

**ORIGINAL**

**NEW APPLICATION**



0000131105

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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  
 13 BRENDA BURNS

Arizona Corporation Commission

**DOCKETED**

NOV - 3 2011



14 APPLICATION OF CLEAR SPRINGS  
 15 UTILITY CO., INC., FOR AN INCREASE  
 16 IN RATES

Docket No

WS-01689A-11-0402

**RATE APPLICATION**

18  
 19 Clear Springs Utility Co., Inc. ("Company" or "Applicant"), hereby applies for an  
 20 increase in its water and sewer rates.

**SUPPORTING DOCUMENTATION**

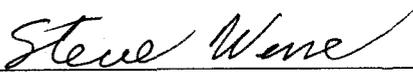
23 Pursuant to A.A.R. Rule 14-2-103, the Company submits the following  
 24 documentation in support of the proposed increase in rates and charges:

- 26 ● Direct Testimony of Sonn S. Rowell (*see* Exhibit 1);
- 27 ● Required Schedules, Statements, and Documentation (*see* Exhibit 2);
- 28 ● Water Use and Wastewater Flow Data Sheets (*see* Exhibit 3);

- 1 • Plant Descriptions (*see* Exhibit 4);
- 2 • ADEQ Compliance Status Report (*see* Exhibit 5);
- 3
- 4 • Monitoring Assistance Program Sampling Fee Invoice (*see* Exhibit 6); and
- 5 • Surcharge Schedule (*see* Exhibit 7).
- 6

7 RESPECTFULLY SUBMITTED this 3<sup>rd</sup> day of November, 2011.

8 **MOYES SELLERS & HENDRICKS LTD.**

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

13 Original and 13 copies of the foregoing  
14 filed this 3<sup>rd</sup> day of November, 2011, with:

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

19  
20   
21 \_\_\_\_\_

# **EXHIBIT 1**



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

2 **A.** I have been retained to perform a financial analysis of their books and records of  
3 Clear Springs Utility Co., Inc. ("Company") in order to prepare rate and finance  
4 applications for submittal to the Arizona Corporation Commission.  
5

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

7 **A.** Generally, the purpose of my testimony is to present my analysis and  
8 recommendations concerning the development of the Company's gross revenue  
9 requirement, taking into account adjusted rate base, adjusted operating income, working  
10 capital requirements, the current rate of return for the historic twelve month period,  
11 required operating income, the proposed rate of return, and other relevant factors. I will  
12 also sponsor certain exhibits in support of the rate and finance applications.  
13  
14

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

16 **A.** I analyzed the Company's records to determine its adjusted revenues and expenses  
17 during the test year ending December 31, 2010. Next, I calculated the proposed revenue  
18 requirement in order to ensure the Company can earn sufficient revenue to provide  
19 adequate and reliable water and sewer service. Based upon my analysis, I have prepared  
20 the schedules in accordance with applicable rules, which are enclosed with the testimony.  
21  
22 I adopt these schedules as part of my testimony.  
23

24 **Q. Please explain the format of the application.**

25 **A.** The application for the Company contains information for both the water division  
26 ("CSW") and the sewer division ("CSS"), provided separately and combined as required.  
27  
28 The Index of Schedules lists the complete set of schedules provided, and schedules are

1 differentiated by a W or an S, based on whether they are related to the water division or  
2 the sewer division.

3 **Q. Can you provide some background information on this Company since its last**  
4 **rate case?**

5  
6 **A.** The last rate case for the water division utilized a test year of 2004, and resulted in  
7 Decision 68442, which authorized the current rates CSW charges. The sewer division  
8 had its current rates set based upon a test year of 1998, which authorized the current rates  
9 in Decision 62583. The sewer division did not receive a change in rates from Decision  
10 68442 related to CSW, but CSS did receive authorization for a hook up fee tariff.

11  
12 **Q. Please summarize the Company's request.**

13  
14 **A.** CSU is seeking an increase in rates of 45.56%. Schedule A-1 details how this  
15 increase is allocated between CSW and CSS, and well as residential and commercial  
16 customers.

17  
18 **Q. It appears as though an increase is not being proposed for the sewer division?**

19 **A.** An increase in the revenue requirement is not proposed for the sewer division.  
20 Although the rates have been in effect since June of 2000, CSS believes it can continue to  
21 operate at that revenue level, and begin to make the necessary improvements to the  
22 system. This is discussed more in depth later in this testimony.

23  
24 **Q. Referring to Schedule B-2, it appears as though several adjustments were**  
25 **made to the rate base of CSW. Please explain.**

26  
27 **A.** The adjustments made to CSW's rate base are fully detailed on Schedule B-2a,  
28 and include reclassifications from and to repairs and maintenance expense, AIAC to

1 CIAC conversions, CIAC amortization adjustments, and accumulated depreciation  
2 adjustments. The rate base for CSS did not require any adjustments.

3 **Q. Would you like to elaborate on the \$17,050 decrease to AIAC labeled**  
4 **“Transfer to Capital Account” reflected on Schedule B-2a?**

5  
6 **A.** The \$17,050 was invested by the owners and therefore should be considered  
7 capital rather than AIAC.

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

11 **A.** All adjustments to CSW division are detailed on Schedule C-2W, and further  
12 supported by Schedules C-2Wa through C-2WF.

13  
14 Adjustment A first reduces Metered Water revenue for a known customer leak that  
15 occurred on the customer side of the meter during the test year. The company has  
16 normalized this customer’s usage for CSW as follows:

17  
18

	Original	Normalized	Decrease
Usage	179,490	7,065 <sup>1</sup>	172,425
Bill Amount	\$623.72	\$23.90	\$599.82

19  
20

21 The other part of Adjustment A removed non-recurring revenue related to a TA  
22 grant (\$10,900), and reclassification of \$1,160 that is not revenue.

23  
24 Adjustment B that reclassifies amounts to and from repairs and maintenance  
25 expense and plant is detailed on Schedule C-2Wa.

26  
27  
28 <sup>1</sup> Adjusted usage = 7640 gallons (November 2010) + 6490 (January 2011) divided by 2.

1 Adjustment C is detailed on Schedule C-2Wb, and normalizes the amount of  
2 outside services expense incurred during the test year. Due to the financial hardship  
3 being experienced by CSU, SUM modified its rate for CSW during May of 2010 and  
4 ceased collecting any management fees from CSS.  
5

6 Rate case expense of \$30,000 for CSW is amortized over 3 years, resulting in  
7 \$10,000 per year as reflected by Adjustment D.  
8

9 Adjustment E decreases miscellaneous expense by \$1,388 for sales taxes paid for  
10 a prior period.  
11

12 Schedule C-2Wc details proposed depreciation expense and Adjustment F.

13 Current and proposed property tax expense for CSW reflected by Adjustments G  
14 and J are calculated on Schedule C-W2d  
15

16 Test year income tax expense Adjustment H is detailed on Schedule C-2We.

17 Metered water revenue is increased by \$98,423 as calculated on Schedule A-1, and  
18 reflected by Adjustment I.  
19

20 Adjustment K increases income tax expense at proposed rates by \$21,412 as  
21 calculated on Schedule C-2Wf.  
22

23 **Q. Moving on to Schedule C-1S, please explain what this is.**

24 **A.** C-1S is the separate test year income statement for CSS. Much like C-1W was a  
25 separate income statement for CSW, and was supported by C-2W and C-2Wa through C-  
26 2Wf, the C-1S is supported by C-2S and C-2Sa through C-2d. It should be noted that  
27 Schedule C-1T then summarizes Schedules C-1W and C-1S.  
28

1 **Q. Please explain the adjustments made by the Company to CSS as reflected on**  
2 **Schedule C-1S.**

3 **A.** Adjustment A is the companion adjustment to this same adjustment made to CSW  
4 for the customer leak during the test year. By applying the normalized monthly usage of  
5 7,065 to the current tariff for CSS, the bill is reduced by \$146.56, from \$159.07 to  
6 \$12.51.  
7

8 **Q. The Company has adjusted the revenue on Schedules C-1W and C-1S for this**  
9 **water leak, have the bill count schedules been adjusted as well?**  
10

11 **A.** Yes. Schedule H-5W, Page 1 of 11 is the actual bill count for CSW test year, and  
12 is needed to tie to test year metered water revenue. Schedule H-5W, Page 2 of 11  
13 contains the adjusted bill count data used for proposed rates. Regarding CSS, Schedule  
14 H-5S, Page 1 of 3 is the actual bill count for CSS test year, and is needed to tie to test  
15 year measured revenue. Schedule H-5S, Page 2 of 3 contains the adjusted bill count data  
16 used for proposed rates.  
17

18 **Q. Continue with Adjustment B on Schedule C-1S.**  
19

20 **A.** Adjustment B is detailed on Schedule C-2Sa, and normalizes the amount of  
21 outside services expense incurred during the test year. Due to the financial hardship  
22 being experienced by CSU, SUM modified its rate for CSW during May of 2010 and  
23 ceased collecting any management fees from CSS.  
24

25 Rate case expense of \$10,500 for CSS is amortized over 3 years, resulting in  
26 \$3,500 per year as reflected by Adjustment C.  
27

28 Schedule C-2Sb details proposed depreciation expense and Adjustment D.

1 Current year property tax expense for CSS is reflected by Adjustment E and  
2 calculated on Schedule C-2Sc.

3 Test year income tax expense Adjustment F is detailed on Schedule C-2Sd.

4  
5 **Q. Is the Company requesting an increase for CSS?**

6 **A.** No. CSS is not requesting an increase in the revenue requirement for the sewer  
7 division, but does propose a change to the rate design.

8  
9 **Q. Please explain the current sewer tariff, and what changes CSU is proposing.**

10 **A.** Currently, the sewer division charges a monthly minimum of \$6.50, and a  
11 commodity rate of \$.85 per thousand gallons of water used, and this applies to both  
12 residential and commercial customers. CSU is proposing to increase the monthly  
13 minimum to \$9.00 for residential customers and \$9.36 for commercial customers. The  
14 Company also proposes to include the first 6,000 of water usage in the monthly minimum  
15 for the sewer division for the residential customers.  
16

17  
18 **Q. What is the Company's reasoning for this rate structure?**

19 **A.** CSW division customers have very low usage, with the average and median for  
20 the largest group of residential customers being 4,720 and 3,226 gallons per month, based  
21 on the adjusted bill count. By increasing the monthly minimum for the largest group of  
22 customers, the Company will have a more dependable revenue stream, and customers  
23 will have a more predictable monthly bill that is not tied to water use at the lower levels.  
24

25  
26 **Q. What are the rate impacts to the average and median residential customers in**  
27 **the sewer division?**

1 A. Sewer customers with average water use of 4,720 gallons will experience a  
2 decrease of \$1.51 monthly, from \$10.51 to \$9.00. The median user of 3,226 gallons, will  
3 see little change, with a decrease of \$0.24, from \$9.24 to \$9.00.

4  
5 **Q. What are the rate impacts to the average and median residential customers in**  
6 **the water division?**

7 A. Water customers with average water use of 5,150 gallons will experience an  
8 increase of \$9.91, from \$19.59 per month to \$29.50. The median user of 3,318 gallons  
9 will experience an increase of \$7.16, from \$15.46 to \$22.63 per month.

10  
11 **Q. Why are the average and median usage amounts for the water and sewer**  
12 **divisions different?**

13  
14 A. Not all customers of the water division are customers of the sewer division.

15 **Q. Please summarize the revenue requirements for the water and sewer**  
16 **divisions, and the customer impacts.**

17  
18 A. Per Schedule A-1, the Company is requesting an increase in the revenue  
19 requirement for the water division of \$98,423, which will result in a 12.70% operating  
20 margin, or a 35% rate of return on a rate base of \$96,746. This is a 57.9% increase for  
21 the residential water users, and a 58.5% increase for the total water division.

22  
23 An increase is not being requested for the sewer division, but the rate re-  
24 structuring will result in a decrease for the residential users of 2.55%, and an increase for  
25 the commercial customers of 20.49%. This is a 19.99% operating margin on a division  
26 with a negative rate base of \$13,244.  
27  
28

1 When looking at the Company as a whole, the proposed increase to the revenue  
2 requirement is 45.56%. This results in a 13.81% operating margin, or a 35% rate of  
3 return on rate base of \$83,502.

4 **Q. Why are calculations for both rate of return and operating margin included**  
5 **on Schedule A-1?**

6  
7 **A.** Setting the revenue requirement based on a rate of return is standard ratemaking  
8 practice, but a 35% rate of return is not customarily accepted by Staff. The Company  
9 presents its revenue requirement calculated both by the rate of return on rate base method,  
10 as well as by operating margin, to highlight all of the methods employed to arrive at an  
11 operating income that will give the company financial stability and cash flow to address  
12 system problems that go along with an aging system.  
13  
14

15 **Q. It appears as though the sewer division has been doing well if an increase in**  
16 **the revenue is not needed after more than 10 years of the current rates. Can you**  
17 **explain why the ACC should not decrease the rates for the sewer division?**

18  
19 **A.** As is apparent based on the amount of the increase for the water division, the  
20 sewer division revenue has been subsidizing the operations of the water division. The  
21 proposed increase and rate shuffling will allow the water division to recover the costs  
22 necessary to operate, and the sewer division can begin to direct its income towards  
23 system improvements.  
24

25 **Q. Why is this important?**

26  
27 **A.** The water division is requesting a loan from WIFA to make system improvements,  
28 however, WIFA does not loan to sewer companies, so it is unclear where the funding for

1 the improvement and replacement costs will come from other than rates. The sewer  
2 division is in dire need of a mechanism to save money so it can be prepared to improve  
3 and/or replace aging infrastructure with more modern technology.

4 **Q. Please further explain the loan the Company is requesting from WIFA.**

5 **A.** A loan in the amount of \$511,000 is being requested for the purposes set forth in  
6 the accompanying finance application.

7 **Q. How does the Company propose this loan be paid for?**

8 **A.** The Company proposes a surcharge that will cover the total amount of the  
9 monthly payment required by WIFA, including interest, WIFA fees, principal, and any  
10 other reserve payments as required by WIFA, and out of the control of the Company.

11 The proposed surcharge is set forth in the rate application at Exhibit 7.

12 **Q. Why is it important that the ACC allow recover of items outside the normal**  
13 **principal and interest normally associated with a loan?**

14 **A.** Because the cash flow associated with the loan payment exceeds the calculated  
15 payment on an amortization schedule. Suppose, for example, the WIFA monthly  
16 payment was \$1,200, consisting of \$1,000 in principal and interest and \$200 in required  
17 reserve. If the ACC were to allow recovery of only \$1,000 to cover the interest, principal  
18 and fees, then the Company would have a cash shortage of \$200 per month.

# **EXHIBIT 2**

INDEX OF SCHEDULES

SCHEDULE	TITLE
A-1	Computation of Increase in Gross Revenue Requirements
A-2	Summary Results of Operations
A-4	Construction Expenditures and Gross Utility Plant In Service
B-1	Summary of Original Cost and RCND
B-2	Original Cost Rate Base Proforma Adjustments
B-2a	Rate Base Proforma Adjustments - Detailed
B-5	Computation of Working Capital
C-1T	Adjusted Test Year Income Statement - Total Company
C-1W	Adjusted Test Year Income Statement - Water
C-2W	Income Statement Proforma Adjustments - Water
C-2Wa	Adjustment to Repairs and Maintenance Expense - Water
C-2Wb	Adjustment to Outside Services Expense - Water
C-2Wc	Proposed Depreciation Expense - Water
C-2Wd	Property Tax Calculation - Present and Proposed - Water
C-2We	Test Year Income Tax Expense Calculation - Water
C-2Wf	Proposed Income Tax Expense Calculation - Water
C-1S	Adjusted Test Year Income Statement - Sewer
C-2S	Income Statement Proforma Adjustments - Sewer
C-2Sa	Adjustment to Outside Services Expense - Sewer
C-2Sb	Proposed Depreciation Expense - Sewer
C-2Sc	Property Tax Calculation - Present and Proposed - Sewer
C-2Sd	Test Year Income Tax Expense Calculation - Sewer
C-3	Computation of Gross Revenue Conversion Factor
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E-1	Comparative Balance Sheet
E-2	Comparative Income Statements
E-5T	Detail of Utility Plant - Total Company
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F-3	Projected Construction Requirements (A&B - 3 years, C&D - 1 year)
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H-5W	Bill Count - Water, 5/8 x 3/4-inch Residential, Page 1
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H-5S	Bill Count - Sewer, Residential, Page 1
H-5S	Bill Count - Sewer, Residential - ADJUSTED, Page 2
H-5S	Bill Count - Sewer, Commercial, Page 3

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"/>

**Rate of Return on Rate Base Method:**

	Water Original Cost	Sewer Original Cost	Total Company Original Cost	RCND
1. Adjusted Rate Base	\$ 96,746	\$ (13,244)	\$ 83,502 (a)	(a)
2. Adjusted Operating Income/(Loss)	\$ (41,272)	\$ 9,556	\$ (31,715) (b)	(b)
3. Current Rate of Return	-42.66%	Not meaningful	-37.98%	
4. Required Rate of Return	35.00%	Not meaningful	35.00%	
5. Required Operating Income	\$ 33,861	\$ 9,556	\$ 43,417	
6. Operating Income Deficiency (5 - 2)	\$ 75,133	\$ -	\$ 75,133	
7. Gross Revenue Conversion Factor	1.310	1.000	1.310 (c)	(c)
<b>8. Increase in Gross Revenue Requirements (6 x 7)</b>	<b>\$ 98,423</b>	<b>\$ -</b>	<b>\$ 98,423</b>	

**Operating Margin Method:**

9. Proposed Revenue	\$ 266,673	\$ 47,802	\$ 314,475	
10. Required Operating Margin	12.70%	19.99%	13.81%	
11. Required Operating Income (9 x 10)	\$ 33,861	\$ 9,556	\$ 43,417	
12. Operating Income Deficiency (11 - 2)	\$ 75,133	\$ -	\$ 75,133	
13. Gross Revenue Conversion Factor	1.310	1.000	1.310 (c)	(c)
<b>14. Increase in Gross Revenue Requirements (12 x 13)</b>	<b>\$ 98,423</b>	<b>\$ -</b>	<b>\$ 98,423</b>	

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase
<b>Water</b>				
Residential	\$ 137,318	\$ 216,825	\$ 79,507	57.90%
Commercial	26,254	44,463	18,209	69.36%
Bulk Water	1,459	2,166	707	48.46%
Other	3,219	3,219	-	0.00%
Total Water	\$ 168,250	\$ 266,673	\$ 98,423	58.50%
<b>Sewer</b>				
Residential	\$ 42,130	\$ 41,056	\$ (1,074)	-2.55%
Commercial	5,242	6,316	1,074	20.49%
Other	430	430	-	0.00%
Total Sewer	\$ 47,802	\$ 47,802	\$ -	0.00%
<b>Total Company</b>	<b>\$ 216,052</b>	<b>\$ 314,475</b>	<b>\$ 98,423</b>	<b>45.56% (d)</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

**Clear Springs Utility Company, Inc. - Water and Sewer Divisions**  
Docket No. WS-01689A  
Test Year Ended December 31, 2010

**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-08	31-Dec-09	Rates	Rates	Rates	Rates
	(a)	(a)	(a)	(b)	(c)	(c)
1. Gross Revenues	\$ 217,766	\$ 224,725	\$ 228,859	\$ 216,052	\$ 216,052	\$ 314,475
2. Revenue Deductions & Operating Expenses	(228,749)	(229,459)	(213,250)	(247,767)	(247,767)	(271,058)
3. Operating Income	\$ (10,983)	\$ (4,734)	\$ 15,609	\$ (31,715)	\$ (31,715)	\$ 43,417
4. Other Income and Deductions	3,667	1,853	561	561	561	561
5. Interest Expense	(7,598)	(6,475)	(3,376)	(3,376)	(3,376)	(3,376)
<b>6. Net Income</b>	<b>\$ (14,914)</b>	<b>\$ (9,356)</b>	<b>\$ 12,794</b>	<b>\$ (34,530)</b>	<b>\$ (34,530)</b>	<b>\$ 40,602</b>
7. Earned Per Average Common Share*	\$ (4.97)	\$ (3.12)	\$ 4.26	\$ (11.51)		
8. Dividends Per Common Share*	-	-	-	-		
9. Payout Ratio*	0.00%	0.00%	0.00%	0.00%		
10. Return on Average Invested Capital	-3.90%	-2.75%	4.96%	-13.37%	-13.37%	15.73%
11. Return on Year End Capital	-3.90%	-3.13%	5.87%	-15.85%	-15.85%	18.63%
12. Return on Average Common Equity	-9.85%	-9.33%	150.82%	-407.05%	-407.05%	478.63%
13. Return on Year End Common Equity	-9.85%	-19.01%	-39.68%	Double Negative		-125.93%
14. Times Bond Interest Earned - Before Inc Tax	-144.55%	-73.11%	473.79%	-1212.87%	-1212.87%	1012.62%
15. Times Total Interest and Preferred Dividends Earned - After Income Taxes	-144.55%	-73.11%	462.35%	-939.43%	-939.43%	1286.06%

**Supporting Schedules:**

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

\*Optional for projected year

**Clear Springs Utility Company, Inc. - Water and Sewer Divisions**

**Schedule A-4**

Docket No. WS-01689A

**Title: Construction Expenditures and**

Test Year Ended December 31, 2010

**Gross Utility Plant in Service**

Required for: All Utilities

X

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.

