8,000	60.26	67.86	110.16	82.81%	62.33%
9,000	61.97	69.57	111.96	80.67%	60.93%
10,000	63.68	71.28	113.76	78.64%	59.60%
15,000	72.23	79.83	122.76	69.96%	53.78%
20,000	80.78	88.38	131.76	63.11%	49.08%
25,000	89.33	96.93	147.96	65.63%	52.65%
50,000	132.08	139.68	228.96	73.35%	63.92%
75,000	174.83	182.43	309.96	77.29%	69.91%
100,000	217.58	225.18	390.96	79.69%	73.62%
125,000	260.33	267.93	471.96	81.29%	76.15%
150,000	303.08	310.68	552.96	82.45%	77.98%
175,000	345.83	353.43	633.96	83.32%	79.37%
200,000	388.58	396.18	714.96	83.99%	80.46%

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

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

5/8 x 3/4 inch meter - Residential

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

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

Supporting Schedules:

Recap Schedules:

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

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

5/8 x 3/4 inch meter - Commercial

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

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

Supporting Schedules:

Recap Schedules:

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

1 inch meter Residential

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

X

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

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

Supporting Schedules:

Recap Schedules:

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

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

1 inch meter Commercial

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

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

Supporting Schedules:

Recap Schedules:

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

1.5 inch meter Residential

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

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

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

Supporting Schedules:

Recap Schedules:

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

1.5 inch meter Commercial

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

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

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

Supporting Schedules:

Recap Schedules:

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

2 inch meter

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

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	-	-	-	0.00%	-	0.00%
1,001 to 2,000	-	-	-	0.00%	-	0.00%
2,001 to 3,000	-	-	-	0.00%	-	0.00%
3,001 to 4,000	-	-	-	0.00%	-	0.00%
4,001 to 5,000	4	18,000	4	11.11%	18,000	3.39%
5,001 to 6,000	3	16,500	7	19.44%	34,500	6.49%
6,001 to 7,000	3	19,500	10	27.78%	54,000	10.16%
7,001 to 8,000	3	22,500	13	36.11%	76,500	14.39%
8,001 to 9,000	2	17,000	15	41.67%	93,500	17.59%
9,001 to 10,000	2	19,000	17	47.22%	112,500	21.17%
10,001 to 12,000	2	22,000	19	52.78%	134,500	25.31%
12,001 to 14,000	3	39,000	22	61.11%	173,500	32.64%
14,001 to 16,000	1	22,001	23	63.89%	195,501	36.78%
16,001 to 18,000	1	17,000	24	66.67%	212,501	39.98%
18,001 to 20,000	1	19,000	25	69.44%	231,501	43.56%
20,001 to 25,000	4	90,000	29	80.56%	321,501	60.49%
25,001 to 30,000	6	165,000	35	97.22%	486,501	91.53%
30,001 to 35,000	-	-	35	97.22%	486,501	91.53%
35,001 to 40,000	-	-	35	97.22%	486,501	91.53%
40,001 to 50,000	1	45,000	36	100.00%	531,501	100.00%
50,001 to 60,000	-	-	36	100.00%	531,501	100.00%
60,001 to 70,000	-	-	36	100.00%	531,501	100.00%
70,001 to 80,000	-	-	36	100.00%	531,501	100.00%
80,001 to 90,000	-	-	36	100.00%	531,501	100.00%
90,001 to 100,000	-	-	36	100.00%	531,501	100.00%
>100,000	-	-	36	100.00%	531,501	100.00%
	36	531,501				

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

Supporting Schedules:

Recap Schedules:

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rebuttal Schedule: H-5
 Title: Bill Count
 Page 8 of 8

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

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

Emergency Surcharge

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

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

**INDIADA WATER
COMPANY**

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rebuttal Schedule A-1
Title: Computation of Increase in Gross
Revenue Requirements

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

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

	<u>Original Cost</u>	<u>RCND</u>
<u>Rate of Return on Rate Base Method:</u>		
1. Adjusted Rate Base	\$ 28,541 (a)	(a)
2. Adjusted Operating Income	\$ (2,111) (b)	(b)
3. Current Rate of Return	-7.39%	
4. Required Rate of Return	16.63%	
5. Required Operating Income	\$ 4,747	
6. Operating Income Deficiency (5 - 2)	\$ 6,858	
7. Gross Revenue Conversion Factor	<u>1.0163 (c)</u>	(c)
8. Increase in Gross Revenue Requirements (6 x 7)	<u>\$ 6,970</u>	

<u>Operating Margin Method:</u>		
9. Proposed Revenue	\$ 35,110	
10. Required Operating Margin	<u>13.52%</u>	
11. Required Operating Income (9 x 10)	\$ 4,747	
12. Operating Income Deficiency (11 - 2)	\$ 6,858	
13. Gross Revenue Conversion Factor	<u>1.0163 (c)</u>	(c)
14. Increase in Gross Revenue Requirements (12 x 13)	<u>\$ 6,970</u>	

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase	
Residential	\$ 28,013	\$ 34,983	\$ 6,970	24.88%	(d)
Commercial	-	-	-	-	
Industrial	-	-	-	-	
Other	<u>127</u>	<u>127</u>	-	0.00%	
Total	<u>\$ 28,140</u>	<u>\$ 35,110</u>	<u>\$ 6,970</u>	<u>24.77%</u>	

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

Supporting Schedules:

(a) B-1 (c) C-3

(b) C-1 (d) H-1

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rebuttal Schedule A-2
Title: Summary Results of Operations

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

Explanation:
Schedule showing comparative operating results for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

Description	<u>Prior Years</u>		<u>Test Year</u>		<u>Projected Year</u>	
	Year End	Year End	Actual	Adjusted	Present	Proposed
	31-Dec-07	31-Dec-08	Rates	Rates	Rates	Rates
	(a)	(a)	(a)	(b)	(c)	(c)
1. Gross Revenues	\$ 27,440	\$ 25,085	\$ 29,009	\$ 28,140	\$ 28,140	\$ 35,110
2. Revenue Deductions & Operating Expenses	(29,597)	(31,084)	(28,702)	(30,251)	(30,251)	(30,363)
3. Operating Income	\$ (2,157)	\$ (5,999)	\$ 307	\$ (2,111)	\$ (2,111)	\$ 4,747
4. Other Income and Deductions	3,750	4,515	-	-	-	-
5. Interest Expense	(1,045)	(700)	-	-	-	-
6. Net Income	\$ 548	\$ (2,184)	\$ 307	\$ (2,111)	\$ (2,111)	\$ 4,747
7. Earned Per Average Common Share*	\$ 1.33	\$ (5.29)	\$ 0.74	\$ (5.11)		
8. Dividends Per Common Share*	-	-	-	-		
9. Payout Ratio*	0.00%	0.00%	0.00%	0.00%		
10. Return on Average Invested Capital	5.07%	-10.05%	1.02%	-7.01%	-7.01%	15.77%
11. Return on Year End Capital	5.07%	-6.69%	1.11%	-7.65%	-7.65%	17.21%
12. Return on Average Common Equity	5.07%	-10.05%	1.02%	-7.01%	-7.01%	15.77%
13. Return on Year End Common Equity	5.07%	-6.69%	1.11%	-7.65%	-7.65%	17.21%
14. Times Bond Interest Earned - Before Inc Tax	-152.44%	212.00%			Not Meaningful	
15. Times Total Interest and Preferred Dividends Earned - After Income Taxes	47.56%	412.00%			Not Meaningful	

Supporting Schedules:

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

*Optional for projected year

Indiada Water Company, Inc.
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rebuttal Schedule A-4
Title: Construction Expenditures and
Gross Utility Plant in Service

Explanation:
 Schedule showing construction expenditures, plant placed in service and gross utility plant in service for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

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

Year	Construction Expenditures (a)	Net Plant Placed In Service (b)	Gross Utility Plant In Service
1. Prior Year 1 - 2007	\$ 2,323	\$ 2,323	\$ 67,086
2. Prior Year 2 - 2008	7,476	25,521	92,607
3. Test Year - 2009	3,364	(18,470)	74,137
4. Projected Year 1	239,651	239,651	313,788
5. Projected *			
6. Projected *			

* Required only for Class A and B Utilities

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

Supporting Schedules:

- (a) F-3
- (b) E-5

Indiada Water Company, Inc.
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

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

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

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

	Original Cost Rate Base*		RCND Rate Base*
1. Gross Utility Plant in Service	\$ 74,137		
2. Less: Accumulated Depreciation	(48,679)		
3. Net Utility Plant in Service	<u>\$ 25,458</u>	(a)	(b)
Less:			
4. Advances in Aid of Construction	\$ -	(c)	(c)
5. Contributions in Aid of Construction	-	(c)	(c)
Add:			
6. Amortization of CIAC	\$ -		
7. Allowance for Working Capital	<u>3,083</u>	(d)	(d)
8. Total Rate Base	<u><u>\$ 28,541</u></u>	(e)	(e)

* Including pro forma adjustments

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

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

Recap Schedules:
 (e) A-1

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rebuttal Schedule B-2
Title: Original Cost Rate Base
Proforma Adjustments

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

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

	Actual at End Of Test Year (a)	Pro forma Adjustment	Ref	Adjusted at End Of Test Year (b)
1. Gross Utility Plant in Service	\$ 95,971	\$ (21,834)	1	\$ 74,137
2. Less: Accumulated Depreciation	(53,371)	4,692	2	(48,679)
3. Net Utility Plant in Service	\$ 42,600	\$ (17,142)		\$ 25,458
Less:				
4. Advances in Aid of Construction	\$ -			\$ -
5. Contributions in Aid of Construction	-			-
Add:				
6. Amortization of CIAC	\$ -			\$ -
7. Allowance for Working Capital	3,083			3,083
8. Total Rate Base	\$ 45,683	\$ (17,142)		\$ 28,541

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

Explanations:

- 1 Remove office equipment and truck from utility plant in service per Staff Schedule JMM-5.
- 2 Remove accumulated depreciation related to above plant decreases per Staff Schedule JMM-5.

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

Supporting Schedules:
(a) E-1

Recap Schedules:
(b) B-1

Indiada Water Company, Inc.
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rebuttal Schedule B-5
Title: Computation of Working Capital

Explanation:
 Schedule showing computation of working capital allowance.

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

	<u>Amount</u>	
1. Cash working capital		
1/24th Purchased Power	\$ 76	
1/24th Purchased Water	-	
1/8th Operation & Maintenance Expense	3,008	
2. Materials and Supplies Inventories	-	(a)
3. Prepayments	-	(a)
	<hr/>	
4. Total Working Capital Allowance	<u>\$ 3,083</u>	(b)

NOTES:

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

Supporting Schedules:
 (a) E-1

Recap Schedules:
 (b) B-1

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

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

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

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

Description	Actual for Test		Proforma		Test Year		Proposed	Adjusted Test
	Year Ended (a)	Ref	Adjustments	Ref	Results After	Rate		
	31-Dec-09		(b)		Pro Forma	Increase	Rate Increase	
Operating Revenues:								
461 Metered Water Revenue	\$ 28,013				\$ 28,013	L \$ 6,970	\$ 34,983	
461.1 Surcharge Revenue	869	A	(869)		-		-	
474 Other Water Revenue	127				127		127	
Total Operating Revenue	\$ 29,009		\$ (869)		\$ 28,140	\$ 6,970	\$ 35,110	
Operating Expenses:								
601 Salaries & Wages	\$ -				\$ -		\$ -	
610 Purchased Water	1,700	B	(1,700)		-		-	
615 Purchased Power	1,818				1,818		1,818	
618 Chemicals	166				166		166	
620 Repairs & Maintenance	910				910		910	
621 Office Supplies and Expense	1,336	C	48		1,384		1,384	
630 Outside Services	9,937	D	4,164		14,101		14,101	
635 Water Testing	2,129				2,129		2,129	
641 Rental Expense	-				-		-	
650 Transportation Expense	3,688	E	(131)		3,557		3,557	
657 Insurance - General Liability	49	F	(49)		-		-	
659 Insurance - Health and Life	-				-		-	
666 Rate Case Expense	1,439	G	374		1,813		1,813	
675 Miscellaneous Expense	-				-		-	
403 Depreciation & Amortization	5,076	H	(2,060)		3,016		3,016	
408 Taxes Other Than Income	(958)	I	958		-		-	
408.11 Property Taxes	1,412	J	(55)		1,357	M 112	1,469	
409 Income Taxes	-				-		-	
Total Operating Expenses	\$ 28,702		\$ 1,549		\$ 30,251	\$ 112	\$ 30,363	
OPERATING INCOME/(LOSS)	\$ 307		\$ (2,418)		\$ (2,111)	(c) \$ 6,858	\$ 4,747	
Other Income/(Expense):								
419 Interest Income	\$ -				\$ -		\$ -	
421 Non-Utility Income	-				-		-	
426 Miscellaneous Non-Utility Expenses	-				-		-	
427 Interest Expense	-	K			-		-	
Total Other Income(Expense)	\$ -		\$ -		\$ -	\$ -	\$ -	
NET INCOME/(LOSS)	\$ 307		\$ (2,418)		\$ (2,111)	\$ 6,858	\$ 4,747	

Note: For combination utilities, above information should be presented in total and by department.
Actual Test Year amounts are transferred from Schedule C-1a.

Supporting Schedules: (a) E-2 (b) C-2
Recap Schedules: (c) A-1

Rebuttal Schedule C-2
Title: Income Statement Proforma
Adjustments

Indiada Water Company, Inc.
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

All Utilities	X
Class A	
Class B	
Class C	
Class D	
Spec Reqmt	

Explanation:
 Schedule itemizing pro forma adjustments to the test year income statement.

Description	A	B	C	D	E	F	G	H	I	J	K	L	M	Total (a) Adjustments
Revenues:														
Metered Water Revenue												\$ 6,970		\$ 6,970
Surcharge Revenue	\$ (869)													(869)
Expenses:														
Purchased Water		\$ (1,700)												(1,700)
Office Supplies and Expense		\$ 48												48
Outside Services			\$ 4,164											4,164
Transportation Expense				\$ (131)										(131)
Insurance - General Liability						\$ (49)								(49)
Rate Case Expense							\$ 374							374
Depreciation & Amortization							\$ (2,060)							(2,060)
Taxes Other Than Income								\$ 958						958
Property Taxes										\$ (55)			\$ 112	57
Other Income/(Expense):														
Interest Expense											\$ -			\$ -

Adjustment Descriptions:

- A - Remove surcharge revenue from the test year as it is temporary, and will not be included in proposed rates.
- B - Remove intercompany purchased water from Antelope Run.
- C - Adjust office supplies and expense per calculation on Schedule C-2a.
- D - Adjust outside services expense per calculation on Schedule C-2b.
- E - Adjust transportation expense per calculation on Schedule C-2c.
- F - Remove workers compensation insurance expense that will non-recur as a result of management contract.
- G - Increase rate case expense to recover \$1,439 incurred for the emergency rate case, and estimated costs of \$4,000 for this rate case, amortized over 3 years, (\$5,439/3).
- H - Decrease depreciation expense based upon proposed depreciation rates per schedule C-2d.
- I - Remove negative payroll tax expense that will not recur due to management contract.
- J - Adjust test year property tax expense per calculation on Schedule C-2e.
- K - Removed.
- L - Increase proposed revenue per calculation on Schedule A-1.
- M - Increase property taxes at proposed rates per calculation on Schedule C-2e.

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

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

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

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

DETAIL OF PROPOSED OFFICE SUPPLIES AND EXPENSE ADJUSTMENT

Description	Amount
November 2008 billing forms	\$ (2)
December 2008 billing forms	(2)
November 2009 billing forms	2
December 2009 billing forms	2
November 2008 postage	(15)
December 2008 postage	(15)
November 2009 postage	59
December 2009 postage	19
Total Adjustment C	\$ 48

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rebuttal Schedule C-2b
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED OUTSIDE SERVICES EXPENSE ADJUSTMENT

Description	Amount
December 2008 accounting	(130)
November 2009 accounting	130
December 2009 accounting	130
Remove test year management fees expense per general ledger	(5,602)
Proforma management fees expense	\$ 9,636
Total Adjustment D	\$ <u>4,164</u>

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rebuttal Schedule C-2c
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED TRANSPORTATION EXPENSE ADJUSTMENT

Description	Amount
November 2008 mileage	\$ (82)
December 2008 mileage	(230)
November 2009 mileage	178
December 2009 mileage	203
Non-recurring vehicle lease expenses	(200)
Total Adjustment E	\$ (131)

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rebuttal Schedule C-2d
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED DEPRECIATION EXPENSE CALCULATION

Account Number	Description	Plant @ End of Test Year 31-Dec-09	Proposed Depreciation Rate	Ref	Proposed Depreciation Expense
302	Franchises	\$ -	0.00%		\$ -
303	Land & Land Rights	750	0.00%		-
304	Structures & Improvements	-	3.33%		-
307	Wells & Springs	7,786	3.33%	1	-
311	Pumping Equipment	16,453	12.50%		2,057
320	Water Treatment Equipment				-
320.1	Water Treatment Plants	1,076	3.33%		36
320.2	Solution Chemical Feeders	-	20.00%		-
330	Distribution Reservoirs & Standpipes	1,503	2.22%		33
330.1	Storage Tanks	10,865	2.22%		241
330.2	Pressure Tanks	5,054	5.00%		253
331	Transmission & Distribution Mains	26,736	2.00%	2	159
333	Services	474	3.33%	3	-
334	Meters & Meter Installations	3,440	8.33%	4	237
335	Hydrants	-	2.00%		-
339	Other Plant and Misc Equipment	-	6.67%		-
340	Office Furniture & Equipment	-	6.67%		-
340.1	Computers and Software	-	20.00%		-
341	Transportation Equipment	-	20.00%		-
343	Tools, Shop, and Garage Equipment	-	5.00%		-
345	Power Operated Equipment	-	5.00%		-
348	Other Tangible Plant	-	0.00%		-
Proposed Totals		\$ 74,137			\$ 3,016
Test Year Depreciation Expense					5,076
Total Adjustment H					\$ (2,060)

- 1 Amount in Account 307 - Wells & Springs, is fully depreciated.
- 2 \$18,780 of total in Account 331 - Transmission & Distribution Mains, is fully depreciated.
- 3 Amount in Account 333 - Services, is fully depreciated.
- 4 \$593 of total in Account 334 - Meters & Meter Installations, is fully depreciated.

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rebuttal Schedule C-2e
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED PROPERTY TAX EXPENSE CALCULATION

	<u>Test Year as Adjusted</u>	<u>Company at Proposed Rates</u>
Adjusted 2009 Test Year Revenue	\$ 28,140	\$ 28,140
Weight Factor	2	2
Subtotal	<u>\$ 56,280</u>	<u>\$ 56,280</u>
Company Recommended Revenue	28,140	35,110
Subtotal	<u>\$ 84,420</u>	<u>\$ 91,390</u>
Number of Years	3	3
Three Year Revenue Average	<u>\$ 28,140</u>	<u>\$ 30,463</u>
AZ Department of Revenue Multiplier	2	2
Revenue Base Value	<u>\$ 56,280</u>	<u>\$ 60,926</u>
Plus 10% of CWIP	-	-
Less: Net Book Value of Licensed Vehicles	-	-
Full Cash Value	<u>\$ 56,280</u>	<u>\$ 60,926</u>
Assessment Ratio	<u>20.50%</u>	<u>20.50%</u>
Assessment Value	<u>\$ 11,537</u>	<u>\$ 12,490</u>
Revised Composite Property Tax Rate *	<u>11.7583%</u>	<u>11.7583%</u>
Adjusted Test Year Property Tax Expense	\$ 1,357	
Actual Test Year Property Tax Expense	<u>1,412</u>	
Total Adjustment J	<u>\$ (55)</u>	
Projected Property Tax Expense		\$ 1,469
Adjusted Test Year Property Tax Expense		<u>1,357</u>
Total Adjustment M		<u>\$ 112</u>
 * Property tax composite rate calculated as follows:		
Assessed Value per 2009 Property Tax Notice	\$ 12,100	
Property Tax due per 2009 Notice	<u>1,423</u>	
Revised Composite Property Tax Rate	<u>11.7583%</u>	
 <i>For Gross Revenue Conversion Factor:</i>		
Change in Property Tax Expense	\$ 112	
Change in Revenue Requirement	<u>6,970</u>	
Change in Property Tax per Dollar Increase in Revenue	<u>1.6070%</u>	

Indiada Water Company, Inc.
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rebuttal Schedule C-3
Title: Computation of Gross Revenue
Conversion Factor

Explanation:
 Schedule showing incremental taxes on gross revenues and
 the development of a gross revenue conversion factor.

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

Description	Calculation
Revenue	1.0000
Combined Federal And State Tax Rate	-
Property Tax Rate	0.0161
Subtotal	0.9839
Gross Revenue Conversion Factor = 1/Operating Income %	1.0163

CALCULATION OF COMBINED FEDERAL AND STATE TAX RATE:

Operating Income Before Taxes (Arizona Taxable Income)	100.0000%
Arizona State Income Tax Rate	0.0000%
Federal Taxable Income	100.0000%
Federal Income Tax Rate	0.0000%
Effective Federal Income Tax Rate	0.0000%
Combined Federal And State Income Tax Rates	0.0000%

Indiada Water Company, Inc.
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rebuttal Schedule D-1
Title: Summary Cost of Capital

Explanation:
 Schedule showing elements of capital structure
 and the related cost.

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

Invested Capital	End of Test Year				End of Projected Year			
	Amount	%	Cost Rate (e)	Composite Cost %	Amount	%	Cost Rate (e)	Composite Cost %
Long-Term Debt (a)	\$ -				\$ 239,651	89.68%	5.00%	4.48%
Short-Term Debt (a)	-				-			
Common Equity (c)	27,584	100.00%	16.63%	16.63%	27,584	10.32%	16.63%	1.72%
Totals	\$ 27,584	100.00%		16.63%	\$ 267,235	100.00%		6.20%

Supporting Schedules:

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

Recap Schedules:

- (e) A-3

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rebuttal Schedule E-1
Title: Comparative Balance
Sheet

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

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

	Test Year At 31-Dec-09	Prior Year 31-Dec-08	Prior Year 31-Dec-07
ASSETS			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 74,137	\$ 92,607	\$ 67,086
103 Property Held for Future Use	-	-	-
105 Construction Work in Process	-	-	-
108 Accumulated Depreciation	(48,679)	(50,075)	(47,502)
Total Property Plant & Equipment	\$ 25,458	\$ 42,532	\$ 19,584
Current Assts:			
131 Cash	\$ 701	\$ 4,718	\$ 3,017
135 Temporary Cash Investments			
141 Customer Accounts Receivable	106		-
146 Notes/Receivables from Associated Companies	2,000	2,000	1,000
151 Plant Material and Supplies			
162 Prepayments			
174 Miscellaneous Current and Accrued Assets	3,010	3,000	3,000
Total Current Assets	\$ 5,817	\$ 9,718	\$ 7,017
TOTAL ASSETS	\$ 31,275	\$ 52,250	\$ 26,601
LIABILITIES and CAPITAL			
Capitalization: (b)			
201.1 Common Stock Issued	\$ 41,300	\$ 41,300	\$ 41,300
201.2 Treasury Stock	(11,300)	(11,300)	(11,300)
211 Paid in Capital in Excess of Par Value	(12,320)	(22,643)	(22,643)
215 Retained Earnings	9,904	25,277	3,462
218 Proprietary Capital			
Total Capital	\$ 27,584	\$ 32,634	\$ 10,819
Current Liabilities:			
231 Accounts Payable	\$ 3,533	\$ 7,898	\$ 292
232 Notes Payable (Current Portion)			
234 Notes/Accounts Payable to Associated Companies			
235 Customer Deposits	680	630	500
236 Accrued Taxes	(522)	565	667
241 Miscellaneous Current and Accrued Liabilities			
Total Current Liabilities	\$ 3,691	\$ 9,093	\$ 1,459
224 Long-Term Debt (Over 12 Months)	\$ -	\$ 10,523	\$ 14,323
Deferred Credits:			
252 Advances In Aid Of Construction	\$ -	\$ -	\$ -
271 Contributions In Aid Of Construction	-	-	-
272 Less: Amortization of Contributions			
281 Accumulated Deferred Income Tax			
Total Deferred Credits	\$ -	\$ -	\$ -
Total Liabilities	\$ 3,691	\$ 19,616	\$ 15,782
TOTAL LIABILITIES and CAPITAL	\$ 31,275	\$ 52,250	\$ 26,601

Supporting Schedules:
(a) E-5

Recap Schedules:
(b) A-3

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rebuttal Schedule E-2
Title: Comparative Income
Statements

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

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

	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Revenues: (a)			
461 Metered Water Revenue	\$ 28,013	\$ 24,885	\$ 27,380
461.1 Surcharge Revenue	869	-	-
474 Other Water Revenue	127	200	60
Total Revenues	<u>\$ 29,009</u>	<u>\$ 25,085</u>	<u>\$ 27,440</u>
Operating Expenses (a)			
601 Salaries & Wages	\$ -	\$ 6,750	\$ 9,000
610 Purchased Water	1,700	2,150	4,009
615 Purchased Power	1,818	1,631	986
618 Chemicals	166	-	-
620 Repairs and Maintenance	910	3,983	3,714
621 Office Supplies and Expense	1,336	4,244	746
630 Outside Services	9,937	2,672	1,756
635 Water Testing	2,129	1,163	600
641 Rents	-	900	1,200
650 Transportation Expense	3,688	982	-
657 Insurance - General liability	49	-	-
659 Insurance - Health and Life	-	-	-
666 Regulatory Commission Expense - Rate Case	1,439	-	-
675 Miscellaneous Expense	-	-	361
403 Depreciation Expense	5,076	4,892	3,556
408 Taxes Other Than Income	(958)	1,026	1,905
408.11 Property Taxes	1,412	691	1,764
409 Income Tax	-	-	-
Total Operating Expenses	<u>\$ 28,702</u>	<u>\$ 31,084</u>	<u>\$ 29,597</u>
OPERATING INCOME/(LOSS)	<u>\$ 307</u>	<u>\$ (5,999)</u>	<u>\$ (2,157)</u>
Other Income/(Expense)			
419 Interest and Dividend Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	4,515	4,000
426 Miscellaneous Non-Utility Expense	-	-	(250)
427 Interest Expense	-	(700)	(1,045)
Total Other Income/(Expense)	<u>\$ -</u>	<u>\$ 3,815</u>	<u>\$ 2,705</u>
NET INCOME/(LOSS)	<u>\$ 307</u>	<u>\$ (2,184)</u>	<u>\$ 548</u>

Supporting Schedules:
(a) E-6

Recap Schedules:
A-2

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rebuttal Schedule E-5
Title: Detail of Utility Plant

Explanation:
Schedule showing utility plant balance, by detailed account number, at the end of the test year and the end of the prior fiscal year.

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

Account Number	Description	End of Prior Year at 31-Dec-08	Net Additions	End of Test Year at 31-Dec-09
302	Franchises	\$ -		\$ -
303	Land & Land Rights	750		750
304	Structures & Improvements	-		-
307	Wells & Springs	7,786		7,786
311	Pumping Equipment	14,289	2,164	16,453
320	Water Treatment Equipment	-		-
320.1	Water Treatment Plants	1,076		1,076
320.2	Solution Chemical Feeders	-		-
330	Distribution Reservoirs & Standpipes	1,503		1,503
330.1	Storage Tanks	10,865		10,865
330.2	Pressure Tanks	5,054		5,054
331	Transmission & Distribution Mains	25,536	1,200	26,736
333	Services	474		474
334	Meters & Meter Installations	3,440		3,440
335	Hydrants	-		-
339	Other Plant and Misc Equipment	-		-
340	Office Furniture & Equipment	3,789	(3,789)	-
340.1	Computers and Software	-		-
341	Transportation Equipment	18,045	(18,045)	-
343	Tools, Shop, and Garage Equipment	-		-
345	Power Operated Equipment	-		-
348	Other Tangible Plant	-		-
	Total Plant In Service	\$ 92,607	\$ (18,470)	\$ 74,137
108	Accumulated Depreciation	(50,075)	1,396	(48,679)
	Net Plant In Service	\$ 42,532	\$ (17,074)	\$ 25,458
103	Property Held for Future Use	\$ -		\$ -
105	Construction Work in Process	-		-
	Total Net Plant	\$ 42,532	\$ (17,074)	\$ 25,458

Supporting Schedules:

Recap Schedules:
E-1 A-4

Indiada Water Company, Inc.
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rebuttal Schedule E-7
Title: Operating Statistics

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

Explanation:
 Schedule showing key operating statistics in comparative format,
 for the test year and the 2 fiscal years ended prior to the test year.

Water Statistics:	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Gallons Sold - By Class of Service:			
Residential	5,850,000	5,267,000	2,586,600
Commercial	-	-	-
Average Number of Customers - By Class of Service:			
Residential	55	56	54
Commercial	-	-	-
Average Annual Gallons Per Residential Customer	106,364	94,054	47,900
Average Annual Revenue Per Residential Customer	\$ 261.46	\$ 245.09	\$ 183.71
Pumping Cost Per 1,000 Gallons	\$ 0.3108	\$ 0.3097	\$ 0.3812

Indiada Water Company, Inc.
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rebuttal Schedule E-8
Title: Taxes Charged to
Operations

Explanation:
 Schedule showing all significant taxes charged to operations for
 the test year and the 2 fiscal years ended prior to the test year.

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

Description	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Federal Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	(958)	570	761
Total Federal Taxes	\$ (958)	\$ 570	\$ 761
State Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	-	456	1,145
Total State Taxes	\$ -	\$ 456	\$ 1,145
Local Taxes:			
Property	\$ 1,412	\$ 691	\$ 1,764
Total Taxes	\$ 454	\$ 1,717	\$ 3,669

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

Supporting Schedules:

Recap Schedules:

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rebuttal Schedule E-9
Title: Notes to Financial
Statements

Explanation:
Disclosure of important facts pertaining to the understanding
of the financial statements.

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

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

- 1 Accounting Method.
The books of the combined entity are kept as accrual based, and also follow NARUC rules, including the USoA.
- 2 Depreciation lives and methods employed by major classification of utility property.
For years up to and including the test year 2009, the depreciation rate as authorized in Decision 54500 was 5% for all plant asset categories. Proposed depreciation rates are depicted on Schedule C-2d, and were taken from ACC Engineering Staff Memo regarding their recommended rates for depreciation dated April 21, 2000, and revised March 1, 2001.
- 3 Income tax treatment - normalization or flow through.
Income taxes are not a factor in the unconsolidated company since the entity is an S-Corp, and this Commission does not allow recovery of income taxes in customer rates for flow-through entities.
- 4 Interest rate used to charge interest during construction, if applicable.
Not Applicable.

Supporting Schedules:

Recap Schedules:

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

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

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

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

X

	Actual Test Year Ended (a) 31-Dec-09	Projected Year	
		At Present Rates Year Ended (b) 31-Dec-10	At Proposed Rates Year Ended (b) 31-Dec-10
Operating Revenues:			
461 Metered Water Revenue	\$ 28,013	\$ 28,013	\$ 34,983
461.1 Surcharge Revenue	869	-	-
474 Other Water Revenue	127	127	127
Total Operating Revenue	\$ 29,009	\$ 28,140	\$ 35,110
Operating Expenses:			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	1,700	-	-
615 Purchased Power	1,818	1,818	1,818
618 Chemicals	166	166	166
620 Repairs & Maintenance	910	910	910
621 Office Supplies and Expense	1,336	1,384	1,384
630 Outside Services	9,937	14,101	14,101
635 Water Testing	2,129	2,129	2,129
641 Rental Expense	-	-	-
650 Transportation Expense	3,688	3,557	3,557
657 Insurance - General Liability	49	-	-
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	1,439	1,813	1,813
675 Miscellaneous Expense	-	-	-
403 Depreciation & Amortization	5,076	3,016	3,016
408 Property Taxes	1,412	1,357	1,469
408.1 Taxes Other Than Income	(958)	-	-
409 Income Taxes	-	-	-
Total Operating Expenses	\$ 28,702	\$ 30,251	\$ 30,363
OPERATING INCOME/(LOSS)	\$ 307	\$ (2,111)	\$ 4,747
Other Income/(Expense):			
419 Interest Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	-	-
426 Miscellaneous Non-Utility Expenses	-	-	-
427 Interest Expense	-	-	-
Total Other Income/(Expense)	\$ -	\$ -	\$ -
NET INCOME/(LOSS)	\$ 307	\$ (2,111)	\$ 4,747
Earnings per share of average Common Stock Outstanding	\$ 0.74	\$ (5.11)	\$ 11.49
% Return on Common Equity	0.003%	-0.019%	0.042%

Supporting Schedules:
(a) E-2

Recap Schedules:
(b) A-2

Indiada Water Company, Inc.
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rebuttal Schedule F-3
Title: Projected Construction
Requirements

Explanation:
 Schedule showing projected annual construction requirements,
 by property classification, for 1 to 3 years subsequent to the
 test year compared with the test year.

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

Property Classification	Actual Test Year Ended 12/31/2009	End of Projected Year 1
Production Plant	\$ 2,164	\$ -
Transmission Plant	1,200	239,651
Other Plant	-	-
Total Plant	\$ 3,364	\$ 239,651

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

Supporting Schedules:

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

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rebuttal Schedule F-4
Title: Assumptions Used in
Developing Projection

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

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

X

Important assumptions used in preparing projections should be explained.

Areas covered should include:

1 Customer growth:

The company has experienced no growth in the past few years.

2 Growth in consumption and customer demand:

The company does not anticipate an increase in customer consumption and demand due to the proposed tiered rate structure.

3 Changes in expenses:

The company believes the test year 2009, with the limited proforma adjustments included in this application, accurately depict expense levels for the unconsolidated entity going forward.

4 Construction requirements including production reserves and changes in plant capacity:

The Company is seeking a loan from WIFA for the three commonly owned entities totaling \$3 million to replace lines, add storage, and upgrade pumps and electrical at well and booster sites.

5 Capital structure changes:

If the proposed consolidation of Indiada Water with the two related entities is approved, the new utility's structure would be a C-Corp.

6 Financing costs, interest rates

The company proposes to borrow funds from WIFA, and it will be required to pay WIFA's normal fees, reserves, and the prevailing interest rate at the time the loan is closed. Indiada's share of the interest is included on the unconsolidated income statement for comparative purposes.

Supporting Schedules:

Recap Schedules:

Indiada Water Company
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rebuttal Schedule: H-1
Title: Summary of Revenues by Customer Classification - Present and Proposed Rates

Explanation:
 Schedule comparing revenues by customer classification for the Test Year, at present and proposed rates.

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

Customer Classification	Revenues in the Test Year (a)		Proposed Increase (b)	
	Present Rates	Proposed Rates	Amount	%
All customers are residential				
5/8 x 3/4 inch	\$ 27,842	\$ 34,586	6,744	24.22%
1 inch	171	397	226	132.06%
Total Water Revenues	\$ 28,013	\$ 34,983	\$ 6,970	24.88%
Other Revenues	127	127	-	0.00%
Total Revenues	\$ 28,140	\$ 35,110	\$ 6,970	24.77%

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

Supporting Schedules:
 (a) H-2

Recap Schedules:
 (b) A-1

Indiada Water Company
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rebuttal Schedule: H-3
Title: Changes in Representative Rate
Schedules - Page 1 of 2

Explanation:
Schedule comparing present rate schedules with proposed
rate schedule.

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

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

Description	Present Rate	Proposed Rate	% change
MONTHLY USAGE CHARGE	(includes first 1000 gallons)	(includes first 0 gallons)	
5/8" x 3/4" Meter	\$ 15.00	\$ 22.45	49.67%
3/4" Meter	\$ 15.00	\$ 33.68	124.50%
1" Meter	\$ 15.00	\$ 56.13	274.17%
1-1/2" Meter	\$ 15.00	\$ 112.25	648.33%
2" Meter	\$ 15.00	\$ 179.60	1097.33%
3" Meter	\$ 15.00	\$ 359.20	2294.67%
4" Meter	\$ 15.00	\$ 561.25	3641.67%
6" Meter	\$ 15.00	\$ 1,122.50	7383.33%
Gallons Included in Usage Charge	1,000	-	-100.00%

EMERGENCY INTERIM SURCHARGE EFFECTIVE: OCTOBER 30, 2009

DECISION NO. 71321

DOCKET NO. W-2031A-09-0285

\$7.83 PER CUSTOMER PER MONTH

COMMODITY CHARGE (EXCESS OF MINIMUM)

3.50 Per 1,000 Gallons

Commodity Charges Per 1,000 Gallons:

5/8 x 3/4 - inch meter	Present Rate	Proposed Rate	% change
Tier one: 0 - 1,000 Gallons	\$ -	\$1.65	NA
Tier one: 1,001 - 3,000 Gallons	\$ 3.50	\$1.65	-52.86%
Tier two: 3,001 to 10,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier three: All Gallons Over 10,000	\$ 3.50	\$5.35	52.91%
3/4 - inch meter			
Tier one: 0 - 1,000 Gallons	\$ -	\$1.65	NA
Tier one: 1001 - 3,000 Gallons	\$ 3.50	\$1.65	-52.86%
Tier two: 3,001 to 10,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier three: All Gallons Over 10,000	\$ 3.50	\$5.35	52.91%
One - inch meter			
Tier one: 0 - 1,000 Gallons	\$ -	\$2.97	NA
Tier one: 1001 - 15,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier two: All Gallons Over 15,000	\$ 3.50	\$5.35	52.91%
One and one half - inch meter			
Tier one: 0 - 1,000 Gallons	\$ -	\$2.97	NA
Tier one: 1001 - 35,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier two: All Gallons Over 35,000	\$ 3.50	\$5.35	52.91%
Two - inch meter			
Tier one: 0 - 1,000 Gallons	\$ -	\$2.97	NA
Tier one: 1001 - 60,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier two: All Gallons Over 60,000	\$ 3.50	\$5.35	52.91%
Three - inch meter			
Tier one: 0 - 1,000 Gallons	\$ -	\$2.97	NA
Tier one: 1001 - 130,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier two: All Gallons Over 130,000	\$ 3.50	\$5.35	52.91%

Four - inch meter	Present Rate	Proposed Rate	% change
Tier one: 0 - 1,000 Gallons	\$ -	\$2.97	NA
Tier one: 1001 - 200,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier two: All Gallons Over 200,000	\$ 3.50	\$5.35	52.91%
Six - inch meter			
Tier one: 0 - 1,000 Gallons	\$ -	\$2.97	NA
Tier one: 1001 - 400,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier two: All Gallons Over 400,000	\$ 3.50	\$5.35	52.91%

Description	Present Rate	Proposed Rate	% change
SERVICE CHARGES			
Establishment	\$ 20.00	\$ 35.00	75.00%
Establishment (After Hours)	50.00	NA	NA
Reconnection (Delinquent)	10.00	\$ 35.00	250.00%
Reconnection (After Hours)	40.00	NA	NA
Meter Test (If Correct)	20.00	Cost	
Meter Reread (If Correct)	10.00	\$ 5.00	-50.00%
NSF Check Charge	10.00	\$ 35.00	250.00%
Deposit	NA	*	
Deposit Interest (Per Annum)	NA	*	
Deferred Payment (Per Month)	NA	**	
Late Charge (Per Month)	NA	**	
Re-establishment (Within 12 Months)	\$ 50.00	***	
After Hours Service Charge	NA	\$ 35.00	

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

SERVICE LINE AND METER INSTALLATION CHARGES
Refundable Pursuant to AAC R14-2-405

Description	Present Rate	Proposed Rates			% change
		Service Line	Meter Charge	Total Charge	
5/8" x 3/4" Meter	\$ 100.00	\$ 430.00	\$ 130.00	\$ 560.00	460%
3/4" Meter	120.00	430.00	230.00	660.00	450%
1" Meter	200.00	480.00	290.00	770.00	285%
1-1/2" Meter	300.00	535.00	500.00	1,035.00	245%
2" Meter - Turbine	500.00	815.00	1,020.00	1,835.00	267%
2" Meter - Compound		815.00	1,865.00	2,680.00	
3" Meter - Turbine		1,030.00	1,645.00	2,675.00	
3" Meter - Compound		1,150.00	2,545.00	3,695.00	
4" Meter - Turbine		1,460.00	2,620.00	4,080.00	
4" Meter - Compound		1,640.00	3,595.00	5,235.00	
6" Meter - Turbine		2,180.00	4,975.00	7,155.00	
6" Meter - Compound		2,300.00	6,870.00	9,170.00	

* Per Commission Rule AAC R-14-2-403(B).

** 1.50% of unpaid monthly balance.

*** Month off system times the monthly minimum per Commission rule AAC R14-2-403(D).

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

Supporting Schedules:

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

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

5/8" x 3/4" meter
 (Note: Rates apply to both residential and commercial usage)

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 15.00	\$ 22.83	\$ 22.45	49.67%	-1.66%
1,000	15.00	22.83	24.10	60.67%	5.56%
2,000	18.50	26.33	25.75	39.19%	-2.20%
3,000	22.00	29.83	27.40	24.55%	-8.15%
4,000	25.50	33.33	30.37	19.10%	-8.88%
5,000	29.00	36.83	33.34	14.97%	-9.48%
6,000	32.50	40.33	36.31	11.72%	-9.97%
7,000	36.00	43.83	39.28	9.11%	-10.38%
8,000	39.50	47.33	42.25	6.96%	-10.73%
9,000	43.00	50.83	45.22	5.16%	-11.04%
10,000	46.50	54.33	48.19	3.63%	-11.30%
15,000	64.00	71.83	74.95	17.11%	4.34%
20,000	81.50	89.33	101.71	24.80%	13.86%
25,000	99.00	106.83	128.47	29.77%	20.26%
50,000	186.50	194.33	262.27	40.63%	34.96%
75,000	274.00	281.83	396.07	44.55%	40.54%
100,000	361.50	369.33	529.87	46.58%	43.47%
125,000	449.00	456.83	663.67	47.81%	45.28%
150,000	536.50	544.33	797.47	48.64%	46.50%
175,000	624.00	631.83	931.27	49.24%	47.39%
200,000	711.50	719.33	1,065.07	49.69%	48.06%

Supporting Schedules:

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

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

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

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 15.00	\$ 22.83	\$ 56.13	274.17%	146%
1,000	15.00	22.83	59.10	293.97%	159%
2,000	18.50	26.33	62.07	235.49%	136%
3,000	22.00	29.83	65.04	195.61%	118%
4,000	25.50	33.33	68.01	166.69%	104%
5,000	29.00	36.83	70.98	144.74%	93%
6,000	32.50	40.33	73.95	127.52%	83%
7,000	36.00	43.83	79.30	120.27%	81%
8,000	39.50	47.33	84.65	114.30%	79%
9,000	43.00	50.83	90.00	109.30%	77%
10,000	46.50	54.33	95.35	105.06%	76%
15,000	64.00	71.83	122.11	90.80%	70%
20,000	81.50	89.33	148.87	82.67%	67%
25,000	99.00	106.83	175.63	77.41%	64%
40,000	151.50	159.33	255.91	68.92%	61%
50,000	186.50	194.33	309.43	65.92%	59%
75,000	274.00	281.83	443.23	61.76%	57%
100,000	361.50	369.33	577.03	59.62%	56%
125,000	449.00	456.83	710.83	58.31%	56%
150,000	536.50	544.33	844.63	57.43%	55%
175,000	624.00	631.83	978.43	56.80%	55%
200,000	711.50	719.33	1,112.23	56.32%	55%

Supporting Schedules:

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

5/8 x 3/4 inch meter - Residential

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

X

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	26	-	26	3.93%	-	0.00%
1 to 1,000	26	13,000	52	7.87%	13,000	0.23%
1,001 to 2,000	71	106,500	123	18.61%	119,500	2.07%
2,001 to 3,000	67	167,500	190	28.74%	287,000	4.97%
3,001 to 4,000	79	276,500	269	40.70%	563,500	9.76%
4,001 to 5,000	47	211,500	316	47.81%	775,000	13.43%
5,001 to 6,000	52	286,000	368	55.67%	1,061,000	18.39%
6,001 to 7,000	33	214,500	401	60.67%	1,275,500	22.10%
7,001 to 8,000	35	262,500	436	65.96%	1,538,000	26.65%
8,001 to 9,000	26	221,000	462	69.89%	1,759,000	30.48%
9,001 to 10,000	30	285,000	492	74.43%	2,044,000	35.42%
10,001 to 12,000	35	385,000	527	79.73%	2,429,000	42.09%
12,001 to 14,000	18	234,000	545	82.45%	2,663,000	46.14%
14,001 to 16,000	18	270,000	563	85.17%	2,933,000	50.82%
16,001 to 18,000	16	272,000	579	87.59%	3,205,000	55.54%
18,001 to 20,000	9	171,000	588	88.96%	3,376,000	58.50%
20,001 to 25,000	27	607,500	615	93.04%	3,983,500	69.03%
25,001 to 30,000	16	440,000	631	95.46%	4,423,500	76.65%
30,001 to 35,000	10	325,000	641	96.97%	4,748,500	82.28%
35,001 to 40,000	9	337,500	650	98.34%	5,086,000	88.13%
40,001 to 50,000	3	135,000	653	98.79%	5,221,000	90.47%
50,001 to 60,000	1	55,000	654	98.94%	5,276,000	91.42%
60,001 to 70,000	3	195,000	657	99.39%	5,471,000	94.80%
70,001 to 80,000	4	300,000	661	100.00%	5,771,000	100.00%
80,001 to 90,000	-	-	661	100.00%	5,771,000	100.00%
90,001 to 100,000	-	-	661	100.00%	5,771,000	100.00%
>100,000	-	-	661	100.00%	5,771,000	100.00%
	661	5,771,000				

Average Number of Customers 55
Average Consumption 8,731
Median Consumption 5,260

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

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

1 inch meter - Residential

Note: There are no commercial customers on 1 inch meters.

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	-	-	-	0.00%	-	0.00%
1,001 to 2,000	1	1,500	1	20.00%	1,500	4.62%
2,001 to 3,000	2	5,000	3	60.00%	6,500	20.00%
3,001 to 4,000	1	3,500	4	80.00%	10,000	30.77%
4,001 to 5,000	-	-	4	80.00%	10,000	30.77%
5,001 to 6,000	-	-	4	80.00%	10,000	30.77%
6,001 to 7,000	-	-	4	80.00%	10,000	30.77%
7,001 to 8,000	-	-	4	80.00%	10,000	30.77%
8,001 to 9,000	-	-	4	80.00%	10,000	30.77%
9,001 to 10,000	-	-	4	80.00%	10,000	30.77%
10,001 to 12,000	-	-	4	80.00%	10,000	30.77%
12,001 to 14,000	-	-	4	80.00%	10,000	30.77%
14,001 to 16,000	-	-	4	80.00%	10,000	30.77%
16,001 to 18,000	-	-	4	80.00%	10,000	30.77%
18,001 to 20,000	-	-	4	80.00%	10,000	30.77%
20,001 to 25,000	1	22,500	5	100.00%	32,500	100.00%
25,001 to 30,000	-	-	5	100.00%	32,500	100.00%
30,001 to 35,000	-	-	5	100.00%	32,500	100.00%
35,001 to 40,000	-	-	5	100.00%	32,500	100.00%
40,001 to 50,000	-	-	5	100.00%	32,500	100.00%
50,001 to 60,000	-	-	5	100.00%	32,500	100.00%
60,001 to 70,000	-	-	5	100.00%	32,500	100.00%
70,001 to 80,000	-	-	5	100.00%	32,500	100.00%
80,001 to 90,000	-	-	5	100.00%	32,500	100.00%
90,001 to 100,000	-	-	5	100.00%	32,500	100.00%
>100,000	-	-	5	100.00%	32,500	100.00%
	5	32,500				

Average Number of Customers 0.42
Average Consumption 6,500
Median Consumption 2,635

Indiada Water Company
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rebuttal Schedule: H-5
Title: Bill Count
Page 3 of 3

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

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

Amount of Surcharge \$ 7.83 per customer per month
 Surcharge Approved in Decision 71321, October 30, 2009

	# of Bills Nov and Dec 2009	Surcharge	Surcahrge Revenue
Residential	111	\$ 7.83	\$ 869.13
Commercial	-	\$ 7.83	\$ -
Indiada Total Surcharge Revenue		\$	869.13

**ANTELOPE RUN
EAST SLOPE
INDIADA
WATER COMPANIES**

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
Test Year Ended December 31, 2009

Rebuttal Schedule A-1
Title: Computation of Increase in Gross Revenue Requirements

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

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

	<u>Original Cost</u>	<u>RCND</u>
<u>Rate of Return on Rate Base Method:</u>		
1. Adjusted Rate Base	\$ 271,564 (a)	(a)
2. Adjusted Operating Income	\$ (61,213) (b)	(b)
3. Current Rate of Return	-22.54%	
4. Required Rate of Return	16.00%	
5. Required Operating Income	\$ 43,450	
6. Operating Income Deficiency (5 - 2)	\$ 104,664	
7. Gross Revenue Conversion Factor	1.3251 (c)	(c)
8. Increase in Gross Revenue Requirements (6 x 7)	<u>\$ 138,686</u>	
<u>Operating Margin Method:</u>		
9. Proposed Revenue	\$ 422,769	
10. Required Operating Margin	10.28%	
11. Required Operating Income (9 x 10)	\$ 43,450	
12. Operating Income Deficiency (11 - 2)	\$ 104,664	
13. Gross Revenue Conversion Factor	1.3251 (c)	(c)
14. Increase in Gross Revenue Requirements (12 x 13)	<u>\$ 138,686</u>	

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase	
Residential	\$ 264,090	\$ 384,987	\$ 120,898	45.78%	(d)
Commercial	16,269	34,058	17,788	109.34%	
Industrial	-	-	-	0.00%	
Other	3,724	3,724	-	0.00%	
Totals	<u>\$ 284,083</u>	<u>\$ 422,769</u>	<u>\$ 138,686</u>	<u>48.82%</u>	

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

Supporting Schedules:

- (a) B-1 (c) C-3
- (b) C-1 (d) H-1

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
 Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
 Test Year Ended December 31, 2009

Rebuttal Schedule A-2
Title: Summary Results of Operations

Explanation:
 Schedule showing comparative operating results for
 the test year and the 2 fiscal years ended prior to the
 end of the test year, compared with the projected year.

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

Description	<u>Prior Years</u>		<u>Test Year</u>		<u>Projected Year</u>	
	Year End	Year End	Actual	Adjusted	Present	Proposed
	31-Dec-07	31-Dec-08	Rates	Rates	Rates	Rates
	(a)	(a)	(a)	(b)	(c)	(c)
1. Gross Revenues	\$ 288,330	\$ 264,265	\$ 300,037	\$ 284,083	\$ 284,083	\$ 422,769
2. Revenue Deductions & Operating Expenses	(300,335)	(288,717)	(325,223)	(345,296)	(345,296)	(379,318)
3. Operating Income	\$ (12,005)	\$ (24,452)	\$ (25,186)	\$ (61,213)	\$ (61,213)	\$ 43,450
4. Other Income and Deductions	3,300	10,373	-	-	-	-
5. Interest Expense	(14,529)	(10,742)	(1,544)	(1,544)	(1,544)	(1,544)
6. Net Income	<u>\$ (23,234)</u>	<u>\$ (24,821)</u>	<u>\$ (26,730)</u>	<u>\$ (62,757)</u>	<u>\$ (62,757)</u>	<u>\$ 41,907</u>
7. Earned Per Average Common Share*	\$ (4.65)	\$ (4.96)	\$ (5.35)	\$ (12.55)		
8. Dividends Per Common Share*	-	-	-	-		
9. Payout Ratio*	0.00%	0.00%	0.00%	0.00%		
10. Return on Average Invested Capital	-16.14%	-17.97%	-19.03%	-44.69%	-44.69%	29.84%
11. Return on Year End Capital	-16.14%	-18.77%	-17.99%	-42.23%	-42.23%	28.20%
12. Return on Average Common Equity	Negative Equity					
13. Return on Year End Common Equity	Negative Equity					
14. Times Bond Interest Earned - Before Inc Tax	-88.91%	-227.63%	-1144.11%	-5206.24%	-5206.24%	3631.64%
15. Times Total Interest and Preferred Dividends Earned - After Income Taxes	-59.91%	-131.06%	-1631.22%	-3964.60%	-3964.60%	2814.18%

Supporting Schedules:

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

*Optional for projected year

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
 Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
 Test Year Ended December 31, 2009

Rebuttal Schedule A-4
Title: Construction Expenditures and
Gross Utility Plant in Service

Explanation:
 Schedule showing construction expenditures, plant placed in service and gross utility plant in service for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

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

Year	Construction Expenditures (a)	Net Plant Placed In Service (b)	Gross Utility Plant In Service
1. Prior Year 1 - 2007	\$ 48,500	\$ 48,500	\$ 689,871
2. Prior Year 2 - 2008	22,257	22,257	712,128
3. Test Year - 2009	36,927	12,239	724,367
4. Projected Year 1	3,000,000	3,002,854	3,727,221
5. Projected *			
6. Projected *			

* Required only for Class A and B Utilities

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

Supporting Schedules:

- (a) F-3
- (b) E-5

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
 Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
 Test Year Ended December 31, 2009

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

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

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

	<u>Original Cost</u> <u>Rate Base*</u>	<u>RCND</u> <u>Rate Base*</u>
1. Gross Utility Plant in Service	\$ 724,367	
2. Less: Accumulated Depreciation	(457,119)	
3. Net Utility Plant in Service	\$ 267,248 (a)	(b)
Less:		
4. Advances in Aid of Construction	\$ (19,239) (c)	(c)
5. Contributions in Aid of Construction	(242,033) (c)	(c)
Add:		
6. Amortization of Contributions	\$ 232,726	
7. Allowance for Working Capital	32,862 (d)	(d)
8. Total Rate Base	\$ 271,564 (e)	(e)

* Including pro forma adjustments

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

Supporting Schedules:

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

Recap Schedules:

- (e) A-1

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
Test Year Ended December 31, 2009

Rebuttal Schedule B-2
Title: Original Cost Rate Base
Proforma Adjustments

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

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

	Actual at End Of Test Year (a)	Pro forma Adjustment	Ref	Adjusted at End Of Test Year (b)
1 1. Gross Utility Plant in Service	\$ 785,752	\$ (61,385)	1	\$ 724,367
2 2. Less: Accumulated Depreciation	(477,224)	20,105	2	(457,119)
3 3. Net Utility Plant in Service	\$ 308,528	\$ (41,280)		\$ 267,248
Less:				
4 4. Advances in Aid of Construction	\$ (66,818)	\$ 47,579	3	\$ (19,239)
5 5. Contributions in Aid of Construction	-	(242,033)	4	(242,033)
Add:				
6 6. Amortization of CIAC	\$ -	\$ 232,726	5	\$ 232,726
7 7. Allowance for Working Capital	34,231	(1,369)	6	32,862
8 8. Total Rate Base	\$ 275,941	\$ (4,377)		\$ 271,564

Explanations:

Ref		
1	Remove office equipment and trucks from utility plant (Indiada)	\$ (21,834)
	Remove office equipment and trucks from utility plant (East Slope)	(39,221)
	Reclassify Jim's Electric invoice dated 1/6/09 to R&M (East Slope)	(130)
	Reclassify Jim's Electric invoice dated 7/31/09 to R&M (East Slope)	(75)
	Reclassify Jim's Electric invoice dated 11/18/09 to R&M (East Slope)	(125)
	Total reduction to Gross Utility Plant in Service	<u>\$ (61,385)</u>
2	Remove accumulated depreciation related to plant decreases in item 1.	
3	Adjust Advances in Aid of Construction (Antelope Run)	\$ 41,660
	Adjust Advances in Aid of Construction (East Slope)	5,919
	Total adjustment to Advances in Aid of Construction	<u>\$ 47,579</u>
4	Adjust Contributions in Aid of Construction (Antelope Run)	\$ (40,171)
	Adjust Contributions in Aid of Construction (East Slope)	(201,862)
	Total adjustment to Contributions in Aid of Construction	<u>\$ (242,033)</u>
5	Adjust Amortization of CIAC (Antelope Run)	\$ 31,217
	Adjust Amortization of CIAC (East Slope)	201,509
	Total adjustment to Amortization of Advances in Aid of Construction	<u>\$ 232,726</u>
6	Adjust working capital allowance based on changes to operating expenses.	

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

Supporting Schedules:
(a) E-1

Recap Schedules:
(b) B-1

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171

Test Year Ended December 31, 2009

Rebuttal Schedule B-5

Title: Computation of Working Capital

Explanation:
Schedule showing computation of working capital allowance.

