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BEFORE THE ARIZONA CORPORATION COMMISSION

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IN THE MATTER OF THE APPLICATION OF  
ARIZONA WATER COMPANY, AN ARIZONA  
CORPORATION, FOR A DETERMINATION  
OF THE FAIR VALUE OF ITS UTILITY  
PLANT AND PROPERTY, AND FOR  
ADJUSTMENTS TO ITS RATES AND  
CHARGES FOR UTILITY SERVICE  
FURNISHED BY ITS WESTERN GROUP  
AND FOR CERTAIN RELATED  
APPROVALS.

Docket No. W-01445A-10-0517

NOTICE OF FILING

The RESIDENTIAL UTILITY CONSUMER OFFICE ("RUCO") hereby provides notice of  
filing the Direct Rate Design Testimony of Rodney L. Moore in the above-referenced matter.

RESPECTFULLY SUBMITTED this 12<sup>th</sup> day of December, 2011

Michelle L. Wood  
Counsel

AN ORIGINAL AND THIRTEEN COPIES  
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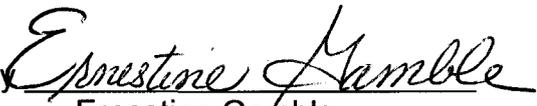
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3

4 COPIES of the foregoing hand delivered/  
mailed this 12<sup>th</sup> day of December, 2011 to:

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**ARIZONA WATER COMPANY**

**DOCKET NO. W-01445A-10-0517**

**DIRECT RATE DESIGN TESTIMONY**

**OF**

**RODNEY L. MOORE**

**ON BEHALF OF**

**THE**

**RESIDENTIAL UTILITY CONSUMER OFFICE**

**DECEMBER 12, 2011**

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### EXECUTIVE SUMMARY

Based on RUCO's analysis of Arizona Water Company's rate application, RUCO is recommending rate designs for the Pinal Valley, White Tank and Ajo Systems that will result in the following typical monthly bills for residential customers with average consumption on a 5/8" X 3/4" meter:

<u>SYSTEM</u>	<u>PRESENT RATE</u>	<u>PROPOSED RATE</u>	<u>% CHANGE</u>
Pinal Valley (Casa Grande)	\$28.91	\$34.56	19.54%
Pinal Valley (Coolidge)	\$28.59	\$33.48	17.11%
Pinal Valley (Stanfield)	\$37.85	\$33.88	-10.50%
White Tank	\$52.16	\$68.20	30.74%
Ajo	\$50.24	\$49.66	-1.17%

1 **INTRODUCTION**

2 Q. Please state your name, position, employer and address.

3 A. Rodney L. Moore, Public Utilities Analyst V

4 Residential Utility Consumer Office ("RUCO")

5 1110 West Washington Street, Suite 220

6 Phoenix, Arizona 85007.

7

8 Q. What is the purpose of your direct testimony?

9 A. My direct testimony will address RUCO's rate designs for the Company's  
10 Pinal Valley System, White Tank System and Ajo System, and prove that  
11 these rate designs will produce RUCO's recommended revenue. Also an  
12 analysis of a typical residential bill for each system has been included.

13

14 To support RUCO's position in this direct testimony, Schedules numbered  
15 RLM-RD1 and RLM-RD2 have been prepared for each system.

16

17 **RATE DESIGN**

18 Q. Please explain elements of the rate designs.

19 A. Each Schedule RLM-RD1 illustrates the elements of RUCO's rate design  
20 which mirrors the Company's Schedules by maintaining the same basic  
21 conservation-oriented rate structure effective under present rates with a  
22 customer charge and inclining block rates for each classification and  
23 meter size.

1 **PROOF OF RECOMMENDED REVENUE**

2 Q. Has RUCO prepared Schedules presenting proof of your recommended  
3 revenue?

4 A. Yes. Proof that RUCO's recommended rate designs will produce the  
5 recommended required revenue as illustrated, is presented on Schedule  
6 RLM-RD1 for each system.

7

8 **TYPICAL BILL ANALYSIS**

9 Q. Has RUCO prepared Schedules representing the financial impact of  
10 RUCO's recommended rate designs on the typical residential customer for  
11 each system?

12 A. Yes. A typical bill analysis for residential customers of each system with  
13 various levels of usage is presented on Schedules RLM-RD2.

14

15 Q. Please describe a typical bill utilizing RUCO's rate design on the average  
16 Pinal Valley System residential customer.

17 A. RUCO's Pinal Valley System rate design propose a basic service charge  
18 for residential customers of Mohave with a 5/8" X 3/4" meter of \$18.42  
19 (versus \$21.75 proposed by the Company) and commodity charges of  
20 \$1.6071 per thousand gallons for the first 3,000 gallons, \$2.0177 per  
21 thousand gallons for the next 7,000 gallons and \$2.4972 per thousand  
22 gallons for all usage above 10,000 gallons (versus \$1.7111, \$2.1389 and  
23 \$2.6736 proposed respectively by the Company).

1 Q. Please describe the financial impact of RUCO's rate design on the  
2 average Pinal Valley System residential customer.

3 A. For the former Casa Grande residential customers of the Pinal Valley  
4 System with a 5/8" X 3/4" meter and average consumption of 8,610  
5 gallons, RUCO's rate design provides for a \$5.65 or 19.54 percent  
6 increase, which is a decrease of \$3.69 over the Company's requested  
7 \$9.34 increase.

8  
9 For the former Coolridge residential customers of the Pinal Valley System  
10 with a 5/8" X 3/4" meter and average consumption of 8,076 gallons,  
11 RUCO's rate design provides for a \$4.89 or 17.11 percent increase, which  
12 is a decrease of \$4.45 over the Company's requested \$9.34 increase.

13  
14 For the former Stanfield residential customers of the Pinal Valley System  
15 with a 5/8" X 3/4" meter and average consumption of 8,271 gallons,  
16 RUCO's rate design provides for a (\$3.97) or -10.50 percent decrease,  
17 which is a decrease of \$2.96 over the Company's requested (\$1.01)  
18 decrease.

19  
20 Q. Please describe a typical bill utilizing RUCO's rate design on the average  
21 White Tank System residential customer.

22 A. RUCO's White Tank System rate design proposes a basic service charge  
23 for residential customers with a 5/8" X 3/4" meter of \$29.70 (versus \$21.75

1 proposed by the Company) and commodity charges of \$2.1563 per  
2 thousand gallons for the first 3,000 gallons, \$2.6950 per thousand gallons  
3 for the next 7,000 gallons and \$3.3690 per thousand gallons for all usage  
4 above 10,000 gallons (versus \$1.37111, \$2.1389 and \$2.6736 proposed  
5 respectively by the Company).