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 - 2008 Water	\$ 33,685	\$ 33,685	\$ 1,038,408
2. Prior Year 1 - 2008 Sewer	1,000	1,000	350,945
3. Prior Year 1 - 2008 Total	\$ 34,685	\$ 34,685	\$ 1,389,353
4. Prior Year 2 - 2009 Water	\$ 25,496	\$ 25,496	\$ 1,063,904
5. Prior Year 2 - 2009 Sewer	1,075	1,075	352,020
6. Prior Year 2 - 2009 Total	\$ 26,571	\$ 26,571	\$ 1,415,924
7. Test Year - 2010 Water	\$ 38,181	\$ 38,181	\$ 1,102,085
8. Test Year - 2010 Sewer	3,450	3,450	355,470
9. Test Year - 2010 Total	\$ 41,631	\$ 41,631	\$ 1,457,555
10. Projected Year 1 - Water	\$ 511,000	511,000	1,613,085
11. Projected Year 1 - Sewer	-	-	355,470
12. Projected Year 1 - Total	\$ 511,000	\$ 511,000	\$ 1,968,555
13. Projected *			
14. 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-5T, E-5W, E-5S

**Clear Springs Utility Company, Inc. - Water and Sewer Divisions**  
Docket No. WS-01689A  
Test Year Ended December 31, 2010

**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	

	<b>Water</b>	<b>Sewer</b>	<b>Total Company</b>	
	<b>Original Cost</b>	<b>Original Cost</b>	<b>Original Cost</b>	<b>RCND</b>
	<b>Rate Base*</b>	<b>Rate Base*</b>	<b>Rate Base*</b>	<b>Rate Base*</b>
1. Gross Utility Plant in Service	\$ 1,102,085	\$ 355,470	\$ 1,457,555	
2. Less: Accumulated Depreciation	(909,719)	(328,780)	(1,238,499)	
3. Net Utility Plant in Service	\$ 192,366	\$ 26,690	\$ 219,056	(a) (b)
<b>Less:</b>				
4. Advances in Aid of Construction (AIAC)	\$ (78,613)	\$ (40,658)	\$ (119,271)	(c) (c)
5. Contributions in Aid of Construction (CIAC)	(265,728)	(87,976)	(353,704)	(c) (c)
<b>Add:</b>				
6. Amortization of CIAC	\$ 229,063	\$ 83,400	\$ 312,463	(c) (c)
7. Allowance for Working Capital	19,658	5,300	24,958	(d) (d)
<b>8. Total Rate Base</b>	<b>\$ 96,746</b>	<b>\$ (13,244)</b>	<b>\$ 83,502</b>	<b>(e) (e)</b>

\* 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

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

Explanation:  
Schedule showing proforma 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)
<b>Water Division</b>				
1 Gross Utility Plant in Service	\$ 1,097,326	\$ 4,760	1	\$ 1,102,085
2 Less: Accumulated Depreciation	(810,041)	(99,678)	2	(909,719)
3 Net Utility Plant in Service	\$ 287,285	\$ (94,918)		\$ 192,366
Less:				
4 Advances in Aid of Construction (AIAC)	\$ (121,648)	\$ 43,035	3	\$ (78,613)
5 Contributions in Aid of Construction (CIAC)	(239,743)	(25,985)	4	(265,728)
Add:				
6 Amortization of CIAC	\$ 229,556	\$ (493)	5	\$ 229,063
7 Allowance for Working Capital	19,658			19,658
8 <b>Total Water Division Rate Base</b>	<b>\$ 175,108</b>	<b>\$ (78,362)</b>		<b>\$ 96,746</b>
<b>Sewer Division</b>				
9 Gross Utility Plant in Service	\$ 355,470			\$ 355,470
10 Less: Accumulated Depreciation	(328,780)			(328,780)
11 Net Utility Plant in Service	\$ 26,690	\$ -		\$ 26,690
Less:				
12 Advances in Aid of Construction (AIAC)	\$ (40,658)			\$ (40,658)
13 Contributions in Aid of Construction (CIAC)	(87,976)			(87,976)
Add:				
14 Amortization of CIAC	\$ 83,400			\$ 83,400
15 Allowance for Working Capital	5,300			5,300
16 <b>Total Sewer Division Rate Base</b>	<b>\$ (13,244)</b>	<b>\$ -</b>		<b>\$ (13,244)</b>
<b>Total Company</b>				
17 Gross Utility Plant in Service	\$ 1,452,796	\$ 4,760		\$ 1,457,555
18 Less: Accumulated Depreciation	(1,138,821)	(99,678)		(1,238,499)
19 Net Utility Plant in Service	\$ 313,975	\$ (94,918)		\$ 219,056
Less:				
20 Advances in Aid of Construction (AIAC)	\$ (162,306)	\$ 43,035		\$ (119,271)
21 Contributions in Aid of Construction (CIAC)	(327,719)	(25,985)		(353,704)
Add:				
22 Amortization of CIAC	\$ 312,956	\$ (493)		\$ 312,463
23 Allowance for Working Capital	24,958	-		24,958
24 <b>Total Company Rate Base</b>	<b>\$ 161,864</b>	<b>\$ (78,362)</b>		<b>\$ 83,502</b>

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

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

Supporting Schedules:  
(a) E-1

Recap Schedules:  
(b) B-1

Explanation:  
Schedule detailing proforma adjustments to gross plant  
in service and accumulated depreciation for the original  
cost rate base.

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

**Water Division**

<u>Adjustment #</u>		Invoice Amount	Account Total
1	Account 307		
	1/25/10 - Pumps, Inc. invoice moved from account 620	\$ 342	\$ 342
	Account 311		
	1/2/2010 - Jim's Electric invoice moved to account 620	\$ (75)	
	7/9/2010 - Jim's Electric invoice moved to account 620	<u>(170)</u>	(245)
	Account 333		
	3/5/10 Dana Kepner invoice moved from account 620	\$ 208	208
	Account 334		
	1/22/10 Dana Kepner invoice moved from account 620	\$ 258	
	5/31/10 Dana Kepner invoice moved from account 620	250	
	7/21/10 HD Supply invoice moved from account 620	302	
	8/23/10 Dana Kepner invoice moved from account 620	655	
	9/23/10 Dana Kepner invoice moved from account 620	327	
	12/13/10 Dana Kepner invoice moved from account 620	<u>300</u>	2,092
	Account 335		
	6/4/10 Dana Kepner invoice moved from account 620	\$ 1,764	
	6/6/10 Garcia and Sons invoice moved from account 620	<u>600</u>	2,364
	<b>Gross Utility Plant Adjustment Amount</b>	<b>\$</b>	<b><u>4,760</u></b>
2	Accumulated Depreciation was calculated using the ending balances and rates from the last rate case for each division, and additions by year in order to arrive at the current test year end amount.		
3	Advances in Aid of Construction (AIAC):		
	Transfer to CIAC	\$ 25,985	
	Transfer to Capital Account	17,050	
	<b>Total Decrease to AIAC</b>	<b>\$</b>	<b><u>43,035</u></b>
4	Contributions in Aid of Construction (CIAC)		
	Transfer expired AIAC	\$ (25,985)	
	<b>Total Increase to CIAC</b>	<b>\$</b>	<b><u>(25,985)</u></b>
5	Amortization of CIAC		
	Adjustment based on changes to CIAC	\$ (493)	
	<b>Total Decrease to Amortization of CIAC</b>	<b>\$</b>	<b><u>(493)</u></b>

**Sewer Division** No Adjustments to Test Year End Rate Base

Supporting Schedules:

Recap Schedules:  
(b) B-1

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>	
<b>Water Division</b>		
Cash working capital		
1	\$ 1,690	
2	-	
3	17,969	
4	-	(a)
5	-	(a)
6	<u>\$ 19,658</u>	(b)
<b>Sewer Division</b>		
Cash working capital		
7	\$ 138	
8	-	
9	3,560	
10	1,602	(a)
11	-	(a)
12	<u>\$ 5,300</u>	(b)
13	<u><u>\$ 24,958</u></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

Clear Springs Utility Company, Inc. - Water and Sewer Divisions  
Docket No. WS-01689A  
Test Year Ended December 31, 2010

Schedule C-1T  
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		Ref	Test Year		Proposed	Adjusted Test
	Year Ended (a)	31-Dec-10		Proforma	Results After		
				Adjustments	Pro Forma	Increase	Rate Increase
				(b)	Adjustments		
<b>Operating Revenues:</b>							
461 Metered Water Revenue	\$	165,631	W-A	(600)	\$ 165,031	W-I \$ 98,423	\$ 263,454
474 Other Water Revenue		15,279	W-A	(12,060)	3,219		3,219
521 Flat Rate Revenues		-			-		-
522 Measured Revenues		47,519	S-A	(147)	47,372	-	47,372
536 Other Wastewater Revenues		430			430		430
<b>Total Operating Revenue</b>	<b>\$</b>	<b>228,859</b>		<b>(12,807)</b>	<b>\$ 216,052</b>	<b>\$ 98,423</b>	<b>\$ 314,475</b>
<b>Operating Expenses:</b>							
601 Salaries & Wages	\$	-			\$ -		\$ -
610 Purchased Water		-			-		-
615 Purchased Power		40,551			40,551		40,551
618 Chemicals		1,811			1,811		1,811
620 Repairs & Maintenance		16,928	W-B	(4,760)	12,168		12,168
621 Office Supplies and Expense		9,437			9,437		9,437
630 Outside Services		75,410	W-C	16,830	92,240		92,240
635 Water Testing		7,172			7,172		7,172
641 Rental Expense		-			-		-
650 Transportation Expense		6,938			6,938		6,938
657 Insurance - General Liability		3,443			3,443		3,443
659 Insurance - Health and Life		-			-		-
666 Rate Case Expense		-	W-D	10,000	10,000		10,000
675 Miscellaneous Expense		1,928	W-E	(1,388)	540		540
701 Salaries & Wages		-			-		-
710 Purchased Wastewater Treatment		-			-		-
711 Sludge Removal Expense		-			-		-
715 Purchased Power		3,313			3,313		3,313
716 Fuel for Power Production		-			-		-
718 Chemicals		-			-		-
720 Materials and Supplies		939			939		939
721 Office Supplies		431			431		431
731 Contractual Services - Professional		8,550	S-B	14,720	23,270		23,270
736 Contractual Services - Other		-			-		-
740 Rents		-			-		-
750 Transportation Expense		341			341		341
755 Insurance Expense		-			-		-
766 Rate Case Expense		-	S-C	3,500	3,500		3,500
775 Miscellaneous Expense		-			-		-
403 Depreciation & Amortization		14,842	W-F S-D	14,831	29,673		29,673
408 Taxes Other Than Income		-			-		-
408.11 Property Taxes		20,780	W-G S-E W-H S-F	(8,348)	12,432	W-J 1,878	14,311
409 Income Taxes		50	S-F	(10,867)	(10,817)	W-K 21,412	10,595
427.4 Interest on Customer Deposits		386			386		386
<b>Total Operating Expenses</b>	<b>\$</b>	<b>213,250</b>		<b>34,517</b>	<b>\$ 247,767</b>	<b>\$ 23,291</b>	<b>\$ 271,058</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>\$</b>	<b>15,609</b>		<b>(47,324)</b>	<b>\$ (31,715)</b>	<b>(c) \$ 75,133</b>	<b>\$ 43,417</b>
<b>Other Income/(Expense):</b>							
419 Interest Income	\$	561			\$ 561		\$ 561
421 Non-Utility Income		-			-		-
426 Miscellaneous Non-Utility Expenses		-			-		-
427.3 Interest Expense		(3,376)			(3,376)		(3,376)
<b>Total Other Income/(Expense)</b>	<b>\$</b>	<b>(2,815)</b>		<b>-</b>	<b>\$ (2,815)</b>	<b>\$ -</b>	<b>\$ (2,815)</b>
<b>NET INCOME/(LOSS)</b>	<b>\$</b>	<b>12,794</b>		<b>(47,324)</b>	<b>\$ (34,530)</b>	<b>\$ 75,133</b>	<b>\$ 40,602</b>

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

Supporting Schedules:  
(a) E-2  
(b) C-1W, C-1S

Schedules:  
(c) A-1

**Clear Springs Utility Company, Inc. - Water Division**  
Docket No. WS-01689A  
Test Year Ended December 31, 2010

**Schedule C-1W**  
**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	(b)	Results After	Ref		
	31-Dec-10				Pro Forma		Increase	Rate Increase
<b>Operating Revenues:</b>								
461 Metered Water Revenue	\$ 165,631	A	\$ (600)		\$ 165,031	I	\$ 98,423	\$ 263,454
474 Other Water Revenue	15,279	A	(12,060)		3,219			3,219
<b>Total Operating Revenue</b>	<b>\$ 180,910</b>		<b>\$ (12,660)</b>		<b>\$ 168,250</b>		<b>\$ 98,423</b>	<b>\$ 266,673</b>
<b>Operating Expenses:</b>								
601 Salaries & Wages	\$ -				\$ -			\$ -
610 Purchased Water	-				-			-
615 Purchased Power	40,551				40,551			40,551
618 Chemicals	1,811				1,811			1,811
620 Repairs & Maintenance	16,928	B	(4,760)		12,168			12,168
621 Office Supplies and Expense	9,437				9,437			9,437
630 Outside Services	75,410	C	16,830		92,240			92,240
635 Water Testing	7,172				7,172			7,172
641 Rental Expense	-				-			-
650 Transportation Expense	6,938				6,938			6,938
657 Insurance - General Liability	3,443				3,443			3,443
659 Insurance - Health and Life	-				-			-
666 Rate Case Expense	-	D	10,000		10,000			10,000
675 Miscellaneous Expense	1,928	E	(1,388)		540			540
403 Depreciation & Amortization	12,957	F	15,588		28,545			28,545
408 Taxes Other Than Income	-				-			-
408.11 Property Taxes	16,235	G	(6,537)		9,698	J	1,878	11,577
409 Income Taxes	50	H	(13,396)		(13,346)	K	21,412	8,066
427.4 Interest on Customer Deposits	325				325			325
<b>Total Operating Expenses</b>	<b>\$ 193,185</b>		<b>\$ 16,337</b>		<b>\$ 209,522</b>		<b>\$ 23,291</b>	<b>\$ 232,812</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>\$ (12,275)</b>		<b>\$ (28,997)</b>		<b>\$ (41,272)</b>	(c)	<b>\$ 75,133</b>	<b>\$ 33,861</b>
<b>Other Income/(Expense):</b>								
419 Interest Income	\$ 446				\$ 446			\$ 446
421 Non-Utility Income	-				-			-
426 Miscellaneous Non-Utility Expenses	-				-			-
427.3 Interest Expense	(3,376)				(3,376)			(3,376)
<b>Total Other Income/(Expense)</b>	<b>\$ (2,930)</b>		<b>\$ -</b>		<b>\$ (2,930)</b>		<b>\$ -</b>	<b>\$ (2,930)</b>
<b>NET INCOME/(LOSS)</b>	<b>\$ (15,205)</b>		<b>\$ (28,997)</b>		<b>\$ (44,202)</b>		<b>\$ 75,133</b>	<b>\$ 30,931</b>

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

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

Recap Schedules:  
(c) C-1T

Clear Springs Utility Company, Inc. - Water Division  
 Docket No. WS-01689A  
 Test Year Ended December 31, 2010

Schedule C-2W  
 Title: Income Statement Proforma  
 Adjustments

Required for:	<input checked="" type="checkbox"/>
All Utilities	<input 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	Total (a)
Revenues:												
Metered Water Revenue	\$ (600)								\$ 98,423			\$ 97,823
Other Revenue	(12,060)											(12,060)
Expenses:												
Repairs and Maintenance		\$ (4,760)										(4,760)
Outside Services			\$ 16,830									16,830
Rate Case Expense				\$ 10,000								10,000
Miscellaneous Expense					\$ (1,388)							(1,388)
Depreciation & Amortization						\$ 15,588						15,588
Property Taxes							\$ (6,537)			\$ 1,878		(4,658)
Income Taxes								\$ (13,396)			\$ 21,412	8,016

Adjustment Descriptions:

- A - Adjust revenue/bill count for customer leak (\$600), remove revenue related to TA Grant that is non-recurring (\$10,900), and reclassify amount (\$1,160) that is not revenue.
- B - Reclassify expenditures between repairs and maintenance and asset accounts as reflected on Schedule C-2W/a.
- C - Adjust Outside Services expense per Schedule C-2W/b.
- D - Increase rate case expense to recover estimated costs of \$30,000 for this rate case, amortized over 3 years, (\$30,000/3).
- E - Remove sales taxes paid for a prior period.
- F - Increase depreciation expense based upon proposed depreciation rates per schedule C-2W/c.
- G - Adjust property taxes at current rates per calculation on Schedule C-2W/d.
- H - Adjust income taxes at current rates per calculation on Schedule C-2W/e.
- I - Increase metered water revenue per calculation on Schedule A-1.
- J - Increase property taxes for proposed rates per calculation on Schedule C-2W/d.
- K - Increase income taxes for proposed rates per calculation on Schedule C-2W/f.

