

# ORIGINAL NEW APPLICATION



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 Company, Inc.

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AZ CORP COMMISSION  
DOCKET CONTROL

## BEFORE THE ARIZONA CORPORATION COMMISSION

### COMMISSIONERS

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

Arizona Corporation Commission

DOCKETED

SEP 30 2011

DOCKETED BY	nr
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W-02168A-11-0363

14 APPLICATION OF TRUXTON CANYON  
 15 WATER COMPANY, INC. FOR AN  
 16 INCREASE IN ITS WATER RATES

Docket No. W-02168A -11-\_\_\_\_\_

### RATE APPLICATION

19  
 20 The Truxton Canyon Water Company, Inc. ("Company" or "Applicant"), hereby  
 21 applies for an increase in its water rates.

### SUPPORTING DOCUMENTATION

22  
 23 Pursuant to A.A.R. Rule 14-2-103, the Company submits the following  
 24  
 25 documentation in support of the proposed increase in rates and charges:

- 26
- 27 ● Direct Testimony of Sonn S. Rowell (*see* Exhibit 1);
  - 28 ● Required Schedules, Statements, and Documentation (*see* Exhibit 2);

- 1 ● Water Use Data Sheets (*see* Exhibit 3);
- 2 ● Plant Descriptions (*see* Exhibit 4);
- 3 ● ADEQ Compliance Status Report (*see* Exhibit 5); and
- 4 ● Monitoring Assistance Program Sampling Fee Invoice (*see* Exhibit 6).

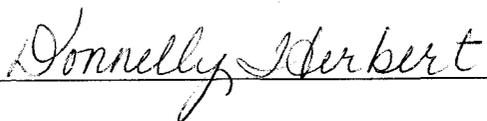
5  
6 RESPECTFULLY SUBMITTED this 30<sup>th</sup> day of September, 2011.

7  
8 **MOYES SELLERS & HENDRICKS LTD.**

9  
10   
11 \_\_\_\_\_  
12 Steve Wene

13 Original and 13 copies of the foregoing  
14 filed this 30<sup>th</sup> day of September, 2011, with:

15 Docket Control  
16 Arizona Corporation Commission  
17 1200 West Washington  
18 Phoenix, Arizona 85007

19   
20 \_\_\_\_\_  
21  
22  
23  
24  
25  
26  
27  
28

# **EXHIBIT 1**



1 A. I have been retained to perform a financial analysis of their books and records of  
2 Truxton Canyon Water Company, Inc. ("Company") in order to prepare rate and finance  
3 applications for submittal to the Arizona Corporation Commission.  
4

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

6 A. Generally, the purpose of my testimony is to present my analysis and  
7 recommendations concerning the development of the Company's gross revenue  
8 requirement, taking into account adjusted rate base, adjusted operating income, working  
9 capital requirements, the current rate of return for the historic twelve month period,  
10 required operating income, the proposed rate of return, and other relevant factors. I will  
11 also sponsor certain exhibits in support of the rate and finance applications.  
12

13 **Q. What is the basis for your recommendation?**

14 A. I analyzed the Company's records to determine its adjusted revenues and expenses  
15 during the test year ending June 30, 2011. Next, I calculated the proposed revenue  
16 requirement in order to ensure the Company can earn sufficient revenue to provide  
17 adequate and reliable water service. Based upon my analysis, I have prepared the  
18 schedules in accordance with A.A.C. Rule 14-2-103, which are enclosed with the  
19 testimony. I adopt these schedules as part of my testimony.  
20  
21

22 **Q. How long has it been since this Company underwent a rate case?**

23 A. The last rate case utilized a test year of 1999, and resulted in Decision 63713,  
24 which authorized the current rates and charges.  
25  
26

27 **Q. Please summarize the Company's request.**  
28

1 A. TCWC is seeking an increase of 97.24%. Schedule A-1 details how this increase  
2 is allocated between residential and commercial customers.

3 **Q. It appears that the rates paid by the residential ratepayers will go down**  
4 **under the proposed rate schedule, is this the case?**

5  
6 A. Yes. Due to the addition of the VVPOA which pays for the usage by the golf  
7 course, residential rates decrease.

8  
9 **Q. Referring to Schedule C-1, can you explain the adjustments to the test year**  
10 **made by the Company for this application?**

11 A. All adjustments are detailed on Schedule C-2, and further supported by Schedules  
12 C-2a through C-2l.

13  
14 Adjustment A increases Adjusted Test Year revenue by \$240,000 to include  
15 revenue at its current rates. Please note that this revenue is not included in Adjusted Test  
16 Year Revenue since the actual amount paid, versus the contract, are in dispute. The  
17 amount of revenue currently estimated to be generated by sales to the golf course are  
18 shown for illustrative purposes only. Schedule C-2a provides detail of this adjustment.

19  
20 Adjustment B increases Salaries and Wages by \$126,086. This adjustment was  
21 made to include the wages attributed to TCWC that were paid by the Trust under the  
22 management agreement, which has been cancelled. Schedule C-2b provides detail of this  
23 adjustment.

24  
25 Adjustment C is detailed on Schedule C-2c and increases this expense to include  
26 the TCWC prorata share of office expenses paid on behalf of the utilities.  
27  
28

1 Adjustment D removes management fees paid by TCWC to the Trust during the  
2 Test Year. Due to cancellation of the management agreement, this amount is no longer  
3 necessary and has been replaced by actual costs from the test year and known and  
4 measurable changes as detailed on Schedule C-2d.  
5

6 Adjustment E increases Rent Expense to include rental of a building used  
7 exclusively by TCWC for chlorination, as well as the prorata share of the office rent.  
8 Detailed on Schedule C-2e, office rent results from cancellation of management contract.  
9

10 Due to cancellation of the management contract with the Trust, TCWC is now  
11 responsible for certain costs that had previously not been a direct cost of the water  
12 company. Adjustment F is detailed on Schedule C-2f and includes the actual cost of  
13 transportation expenses related to TCWC only.  
14

15 Adjustment G increases General Liability Insurance related to employees of  
16 TCWC by \$2,157 to include amounts previously covered under the management  
17 agreement.  
18

19 Adjustment H increases Depreciation Expense per the calculation on Schedule C-  
20 2h.  
21

22 Adjustment J increases Taxes Other Than Income related to employees of TCWC  
23 by \$12,662 to include amounts previously covered under the management agreement.  
24

25 Current and proposed property tax expenses are reflected by Adjustments K and  
26 N, and are calculated on Schedule C-2j.  
27

28 Test year income tax expense Adjustment L is detailed on Schedule C-2k.

1 Metered water revenue is increased by \$312,034 as calculated on Schedule A-1, and  
2 reflected by Adjustment M.

3 Adjustment O increases income tax expense at proposed rates by \$78,562 as  
4 calculated on Schedule C-21.

5 Adjustment P includes expenses for Unisource related to golf course service.

6  
7 **Q. Is TCWC really requesting an increase of \$312,034 over Test Year Revenue?**

8 **A.** No. Since the VVPOA is now a customer of the utility, that entity brings revenue  
9 and expenses that are not included in actual test year amounts.

10  
11 **Q. What are the rate impacts to the average and median residential customers?**

12 **A.** Water customers on a 3/4-inch meter with average monthly water use of 5,818  
13 gallons will experience a decrease from \$28.30 per month to \$25.37. The median user of  
14 4,051 gallons will experience a decrease from \$25.37 to \$18.59 per month.

15  
16 **Q. Please summarize the revenue requirement the Company is requesting and  
17 the customer impacts.**

18 **A.** Per Schedule A-1, the Company is requesting an increase in the revenue  
19 requirement of \$312,034, which will result in a 15.01% operating margin.

20  
21 **Q Does this conclude your testimony?**

22 **A.** Yes, it does.  
23  
24  
25  
26  
27  
28

# **EXHIBIT 2**

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
<b><u>Rate of Return on Rate Base Method:</u></b>		
1. Adjusted Rate Base	\$ (160,643) (a)	(a)
2. Adjusted Operating Income	\$ (134,834) (b)	(b)
3. Current Rate of Return	<i>Not Meaningful</i>	
4. Required Rate of Return	<i>Not Meaningful</i>	
5. Required Operating Income	\$ 95,000	
6. Operating Income Deficiency (5 - 2)	\$ 229,834	
7. Gross Revenue Conversion Factor	1.358 (c)	(c)
<b>8. Increase in Gross Revenue Requirements (6 x 7)</b>	<b>\$ 312,034</b>	

<b><u>Operating Margin Method:</u></b>		
9. Proposed Revenue	\$ 632,918	
10. Required Operating Margin	15.01%	
11. Required Operating Income (9 x 10)	\$ 95,000	
12. Operating Income Deficiency (11 - 2)	\$ 229,834	
13. Gross Revenue Conversion Factor	1.358 (c)	(c)
<b>14. Increase in Gross Revenue Requirements (12 x 13)</b>	<b>\$ 312,034</b>	

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase	
Residential	\$ 303,271	\$ 235,611	\$ (67,660)	-22.31%	(d)
Commercial	17,613	397,307	379,694	2155.76%	
Industrial	-		-		
Other	-		-		
<b>Total</b>	<b>\$ 320,884</b>	<b>\$ 632,918</b>	<b>\$ 312,034</b>	<b>97.24%</b>	

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

**Truxton Canyon Water Company**  
Docket No. W-02168A-11  
Test Year Ended June 30, 2011

**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-09	31-Dec-10	Rates	Rates	Rates	Rates
	(a)	(a)	(a)	(b)	(c)	(c)
1. Gross Revenues	\$ 313,315	\$ 314,205	\$ 320,884	\$ 320,884	\$ 320,884	\$ 632,918
2. Revenue Deductions & Operating Expenses	(350,723)	(364,685)	(339,483)	(455,718)	(455,718)	(537,918)
3. Operating Income	\$ (37,408)	\$ (50,480)	\$ (18,599)	\$ (134,834)	\$ (134,834)	\$ 95,000
4. Other Income and Deductions	-	-	-	-	-	-
5. Interest Expense	-	-	-	-	-	-
<b>6. Net Income</b>	<b>\$ (37,408)</b>	<b>\$ (50,480)</b>	<b>\$ (18,599)</b>	<b>\$ (134,834)</b>	<b>\$ (134,834)</b>	<b>\$ 95,000</b>
7. Earned Per Average Common Share*	\$ (7.48)	\$ (10.10)	\$ (3.72)	\$ (26.97)		
8. Dividends Per Common Share*	-	-	-	-		
9. Payout Ratio*	0.00%	0.00%	0.00%	0.00%		
10. Return on Average Invested Capital	-4.85%	-6.74%	-3.20%	-23.19%	-23.19%	16.34%
11. Return on Year End Capital	-4.85%	-6.93%	-4.28%	-31.04%	-31.04%	21.87%
12. Return on Average Common Equity	Double Negative					-30.12%
13. Return on Year End Common Equity	Double Negative					-20.55%
14. Times Bond Interest Earned - Before Inc Tax						
15. Times Total Interest and Preferred Dividends Earned - After Income Taxes						