6  
7 Q. Please describe the financial impact of RUCO's rate design on the  
8 average White Tank System residential customer.

9 A. For residential customers of the White Tank System with a 5/8" X 3/4"  
10 meter and average consumption of 13,906 gallons, RUCO's rate design  
11 provides for a \$16.03 or 30.74 percent increase, which is an increase of  
12 \$15.89 over the Company's requested \$0.14 increase under  
13 consolidation.

14  
15 Q. Please describe a typical bill utilizing RUCO's rate design on the average  
16 Ajo System residential customer.

17 A. RUCO's Ajo System rate design proposes a basic service charge for  
18 residential customers with a 5/8" X 3/4" meter of \$24.87 (versus \$29.20  
19 proposed by the Company) and commodity charges of \$4.7626 per  
20 thousand gallons for the first 3,000 gallons, \$5.9532 per thousand gallons  
21 for the next 7,000 gallons and \$7.4412 per thousand gallons for all usage  
22 above 10,000 gallons (versus \$4.6070, \$5.7588 and \$7.1984 proposed  
23 respectively by the Company).

1 Q. Please describe the financial impact of RUCO's rate design on the  
2 average Ajo System residential customer.

3 A. For residential customers of the Ajo System with a 5/8" X 3/4" meter and  
4 average consumption of 4,764 gallons, RUCO's rate design provides for a  
5 (\$0.59) or -1.17 percent decrease, which is a decrease of \$3.53 over the  
6 Company's requested \$2.94 increase.

7  
8 Q. Does this conclude your direct testimony on rate design?

9 A. Yes, it does.

**RATE DESIGN AND PROOF OF RECOMMENDED REVENUE**

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
<b>RESIDENTIAL CUSTOMERS</b>					
1	5/8" X 3/4" Meter	25,067	\$ 18.42	\$ 5,540,842	\$ 5,540,842
	Commodity Usage				
2	First Tier - First 3,000 Gals.	791,712	\$ 1.6071	\$ 1,272,350	
3	Second Tier - Next 7,000 Gals.	1,037,864	\$ 2.0177	\$ 2,094,070	
4	Third Tier - Over 10,000 Gals.	733,333	\$ 2.4972	\$ 1,831,262	\$ 5,197,683
5	1" Meter	491	\$ 46.05	\$ 271,424	\$ 271,424
	Commodity Usage				
6	First Tier - First 40,000 Gals.	45,466	\$ 2.0177	\$ 91,736	
7	Second Tier - Over 40,000 Gals.	88,540	\$ 2.4972	\$ 221,099	
8	Third Tier - Over 40,000 Gals.	-	\$ 2.4972	\$ -	\$ 312,835
9	2" Meter	75	\$ 147.36	\$ 133,196	\$ 133,196
	Commodity Usage				
10	First Tier - First 125,000 Gals.	76,946	\$ 2.0177	\$ 155,251	
11	Second Tier - Over 125,000 Gals.	66,705	\$ 2.4972	\$ 166,574	
12	Third Tier - Over 125,000 Gals.	-	\$ 2.4972	\$ -	\$ 321,825
13	3" Meter	7	\$ 294.72	\$ 24,722	\$ 24,722
	Commodity Usage				
14	First Tier - First 300,000 Gals.	21,669	\$ 2.0177	\$ 43,722	
15	Second Tier - Over 300,000 Gals.	12,413	\$ 2.4972	\$ 30,998	
16	Third Tier - Over 300,000 Gals.	-	\$ 2.4972	\$ -	\$ 74,719
17	4" Meter	4	\$ 460.51	\$ 20,694	\$ 20,694
	Commodity Usage				
18	First Tier - First 500,000 Gals.	19,477	\$ 2.0177	\$ 39,298	
19	Second Tier - Over 500,000 Gals.	20,304	\$ 2.4972	\$ 50,702	
20	Third Tier - Over 500,000 Gals.	-	\$ 2.4972	\$ -	\$ 89,999
21	6" Meter	8	\$ 921.01	\$ 88,293	\$ 88,293
	Commodity Usage				
22	First Tier - First 1,000,000 Gals.	56,503	\$ 2.0177	\$ 114,004	
23	Second Tier - Over 1,000,000 Gals.	3,755	\$ 2.4972	\$ 9,377	
24	Third Tier - Over 1,000,000 Gals.	-	\$ 2.4972	\$ -	\$ 123,381
25	8" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
26	First Tier - First 1,000,000 Gals.	-	\$ -	\$ -	
27	Second Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	
28	Third Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	\$ -
29	10" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
30	First Tier - First 1,200,000 Gals.	-	\$ -	\$ -	
31	Second Tier - Over 1,200,000 Gals.	-	\$ -	\$ -	
32	Third Tier - Over 1,200,000 Gals.	-	\$ -	\$ -	\$ -
33	Total Residential Customer Bills	<u>25,652</u>			
34	Total Residential Usage	<u>2,974,686</u>			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE				<u>\$ 12,199,613</u>