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

Supporting Schedules:

Recap Schedules:

C-2W/a through C-2W/f

(a) C-1W

s Utility Company, Inc. - Water Division  
S-01689A  
led December 31, 2010

Schedule C-2Wa  
Title: Income Statement Proforma  
Adjustments

**AIL OF REPAIRS AND MAINTENANCE EXPENSE ADJUSTMENT**

<b>Vendor</b>	<b>Description</b>	<b>Amount</b>
Dana Kepner	Moved to Account 334	\$ (258)
Pumps, Inc.	Moved to Account 307	(342)
Dana Kepner	Moved to Account 333	(208)
Dana Kepner	Moved to Account 334	(250)
Dana Kepner	Moved to Account 335	(1,764)
HD Supply Waterworks, LTD	Moved to Account 334	(302)
Dana Kepner	Moved to Account 334	(655)
Dana Kepner	Moved to Account 334	(327)
Dana Kepner	Moved to Account 334	(300)
Garcia and Sons LLC	Moved to Account 335	(600)
Jim's Electric INC	Moved from Account 311	75
Jim's Electric INC	Moved from Account 311	170
	<b>Total Adjustment B</b>	<b>\$ (4,760)</b>

Clear Springs Utility Company, Inc. - Water Division  
Docket No. WS-01689A  
Test Year Ended December 31, 2010

Schedule C-2Wb  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF OUTSIDE SERVICES EXPENSE ADJUSTMENT**

<b>Date</b>	<b>Invoice #</b>	<b>Contract Amount</b>	<b>Billed Amount</b>	<b>Difference</b>
02-Feb-10	3476	\$ 7,193	\$ 7,193	\$ -
10-Mar-10	3510	7,193	7,193	-
15-Mar-10	3542	7,305	7,305	-
15-Apr-10	3638	7,224	7,224	-
10-May-10	3708	7,265	5,157	2,108
14-Jun-10	3740	7,295	5,184	2,111
08-Jul-10	3793	7,224	5,121	2,103
09-Aug-10	3832	7,224	5,121	2,103
09-Sep-10	3883	7,203	5,103	2,100
11-Oct-10	3935	7,152	5,058	2,094
07-Nov-10	3986	7,254	5,148	2,106
09-Dec-10	4036	7,234	5,130	2,104
	<b>Totals</b>	<b>\$ 86,767</b>	<b>\$ 69,938</b>	
			<b>Total Adjustment C</b>	<b>\$ 16,830</b>

**DETAIL OF PROPOSED DEPRECIATION EXPENSE CALCULATION**

Account Number	Description	Plant @ End of Test Year 31-Dec-10	Proposed Depreciation Rate	Ref	Proposed Depreciation Expense
301	Intangibles	\$ 1,625	0.00%		\$ -
303	Land & Land Rights	210	0.00%		-
304	Structures & Improvements	28,565	3.33%	1	-
307	Wells & Springs	179,255	3.33%		5,969
311	Pumping Equipment	172,837	12.50%	2	6,447
320	Water Treatment Equipment	-			-
320.1	Water Treatment Plants	-	3.33%		-
320.2	Solution Chemical Feeders	4,574	20.00%		915
330	Distribution Reservoirs & Standpipes	16,011	2.22%		-
330.1	Storage Tanks	122,423	2.22%		2,718
330.2	Pressure Tanks.	-	5.00%		-
331	Transmission & Distribution Mains	349,433	2.00%		6,989
333	Services	121,259	3.33%		4,038
334	Meters & Meter Installations	83,678	8.33%	3	1,422
335	Hydrants	12,214	2.00%	4	47
339	Other Plant and Misc Equipment	-	6.67%		-
340	Office Furniture & Equipment	3,274	6.67%	5	-
340.1	Computers and Software	-	20.00%		-
341	Transportation Equipment	-	20.00%		-
343	Tools, Shop, and Garage Equipment	6,727	5.00%	6	-
345	Power Operated Equipment	-	5.00%		-
348	Other Tangible Plant	-	0.00%		-
<b>Totals</b>		<b>\$ 1,102,085</b>			<b>\$ 28,545</b>
Test Year Depreciation Expense					12,957
<b>Total Adjustment E</b>					<b>\$ 15,588</b>

- 1 The total amount in Structures and Improvements is fully depreciated.
- 2 \$121,259 of the total amount in account 311 - Pumping Equipment, is fully depreciated.
- 3 \$78,938 of the total amount in account 334 - Meters & Meter Installations, is fully depreciated.
- 4 \$9,850 of the total amount in account 335 - Hydrants, is fully depreciated.

**DETAIL OF PROPOSED PROPERTY TAX EXPENSE CALCULATION**

	<b>Test Year as Adjusted</b>	<b>Company at Proposed Rates</b>
Adjusted 2010 Test Year Revenue	\$ 168,250	\$ 168,250
Weight Factor	2	2
Subtotal	\$ 336,500	\$ 336,500
Company Recommended Revenue	168,250	266,673
Subtotal	\$ 504,750	\$ 603,173
Number of Years	3	3
Three Year Revenue Average	\$ 168,250	\$ 201,058
AZ Department of Revenue Multiplier	2	2
Revenue Base Value	\$ 336,500	\$ 402,115
Plus 10% of CWIP	2,300	2,300
Less: Net Book Value of Licensed Vehicles	-	-
<b>Full Cash Value</b>	<b>\$ 338,800</b>	<b>\$ 404,415</b>
Assessment Ratio	20.50%	20.50%
<b>Assessment Value</b>	<b>\$ 69,454</b>	<b>\$ 82,905</b>
<b>Composite Property Tax Rate *</b>	<b>13.9638%</b>	<b>13.9638%</b>
Adjusted Test Year Property Tax Expense	\$ 9,698	
Actual Test Year Property Tax Expense	16,235	
<b>Total Adjustment G</b>	<b>\$ (6,537)</b>	
Projected Property Tax Expense	\$ 11,577	
Adjusted Test Year Property Tax Expense	9,698	
<b>Total Adjustment J</b>	<b>\$ 1,878</b>	
 <i>* Property tax composite rate calculation:</i>		
Assessed Value per 2010 Property Tax Notices	\$ 75,050	
Property Tax due per test year Notice	10,480	
Composite Property Tax Rate	13.9638%	
 <i>For Gross Revenue Conversion Factor:</i>		
Change in Property Tax Expense	\$ 1,878	
Change in Revenue Requirement	98,423	
Change in Property Tax per Dollar Increase in Revenue	1.9084%	

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

***STATE INCOME TAX CALCULATION:***

Operating Income/(Loss) Before Taxes	\$	(54,618)
Less:		
Estimated Interest Expense		(3,376)
Arizona Taxable Income	\$	(57,994)
Arizona Income Tax Rate		<u>6.9680%</u>
Arizona Income Tax Expense	\$	(4,041)

***FEDERAL INCOME TAX CALCULATION:***

Operating Income/(Loss) Before Taxes	\$	(54,618)
Less:		
Arizona Income Tax	\$	(4,041)
Estimated Interest Expense		(3,376)
Federal Taxable Income	\$	(62,035)
Federal Income Tax Rate		<u>15.0000%</u>
Federal Income Tax Expense	\$	(9,305)
Adjusted Test Year Income Tax Expense	\$	<u>(13,346)</u>
Test Year Income Tax Expense		<u>50</u>
Total Adjustment H to Income Taxes	\$	<u><u>(13,396)</u></u>

Clear Springs Utility Company, Inc. - Water Division  
 Docket No. WS-01689A  
 Test Year Ended December 31, 2010

Schedule C-2Wf  
 Title: Income Statement Proforma  
 Adjustments

**CALCULATION OF PROPOSED INCOME TAX EXPENSE ADJUSTMENT**

Revenue	\$ 266,673		
Operating Expenses Excluding Income Tax	(224,746)		
Estimated Interest Expense	(3,376)		
Arizona Taxable Income		\$ 38,551	
Arizona Income Tax Rate		6.9680%	
Arizona Income Tax Expense			\$ 2,686
Federal Taxable Income		\$ 35,865	
Federal Tax on 1st Income Range (\$1 - \$50,000) @ 15%		\$ 5,380	
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			5,380
Combined Federal and State Income Tax Expense			\$ 8,066
Adjusted Test Year Income Tax Expense			(13,346)
<b>Adjustment K to Proposed Income Tax Expense</b>			<b>\$ 21,412</b>
Required Operating Income	\$ 33,861		
Adjusted Test Year Operating Income/(Loss)	(41,272)		
Proposed Increase In Operating Income		\$ 75,133	
Income Taxes On Proposed Revenue	\$ 8,066		
Income Taxes On Test Year Revenue	(13,346)		
Proposed Revenue Increase For Income Taxes		\$ 21,412	
Property Taxes On Proposed Revenue	\$ 11,577		
Property Taxes On Test Year Revenue	9,698	\$ 1,878	
Proposed Revenue Increase For Property Taxes			
<b>Total Proposed Increase In Revenue</b>			<b>\$ 98,423</b>

Clear Springs Utility Company, Inc. - Sewer Division  
Docket No. WS-01689A  
Test Year Ended December 31, 2010

Schedule C-1S  
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		Test Year		Proposed Rate Increase	Adjusted Test Year With Rate Increase
	Year Ended (a) 31-Dec-10	Ref	Proforma Adjustments (b)	Results After Pro Forma Adjustments		
<b>Operating Revenues:</b>						
521 Flat Rate Revenues				\$ -		\$ -
522 Measured Revenues	47,519	A	(147)	47,372	-	47,372
536 Other Wastewater Revenues	430			430		430
<b>Total Operating Revenue</b>	<b>\$ 47,949</b>		<b>\$ (147)</b>	<b>\$ 47,802</b>	<b>\$ -</b>	<b>\$ 47,802</b>
<b>Operating Expenses:</b>						
701 Salaries & Wages	\$ -			\$ -		\$ -
710 Purchased Wastewater Treatment				-		-
711 Sludge Removal Expense				-		-
715 Purchased Power	3,313			3,313		3,313
716 Fuel for Power Production				-		-
718 Chemicals				-		-
720 Materials and Supplies	939			939		939
721 Office Supplies	431			431		431
731 Contractual Services - Professional	8,550	B	14,720	23,270		23,270
736 Contractual Services - Other				-		-
740 Rents				-		-
750 Transportation Expense	341			341		341
755 Insurance Expense				-		-
766 Rate Case Expense	-	C	3,500	3,500		3,500
775 Miscellaneous Expense				-		-
403 Depreciation & Amortization	1,885	D	(757)	1,128		1,128
408 Taxes Other Than Income				-		-
408.11 Property Taxes	4,545	E	(1,811)	2,734		2,734
409 Income Taxes	-	F	2,529	2,529		2,529
427.4 Interest on Customer Deposits	61			61		61
<b>Total Operating Expenses</b>	<b>\$ 20,065</b>		<b>\$ 18,181</b>	<b>\$ 38,246</b>	<b>\$ -</b>	<b>\$ 38,246</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 27,884</b>		<b>\$ (18,328)</b>	<b>\$ 9,556</b>	<b>(c)</b>	<b>\$ 9,556</b>
<b>Other Income/(Expense):</b>						
419 Interest Income	\$ 115			\$ 115		\$ 115
421 Non-Utility Income				-		-
426 Miscellaneous Non-Utility Expenses				-		-
427.3 Interest Expense				-		-
<b>Total Other Income/(Expense)</b>	<b>\$ 115</b>		<b>\$ -</b>	<b>\$ 115</b>	<b>\$ -</b>	<b>\$ 115</b>
<b>NET INCOME/(LOSS)</b>	<b>\$ 27,999</b>		<b>\$ (18,328)</b>	<b>\$ 9,671</b>	<b>\$ -</b>	<b>\$ 9,671</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

Clear Springs Utility Company, Inc. - Sewer Division  
 Docket No. WS-01689A  
 Test Year Ended December 31, 2010

Schedule C-2S  
 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	Total (a)	
							Adjustments	Adjustments
Revenues:								
Measured Revenues	\$ (147)						\$	(147)
Expenses:								
Outside Services		\$ 14,720						14,720
Rate Case Expense			\$ 3,500					3,500
Depreciation & Amortization				\$ (757)				(757)
Property Taxes					\$ (1,811)			(1,811)
Income Taxes						\$ 2,529		2,529

Adjustment Descriptions:

- A - Adjust revenue and bill count for customer leak.
- B - Adjust Outside Services expense per Schedule C-2Sa.
- C - Increase rate case expense to recover estimated costs of \$10,500 for this rate case, amortized over 3 years, (\$10,500/3).
- D - Adjust depreciation expense based upon proposed depreciation rates per schedule C-2Sb.
- E - Adjust property taxes at current rates per calculation on Schedule C-2Sc.
- F - Adjust income taxes at current rates per calculation on Schedule C-2Sd.

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

Supporting Schedules:  
 C-2Sa through C-2Sd

Recap Schedules:  
 (a) C-1S



**DETAIL OF PROPOSED DEPRECIATION EXPENSE CALCULATION**

Account Number	Description	Plant @ End of Test Year 31-Dec-10	Proposed Depreciation Rate	Ref	Proposed Depreciation Expense
351	Organization	\$ -			\$ -
353	Land & Land Rights	4,654	0.00%		-
354	Structures & Improvements	9,999	3.33%		333
355	Power Generation Equipment	51,058	5.00%	1	265
360	Collection Sewers - Force	273,018	2.00%	2	205
361	Collection Sewers - Gravity	-			-
362	Special Collecting Structures	-			-
363	Services to Customers	9,880	2.00%		198
364	Flow Measuring Devices	-			-
365	Flow Measuring Installations	-			-
370	Receiving Wells	-			-
380	Treatment and Disposal Equipment	487	5.00%		24
381	Plant Sewers	-			-
382	Outfall Sewer Lines	-			-
389	Other Plant & Misc Equipment	-			-
390	Office Furniture & Equipment	-			-
390.1	Computers and Software	-			-
391	Transportation Equipment	863	20.00%	3	-
393	Tools, Shop, and Garage Equipment	2,061	5.00%		103
394	Laboratory Equipment	-			-
395	Power Operated Equipment	-			-
398	Other Tangible Plant	-			-
<b>Totals</b>		<b>\$ 352,020</b>			<b>\$ 1,128</b>
Test Year Depreciation Expense					1,885
<b>Total Adjustment D</b>					<b>\$ (757)</b>

- 1 The total amount in Structures and Improvements is fully depreciated.
- 2 \$121,259 of the total amount in account 311 - Pumping Equipment, is fully depreciated.
- 3 \$78,938 of the total amount in account 334 - Meters & Meter Installations, is fully depreciated.
- 4 \$9,850 of the total amount in account 335 - Hydrants, is fully depreciated.

**DETAIL OF PROPOSED PROPERTY TAX EXPENSE CALCULATION**

	<u>Test Year as Adjusted</u>	<u>Company at Proposed Rates</u>
Adjusted 2010 Test Year Revenue	\$ 47,802	\$ 47,802
Weight Factor	2	2
Subtotal	<u>\$ 95,604</u>	<u>\$ 95,604</u>
Company Recommended Revenue	47,802	47,802
Subtotal	<u>\$ 143,406</u>	<u>\$ 143,406</u>
Number of Years	3	3
Three Year Revenue Average	<u>\$ 47,802</u>	<u>\$ 47,802</u>
AZ Department of Revenue Multiplier	2	2
Revenue Base Value	<u>\$ 95,604</u>	<u>\$ 95,604</u>
Plus 10% of CWIP	-	-
Less: Net Book Value of Licensed Vehicles	-	-
<b>Full Cash Value</b>	<u><b>\$ 95,604</b></u>	<u><b>\$ 95,604</b></u>
Assessment Ratio	20.50%	20.50%
<b>Assessment Value</b>	<u><b>\$ 19,599</b></u>	<u><b>\$ 19,599</b></u>
<b>Revised Composite Property Tax Rate *</b>	<u><b>13.9486%</b></u>	<u><b>13.9486%</b></u>
Adjusted Test Year Property Tax Expense	\$ 2,734	
Actual Test Year Property Tax Expense	<u>4,545</u>	
<b>Total Adjustment E</b>	<u><b>\$ (1,811)</b></u>	
Projected Property Tax Expense	\$ 2,734	
Adjusted Test Year Property Tax Expense	<u>2,734</u>	
<b>No Adjustment</b>	<u><b>\$ -</b></u>	
<i>* Property tax composite rate calculation:</i>		
Assessed Value per 2010 Property Tax Notices	\$ 20,790	
Property Tax due per test year Notice	<u>2,900</u>	
Composite Property Tax Rate	13.9486%	

Clear Springs Utility Company, Inc. - Sewer Division  
Docket No. WS-01689A  
Test Year Ended December 31, 2010

Schedule C-2Sd  
Title: Income Statement Proforma  
Adjustments

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

***STATE INCOME TAX CALCULATION:***

Operating Income/(Loss) Before Taxes	\$	12,085	
Less:			
Estimated Interest Expense		-	
Arizona Taxable Income	\$	<u>12,085</u>	
Arizona Income Tax Rate		<u>6.9680%</u>	
Arizona Income Tax Expense	\$		842

***FEDERAL INCOME TAX CALCULATION:***

Operating Income/(Loss) Before Taxes	\$	12,085	
Less:			
Arizona Income Tax	\$	(842)	
Estimated Interest Expense		-	
Federal Taxable Income	\$	<u>11,243</u>	
Federal Income Tax Rate		<u>15.0000%</u>	
Federal Income Tax Expense	\$		1,686

Adjusted Test Year Income Tax Expense \$ 2,529

**Test Year Income Tax Expense** -

**Total Adjustment F to Income Taxes** \$ 2,529

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
<b>Water Division</b>	
Revenue	1.000
Combined Federal And State Tax Rate	(0.218)
Property Tax Rate	(0.019)
Subtotal (Operating Income %)	0.763
<b>Gross Revenue Conversion Factor = 1/Operating Income %</b>	<b>1.310</b>
<b>Sewer Division</b>	
Revenue	1.000
Combined Federal And State Tax Rate	
Property Tax Rate	
Subtotal (Operating Income %)	1.000
<b>Gross Revenue Conversion Factor = 1/Operating Income %</b>	<b>1.000</b>
<b>Total Company</b>	
Revenue	1.000
Combined Federal And State Tax Rate	(0.218)
Property Tax Rate	(0.019)
Subtotal (Operating Income %)	0.763
<b>Gross Revenue Conversion Factor = 1/Operating Income %</b>	<b>1.310</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	15.0000%
Effective Federal Income Tax Rate	13.9548%
Combined Federal And State Income Tax Rates	21.7553%

Note: All tax percentages shall include the effect of other taxes upon the incremental rate. The applicant may use other formulas in developing the conversion factor.