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

	<u>Amount</u>
1. Cash working capital	
1/24th Purchased Power	\$ 3,031
1/24th Purchased Water	-
1/8th Operation & Maintenance Expense	29,830
2. Materials and Supplies Inventories	- (a)
3. Prepayments	- (a)
4. Total Working Capital Allowance	<u>\$ 32,862 (b)</u>

NOTES:

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

Supporting Schedules:
(a) E-1

Recap Schedules:
(b) B-1

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
Test Year Ended December 31, 2009

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

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

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

Description	Actual for Test Year Ended (a) 31-Dec-09	Ref	Proforma Adjustments (b)	Test Year Results After Pro Forma Adjustments	Ref	Proposed Rate Increase	Adjusted Test Year With Rate Increase
Operating Revenues:							
461 Metered Water Revenue	\$ 281,796	A	\$ (1,437)	\$ 280,359	P	\$ 138,686	\$ 419,045
461.1 Surcharge Revenue	14,517	B	(14,517)	-			
474 Other Water Revenue	3,724		-	3,724			3,724
Total Operating Revenue	\$ 300,037		\$ (15,954)	\$ 284,083		\$ 138,686	\$ 422,769
Operating Expenses:							
601 Salaries & Wages	\$ -		\$ -	\$ -			\$ -
610 Purchased Water	1,700	C	(1,700)	-			-
615 Purchased Power	72,314	D	433	72,747			72,747
618 Chemicals	792		-	792			792
620 Repairs & Maintenance	16,143	E	466	16,609			16,609
621 Office Supplies and Expense	12,202	F	(179)	12,023			12,023
630 Outside Services	127,734	G	30,304	158,038			158,038
635 Water Testing	8,008		-	8,008			8,008
641 Rental Expense	-		-	-			-
650 Transportation Expense	21,419	H	386	21,805			21,805
657 Insurance - General Liability	6,565	I	(74)	6,491			6,491
659 Insurance - Health and Life	-		-	-			-
666 Rate Case Expense	4,618	J	10,255	14,873			14,873
675 Miscellaneous Expense	5		-	5			5
403 Depreciation & Amortization	27,353	K	11,960	39,313			39,313
408 Taxes Other Than Income	(1,127)	L	1,127	-			-
408.1 Property Taxes	19,976	M	(6,212)	13,764	R	2,229	15,993
409 Income Taxes	7,521	N	(26,692)	(19,171)	Q	31,793	12,622
Total Operating Expenses	\$ 325,223		\$ 20,073	\$ 345,296		\$ 34,022	\$ 379,318
OPERATING INCOME/(LOSS)	\$ (25,186)		\$ (36,027)	\$ (61,213)	(c)	\$ 104,664	\$ 43,450
Other Income/(Expense):							
419 Interest Income	\$ -		\$ -	\$ -			\$ -
421 Non-Utility Income	-		-	-			-
426 Miscellaneous Non-Utility Expenses	-		-	-			-
427 Interest Expense	(1,544)	O	-	(1,544)			(1,544)
Total Other Income/(Expense)	\$ (1,544)		\$ -	\$ (1,544)		\$ -	\$ (1,544)
NET INCOME/(LOSS)	\$ (26,730)		\$ (36,027)	\$ (62,757)		\$ 104,664	\$ 41,907

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

Supporting Schedules:
(a) E-2
(b) C-2

Recap Schedules:
(c) A-1

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
 Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
 Test Year Ended December 31, 2009

Rebuttal Schedule C-2
Title: Income Statement Proforma
Adjustments
Page 1 of 2

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

Explanation:
 Schedule itemizing pro forma adjustments to the test year income statement.

Description	A	B	C	D	E	F	G	H	I	J	Total
Revenues:											
Metered Water Revenue	\$ (1,437)										\$ (1,437)
Surcharge Revenue		\$ (14,517)									(14,517)
Expenses:											
Purchased Water			\$ (1,700)								\$ (1,700)
Purchased Power				\$ 433							433
Repairs & Maintenance					\$ 466						466
Office Supplies and Expense						\$ (179)					(179)
Outside Services							\$ 30,304				30,304
Transportation Expense								\$ 386			386
Insurance - General Liability									\$ (74)		(74)
Rate Case Expense										\$ 10,255	10,255

Adjustment Descriptions:

- A - Remove intercompany water sales for Antelope Run during the test year to Indiada by a 2-inch meter.
- B - Remove surcharge revenues from the test year as they are temporary, and will not be included in the proposed consolidated rates.
- C - Remove intercompany purchased water expense to Indiada from Antelope Run.
- D - Adjust purchased power expense per calculation on Schedule C-2g. Schedule also includes support to counter Staff's disallowance amount of \$4,862.
- E - Adjust repairs and maintenance expense per calculation on Schedule C-2h.
- F - Adjust office supplies and expense per calculation on Schedule C-2a.
- G - Adjust outside services expense per calculation on Schedule C-2b.
- H - Adjust transportation expense per calculation on Schedule C-2c.
- I - Remove workers compensation insurance expenses that will not recur as a result of management contract.
- J - Increase rate case expense to recover \$4,618 of costs incurred for the 2009 emergency rate cases, and estimated costs of \$40,000 for the consolidated cases (\$44,618), amortized over a three year period (\$44,618/3 = \$14,873 per year).

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

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

Recap Schedules:
 (a) C-1

Antelope Run Water Company/East Slope Water Company/Indiana Water Company
 Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
 Test Year Ended December 31, 2009

Rebuttal Schedule C-2
Title: Income Statement Proforma
Adjustments
Page 2 of 2

Explanation:
 Schedule itemizing pro forma adjustments to the test year income statement.

Description	K	L	M	N	O	P	Q	R	Total this page	Total prev page	Total (a) Adjustments
Revenues:											
Metered Water Revenue						\$ 138,686			\$ 138,686	\$ (1,437)	\$ 137,249
Surcharge Revenue									-	(14,517)	(14,517)
Expenses:											
Purchased Water									\$ -	\$ (1,700)	\$ (1,700)
Purchased Power									-	433	433
Repairs & Maintenance									-	466	466
Office Supplies and Expense									-	(179)	(179)
Outside Services									-	30,304	30,304
Transportation Expense									-	386	386
Insurance - General Liability									-	(74)	(74)
Rate Case Expense									-	10,255	10,255
Depreciation & Amortization	\$ 11,960								11,960	-	11,960
Taxes Other Than Income		\$ 1,127							1,127	-	1,127
Property Taxes			\$ (6,212)					\$ 2,229	(3,983)	-	(3,983)
Income Taxes				\$ (26,692)			\$ 31,793		5,101	-	5,101
Other Income/(Expense):									-	-	-
Interest Expense									-	-	-

Adjustment Descriptions:

- K - Increase depreciation expense based upon proposed depreciation rates per schedule C-2d.
- L - Adjust for payroll tax expenses that will not recur due to management contract.
- M - Adjust test year property tax expense per Schedule C-2i.
- N - Adjust test year income tax expense per Schedule C-2e.
- O - Removed.
- P - Increase metered water revenue per calculation on Schedule A-1.
- Q - Increase income taxes for proposed rates per calculation on Schedule C-2f.
- R - Increase property taxes for proposed rates per calculation on Schedule C-2i.

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

Supporting Schedules:
 C-2d through C-2i

Recap Schedules:
 (a) C-1

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
Test Year Ended December 31, 2009

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

DETAIL OF PROPOSED OFFICE SUPPLIES AND EXPENSE ADJUSTMENT

Description	Amount
November 2008 billing forms	\$ (27)
November 2008 billing forms	(6)
November 2008 billing forms	(2)
November 2008 postage	(211)
November 2008 postage	(45)
November 2008 postage	(15)
December 2008 billing forms	(27)
December 2008 billing forms	(6)
December 2008 billing forms	(2)
December 2008 postage	(213)
December 2008 postage	(45)
December 2008 postage	(15)
November 2009 billing forms	2
November 2009 postage	59
December 2009 billing forms	26
December 2009 billing forms	6
December 2009 billing forms	2
December 2009 postage	267
December 2009 postage	54
December 2009 postage	19
Total Adjustment F	\$ (179)

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Test Year Ended December 31, 2009

Rebuttal Schedule C-2b
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED OUTSIDE SERVICES EXPENSE ADJUSTMENT

Description	Amount
Other November 2008 services	\$ (472)
December 2008 accounting	(130)
December 2008 accounting	(195)
December 2008 accounting	(130)
November 2009 accounting	130
December 2009 accounting	130
December 2009 accounting	130
December 2009 accounting	195
Remove test year management fees expense per general ledger - Indiada	(5,602)
Remove test year management fees expense per general ledger - Antelope Run	(18,528)
Remove test year management fees expense per general ledger - East Slope	(87,926)
Proforma management fees expense - Consolidated	<u>142,702</u>
Total Adjustment G	\$ <u>30,304</u>

Note: Management fees for the consolidated entity are less than each entity separate:

Indiada	\$ 9,636
Antelope Run	29,258
East Slope	<u>115,498</u>
Three company combined total	\$ 154,393
Consolidated total	<u>142,702</u>
Total Management fees savings due to consolidation	<u>\$ 11,691</u>

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171

Test Year Ended December 31, 2009

Rebuttal Schedule C-2c

Title: Income Statement Proforma

Adjustments

DETAIL OF PROPOSED TRANSPORTATION EXPENSE ADJUSTMENT

Description	Amount
November 2008 mileage	\$ (109)
November 2008 mileage	(367)
November 2008 mileage	(82)
December 2008 mileage	(338)
December 2008 mileage	(1,031)
December 2008 mileage	(230)
November 2009 mileage	178
December 2009 mileage	383
December 2009 mileage	817
December 2009 mileage	203
Non-recurring vehicle insurance refund	1,962
Non-recurring vehicle lease expenses	(600)
Non-recurring vehicle lease expenses	(200)
Non-recurring vehicle lease expenses	(200)
Total Adjustment H	\$ 386

DETAIL OF PROPOSED DEPRECIATION EXPENSE CALCULATION

Account Number	Description	Plant @ End of Test Year 31-Dec-09	Proposed Depreciation Rate	Ref	Proposed Depreciation Expense
301	Intangibles	\$ 2,180	0.00%		\$ -
303	Land & Land Rights	5,984	0.00%		-
304	Structures & Improvements	9,622	3.33%		320
307	Wells & Springs	70,152	3.33%	1	916
311	Pumping Equipment	258,885	12.50%		32,361
320	Water Treatment Equipment	-			-
320.1	Water Treatment Plants	1,076	3.33%		36
320.2	Solution Chemical Feeders	-	20.00%		-
330	Distribution Reservoirs & Standpipes	4,978	2.22%		111
330.1	Storage Tanks	32,089	2.22%		712
330.2	Pressure Tanks.	13,941	5.00%		697
331	Transmission & Distribution Mains	299,883	2.00%	2	3,131
333	Services	474	3.33%	3	-
334	Meters & Meter Installations	21,118	8.33%	4	1,030
335	Hydrants	-	2.00%		-
339	Other Plant and Misc Equipment	-	6.67%		-
340	Office Furniture & Equipment	-	6.67%		-
340.1	Computers and Software	-	20.00%		-
341	Transportation Equipment	3,985	20.00%	5	-
343	Tools, Shop, and Garage Equipment	-	5.00%		-
345	Power Operated Equipment	-	5.00%		-
348	Other Tangible Plant	-	0.00%		-
Totals		\$ 724,367			\$ 39,313

Test Year Depreciation Expense 27,353

Total Adjustment K \$ 11,960

Explanations:

Ref

- 1 \$42,649 of the total amount in account 307 - Wells & Springs, is fully depreciated.
- 2 \$143,358 of the total amount in account 331 - Transmission & Distribution Mains, is fully depreciated.
- 3 Amount in Account 333 (\$474) - Services, is fully depreciated.
- 4 \$8,759 of the total amount in account 334 - Meters & Meter Installations, is fully depreciated.
- 5 \$3,985 of the total amount in account 341 - Transportation Equipment, is fully depreciated.

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Rebuttal Schedule C-2e
Title: Income Statement Proforma
Adjustments

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

STATE INCOME TAX CALCULATION:

Operating Income/(Loss) Before Taxes	\$	(80,384)	
Less:			
Estimated Interest Expense			
Arizona Taxable Income	\$	<u>(80,384)</u>	
Arizona Income Tax Rate		<u>6.9680%</u>	
Arizona Income Tax Expense	\$		(5,601)

FEDERAL INCOME TAX CALCULATION:

Operating Income/(Loss) Before Taxes	\$	(80,384)	
Less:			
Arizona Income Tax	\$	(5,601)	
Estimated Interest Expense		-	
Federal Taxable Income	\$	<u>(85,986)</u>	
Federal Income Tax Rate		<u>15.7815%</u>	
Federal Income Tax Expense	\$		(13,570)

Adjusted Test Year Income Tax Expense	\$	(19,171)
Test Year Income Tax Expense		<u>7,521</u>
Total Adjustment N to Income Taxes	\$	<u>(26,692)</u>

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Test Year Ended December 31, 2009

Rebuttal Schedule C-2f
Title: Income Statement Proforma
Adjustments

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

Revenue	\$	422,769	
Operating Expenses Excluding Income Tax		364,467	
Estimated Interest Expense			
Arizona Taxable Income		<u>58,301</u>	
Arizona Income Tax Rate		6.9680%	
Arizona Income Tax Expense	\$		4,062
Federal Taxable Income	\$	54,239	
Federal Tax on 1st Income Range (\$1 - \$50,000) @ 15%	\$	7,500	
Federal Tax on 2nd Income Range (\$50,001 - \$75,000) @ 25%		1,060	
Federal Tax on 3rd Income Range (\$75,001 - \$100,000) @ 34%			
Federal Tax on 4th Income Range (\$100,001 - \$335,000) @ 39%			
Federal Tax on 5th Income Range (\$335,001 - \$10M) @ 34%		-	
Total Federal Income Tax Expense			<u>8,560</u>
Combined Federal and State Income Tax Expense	\$		12,622
Adjusted Test Year Income Tax Expense			(19,171)
Adjustment Q to Income Tax Expense	\$		<u>31,793</u>
Required Operating Income	\$	43,450	
Adjusted Test Year Operating Income/(Loss)		<u>(61,213)</u>	
Proposed Increase In Operating Income	\$		104,664
Income Taxes On Proposed Revenue	\$	12,622	
Income Taxes On Test Year Revenue		<u>(19,171)</u>	
Proposed Revenue Increase For Income Taxes	\$		31,793
Property Taxes On Proposed Revenue	\$	15,993	
Property Taxes On Test Year Revenue		<u>13,764</u>	
Proposed Revenue Increase For Property Taxes	\$		2,229
Total Proposed Increase In Revenue	\$		<u>138,685</u>

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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 Test Year Ended December 31, 2009

Rebuttal Schedule C-2g
 Title: Income Statement Proforma
 Adjustments

DETAIL OF PROPOSED PURCHASED POWER EXPENSE ADJUSTMENT

Description	Amount
Remove expenses prior to Test Year (East Slope)	\$ (4,298)
Remove credit adjustment for prior year (East Slope)	4,731
Total Adjustment D	\$ 433

Please note: Adjustment B was reflected as a negative amount on the original application.

Invoices related to Staff's Adjustment #1 as reflected on Schedule JMM-9:

SSVEC Account 6506500	\$ 213	
SSVEC Account 6956000	12	
SSVEC Account 6955900	12	
SSVEC Account 4154900	27	
SSVEC Account 4155200	2,388	
SSVEC Account 4159600	27	
SSVEC Account 4204600	893	
Total January SSVEC invoices provided	\$ 3,573	
Remove amount paid for February 2009	(740)	
Add invoice amount for February 2009	2,029	Account 4155200
Staff's disallowance amount	\$ 4,862	

The Company is providing \$3,573 of January 2009 invoices from Sulphur Springs Valley Electric Cooperative to support Staff's disallowed amount for purchased power. The remaining difference of \$1,289 is the amount that was overpaid on the January 2009 bill for account 4155200, resulting in a credit that was applied in February 2009.

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Test Year Ended December 31, 2009

Rebuttal Schedule C-2h
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED REPAIRS AND MAINTENANCE EXPENSE ADJUSTMENT

<u>Description</u>	<u>Amount</u>
Reclassify amount from Pumping Equipment	\$ 125
Reclassify amount from Pumping Equipment	130
Reclassify amount from Pumping Equipment	75
Reclassify amount from Meters ¹	116
Exclude expense prior to test year	(70)
Include test year expense for December 2009	90
Total Adjustment E \$	<u>466</u>

¹ This amount was excluded from Meters (334) on the original application, but was not included in Repairs and Maintenance.

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Rebuttal Schedule C-2i
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED PROPERTY TAX EXPENSE CALCULATION

	Test Year as Adjusted	Company at Proposed Rates	
Adjusted 2009 Test Year Revenue	\$ 284,083	\$ 284,083	
Weight Factor	2	2	
Subtotal	\$ 568,166	\$ 568,166	
Company Recommended Revenue	284,083	422,769	
Subtotal	\$ 852,249	\$ 990,935	
Number of Years	3	3	
Three Year Revenue Average	\$ 284,083	\$ 330,312	
AZ Department of Revenue Multiplier	2	2	
Revenue Base Value	\$ 568,166	\$ 660,623	
Plus 10% of CWIP	2,854	2,854	
Less: Net Book Value of Licensed Vehicles	-	-	
Full Cash Value	\$ 571,020	\$ 663,477	
Assessment Ratio	20.50%	20.50%	
Assessment Value	\$ 117,059	\$ 136,013	
Revised Composite Property Tax Rate *	11.7583%	11.7583%	
Adjusted Test Year Property Tax Expense	\$ 13,764		
Actual Test Year Property Tax Expense	19,976		
Total Adjustment M	\$ (6,212)		
Projected Property Tax Expense		\$ 15,993	
Adjusted Test Year Property Tax Expense		13,764	
Total Adjustment R		\$ 2,229	
 <i>For Gross Revenue Conversion Factor:</i>			
Change in Property Tax Expense	\$ 2,229		
Change in Revenue Requirement	138,685		
Change in Property Tax per Dollar Increase in Revenue	1.6070%		

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171

Test Year Ended December 31, 2009

Rebuttal Schedule C-3

Title: Computation of Gross Revenue Conversion Factor

Explanation:
Schedule showing incremental taxes on gross revenues and the development of a gross revenue conversion factor.

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

X

<u>Description</u>	<u>Calculation</u>
Revenue	1.0000
Combined Federal And State Tax Rate	(0.2292)
Property Tax Rate	(0.0161)
Subtotal	0.7547
Gross Revenue Conversion Factor = 1/Operating Income %	<u>1.3251</u>

CALCULATION OF COMBINED FEDERAL AND STATE TAX RATE:

Operating Income Before Taxes (Arizona Taxable Income)	100.0000%
Arizona State Income Tax Rate	6.9680%
Federal Taxable Income	93.0320%
Federal Income Tax Rate	15.9555%
Effective Federal Income Tax Rate	14.8437%
Combined Federal And State Income Tax Rates	<u>22.9235%</u>

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

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Test Year Ended December 31, 2009

**Rebuttal Schedule D-1
Title: Summary Cost of Capital**

Explanation:
Schedule showing elements of capital structure
and the related cost.

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

Invested Capital	End of Test Year				End of Projected Year			
	Amount	%	Cost Rate (e)	Composite Cost %	Amount	%	Cost Rate (e)	Composite Cost %
Long-Term Debt (a)								
WIFA Loan	\$ -				\$ 3,000,000	95.28%	5.00%	4.76%
Short-Term Debt (a)								
Wells Fargo Credit Line	\$ 104,877	70.57%	10.75%	7.59%	\$ 104,877	3.33%	10.75%	0.36%
N. Watkins note	50,545	34.01%	10.00%	3.40%	50,545	1.61%	10.00%	0.16%
Common Equity (c)	(6,811)	-4.58%	-22.54%	1.03%	(6,811)	-0.22%	16.00%	-0.03%
Total	<u>\$ 148,611</u>	<u>100.00%</u>		<u>12.02%</u>	<u>\$ 3,148,611</u>	<u>100.00%</u>		<u>5.25%</u>

Supporting Schedules:

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

Recap Schedules:

- (e) A-3

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Test Year Ended December 31, 2009

Rebuttal Schedule E-1
Title: Comparative Balance Sheet

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

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

	Test Year At 31-Dec-09	Prior Year 31-Dec-08	Prior Year 31-Dec-07
ASSETS			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 724,367	\$ 712,128	\$ 689,871
103 Property Held for Future Use	-	-	-
105 Construction Work in Process	2,854	-	-
108 Accumulated Depreciation	(457,119)	(435,722)	(423,505)
Total Property Plant & Equipment	\$ 270,101	\$ 276,405	\$ 266,366
Current Assts:			
131 Cash	\$ 10,441	\$ 19,871	\$ 5,446
135 Temporary Cash Investments	-	-	-
141 Customer Accounts Receivable	11,262	92	92
146 Notes/Receivables from Associated Companies	15,114	15,114	14,114
151 Plant Material and Supplies	-	-	-
162 Prepayments	-	-	-
174 Miscellaneous Current and Accrued Assets	3,020	3,000	3,000
Total Current Assets	\$ 39,837	\$ 38,077	\$ 22,652
TOTAL ASSETS	\$ 309,938	\$ 314,482	\$ 289,018
LIABILITIES and CAPITAL			
Capitalization: (b)			
201 Common Stock Issued	\$ 46,300	\$ 46,300	\$ 46,300
211 Paid in Capital in Excess of Par Value	(3,552)	(13,875)	(13,875)
215 Retained Earnings	(36,297)	(67,775)	(45,032)
216 Reacquired Capital Stock (Treasury)	(11,300)	(11,300)	(11,300)
218 Proprietary Capital	(1,962)	9,495	17,497
Total Capital	\$ (6,811)	\$ (37,155)	\$ (6,410)
Current Liabilities:			
231 Accounts Payable	\$ 89,203	\$ 88,115	\$ 26,394
232 Notes Payable (Current Portion)	-	-	20,200
234 Notes/Accounts Payable to Associated Companies	35,114	15,114	14,114
235 Customer Deposits	8,484	30,191	5,180
236 Accrued Taxes	(19)	1,220	4,519
241 Miscellaneous Current and Accrued Liabilities	155,422	158,895	136,000
Total Current Liabilities	\$ 288,204	\$ 293,535	\$ 206,407
224 Long-Term Debt (Over 12 Months)	\$ -	\$ 10,523	\$ 14,323
Deferred Credits:			
252 Advances In Aid Of Construction	\$ 19,239	\$ 47,579	\$ 74,698
271 Contributions In Aid Of Construction	242,033	-	-
272 Less: Amortization of Contributions	(232,726)	-	-
281 Accumulated Deferred Income Tax	-	-	-
Total Deferred Credits	\$ 28,546	\$ 47,579	\$ 74,698
Total Liabilities	\$ 316,750	\$ 351,637	\$ 295,428
TOTAL LIABILITIES and CAPITAL	\$ 309,939	\$ 314,482	\$ 289,018
Supporting Schedules: (a) E-5	Recap Schedules: (b) A-3		

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Test Year Ended December 31, 2009

Rebuttal Schedule E-2
Title: Comparative Income
Statements

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

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

	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Revenues: (a)			
461 Metered Water Revenue	\$ 281,796	\$ 261,783	\$ 284,144
461.1 Surcharge Revenue	14,517	-	-
474 Other Water Revenue	3,724	2,482	4,186
Total Revenues	<u>\$ 300,037</u>	<u>\$ 264,265</u>	<u>\$ 288,330</u>
Operating Expenses (a)			
601 Salaries & Wages	\$ -	\$ 68,400	\$ 100,000
610 Purchased Water	1,700	2,150	4,009
615 Purchased Power	72,314	68,922	73,063
618 Chemicals	792	-	-
620 Repairs and Maintenance	16,143	22,983	13,671
621 Office Supplies and Expense	12,202	28,939	9,779
630 Outside Services	127,734	22,457	3,157
635 Water Testing	8,008	5,017	2,235
641 Rents	-	3,600	4,800
650 Transportation Expense	21,419	14,813	12,760
657 Insurance - General liability	6,565	3,685	5,298
659 Insurance - Health and Life	-	-	-
666 Regulatory Commission Expense - Rate Case	4,618	-	-
675 Miscellaneous Expense	5	556	10,985
403 Depreciation Expense	27,353	30,429	31,082
408 Taxes Other Than Income	(1,127)	8,134	13,116
408.11 Property Taxes	19,976	8,632	17,293
409 Income Tax	7,521	-	(913)
Total Operating Expenses	<u>\$ 325,223</u>	<u>\$ 288,717</u>	<u>\$ 300,335</u>
OPERATING INCOME/(LOSS)	<u>\$ (25,186)</u>	<u>\$ (24,452)</u>	<u>\$ (12,005)</u>
Other Income/(Expense)			
419 Interest and Dividend Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	10,373	4,000
426 Miscellaneous Non-Utility Expense	-	-	(700)
427 Interest Expense	(1,544)	(10,742)	(14,529)
Total Other Income/(Expense)	<u>\$ (1,544)</u>	<u>\$ (369)</u>	<u>\$ (11,229)</u>
NET INCOME/(LOSS)	<u>\$ (26,730)</u>	<u>\$ (24,821)</u>	<u>\$ (23,234)</u>

Supporting Schedules:

Recap Schedules:
A-2

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Test Year Ended December 31, 2009

Rebuttal Schedule E-5
Title: Detail of Utility Plant

Explanation:
Schedule showing utility plant balance, by detailed account number, at the end of the test year and the end of the prior fiscal year.

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

Account Number	Description	End of Prior Year at 31-Dec-08	Net Additions	End of Test Year at 31-Dec-09
301	Intangibles	\$ 2,180	\$ -	\$ 2,180
303	Land & Land Rights	5,984	-	5,984
304	Structures & Improvements	9,622	-	9,622
307	Wells & Springs	70,152	-	70,152
311	Pumping Equipment	231,440	27,445	258,885
320	Water Treatment Equipment	-	-	-
320.1	Water Treatment Plants	1,076	-	1,076
320.2	Solution Chemical Feeders	-	-	-
330	Distribution Reservoirs & Standpipes	4,978	-	4,978
330.1	Storage Tanks	32,089	-	32,089
330.2	Pressure Tanks.	13,941	-	13,941
331	Transmission & Distribution Mains	294,435	5,448	299,883
333	Services	474	-	474
334	Meters & Meter Installations	19,938	1,180	21,118
335	Hydrants	-	-	-
339	Other Plant and Misc Equipment	-	-	-
340	Office Furniture & Equipment	3,789	(3,789)	-
340.1	Computers and Software	-	-	-
341	Transportation Equipment	22,030	(18,045)	3,985
343	Tools, Shop, and Garage Equipment	-	-	-
345	Power Operated Equipment	-	-	-
348	Other Tangible Plant	-	-	-
Total Plant In Service		\$ 712,128	\$ 12,239	\$ 724,367
108	Accumulated Depreciation	\$ (435,722)	\$ (21,397)	\$ (457,119)
Net Plant In Service		\$ 276,405	\$ (9,158)	\$ 267,248
103	Property Held for Future Use	\$ -	\$ -	\$ -
105	Construction Work in Process	-	2,854	2,854
Total Net Plant		\$ 276,405	\$ (6,304)	\$ 270,102

Supporting Schedules:

Recap Schedules:
E-1 A-4

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171

Test Year Ended December 31, 2009

**Rebuttal Schedule E-7
Title: Operating Statistics**

Explanation:

Schedule showing key operating statistics in comparative format, for the test year and the 2 fiscal years ended prior to the test year.

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

Water Statistics:	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Gallons Sold - By Class of Service:			
Residential	107,341,768	101,673,794	118,214,705
Commercial	5,830,232	5,502,206	6,931,625
Average Number of Customers - By Class of Service:			
Residential	954	989	951
Commercial	55	54	52
Average Annual Gallons Per Residential Customer	112,518	102,826	124,297
Average Annual Revenue Per Residential Customer	*	*	*
Pumping Cost Per 1,000 Gallons	\$ 0.6390	\$ 0.6431	\$ 0.5838

* Current customer rates differ by company, please see each individual company application.

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
Test Year Ended December 31, 2009

Rebuttal Schedule E-8
Title: Taxes Charged to
Operations

Explanation:
Schedule showing all significant taxes charged to operations for
the test year and the 2 fiscal years ended prior to the test year.

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

Description	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Federal Taxes:			
Income	\$ 7,521	\$ -	\$ (931)
Payroll	(1,160)	5,781	8,450
Total Federal Taxes	\$ 6,361	\$ 5,781	\$ 7,519
State Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	33	2,354	4,666
Total State Taxes	\$ 33	\$ 2,354	\$ 4,666
Local Taxes:			
Property	\$ 19,976	\$ 8,632	\$ 17,293
Total Taxes	\$ 26,370	\$ 16,766	\$ 29,478

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

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
Test Year Ended December 31, 2009

Rebuttal Schedule E-9
Title: Notes to Financial
Statements

Explanation:
Disclosure of important facts pertaining to the understanding
of the financial statements.

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

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

1 Accounting Method.

The books of the consolidated entity will be kept as accrual based, and will also follow NARUC rules, including the USoA.

2 Depreciation lives and methods employed by major classification of utility property.

Proposed depreciation rates are depicted on Schedule C-2d as well as on the plant schedule as part of the financing application. These rates were taken from ACC Engineering Staff Memo regarding their recommended rates for depreciation dated April 21, 2000, and revised March 1, 2001.

3 Income tax treatment - normalization or flow through.

It is undetermined at this time if depreciation expense will be the same for regulatory purposes and tax purposes. However, it is likely that the consolidated entity will follow what East Slope Water has done in the past, and book depreciation will be used for tax purposes. Additionally, since the consolidated entity will be a C-Corp, it will pay its own income taxes.

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

Not Applicable.

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
Test Year Ended December 31, 2009

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

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

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

	Actual Test Year Ended (a) 31-Dec-09	Projected Year	
		At Present Rates Year Ended (b) 31-Dec-10	At Proposed Rates Year Ended (b) 31-Dec-10
Operating Revenues:			
461 Metered Water Revenue	\$ 281,796	\$ 280,359	\$ 419,045
461.1 Surcharge Revenue	14,517	-	-
474 Other Water Revenue	3,724	3,724	3,724
Total Operating Revenue	\$ 300,037	\$ 284,083	\$ 422,769
Operating Expenses:			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	1,700	-	-
615 Purchased Power	72,314	72,747	72,747
618 Chemicals	792	792	792
620 Repairs & Maintenance	16,143	16,609	16,609
621 Office Supplies and Expense	12,202	12,023	12,023
630 Outside Services	127,734	158,038	158,038
635 Water Testing	8,008	8,008	8,008
641 Rental Expense	-	-	-
650 Transportation Expense	21,419	21,805	21,805
657 Insurance - General Liability	6,565	6,491	6,491
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	4,618	14,873	14,873
675 Miscellaneous Expense	5	5	5
403 Depreciation & Amortization	27,353	39,313	39,313
408 Property Taxes	19,976	13,764	15,993
408.1 Taxes Other Than Income	(1,127)	-	-
409 Income Taxes	7,521	(19,171)	12,622
Total Operating Expenses	\$ 325,223	\$ 345,296	\$ 379,318
OPERATING INCOME/(LOSS)	\$ (25,186)	\$ (61,213)	\$ 43,450
Other Income/(Expense):			
419 Interest Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	-	-
426 Miscellaneous Non-Utility Expenses	-	-	-
427 Interest Expense	(1,544)	(1,544)	(1,544)
Total Other Income/(Expense)	\$ (1,544)	\$ (1,544)	\$ (1,544)
NET INCOME/(LOSS)	\$ (26,730)	\$ (62,757)	\$ 41,907
Earnings per share of average Common Stock Outstanding	\$ (66.83)	\$ (156.89)	\$ 104.77
% Return on Common Equity		Negative Equity	

Supporting Schedules:
(a) E-2

Recap Schedules:
(b) A-2

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
 Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
 Test Year Ended December 31, 2009

Rebuttal Schedule F-3
Title: Projected Construction
Requirements

Explanation: Schedule showing projected annual construction requirements, by property classification, for 1 to 3 years subsequent to the test year compared with the test year.

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

<u>Property Classification</u>	<u>Actual Test Year Ended 12/31/2009</u>	<u>End of Projected Year 1</u>
Production Plant	\$ 27,445	\$ 377,294
Transmission Plant	5,448	2,625,560
Other Plant	1,180	-
Total Plant	\$ 34,073	\$ 3,002,854

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

Supporting Schedules:

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

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171

Test Year Ended December 31, 2009

Rebuttal Schedule F-4

**Title: Assumptions Used in
Developing Projections**

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

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

Important assumptions used in preparing projections should be explained.

Areas covered should include:

- 1 Customer growth
The company has experienced no growth in the past few years.
- 2 Growth in consumption and customer demand
The company does not anticipate an increase in customer consumption and demand due to the proposed tiered rate structure.
- 3 Changes in expenses
The company believes the test year 2009, with the limited proforma adjustments included in this application, accurately depict expense levels for the consolidated entity going forward.
- 4 Construction requirements including production reserves and changes in plant capacity
The Company is seeking a loan from WIFA for the proposed consolidated entity totaling \$3 million to replace lines, add storage, and upgrade pumps and electrical at wells and booster sites.
- 5 Capital structure changes
If the proposed consolidation of Indiada Water Company, Antelope Run Water, and East Slope Water Company is approved, the new or surviving entity is to be structured as a C-Corp.
- 6 Financing costs, interest rates
The company proposes to borrow funds from WIFA, and it will be required to pay WIFA's normal fees, reserves, and the prevailing interest rate at the time the loan is closed. The consolidated entity's total share of the interest expense is included on the income statement.

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company/East Slope Water Company/ Indiada Water Company Consolidated
Docket No. W-02327A-10-0171 et al.
Test Year Ended December 31, 2009

Rebuttal Schedule: H-1
**Title: Summary of Revenues by Customer
Classification - Present and Proposed Rates**

Explanation:
Schedule comparing revenues by customer classification for
the Test Year, at present and proposed rates.

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

Customer Classification	Revenues in the Test Year (a)		Proposed Increase (b)	
	Present Rates	Proposed Rates	Amount	%
<i>Residential</i>				
5/8 x 3/4 inch	\$ 253,283	\$ 371,093	\$ 117,810	46.51%
1 inch	6,390	5,727	(663)	-10.38%
1.5 inch	4,417	8,168	3,751	84.91%
Total Residential	\$ 264,090	\$ 384,987	\$ 120,898	45.78%
<i>Commercial</i>				
5/8 x 3/4 inch	\$ 9,997	\$ 15,850	\$ 5,853	58.55%
1 inch	1,844	9,955	8,112	440.01%
1.5 inch	1,855	3,441	1,586	85.46%
2 inch	2,574	4,812	2,238	86.96%
Total Commercial	\$ 16,269	\$ 34,058	\$ 17,788	109.34%
Total Metered Water Revenues	\$ 280,359	\$ 419,045	\$ 138,686	49.47%
Other Revenues	3,724	3,724	-	0.00%
Total Revenues	\$ 284,083	\$ 422,769	\$ 138,686	48.82%

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

Supporting Schedules:
(a) H-2

Recap Schedules:
(b) A-1

Explanation:
Schedule comparing present rate schedules with proposed
rate schedule.

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

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

Description	Present Rate	Proposed Rate
MONTHLY USAGE CHARGE		
5/8" x 3/4" Meter	NA	\$ 13.43
3/4" Meter	NA	20.15
1" Meter	NA	33.58
1-1/2" Meter	NA	67.15
2" Meter	NA	107.44
3" Meter	NA	214.88
4" Meter	NA	335.75
6" Meter	NA	671.50

Commodity Charges Per 1,000 Gallons:

5/8 x 3/4 - inch meter

Tier one: 0 - 3,000 Gallons	NA	\$ 1.00
Tier two: 3,001 to 10,000 Gallons	NA	1.80
Tier three: All Gallons Over 10,000	NA	3.24

3/4 - inch meter

Tier one: 0 - 3,000 Gallons	NA	\$ 1.00
Tier two: 3,001 to 10,000 Gallons	NA	1.80
Tier three: All Gallons Over 10,000	NA	3.24

One - inch meter

Tier one: 0 - 10,000 Gallons	NA	\$ 1.80
Tier two: All Gallons Over 25,000	NA	3.24

One and one half - inch meter

Tier one: 0 - 20,000 Gallons	NA	\$ 1.80
Tier two: All Gallons Over 50,000	NA	3.24

Two - inch meter

Tier one: 0 - 20,000 Gallons	NA	\$ 1.80
Tier two: All Gallons Over 80,000	NA	3.24

Three - inch meter

Tier one: 0 - 20,000 Gallons	NA	\$ 1.80
Tier two: All Gallons Over 140,000	NA	3.24

Four - inch meter

Tier one: 0 - 20,000 Gallons	NA	\$ 1.80
Tier two: All Gallons Over 200,000	NA	3.24

Six - inch meter

Tier one: 0 - 20,000 Gallons	NA	\$ 1.80
Tier two: All Gallons Over 400,000	NA	3.24

Antelope Run Water Company/East Slope Water Company/ Indiada Water Company Consolidated

Docket No. W-02327A-10-0171 et al.

Rebuttal Schedule: H-3
 Title: Changes in Representative Rate
 Schedules - Page 2 of 2

Description	Present Rate	Proposed Rate
SERVICE CHARGES		
Establishment	NA	\$ 35.00
Reconnection (Delinquent)	NA	35.00
Meter Test (If Correct)	NA	25.00
Meter Reread (If Correct)	NA	20.00
NSF Check Charge	NA	25.00
Deposit		*
Deposit Interest (Per Annum)		*
Deferred Payment (Per Month)	1.50%	**
Late Charge (Per Month)	2%	**
Re-establishment (Within 12 Months)		***
After Hours Service Charge		35.00
MONTHLY SERVICE CHARGE FOR FIRE SPRINKLER:		
	N/A	****

SERVICE LINE AND METER INSTALLATION CHARGES
 Refundable Pursuant to AAC R14-2-405

Description	Present Rate	Proposed Rates		
		Service Line	Meter Charge	Total Charge
5/8" x 3/4" Meter	NA	\$ 430.00	\$ 130.00	\$ 560.00
3/4" Meter	NA	430.00	230.00	660.00
1" Meter	NA	480.00	290.00	770.00
1-1/2" Meter	NA	535.00	500.00	1,035.00
2" Meter - Turbine	NA	815.00	1,020.00	1,835.00
2" Meter - Compound	NA	815.00	1,865.00	2,680.00
3" Meter - Turbine	NA	1,030.00	1,645.00	2,675.00
3" Meter - Compound	NA	1,150.00	2,545.00	3,695.00
4" Meter - Turbine	NA	1,460.00	2,620.00	4,080.00
4" Meter - Compound	NA	1,640.00	3,595.00	5,235.00
6" Meter - Turbine	NA	2,180.00	4,975.00	7,155.00
6" Meter - Compound	NA	2,300.00	6,870.00	9,170.00

* Per Commission Rule AAC R-14-2-403(B).

** 1.50% of unpaid monthly balance.

*** Month off system times the monthly minimum per Commission rule AAC R14-2-403(D).

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

Supporting Schedules:

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

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

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

5/8" x 3/4" meter

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	NA	\$ 13.43	NA
1,000	NA	14.43	NA
2,000	NA	15.43	NA
3,000	NA	16.43	NA
4,000	NA	18.23	NA
5,000	NA	20.03	NA
6,000	NA	21.83	NA
7,000	NA	23.63	NA
8,000	NA	25.43	NA
9,000	NA	27.23	NA
10,000	NA	29.03	NA
13,000	NA	38.75	NA
15,000	NA	45.23	NA
20,000	NA	61.43	NA
25,000	NA	77.63	NA
50,000	NA	158.63	NA
75,000	NA	239.63	NA
100,000	NA	320.63	NA
125,000	NA	401.63	NA
150,000	NA	482.63	NA
175,000	NA	563.63	NA
200,000	NA	644.63	NA

Supporting Schedules:

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

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

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

1 inch meter

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	NA	\$ 33.58	NA
1,000	NA	35.38	NA
2,000	NA	37.18	NA
3,000	NA	38.98	NA
4,000	NA	40.78	NA
5,000	NA	42.58	NA
6,000	NA	44.38	NA
7,000	NA	46.18	NA
8,000	NA	47.98	NA
9,000	NA	49.78	NA
10,000	NA	51.58	NA
15,000	NA	67.78	NA
20,000	NA	83.98	NA
25,000	NA	100.18	NA
40,000	NA	148.78	NA
50,000	NA	181.18	NA
75,000	NA	262.18	NA
100,000	NA	343.18	NA
125,000	NA	424.18	NA
150,000	NA	505.18	NA
175,000	NA	586.18	NA
200,000	NA	667.18	NA

Supporting Schedules:

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

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

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

1.5 inch meter

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	NA	\$ 67.15	NA
1,000	NA	68.95	NA
2,000	NA	70.75	NA
3,000	NA	72.55	NA
4,000	NA	74.35	NA
5,000	NA	76.15	NA
6,000	NA	77.95	NA
7,000	NA	79.75	NA
8,000	NA	81.55	NA
9,000	NA	83.35	NA
10,000	NA	85.15	NA
15,000	NA	94.15	NA
20,000	NA	103.15	NA
25,000	NA	119.35	NA
50,000	NA	200.35	NA
75,000	NA	281.35	NA
100,000	NA	362.35	NA
125,000	NA	443.35	NA
150,000	NA	524.35	NA
175,000	NA	605.35	NA
200,000	NA	686.35	NA

Supporting Schedules:

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

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

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

2 inch meter

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	NA	\$ 107.44	NA
1,000	NA	109.24	NA
2,000	NA	111.04	NA
3,000	NA	112.84	NA
4,000	NA	114.64	NA
5,000	NA	116.44	NA
6,000	NA	118.24	NA
7,000	NA	120.04	NA
8,000	NA	121.84	NA
9,000	NA	123.64	NA
10,000	NA	125.44	NA
15,000	NA	134.44	NA
20,000	NA	143.44	NA
25,000	NA	159.64	NA
50,000	NA	240.64	NA
75,000	NA	321.64	NA
100,000	NA	402.64	NA
125,000	NA	483.64	NA
150,000	NA	564.64	NA
175,000	NA	645.64	NA
200,000	NA	726.64	NA

Supporting Schedules:

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

5/8 x 3/4 inch meter - Residential

Required for: All Utilities	X
Class A	
Class B	
Class C	
Class D	
Specd Reqt	

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	262	-	262	2.32%	-	0.00%
1 to 1,000	525	262,500	787	6.97%	262,500	0.25%
1,001 to 2,000	867	1,300,500	1,654	14.65%	1,563,000	1.51%
2,001 to 3,000	1,069	2,672,500	2,723	24.11%	4,235,500	4.10%
3,001 to 4,000	1,205	4,217,500	3,928	34.78%	8,453,000	8.18%
4,001 to 5,000	1,174	5,283,000	5,102	45.18%	13,736,000	13.29%
5,001 to 6,000	974	5,357,000	6,076	53.80%	19,093,000	18.47%
6,001 to 7,000	728	4,732,000	6,804	60.25%	23,825,000	23.04%
7,001 to 8,000	573	4,297,500	7,377	65.32%	28,122,500	27.20%
8,001 to 9,000	498	4,233,000	7,875	69.73%	32,355,500	31.30%
9,001 to 10,000	393	3,733,500	8,268	73.21%	36,089,000	34.91%
10,001 to 12,000	589	6,479,000	8,857	78.43%	42,568,000	41.17%
12,001 to 14,000	445	5,785,000	9,302	82.37%	48,353,000	46.77%
14,001 to 16,000	343	5,145,000	9,645	85.41%	53,498,000	51.74%
16,001 to 18,000	268	4,556,000	9,913	87.78%	58,054,000	56.15%
18,001 to 20,000	206	3,914,000	10,119	89.60%	61,968,000	59.94%
20,001 to 25,000	389	8,752,500	10,508	93.05%	70,720,500	68.40%
25,001 to 30,000	245	6,737,500	10,753	95.22%	77,458,000	74.92%
30,001 to 35,000	155	5,037,500	10,908	96.59%	82,495,500	79.79%
35,001 to 40,000	95	3,562,500	11,003	97.43%	86,058,000	83.24%
40,001 to 50,000	120	5,400,000	11,123	98.49%	91,458,000	88.46%
50,001 to 60,000	64	3,520,000	11,187	99.06%	94,978,000	91.87%
60,001 to 70,000	35	2,275,000	11,222	99.37%	97,253,000	94.07%
70,001 to 80,000	26	1,950,000	11,248	99.60%	99,203,000	95.95%
80,001 to 90,000	9	765,000	11,257	99.68%	99,968,000	96.69%
90,001 to 99,999	9	855,000	11,266	99.76%	100,823,000	97.52%
102,180	1	95,000	11,267	99.77%	100,918,000	97.61%
102,280	1	95,000	11,268	99.78%	101,013,000	97.70%
106,900	1	95,000	11,269	99.79%	101,108,000	97.79%
108,540	1	95,000	11,270	99.80%	101,203,000	97.89%
108,570	1	95,000	11,271	99.81%	101,298,000	97.98%
114,980	1	95,000	11,272	99.81%	101,393,000	98.07%
119,360	1	95,000	11,273	99.82%	101,488,000	98.16%
120,560	1	95,000	11,274	99.83%	101,583,000	98.25%
124,600	1	95,000	11,275	99.84%	101,678,000	98.35%
124,790	1	95,000	11,276	99.85%	101,773,000	98.44%
125,130	1	95,000	11,277	99.86%	101,868,000	98.53%
125,670	1	95,000	11,278	99.87%	101,963,000	98.62%
127,000	1	95,000	11,279	99.88%	102,058,000	98.71%
129,330	1	95,000	11,280	99.88%	102,153,000	98.81%
132,310	1	95,000	11,281	99.89%	102,248,000	98.90%
138,190	1	95,000	11,282	99.90%	102,343,000	98.99%
144,140	1	95,000	11,283	99.91%	102,438,000	99.08%
146,590	1	95,000	11,284	99.92%	102,533,000	99.17%
149,390	1	95,000	11,285	99.93%	102,628,000	99.26%
151,900	1	95,000	11,286	99.94%	102,723,000	99.36%
154,150	1	95,000	11,287	99.95%	102,818,000	99.45%
177,740	1	95,000	11,288	99.96%	102,913,000	99.54%
180,720	1	95,000	11,289	99.96%	103,008,000	99.63%
192,510	1	95,000	11,290	99.97%	103,103,000	99.72%
195,840	1	95,000	11,291	99.98%	103,198,000	99.82%
197,030	1	95,000	11,292	99.99%	103,293,000	99.91%
217,240	1	95,000	11,293	100.00%	103,388,000	100.00%
11,293		103,388,000				

Average Number of Customers 941
Average Consumption 9,155
Median Consumption 5,559

Supporting Schedules:

Recap Schedules:

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

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

5/8 x 3/4 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	38	-	38	7.92%	-	0.00%
1 to 1,000	106	53,000	144	30.00%	53,000	1.29%
1,001 to 2,000	70	105,000	214	44.58%	158,000	3.85%
2,001 to 3,000	32	80,000	246	51.25%	238,000	5.80%
3,001 to 4,000	17	59,500	263	54.79%	297,500	7.25%
4,001 to 5,000	18	81,000	281	58.54%	378,500	9.23%
5,001 to 6,000	17	93,500	298	62.08%	472,000	11.51%
6,001 to 7,000	11	71,500	309	64.38%	543,500	13.25%
7,001 to 8,000	22	165,000	331	68.96%	708,500	17.27%
8,001 to 9,000	11	93,500	342	71.25%	802,000	19.55%
9,001 to 10,000	9	85,500	351	73.13%	887,500	21.64%
10,001 to 12,000	23	253,000	374	77.92%	1,140,500	27.80%
12,001 to 14,000	17	221,000	391	81.46%	1,361,500	33.19%
14,001 to 16,000	15	225,000	406	84.58%	1,586,500	38.68%
16,001 to 18,000	10	170,000	416	86.67%	1,756,500	42.82%
18,001 to 20,000	7	133,000	423	88.13%	1,889,500	46.06%
20,001 to 25,000	22	495,000	445	92.71%	2,384,500	58.13%
25,001 to 30,000	11	302,500	456	95.00%	2,687,000	65.50%
30,001 to 35,000	3	97,500	459	95.63%	2,784,500	67.88%
35,001 to 40,000	5	187,500	464	96.67%	2,972,000	72.45%
40,001 to 50,000	4	180,000	468	97.50%	3,152,000	76.84%
50,001 to 60,000	3	165,000	471	98.13%	3,317,000	80.86%
60,001 to 70,000	4	260,000	475	98.96%	3,577,000	87.20%
70,001 to 80,000	1	75,000	476	99.17%	3,652,000	89.03%
80,001 to 90,000	-	-	476	99.17%	3,652,000	89.03%
90,001 to 99,999	3	285,000	479	99.79%	3,937,000	95.97%
165,110	1	165,110	480	100.00%	4,102,110	100.00%
	480	4,102,110				

Average Number of Customers	40
Average Consumption	8,546
Median Consumption	2,813

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company/East Slope Water Company/ Indiada Water Company Consolidated
Docket No. W-02327A-10-0171 et al.
Test Year Ended December 31, 2009

Rebuttal Schedule: H-5
Title: Bill Count
Page 3 of 7

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

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

1 inch meter - Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	13	-	13	12.62%	-	0.00%
1 to 1,000	1	500	14	13.59%	500	0.05%
1,001 to 2,000	6	9,000	20	19.42%	9,500	0.87%
2,001 to 3,000	11	27,500	31	30.10%	37,000	3.40%
3,001 to 4,000	6	21,000	37	35.92%	58,000	5.33%
4,001 to 5,000	15	67,500	52	50.49%	125,500	11.52%
5,001 to 6,000	5	27,500	57	55.34%	153,000	14.05%
6,001 to 7,000	5	32,500	62	60.19%	185,500	17.03%
7,001 to 8,000	1	7,500	63	61.17%	193,000	17.72%
8,001 to 9,000	5	42,500	68	66.02%	235,500	21.62%
9,001 to 10,000	2	19,000	70	67.96%	254,500	23.37%
10,001 to 12,000	5	55,000	75	72.82%	309,500	28.42%
12,001 to 14,000	5	65,000	80	77.67%	374,500	34.39%
14,001 to 16,000	3	45,000	83	80.58%	419,500	38.52%
16,001 to 18,000	2	34,000	85	82.52%	453,500	41.64%
18,001 to 20,000	1	19,000	86	83.50%	472,500	43.38%
20,001 to 25,000	9	202,500	95	92.23%	675,000	61.98%
25,001 to 30,000	2	55,000	97	94.17%	730,000	67.03%
30,001 to 35,000	1	32,500	98	95.15%	762,500	70.01%
35,001 to 40,000	-	-	98	95.15%	762,500	70.01%
40,001 to 50,000	3	135,000	101	98.06%	897,500	82.41%
50,001 to 60,000	-	-	101	98.06%	897,500	82.41%
60,001 to 70,000	1	65,000	102	99.03%	962,500	88.38%
70,001 to 80,000	-	-	102	99.03%	962,500	88.38%
80,001 to 90,000	-	-	102	99.03%	962,500	88.38%
90,001 to 99,999	-	-	102	99.03%	962,500	88.38%
126,590	1	126,590	103	100.00%	1,089,090	100.00%
	103	1,089,090				

Average Number of Customers 8.58
Average Consumption 10,574
Median Consumption 4,967

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company/East Slope Water Company/ Indiada Water Company Consolidated
Docket No. W-02327A-10-0171 et al.
Test Year Ended December 31, 2009

Rebuttal Schedule: H-5
Title: Bill Count
Page 4 of 7

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

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

1 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	13	-	13	10.83%	-	0.00%
1 to 1,000	1	500	14	11.67%	500	0.02%
1,001 to 2,000	-	-	14	11.67%	500	0.02%
2,001 to 3,000	5	12,500	19	15.83%	13,000	0.54%
3,001 to 4,000	9	31,500	28	23.33%	44,500	1.85%
4,001 to 5,000	12	54,000	40	33.33%	98,500	4.09%
5,001 to 6,000	6	33,000	46	38.33%	131,500	5.46%
6,001 to 7,000	11	71,500	57	47.50%	203,000	8.42%
7,001 to 8,000	8	60,000	65	54.17%	263,000	10.91%
8,001 to 9,000	3	25,500	68	56.67%	288,500	11.97%
9,001 to 10,000	2	19,000	70	58.33%	307,500	12.76%
10,001 to 12,000	7	77,000	77	64.17%	384,500	15.95%
12,001 to 14,000	3	39,000	80	66.67%	423,500	17.57%
14,001 to 16,000	6	90,000	86	71.67%	513,500	21.31%
16,001 to 18,000	5	85,000	91	75.83%	598,500	24.83%
18,001 to 20,000	1	19,000	92	76.67%	617,500	25.62%
20,001 to 25,000	4	90,000	96	80.00%	707,500	29.35%
25,001 to 30,000	2	55,000	98	81.67%	762,500	31.64%
30,001 to 35,000	2	65,000	100	83.33%	827,500	34.33%
35,001 to 40,000	1	37,500	101	84.17%	865,000	35.89%
40,001 to 50,000	2	90,000	103	85.83%	955,000	39.62%
50,001 to 60,000	1	55,000	104	86.67%	1,010,000	41.91%
60,001 to 70,000	5	325,000	109	90.83%	1,335,000	55.39%
70,001 to 80,000	3	225,000	112	93.33%	1,560,000	64.73%
80,001 to 90,000	1	85,000	113	94.17%	1,645,000	68.25%
90,001 to 99,999	2	190,000	115	95.83%	1,835,000	76.14%
101,150	1	101,150	116	96.67%	1,936,150	80.33%
103,110	1	103,110	117	97.50%	2,039,260	84.61%
108,130	1	108,130	118	98.33%	2,147,390	89.10%
119,030	1	119,030	119	99.17%	2,266,420	94.04%
143,750	1	143,750	120	100.00%	2,410,170	100.00%
	120	2,410,170				

Average Number of Customers 10.00
Average Consumption 20,085
Median Consumption 7,375

Supporting Schedules:

Recap Schedules:

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

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

1.5 inch meter - Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	8	-	8	16.33%	-	0.00%
1 to 1,000	3	1,500	11	22.45%	1,500	0.08%
1,001 to 2,000	1	1,500	12	24.49%	3,000	0.15%
2,001 to 3,000	-	-	12	24.49%	3,000	0.15%
3,001 to 4,000	1	3,500	13	26.53%	6,500	0.33%
4,001 to 5,000	1	4,500	14	28.57%	11,000	0.57%
5,001 to 6,000	7	38,500	21	42.86%	49,500	2.55%
6,001 to 7,000	1	6,500	22	44.90%	56,000	2.88%
7,001 to 8,000	2	15,000	24	48.98%	71,000	3.65%
8,001 to 9,000	2	17,000	26	53.06%	88,000	4.53%
9,001 to 10,000	-	-	26	53.06%	88,000	4.53%
10,001 to 12,000	-	-	26	53.06%	88,000	4.53%
12,001 to 14,000	2	26,000	28	57.14%	114,000	5.86%
14,001 to 16,000	1	15,000	29	59.18%	129,000	6.64%
16,001 to 18,000	-	-	29	59.18%	129,000	6.64%
18,001 to 20,000	-	-	29	59.18%	129,000	6.64%
20,001 to 25,000	2	45,000	31	63.27%	174,000	8.95%
25,001 to 30,000	1	27,500	32	65.31%	201,500	10.37%
30,001 to 35,000	2	65,000	34	69.39%	266,500	13.71%
35,001 to 40,000	2	75,000	36	73.47%	341,500	17.57%
40,001 to 50,000	1	45,000	37	75.51%	386,500	19.88%
50,001 to 60,000	-	-	37	75.51%	386,500	19.88%
60,001 to 70,000	-	-	37	75.51%	386,500	19.88%
70,001 to 80,000	1	75,000	38	77.55%	461,500	23.74%
80,001 to 90,000	1	85,000	39	79.59%	546,500	28.11%
90,001 to 99,999	1	95,000	40	81.63%	641,500	33.00%
116,710	1	116,710	41	83.67%	758,210	39.01%
119,190	1	119,190	42	85.71%	877,400	45.14%
130,080	1	130,080	43	87.76%	1,007,480	51.83%
139,890	1	139,890	44	89.80%	1,147,370	59.03%
140,710	1	140,710	45	91.84%	1,288,080	66.26%
151,200	1	151,200	46	93.88%	1,439,280	74.04%
151,620	1	151,620	47	95.92%	1,590,900	81.84%
161,220	1	161,220	48	97.96%	1,752,120	90.14%
191,730	1	191,730	49	100.00%	1,943,850	100.00%
	49	1,943,850				

Average Number of Customers 4.08
 Average Consumption 39,670
 Median Consumption 8,250

Supporting Schedules:

Recap Schedules:

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

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

1.5 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
-	4	-	4	12.12%	-	0.00%
1 to 1,000	8	4,000	12	36.36%	4,000	0.62%
1,001 to 2,000	-	-	12	36.36%	4,000	0.62%
2,001 to 3,000	1	2,500	13	39.39%	6,500	1.00%
3,001 to 4,000	1	3,500	14	42.42%	10,000	1.54%
4,001 to 5,000	1	4,500	15	45.45%	14,500	2.24%
5,001 to 6,000	-	-	15	45.45%	14,500	2.24%
6,001 to 7,000	-	-	15	45.45%	14,500	2.24%
7,001 to 8,000	-	-	15	45.45%	14,500	2.24%
8,001 to 9,000	-	-	15	45.45%	14,500	2.24%
9,001 to 10,000	-	-	15	45.45%	14,500	2.24%
10,001 to 12,000	1	11,000	16	48.48%	25,500	3.93%
12,001 to 14,000	1	13,000	17	51.52%	38,500	5.94%
14,001 to 16,000	-	-	17	51.52%	38,500	5.94%
16,001 to 18,000	-	-	17	51.52%	38,500	5.94%
18,001 to 20,000	-	-	17	51.52%	38,500	5.94%
20,001 to 25,000	1	22,500	18	54.55%	61,000	9.41%
25,001 to 30,000	3	82,500	21	63.64%	143,500	22.13%
30,001 to 35,000	5	162,500	26	78.79%	306,000	47.19%
35,001 to 40,000	3	112,500	29	87.88%	418,500	64.53%
40,001 to 50,000	2	90,000	31	93.94%	508,500	78.41%
50,001 to 60,000	-	-	31	93.94%	508,500	78.41%
60,001 to 70,000	1	65,000	32	96.97%	573,500	88.43%
70,001 to 80,000	1	75,000	33	100.00%	648,500	100.00%
80,001 to 90,000	-	-	33	100.00%	648,500	100.00%
90,001 to 99,999	-	-	33	100.00%	648,500	100.00%
>100,000	-	-	33	100.00%	648,500	100.00%
	33	648,500				

Average Number of Customers 2.75
Average Consumption 19,652
Median Consumption 12,500

Supporting Schedules:

Recap Schedules:

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

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

2 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	-	-	-	0.00%	-	0.00%
1,001 to 2,000	-	-	-	0.00%	-	0.00%
2,001 to 3,000	-	-	-	0.00%	-	0.00%
3,001 to 4,000	-	-	-	0.00%	-	0.00%
4,001 to 5,000	4	18,000	4	11.11%	18,000	3.43%
5,001 to 6,000	3	16,500	7	19.44%	34,500	6.58%
6,001 to 7,000	3	19,500	10	27.78%	54,000	10.30%
7,001 to 8,000	3	22,500	13	36.11%	76,500	14.59%
8,001 to 9,000	2	17,000	15	41.67%	93,500	17.83%
9,001 to 10,000	2	19,000	17	47.22%	112,500	21.45%
10,001 to 12,000	2	22,000	19	52.78%	134,500	25.64%
12,001 to 14,000	3	39,000	22	61.11%	173,500	33.08%
14,001 to 16,000	1	15,000	23	63.89%	188,500	35.94%
16,001 to 18,000	1	17,000	24	66.67%	205,500	39.18%
18,001 to 20,000	1	19,000	25	69.44%	224,500	42.80%
20,001 to 25,000	4	90,000	29	80.56%	314,500	59.96%
25,001 to 30,000	6	165,000	35	97.22%	479,500	91.42%
30,001 to 35,000	-	-	35	97.22%	479,500	91.42%
35,001 to 40,000	-	-	35	97.22%	479,500	91.42%
40,001 to 50,000	1	45,000	36	100.00%	524,500	100.00%
50,001 to 60,000	-	-	36	100.00%	524,500	100.00%
60,001 to 70,000	-	-	36	100.00%	524,500	100.00%
70,001 to 80,000	-	-	36	100.00%	524,500	100.00%
80,001 to 90,000	-	-	36	100.00%	524,500	100.00%
90,001 to 99,999	-	-	36	100.00%	524,500	100.00%
>100,000	-	-	36	100.00%	524,500	100.00%
	36	524,500				

Average Number of Customers 3.00
Average Consumption 14,569
Median Consumption 10,500

Supporting Schedules:

Recap Schedules:

ORIGINAL

1 Steve Wene, State Bar No. 019630
2 MOYES SELLERS & HENDRICKS LTD.
3 1850 N. Central Ave., Suite 1100
4 Phoenix, Arizona 85004
5 Telephone: 602-604-2141
6 swene@law-msh.com

RECEIVED

2011 AUG 10 P 3:29

AZ CORP COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

8 COMMISSIONERS

9 GARY PIERCE, CHAIRMAN
10 PAUL NEWMAN
11 SANDRA D. KENNEDY
12 BOB STUMP
13 BRENDA BURNS

Arizona Corporation Commission

DOCKETED

AUG 10 2011

DOCKETED BY

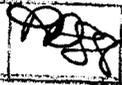


EXHIBIT
A-7
ADMITTED

14 IN THE MATTER OF THE APPLICATION OF
15 INDIADA WATER COMPANY, INC., FOR
16 APPROVAL OF A PERMANENT INCREASE
17 IN ITS WATER RATES.