**RATE DESIGN AND PROOF OF RECOMMENDED REVENUE**

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
<b>COMMERCIAL CUSTOMERS</b>					
36	5/8" X 3/4" Meter	874	\$ 18.42	\$ 193,199	\$ 193,199
	Commodity Usage				
37	First Tier - First 10,000 Gals.	42,284	\$ 2.0177	\$ 85,315	
38	Second Tier - Over 10,000 Gals.	43,821	\$ 2.4972	\$ 109,428	
39	Third Tier - Over 10,000 Gals.	-	\$ 2.4972	\$ -	\$ 194,743
40	1" Meter	485	\$ 46.05	\$ 268,055	\$ 268,055
	Commodity Usage				
41	First Tier - First 40,000 Gals.	88,086	\$ 2.0177	\$ 177,729	
42	Second Tier - Over 40,000 Gals.	72,084	\$ 2.4972	\$ 180,005	
43	Third Tier - Over 40,000 Gals.	-	\$ 2.4972	\$ -	\$ 357,734
44	2" Meter	498	\$ 147.36	\$ 881,239	\$ 881,239
	Commodity Usage				
45	First Tier - First 125,000 Gals.	321,587	\$ 2.0177	\$ 648,857	
46	Second Tier - Over 125,000 Gals.	352,019	\$ 2.4972	\$ 879,054	
47	Third Tier - Over 125,000 Gals.	(0)	\$ 2.4972	\$ (0)	\$ 1,527,911
48	3" Meter	35	\$ 294.72	\$ 122,205	\$ 122,205
	Commodity Usage				
49	First Tier - First 300,000 Gals.	50,482	\$ 2.0177	\$ 101,856	
50	Second Tier - Over 300,000 Gals.	29,073	\$ 2.4972	\$ 72,599	
51	Third Tier - Over 300,000 Gals.	-	\$ 2.4972	\$ -	\$ 174,455
52	4" Meter	25	\$ 460.51	\$ 136,740	\$ 136,740
	Commodity Usage				
53	First Tier - First 500,000 Gals.	86,495	\$ 2.0177	\$ 174,518	
54	Second Tier - Over 500,000 Gals.	91,699	\$ 2.4972	\$ 228,990	
55	Third Tier - Over 500,000 Gals.	-	\$ 2.4972	\$ -	\$ 403,507
56	6" Meter	15	\$ 921.01	\$ 162,781	\$ 162,781
	Commodity Usage				
57	First Tier - First 1,000,000 Gals.	85,829	\$ 2.0177	\$ 173,174	
58	Second Tier - Over 1,000,000 Gals.	46,275	\$ 2.4972	\$ 115,557	
59	Third Tier - Over 1,000,000 Gals.	-	\$ 2.4972	\$ -	\$ 288,731
60	8" Meter	3	\$ 1,473.62	\$ 44,653	\$ 44,653
	Commodity Usage				
61	First Tier - First 1,500,000 Gals.	18,648	\$ 2.0177	\$ 37,625	
62	Second Tier - Over 1,500,000 Gals.	8,958	\$ 2.4972	\$ 22,370	
63	Third Tier - Over 1,500,000 Gals.	-	\$ 2.4972	\$ -	\$ 59,995
64	10" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
65	First Tier - First 1,200,000 Gals.	-	\$ -	\$ -	
66	Second Tier - Over 1,200,000 Gals.	-	\$ -	\$ -	
67	Third Tier - Over 1,200,000 Gals.	-	\$ -	\$ -	\$ -
68	Total Commercial Customer Bills	<u>1,934</u>			
69	Total Commercial Usage	<u>1,337,338</u>			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				<u>\$ 4,815,950</u>

**RATE DESIGN AND PROOF OF RECOMMENDED REVENUE**

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
<b>INDUSTRIAL CUSTOMERS</b>					
71	5/8" X 3/4" Meter	3	\$ 18.42	\$ 663	\$ 663
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	723	\$ 1.7541	\$ 1,268	
73	Second Tier - Next 999,999,999 Gals.	-	\$ 1.7541	\$ -	
74	Third Tier - Over 999,999,999 Gals.	-	\$ 1.7541	\$ -	\$ 1,268
75	1" Meter	7	\$ 46.05	\$ 3,592	\$ 3,592
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	8,889	\$ 1.7541	\$ 15,593	
77	Second Tier - Next 999,999,999 Gals.	-	\$ 1.7541	\$ -	
78	Third Tier - Over 999,999,999 Gals.	-	\$ 1.7541	\$ -	\$ 15,593
79	2" Meter	11	\$ 147.36	\$ 19,452	\$ 19,452
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	10,491	\$ 1.7541	\$ 18,401	
81	Second Tier - Next 999,999,999 Gals.	-	\$ 1.7541	\$ -	
82	Third Tier - Over 999,999,999 Gals.	-	\$ 1.7541	\$ -	\$ 18,401
83	3" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
85	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
86	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
87	4" Meter	3	\$ 460.51	\$ 16,578	\$ 16,578
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	39,790	\$ 1.7541	\$ 69,794	
89	Second Tier - Next 999,999,999 Gals.	-	\$ 1.7541	\$ -	
90	Third Tier - Over 999,999,999 Gals.	-	\$ 1.7541	\$ -	\$ 69,794
91	6" Meter	2	\$ 921.01	\$ 23,946	\$ 23,946
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	509,004	\$ 1.7541	\$ 892,827	
93	Second Tier - Next 999,999,999 Gals.	-	\$ 1.7541	\$ -	
94	Third Tier - Over 999,999,999 Gals.	-	\$ 1.5982	\$ -	\$ 892,827
95	8" Meter	1	\$ 1,473.62	\$ 17,683	\$ 17,683
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	27,807	\$ 1.7541	\$ 48,776	
97	Second Tier - Next 999,999,999 Gals.	-	\$ 1.7541	\$ -	
98	Third Tier - Over 999,999,999 Gals.	-	\$ 1.5982	\$ -	\$ 48,776
99	10" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
101	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
102	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
103	Total Industrial Customer Bills	<u>27</u>			
104	Total Industrial Usage	<u>596,704</u>			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE			<u>\$ 1,128,573</u>	

**RATE DESIGN AND PROOF OF RECOMMENDED REVENUE**

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
<b>PRIVATE FIRE SERVICE CUSTOMERS</b>					
106	5/8" Meter	365	\$ 26.69	\$ 116,935	\$ 116,935
107	1" Meter	-	\$ -	\$ -	\$ -
108	2" Meter	-	\$ -	\$ -	\$ -
109	3" Meter	-	\$ -	\$ -	\$ -
110	4" Meter	-	\$ -	\$ -	\$ -
111	6" Meter	-	\$ -	\$ -	\$ -
112	8" Meter	-	\$ -	\$ -	\$ -
113	10" Meter	-	\$ -	\$ -	\$ -
114	Total Private Fire Service Customers	<u>365</u>			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				<u>\$ 116,935</u>
<b>OTHER WATER REVENUE CUSTOMERS</b>					
116	Public Fire Hydrant	-		\$ -	\$ -
117	Coin Machine	-		\$ -	\$ -
118	Commodity Usage	6,118	\$ 94.02	\$ 16,268	\$ 16,268
119	Construction Water 2" Meter	-	\$ -	\$ -	\$ -
120	Commodity Usage				
	First Tier - First 85,000 Gals.	-	\$ -	\$ -	
121	Second Tier - Over 85,000 Gals.	-	\$ -	\$ -	
122	Third Tier - Over 85,000 Gals.	-	\$ -	\$ -	\$ -
123	Construction Water 3" Meter	32	\$ 294.72	\$ 113,764	\$ 113,764
124	Commodity Usage				
	First Tier - First 175,000 Gals.	18,338	\$ 2,0177	\$ 37,000	
125	Second Tier - Over 175,000 Gals.	8,218	\$ 2,4972	\$ 20,522	
126	Third Tier - Over 175,000 Gals.	-	\$ 2,4972	\$ -	\$ 57,523
127	Construction Water 4" Meter	0	\$ 460.51	\$ 2,303	\$ 2,303
128	Commodity Usage				
	First Tier - First 290,000 Gals.	55	\$ 2,0177	\$ 111	
129	Second Tier - Over 290,000 Gals.	-	\$ 2,4972	\$ -	
130	Third Tier - Over 290,000 Gals.	-	\$ 2,4972	\$ -	\$ 111
131	Sales For Resales 2" Meter	3	\$ 147.36	\$ 5,305	\$ 5,305
132	Commodity Usage				
	First Tier - First 1,000,000 Gals.	14,051	\$ 1,7541	\$ 24,647	
133	Second Tier - Next 1,000,000 Gals.	-	\$ 1,7541	\$ -	
134	Third Tier - Over 1,000,000 Gals.	-	\$ 1,7541	\$ -	\$ 24,647
135	Sales For Resales 4" Meter	1	\$ 460.51	\$ 5,526	\$ 5,526
136	Commodity Usage				
	First Tier - First 1,000,000 Gals.	13,736	\$ 1,7541	\$ 24,094	
137	Second Tier - Next 1,000,000 Gals.	-	\$ 1,7541	\$ -	
138	Third Tier - Over 1,000,000 Gals.	-	\$ 1,7541	\$ -	\$ 24,094

**RATE DESIGN AND PROOF OF RECOMMENDED REVENUE**

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter Commodity Usage	-	\$ -	\$ -	\$ -
140	First Tier - First 1,000,000 Gals.	-	\$ -	\$ -	
141	Second Tier - Next 1,000,000 Gals.	-	\$ -	\$ -	
142	Third Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	\$ -
143	Total Other Water Revenue Customer Bills	<u>37</u>			
144	Total Other Water Revenue Usage	<u>60,516</u>			
145	<b>TOTAL OTHER WATER CUSTOMERS REVENUE</b>				<u>\$ 249,539</u>
146	<b>TOTAL RUCO PROPOSED REVENUE PER BILL COUNT</b>				<u>\$ 18,510,610</u>
147	Unreconciled Difference vs. Billed Revenues				(239)
148					-
149	Miscellaneous Revenues				734,234
150	<b>TOTAL REVENUE</b>				<u>\$ 19,244,605</u>
151	<b>ADJUSTED TEST-YEAR REVENUE PER FILING</b>				<u>\$ 19,244,605</u>
152	Difference				\$ (0)
153	Percentage Difference				0.00%

**TYPICAL RESIDENTIAL BILL ANALYSIS**

LINE NO.	DESCRIPTION	(A) PRESENT	(B)	(C) COMPANY PROPOSED	(D)	(E) RUCO PROPOSED	(F)
<b>RESIDENTIAL (5/8" X 3/4") RATE DESIGN</b>							
1	BASIC MONTHLY CHARGE COMMODITY CHARGE	\$ 15.79		\$ 21.75		\$ 18.42	
2	First Tier - First 3,000 Gals.	\$ 1.3700		\$ 1.7111		\$ 1.6071	
3	Second Tier - Next 7,000 Gals.	\$ 1.7123		\$ 2.1389		\$ 2.0177	
4	Third Tier - Over 10,000 Gals.	\$ 2.1406		\$ 2.6736		\$ 2.4972	
<b>RESIDENTIAL BILL COMPARISONS</b>							
<b>COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL</b>			<b>% OF AVERAGE MONTH USAGE 8,610</b>	<b>PRESENT MONTHLY WATER COST</b>	<b>RUCO PROP'D MONTHLY WATER COST</b>	<b>RUCO PROP'D MONTHLY INCREASE</b>	<b>RUCO PROP'D MONTHLY % INCREASE</b>
5		2,152	25.00%	\$ 18.74	\$ 21.88	\$ 3.14	16.76%
6		4,305	50.00%	\$ 22.13	\$ 25.87	\$ 3.74	16.90%
7		8,610	100.00%	\$ 28.91	\$ 34.56	\$ 5.65	19.54%
8		12,915	150.00%	\$ 38.13	\$ 44.64	\$ 6.52	17.10%
9		17,220	200.00%	\$ 47.34	\$ 55.39	\$ 8.05	17.01%

**TYPICAL RESIDENTIAL BILL ANALYSIS**

LINE NO.	DESCRIPTION	(A) PRESENT	(B)	(C) COMPANY PROPOSED	(D)	(E) RUCO PROPOSED	(F)
<b>RESIDENTIAL (5/8" X 3/4") RATE DESIGN</b>							
1	BASIC MONTHLY CHARGE COMMODITY CHARGE	\$ 15.79		\$ 21.75		\$ 18.42	
2	First Tier - First 3,000 Gals.	\$ 1,370.00		\$ 1,711.11		\$ 1,607.11	
3	Second Tier - Next 7,000 Gals.	\$ 1,712.33		\$ 2,138.89		\$ 2,017.77	
4	Third Tier - Over 10,000 Gals.	\$ 2,140.66		\$ 2,673.36		\$ 2,497.22	
<b>RESIDENTIAL BILL COMPARISONS</b>							
	<u>COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL</u>		<u>% OF AVERAGE MONTH USAGE 8,076</u>	<u>PRESENT MONTHLY WATER COST</u>	<u>RUCO PROP'D MONTHLY WATER COST</u>	<u>RUCO PROP'D MONTHLY INCREASE</u>	<u>RUCO PROP'D MONTHLY % INCREASE</u>
5		2,019	25.00%	\$ 18.56	\$ 21.67	\$ 3.11	16.75%
6		4,038	50.00%	\$ 21.68	\$ 25.34	\$ 3.66	16.88%
7		8,076	100.00%	\$ 28.59	\$ 33.48	\$ 4.89	17.11%
8		12,114	150.00%	\$ 36.41	\$ 42.64	\$ 6.23	17.12%
9		16,152	200.00%	\$ 45.06	\$ 52.73	\$ 7.67	17.03%

TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION	(A) PRESENT	(B) PRESENT	(C) COMPANY PROPOSED	(D) COMPANY PROPOSED	(E) RUCO PROPOSED	(F) RUCO PROPOSED
<b>RESIDENTIAL (5/8" X 3/4") RATE DESIGN</b>							
1	BASIC MONTHLY CHARGE COMMODITY CHARGE	\$ 15.79		\$ 21.75		\$ 18.42	
2	First Tier - First 3,000 Gals.	\$ 2.4379		\$ 1.7111		\$ 1.6071	
3	Second Tier - Next 7,000 Gals.	\$ 3.0476		\$ 2.1389		\$ 2.0177	
4	Third Tier - Over 10,000 Gals.	\$ 3.8097		\$ 2.6736		\$ 2.4972	
<b>RESIDENTIAL BILL COMPARISONS</b>							
<b>COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL</b>			<b>% OF AVERAGE MONTH USAGE 8,271</b>	<b>PRESENT MONTHLY WATER COST</b>	<b>RUCO PROP'D MONTHLY WATER COST</b>	<b>RUCO PROP'D MONTHLY INCREASE</b>	<b>RUCO PROP'D MONTHLY % INCREASE</b>
5		2,068	25.00%	\$ 20.83	\$ 21.74	\$ 0.91	4.38%
6		4,135	50.00%	\$ 26.56	\$ 25.53	\$ (1.03)	-3.88%
7		8,271	100.00%	\$ 37.85	\$ 33.88	\$ (3.97)	-10.50%
8		12,406	150.00%	\$ 53.60	\$ 43.37	\$ (10.23)	-19.08%
9		16,542	200.00%	\$ 69.36	\$ 53.70	\$ (15.66)	-22.58%

RATE DESIGN AND PROOF OF RECOMMENDED REVENUE

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
<b>RESIDENTIAL CUSTOMERS</b>					
1	5/8" X 3/4" Meter	1,561	\$ 29.70	\$ 556,323	\$ 556,323
	Commodity Usage				
2	First Tier - First 3,000 Gals.	52,138	\$ 2.1563	\$ 112,424	
3	Second Tier - Next 7,000 Gals.	85,211	\$ 2.6950	\$ 229,647	
4	Third Tier - Over 10,000 Gals.	123,097	\$ 3.3690	\$ 414,715	\$ 756,786
5	1" Meter	314	\$ 74.26	\$ 280,017	\$ 280,017
	Commodity Usage				
6	First Tier - First 10,000 Gals.	23,402	\$ 2.6950	\$ 63,069	
7	Second Tier - Over 10,000 Gals.	10,366	\$ 3.3690	\$ 34,922	
8	Third Tier - Over 10,000 Gals.	-	\$ 3.3690	\$ -	\$ 97,991
9	2" Meter	2	\$ 237.63	\$ 5,747	\$ 5,747
	Commodity Usage				
10	First Tier - First 185,000 Gals.	2,254	\$ 2.6950	\$ 6,075	
11	Second Tier - Over 185,000 Gals.	5,552	\$ 3.3690	\$ 18,703	
12	Third Tier - Over 185,000 Gals.	-	\$ 3.3690	\$ -	\$ 24,778
13	3" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
14	First Tier - First 175,000 Gals.	-	\$ -	\$ -	
15	Second Tier - Over 175,000 Gals.	-	\$ -	\$ -	
16	Third Tier - Over 175,000 Gals.	-	\$ -	\$ -	\$ -
17	4" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
18	First Tier - First 290,000 Gals.	-	\$ -	\$ -	
19	Second Tier - Over 290,000 Gals.	-	\$ -	\$ -	
20	Third Tier - Over 290,000 Gals.	-	\$ -	\$ -	\$ -
21	6" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
22	First Tier - First 625,000 Gals.	-	\$ -	\$ -	
23	Second Tier - Over 625,000 Gals.	-	\$ -	\$ -	
24	Third Tier - Over 625,000 Gals.	-	\$ -	\$ -	\$ -
25	8" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
26	First Tier - First 1,000,000 Gals.	-	\$ -	\$ -	
27	Second Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	
28	Third Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	\$ -
29	10" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
30	First Tier - First 1,200,000 Gals.	-	\$ -	\$ -	
31	Second Tier - Over 1,200,000 Gals.	-	\$ -	\$ -	
32	Third Tier - Over 1,200,000 Gals.	-	\$ -	\$ -	\$ -
33	Total Residential Customer Bills	<u>1,877</u>			
34	Total Residential Usage	<u>302,019</u>			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE			<u>\$ 1,721,643</u>	

**RATE DESIGN AND PROOF OF RECOMMENDED REVENUE**

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMINTS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
<b>COMMERCIAL CUSTOMERS</b>					
36	5/8" X 3/4" Meter	17	\$ 29.70	\$ 6,001	\$ 6,001
	Commodity Usage				
37	First Tier - First 10,000 Gals.	1,335	\$ 2.6950	\$ 3,599	
38	Second Tier - Over 10,000 Gals.	5,239	\$ 3.3690	\$ 17,649	
39	Third Tier - Over 10,000 Gals.	-	\$ 3.3690	\$ -	\$ 21,248
40	1" Meter	17	\$ 74.26	\$ 14,712	\$ 14,712
	Commodity Usage				
41	First Tier - First 75,000 Gals.	4,405	\$ 2.6950	\$ 11,872	
42	Second Tier - Over 75,000 Gals.	2,748	\$ 3.3690	\$ 9,256	
43	Third Tier - Over 75,000 Gals.	-	\$ 3.3690	\$ -	\$ 21,129
44	2" Meter	16	\$ 237.63	\$ 44,748	\$ 44,748
	Commodity Usage				
45	First Tier - First 316,000 Gals.	22,409	\$ 2.6950	\$ 60,392	
46	Second Tier - Over 316,000 Gals.	9,471	\$ 3.3690	\$ 31,909	
47	Third Tier - Over 316,000 Gals.	-	\$ 3.3690	\$ -	\$ 92,301
48	3" Meter	2	\$ 475.26	\$ 11,187	\$ 11,187
	Commodity Usage				
49	First Tier - First 667,000 Gals.	5,057	\$ 2.6950	\$ 13,628	
50	Second Tier - Over 667,000 Gals.	-	\$ 3.3690	\$ -	
51	Third Tier - Over 667,000 Gals.	-	\$ 3.3690	\$ -	\$ 13,628
52	4" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
53	First Tier - First 290,000 Gals.	-	\$ -	\$ -	
54	Second Tier - Over 290,000 Gals.	-	\$ -	\$ -	
55	Third Tier - Over 290,000 Gals.	-	\$ -	\$ -	\$ -
56	6" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
57	First Tier - First 625,000 Gals.	-	\$ -	\$ -	
58	Second Tier - Over 625,000 Gals.	-	\$ -	\$ -	
59	Third Tier - Over 625,000 Gals.	-	\$ -	\$ -	\$ -
60	8" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
61	First Tier - First 1,000,000 Gals.	-	\$ -	\$ -	
62	Second Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	
63	Third Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	\$ -
64	10" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
65	First Tier - First 1,200,000 Gals.	-	\$ -	\$ -	
66	Second Tier - Over 1,200,000 Gals.	-	\$ -	\$ -	
67	Third Tier - Over 1,200,000 Gals.	-	\$ -	\$ -	\$ -
68	Total Commercial Customer Bills	<u>51</u>			
69	Total Commercial Usage	<u>50,663</u>			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE				<u>\$ 224,953</u>

**RATE DESIGN AND PROOF OF RECOMMENDED REVENUE**

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
<b>INDUSTRIAL CUSTOMERS</b>					
71	5/8" X 3/4" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
73	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
74	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
75	1" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
77	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
78	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
79	2" Meter	1	\$ 237.63	\$ 2,852	\$ 2,852
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	1,369	\$ 6,0498	\$ 8,280	
81	Second Tier - Next 999,999,999 Gals.	-	\$ 6,0498	\$ -	
82	Third Tier - Over 999,999,999 Gals.	-	\$ 6,0498	\$ -	\$ 8,280
83	3" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
85	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
86	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
87	4" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
89	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
90	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
91	6" Meter	1	\$ 1,485.19	\$ 17,822	\$ 17,822
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	1,281	\$ 6,0498	\$ 7,747	
93	Second Tier - Next 999,999,999 Gals.	-	\$ 6,0498	\$ -	
94	Third Tier - Over 999,999,999 Gals.	-	\$ 6,0498	\$ -	\$ 7,747
95	8" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
97	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
98	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
99	10" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
101	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
102	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
103	Total Industrial Customer Bills	<u>2</u>			
104	Total Industrial Usage	<u>2,649</u>			
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				<u>\$ 36,701</u>

**RATE DESIGN AND PROOF OF RECOMMENDED REVENUE**

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
<b>PRIVATE FIRE SERVICE CUSTOMERS</b>					
106	5/8" Meter	5	\$ 29.66	\$ 1,780	\$ 1,780
107	1" Meter	-	\$ -	\$ -	\$ -
108	2" Meter	-	\$ -	\$ -	\$ -
109	3" Meter	-	\$ -	\$ -	\$ -
110	4" Meter	-	\$ -	\$ -	\$ -
111	6" Meter	-	\$ -	\$ -	\$ -
112	8" Meter	-	\$ -	\$ -	\$ -
113	10" Meter	-	\$ -	\$ -	\$ -
114	Total Private Fire Service Customers	<u>5</u>			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				<u>\$ 1,780</u>
<b>OTHER WATER REVENUE CUSTOMERS</b>					
116	Public Fire Hydrant	-		\$ -	\$ -
117	Coin Machine	-		\$ -	\$ -
118	Commodity Usage	-		\$ -	\$ -
119	Construction Water 2" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
120	First Tier - First 85,000 Gals.	-	\$ -	\$ -	\$ -
121	Second Tier - Over 85,000 Gals.	-	\$ -	\$ -	\$ -
122	Third Tier - Over 85,000 Gals.	-	\$ -	\$ -	\$ -
123	Construction Water 3" Meter	5	\$ 475.26	\$ 25,664	\$ 25,664
	Commodity Usage				
124	First Tier - First 175,000 Gals.	6,001	\$ 2,6950	\$ 16,173	
125	Second Tier - Over 175,000 Gals.	5,112	\$ 3,3690	\$ 17,224	
126	Third Tier - Over 175,000 Gals.	-	\$ 3,3690	\$ -	\$ 33,397
127	Construction Water 4" Meter	0	\$ 742.60	\$ 2,970	\$ 2,970
	Commodity Usage				
128	First Tier - First 290,000 Gals.	18	\$ 2,6950	\$ 49	
129	Second Tier - Over 290,000 Gals.	-	\$ 3,3690	\$ -	
130	Third Tier - Over 290,000 Gals.	-	\$ 3,3690	\$ -	\$ 49
131	Sales For Resales 2" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	\$ -	\$ -	\$ -
133	Second Tier - Next 1,000,000 Gals.	-	\$ -	\$ -	\$ -
134	Third Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	\$ -
135	Sales For Resales 3" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	\$ -	\$ -	\$ -
137	Second Tier - Next 1,000,000 Gals.	-	\$ -	\$ -	\$ -
138	Third Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	\$ -

**RATE DESIGN AND PROOF OF RECOMMENDED REVENUE**

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter Commodity Usage	-	\$ -	\$ -	\$ -
140	First Tier - First 1,000,000 Gals.	-	\$ -	\$ -	
141	Second Tier - Next 1,000,000 Gals.	-	\$ -	\$ -	
142	Third Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	\$ -
143	Total Other Water Revenue Customer Bills	<u>5</u>			
144	Total Other Water Revenue Usage	<u>11,132</u>			
145	<b>TOTAL OTHER WATER CUSTOMERS REVENUE</b>				<u>\$ 62,080</u>
146	<b>TOTAL RUCO PROPOSED REVENUE PER BILL COUNT</b>				<u>\$ 2,047,157</u>
147	Unreconciled Difference vs. Billed Revenues				(2,831)
148	Consolidated Revenue Adjustment (Bisbee/Sierra Vista)				-
149	Miscellaneous Revenues				21,463
150	<b>TOTAL REVENUE</b>				<u>\$ 2,065,789</u>
151	<b>ADJUSTED TEST-YEAR REVENUE PER FILING</b>				<u>\$ 2,065,789</u>
152	Difference				\$ 0
153	Percentage Difference				0.00%

TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION	(A) PRESENT	(B)	(C) COMPANY PROPOSED	(D)	(E) RUCO PROPOSED	(F)
<b>RESIDENTIAL (5/8" X 3/4") RATE DESIGN</b>							
1	BASIC MONTHLY CHARGE COMMODITY CHARGE	\$ 22.72		\$ 21.75		\$ 29.70	
2	First Tier - First 3,000 Gals.	\$ 1.6493		\$ 1.7111		\$ 2.1563	
3	Second Tier - Next 7,000 Gals.	\$ 2.0614		\$ 2.1389		\$ 2.6950	
4	Third Tier - Over 10,000 Gals.	\$ 2.5769		\$ 2.6736		\$ 3.3690	
<b>RESIDENTIAL BILL COMPARISONS</b>							
<b>COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL</b>			<b>% OF AVERAGE MONTH USAGE 13,906</b>	<b>PRESENT MONTHLY WATER COST</b>	<b>RUCO PROP'D MONTHLY WATER COST</b>	<b>RUCO PROP'D MONTHLY INCREASE</b>	<b>RUCO PROP'D MONTHLY % INCREASE</b>
5		3,477	25.00%	\$ 28.65	\$ 37.46	\$ 8.81	30.74%
6		6,953	50.00%	\$ 35.82	\$ 46.83	\$ 11.01	30.74%
7		13,906	100.00%	\$ 52.16	\$ 68.20	\$ 16.03	30.74%
8		20,859	150.00%	\$ 70.08	\$ 91.62	\$ 21.54	30.74%
9		27,812	200.00%	\$ 88.00	\$ 115.05	\$ 27.05	30.74%