Supporting Schedules:

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

\*Optional for projected year

**Truxton Canyon Water Company**  
 Docket No. W-02168A-11  
 Test Year Ended June 30, 2011

**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 - 2009		\$ -	
2. Prior Year 2 - 2010			-
3. Test Year - 6/30/2011		-	-
4. Projected Year 1		-	-
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

Truxton Canyon Water Company  
 Docket No. W-02168A-11  
 Test Year Ended June 30, 2011

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	X
Class A	
Class B	
Class C	
Class D	
Specl Reqmt	

	Original Cost Rate Base*	RCND Rate Base*
1. Gross Utility Plant in Service	\$ 1,167,400	
2. Less: Accumulated Depreciation	(472,387)	
3. Net Utility Plant in Service	\$ 695,013 (a)	(b)
<b>Less:</b>		
4. Advances in Aid of Construction	\$ (896,796) (c)	(c)
5. Contributions in Aid of Construction	(63,429) (c)	(c)
<b>Add:</b>		
6. Amortization of CIAC	\$ 63,429 (c)	
7. Allowance for Working Capital	41,141 (d)	(d)
<b>7. Total Rate Base</b>	<b>\$ (160,643) (e)</b>	(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

**Truxton Canyon Water Company**  
 Docket No. W-02168A-11  
 Test Year Ended June 30, 2011

**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	\$ 1,167,400			\$ 1,167,400
2 Less: Accumulated Depreciation	(472,387)			(472,387)
3 Net Utility Plant in Service	\$ 695,013	\$ -		\$ 695,013
<b>Less:</b>				
4 Advances in Aid of Construction	\$ (896,796)			\$ (896,796)
5 Contributions in Aid of Construction	(63,429)			(63,429)
<b>Add:</b>				
6 Amortization of CIAC	\$ 63,429			\$ 63,429
7 Allowance for Working Capital	41,141			41,141
8 <b>Total Rate Base</b>	<b>\$ (160,643)</b>	<b>\$ -</b>		<b>\$ (160,643)</b>

**Ref**

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

Supporting Schedules:  
 (a) E-1

Recap Schedules:  
 (b) B-1

**Truxton Canyon Water Company**  
 Docket No. W-02168A-11  
 Test Year Ended June 30, 2011

**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	\$ 3,692
1/24th Purchased Water	2,803
1/8th Operation & Maintenance Expense	34,646
2. Materials and Supplies Inventories	- (a)
3. Prepayments	- (a)
	<hr/>
<b>4. Total Working Capital Allowance</b>	<b><u>\$ 41,141</u> (b)</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

Truxton Canyon Water Company  
Docket No. W-02168A-11  
Test Year Ended June 30, 2011

Schedule C-1  
Title: Adjusted Test Year Income  
Statement

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 statement of income for the test year,  
including pro forma adjustments.

Description	Actual for Test		Proforma		Test Year		Proposed	Adjusted Test
	Year Ended (a)	Ref	Adjustments	Ref	Results After	Pro Forma		
	30-Jun-11		(b)		Adjustments		Increase	Rate Increase
<b>Operating Revenues:</b>								
461 Metered Water Revenue	\$ 320,884				\$ 320,884	M	\$ 312,034	\$ 632,918
461.1 Golf Course Revenue		A	\$ 240,000		240,000			
474 Other Water Revenue					-			-
<b>Total Operating Revenue</b>	<b>\$ 320,884</b>				<b>\$ 320,884</b>		<b>\$ 312,034</b>	<b>\$ 632,918</b>
<b>Operating Expenses:</b>								
601 Salaries & Wages	\$ 2,866	B	\$ 126,086		\$ 128,952			\$ 128,952
610 Purchased Water	67,268				67,268			67,268
615 Purchased Power	59,002	P	29,597		88,599			88,599
618 Chemicals	1,481				1,481			1,481
620 Repairs & Maintenance	21,700				21,700			21,700
621 Office Supplies and Expense	10,321	C	9,357		19,678			19,678
630 Outside Services	140,589	D	(126,107)		14,482			14,482
635 Water Testing	1,045				1,045			1,045
641 Rental Expense	14,062	E	20,888		34,950			34,950
650 Transportation Expense	13,168	F	22,738		35,906			35,906
657 Insurance - General Liability	5,210	G	2,157		7,367			7,367
659 Insurance - Health and Life	-				-			-
666 Rate Case Expense	-	H	10,000		10,000			10,000
675 Miscellaneous Expense	1,610				1,610			1,610
403 Depreciation & Amortization	-	I	34,471		34,471			34,471
408 Taxes Other Than Income	-	J	12,662		12,662			12,662
408.11 Property Taxes	1,161	K	10,062		11,223	N	3,638	14,861
409 Income Taxes	-	L	(35,675)		(35,675)	O	78,562	42,887
427.4 Customer Security Deposit Interest					-			-
<b>Total Operating Expenses</b>	<b>\$ 339,483</b>		<b>\$ 116,235</b>		<b>\$ 455,718</b>		<b>\$ 82,200</b>	<b>\$ 537,918</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>\$ (18,599)</b>		<b>\$ (116,235)</b>		<b>\$ (134,834)</b>	(c)	<b>\$ 229,834</b>	<b>\$ 95,000</b>
<b>Other Income/(Expense):</b>								
419 Interest Income	\$ -				\$ -			\$ -
421 Non-Utility Income	-				-			-
426 Miscellaneous Non-Utility Expenses	-				-			-
427 Interest Expense	-				-			-
<b>Total Other Income/(Expense)</b>	<b>\$ -</b>		<b>\$ -</b>		<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>
<b>NET INCOME/(LOSS)</b>	<b>\$ (18,599)</b>		<b>\$ (116,235)</b>		<b>\$ (134,834)</b>		<b>\$ 229,834</b>	<b>\$ 95,000</b>

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

Truxton Canyon Water Company  
 Docket No. W-02168A-11  
 Test Year Ended June 30, 2011

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	O	P	Total (a)
Revenues:																	
Metered Water Revenue	\$ 240,000												\$ 312,034				\$ 312,034
Golf Course Revenue																	
Expenses:																	
Salaries & Wages		\$ 126,086															\$ 126,086
Purchased Power																	29,597
Office Supplies and Expense			\$ 9,357														9,357
Outside Services				\$ (126,107)													(126,107)
Rental Expense					\$ 20,888												20,888
Transportation Expense						\$ 22,738											22,738
Insurance - General Liability							\$ 2,157										2,157
Rate Case Expense								\$ 10,000									10,000
Depreciation & Amortization									\$ 34,471								34,471
Taxes Other Than Income										\$ 12,662							12,662
Property Taxes											\$ 10,062						10,062
Income Taxes														\$ 3,638			3,638
															\$ 78,562		78,562
																	(35,675)

Adjustment Descriptions:

- A - Include estimated revenue from golf course.
- B - Adjust Salaries & Wages Expense per calculation on Schedule C-2b.
- C - Adjust Office Supplies and Expense per calculation on Schedule C-2c.
- D - Adjust Outside Services Expense per calculation on Schedule C-2d.
- E - Adjust Rental Expense per calculation on Schedule C-2e.
- F - Adjust Transportation Expense per calculation on Schedule C-2f.
- G - Adjust Insurance Expense per calculation on Schedule C-2g.
- H - Increase Rate Case Expense to recover estimated costs of \$30,000 for this rate case, amortized over 3 years.
- I - Increase Depreciation Expense based upon proposed depreciation rates per schedule C-2h.
- J - Adjust Taxes Other Than Income for payroll taxes per calculation on Schedule C-2i.
- K - Adjust test year Property Tax Expense per Schedule C-2j.
- L - Adjust test year income tax expense per Schedule C-2k.
- M - Increase metered water revenue per calculation on Schedule A-1.
- N - Increase property taxes for proposed rates per calculation on Schedule C-2j.
- O - Increase income taxes for proposed rates per calculation on Schedule C-2i.
- P - Include expenses for Unisource related to golf course service.