Supporting Schedules:

Recap Schedules:  
 A-1

Clear Springs Utility Company, Inc. - Water and Sewer Divisions  
Docket No. WS-01689A  
Test Year Ended December 31, 2010

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)	\$ 54,576	25.05%	6.75%	1.69%	\$ 54,576	25.05%	6.75%	1.69%
	35,059	16.09%	6.38%	1.03%	35,059	16.09%	6.38%	1.03%
Preferred Stock (b)	-				-			
Common Equity (c)	(32,242)	-14.80%	35.00%	-5.18%	(32,242)	-14.80%	35.00%	-5.18%
Short-Term Debt (a)	-				-			
Deferrals (d)	160,512	73.66%	10.00%	7.37%	160,512	73.66%	10.00%	7.37%
<b>Totals</b>	<b>\$ 217,905</b>	<b>100.00%</b>		<b>4.90%</b>	<b>\$ 217,905</b>	<b>100.00%</b>		<b>4.90%</b>

Supporting Schedules:

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

Recap Schedules:

- (e) A-3

Clear Springs Utility Company, Inc. - Water and Sewer Divisions  
Docket No. WS-01689A  
Test Year Ended December 31, 2010

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-10	Prior Year 31-Dec-09	Prior Year 31-Dec-08
<b>ASSETS</b>			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 1,457,555	\$ 1,415,925	\$ 1,389,354
103 Property Held for Future Use		-	-
105 Construction Work in Process	23,000	-	-
108 Accumulated Depreciation	(1,238,499)	(1,104,827)	(1,089,605)
Total Property Plant & Equipment	\$ 242,056	\$ 311,098	\$ 299,749
Current Assts:			
131 Cash	\$ 30,036	\$ 26,724	\$ 33,804
135 Temporary Cash Investments	16,386	16,271	107,790
141 Customer Accounts Receivable	12,821	17,424	15,265
146 Notes/Receivables from Associated Companies	88,161	58,201	50,201
151 Plant Material and Supplies	1,602	1,602	1,602
162 Prepayments			
174 Miscellaneous Current and Accrued Assets			
Total Current Assets	\$ 149,006	\$ 120,222	\$ 208,662
<b>TOTAL ASSETS</b>	<b>\$ 391,062</b>	<b>\$ 431,320</b>	<b>\$ 508,411</b>
<b>LIABILITIES and CAPITAL</b>			
Capitalization: (b)			
201 Common Stock Issued	\$ 1,000	\$ 1,000	\$ 1,000
211 Paid in Capital in Excess of Par Value	2,637,759	2,637,759	2,637,759
215 Retained Earnings	(2,671,001)	(2,589,551)	(2,487,405)
218 Proprietary Capital	-	-	-
Total Capital	\$ (32,242)	\$ 49,208	\$ 151,354
Current Liabilities:			
231 Accounts Payable	\$ 27,358	\$ 26,465	\$ 10,237
232 Notes Payable (Current Portion)			
234 Notes/Accounts Payable to Associated Companies	98,161	58,201	51,937
235 Customer Deposits	46,541	47,312	62,713
236 Accrued Taxes	1,097	852	867
241 Miscellaneous Current and Accrued Liabilities			
Total Current Liabilities	\$ 173,157	\$ 132,830	\$ 125,754
224 Long-Term Debt (Over 12 Months)	\$ 89,635	\$ 94,500	\$ 99,054
Deferred Credits:			
252 Advances In Aid Of Construction	\$ 119,271	\$ 139,242	\$ 115,892
271 Contributions In Aid Of Construction	353,704	327,719	327,719
272 Less: Amortization of Contributions	(312,463)	(312,179)	(311,362)
281 Accumulated Deferred Income Tax			
Total Deferred Credits	\$ 160,512	\$ 154,782	\$ 132,249
Total Liabilities	\$ 423,304	\$ 382,112	\$ 357,057
<b>TOTAL LIABILITIES and CAPITAL</b>	<b>\$ 391,062</b>	<b>\$ 431,320</b>	<b>\$ 508,411</b>
Supporting Schedules:		Recap Schedules:	
(a) E-5T		(b) A-3	

Clear Springs Utility Company, Inc. - Water and Sewer Divisions  
Docket No. WS-01689A  
Test Year Ended December 31, 2010

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-10	Prior Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08
<b>Revenues: (a)</b>			
461 Metered Water Revenue	\$ 165,631	\$ 175,260	\$ 168,060
474 Other Water Revenue	15,279	(26)	887
521 Flat Rate Revenues	-	-	-
522 Measured Revenues	47,519	49,371	48,809
536 Other Wastewater Revenues	430	120	10
<b>Total Revenues</b>	<b>\$ 228,859</b>	<b>\$ 224,725</b>	<b>\$ 217,766</b>
<b>Operating Expenses (a)</b>			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	-	-	-
615 Purchased Power	40,551	31,973	27,219
618 Chemicals	1,811	2,154	2,655
620 Repairs and Maintenance	16,928	5,399	9,473
621 Office Supplies and Expense	9,437	5,989	5,086
630 Outside Services	75,410	100,619	85,035
635 Water Testing	7,172	1,350	3,054
641 Rents	-	-	-
650 Transportation Expense	6,938	12,361	6,561
657 Insurance - General liability	3,443	3,433	3,404
659 Insurance - Health and Life	-	-	-
666 Regulatory Commission Expense - Rate Case	-	-	-
675 Miscellaneous Expense	1,928	-	-
701 Salaries & Wages	-	-	-
710 Purchased Wastewater Treatment	-	-	-
711 Sludge Removal Expense	-	-	-
715 Purchased Power	3,313	3,048	3,739
716 Fuel for Power Production	-	-	-
718 Chemicals	-	-	-
720 Materials and Supplies	939	-	-
721 Office Supplies	431	-	-
731 Contractual Services - Professional	8,550	29,884	38,390
736 Contractual Services - Other	-	1,446	4,903
740 Rents	-	-	-
750 Transportation Expense	341	2,486	2,263
755 Insurance Expense	-	-	-
766 Rate Case Expense	-	-	-
775 Miscellaneous Expense	-	100	581
403 Depreciation & Amortization	14,842	14,405	14,598
408 Taxes Other Than Income	-	-	-
408.11 Property Taxes	20,780	14,812	21,788
409 Income Tax	50	-	-
427.4 Interest on Customer Deposits	386	-	-
<b>Total Operating Expenses</b>	<b>\$ 213,250</b>	<b>\$ 229,459</b>	<b>\$ 228,749</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 15,609</b>	<b>\$ (4,734)</b>	<b>\$ (10,983)</b>
<b>Other Income/(Expense)</b>			
419 Interest and Dividend Income	\$ 561	\$ 1,283	\$ 3,418
421 Non-Utility Income	-	570	249
426 Miscellaneous Non-Utility Expense	-	-	-
427.3 Interest Expense	(3,376)	(6,475)	(7,598)
<b>Total Other Income/(Expense)</b>	<b>\$ (2,815)</b>	<b>\$ (4,622)</b>	<b>\$ (3,931)</b>
<b>NET INCOME/(LOSS)</b>	<b>\$ 12,794</b>	<b>\$ (9,356)</b>	<b>\$ (14,914)</b>

Supporting Schedules:  
(a) E-6W, E-6S

Recap Schedules:  
A-2

**Clear Springs Utility Company, Inc. - Water and Sewer Divisions**

**Schedule E-5T**

Docket No. WS-01689A

**Title: Detail of Utility Plant**

Test Year Ended December 31, 2010

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"/>

**Total Company**

Account Number	Description	End of Prior Year at 31-Dec-09	Net Additions	End of Test Year at 31-Dec-10
301	Organization	\$ 1,625	\$ -	\$ 1,625
303	Land & Land Rights	210	-	210
304	Structures & Improvements	28,565	-	28,565
307	Wells & Springs	178,914	341	179,255
311	Pumping Equipment	168,711	4,126	172,837
320	Water Treatment Equipment	-	-	-
320.1	Water Treatment Plants	-	-	-
320.2	Solution Chemical Feeders	4,574	-	4,574
330	Distribution Reservoirs & Standpipes	16,011	-	16,011
330.1	Storage Tanks	122,423	-	122,423
330.2	Pressure Tanks.	-	-	-
331	Transmission & Distribution Mains	334,533	14,900	349,433
333	Services	108,828	12,431	121,259
334	Meters & Meter Installations	79,659	4,019	83,678
335	Hydrants	9,850	2,364	12,214
339	Other Plant and Misc Equipment	-	-	-
340	Office Furniture & Equipment	3,274	-	3,274
340.1	Computers and Software	-	-	-
341	Transportation Equipment	-	-	-
343	Tools, Shop, and Garage Equipment	6,727	-	6,727
345	Power Operated Equipment	-	-	-
348	Other Tangible Plant	-	-	-
351	Organization	-	-	-
353	Land & Land Rights	4,654	-	4,654
354	Structures & Improvements	9,999	-	9,999
355	Power Generation Equipment	51,058	150	51,208
360	Collection Sewers - Force	273,018	3,300	276,318
361	Collection Sewers - Gravity	-	-	-
362	Special Collecting Structures	-	-	-
363	Services to Customers	9,880	-	9,880
364	Flow Measuring Devices	-	-	-
365	Flow Measuring Installations	-	-	-
370	Receiving Wells	-	-	-
380	Treatment and Disposal Equipment	487	-	487
381	Plant Sewers	-	-	-
382	Outfall Sewer Lines	-	-	-
389	Other Plant & Misc Equipment	-	-	-
390	Office Furniture & Equipment	-	-	-
390.1	Computers and Software	-	-	-
391	Transportation Equipment	863	-	863
393	Tools, Shop, and Garage Equipment	2,061	-	2,061
394	Laboratory Equipment	-	-	-
395	Power Operated Equipment	-	-	-
398	Other Tangible Plant	-	-	-
	<b>Total Plant In Service</b>	<b>\$ 1,415,924</b>	<b>\$ 41,631</b>	<b>\$ 1,457,555</b>
108	Accumulated Depreciation	(1,208,951)	(29,547)	(1,238,499)
	<b>Net Plant In Service</b>	<b>\$ 206,973</b>	<b>\$ 12,084</b>	<b>\$ 219,056</b>
103	Property Held for Future Use	\$ -	\$ -	\$ -
105	Construction Work in Process	-	23,000	23,000
	<b>Total Net Plant</b>	<b>\$ 229,973</b>	<b>\$ 35,084</b>	<b>\$ 242,056</b>

Supporting Schedules:  
E-5W, E-5S

Recap Schedules:  
E-1 A-4

**Clear Springs Utility Company, Inc. - Water Division**  
Docket No. WS-01689A  
Test Year Ended December 31, 2010

**Schedule E-5W**  
**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"/>

**Water Division**

<b>Account Number</b>	<b>Description</b>	<b>End of Prior Year at 31-Dec-09</b>	<b>Net Additions</b>	<b>End of Test Year at 31-Dec-10</b>
301	Organization	\$ 1,625		\$ 1,625
303	Land & Land Rights	210		210
304	Structures & Improvements	28,565		28,565
307	Wells & Springs	178,914	341	179,255
311	Pumping Equipment	168,711	4,126	172,837
320	Water Treatment Equipment	-		-
320.1	Water Treatment Plants	-		-
320.2	Solution Chemical Feeders	4,574		4,574
330	Distribution Reservoirs & Standpipes	16,011		16,011
330.1	Storage Tanks	122,423		122,423
330.2	Pressure Tanks.	-		-
331	Transmission & Distribution Mains	334,533	14,900	349,433
333	Services	108,828	12,431	121,259
334	Meters & Meter Installations	79,659	4,019	83,678
335	Hydrants	9,850	2,364	12,214
339	Other Plant and Misc Equipment			-
340	Office Furniture & Equipment	3,274		3,274
340.1	Computers and Software			-
341	Transportation Equipment			-
343	Tools, Shop, and Garage Equipment	6,727		6,727
345	Power Operated Equipment			-
348	Other Tangible Plant			-
<b>Total Water Plant In Service</b>		<b>\$ 1,063,904</b>	<b>\$ 38,181</b>	<b>\$ 1,102,085</b>
108	Accumulated Depreciation	(881,984)	(27,734)	(909,719)
Net Plant In Service		\$ 181,920	\$ 10,447	\$ 192,366
103	Property Held for Future Use	\$ -	\$ -	\$ -
105	Construction Work in Process	-	23,000	23,000
<b>Total Net Plant</b>		<b>\$ 204,920</b>	<b>\$ 33,447</b>	<b>\$ 215,366</b>

Supporting Schedules:

Recap Schedules:  
E-5T, A-4

**Clear Springs Utility Company, Inc. - Sewer Division**

Docket No. WS-01689A

Test Year Ended December 31, 2010

**Schedule E-5S**

**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

<input checked="" type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

**Sewer Division**

<b>Account Number</b>	<b>Description</b>	<b>End of Prior Year at 31-Dec-09</b>	<b>Net Additions</b>	<b>End of Test Year at 31-Dec-10</b>
351	Organization	\$ -		\$ -
353	Land & Land Rights	4,654		4,654
354	Structures & Improvements	9,999		9,999
355	Power Generation Equipment	51,058	150	51,208
360	Collection Sewers - Force	273,018	3,300	276,318
361	Collection Sewers - Gravity			-
362	Special Collecting Structures			-
363	Services to Customers	9,880		9,880
364	Flow Measuring Devices			-
365	Flow Measuring Installations			-
370	Receiving Wells			-
380	Treatment and Disposal Equipment	487		487
381	Plant Sewers			-
382	Outfall Sewer Lines			-
389	Other Plant & Misc Equipment			-
390	Office Furniture & Equipment			-
390.1	Computers and Software			-
391	Transportation Equipment	863		863
393	Tools, Shop, and Garage Equipment	2,061		2,061
394	Laboratory Equipment			-
395	Power Operated Equipment			-
398	Other Tangible Plant			-
	<b>Total Sewer Plant In Service</b>	<b>\$ 352,020</b>	<b>\$ 3,450</b>	<b>\$ 355,470</b>
108	Accumulated Depreciation	(326,967)	(1,813)	(328,780)
	<b>Net Plant In Service</b>	<b>\$ 25,053</b>	<b>\$ 1,637</b>	<b>\$ 26,690</b>
103	Property Held for Future Use	\$ -		\$ -
105	Construction Work in Process	-		-
	<b>Total Net Plant</b>	<b>\$ 25,053</b>	<b>\$ 1,637</b>	<b>\$ 26,690</b>

Supporting Schedules:

Recap Schedules:

E-5T A-4

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

Required for:	All Utilities	<input 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 checked="" type="checkbox"/>

<u>Water Division</u>	Test Year Ended 31-Dec-10	Prior Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08
<b>Operating Revenues:</b>			
461 Metered Water Revenue	\$ 165,631	\$ 175,260	\$ 168,060
474 Other Water Revenue	15,279	(26)	887
<b>Total Operating Revenue</b>	<b>\$ 180,910</b>	<b>\$ 175,234</b>	<b>\$ 168,947</b>
<b>Operating Expenses:</b>			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	-	-	-
615 Purchased Power	40,551	15,664	27,219
618 Chemicals	1,811	2,154	2,655
620 Repairs & Maintenance	16,928	5,399	9,473
621 Office Supplies and Expense	9,437	22,298	5,086
630 Outside Services	75,410	100,619	85,035
635 Water Testing	7,172	1,350	3,054
641 Rental Expense	-	-	-
650 Transportation Expense	6,938	12,361	6,561
657 Insurance - General Liability	3,443	3,433	3,404
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	-	-	-
675 Miscellaneous Expense	1,928	-	-
403 Depreciation & Amortization	12,957	12,600	12,788
408 Taxes Other Than Income	-	-	-
408.11 Property Taxes	16,235	11,431	18,294
409 Income Taxes	50	-	-
427.4 Interest on Customer Deposits	325	-	-
<b>Total Operating Expenses</b>	<b>\$ 193,185</b>	<b>\$ 187,309</b>	<b>\$ 173,569</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>\$ (12,275)</b>	<b>\$ (12,075)</b>	<b>\$ (4,622)</b>

\* Including allocation of general and administrative expenses.

Supporting Schedules:

Recap Schedules:

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

Required for:	All Utilities	<input 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 checked="" type="checkbox"/>

<u>Sewer Division</u>	Test Year Ended 31-Dec-10	Prior Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08
<b>Operating Revenues:</b>			
521 Flat Rate Revenues	\$ -	\$ -	\$ -
522 Measured Revenues	47,519	49,371	48,809
536 Other Wastewater Revenues	430	120	10
<b>Total Operating Revenue</b>	<b>\$ 47,949</b>	<b>\$ 49,491</b>	<b>\$ 48,819</b>
<b>Operating Expenses:</b>			
701 Salaries & Wages	\$ -	\$ -	\$ -
710 Purchased Wastewater Treatment	-		
711 Sludge Removal Expense	-		
715 Purchased Power	3,313	3,048	3,739
716 Fuel for Power Production	-		
718 Chemicals	-		
720 Materials and Supplies	939		
721 Office Supplies	431		
731 Contractual Services - Professional	8,550	29,884	38,390
736 Contractual Services - Other	-	1,446	4,903
740 Rents	-		
750 Transportation Expense	341	2,486	2,263
755 Insurance Expense	-		
766 Rate Case Expense	-		
775 Miscellaneous Expense	-	100	581
403 Depreciation & Amortization	1,885	1,805	1,810
408 Taxes Other Than Income	-		
408.11 Property Taxes	4,545	3,381	3,494
409 Income Taxes	-		
427.4 Interest on Customer Deposits	61		
<b>Total Operating Expenses</b>	<b>\$ 20,065</b>	<b>\$ 42,150</b>	<b>\$ 55,180</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 27,884</b>	<b>\$ 7,341</b>	<b>\$ (6,361)</b>

\* Including allocation of general and administrative expenses.