DOCKET NO. W-02031A-10-0168

18 IN THE MATTER OF THE APPLICATION OF
19 ANTELOPE RUN WATER COMPANY FOR
20 APPROVAL OF A PERMANENT INCREASE
21 IN ITS WATER RATES.

DOCKET NO. W-02327A-10-0169

22 IN THE MATTER OF THE APPLICATION OF
23 BOB B. WATKINS DBA EAST SLOPE
24 WATER COMPANY FOR APPROVAL OF
25 ITS PERMANENT INCREASE IN ITS
26 WATER RATES.

DOCKET NO. W-01906A-10-0170

27 IN THE MATTER OF THE APPLICATION OF
28 BOB B. WATKINS DBA EAST SLOPE
WATER COMPANY, INDIADA WATER
COMPANY, INC., AND ANTELOPE RUN
WATER COMPANY FOR APPROVAL OF A
TRANSFER OF ASSETS AND
CERTIFICATES OF CONVENIENCE AND

DOCKET NO. W-01906A-10-0171
DOCKET NO. W-02031A-10-0171
DOCKET NO. W-02327A-10-0171

1 NECESSITY.

2 IN THE MATTER OF THE APPLICATION OF
3 BOB B. WATKINS DBA EAST SLOPE
4 WATER COMPANY FOR AUTHORITY TO
INCUR LONG-TERM DEBT.

DOCKET NO. W-01906A-10-0183

5 IN THE MATTER OF THE APPLICATION OF
6 INDIADA WATER COMPANY, INC. FOR
7 AUTHORITY TO INCUR LONG-TERM
DEBT.

DOCKET NO. W-02031A-10-0184

8 IN THE MATTER OF THE APPLICATION OF
9 ANTELOPE RUN WATER COMPANY FOR
10 AUTHORITY TO INCUR LONG-TERM
DEBT.

DOCKET NO. W-02327A-10-0185

**ADDITIONAL DOCUMENTS IN
SUPPORT OF REBUTTAL
TESTIMONY OF SONN
ROWELL**

13
14 East Slope Water Company, Antelope Run Water Company, and Indiada Water
15 Company hereby submit additional documentation in support of Sonn Rowell's rebuttal
16 testimony. The documents support Schedules B2 and C2i, respectively.
17

18 RESPECTFULLY SUBMITTED this 10th day of August, 2011.

19 **MOYES SELLERS & HENDRICKS LTD.**

20
21 
22 Steve Wene
23 Attorneys for the Companies

24
25 Original and 13 copies of the foregoing
26 filed this 10th day of August, 2011, with:

27 Docket Control
28 Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

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Copy of the foregoing mailed this
10th day of August, 2011, to:

Robin Mitchell, Attorney
Legal Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007
rmitchell@azcc.gov

Donnelly Herbert

SCHEDULE B2 ATTACHMENTS



Jim's Electric, Inc

dba Jim's Electric
 P.O. Box 4592
 Bisbee, Az 85603

Lic #'s 217619 * 217620

Invoice

Date	Invoice #
7/31/2009	7141

PAYED

Bill To
East Steps Water Company c/o Southwest Utilities P.O. Box 85160 Tucson, Az 85734

P.O. No.	Terms	Due Date
	Net 10 Days	8/10/2009

Description	Amount
Call pump check pump SVEEC lines blown, pump needs to be replaced called Dale	75.00
	Tax and Balance Due Below
Thank you for your business.	

Subtotal	\$75.00
Sales Tax (3.965%)	\$0.00
Total	\$75.00
Payments/Credits	\$-75.00
Balance Due	\$0.00

Phone #	Fax #
520-432-1118	520-432-1119

A 2% finance charge will be assessed if not paid by due date

SCHEDULE C2i ATTACHMENTS



Sulphur Springs Valley Electric Cooperative, Inc.

A Touchstone Energy® Cooperative

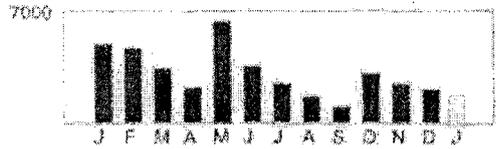
PO Box 820 Wilcox AZ 85644-0820

CUSTOMER: EAST SLOPE WATER				MEMBERSHIP: 77301	
Account	Service Address		Service Description		BILL DATE: 16-JAN-2009
6506500	4421 E RAMSEY ROAD PXD-188 K07313267A		Previous Reading	Present Reading	Meter Multiplier
	Meter Rate	Location Number			Billable Usage
		Rate Description			TOTAL
	GD3	GS DEMAND 3-PHASE	58174	59393	1
	Demand			11.776	1
	Cost of Basic Service				1219
	Wholesale Power Rate Adjustment				14.204
	ACE Environmental Surcharge (REST)				27.53
	Taxes				48.76
	30 days of service from 09-Dec-2008 to 08-Jan-2009				6.10
					12.50
					Total: 213.22
	PREVIOUS BALANCE: 701.28	PAYMENTS RECEIVED: 701.28			BALANCE FORWARD: 0.00
					BALANCE DUE: 213.22

Handwritten signature and date: 1/16/09

CURRENT CHARGES DUE >> 31-JAN-2009 TOTAL DUE >> \$213.22

Energy History Graph for Account 6506500



SSVEC is returning a total of \$250,000 to members for capital credits from the years 1986 and 2007. See this month's bill insert for details.

SEE REVERSE FOR ADDITIONAL INFORMATION



Sulphur Springs Valley Electric Cooperative, Inc.

A Touchstone Energy® Cooperative

PO Box 520 Willcox AZ 85644-0520

CUSTOMER: EAST SLOPE WATER		MEMBERSHIP: 77301	
Account	Service Address	Service Description	BILL DATE: 15-JAN-2009
Meter	Location Number	Previous Reading	Present Reading
Rate	Rate Description	Meter Multiplier	Billable Usage
8956000	WELL-MESQUITE	WELL-MESQUITE	
195399	L07052548R	0	0
GD1	GS DEMAND 1-PHASE	1	0
Demand		1	0
Cost of Basic Service			11.50
Taxes			0.72
31 days of service from 14-Dec-2008 to 14-Jan-2009		Total:	12.22
PREVIOUS BALANCE: 0.00		PAYMENTS RECEIVED: 0.00	
		BALANCE FORWARD: 0.00	
		BALANCE DUE: 12.22	

CURRENT CHARGES DUE >> 31-JAN-2009	TOTAL DUE >> \$12.22
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SSVEC is returning a total of \$250,000 to members for capital credits from the years 1986 and 2007. See this month's bill insert for details.

SEE REVERSE FOR ADDITIONAL INFORMATION



Sulphur Springs Valley Electric Cooperative, Inc.

A Touchstone EnergySM Cooperative

PO Box 820 Wilcox AZ 85644-0820

CUSTOMER: EAST SLOPE WATER				MEMBERSHIP: 77301			
Account	Service Address		Service Description		BILL DATE: 10-JAN-2009		
	Meter	Location Number	Previous Reading	Present Reading	Meter Multiplier	Billable Usage	TOTAL
6555900	WILDROSE RD 12483B	107051619A					
	GD1	GS DEMAND 1-PHASE	17	17	1	0	0.00
	Demand			0	1	0	0.00
	Cost of Basic Service						11.50
	Taxes						0.72
	31 days of service from 14-Dec-2008 to 14-Jan-2009				Total:	12.22	
PREVIOUS BALANCE: 0.00					PAYMENTS RECEIVED: 0.00		BALANCE FORWARD: 0.00
						BALANCE DUE:	12.22

CURRENT CHARGES DUE >> 31-JAN-2009	TOTAL DUE >> \$12.22
---	-----------------------------------

SSVEC is returning a total of \$250,000 to members for capital credits from the years 1986 and 2007. See this month's bill insert for details.

SEE REVERSE FOR ADDITIONAL INFORMATION

Bill 6 of 7



Sulphur Springs Valley Electric Cooperative, Inc.

A Touchstone Energy® Cooperative

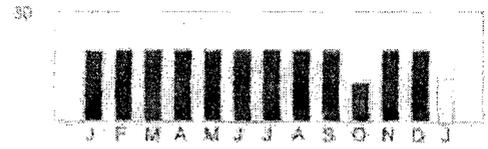
PO Box 820 Wilcox AZ 85644-0820

CUSTOMER: EAST SLOPE WATER			MEMBERSHIP: 77301				
Account	Service Address	Service Description			BILL DATE: 16-JAN-2009		
4154900	TURNER LN KURA-7677 K07301511M	NORTH WELL 220V					
	Meter	Location Number	Previous Reading	Present Reading	Meter Multiplier	Billable Usage	TOTAL
	Rate	Rate Description					
	GN1	OS NON-DEMAND 1-PHASE	4788	4789	10	10	0.88
		Cost of Basic Service					11.50
		100W HPS					9.10
		Wholesale Power Rate Adjustment					2.80
		ACC Environmental Surcharge (REST)					0.35
		Taxes					1.55
		30 days of service from 08-Dec-2008 to 07-Jan-2009				Total:	26.18

PREVIOUS BALANCE: 55.97	PAYMENTS RECEIVED: 55.5808	BALANCE FORWARD: 0.39
		BALANCE DUE: 26.57

CURRENT CHARGES DUE >> 31-JAN-2009	TOTAL DUE >> \$26.57
---	-----------------------------------

Energy History Graph for Account 4154900



SSVEC is returning a total of \$250,000 to members for capital credits from the years 1986 and 2007. See this month's bill insert for details.

SEE REVERSE FOR ADDITIONAL INFORMATION

Bill 1 of 7



Sulphur Springs Valley Electric Cooperative, Inc.

A Touchstone Energy® Cooperative

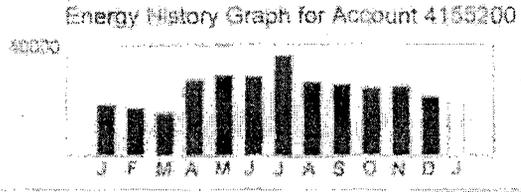
PO Box 820 Willcox AZ 85644-0820

CUSTOMER: EAST SLOPE WATER		MEMBERSHIP: 77301	
Account	Service Address	Service Description	BILL DATE: 16-JAN-2009
4155200	HWY 92 S SPMA-85 K07301813N	NORTH WELL	
Meter	Location Number	Previous Reading	Present Reading
Rate	Rate Description	Meter Multiplier	Billable Usage
	IRS IRRE SEASONAL	62051	79205
	Demand		70.08
	Cost of Basic Service		25.00
	Wholesale Power Rate Adjustment		686.16
	ACC Environmental Surcharge (REST)		47.00
	Taxes		146.24
30 days of service from 08-Dec-2008 to 07-Jan-2009			Total: 2,493.01

PREVIOUS BALANCE: 6,672.88 PAYMENTS RECEIVED: 6,782.62CR BALANCE FORWARD: 101.78CR
 BALANCE DUE: 2,388.27

Annual Minimum has been met.

CURRENT CHARGES DUE >> 31-JAN-2009 **TOTAL DUE >> \$2,388.27**



SSVEC is returning a total of \$250,000 to members for capital credits from the years 1986 and 2007. See this month's bill insert for details.

SEE REVERSE FOR ADDITIONAL INFORMATION

Bill 2 of 7



Sulphur Springs Valley Electric Cooperative, Inc.

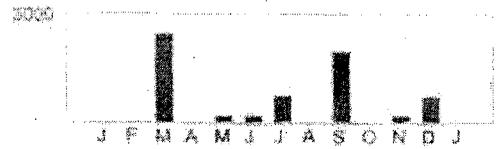
A Touchstone Energy[®] Cooperative

PO Box 820 Wilcox AZ 85644-0820

CUSTOMER: EAST SLOPE WATER				MEMBERSHIP: 77301		
Account	Service Address		Service Description		BILL DATE: 16-JAN-2009	
4159600	Meter	Location Number	Previous Reading	Present Reading	Meter Multiplier	
	Rate	Rate Description			Billable Usage	
	BEVER	BEVER WELL			TOTAL	
	100282	K073D18512	7516	7519	1	
	IRS	IRR SEASONAL			1	
	Demand			16.624	1	
	Cost of Basic Service				25.00	
	Wholesale Power Rate Adjustment				0.12	
	ACC Environmental Surcharge (REST)				0.02	
	Taxes				1.58	
	30 days of service from 08-Dec-2008 to 07-Jan-2009				Total:	27.00
	PREVIOUS BALANCE:	146.12	PAYMENTS RECEIVED:	145.71	BALANCE FORWARD:	0.41
					BALANCE DUE:	27.41
	Annual Minimum has been met.					

CURRENT CHARGES DUE >> 31-JAN-2009	TOTAL DUE >> \$27.41
---	-----------------------------------

Energy History Graph for Account 4159600



SSVEC is returning a total of \$250,000 to members for capital credits from the years 1996 and 2007. See this month's bill insert for details.

SEE REVERSE FOR ADDITIONAL INFORMATION



Sulphur Springs Valley Electric Cooperative, Inc.

A Touchstone EnergySM Cooperative

PO Box 520 Wilcox AZ 85641-0520

CUSTOMER: EAST SLOPE WATER

MEMBERSHIP: 77301

Account Service Address **Service Description** **BILL DATE:** 16-JAN-2009

Meter	Location Number	Previous Reading	Present Reading	Meter Multiplier	Billable Usage	TOTAL
4204800	HWY 92 SOUTH	HERBS WELL				
YPD-375	K07311537A					
IRS	IRR SEASONAL	46167	51996	1	5829	581.51
Demand			32.57	1	44.11	0.00
Cost of Basic Service						25.00
100W HPS						9.10
Wholesale Power Rate Adjustment						235.56
ACC Environmental Surcharge (REST)						29.45
Taxes						52.39
30 days of service from 09-Dec-2008 to 08-Jan-2009				Total:	893.01	
PREVIOUS BALANCE: 983.41		PAYMENTS RECEIVED: 983.41CR		BALANCE FORWARD:		0.00
						BALANCE DUE: 893.01

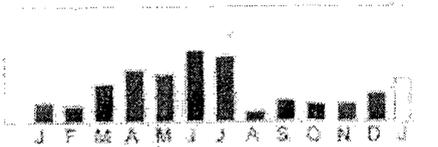
Annual Minimum has been met.

CURRENT CHARGES DUE >> 31-JAN-2009

TOTAL DUE >> 893.01

Energy History Graph for Account 4204800

20000



SSVEC is returning a total of \$250,000 to members for capital credits from the years 1986 and 2007. See this month's bill insert for details.

SEE REVERSE FOR ADDITIONAL INFORMATION

Bill 4 of 7

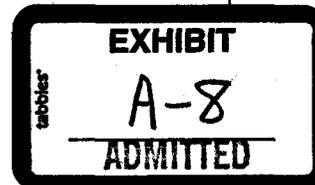
ORIGINAL

1 Steve Wene, State Bar No. 019630
2 MOYES SELLERS & HENDRICKS LTD.
3 1850 N. Central Ave., Suite 1100
4 Phoenix, Arizona 85004
5 Telephone: 602-604-2141
6 swene@law-ms.com

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL



7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8
9 **COMMISSIONERS**

Arizona Corporation Commission

DOCKETED

AUG 10 2011

10 GARY PIERCE, CHAIRMAN
11 PAUL NEWMAN
12 SANDRA D. KENNEDY
13 BOB STUMP
14 BRENDA BURNS

DOCKETED BY *[Signature]*

15 IN THE MATTER OF THE APPLICATION OF
16 INDIADA WATER COMPANY, INC., FOR
17 APPROVAL OF A PERMANENT INCREASE
18 IN ITS WATER RATES.

DOCKET NO. W-02031A-10-0168

19 IN THE MATTER OF THE APPLICATION OF
20 ANTELOPE RUN WATER COMPANY FOR
21 APPROVAL OF A PERMANENT INCREASE
22 IN ITS WATER RATES.

DOCKET NO. W-02327A-10-0169

23 IN THE MATTER OF THE APPLICATION OF
24 BOB B. WATKINS DBA EAST SLOPE
25 WATER COMPANY FOR APPROVAL OF
26 ITS PERMANENT INCREASE IN ITS
27 WATER RATES.

DOCKET NO. W-01906A-10-0170

28 IN THE MATTER OF THE APPLICATION OF
BOB B. WATKINS DBA EAST SLOPE
WATER COMPANY, INDIADA WATER
COMPANY, INC., AND ANTELOPE RUN
WATER COMPANY FOR APPROVAL OF A
TRANSFER OF ASSETS AND

DOCKET NO. W-01906A-10-0171
DOCKET NO. W-02031A-10-0171
DOCKET NO. W-02327A-10-0171

1 CERTIFICATES OF CONVENIENCE AND
2 NECESSITY.

3 IN THE MATTER OF THE APPLICATION OF
4 BOB B. WATKINS DBA EAST SLOPE
5 WATER COMPANY FOR AUTHORITY TO
6 INCUR LONG-TERM DEBT.

DOCKET NO. W-01906A-10-0183

7 IN THE MATTER OF THE APPLICATION OF
8 INDIADA WATER COMPANY, INC. FOR
9 AUTHORITY TO INCUR LONG-TERM
10 DEBT.

DOCKET NO. W-02031A-10-0184

11 IN THE MATTER OF THE APPLICATION OF
12 ANTELOPE RUN WATER COMPANY FOR
13 AUTHORITY TO INCUR LONG-TERM
14 DEBT.

DOCKET NO. W-02327A-10-0185

**REBUTTAL TESTIMONY OF
BONNIE O'CONNOR**

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

16 **A-1** I am Bonnie O'Conner, President of Southwestern Utility Management, Inc.
17 ("SUM").

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

19 **A-2** I have worked in an administrative and management capacity for more than 50
20 Arizona utilities for approximately 30 years. Currently, SUM manages 27 water
21 companies.
22

23 **Q-3 What is the purpose of your testimony?**

24 **A-3** I am responsible for overseeing the rate and finance applications in this matter. I
25 have reviewed the applications and submittals filed on behalf of East Slope Water
26 Company, Antelope Run Water Company, and Indiada Water Company (collectively
27 "Companies"). I incorporate those documents by reference herein. I can address issues
28

1 related to the operations and management of the Company. However, the primary
2 purpose of my testimony is to address the Arizona Corporation Commission Staff's
3 proposed rates for the Companies.
4

5 **Q-4 Briefly describe the status of the Companies.**

6 **A-4** These Companies are in dire financial stress and they desperately need system
7 repairs and improvements. Antelope Run has not had a permanent rate increase in more
8 than 32 years. Indiada has not had a permanent rate increase in more than 26 years. East
9 Slope has not had a permanent rate increase in more than 21 years. Two years ago, the
10 Commission approved an emergency rate just so the Companies could avoid complete
11 financial failure. Just to keep the systems operating, SUM agreed to charge the
12 Companies only \$9.00 per connection to manage and operate the system until permanent
13 rates are approved by the Commission. SUM has lost money under this rate. Further, the
14 Companies have made the loss even greater because they cannot pay what is owed to
15 SUM on a monthly basis and pay its other financial obligations.
16
17
18

19 **Q-5 Please comment on Staff's proposed rates.**

20
21 **A-5** Staff's proposed rates are unreasonable and would result in jeopardizing the health
22 and safety of the public and employees operating the system. The Companies' permanent
23 rates were set on economic conditions existing over a quarter of a century ago. The
24 average residential customer cost for water service based upon permanent rates are as
25 follows: East Slope - \$14.69; Antelope Run - \$18.40; and Indiada \$29.91. Two years
26 ago, the Commission approved emergency rates so the Companies could meet their
27 operating expenses.
28

1 Despite the way it is presented, Staff's recommendations substantially reduce the
2 amount that the average residential customer currently pays for water service. The
3 median uses for each of the Companies are: East Slope - 5,330 gallons; Antelope Run -
4 6,900 gallons; and Indiada - 5,260 gallons. The table below shows the financial impact
5 that Staff's proposed rates would have on an average residential customer of each of the
6 Companies.
7
8

	Average Cost with Surcharge	Staff Proposed Rates	Staff Proposed Change including Surcharge
East Slope	\$22.29	\$16.05	-27.99%
Antelope Run	\$23.98	\$18.40	-23.27%
Indiada	\$37.74	\$15.94	-57.76%

9
10
11
12
13 In other words, Staff's proposal would essentially wipe out the surcharge and basically
14 return the Company to rates set based upon test years during the 1970s and 1980s.
15

16 **Q-6 Please comment of Staff's recommendation that SUM manage the Companies
17 for \$9.00 per connection per month on an ongoing basis.**

18 **A-6** The Companies cannot be managed and operated for \$9.00 per customer per
19 month. Currently, the Companies have 995 customers total (there were 1044 customers
20 during the test year). I generally say the Companies have 1,000 customers because the
21 number varies month-to-month. Using that number, Staff is suggesting that the
22 Companies can be managed and operated for \$9,000 per month. As a practical matter,
23 this is impossible.
24

25 Managing and operating a 1,000 customer water system requires a minimum of
26 three full-time employees: an experienced on-site operator; an apprentice on-site
27 operator; and an office staff person. ESARIN is no different (in fact, it requires more
28

1 staff). SUM has filled the experienced on-site operator for a base salary of under
2 \$35,000. But in addition to his salary, SUM has to pay taxes, benefits (health insurance),
3 and transportation costs (gas, truck repairs and maintenance, insurance, etc.; excluding
4 cost of truck depreciation). Thus, the experienced on-site operator costs SUM \$50,000
5 per year to keep employed.
6

7
8 The apprentice on-site operator has a base salary of under \$30,000, but costs SUM
9 approximately \$35,000 once the costs above salary are factored into the equation. Office
10 staff has a salary similar to the apprentice, but the direct costs are lower primarily
11 because there are no transportation costs. Thus, office staff's direct cost is approximately
12 \$35,000 per year.
13

14 Accordingly, direct staffing costs for ESARIN is \$120,000, excluding any
15 overhead attributable to these three employees. In other words, it directly costs SUM
16 \$10.00 per customer per month to manage and operate ESARIN. Again, this does not
17 even include the time that SUM managerial staff spends working on the systems; this is
18 just direct, normal costs.
19
20

21 **Q-7 What would be the consequence if Staff's recommendation on management**
22 **fees were adopted?**

23 **A-7** First, SUM would have to dismiss the apprentice on-site operator. Besides costing
24 the apprentice his job, our experience operator, who is over 60 years old, will likely quit
25 as well. He understands that it is unsafe to work in trenches and construction sites alone.
26 ESARIN will be left without anyone who knows how to operate the system on a day-to-
27 day basis. I believe this will cause a serious risk to public health and safety. Knowing
28

1 the incredible risks that will be facing both the public and its employees, SUM would
2 likely resign as ESARIN management.
3

4 **Q-8 Why did you agree to manage and operate ESARIN for \$9.00 per customer**
5 **per month when the direct costs alone are at least \$10.00 per customer per month?**

6 **A-8** I agreed to the reduced rate because I saw how bad this situation was and I thought
7 the financial loss to SUM would be temporary. I anticipated that the Commission would
8 offer temporary relief on an emergency basis and permanent relief once the rate case was
9 concluded. I never imagined that SUM would have to absorb such losses for three years
10 only to find that Staff would seek to set rates based upon SUM's rate offered solely to
11 help ESARIN through its financial crisis.
12

13 **Q-9 Do you agree with Staff's conclusion that SUM's rates are not known and**
14 **measurable?**

15 **A-9** No. Staff's testimony that the proposed management fees are not known and
16 measurable makes no sense. In fact, Staff testified what SUM's rates would be: \$14.60
17 per customer per month for the first 200 customers, \$12.40 per customer per month for
18 the next 300 customers, and \$10.20 per customer per month for 500 or more active
19 customers. This is SUM's standard charges. The Companies and SUM have agreed that
20 these rates go into effect the month after the permanent rates are in place. See
21 Attachment 1. This is known and measurable, and more importantly, necessary.
22

23 **Q-10 Please comment on Staff's recommendation that ESARIN implement five**
24 **Best Management Practices.**

25 **A-10** I disagree with this recommendation. The Companies are located outside active
26 management areas and these rules do not apply to the Companies.
27
28

1 **Q-11 Does that conclude your testimony?**

2
3 **A-11 Yes.**

4

5

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28

ATTACHMENT 1

ADDENDUM #1 TO CONTRACT DATED FEBURARY 1, 2009

East Slope Water Company, Inc.
Antelope Run Water Company
Indiada Water Company

WHEREAS, the following is an addendum to the original management agreement's dated September 1, 2008, between East Slope Water Company, Inc., Antelope Run Water Company and Indiada Water Company (hereinafter Water Company's) and Southwestern Utility Management, Inc. (SUM).

NOW, THEREFORE, IT IS AGREED

It is agreed that the services provided as specified in the original agreement, and as stated on Exhibit "A" the third page of the agreement dated February 1, 2009, specifically Item Number's 4(a), 4(b) and 4 (c) shall be reduced to \$9.00 per active connection.

SUM HAS AGREED IT WILL PROVIDE ALL SERVICES AS NOTED IN THE ORIGINAL CONTRACT.

The above noted service will be provided at a rate of \$9.00 per active customer per month.

This sum shall be the full compensation for the services described above except or as otherwise provided for in this contract until new rates can be obtained through a rate case via the Arizona Corporation Commission.

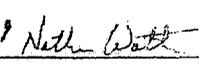
After approval of new rates all parties agree that a new contract will be signed which will revert back to the original amounts charged per connection and are as follows:

4(a) 1 - 200 connections \$14.60
4(b) next 300 connections \$12.40
4© 500 connections up \$10.20

Southwestern Utility Management, Inc.

East Slope Water Co.
Antelope Run Water Co.
Indiada Water Company, Inc.


Bonnie L. O'Connor
President

 Date: 2-1-09 Nathan Watkins Date: 2-1-09

Nathan Watkins, President

ORIGINAL

1 Steve Wene, State Bar No. 019630
2 MOYES SELLERS & HENDRICKS LTD.
3 1850 N. Central Ave., Suite 1100
4 Phoenix, Arizona 85004
5 Telephone: 602-604-2141
6 swene@law-msh.com

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AZ CORP COMMISSION
DOCKET CONTROL

7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8
9 **COMMISSIONERS**

10 GARY PIERCE, CHAIRMAN
11 PAUL NEWMAN
12 SANDRA D. KENNEDY
13 BOB STUMP
14 BRENDA BURNS

Arizona Corporation Commission

DOCKETED

AUG 10 2011

DOCKETED BY *[Signature]*

EXHIBIT
A-9
ADMITTED

15 IN THE MATTER OF THE APPLICATION OF
16 INDIADA WATER COMPANY, INC., FOR
17 APPROVAL OF A PERMANENT INCREASE
18 IN ITS WATER RATES.

DOCKET NO. W-02031A-10-0168

19 IN THE MATTER OF THE APPLICATION OF
20 ANTELOPE RUN WATER COMPANY FOR
21 APPROVAL OF A PERMANENT INCREASE
22 IN ITS WATER RATES.

DOCKET NO. W-02327A-10-0169

23 IN THE MATTER OF THE APPLICATION OF
24 BOB B. WATKINS DBA EAST SLOPE
25 WATER COMPANY FOR APPROVAL OF
26 ITS PERMANENT INCREASE IN ITS
27 WATER RATES.

DOCKET NO. W-01906A-10-0170

28 IN THE MATTER OF THE APPLICATION OF
BOB B. WATKINS DBA EAST SLOPE
WATER COMPANY, INDIADA WATER
COMPANY, INC., AND ANTELOPE RUN
WATER COMPANY FOR APPROVAL OF A
TRANSFER OF ASSETS AND

DOCKET NO. W-01906A-10-0171
DOCKET NO. W-02031A-10-0171
DOCKET NO. W-02327A-10-0171

1 CERTIFICATES OF CONVENIENCE AND
2 NECESSITY.

3 IN THE MATTER OF THE APPLICATION OF
4 BOB B. WATKINS DBA EAST SLOPE
5 WATER COMPANY FOR AUTHORITY TO
6 INCUR LONG-TERM DEBT.

DOCKET NO. W-01906A-10-0183

7 IN THE MATTER OF THE APPLICATION OF
8 INDIADA WATER COMPANY, INC. FOR
9 AUTHORITY TO INCUR LONG-TERM
10 DEBT.

DOCKET NO. W-02031A-10-0184

11 IN THE MATTER OF THE APPLICATION OF
12 ANTELOPE RUN WATER COMPANY FOR
13 AUTHORITY TO INCUR LONG-TERM
14 DEBT.

DOCKET NO. W-02327A-10-0185

**REBUTTAL TESTIMONY OF
JAMES DOWNING**

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

16 **A-1** James D. Downing.

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

18 **A-2** I graduated from Mississippi State University with a Bachelor of Science Degree
19 in Engineering and I am a Professional Engineer registered with the State of Arizona (no.
20 19202). I have practiced engineering in the State of Arizona for more than 27 years. I
21 have extensive experience analyzing and designing utility systems for residential,
22 commercial, industrial, and agricultural purposes. This experience includes projects
23 developing groundwater and surface water resources as well as analysis and design of
24 water distribution systems, wastewater collection systems, and drainage systems. I also
25 manage Electrical District No. 8 and McMullen Valley Water Conservation and Drainage
26 District.
27
28

1 **Q-3 What is the purpose of your testimony?**

2 **A-3** The purpose of my testimony is to explain the condition of East Slope Water
3 Company, Antelope Run Water Company, and Indiada Water Company (collectively
4 “Companies”) as well as the proposed capital improvement project for all three
5 companies. My analysis, recommended improvements, and cost estimates are set forth in
6 the attached Pre-Design Report dated May 23, 2011. *See Attachment 1.*
7
8

9 **Q-4 How much did it cost to produce the Pre-Design Report?**

10 **A-4** To produce the Pre-Design Report, it was necessary to survey the existing water
11 systems, generate maps of the Companies’ systems, develop a master plan with phasing
12 and interconnection options, and prepare cost estimates. My understanding is that the
13 Companies received a WIFA technical assistance grant that paid for 66% of the \$52,500
14 estimated cost to produce the report. However, my understanding is that the actual cost
15 exceeded this estimate, primarily due to the fact that there were many unforeseen costs
16 encountered during this project. For example, after pledging to provide previously
17 generated electronic maps at no cost to the Companies, Cochise County decided to charge
18 the Companies \$3,500 for the electronic maps. I estimate the actual cost to produce the
19 Pre-Design Report would have been approximately \$65,000, but Southwestern Utility
20 Management and the Harcuvar Company performed a significant amount of work at no
21 additional cost to the Company so \$52,500 budget could be met.
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26 **Q-5 Does that conclude your testimony?**

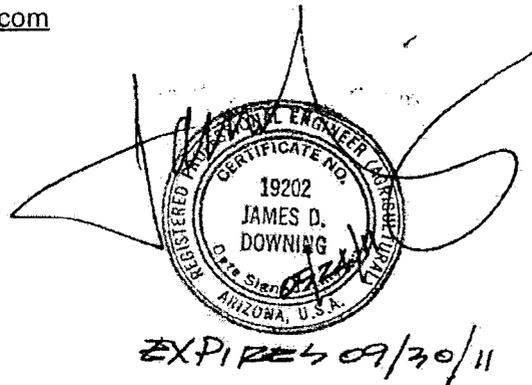
27 **A-5** Yes.
28

Attachment 1

PRE-DESIGN REPORT
FOR
CAPITAL IMPROVEMENT PROJECT
FOR
ANTELOPE RUN WATER CO.
EAST SLOPE WATER CO.
AND
INDIADA WATER CO.
FOR
SOUTHWESTERN UTILITIES MANAGEMENT, INC.

PREPARED BY
THE HARCUVAR CO.
P. O. BOX 70
SALOME, AZ 85348
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Revision 1 dated 05/23/11



PRE-DESIGN REPORT FOR ANTELOPE RUN, EAST SLOPE AND INDIADA
CONTENTS

1.0 Introduction, Location and Description 1

2.0 Antelope Run 1

3.0 Indiada 1

4.0 Antelope Run and Indiada Consolidated 1

5.0 East Slope 1

Work Sheets

Antelope Run Sheets 1 - 4

Indiada Sheets 1 - 4

Antelope Run and Indiada Consolidated Sheets 1 - 5

East Slope Sheets 1 - 5

Distribution System Drawings

Sheets 1 - 8



1.0 Introduction, Location and Description

All three companies are located south of Sierra Vista in Cochise County and are managed by Southwestern Utilities Management, Inc. (SWUM). East Slope (ESWC) is located east of SR92. Antelope Run (ARWC) and Indiada (IWC) are located between the Ft. Huachuca boundary and SR92. IWC is south of and adjacent to ARWC. SWUM proposes a capital improvement project (CIP) including all three systems to correct supply shortages, system pressures, well failures and delivery deficiencies. A pre-design report was submitted to ACC Staff. Staff generated a second set of data requests. This revised report was prepared to respond to those requests. Subsequent to the first report another facility inspection was performed with Ms. Katrin Stukov of the ACC. Several new issues were discovered.

2.0 Antelope Run

Both wells have problems. Well 3 has collapsed at 180 feet. The pump in Well 5 requires replacement often due to sediment passage. See Antelope Run work sheets 1 - 4 for revised design basis, recommended improvements and cost estimates.

3.0 Indiada

See Indiada work sheets 1 - 4 for revised design basis, recommended improvements and cost estimates.

4.0 Antelope Run and Indiada Consolidated

Antelope Run and Indiada are adjacent and should be combined. The combined systems should be subdivided into four pressure zones. See Antelope Run and Indiada consolidated work sheets 1 - 5 for revised design basis, recommended improvements and cost estimates.

5.0 East Slope

Well 2 has collapsed at about 40 feet. See East Slope work sheets 1 - 4 for revised design basis, recommended improvements and cost estimates.

1 ANTELOPE RUN WATER CO.

2 Year ending 12/31/09

3			Pumped			
4	Month	Meters	gal	gpd	gpd/mtr	gpm
5	1	164	1,421,000	46,718	284.9	32.4
6	2	164	1,430,000	47,014	286.7	32.6
7	3	164	1,650,000	54,247	330.8	37.7
8	4	164	2,244,000	73,775	449.8	51.2
9	5	164	3,722,000	122,367	746.1	85.0
10	6	167	3,186,000	104,745	627.2	72.7
11	7	168	2,744,000	90,214	537.0	62.6
12	8	168	2,780,000	91,397	544.0	63.5
13	9	168	2,820,000	92,712	551.9	64.4
14	10	168	1,533,000	50,400	300.0	35.0
15	11	168	1,623,000	53,359	317.6	37.1
16	12	168	1,473,000	48,427	288.3	33.6
17	Total		26,626,000			
18	Average day (ADD)	166	2,218,833	72,948	438.8	50.7
19	Average day peak month (ADPM)		3,328,250	109,422	658.2	76.0
20	Peak day (MDD)		4,437,667	145,896	877.6	101.3
21	Peak hour peak day (PHPD)					177.3
22	Instantaneous demand (ID)					223.2

23						
24	Maximum meters				number	200
25	ADD				gpd	87,757
26					gpm	60.9
27	ADPM				gpd	131,635
28					gpm	91.4
29	MDD				gpd	175,514
30					gpm	121.9
31	PHPD				gpm	213.3
32	ID				gpm	247.9

34	Well site		1	3	5	Total
35	All sites operating					
36	ADD	gpm	20.3	20.3	20.3	60.9
37	ADPM	gpm	30.5	30.5	30.5	91.4
38	MDD	gpm	40.6	40.6	40.6	121.9
39	PHPD	gpm	71.1	71.1	71.1	213.3
40	ID	gpm	82.6	82.6	82.6	247.9
41	Well 5 inoperable					
42	ADD	gpm	20.3	60.9		81.3
43	ADPM	gpm	30.5	91.4		121.9
44	MDD	gpm	40.6	121.9		162.5
45	PHPD	gpm	71.1	71.1	71.1	213.3
46	ID	gpm	82.6	82.6	82.6	247.9

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1	ANTELOPE RUN WATER CO.		
2	Well Site Improvements		
3	Well Site 1		
4	Well inoperable - only storage and pressure pumps		
5	Repair storage tank.		
6	Replace pressure pumps.		
7	Use VFD's to reduce required PRV's.		
8	Existing storage tank volume	gal	15,000
9	Storage tank capital repair	\$/gal	\$0.50
10			\$7,500
11	ADPM - well discharge	gpm	10.4
12	Supply from sites 3 & 5	gpm	20.1
13	Pressure pump peak discharge	gpm	82.6
14	Pressure	psig	82
15	Total pumps	number	2
16	Operating pumps	number	1
17	Pressure pump peak discharge	gpm each	82.6
18	Pressure pump	hp each	6.1
19		use hp each	7.5
20	Required pressure tank volume	gal	1,653
21	Existing pressure tank	gal	1,000
22	Required additional volume	gal	500
23	Pressure pump installed cost	\$/hp	\$500.00
24			\$7,500
25	Pressure tank installed cost	\$/gal	\$5.00
26			\$2,500
27	Pressure pump and tank installed cost		\$10,000
28	VFD pressure pump installed cost	\$/hp	\$700.00
29			\$10,500
30	Note: Using VFD reduces cost and required PRV's.		
31	Eliminate pressure tank	\$/gal	\$1.00
32			\$1,000
33	Fencing	ls	\$2,000
34	Security lighting	ls	\$1,000
35	Generator	hp	15
36		\$/hp	\$200.00
37			\$3,000
38	Utility relocation	ls	\$0
39	Total site cost		\$25,000
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1	ANTELOPE RUN WATER CO.		
2	Well Site Improvements		
3	Well Sites 3 & 5		
4	Replace well 3.		
5	Discharge wells into new storage tank to reduce well discharge and prolong well life.		
6	Use VFD's to reduce required PRV's.		
7	New storage tank volume	gal	100,000
8	Installed cost	\$/gal	\$2.00
9			\$200,000
10	ADPM - well discharge	gpm	69
11	Well discharge	gpm	22
12	New well pump	hp	1.7
13		use hp	3
14	Installed cost each	\$/hp	\$1,000.00
15			\$3,000
16		both	\$6,000
17	New well	casing diameter	inches 8
18		casing depth	ft 800
19		installed cost	\$/ft \$50.00
20			\$40,000
21	Pressure pump peak discharge	gpm	248
22	Pressure	psig	80
23	Total pumps	number	2
24	Operating pumps	number	1
25	Pressure pump peak discharge	gpm each	248
26	Pressure pump	hp each	17.8
27		use hp each	20
28	Required pressure tank volume	gal	4,958
29	Existing pressure tank	gal	5,000
30	Required additional volume	gal	0
31	Pressure pump installed cost	\$/hp	\$500.00
32			\$20,000
33	Pressure tank installed cost	\$/gal	\$5.00
34			\$0
35	Pressure pump and tank installed cost		\$20,000
36	VFD pressure pump installed cost	\$/hp	\$700.00
37			\$28,000
38	Note: Using VFD reduces cost and required PRV's.		
39	Eliminate pressure tank.	\$/gal	\$1.00
40			\$5,000
41	Fencing	ls	\$2,000
42	Security lighting	ls	\$1,000
43	Generator	hp	46
44		\$/hp	\$200.00
45			\$9,200
46	Utility relocation (SSVEC)	ls	\$0
47	Total site cost		\$291,200
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1	ANTELOPE RUN WATER CO.		
2			
3	Total Estimated Cost		
4	Site 1		\$25,000
5	Site 3 & 5		\$291,200
6	Sub-total		\$316,200
7	Water main additions and replacements	lf	8,250
8		\$/lf	\$40.00
9			\$330,000
10	Sub-total		\$646,200
11	Administration and legal fees	2.00%	\$12,924
12	Engineering fees	8.00%	\$51,696
13	Survey, geotech, etc.	2.00%	\$12,924
14	Inspections and approvals	4.00%	\$25,848
15	Sub-total		\$749,592
16	Contingencies	20.00%	\$149,918
17	Total		\$899,510

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1 INDIADA WATER CO.

2 Year ending 12/31/09

3			Pumped			
4	Month	Meters	gal	gpd	gpd/mtr	gpm
5	1	54	243,000	7,989	147.9	5.5
6	2	55	402,000	13,216	240.3	9.2
7	3	55	505,000	16,603	301.9	11.5
8	4	56	595,000	19,562	349.3	13.6
9	5	55	784,000	25,775	468.6	17.9
10	6	55	676,000	22,225	404.1	15.4
11	7	57	576,000	18,937	332.2	13.2
12	8	56	507,000	16,668	297.7	11.6
13	9	55	629,000	20,679	376.0	14.4
14	10	55	412,000	13,545	246.3	9.4
15	11	56	506,000	16,636	297.1	11.6
16	12	55	320,000	10,521	191.3	7.3
17	Total		6,155,000			
18	Average day (ADD)	55	512,917	16,863	304.8	11.7
19	Average day peak month (ADPM)		769,375	25,295	457.1	17.6
20	Peak day (MDD)		1,025,833	33,726	609.5	23.4
21	Peak hour peak day (PHPD)					41.0
22	Instantaneous demand (ID)					112.4

23						
24	Maximum meters				number	70
25	ADD				gpd	21,333
26					gpm	14.8
27	ADPM				gpd	31,999
28					gpm	22.2
29	MDD				gpd	42,665
30					gpm	29.6
31	PHPD				gpm	51.9
32	ID				gpm	130.9

34	Well site		2	3	4	Total
35	All sites operating					
36	ADD	gpm	4.9	4.9	4.9	14.8
37	ADPM	gpm	7.4	7.4	7.4	22.2
38	MDD	gpm	9.9	9.9	9.9	29.6
39	PHPD	gpm	17.3	17.3	17.3	51.9
40	ID	gpm	43.6	43.6	43.6	130.9
41	Site 4 inoperable					
42	ADD	gpm	7.4	7.4	0.0	14.8
43	ADPM	gpm	11.1	11.1	0.0	22.2
44	MDD	gpm	14.8	14.8	0.0	29.6
45	PHPD	gpm	25.9	25.9	0.0	51.9
46	ID	gpm	65.5	65.5	0.0	130.9

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1	INDIADA WATER CO.		
2	Well Site Improvements		
3	Well Site 2		
4	Add pressure pumps to meet required demand		
5	Use VFD's to reduce required PRV's.		
6	Existing storage tank volume	gal	12,000
7	Storage tank repair	\$/gal	\$0,50
8			\$6,000
9	ADPM - well discharge	gpm	8.3
10	Well discharge	gpm	3.0
11	New well pump	hp	0.5
12		use hp	0.5
13	Installed cost	\$/hp	na
14			\$2,500
15	Pressure pump peak discharge	gpm	65.5
16	Pressure	psig	40
17	Total pumps	number	2
18	Operating pumps	number	1
19	Pressure pump peak discharge	gpm each	65.5
20	Pressure pump	hp each	2.3
21		use hp each	5
22	Required pressure tank volume	gal	1,309
23	Existing pressure tank	gal	0
24	Required additional volume	gal	1,500
25	Pressure pump installed cost	\$/hp	\$500.00
26			\$5,000
27	Pressure tank installed cost	\$/gal	\$5.00
28			\$7,500
29	Pressure pump and tank installed cost		\$12,500
30	VFD pressure pump installed cost	\$/hp	\$700.00
31			\$7,000
32	VFD savings		\$5,600
33	Note: Using VFD reduces cost and required PRV's.		
34	Eliminate pressure tank	\$/gal	na
35			\$1,000
36	Fencing	ls	\$2,000
37	Security lighting	ls	\$1,000
38	Generator	hp	10.5
39		\$/hp	\$200.00
40			\$2,100
41	Utility relocation (SSVEC)	ls	\$10,000
42	Total site cost		\$31,600
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1	INDIADA WATER CO.		
2	Well Site Improvements		
3	Well Sites 3 & 4		
4	Discharge well into new storage tank to reduce well discharge and prolong well life.		
5	Add pressure pumps to meet required demand.		
6	Use VFD's to reduce required PRV's.		
7	New storage tank volume	gal	12,000
8	Installed cost	\$/gal	\$2.00
9			\$24,000
10	ADPM - well discharge	gpm	8.3
11	Well discharge	gpm	3.0
12	New well pump	hp	0.5
13		use hp	0.5
14	Installed cost	\$/hp	na
15			\$2,500
16	Pressure pump peak discharge	gpm	65.5
17	Pressure	psig	58
18	Total pumps	number	2
19	Operating pumps	number	1
20	Pressure pump peak discharge	gpm each	65.5
21	Pressure pump	hp each	3.4
22		use hp each	5
23	Required pressure tank volume	gal	1,309
24	Existing pressure tank	gal	1,000
25	Required additional volume	gal	500
26	Pressure pump installed cost	\$/hp	\$500.00
27			\$5,000
28	Pressure tank installed cost	\$/gal	\$5.00
29			\$2,500
30	Pressure pump and tank installed cost		\$7,500
31	VFD pressure pump installed cost	\$/hp	\$700.00
32			\$7,000
33	VFD savings		\$500
34	Note: Using VFD reduces cost and required PRV's.		
35	Eliminate pressure tank	\$/gal	\$1.00
36			\$1,000
37	Fencing	ls	\$2,000
38	Security lighting	ls	\$1,000
39	Generator	hp	10.5
40		\$/hp	\$200.00
41			\$2,100
42	Utility relocation (SSVEC)	ls	\$10,000
43	Total site cost		\$49,600
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1	INDIADA WATER CO.		
2			
3	Total Estimated Cost		
4	Site 2		\$31,600
5	Site 3		\$49,600
6	Site 4		\$49,600
7	Sub-total		\$130,800
8	Water main additions and replacements	lf	1,250
9		\$/lf	\$40.00
10			\$50,000
11	Sub-total		\$180,800
12	Administration and legal fees	2.00%	\$3,616
13	Engineering fees	8.00%	\$14,464
14	Survey, geotech, etc.	2.00%	\$3,616
15	Inspections and approvals	4.00%	\$7,232
16	Sub-total		\$209,728
17	Contingencies	20.00%	\$41,946
18	Total		\$251,674
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1 ANTELOPE RUN AND INDIADA CONSOLIDATED WATER CO.

2 Year ending 12/31/09

3			Pumped			
4	Month	Meters	gal	gpd	gpd/mtr	gpm
5	1	218	1,664,000	54,707	250.9	38.0
6	2	219	1,832,000	60,230	275.0	41.8
7	3	219	2,155,000	70,849	323.5	49.2
8	4	220	2,839,000	93,337	424.3	64.8
9	5	219	4,506,000	148,142	676.4	102.9
10	6	222	3,862,000	126,970	571.9	88.2
11	7	225	3,320,000	109,151	485.1	75.8
12	8	224	3,287,000	108,066	482.4	75.0
13	9	223	3,449,000	113,392	508.5	78.7
14	10	223	1,945,000	63,945	286.7	44.4
15	11	224	2,129,000	69,995	312.5	48.6
16	12	223	1,793,000	58,948	264.3	40.9
17	Total		32,781,000			
18	Average day (ADD)	222	2,731,750	89,811	405.3	62.4
19	Average day peak month (ADPM)		4,097,625	134,716	608.0	93.6
20	Peak day (MDD)		5,463,500	179,622	810.6	124.7
21	Peak hour peak day (PHPD)					218.3
22	Instantaneous demand (ID)					263.0

23						
24	Maximum meters				number	270
25	ADD				gpd	109,435
26					gpm	76.0
27	ADPM				gpd	164,152
28					gpm	114.0
29	MDD				gpd	218,870
30					gpm	152.0
31	PHPD				gpm	266.0
32	ID				gpm	296.9

34	Zone		1	2	3	4	Total
35	Meters		10	72	94	94	270
36	ADD	gpm	2.8	20.3	26.5	26.5	76.0
37	ADPM	gpm	4.2	30.4	39.7	39.7	114.0
38	MDD	gpm	5.6	40.5	52.9	52.9	152.0
39	PHPD	gpm	9.9	70.9	92.6	92.6	266.0
40	ID	gpm	38.9	133.1	156.9	156.9	

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1	ANTELOPE RUN AND INDIADA CONSOLIDATED WATER CO.		
2	Well Site Improvements		
3	Zone 1		
4	Well Site Indiada 2		
5	Total site cost		\$31,600
6	Zone 2		
7	Well Sites Indiada 3 & 4		
8	New storage tank volume	gal	20,000
9	Installed cost	\$/gal	\$2.00
10			\$40,000
11	ADPM - well discharge	gpm	13.9
12	Well discharge	gpm	16.5
13	New well pump	hp	2.6
14		use	hp
15	Installed cost	\$/hp	\$1,000.00
16			\$3,000
17	Pressure pump peak discharge	gpm	66.6
18	Pressure	psig	59
19	Total pumps	number	2
20	Operating pumps	number	1
21	Pressure pump peak discharge	gpm each	66.6
22	Pressure pump	hp each	3.5
23		use	hp each
24	Required pressure tank volume	gal	1,331
25	Existing pressure tank	gal	1,000
26	Required additional volume	gal	500
27	Pressure pump installed cost	\$/hp	\$500.00
28			\$5,000
29	Pressure tank installed cost	\$/gal	\$5.00
30			\$2,500
31	Pressure pump and tank installed cost		\$7,500
32	VFD pressure pump installed cost	\$/hp	\$700.00
33			\$7,000
34	Note: Using VFD reduces cost and required PRV's.		
35	Eliminate pressure tank	\$/gal	\$1.00
36			\$1,000
37	Fencing	ls	\$2,000
38	Security lighting	ls.	\$1,000
39	Generator	hp	13
40		\$/hp	\$200.00
41			\$2,600
42	Utility relocation (SSVEC)	ls	\$10,000
43	Total site cost		\$66,600
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1	ANTELOPE RUN AND INDIADA CONSOLIDATED WATER CO.		
2	Well Site Improvements		
3	Zone 3		
4	Antelope Run Well Site 1		
5	Existing storage tank volume	gal	15,000
6	Storage tank capital repair	\$/gal	\$0.50
7			\$7,500
8	ADPM - well discharge	gpm	10.4
9	Supply from sites 3 & 5	gpm	29.3
10	Pressure pump peak discharge	gpm	156.9
11	Pressure	psig	65
12	Total pumps	number	2
13	Operating pumps	number	1
14	Pressure pump peak discharge	gpm each	156.9
15	Pressure pump	hp each	9.2
16		use hp each	10
17	Required pressure tank volume	gal	3,138
18	Existing pressure tank	gal	1,000
19	Required additional volume	gal	2,000
20	Pressure pump installed cost	\$/hp	\$500.00
21			\$10,000
22	Pressure tank installed cost	\$/gal	\$5.00
23			\$10,000
24	Pressure pump and tank installed cost		\$20,000
25	VFD pressure pump installed cost	\$/hp	\$700.00
26			\$14,000
27	Note: Using VFD reduces cost and required PRV's.		
28	Eliminate pressure tank	\$/gal	\$1.00
29			\$1,000
30	Fencing	ls	\$2,000
31	Security lighting	ls	\$1,000
32	Generator	hp	20
33		\$/hp	\$200.00
34			\$4,000
35	Utility relocation	ls	\$0
36	Total site cost		\$29,500
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1	ANTELOPE RUN AND INDIADA CONSOLIDATED WATER CO.		
2	Well Site Improvements		
3	Zone 4		
4	Well Sites 3 & 5		
5	Replace well 3.		
6	Discharge wells into new storage tank to reduce well discharge and prolong well life.		
7	Use VFD's to reduce required PRV's.		
8	New storage tank volume	gal	80,000
9	Installed cost	\$/gal	\$2.00
10			\$160,000
11	ADPM - well discharge	gpm	56
12	Well discharge	gpm	23.8
13	New well pump	hp	1.9
14		use	hp
15	Installed cost each	\$/hp	\$1,000.00
16			\$3,000
17		both	\$6,000
18	New well	casing diameter	inches
19		casing depth	ft
20		installed cost	\$/ft
21			\$50.00
22	Pressure pump peak discharge	gpm	186
23	Pressure	psig	80.0
24	Total pumps	number	2.0
25	Operating pumps	number	1.0
26	Pressure pump peak discharge	gpm each	186.2
27	Pressure pump	hp each	13.4
28		use	hp each
29	Required pressure tank volume	gal	3,723
30	Existing pressure tank	gal	5,000
31	Required additional volume	gal	0.0
32	Pressure pump installed cost	\$/hp	\$500.00
33			\$15,000
34	Pressure tank installed cost	\$/gal	\$5.00
35			\$0
36	Pressure pump and tank installed cost		\$15,000
37	VFD pressure pump installed cost	\$/hp	\$700.00
38			\$21,000
39	Note: Using VFD reduces cost and required PRV's.		
40	Eliminate pressure tank	\$/gal	\$1.00
41			\$5,000
42	Fencing	ls	\$2,000
43	Security lighting	ls	\$1,000
44	Generator	hp	36
45		\$/hp	\$200.00
46			\$7,200
47	Utility relocation (SSVEC)	is	\$0
48	Total site cost		\$242,200
49			
50			

Sheet 4 of 5

1	ANTELOPE RUN AND INDIADA CONSOLIDATED WATER CO.		
2			
3	Total Estimated Cost		
4	Indiada Site 2		\$31,600
5	Indiada Site 3		\$66,600
6	Indiada Site 4		\$66,600
7	Antelope Run Site 1		\$29,500
8	Antelope Run Site 3 & 5		\$242,200
9	Sub-total		\$436,500
10	Water main additions and replacements	If	9,500
11		\$/lf	\$40.00
12			\$380,000
13	Sub-total		\$816,500
14	Administration and legal fees	2.00%	\$16,330
15	Engineering fees	8.00%	\$65,320
16	Survey, geotech, etc.	2.00%	\$16,330
17	Inspections and approvals	4.00%	\$32,660
18	Sub-total		\$947,140
19	Contingencies	20.00%	\$189,428
20	Total		\$1,136,568
21			
22			
23	ANTELOPE RUN WATER CO.	Separate	\$899,510
24	INDIADA WATER CO.	Separate	\$251,674
25	Total		\$1,151,184
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1 EAST SLOPE WATER COMPANY
 2 Year ending 12/31/09

3			Pumped			
4	Month	Meters	gal	gpd	gpd/mtr	gpm
5	1	786	5,279,000	173,556	220.8	120.5
6	2	788	5,330,000	175,233	222.4	121.7
7	3	792	5,331,000	175,266	221.3	121.7
8	4	791	6,659,000	218,926	276.8	152.0
9	5	785	10,149,000	333,666	425.1	231.7
10	6	782	9,009,000	296,186	378.8	205.7
11	7	786	8,334,000	273,995	348.6	190.3
12	8	789	10,674,000	350,926	444.8	243.7
13	9	786	8,546,000	280,964	357.5	195.1
14	10	788	6,847,000	225,107	285.7	156.3
15	11	787	7,880,000	259,068	329.2	179.9
16	12	781	4,959,000	163,036	208.8	113.2
17	Total		88,997,000			
18	Average day (ADD)	787	7,416,417	243,827	309.9	169.3
19	Average day peak month (ADPM)		11,124,625	365,741	464.9	254.0
20	Peak day (MDD)		14,832,833	487,655	619.8	338.6
21	Peak hour peak day (PHPD)					592.6
22	Instantaneous demand (ID)					658.6

23						
24	Maximum meters				number	820
25	ADD				gpd	254,132
26					gpm	176.5
27	ADPM				gpd	381,198
28					gpm	264.7
29	MDD				gpd	508,264
30					gpm	353.0
31	PHPD				gpm	617.7
32	ID				gpm	681.9
33						

34	Well site		1	2	3	4	Total
35	All sites operating						
36	ADD	gpm	44.1	44.1	44.1	44.1	176.5
37	ADPM	gpm	66.2	66.2	66.2	66.2	264.7
38	MDD	gpm	88.2	88.2	88.2	88.2	353.0
39	PHPD	gpm	154.4	154.4	154.4	154.4	617.7
40	ID	gpm	170.5	170.5	170.5	170.5	681.9
41	Site 4 inoperable						
42	ADD	gpm	58.8	58.8	58.8	0.0	176.5
43	ADPM	gpm	88.2	88.2	88.2	0.0	264.7
44	MDD	gpm	117.7	117.7	117.7	0.0	353.0
45	PHPD	gpm	205.9	205.9	205.9	0.0	617.7
46	ID	gpm	227.3	227.3	227.3	0.0	681.9
47							
48							
49							
50							

1	EAST SLOPE WATER COMPANY		
2	Well Site Improvements		
3	Well Site 1		
4	Discharge well into new storage tank to reduce well discharge and prolong well life.		
5	Add pressure pumps to meet required demand		
6	New storage tank volume	gal	50,000
7	Installed cost	\$/gal	\$2.00
8			\$100,000
9	ADPM - well discharge	gpm	35
10	Well discharge	gpm	54
11	New well pump	hp	10.0
12		use	hp
13	Installed cost	\$/hp	\$1,000.00
14			\$10,000
15	Pressure pump peak discharge	gpm	227
16	Pressure	psig	68
17	Total pumps	number	2
18	Operating pumps	number	1
19	Pressure pump peak discharge	gpm each	227
20	Pressure pump	hp each	13.8
21		use	hp each
22	Required pressure tank volume	gal	4,546
23	Existing pressure tank (leaking)	gal	3,000
24	Required additional volume	gal	5,000
25	Pressure pump installed cost	\$/hp	\$500.00
26			\$15,000
27	Pressure tank installed cost	\$/gal	\$5.00
28			\$25,000
29	Pressure pump and tank installed cost		\$40,000
30	VFD pressure pump installed cost	\$/hp	\$700.00
31			\$21,000
32	VFD savings		\$19,000
33	Note: Using VFD reduces cost and required PRV's.		
34	Eliminate pressure tank	\$/gal	\$1.00
35			\$3,000
36	Fencing	ls	\$2,000
37	Security lighting	ls	\$1,000
38	Generator	hp	40
39		\$/hp	\$200.00
40			\$8,000
41	Utility relocation (SSVEC)	ls	\$10,000
42	Total site cost		\$155,000
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1	EAST SLOPE WATER COMPANY		
2	Well Site Improvements		
3	Well Site 2		
4	Replace collapsed well.		
5	Install new well pump.		
6	Repair existing storage tank.		
7	Eliminate pressure tank and add VFD to reduce PRV costs.		
8	Storage tank volume	gal	50,000
9	Storage tank capital repair	\$/gal	\$0.50
10			\$25,000
11	ADPM - well discharge	gpm	35
12	Well discharge	gpm	54
13	New well pump	hp	10.0
14		use hp	10.0
15	Installed cost	\$/hp	\$1,000.00
16			\$10,000
17	New well	casing diameter	inches 8
18		casing depth	ft 800
19		installed cost	\$/ft \$50.00
20			\$40,000
21	Pressure pump peak discharge	gpm	227
22	Pressure	psig	50
23	Total pumps	number	2
24	Operating pumps	number	1
25	Pressure pump peak discharge	gpm each	227
26	Pressure pump	hp each	10.1
27		use hp each	15
28	Required pressure tank volume	gal	4,546
29	Existing pressure tank	gal	5,000
30	Notes:		
31	Existing pumps and tank sufficient.		
32	Eliminate pressure tank and add VFD to reduce PRV costs.		
33	Eliminate pressure tank	\$/gal	\$1.00
34			\$5,000
35	VFD installed cost	\$/hp	\$200.00
36		hp	35
37			\$7,000
38	Fencing	ls	\$2,000
39	Security lighting	ls	\$1,000
40	Generator	hp	45
41		\$/hp	\$200.00
42			\$9,000
43	Utility relocation (SSVEC)	ls	\$10,000
44	Total site cost		\$109,000
45			
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1	EAST SLOPE WATER COMPANY		
2	Well Site Improvements		
3	Well Site 3		
4	Replace well pump to reduce sand and pump wear.		
5	Eliminate pressure tank and add VFD to reduce PRV costs.		
6	Storage tank volume	gal	200,000
7	ADPM - well discharge	gpm	139
8	Well discharge	gpm	30.0
9	New well pump	hp	4.7
10		use hp	5.0
11	Installed cost	\$/hp	\$1,000.00
12			\$5,000
13	Pressure pump peak discharge	gpm	227
14	Pressure	psig	50
15	Total pumps	number	2
16	Operating pumps	number	1
17	Pressure pump peak discharge	gpm each	227
18	Pressure pump	hp each	10.3
19		use hp each	15
20	Required pressure tank volume	gal	4,546
21	Existing pressure tank	gal	5,000
22	Notes:		
23	Existing pumps and tank sufficient.		
24	Eliminate pressure tank and add VFD to reduce PRV costs.		
25	Eliminate pressure tank	\$/gal	\$1.00
26			\$5,000
27	VFD installed cost	\$/hp	\$200.00
28		hp	30
29			\$6,000
30	Fencing	ls	\$2,000
31	Security lighting	ls	\$1,000
32	Generator	hp	35
33		\$/hp	\$200.00
34			\$7,000
35	Utility relocation	ls	\$0
36	Total site cost		\$26,000
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1	EAST SLOPE WATER COMPANY		
2	Well Site Improvements		
3	Well Site 4		
4	Continue well discharge into distribution system.		
5	Add VFD to well pump motor to reduce PRV cost..		
6	Current well discharge	gpm	225
7	Current well motor	hp	75
8	Required pressure tank volume	gal	4,500
9	Existing pressure tank volume	gal	5,000
10	Eliminate pressure tank	\$/gal	\$1.00
11			\$5,000
12	VFD installed cost	\$/hp	\$200.00
13			\$15,000
14	Fencing	ls	\$2,000
15	Security lighting	ls	\$1,000
16	Generator	hp	75
17		\$/hp	\$200.00
18			\$15,000
19	Utility relocation	ls	\$10,000
20	Total site cost		\$48,000
21			
22			
23			
24	Total Estimated Cost		
25	Site 1		\$155,000
26	Site 2		\$109,000
27	Site 3		\$26,000
28	Site 4		\$48,000
29	Sub-total		\$338,000
30	Water main additions and replacements	lf	20,500
31		\$/lf	\$40.00
32			\$820,000
33	Sub-total		\$1,158,000
34	Administration and legal fees	2.00%	\$23,160
35	Engineering fees	8.00%	\$92,640
36	Survey, geotech, etc.	2.00%	\$23,160
37	Inspections and approvals	4.00%	\$46,320
38	Sub-total		\$1,343,280
39	Contingencies	20.00%	\$268,656
40	Total		\$1,611,936
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ORIGINAL

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7 BEFORE THE ARIZONA CORPORATION COMMISSION

8
9 COMMISSIONERS

10 GARY PIERCE, CHAIRMAN
11 PAUL NEWMAN
12 SANDRA D. KENNEDY
13 BOB STUMP
14 BRENDA BURNS

Arizona Corporation Commission
DOCKETED

AUG 31 2011

DOCKETED BY 

15 IN THE MATTER OF THE APPLICATION OF
16 INDIADA WATER COMPANY, INC., FOR
17 APPROVAL OF A PERMANENT INCREASE
18 IN ITS WATER RATES.