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

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

Truxton Canyon Water Company  
Docket No. W-02168A-11  
Test Year Ended June 30, 2011

Schedule C-2a  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF METERED WATER ADJUSTMENT**

<u>Description</u>	<u>Annual Gallons</u>	<u>Annual Amount</u>
Estimated amount paid currently for Golf Course usage:		
3/4-inch meter	70,000	\$ 112
1-inch meter	3,000,000	4,782
2-inch meter	5,500,000	8,767
6-inch meters	142,000,000	226,340
<b>Total Gallons</b>	<b>150,570,000</b>	
<b>Total Revenue (Adjustment A)</b>	<b>\$</b>	<b>240,000</b>
Average Cost per 1,000 Gallons	\$	1.59

Truxton Canyon Water Company  
Docket No. W-02168A-11  
Test Year Ended June 30, 2011

Schedule C-2b  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF ADJUSTMENT TO SALARIES AND WAGES**

<b>Description</b>	<b>Annual Salary</b>	<b>TCWC share</b>	<b>TCWC Amount</b>
Employee 1	\$ 40,000	75%	\$ 30,000
Employee 2	40,000	75%	30,000
Employee 3	29,640	75%	22,230
Employee 4	29,640	75%	22,230
Employee 5	14,976	75%	11,232
Employee 6	17,680	75%	13,260
Totals \$	171,936		\$ 128,952
Test Year Salaries and Wages Expense			<u>2,866</u>
<b>Total Adjustment B</b>			<b><u>\$ 126,086</u></b>

Truxton Canyon Water Company  
Docket No. W-02168A-11  
Test Year Ended June 30, 2011

Schedule C-2c  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF OFFICE SUPPLIES AND EXPENSE ADJUSTMENT**

Vendor	Amount Paid by Trust Per Management Agreement	TCWC Share
US Postmaster	\$ 1,971	
Waste Management	1,061	
Southwest Alarm	450	
Pitney Bowes	1,494	
A to Z Roofing	85	
City of Kingman	556	
Don's Office Products	370	
Intuit	549	
Mail Unlimited	533	
Subtotal	\$ 7,069	
TCWC Prorata share	75.00%	
<b>Part I of Adjustment C</b>	<b>\$</b>	<b>5,302</b>
Sprint	\$ 2,943	
Mohave Wireless	1,403	
Global	272	
Frontier	3,070	
Subtotal	\$ 7,688	
TCWC Prorata share	75.00%	
<b>Part II of Adjustment C</b>	<b>\$</b>	<b>5,766</b>
Actual Phone expenses paid by TCWC during the Test Year	\$ 6,842	
Cerbat Prorata share	25.00%	
<b>Part III of Adjustment C</b>	<b>\$</b>	<b>(1,711)</b>
<b>Total Adjustment C</b>	<b>\$</b>	<b>9,357</b>

Truxton Canyon Water Company  
Docket No. W-02168A-11  
Test Year Ended June 30, 2011

Schedule C-2d  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF ADJUSTMENT TO OUTSIDE SERVICES EXPENSE**

<u>Description</u>	<u>Amount</u>
Test Year Outside Services Expense	\$ 140,589
Proposed Outside Services Expense	<u>14,482</u>
<b>Total Adjustment D due to Cancellation of Management Contract</b>	<b><u><u>\$ (126,107)</u></u></b>

Truxton Canyon Water Company  
Docket No. W-02168A-11  
Test Year Ended June 30, 2011

Schedule C-2e  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF ADJUSTMENT TO RENT EXPENSE**

<u>Description</u>	<u>Amount</u>
<i>Current TCWC Rental obligations:</i>	
Chlorination Building rental @ \$2,500 per month	\$ 30,000
Shared Office Space @ \$550 per month	\$ 6,600
TCWC Prorata Share	<u>75.00%</u>
TCWC Share of Monthly Office Rent	<u>4,950</u>
Total Current Annual Rent Expense	\$ 34,950
Actual Test Year Rent Expense	<u>14,062</u>
<b>Total Adjustment E</b>	<b><u><u>\$ 20,888</u></u></b>

**DETAIL OF TRANSPORTATION EXPENSE ADJUSTMENT**

Vendor	Expense Amount	TCWC Share
<i>Direct Vehicle Expenses Paid by Trust:</i>		
Arizona Department of Motor Vehicles	\$ 1,797	
Cliff Findley Auto	225	
Joe's Auto Repair	549	
Kingman Auto Supply	1,687	
Martin Swanty Dodge	833	
Rebel Oil	1,500	
Stockton Hill Tire	2,175	
Sun Valley Bumper	509	
Subtotal	\$ 9,275	
TCWC Prorata share		75.00%
<b>Part I of Adjustment F</b>		<b>\$ 6,956</b>
<i>Direct Vehicle Expenses Paid by TCWC:</i>		
Cliff Findley Auto	\$ 151	
Joe's Auto Repair	188	
Kingman Auto Supply	1,487	
R&R Hitches	280	
Martin Swanty Dodge	134	
Rebel Oil	7,540	
Stockton Hill Tire	314	
Subtotal	\$ 10,094	
TCWC Prorata share		75.00%
<b>Part II of Adjustment F</b>		<b>\$ 7,571</b>
<i>Accrued Vehicle Expenses on Books of TCWC already allocated:</i>		
Rebel Oil	\$ 3,654	
TCWC Prorata share		100.00%
<b>Part III of Adjustment F</b>		<b>\$ 3,654</b>
<i>Monthly Lease Expenses for Work Trucks:</i>		
Truck 1	\$ 735	
Truck 2	515	
Truck 3	250	
Subtotal	\$ 1,600	
Annualized	12	
Total Annual Lease Expense	\$ 19,200	
TCWC Prorata share		75.00%
<b>Part IV of Adjustment F</b>		<b>\$ 14,400</b>
<i>Mileage Expenses for Work Truck:</i>		
Truck 4 - 155 miles per week @ \$0.55	\$ 85.25	
Annualized	52	
Total Annual Mileage Expense	\$ 4,433	
TCWC Prorata share		75.00%
<b>Part V of Adjustment F</b>		<b>\$ 3,325</b>
<b>Adjusted Test Year Transportation Expenses</b>		<b>\$ 35,906</b>
<b>Actual Test Year Transportation Expenses</b>		<b>13,168</b>
<b>Total Adjustment F</b>		<b>\$ 22,738</b>

Truxton Canyon Water Company  
Docket No. W-02168A-11  
Test Year Ended June 30, 2011

Schedule C-2g  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF GENERAL LIABILITY INSURANCE EXPENSE ADJUSTMENT**

<u>Description</u>	<u>Amount</u>	<u>Rate</u>	<u>Cost</u>
Adjusted Test Year Salaries and Wages Expense	\$ 128,952		
Calculation of Workers Compensation Insurance:			
Water Operations Salaries	\$ 74,460	\$ 3.05	\$ 2,271
Administrative Salaries	54,492	0.23	<u>125</u>
		Subtotal	\$ 2,396
		Deviation Adjustment	<u>(240)</u>
<b>Total Adjustment G to Include Workers Compensation Insurance Expense</b>			<b><u><u>\$ 2,157</u></u></b>

**DETAIL OF PROPOSED DEPRECIATION EXPENSE CALCULATION**

Account Number	Description	Plant @ End of Test Year 30-Jun-11	Proposed Depreciation Rate	Ref	Proposed Depreciation Expense
301	Intangibles	\$ -	0.00%		\$ -
303	Land & Land Rights	20	0.00%		-
304	Structures & Improvements	159	3.33%	1	-
307	Wells & Springs	19,791	3.33%	2	-
311	Pumping Equipment	11,462	12.50%	3	-
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	-	2.22%		-
330.2	Pressure Tanks.	-	5.00%		-
331	Transmission & Distribution Mains	865,257	2.00%		17,305
333	Services	64,236	3.33%	4	-
334	Meters & Meter Installations	206,069	8.33%		17,166
335	Hydrants	-	2.00%		-
339	Other Plant and Misc Equipment	406	6.67%	5	-
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%		-
<b>Totals</b>		<b>\$ 1,167,400</b>			<b>\$ 34,471</b>

Test Year Depreciation Expense -

**Total Adjustment I \$ 34,471**

- 1 The total amount in account 304 - Structures & Improvements, is fully depreciated.
- 2 The total amount in account 307 - Wells & Springs, is fully depreciated.
- 3 The total amount in account 311 - Pumping Equipment, is fully depreciated.
- 4 The total amount in account 333 - Services, is fully depreciated.
- 5 The total amount in account 339 - Other Plant and Misc Equipment, is fully depreciated.

Truxton Canyon Water Company  
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Schedule C-2i  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF ADJUSTMENT TO TAXES OTHER THAN INCOME**

<b>Description</b>	<b>Rate</b>	<b>Amount</b>
Adjusted Test Year Salaries and Wages Expense		\$ 128,952
<i>Calculation of Employer Payroll Taxes:</i>		
Social Security Tax	6.20%	7,995.02
Medicare Tax	1.45%	1,869.80
Federal Unemployment Tax (FUTA)	0.80%	336.00
Arizona Unemployment Insurance (SUI)	5.86%	<u>2,461.20</u>
<b>Total Adjustment J</b>	<b>\$</b>	<b><u><u>12,662</u></u></b>

**DETAIL OF PROPOSED PROPERTY TAX EXPENSE CALCULATION**

	<u>Test Year as Adjusted</u>	<u>Company at Proposed Rates</u>
Adjusted Test Year Revenue	\$ 320,884	\$ 320,884
Weight Factor	2	2
Subtotal	<u>\$ 641,768</u>	<u>\$ 641,768</u>
Company Recommended Revenue	320,884	632,918
Subtotal	<u>\$ 962,652</u>	<u>\$ 1,274,686</u>
Number of Years	3	3
Three Year Revenue Average	<u>\$ 320,884</u>	<u>\$ 424,895</u>
AZ Department of Revenue Multiplier	2	2
Revenue Base Value	<u>\$ 641,768</u>	<u>\$ 849,790</u>
Plus 10% of CWIP		-
Less: Net Book Value of Licensed Vehicles	-	-
<b>Full Cash Value</b>	<b>\$ 641,768</b>	<b>\$ 849,790</b>
Assessment Ratio	20.00%	20.00%
<b>Assessment Value</b>	<b>\$ 128,354</b>	<b>\$ 169,958</b>
<b>Composite Property Tax Rate *</b>	<u>8.744%</u>	<u>8.744%</u>
Adjusted Test Year Property Tax Expense	\$ 11,223	
Actual Test Year Property Tax Expense	<u>1,161</u>	
<b>Total Adjustment K</b>	<b>\$ 10,062</b>	
Projected Property Tax Expense		\$ 14,861
Adjusted Test Year Property Tax Expense		<u>11,223</u>
<b>Total Adjustment N</b>		<b>\$ 3,638</b>
 <i>* Property tax composite rate calculation:</i>		
Assessed Value per 2011 Property Tax Notices	\$ 142,116	
Property Tax due per 2011 Notice	<u>\$ 12,426</u>	
Composite Property Tax Rate	<u>8.744%</u>	
 <i>For Gross Revenue Conversion Factor:</i>		
Change in Property Tax Expense	\$ 3,638	
Change in Revenue Requirement	<u>312,033</u>	
Change in Property Tax per Dollar Increase in Revenue	<u>1.1658%</u>	

Truxton Canyon Water Company  
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Test Year Ended June 30, 2011