Supporting Schedules:

Recap Schedules:

**Clear Springs Utility Company, Inc. - Water Division**  
 Docket No. WS-01689A  
 Test Year Ended December 31, 2010

**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 31-Dec-10</b>	<b>Prior Year Ended 31-Dec-09</b>	<b>Prior Year Ended 31-Dec-08</b>
<b>Gallons Sold - By Class of Service:</b>			
Residential	32,220,420	33,710,783	34,519,908
Commercial	6,326,580	6,619,217	6,778,092
<b>Average Number of Customers - By Class of Service:</b>			
Residential	511	521	540
Commercial	54	55	58
Average Annual Gallons Per Residential Customer	63,095	64,753	63,867
Average Annual Revenue Per Residential Customer	\$ 269.01	\$ 369.67	\$ 266.30
Pumping Cost Per 1,000 Gallons	\$ 1.0520	\$ 0.7928	\$ 0.6591

**Clear Springs Utility Company, Inc. - Water and Sewer Divisions**  
Docket No. WS-01689A  
Test Year Ended December 31, 2010

**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-10	Prior Year Ended 31-Dec-09	Prior Year Ended 31-Dec-08
<b>Water Division</b>			
Federal Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	-	-	-
<b>Total Federal Taxes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
State Taxes:			
Income	\$ 50	\$ 50	\$ 50
Payroll	-	-	-
<b>Total State Taxes</b>	<b>\$ 50</b>	<b>\$ 50</b>	<b>\$ 50</b>
Local Taxes:			
Property	\$ 16,235	\$ 11,431	\$ 18,294
<b>Total Water Division Taxes</b>	<b>\$ 16,285</b>	<b>\$ 11,481</b>	<b>\$ 18,344</b>
<b>Sewer Division</b>			
Federal Taxes:			
Income			
Payroll			
<b>Total Federal Taxes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
State Taxes:			
Income			
Payroll			
<b>Total State Taxes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Local Taxes:			
Property	\$ 4,545	\$ 3,381	\$ 3,494
<b>Total Sewer Division Taxes</b>	<b>\$ 4,545</b>	<b>\$ 3,381</b>	<b>\$ 3,494</b>
<b>Total Company</b>			
Federal Taxes	\$ -	\$ -	\$ -
State Taxes	50	50	50
Property Taxes	20,780	14,812	21,788
<b>Total Company Taxes</b>	<b>\$ 20,830</b>	<b>\$ 14,862</b>	<b>\$ 21,838</b>

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

Supporting Schedules:

Recap Schedules:

Clear Springs Utility Company, Inc. - Water and Sewer Divisions  
 Docket No. WS-01689A  
 Test Year Ended December 31, 2010

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 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 2010, the depreciation rates used were authorized in Decision 68443 for all water plant asset categories. Proposed depreciation rates are depicted on Schedules C-2Wb (water division). For the sewer division, depreciation rates were authorized in Decision 62583 at 5% for all sewer plant assets categories. Proposed depreciation rates are depicted on Schedule C-2Sa (sewer division).**
  
- 3 Income tax treatment - normalization or flow through.  
**C-Corporation.**
  
- 4 Interest rate used to charge interest during construction, if applicable.  
**Not Applicable.**

Supporting Schedules:

Recap Schedules:

Clear Springs Utility Company, Inc. - Water and Sewer Divisions

Schedule F-1

Docket No. WS-01689A

Title: Projected Income Statements -

Test Year Ended December 31, 2010

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

	Actual Test Year Ended (a) 31-Dec-10	Projected Year	
		At Present Rates	At Proposed Rates
		Year Ended (b) 31-Dec-11	Year Ended (b) 31-Dec-11
<b>Operating Revenues:</b>			
461 Metered Water Revenue	\$ 165,631	\$ 165,031	\$ 263,454
474 Other Water Revenue	15,279	3,219	3,219
521 Flat Rate Revenues	-	-	-
522 Measured Revenues	47,519	47,372	47,372
536 Other Wastewater Revenues	430	430	430
<b>Total Operating Revenue</b>	<b>\$ 228,859</b>	<b>\$ 216,052</b>	<b>\$ 314,475</b>
<b>Operating Expenses:</b>			
601 Salaries & Wages	\$ -	\$ -	\$ -
610 Purchased Water	-	-	-
615 Purchased Power	40,551	40,551	40,551
618 Chemicals	1,811	1,811	1,811
620 Repairs & Maintenance	16,928	12,168	12,168
621 Office Supplies and Expense	9,437	9,437	9,437
630 Outside Services	75,410	92,240	92,240
635 Water Testing	7,172	7,172	7,172
641 Rental Expense	-	-	-
650 Transportation Expense	6,938	6,938	6,938
657 Insurance - General Liability	3,443	3,443	3,443
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	-	10,000	10,000
675 Miscellaneous Expense	1,928	540	540
701 Salaries & Wages	-	-	-
710 Purchased Wastewater Treatment	-	-	-
711 Sludge Removal Expense	-	-	-
715 Purchased Power	3,313	3,313	3,313
716 Fuel for Power Production	-	-	-
718 Chemicals	-	-	-
720 Materials and Supplies	939	939	939
721 Office Supplies	431	431	431
731 Contractual Services - Professional	8,550	23,270	23,270
736 Contractual Services - Other	-	-	-
740 Rents	-	-	-
750 Transportation Expense	341	341	341
755 Insurance Expense	-	-	-
766 Rate Case Expense	-	3,500	3,500
775 Miscellaneous Expense	-	-	-
403 Depreciation & Amortization	14,842	29,673	29,673
408 Property Taxes	20,780	12,432	14,311
408.11 Taxes Other Than Income	-	-	-
409 Income Taxes	50	(10,817)	10,595
427.4 Interest on Customer Deposits	386	386	386
<b>Total Operating Expenses</b>	<b>\$ 213,250</b>	<b>\$ 247,767</b>	<b>\$ 271,058</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 15,609</b>	<b>\$ (31,715)</b>	<b>\$ 43,417</b>
<b>Other Income/(Expense):</b>			
419 Interest Income	\$ 561	\$ 561	\$ 561
421 Non-Utility Income	-	-	-
426 Miscellaneous Non-Utility Expenses	-	-	-
427 Interest Expense	(3,376)	(3,376)	(3,376)
<b>Total Other Income/(Expense)</b>	<b>\$ (2,815)</b>	<b>\$ (2,815)</b>	<b>\$ (2,815)</b>
<b>NET INCOME/(LOSS)</b>	<b>\$ 12,794</b>	<b>\$ (34,530)</b>	<b>\$ 40,602</b>
Earnings per share of average Common Stock Outstanding	\$ 4.26	\$ (11.51)	\$ 13.53
% Return on Common Equity	-39.681%	Double Negative	-125.930%
Supporting Schedules: (a) E-2	Recap Schedules: (b) A-2		

**Clear Springs Utility Company, Inc. - Water and Sewer Divisions**

**Schedule F-3**

Docket No. WS-01689A

**Title: Projected Construction**

Test Year Ended December 31, 2010

**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	X
	Class A	
	Class B	
	Class C	
	Class D	
	Specl Reqmt	

Property Classification	Actual Test Year Ended 12/31/2010	End of Projected Year 1
<b>Water Division</b>		
Production Plant	\$ 356,666	\$ 204,400
Transmission Plant	500,081	306,600
Other Plant	245,338	
<b>Total Water Plant</b>	<b>\$ 1,102,085</b>	<b>\$ 511,000</b>
<b>Sewer Division</b>		
Production Plant	\$ 51,695	\$ -
Transmission Plant	286,198	-
Other Plant	17,577	-
<b>Total Sewer Plant</b>	<b>\$ 355,470</b>	<b>\$ -</b>
<b>Total Company</b>		
Production Plant	\$ 408,361	\$ 204,400
Transmission Plant	786,279	306,600
Other Plant	262,915	-
<b>Total Company Plant</b>	<b>\$ 1,457,555</b>	<b>\$ 511,000</b>

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

Supporting Schedules:

Recap Schedules:

(a) F-2 & A-4

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"/>
	Specl 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 new 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 2010, with the limited proforma adjustments proposed in this application to include all the utility's operating expenses, accurately depict the revenue level necessary for the utility going forward.**
  
- 4 Construction requirements including production reserves and changes in plant capacity  
**See accompanying Finance Application.**
  
- 5 Capital structure changes  
**See accompanying Finance Application.**
  
- 6 Financing costs, interest rates  
**See accompanying Finance Application.**

Supporting Schedules:

Recap Schedules:

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	%
<b>Water Division</b>				
<i>Residential</i>				
5/8 by 3/4-inch	\$ 129,804	\$ 203,652	\$ 73,848	56.89%
3/4-inch	1,210	2,277	1,067	88.18%
1-inch	3,317	5,649	2,332	70.30%
1 1/2-inch	2,987	5,247	2,260	75.66%
<i>Total Residential Water</i>	<u>\$ 137,318</u>	<u>\$ 216,825</u>	<u>\$ 79,507</u>	<u>57.90%</u>
<i>Commercial</i>				
5/8 by 3/4-inch	\$ 10,142	\$ 16,139	5,997	59.13%
3/4-inch	486	893	407	83.74%
1-inch	5,931	10,195	4,264	71.89%
1 1/2-inch	4,487	7,939	3,452	76.93%
2-inch	5,208	9,297	4,089	78.51%
<i>Total Commercial Water</i>	<u>\$ 26,254</u>	<u>\$ 44,463</u>	<u>\$ 18,209</u>	<u>69.36%</u>
Bulk Water Sales	1,459	2,166	707	48.46%
Total Metered Water Revenue	<u>\$ 165,031</u>	<u>\$ 263,454</u>	<u>98,423</u>	<u>59.64%</u>
Other Revenue	3,219	3,219	-	0.00%
<i>Total Water Revenue</i>	<u><u>\$ 168,250</u></u>	<u><u>\$ 266,673</u></u>	<u><u>\$ 98,423</u></u>	<u><u>58.50%</u></u>
<b>Sewer Division</b>				
Residential	\$ 42,130	\$ 41,056	\$ (1,074)	-2.55%
Commercial	5,242	6,316	1,074	20.49%
Total Measured Sewer	<u>\$ 47,372</u>	<u>\$ 47,372</u>	<u>\$ -</u>	<u>0.00%</u>
Other Revenue	430	430	-	0.00%
<i>Total Sewer Revenue</i>	<u><u>\$ 47,802</u></u>	<u><u>\$ 47,802</u></u>	<u><u>\$ -</u></u>	<u><u>0.00%</u></u>
<b>Total Company Revenue</b>	<u><u>\$ 216,052</u></u>	<u><u>\$ 314,475</u></u>	<u><u>\$ 98,423</u></u>	<u><u>45.56%</u></u>

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.

(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	% change
<b>MONTHLY USAGE CHARGE:</b>			
5/8" x 3/4" Meter	\$ 11.00	\$ 16.00	45%
3/4" Meter	14.50	24.00	66%
1" Meter	23.25	40.00	72%
1-1/2" Meter	44.00	80.00	82%
2" Meter	66.00	128.00	94%
3" Meter	125.50	256.00	104%
4" Meter	250.00	400.00	60%
6" Meter	500.00	800.00	60%
Gallons included in minimum	-	-	0.00%

Description	Present Rate	Proposed Rate
<b>COMMODITY CHARGES - Per 1,000 Gallons</b>		
<b>5/8 x 3/4 - inch meters</b>		
1 - 3,000 Gallons	\$ 1.25	
3,001 to 10,000 Galbns	2.25	
Over 10,000 Gallons	3.50	
1 - 3,000 Gallons		\$ 1.82
3,001 to 8,000 Gallons		3.75
Over 8,000 Gallons		6.00
<b>3/4 - inch meters</b>		
1 - 3,000 Gallons	\$ 1.25	
3,001 to 10,000 Galbns	2.25	
Over 10,000 Gallons	3.50	
1 to 8,000 Gallons		\$ 3.75
Over 8,000 Gallons		6.00
<b>One - inch meters</b>		
1 to 31,000 Gallons	\$ 2.25	
Over 31,000 Gallons	3.50	
1 to 30,000 Gallons		\$ 3.75
Over 30,000 Gallons		6.00
<b>One and one half - inch meters</b>		
1 to 58,000 Gallons	\$ 2.25	
Over 58,000 Gallons	3.50	
1 to 50,000 Gallons		\$ 3.75
Over 50,000 Gallons		6.00
<b>Two - inch meters</b>		
1 to 74,000 Gallons	\$ 2.25	
Over 74,000 Gallons	3.50	
1 to 70,000 Gallons		\$ 3.75
Over 70,000 Gallons		6.00

Description	Present Rate	Proposed Rate
<b>Three - inch meters</b>		
1 to 100,000 Gallons	N/A	\$ 3.75
Over 100,000 Gallons	N/A	6.00
<b>Four - inch meters</b>		
1 to 150,000 Gallons	N/A	\$ 3.75
Over 150,000 Gallons	N/A	6.00
<b>Six - inch meters</b>		
1 to 250,000 Gallons	N/A	\$ 3.75
Over 250,000 Gallons	N/A	6.00
<b>Bulk Water Sales - 3" Meter</b>		
All Gallons	\$ 4.00	\$ 6.00

Description	Present Rate	Proposed Rate	% change
<b>SERVICE CHARGES</b>			
Establishment	\$ 30.00	\$ 30.00	0.00%
Establishment (After Hours)	45.00	N/A	
Reconnection (Delinquent)	30.00	40.00	33.33%
Meter Test (If Correct)	45.00	45.00	0.00%
Deposit	*	*	
Deposit Interest	*	*	
Reestablishment (Within 12 Months)	**	**	
NSF Check	\$ 20.00	\$ 25.00	25.00%
Deferred Payment	1.50%	1.50%	0.00%
Meter Reread (If Correct)	\$ 25.00	\$ 30.00	20.00%
Late Payment Penalty	N/A	2.00%	
After Hours Charge	N/A	\$ 25.00	

**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" Meter	\$ 550.00	\$ 445.00	\$ 155.00	\$ 600.00	9%
3/4" Meter	550.00	445.00	255.00	700.00	27%
1" Meter	650.00	495.00	315.00	810.00	25%
1-1/2" Meter	875.00	550.00	525.00	1,075.00	23%
2" Meter - Turbine	1,400.00	830.00	1,045.00	1,875.00	34%
2" Meter - Compound	N/A	830.00	1,890.00	2,720.00	
3" Meter - Turbine	1,900.00	1,045.00	1,670.00	2,715.00	43%
3" Meter - Compound	N/A	1,165.00	2,545.00	3,710.00	
4" Meter - Turbine	3,200.00	1,490.00	2,670.00	4,160.00	30%
4" Meter - Compound	N/A	1,670.00	3,645.00	5,315.00	
6" Meter - Turbine	5,800.00	2,210.00	5,025.00	7,235.00	25%
6" Meter - Compound	N/A	2,330.00	6,920.00	9,250.00	

\* Per Commission Rule R14-2-403(B).

\*\* Months off system times the monthly minimum per Commission Rule A.A.C. R14-2-403(D).

Supporting Schedules:

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

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

Description	Present Rate	Proposed Rate	% change
<b>MONTHLY USAGE CHARGES</b>			
Monthly Minimum - Residential	\$ 6.50	\$ 9.00	38.46%
Monthly Minimum - Commercial	6.50	9.36	44.00%
<b>COMMODITY CHARGES (Per 1,000 Gallons of Water usage)</b>			
Residential - all gallons used	\$ 0.85		
Residential - first 6,000 gallons of water use only		\$ 0.85	
Commercial - all gallons used	\$ 0.85	0.85	
<b>SERVICE CHARGES</b>			
Establishment	\$ 10.00	\$ 30.00	200.00%
Reconnection (Delinquent)	*	*	
Deposit - Residential	**	**	
Deposit - Commercial	***	***	
Deposit Interest	****	****	
NSF Check	\$ 15.00	\$ 25.00	66.67%
Deferred Payment	N/A	1.50%	
Late Payment Penalty	N/A	2.00%	
After Hours Charge	N/A	\$ 25.00	
Sewer Tap Charge	Cost	Cost	
<b>(Non-refundable pursuant to A.A.C. R14-2-605)</b>			

\* Six times monthly minimum  
 \*\* Two times estimated average monthly bill  
 \*\*\* Two and one half times estimated maximum monthly bill  
 \*\*\*\* Per Commission Rule

Supporting Schedules:

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   
 Specl Reqmt

**5/8" x 3/4" Meter (Residential and Commercial)**

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
- \$	11.00 \$	16.00	45.45%
1,000	12.25	17.81	45.39%
2,000	13.50	19.62	45.33%
3,000	14.75	21.43	45.29%
4,000	17.00	25.18	48.12%
5,000	19.25	28.93	50.29%
6,000	21.50	32.68	52.00%
7,000	23.75	36.43	53.39%
8,000	26.00	40.18	54.54%
9,000	28.25	46.18	63.47%
10,000	30.50	52.18	71.08%
15,000	48.00	82.18	71.21%
20,000	65.50	112.18	71.27%
25,000	83.00	142.18	71.30%
50,000	170.50	292.18	71.37%
75,000	258.00	442.18	71.39%
100,000	345.50	592.18	71.40%
125,000	433.00	742.18	71.40%
150,000	520.50	892.18	71.41%
175,000	608.00	1,042.18	71.41%
200,000	695.50	1,192.18	71.41%

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	

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

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
- \$	14.50 \$	24.00	65.52%
1,000	15.75	27.75	76.19%
2,000	17.00	31.50	85.29%
3,000	18.25	35.25	93.15%
4,000	20.50	39.00	90.24%
5,000	22.75	42.75	87.91%
6,000	25.00	46.50	86.00%
7,000	27.25	50.25	84.40%
8,000	29.50	54.00	83.05%
9,000	31.75	60.00	88.98%
10,000	34.00	66.00	94.12%
15,000	51.50	96.00	86.41%
20,000	69.00	126.00	82.61%
25,000	86.50	156.00	80.35%
50,000	174.00	306.00	75.86%
75,000	261.50	456.00	74.38%
100,000	349.00	606.00	73.64%
125,000	436.50	756.00	73.20%
150,000	524.00	906.00	72.90%
175,000	611.50	1,056.00	72.69%
200,000	699.00	1,206.00	72.53%

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"/>

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

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
- \$	23.25 \$	40.00	72.04%
1,000	25.50	43.75	71.57%
2,000	27.75	47.50	71.17%
3,000	30.00	51.25	70.83%
4,000	32.25	55.00	70.54%
5,000	34.50	58.75	70.29%
6,000	36.75	62.50	70.07%
7,000	39.00	66.25	69.87%
8,000	41.25	70.00	69.70%
9,000	43.50	73.75	69.54%
10,000	45.75	77.50	69.40%
15,000	57.00	96.25	68.86%
20,000	68.25	115.00	68.50%
25,000	79.50	133.75	68.24%
50,000	159.50	272.50	70.85%
75,000	247.00	422.50	71.05%
100,000	334.50	572.50	71.15%
125,000	422.00	722.50	71.21%
150,000	509.50	872.50	71.25%
175,000	597.00	1,022.50	71.27%
200,000	684.50	1,172.50	71.29%

Supporting Schedules:

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   
 Specl Reqmt

**1 1/2" Meter (Residential and Commercial)**

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
- \$	44.00 \$	80.00	81.82%
1,000	46.25	83.75	81.08%
2,000	48.50	87.50	80.41%
3,000	50.75	91.25	79.80%
4,000	53.00	95.00	79.25%
5,000	55.25	98.75	78.73%
6,000	57.50	102.50	78.26%
7,000	59.75	106.25	77.82%
8,000	62.00	110.00	77.42%
9,000	64.25	113.75	77.04%
10,000	66.50	117.50	76.69%
15,000	77.75	136.25	75.24%
20,000	89.00	155.00	74.16%
25,000	100.25	173.75	73.32%
50,000	156.50	267.50	70.93%
75,000	234.00	417.50	78.42%
100,000	321.50	567.50	76.52%
125,000	409.00	717.50	75.43%
150,000	496.50	867.50	74.72%
175,000	584.00	1,017.50	74.23%
200,000	671.50	1,167.50	73.86%