DOCKET NO. W-02031A-10-0168

19 IN THE MATTER OF THE APPLICATION OF
20 ANTELOPE RUN WATER COMPANY FOR
21 APPROVAL OF A PERMANENT INCREASE
22 IN ITS WATER RATES.

DOCKET NO. W-02327A-10-0169

23 IN THE MATTER OF THE APPLICATION OF
24 BOB B. WATKINS DBA EAST SLOPE
25 WATER COMPANY FOR APPROVAL OF
26 ITS PERMANENT INCREASE IN ITS
27 WATER RATES.

DOCKET NO. W-01906A-10-0170

28 IN THE MATTER OF THE APPLICATION OF
BOB B. WATKINS DBA EAST SLOPE
WATER COMPANY, INDIADA WATER
COMPANY, INC., AND ANTELOPE RUN
WATER COMPANY FOR APPROVAL OF A
TRANSFER OF ASSETS AND

DOCKET NO. W-01906A-10-0171
DOCKET NO. W-02031A-10-0171
DOCKET NO. W-02327A-10-0171

1 CERTIFICATES OF CONVENIENCE AND
2 NECESSITY.

3 IN THE MATTER OF THE APPLICATION OF
4 BOB B. WATKINS DBA EAST SLOPE
5 WATER COMPANY FOR AUTHORITY TO
6 INCUR LONG-TERM DEBT.

DOCKET NO. W-01906A-10-0183

6 IN THE MATTER OF THE APPLICATION OF
7 INDIADA WATER COMPANY, INC. FOR
8 AUTHORITY TO INCUR LONG-TERM
9 DEBT.

DOCKET NO. W-02031A-10-0184

9 IN THE MATTER OF THE APPLICATION OF
10 ANTELOPE RUN WATER COMPANY FOR
11 AUTHORITY TO INCUR LONG-TERM
12 DEBT.

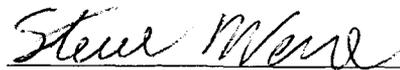
DOCKET NO. W-02327A-10-0185

**NOTICE OF FILING
REJOINDER TESTIMONY OF
SONN ROWELL**

13
14 East Slope Water Company, Antelope Run Water Company, and Indiada Water
15 Company (collectively "Companies") hereby give notice that the Companies are filing
16 the rejoinder testimony of Sonn Rowell and supporting schedules. Her testimony and
17 related schedules are attached. The Companies reserve the right to call additional
18 witnesses if deemed necessary to address issues raised by the Corporation Commission
19 Staff or the hearing officer.
20
21

22 RESPECTFULLY SUBMITTED this 31st day of August, 2011.

23 **MOYES SELLERS & HENDRICKS LTD.**

24 

25 Steve Wene
26 Attorneys for the Companies
27
28

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Original and 13 copies of the foregoing
filed this 31st day of August, 2011, with:

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

Donnelly Herbert

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7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 **COMMISSIONERS**

9 GARY PIERCE, CHAIRMAN
10 PAUL NEWMAN
11 SANDRA D. KENNEDY
12 BOB STUMP
13 BRENDA BURNS

14 IN THE MATTER OF THE APPLICATION OF
15 INDIADA WATER COMPANY, INC., FOR
16 APPROVAL OF A PERMANENT INCREASE
17 IN ITS WATER RATES.

DOCKET NO. W-02031A-10-0168

18 IN THE MATTER OF THE APPLICATION OF
19 ANTELOPE RUN WATER COMPANY FOR
20 APPROVAL OF A PERMANENT INCREASE
21 IN ITS WATER RATES.

DOCKET NO. W-02327A-10-0169

22 IN THE MATTER OF THE APPLICATION OF
23 BOB B. WATKINS DBA EAST SLOPE
24 WATER COMPANY FOR APPROVAL OF
25 ITS PERMANENT INCREASE IN ITS
26 WATER RATES.

DOCKET NO. W-01906A-10-0170

27 IN THE MATTER OF THE APPLICATION OF
28 BOB B. WATKINS DBA EAST SLOPE
WATER COMPANY, INDIADA WATER
COMPANY, INC., AND ANTELOPE RUN
WATER COMPANY FOR APPROVAL OF A
TRANSFER OF ASSETS AND
CERTIFICATES OF CONVENIENCE AND

DOCKET NO. W-01906A-10-0171
DOCKET NO. W-02031A-10-0171
DOCKET NO. W-02327A-10-0171

1 NECESSITY.

2 IN THE MATTER OF THE APPLICATION OF
3 BOB B. WATKINS DBA EAST SLOPE
4 WATER COMPANY FOR AUTHORITY TO
INCUR LONG-TERM DEBT.

DOCKET NO. W-01906A-10-0183

5 IN THE MATTER OF THE APPLICATION OF
6 INDIADA WATER COMPANY, INC. FOR
7 AUTHORITY TO INCUR LONG-TERM
DEBT.

DOCKET NO. W-02031A-10-0184

8 IN THE MATTER OF THE APPLICATION OF
9 ANTELOPE RUN WATER COMPANY FOR
10 AUTHORITY TO INCUR LONG-TERM
DEBT.

DOCKET NO. W-02327A-10-0185

**REJOINDER TESTIMONY OF
SONN ROWELL**

11
12
13 **Q. What is your purpose in offering this testimony?**

14 A. On behalf of the East Slope Water Company, Antelope Run Water Company, and
15 Indiada Water Company (collectively referred to as “ESARIN” or “Companies”) I am
16 replying to Staff’s surrebuttal testimony re rate and finance issues. I hereby incorporate
17 my previous testimony filed in this matter as well as the attached documents supporting
18 this testimony. *See Attachments 1 – 4.*

19 **CUSTOMER DEPOSITS**

20 **Q. Staff continues to subtract the amount of test year end customer deposits**
21 **from rate base, stating they are “non-investor-provided capital”. Do you agree with**
22 **this adjustment?**

23 A. No. A security deposit is not capital. Capital is money or assets invested, or
24 available for investment, in a business. In contrast, a customer deposit is security. The
25 Uniform System of Accounts for Class C Water Utilities expressly states that customer
26 deposit (Account 235) “shall include all amounts deposited with the utility by customers
27 as security for the payment of bills.” *Id.* at p. 31. In Arizona, A.A.C. Rule 14-2-
28 403(B)(5) requires water companies to refund customer deposits in a year provided the

1 customer pays the bill on time. Obviously, if a company has to return the customers
2 deposit in a year, it cannot use it to make long-term investments in plant. Hence, Arizona
3 law virtually ensures that water companies do not invest deposits in plant.

4 Nevertheless, Staff is assuming that the deposits are being invested in plant, and
5 therefore, reducing the plant by the amount held on deposit. Yet, ESARIN's plant is not
6 purchased using deposits; it is purchased with ESARIN's money because the deposits
7 have to remain available for return to the customers in a short time. So in effect, by
8 reducing ESARIN's rate base by the amount held on deposit, Staff is making an
9 adjustment that deducts the Companies' investment in plant from rate base. But clearly,
10 deposits should not be deducted from plant and rate base because they are never put into
11 plant and rate base in the first place.

12 **Q. Has ESARIN made adjustments for customer security deposit interest that**
13 **Staff is proposing to include in operating expense?**

14 A. Yes. The adjustment was made in all three Companies separately, as well as in the
15 consolidated entity.

16 **RATE CASE EXPENSE**

17 **Q. What is the problem with Rate Case Expense?**

18 A. Staff is disallowing the rate case expenses incurred by each Company when they
19 came in for emergency rates in the Fall of 2009.

20 **Q. Explain why you disagree with Staff's reasoning for disallowing rate case**
21 **expense related to the emergency rate case.**

22 A. First of all, I believe it would be a bad policy to not allow water companies to
23 recover emergency rate case expense, especially when the Commission grants the
24 companies' emergency relief as it did here. The Companies followed the Commission's
25 rules, and there is no question the emergency rate case expense was reasonable and
26 directly related to the case. So there is no rational policy reason for disallowing such
27 expense.

28

1 Staff argues, however, “to include the costs of the emergency rate case would
2 require one to assume that the Companies will continue to file for emergency rates every
3 year going forward.” Michlik Surrebuttal Testimony at p. 4. This is not true. The
4 emergency rate case is treated exactly the same as normal rate case expense. It is a non-
5 recurring expense amortized for a reasonable period of time. Thus, by design both the
6 emergency rate case expense and normal rate case expense are amortized to ensure that
7 there is not an overstatement of regulatory rate case expense.

8 **RETURN ON EQUITY**

9 **Q. How did Staff select its Rate of Return (“ROR”)?**

10 A. Staff selected 10% because it is “an approximation of the cost of equity recently
11 authorized by the Commission for other water utilities.” Michlik Direct Testimony at p.
12 23. Staff based this comparison upon what it asserts are three “similarly situated”
13 companies and their ROEs (“Return on Equity”) as a basis for this statement.

14 **Q. Do you believe Staff’s method of selecting a ROR is problematic?**

15 A. Yes. ESARIN is much smaller than the other companies used by comparison.
16 Due to ESARIN’s small rate base, Staff’s recommended 10% ROR simply does not
17 generate a sufficient operating margin (“OM”) for ESARIN.

18 **Q. Please discuss the three companies Staff used to justify a 10% ROR for
19 ESARIN.**

20 A. Staff compares Bella Vista Water Company (Docket No. W-02465A-09-0411),
21 Goodman Water Company (Docket No. W-02500A-10-0382) and Abra Water Company
22 (Docket No. W-01782A-10-0224) to ESARIN. However, the operating income and OM
23 generated for these companies are significantly higher than those Staff recommends for
24 ESARIN, which is shown in the table below.

Company	Docket	Rate Base (in millions)	Operating Income	Operating Margin
ESARIN ¹		\$0.241	\$24,115	6.4%
Bella Vista ²	W-02465A-09-0411	\$7.6	\$666,838	13.5%
Goodman ³	W-02500A-10-0382	\$1.97	\$181,680	23.4%
Abra ⁴	W-01782A-10-0224	\$0.466	\$34,971	11.1%

Clearly, these companies are not “similarly situated” to ESARIN; rather, they are much larger. Further, the operating income and OM generated for Staff’s three sample companies is considerably higher than that generated for ESARIN under Staff’s proposed rates.

It is inappropriate to assign a ROR for small water companies without checking the reasonableness of the OM it generates. ESARIN notes that the average OM of the cases Staff cites is 16%. My recommended OM for ESARIN of 12.4% is much more consistent with the OM authorized in the cited cases. In fact, ESARIN’s proposal is 3.6% lower than the average. Staff’s recommendation of a 6.4% OM should not be applied.

Q. Have other regulatory jurisdictions recognized that simply applying a rate of return to a small rate base utility may not produce an optimal result?

A. Yes. I understand that it is the policy of the California Public Utilities Commission (“CPUC”) to apply standard rates of return and rates of margins in class C and D water rate cases. The CPUC then basis revenue requirement on whichever of the two methods (rate of return or rate of margin) produces a *higher* revenue requirement.⁵ The CPUC Staff recently recommended a generic rate of margin of 23.4% for class C water utilities.⁶

Q. Do you agree with Staff’s assertion that there has been a contradiction in determining the revenue requirement?

¹ Staff Surrebuttal Testimony.

² See Decision 72251.

³ See Staff Surrebuttal Testimony in W-02500A-10-0382 (no decision available at this time.)

⁴ See Decision 72287 and Staff Direct Testimony in W-01782A-10-0224.

⁵ See CPUC Resolution W-4524.

⁶ See March 1, 2011 letter from Rami Kahlon, Director Division of Water and Audits to the CPUC.

1 A. No. The Companies originally sought rates that included enough revenue to
2 service the proposed WIFA loan. A standard 12% rate of return would not generate
3 enough revenue to cover the WIFA debt service. So the rates were adjusted so the
4 Companies could service the debt. In direct testimony, Staff recommended a surcharge
5 to service the WIFA debt. The Companies agree with the surcharge debt service
6 approach provided that the surcharge includes all principal, interest, fees, and reserve
7 payments.

8 **Q. Is that why the original application had the revenue requirement based on a**
9 **very high operating margin?**

10 A. Yes. The ROR method was not used, and the revenue requirement was developed
11 based on an operating margin sufficient to meet the ongoing financial needs of these
12 Companies, including the WIFA loan.

13 **Q. Was this position amended in the Rebuttal Testimony?**

14 A. Not really. ESARIN agrees that a surcharge is a good way to recover the amount
15 necessary to service the WIFA debt. By excluding the WIFA loan revenue requirement,
16 it is possible to use the ROR method to set the revenue requirement instead of the
17 operating margin.

18 **Q. Which method, ROR or OM, did the Company advocate for in its Rebuttal?**

19 A. The revenue requirement was calculated using both methods, at reasonable
20 percentages, for each company based on its specific needs. As they all have varying and
21 small rate bases, the ROR needed for each company to attain a reasonable operating
22 margin also varies widely.

23 **Q. Do you think Staff's recommendation to base the revenue requirement on a**
24 **generic 10 percent return on equity for each entity and the consolidated entity is**
25 **sufficient?**

26 A. No, that is not sufficient. The reasoning is discussed further later in this
27 testimony.

28

1 **Indiada Water Company ("Indiada")**

2 **Q. What are the remaining differences between Staff and the Company**
3 **regarding Indiada?**

4 A. There are issues concerning ROR and/or OM (previously addressed), security
5 deposits (previously addressed), rate case expense, and gross revenue conversion factor
6 increase for property taxes. The largest differences concern ROR and/or OM.

7 **Q. What does Staff recommend for Indiada as a stand-alone entity?**

8 A. Staff recommends a generic ROR of 10% on rate base, or operating income of
9 \$2,782, which is an 8.28% OM.

10 **Q. Do you think that ROR/OM is sufficient for a company the size of Indiada?**

11 A. No. A ROR that results in an OM of 8.28% is way too low for a small,
12 financially-troubled water company. In addition, this is an increase in the revenue
13 requirement of only \$4,559 for a Company whose last rate case test year was 1984.

14 **Q. What does the Company propose for Indiada?**

15 A. In this Rejoinder testimony, an increase of \$6,970 to revenue is proposed that will
16 result in a ROR of 16.49% and an OM of 13.40%. This represents an increase of less
17 than 1% per year over the past 25 years since the last test year.

18 **Q. Does the Company propose a change in the increase to the revenue**
19 **requirement for Indiada from the Company's Rebuttal testimony?**

20 A. No. Operating expenses only increased by \$41 as a result of the changes made by
21 the Company, thus the revenue requirement and rates as proposed in Rebuttal remain the
22 same.

23 **Antelope Run Water Company ("Antelope")**

24 **Q. What are the remaining differences between Staff and the Company for**
25 **Antelope?**

26 A. There are issues concerning ROR and/or OM (previously addressed), security
27 deposits (previously addressed), depreciation expense, and rate case expense. The largest
28 differences concern ROR and/or OM and depreciation expense.

1 **Q. Please explain the depreciation expense difference.**

2 A. Staff and the Company agree that actual depreciation expense on the plant in
3 service is \$14,443 per year. However, the difference arises from the application of a
4 composite amortization rate to gross Contributions in Aid of Construction ("CIAC").
5 Although we will adopt Staff's composite rate of 7.61% to amortize CIAC, we disagree
6 with the application of that rate to the entire CIAC balance of \$40,171.

7 **Q. What amount of gross CIAC does Antelope recommend the composite rate be**
8 **applied to?**

9 A. Per Rejoinder Schedule B-2a, the Company proposes \$22,883, which is the gross
10 CIAC amount that is not fully amortized by 12/31/10.

11 **Q. Has the Company adjusted the amount of CIAC Amortization that appears**
12 **on Schedules B-1 and B-2 to account for this change?**

13 A. Yes. The Company believes the previous method of group amortization is less
14 accurate than the current individual amortization of CIAC amounts.

15 **Q. How does CIAC amortization impact depreciation expense under both Staff's**
16 **recommendation and that of the Company in Rejoinder?**

17 A. Staff is recommending \$11,386 per year for depreciation expense, and the
18 Company proposes \$12,702, an annual difference of \$1,316, due to CIAC amortization.

19 **Q. What does Staff recommend for Antelope's operating income as a stand-alone**
20 **entity?**

21 A. Staff recommends a generic ROR of return of 10% on rate base, or operating
22 income of \$8,932, which is a 9.61% OM.

23 **Q. Do you think that ROR/OM is sufficient for Antelope?**

24 A. No. A ROR that results in an OM of 9.61% is way too low for a small,
25 financially-troubled water company. Antelope customers have enjoyed extremely low
26 rates since the last rate case test year of 1987.

27 **Q. What does the Company propose for Antelope?**

28

1 A. In this Rejoinder testimony, an increase of \$46,419 to revenue is proposed that
2 will result in a ROR of 13.77% and an OM of 13.34%. This represents an increase of
3 94.24% over test year revenue. The impact of the increase to Antelope as a stand-alone
4 entity is magnified by the fact it has had such low rates for the last 22 years.

5 **Q. Does the Company propose a change in the increase to the revenue**
6 **requirement for Antelope from the Company's Rebuttal testimony?**

7 A. No. Operating expenses increased and decreased by amounts that are not
8 materially different, thus the revenue requirement and rates as proposed in Rebuttal
9 remain the same.

10 **East Slope Water Company ("East Slope")**

11 **Q. What are the remaining differences between Staff and the Company for East**
12 **Slope?**

13 A. There are issues concerning ROR and/or OM (previously addressed), security
14 deposits (previously addressed), Pumping Equipment (Account 311), depreciation
15 expense, and rate case expense. The largest differences for East Slope concern ROR
16 and/or OM and depreciation expense.

17 **Q. Explain the problem with Pumping Equipment (Account 311).**

18 A. There has been some confusion regarding what should be in this account, and
19 whether invoices were provided to support those amounts. During the Test Year, the
20 Company reported \$23,144 in additions to Account 311. After the Staff disallowance
21 based upon unsupported amounts, the Company reviewed what had been provided and
22 what invoices Staff might have been missing. In rebuttal, the Company reclassified three
23 invoices to repairs and maintenance expense that totaled \$330, and Staff also included
24 that \$330 in repairs and maintenance expense for the adjusted test year. Please see the
25 below table for further details of the difference between the Company and Staff:

26
27 (see next page)
28

1	Company Plant in Service	\$455,259
2	Staff disallows D&M Well invoice dated 5/19/09 as unsupported, Company has provided invoice	(2,822)
3	Staff disallows D&M Well invoice dated 7/9/09 as unsupported, Company has provided invoice	(488)
4	Invoice from Dana Kepner Staff included in Plant, but should not be as this is R&M	262
5	Jim's Electric invoices reclassified to R&M, but	130
6	not removed from account 311 by Staff	125
7	Staff Recommended Plant in Service	\$452,466

8 The Company requests this change be made to adjust the year-end balance for pumping
9 equipment, and then plant in service will be the same for the Company and Staff.

10 **Q. Explain the depreciation expense difference.**

11 A. Staff and the Company have calculated very similar amounts for actual
12 depreciation expense on the plant in service at \$21,854 per year. Staff's amount currently
13 is \$21,505, but if the above proposed changes are made to pumping equipment, it is likely
14 the amounts for depreciation expense will not be materially different.

15 **Q. If Staff and the Company virtually agree on an actual depreciation amount of**
16 **\$21,854 for plant in service, how does Staff arrive at \$5,924 per year for net**
17 **depreciation expense on Schedule JMM-9, a decrease of almost \$16,000?**

18 A. Staff decreases depreciation expense by \$15,580 for CIAC amortization.

19 **Q. Does East Slope agree with the amount of CIAC amortization, and the**
20 **resultant reduction to depreciation expense?**

21 A. No. Staff arrived at its amount by applying a composite rate of 7.72% to gross
22 CIAC of \$201,862, which results in \$15,584.

23 **Q. Why is this troublesome for the Company?**

24 A. For two reasons, first \$194,801 of gross CIAC was fully amortized back in 2001.
25 Second, per Schedule JMM-3, Staff clearly acknowledges that there is only \$353 of
26 CIAC amortization left to be taken. Clearly, recommending a reduction to depreciation
27 expense of almost \$16,000 per year when only \$353 of amortization remains, is not
28 appropriate.

1 **Q. What does East Slope recommend?**

2 A. Since 2010 would have been the last year for amortization, the CIAC would be
3 fully amortized by the end of 2010. As a result, the Company requests Staff's adjustment
4 that would result in "over-amortization" of gross CIAC be rejected, and depreciation
5 expense of \$21,854 be adopted.

6 **Q. What does Staff recommend for East Slope's operating income as a stand-
7 alone entity?**

8 A. Staff once again recommends a generic ROR of 10% on rate base, or operating
9 income of \$12,547, which is a stunningly low 4.75% OM.

10 **Q. Do you think that ROR/OM is sufficient for East Slope?**

11 A. Absolutely not.

12 **Q. What does the Company propose for East Slope?**

13 A. In this Rejoinder testimony, an increase of \$105,726 to revenue is proposed that
14 will result in a ROR of 25% and an OM of 12.00%. This represents an increase of
15 51.15% over adjusted test year revenue since the last test year in 1983, which we believe
16 is reasonable.

17 **ESARIN – Consolidated Entity**

18 **Q. What are the remaining differences between Staff and the Company for
19 ESARIN?**

20 A. For the rate base, as delineated above, the main difference continues to be the
21 deduction of customer security deposits from rate base. Additionally, there is a minor
22 difference between the Company and Staff regarding test year pumping equipment
23 additions that carry from East Slope, however, the Company is confident this will be
24 resolved.

25 **Q. Please explain the depreciation expense difference for the consolidated entity.**

26 A. Staff and the Company have calculated very similar amounts for actual
27 depreciation expense on the plant in service at \$39,313 per year. Staff's amount currently
28 is \$38,964 for the consolidated entity, but if the proposed changes are made to East

1 Slope's pumping equipment, it is likely the amounts for actual depreciation expense
2 between Staff and the Company will not be materially different.

3 **Q. If Staff and the Companies virtually agree on an actual depreciation amount**
4 **of \$39,313 for plant in service, how does Staff arrive at \$20,623 per year for net**
5 **depreciation expense on Schedule JMM-14, a decrease of over \$18,000?**

6 A. Staff decreases depreciation expense by \$18,341 for CIAC amortization.

7 **Q. How did Staff arrive at this amount?**

8 A. Staff arrived at its amount by applying a composite rate of 7.58% to gross CIAC
9 of \$242,033, resulting in \$18,341. As explained previously in this testimony, much of
10 the amount is already fully amortized, and Staff's amount would result in over-
11 amortization of CIAC by the end of 2010, which has already passed.

12 **Q. What does ESARIN recommend?**

13 A. Depreciation expense of \$37,572 should be adopted, which includes the
14 Companies recommended gross expense of \$39,313, net the \$1,741 of CIAC
15 amortization for Antelope.

16 **Q. What does Staff recommend for ESARIN's operating income as a**
17 **consolidated entity?**

18 A. As with the stand-alone entities, Staff recommends a generic ROR of 10% on rate
19 base, or operating income of \$24,115, which is a 6.38% OM.

20 **Q. Do you think that ROR/OM is sufficient for ESARIN?**

21 A. No.

22 **Q. What does the Company propose for ESARIN?**

23 A. In this Rejoinder testimony, an increase of \$153,851 to revenue is proposed that
24 will result in a ROR of 20.00% and an OM of 12.40%. This represents an increase of
25 54.16% over the sum of the separate entities test year revenue.

26 **Q. Can you summarize the Companies requests and compare them to the Staff**
27 **recommendations?**

28 A. Yes, please see the tables below:

1 **Indiada**

2

	ROR	OM	Increase	Increase
Company	16.49%	13.40%	\$6,970	24.77%
Staff	10.00%	8.28%	\$4,559	16.20%

3

4

5 **Antelope Run**

6

	ROR	OM	Increase	Increase
Company	13.77%	13.34%	\$46,419	94.24%
Staff	10.00%	9.61%	\$40,303	81.82%

7

8

9 **East Slope**

10

	ROR	OM	Increase	Increase
Company	25.00%	12.00%	\$105,726	51.15%
Staff	10%	4.75%	\$57,207	27.68%

11

12

13 **ESARIN**

14

	ROR	OM	Increase \$	Increase
Company	20.00%	12.40%	\$153,851	54.16%
Staff	10.00%	6.38%	\$93,854	33.04%

15

16

17 **Q. What is important about the above comparison?**

18 A. All the numbers proposed by the Company are reasonable. The ROR amounts are
19 reasonable (if security deposits are not deducted from rate base), and the OM amount are
20 reasonable. This is true for each company on a stand-alone basis, as well as on a
21 consolidated basis. Staff applies an arbitrary amount of 10% to a very small rate base,
22 that they have reduced, and deems that to be a sufficient amount of operating income.
23 This approach leaves the Companies with operating margins that could not be sustained.

24 **Q. Describe how the Companies recommendations will affect the customers?**

25 A. The Companies realize that it is not in their best interest to increase water costs to
26 its customers beyond an affordable level. Likewise, it is not in the customers' long-term
27 interest to have its water provider be underfunded. The money to improve, operate and
28 maintain a water system comes from one place, and that is the customers, as they are the

1 ones that benefit from it. The owners of the ESARIN companies have not taken any sort
2 of return for many, many years. Recently, the owners had to hire professional
3 management to operate the system and address the regulatory burden.

4 **Q. Do the Companies believe that an average increase of just over 50% for the**
5 **consolidated entity is fair and reasonable?**

6 A. Considering that it has been decades since the last rate cases for the ESARIN
7 entities, and the necessity of the increase, yes.

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ATTACHMENT 1

Test Year Ended December 31, 2009

Revenue Requirements

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

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

	Original Cost	RCND
<u>Rate of Return on Rate Base Method:</u>		
1. Adjusted Rate Base	\$ 150,009 (a)	(a)
2. Adjusted Operating Income	\$ (43,838) (b)	(b)
3. Current Rate of Return	-29.22%	
4. Required Rate of Return	25.00%	
5. Required Operating Income	\$ 37,502	
6. Operating Income Deficiency (5 - 2)	\$ 81,340	
7. Gross Revenue Conversion Factor	1.300 (c)	(c)
8. Increase in Gross Revenue Requirements (6 x 7)	\$ 105,726	

<u>Operating Margin Method:</u>		
9. Proposed Revenue	\$ 312,412	
10. Required Operating Margin	12.00%	
11. Required Operating Income (9 x 10)	\$ 37,502	
12. Operating Income Deficiency (11 - 2)	\$ 81,340	
13. Gross Revenue Conversion Factor	1.300 (c)	(c)
14. Increase in Gross Revenue Requirements (12 x 13)	\$ 105,726	

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase	
Residential	\$ 187,629	\$ 283,209	\$ 95,580	50.94%	(d)
Commercial	15,807	25,953	10,146	64.19%	
Industrial	-	-	-	0.00%	
Other	3,250	3,250	-	0.00%	
Total	\$ 206,686	\$ 312,412	\$ 105,726	51.15%	

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

Supporting Schedules:

(a) B-1 (c) C-3

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rejoinder Schedule A-2
 Title: Summary Results of Operations

Explanation:
 Schedule showing comparative operating results for
 the test year and the 2 fiscal years ended prior to the
 end of the test year, compared with the projected year.

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

Description	Prior Years		Test Year		Projected Year	
	Year End	Year End	Actual	Adjusted	Present	Proposed
	31-Dec-07	31-Dec-08	Rates	Rates	Rates	Rates
	(a)	(a)	(a)	(b)	(c)	(c)
Gross Revenues	\$ 207,882	\$ 190,700	\$ 218,459	\$ 206,686	\$ 206,686	\$ 312,412
Revenue Deductions & Operating Expenses	(221,093)	(192,183)	(228,478)	(250,524)	(250,524)	(274,910)
Operating Income	\$ (13,211)	\$ (1,483)	\$ (10,019)	\$ (43,838)	\$ (43,838)	\$ 37,502
Other Income and Deductions	-	5,849	-	-	-	-
Interest Expense	(13,484)	(10,042)	(1,544)	(1,544)	(1,544)	(1,544)
Net Income	\$ (26,695)	\$ (5,676)	\$ (11,563)	\$ (45,382)	\$ (45,382)	\$ 35,959
Earned Per Average Common Share*	\$ (5.34)	\$ (1.14)	\$ (2.31)	\$ (9.08)		
Dividends Per Common Share*	-	-	-	-		
Payout Ratio*	0.00%	0.00%	0.00%	0.00%		
1. Return on Average Invested Capital	-21.14%	-5.39%	-13.23%	-51.94%	-51.94%	41.15%
1. Return on Year End Capital	-21.14%	-6.72%	-12.81%	-50.27%	-50.27%	39.83%
2. Return on Average Common Equity	Double Negative					-45.75%
3. Return on Year End Common Equity	Double Negative					-55.20%
4. Times Bond Interest Earned - Before Inc Tax	-104.75%	-14.77%	-161.79%	-3692.42%	-3692.42%	3045.98%
5. Times Total Interest and Preferred Dividends Earned - After Income Taxes	-97.98%	-14.77%	-648.90%	-2839.25%	-2839.25%	2429.60%

Supporting Schedules:

- i) E-2
- ii) C-1
- iii) F-1

*Optional for projected year

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rejoinder Schedule A-4
 Title: Construction Expenditures and
 Gross Utility Plant in Service

Explanation:
 Schedule showing construction expenditures, plant placed
 in service and gross utility plant in service for the test year
 and the 2 fiscal years ended prior to the end of the test year,
 compared with the projected year.

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

Year	Construction Expenditures (a)	Net Plant Placed In Service (b)	Gross Utility Plant In Service
1. Prior Year 1 - 2007	\$ 30,008	\$ 30,008	\$ 463,102
2. Prior Year 2 - 2008	4,316	(34,905)	428,197
3. Test Year - 2009	27,062	27,062	455,259
4. Projected Year 1	2,197,953	2,197,953	2,653,212
5. Projected *			
6. Projected *			

* Required only for Class A and B Utilities

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

Supporting Schedules:

(a) F-3

(b) E-5

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

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

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

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

	<u>Original Cost</u> <u>Rate Base*</u>		<u>RCND</u> <u>Rate Base*</u>
1. Gross Utility Plant in Service	\$ 455,259		
2. Less: Accumulated Depreciation	<u>(314,810)</u>		
3. Net Utility Plant in Service	\$ 140,449 (a)		(b)
Less:			
4. Advances in Aid of Construction	\$ (14,464) (c)		(c)
5. Contributions in Aid of Construction	(201,862) (c)		(c)
Add:			
6. Amortization of CIAC	\$ 201,509		
7. Allowance for Working Capital	<u>24,376 (d)</u>		(d)
7. Total Rate Base	<u><u>\$ 150,009 (e)</u></u>		(e)

* Including pro forma adjustments

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

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

Recap Schedules:
 (e) A-1

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rejoinder Schedule B-2
Title: Original Cost Rate Base
Proforma Adjustments

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

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

	<u>Actual at End</u>	<u>Pro forma</u>		<u>Adjusted at End</u>
	<u>Of Test Year (a)</u>	<u>Adjustment</u>	<u>Ref</u>	<u>Of Test Year (b)</u>
1 Gross Utility Plant in Service	\$ 494,810	\$ (39,551)	1	\$ 455,259
2 Less: Accumulated Depreciation	(330,223)	15,413	2	(314,810)
3 Net Utility Plant in Service	\$ 164,587	\$ (24,138)		\$ 140,449
Less:				
4 Advances in Aid of Construction	\$ (20,383)	\$ 5,919	3	\$ (14,464)
5 Contributions in Aid of Construction	-	(201,862)	4	(201,862)
Add:				
6 Amortization of CIAC	\$ -	\$ 201,509	5	\$ 201,509
7 Allowance for Working Capital	24,284	92	6	24,376
8 Total Rate Base	\$ 168,488	\$ (18,479)		\$ 150,009

Ref

1 Remove Office Furniture from Plant in Service	\$ (11,330)
Remove Transportation Equipment from Plant in Service	(27,891)
Reclassify Jim's Electric invoice dated 1/6/09 to R&M	(130)
Reclassify Jim's Electric invoice dated 7/31/09 to R&M	(75)
Reclassify Jim's Electric invoice dated 11/18/09 to R&M	(125)
Total Company Adjustment to Plant In Service	\$ (39,551)

- 2 Adjust accumulated depreciation based on adjustments to Plant in Service.
- 3 Adjust Advances in Aid of Construction based on Company response to JMM 2-29.
- 4 Adjust Contributions in Aid of Construction based on Company response to JMM 2-28.
- 5 Adjust Amortization of Contributions in Aid of Construction based on Company response to JMM 2-28.
- 6 Adjust working capital allowance based on changes to operating expenses on Rejoinder Schedule C-1.

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

Supporting Schedules:
 (a) E-1

Recap Schedules:
 (b) B-1

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rejoinder Schedule B-5
Title: Computation of Working Capital

Explanation:
 Schedule showing computation of working capital allowance.

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

	<u>Amount</u>	
1. Cash working capital		
1/24th Purchased Power	\$ 2,218	
1/24th Purchased Water	-	
1/8th Operation & Maintenance Expense	22,158	
2. Materials and Supplies Inventories	-	(a)
3. Prepayments	-	(a)
	<hr/>	
4. Total Working Capital Allowance	\$ 24,376	(b)

NOTES:

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

Supporting Schedules:
 (a) E-1

Recap Schedules:
 (b) B-1

est Year Ended December 31, 2009

Statement

Explanation:

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

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

Description	Actual for Test		Ref	Proforma		Test Year		Proposed Rate Increase	Adjusted Test Year With Rate Increase
	Year Ended (a)	31-Dec-09		Adjustments	(b)	Results After Pro Forma Adjustments	Ref		
Operating Revenues:									
461 Metered Water Revenue	\$	203,436			\$	203,436	M	\$ 105,726	\$ 309,162
461.1 Surcharge Revenue		11,773	A	\$ (11,773)		-			-
474 Other Water Revenue		3,250				3,250			3,250
Total Operating Revenue	\$	218,459		\$ (11,773)	\$	206,686		\$ 105,726	\$ 312,412
Operating Expenses:									
601 Salaries & Wages	\$	-			\$	-			\$ -
610 Purchased Water		-				-			-
615 Purchased Power		52,801	B	433		53,234			53,234
618 Chemicals		460				460			460
620 Repairs & Maintenance		11,875	C	466		12,341			12,341
621 Office Supplies and Expense		8,431	D	(185)		8,246			8,246
630 Outside Services		95,049	E	27,100		122,149			122,149
635 Water Testing		3,980				3,980			3,980
641 Rental Expense		-				-			-
650 Transportation Expense		11,822	F	1,181		13,003			13,003
657 Insurance - General Liability		6,491				6,491			6,491
659 Insurance - Health and Life		-				-			-
666 Rate Case Expense		1,775	G	8,817		10,592			10,592
675 Miscellaneous Expense		-				-			-
403 Depreciation & Amortization		12,474	H	9,380		21,854			21,854
408 Taxes Other Than Income		(202)	I	202		-			-
08.11 Property Taxes		16,001	J	(5,968)		10,033	O	1,699	11,732
409 Income Taxes		7,521	K	(20,694)		(13,173)	N	22,687	9,514
427.4 Customer Security Deposit Interest		-	P	1,314		1,314			1,314
Total Operating Expenses	\$	228,478		\$ 22,046	\$	250,524		\$ 24,386	\$ 274,910
OPERATING INCOME/(LOSS)	\$	(10,019)		\$ (33,819)	\$	(43,838)	(c)	\$ 81,340	\$ 37,502
Other Income/(Expense):									
419 Interest Income	\$	-			\$	-			\$ -
421 Non-Utility Income		-				-			-
426 Miscellaneous Non-Utility Expenses		-				-			-
427 Interest Expense		(1,544)	L	-		(1,544)			(1,544)
Total Other Income/(Expense)	\$	(1,544)		\$ -	\$	(1,544)		\$ -	\$ (1,544)
NET INCOME/(LOSS)	\$	(11,563)		\$ (33,819)	\$	(45,382)		\$ 81,340	\$ 35,959

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

Proposed adjustments to the test year

C
C
C
S

Year: A B C D E F G H I J K L M N O P

Income \$ (11,773) \$ 105,726

Income \$ 433

\$ 466

Expense \$ (185)

\$ 27,100

\$ 1,181

\$ 8,817

\$ 9,380

\$ 202

\$ (5,968)

\$ (20,694)

\$ -

\$ 22,687

\$ 1,699

\$ 1,314

Deposit Interest

Notes:

Revenue from the test year as it is temporary, and will not be included in proposed rates.

Power expense per calculation on Schedule C-2i. Schedule also includes support to counter Staff's disallowance amount of \$4,862.

1 maintenance expense per calculation on Schedule C-2h

plies and expense per calculation on Schedule C-2a.

ices expense per calculation on Schedule C-2b.

ion expense per calculation on Schedule C-2c.

expense to recover \$1,775 incurred for the emergency rate case, and estimated costs of \$30,000 for this rate case, amortized over 3 years, (\$31,775/3).

tion expense based upon proposed depreciation rates per schedule C-2d.

ayroll tax expense that will not recur due to management contract.

roperty tax expense per Schedule C-2g.

income tax expense per Schedule C-2e.

water revenue per calculation on Schedule A-1.

axes for proposed rates per calculation on Schedule C-2f.

East Slope Water Company
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Rejoinder Schedule C-2a
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED OFFICE SUPPLIES AND EXPENSE ADJUSTMENT

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

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Rejoinder Schedule C-2b
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED OUTSIDE SERVICES EXPENSE ADJUSTMENT

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

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Rejoinder Schedule C-2c
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED TRANSPORTATION EXPENSE ADJUSTMENT

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

DETAIL OF PROPOSED DEPRECIATION EXPENSE CALCULATION

Account Number	Description	Plant @ End of Test Year 31-Dec-09	Proposed Depreciation Rate	Ref	Proposed Depreciation Expense
301	Intangibles	\$ 2,180	0.00%		\$ -
303	Land & Land Rights	75	0.00%		-
304	Structures & Improvements	9,003	3.33%		300
307	Wells & Springs	44,427	3.33%	1	318
311	Pumping Equipment	148,169	12.50%		18,521
320	Water Treatment Equipment	-			-
320.1	Water Treatment Plants	-	3.33%		-
320.2	Solution Chemical Feeders	-	20.00%		-
330	Distribution Reservoirs & Standpipes	-	2.22%		-
330.1	Storage Tanks	20,799	2.22%		462
330.2	Pressure Tanks.	5,474	5.00%		274
331	Transmission & Distribution Mains	209,649	2.00%	2	1,701
333	Services	-	3.33%		-
334	Meters & Meter Installations	11,498	8.33%	3	278
335	Hydrants	-	2.00%		-
339	Other Plant and Misc Equipment	-	6.67%		-
340	Office Furniture & Equipment	-	6.67%		-
340.1	Computers and Software	-	20.00%		-
341	Transportation Equipment	3,985	20.00%	4	-
343	Tools, Shop, and Garage Equipment	-	5.00%		-
345	Power Operated Equipment	-	5.00%		-
348	Other Tangible Plant	-	0.00%		-
Totals		\$ 455,259			\$ 21,854

Test Year Depreciation Expense 12,474

Total Adjustment H \$ 9,380

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

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Rejoinder Schedule C-2e
Title: Income Statement Proforma
Adjustments

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

STATE INCOME TAX CALCULATION:

Operating Income/(Loss) Before Taxes	\$	(55,697)	
Less:			
Estimated Interest Expense		<u>(1,544)</u>	
Arizona Taxable Income	\$	(57,241)	
Arizona Income Tax Rate		<u>6.9680%</u>	
Arizona Income Tax Expense	\$		(3,989)

FEDERAL INCOME TAX CALCULATION:

Operating Income/(Loss) Before Taxes	\$	(55,697)	
Less:			
Arizona Income Tax	\$	(3,989)	
Estimated Interest Expense		<u>(1,544)</u>	
Federal Taxable Income	\$	(61,230)	
Federal Income Tax Rate		<u>15.0000%</u>	
Federal Income Tax Expense	\$		(9,184)
Adjusted Test Year Income Tax Expense	\$		<u>(13,173)</u>
Test Year Income Tax Expense			<u>7,521</u>
Total Adjustment K to Income Taxes	\$		<u><u>(20,694)</u></u>

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Rejoinder Schedule C-2f
Title: Income Statement Proforma
Adjustments

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

Revenue	\$ 312,412		
Operating Expenses Excluding Income Tax	265,396		
Estimated Interest Expense	<u>1,544</u>		
Arizona Taxable Income		\$ 45,472	
Arizona Income Tax Rate		<u>6.9680%</u>	
Arizona Income Tax Expense			\$ 3,169
Federal Taxable Income		\$ 42,304	
Federal Tax on 1st Income Range (\$1 - \$50,000) @ 15%		\$ 6,346	
Federal Tax on 2nd Income Range (\$50,001 - \$75,000) @ 25%		-	
Federal Tax on 3rd Income Range (\$75,001 - \$100,000) @ 34%		-	
Federal Tax on 4th Income Range (\$100,001 - \$335,000) @ 39%		-	
Federal Tax on 5th Income Range (\$335,001 - \$10M) @ 34%		<u>-</u>	
Total Federal Income Tax Expense			<u>6,346</u>
Combined Federal and State Income Tax Expense		\$	9,514
Adjusted Test Year Income Tax Expense			(13,173)
Adjustment N to Proposed Income Tax Expense		\$	<u>22,687</u>

Required Operating Income	\$ 37,502		
Adjusted Test Year Operating Income/(Loss)	<u>(43,838)</u>		
Proposed Increase In Operating Income		\$	81,340
Income Taxes On Proposed Revenue	\$ 9,514		
Income Taxes On Test Year Revenue	<u>(13,173)</u>		
Proposed Revenue Increase For Income Taxes		\$	22,687
Property Taxes On Proposed Revenue	\$ 11,732		
Property Taxes On Test Year Revenue	<u>10,033</u>		
Proposed Revenue Increase For Property Taxes		\$	1,699
Total Proposed Increase In Revenue		\$	<u>105,726</u>

DETAIL OF PROPOSED PROPERTY TAX EXPENSE CALCULATION

	Test Year as Adjusted	Company at Proposed Rates
Adjusted 2009 Test Year Revenue	\$ 206,686	\$ 206,686
Weight Factor	2	2
Subtotal	<u>\$ 413,372</u>	<u>\$ 413,372</u>
Company Recommended Revenue	206,686	312,412
Subtotal	<u>\$ 620,058</u>	<u>\$ 725,784</u>
Number of Years	3	3
Three Year Revenue Average	<u>\$ 206,686</u>	<u>\$ 241,928</u>
AZ Department of Revenue Multiplier	2	2
Revenue Base Value	<u>\$ 413,372</u>	<u>\$ 483,856</u>
Plus 10% of CWIP	2,854	2,854
Less: Net Book Value of Licensed Vehicles	-	-
Full Cash Value	<u>\$ 416,226</u>	<u>\$ 486,710</u>
Assessment Ratio	20.50%	20.50%
Assessment Value	<u>\$ 85,326</u>	<u>\$ 99,776</u>
Revised Composite Property Tax Rate *	<u>11.7583%</u>	<u>11.7583%</u>
Adjusted Test Year Property Tax Expense	\$ 10,033	
Actual Test Year Property Tax Expense	<u>16,001</u>	
Total Adjustment J	<u>\$ (5,968)</u>	
Projected Property Tax Expense	\$ 11,732	
Adjusted Test Year Property Tax Expense	<u>10,033</u>	
Total Adjustment O	<u>\$ 1,699</u>	
<i>* Property tax composite rate calculation:</i>		
Assessed Value per 2009 Property Tax Notice	\$ 87,999	
Property Tax due per 2009 Notice	<u>10,331</u>	
Revised Composite Property Tax Rate	11.7405%	
Rounding adjustment	<u>0.0178%</u>	
Composite Rate of Indiada and Antelope Run	<u><u>11.7583%</u></u>	
<i>For Gross Revenue Conversion Factor:</i>		
Change in Property Tax Expense	\$ 1,699	
Change in Revenue Requirement	105,726	
Change in Property Tax per Dollar Increase in Revenue	1.6070%	

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Rejoinder Schedule C-2h
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED REPAIRS AND MAINTENANCE EXPENSE ADJUSTMENT

Description	Amount
Reclassify amount from Pumping Equipment	\$ 125
Reclassify amount from Pumping Equipment	130
Reclassify amount from Pumping Equipment	75
Reclassify amount from Meters ¹	116
Exclude expense prior to test year	(70)
Include test year expense for December 2009	90
Total Adjustment C	\$ 466

¹ This amount was excluded from Meters (334) on the original application, but was not included in Repairs and Maintenance.

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Rejoinder Schedule C-2i
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED PURCHASED POWER EXPENSE ADJUSTMENT

<u>Description</u>	<u>Amount</u>
Remove expenses prior to Test Year	\$ (4,298)
Remove credit adjustment for prior year	4,731
Total Adjustment B	\$ 433

Please note: Adjustment B was reflected as a negative amount on the original application.

Invoices related to Staff's Adjustment #1 as reflected on Schedule JMM-9:

SSVEC Account 6506500	\$	213	
SSVEC Account 6956000		12	
SSVEC Account 6955900		12	
SSVEC Account 4154900		27	
SSVEC Account 4155200		2,388	
SSVEC Account 4159600		27	
SSVEC Account 4204600		893	
Total January SSVEC invoices provided	\$	3,573	
Remove amount paid for February 2009		(740)	
Add invoice amount for February 2009		2,029	Account 4155200
Staff's disallowance amount	\$	4,862	

The Company is providing \$3,573 of January 2009 invoices from Sulphur Springs Valley Electric Cooperative to support Staff's disallowed amount for purchased power. The remaining difference of \$1,289 is the amount that was overpaid on the January 2009 bill for account 4155200, resulting in a credit that was applied in February 2009.

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Rejoinder Schedule C-3
 Title: Computation of Gross Revenue
 Conversion Factor

Explanation:
 Schedule showing incremental taxes on gross revenues and
 the development of a gross revenue conversion factor.

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

Description	Calculation
Revenue	1.000
Combined Federal And State Tax Rate	(0.215)
Property Tax Rate	(0.016)
Operating Income	0.769
Gross Revenue Conversion Factor = 1/Operating Income %	1.300

CALCULATION OF COMBINED FEDERAL AND STATE TAX RATE:

Operating Income Before Taxes (Arizona Taxable Income)	100.0000%
Arizona State Income Tax Rate	6.9680%
Federal Taxable Income	93.0320%
Federal Income Tax Rate	15.0000%
Effective Federal Income Tax Rate	14.4903%
Combined Federal And State Income Tax Rates	21.458%

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Rejoinder Schedule D-1
Title: Summary Cost of Capital

Explanation:
 Schedule showing elements of capital structure
 and the related cost.

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

	End of Test Year				End of Projected Year			
	Amount	%	Cost Rate (e)	Composite Cost %	Amount	%	Cost Rate (e)	Composite Cost %
Invested Capital								
Long-Term Debt (a)								
Short-Term Debt (a)								
Wells Fargo Credit Line	\$ 104,877	116.17%	10.75%	12.49%	104,877	116.17%	10.75%	12.49%
Watkins note	50,545	55.99%	10.00%	5.60%	50,545	55.99%	10.00%	5.60%
Common Equity (c)	(65,140)	-72.15%	-29.22%	21.09%	(65,140)	-72.15%	25.00%	-18.04%
Totals	<u>\$ 90,282</u>	<u>100.00%</u>		<u>39.17%</u>	<u>\$ 90,282</u>	<u>100.00%</u>		<u>0.05%</u>

Supporting Schedules:

-) D-2
-) D-3
-) D-4
-) E-1

Recap Schedules:

- (e) A-3

Explanation:

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

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

	Test Year At 31-Dec-09	Prior Year 31-Dec-08	Prior Year 31-Dec-07
ASSETS			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 455,259	\$ 428,197	\$ 463,102
103 Property Held for Future Use			
105 Construction Work in Process			
108 Accumulated Depreciation	(314,810)	(301,416)	(300,289)
Total Property Plant & Equipment	\$ 140,449	\$ 126,781	\$ 162,813
Current Assts:			
131 Cash	\$ 8,801	\$ 11,470	\$ 1,795
135 Temporary Cash Investments			
141 Customer Accounts Receivable	6,987		
146 Notes/Receivables from Associated Companies	13,114	13,114	13,114
151 Plant Material and Supplies			
162 Prepayments			
174 Miscellaneous Current and Accrued Assets			
Total Current Assets	\$ 28,902	\$ 24,584	\$ 14,909
TOTAL ASSETS	\$ 169,351	\$ 151,365	\$ 177,722
LIABILITIES and CAPITAL			
Capitalization: (b)			
201 Common Stock Issued	\$ 5,000	\$ 5,000	\$ 5,000
211 Paid in Capital in Excess of Par Value	8,768	8,768	8,768
215 Retained Earnings	(78,908)	(105,829)	(45,164)
218 Proprietary Capital	-	-	-
Total Capital	\$ (65,140)	\$ (92,061)	\$ (31,396)
Current Liabilities:			
231 Accounts Payable	\$ 56,616	\$ 41,775	\$ 21,544
232 Notes Payable (Current Portion)			20,200
234 Notes/Accounts Payable to Associated Companies	-	-	-
235 Customer Deposits	7,440	23,821	4,680
236 Accrued Taxes	196	239	3,276
241 Miscellaneous Current and Accrued Liabilities	155,422	158,895	136,000
Total Current Liabilities	\$ 219,674	\$ 224,730	\$ 185,700
224 Long-Term Debt (Over 12 Months)			
Deferred Credits:			
252 Advances In Aid Of Construction	\$ 14,464	\$ 17,637	\$ 21,653
271 Contributions In Aid Of Construction	201,862	201,862	201,862
272 Less: Amortization of Contributions	(201,509)	(200,803)	(200,097)
281 Accumulated Deferred Income Tax			
Total Deferred Credits	\$ 14,817	\$ 18,696	\$ 23,418
Total Liabilities	\$ 234,491	\$ 243,426	\$ 209,118
TOTAL LIABILITIES and CAPITAL	\$ 169,351	\$ 151,365	\$ 177,722

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Rejoinder Schedule E-2
Title: Comparative Income
Statements

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

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

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

Supporting Schedules:
(a) E-6

Recap Schedules:
A-2

East Slope Water Company
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Rejoinder Schedule E-5
Title: Detail of Utility Plant

Explanation:
Schedule showing utility plant balance, by detailed account number, at the end of the test year and the end of the prior fiscal year.

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

Account Number	Description	End of Prior Year at 31-Dec-08	Net Additions	End of Test Year at 31-Dec-09
301	Intangibles	\$ 2,180		\$ 2,180
303	Land & Land Rights	75		75
304	Structures & Improvements	9,003		9,003
307	Wells & Springs	44,427		44,427
311	Pumping Equipment	125,355	22,814	148,169
320	Water Treatment Equipment			-
320.1	Water Treatment Plants			-
320.2	Solution Chemical Feeders			-
330	Distribution Reservoirs & Standpipes			-
330.1	Storage Tanks	20,799		20,799
330.2	Pressure Tanks.	5,474		5,474
331	Transmission & Distribution Mains	205,401	4,248	209,649
333	Services			-
334	Meters & Meter Installations	11,498		11,498
335	Hydrants			-
339	Other Plant and Misc Equipment			-
340	Office Furniture & Equipment	-		-
340.1	Computers and Software			-
341	Transportation Equipment	3,985		3,985
343	Tools, Shop, and Garage Equipment			-
345	Power Operated Equipment			-
348	Other Tangible Plant			-
	Total Plant In Service	\$ 428,197	\$ 27,062	\$ 455,259
108	Accumulated Depreciation	(301,416)	(13,394)	(314,810)
	Net Plant In Service	\$ 126,781	\$ 13,668	\$ 140,449
103	Property Held for Future Use	\$ -		\$ -
105	Construction Work in Process	-		-
	Total Net Plant	\$ 126,781	\$ 13,668	\$ 140,449

Supporting Schedules:

Recap Schedules:
E-1 A-4

East Slope Water Company
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Rejoinder Schedule E-7
Title: Operating Statistics

Explanation:
 Schedule showing key operating statistics in comparative format,
 for the test year and the 2 fiscal years ended prior to the test year.