Schedule C-2k  
Title: Income Statement Proforma  
Adjustments

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

***STATE INCOME TAX CALCULATION:***

Operating Income/(Loss) Before Taxes	\$	(170,509)	
Less:			
Estimated Interest Expense		<u>-</u>	
Arizona Taxable Income	\$	(170,509)	
Arizona Income Tax Rate		<u>6.9680%</u>	
Arizona Income Tax Expense	\$		(11,881)

***FEDERAL INCOME TAX CALCULATION:***

Operating Income/(Loss) Before Taxes	\$	(170,509)	
Less:			
Arizona Income Tax	\$	(11,881)	
Estimated Interest Expense		<u>-</u>	
Federal Taxable Income	\$	(158,628)	
Federal Income Tax Rate		<u>15.0000%</u>	
Federal Income Tax Expense	\$		(23,794)
Adjusted Test Year Income Tax Expense	\$		<u>(35,675)</u>
Test Year Income Tax Expense			<u>-</u>
Total Adjustment L to Income Taxes	\$		<u><u>(35,675)</u></u>

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

Revenue	\$ 632,918		
Operating Expenses Excluding Income Tax	495,031		
Estimated Interest Expense	-		
Arizona Taxable Income		\$ 137,887	
Arizona Income Tax Rate		6.9680%	
Arizona Income Tax Expense			\$ 9,608
Federal Taxable Income		\$ 128,279	
Federal Tax on 1st Income Range (\$1 - \$50,000) @ 15%		\$ 7,500	
Federal Tax on 2nd Income Range (\$50,001 - \$75,000) @ 25%		6,250	
Federal Tax on 3rd Income Range (\$75,001 - \$100,000) @ 34%		8,500	
Federal Tax on 4th Income Range (\$100,001 - \$335,000) @ 39%		11,029	
Federal Tax on 5th Income Range (\$335,001 - \$10M) @ 34%		-	
Total Federal Income Tax Expense			33,279
Combined Federal and State Income Tax Expense			\$ 42,887
Adjusted Test Year Income Tax Expense			(35,675)
<b>Adjustment O to Proposed Income Tax Expense</b>			<b>\$ 78,562</b>
Required Operating Income	\$ 95,000		
Adjusted Test Year Operating Income/(Loss)	(134,834)		
Proposed Increase In Operating Income		\$ 229,834	
Income Taxes On Proposed Revenue	\$ 42,887		
Income Taxes On Test Year Revenue	(35,675)		
Proposed Revenue Increase For Income Taxes		\$ 78,562	
Property Taxes On Proposed Revenue	\$ 14,861		
Property Taxes On Test Year Revenue	11,223		
Proposed Revenue Increase For Property Taxes		\$ 3,638	
<b>Total Proposed Increase In Revenue</b>			<b>\$ 312,034</b>

Truxton Canyon Water Company  
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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	1.000
Combined Federal And State Tax Rate	(0.252)
Property Tax Rate	(0.012)
Operating Income	0.737
<b>Gross Revenue Conversion Factor = 1/Operating Income %</b>	<b>1.358</b>

*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	19.5734%
Effective Federal Income Tax Rate	18.2095%
Combined Federal And State Income Tax Rates	25.17750%

Truxton Canyon Water Company  
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Schedule D-1  
 Title: Summary Cost of Capital

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 elements of capital structure  
 and the related cost.

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)								
Advances In Aid Of Construction	\$ 896,796	206.42%	10.00%	20.64%	\$ 896,796	206.42%	10.00%	20.64%
Common Equity (c)	(462,343)	-106.42%	Dbl Neg		(462,343)	-106.42%	Dbl Neg	
Totals	<u>\$ 434,453</u>	<u>100.00%</u>		<u>20.64%</u>	<u>\$ 434,453</u>	<u>100.00%</u>		<u>20.64%</u>

*Schedule Not Meaningful due to Negative Equity*

Supporting Schedules:

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

Recap Schedules:

- (e) A-3

**Truxton Canyon Water Company**  
Docket No. W-02168A-11  
Test Year Ended June 30, 2011

**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 30-Jun-11	Prior Year 31-Dec-10	Prior Year 31-Dec-09
<b>ASSETS</b>			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 1,167,400	\$ 1,167,400	\$ 1,167,400
103 Property Held for Future Use			
105 Construction Work in Process			
108 Accumulated Depreciation	(472,387)	(417,050)	(388,661)
Total Property Plant & Equipment	\$ 695,013	\$ 750,350	\$ 778,739
Current Assts:			
131 Cash	\$ 3,377	\$ 2,921	\$ 42
135 Temporary Cash Investments			
141 Customer Accounts Receivable	2,199	7,175	7,132
146 Notes/Receivables from Associated Companies			
151 Plant Material and Supplies			
162 Prepayments			
174 Miscellaneous Current and Accrued Assets			
Total Current Assets	\$ 5,576	\$ 10,096	\$ 7,174
<b>TOTAL ASSETS</b>	<b>\$ 700,589</b>	<b>\$ 760,446</b>	<b>\$ 785,913</b>
<b>LIABILITIES and CAPITAL</b>			
Capitalization: (b)			
201 Common Stock Issued	\$ 11,000	\$ 11,000	\$ 11,000
211 Paid in Capital in Excess of Par Value			
215 Retained Earnings	(473,343)	(179,507)	(137,249)
218 Proprietary Capital	-	-	-
Total Capital	\$ (462,343)	\$ (168,507)	\$ (126,249)
Current Liabilities:			
231 Accounts Payable	\$ 266,136	\$ 17,511	\$ 13,009
232 Notes Payable (Current Portion)			
234 Notes/Accounts Payable to Associated Companies			
235 Customer Deposits			
236 Accrued Taxes	-	14,646	2,357
241 Miscellaneous Current and Accrued Liabilities			
Total Current Liabilities	\$ 266,136	\$ 32,157	\$ 15,366
224 Long-Term Debt (Over 12 Months)			
Deferred Credits:			
252 Advances In Aid Of Construction	\$ 896,796	\$ 896,796	\$ 896,796
271 Contributions In Aid Of Construction	63,429	63,429	63,429
272 Less: Amortization of Contributions	(63,429)	(63,429)	(63,429)
281 Accumulated Deferred Income Tax			
Total Deferred Credits	\$ 896,796	\$ 896,796	\$ 896,796
Total Liabilities	\$ 1,162,932	\$ 928,953	\$ 912,162
<b>TOTAL LIABILITIES and CAPITAL</b>	<b>\$ 700,589</b>	<b>\$ 760,446</b>	<b>\$ 785,913</b>
Supporting Schedules:			
(a) E-5	Recap Schedules:		
	(b) A-3		

**Truxton Canyon Water Company**  
Docket No. W-02168A-11  
Test Year Ended June 30, 2011

**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 30-Jun-11	Prior Year Ended 31-Dec-10	Prior Year Ended 31-Dec-09
Revenues: (a)			
461 Metered Water Revenue	\$ 320,884	\$ 314,205	\$ 305,620
474 Other Water Revenue	-		7,695
Total Revenues	\$ 320,884	\$ 314,205	\$ 313,315
Operating Expenses (a)			
601 Salaries & Wages	\$ 2,866	\$ -	\$ -
610 Purchased Water	67,268	68,299	153,857
615 Purchased Power	59,002	50,074	303
618 Chemicals	1,481	3,029	4,547
620 Repairs and Maintenance	21,700	11,514	
621 Office Supplies and Expense	10,321		
630 Outside Services	140,589	132,910	130,053
635 Water Testing	1,045	1,330	
641 Rents	14,062		
650 Transportation Expense	13,168	20,246	
657 Insurance - General liability	5,210	3,475	
659 Insurance - Health and Life	-		
666 Regulatory Commission Expense - Rate Case	-		
675 Miscellaneous Expense	1,610	14,311	13,186
403 Depreciation Expense	-	36,611	36,611
408 Taxes Other Than Income	-		
408.11 Property Taxes	1,161	22,886	12,166
409 Income Tax	-		
Total Operating Expenses	\$ 339,483	\$ 364,685	\$ 350,723
<b>OPERATING INCOME/(LOSS)</b>	<b>\$ (18,599)</b>	<b>\$ (50,480)</b>	<b>\$ (37,408)</b>
Other Income/(Expense)			
419 Interest and Dividend Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-		
426 Miscellaneous Non-Utility Expense	-		
427 Interest Expense	-		
Total Other Income/(Expense)	\$ -	\$ -	\$ -
<b>NET INCOME/(LOSS)</b>	<b>\$ (18,599)</b>	<b>\$ (50,480)</b>	<b>\$ (37,408)</b>

Supporting Schedules:  
(a) E-6

Recap Schedules:  
A-2

**Truxton Canyon Water Company**

Docket No. W-02168A-11

Test Year Ended June 30, 2011

**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 30-Jun-10	Net Additions	End of Test Year at 30-Jun-11
301	Intangibles	\$ -	\$ -	\$ -
303	Land & Land Rights	20	-	20
304	Structures & Improvements	159	-	159
307	Wells & Springs	19,791	-	19,791
311	Pumping Equipment	11,462	-	11,462
320	Water Treatment Equipment	-	-	-
320.1	Water Treatment Plants	-	-	-
320.2	Solution Chemical Feeders	-	-	-
330	Distribution Reservoirs & Standpipes	-	-	-
330.1	Storage Tanks	-	-	-
330.2	Pressure Tanks.	-	-	-
331	Transmission & Distribution Mains	865,257	-	865,257
333	Services	64,236	-	64,236
334	Meters & Meter Installations	206,069	-	206,069
335	Hydrants	-	-	-
339	Other Plant and Misc Equipment	406	-	406
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	-	-	-
	<b>Total Plant In Service</b>	<b>\$ 1,167,400</b>	<b>\$ -</b>	<b>\$ 1,167,400</b>
108	Accumulated Depreciation	(417,050)	(55,337)	(472,387)
	<b>Net Plant In Service</b>	<b>\$ 750,350</b>	<b>\$ (55,337)</b>	<b>\$ 695,013</b>
103	Property Held for Future Use	\$ -		\$ -
105	Construction Work in Process	-		-
	<b>Total Net Plant</b>	<b>\$ 750,350</b>	<b>\$ (55,337)</b>	<b>\$ 695,013</b>

Supporting Schedules:

Recap Schedules:

E-1 A-4

**Truxton Canyon Water Company**  
 Docket No. W-02168A-11  
 Test Year Ended June 30, 2011

**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"/>

<b>Water Statistics:</b>	<b>Test Year Ended 30-Jun-11</b>	<b>Prior Year Ended 31-Dec-10</b>	<b>Prior Year Ended 31-Dec-09</b>
<b>Gallons Sold - By Class of Service:</b>			
Residential	60,146,255	60,333,729	57,694,451
Commercial	5,098,379	5,114,271	4,890,549
<b>Average Number of Customers - By Class of Service:</b>			
Residential	864	859	845
Commercial	15	15	15
Average Annual Gallons Per Residential Customer	69,641	70,237	68,277
Average Annual Revenue Per Residential Customer	\$ 351.14	\$ 345.70	\$ 341.36
Pumping Cost Per 1,000 Gallons	\$ 0.90	\$ 0.77	\$ 0.005

**Truxton Canyon Water Company**  
 Docket No. W-02168A-11  
 Test Year Ended June 30, 2011

**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

<b>Description</b>	<b>Test Year Ended 30-Jun-11</b>	<b>Prior Year Ended 31-Dec-10</b>	<b>Prior Year Ended 31-Dec-09</b>
<b>Federal Taxes:</b>			
Income	\$ -	\$ -	\$ -
Payroll	-	-	-
<b>Total Federal Taxes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>State Taxes:</b>			
Income	\$ -	\$ -	\$ -
Payroll	-	-	-
<b>Total State Taxes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Local Taxes:</b>			
Property	\$ 1,161	\$ 22,886	\$ 12,166
<b>Total Taxes</b>	<b>\$ 1,161</b>	<b>\$ 22,886</b>	<b>\$ 12,166</b>

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

Supporting Schedules:

Recap Schedules:

Truxton Canyon Water Company  
Docket No. W-02168A-11  
Test Year Ended June 30, 2011

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   
Class A   
Class B   
Class C   
Class D   
Specl Reqmt

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

1 Accounting Method.

**The books of the 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, the depreciation rate as authorized in Decision 63713 was 5% for all plant asset categories. Proposed depreciation rates are depicted on Schedule C-2h, 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:

Truxton Canyon Water Company  
Docket No. W-02168A-11  
Test Year Ended June 30, 2011

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) 30-Jun-11	Projected Year	
		At Present Rates Year Ended (b) 30-Jun-11	At Proposed Rates Year Ended (b) 30-Jun-11
<b>Operating Revenues:</b>			
461 Metered Water Revenue	\$ 320,884	\$ 320,884	\$ 632,918
474 Other Water Revenue	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 320,884</b>	<b>\$ 320,884</b>	<b>\$ 632,918</b>
<b>Operating Expenses:</b>			
601 Salaries & Wages	\$ 2,866	\$ 128,952	\$ 128,952
610 Purchased Water	67,268	67,268	67,268
615 Purchased Power	59,002	88,599	88,599
618 Chemicals	1,481	1,481	1,481
620 Repairs & Maintenance	21,700	21,700	21,700
621 Office Supplies and Expense	10,321	19,678	19,678
630 Outside Services	140,589	14,482	14,482
635 Water Testing	1,045	1,045	1,045
641 Rental Expense	14,062	34,950	34,950
650 Transportation Expense	13,168	35,906	35,906
657 Insurance - General Liability	5,210	7,367	7,367
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	-	10,000	10,000
675 Miscellaneous Expense	1,610	1,610	1,610
403 Depreciation & Amortization	-	34,471	34,471
408 Property Taxes	1,161	11,223	14,861
408.1 Taxes Other Than Income	-	12,662	12,662
409 Income Taxes	-	(35,675)	42,887
427.4 Customer Security Deposit Interest	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 339,483</b>	<b>\$ 455,718</b>	<b>\$ 537,918</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>\$ (18,599)</b>	<b>\$ (134,834)</b>	<b>\$ 95,000</b>
<b>Other Income/(Expense):</b>			
419 Interest Income	\$ -	\$ -	\$ -
421 Non-Utility Income	-	-	-
426 Miscellaneous Non-Utility Expenses	-	-	-
427 Interest Expense	-	-	-
<b>Total Other Income/(Expense)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET INCOME/(LOSS)</b>	<b>\$ (18,599)</b>	<b>\$ (134,834)</b>	<b>\$ 95,000</b>
Earnings per share of average Common Stock Outstanding	\$ (3.72)	\$ (26.97)	\$ 19.00
% Return on Common Equity		Negative Equity	

Supporting Schedules:  
(a) E-2

Recap Schedules:  
(b) A-2

**Truxton Canyon Water Company**  
 Docket No. W-02168A-11  
 Test Year Ended June 30, 2011

**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

<b>Property Classification</b>	<b>Actual Test Year Ended 6/30/2011</b>	<b>End of Projected Year 1</b>
Production Plant	\$ -	\$ -
Transmission Plant	-	-
Other Plant	-	-
<b>Total Plant</b>	<b>\$ -</b>	<b>\$ -</b>

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

Supporting Schedules:

Recap Schedules:

(a) F-2 & A-4

Truxton Canyon Water Company  
Docket No. W-02168A-11  
Test Year Ended June 30, 2011

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 almost no growth in the past few years. Customer levels fluctuate mostly due to existing customers coming and going.**

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, with the proforma adjustments included in this application, accurately depict expense levels for utility going forward.**

4 Construction requirements including production reserves and changes in plant capacity

5 Capital structure changes

**None**

6 Financing costs, interest rates

**None**

Supporting Schedules:

Recap Schedules:

Truxton Canyon Water Company  
 Docket No. W-02168A-11  
 Test Year Ended June 30, 2011

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	%
<b>Residential</b>				
3/4-inch	\$ 302,267	\$ 234,560	(67,707)	-22.40%
1-inch	1,004	1,051	47	4.68%
<i>Total Residential</i>	\$ 303,271	\$ 235,611	\$ (67,660)	-22.31%
<b>Commercial</b>				
3/4-inch	3,754	\$ 3,277	(477)	-12.71%
1-inch	5,791	13,412	7,621	131.60%
2-inch	8,068	20,995	12,927	160.23%
6-inch	-	359,623	359,623	
<i>Total Commercial</i>	\$ 17,613	\$ 397,307	\$ 379,694	
Total Metered Water Revenue	\$ 320,884	\$ 632,918	\$ 312,034	97.24%
Other Revenue			-	
<b>Total Revenue</b>	<b>\$ 320,884</b>	<b>\$ 632,918</b>	<b>\$ 312,034</b>	<b>97.24%</b>

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

Supporting Schedules:  
 (a) H-2

Recap Schedules:  
 (b) A-1

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

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

(Rates apply to both residential and commercial usage)

Description	Present Rate	Proposed Rate	% change
<b>MONTHLY USAGE CHARGE:</b>			
5/8" x 3/4" Meter	\$ 19.50	\$ 14.00	-28%
3/4" Meter	19.50	14.00	-28%
1" Meter	32.50	35.00	8%
1-1/2" Meter	65.00	70.00	8%
2" Meter	104.00	112.00	8%
3" Meter	195.00	224.00	15%
4" Meter	325.00	350.00	8%
6" Meter	650.00	700.00	8%
Gallons included in minimum	-	-	0.00%

Description	Present Rate	Proposed Rate
<b>COMMODITY CHARGES - Per 1,000 Gallons</b>		
<u>5/8 x 3/4 - inch meters</u>		
1 - 5,000 Gallons	\$ 1.45	
5,001 to 20,000 Gallons	1.90	
Over 20,000 Gallons	2.50	
1 - 3,000 Gallons		\$ 1.00
3,001 to 10,000 Gallons		1.51
Over 10,000 Gallons		2.50
<u>3/4 - inch meters</u>		
1 - 5,000 Gallons	\$ 1.45	
5,001 to 20,000 Gallons	1.90	
Over 20,000 Gallons	2.50	
1 - 3,000 Gallons		\$ 1.00
3,001 to 10,000 Gallons		1.51
Over 10,000 Gallons		2.50
<u>One - inch meters</u>		
1 - 5,000 Gallons	\$ 1.45	
5,001 to 20,000 Gallons	1.90	
Over 20,000 Gallons	2.50	
1 to 25,000 Gallons		\$ 1.51
Over 25,000 Gallons		2.50
<u>One and one half - inch meters</u>		
1 - 5,000 Gallons	\$ 1.45	
5,001 to 20,000 Gallons	1.90	
Over 20,000 Gallons	2.50	
1 to 50,000 Gallons		\$ 1.51
Over 50,000 Gallons		2.50
<u>Two - inch meters</u>		
1 - 5,000 Gallons	\$ 1.45	
5,001 to 20,000 Gallons	1.90	
Over 20,000 Gallons	2.50	
1 to 80,000 Gallons		\$ 1.51
Over 80,000 Gallons		2.50
<u>Three - inch meters</u>		
1 - 5,000 Gallons	\$ 1.45	
5,001 to 20,000 Gallons	1.90	
Over 20,000 Gallons	2.50	
1 - 160,000 Gallons		\$ 1.51
Over 160,000 Gallons		2.50

Description	Present Rate	Proposed Rate
<b>Four - inch meters</b>		
1 - 5,000 Gallons	\$ 1.45	
5,001 to 20,000 Gallons	1.90	
Over 20,000 Gallons	2.50	
1 - 250,000 Gallons		\$ 1.51
Over 250,000 Gallons		2.50
<b>Six - inch meters</b>		
1 - 5,000 Gallons	\$ 1.45	
5,001 to 20,000 Gallons	1.90	
Over 20,000 Gallons	2.50	
1 - 500,000 Gallons		\$ 1.51
Over 500,000 Gallons		2.50
<b>Standpipe Water Sales</b>		
All Gallons	\$ 2.50	\$ 2.50