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

**2 Inch Meter (Commercial)**

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
- \$	66.00 \$	128.00	93.94%
1,000	68.25	131.75	93.04%
2,000	70.50	135.50	92.20%
3,000	72.75	139.25	91.41%
4,000	75.00	143.00	90.67%
5,000	77.25	146.75	89.97%
6,000	79.50	150.50	89.31%
7,000	81.75	154.25	88.69%
8,000	84.00	158.00	88.10%
9,000	86.25	161.75	87.54%
10,000	88.50	165.50	87.01%
15,000	99.75	184.25	84.71%
20,000	111.00	203.00	82.88%
25,000	122.25	221.75	81.39%
50,000	178.50	315.50	76.75%
75,000	236.00	420.50	78.18%
100,000	323.50	570.50	76.35%
125,000	411.00	720.50	75.30%
150,000	498.50	870.50	74.62%
175,000	586.00	1,020.50	74.15%
200,000	673.50	1,170.50	73.79%

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"/>

**Bulk Water Sales**

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	-	-	0.00%
1,000	4.00	6.00	50.00%
2,000	8.00	12.00	50.00%
3,000	12.00	18.00	50.00%
4,000	16.00	24.00	50.00%
5,000	20.00	30.00	50.00%
6,000	24.00	36.00	50.00%
7,000	28.00	42.00	50.00%
8,000	32.00	48.00	50.00%
9,000	36.00	54.00	50.00%
10,000	40.00	60.00	50.00%
15,000	60.00	90.00	50.00%
20,000	80.00	120.00	50.00%
25,000	100.00	150.00	50.00%
50,000	200.00	300.00	50.00%
75,000	300.00	450.00	50.00%
100,000	400.00	600.00	50.00%
125,000	500.00	750.00	50.00%
150,000	600.00	900.00	50.00%
175,000	700.00	1,050.00	50.00%
200,000	800.00	1,200.00	50.00%

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"/>

**Residential Sewer Service**

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
- \$	6.50 \$	9.00	38.46%
1,000	7.35	9.00	22.45%
2,000	8.20	9.00	9.76%
3,000	9.05	9.00	-0.55%
4,000	9.90	9.00	-9.09%
5,000	10.75	9.00	-16.28%
6,000	11.60	9.00	-22.41%
7,000	12.45	9.85	-20.88%
8,000	13.30	10.70	-19.55%
9,000	14.15	11.55	-18.37%
10,000	15.00	12.40	-17.33%
15,000	19.25	16.65	-13.51%
20,000	23.50	20.90	-11.06%
25,000	27.75	25.15	-9.37%
50,000	49.00	46.40	-5.31%
75,000	70.25	67.65	-3.70%
100,000	91.50	88.90	-2.84%
125,000	112.75	110.15	-2.31%
150,000	134.00	131.40	-1.94%
175,000	155.25	152.65	-1.67%
200,000	176.50	173.90	-1.47%

Supporting Schedules:

Explanation: Required for: All Utilities   
 Class A   
 Schedule(s) comparing typical customer bills at varying consumption levels at present and proposed rates. Class B   
 Class C   
 Class D   
 Specl Reqmt

**Commercial Sewer Service**

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
- \$	6.50 \$	9.36	44.00%
1,000	7.35	10.21	38.91%
2,000	8.20	11.06	34.88%
3,000	9.05	11.91	31.60%
4,000	9.90	12.76	28.89%
5,000	10.75	13.61	26.60%
6,000	11.60	14.46	24.66%
7,000	12.45	15.31	22.97%
8,000	13.30	16.16	21.50%
9,000	14.15	17.01	20.21%
10,000	15.00	17.86	19.07%
15,000	19.25	22.11	14.86%
20,000	23.50	26.36	12.17%
25,000	27.75	30.61	10.31%
50,000	49.00	51.86	5.84%
75,000	70.25	73.11	4.07%
100,000	91.50	94.36	3.13%
125,000	112.75	115.61	2.54%
150,000	134.00	136.86	2.13%
175,000	155.25	158.11	1.84%
200,000	176.50	179.36	1.62%

Supporting Schedules:

Clear Springs Utility Company, Inc. - Water Division

Docket No. WS-01689A

Test Year Ended December 31, 2010

Schedule H-5W

Title: Bill Count

Page 1 of 11

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

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
-	484	-	484	8.11%	-	0.00%
1,000	804	402,000	1,288	21.59%	402,000	1.30%
2,000	724	1,086,000	2,012	33.72%	1,488,000	4.82%
3,000	769	1,922,500	2,781	46.61%	3,410,500	11.04%
4,000	636	2,226,000	3,417	57.27%	5,636,500	18.24%
5,000	522	2,349,000	3,939	66.02%	7,985,500	25.85%
6,000	388	2,134,000	4,327	72.53%	10,119,500	32.75%
7,000	296	1,924,000	4,623	77.49%	12,043,500	38.98%
8,000	232	1,740,000	4,855	81.38%	13,783,500	44.61%
9,000	191	1,623,500	5,046	84.58%	15,407,000	49.87%
10,000	143	1,358,500	5,189	86.98%	16,765,500	54.27%
10,001 to 12,000	219	2,409,000	5,408	90.65%	19,174,500	62.06%
12,001 to 14,000	116	1,508,000	5,524	92.59%	20,682,500	66.94%
14,001 to 16,000	99	1,485,000	5,623	94.25%	22,167,500	71.75%
16,001 to 18,000	94	1,598,000	5,717	95.83%	23,765,500	76.92%
18,001 to 20,000	44	836,000	5,761	96.56%	24,601,500	79.63%
20,001 to 25,000	98	2,205,000	5,859	98.21%	26,806,500	86.77%
25,001 to 30,000	42	1,155,000	5,901	98.91%	27,961,500	90.50%
30,001 to 35,000	23	747,500	5,924	99.30%	28,709,000	92.92%
35,001 to 40,000	18	675,000	5,942	99.60%	29,384,000	95.11%
40,001 to 50,000	12	540,000	5,954	99.80%	29,924,000	96.86%
50,001 to 60,000	4	220,000	5,958	99.87%	30,144,000	97.57%
60,001 to 70,000	4	260,000	5,962	99.93%	30,404,000	98.41%
70,001 to 80,000	2	150,000	5,964	99.97%	30,554,000	98.89%
80,001 to 90,000		-	5,964	99.97%	30,554,000	98.89%
90,001 to 100,000		-	5,964	99.97%	30,554,000	98.89%
161,950	1	161,950	5,965	99.98%	30,715,950	99.42%
179,490	1	179,490	5,966	100.00%	30,895,440	100.00%
	5,966	30,895,440				

Average Number of Customers	497
Average Consumption	5,179
Median Consumption	3,318

Supporting Schedules:

Recap Schedules:

**Clear Springs Utility Company, Inc. - Water Division**

Docket No. WS-01689A

Test Year Ended December 31, 2010

**Schedule H-5W**

**Title: Bill Count**

**Page 2 of 11**

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

**5/8 x 3/4 Inch Meter - Residential (ADJUSTED)**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	484	-	484	8.11%	-	0.00%
1,000	804	402,000	1,288	21.59%	402,000	1.31%
2,000	724	1,086,000	2,012	33.72%	1,488,000	4.84%
3,000	769	1,922,500	2,781	46.61%	3,410,500	11.10%
4,000	636	2,226,000	3,417	57.27%	5,636,500	18.35%
5,000	522	2,349,000	3,939	66.02%	7,985,500	25.99%
6,000	388	2,134,000	4,327	72.53%	10,119,500	32.94%
7,000	296	1,924,000	4,623	77.49%	12,043,500	39.20%
8,000	233	1,747,500	4,856	81.39%	13,791,000	44.89%
9,000	191	1,623,500	5,047	84.60%	15,414,500	50.17%
10,000	143	1,358,500	5,190	86.99%	16,773,000	54.59%
10,001 to 12,000	219	2,409,000	5,409	90.66%	19,182,000	62.43%
12,001 to 14,000	116	1,508,000	5,525	92.61%	20,690,000	67.34%
14,001 to 16,000	99	1,485,000	5,624	94.27%	22,175,000	72.18%
16,001 to 18,000	94	1,598,000	5,718	95.84%	23,773,000	77.38%
18,001 to 20,000	44	836,000	5,762	96.58%	24,609,000	80.10%
20,001 to 25,000	98	2,205,000	5,860	98.22%	26,814,000	87.28%
25,001 to 30,000	42	1,155,000	5,902	98.93%	27,969,000	91.03%
30,001 to 35,000	23	747,500	5,925	99.31%	28,716,500	93.47%
35,001 to 40,000	18	675,000	5,943	99.61%	29,391,500	95.66%
40,001 to 50,000	12	540,000	5,955	99.82%	29,931,500	97.42%
50,001 to 60,000	4	220,000	5,959	99.88%	30,151,500	98.14%
60,001 to 70,000	4	260,000	5,963	99.95%	30,411,500	98.98%
70,001 to 80,000	2	150,000	5,965	99.98%	30,561,500	99.47%
80,001 to 90,000	-	-	5,965	99.98%	30,561,500	99.47%
90,001 to 100,000	-	-	5,965	99.98%	30,561,500	99.47%
161,950	1	161,950	5,966	100.00%	30,723,450	100.00%
	<u>5,966</u>	<u>30,723,450</u>				

Average Number of Customers	497
Average Consumption	5,150
Median Consumption	3,318

Supporting Schedules:

Recap Schedules:

**Clear Springs Utility Company, Inc. - Water Division**

Docket No. WS-01689A

Test Year Ended December 31, 2010

Schedule H-5W

Title: Bill Count

Page 3 of 11

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

**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
-	45	-	45	9.96%	-	0.00%
1,000	118	59,000	163	36.06%	59,000	2.56%
2,000	70	105,000	233	51.55%	164,000	7.12%
3,000	34	85,000	267	59.07%	249,000	10.82%
4,000	28	98,000	295	65.27%	347,000	15.07%
5,000	16	72,000	311	68.81%	419,000	18.20%
6,000	11	60,500	322	71.24%	479,500	20.83%
7,000	16	104,000	338	74.78%	583,500	25.35%
8,000	16	120,000	354	78.32%	703,500	30.56%
9,000	18	153,000	372	82.30%	856,500	37.21%
10,000	13	123,500	385	85.18%	980,000	42.57%
10,001 to 12,000	14	154,000	399	88.27%	1,134,000	49.26%
12,001 to 14,000	10	130,000	409	90.49%	1,264,000	54.91%
14,001 to 16,000	10	150,000	419	92.70%	1,414,000	61.42%
16,001 to 18,000	7	119,000	426	94.25%	1,533,000	66.59%
18,001 to 20,000	9	171,000	435	96.24%	1,704,000	74.02%
20,001 to 25,000	7	157,500	442	97.79%	1,861,500	80.86%
25,001 to 30,000	3	82,500	445	98.45%	1,944,000	84.45%
30,001 to 35,000	3	97,500	448	99.12%	2,041,500	88.68%
35,001 to 40,000	2	75,000	450	99.56%	2,116,500	91.94%
40,001 to 50,000	0	-	450	99.56%	2,116,500	91.94%
50,001 to 60,000	0	-	450	99.56%	2,116,500	91.94%
60,001 to 70,000	0	-	450	99.56%	2,116,500	91.94%
70,001 to 80,000	0	-	450	99.56%	2,116,500	91.94%
80,001 to 90,000	1	85,000	451	99.78%	2,201,500	95.63%
90,001 to 100,000		-	451	99.78%	2,201,500	95.63%
100,560	1	100,560	452	100.00%	2,302,060	100.00%
		-	452	100.00%	2,302,060	100.00%
	452	2,302,060				

Average Number of Customers 38  
 Average Consumption 5,093  
 Median Consumption 1,900

Supporting Schedules:

Recap Schedules:

Clear Springs Utility Company, Inc. - Water Division

Docket No. WS-01689A

Test Year Ended December 31, 2010

Schedule H-5W

Title: Bill Count

Page 4 of 11

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

3/4 Inch Meter - Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	1	-	1	2.78%	-	0.00%
1,000	3	1,500	4	11.11%	1,500	0.52%
2,000	4	6,000	8	22.22%	7,500	2.58%
3,000	9	22,500	17	47.22%	30,000	10.31%
4,000	5	17,500	22	61.11%	47,500	16.32%
5,000	2	9,000	24	66.67%	56,500	19.42%
6,000	1	5,500	25	69.44%	62,000	21.31%
7,000	1	6,500	26	72.22%	68,500	23.54%
8,000	1	7,500	27	75.00%	76,000	26.12%
9,000		-	27	75.00%	76,000	26.12%
10,000		-	27	75.00%	76,000	26.12%
10,001 to 12,000	1	11,000	28	77.78%	87,000	29.90%
12,001 to 14,000		-	28	77.78%	87,000	29.90%
14,001 to 16,000		-	28	77.78%	87,000	29.90%
16,001 to 18,000	2	34,000	30	83.33%	121,000	41.58%
18,001 to 20,000		-	30	83.33%	121,000	41.58%
20,001 to 25,000	2	45,000	32	88.89%	166,000	57.04%
25,001 to 30,000	2	55,000	34	94.44%	221,000	75.95%
30,001 to 35,000	1	32,500	35	97.22%	253,500	87.11%
35,001 to 40,000	1	37,500	36	100.00%	291,000	100.00%
40,001 to 50,000		-	36	100.00%	291,000	100.00%
50,001 to 60,000		-	36	100.00%	291,000	100.00%
60,001 to 70,000		-	36	100.00%	291,000	100.00%
70,001 to 80,000		-	36	100.00%	291,000	100.00%
80,001 to 90,000		-	36	100.00%	291,000	100.00%
90,001 to 100,000		-	36	100.00%	291,000	100.00%
	<u>36</u>	<u>291,000</u>				

Average Number of Customers 3  
 Average Consumption 8,083  
 Median Consumption 3,200

Supporting Schedules:

Recap Schedules:

Clear Springs Utility Company, Inc. - Water Division

Docket No. WS-01689A

Test Year Ended December 31, 2010

Schedule H-5W

Title: Bill Count

Page 5 of 11

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 Reqmt

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%
1,000	9	4,500	9	37.50%	4,500	5.52%
2,000	2	3,000	11	45.83%	7,500	9.20%
3,000	2	5,000	13	54.17%	12,500	15.34%
4,000	3	10,500	16	66.67%	23,000	28.22%
5,000	-	-	16	66.67%	23,000	28.22%
6,000	2	11,000	18	75.00%	34,000	41.72%
7,000	3	19,500	21	87.50%	53,500	65.64%
8,000	2	15,000	23	95.83%	68,500	84.05%
9,000		-	23	95.83%	68,500	84.05%
10,000		-	23	95.83%	68,500	84.05%
10,001 to 12,000		-	23	95.83%	68,500	84.05%
12,001 to 14,000	1	13,000	24	100.00%	81,500	100.00%
14,001 to 16,000		-	24	100.00%	81,500	100.00%
16,001 to 18,000		-	24	100.00%	81,500	100.00%
18,001 to 20,000		-	24	100.00%	81,500	100.00%
20,001 to 25,000		-	24	100.00%	81,500	100.00%
25,001 to 30,000		-	24	100.00%	81,500	100.00%
30,001 to 35,000		-	24	100.00%	81,500	100.00%
35,001 to 40,000		-	24	100.00%	81,500	100.00%
40,001 to 50,000		-	24	100.00%	81,500	100.00%
50,001 to 60,000		-	24	100.00%	81,500	100.00%
60,001 to 70,000		-	24	100.00%	81,500	100.00%
70,001 to 80,000		-	24	100.00%	81,500	100.00%
80,001 to 90,000		-	24	100.00%	81,500	100.00%
90,001 to 100,000		-	24	100.00%	81,500	100.00%
	<u>24</u>	<u>81,500</u>				

Average Number of Customers 2  
 Average Consumption 3,396  
 Median Consumption 2,500

Supporting Schedules:

Recap Schedules:

Clear Springs Utility Company, Inc. - Water Division

Docket No. WS-01689A

Test Year Ended December 31, 2010

Schedule H-5W

Title: Bill Count

Page 6 of 11

Required for: All Utilities

X

Explanation:

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

**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	14.13%	-	0.00%
1,000	1	500	14	15.22%	500	0.10%
2,000	13	19,500	27	29.35%	20,000	3.83%
3,000	11	27,500	38	41.30%	47,500	9.10%
4,000	4	14,000	42	45.65%	61,500	11.78%
5,000	11	49,500	53	57.61%	111,000	21.26%
6,000	10	55,000	63	68.48%	166,000	31.80%
7,000	2	13,000	65	70.65%	179,000	34.29%
8,000	7	52,500	72	78.26%	231,500	44.35%
9,000	7	59,500	79	85.87%	291,000	55.75%
10,000	2	19,000	81	88.04%	310,000	59.39%
10,001 to 12,000	3	33,000	84	91.30%	343,000	65.71%
12,001 to 14,000		-	84	91.30%	343,000	65.71%
14,001 to 16,000	2	30,000	86	93.48%	373,000	71.46%
16,001 to 18,000	2	34,000	88	95.65%	407,000	77.97%
18,001 to 20,000		-	88	95.65%	407,000	77.97%
20,001 to 25,000	1	22,500	89	96.74%	429,500	82.28%
25,001 to 30,000	1	27,500	90	97.83%	457,000	87.55%
30,001 to 35,000	2	65,000	92	100.00%	522,000	100.00%
35,001 to 40,000		-	92	100.00%	522,000	100.00%
40,001 to 50,000		-	92	100.00%	522,000	100.00%
50,001 to 60,000		-	92	100.00%	522,000	100.00%
60,001 to 70,000		-	92	100.00%	522,000	100.00%
70,001 to 80,000		-	92	100.00%	522,000	100.00%
80,001 to 90,000		-	92	100.00%	522,000	100.00%
90,001 to 100,000		-	92	100.00%	522,000	100.00%
	<u>92</u>	<u>522,000</u>				

Average Number of Customers 8  
 Average Consumption 5,674  
 Median Consumption 4,364

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 - Commercial**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	11	-	11	14.29%	-	0.00%
1,000	17	8,500	28	36.36%	8,500	0.56%
2,000	3	4,500	31	40.26%	13,000	0.86%
3,000	1	2,500	32	41.56%	15,500	1.02%
4,000	3	10,500	35	45.45%	26,000	1.71%
5,000	1	4,500	36	46.75%	30,500	2.01%
6,000	2	11,000	38	49.35%	41,500	2.73%
7,000	3	19,500	41	53.25%	61,000	4.02%
8,000	2	15,000	43	55.84%	76,000	5.00%
9,000	1	8,500	44	57.14%	84,500	5.56%
10,000	1	9,500	45	58.44%	94,000	6.19%
10,001 to 12,000		-	45	58.44%	94,000	6.19%
12,001 to 14,000	3	39,000	48	62.34%	133,000	8.76%
14,001 to 16,000	2	30,000	50	64.94%	163,000	10.73%
16,001 to 18,000	4	68,000	54	70.13%	231,000	15.21%
18,001 to 20,000	1	19,000	55	71.43%	250,000	16.46%
20,001 to 25,000	3	67,500	58	75.32%	317,500	20.91%
25,001 to 30,000		-	58	75.32%	317,500	20.91%
30,001 to 35,000	4	130,000	62	80.52%	447,500	29.47%
35,001 to 40,000	2	75,000	64	83.12%	522,500	34.40%
40,001 to 50,000	4	180,000	68	88.31%	702,500	46.26%
50,001 to 60,000	2	110,000	70	90.91%	812,500	53.50%
60,001 to 70,000		-	70	90.91%	812,500	53.50%
70,001 to 80,000	2	150,000	72	93.51%	962,500	63.38%
80,001 to 90,000	1	85,000	73	94.81%	1,047,500	68.97%
90,001 to 100,000		-	73	94.81%	1,047,500	68.97%
105,340	1	105,340	74	96.10%	1,152,840	75.91%
115,790	1	115,790	75	97.40%	1,268,630	83.53%
115,850	1	115,850	76	98.70%	1,384,480	91.16%
134,230	1	134,230	77	100.00%	1,518,710	100.00%
	<u>77</u>	<u>1,518,710</u>				