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

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

East Slope Water Company
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Rejoinder Schedule E-8
Title: Taxes Charged to
Operations

Explanation:
 Schedule showing all significant taxes charged to operations for
 the test year and the 2 fiscal years ended prior to the test year.

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

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

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

Supporting Schedules:

Recap Schedules:

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Rejoinder Schedule E-9
Title: Notes to Financial
Statements

Explanation:
Disclosure of important facts pertaining to the understanding
of the financial statements.

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

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

- 1 Accounting Method.
The books of the unconsolidated entity are kept as accrual based, and also follow NARUC rules, including the USoA.

- 2 Depreciation lives and methods employed by major classification of utility property.
For years up to and including the test year 2009, the depreciation rate as authorized in Decision 57076 was 5% for all plant asset categories. Proposed depreciation rates are depicted on Schedule C-2d, and were taken from ACC Engineering Staff Memo regarding their recommended rates for depreciation dated April 21, 2000, and revised March 1, 2001.

- 3 Income tax treatment - normalization or flow through.
Depreciation is the same for ratemaking purposes and income tax purposes.

- 4 Interest rate used to charge interest during construction, if applicable.
Not Applicable.

Supporting Schedules:

Recap Schedules:

SECRETARY OF STATE
 Test Year Ended December 31, 2009

PROJECTED INCOME STATEMENTS
Present and Proposed Rates

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

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

	Actual Test Year Ended (a) 31-Dec-09	Projected Year	
		At Present Rates Year Ended (b) 31-Dec-10	At Proposed Rates Year Ended (b) 31-Dec-10
Operating Revenues:			
461 Metered Water Revenue	\$ 203,436	\$ 203,436	\$ 309,162
461.1 Surcharge Revenue	11,773	-	-
474 Other Water Revenue	3,250	3,250	3,250
Total Operating Revenue	\$ 218,459	\$ 206,686	\$ 312,412
Operating Expenses:			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	-	-	-
615 Purchased Power	52,801	53,234	53,234
618 Chemicals	460	460	460
620 Repairs & Maintenance	11,875	12,341	12,341
621 Office Supplies and Expense	8,431	8,246	8,246
630 Outside Services	95,049	122,149	122,149
635 Water Testing	3,980	3,980	3,980
641 Rental Expense	-	-	-
650 Transportation Expense	11,822	13,003	13,003
657 Insurance - General Liability	6,491	6,491	6,491
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	1,775	10,592	10,592
675 Miscellaneous Expense	-	-	-
403 Depreciation & Amortization	12,474	21,854	21,854
408 Property Taxes	16,001	10,033	11,732
408.1 Taxes Other Than Income	(202)	-	-
409 Income Taxes	7,521	(13,173)	9,514
427.4 Customer Security Deposit Interest	-	1,314	1,314
Total Operating Expenses	\$ 228,478	\$ 250,524	\$ 274,910
OPERATING INCOME/(LOSS)	\$ (10,019)	\$ (43,838)	\$ 37,502
Other Income/(Expense):			
419 Interest Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	-	-
426 Miscellaneous Non-Utility Expenses	-	-	-
427 Interest Expense	(1,544)	(1,544)	(1,544)
Total Other Income/(Expense)	\$ (1,544)	\$ (1,544)	\$ (1,544)
NET INCOME/(LOSS)	\$ (11,563)	\$ (45,382)	\$ 35,959
Earnings per share of average Common Stock Outstanding	\$ (2.31)	\$ (9.08)	\$ 7.19
% Return on Common Equity		Negative Equity	

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rejoinder Schedule F-3
Title: Projected Construction
Requirements

Explanation:
 Schedule showing projected annual construction requirements,
 by property classification, for 1 to 3 years subsequent to the
 test year compared with the test year.

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

X

Property Classification	Actual Test Year Ended 12/31/2009	End of Projected Year 1
Production Plant	\$ 22,814	\$ -
Transmission Plant	4,248	2,197,953
Other Plant	-	-
Total Plant	\$ 27,062	\$ 2,197,953

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

Supporting Schedules:

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

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

Rejoinder Schedule F-4
Title: Assumptions Used in
Developing Projection

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

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

Important assumptions used in preparing projections should be explained.

Areas covered should include:

1 Customer growth

The company has experienced no growth in the past few years.

2 Growth in consumption and customer demand

The company does not anticipate an increase in customer consumption and demand due to the proposed tiered rate structure.

3 Changes in expenses

The company believes the test year 2009, with the limited proforma adjustments included in this application, accurately depict expense levels for the unconsolidated utility going forward.

4 Construction requirements including production reserves and changes in plant capacity

The Company is seeking a loan from WIFA for the three commonly owned entities totaling \$3 million to replace lines, add storage, and upgrade pumps and electrical at well and booster sites.

5 Capital structure changes

If the proposed consolidation of East Slope Water Company with the two related entities is approved, the new utility's structure would be a C-Corp.

6 Financing costs, interest rates

The company proposes to borrow funds from WIFA, and it will be required to pay WIFA's normal fees, reserves, and the prevailing interest rate at the time the loan is closed. East Slope's share of the interest expense is included on the unconsolidated income statement for comparative purposes.

Supporting Schedules:

Recap Schedules:

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

Rejoinder Schedule: H-1
Title: Summary of Revenues by Customer
Classification - Present and Proposed Rates

Explanation:
Schedule comparing revenues by customer classification for
the Test Year, at present and proposed rates.

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

Customer Classification	Revenues in the Test Year (a)		Proposed Increase (b)	
	Present Rates	Proposed Rates	Amount	%
Residential				
5/8 x 3/4 inch	\$ 180,219	\$ 269,137	\$ 88,918	49.34%
1 inch	2,993	5,542	2,549	85.18%
1.5 inch	4,417	8,530	4,113	93.10%
Total Residential	\$ 187,629	\$ 283,209	\$ 95,581	50.94%
Commercial				
5/8 x 3/4 inch	\$ 9,534	\$ 14,684	\$ 5,151	54.03%
1 inch	1,844	3,373	1,529	82.96%
1.5 inch	1,855	3,439	1,583	85.35%
2 inch	2,574	4,457	1,883	73.16%
Total Commercial	15,807	25,953	10,146	64.19%
Total Metered Water Revenues	\$ 203,436	\$ 309,162	\$ 105,727	51.97%
Other Revenues	3,250	3,250	-	0.00%
Total Revenues	\$ 206,686	\$ 312,412	\$ 105,726	51.15%

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

Supporting Schedules:
(a) H-2

Recap Schedules:
(b) A-1

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

Rejoinder Schedule: H-3
Title: Changes in Representative Rate
Schedules - Page 1 of 2

Explanation:
Schedule comparing present rate schedules with proposed
rate schedule.

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

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

Description	Present Rate	Proposed Rate	% change
MONTHLY USAGE CHARGE			
5/8" x 3/4" Meter	\$ 9.00	\$ 12.00	33.33%
3/4" Meter	9.00	18.00	100.00%
1" Meter	15.00	30.00	100.00%
1-1/2" Meter	25.00	60.00	140.00%
2" Meter	50.00	96.00	92.00%
3" Meter	NA	192.00	NA
4" Meter	NA	300.00	NA
6" Meter	NA	600.00	NA
Gallons Included in Usage Charge	2,000	-	-100.00%

EMERGENCY INTERIM SURCHARGE EFFECTIVE: OCTOBER 30, 2009
DECISION NO. 71322 DOCKET NO. W-01906A-09-0283
\$7.60 PER CUSTOMER PER MONTH

Commodity Charges Per 1,000 Gallons:

5/8 x 3/4 - inch meter	Current Rate	Proposed Rate	% Change
Tier one: 0 - 2,000 Gallons	\$ -	\$1.06	NA
Tier one: 2001- 3,000 Gallons	1.71	\$1.06	-38.01%
Tier two: 3,001 to 10,000 Gallons	1.71	\$1.91	11.58%
Tier three: All Gallons Over 10,000	1.71	\$3.43	100.84%

3/4 - inch meter

Tier one: 0 - 2,000 Gallons	\$ -	\$ 1.06	NA
Tier one: 2001- 3,000 Gallons	1.71	1.06	-38.01%
Tier two: 3,001 to 10,000 Gallons	1.71	1.91	11.58%
Tier three: All Gallons Over 10,000	1.71	3.43	100.84%

One - inch meter

Tier one: 0 - 2,000 Gallons	\$ -	\$ 1.91	NA
Tier one: 2001 -15,000 Gallons	1.71	1.91	11.58%
Tier two: All Gallons Over 15,000	1.71	3.43	100.84%

One and one half - inch meter

Tier one: 0 - 2,000 Gallons	\$ -	\$ 1.91	NA
Tier one: 2001 - 30,000 Gallons	1.71	1.91	11.58%
Tier two: All Gallons Over 30,000	1.71	3.43	100.84%

Two - inch meter

Tier one: 0 - 2,000 Gallons	\$ -	\$ 1.91	NA
Tier one: 2001 - 50,000 Gallons	1.71	1.91	11.58%
Tier two: All Gallons Over 50,000	1.71	3.43	100.84%

Three - inch meter

Tier one: 0 - 2,000 Gallons	NA	\$ 1.91	NA
Tier one: 2001 - 100,000 Gallons	NA	1.91	NA
Tier two: All Gallons Over 100,000	NA	3.43	NA

Four - inch meter	Current Rate	Proposed Rate	% Change
Tier one: 0 - 2,000 Gallons	NA	\$ 1.91	NA
Tier one: 2001 - 170,000 Gallons	NA	1.91	NA
Tier two: All Gallons Over 170,000	NA	3.43	NA
Six - inch meter			
Tier one: 0 - 2,000 Gallons	NA	\$ 1.91	NA
Tier one: 2001 - 350,000 Gallons	NA	1.91	NA
Tier two: All Gallons Over 350,000	NA	3.43	NA

Description	Present Rate	Proposed Rate	% change
SERVICE CHARGES			
Establishment	\$ 15.00	\$ 35.00	133.33%
Establishment (After Hours)	20.00	NA	NA
Reconnection (Delinquent)	15.00	35.00	133.33%
Reconnection (After Hours)	NA	NA	NA
Meter Test (If Correct)	20.00	25.00	NA
Meter Reread (If Correct)	10.00	20.00	100.00%
NSF Check Charge	15.00	25.00	66.67%
Deposit	*	*	
Deposit Interest (Per Annum)	*	*	
Deferred Payment (Per Month)	15% per anum	**	
Late Charge (Per Month)	blank	**	
Re-establishment (Within 12 Month:	***	***	
MONTHLY SERVICE CHARGE			
FOR FIRE SPRINKLER:	NA	****	

SERVICE LINE AND METER INSTALLATION CHARGES
 Refundable Pursuant to AAC R14-2-405

Description	Present Rate	Proposed Rates			% change
		Service Line	Meter Charge	Total Charge	
5/8" x 3/4" Meter	\$ 275.00	\$ 430.00	\$ 130.00	\$ 560.00	103.64%
3/4" Meter	300.00	430.00	230.00	660.00	120.00%
1" Meter	325.00	480.00	290.00	770.00	136.92%
1-1/2" Meter	475.00	535.00	500.00	1,035.00	117.89%
2" Meter - Turbine	650.00	815.00	1,020.00	1,835.00	100.00%
2" Meter - Compound		815.00	1,865.00	2,680.00	
3" Meter - Turbine		1,030.00	1,645.00	2,675.00	100.00%
3" Meter - Compound		1,150.00	2,545.00	3,695.00	
4" Meter - Turbine		1,460.00	2,620.00	4,080.00	100.00%
4" Meter - Compound		1,640.00	3,595.00	5,235.00	
6" Meter - Turbine		2,180.00	4,975.00	7,155.00	100.00%
6" Meter - Compound		2,300.00	6,870.00	9,170.00	

- * Per Commission Rule AAC R-14-2-403(B).
- ** 1.50% of unpaid monthly balance.
- *** Month off system times the monthly minimum per Commission rule AAC R14-2-403(D).
- **** 1% of monthly minimum for a comparable sized meter connection, but no less than \$5.00 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.

Supporting Schedules:

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

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

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

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

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

5/8" x 3/4" meter

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 9.00	\$ 16.60	\$ 12.00	33.33%	-27.71%
1,000	9.00	16.60	13.06	45.11%	-21.33%
2,000	9.00	16.60	14.12	56.89%	-14.94%
3,000	10.71	18.31	15.18	41.74%	-17.09%
4,000	12.42	20.02	17.09	37.58%	-14.65%
5,000	14.13	21.73	19.00	34.44%	-12.58%
6,000	15.84	23.44	20.90	31.97%	-10.82%
7,000	17.55	25.15	22.81	29.98%	-9.30%
8,000	19.26	26.86	24.72	28.35%	-7.97%
9,155	21.24	28.84	26.92	26.79%	-6.63%
10,000	22.68	30.28	28.54	25.82%	-5.76%
13,000	27.81	35.41	38.84	39.66%	9.68%
15,000	31.23	38.83	45.71	46.36%	17.71%
20,000	39.78	47.38	62.88	58.07%	32.71%
25,000	48.33	55.93	80.05	65.64%	43.13%
50,000	91.08	98.68	165.91	82.16%	68.13%
75,000	133.83	141.43	251.77	88.13%	78.02%
100,000	176.58	184.18	337.63	91.21%	83.32%
125,000	219.33	226.93	423.49	93.08%	86.62%
150,000	262.08	269.68	509.35	94.35%	88.87%
175,000	304.83	312.43	595.21	95.26%	90.51%
200,000	347.58	355.18	681.07	95.95%	91.75%

Explanation: Required for: All Utilities
Schedule(s) comparing typical customer bills at varying consumption levels at present and proposed rates. Class A
Class B
Class C
Class D
(Note: Rates apply to both residential and commercial usage) Spec'l Reqmt

1 inch meter

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 15.00	\$ 22.60	\$ 30.00	100.00%	32.74%
1,000	15.00	22.60	31.91	112.72%	41.19%
2,000	15.00	22.60	33.82	125.44%	49.63%
3,000	16.71	24.31	35.72	113.79%	46.95%
4,000	18.42	26.02	37.63	104.30%	44.63%
5,000	20.13	27.73	39.54	96.42%	42.59%
6,000	21.84	29.44	42.97	96.77%	45.97%
7,000	23.55	31.15	46.41	97.06%	48.98%
8,000	25.26	32.86	49.84	97.32%	51.68%
9,000	26.97	34.57	53.28	97.54%	54.12%
10,000	28.68	36.28	56.71	97.74%	56.32%
15,000	37.23	44.83	73.88	98.45%	64.81%
20,000	45.78	53.38	91.06	98.90%	70.58%
25,000	54.33	61.93	108.23	99.20%	74.76%
40,000	79.98	87.58	159.74	99.73%	82.40%
50,000	97.08	104.68	194.09	99.93%	85.41%
75,000	139.83	147.43	279.95	100.21%	89.89%
100,000	182.58	190.18	365.81	100.35%	92.35%
125,000	225.33	232.93	451.67	100.45%	93.91%
150,000	268.08	275.68	537.53	100.51%	94.98%
175,000	310.83	318.43	623.39	100.56%	95.77%
200,000	353.58	361.18	709.25	100.59%	96.37%

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-4
 Title: Typical Bill Analysis
 Page 3 of 4

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

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

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

X

1.5 inch meter

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase W/O Surcharge
-	\$ 25.00	\$ 32.60	\$ 60.00	140.00%	84.05%
1,000	25.00	32.60	61.91	147.63%	89.90%
2,000	25.00	32.60	63.82	155.26%	95.75%
3,000	26.71	34.31	65.72	146.07%	91.56%
4,000	28.42	36.02	67.63	137.97%	87.76%
5,000	30.13	37.73	69.54	130.80%	84.31%
6,000	31.84	39.44	71.45	124.40%	81.16%
7,000	33.55	41.15	73.36	118.65%	78.26%
8,000	35.26	42.86	75.26	113.45%	75.60%
9,000	36.97	44.57	77.17	108.74%	73.15%
10,000	38.68	46.28	79.08	104.45%	70.87%
15,000	47.23	54.83	88.62	87.63%	61.63%
20,000	55.78	63.38	98.16	75.98%	54.88%
25,000	64.33	71.93	115.33	79.28%	60.34%
50,000	107.08	114.68	201.19	87.89%	75.44%
75,000	149.83	157.43	287.05	91.59%	82.34%
100,000	192.58	200.18	372.91	93.64%	86.29%
125,000	235.33	242.93	458.77	94.95%	88.85%
150,000	278.08	285.68	544.63	95.85%	90.64%
175,000	320.83	328.43	630.49	96.52%	91.97%
200,000	363.58	371.18	716.35	97.03%	92.99%

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

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

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

2 inch meter

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 50.00	\$ 57.60	\$ 96.00	92.00%	66.67%
1,000	50.00	57.60	97.91	95.82%	69.98%
2,000	50.00	57.60	99.82	99.63%	73.29%
3,000	51.71	59.31	101.72	96.72%	71.51%
4,000	53.42	61.02	103.63	93.99%	69.83%
5,000	55.13	62.73	105.54	91.44%	68.24%
6,000	56.84	64.44	107.45	89.04%	66.74%
7,000	58.55	66.15	109.36	86.77%	65.32%
8,000	60.26	67.86	111.26	84.64%	63.96%
9,000	61.97	69.57	113.17	82.62%	62.67%
10,000	63.68	71.28	115.08	80.72%	61.45%
15,000	72.23	79.83	124.62	72.53%	56.11%
20,000	80.78	88.38	134.16	66.08%	51.80%
25,000	89.33	96.93	151.33	69.41%	56.13%
50,000	132.08	139.68	237.19	79.58%	69.81%
75,000	174.83	182.43	323.05	84.78%	77.08%
100,000	217.58	225.18	408.91	87.94%	81.59%
125,000	260.33	267.93	494.77	90.06%	84.66%
150,000	303.08	310.68	580.63	91.58%	86.89%
175,000	345.83	353.43	666.49	92.72%	88.58%
200,000	388.58	396.18	752.35	93.62%	89.90%

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

5/8 x 3/4 inch meter - Residential

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

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	216	-	216	2.49%	-	0.00%
1 to 1,000	443	221,500	659	7.59%	221,500	0.28%
1,001 to 2,000	677	1,015,500	1,336	15.38%	1,237,000	1.56%
2,001 to 3,000	863	2,157,500	2,199	25.31%	3,394,500	4.28%
3,001 to 4,000	940	3,290,000	3,139	36.13%	6,684,500	8.42%
4,001 to 5,000	932	4,194,000	4,071	46.86%	10,878,500	13.71%
5,001 to 6,000	771	4,240,500	4,842	55.74%	15,119,000	19.05%
6,001 to 7,000	575	3,737,500	5,417	62.36%	18,856,500	23.76%
7,001 to 8,000	449	3,367,500	5,866	67.53%	22,224,000	28.00%
8,001 to 9,000	386	3,281,000	6,252	71.97%	25,505,000	32.13%
9,001 to 10,000	302	2,869,000	6,554	75.45%	28,374,000	35.75%
10,001 to 12,000	432	4,752,000	6,986	80.42%	33,126,000	41.73%
12,001 to 14,000	335	4,355,000	7,321	84.28%	37,481,000	47.22%
14,001 to 16,000	250	8,042,001	7,571	87.15%	45,523,001	57.35%
16,001 to 18,000	186	3,162,000	7,757	89.29%	48,685,001	61.34%
18,001 to 20,000	148	2,812,000	7,905	91.00%	51,497,001	64.88%
20,001 to 25,000	256	5,760,000	8,161	93.94%	57,257,001	72.14%
25,001 to 30,000	162	4,455,000	8,323	95.81%	61,712,001	77.75%
30,001 to 35,000	101	3,282,500	8,424	96.97%	64,994,501	81.88%
35,001 to 40,000	54	2,025,000	8,478	97.59%	67,019,501	84.43%
40,001 to 50,000	91	4,095,000	8,569	98.64%	71,114,501	89.59%
50,001 to 60,000	49	2,695,000	8,618	99.21%	73,809,501	92.99%
60,001 to 70,000	21	1,365,000	8,639	99.45%	75,174,501	94.71%
70,001 to 80,000	15	1,125,000	8,654	99.62%	76,299,501	96.13%
80,001 to 90,000	6	510,000	8,660	99.69%	76,809,501	96.77%
90,001 to 99,999	8	760,000	8,668	99.78%	77,569,501	97.73%
102,180	1	95,000	8,669	99.79%	77,664,501	97.85%
102,280	1	95,000	8,670	99.80%	77,759,501	97.97%
108,540	1	95,000	8,671	99.82%	77,854,501	98.09%
108,570	1	95,000	8,672	99.83%	77,949,501	98.20%
114,980	1	95,000	8,673	99.84%	78,044,501	98.32%
119,360	1	95,000	8,674	99.85%	78,139,501	98.44%
120,560	1	95,000	8,675	99.86%	78,234,501	98.56%
125,130	1	95,000	8,676	99.87%	78,329,501	98.68%
125,670	1	95,000	8,677	99.88%	78,424,501	98.80%
127,000	1	95,000	8,678	99.90%	78,519,501	98.92%
129,330	1	95,000	8,679	99.91%	78,614,501	99.04%
132,310	1	95,000	8,680	99.92%	78,709,501	99.16%
138,190	1	95,000	8,681	99.93%	78,804,501	99.28%
144,140	1	95,000	8,682	99.94%	78,899,501	99.40%
146,590	1	95,000	8,683	99.95%	78,994,501	99.52%
151,900	1	95,000	8,684	99.97%	79,089,501	99.64%
154,150	1	95,000	8,685	99.98%	79,184,501	99.76%
197,030	1	95,000	8,686	99.99%	79,279,501	99.88%
217,240	1	95,000	8,687	100.00%	79,374,501	100.00%
	8,687	79,374,501				
			Average Number of Customers	724		
			Average Consumption	9,137		
			Median Consumption	5,330		

Supporting Schedules:

Recap Schedules:

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-5
 Title: Bill Count
 Page 2 of 8

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

5/8 x 3/4 inch meter - Commercial

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

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

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

Supporting Schedules:

Recap Schedules:

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

1 inch meter Residential

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

X

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

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

Supporting Schedules:

Recap Schedules:

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

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

1 inch meter Commercial

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

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

Supporting Schedules:

Recap Schedules:

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

1.5 inch meter Residential

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

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

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

Supporting Schedules:

Recap Schedules:

East Slope Water Company
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009

Rejoinder Schedule: H-5
Title: Bill Count
Page 6 of 8

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

1.5 inch meter Commercial

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

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

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

Supporting Schedules:

Recap Schedules:

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-5
 Title: Bill Count
 Page 7 of 8

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

2 inch meter

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

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	-	-	-	0.00%	-	0.00%
1,001 to 2,000	-	-	-	0.00%	-	0.00%
2,001 to 3,000	-	-	-	0.00%	-	0.00%
3,001 to 4,000	-	-	-	0.00%	-	0.00%
4,001 to 5,000	4	18,000	4	11.11%	18,000	3.39%
5,001 to 6,000	3	16,500	7	19.44%	34,500	6.49%
6,001 to 7,000	3	19,500	10	27.78%	54,000	10.16%
7,001 to 8,000	3	22,500	13	36.11%	76,500	14.39%
8,001 to 9,000	2	17,000	15	41.67%	93,500	17.59%
9,001 to 10,000	2	19,000	17	47.22%	112,500	21.17%
10,001 to 12,000	2	22,000	19	52.78%	134,500	25.31%
12,001 to 14,000	3	39,000	22	61.11%	173,500	32.64%
14,001 to 16,000	1	22,001	23	63.89%	195,501	36.78%
16,001 to 18,000	1	17,000	24	66.67%	212,501	39.98%
18,001 to 20,000	1	19,000	25	69.44%	231,501	43.56%
20,001 to 25,000	4	90,000	29	80.56%	321,501	60.49%
25,001 to 30,000	6	165,000	35	97.22%	486,501	91.53%
30,001 to 35,000	-	-	35	97.22%	486,501	91.53%
35,001 to 40,000	-	-	35	97.22%	486,501	91.53%
40,001 to 50,000	1	45,000	36	100.00%	531,501	100.00%
50,001 to 60,000	-	-	36	100.00%	531,501	100.00%
60,001 to 70,000	-	-	36	100.00%	531,501	100.00%
70,001 to 80,000	-	-	36	100.00%	531,501	100.00%
80,001 to 90,000	-	-	36	100.00%	531,501	100.00%
90,001 to 100,000	-	-	36	100.00%	531,501	100.00%
>100,000	-	-	36	100.00%	531,501	100.00%
	36	531,501				

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

Supporting Schedules:

Recap Schedules:

East Slope Water Company
 Docket No. W-01906A-10-0170
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-5
 Title: Bill Count
 Page 8 of 8

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

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

Emergency Surcharge

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

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

ATTACHMENT 2

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rejoinder Schedule A-1
Title: Computation of Increase in Gross
Revenue Requirements

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

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

	<u>Original Cost</u>	<u>RCND</u>
<u>Rate of Return on Rate Base Method:</u>		
1. Adjusted Rate Base	\$ 92,716 (a)	(a)
2. Adjusted Operating Income/(Loss)	\$ (32,904) (b)	(b)
3. Current Rate of Return	-35.49%	
4. Required Rate of Return	13.77%	
5. Required Operating Income	\$ 12,770	
6. Operating Income Deficiency (5 - 2)	\$ 45,674	
7. Gross Revenue Conversion Factor	<u>1.0163 (c)</u>	(c)
8. Increase in Gross Revenue Requirements (6 x 7)	<u>\$ 46,419</u>	

<u>Operating Margin Method:</u>		
9. Proposed Revenue	\$ 95,764	
10. Proposed Operating Margin	<u>13.34%</u>	
11. Required Operating Income (9 x 10)	\$ 12,770	
12. Operating Income Deficiency (11 - 2)	\$ 45,674	
13. Gross Revenue Conversion Factor	<u>1.0163</u>	
14. Increase in Gross Revenue Requirements (12 x 13)	<u>\$ 46,419 (c)</u>	(c)

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase	
Residential	\$ 48,448	\$ 94,229	\$ 45,781	94.50%	(d)
Commercial	462	1,101	639	138.31%	
Industrial	-	-	-	0.00%	
Other	347	347	-	0.00%	
Total	<u>\$ 49,257</u>	<u>\$ 95,676</u>	<u>\$ 46,419</u>	<u>94.24%</u>	

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

Supporting Schedules:

(a) B-1 (c) C-3

(b) C-1 (d) H-1

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rejoinder Schedule A-2
Title: Summary Results of Operations

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

Explanation:
 Schedule showing comparative operating results for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

Description	<u>Prior Years</u>		<u>Test Year</u>		<u>Projected Year</u>	
	Year End	Year End	Actual	Adjusted	Present	Proposed
	31-Dec-07	31-Dec-08	Rates	Rates	Rates	Rates
	(a)	(a)	(a)	(b)	(c)	(c)
1. Gross Revenues	\$ 53,008	\$ 48,480	\$ 52,569	\$ 49,257	\$ 49,257	\$ 95,676
2. Revenue Deductions & Operating Expenses	(49,645)	(65,450)	(68,043)	(82,161)	(82,161)	(82,906)
3. Operating Income	\$ 3,363	\$ (16,970)	\$ (15,474)	\$ (32,904)	\$ (32,904)	\$ 12,770
4. Other Income and Deductions	(450)	9	-	-	-	-
5. Interest Expense	-	-	-	-	-	-
6. Net Income	\$ 2,913	\$ (16,961)	\$ (15,474)	\$ (32,904)	\$ (32,904)	\$ 12,770

7. Earned Per Average Common Share*
 8. Dividends Per Common Share*
 9. Payout Ratio*

No Shares Issued						
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10. Return on Average Invested Capital	7.03%	-45.85%	-48.92%	-104.01%	-104.01%	40.37%
11. Return on Year End Capital	7.03%	-52.15%	Double Negative			41.54%
12. Return on Average Common Equity	7.03%	-45.85%	-48.92%	-104.01%	-104.01%	40.37%
13. Return on Year End Common Equity	7.03%	-52.15%	Db'l Neg	Double Negative		41.54%
14. Times Bond Interest Earned - Before Inc Tax	No interest expense			Double Negative		
15. Times Total Interest and Preferred Dividends Earned - After Income Taxes	No interest expense			Double Negative		

Supporting Schedules:

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

*Optional for projected year

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rejoinder Schedule A-4
Title: Construction Expenditures and
Gross Utility Plant in Service

Explanation:
 Schedule showing construction expenditures, plant placed in service and gross utility plant in service for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

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

Year	Construction Expenditures (a)	Net Plant Placed In Service (b)	Gross Utility Plant In Service
1. Prior Year 1 - 2007	\$ 16,169	\$ 16,169	\$ 159,683
2. Prior Year 2 - 2008	31,641	31,641	191,324
3. Test Year - 2009	6,501	3,647	194,971
4. Projected Year 1	562,397	565,251	760,222
5. Projected *			
6. Projected *			

* Required only for Class A and B Utilities

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

Supporting Schedules:

(a) F-3

(b) E-5

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

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

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

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

	<u>Original Cost</u> Rate Base*	<u>RCND</u> Rate Base*
1. Gross Utility Plant in Service	\$ 194,971	
2. Less: Accumulated Depreciation	<u>(93,631)</u>	
3. Net Utility Plant in Service	\$ 101,340 (a)	(b)
Less:		
4. Advances in Aid of Construction	\$ (4,775) (c)	(c)
5. Contributions in Aid of Construction	(40,169) (c)	(c)
Add:		
6. Amortization of CIAC	\$ 29,456	
7. Allowance for Working Capital	<u>6,864 (d)</u>	(d)
8. Total Rate Base	<u>\$ 92,716 (e)</u>	(e)

* Including pro forma adjustments

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

Supporting Schedules:

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

Recap Schedules:

- (e) A-1

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rejoinder Schedule B-2
Title: Original Cost Rate Base
Proforma Adjustments

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

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

	Actual at End Of Test Year (a)	Pro forma Adjustment	Ref	Adjusted at End Of Test Year (b)
1. Gross Utility Plant in Service	\$ 194,971			\$ 194,971
2. Less: Accumulated Depreciation	(93,631)			(93,631)
3. Net Utility Plant in Service	\$ 101,340	\$ -		\$ 101,340
Less:				
4. Advances in Aid of Construction	\$ (46,435)	\$ 41,660	1	\$ (4,775)
5. Contributions in Aid of Construction	-	(40,169)	2	(40,169)
Add:				
6. Amortization of CIAC	\$ -	\$ 29,456	3	\$ 29,456
7. Allowance for Working Capital	6,864	-		6,864
8. Total Rate Base	\$ 61,769	\$ 30,947		\$ 92,716

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

Explanations:

- 1 Adjust Advances in Aid of Construction based on Company response to JMM 2-29.
- 2 Adjust Contributions in Aid of Construction per Schedule B-2a.
- 3 Adjust Amortization of Contributions in Aid of Construction per Schedule B-2a.

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

Supporting Schedules:
(a) E-1

Recap Schedules:
(b) B-1

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rejoinder Schedule B-2a
 Title: Original Cost Rate Base
 Proforma Adjustments

Year	CIAC Additions	Annual Amortization Amounts										Total Amortiztn	Net CIAC Balance			
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007			2008	2009	
1998	\$ 8,798	\$ 880	\$ 880	\$ 880	\$ 880	\$ 880	\$ 880	\$ 880	\$ 880	\$ 880	\$ 880	\$ 880	\$ 880	\$ 880	\$ (8,798)	\$ -
1999	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2000	2,223	-	222	222	222	222	222	222	222	222	222	222	222	222	(2,223)	-
2001	6,265	-	627	627	627	627	627	627	627	627	627	627	627	627	(5,639)	627
2002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2003	15,752	-	-	-	-	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	(11,026)	4,726
2004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2007	3,441	-	-	-	-	-	-	-	-	344	344	344	344	344	(1,032)	2,409
2008	3,690	-	-	-	-	-	-	-	-	-	369	369	369	(738)	2,952	
2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 40,169	\$ 880	\$ 880	\$ 1,102	\$ 1,729	\$ 1,729	\$ 3,304	\$ 3,648	\$ 3,137	\$ (29,456)	\$ 10,713					

(8,798) 1998 CIAC
 (2,223) 2000 CIAC
 (6,265) 2001 CIAC
\$ 22,883 Gross unamortized CIAC at 12/31/10

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rejoinder Schedule B-5
Title: Computation of Working Capital

Explanation:
 Schedule showing computation of working capital allowance.

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

	<u>Amount</u>	
1. Cash working capital		
1/24th Purchased Power	\$ 737	
1/24th Purchased Water	-	
1/8th Operation & Maintenance Expense	6,127	
2. Materials and Supplies Inventories	-	(a)
3. Prepayments	-	(a)
4. Total Working Capital Allowance	<u>\$ 6,864</u>	(b)

NOTES:

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

Supporting Schedules:
 (a) E-1

Recap Schedules:
 (b) B-1

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

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

Required for: All Utilities

X

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

Description	Actual for Test		Proforma		Test Year		Proposed		Adjusted Test	
	Year Ended (a)	Ref	Adjustments	(b)	Results After	Ref	Rate	Year With	Rate Increase	Year With
	31-Dec-09				Pro Forma		Increase	Rate Increase		Rate Increase
Operating Revenues:										
461 Metered Water Revenue	\$ 50,347	A	\$ (1,437)		\$ 48,910	L	\$ 46,419	\$	95,329	
461.1 Surcharge Revenue	1,875	B	(1,875)		-				-	
474 Other Water Revenue	347				347				347	
Total Operating Revenue	\$ 52,569		\$ (3,312)		\$ 49,257		\$ 46,419	\$	95,676	
Operating Expenses:										
601 Salaries & Wages	\$ -				\$ -			\$	-	
610 Purchased Water	-				-				-	
615 Purchased Power	17,695				17,695				17,695	
618 Chemicals	166				166				166	
620 Repairs & Maintenance	3,358				3,358				3,358	
621 Office Supplies and Expense	2,435	C	(42)		2,393				2,393	
630 Outside Services	22,748	D	10,730		33,478				33,478	
635 Water Testing	1,899				1,899				1,899	
641 Rental Expense	-				-				-	
650 Transportation Expense	5,909	E	(664)		5,245				5,245	
657 Insurance - General Liability	25	F	(25)		-				-	
659 Insurance - Health and Life	-				-				-	
666 Rate Case Expense	1,404	G	1,064		2,468				2,468	
675 Miscellaneous Expense	5				5				5	
403 Depreciation & Amortization	9,803	H	2,899		12,702				12,702	
408 Taxes Other Than Income	33	I	(33)		-				-	
408.11 Property Taxes	2,563	J	(120)		2,443	M	746		3,189	
409 Income Taxes	-				-				-	
427.4 Customer Security Deposit Interest	-	N	308		308				308	
Total Operating Expenses	\$ 68,043		\$ 14,118		\$ 82,161		\$ 746	\$	82,906	
OPERATING INCOME/(LOSS)	\$ (15,474)		\$ (17,430)		\$ (32,904)	(c)	\$ 45,673	\$	12,770	
Other Income/(Expense):										
419 Interest Income	\$ -				\$ -			\$	-	
421 Non-Utility Income	-				-				-	
426 Miscellaneous Non-Utility Expenses	-				-				-	
427 Interest Expense	-	K	-		-				-	
Total Other Income/(Expense)	\$ -		\$ -		\$ -		\$ -	\$	-	
NET INCOME/(LOSS)	\$ (15,474)		\$ (17,430)		\$ (32,904)		\$ 45,673	\$	12,770	

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

Supporting Schedules:
(a) E-2
(b) C-2

Recap Schedules:
(c) A-1

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rejoinder Schedule C-2
 Title: Income Statement Proforma
 Adjustments

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

Explanation:
 Schedule itemizing pro forma adjustments to the test year income statement.

Description	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Total (a)
Revenues:															
Metered Water Revenue	\$ (1,437)											\$ 46,419			\$ 44,982
Surcharge Revenue		\$ (1,875)													(1,875)
Expenses:															
Office Supplies and Expense			\$ (42)												\$ (42)
Outside Services				\$ 10,730											10,730
Transportation Expenses					\$ (664)										(664)
Insurance - General Liability						\$ (25)									(25)
Rate Case Expense							\$ 1,064								1,064
Depreciation & Amortization								\$ 2,899							2,899
Taxes Other Than Income									\$ (33)						(33)
Property Tax										\$ (120)			\$ 746		626
Customer Security Deposit Interest														\$ 308	308

Adjustment Descriptions:

- A - Remove intercompany water sales during the test year to Indiada by a 2-inch meter.
- B - Remove surcharge revenue from the test year as it is temporary, and will not be included in proposed rates.
- C - Adjust office supplies and expense per calculation on Schedule C-2a.
- D - Adjust outside services expense per calculation on Schedule C-2b.
- E - Adjust transportation expense per calculation on Schedule C-2c.
- F - Remove workers compensation insurance expense that will non-recr as a result of management contract.
- G - Increase rate case expense to recover \$1,404 incurred for the emergency rate case, and estimated costs of \$6,000 for this rate case, amortized over 3 years, (\$7,404/3).
- H - Increase depreciation expense based upon proposed depreciation rates per schedule C-2d.
- I - Remove payroll tax expense that will not recur due to management contract.
- J - Adjust test year property tax expense per calculation on Schedule C-2e.
- K - Removed.
- L - Increase proposed revenue per calculation on Schedule A-1.
- M - Increase property taxes at proposed rates per calculation on Schedule C-2e.
- N - Adopt Staff Adjustment #7 for security deposit interest as reflected on Schedule JMM-17.

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

Supporting Schedules:

- C-2a through C-2e
- Recap Schedules:
- (a) C-1

Antelope Run Water Company
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Test Year Ended December 31, 2009

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

DETAIL OF PROPOSED OFFICE SUPPLIES AND EXPENSE ADJUSTMENT

<u>Description</u>	<u>Amount</u>
November 2008 billing forms	\$ (6)
December 2008 billing forms	(6)
December 2009 billing forms	6
November 2008 postage	(45)
December 2008 postage	(45)
December 2009 postage	54
Total Adjustment C	\$ (42)

Antelope Run Water Company
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Rejoinder Schedule C-2b
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED OUTSIDE SERVICES EXPENSE ADJUSTMENT

Description	Amount
December 2008 accounting	\$ (130)
December 2009 accounting	130
Remove test year management fees expense per general ledger	(18,528)
Proforma management fees expense	29,258
Total Adjustment D	\$ 10,730

Antelope Run Water Company
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Rejoinder Schedule C-2c
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED TRANSPORTATION EXPENSE ADJUSTMENT

Description	Amount
November 2008 mileage	\$ (109)
December 2008 mileage	(338)
December 2009 mileage	383
Non-recurring vehicle lease expenses	(600)
Total Adjustment E	\$ (664)

Antelope Run Water Company
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Test Year Ended December 31, 2009

Rejoinder Schedule C-2d
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED DEPRECIATION EXPENSE CALCULATION

Account Number	Description	Plant @ End of Test Year 31-Dec-09	Proposed Depreciation Rate	Proposed Depreciation Expense
302	Franchises	\$ -	0.00%	\$ -
303	Land & Land Rights	5,159	0.00%	-
304	Structures & Improvements	619	3.33%	21
307	Wells & Springs	17,939	3.33%	597
311	Pumping Equipment	94,263	12.50%	11,783
320	Water Treatment Equipment	-	-	-
320.1	Water Treatment Plants	-	3.33%	-
320.2	Solution Chemical Feeders	-	20.00%	-
330	Distribution Reservoirs & Standpipes	3,475	2.22%	77
330.1	Storage Tanks	425	2.22%	9
330.2	Pressure Tanks.	3,413	5.00%	171
331	Transmission & Distribution Mains	63,498	2.00%	1,270
333	Services	-	3.33%	-
334	Meters & Meter Installations	6,180	8.33%	515
335	Hydrants	-	2.00%	-
339	Other Plant and Misc Equipment	-	6.67%	-
340	Office Furniture & Equipment	-	6.67%	-
340.1	Computers and Software	-	20.00%	-
341	Transportation Equipment	-	20.00%	-
343	Tools, Shop, and Garage Equipment	-	5.00%	-
345	Power Operated Equipment	-	5.00%	-
348	Other Tangible Plant	-	0.00%	-
Proposed Totals		\$ 194,971		\$ 14,443

	CIAC	\$ (22,883)
	Staff Composite Depreciation Rate	7.61%
	Amortization of CIAC	\$ (1,741)
	Depreciation Expense before CIAC Amortization	14,443
	Company Proposed Depreciation Expense	\$ 12,702
	Test Year Depreciation Expense	9,803
	Total Adjustment H	\$ 2,899

Antelope Run Water Company
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Rejoinder Schedule C-2e
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED PROPERTY TAX EXPENSE CALCULATION

	Test Year as Adjusted	Company at Proposed Rates
Adjusted 2009 Test Year Revenue	\$ 49,257	\$ 49,257
Weight Factor	2	2
Subtotal	<u>\$ 98,514</u>	<u>\$ 98,514</u>
Company Recommended Revenue	49,257	95,676
Subtotal	<u>\$ 147,771</u>	<u>\$ 194,190</u>
Number of Years	3	3
Three Year Revenue Average	<u>\$ 49,257</u>	<u>\$ 64,730</u>
AZ Department of Revenue Multiplier	2	2
Revenue Base Value	<u>\$ 98,514</u>	<u>\$ 129,460</u>
Plus 10% of CWIP	2,854	2,854
Less: Net Book Value of Licensed Vehicles	-	-
Full Cash Value	<u>\$ 101,368</u>	<u>\$ 132,314</u>
Assessment Ratio	20.50%	20.50%
Assessment Value	<u>\$ 20,780</u>	<u>\$ 27,124</u>
Revised Composite Property Tax Rate *	<u>11.7583%</u>	<u>11.7583%</u>
Adjusted Test Year Property Tax Expense	\$ 2,443	
Actual Test Year Property Tax Expense	<u>2,563</u>	
Total Adjustment J	<u>\$ (120)</u>	
Projected Property Tax Expense	\$ 3,189	
Adjusted Test Year Property Tax Expense	<u>2,443</u>	
Total Adjustment M	<u>\$ 746</u>	

* Property tax composite rate calculation:

Assessed Value per 2009 Property Tax Notice	\$ 21,340
Property Tax due per 2009 Notice	<u>2,509</u>
Revised Composite Property Tax Rate	<u>11.7583%</u>

For Gross Revenue Conversion Factor:

Change in Property Tax Expense	\$ 746
Change in Revenue Requirement	<u>46,419</u>
Change in Property Tax per Dollar Increase in Revenue	<u>1.6070%</u>

Antelope Run Water Company
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 Test Year Ended December 31, 2009

Rejoinder Schedule C-3
Title: Computation of Gross Revenue
Conversion Factor

Explanation:
 Schedule showing incremental taxes on gross revenues and
 the development of a gross revenue conversion factor.

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

X

Description	Calculation
Revenue	1.0000
Combined Federal And State Tax Rate	-
Property Tax Rate	0.0161
Subtotal	0.9839
Gross Revenue Conversion Factor = 1/Operating Income %	1.0163

CALCULATION OF COMBINED FEDERAL AND STATE TAX RATE:

Operating Income Before Taxes (Arizona Taxable Income)	100.0000%
Arizona State Income Tax Rate	0.0000%
Federal Taxable Income	100.0000%
Federal Income Tax Rate	0.0000%
Effective Federal Income Tax Rate	0.0000%
Combined Federal And State Income Tax Rates	0.0000%

Antelope Run Water Company
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 Test Year Ended December 31, 2009

Rejoinder Schedule D-1
Title: Summary Cost of Capital

Explanation:
 Schedule showing elements of capital structure
 and the related cost.

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

Invested Capital	End of Test Year				End of Projected Year			
	Amount	%	Cost Rate (e)	Composite Cost %	Amount	%	Cost Rate (e)	Composite Cost %
Long-Term Debt (a)								
Short-Term Debt (a)								
Common Equity (c)	\$ 30,744	100.00%	-35.49%	-35.49%	30,744	100.00%	13.77%	13.77%
Total	<u>\$ 30,744</u>	<u>100.00%</u>		<u>-35.49%</u>	<u>\$ 30,744</u>	<u>100.00%</u>		<u>13.77%</u>

Supporting Schedules:

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

Recap Schedules:

- (e) A-3

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rejoinder Schedule E-1
Title: Comparative Balance
Sheet

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

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

	Test Year At 31-Dec-09	Prior Year 31-Dec-08	Prior Year 31-Dec-07
ASSETS			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 194,971	\$ 191,324	\$ 159,683
103 Property Held for Future Use			
105 Construction Work in Process	2,854		
108 Accumulated Depreciation	(93,631)	(84,232)	(75,714)
Total Property Plant & Equipment	\$ 104,194	\$ 107,092	\$ 83,969
Current Assts:			
131 Cash	\$ 939	\$ 3,683	\$ 634
135 Temporary Cash Investments			
141 Customer Accounts Receivable	4,169	92	92
146 Notes/Receivables from Associated Companies			
151 Plant Material and Supplies			
162 Prepayments			
174 Miscellaneous Current and Accrued Assets	10		
Total Current Assets	\$ 5,118	\$ 3,775	\$ 726
TOTAL ASSETS	\$ 109,312	\$ 110,867	\$ 84,695
LIABILITIES and CAPITAL			
Capitalization: (b)			
201 Common Stock Issued	\$ -	\$ -	\$ -
211 Paid in Capital in Excess of Par Value			
215 Retained Earnings			
218 Proprietary Capital	30,744	32,524	41,459
Total Capital	\$ 30,744	\$ 32,524	\$ 41,459
Current Liabilities:			
231 Accounts Payable	\$ 29,054	\$ 38,442	\$ 4,558
232 Notes Payable (Current Portion)			
234 Notes/Accounts Payable to Associated Companies	35,114	15,114	14,114
235 Customer Deposits	364	5,740	
236 Accrued Taxes	307	416	576
241 Miscellaneous Current and Accrued Liabilities			
Total Current Liabilities	\$ 64,839	\$ 59,712	\$ 19,248
224 Long-Term Debt (Over 12 Months)	\$ -	\$ -	\$ -
Deferred Credits:			
252 Advances In Aid Of Construction	\$ 4,775	\$ 5,660	\$ 10,691
271 Contributions In Aid Of Construction	40,171	40,171	36,480
272 Less: Amortization of Contributions	(31,217)	(27,200)	(23,183)
281 Accumulated Deferred Income Tax			
Total Deferred Credits	\$ 13,729	\$ 18,631	\$ 23,988
Total Liabilities	\$ 78,568	\$ 78,343	\$ 43,236
TOTAL LIABILITIES and CAPITAL	\$ 109,312	\$ 110,867	\$ 84,695

Supporting Schedules:
(a) E-5

Recap Schedules:
(b) A-3

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rejoinder Schedule E-2
Title: Comparative Income
Statements

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

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

	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Revenues: (a)			
461 Metered Water Revenue	\$ 50,347	\$ 48,329	\$ 52,528
461.1 Surcharge Revenue	1,875	-	-
474 Other Water Revenue	347	151	480
Total Revenues	\$ 52,569	\$ 48,480	\$ 53,008
Operating Expenses (a)			
601 Salaries & Wages	\$ -	\$ 5,400	\$ 7,200
610 Purchased Water	-	-	-
615 Purchased Power	17,695	15,296	16,104
618 Chemicals	166	-	-
620 Repairs and Maintenance	3,358	12,747	4,606
621 Office Supplies and Expense	2,435	12,332	1,210
630 Outside Services	22,748	2,847	1,401
635 Water Testing	1,899	1,485	630
641 Rents	-	900	1,200
650 Transportation Expense	5,909	1,572	1,500
657 Insurance - General liability	25	-	-
659 Insurance - Health and Life	-	-	-
666 Regulatory Commission Expense - Rate Case	1,404	-	-
675 Miscellaneous Expense	5	374	132
403 Depreciation Expense	9,803	10,873	11,573
408 Taxes Other Than Income	33	457	1,031
408.11 Property Taxes	2,563	1,167	3,058
409 Income Tax	-	-	-
Total Operating Expenses	\$ 68,043	\$ 65,450	\$ 49,645
OPERATING INCOME/(LOSS)	\$ (15,474)	\$ (16,970)	\$ 3,363
Other Income/(Expense)			
419 Interest and Dividend Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	9	-
426 Miscellaneous Non-Utility Expense	-	-	(450)
427 Interest Expense	-	-	-
Total Other Income/(Expense)	\$ -	\$ 9	\$ (450)
NET INCOME/(LOSS)	\$ (15,474)	\$ (16,961)	\$ 2,913

Supporting Schedules:
(a) E-6

Recap Schedules:
A-2

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rejoinder Schedule E-5
Title: Detail of Utility Plant

Explanation:
Schedule showing utility plant balance, by detailed account number, at the end of the test year and the end of the prior fiscal year.

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

Account Number	Description	End of Prior Year at 31-Dec-08	Net Additions	End of Test Year at 31-Dec-09
302	Franchises	\$ -		\$ -
303	Land & Land Rights	5,159		5,159
304	Structures & Improvements	619		619
307	Wells & Springs	17,939		17,939
311	Pumping Equipment	91,796	2,467	94,263
320	Water Treatment Equipment	-		-
320.1	Water Treatment Plants	-		-
320.2	Solution Chemical Feeders	-		-
330	Distribution Reservoirs & Standpipes	3,475		3,475
330.1	Storage Tanks	425		425
330.2	Pressure Tanks.	3,413		3,413
331	Transmission & Distribution Mains	63,498		63,498
333	Services	-		-
334	Meters & Meter Installations	5,000	1,180	6,180
335	Hydrants	-		-
339	Other Plant and Misc Equipment	-		-
340	Office Furniture & Equipment	-		-
340.1	Computers and Software	-		-
341	Transportation Equipment	-		-
343	Tools, Shop, and Garage Equipment	-		-
345	Power Operated Equipment	-		-
348	Other Tangible Plant	-		-
Total Plant In Service		\$ 191,324	\$ 3,647	\$ 194,971
108	Accumulated Depreciation	(84,232)	(9,399)	(93,631)
Net Plant In Service		\$ 107,092	\$ (5,752)	\$ 101,340
103	Property Held for Future Use	\$ -		\$ -
105	Construction Work in Process	-	2,854	2,854
Total Net Plant		\$ 107,092	\$ (2,898)	\$ 104,194

Supporting Schedules:

Recap Schedules:
E-1 A-4

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rejoinder Schedule E-7
 Title: Operating Statistics

Explanation:
 Schedule showing key operating statistics in comparative format,
 for the test year and the 2 fiscal years ended prior to the test year.

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

	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Water Statistics:			
Gallons Sold - By Class of Service:			
Residential	25,165,060	25,712,190	24,102,020
Commercial	315,940	394,810	319,240
Average Number of Customers - By Class of Service:			
Residential	166	165	162
Commercial	1	1	1
Average Annual Gallons Per Residential Customer	151,597	155,831	148,778
Average Annual Revenue Per Residential Customer	\$ 356.56	\$ 360.79	\$ 353.74
Pumping Cost Per 1,000 Gallons	\$ 0.6944	\$ 0.5859	\$ 0.6594

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rejoinder Schedule E-8
Title: Taxes Charged to
Operations

Explanation:
Schedule showing all significant taxes charged to operations for
the test year and the 2 fiscal years ended prior to the test year.

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

Description	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Federal Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	-	457	608
Total Federal Taxes	\$ -	\$ 457	\$ 608
State Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	33	-	423
Total State Taxes	\$ 33	\$ -	\$ 423
Local Taxes:			
Property	\$ 2,563	\$ 1,167	\$ 3,058
Total Taxes	\$ 2,596	\$ 1,624	\$ 4,089

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

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rejoinder Schedule E-9
Title: Notes to Financial
Statements

Explanation:
Disclosure of important facts pertaining to the understanding
of the financial statements.

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

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

- 1 Accounting Method.
The books of the unconsolidated entity are kept as accrual based, and also follow NARUC rules, including the USoA.
- 2 Depreciation lives and methods employed by major classification of utility property.
For years up to and including the test year 2009, the depreciation rate as authorized in Decision 56062 was 5% for all plant asset categories. Proposed depreciation rates are depicted on Schedule C-2d, and were taken from ACC Engineering Staff Memo regarding their recommended rates for depreciation dated April 21, 2000, and revised March 1, 2001.
- 3 Income tax treatment - normalization or flow through.
Income taxes are not a factor in the unconsolidated company since the entity is a Sole Proprietorship, and this Commission does not allow recovery of income taxes in customer rates for flow-through entities.
- 4 Interest rate used to charge interest during construction, if applicable.
Not Applicable.

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

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

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

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

	Actual Test Year Ended (a) 31-Dec-09	Projected Year	
		At Present Rates	At Proposed Rates
		Year Ended (b) 31-Dec-10	Year Ended (b) 31-Dec-10
Operating Revenues:			
461 Metered Water Revenue	\$ 50,347	\$ 48,910	\$ 95,329
461.1 Surcharge Revenue	1,875	-	-
474 Other Water Revenue	347	347	347
Total Operating Revenue	\$ 52,569	\$ 49,257	\$ 95,676
Operating Expenses:			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	-	-	-
615 Purchased Power	17,695	17,695	17,695
618 Chemicals	166	166	166
620 Repairs & Maintenance	3,358	3,358	3,358
621 Office Supplies and Expense	2,435	2,393	2,393
630 Outside Services	22,748	33,478	33,478
635 Water Testing	1,899	1,899	1,899
641 Rental Expense	-	-	-
650 Transportation Expense	5,909	5,245	5,245
657 Insurance - General Liability	25	-	-
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	1,404	2,468	2,468
675 Miscellaneous Expense	5	5	5
403 Depreciation & Amortization	9,803	12,702	12,702
408 Property Taxes	2,563	2,443	3,189
408.1 Taxes Other Than Income	33	-	-
409 Income Taxes	-	-	-
427.4 Customer Security Deposit Interest	-	308	308
Total Operating Expenses	\$ 68,043	\$ 82,161	\$ 82,906
OPERATING INCOME/(LOSS)	\$ (15,474)	\$ (32,904)	\$ 12,770
Other Income/(Expense):			
419 Interest Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	-	-
426 Miscellaneous Non-Utility Expenses	-	-	-
427 Interest Expense	-	-	-
Total Other Income/(Expense)	\$ -	\$ -	\$ -
NET INCOME/(LOSS)	\$ (15,474)	\$ (32,904)	\$ 12,770

Earnings per share of average
Common Stock Outstanding
% Return on Common Equity

No stock issued

Double Negative

41.54%

Supporting Schedules:
(a) E-2

Recap Schedules:
(b) A-2

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rejoinder Schedule F-3
 Title: Projected Construction
 Requirements

Explanation:
 Schedule showing projected annual construction requirements,
 by property classification, for 1 to 3 years subsequent to the
 test year compared with the test year.

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

Property Classification	Actual Test Year Ended 12/31/2009	End of Projected Year 1
Production Plant	\$ 2,467	\$ 251,529
Transmission Plant	-	310,868
Other Plant	1,180	-
Total Plant	\$ 3,647	\$ 562,397

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

Supporting Schedules:

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

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rejoinder Schedule F-4
Title: Assumptions Used in
Developing Projection

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

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

Important assumptions used in preparing projections should be explained.

Areas covered should include:

1 Customer growth

The company has experienced no growth in the past few years.

2 Growth in consumption and customer demand

The company does not anticipate an increase in customer consumption and demand due to the proposed tiered rate structure.

3 Changes in expenses

The company believes the test year 2009, with the limited proforma adjustments included in this application, accurately depict expense levels for the unconsolidated utility going forward.

4 Construction requirements including production reserves and changes in plant capacity

The Company is seeking a loan from WIFA for the three commonly owned entities totaling \$3 million to replace lines, add storage, and upgrade pumps and electrical at well and booster sites.

5 Capital structure changes

If the proposed consolidation of Antelope Run Water with the two related entities is approved, the new utility's structure would be a C-Corp.

6 Financing costs, interest rates

The company proposes to borrow funds from WIFA, and it will be required to pay WIFA's normal fees, reserves, and the prevailing interest rate at the time the loan is closed. Antelope Run's share of the interest expense is included on the unconsolidated income statement for comparative purposes.

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-1
Title: Summary of Revenues by Customer Classification - Present and Proposed Rates

Explanation:
 Schedule comparing revenues by customer classification for the Test Year, at present and proposed rates.

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

Customer Classification	Revenues in the Test Year (a)		Proposed Increase (b)	
	Present Rates	Proposed Rates	Amount	%
Residential				
5/8 x 3/4 inch	\$ 45,222	\$ 86,678	41,456	91.67%
1 inch	\$ 3,226	\$ 7,550	4,325	134.07%
Commercial				
5/8 x 3/4 inch	\$ 462	\$ 1,101	639	138.31%
Total Metered Water Revenues	\$ 48,910	\$ 95,329	\$ 46,419	94.91%
Other Revenues	\$ 347	\$ 347	-	0.00%
Total Revenues	\$ 49,257	\$ 95,676	\$ 46,419	94.24%

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

Supporting Schedules:
 (a) H-2

Recap Schedules:
 (b) A-1

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-3
 Title: Changes in Representative Rate
 Schedules - Page 1 of 2

Explanation:
 Schedule comparing present rate schedules with proposed
 rate schedule.