Description	Present Rate	Proposed Rate	% change
<b>SERVICE CHARGES</b>			
Establishment	\$ 45.00	\$ 50.00	11.11%
Establishment (After Hours)	55.00	N/A	
Reconnection (Delinquent)	65.00	70.00	7.69%
Reconnection (Delinquent/After Hours)	75.00	N/A	
Meter Test (If Correct)	35.00	40.00	14.29%
Deposit	*	*	
Deposit Interest	*	*	
Re-Establishment (Within 12 Months)	**	**	
Re-Establishment (Delinquent/After Hours)	*** \$10.00	N/A	
NSF Check	\$ 15.00	\$ 25.00	66.67%
Deferred Payment	1.50%	1.50%	0.00%
Meter Reread (If Correct)	\$ 15.00	\$ 25.00	66.67%
Late Fee	5.00	2.00%	
Call Out	25.00	\$ 35.00	40.00%
After Hours Charge	N/A	25.00	
<b>Monthly Service Charge for Fire Sprinkler</b>			
4-inch or smaller	***	N/A	
6-inch	***	N/A	
8-inch	***	N/A	
10-inch	***	N/A	
Larger than 10-inch	***	N/A	

**SERVICE LINE AND METER INSTALLATION CHARGES**

Refundable Pursuant to A.A.C. R14-2-405

Description	Present Rate	Proposed Rates			% change
		Service Line	Meter Charge	Total Charge	
5/8 x 3/4-inch Meter	\$ 450.00	\$ 445.00	\$ 155.00	\$ 600.00	33%
3/4-inch Meter	500.00	445.00	255.00	700.00	40%
1-inch Meter	550.00	495.00	315.00	810.00	47%
1-1/2-inch Meter	775.00	550.00	525.00	1,075.00	39%
2-inch Meter - Turbine	1,305.00	830.00	1,045.00	1,875.00	44%
2-inch Meter - Compound	1,900.00	830.00	1,890.00	2,720.00	43%
3-inch Meter - Turbine	1,815.00	1,045.00	1,670.00	2,715.00	50%
3-inch Meter - Compound	2,490.00	1,165.00	2,545.00	3,710.00	49%
4-inch Meter - Turbine	2,860.00	1,490.00	2,670.00	4,160.00	45%
4-inch Meter - Compound	3,615.00	1,670.00	3,645.00	5,315.00	47%
6-inch Meter - Turbine	5,275.00	2,210.00	5,025.00	7,235.00	37%
6-inch Meter - Compound	6,810.00	2,330.00	6,920.00	9,250.00	36%

\* Per A.A.C. R14-2-403.B

\*\* Months off system times the minimum (R14-2-403.D)

\*\*\* 1.0% 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	<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"/>

**3/4" Meter (Residential and Commercial)**

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
- \$	19.50 \$	14.00	-28.21%
1,000	20.95	15.00	-28.40%
2,000	22.40	16.00	-28.57%
3,000	23.85	17.00	-28.72%
4,000	25.30	18.51	-26.84%
5,000	26.75	20.02	-25.16%
6,000	28.65	21.53	-24.85%
7,000	30.55	23.04	-24.58%
8,000	32.45	24.55	-24.35%
9,000	34.35	26.06	-24.13%
10,000	36.25	27.57	-23.94%
15,000	45.75	40.07	-12.42%
20,000	55.25	52.57	-4.85%
25,000	67.75	65.07	-3.96%
50,000	130.25	127.57	-2.06%
75,000	192.75	190.07	-1.39%
100,000	255.25	252.57	-1.05%
125,000	317.75	315.07	-0.84%
150,000	380.25	377.57	-0.70%
175,000	442.75	440.07	-0.61%
200,000	505.25	502.57	-0.53%

Supporting Schedules:

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

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

X

**1" Meter (Residential and Commercial)**

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
- \$	32.50 \$	35.00	7.69%
1,000	33.95	36.51	7.54%
2,000	35.40	38.02	7.40%
3,000	36.85	39.53	7.27%
4,000	38.30	41.04	7.15%
5,000	39.75	42.55	7.04%
6,000	41.65	44.06	5.79%
7,000	43.55	45.57	4.64%
8,000	45.45	47.08	3.59%
9,000	47.35	48.59	2.62%
10,000	49.25	50.10	1.73%
15,000	58.75	57.65	-1.87%
20,000	68.25	65.20	-4.47%
25,000	80.75	72.75	-9.91%
50,000	143.25	135.25	-5.58%
75,000	205.75	197.75	-3.89%
100,000	268.25	260.25	-2.98%
125,000	330.75	322.75	-2.42%
150,000	393.25	385.25	-2.03%
175,000	455.75	447.75	-1.76%
200,000	518.25	510.25	-1.54%

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	

**2" Meter (Commercial)**

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
- \$	104.00	\$ 112.00	7.69%
1,000	105.45	113.51	7.64%
2,000	106.90	115.02	7.60%
3,000	108.35	116.53	7.55%
4,000	109.80	118.04	7.50%
5,000	111.25	119.55	7.46%
6,000	113.75	121.06	6.43%
7,000	116.25	122.57	5.44%
8,000	118.75	124.08	4.49%
9,000	121.25	125.59	3.58%
10,000	123.75	127.10	2.71%
15,000	136.25	134.65	-1.17%
20,000	148.75	142.20	-4.40%
25,000	161.25	149.75	-7.13%
50,000	223.75	187.50	-16.20%
75,000	286.25	225.25	-21.31%
100,000	348.75	282.80	-18.91%
125,000	411.25	345.30	-16.04%
150,000	473.75	407.80	-13.92%
175,000	536.25	470.30	-12.30%
200,000	598.75	532.80	-11.01%

Supporting Schedules:

**Truxton Canyon Water Company**

Docket No. W-02168A-11

Test Year Ended June 30, 2011

**Schedule H-5**

**Title: Bill Count**

**Page 1 of 9**

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

**3/4 Inch Meter - Residential**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	636	-	636	6.15%	-	0.00%
1,000	849	424,500	1,485	14.36%	424,500	0.71%
2,000	928	1,392,000	2,413	23.34%	1,816,500	3.02%
3,000	1323	3,307,500	3,736	36.13%	5,124,000	8.52%
4,000	1379	4,826,500	5,115	49.47%	9,950,500	16.54%
5,000	1070	4,815,000	6,185	59.82%	14,765,500	24.55%
6,000	855	4,702,500	7,040	68.09%	19,468,000	32.36%
7,000	620	4,030,000	7,660	74.08%	23,498,000	39.06%
8,000	481	3,607,500	8,141	78.73%	27,105,500	45.06%
9,000	394	3,349,000	8,535	82.54%	30,454,500	50.63%
10,000	308	2,926,000	8,843	85.52%	33,380,500	55.49%
10,001 to 12,000	448	4,928,000	9,291	89.85%	38,308,500	63.68%
12,001 to 14,000	265	3,445,000	9,556	92.42%	41,753,500	69.41%
14,001 to 16,000	208	3,120,000	9,764	94.43%	44,873,500	74.60%
16,001 to 18,000	133	2,261,000	9,897	95.72%	47,134,500	78.36%
18,001 to 20,000	125	2,375,000	10,022	96.92%	49,509,500	82.30%
20,001 to 25,000	102	2,295,000	10,124	97.91%	51,804,500	86.12%
25,001 to 30,000	92	2,530,000	10,216	98.80%	54,334,500	90.33%
30,001 to 35,000	33	1,072,500	10,249	99.12%	55,407,000	92.11%
35,001 to 40,000	22	825,000	10,271	99.33%	56,232,000	93.48%
40,001 to 50,000	33	1,485,000	10,304	99.65%	57,717,000	95.95%
50,001 to 60,000	18	990,000	10,322	99.83%	58,707,000	97.59%
60,001 to 70,000	5	325,000	10,327	99.87%	59,032,000	98.14%
70,001 to 80,000	6	450,000	10,333	99.93%	59,482,000	98.88%
80,001 to 90,000	3	255,000	10,336	99.96%	59,737,000	99.31%
90,001 to 100,000	1	95,000	10,337	99.97%	59,832,000	99.47%
104,917	1	104,917	10,338	99.98%	59,936,917	99.64%
108,194	1	108,194	10,339	99.99%	60,045,111	99.82%
108,688	1	108,688	10,340	100.00%	60,153,799	100.00%
	<u>10,340</u>	<u>60,153,799</u>				

Average Number of Customers	862
Average Consumption	5,818
Median Consumption	4,051

Supporting Schedules:

Recap Schedules:

**Truxton Canyon Water Company**

Docket No. W-02168A-11

Test Year Ended June 30, 2011

**Schedule H-5**

**Title: Bill Count**

**Page 2 of 9**

Explanation:

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

Required for: All Utilities

Class A

Class B

Class C

Class D

Specil Reqmt

X

**3/4 Inch Meter - Commercial (Not Including Golf Course)**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	43	-	43	29.86%	-	0.00%
1,000	32	16,000	75	52.08%	16,000	2.84%
2,000	15	22,500	90	62.50%	38,500	6.84%
3,000	7	17,500	97	67.36%	56,000	9.95%
4,000	2	7,000	99	68.75%	63,000	11.19%
5,000	3	13,500	102	70.83%	76,500	13.59%
6,000	9	49,500	111	77.08%	126,000	22.38%
7,000	5	32,500	116	80.56%	158,500	28.15%
8,000	3	22,500	119	82.64%	181,000	32.15%
9,000	7	59,500	126	87.50%	240,500	42.72%
10,000	5	47,500	131	90.97%	288,000	51.15%
10,001 to 12,000		-	131	90.97%	288,000	51.15%
12,001 to 14,000	1	13,000	132	91.67%	301,000	53.46%
14,001 to 16,000	1	15,000	133	92.36%	316,000	56.13%
16,001 to 18,000	4	68,000	137	95.14%	384,000	68.21%
18,001 to 20,000	1	19,000	138	95.83%	403,000	71.58%
20,001 to 25,000	3	67,500	141	97.92%	470,500	83.57%
25,001 to 30,000	1	27,500	142	98.61%	498,000	88.45%
30,001 to 35,000	2	65,000	144	100.00%	563,000	100.00%
35,001 to 40,000		-	144	100.00%	563,000	100.00%
40,001 to 50,000		-	144	100.00%	563,000	100.00%
50,001 to 60,000		-	144	100.00%	563,000	100.00%
60,001 to 70,000		-	144	100.00%	563,000	100.00%
70,001 to 80,000		-	144	100.00%	563,000	100.00%
80,001 to 90,000		-	144	100.00%	563,000	100.00%
90,001 to 100,000		-	144	100.00%	563,000	100.00%
	<u>144</u>	<u>563,000</u>				

Average Number of Customers 12  
 Average Consumption 3,910  
 Median Consumption 906

Supporting Schedules:

Recap Schedules:

**Truxton Canyon Water Company**

Docket No. W-02168A-11

Test Year Ended June 30, 2011

**Schedule H-5**

**Title: Bill Count**

**Page 3 of 9**

Explanation:

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

Required for: All Utilities

Class A

Class B

Class C

Class D

Specl Reqmt

X

**3/4 Inch Meter - Commercial (Including Golf Course)**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	43	-	43	27.56%	-	0.00%
1,000	32	16,000	75	48.08%	16,000	2.54%
2,000	15	22,500	90	57.69%	38,500	6.12%
3,000	7	17,500	97	62.18%	56,000	8.90%
4,000	2	7,000	99	63.46%	63,000	10.02%
5,000	3	13,500	102	65.38%	76,500	12.16%
6,000	21	115,500	123	78.85%	192,000	30.52%
7,000	5	32,500	128	82.05%	224,500	35.69%
8,000	3	22,500	131	83.97%	247,000	39.27%
9,000	7	59,500	138	88.46%	306,500	48.73%
10,000	5	47,500	143	91.67%	354,000	56.28%
10,001 to 12,000		-	143	91.67%	354,000	56.28%
12,001 to 14,000	1	13,000	144	92.31%	367,000	58.35%
14,001 to 16,000	1	15,000	145	92.95%	382,000	60.73%
16,001 to 18,000	4	68,000	149	95.51%	450,000	71.54%
18,001 to 20,000	1	19,000	150	96.15%	469,000	74.56%
20,001 to 25,000	3	67,500	153	98.08%	536,500	85.29%
25,001 to 30,000	1	27,500	154	98.72%	564,000	89.67%
30,001 to 35,000	2	65,000	156	100.00%	629,000	100.00%
35,001 to 40,000		-	156	100.00%	629,000	100.00%
40,001 to 50,000		-	156	100.00%	629,000	100.00%
50,001 to 60,000		-	156	100.00%	629,000	100.00%
60,001 to 70,000		-	156	100.00%	629,000	100.00%
70,001 to 80,000		-	156	100.00%	629,000	100.00%
80,001 to 90,000		-	156	100.00%	629,000	100.00%
90,001 to 100,000		-	156	100.00%	629,000	100.00%
	<u>156</u>	<u>629,000</u>				

Average Number of Customers 13  
 Average Consumption 4,032  
 Median Consumption 1,200

Supporting Schedules:

Recap Schedules:

**Truxton Canyon Water Company**

Docket No. W-02168A-11

Test Year Ended June 30, 2011

**Schedule H-5**

**Title: Bill Count**

**Page 4 of 9**

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**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	1	-	1	4.17%	-	0.00%
1,000		-	1	4.17%	-	0.00%
2,000		-	1	4.17%	-	0.00%
3,000	3	7,500	4	16.67%	7,500	5.38%
4,000	8	28,000	12	50.00%	35,500	25.45%
5,000	2	9,000	14	58.33%	44,500	31.90%
6,000	1	5,500	15	62.50%	50,000	35.84%
7,000		-	15	62.50%	50,000	35.84%
8,000		-	15	62.50%	50,000	35.84%
9,000	2	17,000	17	70.83%	67,000	48.03%
10,000	3	28,500	20	83.33%	95,500	68.46%
10,001 to 12,000	4	44,000	24	100.00%	139,500	100.00%
12,001 to 14,000		-	24	100.00%	139,500	100.00%
14,001 to 16,000		-	24	100.00%	139,500	100.00%
16,001 to 18,000		-	24	100.00%	139,500	100.00%
18,001 to 20,000		-	24	100.00%	139,500	100.00%
20,001 to 25,000		-	24	100.00%	139,500	100.00%
25,001 to 30,000		-	24	100.00%	139,500	100.00%
30,001 to 35,000		-	24	100.00%	139,500	100.00%
35,001 to 40,000		-	24	100.00%	139,500	100.00%
40,001 to 50,000		-	24	100.00%	139,500	100.00%
50,001 to 60,000		-	24	100.00%	139,500	100.00%
60,001 to 70,000		-	24	100.00%	139,500	100.00%
70,001 to 80,000		-	24	100.00%	139,500	100.00%
80,001 to 90,000		-	24	100.00%	139,500	100.00%
90,001 to 100,000		-	24	100.00%	139,500	100.00%
	<u>24</u>	<u>139,500</u>				

Average Number of Customers	2
Average Consumption	5,813
Median Consumption	4,000

Supporting Schedules:

Recap Schedules:

**Truxton Canyon Water Company**

Docket No. W-02168A-11

Test Year Ended June 30, 2011

**Schedule H-5**

**Title: Bill Count**

**Page 5 of 9**

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 - Commercial (Not Including Golf Course)**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	9	-	9	75.00%	-	0.00%
1,000		-	9	75.00%	-	0.00%
2,000		-	9	75.00%	-	0.00%
3,000		-	9	75.00%	-	0.00%
4,000		-	9	75.00%	-	0.00%
5,000		-	9	75.00%	-	0.00%
6,000		-	9	75.00%	-	0.00%
7,000		-	9	75.00%	-	0.00%
8,000		-	9	75.00%	-	0.00%
9,000		-	9	75.00%	-	0.00%
10,000		-	9	75.00%	-	0.00%
10,001 to 12,000		-	9	75.00%	-	0.00%
12,001 to 14,000		-	9	75.00%	-	0.00%
14,001 to 16,000		-	9	75.00%	-	0.00%
16,001 to 18,000		-	9	75.00%	-	0.00%
18,001 to 20,000		-	9	75.00%	-	0.00%
20,001 to 25,000		-	9	75.00%	-	0.00%
25,001 to 30,000		-	9	75.00%	-	0.00%
30,001 to 35,000		-	9	75.00%	-	0.00%
35,001 to 40,000		-	9	75.00%	-	0.00%
40,001 to 50,000		-	9	75.00%	-	0.00%
50,001 to 60,000		-	9	75.00%	-	0.00%
60,001 to 70,000		-	9	75.00%	-	0.00%
70,001 to 80,000		-	9	75.00%	-	0.00%
80,001 to 90,000		-	9	75.00%	-	0.00%
90,001 to 100,000		-	9	75.00%	-	0.00%
527,350	1	527,350	10	83.33%	527,350	24.22%
595,380	1	595,380	11	91.67%	1,122,730	51.56%
1,054,700	1	1,054,700	12	100.00%	2,177,430	100.00%
	12	2,177,430				

Average Number of Customers 1  
 Average Consumption 181,453  
 Median Consumption

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   
Specd Reqmt

**1 Inch Meter - Commercial (Including Golf Course)**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	9	-	9	37.50%	-	0.00%
1,000		-	9	37.50%	-	0.00%
2,000		-	9	37.50%	-	0.00%
3,000		-	9	37.50%	-	0.00%
4,000		-	9	37.50%	-	0.00%
5,000		-	9	37.50%	-	0.00%
6,000		-	9	37.50%	-	0.00%
7,000		-	9	37.50%	-	0.00%
8,000		-	9	37.50%	-	0.00%
9,000		-	9	37.50%	-	0.00%
10,000		-	9	37.50%	-	0.00%
10,001 to 12,000		-	9	37.50%	-	0.00%
12,001 to 14,000		-	9	37.50%	-	0.00%
14,001 to 16,000		-	9	37.50%	-	0.00%
16,001 to 18,000		-	9	37.50%	-	0.00%
18,001 to 20,000		-	9	37.50%	-	0.00%
20,001 to 25,000		-	9	37.50%	-	0.00%
25,001 to 30,000		-	9	37.50%	-	0.00%
30,001 to 35,000		-	9	37.50%	-	0.00%
35,001 to 40,000		-	9	37.50%	-	0.00%
40,001 to 50,000		-	9	37.50%	-	0.00%
50,001 to 60,000		-	9	37.50%	-	0.00%
60,001 to 70,000		-	9	37.50%	-	0.00%
70,001 to 80,000		-	9	37.50%	-	0.00%
80,001 to 90,000		-	9	37.50%	-	0.00%
90,001 to 100,000		-	9	37.50%	-	0.00%
250,000	12	3,000,000	21	87.50%	3,000,000	57.94%
527,350	1	527,350	22	91.67%	3,527,350	68.13%
595,380	1	595,380	23	95.83%	4,122,730	79.63%
1,054,700	1	1,054,700	24	100.00%	5,177,430	100.00%
	<u>24</u>	<u>5,177,430</u>				

Average Number of Customers 2  
Average Consumption 215,726  
Median Consumption

Supporting Schedules:

Recap Schedules:

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

**2 Inch Meter - Commercial (Not Including Golf Course)**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1,000	-	-	-	0.00%	-	0.00%
2,000	-	-	-	0.00%	-	0.00%
3,000	-	-	-	0.00%	-	0.00%
4,000	-	-	-	0.00%	-	0.00%
5,000	-	-	-	0.00%	-	0.00%
6,000	-	-	-	0.00%	-	0.00%
7,000	-	-	-	0.00%	-	0.00%
8,000	-	-	-	0.00%	-	0.00%
9,000	-	-	-	0.00%	-	0.00%
10,000	-	-	-	0.00%	-	0.00%
10,001 to 12,000	-	-	-	0.00%	-	0.00%
12,001 to 14,000	-	-	-	0.00%	-	0.00%
14,001 to 16,000	-	-	-	0.00%	-	0.00%
16,001 to 18,000	-	-	-	0.00%	-	0.00%
18,001 to 20,000	-	-	-	0.00%	-	0.00%
20,001 to 25,000	-	-	-	0.00%	-	0.00%
25,001 to 30,000	-	-	-	0.00%	-	0.00%
30,001 to 35,000	-	-	-	0.00%	-	0.00%
35,001 to 40,000	1	37,500	1	4.17%	37,500	1.59%
40,001 to 50,000	-	-	1	4.17%	37,500	1.59%
50,001 to 60,000	3	165,000	4	16.67%	202,500	8.58%
60,001 to 70,000	3	195,000	7	29.17%	397,500	16.85%
70,001 to 80,000	1	75,000	8	33.33%	472,500	20.03%
80,001 to 90,000	5	425,000	13	54.17%	897,500	38.04%
90,001 to 100,000	1	95,000	14	58.33%	992,500	42.06%
101,800	1	101,800	15	62.50%	1,094,300	46.38%
102,000	1	102,000	16	66.67%	1,196,300	50.70%
106,300	1	106,300	17	70.83%	1,302,600	55.21%
119,800	1	119,800	18	75.00%	1,422,400	60.28%
125,600	1	125,600	19	79.17%	1,548,000	65.61%
126,800	1	126,800	20	83.33%	1,674,800	70.98%
151,450	1	151,450	21	87.50%	1,826,250	77.40%
153,200	1	153,200	22	91.67%	1,979,450	83.89%
183,700	1	183,700	23	95.83%	2,163,150	91.68%
196,400	1	196,400	24	100.00%	2,359,550	100.00%
	<u>24</u>	<u>2,359,550</u>				

Average Number of Customers                    2  
Average Consumption                                    98,315  
Median Consumption                                    80,800

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"/>
Specel Reqmt	<input type="checkbox"/>

**2 Inch Meter - Commercial (Including Golf Course)**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1,000	-	-	-	0.00%	-	0.00%
2,000	-	-	-	0.00%	-	0.00%
3,000	-	-	-	0.00%	-	0.00%
4,000	-	-	-	0.00%	-	0.00%
5,000	-	-	-	0.00%	-	0.00%
6,000	-	-	-	0.00%	-	0.00%
7,000	-	-	-	0.00%	-	0.00%
8,000	-	-	-	0.00%	-	0.00%
9,000	-	-	-	0.00%	-	0.00%
10,000	-	-	-	0.00%	-	0.00%
10,001 to 12,000	-	-	-	0.00%	-	0.00%
12,001 to 14,000	-	-	-	0.00%	-	0.00%
14,001 to 16,000	-	-	-	0.00%	-	0.00%
16,001 to 18,000	-	-	-	0.00%	-	0.00%
18,001 to 20,000	-	-	-	0.00%	-	0.00%
20,001 to 25,000	-	-	-	0.00%	-	0.00%
25,001 to 30,000	-	-	-	0.00%	-	0.00%
30,001 to 35,000	-	-	-	0.00%	-	0.00%
35,001 to 40,000	1	37,500	1	2.78%	37,500	0.48%
40,001 to 50,000	-	-	1	2.78%	37,500	0.48%
50,001 to 60,000	3	165,000	4	11.11%	202,500	2.58%
60,001 to 70,000	3	195,000	7	19.44%	397,500	5.06%
70,001 to 80,000	1	75,000	8	22.22%	472,500	6.01%
80,001 to 90,000	5	425,000	13	36.11%	897,500	11.42%
90,001 to 100,000	1	95,000	14	38.89%	992,500	12.63%
101,800	1	101,800	15	41.67%	1,094,300	13.92%
102,000	1	102,000	16	44.44%	1,196,300	15.22%
106,300	1	106,300	17	47.22%	1,302,600	16.57%
119,800	1	119,800	18	50.00%	1,422,400	18.10%
125,600	1	125,600	19	52.78%	1,548,000	19.70%
126,800	1	126,800	20	55.56%	1,674,800	21.31%
151,450	1	151,450	21	58.33%	1,826,250	23.24%
153,200	1	153,200	22	61.11%	1,979,450	25.19%
183,700	1	183,700	23	63.89%	2,163,150	27.52%
196,400	1	196,400	24	66.67%	2,359,550	30.02%
458,333	12	5,499,996	36	100.00%	7,859,546	100.00%
	<u>36</u>	<u>7,859,546</u>				

Average Number of Customers	3
Average Consumption	218,321
Median Consumption	100,714

Supporting Schedules:

Recap Schedules:

**Truxton Canyon Water Company**

Docket No. W-02168A-11

Test Year Ended June 30, 2011

**Schedule H-5**

**Title: Bill Count**

**Page 9 of 9**

Required for: All Utilities

X

Explanation:

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

Class A

Class B

Class C

Class D

Spec'l Reqmt

**6 Inch Meter - Commercial (Golf Course - Proposed Rates Only)**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-		-	-	0.00%	-	0.00%
1,000		-	-	0.00%	-	0.00%
2,000		-	-	0.00%	-	0.00%
3,000		-	-	0.00%	-	0.00%
4,000		-	-	0.00%	-	0.00%
5,000		-	-	0.00%	-	0.00%
6,000		-	-	0.00%	-	0.00%
7,000		-	-	0.00%	-	0.00%
8,000		-	-	0.00%	-	0.00%
9,000		-	-	0.00%	-	0.00%
10,000		-	-	0.00%	-	0.00%
10,001 to 12,000		-	-	0.00%	-	0.00%
12,001 to 14,000		-	-	0.00%	-	0.00%
14,001 to 16,000		-	-	0.00%	-	0.00%
16,001 to 18,000		-	-	0.00%	-	0.00%
18,001 to 20,000		-	-	0.00%	-	0.00%
20,001 to 25,000		-	-	0.00%	-	0.00%
25,001 to 30,000		-	-	0.00%	-	0.00%
30,001 to 35,000		-	-	0.00%	-	0.00%
35,001 to 40,000		-	-	0.00%	-	0.00%
40,001 to 50,000		-	-	0.00%	-	0.00%
50,001 to 60,000		-	-	0.00%	-	0.00%
60,001 to 70,000		-	-	0.00%	-	0.00%
70,001 to 80,000		-	-	0.00%	-	0.00%
80,001 to 90,000		-	-	0.00%	-	0.00%
90,001 to 100,000		-	-	0.00%	-	0.00%
1,166,667	12	14,000,004	12	50.00%	14,000,004	9.86%
10,666,667	12	128,000,004	24	100.00%	142,000,008	100.00%
	24	142,000,008				

Average Number of Customers	2
Average Consumption	5,916,667
Median Consumption	5,916,667

Supporting Schedules:

Recap Schedules:

# **EXHIBIT 3**

### WATER USE DATA SHEET

<b>NAME OF COMPANY</b>	Truxton Canyon Water Company
<b>ADEQ Public Water System Number:</b>	08-035

MONTH/YEAR (12 Months of Test Year)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
1. July	874	6,647,550		6,647,550
2. August	877	6,118,955		6,118,955
3. September	877	6,398,184		6,398,184
4. October	882	4,980,590		4,980,590
5. November	882	4,979,985		4,979,985
6. December	878	4,092,480		4,092,480
7. January	880	3,497,968		3,497,968
8. February	883	3,695,990		3,695,990
9. March	875	3,110,066		3,110,066
10. April	876	4,726,053		4,726,053
11. May	883	4,830,900		4,830,900
12. June	877	6,929,084		6,929,084
<b>TOTAL</b>	N/A	60,007,805	*	60,007,805

**Is the water utility located in an ADWR Active Management Area (AMA)?**

YES       NO

**Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?**

YES       NO

If Yes, please provide the GPCPD as N/A

*Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of any of the above, please contact the Engineering Supervisor at 602-542-7277.*

\* Gallons pumped cannot equal or be less than the gallons sold.

# **EXHIBIT 4**

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
624983	3	25	300	12	1	1944
624989	Capped	N/A	260	16	N/A	1944

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Claude K. Neal Family Trust	5,700	65,448

**BOOSTER PUMPS**

Horsepower	Quantity

**FIRE HYDRANTS**

Quantity Standard	Quantity Other
7	

**STORAGE TANKS**

Capacity	Quantity
500,000	1
22,000	1

**PRESSURE TANKS**

Capacity	Quantity

**WATER COMPANY PLANT DESCRIPTION CONTINUED**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	89,200
5		
6	PVC	57,880
8	PVC	1,660
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 x 3/4	
3/4	880
1	3
1 1/2	
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, please list the utility owned assets in each category.

TREATMENT EQUIPMENT:

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STRUCTURES:

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OTHER:

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# **EXHIBIT 5**

TRANSMISSION VERIFICATION REPORT

TIME : 09/29/2011 10:57  
NAME : DESERT MTN ANALYTICAL  
FAX : 4809615484  
TEL : 4809615484  
SER.# : H9J441619

DATE, TIME	09/29 10:57
FAX NO./NAME	6027714505
DURATION	00:00:16
PAGE(S)	01
RESULT	OK
MODE	STANDARD ECM

Proof of fax request  
to ADEQ for TCWC

ARIZONA CORPORATION COMMISSION STATUS REPORT

TO:

Arizona Department of Environmental Quality
Drinking Water Compliance Enforcement Unit
1110 West Washington Street
Phoenix, AZ 85007
Phone: 602-771-4624
Fax: 602-771-4505

FROM:

Water Company: Truxton Canyon Water Company
Mailing Address: 7313 East Concho Drive, Suite B
City, State, Zip Code: Kingman, AZ 86401
Phone Number: 928.757.2205
Fax: 928.757.2217

Please return completed request to ACC Utilities Engineering (FAX 602-542-2129) and to the company at the address listed above within 30 days.

Compliance Status Report

PWS Name: Truxton Canyon Water Company
PWS ID# 08-035

Compliance Status: [ ] No Major Definitions [ ] Major Deficiencies

Comments:

Date of last inspection / sanitary survey:

Major Operation and Maintenance Deficiencies cited during inspection

- [ ] None [ ] unable to maintain 20 psi [ ] inadequate storage
[ ] cross connection/backflow problems [ ] surface water treatment rule
[ ] treatment deficiencies [ ] approval of construction
[ ] certified operator

Administrative Orders:

Is ADEQ administrative order in effect? [ ] Yes [ ] No
Is US EPA administrative order in effect? [ ] Yes [ ] No

Comments:

System Information:

Number of Points of Entry Population Served Connections Served
Initial Monitoring Year MAP Year

DWCE Evaluation completed by:

Phone: Date:

Based on data submitted by the water system, ADEQ has determined that this system is currently delivering water that (meets/does not meet) water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for the system in the future. This compliance status report does not reflect the status of any other water system owned by this utility company.

# **EXHIBIT 6**

**To Be Late Filed**