Average Number of Customers 6  
Average Consumption 19,724  
Median Consumption 6,167

Supporting Schedules:

Recap Schedules:

Clear Springs Utility Company, Inc. - Water Division

Docket No. WS-01689A

Test Year Ended December 31, 2010

Schedule H-5W

Title: Bill Count

Page 8 of 11

Required for: All Utilities

X

Explanation:

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

1 1/2 Inch Meter - Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-		-	-	0.00%	-	0.00%
1,000		-	-	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	2	11,000	2	5.88%	11,000	1.63%
7,000		-	2	5.88%	11,000	1.63%
8,000	2	15,000	4	11.76%	26,000	3.86%
9,000	2	17,000	6	17.65%	43,000	6.38%
10,000	3	28,500	9	26.47%	71,500	10.61%
10,001 to 12,000	5	55,000	14	41.18%	126,500	18.77%
12,001 to 14,000	1	13,000	15	44.12%	139,500	20.70%
14,001 to 16,000	3	45,000	18	52.94%	184,500	27.37%
16,001 to 18,000	2	34,000	20	58.82%	218,500	32.42%
18,001 to 20,000	2	38,000	22	64.71%	256,500	38.06%
20,001 to 25,000		-	22	64.71%	256,500	38.06%
25,001 to 30,000	4	110,000	26	76.47%	366,500	54.38%
30,001 to 35,000	3	97,500	29	85.29%	464,000	68.84%
35,001 to 40,000	2	75,000	31	91.18%	539,000	79.97%
40,001 to 50,000	3	135,000	34	100.00%	674,000	100.00%
50,001 to 60,000		-	34	100.00%	674,000	100.00%
60,001 to 70,000		-	34	100.00%	674,000	100.00%
70,001 to 80,000		-	34	100.00%	674,000	100.00%
80,001 to 90,000		-	34	100.00%	674,000	100.00%
90,001 to 100,000		-	34	100.00%	674,000	100.00%
	<u>34</u>	<u>674,000</u>				

Average Number of Customers	3
Average Consumption	19,824
Median Consumption	14,667

Supporting Schedules:

Recap Schedules:

**Clear Springs Utility Company, Inc. - Water Division**

Docket No. WS-01689A

Test Year Ended December 31, 2010

**Schedule H-5W**

**Title: Bill Count**

**Page 9 of 11**

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 1/2 Inch Meter - Commercial**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	13	-	13	21.67%	-	0.00%
1,000	5	2,500	18	30.00%	2,500	0.36%
2,000	8	12,000	26	43.33%	14,500	2.08%
3,000	3	7,500	29	48.33%	22,000	3.16%
4,000	3	10,500	32	53.33%	32,500	4.67%
5,000	6	27,000	38	63.33%	59,500	8.55%
6,000	3	16,500	41	68.33%	76,000	10.93%
7,000	3	19,500	44	73.33%	95,500	13.73%
8,000	3	22,500	47	78.33%	118,000	16.96%
9,000	1	8,500	48	80.00%	126,500	18.19%
10,000	2	19,000	50	83.33%	145,500	20.92%
10,001 to 12,000	2	22,000	52	86.67%	167,500	24.08%
12,001 to 14,000		-	52	86.67%	167,500	24.08%
14,001 to 16,000	1	15,000	53	88.33%	182,500	26.24%
16,001 to 18,000		-	53	88.33%	182,500	26.24%
18,001 to 20,000		-	53	88.33%	182,500	26.24%
20,001 to 25,000	1	22,500	54	90.00%	205,000	29.47%
25,001 to 30,000	1	27,500	55	91.67%	232,500	33.42%
30,001 to 35,000	1	32,500	56	93.33%	265,000	38.10%
35,001 to 40,000		-	56	93.33%	265,000	38.10%
40,001 to 50,000	1	45,000	57	95.00%	310,000	44.57%
50,001 to 60,000		-	57	95.00%	310,000	44.57%
60,001 to 70,000	1	65,000	58	96.67%	375,000	53.91%
70,001 to 80,000		-	58	96.67%	375,000	53.91%
80,001 to 90,000	1	85,000	59	98.33%	460,000	66.13%
90,001 to 100,000		-	59	98.33%	460,000	66.13%
235,600	1	235,600	60	100.00%	695,600	100.00%
	<u>60</u>	<u>695,600</u>				

Average Number of Customers	5
Average Consumption	11,593
Median Consumption	3,333

Supporting Schedules:

Recap Schedules:



Clear Springs Utility Company, Inc. - Water Division

Docket No. WS-01689A

Test Year Ended December 31, 2010

Schedule H-5W

Title: Bill Count

Page 11 of 11

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

Standpipe Water Sales

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	1	1,500	1	6.67%	1,500	0.42%
3,000	3	7,500	4	26.67%	9,000	2.49%
4,000		-	4	26.67%	9,000	2.49%
5,000	1	4,500	5	33.33%	13,500	3.74%
6,000		-	5	33.33%	13,500	3.74%
7,000		-	5	33.33%	13,500	3.74%
8,000		-	5	33.33%	13,500	3.74%
9,000	1	8,500	6	40.00%	22,000	6.09%
10,000		-	6	40.00%	22,000	6.09%
10,001 to 12,000	1	11,000	7	46.67%	33,000	9.14%
12,001 to 14,000	1	13,000	8	53.33%	46,000	12.74%
14,001 to 16,000	1	15,000	9	60.00%	61,000	16.90%
16,001 to 18,000		-	9	60.00%	61,000	16.90%
18,001 to 20,000		-	9	60.00%	61,000	16.90%
20,001 to 25,000	1	22,500	10	66.67%	83,500	23.13%
25,001 to 30,000		-	10	66.67%	83,500	23.13%
30,001 to 35,000		-	10	66.67%	83,500	23.13%
35,001 to 40,000	1	37,500	11	73.33%	121,000	33.52%
40,001 to 50,000	2	90,000	13	86.67%	211,000	58.45%
50,001 to 60,000	1	55,000	14	93.33%	266,000	73.68%
60,001 to 70,000		-	14	93.33%	266,000	73.68%
70,001 to 80,000		-	14	93.33%	266,000	73.68%
80,001 to 90,000		-	14	93.33%	266,000	73.68%
90,001 to 100,000	1	95,000	15	100.00%	361,000	100.00%
	<u>15</u>	<u>361,000</u>				

Average Number of Customers	1
Average Consumption	24,067
Median Consumption	12,500

Supporting Schedules:

Recap Schedules:

**Clear Springs Utility Company, Inc. - Sewer Division**

Docket No. WS-01689A

Test Year Ended December 31, 2010

Schedule H-5S

Title: Bill Count

Page 1 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

Spec'l Reqmt

X

**Residential**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	323	-	323	8.04%	-	0.00%
1,000	555	277,500	878	21.85%	277,500	1.45%
2,000	479	718,500	1,357	33.76%	996,000	5.20%
3,000	549	1,372,500	1,906	47.42%	2,368,500	12.37%
4,000	457	1,599,500	2,363	58.80%	3,968,000	20.73%
5,000	364	1,638,000	2,727	67.85%	5,606,000	29.29%
6,000	269	1,479,500	2,996	74.55%	7,085,500	37.01%
7,000	200	1,300,000	3,196	79.52%	8,385,500	43.81%
8,000	155	1,162,500	3,351	83.38%	9,548,000	49.88%
9,000	136	1,156,000	3,487	86.76%	10,704,000	55.92%
10,000	136	1,292,000	3,623	90.15%	11,996,000	62.67%
10,001 to 12,000	96	1,056,000	3,719	92.54%	13,052,000	68.18%
12,001 to 14,000	54	702,000	3,773	93.88%	13,754,000	71.85%
14,001 to 16,000	51	765,000	3,824	95.15%	14,519,000	75.85%
16,001 to 18,000	59	1,003,000	3,883	96.62%	15,522,000	81.09%
18,001 to 20,000	39	741,000	3,922	97.59%	16,263,000	84.96%
20,001 to 25,000	45	1,012,500	3,967	98.71%	17,275,500	90.25%
25,001 to 30,000	22	605,000	3,989	99.25%	17,880,500	93.41%
30,001 to 35,000	16	520,000	4,005	99.65%	18,400,500	96.12%
35,001 to 40,000	7	262,500	4,012	99.83%	18,663,000	97.50%
40,001 to 50,000	4	180,000	4,016	99.93%	18,843,000	98.44%
50,001 to 60,000	1	55,000	4,017	99.95%	18,898,000	98.72%
60,001 to 70,000	1	65,000	4,018	99.98%	18,963,000	99.06%
70,001 to 80,000	-	-	4,018	99.98%	18,963,000	99.06%
80,001 to 90,000	-	-	4,018	99.98%	18,963,000	99.06%
90,001 to 100,000	-	-	4,018	99.98%	18,963,000	99.06%
179,490	1	179,490	4,019	100.00%	19,142,490	100.00%
	<u>4,019</u>	<u>19,142,490</u>				

Average Number of Customers	335
Average Consumption	4,763
Median Consumption	3,226

Supporting Schedules:

Recap Schedules:

Clear Springs Utility Company, Inc. - Sewer Division

Docket No. WS-01689A

Test Year Ended December 31, 2010

Schedule H-5S

Title: Bill Count

Page 2 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

Spec Reqmt

X

**Residential (ADJUSTED)**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	323	-	323	8.04%	-	0.00%
1,000	555	277,500	878	21.85%	277,500	1.46%
2,000	479	718,500	1,357	33.76%	996,000	5.25%
3,000	549	1,372,500	1,906	47.42%	2,368,500	12.49%
4,000	457	1,599,500	2,363	58.80%	3,968,000	20.92%
5,000	364	1,638,000	2,727	67.85%	5,606,000	29.55%
6,000	269	1,479,500	2,996	74.55%	7,085,500	37.35%
7,000	200	1,300,000	3,196	79.52%	8,385,500	44.20%
8,000	156	1,170,000	3,352	83.40%	9,555,500	50.37%
9,000	136	1,156,000	3,488	86.79%	10,711,500	56.46%
10,000	136	1,292,000	3,624	90.17%	12,003,500	63.27%
10,001 to 12,000	96	1,056,000	3,720	92.56%	13,059,500	68.84%
12,001 to 14,000	54	702,000	3,774	93.90%	13,761,500	72.54%
14,001 to 16,000	51	765,000	3,825	95.17%	14,526,500	76.57%
16,001 to 18,000	59	1,003,000	3,884	96.64%	15,529,500	81.86%
18,001 to 20,000	39	741,000	3,923	97.61%	16,270,500	85.77%
20,001 to 25,000	45	1,012,500	3,968	98.73%	17,283,000	91.10%
25,001 to 30,000	22	605,000	3,990	99.28%	17,888,000	94.29%
30,001 to 35,000	16	520,000	4,006	99.68%	18,408,000	97.03%
35,001 to 40,000	7	262,500	4,013	99.85%	18,670,500	98.42%
40,001 to 50,000	4	180,000	4,017	99.95%	18,850,500	99.37%
50,001 to 60,000	1	55,000	4,018	99.98%	18,905,500	99.66%
60,001 to 70,000	1	65,000	4,019	100.00%	18,970,500	100.00%
70,001 to 80,000	-	-	4,019	100.00%	18,970,500	100.00%
80,001 to 90,000	-	-	4,019	100.00%	18,970,500	100.00%
90,001 to 100,000	-	-	4,019	100.00%	18,970,500	100.00%
	<u>4,019</u>	<u>18,970,500</u>				

Average Number of Customers	335
Average Consumption	4,720
Median Consumption	3,226

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   
 Specl Reqmt

**Commercial**

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-	28	-	28	7.25%	-	0.00%
1,000	75	37,500	103	26.68%	37,500	1.18%
2,000	50	75,000	153	39.64%	112,500	3.53%
3,000	29	72,500	182	47.15%	185,000	5.81%
4,000	30	105,000	212	54.92%	290,000	9.11%
5,000	12	54,000	224	58.03%	344,000	10.81%
6,000	12	66,000	236	61.14%	410,000	12.88%
7,000	26	169,000	262	67.88%	579,000	18.19%
8,000	18	135,000	280	72.54%	714,000	22.43%
9,000	14	119,000	294	76.17%	833,000	26.17%
10,000	13	123,500	307	79.53%	956,500	30.05%
10,001 to 12,000	12	132,000	319	82.64%	1,088,500	34.20%
12,001 to 14,000	11	143,000	330	85.49%	1,231,500	38.69%
14,001 to 16,000	11	165,000	341	88.34%	1,396,500	43.87%
16,001 to 18,000	7	119,000	348	90.16%	1,515,500	47.61%
18,001 to 20,000	6	114,000	354	91.71%	1,629,500	51.19%
20,001 to 25,000	9	202,500	363	94.04%	1,832,000	57.56%
25,001 to 30,000	1	27,500	364	94.30%	1,859,500	58.42%
30,001 to 35,000	4	130,000	368	95.34%	1,989,500	62.51%
35,001 to 40,000	5	187,500	373	96.63%	2,177,000	68.40%
40,001 to 50,000	4	180,000	377	97.67%	2,357,000	74.05%
50,001 to 60,000	1	55,000	378	97.93%	2,412,000	75.78%
60,001 to 70,000	1	65,000	379	98.19%	2,477,000	77.82%
70,001 to 80,000	2	150,000	381	98.70%	2,627,000	82.53%
80,001 to 90,000	1	85,000	382	98.96%	2,712,000	85.20%
90,001 to 100,000	-	-	382	98.96%	2,712,000	85.20%
105,340	1	105,340	383	99.22%	2,817,340	88.51%
115,580	1	115,580	384	99.48%	2,932,920	92.14%
115,790	1	115,790	385	99.74%	3,048,710	95.78%
134,230	1	134,230	386	100.00%	3,182,940	100.00%
	<u>386</u>	<u>3,182,940</u>				

Average Number of Customers 32  
 Average Consumption 8,246  
 Median Consumption 3,367

Supporting Schedules:

Recap Schedules:

# **EXHIBIT 3**

### WATER USE DATA SHEET

<b>NAME OF COMPANY</b>	Clear Springs Utility Co., Inc - Water Division
<b>ADEQ Public Water System Number:</b>	02-008

MONTH/YEAR (12 Months of Test Year)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
1. January	480	1,984	3,919
2. February	484	2,172	4,395
3. March	484	1,954	3,527
4. April	491	2,891	4,049
5. May	493	3,266	4,741
6. June	496	4,944	7,761
7. July	497	4,171	6,632
8. August	501	3,047	6,151
9. September	503	3,211	5,835
10. October	512	2,981	5,969
11. November	519	2,611	4,923
12. December	527	2,174	4,085
<b>TOTAL</b>	N/A	35,406	61,987*

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

YES             NO

**Does the Company have an ADWR gallons per capita day ("GPCD") requirement?**

YES             NO

**If Yes, please provide the GPCD amount:**              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.*

**WATER USE DATA SHEET**

<b>NAME OF COMPANY</b>	Clear Springs Utility Co., Inc - Water Division
<b>ADEQ Public Water System Number:</b>	02-048

<b>MONTH/YEAR (12 Months of Test Year)</b>	<b>NUMBER OF CUSTOMERS</b>	<b>GALLONS SOLD (Thousands)</b>	<b>GALLONS PUMPED (Thousands)</b>
1. January	5	12	17
2. February	5	17	23
3. March	5	16	22
4. April	5	26	30
5. May	5	37	40
6. June	6	90	89
7. July	6	63	68
8. August	6	44	50
9. September	6	37	39
10. October	6	39	43
11. November	6	31	34
12. December	6	21	25
<b>TOTAL</b>	N/A	433	* 480

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

YES       NO

**Does the Company have an ADWR gallons per capita day ("GPCD") requirement?**

YES       NO

**If Yes, please provide the GPCD amount:**      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.

**WATER USE DATA SHEET**

<b>NAME OF COMPANY</b>	Clear Springs Utility Co., Inc - Water Division
<b>ADEQ Public Water System Number:</b>	02-049

<b>MONTH/YEAR (12 Months of Test Year)</b>	<b>NUMBER OF CUSTOMERS</b>	<b>GALLONS SOLD (Thousands)</b>	<b>GALLONS PUMPED (Thousands)</b>
1. January	17	56	45
2. February	17	63	61
3. March	17	53	56
4. April	19	110	108
5. May	19	151	149
6. June	19	237	232
7. July	19	209	210
8. August	19	140	147
9. September	19	153	143
10. October	19	120	117
11. November	19	78	79
12. December	19	70	80
<b>TOTAL</b>	N/A	1,440	1,427*

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

YES       NO

**Does the Company have an ADWR gallons per capita day ("GPCD") requirement?**

YES       NO

**If Yes, please provide the GPCD amount:**      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.*

## WATER USE DATA SHEET

<b>NAME OF COMPANY</b>	Clear Springs Utility Co., Inc - Water Division
<b>ADEQ Public Water System Number:</b>	02-050

MONTH/YEAR (12 Months of Test Year)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
1. January	7	18	18
2. February	7	17	18
3. March	7	16	17
4. April	7	25	25
5. May	7	26	27
6. June	7	52	51
7. July	7	38	38
8. August	7	34	35
9. September	7	38	36
10. October	7	16	15
11. November	7	13	16
12. December	7	13	13
<b>TOTAL</b>	N/A	306	309*

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

YES       NO

**Does the Company have an ADWR gallons per capita day ("GPCD") requirement?**

YES       NO

**If Yes, please provide the GPCD amount:**      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.*

### WATER USE DATA SHEET

<b>NAME OF COMPANY</b>	Clear Springs Utility Co., Inc - Water Division
<b>ADEQ Public Water System Number:</b>	02-051

MONTH/YEAR (12 Months of Test Year)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
1. January	10	64	65
2. February	10	51	57
3. March	10	39	42
4. April	10	73	78
5. May	10	90	96
6. June	10	182	188
7. July	10	111	113
8. August	10	53	65
9. September	10	91	94
10. October	10	88	92
11. November	10	71	76
12. December	10	49	54
<b>TOTAL</b>	N/A	962	1,020*

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

YES             NO

**Does the Company have an ADWR gallons per capita day ("GPCD") requirement?**

YES             NO

**If Yes, please provide the GPCD amount:**              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.*

Company Name: Clear Springs Utility Company, Inc. - Sewer Division

**WASTEWATER FLOWS**

<b>MONTH/YEAR (Most Recent 12 Months)</b>	<b>NUMBER OF SERVICES</b>	<b>TOTAL MONTHLY SEWAGE FLOW</b>	<b>SEWAGE FLOW ON PEAK DAY</b>
January 2010	369	1,164,920	181,900
February 2010	368	1,071,960	178,632
March 2010	368	1,404,380	169,264
April 2010	369	1,221,616	136,820
May 2010	368	1,310,796	174,028
June 2010	366	2,081,716	199,508
July 2010	367	1,948,204	214,620
August 2010	363	2,131,340	411,486
September 2010	362	2,065,864	300,164
October 2010	369	1,288,380	332,412
November 2010	368	1,028,000	223,456
December 2010	372	863,236	186,848

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE**

<b>Method of Effluent Disposal</b> (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Evaporation Ponds
<b>Wastewater Inventory Number</b> (All wastewater systems are assigned an inventory number)	113509
<b>Groundwater Permit Number</b>	100824
<b>ADEQ Aquifer Protection Permit Number</b>	P100824
<b>ADEQ Reuse Permit Number</b>	
<b>EPA NPDES Permit Number</b>	

**STATISTICAL INFORMATION**

Total number of customers	372
Total number of gallons treated	17,580,412 gallons

# **EXHIBIT 4**

Company Name: Clear Springs Utility Co., Inc. - Water Division

Test Year Ended: 31-Dec-10

System: Town System - ADEQ PWS #02-008

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-603877	30	180	800	16	4	1964
55-502128	120	300	700	16	6	1982

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

**BOOSTER PUMPS**

Horsepower	Quantity
20.0	2

**FIRE HYDRANTS**

Quantity Standard	Quantity Other
73	

**STORAGE TANKS**

Capacity	Quantity
100,000 gal	1

**PRESSURE TANKS**

Capacity	Quantity
5,000 gal	2
3,000 gal	1

System: Town System - ADEQ PWS #02-008

**WATER COMPANY PLANT DESCRIPTION CONTINUED**

<b>MAINS</b>		
Size (in inches)	Material	Length (in feet)
2	Galvanized	200
3	PVC	360
4	PVC	3,339
5		
6	PVC	3,040
8	PVC	180
10	AC	6,985
12	AC	200
2	PVC	1,036
3	AC	10,698
4	AC	3,020
6	AC	29,495
8	AC	5,650

<b>CUSTOMER METERS</b>	
Size (in inches)	Quantity
5/8 x 3/4	540
3/4	5
1	17
1 1/2	7
2	3
Comp. 3	
Turbo 3	1
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

**TREATMENT EQUIPMENT:**

Two chlorinators

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**STRUCTURES:**

1313 Treasure Road building

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**OTHER:**

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Company Name: Clear Springs Utility Co., Inc. - Water Division      Test Year Ended: 31-Dec-10

System: Well #3 - ADEQ PWS #02-048

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-603879	5	25	442	6	2	1966

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

<b>BOOSTER PUMPS</b>	
Horsepower	Quantity

<b>FIRE HYDRANTS</b>	
Quantity Standard	Quantity Other

<b>STORAGE TANKS</b>	
Capacity	Quantity

<b>PRESSURE TANKS</b>	
Capacity	Quantity
85 gal	1

System: Well #3 - ADEQ PWS #02-048

**WATER COMPANY PLANT DESCRIPTION CONTINUED**

<b>MAINS</b>		
Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	1,500
5		
6		
8		
10		
12		

<b>CUSTOMER METERS</b>	
Size (in inches)	Quantity
5/8 x 3/4	6
3/4	
1	
1 1/2	
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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Company Name: Clear Springs Utility Co., Inc. - Water Division      Test Year Ended: 31-Dec-10  
 System: Well #6 - ADEQ PWS #02-049

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-588414	7.5	40	505	8	2	2001

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

<b>BOOSTER PUMPS</b>	
Horsepower	Quantity
5.0	1

<b>FIRE HYDRANTS</b>	
Quantity Standard	Quantity Other

<b>STORAGE TANKS</b>	
Capacity	Quantity
12,500 gal	1

<b>PRESSURE TANKS</b>	
Capacity	Quantity
1,200 gal	1

System: Well #6 - ADEQ PWS #02-049

**WATER COMPANY PLANT DESCRIPTION CONTINUED**

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	240
5		
6	AC	4,700
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 x 3/4	19
3/4	
1	
1 1/2	
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:**

Chlorinator  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**STRUCTURES:**

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**OTHER:**

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 \_\_\_\_\_  
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 \_\_\_\_\_

Company Name: Clear Springs Utility Co., Inc. - Water Division      Test Year Ended: 31-Dec-10  
 System: Well #7 - ADEQ PWS #02-050

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-603880	3	18	560	6	2	1969

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

<b>BOOSTER PUMPS</b>	
Horsepower	Quantity
3.0	1

<b>FIRE HYDRANTS</b>	
Quantity Standard	Quantity Other

<b>STORAGE TANKS</b>	
Capacity	Quantity
1,000 gal	1

<b>PRESSURE TANKS</b>	
Capacity	Quantity
85 gal bladder tank	1

System: Well #7 - ADEQ PWS #02-050

**WATER COMPANY PLANT DESCRIPTION CONTINUED**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	AC	1,800
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 x 3/4	9
3/4	
1	
1 1/2	
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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Company Name: Clear Springs Utility Co., Inc. - Water Division      Test Year Ended: 31-Dec-10  
 System: Well #9 - ADEQ PWS #02-051

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-603882	5	25	675	8/6	2	1970

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

<b>BOOSTER PUMPS</b>	
Horsepower	Quantity
5.0	1

<b>FIRE HYDRANTS</b>	
Quantity Standard	Quantity Other

<b>STORAGE TANKS</b>	
Capacity	Quantity
12,500 gal	1

<b>PRESSURE TANKS</b>	
Capacity	Quantity
1,000 gal	1

Company Name: Clear Springs Utility Co., Inc. - Water Division      Test Year Ended: 31-Dec-10

System: Well #9 - ADEQ PWS #02-051

**WATER COMPANY PLANT DESCRIPTION CONTINUED**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	AC	4,200
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 x 3/4	10
3/4	
1	
1 1/2	
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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Company Name: Clear Springs Utility Company, Inc. - Sewer Division

**WASTEWATER COMPANY PLANT DESCRIPTION**

**TREATMENT FACILITY**

<b>TYPE OF TREATMENT</b> (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Aerobic Lagoon Anaerobic Lagoon
<b>DESIGN CAPACITY OF PLANT</b> (Gallons Per Day)	300,000 GPD

**LIFT STATION FACILITIES**

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
SW corner Ford/Allen	2	7.5	500	2000
Back-up pump 220V 3 phase	1	5	200	
Stand by 110 Volt pump	1	5	160	

**FORCE MAINS**

Size	Material	Length (Feet)
4-inch		
6-inch		
8-inch	AC	1200

**MANHOLES**

Type	Quantity
Standard	160
Drop	

**CLEANOUTS**

Quantity
11

Company Name: Clear Springs Utility Company, Inc. - Sewer Division

**WASTEWATER COMPANY PLANT DESCRIPTION - CONTINUED**

**COLLECTION MAINS**

Size (in inches)	Material	Length (in feet)
4		
6	AC	1,225
8	AC	24,200
10		
12	AC	3,000
15		
18		
21		
6	PVC	3,730
8	Clay	56,000

**SERVICES**

Size (in inches)	Material	Quantity
4	AC	386
6		
8		
12		
15		

**FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY**

<b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>	
<b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)	
<b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	
<b>STRUCTURES</b> (Buildings, Fences, Etc.)	Fences around sewer ponds
<b>OTHER</b> (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	Stand-by generator pump for backup power

# **EXHIBIT 5**

TRANSMISSION VERIFICATION REPORT

TIME : 09/22/2011 11:53  
NAME : DESERT MTN ANALYTICAL  
FAX : 4809615484  
TEL : 4809615484  
SER.# : H9J441619

DATE, TIME	09/22 11:52
FAX NO./NAME	6027714505
DURATION	00:00:58
PAGE(S)	04
RESULT	OK
MODE	STANDARD ECM

CSU - Water  
ADEQ Compliance Status Reports  
faxed to ADEQ

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: Clear Springs Utility Company Inc. - Water Division
Mailing Address: PO Box 85160
City, State, Zip Code: Tucson, AZ 85745
Phone Number: 520.623.5172
Fax: 520.792.0377

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: Clear Springs Utility Company Inc. - Water Division
PWS ID# 02-048

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.

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: Clear Springs Utility Company Inc. - Water Division
Mailing Address: PO Box 85160
City, State, Zip Code: Tucson, AZ 85745
Phone Number: 520.623.5172
Fax: 520.792.0377

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: Clear Springs Utility Company Inc. - Water Division
PWS ID# 02-049

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.

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: Clear Springs Utility Company Inc. - Water Division
Mailing Address: PO Box 85160
City, State, Zip Code: Tucson, AZ 85745
Phone Number: 520.623.5172
Fax: 520.792.0377

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: Clear Springs Utility Company Inc. - Water Division
PWS ID# 02-050

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.

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: Clear Springs Utility Company Inc. - Water Division
Mailing Address: PO Box 85160
City, State, Zip Code: Tucson, AZ 85745
Phone Number: 520.623.5172
Fax: 520.792.0377

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: Clear Springs Utility Company Inc. - Water Division
PWS ID# 02-051

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.

TRANSMISSION VERIFICATION REPORT

TIME : 09/23/2011 11:08  
NAME : DESERT MTN ANALYTICAL  
FAX : 4809615484  
TEL : 4809615484  
SER.# : H9J441619

DATE, TIME	09/23 11:08
FAX NO./NAME	6027714505
DURATION	00:00:17
PAGE(S)	01
RESULT	OK
MODE	STANDARD ECM

CSU - water  
ADEC Compliance Status Reports  
faxed to ADEC  
Part II

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: Clear Springs Utility Company Inc. - Water Division
Mailing Address: PO Box 85160
City, State, Zip Code: Tucson, AZ 85745
Phone Number: 520.623.5172
Fax: 520.792.0377

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: Clear Springs Utility Company Inc. - Water Division
PWS ID# 02-008

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.

TRANSMISSION VERIFICATION REPORT

TIME : 09/23/2011 11:32  
NAME : DESERT MTN ANALYTICL  
FAX : 4809615484  
TEL : 4809615484  
SER.# : H9J441619

DATE, TIME  
FAX NO./NAME  
DURATION  
PAGE(S)  
RESULT  
MODE

09/23 11:32  
6027714505  
00:00:19  
01  
OK  
STANDARD  
ECM

CSV - Sewer

Faxed to ADEQ

ARIZONA CORPORATION COMMISSION STATUS REQUEST

TO:

DATE: 9/23/2011

Arizona Department of Environmental Quality
Don Shroyer, Wastewater Data Section
Phone: 602-771-4513
Fax: 602-771-4505

FROM:

Wastewater Company: Clear Springs Utility Company Inc. - Sewer Division
ADEQ System/Inventory Number: 113509
Mailing Address: PO Box 85160
City, State, Zip Code: Tucson, AZ 85745
Phone Number: 520.623.5172 Fax: 520.792.0377

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

Please check current compliance status of this wastewater company:

Total
Substantial
Non

- 1 Does system have a certified operator? Yes No
2 Does system have any physical/plant deficiencies? Yes No
3 Does system have any O & M deficiencies? Yes No
4 Does system have any NPDES monitoring deficiencies? Yes No
5 Is ADEQ compliance and/or enforcement action pending? Yes No

Name of ADEQ contact person

Phone number

# **EXHIBIT 6**

**CLEAR SPRINGS UTILITY CO., INC.**

WATER DIVISION  
P.O. BOX 85160  
TUCSON, AZ 85754  
(520) 623-5172

WELLS FARGO BANK, N.A.  
TUCSON, AZ 85712  
91-527/1211

3224

10/20/2010

PAY TO THE ORDER OF State of Arizona

\$ \*\*298.83

Two Hundred Ninety-Eight and 83/100\*\*\*\*\* DOLLARS

AZ Dept of Environmental Quality  
PO Box 18228  
Phoenix AZ 85005-8228

VOID AFTER 90 DAYS

MEMO

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈003224⑈

↓ This entire bottom portion must be returned to ADEQ. ↓

ADEQ Federal Tax #866004791  
Invoice # 67367

Annual Sampling Fee Invoice

LEWIS, E H PO BOX 85160  TUCSON AZ 85754	<i>Clear Springs</i> Well # 02049 - Lewis, E H	Owner Id #: 15709 MAP
		Billing for Calendar Year: 2011
		Due Date: 11/19/2010

ANNUAL SAMPLING FEE WORKSHEET

Base Fee (all MAP systems) .....	\$ 250.00
Fee per Connection in 2011 ..... 19 connections X \$ 2.57 .....	\$ 48.83
Total Sampling Fee .....	\$ 298.83
Plus Paid Interest Charges and/or Other Adjustments .....	\$ 0.00
Plus Unpaid Interest Charges as of 10/05/2010 .....	\$ 0.00
Minus Payments Received and/or Other Adjustments .....	\$ 0.00
Amount Due .....	\$ 298.83
Amount received by ADEQ (Make check payable to State of Arizona) .....	\$

\* A \$12 fee will be charged for any check not honored by the bank.

Do not write below this line

Make your check or money order payable to **State of Arizona**  
**THIS FORM MUST ACCOMPANY YOUR REMITTANCE.**

Mail to: Arizona Department of Environmental Quality  
PO Box 18228  
Phoenix, AZ 85005

Check Number:
Received:
Postmarked:
Entered:

CS3 10/05/2010  
WM300Go

**CLEAR SPRINGS UTILITY CO., INC.**

WATER DIVISION  
 P.O. BOX 85160  
 TUCSON, AZ 85754  
 (520) 623-5172

WELLS FARGO BANK, N.A.  
 TUCSON, AZ 85712  
 91-527/1211

3226

10/20/2010

PAY TO THE ORDER OF State of Arizona \$ \*\*1,727.75

One Thousand Seven Hundred Twenty-Seven and 75/100 \*\*\*\*\* DOLLARS

AZ Dept of Environmental Quality  
 PO Box 18228  
 Phoenix AZ 85005-8228

VOID AFTER 90 DAYS



*[Handwritten Signature]*

MEMO

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈003226⑈

↓ This entire bottom portion must be returned to ADEQ. ↓

ADEQ Federal Tax #866004791

Invoice # 67366

**Annual Sampling Fee Invoice**

LEWIS, E H PO BOX 85160  TUCSON AZ 85754	<i>Clear Springs Town</i>  02008 - Lewis, E H	Owner Id #: 15709 <b>MAP</b>
		Billing for Calendar Year: 2011
		Due Date: 11/19/2010

**ANNUAL SAMPLING FEE WORKSHEET**

Base Fee (all MAP systems) .....	\$ 250.00
Fee per Connection in 2011 . . . . . 575 connections X \$ 2.57 . . . . .	\$ 1,477.75
Total Sampling Fee . . . . .	\$ 1,727.75
Plus Paid Interest Charges and/or Other Adjustments . . . . .	\$ 0.00
Plus Unpaid Interest Charges as of 10/05/2010 . . . . .	\$ 0.00
Minus Payments Received and/or Other Adjustments . . . . .	\$ 0.00
Amount Due . . . . .	\$ 1,727.75
Amount received by ADEQ (Make check payable to State of Arizona) . . . . .	\$

\* A \$12 fee will be charged for any check not honored by the bank.

Do not write below this line

Make your check or money order payable to **State of Arizona**  
**THIS FORM MUST ACCOMPANY YOUR REMITTANCE.**

Mail to: Arizona Department of Environmental Quality  
 PO Box 18228  
 Phoenix, AZ 85005

Check Number:
Received:
Postmarked:
Entered:

CS3 10/05/2010  
 WM300G0

# **EXHIBIT 7**

**Clear Springs Utility Company, Inc. - Water Division**  
**Company Proposed Surcharge Calculation**

Line	New WIFA Loan	Prior WIFA Loan #1	Prior WIFA Loan #2	Total	
1	Annual Interest and Fees	\$ 26,474	\$ 3,768	\$ 2,477	\$ 32,719
2	Annual Principal	14,846	3,531	1,425	19,802
3	Annual Debt Reserve	8,264		780	9,044
4	Total Annual Payments	\$ 49,584	\$ 7,299	\$ 4,682	\$ 61,566
5	Gross Revenue Conversion Factor				1.3100
6		<b>Annual Surcharge Amount Necessary \$ 80,651</b>			
7	<b>Surcharge Calculation per Customer:</b>				
8	Number of 5/8 x 3/4-inch Customers		540		
9	Months in Year		12		
10	Annual Bills			6,480	
11	Number of 3/4-inch Customers	5			
12	Months in Year	12			
13	Annual Bills		60		
14	Meter Multiplier		1.5		
15	Annual Equivalent Bills				90
16	Number of 1-inch Customers	15			
17	Months in Year	12			
18	Annual Bills		180		
19	Meter Multiplier		2.5		
20	Annual Equivalent Bills				450
21	Number of 1.5-inch Customers	8			
22	Months in Year	12			
23	Annual Bills		96		
24	Meter Multiplier		5		
25	Annual Equivalent Bills				480
26	Number of 2-inch Customers	2			
27	Months in Year	12			
28	Annual Bills		24		
29	Meter Multiplier		8		
30	Annual Equivalent Bills				192
31					<b>Total Annual Equivalent Bills 7,692</b>
32		<b>5/8 x 3/4-inch Surcharge Amount per Month <sup>1</sup> \$ 10.49</b>			
33		<b>3/4-inch Surcharge Amount per Month <sup>2</sup> 15.73</b>			
34		<b>1-inch Surcharge Amount per Month <sup>3</sup> 26.21</b>			
35		<b>1.5-inch Surcharge Amount per Month <sup>4</sup> 52.43</b>			
36		<b>2-inch Surcharge Amount per Month <sup>5</sup> 83.88</b>			
37	<i>Revenue Check:</i>	Surcharge	Annual Bills	Total	
38	5/8 x 3/4-inch meters	\$ 10.49	6,480	\$ 67,943	
39	3/4-inch meters	15.73	60	944	
40	1-inch meters	26.21	180	4,718	
41	1.5-inch meters	52.43	96	5,033	
42	2-inch meters	83.88	24	2,013	
43	Totals		6,840	\$ 80,651	

44 <sup>1</sup> \$80,651 divided by 7,692 annual equivalent bills.

45 <sup>2</sup> \$10.49 times AWWA Meter Multiplier of 1.5.

46 <sup>3</sup> \$10.49 times AWWA Meter Multiplier of 2.5.

47 <sup>4</sup> \$10.49 times AWWA Meter Multiplier of 5.

48 <sup>5</sup> \$10.49 times AWWA Meter Multiplier of 8.