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

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

Description	Present Rate	Proposed Rate	% change
MONTHLY USAGE CHARGE			
5/8" x 3/4" Meter	\$ 11.50	\$ 16.12	40.17%
3/4" Meter	\$ 17.25	\$ 24.18	40.17%
1" Meter	\$ 28.75	\$ 40.30	40.17%
1-1/2" Meter	\$ 57.50	\$ 80.60	40.17%
2" Meter	\$ 92.00	\$ 128.96	40.17%
3" Meter	\$ 172.50	\$ 257.92	49.52%
4" Meter	\$ 287.50	\$ 403.00	40.17%
6" Meter	\$ 575.00	\$ 806.00	40.17%
Gallons Included in Monthly Usage Charge	-	-	0%

EMERGENCY INTERIM SURCHARGE EFFECTIVE: OCTOBER 30, 2009
 DECISION NO. 71323
 DOCKET NO. W-02327A-09-0284
 \$5.58 PER CUSTOMER PER MONTH

Commodity Charges Per 1,000 Gallons:

5/8 x 3/4 - inch meter	Present Rate	Proposed Rate	% change
Tier one: 0 - 3,000 Gallons	\$ 1.00	\$ 1.070	7.00%
Tier two: 3,001 to 10,000 Gallons	\$ 1.00	\$ 1.926	92.60%
Tier three: All Gallons Over 10,000	\$ 1.00	\$ 3.467	246.68%

3/4 - inch meter

Tier one: 0 - 3,000 Gallons	\$ 1.00	\$ 1.070	7.00%
Tier two: 3,001 to 10,000 Gallons	\$ 1.00	\$ 1.926	92.60%
Tier three: All Gallons Over 10,000	\$ 1.00	\$ 3.467	246.68%

One - inch meter

Tier one: 0 - 15,000 Gallons	\$ 1.00	\$ 1.926	92.60%
Tier two: All Gallons Over 15,000	\$ 1.00	\$ 3.467	246.68%

One and one half - inch meter

Tier one: 0 - 35,000 Gallons	\$ 1.00	\$ 1.926	92.60%
Tier two: All Gallons Over 35,000	\$ 1.00	\$ 3.467	246.68%

Two - inch meter

Tier one: 0 - 60,000 Gallons	\$ 1.00	\$ 1.926	92.60%
Tier two: All Gallons Over 60,000	\$ 1.00	\$ 3.467	246.68%

Three - inch meter

Tier one: 0 - 120,000 Gallons	\$ 1.00	\$ 1.926	92.60%
Tier two: All Gallons Over 120,000	\$ 1.00	\$ 3.467	246.68%

Four - inch meter	Present Rate	Proposed Rate	% change
Tier one: 0 - 200,000 Gallons	\$ 1.00	\$ 1.926	93%
Tier two: All Gallons Over 200,000	\$ 1.00	\$ 3.467	247%
Six - inch meter			
Tier one: 0 - 400,000 Gallons	\$ 1.00	\$ 1.926	93%
Tier two: All Gallons Over 400,000	\$ 1.00	\$ 3.467	247%

Description	Present Rate	Proposed Rate	% change
SERVICE CHARGES			
Establishment	\$ 20.00	\$ 35.00	75.00%
Establishment (After Hours)	30.00	NA	NA
Reconnection (Delinquent)	10.00	\$ 35.00	250.00%
Reconnection (After Hours)	NA	NA	NA
Meter Test (If Correct)	20.00	\$ 25.00	NA
Meter Reread (If Correct)	10.00	\$ 20.00	100.00%
NSF Check Charge	\$15.00	\$ 25.00	66.67%
Deposit	*	*	
Deposit Interest (Per Annum)	6%	*	
Deferred Payment (Per Month)	NA	**	
Late Charge (Per Month)	NA	**	
Re-establishment (Within 12 Months)	***	***	
After hours Service Charge	NA	\$ 35.00	

MONTHLY SERVICE CHARGE

FOR FIRE SPRINKLER: N/A ****

SERVICE LINE AND METER INSTALLATION CHARGES

Refundable Pursuant to AAC R14-2-405

Description	Present Rate	Proposed Rates			% change
		Service Line	Meter Charge	Total Charge	
5/8" x 3/4" Meter	\$ 175.00	\$ 430.00	\$ 130.00	\$ 560.00	220%
3/4" Meter	220.00	430.00	230.00	660.00	200%
1" Meter	250.00	480.00	290.00	770.00	208%
1-1/2" Meter	275.00	535.00	500.00	1,035.00	276%
2" Meter - Turbine	500.00	815.00	1,020.00	1,835.00	100%
2" Meter - Compound	500.00	815.00	1,865.00	2,680.00	436%
3" Meter - Turbine	700.00	1,030.00	1,645.00	2,675.00	100%
3" Meter - Compound	700.00	1,150.00	2,545.00	3,695.00	428%
4" Meter - Turbine	1,300.00	1,460.00	2,620.00	4,080.00	100%
4" Meter - Compound	1,300.00	1,640.00	3,595.00	5,235.00	303%
6" Meter - Turbine	2,800.00	2,180.00	4,975.00	7,155.00	100%
6" Meter - Compound	2,800.00	2,300.00	6,870.00	9,170.00	228%

* Per Commission Rule AAC R-14-2-403(B).

** 1.50% of unpaid monthly balance.

*** Month off system times the monthly minimum per Commission rule AAC R14-2-403(D).

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

Supporting Schedules:

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-4
 Title: Typical Bill
 Analysis
 Page 1 of 3

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

5/8" x 3/4" meter
 (Note: Rates apply to both residential and commercial usage)

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

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 11.50	\$ 17.08	\$ 16.12	40%	-6%
1,000	12.50	18.08	17.19	38%	-5%
2,000	13.50	19.08	18.26	35%	-4%
3,000	14.50	20.08	19.33	33%	-4%
4,000	15.50	21.08	21.26	37%	1%
5,000	16.50	22.08	23.18	40%	5%
6,000	17.50	23.08	25.11	43%	9%
7,000	18.50	24.08	27.03	46%	12%
8,000	19.50	25.08	28.96	49%	15%
9,155	20.66	26.24	31.18	51%	19%
10,000	21.50	27.08	32.81	53%	21%
13,000	24.50	30.08	43.21	76%	44%
15,000	26.50	32.08	50.15	89%	56%
20,000	31.50	37.08	67.48	114%	82%
25,000	36.50	42.08	84.81	132%	102%
50,000	61.50	67.08	171.48	179%	156%
75,000	86.50	92.08	258.15	198%	180%
100,000	111.50	117.08	344.82	209%	195%
125,000	136.50	142.08	431.49	216%	204%
150,000	161.50	167.08	518.16	221%	210%
175,000	186.50	192.08	604.83	224%	215%
200,000	211.50	217.08	691.50	227%	219%

Supporting Schedules:

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-4
 Title: Typical Bill
 Analysis
 Page 2 of 3

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

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

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

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 28.75	\$ 34.33	\$ 40.30	40%	17%
1,000	29.75	35.33	42.23	42%	20%
2,000	30.75	36.33	44.15	44%	22%
3,000	31.75	37.33	46.08	45%	23%
4,000	32.75	38.33	48.00	47%	25%
5,000	33.75	39.33	49.93	48%	27%
6,000	34.75	40.33	51.86	49%	29%
7,000	35.75	41.33	53.78	50%	30%
8,000	36.75	42.33	55.71	52%	32%
9,000	37.75	43.33	59.17	57%	37%
10,000	38.75	44.33	62.64	62%	41%
15,000	43.75	49.33	79.98	83%	62%
20,000	48.75	54.33	97.31	100%	79%
25,000	53.75	59.33	114.64	113%	93%
40,000	68.75	74.33	166.65	142%	124%
50,000	78.75	84.33	201.31	156%	139%
75,000	103.75	109.33	287.98	178%	163%
100,000	128.75	134.33	374.65	191%	179%
125,000	153.75	159.33	461.32	200%	190%
150,000	178.75	184.33	547.99	207%	197%
175,000	203.75	209.33	634.66	211%	203%
200,000	228.75	234.33	721.33	215%	208%

Supporting Schedules:

Antelope Run Water Company
 Docket No. W-02327A-10-0169
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-4
 Title: Typical Bill
 Analysis
 Page 3 of 3

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

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

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

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 92.00	\$ 97.58	\$ 128.96	40%	32%
1,000	93.00	98.58	130.89	41%	33%
2,000	94.00	99.58	132.81	41%	33%
3,000	95.00	100.58	134.74	42%	34%
4,000	96.00	101.58	136.66	42%	35%
5,000	97.00	102.58	138.59	43%	35%
6,000	98.00	103.58	140.52	43%	36%
7,000	99.00	104.58	142.44	44%	36%
8,000	100.00	105.58	144.37	44%	37%
9,000	101.00	106.58	145.91	44%	37%
10,000	102.00	107.58	149.38	46%	39%
15,000	107.00	112.58	166.71	56%	48%
20,000	112.00	117.58	184.04	64%	57%
25,000	117.00	122.58	201.38	72%	64%
50,000	142.00	147.58	288.05	103%	95%
75,000	167.00	172.58	374.72	124%	117%
100,000	192.00	197.58	461.39	140%	134%
125,000	217.00	222.58	548.06	153%	146%
150,000	242.00	247.58	634.73	162%	156%
175,000	267.00	272.58	721.40	170%	165%
200,000	292.00	297.58	808.07	177%	172%

Supporting Schedules:

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

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

5/8 x 3/4 inch meter - Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	20	-	20	1.03%	-	0.00%
1 to 1,000	56	28,000	76	3.91%	28,000	0.12%
1,001 to 2,000	119	178,500	195	10.03%	206,500	0.90%
2,001 to 3,000	139	347,500	334	17.17%	554,000	2.41%
3,001 to 4,000	186	651,000	520	26.74%	1,205,000	5.23%
4,001 to 5,000	195	877,500	715	36.76%	2,082,500	9.04%
5,001 to 6,000	151	830,500	866	44.52%	2,913,000	12.65%
6,001 to 7,000	120	780,000	986	50.69%	3,693,000	16.04%
7,001 to 8,000	89	667,500	1,075	55.27%	4,360,500	18.94%
8,001 to 9,000	86	731,000	1,161	59.69%	5,091,500	22.11%
9,001 to 10,000	61	579,500	1,222	62.83%	5,671,000	24.63%
10,001 to 12,000	122	1,342,000	1,344	69.10%	7,013,000	30.46%
12,001 to 14,000	92	1,196,000	1,436	73.83%	8,209,000	35.65%
14,001 to 16,000	75	1,125,000	1,511	77.69%	9,334,000	40.54%
16,001 to 18,000	66	1,122,000	1,577	81.08%	10,456,000	45.41%
18,001 to 20,000	49	931,000	1,626	83.60%	11,387,000	49.45%
20,001 to 25,000	106	2,385,000	1,732	89.05%	13,772,000	59.81%
25,001 to 30,000	67	1,842,500	1,799	92.49%	15,614,500	67.81%
30,001 to 35,000	44	1,430,000	1,843	94.76%	17,044,500	74.02%
35,001 to 40,000	32	1,200,000	1,875	96.40%	18,244,500	79.23%
40,001 to 50,000	26	1,170,000	1,901	97.74%	19,414,500	84.31%
50,001 to 60,000	14	770,000	1,915	98.46%	20,184,500	87.66%
60,001 to 70,000	11	715,000	1,926	99.02%	20,899,500	90.76%
70,001 to 80,000	7	525,000	1,933	99.38%	21,424,500	93.04%
80,001 to 90,000	3	255,000	1,936	99.54%	21,679,500	94.15%
90,001 to 99,999	1	95,000	1,937	99.59%	21,774,500	94.56%
106,900	1	106,900	1,938	99.64%	21,881,400	95.03%
124,600	1	124,600	1,939	99.69%	22,006,000	95.57%
124,790	1	124,790	1,940	99.74%	22,130,790	96.11%
149,390	1	149,390	1,941	99.79%	22,280,180	96.76%
177,740	1	177,740	1,942	99.85%	22,457,920	97.53%
180,720	1	180,720	1,943	99.90%	22,638,640	98.31%
192,510	1	192,510	1,944	99.95%	22,831,150	99.15%
195,840	1	195,840	1,945	100.00%	23,026,990	100.00%
	1,945	23,026,990				

Average Number of Customers 162
Average Consumption 11,839
Median Consumption 6,900

Supporting Schedules:

Recap Schedules:

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

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

5/8 x 3/4 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	-	-	-	0.00%	-	0.00%
1,001 to 2,000	-	-	-	0.00%	-	0.00%
2,001 to 3,000	-	-	-	0.00%	-	0.00%
3,001 to 4,000	-	-	-	0.00%	-	0.00%
4,001 to 5,000	-	-	-	0.00%	-	0.00%
5,001 to 6,000	-	-	-	0.00%	-	0.00%
6,001 to 7,000	-	-	-	0.00%	-	0.00%
7,001 to 8,000	-	-	-	0.00%	-	0.00%
8,001 to 9,000	-	-	-	0.00%	-	0.00%
9,001 to 10,000	-	-	-	0.00%	-	0.00%
10,001 to 12,000	-	-	-	0.00%	-	0.00%
12,001 to 14,000	-	-	-	0.00%	-	0.00%
14,001 to 16,000	2	30,000	2	16.67%	30,000	9.26%
16,001 to 18,000	2	34,000	4	33.33%	64,000	19.75%
18,001 to 20,000	-	-	4	33.33%	64,000	19.75%
20,001 to 25,000	3	67,500	7	58.33%	131,500	40.59%
25,001 to 30,000	2	55,000	9	75.00%	186,500	57.56%
30,001 to 35,000	-	-	9	75.00%	186,500	57.56%
35,001 to 40,000	1	37,500	10	83.33%	224,000	69.14%
40,001 to 50,000	1	45,000	11	91.67%	269,000	83.02%
50,001 to 60,000	1	55,000	12	100.00%	324,000	100.00%
60,001 to 70,000	-	-	12	100.00%	324,000	100.00%
70,001 to 80,000	-	-	12	100.00%	324,000	100.00%
80,001 to 90,000	-	-	12	100.00%	324,000	100.00%
90,001 to 99,999	-	-	12	100.00%	324,000	100.00%
>= 100,000	-	-	12	100.00%	324,000	100.00%
	12	324,000				

Average Number of Customers 1
Average Consumption 27,000
Median Consumption 22,390

Supporting Schedules:

Recap Schedules:

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

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

1 inch meter - Residential

Note: All customers on 1 inch meters are residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	1	500	1	2.08%	500	0.03%
1,001 to 2,000	-	-	1	2.08%	500	0.03%
2,001 to 3,000	1	2,500	2	4.17%	3,000	0.16%
3,001 to 4,000	4	14,000	6	12.50%	17,000	0.92%
4,001 to 5,000	5	22,500	11	22.92%	39,500	2.14%
5,001 to 6,000	1	5,500	12	25.00%	45,000	2.44%
6,001 to 7,000	2	13,000	14	29.17%	58,000	3.14%
7,001 to 8,000	4	30,000	18	37.50%	88,000	4.77%
8,001 to 9,000	-	-	18	37.50%	88,000	4.77%
9,001 to 10,000	-	-	18	37.50%	88,000	4.77%
10,001 to 12,000	-	-	18	37.50%	88,000	4.77%
12,001 to 14,000	-	-	18	37.50%	88,000	4.77%
14,001 to 16,000	3	45,000	21	43.75%	133,000	7.21%
16,001 to 18,000	3	51,000	24	50.00%	184,000	9.97%
18,001 to 20,000	1	19,000	25	52.08%	203,000	11.00%
20,001 to 25,000	1	22,500	26	54.17%	225,500	12.22%
25,001 to 30,000	2	55,000	28	58.33%	280,500	15.20%
30,001 to 35,000	2	65,000	30	62.50%	345,500	18.72%
35,001 to 40,000	-	-	30	62.50%	345,500	18.72%
40,001 to 50,000	1	45,000	31	64.58%	390,500	21.16%
50,001 to 60,000	1	55,000	32	66.67%	445,500	24.14%
60,001 to 70,000	5	325,000	37	77.08%	770,500	41.75%
70,001 to 80,000	3	225,000	40	83.33%	995,500	53.94%
80,001 to 90,000	1	85,000	41	85.42%	1,080,500	58.54%
90,001 to 99,999	2	190,000	43	89.58%	1,270,500	68.84%
101,150	1	101,150	44	91.67%	1,371,650	74.32%
103,110	1	103,110	45	93.75%	1,474,760	79.90%
108,130	1	108,130	46	95.83%	1,582,890	85.76%
119,030	1	119,030	47	97.92%	1,701,920	92.21%
143,750	1	143,750	48	100.00%	1,845,670	100.00%
	48	1,845,670				

Average Number of Customers 4.00
Average Consumption 38,451
Median Consumption 18,535

Supporting Schedules:

Recap Schedules:

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

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

2 inch meter - Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	-	-	-	0.00%	-	0.00%
1,001 to 2,000	-	-	-	0.00%	-	0.00%
2,001 to 3,000	-	-	-	0.00%	-	0.00%
3,001 to 4,000	-	-	-	0.00%	-	0.00%
4,001 to 5,000	-	-	-	0.00%	-	0.00%
5,001 to 6,000	-	-	-	0.00%	-	0.00%
6,001 to 7,000	-	-	-	0.00%	-	0.00%
7,001 to 8,000	-	-	-	0.00%	-	0.00%
8,001 to 9,000	-	-	-	0.00%	-	0.00%
9,001 to 10,000	1	9,500	1	8.33%	9,500	2.81%
10,001 to 12,000	2	22,000	3	25.00%	31,500	9.30%
12,001 to 14,000	3	39,000	6	50.00%	70,500	20.82%
14,001 to 16,000	1	15,000	7	58.33%	85,500	25.25%
16,001 to 18,000	-	-	7	58.33%	85,500	25.25%
18,001 to 20,000	1	19,000	8	66.67%	104,500	30.86%
20,001 to 25,000	-	-	8	66.67%	104,500	30.86%
25,001 to 30,000	1	27,500	9	75.00%	132,000	38.98%
30,001 to 35,000	-	-	9	75.00%	132,000	38.98%
35,001 to 40,000	1	37,500	10	83.33%	169,500	50.06%
40,001 to 50,000	1	45,000	11	91.67%	214,500	63.35%
50,001 to 60,000	-	-	11	91.67%	214,500	63.35%
60,001 to 70,000	-	-	11	91.67%	214,500	63.35%
70,001 to 80,000	-	-	11	91.67%	214,500	63.35%
80,001 to 90,000	-	-	11	91.67%	214,500	63.35%
90,001 to 99,999	-	-	11	91.67%	214,500	63.35%
124,100	1	124,100	12	100.00%	338,600	100.00%
	12	338,600				

Average Number of Customers 1.00
Average Consumption 28,217
Median Consumption 13,950

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company
Docket No. W-02327A-10-0169
Test Year Ended December 31, 2009

Rejoinder Schedule: H-5
Title: Bill Count
Page 5 of 5

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

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

Emergency Surcharge

Amount of Surcharge \$5.58 per customer per month
 Surcharge Approved in Decision 71323, October 30, 2009

	<u># of Bills Nov and Dec 2009</u>	<u>Surcharge</u>	<u>Surcahrge Revenue</u>
Residential	334	\$5.58	\$1,864
Commercial	2	\$5.58	\$11
Total			\$1,875

ATTACHMENT 3

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rejoinder Schedule A-1
Title: Computation of Increase in Gross
Revenue Requirements

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

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

	<u>Original Cost</u>	<u>RCND.</u>
<u>Rate of Return on Rate Base Method:</u>		
1. Adjusted Rate Base	\$ 28,541 (a)	(a)
2. Adjusted Operating Income	\$ (2,152) (b)	(b)
3. Current Rate of Return	-7.54%	
4. Required Rate of Return	16.49%	
5. Required Operating Income	\$ 4,706	
6. Operating Income Deficiency (5 - 2)	\$ 6,858	
7. Gross Revenue Conversion Factor	<u>1.0163 (c)</u>	(c)
8. Increase in Gross Revenue Requirements (6 x 7)	<u>\$ 6,970</u>	

<u>Operating Margin Method:</u>		
9. Proposed Revenue	\$ 35,110	
10. Required Operating Margin	<u>13.40%</u>	
11. Required Operating Income (9 x 10)	\$ 4,706	
12. Operating Income Deficiency (11 - 2)	\$ 6,858	
13. Gross Revenue Conversion Factor	<u>1.0163 (c)</u>	(c)
14. Increase in Gross Revenue Requirements (12 x 13)	<u>\$ 6,970</u>	

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase
Residential	\$ 28,013	\$ 34,983	\$ 6,970	24.88%
Commercial	-	-	-	-
Industrial	-	-	-	-
Other	127	127	-	0.00%
Total	<u>\$ 28,140</u>	<u>\$ 35,110</u>	<u>\$ 6,970</u>	<u>24.77%</u>

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

Supporting Schedules:

(a) B-1 (c) C-3

(b) C-1 (d) H-1

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rejoinder Schedule A-2
Title: Summary Results of Operations

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

Explanation:
Schedule showing comparative operating results for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

Description	<u>Prior Years</u>		<u>Test Year</u>		<u>Projected Year</u>	
	Year End	Year End	Actual	Adjusted	Present	Proposed
	31-Dec-07	31-Dec-08	Rates	Rates	Rates	Rates
	(a)	(a)	(a)	(b)	(c)	(c)
1. Gross Revenues	\$ 27,440	\$ 25,085	\$ 29,009	\$ 28,140	\$ 28,140	\$ 35,110
2. Revenue Deductions & Operating Expenses	(29,597)	(31,084)	(28,702)	(30,292)	(30,292)	(30,404)
3. Operating Income	\$ (2,157)	\$ (5,999)	\$ 307	\$ (2,152)	\$ (2,152)	\$ 4,706
4. Other Income and Deductions	3,750	4,515	-	-	-	-
5. Interest Expense	(1,045)	(700)	-	-	-	-
6. Net Income	\$ 548	\$ (2,184)	\$ 307	\$ (2,152)	\$ (2,152)	\$ 4,706
7. Earned Per Average Common Share*	\$ 1.33	\$ (5.29)	\$ 0.74	\$ (5.21)		
8. Dividends Per Common Share*	-	-	-	-		
9. Payout Ratio*	0.00%	0.00%	0.00%	0.00%		
10. Return on Average Invested Capital	5.07%	-10.05%	1.02%	-7.15%	-7.15%	15.63%
11. Return on Year End Capital	5.07%	-6.69%	1.11%	-7.80%	-7.80%	17.06%
12. Return on Average Common Equity	5.07%	-10.05%	1.02%	-7.15%	-7.15%	15.63%
13. Return on Year End Common Equity	5.07%	-6.69%	1.11%	-7.80%	-7.80%	17.06%
14. Times Bond Interest Earned - Before Inc Tax	-152.44%	212.00%			Not Meaningful	
15. Times Total Interest and Preferred Dividends Earned - After Income Taxes	47.56%	412.00%			Not Meaningful	

Supporting Schedules:

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

*Optional for projected year

Indiada Water Company, Inc.
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rejoinder Schedule A-4
Title: Construction Expenditures and
Gross Utility Plant in Service

Explanation:
 Schedule showing construction expenditures, plant placed
 in service and gross utility plant in service for the test year
 and the 2 fiscal years ended prior to the end of the test year,
 compared with the projected year.

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

Year	Construction Expenditures (a)	Net Plant Placed In Service (b)	Gross Utility Plant In Service
1. Prior Year 1 - 2007	\$ 2,323	\$ 2,323	\$ 67,086
2. Prior Year 2 - 2008	7,476	25,521	92,607
3. Test Year - 2009	3,364	(18,470)	74,137
4. Projected Year 1	239,651	239,651	313,788
5. Projected *			
6. Projected *			

* Required only for Class A and B Utilities

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

Supporting Schedules:

- (a) F-3
- (b) E-5

Indiada Water Company, Inc.
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

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

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

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

	<u>Original Cost</u> <u>Rate Base*</u>		<u>RCND</u> <u>Rate Base*</u>
1. Gross Utility Plant in Service	\$ 74,137		
2. Less: Accumulated Depreciation	<u>(48,679)</u>		
3. Net Utility Plant in Service	\$ 25,458 (a)		(b)
Less:			
4. Advances in Aid of Construction	\$ - (c)		(c)
5. Contributions in Aid of Construction	- (c)		(c)
Add:			
6. Amortization of CIAC	\$ -		
7. Allowance for Working Capital	<u>3,083 (d)</u>		(d)
8. Total Rate Base	<u><u>\$ 28,541 (e)</u></u>		(e)

* Including pro forma adjustments

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

Supporting Schedules:

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

Recap Schedules:

- (e) A-1

Indiada Water Company, Inc.
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rejoinder Schedule B-2
Title: Original Cost Rate Base
Proforma Adjustments

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

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

	Actual at End Of Test Year (a)	Pro forma Adjustment	Ref	Adjusted at End Of Test Year (b)
1. Gross Utility Plant in Service	\$ 95,971	\$ (21,834)	1	\$ 74,137
2. Less: Accumulated Depreciation	(53,371)	4,692	2	(48,679)
3. Net Utility Plant in Service	\$ 42,600	\$ (17,142)		\$ 25,458
Less:				
4. Advances in Aid of Construction	\$ -			\$ -
5. Contributions in Aid of Construction	-			-
Add:				
6. Amortization of CIAC	\$ -			\$ -
7. Allowance for Working Capital	3,083			3,083
8. Total Rate Base	\$ 45,683	\$ (17,142)		\$ 28,541

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

Explanations:

- 1 Remove office equipment and truck from utility plant in service per Staff Schedule JMM-5.
- 2 Remove accumulated depreciation related to above plant decreases per Staff Schedule JMM-5.

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

Supporting Schedules:
 (a) E-1

Recap Schedules:
 (b) B-1

Indiada Water Company, Inc.
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rejoinder Schedule B-5
Title: Computation of Working Capital

Explanation:
 Schedule showing computation of working capital allowance.

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

	<u>Amount</u>	
1. Cash working capital		
1/24th Purchased Power	\$ 76	
1/24th Purchased Water	-	
1/8th Operation & Maintenance Expense	3,008	
2. Materials and Supplies Inventories	-	(a)
3. Prepayments	-	(a)
4. Total Working Capital Allowance	<u>\$ 3,083</u>	(b)

NOTES:

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

Supporting Schedules:
 (a) E-1

Recap Schedules:
 (b) B-1

Indiada Water Company, Inc.
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

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

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

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

Description	Actual for Test		Proforma		Test Year		Proposed	Adjusted Test
	Year Ended (a)	Ref	Adjustments	Ref	Results After	Rate		
	31-Dec-09		(b)		Pro Forma	Increase	Rate Increase	
Operating Revenues:								
461 Metered Water Revenue	\$ 28,013				\$ 28,013	L \$ 6,970	\$ 34,983	
461.1 Surcharge Revenue	869	A	(869)		-		-	
474 Other Water Revenue	127				127		127	
Total Operating Revenue	\$ 29,009		\$ (869)		\$ 28,140	\$ 6,970	\$ 35,110	
Operating Expenses:								
601 Salaries & Wages	\$ -				\$ -		\$ -	
610 Purchased Water	1,700	B	(1,700)		-		-	
615 Purchased Power	1,818				1,818		1,818	
618 Chemicals	166				166		166	
620 Repairs & Maintenance	910				910		910	
621 Office Supplies and Expense	1,336	C	48		1,384		1,384	
630 Outside Services	9,937	D	4,164		14,101		14,101	
635 Water Testing	2,129				2,129		2,129	
641 Rental Expense	-				-		-	
650 Transportation Expense	3,688	E	(131)		3,557		3,557	
657 Insurance - General Liability	49	F	(49)		-		-	
659 Insurance - Health and Life	-				-		-	
666 Rate Case Expense	1,439	G	374		1,813		1,813	
675 Miscellaneous Expense	-				-		-	
403 Depreciation & Amortization	5,076	H	(2,060)		3,016		3,016	
408 Taxes Other Than Income	(958)	I	958		-		-	
408.1 Property Taxes	1,412	J	(55)		1,357	M 112	1,469	
409 Income Taxes	-				-		-	
427.4 Customer Security Deposit Interest	-	N	41		41		41	
Total Operating Expenses	\$ 28,702		\$ 1,590		\$ 30,292	\$ 112	\$ 30,404	
OPERATING INCOME/(LOSS)	\$ 307		\$ (2,459)		\$ (2,152)	(c) \$ 6,858	\$ 4,706	
Other Income/(Expense):								
419 Interest Income	\$ -				\$ -		\$ -	
421 Non-Utility Income	-				-		-	
426 Miscellaneous Non-Utility Expenses	-				-		-	
427 Interest Expense	-	K			-		-	
Total Other Income/(Expense)	\$ -		\$ -		\$ -	\$ -	\$ -	
NET INCOME/(LOSS)	\$ 307		\$ (2,459)		\$ (2,152)	\$ 6,858	\$ 4,706	

Note: For combination utilities, above information should be presented in total and by department.
Actual Test Year amounts are transferred from Schedule C-1a.

Supporting Schedules:
(a) E-2
(b) C-2

Recap Schedules:
(c) A-1

Rejoinder Schedule C-2
Title: Income Statement Proforma
Adjustments

All Utilities	X
Class A	
Class B	
Class C	
Class D	
Spec Reqmt	

Indiada Water Company, Inc.
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Explanation:
Schedule itemizing pro forma adjustments to the test year income statement.

Description	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Total (a)
Revenues:															
Metered Water Revenue												\$ 6,970			\$ 6,970
Surcharge Revenue	\$ (869)														(869)
Expenses:															
Purchased Water		\$ (1,700)													(1,700)
Office Supplies and Expense			\$ 48												48
Outside Services				\$ 4,164											4,164
Transportation Expense					\$ (131)										(131)
Insurance - General Liability						\$ (49)									(49)
Rate Case Expense							\$ 374								374
Depreciation & Amortization								\$ (2,060)							(2,060)
Taxes Other Than Income									\$ 958						958
Property Taxes										\$ (55)			\$ 112		57
Customer Security Deposit Interest														\$ 41	41

Adjustment Descriptions:

- A - Remove surcharge revenue from the test year as it is temporary, and will not be included in proposed rates.
- B - Remove intercompany purchased water from Antelope Run.
- C - Adjust office supplies and expense per calculation on Schedule C-2a.
- D - Adjust outside services expense per calculation on Schedule C-2b.
- E - Adjust transportation expense per calculation on Schedule C-2c.
- F - Remove workers compensation insurance expense that will non-recur as a result of management contract.
- G - Increase rate case expense to recover \$1,439 incurred for the emergency rate case, and estimated costs of \$4,000 for this rate case, amortized over 3 years, (\$5,439/3).
- H - Decrease depreciation expense based upon proposed depreciation rates per schedule C-2d.
- I - Remove negative payroll tax expense that will not recur due to management contract.
- J - Adjust test year property tax expense per calculation on Schedule C-2e.
- K - Removed.
- L - Increase proposed revenue per calculation on Schedule A-1.
- M - Increase property taxes at proposed rates per calculation on Schedule C-2e.
- N - Adopt Staff Adjustment #7 for security deposit interest as reflected on Schedule JMM-17.

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

Supporting Schedules:

C-2a through C-2e

Recap Schedules:

(a) C-1

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

DETAIL OF PROPOSED OFFICE SUPPLIES AND EXPENSE ADJUSTMENT

<u>Description</u>	<u>Amount</u>
November 2008 billing forms	\$ (2)
December 2008 billing forms	(2)
November 2009 billing forms	2
December 2009 billing forms	2
November 2008 postage	(15)
December 2008 postage	(15)
November 2009 postage	59
December 2009 postage	19
Total Adjustment C	\$ 48

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Rejoinder Schedule C-2b
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED OUTSIDE SERVICES EXPENSE ADJUSTMENT

Description	Amount
December 2008 accounting	(130)
November 2009 accounting	130
December 2009 accounting	130
Remove test year management fees expense per general ledger	(5,602)
Proforma management fees expense	\$ 9,636
Total Adjustment D	\$ <u>4,164</u>

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Rejoinder Schedule C-2c
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED TRANSPORTATION EXPENSE ADJUSTMENT

<u>Description</u>	<u>Amount</u>
November 2008 mileage	\$ (82)
December 2008 mileage	(230)
November 2009 mileage	178
December 2009 mileage	203
Non-recurring vehicle lease expenses	(200)
Total Adjustment E	\$ <u>(131)</u>

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Rejoinder Schedule C-2d
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED DEPRECIATION EXPENSE CALCULATION

Account Number	Description	Plant @ End of Test Year 31-Dec-09	Proposed Depreciation Rate	Ref	Proposed Depreciation Expense
302	Franchises	\$ -	0.00%		\$ -
303	Land & Land Rights	750	0.00%		-
304	Structures & Improvements	-	3.33%		-
307	Wells & Springs	7,786	3.33%	1	-
311	Pumping Equipment	16,453	12.50%		2,057
320	Water Treatment Equipment				-
320.1	Water Treatment Plants	1,076	3.33%		36
320.2	Solution Chemical Feeders	-	20.00%		-
330	Distribution Reservoirs & Standpipes	1,503	2.22%		33
330.1	Storage Tanks	10,865	2.22%		241
330.2	Pressure Tanks	5,054	5.00%		253
331	Transmission & Distribution Mains	26,736	2.00%	2	159
333	Services	474	3.33%	3	-
334	Meters & Meter Installations	3,440	8.33%	4	237
335	Hydrants	-	2.00%		-
339	Other Plant and Misc Equipment	-	6.67%		-
340	Office Furniture & Equipment	-	6.67%		-
340.1	Computers and Software	-	20.00%		-
341	Transportation Equipment	-	20.00%		-
343	Tools, Shop, and Garage Equipment	-	5.00%		-
345	Power Operated Equipment	-	5.00%		-
348	Other Tangible Plant	-	0.00%		-
Proposed Totals		\$ 74,137			\$ 3,016
Test Year Depreciation Expense					5,076
Total Adjustment H					\$ (2,060)

- 1 Amount in Account 307 - Wells & Springs, is fully depreciated.
- 2 \$18,780 of total in Account 331 - Transmission & Distribution Mains, is fully depreciated.
- 3 Amount in Account 333 - Services, is fully depreciated.
- 4 \$593 of total in Account 334 - Meters & Meter Installations, is fully depreciated.

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Rejoinder Schedule C-2e
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED PROPERTY TAX EXPENSE CALCULATION

	Test Year as Adjusted	Company at Proposed Rates
Adjusted 2009 Test Year Revenue	\$ 28,140	\$ 28,140
Weight Factor	2	2
Subtotal	\$ 56,280	\$ 56,280
Company Recommended Revenue	28,140	35,110
Subtotal	\$ 84,420	\$ 91,390
Number of Years	3	3
Three Year Revenue Average	\$ 28,140	\$ 30,463
AZ Department of Revenue Multiplier	2	2
Revenue Base Value	\$ 56,280	\$ 60,927
Plus 10% of CWIP	-	-
Less: Net Book Value of Licensed Vehicles	-	-
Full Cash Value	\$ 56,280	\$ 60,927
Assessment Ratio	20.50%	20.50%
Assessment Value	\$ 11,537	\$ 12,490
Revised Composite Property Tax Rate *	11.7583%	11.7583%

Adjusted Test Year Property Tax Expense	\$ 1,357
Actual Test Year Property Tax Expense	1,412
Total Adjustment J	\$ (55)

Projected Property Tax Expense	\$ 1,469
Adjusted Test Year Property Tax Expense	1,357
Total Adjustment M	\$ 112

* Property tax composite rate calculated as follows:

Assessed Value per 2009 Property Tax Notice	\$ 12,100
Property Tax due per 2009 Notice	1,423
Revised Composite Property Tax Rate	<u>11.7583%</u>

For Gross Revenue Conversion Factor:

Change in Property Tax Expense	\$ 112
Change in Revenue Requirement	6,970
Change in Property Tax per Dollar Increase in Revenue	<u>1.6070%</u>

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Rejoinder Schedule C-3
Title: Computation of Gross Revenue
Conversion Factor

Explanation:
 Schedule showing incremental taxes on gross revenues and
 the development of a gross revenue conversion factor.

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

Description	Calculation
Revenue	1.0000
Combined Federal And State Tax Rate	-
Property Tax Rate	0.0161
Subtotal	0.9839
Gross Revenue Conversion Factor = 1/Operating Income %	1.0163

CALCULATION OF COMBINED FEDERAL AND STATE TAX RATE:

Operating Income Before Taxes (Arizona Taxable Income)	100.0000%
Arizona State Income Tax Rate	0.0000%
Federal Taxable Income	100.0000%
Federal Income Tax Rate	0.0000%
Effective Federal Income Tax Rate	0.0000%
Combined Federal And State Income Tax Rates	0.0000%

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Rejoinder Schedule D-1
Title: Summary Cost of Capital

Explanation:
 Schedule showing elements of capital structure
 and the related cost.

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

Invested Capital	End of Test Year				End of Projected Year			
	Amount	%	Cost Rate (e)	Composite Cost %	Amount	%	Cost Rate (e)	Composite Cost %
Long-Term Debt (a)	\$ -							
Short-Term Debt (a)	-							
Common Equity (c)	27,584	100.00%	-7.54%	-7.54%	27,584	100.00%	16.49%	16.49%
Totals	\$ 27,584	100.00%		-7.54%	\$ 27,584	100.00%		16.49%

Supporting Schedules:

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

Recap Schedules:

- (e) A-3

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Rejoinder Schedule E-1
Title: Comparative Balance
Sheet

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

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

	Test Year At 31-Dec-09	Prior Year 31-Dec-08	Prior Year 31-Dec-07
ASSETS			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 74,137	\$ 92,607	\$ 67,086
103 Property Held for Future Use	-	-	-
105 Construction Work in Process	-	-	-
108 Accumulated Depreciation	(48,679)	(50,075)	(47,502)
Total Property Plant & Equipment	\$ 25,458	\$ 42,532	\$ 19,584
Current Assts:			
131 Cash	\$ 701	\$ 4,718	\$ 3,017
135 Temporary Cash Investments	-	-	-
141 Customer Accounts Receivable	106	-	-
146 Notes/Receivables from Associated Companies	2,000	2,000	1,000
151 Plant Material and Supplies	-	-	-
162 Prepayments	-	-	-
174 Miscellaneous Current and Accrued Assets	3,010	3,000	3,000
Total Current Assets	\$ 5,817	\$ 9,718	\$ 7,017
TOTAL ASSETS	\$ 31,275	\$ 52,250	\$ 26,601
LIABILITIES and CAPITAL			
Capitalization: (b)			
201.1 Common Stock Issued	\$ 41,300	\$ 41,300	\$ 41,300
201.2 Treasury Stock	(11,300)	(11,300)	(11,300)
211 Paid in Capital in Excess of Par Value	(12,320)	(22,643)	(22,643)
215 Retained Earnings	9,904	25,277	3,462
218 Proprietary Capital	-	-	-
Total Capital	\$ 27,584	\$ 32,634	\$ 10,819
Current Liabilities:			
231 Accounts Payable	\$ 3,533	\$ 7,898	\$ 292
232 Notes Payable (Current Portion)	-	-	-
234 Notes/Accounts Payable to Associated Companies	-	-	-
235 Customer Deposits	680	630	500
236 Accrued Taxes	(522)	565	667
241 Miscellaneous Current and Accrued Liabilities	-	-	-
Total Current Liabilities	\$ 3,691	\$ 9,093	\$ 1,459
224 Long-Term Debt (Over 12 Months)	\$ -	\$ 10,523	\$ 14,323
Deferred Credits:			
252 Advances In Aid Of Construction	\$ -	\$ -	\$ -
271 Contributions In Aid Of Construction	-	-	-
272 Less: Amortization of Contributions	-	-	-
281 Accumulated Deferred Income Tax	-	-	-
Total Deferred Credits	\$ -	\$ -	\$ -
Total Liabilities	\$ 3,691	\$ 19,616	\$ 15,782
TOTAL LIABILITIES and CAPITAL	\$ 31,275	\$ 52,250	\$ 26,601

Supporting Schedules:
(a) E-5

Recap Schedules:
(b) A-3

Indiada Water Company, Inc.
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Test Year Ended December 31, 2009

Rejoinder Schedule E-2
Title: Comparative Income
Statements

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

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

	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Revenues: (a)			
461 Metered Water Revenue	\$ 28,013	\$ 24,885	\$ 27,380
461.1 Surcharge Revenue	869	-	-
474 Other Water Revenue	127	200	60
Total Revenues	\$ 29,009	\$ 25,085	\$ 27,440
Operating Expenses (a)			
601 Salaries & Wages	\$ -	\$ 6,750	\$ 9,000
610 Purchased Water	1,700	2,150	4,009
615 Purchased Power	1,818	1,631	986
618 Chemicals	166	-	-
620 Repairs and Maintenance	910	3,983	3,714
621 Office Supplies and Expense	1,336	4,244	746
630 Outside Services	9,937	2,672	1,756
635 Water Testing	2,129	1,163	600
641 Rents	-	900	1,200
650 Transportation Expense	3,688	982	-
657 Insurance - General liability	49	-	-
659 Insurance - Health and Life	-	-	-
666 Regulatory Commission Expense - Rate Case	1,439	-	-
675 Miscellaneous Expense	-	-	361
403 Depreciation Expense	5,076	4,892	3,556
408 Taxes Other Than Income	(958)	1,026	1,905
408.11 Property Taxes	1,412	691	1,764
409 Income Tax	-	-	-
Total Operating Expenses	\$ 28,702	\$ 31,084	\$ 29,597
OPERATING INCOME/(LOSS)	\$ 307	\$ (5,999)	\$ (2,157)
Other Income/(Expense)			
419 Interest and Dividend Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	4,515	4,000
426 Miscellaneous Non-Utility Expense	-	-	(250)
427 Interest Expense	-	(700)	(1,045)
Total Other Income/(Expense)	\$ -	\$ 3,815	\$ 2,705
NET INCOME/(LOSS)	\$ 307	\$ (2,184)	\$ 548

Supporting Schedules:
(a) E-6

Recap Schedules:
A-2

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Rejoinder Schedule E-5
Title: Detail of Utility Plant

Explanation:
Schedule showing utility plant balance, by detailed account number, at the end of the test year and the end of the prior fiscal year.

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

Account Number	Description	End of Prior Year at 31-Dec-08	Net Additions	End of Test Year at 31-Dec-09
302	Franchises	\$ -		\$ -
303	Land & Land Rights	750		750
304	Structures & Improvements	-		-
307	Wells & Springs	7,786		7,786
311	Pumping Equipment	14,289	2,164	16,453
320	Water Treatment Equipment	-		-
320.1	Water Treatment Plants	1,076		1,076
320.2	Solution Chemical Feeders	-		-
330	Distribution Reservoirs & Standpipes	1,503		1,503
330.1	Storage Tanks	10,865		10,865
330.2	Pressure Tanks	5,054		5,054
331	Transmission & Distribution Mains	25,536	1,200	26,736
333	Services	474		474
334	Meters & Meter Installations	3,440		3,440
335	Hydrants	-		-
339	Other Plant and Misc Equipment	-		-
340	Office Furniture & Equipment	3,789	(3,789)	-
340.1	Computers and Software	-		-
341	Transportation Equipment	18,045	(18,045)	-
343	Tools, Shop, and Garage Equipment	-		-
345	Power Operated Equipment	-		-
348	Other Tangible Plant	-		-
	Total Plant In Service	\$ 92,607	\$ (18,470)	\$ 74,137
108	Accumulated Depreciation	(50,075)	1,396	(48,679)
	Net Plant In Service	\$ 42,532	\$ (17,074)	\$ 25,458
103	Property Held for Future Use	\$ -		\$ -
105	Construction Work in Process	-		-
	Total Net Plant	\$ 42,532	\$ (17,074)	\$ 25,458

Supporting Schedules:

Recap Schedules:
E-1 A-4

Indiada Water Company, Inc.
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 Test Year Ended December 31, 2009

Rejoinder Schedule E-7
Title: Operating Statistics

Explanation:
 Schedule showing key operating statistics in comparative format,
 for the test year and the 2 fiscal years ended prior to the test year.

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

Water Statistics:	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Gallons Sold - By Class of Service:			
Residential	5,850,000	5,267,000	2,586,600
Commercial	-	-	-
Average Number of Customers - By Class of Service:			
Residential	55	56	54
Commercial	-	-	-
Average Annual Gallons Per Residential Customer	106,364	94,054	47,900
Average Annual Revenue Per Residential Customer	\$ 261.46	\$ 245.09	\$ 183.71
Pumping Cost Per 1,000 Gallons	\$ 0.3108	\$ 0.3097	\$ 0.3812

Indiada Water Company, Inc.
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Rejoinder Schedule E-8
Title: Taxes Charged to
Operations

Explanation:
 Schedule showing all significant taxes charged to operations for
 the test year and the 2 fiscal years ended prior to the test year.

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

Description	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Federal Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	(958)	570	761
Total Federal Taxes	\$ (958)	\$ 570	\$ 761
State Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	-	456	1,145
Total State Taxes	\$ -	\$ 456	\$ 1,145
Local Taxes:			
Property	\$ 1,412	\$ 691	\$ 1,764
Total Taxes	\$ 454	\$ 1,717	\$ 3,669

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

Supporting Schedules:

Recap Schedules:

Indiada Water Company, Inc.
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Rejoinder Schedule E-9
Title: Notes to Financial
Statements

Explanation:
Disclosure of important facts pertaining to the understanding
of the financial statements.

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

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

1 Accounting Method.

The books of the combined entity are kept as accrual based, and also follow NARUC rules, including the USoA.

2 Depreciation lives and methods employed by major classification of utility property.

For years up to and including the test year 2009, the depreciation rate as authorized in Decision 54500 was 5% for all plant asset categories. Proposed depreciation rates are depicted on Schedule C-2d, and were taken from ACC Engineering Staff Memo regarding their recommended rates for depreciation dated April 21, 2000, and revised March 1, 2001.

3 Income tax treatment - normalization or flow through.

Income taxes are not a factor in the unconsolidated company since the entity is an S-Corp, and this Commission does not allow recovery of income taxes in customer rates for flow-through entities.

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

Not Applicable.

Supporting Schedules:

Recap Schedules:

Indiada Water Company, Inc.
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Rejoinder Schedule F-1
Title: Projected Income Statements -
Present and Proposed Rates

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

Required for: All Utilities

Class A

Class B

Class C

Class D

Spec Reqmt

X

	Actual Test Year Ended (a) 31-Dec-09	Projected Year	
		At Present	At Proposed
		Rates Year Ended (b) 31-Dec-10	Rates Year Ended (b) 31-Dec-10
Operating Revenues:			
461 Metered Water Revenue	\$ 28,013	\$ 28,013	\$ 34,983
461.1 Surcharge Revenue	869	-	-
474 Other Water Revenue	127	127	127
Total Operating Revenue	\$ 29,009	\$ 28,140	\$ 35,110
Operating Expenses:			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	1,700	-	-
615 Purchased Power	1,818	1,818	1,818
618 Chemicals	166	166	166
620 Repairs & Maintenance	910	910	910
621 Office Supplies and Expense	1,336	1,384	1,384
630 Outside Services	9,937	14,101	14,101
635 Water Testing	2,129	2,129	2,129
641 Rental Expense	-	-	-
650 Transportation Expense	3,688	3,557	3,557
657 Insurance - General Liability	49	-	-
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	1,439	1,813	1,813
675 Miscellaneous Expense	-	-	-
403 Depreciation & Amortization	5,076	3,016	3,016
408 Property Taxes	1,412	1,357	1,469
408.1 Taxes Other Than Income	(958)	-	-
409 Income Taxes	-	-	-
427.4 Customer Security Deposit Interest	-	41	41
Total Operating Expenses	\$ 28,702	\$ 30,292	\$ 30,404
OPERATING INCOME/(LOSS)	\$ 307	\$ (2,152)	\$ 4,706
Other Income/(Expense):			
419 Interest Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	-	-
426 Miscellaneous Non-Utility Expenses	-	-	-
427 Interest Expense	-	-	-
Total Other Income/(Expense)	\$ -	\$ -	\$ -
NET INCOME/(LOSS)	\$ 307	\$ (2,152)	\$ 4,706
Earnings per share of average Common Stock Outstanding	\$ 0.74	\$ (5.21)	\$ 11.40
% Return on Common Equity	0.003%	-0.019%	0.041%

Supporting Schedules:
(a) E-2

Recap Schedules:
(b) A-2

Indiada Water Company, Inc.
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rejoinder Schedule F-3
Title: Projected Construction
Requirements

Explanation:
 Schedule showing projected annual construction requirements,
 by property classification, for 1 to 3 years subsequent to the
 test year compared with the test year.

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

Property Classification	Actual Test Year Ended 12/31/2009	End of Projected Year 1
Production Plant	\$ 2,164	\$ -
Transmission Plant	1,200	239,651
Other Plant	-	-
Total Plant	\$ 3,364	\$ 239,651

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

Supporting Schedules:

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

Indiada Water Company, Inc.
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Test Year Ended December 31, 2009

Rejoinder Schedule F-4
Title: Assumptions Used in
Developing Projection

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

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

Important assumptions used in preparing projections should be explained.

Areas covered should include:

1 Customer growth:

The company has experienced no growth in the past few years.

2 Growth in consumption and customer demand:

The company does not anticipate an increase in customer consumption and demand due to the proposed tiered rate structure.

3 Changes in expenses:

The company believes the test year 2009, with the limited proforma adjustments included in this application, accurately depict expense levels for the unconsolidated entity going forward.

4 Construction requirements including production reserves and changes in plant capacity:

The Company is seeking a loan from WIFA for the three commonly owned entities totaling \$3 million to replace lines, add storage, and upgrade pumps and electrical at well and booster sites.

5 Capital structure changes:

If the proposed consolidation of Indiada Water with the two related entities is approved, the new utility's structure would be a C-Corp.

6 Financing costs, interest rates

The company proposes to borrow funds from WIFA, and it will be required to pay WIFA's normal fees, reserves, and the prevailing interest rate at the time the loan is closed. Indiada's share of the interest is included on the unconsolidated income statement for comparative purposes.

Supporting Schedules:

Recap Schedules:

Indiada Water Company
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-1
Title: Summary of Revenues by Customer
Classification - Present and Proposed Rates

Explanation:
 Schedule comparing revenues by customer classification for
 the Test Year, at present and proposed rates.

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

Customer Classification	Revenues in the Test Year (a)		Proposed Increase (b)	
	Present Rates	Proposed Rates	Amount	%
All customers are residential				
5/8 x 3/4 inch	\$ 27,842	\$ 34,586	6,744	24.22%
1 inch	171	397	226	132.06%
Total Water Revenues	\$ 28,013	\$ 34,983	\$ 6,970	24.88%
Other Revenues	127	127	-	0.00%
Total Revenues	\$ 28,140	\$ 35,110	\$ 6,970	24.77%

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

Supporting Schedules:
 (a) H-2

Recap Schedules:
 (b) A-1

Indiada Water Company
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rejoinder Schedule: H-3
Title: Changes in Representative Rate
Schedules - Page 1 of 2

Explanation:
Schedule comparing present rate schedules with proposed
rate schedule.

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

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

Description	Present Rate	Proposed Rate	% change
MONTHLY USAGE CHARGE	(includes first 1000 gallons)	(includes first 0 gallons)	
5/8" x 3/4" Meter	\$ 15.00	\$ 22.45	49.67%
3/4" Meter	\$ 15.00	\$ 33.68	124.50%
1" Meter	\$ 15.00	\$ 56.13	274.17%
1-1/2" Meter	\$ 15.00	\$ 112.25	648.33%
2" Meter	\$ 15.00	\$ 179.60	1097.33%
3" Meter	\$ 15.00	\$ 359.20	2294.67%
4" Meter	\$ 15.00	\$ 561.25	3641.67%
6" Meter	\$ 15.00	\$ 1,122.50	7383.33%
Gallons Included in Usage Charge	1,000	-	-100.00%

EMERGENCY INTERIM SURCHARGE EFFECTIVE: OCTOBER 30, 2009
DECISION NO. 71321
DOCKET NO. W-2031A-09-0285
\$7.83 PER CUSTOMER PER MONTH

COMMODITY CHARGE (EXCESS OF MINIMUM)

3.50 Per 1,000 Gallons

Commodity Charges Per 1,000 Gallons:

5/8 x 3/4 - inch meter	Present Rate	Proposed Rate	% change
Tier one: 0 - 1,000 Gallons	\$ -	\$1.65	NA
Tier one: 1,001 - 3,000 Gallons	\$ 3.50	\$1.65	-52.86%
Tier two: 3,001 to 10,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier three: All Gallons Over 10,000	\$ 3.50	\$5.35	52.91%
3/4 - inch meter			
Tier one: 0 - 1,000 Gallons	\$ -	\$1.65	NA
Tier one: 1001 - 3,000 Gallons	\$ 3.50	\$1.65	-52.86%
Tier two: 3,001 to 10,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier three: All Gallons Over 10,000	\$ 3.50	\$5.35	52.91%
One - inch meter			
Tier one: 0 - 1,000 Gallons	\$ -	\$2.97	NA
Tier one: 1001 - 15,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier two: All Gallons Over 15,000	\$ 3.50	\$5.35	52.91%
One and one half - inch meter			
Tier one: 0 - 1,000 Gallons	\$ -	\$2.97	NA
Tier one: 1001 - 35,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier two: All Gallons Over 35,000	\$ 3.50	\$5.35	52.91%
Two - inch meter			
Tier one: 0 - 1,000 Gallons	\$ -	\$2.97	NA
Tier one: 1001 - 60,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier two: All Gallons Over 60,000	\$ 3.50	\$5.35	52.91%
Three - inch meter			
Tier one: 0 - 1,000 Gallons	\$ -	\$2.97	NA
Tier one: 1001 - 130,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier two: All Gallons Over 130,000	\$ 3.50	\$5.35	52.91%

Four - inch meter	Present Rate	Proposed Rate	% change
Tier one: 0 - 1,000 Gallons	\$ -	\$2.97	NA
Tier one: 1001 - 200,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier two: All Gallons Over 200,000	\$ 3.50	\$5.35	52.91%
Six - inch meter			
Tier one: 0 - 1,000 Gallons	\$ -	\$2.97	NA
Tier one: 1001 - 400,000 Gallons	\$ 3.50	\$2.97	-15.14%
Tier two: All Gallons Over 400,000	\$ 3.50	\$5.35	52.91%

Description	Present Rate	Proposed Rate	% change
SERVICE CHARGES			
Establishment	\$ 20.00	\$ 35.00	75.00%
Establishment (After Hours)	50.00	NA	NA
Reconnection (Delinquent)	10.00	\$ 35.00	250.00%
Reconnection (After Hours)	40.00	NA	NA
Meter Test (If Correct)	20.00	Cost	
Meter Reread (If Correct)	10.00	\$ 5.00	-50.00%
NSF Check Charge	10.00	\$ 35.00	250.00%
Deposit	NA	*	
Deposit Interest (Per Annum)	NA	*	
Deferred Payment (Per Month)	NA	**	
Late Charge (Per Month)	NA	**	
Re-establishment (Within 12 Months)	\$ 50.00	***	
After Hours Service Charge	NA	\$ 35.00	

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

SERVICE LINE AND METER INSTALLATION CHARGES
Refundable Pursuant to AAC R14-2-405

Description	Present Rate	Proposed Rates			% change
		Service Line	Meter Charge	Total Charge	
5/8" x 3/4" Meter	\$ 100.00	\$ 430.00	\$ 130.00	\$ 560.00	460%
3/4" Meter	120.00	430.00	230.00	660.00	450%
1" Meter	200.00	480.00	290.00	770.00	285%
1-1/2" Meter	300.00	535.00	500.00	1,035.00	245%
2" Meter - Turbine	500.00	815.00	1,020.00	1,835.00	267%
2" Meter - Compound		815.00	1,865.00	2,680.00	
3" Meter - Turbine		1,030.00	1,645.00	2,675.00	
3" Meter - Compound		1,150.00	2,545.00	3,695.00	
4" Meter - Turbine		1,460.00	2,620.00	4,080.00	
4" Meter - Compound		1,640.00	3,595.00	5,235.00	
6" Meter - Turbine		2,180.00	4,975.00	7,155.00	
6" Meter - Compound		2,300.00	6,870.00	9,170.00	

* Per Commission Rule AAC R-14-2-403(B).