**RATE DESIGN AND PROOF OF RECOMMENDED REVENUE**

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
<b>RESIDENTIAL CUSTOMERS</b>					
1	5/8" X 3/4" Meter	588	\$ 24.87	\$ 175,459	\$ 175,459
	Commodity Usage				
2	First Tier - First 3,000 Gals.	15,273	\$ 4.7626	\$ 72,739	
3	Second Tier - Next 7,000 Gals.	13,105	\$ 5.9532	\$ 78,014	
4	Third Tier - Over 10,000 Gals.	5,241	\$ 7.4412	\$ 38,996	\$ 189,749
5	1" Meter	8	\$ 62.16	\$ 5,954	\$ 5,954
	Commodity Usage				
6	First Tier - First 30,000 Gals.	481	\$ 5.9532	\$ 2,861	
7	Second Tier - Over 30,000 Gals.	200	\$ 7.4412	\$ 1,489	
8	Third Tier - Over 30,000 Gals.	-	\$ 7.4412	\$ -	\$ 4,350
9	2" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
10	First Tier - First 80,000 Gals.	-	\$ -	\$ -	
11	Second Tier - Over 80,000 Gals.	-	\$ -	\$ -	
12	Third Tier - Over 80,000 Gals.	-	\$ -	\$ -	\$ -
13	3" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
14	First Tier - First 175,000 Gals.	-	\$ -	\$ -	
15	Second Tier - Over 175,000 Gals.	-	\$ -	\$ -	
16	Third Tier - Over 175,000 Gals.	-	\$ -	\$ -	\$ -
17	4" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
18	First Tier - First 290,000 Gals.	-	\$ -	\$ -	
19	Second Tier - Over 290,000 Gals.	-	\$ -	\$ -	
20	Third Tier - Over 290,000 Gals.	-	\$ -	\$ -	\$ -
21	6" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
22	First Tier - First 625,000 Gals.	-	\$ -	\$ -	
23	Second Tier - Over 625,000 Gals.	-	\$ -	\$ -	
24	Third Tier - Over 625,000 Gals.	-	\$ -	\$ -	\$ -
25	8" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
26	First Tier - First 1,000,000 Gals.	-	\$ -	\$ -	
27	Second Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	
28	Third Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	\$ -
29	10" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
30	First Tier - First 1,200,000 Gals.	-	\$ -	\$ -	
31	Second Tier - Over 1,200,000 Gals.	-	\$ -	\$ -	
32	Third Tier - Over 1,200,000 Gals.	-	\$ -	\$ -	\$ -
33	Total Residential Customer Bills	<u>596</u>			
34	Total Residential Usage	<u>34,299</u>			
35	TOTAL RESIDENTIAL CUSTOMERS REVENUE			<u>\$ 375,512</u>	

**RATE DESIGN AND PROOF OF RECOMMENDED REVENUE**

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
<b>COMMERCIAL CUSTOMERS</b>					
36	5/8" X 3/4" Meter	57	\$ 24.87	\$ 16,936	\$ 16,936
	Commodity Usage				
37	First Tier - First 10,000 Gals.	2,176	\$ 5.9532	\$ 12,954	
38	Second Tier - Over 10,000 Gals.	1,153	\$ 7.4412	\$ 8,583	
39	Third Tier - Over 10,000 Gals.	-	\$ 7.4412	\$ -	\$ 21,537
40	1" Meter	20	\$ 62.16	\$ 15,077	\$ 15,077
	Commodity Usage				
41	First Tier - First 30,000 Gals.	4,632	\$ 5.9532	\$ 27,576	
42	Second Tier - Over 30,000 Gals.	2,969	\$ 7.4412	\$ 22,094	
43	Third Tier - Over 30,000 Gals.	-	\$ 7.4412	\$ -	\$ 49,669
44	2" Meter	3	\$ 198.93	\$ 7,237	\$ 7,237
	Commodity Usage				
45	First Tier - First 125,000 Gals.	1,449	\$ 5.9532	\$ 8,626	
46	Second Tier - Over 125,000 Gals.	258	\$ 7.4412	\$ 1,922	
47	Third Tier - Over 125,000 Gals.	-	\$ 7.4412	\$ -	\$ 10,548
48	3" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
49	First Tier - First 175,000 Gals.	-	\$ -	\$ -	
50	Second Tier - Over 175,000 Gals.	-	\$ -	\$ -	
51	Third Tier - Over 175,000 Gals.	-	\$ -	\$ -	\$ -
52	4" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
53	First Tier - First 290,000 Gals.	-	\$ -	\$ -	
54	Second Tier - Over 290,000 Gals.	-	\$ -	\$ -	
55	Third Tier - Over 290,000 Gals.	-	\$ -	\$ -	\$ -
56	6" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
57	First Tier - First 625,000 Gals.	-	\$ -	\$ -	
58	Second Tier - Over 625,000 Gals.	-	\$ -	\$ -	
59	Third Tier - Over 625,000 Gals.	-	\$ -	\$ -	\$ -
60	8" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
61	First Tier - First 1,000,000 Gals.	-	\$ -	\$ -	
62	Second Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	
63	Third Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	\$ -
64	10" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
65	First Tier - First 1,200,000 Gals.	-	\$ -	\$ -	
66	Second Tier - Over 1,200,000 Gals.	-	\$ -	\$ -	
67	Third Tier - Over 1,200,000 Gals.	-	\$ -	\$ -	\$ -
68	Total Commercial Customer Bills	<u>80</u>			
69	Total Commercial Usage	<u>12,638</u>			
70	TOTAL COMMERCIAL CUSTOMERS REVENUE			<u>\$ 121,003</u>	

**RATE DESIGN AND PROOF OF RECOMMENDED REVENUE**

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
<b>INDUSTRIAL CUSTOMERS</b>					
71	5/8" X 3/4" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
72	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
73	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
74	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
75	1" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
76	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
77	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
78	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
79	2" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
80	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
81	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
82	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
83	3" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
84	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
85	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
86	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
87	4" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
88	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
89	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
90	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
91	6" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
92	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
93	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
94	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
95	8" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
96	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
97	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
98	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
99	10" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
100	First Tier - First 999,999,999 Gals.	-	\$ -	\$ -	
101	Second Tier - Next 999,999,999 Gals.	-	\$ -	\$ -	
102	Third Tier - Over 999,999,999 Gals.	-	\$ -	\$ -	\$ -
103	Total Industrial Customer Bills	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
104	Total Industrial Usage	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
105	TOTAL INDUSTRIAL CUSTOMERS REVENUE				<u>\$ -</u>

**RATE DESIGN AND PROOF OF RECOMMENDED REVENUE**

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
<b>PRIVATE FIRE SERVICE CUSTOMERS</b>					
106	5/8" Meter	2	\$ 23.91	\$ 645	\$ 645
107	1" Meter	-	\$ -	\$ -	\$ -
108	2" Meter	-	\$ -	\$ -	\$ -
109	3" Meter	-	\$ -	\$ -	\$ -
110	4" Meter	-	\$ -	\$ -	\$ -
111	6" Meter	-	\$ -	\$ -	\$ -
112	8" Meter	-	\$ -	\$ -	\$ -
113	10" Meter	-	\$ -	\$ -	\$ -
114	Total Private Fire Service Customers	<u>2</u>			
115	TOTAL PRIVATE FIRE SERVICE CUSTOMERS REVENUE				<u>\$ 645</u>
<b>OTHER WATER REVENUE CUSTOMERS</b>					
116	Public Fire Hydrant	-		\$ -	\$ -
117	Coin Machine	-	\$ -	\$ -	\$ -
118	Commodity Usage	116	\$ 37.37	\$ 778	\$ 778
119	Construction Water 2" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
120	First Tier - First 85,000 Gals.	-	\$ -	\$ -	\$ -
121	Second Tier - Over 85,000 Gals.	-	\$ -	\$ -	\$ -
122	Third Tier - Over 85,000 Gals.	-	\$ -	\$ -	\$ -
123	Construction Water 3" Meter	0	\$ 397.85	\$ 1,194	\$ 1,194
	Commodity Usage				
124	First Tier - First 200,000 Gals.	115	\$ 5.9532	\$ 686	
125	Second Tier - Over 200,000 Gals.	-	\$ 7.4412	\$ -	
126	Third Tier - Over 200,000 Gals.	-	\$ 7.4412	\$ -	\$ 686
127	Construction Water 4" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
128	First Tier - First 290,000 Gals.	-	\$ -	\$ -	\$ -
129	Second Tier - Over 290,000 Gals.	-	\$ -	\$ -	\$ -
130	Third Tier - Over 290,000 Gals.	-	\$ -	\$ -	\$ -
131	Sales For Resales 2" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
132	First Tier - First 1,000,000 Gals.	-	\$ -	\$ -	\$ -
133	Second Tier - Next 1,000,000 Gals.	-	\$ -	\$ -	\$ -
134	Third Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	\$ -
135	Sales For Resales 3" Meter	-	\$ -	\$ -	\$ -
	Commodity Usage				
136	First Tier - First 1,000,000 Gals.	-	\$ -	\$ -	\$ -
137	Second Tier - Next 1,000,000 Gals.	-	\$ -	\$ -	\$ -
138	Third Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	\$ -

**RATE DESIGN AND PROOF OF RECOMMENDED REVENUE**

LINE NO.	DESCRIPTION	(A) TEST YEAR ADJUSTED DETERMIN'TS	(B) PROPOSED CHARGES & USAGE FEES	(C) PROPOSED REVENUES	(D) TOTAL REVENUES
139	Sales For Resales 6" Meter Commodity Usage	-	\$ -	\$ -	\$ -
140	First Tier - First 1,000,000 Gals.	-	\$ -	\$ -	
141	Second Tier - Next 1,000,000 Gals.	-	\$ -	\$ -	
142	Third Tier - Over 1,000,000 Gals.	-	\$ -	\$ -	\$ -
143	Total Other Water Revenue Customer Bills	<u>0</u>			
144	Total Other Water Revenue Usage	<u>232</u>			
145	<b>TOTAL OTHER WATER CUSTOMERS REVENUE</b>				<u>\$ 2,657</u>
146	<b>TOTAL RUCO PROPOSED REVENUE PER BILL COUNT</b>				<u>\$ 499,818</u>
147	Unreconciled Difference vs. Billed Revenues				114
148					-
149	Miscellaneous Revenues				3,768
150	<b>TOTAL REVENUE</b>				<u>\$ 503,701</u>
151	<b>RUCO PROPOSED REVENUE REQUIREMENT</b>				<u>\$ 503,701</u>
152	Difference				\$ (0)
153	Percentage Difference				0.00%

TYPICAL RESIDENTIAL BILL ANALYSIS

LINE NO.	DESCRIPTION	(A) PRESENT	(B)	(C) COMPANY PROPOSED	(D)	(E) RUCO PROPOSED	(F)
<b>RESIDENTIAL (5/8" X 3/4") RATE DESIGN</b>							
1	BASIC MONTHLY CHARGE COMMODITY CHARGE	\$ 25.16		\$ 29.20		\$ 24.87	
2	First Tier - First 3,000 Gals.	\$ 4.8189		\$ 4.6070		\$ 4.7626	
3	Second Tier - Next 7,000 Gals.	\$ 6.0236		\$ 5.7588		\$ 5.9532	
4	Third Tier - Over 10,000 Gals.	\$ 7.5292		\$ 7.1984		\$ 7.4412	
<b>RESIDENTIAL BILL COMPARISONS</b>							
<b>COST OF WATER SERVICE AT DIFFERENT LEVELS OF USAGE WITH PERCENTAGE INCREASE IN BILL</b>			<b>% OF AVERAGE MONTH USAGE 4764</b>	<b>PRESENT MONTHLY WATER COST</b>	<b>RUCO PROP'D MONTHLY WATER COST</b>	<b>RUCO PROP'D MONTHLY INCREASE</b>	<b>RUCO PROP'D MONTHLY % INCREASE</b>
5		1,191	25.00%	\$ 30.90	\$ 30.54	\$ (0.36)	-1.17%
6		2,382	50.00%	\$ 36.64	\$ 36.21	\$ (0.43)	-1.17%
7		4,764	100.00%	\$ 50.24	\$ 49.66	\$ (0.59)	-1.17%
8		7,146	150.00%	\$ 64.59	\$ 63.84	\$ (0.76)	-1.17%
9		9,529	200.00%	\$ 78.94	\$ 78.02	\$ (0.92)	-1.17%