** 1.50% of unpaid monthly balance.

*** Month off system times the monthly minimum per Commission rule AAC R14-2-403(D).

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

Supporting Schedules:

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

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

5/8" x 3/4" meter
 (Note: Rates apply to both residential and commercial usage)

Monthly Consumption	Present Bill W/O Surcharge	Present Bill With Surcharge	Proposed Bill W/O Surcharge	Percent Increase W/O Surcharge	Percent Increase With Surcharge
-	\$ 15.00	\$ 22.83	\$ 22.45	49.67%	-1.66%
1,000	15.00	22.83	24.10	60.67%	5.56%
2,000	18.50	26.33	25.75	39.19%	-2.20%
3,000	22.00	29.83	27.40	24.55%	-8.15%
4,000	25.50	33.33	30.37	19.10%	-8.88%
5,000	29.00	36.83	33.34	14.97%	-9.48%
6,000	32.50	40.33	36.31	11.72%	-9.97%
7,000	36.00	43.83	39.28	9.11%	-10.38%
8,000	39.50	47.33	42.25	6.96%	-10.73%
9,155	43.54	51.37	45.68	4.91%	-11.08%
10,000	46.50	54.33	48.19	3.63%	-11.30%
15,000	64.00	71.83	74.95	17.11%	4.34%
20,000	81.50	89.33	101.71	24.80%	13.86%
25,000	99.00	106.83	128.47	29.77%	20.26%
50,000	186.50	194.33	262.27	40.63%	34.96%
75,000	274.00	281.83	396.07	44.55%	40.54%
100,000	361.50	369.33	529.87	46.58%	43.47%
125,000	449.00	456.83	663.67	47.81%	45.28%
150,000	536.50	544.33	797.47	48.64%	46.50%
175,000	624.00	631.83	931.27	49.24%	47.39%
200,000	711.50	719.33	1,065.07	49.69%	48.06%

Supporting Schedules:

Indiada Water Company
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-4
Title: Typical Bill
Analysis
Page 2 of 2

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

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

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

Monthly Consumption	Present Bill		Present Bill		Proposed Bill		Percent Increase		Percent Increase	
	W/O Surcharge	With Surcharge	W/O Surcharge	With Surcharge	W/O Surcharge	With Surcharge	W/O Surcharge	With Surcharge	W/O Surcharge	With Surcharge
-	\$ 15.00	\$ 22.83	\$ 56.13		274.17%		146%			
1,000	15.00	22.83	59.10		293.97%		159%			
2,000	18.50	26.33	62.07		235.49%		136%			
3,000	22.00	29.83	65.04		195.61%		118%			
4,000	25.50	33.33	68.01		166.69%		104%			
5,000	29.00	36.83	70.98		144.74%		93%			
6,000	32.50	40.33	73.95		127.52%		83%			
7,000	36.00	43.83	79.30		120.27%		81%			
8,000	39.50	47.33	84.65		114.30%		79%			
9,000	43.00	50.83	90.00		109.30%		77%			
10,000	46.50	54.33	95.35		105.06%		76%			
15,000	64.00	71.83	122.11		90.80%		70%			
20,000	81.50	89.33	148.87		82.67%		67%			
25,000	99.00	106.83	175.63		77.41%		64%			
40,000	151.50	159.33	255.91		68.92%		61%			
50,000	186.50	194.33	309.43		65.92%		59%			
75,000	274.00	281.83	443.23		61.76%		57%			
100,000	361.50	369.33	577.03		59.62%		56%			
125,000	449.00	456.83	710.83		58.31%		56%			
150,000	536.50	544.33	844.63		57.43%		55%			
175,000	624.00	631.83	978.43		56.80%		55%			
200,000	711.50	719.33	1,112.23		56.32%		55%			

Supporting Schedules:

Indiada Water Company
Docket No. W-02031A-10-0168
Test Year Ended December 31, 2009

Rejoinder Schedule: H-5
Title: Bill Count
Page 1 of 3

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

5/8 x 3/4 inch meter - Residential

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

X

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	26	-	26	3.93%	-	0.00%
1 to 1,000	26	13,000	52	7.87%	13,000	0.23%
1,001 to 2,000	71	106,500	123	18.61%	119,500	2.07%
2,001 to 3,000	67	167,500	190	28.74%	287,000	4.97%
3,001 to 4,000	79	276,500	269	40.70%	563,500	9.76%
4,001 to 5,000	47	211,500	316	47.81%	775,000	13.43%
5,001 to 6,000	52	286,000	368	55.67%	1,061,000	18.39%
6,001 to 7,000	33	214,500	401	60.67%	1,275,500	22.10%
7,001 to 8,000	35	262,500	436	65.96%	1,538,000	26.65%
8,001 to 9,000	26	221,000	462	69.89%	1,759,000	30.48%
9,001 to 10,000	30	285,000	492	74.43%	2,044,000	35.42%
10,001 to 12,000	35	385,000	527	79.73%	2,429,000	42.09%
12,001 to 14,000	18	234,000	545	82.45%	2,663,000	46.14%
14,001 to 16,000	18	270,000	563	85.17%	2,933,000	50.82%
16,001 to 18,000	16	272,000	579	87.59%	3,205,000	55.54%
18,001 to 20,000	9	171,000	588	88.96%	3,376,000	58.50%
20,001 to 25,000	27	607,500	615	93.04%	3,983,500	69.03%
25,001 to 30,000	16	440,000	631	95.46%	4,423,500	76.65%
30,001 to 35,000	10	325,000	641	96.97%	4,748,500	82.28%
35,001 to 40,000	9	337,500	650	98.34%	5,086,000	88.13%
40,001 to 50,000	3	135,000	653	98.79%	5,221,000	90.47%
50,001 to 60,000	1	55,000	654	98.94%	5,276,000	91.42%
60,001 to 70,000	3	195,000	657	99.39%	5,471,000	94.80%
70,001 to 80,000	4	300,000	661	100.00%	5,771,000	100.00%
80,001 to 90,000	-	-	661	100.00%	5,771,000	100.00%
90,001 to 100,000	-	-	661	100.00%	5,771,000	100.00%
>100,000	-	-	661	100.00%	5,771,000	100.00%
	661	5,771,000				

Average Number of Customers 55
Average Consumption 8,731
Median Consumption 5,260

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

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

X

1 inch meter - Residential

Note: There are no commercial customers on 1 inch meters.

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	-	-	-	0.00%	-	0.00%
1,001 to 2,000	1	1,500	1	20.00%	1,500	4.62%
2,001 to 3,000	2	5,000	3	60.00%	6,500	20.00%
3,001 to 4,000	1	3,500	4	80.00%	10,000	30.77%
4,001 to 5,000	-	-	4	80.00%	10,000	30.77%
5,001 to 6,000	-	-	4	80.00%	10,000	30.77%
6,001 to 7,000	-	-	4	80.00%	10,000	30.77%
7,001 to 8,000	-	-	4	80.00%	10,000	30.77%
8,001 to 9,000	-	-	4	80.00%	10,000	30.77%
9,001 to 10,000	-	-	4	80.00%	10,000	30.77%
10,001 to 12,000	-	-	4	80.00%	10,000	30.77%
12,001 to 14,000	-	-	4	80.00%	10,000	30.77%
14,001 to 16,000	-	-	4	80.00%	10,000	30.77%
16,001 to 18,000	-	-	4	80.00%	10,000	30.77%
18,001 to 20,000	-	-	4	80.00%	10,000	30.77%
20,001 to 25,000	1	22,500	5	100.00%	32,500	100.00%
25,001 to 30,000	-	-	5	100.00%	32,500	100.00%
30,001 to 35,000	-	-	5	100.00%	32,500	100.00%
35,001 to 40,000	-	-	5	100.00%	32,500	100.00%
40,001 to 50,000	-	-	5	100.00%	32,500	100.00%
50,001 to 60,000	-	-	5	100.00%	32,500	100.00%
60,001 to 70,000	-	-	5	100.00%	32,500	100.00%
70,001 to 80,000	-	-	5	100.00%	32,500	100.00%
80,001 to 90,000	-	-	5	100.00%	32,500	100.00%
90,001 to 100,000	-	-	5	100.00%	32,500	100.00%
>100,000	-	-	5	100.00%	32,500	100.00%
	5	32,500				

Average Number of Customers 0.42
Average Consumption 6,500
Median Consumption 2,635

Indiada Water Company
 Docket No. W-02031A-10-0168
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-5
Title: Bill Count
Page 3 of 3

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

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

Amount of Surcharge \$ 7.83 per customer per month
 Surcharge Approved in Decision 71321, October 30, 2009

	<u># of Bills Nov and Dec 2009</u>	<u>Surcharge</u>	<u>Surcahrge Revenue</u>
Residential	111	\$ 7.83	\$ 869.13
Commercial	-	\$ 7.83	\$ -
Indiada Total Surcharge Revenue		\$	869.13

ATTACHMENT 4

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171

Test Year Ended December 31, 2009

**Rejoinder Schedule A-1
Title: Computation of Increase in Gross
Revenue Requirements**

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

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

	<u>Original Cost</u>		<u>RCND</u>
<u>Rate of Return on Rate Base Method:</u>			
1. Adjusted Rate Base	\$ 271,564 (a)		(a)
2. Adjusted Operating Income	\$ (61,466) (b)		(b)
3. Current Rate of Return	-22.63%		
4. Required Rate of Return	20.00%		
5. Required Operating Income	\$ 54,313		
6. Operating Income Deficiency (5 - 2)	\$ 115,779		
7. Gross Revenue Conversion Factor	1.3288 (c)		(c)
8. Increase in Gross Revenue Requirements (6 x 7)	<u>\$ 153,851</u>		
 <u>Operating Margin Method:</u>			
9. Proposed Revenue	\$ 437,934		
10. Required Operating Margin	12.40%		
11. Required Operating Income (9 x 10)	\$ 54,313		
12. Operating Income Deficiency (11 - 2)	\$ 115,779		
13. Gross Revenue Conversion Factor	1.3288 (c)		(c)
14. Increase in Gross Revenue Requirements (12 x 13)	<u>\$ 153,851</u>		

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase
Residential	\$ 264,090	\$ 398,903	\$ 134,813	51.05% (d)
Commercial	16,269	35,307	19,038	117.02%
Industrial	-	-	-	0.00%
Other	3,724	3,724	-	0.00%
Totals	<u>\$ 284,083</u>	<u>\$ 437,934</u>	<u>\$ 153,851</u>	<u>54.16%</u>

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

Supporting Schedules:

- (a) B-1 (c) C-3
- (b) C-1 (d) H-1

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171

Test Year Ended December 31, 2009

Rejoinder Schedule A-2

Title: Summary Results of Operations

Explanation:

Schedule showing comparative operating results for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

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

Description	<u>Prior Years</u>		<u>Test Year</u>		<u>Projected Year</u>	
	Year End	Year End	Actual	Adjusted	Present	Proposed
	31-Dec-07	31-Dec-08	Rates	Rates	Rates	Rates
	(a)	(a)	(a)	(b)	(c)	(c)
1. Gross Revenues	\$ 288,330	\$ 264,265	\$ 300,037	\$ 284,083	\$ 284,083	\$ 437,934
2. Revenue Deductions & Operating Expenses	(300,335)	(288,717)	(325,223)	(345,549)	(345,549)	(383,621)
3. Operating Income	\$ (12,005)	\$ (24,452)	\$ (25,186)	\$ (61,466)	\$ (61,466)	\$ 54,313
4. Other Income and Deductions	3,300	10,373	-	-	-	-
5. Interest Expense	(14,529)	(10,742)	(1,544)	(1,544)	(1,544)	(1,544)
6. Net Income	\$ (23,234)	\$ (24,821)	\$ (26,730)	\$ (63,010)	\$ (63,010)	\$ 52,769
7. Earned Per Average Common Share*	\$ (4.65)	\$ (4.96)	\$ (5.35)	\$ (12.60)		
8. Dividends Per Common Share*	-	-	-	-		
9. Payout Ratio*	0.00%	0.00%	0.00%	0.00%		
10. Return on Average Invested Capital	-16.14%	-17.97%	-19.03%	-44.87%	-44.87%	37.58%
11. Return on Year End Capital	-16.14%	-18.77%	-17.99%	-42.40%	-42.40%	35.51%
12. Return on Average Common Equity	Negative Equity					
13. Return on Year End Common Equity	Negative Equity					
14. Times Bond Interest Earned - Before Inc Tax	-88.91%	-227.63%	-1144.11%	-5200.89%	-5200.89%	4603.44%
15. Times Total Interest and Preferred Dividends Earned - After Income Taxes	-59.91%	-131.06%	-1631.22%	-3980.99%	-3980.99%	3517.70%

Supporting Schedules:

*Optional for projected year

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

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171

Test Year Ended December 31, 2009

Rejoinder Schedule A-4

**Title: Construction Expenditures and
Gross Utility Plant in Service**

Explanation:

Schedule showing construction expenditures, plant placed in service and gross utility plant in service for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

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

Year	Construction Expenditures (a)	Net Plant Placed In Service (b)	Gross Utility Plant In Service
1. Prior Year 1 - 2007	\$ 48,500	\$ 48,500	\$ 689,871
2. Prior Year 2 - 2008	22,257	22,257	712,128
3. Test Year - 2009	36,927	12,239	724,367
4. Projected Year 1	3,000,000	3,002,854	3,727,221
5. Projected *			
6. Projected *			

* Required only for Class A and B Utilities

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

Supporting Schedules:

(a) F-3

(b) E-5

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
 Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
 Test Year Ended December 31, 2009

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

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

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

	<u>Original Cost</u> Rate Base*	<u>RCND</u> Rate Base*
1. Gross Utility Plant in Service	\$ 724,367	
2. Less: Accumulated Depreciation	(457,119)	
3. Net Utility Plant in Service	\$ 267,248 (a)	(b)
Less:		
4. Advances in Aid of Construction	\$ (19,239) (c)	(c)
5. Contributions in Aid of Construction	(242,033) (c)	(c)
Add:		
6. Amortization of Contributions	\$ 222,726	
7. Allowance for Working Capital	32,862 (d)	(d)
8. Total Rate Base	<u>\$ 271,564 (e)</u>	(e)

* Including pro forma adjustments

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

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

Recap Schedules:
 (e) A-1

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171

Test Year Ended December 31, 2009

Rejoinder Schedule B-2

Title: Original Cost Rate Base

Proforma Adjustments

Explanation:

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

Required for: All Utilities

Class A

Class B

Class C

Class D

Spec Reqmt

X

	Actual at End Of Test Year (a)	Pro forma Adjustment	Ref	Adjusted at End Of Test Year (b)
1 1. Gross Utility Plant in Service	\$ 785,752	\$ (61,385)	1	\$ 724,367
2 2. Less: Accumulated Depreciation	(477,224)	20,105	2	(457,119)
3 3. Net Utility Plant in Service	\$ 308,528	\$ (41,280)		\$ 267,248
Less:				
4 4. Advances in Aid of Construction	\$ (66,818)	\$ 47,579	3	\$ (19,239)
5 5. Contributions in Aid of Construction	-	(242,033)	4	(242,033)
Add:				
6 6. Amortization of CIAC	\$ -	\$ 232,726	5	\$ 232,726
7 7. Allowance for Working Capital	34,231	(1,369)	6	32,862
8 8. Total Rate Base	\$ 275,941	\$ (4,377)		\$ 271,564

Explanations:

Ref

1	Remove office equipment and trucks from utility plant (Indiada)	\$	(21,834)
	Remove office equipment and trucks from utility plant (East Slope)		(39,221)
	Reclassify Jim's Electric invoice dated 1/6/09 to R&M (East Slope)		(130)
	Reclassify Jim's Electric invoice dated 7/31/09 to R&M (East Slope)		(75)
	Reclassify Jim's Electric invoice dated 11/18/09 to R&M (East Slope)		(125)
	Total reduction to Gross Utility Plant in Service	\$	(61,385)
2	Remove accumulated depreciation related to plant decreases in item 1.		
3	Adjust Advances in Aid of Construction (Antelope Run)	\$	41,660
	Adjust Advances in Aid of Construction (East Slope)		5,919
	Total adjustment to Advances in Aid of Construction	\$	47,579
4	Adjust Contributions in Aid of Construction (Antelope Run)	\$	(40,171)
	Adjust Contributions in Aid of Construction (East Slope)		(201,862)
	Total adjustment to Contributions in Aid of Construction	\$	(242,033)
5	Adjust Amortization of CIAC (Antelope Run)	\$	31,217
	Adjust Amortization of CIAC (East Slope)		201,509
	Total adjustment to Amortization of Advances in Aid of Construction	\$	232,726
6	Adjust working capital allowance based on changes to operating expenses.		

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

Supporting Schedules:

(a) E-1

Recap Schedules:

(b) B-1

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171

Test Year Ended December 31, 2009

Rejoinder Schedule B-5

Title: Computation of Working Capital

Explanation:
Schedule showing computation of working capital allowance.

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

	<u>Amount</u>	
1. Cash working capital		
1/24th Purchased Power	\$ 3,031	
1/24th Purchased Water	-	
1/8th Operation & Maintenance Expense	29,830	
2. Materials and Supplies Inventories	-	(a)
3. Prepayments	-	(a)
4. Total Working Capital Allowance	<u>\$ 32,862</u>	(b)

NOTES:

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

Supporting Schedules:
(a) E-1

Recap Schedules:
(b) B-1

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
Test Year Ended December 31, 2009

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

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

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

Description	Actual for Test		Proforma		Test Year		Proposed Rate Increase	Adjusted Test Year With Rate Increase
	Year Ended (a)	Ref	Adjustments (b)	Results After Pro Forma Adjustments	Ref			
Operating Revenues:								
461 Metered Water Revenue	\$ 281,796	A	\$ (1,437)	\$ 280,359	P	\$ 153,851	\$ 434,210	
461.1 Surcharge Revenue	14,517	B	(14,517)	-				
474 Other Water Revenue	3,724		-	3,724			3,724	
Total Operating Revenue	\$ 300,037		\$ (15,954)	\$ 284,083		\$ 153,851	\$ 437,934	
Operating Expenses:								
601 Salaries & Wages	\$ -		\$ -	\$ -			\$ -	
610 Purchased Water	1,700	C	(1,700)	-			-	
615 Purchased Power	72,314	D	433	72,747			72,747	
618 Chemicals	792		-	792			792	
620 Repairs & Maintenance	16,143	E	466	16,609			16,609	
621 Office Supplies and Expense	12,202	F	(179)	12,023			12,023	
630 Outside Services	127,734	G	30,304	158,038			158,038	
635 Water Testing	8,008		-	8,008			8,008	
641 Rental Expense	-		-	-			-	
650 Transportation Expense	21,419	H	386	21,805			21,805	
657 Insurance - General Liability	6,565	I	(74)	6,491			6,491	
659 Insurance - Health and Life	-		-	-			-	
666 Rate Case Expense	4,618	J	10,255	14,873			14,873	
675 Miscellaneous Expense	5		-	5			5	
403 Depreciation & Amortization	27,353	K	10,219	37,572			37,572	
408 Taxes Other Than Income	(1,127)	L	1,127	-			-	
408.11 Property Taxes	19,976	M	(6,212)	13,764	R	2,472	16,236	
409 Income Taxes	7,521	N	(26,356)	(18,835)	Q	35,600	16,764	
427.4 Customer Security Deposit Interest	-	S	1,658	1,658			1,658	
Total Operating Expenses	\$ 325,223		\$ 20,326	\$ 345,549		\$ 38,072	\$ 383,621	
OPERATING INCOME/(LOSS)	\$ (25,186)		\$ (36,280)	\$ (61,466)	(c)	\$ 115,779	\$ 54,313	
Other Income/(Expense):								
419 Interest Income	\$ -		\$ -	\$ -			\$ -	
421 Non-Utility Income	-		-	-			-	
426 Miscellaneous Non-Utility Expenses	-		-	-			-	
427 Interest Expense	(1,544)	O	-	(1,544)			(1,544)	
Total Other Income/(Expense)	\$ (1,544)		\$ -	\$ (1,544)		\$ -	\$ (1,544)	
NET INCOME/(LOSS)	\$ (26,730)		\$ (36,280)	\$ (63,010)		\$ 115,779	\$ 52,769	

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

Supporting Schedules:
(a) E-2
(b) C-2

Recap Schedules:
(c) A-1

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
 Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
 Test Year Ended December 31, 2009

Rejoinder Schedule C-2
Title: Income Statement Proforma
Adjustments
Page 1 of 2

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

Explanation:
 Schedule itemizing pro forma adjustments to the test year income statement.

Description	A	B	C	D	E	F	G	H	I	J	Total
Revenues:											
Metered Water Revenue	\$ (1,437)										\$ (1,437)
Surcharge Revenue		\$ (14,517)									(14,517)
Expenses:											
Purchased Water			\$ (1,700)								\$ (1,700)
Purchased Power				\$ 433							433
Repairs & Maintenance					\$ 466						466
Office Supplies and Expense						\$ (179)					(179)
Outside Services							\$ 30,304				30,304
Transportation Expense								\$ 386			386
Insurance - General Liability									\$ (74)		(74)
Rate Case Expense										\$ 10,255	10,255

Adjustment Descriptions:

- A - Remove intercompany water sales for Antelope Run during the test year to Indiada by a 2-inch meter.
- B - Remove surcharge revenues from the test year as they are temporary, and will not be included in the proposed consolidated rates.
- C - Remove intercompany purchased water expense to Indiada from Antelope Run.
- D - Adjust purchased power expense per calculation on Schedule C-2g. Schedule also includes support to counter Staff's disallowance amount of \$4,862.
- E - Adjust repairs and maintenance expense per calculation on Schedule C-2h.
- F - Adjust office supplies and expense per calculation on Schedule C-2a.
- G - Adjust outside services expense per calculation on Schedule C-2b.
- H - Adjust transportation expense per calculation on Schedule C-2c.
- I - Remove workers compensation insurance expenses that will not recur as a result of management contract.
- J - Increase rate case expense to recover \$4,618 of costs incurred for the 2009 emergency rate cases, and estimated costs of \$40,000 for the consolidated cases (\$44,618), amortized over a three year period (\$44,618/3 = \$14,873 per year).

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

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

Recap Schedules:
 (a) C-1

Explanation:
 Schedule itemizing pro forma adjustments to the test year
 income statement.

Description	K	L	M	N	O	P	Q	R	S	Total this page	Total prev page	Total (a) Adjustments
Revenues:												
Metered Water Revenue						\$ 153,851				\$ 153,851	\$ (1,437)	\$ 152,414
Surcharge Revenue										-	(14,517)	(14,517)
Expenses:												
Purchased Water										\$ -	\$ (1,700)	\$ (1,700)
Purchased Power										-	433	433
Repairs & Maintenance										-	466	466
Office Supplies and Expense										-	(179)	(179)
Outside Services										-	30,304	30,304
Transportation Expense										-	386	386
Insurance - General Liability										-	(74)	(74)
Rate Case Expense										-	10,255	10,255
Depreciation & Amortization	\$ 10,219									10,219	-	10,219
Taxes Other Than Income		\$ 1,127								1,127	-	1,127
Property Taxes			\$ (6,212)					\$ 2,472		(3,740)	-	(3,740)
Income Taxes				\$ (26,356)			\$ 35,600			9,243	-	9,243
Customer Security Deposit Interest									\$ 1,658	1,658	-	1,658

Adjustment Descriptions:

- K - Increase depreciation expense based upon proposed depreciation rates per schedule C-2d.
- L - Adjust for payroll tax expenses that will not recur due to management contract.
- M - Adjust test year property tax expense per Schedule C-2i.
- N - Adjust test year income tax expense per Schedule C-2e.
- O - Removed.
- P - Increase metered water revenue per calculation on Schedule A-1.
- Q - Increase income taxes for proposed rates per calculation on Schedule C-2f.
- R - Increase property taxes for proposed rates per calculation on Schedule C-2i.
- S - Adopt Staff Adjustment #7 for security deposit interest as reflected on Schedule JMM-17.

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

Supporting Schedules:

Recap Schedules:
 (a) C-1

C-2d through C-2i

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Rejoinder Schedule C-2a
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED OFFICE SUPPLIES AND EXPENSE ADJUSTMENT

<u>Description</u>	<u>Amount</u>
November 2008 billing forms	\$ (27)
November 2008 billing forms	(6)
November 2008 billing forms	(2)
November 2008 postage	(211)
November 2008 postage	(45)
November 2008 postage	(15)
December 2008 billing forms	(27)
December 2008 billing forms	(6)
December 2008 billing forms	(2)
December 2008 postage	(213)
December 2008 postage	(45)
December 2008 postage	(15)
November 2009 billing forms	2
November 2009 postage	59
December 2009 billing forms	26
December 2009 billing forms	6
December 2009 billing forms	2
December 2009 postage	267
December 2009 postage	54
December 2009 postage	19
Total Adjustment F	\$ (179)

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Rejoinder Schedule C-2b
 Title: Income Statement Proforma
 Adjustments

DETAIL OF PROPOSED OUTSIDE SERVICES EXPENSE ADJUSTMENT

Description	Amount
Other November 2008 services	\$ (472)
December 2008 accounting	(130)
December 2008 accounting	(195)
December 2008 accounting	(130)
November 2009 accounting	130
December 2009 accounting	130
December 2009 accounting	130
December 2009 accounting	195
Remove test year management fees expense per general ledger - Indiada	(5,602)
Remove test year management fees expense per general ledger - Antelope Run	(18,528)
Remove test year management fees expense per general ledger - East Slope	(87,926)
Proforma management fees expense - Consolidated	142,702
Total Adjustment G	\$ 30,304

Note: Management fees for the consolidated entity are less than each entity separate:

Indiada	\$ 9,636
Antelope Run	29,258
East Slope	115,498
Three company combined total	\$ 154,393
Consolidated total	142,702
Total Management fees savings due to consolidation	\$ 11,691

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Rejoinder Schedule C-2c
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED TRANSPORTATION EXPENSE ADJUSTMENT

Description	Amount
November 2008 mileage	\$ (109)
November 2008 mileage	(367)
November 2008 mileage	(82)
December 2008 mileage	(338)
December 2008 mileage	(1,031)
December 2008 mileage	(230)
November 2009 mileage	178
December 2009 mileage	383
December 2009 mileage	817
December 2009 mileage	203
Non-recurring vehicle insurance refund	1,962
Non-recurring vehicle lease expenses	(600)
Non-recurring vehicle lease expenses	(200)
Non-recurring vehicle lease expenses	(200)
Total Adjustment H	\$ 386

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Rejoinder Schedule C-2d
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED DEPRECIATION EXPENSE CALCULATION

Account Number	Description	Plant @ End of Test Year 31-Dec-09	Proposed Depreciation Rate	Ref	Proposed Depreciation Expense
301	Intangibles	\$ 2,180	0.00%		\$ -
303	Land & Land Rights	5,984	0.00%		-
304	Structures & Improvements	9,622	3.33%		321
307	Wells & Springs	70,152	3.33%	1	915
311	Pumping Equipment	258,885	12.50%		32,361
320	Water Treatment Equipment	-			-
320.1	Water Treatment Plants	1,076	3.33%		36
320.2	Solution Chemical Feeders	-	20.00%		-
330	Distribution Reservoirs & Standpipes	4,978	2.22%		110
330.1	Storage Tanks	32,089	2.22%		712
330.2	Pressure Tanks.	13,941	5.00%		698
331	Transmission & Distribution Mains	299,883	2.00%	2	3,130
333	Services	474	3.33%	3	-
334	Meters & Meter Installations	21,118	8.33%	4	1,030
335	Hydrants	-	2.00%		-
339	Other Plant and Misc Equipment	-	6.67%		-
340	Office Furniture & Equipment	-	6.67%		-
340.1	Computers and Software	-	20.00%		-
341	Transportation Equipment	3,985	20.00%	5	-
343	Tools, Shop, and Garage Equipment	-	5.00%		-
345	Power Operated Equipment	-	5.00%		-
348	Other Tangible Plant	-	0.00%		-
Proposed Totals		\$ 724,367			\$ 39,313

Antelope CIAC	\$ (22,883)
Staff Composite Depreciation Rate	7.61%
Amortization of CIAC	\$ (1,741)
Depreciation Expense before CIAC Amortization	39,313
Company Proposed Depreciation Expense	\$ 37,572
Test Year Depreciation Expense	27,353
Total Adjustment K	\$ 10,219

Explanations:

- Ref
- 1 \$42,649 of the total amount in account 307 - Wells & Springs, is fully depreciated.
 - 2 \$143,358 of the total amount in account 331 - Transmission & Distribution Mains, is fully depreciated.
 - 3 Amount in Account 333 (\$474) - Services, is fully depreciated.
 - 4 \$8,759 of the total amount in account 334 - Meters & Meter Installations, is fully depreciated.
 - 5 \$3,985 of the total amount in account 341 - Transportation Equipment, is fully depreciated.

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Rejoinder Schedule C-2e
Title: Income Statement Proforma
Adjustments

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

STATE INCOME TAX CALCULATION:

Operating Income/(Loss) Before Taxes	\$	(80,302)	
Less:			
Estimated Interest Expense		(1,544)	
Arizona Taxable Income	\$	(81,846)	
Arizona Income Tax Rate		6.9680%	
Arizona Income Tax Expense	\$		(5,703)

FEDERAL INCOME TAX CALCULATION:

Operating Income/(Loss) Before Taxes	\$	(80,302)	
Less:			
Arizona Income Tax	\$	(5,703)	
Estimated Interest Expense		(1,544)	
Federal Taxable Income	\$	(87,549)	
Federal Income Tax Rate		15.0000%	
Federal Income Tax Expense	\$		(13,132)

Adjusted Test Year Income Tax Expense	\$	(18,835)
Test Year Income Tax Expense		7,521
Total Adjustment N to Income Taxes	\$	(26,356)

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Rejoinder Schedule C-2f
Title: Income Statement Proforma
Adjustments

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

Revenue	\$	437,934		
Operating Expenses Excluding Income Tax		364,385		
Estimated Interest Expense		1,544		
Arizona Taxable Income	\$	72,005		
Arizona Income Tax Rate		6.9680%		
Arizona Income Tax Expense	\$		5,017	
Federal Taxable Income	\$	66,988		
Federal Tax on 1st Income Range (\$1 - \$50,000) @ 15%	\$	7,500		
Federal Tax on 2nd Income Range (\$50,001 - \$75,000) @ 25%		4,247		
Federal Tax on 3rd Income Range (\$75,001 - \$100,000) @ 34%				
Federal Tax on 4th Income Range (\$100,001 - \$335,000) @ 39%				
Federal Tax on 5th Income Range (\$335,001 - \$10M) @ 34%		-		
Total Federal Income Tax Expense			11,747	
Combined Federal and State Income Tax Expense	\$		16,764	
Adjusted Test Year Income Tax Expense			(18,835)	
Adjustment Q to Income Tax Expense	\$		35,600	
Required Operating Income	\$	54,313		
Adjusted Test Year Operating Income/(Loss)		(61,466)		
Proposed Increase In Operating Income	\$		115,779	
Income Taxes On Proposed Revenue	\$	16,764		
Income Taxes On Test Year Revenue		(18,835)		
Proposed Revenue Increase For Income Taxes	\$		35,600	
Property Taxes On Proposed Revenue	\$	16,236		
Property Taxes On Test Year Revenue		13,764		
Proposed Revenue Increase For Property Taxes	\$		2,472	
Total Proposed Increase In Revenue	\$		153,851	

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Rejoinder Schedule C-2g
 Title: Income Statement Proforma
 Adjustments

DETAIL OF PROPOSED PURCHASED POWER EXPENSE ADJUSTMENT

Description	Amount
Remove expenses prior to Test Year (East Slope)	\$ (4,298)
Remove credit adjustment for prior year (East Slope)	4,731
Total Adjustment D	\$ 433

Please note: Adjustment B was reflected as a negative amount on the original application.

Invoices related to Staff's Adjustment #1 as reflected on Schedule JMM-9:

SSVEC Account 6506500	\$ 213	
SSVEC Account 6956000	12	
SSVEC Account 6955900	12	
SSVEC Account 4154900	27	
SSVEC Account 4155200	2,388	
SSVEC Account 4159600	27	
SSVEC Account 4204600	893	
Total January SSVEC invoices provided	\$ 3,573	
Remove amount paid for February 2009	(740)	
Add invoice amount for February 2009	2,029	Account 4155200
Staff's disallowance amount	\$ 4,862	

The Company is providing \$3,573 of January 2009 invoices from Sulphur Springs Valley Electric Cooperative to support Staff's disallowed amount for purchased power. The remaining difference of \$1,289 is the amount that was overpaid on the January 2009 bill for account 4155200, resulting in a credit that was applied in February 2009.

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Rejoinder Schedule C-2h
Title: Income Statement Proforma
Adjustments

DETAIL OF PROPOSED REPAIRS AND MAINTENANCE EXPENSE ADJUSTMENT

Description	Amount
Reclassify amount from Pumping Equipment	\$ 125
Reclassify amount from Pumping Equipment	130
Reclassify amount from Pumping Equipment	75
Reclassify amount from Meters ¹	116
Exclude expense prior to test year	(70)
Include test year expense for December 2009	90
Total Adjustment E	\$ 466

¹ This amount was excluded from Meters (334) on the original application, but was not included in Repairs and Maintenance.

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

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Test Year Ended December 31, 2009

Rejoinder Schedule C-2i

**Title: Income Statement Proforma
Adjustments**

DETAIL OF PROPOSED PROPERTY TAX EXPENSE CALCULATION

	Test Year as Adjusted	Company at Proposed Rates
Adjusted 2009 Test Year Revenue	\$ 284,083	\$ 284,083
Weight Factor	2	2
Subtotal	\$ 568,166	\$ 568,166
Company Recommended Revenue	284,083	437,934
Subtotal	\$ 852,249	\$ 1,006,100
Number of Years	3	3
Three Year Revenue Average	\$ 284,083	\$ 335,367
AZ Department of Revenue Multiplier	2	2
Revenue Base Value	\$ 568,166	\$ 670,733
Plus 10% of CWIP	2,854	2,854
Less: Net Book Value of Licensed Vehicles	-	-
Full Cash Value	\$ 571,020	\$ 673,587
Assessment Ratio	20.50%	20.50%
Assessment Value	\$ 117,059	\$ 138,085
Revised Composite Property Tax Rate *	11.7583%	11.7583%
Adjusted Test Year Property Tax Expense	\$ 13,764	
Actual Test Year Property Tax Expense	19,976	
Total Adjustment M	\$ (6,212)	
Projected Property Tax Expense	\$ 16,236	
Adjusted Test Year Property Tax Expense	13,764	
Total Adjustment R	\$ 2,472	
<i>For Gross Revenue Conversion Factor:</i>		
Change in Property Tax Expense	\$ 2,472	
Change in Revenue Requirement	153,851	
Change in Property Tax per Dollar Increase in Revenue	1.6070%	

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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 Test Year Ended December 31, 2009

Rejoinder Schedule C-3
Title: Computation of Gross Revenue
Conversion Factor

Explanation:
 Schedule showing incremental taxes on gross revenues and
 the development of a gross revenue conversion factor.

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

Description	Calculation
Revenue	1.0000
Combined Federal And State Tax Rate	(0.2314)
Property Tax Rate	(0.0161)
Subtotal	0.7525
Gross Revenue Conversion Factor = 1/Operating Income %	1.3288

CALCULATION OF COMBINED FEDERAL AND STATE TAX RATE:

Operating Income Before Taxes (Arizona Taxable Income)	100.0000%
Arizona State Income Tax Rate	6.9680%
Federal Taxable Income	93.0320%
Federal Income Tax Rate	17.4900%
Effective Federal Income Tax Rate	16.1710%
Combined Federal And State Income Tax Rates	23.1390%

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

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Test Year Ended December 31, 2009

**Rejoinder Schedule D-1
Title: Summary Cost of Capital**

Explanation:
Schedule showing elements of capital structure
and the related cost.

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

Invested Capital	End of Test Year				End of Projected Year			
	Amount	%	Cost Rate (e)	Composite Cost %	Amount	%	Cost Rate (e)	Composite Cost %
Long-Term Debt (a)								
WIFA Loan	\$ -				\$ 3,000,000	95.28%	5.00%	4.76%
Short-Term Debt (a)								
Wells Fargo Credit Line	\$ 104,877	70.57%	10.75%	7.59%	\$ 104,877	3.33%	10.75%	0.36%
N. Watkins note	50,545	34.01%	10.00%	3.40%	50,545	1.61%	10.00%	0.16%
Common Equity (c)	(6,811)	-4.58%	-22.63%	1.04%	(6,811)	-0.22%	20.00%	-0.04%
Total	<u>\$ 148,611</u>	<u>100.00%</u>		<u>12.02%</u>	<u>\$ 3,148,611</u>	<u>100.00%</u>		<u>5.24%</u>

Supporting Schedules:

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

Recap Schedules:

- (e) A-3

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Test Year Ended December 31, 2009

Rejoinder Schedule E-1
Title: Comparative Balance Sheet

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

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

	Test Year At 31-Dec-09	Prior Year 31-Dec-08	Prior Year 31-Dec-07
ASSETS			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 724,367	\$ 712,128	\$ 689,871
103 Property Held for Future Use	-	-	-
105 Construction Work in Process	2,854	-	-
108 Accumulated Depreciation	(457,119)	(435,722)	(423,505)
Total Property Plant & Equipment	\$ 270,101	\$ 276,405	\$ 266,366
Current Assts:			
131 Cash	\$ 10,441	\$ 19,871	\$ 5,446
135 Temporary Cash Investments	-	-	-
141 Customer Accounts Receivable	11,262	92	92
146 Notes/Receivables from Associated Companies	15,114	15,114	14,114
151 Plant Material and Supplies	-	-	-
162 Prepayments	-	-	-
174 Miscellaneous Current and Accrued Assets	3,020	3,000	3,000
Total Current Assets	\$ 39,837	\$ 38,077	\$ 22,652
TOTAL ASSETS	\$ 309,938	\$ 314,482	\$ 289,018
LIABILITIES and CAPITAL			
Capitalization: (b)			
201 Common Stock Issued	\$ 46,300	\$ 46,300	\$ 46,300
211 Paid in Capital in Excess of Par Value	(3,552)	(13,875)	(13,875)
215 Retained Earnings	(36,297)	(67,775)	(45,032)
216 Reacquired Capital Stock (Treasury)	(11,300)	(11,300)	(11,300)
218 Proprietary Capital	(1,962)	9,495	17,497
Total Capital	\$ (6,811)	\$ (37,155)	\$ (6,410)
Current Liabilities:			
231 Accounts Payable	\$ 89,203	\$ 88,115	\$ 26,394
232 Notes Payable (Current Portion)	-	-	20,200
234 Notes/Accounts Payable to Associated Companies	35,114	15,114	14,114
235 Customer Deposits	8,484	30,191	5,180
236 Accrued Taxes	(19)	1,220	4,519
241 Miscellaneous Current and Accrued Liabilities	155,422	158,895	136,000
Total Current Liabilities	\$ 288,204	\$ 293,535	\$ 206,407
224 Long-Term Debt (Over 12 Months)	\$ -	\$ 10,523	\$ 14,323
Deferred Credits:			
252 Advances In Aid Of Construction	\$ 19,239	\$ 47,579	\$ 74,698
271 Contributions In Aid Of Construction	242,033	-	-
272 Less: Amortization of Contributions	(232,726)	-	-
281 Accumulated Deferred Income Tax	-	-	-
Total Deferred Credits	\$ 28,546	\$ 47,579	\$ 74,698
Total Liabilities	\$ 316,750	\$ 351,637	\$ 295,428
TOTAL LIABILITIES and CAPITAL	\$ 309,939	\$ 314,482	\$ 289,018
Supporting Schedules:		Recap Schedules:	
(a) E-5		(b) A-3	

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Test Year Ended December 31, 2009

Rejoinder Schedule E-2
Title: Comparative Income
Statements

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

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

	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Revenues: (a)			
461 Metered Water Revenue	\$ 281,796	\$ 261,783	\$ 284,144
461.1 Surcharge Revenue	14,517	-	-
474 Other Water Revenue	3,724	2,482	4,186
Total Revenues	\$ 300,037	\$ 264,265	\$ 288,330
Operating Expenses (a)			
601 Salaries & Wages	\$ -	\$ 68,400	\$ 100,000
610 Purchased Water	1,700	2,150	4,009
615 Purchased Power	72,314	68,922	73,063
618 Chemicals	792	-	-
620 Repairs and Maintenance	16,143	22,983	13,671
621 Office Supplies and Expense	12,202	28,939	9,779
630 Outside Services	127,734	22,457	3,157
635 Water Testing	8,008	5,017	2,235
641 Rents	-	3,600	4,800
650 Transportation Expense	21,419	14,813	12,760
657 Insurance - General liability	6,565	3,685	5,298
659 Insurance - Health and Life	-	-	-
666 Regulatory Commission Expense - Rate Case	4,618	-	-
675 Miscellaneous Expense	5	556	10,985
403 Depreciation Expense	27,353	30,429	31,082
408 Taxes Other Than Income	(1,127)	8,134	13,116
408.11 Property Taxes	19,976	8,632	17,293
409 Income Tax	7,521	-	(913)
Total Operating Expenses	\$ 325,223	\$ 288,717	\$ 300,335
OPERATING INCOME/(LOSS)	\$ (25,186)	\$ (24,452)	\$ (12,005)
Other Income/(Expense)			
419 Interest and Dividend Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	10,373	4,000
426 Miscellaneous Non-Utility Expense	-	-	(700)
427 Interest Expense	(1,544)	(10,742)	(14,529)
Total Other Income/(Expense)	\$ (1,544)	\$ (369)	\$ (11,229)
NET INCOME/(LOSS)	\$ (26,730)	\$ (24,821)	\$ (23,234)

Supporting Schedules:

Recap Schedules:
A-2

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Test Year Ended December 31, 2009

Rejoinder Schedule E-5
Title: Detail of Utility Plant

Explanation:
Schedule showing utility plant balance, by detailed account number, at the end of the test year and the end of the prior fiscal year.

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

Account Number	Description	End of Prior Year at 31-Dec-08	Net Additions	End of Test Year at 31-Dec-09
301	Intangibles	\$ 2,180	\$ -	\$ 2,180
303	Land & Land Rights	5,984	-	5,984
304	Structures & Improvements	9,622	-	9,622
307	Wells & Springs	70,152	-	70,152
311	Pumping Equipment	231,440	27,445	258,885
320	Water Treatment Equipment	-	-	-
320.1	Water Treatment Plants	1,076	-	1,076
320.2	Solution Chemical Feeders	-	-	-
330	Distribution Reservoirs & Standpipes	4,978	-	4,978
330.1	Storage Tanks	32,089	-	32,089
330.2	Pressure Tanks	13,941	-	13,941
331	Transmission & Distribution Mains	294,435	5,448	299,883
333	Services	474	-	474
334	Meters & Meter Installations	19,938	1,180	21,118
335	Hydrants	-	-	-
339	Other Plant and Misc Equipment	-	-	-
340	Office Furniture & Equipment	3,789	(3,789)	-
340.1	Computers and Software	-	-	-
341	Transportation Equipment	22,030	(18,045)	3,985
343	Tools, Shop, and Garage Equipment	-	-	-
345	Power Operated Equipment	-	-	-
348	Other Tangible Plant	-	-	-
Total Plant In Service		\$ 712,128	\$ 12,239	\$ 724,367
108	Accumulated Depreciation	\$ (435,722)	\$ (21,397)	\$ (457,119)
Net Plant In Service		\$ 276,405	\$ (9,158)	\$ 267,248
103	Property Held for Future Use	\$ -	\$ -	\$ -
105	Construction Work in Process	-	2,854	2,854
Total Net Plant		\$ 276,405	\$ (6,304)	\$ 270,102

Supporting Schedules:

Recap Schedules:
E-1 A-4

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

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Test Year Ended December 31, 2009

**Rejoinder Schedule E-7
Title: Operating Statistics**

Explanation:

Schedule showing key operating statistics in comparative format, for the test year and the 2 fiscal years ended prior to the test year.

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

Water Statistics:	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Gallons Sold - By Class of Service:			
Residential	107,341,768	101,673,794	118,214,705
Commercial	5,830,232	5,502,206	6,931,625
Average Number of Customers - By Class of Service:			
Residential	954	989	951
Commercial	55	54	52
Average Annual Gallons Per Residential Customer	112,518	102,826	124,297
Average Annual Revenue Per Residential Customer	*	*	*
Pumping Cost Per 1,000 Gallons	\$ 0.6390	\$ 0.6431	\$ 0.5838

* Current customer rates differ by company, please see each individual company application.

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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 Test Year Ended December 31, 2009

Rejoinder Schedule E-8
Title: Taxes Charged to Operations

Explanation:
 Schedule showing all significant taxes charged to operations for
 the test year and the 2 fiscal years ended prior to the test year.

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

Description	Test Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07
Federal Taxes:			
Income	\$ 7,521	\$ -	\$ (931)
Payroll	(1,160)	5,781	8,450
Total Federal Taxes	\$ 6,361	\$ 5,781	\$ 7,519
State Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	33	2,354	4,666
Total State Taxes	\$ 33	\$ 2,354	\$ 4,666
Local Taxes:			
Property	\$ 19,976	\$ 8,632	\$ 17,293
Total Taxes	\$ 26,370	\$ 16,766	\$ 29,478

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

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171

Test Year Ended December 31, 2009

**Rejoinder Schedule E-9
Title: Notes to Financial
Statements**

Explanation:

Disclosure of important facts pertaining to the understanding of the financial statements.

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

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

1 Accounting Method.

The books of the consolidated entity will be kept as accrual based, and will also follow NARUC rules, including the USoA.

2 Depreciation lives and methods employed by major classification of utility property.

Proposed depreciation rates are depicted on Schedule C-2d as well as on the plant schedule as part of the financing application. These rates were taken from ACC Engineering Staff Memo regarding their recommended rates for depreciation dated April 21, 2000, and revised March 1, 2001.

3 Income tax treatment - normalization or flow through.

It is undetermined at this time if depreciation expense will be the same for regulatory purposes and tax purposes. However, it is likely that the consolidated entity will follow what East Slope Water has done in the past, and book depreciation will be used for tax purposes. Additionally, since the consolidated entity will be a C-Corp, it will pay its own income taxes.

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

Not Applicable.

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171
Test Year Ended December 31, 2009

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

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

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

	Actual Test Year Ended (a) 31-Dec-09	Projected Year	
		At Present Rates	At Proposed Rates
		Year Ended (b) 31-Dec-10	Year Ended (b) 31-Dec-10
Operating Revenues:			
461 Metered Water Revenue	\$ 281,796	\$ 280,359	\$ 434,210
461.1 Surcharge Revenue	14,517	-	-
474 Other Water Revenue	3,724	3,724	3,724
Total Operating Revenue	\$ 300,037	\$ 284,083	\$ 437,934
Operating Expenses:			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	1,700	-	-
615 Purchased Power	72,314	72,747	72,747
618 Chemicals	792	792	792
620 Repairs & Maintenance	16,143	16,609	16,609
621 Office Supplies and Expense	12,202	12,023	12,023
630 Outside Services	127,734	158,038	158,038
635 Water Testing	8,008	8,008	8,008
641 Rental Expense	-	-	-
650 Transportation Expense	21,419	21,805	21,805
657 Insurance - General Liability	6,565	6,491	6,491
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	4,618	14,873	14,873
675 Miscellaneous Expense	5	5	5
403 Depreciation & Amortization	27,353	37,572	37,572
408 Property Taxes	19,976	13,764	16,236
408.1 Taxes Other Than Income	(1,127)	-	-
409 Income Taxes	7,521	(18,835)	16,764
427.4 Customer Security Deposit Interest	-	1,658	1,658
Total Operating Expenses	\$ 325,223	\$ 345,549	\$ 383,621
OPERATING INCOME/(LOSS)	\$ (25,186)	\$ (61,466)	\$ 54,313
Other Income/(Expense):			
419 Interest Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	-	-
426 Miscellaneous Non-Utility Expenses	-	-	-
427 Interest Expense	(1,544)	(1,544)	(1,544)
Total Other Income/(Expense)	\$ (1,544)	\$ (1,544)	\$ (1,544)
NET INCOME/(LOSS)	\$ (26,730)	\$ (63,010)	\$ 52,769
Earnings per share of average Common Stock Outstanding	\$ (66.83)	\$ (157.53)	\$ 131.92
% Return on Common Equity		Negative Equity	

Supporting Schedules:
(a) E-2

Recap Schedules:
(b) A-2

Antelope Run Water Company/East Slope Water Company/Indiada Water Company

Docket Nos. W-02327A-10-0171, W-01906A-10-0171, and W-02031A-10-0171

Test Year Ended December 31, 2009

Rejoinder Schedule F-3

Title: Projected Construction Requirements

Explanation:
Schedule showing projected annual construction requirements, by property classification, for 1 to 3 years subsequent to the test year compared with the test year.

Required for: All Utilities

Class A

Class B

Class C

Class D

Specl Reqmt

X

Property Classification	Actual Test Year Ended 12/31/2009	End of Projected Year 1
Production Plant	\$ 27,445	\$ 377,294
Transmission Plant	5,448	2,625,560
Other Plant	1,180	-
Total Plant	\$ 34,073	\$ 3,002,854

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

Supporting Schedules:

Recap Schedules:

(a) F-2 & A-4

Antelope Run Water Company/East Slope Water Company/Indiada Water Company
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Test Year Ended December 31, 2009

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

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

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

Important assumptions used in preparing projections should be explained.

Areas covered should include:

- 1 Customer growth
The company has experienced no growth in the past few years.
- 2 Growth in consumption and customer demand
The company does not anticipate an increase in customer consumption and demand due to the proposed tiered rate structure.
- 3 Changes in expenses
The company believes the test year 2009, with the limited proforma adjustments included in this application, accurately depict expense levels for the consolidated entity going forward.
- 4 Construction requirements including production reserves and changes in plant capacity
The Company is seeking a loan from WIFA for the proposed consolidated entity totaling \$3 million to replace lines, add storage, and upgrade pumps and electrical at wells and booster sites.
- 5 Capital structure changes
If the proposed consolidation of Indiada Water Company, Antelope Run Water, and East Slope Water Company is approved, the new or surviving entity is to be structured as a C-Corp.
- 6 Financing costs, interest rates
The company proposes to borrow funds from WIFA, and it will be required to pay WIFA's normal fees, reserves, and the prevailing interest rate at the time the loan is closed. The consolidated entity's total share of the interest expense is included on the income statement.

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company/East Slope Water Company/ Indiada Water Company Consolidated
 Docket No. W-02327A-10-0171 et al.
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-1
 Title: Summary of Revenues by Customer
 Classification - Present and Proposed Rates

Explanation:
 Schedule comparing revenues by customer classification for
 the Test Year, at present and proposed rates.

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

Customer Classification	Revenues in the Test Year (a)		Proposed Increase (b)		
	Present Rates	Proposed Rates	Amount	%	
Residential					
5/8 x 3/4 inch	\$ 253,283	\$ 384,498	\$ 131,215	51.81%	
1 inch	6,390	5,891	(499)	-7.81%	
1.5 inch	4,417	8,514	4,097	92.75%	
Total Residential	\$ 264,090	\$ 398,903	\$ 134,813	51.05%	
Commercial					
5/8 x 3/4 inch	\$ 9,997	\$ 16,517	\$ 6,521	65.23%	
1 inch	1,844	10,376	8,532	462.84%	
1.5 inch	1,855	3,530	1,675	90.26%	
2 inch	2,574	4,884	2,310	89.75%	
Total Commercial	\$ 16,269	\$ 35,307	\$ 19,038	117.02%	
Total Metered Water Revenues	\$ 280,359	\$ 434,210	\$ 153,851	54.88%	
Other Revenues	3,724	3,724	-	0.00%	
Total Revenues	\$ 284,083	\$ 437,934	\$ 153,851	54.16%	

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

Supporting Schedules:
 (a) H-2

Recap Schedules:
 (b) A-1

Explanation:
Schedule comparing present rate schedules with proposed
rate schedule.

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

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

Description	Present Rate	Proposed Rate
MONTHLY USAGE CHARGE		
5/8" x 3/4" Meter	NA	\$ 13.45
3/4" Meter	NA	20.18
1" Meter	NA	33.63
1-1/2" Meter	NA	67.25
2" Meter	NA	107.60
3" Meter	NA	215.20
4" Meter	NA	336.25
6" Meter	NA	672.50

Commodity Charges Per 1,000 Gallons:

5/8 x 3/4 - inch meter

Tier one: 0 - 3,000 Gallons	NA	\$1.07
Tier two: 3,001 to 10,000 Gallons	NA	\$1.93
Tier three: All Gallons Over 10,000	NA	\$3.47

3/4 - inch meter

Tier one: 0 - 3,000 Gallons	NA	\$ 1.07
Tier two: 3,001 to 10,000 Gallons	NA	1.93
Tier three: All Gallons Over 10,000	NA	3.47

One - inch meter

Tier one: 0 - 10,000 Gallons	NA	\$ 1.93
Tier two: All Gallons Over 25,000	NA	3.47

One and one half - inch meter

Tier one: 0 - 20,000 Gallons	NA	\$ 1.93
Tier two: All Gallons Over 50,000	NA	3.47

Two - inch meter

Tier one: 0 - 20,000 Gallons	NA	\$ 1.93
Tier two: All Gallons Over 80,000	NA	3.47

Three - inch meter

Tier one: 0 - 20,000 Gallons	NA	\$ 1.93
Tier two: All Gallons Over 140,000	NA	3.47

Four - inch meter

Tier one: 0 - 20,000 Gallons	NA	\$ 1.93
Tier two: All Gallons Over 200,000	NA	3.47

Six - inch meter

Tier one: 0 - 20,000 Gallons	NA	\$ 1.93
Tier two: All Gallons Over 400,000	NA	3.47

Antelope Run Water Company/East Slope Water Company/ Indiada Water Company Consolidated

Docket No. W-02327A-10-0171 et al.

Rejoinder Schedule: H-3
 Title: Changes in Representative Rate
 Schedules - Page 2 of 2

Description	Present Rate	Proposed Rate
SERVICE CHARGES		
Establishment	NA	\$ 35.00
Reconnection (Delinquent)	NA	35.00
Meter Test (If Correct)	NA	25.00
Meter Reread (If Correct)	NA	20.00
NSF Check Charge	NA	25.00
Deposit		*
Deposit Interest (Per Annum)		*
Deferred Payment (Per Month)	1.50%	**
Late Charge (Per Month)	2%	**
Re-establishment (Within 12 Months)		***
After Hours Service Charge		35.00
MONTHLY SERVICE CHARGE		
FOR FIRE SPRINKLER:	N/A	****

SERVICE LINE AND METER INSTALLATION CHARGES

Refundable Pursuant to AAC R14-2-405

Description	Present Rate	Proposed Rates		
		Service Line	Meter Charge	Total Charge
5/8" x 3/4" Meter	NA	\$ 430.00	\$ 130.00	\$ 560.00
3/4" Meter	NA	430.00	230.00	660.00
1" Meter	NA	480.00	290.00	770.00
1-1/2" Meter	NA	535.00	500.00	1,035.00
2" Meter - Turbine	NA	815.00	1,020.00	1,835.00
2" Meter - Compound	NA	815.00	1,865.00	2,680.00
3" Meter - Turbine	NA	1,030.00	1,645.00	2,675.00
3" Meter - Compound	NA	1,150.00	2,545.00	3,695.00
4" Meter - Turbine	NA	1,460.00	2,620.00	4,080.00
4" Meter - Compound	NA	1,640.00	3,595.00	5,235.00
6" Meter - Turbine	NA	2,180.00	4,975.00	7,155.00
6" Meter - Compound	NA	2,300.00	6,870.00	9,170.00

* Per Commission Rule AAC R-14-2-403(B).

** 1.50% of unpaid monthly balance.

*** Month off system times the monthly minimum per Commission rule AAC R14-2-403(D).

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

Supporting Schedules:

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

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

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

5/8" x 3/4" meter

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	NA	\$ 13.45	NA
1,000	NA	14.52	NA
2,000	NA	15.59	NA
3,000	NA	16.66	NA
4,000	NA	18.59	NA
5,000	NA	20.51	NA
6,000	NA	22.44	NA
7,000	NA	24.36	NA
8,000	NA	26.29	NA
9,155	NA	28.51	NA
10,000	NA	30.14	NA
13,000	NA	40.54	NA
15,000	NA	47.48	NA
20,000	NA	64.81	NA
25,000	NA	82.14	NA
50,000	NA	168.81	NA
75,000	NA	255.48	NA
100,000	NA	342.15	NA
125,000	NA	428.82	NA
150,000	NA	515.49	NA
175,000	NA	602.16	NA
200,000	NA	688.83	NA

Supporting Schedules:

Explanation:

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

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

Required for: All Utilities

- Class A
- Class B
- Class C
- Class D
- Specd Reqmt

X

1 inch meter

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	NA	\$ 33.63	NA
1,000	NA	35.55	NA
2,000	NA	37.48	NA
3,000	NA	39.40	NA
4,000	NA	41.33	NA
5,000	NA	43.26	NA
6,000	NA	45.18	NA
7,000	NA	47.11	NA
8,000	NA	49.03	NA
9,000	NA	50.96	NA
10,000	NA	52.89	NA
15,000	NA	70.22	NA
20,000	NA	87.55	NA
25,000	NA	104.89	NA
40,000	NA	156.89	NA
50,000	NA	191.56	NA
75,000	NA	278.23	NA
100,000	NA	364.90	NA
125,000	NA	451.57	NA
150,000	NA	538.24	NA
175,000	NA	624.91	NA
200,000	NA	711.58	NA

Supporting Schedules:

Antelope Run Water Company/East Slope Water Company/ Indiada Water Company Consolidated
 Docket No. W-02327A-10-0171 et al.
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-4
 Title: Typical Bill
 Analysis
 Page 3 of 4

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

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

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

1.5 inch meter

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	NA	\$ 67.25	NA
1,000	NA	69.18	NA
2,000	NA	71.10	NA
3,000	NA	73.03	NA
4,000	NA	74.95	NA
5,000	NA	76.88	NA
6,000	NA	78.81	NA
7,000	NA	80.73	NA
8,000	NA	82.66	NA
9,000	NA	84.58	NA
10,000	NA	86.51	NA
15,000	NA	96.14	NA
20,000	NA	105.77	NA
25,000	NA	123.10	NA
50,000	NA	209.77	NA
75,000	NA	296.44	NA
100,000	NA	383.11	NA
125,000	NA	469.78	NA
150,000	NA	556.45	NA
175,000	NA	643.12	NA
200,000	NA	729.79	NA

Supporting Schedules:

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

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

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

2 inch meter

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	NA	\$ 107.60	NA
1,000	NA	109.53	NA
2,000	NA	111.45	NA
3,000	NA	113.38	NA
4,000	NA	115.30	NA
5,000	NA	117.23	NA
6,000	NA	119.16	NA
7,000	NA	121.08	NA
8,000	NA	123.01	NA
9,000	NA	124.93	NA
10,000	NA	126.86	NA
15,000	NA	136.49	NA
20,000	NA	146.12	NA
25,000	NA	163.45	NA
50,000	NA	250.12	NA
75,000	NA	336.79	NA
100,000	NA	423.46	NA
125,000	NA	510.13	NA
150,000	NA	596.80	NA
175,000	NA	683.47	NA
200,000	NA	770.14	NA

Supporting Schedules:

Antelope Run Water Company/East Slope Water Company/ Indiana Water Company Consolidated
 Docket No. W-02327A-10-0171 et al.
 Test Year Ended December 31, 2009

Rejoinder Schedule: H-5

Title: Bill Count

Page 1 of 7

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

5/8 x 3/4 inch meter - Residential

Required for: All Utilities

Class A

Class B

Class C

Class D

Spec'l Reqmt

X

Block	Consumption		Cumulative Bills		Cumulative Consumption	
	Number of Bills by Block	By Blocks	No.	% of Total	Amount	% of Total
-	262	-	262	2.32%	-	0.00%
1 to 1,000	525	262,500	787	6.97%	262,500	0.25%
1,001 to 2,000	867	1,300,500	1,654	14.65%	1,563,000	1.51%
2,001 to 3,000	1,069	2,672,500	2,723	24.11%	4,235,500	4.10%
3,001 to 4,000	1,205	4,217,500	3,928	34.78%	8,453,000	8.18%
4,001 to 5,000	1,174	5,283,000	5,102	45.18%	13,736,000	13.29%
5,001 to 6,000	974	5,357,000	6,076	53.80%	19,093,000	18.47%
6,001 to 7,000	728	4,732,000	6,804	60.25%	23,825,000	23.04%
7,001 to 8,000	573	4,297,500	7,377	65.32%	28,122,500	27.20%
8,001 to 9,000	498	4,233,000	7,875	69.73%	32,355,500	31.30%
9,001 to 10,000	393	3,733,500	8,268	73.21%	36,089,000	34.91%
10,001 to 12,000	589	6,479,000	8,857	78.43%	42,568,000	41.17%
12,001 to 14,000	445	5,785,000	9,302	82.37%	48,353,000	46.77%
14,001 to 16,000	343	5,145,000	9,645	85.41%	53,498,000	51.74%
16,001 to 18,000	268	4,556,000	9,913	87.78%	58,054,000	56.15%
18,001 to 20,000	206	3,914,000	10,119	89.60%	61,968,000	59.94%
20,001 to 25,000	389	8,752,500	10,508	93.05%	70,720,500	68.40%
25,001 to 30,000	245	6,737,500	10,753	95.22%	77,458,000	74.92%
30,001 to 35,000	155	5,037,500	10,908	96.59%	82,495,500	79.79%
35,001 to 40,000	95	3,562,500	11,003	97.43%	86,058,000	83.24%
40,001 to 50,000	120	5,400,000	11,123	98.49%	91,458,000	88.46%
50,001 to 60,000	64	3,520,000	11,187	99.06%	94,978,000	91.87%
60,001 to 70,000	35	2,275,000	11,222	99.37%	97,253,000	94.07%
70,001 to 80,000	26	1,950,000	11,248	99.60%	99,203,000	95.95%
80,001 to 90,000	9	765,000	11,257	99.68%	99,968,000	96.69%
90,001 to 99,999	9	855,000	11,266	99.76%	100,823,000	97.52%
102,180	1	95,000	11,267	99.77%	100,918,000	97.61%
102,280	1	95,000	11,268	99.78%	101,013,000	97.70%
106,900	1	95,000	11,269	99.79%	101,108,000	97.79%
108,540	1	95,000	11,270	99.80%	101,203,000	97.89%
108,570	1	95,000	11,271	99.81%	101,298,000	97.98%
114,980	1	95,000	11,272	99.81%	101,393,000	98.07%
119,360	1	95,000	11,273	99.82%	101,488,000	98.16%
120,560	1	95,000	11,274	99.83%	101,583,000	98.25%
124,600	1	95,000	11,275	99.84%	101,678,000	98.35%
124,790	1	95,000	11,276	99.85%	101,773,000	98.44%
125,130	1	95,000	11,277	99.86%	101,868,000	98.53%
125,670	1	95,000	11,278	99.87%	101,963,000	98.62%
127,000	1	95,000	11,279	99.88%	102,058,000	98.71%
129,330	1	95,000	11,280	99.88%	102,153,000	98.81%
132,310	1	95,000	11,281	99.89%	102,248,000	98.90%
138,190	1	95,000	11,282	99.90%	102,343,000	98.99%
144,140	1	95,000	11,283	99.91%	102,438,000	99.08%
146,590	1	95,000	11,284	99.92%	102,533,000	99.17%
149,390	1	95,000	11,285	99.93%	102,628,000	99.26%
151,900	1	95,000	11,286	99.94%	102,723,000	99.36%
154,150	1	95,000	11,287	99.95%	102,818,000	99.45%
177,740	1	95,000	11,288	99.96%	102,913,000	99.54%
180,720	1	95,000	11,289	99.96%	103,008,000	99.63%
192,510	1	95,000	11,290	99.97%	103,103,000	99.72%
195,840	1	95,000	11,291	99.98%	103,198,000	99.82%
197,030	1	95,000	11,292	99.99%	103,293,000	99.91%
217,240	1	95,000	11,293	100.00%	103,388,000	100.00%
	11,293	103,388,000				

Average Number of Customers 941
 Average Consumption 9,155
 Median Consumption 5,559

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company/East Slope Water Company/Indiada Water Company Consolidated
Docket No. W-02327A-10-0171 et al.
Test Year Ended December 31, 2009

Rejoinder Schedule: H-5

Title: Bill Count

Page 2 of 7

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

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

5/8 x 3/4 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	38	-	38	7.92%	-	0.00%
1 to 1,000	106	53,000	144	30.00%	53,000	1.29%
1,001 to 2,000	70	105,000	214	44.58%	158,000	3.85%
2,001 to 3,000	32	80,000	246	51.25%	238,000	5.80%
3,001 to 4,000	17	59,500	263	54.79%	297,500	7.25%
4,001 to 5,000	18	81,000	281	58.54%	378,500	9.23%
5,001 to 6,000	17	93,500	298	62.08%	472,000	11.51%
6,001 to 7,000	11	71,500	309	64.38%	543,500	13.25%
7,001 to 8,000	22	165,000	331	68.96%	708,500	17.27%
8,001 to 9,000	11	93,500	342	71.25%	802,000	19.55%
9,001 to 10,000	9	85,500	351	73.13%	887,500	21.64%
10,001 to 12,000	23	253,000	374	77.92%	1,140,500	27.80%
12,001 to 14,000	17	221,000	391	81.46%	1,361,500	33.19%
14,001 to 16,000	15	225,000	406	84.58%	1,586,500	38.68%
16,001 to 18,000	10	170,000	416	86.67%	1,756,500	42.82%
18,001 to 20,000	7	133,000	423	88.13%	1,889,500	46.06%
20,001 to 25,000	22	495,000	445	92.71%	2,384,500	58.13%
25,001 to 30,000	11	302,500	456	95.00%	2,687,000	65.50%
30,001 to 35,000	3	97,500	459	95.63%	2,784,500	67.88%
35,001 to 40,000	5	187,500	464	96.67%	2,972,000	72.45%
40,001 to 50,000	4	180,000	468	97.50%	3,152,000	76.84%
50,001 to 60,000	3	165,000	471	98.13%	3,317,000	80.86%
60,001 to 70,000	4	260,000	475	98.96%	3,577,000	87.20%
70,001 to 80,000	1	75,000	476	99.17%	3,652,000	89.03%
80,001 to 90,000	-	-	476	99.17%	3,652,000	89.03%
90,001 to 99,999	3	285,000	479	99.79%	3,937,000	95.97%
165,110	1	165,110	480	100.00%	4,102,110	100.00%
	480	4,102,110				

Average Number of Customers	40
Average Consumption	8,546
Median Consumption	2,813

Supporting Schedules:

Recap Schedules:

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

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

1 inch meter - Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
-	13	-	13	12.62%	-	0.00%
1 to 1,000	1	500	14	13.59%	500	0.05%
1,001 to 2,000	6	9,000	20	19.42%	9,500	0.87%
2,001 to 3,000	11	27,500	31	30.10%	37,000	3.40%
3,001 to 4,000	6	21,000	37	35.92%	58,000	5.33%
4,001 to 5,000	15	67,500	52	50.49%	125,500	11.52%
5,001 to 6,000	5	27,500	57	55.34%	153,000	14.05%
6,001 to 7,000	5	32,500	62	60.19%	185,500	17.03%
7,001 to 8,000	1	7,500	63	61.17%	193,000	17.72%
8,001 to 9,000	5	42,500	68	66.02%	235,500	21.62%
9,001 to 10,000	2	19,000	70	67.96%	254,500	23.37%
10,001 to 12,000	5	55,000	75	72.82%	309,500	28.42%
12,001 to 14,000	5	65,000	80	77.67%	374,500	34.39%
14,001 to 16,000	3	45,000	83	80.58%	419,500	38.52%
16,001 to 18,000	2	34,000	85	82.52%	453,500	41.64%
18,001 to 20,000	1	19,000	86	83.50%	472,500	43.38%
20,001 to 25,000	9	202,500	95	92.23%	675,000	61.98%
25,001 to 30,000	2	55,000	97	94.17%	730,000	67.03%
30,001 to 35,000	1	32,500	98	95.15%	762,500	70.01%
35,001 to 40,000	-	-	98	95.15%	762,500	70.01%
40,001 to 50,000	3	135,000	101	98.06%	897,500	82.41%
50,001 to 60,000	-	-	101	98.06%	897,500	82.41%
60,001 to 70,000	1	65,000	102	99.03%	962,500	88.38%
70,001 to 80,000	-	-	102	99.03%	962,500	88.38%
80,001 to 90,000	-	-	102	99.03%	962,500	88.38%
90,001 to 99,999	-	-	102	99.03%	962,500	88.38%
126,590	1	126,590	103	100.00%	1,089,090	100.00%
	103	1,089,090				

Average Number of Customers 8.58
Average Consumption 10,574
Median Consumption 4,967

Supporting Schedules:

Recap Schedules:

Antelope Run Water Company/East Slope Water Company/ Indiada Water Company Consolidated

Docket No. W-02327A-10-0171 et al.

Test Year Ended December 31, 2009

Rejoinder Schedule: H-5

Title: Bill Count

Page 4 of 7

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

Required for: All Utilities

X

Class A

Class B

Class C

Class D

Specd Reqmt

1 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	13	-	13	10.83%	-	0.00%
1 to 1,000	1	500	14	11.67%	500	0.02%
1,001 to 2,000	-	-	14	11.67%	500	0.02%
2,001 to 3,000	5	12,500	19	15.83%	13,000	0.54%
3,001 to 4,000	9	31,500	28	23.33%	44,500	1.85%
4,001 to 5,000	12	54,000	40	33.33%	98,500	4.09%
5,001 to 6,000	6	33,000	46	38.33%	131,500	5.46%
6,001 to 7,000	11	71,500	57	47.50%	203,000	8.42%
7,001 to 8,000	8	60,000	65	54.17%	263,000	10.91%
8,001 to 9,000	3	25,500	68	56.67%	288,500	11.97%
9,001 to 10,000	2	19,000	70	58.33%	307,500	12.76%
10,001 to 12,000	7	77,000	77	64.17%	384,500	15.95%
12,001 to 14,000	3	39,000	80	66.67%	423,500	17.57%
14,001 to 16,000	6	90,000	86	71.67%	513,500	21.31%
16,001 to 18,000	5	85,000	91	75.83%	598,500	24.83%
18,001 to 20,000	1	19,000	92	76.67%	617,500	25.62%
20,001 to 25,000	4	90,000	96	80.00%	707,500	29.35%
25,001 to 30,000	2	55,000	98	81.67%	762,500	31.64%
30,001 to 35,000	2	65,000	100	83.33%	827,500	34.33%
35,001 to 40,000	1	37,500	101	84.17%	865,000	35.89%
40,001 to 50,000	2	90,000	103	85.83%	955,000	39.62%
50,001 to 60,000	1	55,000	104	86.67%	1,010,000	41.91%
60,001 to 70,000	5	325,000	109	90.83%	1,335,000	55.39%
70,001 to 80,000	3	225,000	112	93.33%	1,560,000	64.73%
80,001 to 90,000	1	85,000	113	94.17%	1,645,000	68.25%
90,001 to 99,999	2	190,000	115	95.83%	1,835,000	76.14%
101,150	1	101,150	116	96.67%	1,936,150	80.33%
103,110	1	103,110	117	97.50%	2,039,260	84.61%
108,130	1	108,130	118	98.33%	2,147,390	89.10%
119,030	1	119,030	119	99.17%	2,266,420	94.04%
143,750	1	143,750	120	100.00%	2,410,170	100.00%
	120	2,410,170				

Average Number of Customers 10.00
Average Consumption 20,085
Median Consumption 7,375

Supporting Schedules:

Recap Schedules:

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

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

1.5 inch meter - Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	8	-	8	16.33%	-	0.00%
1 to 1,000	3	1,500	11	22.45%	1,500	0.08%
1,001 to 2,000	1	1,500	12	24.49%	3,000	0.15%
2,001 to 3,000	-	-	12	24.49%	3,000	0.15%
3,001 to 4,000	1	3,500	13	26.53%	6,500	0.33%
4,001 to 5,000	1	4,500	14	28.57%	11,000	0.57%
5,001 to 6,000	7	38,500	21	42.86%	49,500	2.55%
6,001 to 7,000	1	6,500	22	44.90%	56,000	2.88%
7,001 to 8,000	2	15,000	24	48.98%	71,000	3.65%
8,001 to 9,000	2	17,000	26	53.06%	88,000	4.53%
9,001 to 10,000	-	-	26	53.06%	88,000	4.53%
10,001 to 12,000	-	-	26	53.06%	88,000	4.53%
12,001 to 14,000	2	26,000	28	57.14%	114,000	5.86%
14,001 to 16,000	1	15,000	29	59.18%	129,000	6.64%
16,001 to 18,000	-	-	29	59.18%	129,000	6.64%
18,001 to 20,000	-	-	29	59.18%	129,000	6.64%
20,001 to 25,000	2	45,000	31	63.27%	174,000	8.95%
25,001 to 30,000	1	27,500	32	65.31%	201,500	10.37%
30,001 to 35,000	2	65,000	34	69.39%	266,500	13.71%
35,001 to 40,000	2	75,000	36	73.47%	341,500	17.57%
40,001 to 50,000	1	45,000	37	75.51%	386,500	19.88%
50,001 to 60,000	-	-	37	75.51%	386,500	19.88%
60,001 to 70,000	-	-	37	75.51%	386,500	19.88%
70,001 to 80,000	1	75,000	38	77.55%	461,500	23.74%
80,001 to 90,000	1	85,000	39	79.59%	546,500	28.11%
90,001 to 99,999	1	95,000	40	81.63%	641,500	33.00%
116,710	1	116,710	41	83.67%	758,210	39.01%
119,190	1	119,190	42	85.71%	877,400	45.14%
130,080	1	130,080	43	87.76%	1,007,480	51.83%
139,890	1	139,890	44	89.80%	1,147,370	59.03%
140,710	1	140,710	45	91.84%	1,288,080	66.26%
151,200	1	151,200	46	93.88%	1,439,280	74.04%
151,620	1	151,620	47	95.92%	1,590,900	81.84%
161,220	1	161,220	48	97.96%	1,752,120	90.14%
191,730	1	191,730	49	100.00%	1,943,850	100.00%
	49	1,943,850				

Average Number of Customers 4.08
Average Consumption 39,670
Median Consumption 8,250

Supporting Schedules:

Recap Schedules:

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

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

1.5 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
-	4	-	4	12.12%	-	0.00%
1 to 1,000	8	4,000	12	36.36%	4,000	0.62%
1,001 to 2,000	-	-	12	36.36%	4,000	0.62%
2,001 to 3,000	1	2,500	13	39.39%	6,500	1.00%
3,001 to 4,000	1	3,500	14	42.42%	10,000	1.54%
4,001 to 5,000	1	4,500	15	45.45%	14,500	2.24%
5,001 to 6,000	-	-	15	45.45%	14,500	2.24%
6,001 to 7,000	-	-	15	45.45%	14,500	2.24%
7,001 to 8,000	-	-	15	45.45%	14,500	2.24%
8,001 to 9,000	-	-	15	45.45%	14,500	2.24%
9,001 to 10,000	-	-	15	45.45%	14,500	2.24%
10,001 to 12,000	1	11,000	16	48.48%	25,500	3.93%
12,001 to 14,000	1	13,000	17	51.52%	38,500	5.94%
14,001 to 16,000	-	-	17	51.52%	38,500	5.94%
16,001 to 18,000	-	-	17	51.52%	38,500	5.94%
18,001 to 20,000	-	-	17	51.52%	38,500	5.94%
20,001 to 25,000	1	22,500	18	54.55%	61,000	9.41%
25,001 to 30,000	3	82,500	21	63.64%	143,500	22.13%
30,001 to 35,000	5	162,500	26	78.79%	306,000	47.19%
35,001 to 40,000	3	112,500	29	87.88%	418,500	64.53%
40,001 to 50,000	2	90,000	31	93.94%	508,500	78.41%
50,001 to 60,000	-	-	31	93.94%	508,500	78.41%
60,001 to 70,000	1	65,000	32	96.97%	573,500	88.43%
70,001 to 80,000	1	75,000	33	100.00%	648,500	100.00%
80,001 to 90,000	-	-	33	100.00%	648,500	100.00%
90,001 to 99,999	-	-	33	100.00%	648,500	100.00%
>100,000	-	-	33	100.00%	648,500	100.00%
	33	648,500				

Average Number of Customers 2.75
Average Consumption 19,652
Median Consumption 12,500

Supporting Schedules:

Recap Schedules:

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

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

2 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	-	-	-	0.00%	-	0.00%
1,001 to 2,000	-	-	-	0.00%	-	0.00%
2,001 to 3,000	-	-	-	0.00%	-	0.00%
3,001 to 4,000	-	-	-	0.00%	-	0.00%
4,001 to 5,000	4	18,000	4	11.11%	18,000	3.43%
5,001 to 6,000	3	16,500	7	19.44%	34,500	6.58%
6,001 to 7,000	3	19,500	10	27.78%	54,000	10.30%
7,001 to 8,000	3	22,500	13	36.11%	76,500	14.59%
8,001 to 9,000	2	17,000	15	41.67%	93,500	17.83%
9,001 to 10,000	2	19,000	17	47.22%	112,500	21.45%
10,001 to 12,000	2	22,000	19	52.78%	134,500	25.64%
12,001 to 14,000	3	39,000	22	61.11%	173,500	33.08%
14,001 to 16,000	1	15,000	23	63.89%	188,500	35.94%
16,001 to 18,000	1	17,000	24	66.67%	205,500	39.18%
18,001 to 20,000	1	19,000	25	69.44%	224,500	42.80%
20,001 to 25,000	4	90,000	29	80.56%	314,500	59.96%
25,001 to 30,000	6	165,000	35	97.22%	479,500	91.42%
30,001 to 35,000	-	-	35	97.22%	479,500	91.42%
35,001 to 40,000	-	-	35	97.22%	479,500	91.42%
40,001 to 50,000	1	45,000	36	100.00%	524,500	100.00%
50,001 to 60,000	-	-	36	100.00%	524,500	100.00%
60,001 to 70,000	-	-	36	100.00%	524,500	100.00%
70,001 to 80,000	-	-	36	100.00%	524,500	100.00%
80,001 to 90,000	-	-	36	100.00%	524,500	100.00%
90,001 to 99,999	-	-	36	100.00%	524,500	100.00%
>100,000	-	-	36	100.00%	524,500	100.00%
	36	524,500				

Average Number of Customers 3.00
Average Consumption 14,569
Median Consumption 10,500

Supporting Schedules:

Recap Schedules:

ORIGINAL

1 Steve Wene, State Bar No. 019630
2 MOYES SELLERS & HENDRICKS LTD.
3 1850 N. Central Ave., Suite 1100
4 Phoenix, Arizona 85004
5 Telephone: 602-604-2141
6 swene@law-mhs.com

RECEIVED

2011 OCT 11 P 4: 32

AZ CORP COMMISSION
DOCKET CONTROL



7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8
9 **COMMISSIONERS**

10 GARY PIERCE, CHAIRMAN
11 PAUL NEWMAN
12 SANDRA D. KENNEDY
13 BOB STUMP
14 BRENDA BURNS

Arizona Corporation Commission
DOCKETED

OCT 11 2011



15 IN THE MATTER OF THE APPLICATION OF
16 INDIADA WATER COMPANY, INC., FOR
17 APPROVAL OF A PERMANENT INCREASE
18 IN ITS WATER RATES.

DOCKET NO. W-02031A-10-0168

19 IN THE MATTER OF THE APPLICATION OF
20 ANTELOPE RUN WATER COMPANY FOR
21 APPROVAL OF A PERMANENT INCREASE
22 IN ITS WATER RATES.

DOCKET NO. W-02327A-10-0169

23 IN THE MATTER OF THE APPLICATION OF
24 BOB B. WATKINS DBA EAST SLOPE
25 WATER COMPANY FOR APPROVAL OF
26 ITS PERMANENT INCREASE IN ITS
27 WATER RATES.

DOCKET NO. W-01906A-10-0170

28 IN THE MATTER OF THE APPLICATION OF
BOB B. WATKINS DBA EAST SLOPE
WATER COMPANY, INDIADA WATER
COMPANY, INC., AND ANTELOPE RUN
WATER COMPANY FOR APPROVAL OF A
TRANSFER OF ASSETS AND

DOCKET NO. W-01906A-10-0171
DOCKET NO. W-02031A-10-0171
DOCKET NO. W-02327A-10-0171

1 CERTIFICATES OF CONVENIENCE AND
2 NECESSITY.

3 IN THE MATTER OF THE APPLICATION OF
4 BOB B. WATKINS DBA EAST SLOPE
5 WATER COMPANY FOR AUTHORITY TO
6 INCUR LONG-TERM DEBT.

DOCKET NO. W-01906A-10-0183

7 IN THE MATTER OF THE APPLICATION OF
8 INDIADA WATER COMPANY, INC. FOR
9 AUTHORITY TO INCUR LONG-TERM
10 DEBT.

DOCKET NO. W-02031A-10-0184

11 IN THE MATTER OF THE APPLICATION OF
12 ANTELOPE RUN WATER COMPANY FOR
13 AUTHORITY TO INCUR LONG-TERM
14 DEBT.

DOCKET NO. W-02327A-10-0185

**NOTICE OF FILING
ADDITIONAL REJOINDER
TESTIMONY OF
SONN ROWELL AND
BONNIE O'CONNOR**

15 East Slope Water Company, Antelope Run Water Company, and Indiada Water
16 Company (collectively "Companies") hereby give notice that the Companies are filing
17 the additional rejoinder testimony of Bonnie O'Connor and Sonn Rowell and supporting
18 schedules. *See* Exhibit 1 (O'Connor) and Exhibit 2 (Rowell). The testimony and related
19 schedules are attached. The Companies reserve the right to call additional witnesses if
20 deemed necessary to address issues raised by the Corporation Commission Staff or the
21 hearing officer.
22
23

24 RESPECTFULLY SUBMITTED this 11th day of October, 2011.

25
26 **MOYES SELLERS & HENDRICKS LTD.**

27
28 
Steve Wene

1 Original and 13 copies of the foregoing
2 filed this 11th day of October, 2011, with:

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

6

7

8

Donnelly Herbert

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EXHIBIT 1

1 Steve Wene, State Bar No. 019630
2 MOYES SELLERS & HENDRICKS LTD.
3 1850 N. Central Ave., Suite 1100
4 Phoenix, Arizona 85004
5 Telephone: 602-604-2141
6 swene@law-msh.com

7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 **COMMISSIONERS**

9 GARY PIERCE, CHAIRMAN
10 PAUL NEWMAN
11 SANDRA D. KENNEDY
12 BOB STUMP
13 BRENDA BURNS

14 IN THE MATTER OF THE APPLICATION OF
15 INDIADA WATER COMPANY, INC., FOR
16 APPROVAL OF A PERMANENT INCREASE
17 IN ITS WATER RATES.

DOCKET NO. W-02031A-10-0168

18 IN THE MATTER OF THE APPLICATION OF
19 ANTELOPE RUN WATER COMPANY FOR
20 APPROVAL OF A PERMANENT INCREASE
21 IN ITS WATER RATES.

DOCKET NO. W-02327A-10-0169

22 IN THE MATTER OF THE APPLICATION OF
23 BOB B. WATKINS DBA EAST SLOPE
24 WATER COMPANY FOR APPROVAL OF
25 ITS PERMANENT INCREASE IN ITS
26 WATER RATES.

DOCKET NO. W-01906A-10-0170

27 IN THE MATTER OF THE APPLICATION OF
28 BOB B. WATKINS DBA EAST SLOPE
29 WATER COMPANY, INDIADA WATER
30 COMPANY, INC., AND ANTELOPE RUN
31 WATER COMPANY FOR APPROVAL OF A
32 TRANSFER OF ASSETS AND
33 CERTIFICATES OF CONVENIENCE AND

DOCKET NO. W-01906A-10-0171
DOCKET NO. W-02031A-10-0171
DOCKET NO. W-02327A-10-0171

1 NECESSITY.

2 IN THE MATTER OF THE APPLICATION OF
3 BOB B. WATKINS DBA EAST SLOPE
4 WATER COMPANY FOR AUTHORITY TO
5 INCUR LONG-TERM DEBT.

DOCKET NO. W-01906A-10-0183

6 IN THE MATTER OF THE APPLICATION OF
7 INDIADA WATER COMPANY, INC. FOR
8 AUTHORITY TO INCUR LONG-TERM
9 DEBT.

DOCKET NO. W-02031A-10-0184

10 IN THE MATTER OF THE APPLICATION OF
11 ANTELOPE RUN WATER COMPANY FOR
12 AUTHORITY TO INCUR LONG-TERM
13 DEBT.

DOCKET NO. W-02327A-10-0185

**UPDATED REJOINDER
TESTIMONY OF BONNIE
O'CONNOR**

14 **Q. What is your purpose in offering this testimony?**

15 A. On behalf of the East Slope Water Company, Antelope Run Water Company, and
16 Indiada Water Company (collectively referred to as "ESARIN" or "Companies") I am
17 responding to Judge Martin's request for information regarding the County franchise
18 process if the Companies are consolidated into one entity.

19 **Q. Explain what would need to occur if the Arizona Corporation Commission
20 approved the proposed consolidation of Companies.**

21 As the ongoing company, East Slope Water Company, Inc. would have to apply
22 for a franchise for its certificated area, pay a \$500.00 application fee, and petition the
23 Cochise County Board of Supervisors for approval. Samples of documentation necessary
24 to complete this process are set forth in Attachment 1.

ATTACHMENT 1

EAST SLOPE WATER COMPANY, INC.

P.O. BOX 85160
TUCSON, ARIZONA 85754
520-623-5172
FAX 520-792-0377

October , 2011

Cochise County Board of Supervisors
1415 W. Melody Lane, Building G
Bisbee, Arizona 85603

Re: Application for Franchise

The Honorable Board of Supervisors;

Attached is a completed Application for Franchise for East Slope Water Company, Inc. along with the \$500.00 application fee. I have attached the legal description of a New Franchise area.

The purpose of this application is to request the joining of three existing franchises' into one franchise in order to provide water service.

After our franchise has been granted to include the expanded area, we will apply to the Arizona Corporation Commission for a Certificate of Convenience and Necessity ("CC&N") to join the CC&N of the noted areas as applicable.

If you have any questions or need additional information, please feel free to contact me at the number listed above.

Regards,

Bonnie O'Connor
President
Southwestern Utility Management, Inc.

For
East Slope Water Company, Inc.

Enclosure(s)

**COCHISE COUNTY, ARIZONA
APPLICATION FOR FRANCHISE**

Applicant's Name: East Slope Water Company, Inc.

Address: PO Box 85160 City: Tucson State: Arizona Zip: 85754

Telephone: 520-623-5172 Emergency Telephone: 520-429-3208 (onsite Technician)

Who will own and operate the system, if other than applicant:

Name: Nathan Watkins, President, Bob Watkins, Owner

Address: City: 301 North Garden Ave. Sierra Vista State: AZ Zip: 85635

Telephone: (520) 458-4388 Emergency Telephone: (520) 432-2017

Indicate the type of franchise you are applying for:

- Cable TV Electricity Gas Sewer Water
 Telecommunications Fiber Optic

Note: If you are claiming an exemption from obtaining a franchise please specify reason:

Does the applicant have an existing or proposed agreement with anyone proposing to have an ownership interest in the franchise? Yes No

If the answer is yes, please attach a statement from Corporate Council setting forth the name(s) and address(es) of the person(s) with such ownership interest, and a copy of the agreement.

What is the applicant's experience in providing service for the utility for which applicant is applying for a franchise? The Applicant has 30 plus years' experience in maintaining and operating water facilities. The company intends to join the franchises' of East Slope Water Company, Antelope Run Water Company and Indiada Water Company into one franchise as required by the Arizona Corporation Commission.

How many people do you anticipate serving with this utility? Approximately 995 service connections (3500 people)

**THIS APPLICATION MUST BE ACCOMPANIED BY A \$500 NONREFUNDABLE
FRANCHISE APPLICATION FEE AND A LEGAL DESCRIPTION OF THE
BOUNDARY OF THE AREA TO BE SERVED BY THE FRANCHISE.**

SAMPLE

APPLICATION FOR A FRANCHISE

FOR THE OPERATION OF A WATER PLANT AND DISTRIBUTION SYSTEM.

TO THE BOARD OF SUPERVISORS OF COCHISE COUNTY, STATE OF ARIZONA, East Slope Water Company, Inc. , AN ARIZONA CORPORATION, respectfully petitions the Honorable Board of supervisors of Cochise County, State of Arizona, for a WATER PLANT/DISTRIBUTION SYSTEM Franchise, to construct, maintain and operate its pipe lines, conduits and other necessary facilities for a period of twenty-five (25) years, for the purpose of transporting, distributing and selling WATER SERVICE for all purposes and to construct and maintain pipes, conduits, and other necessary facilities along, under and across the public streets, alleys and highways in the area known as East Slope Water Company, Sierra Vista, COCHISE COUNTY, ARIZONA, and more particularly described as follows:

SEE ATTACHED EXHIBITS - REINSTATED AND NEW FRANCHISE AREA

All construction, maintenance and use of the above shall be under such restriction and limitations, and upon such terms as the Board of Supervisors shall provide, and which shall not be inconsistent with law, or the orders or rules of the Arizona Corporation Commission. That your petitioner is a corporation duly organized and doing business under the laws of the State of Arizona. The area to be served is patented land and your petitioners have heretofore filed and application for a Certificate of Convenience and Necessity with the Arizona Corporation Commission.

Wherefore, your petitioner prays that after due and legal notice of this petition given as required by law, the application for your petitioner for a WATER PLANT/DISTRIBUTION SYSTEM. To construct, maintain and operate its pipe lines, conduit, and other necessary facilities as aforesaid, be approved and granted.

Dated this _____ day of _____, 2011.

Signature of Petitioner

P.O. Box 85160, Tucson, Arizona 85754
Mailing Address

EXHIBIT 2

1 Steve Wene, State Bar No. 019630
2 MOYES SELLERS & HENDRICKS LTD.
3 1850 N. Central Ave., Suite 1100
4 Phoenix, Arizona 85004
5 Telephone: 602-604-2141
6 swene@law-msh.com

7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 **COMMISSIONERS**

9 GARY PIERCE, CHAIRMAN
10 PAUL NEWMAN
11 SANDRA D. KENNEDY
12 BOB STUMP
13 BRENDA BURNS

14 IN THE MATTER OF THE APPLICATION OF
15 INDIADA WATER COMPANY, INC., FOR
16 APPROVAL OF A PERMANENT INCREASE
17 IN ITS WATER RATES.

DOCKET NO. W-02031A-10-0168

18 IN THE MATTER OF THE APPLICATION OF
19 ANTELOPE RUN WATER COMPANY FOR
20 APPROVAL OF A PERMANENT INCREASE
21 IN ITS WATER RATES.

DOCKET NO. W-02327A-10-0169

22 IN THE MATTER OF THE APPLICATION OF
23 BOB B. WATKINS DBA EAST SLOPE
24 WATER COMPANY FOR APPROVAL OF
25 ITS PERMANENT INCREASE IN ITS
26 WATER RATES.

DOCKET NO. W-01906A-10-0170

27 IN THE MATTER OF THE APPLICATION OF
28 BOB B. WATKINS DBA EAST SLOPE
WATER COMPANY, INDIADA WATER
COMPANY, INC., AND ANTELOPE RUN
WATER COMPANY FOR APPROVAL OF A
TRANSFER OF ASSETS AND
CERTIFICATES OF CONVENIENCE AND

DOCKET NO. W-01906A-10-0171
DOCKET NO. W-02031A-10-0171
DOCKET NO. W-02327A-10-0171

1 NECESSITY.

2 IN THE MATTER OF THE APPLICATION OF
3 BOB B. WATKINS DBA EAST SLOPE
4 WATER COMPANY FOR AUTHORITY TO
5 INCUR LONG-TERM DEBT.

DOCKET NO. W-01906A-10-0183

6 IN THE MATTER OF THE APPLICATION OF
7 INDIADA WATER COMPANY, INC. FOR
8 AUTHORITY TO INCUR LONG-TERM
9 DEBT.

DOCKET NO. W-02031A-10-0184

10 IN THE MATTER OF THE APPLICATION OF
11 ANTELOPE RUN WATER COMPANY FOR
12 AUTHORITY TO INCUR LONG-TERM
13 DEBT.

DOCKET NO. W-02327A-10-0185

**UPDATED REJOINDER
TESTIMONY OF SONN
ROWELL**

14 **Q. What is your purpose in offering this testimony?**

15 A. On behalf of the East Slope Water Company, Antelope Run Water Company, and
16 Indiada Water Company (collectively referred to as "ESARIN" or "Companies") I am
17 replying to Staff's updated schedules and supporting testimony filed on September 30,
18 2011. I hereby incorporate my previous testimony filed in this matter as well as the
19 attached documents supporting this testimony. *See Attachments 1 – 9.*

20 **Q. What is your primary concern with Staff's testimony?**

21 A. My primary concern is that Staff's proposal does not generate enough money to
22 reasonably operate the Companies and meet its financial obligations to WIFA if the
23 proposed loan is taken by the Companies.

24 **OPERATING MARGIN V. RATE OF RETURN ON RATE BASE**

25 **Q. What methodology do you recommend should be applied to the Companies?**

26 A. The Companies' rates should be set using the operating margin methodology
27 rather than the rate of return on rate base methodology because the latter does not
28 generate enough revenue to keep the Companies financially sound. The table below

1 illustrates the Companies' position regarding the appropriate operating margin for each
2 Company as well as ERARIN (consolidated) and compares it to Staff's proposed
3 operating margins:

	Companies' Operating Margin	Staff's Operating Margin
4 East Slope	12.00%	5.07%
5 Antelope Run	13.34%	10.12%
6 Indiada	13.40%	8.49%
7 ESARIN	12.40%	6.63%

8
9
10
11 Staff's proposed operating margins are simply too low for small water companies.
12 Meanwhile, the Companies' proposed operating margins are reasonable.

13 **Q. In the analysis above, why did you choose to use Staff's operating margin**
14 **calculated without the surcharge?**

15 **A.** Using operating margin with the WIFA loan surcharge is misleading. If the
16 surcharge is factored in, the operating margin accounts for the surcharge cash in, but does
17 not account for the cash out going directly to WIFA – i.e., it accounts for the cash
18 collected by the surcharge, but does not account for cash being paid to WIFA. That is
19 why under Staff's proposal the operating margin for ESARIN jumps from 6.63% to
20 33.89% with the surcharge in place (*see* Staff's Consolidated Schedule JMM-19) even
21 though ESARIN would have to actually pay an additional \$3,238 per month for the debt
22 reserve from its cash flow. *See* Attachment 4, Schedule SSR-4, line 27. Put another way,
23 if and when the surcharge is applied, ESARIN's net monthly cash flow drops from
24 \$5,153 to \$1,915, yet the operating margin simultaneously goes from 6.63% to 33.89%.
25 *See* Staff's Consolidated Schedule JMM-19. Clearly, knowing that surcharge must be
26 used to pay for the WIFA loan, the operating margin calculation that includes surcharge
27 cash flow in is not a useful analysis.

1 **Q. Briefly describe Staff's position on what method should be used to determine**
2 **the Company's revenue requirement.**

3 Staff proposes using the rate of return methodology with a 10% rate of return on
4 rate base. Staff also believes that the WIFA loan debt reserve should be paid from the
5 funds generated by the 10% rate of return.

6 **Q. Do you think Staff's recommendation to base the revenue requirement on a**
7 **generic 10% return on equity for each entity and the consolidated entity is**
8 **sufficient?**

9 A. No, it is not sufficient, especially if the WIFA loan is taken and the Companies are
10 obligated to pay the WIFA reserve without any corresponding additional cash inflow.

11 **Q. Please explain your response in more detail.**

12 A. To understand what Staff is proposing, you have to review Staff's Schedule JMM-
13 19s and perform a cash flow analysis for each of the Companies and the consolidated
14 ESARIN. But Schedule JMM-19 can lead readers to an erroneous conclusion that the
15 Companies will have adequate cash flow because Staff is mixing income data into the
16 cash flow analysis.

17 A straightforward monthly cash flow analysis shows that Staff's position will
18 leave the Companies in a poor financial position. The table below identifies cash in and
19 cash out on a monthly basis under Staff's proposed rates and WIFA loan surcharge:

	<i>East Slope</i>	<i>Antelope Run</i>	<i>Indiada</i>	<i>ESARIN</i>
Cash in	\$34,870	\$12,988	\$4,211	\$54,238
Cash out	(\$33,890)	(\$12,260)	(\$4,052)	(\$52,323)
Net Cash	\$981	\$728	\$158	\$1,915

25
26 See Attachments 1-4 (monthly cash flow analysis in last 5 lines). A net cash flow of less
27 than \$2,000 for a water company serving 1,044 customers is simply insufficient, as this
28

1 amounts to \$1.83 per customer per month for expenses that vary from Staff's budgeted
2 amounts.

3 What is most troubling is that Staff's position is actually a financial disincentive
4 for the Company to take on the WIFA loan to improve the systems and presumes to
5 require the Companies to commit substantial amounts of its depreciation cash flow (i.e.,
6 return of investment) to repay the WIFA loan. As the table below illustrates, not only is
7 there not enough cash flow to reasonably sustain the Companies even without the
8 surcharge, the surcharge as proposed by Staff burdens the Companies to the point that
9 they have negative free cash flow:

10 **Cash Flow Per Month**

	Customers	Free Cash Flow w/o WIFA Loan Surcharge	Free Cash Flow with WIFA Loan Surcharge
12 East Slope	820	\$1,068.00	-\$831.00
13 Antelope Run	168	\$729.00	-\$330.00
14 Indiada	56	\$227.00	-\$93.00
15 ESARIN	1,044	\$2,032.00	-\$1,206.00

16
17 See Attachments 1-4 (monthly cash flow analysis in last 5 lines). The Companies believe
18 this is not a good policy. Small companies that have no access to investment markets
19 should not be required to sacrifice their very limited cash flow to take a WIFA loan. The
20 WIFA loan surcharge should be a pass through from the customers to WIFA, leaving the
21 company in essentially same position it would be in if the loan was not taken.

22 **WIFA LOAN SURCHARGE**

23 **Q. Do you agree with Staff that a WIFA Loan Surcharge is appropriate here?**

24 A. Yes.

25 **Q. Do you disagree regarding how Staff calculates the WIFA Loan Surcharge?**

26 A. Yes. Staff is not including the annual debt reserve payment, which is significant.
27 For instance, the annual debt reserve payment for ESARIN would be \$38,852. There
28 needs to be a revenue stream to pay for this obligation. The Companies propose

1 including the debt reserve, and any additional tax obligation, in the surcharge. The
2 Companies have calculated its proposed surcharge for each Company individually and
3 ESARIN (consolidated). See Attachments 5 to 8.

4 **RATE CASE EXPENSE**

5 **Q. Do you still disagree with Staff's position that rate case expense should not**
6 **include the expenses incurred by the Company's when they came in for emergency**
7 **rates in the Fall of 2009?**

8 **A. Yes.** As I have testified previously, it would be a bad policy to not allow small
9 water companies to recover emergency rate case expense, especially when the
10 Commission grants the relief as it did here. Staff has never provided any sound policy
11 reason for disallowing such expense. Staff simply argues it is a non-recurring expense.
12 But all rate case expense is non-recurring, which is why it is amortized for a reasonable
13 period of time.

14 **CUSTOMER DEPOSITS**

15 **Q. Although Staff made some adjustments, has the Companies' position**
16 **regarding customer deposits changed?**

17 **A. No.** A security deposit is not capital and such deposits should not be deducted
18 from plant and rate base because they are never put into plant and rate base in the first
19 place. However, this argument is only relevant if Staff's proposal to calculate rates
20 using a rate of return on rate base is adopted.

21 **OTHER ISSUES**

22 **Q. While reviewing your schedules, you noticed clerical errors in Schedule H-3,**
23 **please explain.**

24 **A. The previous ESARIN Schedule H-3 had tier breaks for the larger meters (1" to**
25 **6") at 10,000 and 20,000 gallons. The corrected tiers are set forth in the Amended**
26 **Rejoinder Schedule H-3 in Attachment 9.**

27
28

ATTACHMENT 1

Analysis of Staff Schedule JMM-19 for Indiada

Line	Description	Staff Proposed Amounts	
		Without Surcharge & WIFA Loan	With Surcharge & WIFA Loan
Annual Cash Inflows:			
1	Cash Flow from Base Rates	\$ 32,741	\$ 32,741
2	Cash Flow from Surcharge	-	17,788
3	Total Cash Inflows from Rates	\$ 32,741	\$ 50,529
Annual Cash Outflows:			
4	Purchased Power	\$ 1,818	\$ 1,818
5	Chemicals	166	166
6	Repairs & Maintenance	910	910
7	Office Supplies and Expense	1,384	1,384
8	Outside Services	14,101	14,101
9	Water Testing	2,129	2,129
10	Transportation Expense	3,557	3,557
11	Rate Case Expense	1,439	1,439
12	Miscellaneous Expense	10	10
13	Property Taxes	1,431	1,716
14	AIAC repayments	52	52
15	WIFA Loan Interest	-	9,104
16	WIFA Loan Principal	-	8,684
17	WIFA Debt Service Reserve	-	3,558
18	Total Annual Cash Outflows	\$ 26,997	\$ 48,628
19	Annual Cash Flow From Operations (Line 3 - 18)	\$ 5,744	\$ 1,901
20	Annual Cash Flow from Depreciation Expense	3,016	3,016
21	Annual Free Cash Flow (Line 19 - 20)	\$ 2,728	\$ (1,115)
22	% Free Cash Flow of Cash Inflows (Line 21 / 3)	8.33%	-2.21%
23	Monthly Cash In (Line 3 / 12)	\$ 2,728	\$ 4,211
24	Monthly Cash Out (Line 18 / 12)	(2,250)	(4,052)
25	Net Monthly Cash (Net of lines 23 & 24)	\$ 479	\$ 158
26	Monthly Cash Flow from Depreciation Expense (Line 20 / 12)	(251)	(251)
27	Monthly Free Cash Flow (Net of lines 25 & 26)	\$ 227	\$ (93)

ATTACHMENT 2

Analysis of Staff Schedule JMM-19 for Antelope Run

Line	Description	Staff Proposed Amounts	
		Without Surcharge & WIFA Loan	With Surcharge & WIFA Loan
Annual Cash Inflows:			
1	Cash Flow from Base Rates	\$ 91,242	\$ 91,242
2	Cash Flow from Surcharge	-	64,615
3	Total Cash Inflows from Rates	\$ 91,242	\$ 155,857
Annual Cash Outflows:			
4	Purchased Power	\$ 17,695	\$ 17,695
5	Chemicals	166	166
6	Repairs & Maintenance	3,358	3,358
7	Office Supplies and Expense	2,393	2,393
8	Outside Services	33,478	33,478
9	Water Testing	1,899	1,899
10	Transportation Expense	5,245	5,245
11	Rate Case Expense	2,000	2,000
12	Miscellaneous Expense	27	27
13	Property Taxes	3,049	4,088
14	AIAC repayments	478	478
15	WIFA Loan Interest	-	32,538
16	WIFA Loan Principal	-	31,039
17	WIFA Debt Service Reserve	-	12,715
18	Total Annual Cash Outflows	\$ 69,788	\$ 147,119
19	Annual Cash Flow From Operations (Line 3 - 18)	\$ 21,454	\$ 8,738
20	Annual Cash Flow from Depreciation Expense	12,702	12,702
21	Annual Free Cash Flow (Line 19 - 20)	\$ 8,752	\$ (3,964)
22	% Free Cash Flow of Cash Inflows (Line 21 / 3)	9.59%	-2.54%
23	Monthly Cash In (Line 3 / 12)	\$ 7,604	\$ 12,988
24	Monthly Cash Out (Line 18 / 12)	(5,816)	(12,260)
25	Net Monthly Cash (Net of lines 23 & 24)	\$ 1,788	\$ 728
26	Monthly Cash Flow from Depreciation Expense (Line 20 / 12)	(1,059)	(1,059)
27	Monthly Free Cash Flow (Net of lines 25 & 26)	\$ 729	\$ (330)

ATTACHMENT 3

Analysis of Staff Schedule JMM-19 for East Slope

Line	Description	Staff Proposed Amounts	
		Without Surcharge & WIFA Loan	With Surcharge & WIFA Loan
Annual Cash Inflows:			
1	Cash Flow from Base Rates	\$ 281,285	\$ 281,285
2	Cash Flow from Surcharge	-	137,156
3	Total Cash Inflows from Rates	\$ 281,285	\$ 418,441
Annual Cash Outflows:			
4	Purchased Power	\$ 53,234	\$ 53,234
5	Chemicals	460	460
6	Repairs & Maintenance	12,341	12,341
7	Office Supplies and Expense	8,246	8,246
8	Outside Services	122,149	122,149
9	Water Testing	3,980	3,980
10	Transportation Expense	13,003	13,003
11	Insurance - General Liability	6,491	6,491
12	Rate Case Expense	10,000	10,000
13	Miscellaneous Expense	446	446
14	Property Taxes	11,163	13,367
15	Income Taxes	3,774	24,795
16	AIAC repayments	1,446	1,446
17	WIFA Loan Interest	-	58,308
18	WIFA Loan Principal	-	55,622
19	WIFA Debt Service Reserve	-	22,786
20	Total Annual Cash Outflows	\$ 246,733	\$ 406,674
21	Annual Cash Flow From Operations (Line 3 - 20)	\$ 34,552	\$ 11,767
22	Annual Cash Flow from Depreciation Expense	21,736	21,736
23	Annual Free Cash Flow (Line 21 - 22)	\$ 12,816	\$ (9,969)
24	% Free Cash Flow of Cash Inflows (Line 23 / 3)	4.56%	-2.38%
25	Monthly Cash In (Line 3 / 12)	\$ 23,440	\$ 34,870
26	Monthly Cash Out (Line 20 / 12)	(20,561)	(33,890)
27	Net Monthly Cash (Net of lines 25 & 26)	\$ 2,879	\$ 981
28	Monthly Cash Flow from Depreciation Expense (Line 22 / 12)	(1,811)	(1,811)
29	Monthly Free Cash Flow (Net of lines 27 & 28)	\$ 1,068	\$ (831)

ATTACHMENT 4

Analysis of Staff Schedule JMM-19 for ESARIN (Consolidated)

Line	Description	Staff Proposed Amounts	
		Without Surcharge & WIFA Loan	With Surcharge & WIFA Loan
Annual Cash Inflows:			
1	Cash Flow from Base Rates	\$ 396,651	\$ 396,651
2	Cash Flow from Surcharge	-	254,201
3	Total Cash Inflows from Rates	\$ 396,651	\$ 650,852
Annual Cash Outflows:			
4	Purchased Power	\$ 72,747	\$ 72,747
5	Chemicals	792	792
6	Repairs & Maintenance	16,609	16,609
7	Office Supplies and Expense	12,023	12,023
8	Outside Services	158,038	158,038
9	Water Testing	8,008	8,008
10	Transportation Expense	21,805	21,805
11	Insurance - General Liability	6,491	6,491
12	Rate Case Expense	13,439	13,439
13	Miscellaneous Expense	478	478
14	Property Taxes	15,504	19,589
15	Income Taxes	6,959	62,813
16	AIAC repayments	1,924	1,924
17	WIFA Loan Interest	-	99,421
18	WIFA Loan Principal	-	94,841
19	WIFA Debt Service Reserve	-	38,852
20	Total Annual Cash Outflows	\$ 334,817	\$ 627,870
21	Annual Cash Flow From Operations (Line 3 - 20)	\$ 61,834	\$ 22,982
22	Annual Cash Flow from Depreciation Expense	37,455	37,455
23	Annual Free Cash Flow (Line 21 - 22)	\$ 24,379	\$ (14,473)
24	% Free Cash Flow of Cash Inflows (Line 23 / 3)	6.15%	-2.22%
25	Monthly Cash In (Line 3 / 12)	\$ 33,054	\$ 54,238
26	Monthly Cash Out (Line 20 / 12)	(27,901)	(52,323)
27	Net Monthly Cash (Net of lines 25 & 26)	\$ 5,153	\$ 1,915
28	Monthly Cash Flow from Depreciation Expense (Line 22 / 12)	(3,121)	(3,121)
29	Monthly Free Cash Flow (Net of lines 27 & 28)	\$ 2,032	\$ (1,206)

ATTACHMENT 5

COMPANY PROPOSED SURCHARGE CALCULATION - INDIADA

Line				
1	Annual Interest and Fees	\$	9,104	
2	Annual Principal		8,684	
3	Annual Debt Reserve		<u>3,558</u>	
4	Total Annual Payments	\$	21,346	
5	Gross Revenue Conversion Factor		<u>1.0161</u>	
6	Annual Surcharge Amount Necessary			\$ 21,689
7	Number of Customers		56	
8	Months in Year		<u>12</u>	
9	Number of Annual Bills			<u>672</u>
10	Indiada Surcharge Amount per Month			<u>\$ 32.28</u>

ATTACHMENT 6

COMPANY PROPOSED SURCHARGE CALCULATION - ANTELOPE RUN

Line						
1	Annual Interest and Fees	\$	32,538			
2	Annual Principal		31,039			
3	Annual Debt Reserve		12,715			
4	Total Annual Payments	\$	76,292			
5	Gross Revenue Conversion Factor		1.0161			
6	Annual Surcharge Amount Necessary	\$		77,520		
7	Number of 5/8 x 3/4-inch Customers		163			
8	Months in Year		12			
9	Annual Bills			1,956		
10	Number of 1-inch Customers		4			
11	Meter Multiplier		2.5			
12	Annual Equivalent Bills			120		
13	Number of 2-inch Customers		1			
14	Meter Multiplier		8			
15	Annual Equivalent Bills			96		
16	Total Annual Equivalent Bills			2,172		
17	Antelope Run 5/8 x 3/4-inch Surcharge Amount per Month	\$		35.69		
18	Antelope Run 1-inch Surcharge Amount per Month ¹			89.23		
19	Antelope Run 2-inch Surcharge Amount per Month ²			285.53		
20	<i>Revenue Check:</i>					
21	5/8 x 3/4-inch meters	\$	35.69	1,956	\$	69,811
22	1-inch meters		89.23	48		4,283
23	2-inch meters		285.53	12		3,426
24	Totals			2,016	\$	77,520

25 ¹ \$35.69 times AWWA Meter Multiplier of 2.5

26 ² \$35.69 times AWWA Meter Multiplier of 8

ATTACHMENT 7

COMPANY PROPOSED SURCHARGE CALCULATION - EAST SLOPE

Line					
1	Annual Interest and Fees	\$	58,308		
2	Annual Principal		55,622		
3	Annual Debt Reserve		<u>22,786</u>		
4	Total Annual Payments	\$	136,716		
5	Gross Revenue Conversion Factor		<u>1.3000</u>		
6	Annual Surcharge Amount Necessary	\$		177,731	
7	Number of 5/8 x 3/4-inch Customers		792		
8	Months in Year		<u>12</u>		
9	Annual Bills			9,504	
10	Number of 1-inch Customers		15		
11	Meter Multiplier		<u>3</u>		
12	Annual Equivalent Bills			450	
13	Number of 1.5-inch Customers		10		
14	Meter Multiplier		<u>5</u>		
15	Annual Equivalent Bills			600	
16	Number of 2-inch Customers		3		
17	Meter Multiplier		<u>8</u>		
18	Annual Equivalent Bills			288	
19	Total Annual Equivalent Bills			<u>10,842</u>	
20	East Slope 5/8 x 3/4-inch Surcharge Amount per Month	\$		16.39	
21	East Slope 1-inch Surcharge Amount per Month ¹			40.98	
22	East Slope 1.5-inch Surcharge Amount per Month ²			81.96	
23	East Slope 2-inch Surcharge Amount per Month ³			131.14	
24	<i>Revenue Check:</i>				
			Surcharge	Annual Bills	Total
25	5/8 x 3/4-inch meters	\$	16.39	9,504	\$ 155,797
26	1-inch meters		40.98	180	7,377
27	1.5-inch meters		81.96	120	9,836
28	2-inch meters		131.14	36	4,721
29	Totals			<u>9,840</u>	\$ <u>177,731</u>

30 ¹ \$16.39 times AWWA Meter Multiplier of 2.5

31 ² \$16.39 times AWWA Meter Multiplier of 5

32 ³ \$16.39 times AWWA Meter Multiplier of 8

ATTACHMENT 8

COMPANY PROPOSED SURCHARGE CALCULATION - ESARIN (Consolidated)

Line					
1	Annual Interest and Fees	\$	99,421		
2	Annual Principal		94,841		
3	Annual Debt Reserve		<u>38,852</u>		
4	Total Annual Payments	\$	233,114		
5	Gross Revenue Conversion Factor		<u>1.3288</u>		
6	Annual Surcharge Amount Necessary	\$		309,762	
7	Number of 5/8 x 3/4-inch Customers		1,011		
8	Months in Year		<u>12</u>		
9	Annual Bills			12,132	
10	Number of 1-inch Customers		19		
11	Meter Multiplier		<u>3</u>		
12	Annual Equivalent Bills			570	
13	Number of 1.5-inch Customers		10		
14	Meter Multiplier		<u>5</u>		
15	Annual Equivalent Bills			600	
16	Number of 2-inch Customers		4		
17	Meter Multiplier		<u>8</u>		
18	Annual Equivalent Bills			384	
19	Total Annual Equivalent Bills			<u>13,686</u>	
20	ESARIN 5/8 x 3/4-inch Surcharge Amount per Month	\$		22.63	
21	ESARIN 1-inch Surcharge Amount per Month ¹			56.58	
22	ESARIN 1.5-inch Surcharge Amount per Month ²			113.17	
23	ESARIN 2-inch Surcharge Amount per Month ³			181.07	
24	<i>Revenue Check:</i>				
		Surcharge	Annual Bills	Total	
25	5/8 x 3/4-inch meters	\$	22.63	12,132	\$ 274,590
26	1-inch meters		56.58	228	12,901
27	1.5-inch meters		113.17	120	13,580
28	2-inch meters		181.07	48	8,691
29	Totals			<u>12,528</u>	\$ 309,762

30 ¹ \$22.63 times AWWA Meter Multiplier of 2.5

31 ² \$22.63 times AWWA Meter Multiplier of 5

32 ³ \$22.63 times AWWA Meter Multiplier of 8

ATTACHMENT 9

Antelope Run Water Company/East Slope Water Company/ Indiada Water Company Consolidated

Docket No. W-02327A-10-0171 et al.

Test Year Ended December 31, 2009

Amended Rejoinder Schedule: H-3

Title: Changes in Representative Rate Schedules - Page 1 of 2

Explanation:
Schedule comparing present rate schedules with proposed rate schedule.

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

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

Description	Present Rate	Proposed Rate
MONTHLY USAGE CHARGE		
5/8" x 3/4" Meter	NA	\$ 13.45
3/4" Meter	NA	20.18
1" Meter	NA	33.63
1-1/2" Meter	NA	67.25
2" Meter	NA	107.60
3" Meter	NA	215.20
4" Meter	NA	336.25
6" Meter	NA	672.50
Commodity Charges Per 1,000 Gallons:		
5/8 x 3/4 - inch meter		
Tier one: 0 - 3,000 Gallons	NA	\$1.07
Tier two: 3,001 to 10,000 Gallons	NA	\$1.93
Tier three: All Gallons Over 10,000	NA	\$3.47
3/4 - inch meter		
Tier one: 0 - 3,000 Gallons	NA	\$ 1.07
Tier two: 3,001 to 10,000 Gallons	NA	1.93
Tier three: All Gallons Over 10,000	NA	3.47
One - inch meter		
Tier one: 0 - 25,000 Gallons	NA	\$ 1.93
Tier two: All Gallons Over 25,000	NA	3.47
One and one half - inch meter		
Tier one: 0 - 50,000 Gallons	NA	\$ 1.93
Tier two: All Gallons Over 50,000	NA	3.47
Two - inch meter		
Tier one: 0 - 80,000 Gallons	NA	\$ 1.93
Tier two: All Gallons Over 80,000	NA	3.47
Three - inch meter		
Tier one: 0 - 140,000 Gallons	NA	\$ 1.93
Tier two: All Gallons Over 140,000	NA	3.47
Four - inch meter		
Tier one: 0 - 200,000 Gallons	NA	\$ 1.93
Tier two: All Gallons Over 200,000	NA	3.47
Six - inch meter		
Tier one: 0 - 400,000 Gallons	NA	\$ 1.93
Tier two: All Gallons Over 400,000	NA	3.47

Description	Present Rate	Proposed Rate
SERVICE CHARGES		
Establishment	NA	\$ 35.00
Reconnection (Delinquent)	NA	35.00
Meter Test (If Correct)	NA	25.00
Meter Reread (If Correct)	NA	20.00
NSF Check Charge	NA	25.00
Deposit		*
Deposit Interest (Per Annum)		*
Deferred Payment (Per Month)	1.50%	**
Late Charge (Per Month)	2%	**
Re-establishment (Within 12 Months)		***
After Hours Service Charge		35.00
MONTHLY SERVICE CHARGE FOR FIRE SPRINKLER:		
	N/A	****

SERVICE LINE AND METER INSTALLATION CHARGES
Refundable Pursuant to AAC R14-2-405

Description	Present Rate	Proposed Rates		
		Service Line	Meter Charge	Total Charge
5/8" x 3/4" Meter	NA	\$ 430.00	\$ 130.00	\$ 560.00
3/4" Meter	NA	430.00	230.00	660.00
1" Meter	NA	480.00	290.00	770.00
1-1/2" Meter	NA	535.00	500.00	1,035.00
2" Meter - Turbine	NA	815.00	1,020.00	1,835.00
2" Meter - Compound	NA	815.00	1,865.00	2,680.00
3" Meter - Turbine	NA	1,030.00	1,645.00	2,675.00
3" Meter - Compound	NA	1,150.00	2,545.00	3,695.00
4" Meter - Turbine	NA	1,460.00	2,620.00	4,080.00
4" Meter - Compound	NA	1,640.00	3,595.00	5,235.00
6" Meter - Turbine	NA	2,180.00	4,975.00	7,155.00
6" Meter - Compound	NA	2,300.00	6,870.00	9,170.00

* Per Commission Rule AAC R-14-2-403(B).

** 1.50% of unpaid monthly balance.

*** Month off system times the monthly minimum per Commission rule AAC R14-2-403(D).

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

Supporting Schedules: