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AZ CORP COMMISSION  
DOCKET CONTROL

**BEFORE THE ARIZONA CORPORATION COMMISSION**

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

DOCKET NO. W-01445A-10-0517

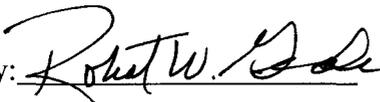
**NOTICE OF FILING  
 REBUTTAL TESTIMONY & EXHIBITS  
 (RATE DESIGN)**

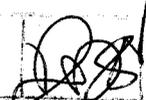
17  
 18 Applicant, Arizona Water Company, hereby files the Rebuttal Testimony and associated  
 19 exhibits (specifically related to rate design) of Joseph D. Harris and Joel M. Reiker in the above-  
 20 captioned docket.

DATED this 13<sup>th</sup> day of January, 2012.

ARIZONA WATER COMPANY

Arizona Corporation Commission  
**DOCKETED**  
 JAN 13 2012

By: 

DOCKETED BY 

Robert W. Geake  
 Vice President and General Counsel  
 ARIZONA WATER COMPANY  
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6 An original and thirteen (15) copies of the foregoing were delivered this 13<sup>th</sup> day of January, 2012  
7 to:

8 Docketing Supervisor  
9 Docket Control Division  
10 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

11 A copy of the foregoing was mailed this 13<sup>th</sup> day of January, 2012 to:

12 Ms. Sarah Harpring  
13 Chief Administrative Law Judge  
14 Hearing Division  
15 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

16 Jeffrey M. Michlik  
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**ARIZONA WATER COMPANY**



Docket No. W-01445A-10-0517

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**2010 RATE HEARING**

**(AMENDED)**

**For Test Year Ending 12/31/10**

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**PREPARED**

**REBUTTAL TESTIMONY & EXHIBITS**

**(RATE DESIGN)**

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**ARIZONA WATER COMPANY**



**Docket No. W-01445A-10-0517**

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**2010 RATE HEARING  
(AMENDED)  
For Test Year Ending 12/31/10**

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**PREPARED  
REBUTTAL TESTIMONY & EXHIBITS  
(RATE DESIGN)  
OF  
Joseph D. Harris**

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1 **ARIZONA WATER COMPANY**

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3 **Rebuttal Testimony of**

4 **Joseph D. Harris**

5

6 **I. Introduction and Purpose of Testimony**

7 **Q. WHAT ARE YOUR NAME, EMPLOYER AND OCCUPATION?**

8 A. My name is Joseph D. Harris. I am employed by Arizona Water Company (the  
9 "Company") as Vice President and Treasurer.

10 **Q. ARE YOU THE SAME JOSEPH D. HARRIS THAT PREVIOUSLY PROVIDED**  
11 **DIRECT TESTIMONY IN THIS MATTER?**

12 A. Yes.

13 **Q. HAVE YOU REVIEWED THE DIRECT TESTIMONY CONCERNING RATE**  
14 **DESIGN FILED BY THE OTHER PARTIES TO THIS PROCEEDING?**

15 A. Yes. I have reviewed the testimony of each of the witnesses of the Arizona  
16 Corporation Commission's ("Commission") Utilities Division Staff ("Staff"), the  
17 Residential Utility Consumer Office ("RUCO"), and Abbott Laboratories, Inc.

18 **Q. WHAT IS THE PURPOSE AND EXTENT OF YOUR TESTIMONY?**

19 A. The purpose of my rebuttal testimony is to respond to the direct testimony of  
20 Staff witness Bentley Erdwurm and RUCO witness William Rigsby.

21 **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

22 A. My testimony is presented in two sections including the Introductory Section. In  
23 Section II, I present the Company's response to Staff witness, Mr. Erdwurm,  
24 specifically related to consolidation of the Ajo system with the Pinal Valley water  
25 system and the Company's response to RUCO witness, Mr. Rigsby, concerning  
26 consolidation of the White Tank water system with the Pinal Valley water system.

1 Q. ARE YOU SPONSORING ANY EXHIBITS WITH YOUR REBUTTAL  
2 TESTIMONY?

3 A. No.

4 II. Rate Consolidation

5 Staff's proposal to consolidate Ajo into the Pinal Valley water system

6 Q. WHAT ARE YOUR CONCERNS REGARDING STAFF'S PROPOSAL TO  
7 FULLY CONSOLIDATE AJO INTO THE PINAL VALLEY WATER SYSTEM?

8 A. The Company is concerned about the conflicting price signal that would be sent  
9 to the customers located in Ajo. Under Staff's proposed consolidation an Ajo  
10 residential customer with a 5/8-inch meter would see a whopping 52.4 percent  
11 decrease in the monthly bill. This type of sharp decrease in the cost of water  
12 contradicts even Staff's own policies in designing rates which are outlined in Mr.  
13 Erdwurm's direct testimony:

14 "... sending price signals that encourage the efficient use of water ..."<sup>1</sup>

15 It seems unlikely that a 52.4 percent decrease in customers' water bills would  
16 encourage the efficient use of water. Indeed it seems likely that this magnitude  
17 of rate decrease would undermine the conservation principles contained within  
18 the Commission's inverted tier rate design policy by sending customers the  
19 wrong price signals.

20 Q. SHOULD STAFF'S PROPOSAL TO CONSOLIDATE AJO INTO PINAL  
21 VALLEY BE ADOPTED?

22 A. No. Staff's proposal would violate the policy of gradualism by sharply reducing  
23 rates to one group of customers. Additionally, this sharp price reduction would  
24 send conflicting signals to customers. If water conservation is encouraged by the  
25 Commission's inverted tier rate design policy, Staff's proposed sharp decline in  
26  
27

28 <sup>1</sup> Direct testimony of Bentley Erdwurm, page 2, lines 19 - 24

1 rates would instead undermine that policy by encouraging the inefficient use of  
2 water.

3 **White Tank Consolidation**

4 **Q. UNDER THE COMPANY'S PROPOSED RATE DESIGN, WHICH INCLUDES**  
5 **CONSOLIDATION OF THE WHITE TANK WATER SYSTEM, ARE**  
6 **RESIDENTIAL CUSTOMERS IN PINAL VALLEY PAYING MORE THAN THEIR**  
7 **COST OF SERVICE?**

8 A. No. As more fully described in Mr. Reiker's direct testimony, the Company  
9 designed a consolidated rate structure that "protects residential customers  
10 located in the Pinal Valley and White Tank water systems from paying any more  
11 than the cost of providing service on a stand-alone (unconsolidated) basis."<sup>2</sup>

12 **Q. ARE INTER-SYSTEM SUBSIDIES AN ISSUE WHEN DESIGNING**  
13 **CONSOLIDATED RATES?**

14 A. Yes. One of the four policies considered by the Company in developing rates  
15 was inter-system subsidies. The Company developed rates that hold residential  
16 revenues at or below the cost of service, meaning that residents of one service  
17 area will not subsidize the residents of another service area after their rates have  
18 been consolidated.

19 **Q. IS THE AMOUNT OF INTER-SYSTEM SUBSIDIES THE MOST IMPORTANT**  
20 **ISSUE IN RATE DESIGN?**

21 A. No. As discussed above the key policy in consolidating rates is to ensure that  
22 residential customers are not paying more than the cost of service. Other policy  
23 issues like gradualism, affordability and cost recovery are also crucial in  
24 designing consolidated rates. When all of these factors are utilized to design  
25 consolidated rates, as the Company did in its rate design, residential customers  
26 are protected. RUCO raises issue with the amount of inter-system subsidy in  
27

28 <sup>2</sup> Direct testimony of Mr. Joel Reiker, page 25, lines 7 - 9

1 consolidating White Tank into Pinal Valley but, in Decision No. 71845 the rates  
2 approved by the Commission resulted in an inter-system subsidy that was 48%  
3 higher when Miami was consolidated into the Superstition system. Yet, the rates  
4 that went into effect resulted in residential customers paying at or below their  
5 cost of service.

6 **Q. RUCO ARGUES THAT THE COMPANY'S CONSOLIDATION PROPOSAL**  
7 **WOULD SEND THE WRONG PRICE SIGNAL TO CUSTOMERS IN THE**  
8 **WHITE TANK WATER SYSTEM BECAUSE THE MONTHLY BILL WOULD**  
9 **DECREASE FOR CUSTOMERS USING 9,000 GALLONS OF WATER. DO**  
10 **YOU AGREE?**

11 A. No. The decrease described in RUCO's testimony is \$0.32 for a residential  
12 customer using 9,100 gallons per month, which is less than a 1 percent drop in  
13 the monthly cost of water for that customer. It seems unlikely that this small  
14 decline in the monthly cost of water would have much, if any, effect on customer  
15 use.

16 **Q. DOES THAT CONCLUDE YOUR REBUTTAL TESTIMONY?**

17 A. Yes.

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*ARIZONA WATER COMPANY*



Docket No. W-01445A-10-0517

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**2010 RATE HEARING**  
**(AMENDED)**  
**For Test Year Ending 12/31/10**

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**PREPARED**  
**REBUTTAL TESTIMONY & EXHIBITS**  
**(RATE DESIGN)**  
**OF**  
**Joel M. Reiker**

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1 **ARIZONA WATER COMPANY**

2  
3 **Rebuttal Testimony of**  
4 **Joel M. Reiker**

5 I. **Introduction**

6 Q. **PLEASE STATE YOUR NAME, EMPLOYER, AND TITLE.**

7 A. My name is Joel M. Reiker. I am employed by Arizona Water Company (the  
8 "Company") as Manager of Rates and Regulatory Accounting.

9 Q. **ARE YOU THE SAME JOEL M. REIKER THAT PREVIOUSLY PROVIDED**  
10 **DIRECT TESTIMONY DATED MAY 9, 2011, AND REBUTTAL TESTIMONY**  
11 **DATED JANUARY 6, 2012, CONCERNING THE REVENUE REQUIREMENT IN**  
12 **THIS PROCEEDING?**

13 A. Yes.

14 Q. **HAVE YOU REVIEWED THE RATE DESIGN DIRECT TESTIMONY FILED BY**  
15 **THE OTHER PARTIES TO THIS PROCEEDING?**

16 A. Yes, I have reviewed the rate design testimony of each of the witnesses of the  
17 Arizona Corporation Commission's ("Commission") Utilities Division Staff ("Staff")  
18 and the Residential Utility Consumer Office ("RUCO").

19 Q. **WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

20 A. The purpose of this portion of my rebuttal testimony is to present the proposed  
21 rates which generate the updated revenue requirement presented in my rebuttal  
22 testimony filed on January 6, 2012, as well as the Company's updated cost of  
23 service study ("COSS"). I also respond to the direct testimony of Staff witness  
24 Bentley Erdwurm and RUCO witness Rodney L. Moore concerning rate design.

25 Q. **HOW IS YOUR TESTIMONY ORGANIZED?**

26 A. My testimony is presented in three sections, including this Introductory Section I.  
27 In Section II, I present the Company's updated cost of service study and  
28

1 proposed rate design. In Section III, I respond to Staff's and RUCO's proposed  
2 rate designs.

3 **II. Updated Cost of Service Study and Proposed Rate Design**

4 **Q. DID THE COMPANY UPDATE ITS COSS IN THIS PHASE OF THE**  
5 **PROCEEDING?**

6 A. Yes. The Company's updated COSS is shown in Rebuttal Exhibit JMR-RD3,<sup>1</sup>  
7 Schedules G-1 Rebuttal through G-7 Rebuttal. The updated COSS reflects the  
8 Company's updated adjusted test year operating results and resulting revenue  
9 requirement.

10 **Q. HAVE YOU MADE ANY OTHER CHANGES TO THE COSS?**

11 A. Yes. Minor changes were made to the functional allocation of Administrative &  
12 General expenses, shown on Schedule G-7 Rebuttal, to reflect the actual 2010  
13 mix of costs that were charged to this category of expense. For practical  
14 purposes, this update has little-to-no effect on the results of the COSS.

15 **Q. HAVE THE OVERALL RESULTS OF THE COMPANY'S COSS CHANGED**  
16 **FROM THOSE REFLECTED IN THE COMPANY'S APPLICATION?**

17 A. No. As shown on line 25 of Schedule G-1 Rebuttal (Exhibit JMR-RD3), the rate  
18 of return at present rates for each of the customer classes is comparable to that  
19 reported on Schedule G-1 of the Company's amended application. Additionally,  
20 as shown on line 36 of Schedule G-1 Rebuttal (Exhibit JMR-RD3), the required  
21 increase in gross revenues for the industrial class remains negative, indicating  
22 that present rate revenues from this class are, on average, greater than the cost  
23 of service allocated to it.

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28 <sup>1</sup> Rebuttal Exhibits JMR-RB1 and JMR-RB2 were attached to the rebuttal revenue requirement testimony previously  
filed on January 6, 2012.

1 Q. IS THE COMPANY TAKING THE SAME APPROACH TO RATE DESIGN AS IT  
2 DID IN ITS ORIGINAL APPLICATION?

3 A. Yes, it is. The Company's proposed rates shown on Schedule H-3 Rebuttal  
4 incorporate the same principles discussed in Section VII of my direct testimony.

5 III. Staff's and RUCO's Proposed Rate Designs

6 Response to the Direct Testimony of Staff Witness Bentley Erdwurm

7 Full Rate Consolidation

8 Q. DOES THE COMPANY AGREE WITH STAFF'S RECOMMENDATION TO  
9 FULLY CONSOLIDATE THE WESTERN GROUP AT THIS TIME?

10 A. No. Company witness Mr. Harris addresses the issue of rate consolidation in his  
11 rebuttal testimony.

12 Industrial Class Rate Increase

13 Q. DO YOU HAVE ANY COMMENT ON STAFF'S METHOD OF ALLOCATING  
14 REVENUES TO THE VARIOUS CUSTOMER CLASSES VERSUS THE  
15 COMPANY'S APPROACH?

16 A. Yes. With the exception of residential customers using 5/8-inch meters sizes,  
17 and industrial and sales for resale customers using meter sizes 6-inches and  
18 larger, Staff applied the same rates across all customer classes in the Western  
19 Group. The result of Staff's application is a 38% increase in the level of revenues  
20 collected from industrial customers versus increases of approximately 24% and  
21 10% for commercial and residential customers, respectively. As stated above, as  
22 well as in Section VII of my direct testimony, the Company's COSS shows the  
23 required increase in gross revenues for the industrial class is negative, indicating  
24 that present rate revenues from this class are, on average, greater than the cost  
25 of service allocated to it. Staff has not addressed the Company's COSS, nor  
26 have they conducted their own COSS that I am aware of. Consequently, Staff's  
27 rate design allocates the largest revenue increase to the customer class that is  
28 not only currently paying the highest rates relative to cost but is, coincidentally,

1 also the most price-sensitive. In contrast, the Company's rate design allocates a  
2 minimal revenue increase to the industrial class. Although the Company agrees  
3 with Staff's application of a flat commodity rate to large industrial customers, the  
4 Company's approach is, overall, more reasonable in that it does not unduly  
5 burden a particular class and more closely follows cost of service principles.

6 **Allocation of Revenues between Fixed Charges & Commodity Rates**

7 **Q. DID STAFF ADOPT THE COMPANY'S PROPOSAL TO ALLOCATE 50% OF**  
8 **THE WESTERN GROUP'S REVENUE REQUIREMENT TO THE FIXED BASIC**  
9 **SERVICE CHARGE?**

10 **A.** No. According to page 5 (lines 10 – 13) of Mr. Erdwurm's direct testimony,  
11 Staff's proposed rate design allocates 40.5% of revenues over all classes of  
12 service to the fixed basic service charge. Staff's rate design does the opposite of  
13 what the Company's proposal achieves, in that it decreases the proportion of  
14 revenues, and consequently fixed costs, collected via the fixed basic service  
15 charge compared to test year billed revenues.

16 **Q. HOW DOES THE COMPANY RESPOND TO STAFF'S PROPOSAL?**

17 **A.** The Commission should be seriously concerned about Staff's proposal to shift  
18 fixed costs to the commodity rate thereby increasing revenue volatility and  
19 uncertainty, especially at a time when the Company is faced with the urgent need  
20 to fund much-needed infrastructure replacement programs, particularly in light of  
21 Staff recommending that the Commission not approve the Company's proposed  
22 Distribution System Improvement Charge ("DSIC").

23 To help mitigate the likelihood of revenue volatility and uncertainty  
24 associated with increasing-block rates, the Company proposed that the  
25 Commission apply the same rate design policy it authorized for Global Water  
26 Utilities in Decision No. 71878, dated September 14, 2010, which adopted a fixed  
27 basic service charge designed to recover 50 percent of the utility's revenue  
28 requirement.

1 **Staff's Alternative Rate Design Proposal**

2 Q. DO YOU HAVE ANY COMMENT ON STAFF'S ALTERNATIVE RATE DESIGN  
3 PROPOSAL?

4 A. Yes. According to Schedule DBE-1B of Mr. Erdwurm's direct testimony, Staff's  
5 alternative rate design applies a discounted "Tier-1" commodity rate for the first  
6 3,000 gallons sold to *all* customers using 5/8-inch meters regardless of customer  
7 class, whereas Staff's primary rate design proposal shown in Schedule DBE-1A  
8 applies this first discounted tier to residential customers only, consistent with the  
9 Company proposed rate design. Staff's testimony does not address this  
10 apparent discrepancy between its primary and alternative rate designs, indicating  
11 that it may be inadvertent. In any case, the Company does not believe it is  
12 appropriate or necessary to provide such a discounted "lifeline" rate to  
13 commercial and industrial customers.

14 **Staff's Proposed Miscellaneous Service Charges**

15 Q. DOES THE COMPANY ACCEPT STAFF'S PROPOSED MISCELLANEOUS  
16 SERVICE CHARGES, INCLUDING SERVICE LINE AND METER  
17 INSTALLATION CHARGES?

18 A. Yes. The Company accepts Staff's proposed changes to the Company's service  
19 charges, including Staff's proposed service line and meter installation charges.

20 **Declining Usage Rate Design/Normalization of Billing Determinants**

21 Q. WHAT IS STAFF'S RECOMMENDATION REGARDING THE COMPANY'S  
22 PROPOSAL TO USE ADJUSTED BILLING DETERMINANTS TO DESIGN  
23 RATES IN ORDER TO ACCOUNT FOR DECLINING USAGE?

24 A. Mr. Erdwurm responds to the Company's proposal on pages 6 (lines 1 – 26)  
25 through 9 (lines 1 – 9) of his direct testimony. He testifies that adjustments to  
26 test year billing determinants must be known and measurable, and that the  
27 usage study upon which the Company based its adjustments (Exhibit JMR-5 of  
28 my direct testimony) cannot be relied upon because the results are not robust.

1 Q. HAS THE COMPANY PRESENTED EVIDENCE OF A POST-TEST YEAR  
2 DECLINE IN CUSTOMER USAGE THAT IS CONSISTENT WITH STAFF'S  
3 INTERPRETATION OF THE KNOWN AND MEASURABLE STANDARD?

4 A. Yes. In my rebuttal revenue requirement testimony filed on January 6, 2012, I  
5 provided evidence in support of the Company's Rebuttal Income Statement  
6 Adjustment IS-5, shown on page 5 of the Appendix to Schedule C-2 Rebuttal  
7 (attached to that testimony as Rebuttal Exhibit JMR-RB1). Rebuttal Income  
8 Statement Adjustment IS-5 reduces industrial revenues in the Pinal Valley water  
9 system by \$27,962 to reflect a known and measurable net reduction in sales to  
10 industrial customers. As I explained in Section V of my rebuttal revenue  
11 requirement testimony, the majority of this Post-Test Year reduction is the result  
12 of reduced sales to the Company's second largest industrial (as well as overall)  
13 customer, Frito-Lay. Frito-Lay already reduced the amount of water it purchases  
14 from the Company by an average of 10.7% per year since 2007, representing a  
15 total reduction of 57.5 million gallons. According to an October 14, 2011 article  
16 appearing in *The Arizona Republic* (attached to my January 6, 2012 rebuttal  
17 revenue requirement testimony as Exhibit JMR-RB2), Frito-Lay's Casa Grande  
18 facility currently recycles 75% of the water used in the washing process and the  
19 facility is currently researching ways to further reduce water usage to keep  
20 production costs down as water rates increase. Further, according to page 4  
21 (lines 9 – 26) of the direct testimony of Abbott Laboratories ("Abbott") witness  
22 Mr. Chasse, Abbott, the Company's largest industrial (as well as overall)  
23 customer, has significant financial and environmental incentives to reduce the  
24 amount of water it purchases and uses. Based on this additional evidence  
25 showing a known and measurable decline in industrial sales, as well as Staff's  
26  
27  
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1 acceptance of these types of adjustments in other proceedings,<sup>2</sup> the Commission  
2 should adopt the Company's Rebuttal Income Statement Adjustment IS-5.

3 **Q. HAS THE COMPANY PROVIDED OTHER EVIDENCE OF KNOWN AND**  
4 **MEASURABLE DECLINES IN CUSTOMER USAGE?**

5 A. Yes. In Exhibit JMR-5 of my direct testimony mentioned above, I presented the  
6 results of a multiple regression analysis of monthly residential and commercial  
7 usage from January 2001 through December 2010. The results of this analysis  
8 were used to adjust the billing determinants used to develop the Company's  
9 proposed residential and commercial rates.

10 **Q. WHAT IS STAFF'S CRITIQUE OF THE USAGE STUDY THE COMPANY**  
11 **RELIED UPON TO ADJUST RESIDENTIAL AND COMMERCIAL BILLING**  
12 **DETERMINANTS?**

13 A. Mr. Erdwurm, on page 6 (lines 6 – 18) of his direct testimony, testifies that the  
14 exponential trend analysis attached as Exhibit JMR-5 to my direct testimony  
15 produces results that are not robust. Specifically, Mr. Erdwurm states that many  
16 of the declining usage estimates are not statistically significant when estimated  
17 over the more recent five-year period covered in the study, 2006 - 2010.

18 **Q. DO MR. ERDWURM'S TESTIMONY AND FINDINGS PERSUADE YOU THAT**  
19 **CUSTOMER USAGE WILL NOT DECLINE DURING THE PERIOD IN WHICH**  
20 **NEW RATES WILL BE IN EFFECT?**

21 A. No. Given the consistency of the findings in Exhibit JMR-5 of my direct testimony  
22 with those of other studies, as well as the conclusions drawn by experts who  
23 performed those studies, I remain convinced that the existing evidence  
24 demonstrates that not only is there a known pattern of decline in water usage,  
25 but that pattern of decline will continue.

26  
27  
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<sup>2</sup> Surrebuttal testimony of Staff witness Gerald Becker in Docket No. 10-0448. pp. 9 – 10.

1 Q. WHAT OTHER STUDIES ARE YOU REFERRING TO?

2 A. Most notably, I am referring to a 2010 project sponsored by the Water Research  
3 Foundation and the U.S. Environmental Protection Agency ("WRF-EPA Study")  
4 for the purpose of investigating declining trends in household water usage,  
5 drawing conclusions on the magnitude and causes of declining usage, and  
6 providing a tool for projecting such usage.<sup>3</sup> Another study of customer usage  
7 found a decrease in residential usage between 2001 and 2010 across several  
8 states, with the reporting authors agreeing with the conclusions of the WRF-EPA  
9 Study.<sup>4</sup>

10 Q. WHAT ARE THE FINDINGS OF THE WRF-EPA STUDY?

11 A. The WRF-EPA Study found a decline in annual residential usage at the national  
12 level of 0.44% per year since 1975. The decline was also pervasive at the  
13 regional level. Additionally, and more importantly for purposes of this  
14 proceeding, the WRF-EPA Study examined various factors at the local-level to  
15 assess the causes of the decline in residential usage, and concluded that  
16 decreasing household size and the penetration of water-conserving appliances  
17 were the primary factors. Citing new federal regulations governing water-  
18 conserving appliances and fixtures, the study concluded that residential water  
19 usage *will continue to decline* as newer homes make up a larger component of  
20 the housing stock and more efficient appliances and fixtures penetrate the  
21 market. According to the WRF-EPA study:

22  
23 Another factor that will continue to lower residential water  
24 usage is the recently approved higher water-efficiency  
25 standards for washing machines and dishwashers. Under  
26 the new legislation, new home dishwashers manufactured  
27

28 <sup>3</sup> "North America Residential Water Usage Trends Since 1992." Water Research Foundation. © 2010. pp. xxi, xxvii.  
<sup>4</sup> "Declining Residential Water Use Presents Challenges, Opportunities." Opflow. May, 2011.

1 beginning in 2010 will be prohibited from using more than  
2 4.5 or 6.5 gallons of water per cycle, depending on machine  
3 size. Beginning in 2011 all new home clothes washers will  
4 use at least 9.5 gallons per cycle per cubic foot that the  
5 clothes washer uses.<sup>5</sup>

6 The authors of the WRF-EPA study reached these conclusions in conjunction  
7 with a study of usage patterns over a period of approximately 30 years,  
8 compared to Exhibit JMR-5 of my direct testimony which examined usage over a  
9 10-year period.

10 Based on the results of the WRF-EPA study showing that clothes washers  
11 represent approximately 21% of household indoor water consumption,<sup>6</sup> and an  
12 analysis of the new federal guideline estimating a decrease in the average  
13 number of gallons per load of 35%,<sup>7</sup> one can expect a 7.35% decline in indoor  
14 water usage in many households.

15 **Q. SHOULD THE COMMISSION RELY ON THE FINDINGS OF DECLINING**  
16 **USAGE STUDIES AND THE CONCLUSIONS REPORTED IN THE WRF-EPA**  
17 **STUDY AS EVIDENCE OF A KNOWN AND MEASURABLE CHANGE?**

18 **A.** Yes. The Commission should interpret the known and measurable standard as  
19 evidence that a known and documented pattern of declining usage exists and  
20 that a decline in customer usage can reasonably be anticipated to continue  
21 during the period new rates are in effect. Accordingly, the Company's proposed  
22 rate design continues to incorporate its proposed adjustment to billing  
23 determinants.

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28 <sup>5</sup> WRF-EPA. pp. xxvii – xxviii, 65 – 77.

<sup>6</sup> WRF-EPA. p. 47.

<sup>7</sup> "Declining Residential Water Use." Opflow. p. 19.

1 Response to the Direct Testimony of RUCO Witness Rodney L. Moore

2 **Rate Consolidation**

3 Q. DID RUCO ADOPT THE COMPANY'S PROPOSED RATE CONSOLIDATION?

4 A. No. As stated above, Company witness Mr. Harris addresses rate consolidation  
5 in his rebuttal testimony.

6 **Industrial Class Rate Increase**

7 Q. DO YOU HAVE ANY COMMENT ON RUCO'S METHOD OF ALLOCATING  
8 REVENUES TO THE VARIOUS CUSTOMER CLASSES VERSUS THE  
9 COMPANY'S APPROACH?

10 A. Yes. RUCO's rate design, to some extent, recognizes the disparity between  
11 current revenues produced by the various customer classes and the cost to  
12 serve each of those classes. In particular, RUCO's rate design recognizes that  
13 present rate revenues generated by the industrial class are, on average,  
14 somewhat greater than the cost of service allocated to it. However, RUCO's  
15 proposed rate design nonetheless allocates the largest revenue increase to the  
16 industrial class. As stated above, the Company's rate design approach is,  
17 overall, more reasonable in that it does not unduly burden a particular customer  
18 class and more closely follows longstanding cost of service principles.

19 **Other Rate Design Items**

20 Q. ARE THERE ANY OTHER ITEMS YOU WOULD LIKE TO ADDRESS  
21 REGARDING RUCO'S PROPOSED RATE DESIGN?

22 A. Yes. According to Schedule RD-1 of Mr. Moore's direct testimony, RUCO does  
23 not propose any rates for meter sizes not currently installed for any of the  
24 Company's customers. Even though the Company may not currently have  
25 customers served by certain meter sizes, it is important for the Company's tariffs  
26 to include these sizes in the event the Company determines that one these  
27 currently-unused meter sizes is appropriate for a given application.

28

1 Q. DOES THAT CONCLUDE YOUR RATE DESIGN REBUTTAL TESTIMONY?

2 A. Yes.

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**EXHIBIT**

**JMR-RD3**

# STANDARD FILING SCHEDULES

# **COST OF SERVICE ANALYSIS**

- G-1 RATES OF RETURN BY CUSTOMER CLASSIFICATION – EXISTING RATES**
- G-2 RATES OF RETURN BY CUSTOMER CLASSIFICATION – PROPOSED RATES**
- G-3 RATE BASE ALLOCATION TO CLASSES**
- G-4 OPERATING EXPENSES ALLOCATION TO CLASSES**
- G-5 DISTRIBUTION OF RATE BASE BY FUNCTION**
- G-6 DISTRIBUTION OF EXPENSES BY FUNCTION**
- G-7 DEVELOPMENT OF ALLOCATION FACTORS**

**G-1**

**RATES OF RETURN BY CUSTOMER CLASSIFICATION – EXISTING RATES**

Line No.	Western Group					Direct Private Fire
	[A] Adjstd Total - Rebuttal	[B] Residential	[C] Commercial	[D] Industrial	[E] Other	
1						
2	Operating Revenues					
3	Water Revenues (Sch. H-1)	\$ 17,878,729	\$ 4,419,455	\$ 937,053	\$ 268,754	\$ 102,252
4	Miscellaneous Revenues <sup>1</sup> (Sch. H-1)	759,466	194,842	42,695	10,824	4,679
5	Total Operating Revenues	\$ 18,638,195	\$ 4,614,297	\$ 979,747	\$ 279,578	\$ 106,930
6	Operating Expenses					
7	Operations & Maintenance Expense	10,915,164	2,149,776	497,869	131,755	343
8	Depreciation & Amortization Expense	3,773,390	643,751	58,449	48,849	60,632
9	Income Taxes	365,858	(253,016)	127,264	21,637	8,253
10	Property Taxes	988,681	247,049	52,633	14,587	5,758
11	Other Taxes	212,952	158,738	9,760	2,589	7
12	Total Operating Expenses	\$ 16,256,045	\$ 3,544,156	\$ 745,974	\$ 219,417	\$ 74,993
13	Taxable Income	947,889	(655,871)	329,796	56,078	21,389
14	Net Operating Income	\$ 2,382,150	\$ 966,137	\$ 1,070,141	\$ 233,773	\$ 31,937
15	Interest Expense	1,800,119	1,388,993	31,240	25,720	18,802
16	Rate Base	\$ 53,798,510	\$ 41,511,554	\$ 10,022,712	\$ 933,651	\$ 561,916
17	Rate of Return (Ln. 17 + Ln. 23)	4.43%	2.38%	10.68%	25.04%	7.83%
18	Required Rate of Return (Sch. A-1, Ln. 12)	9.51%	9.51%	9.51%	9.51%	9.51%
19	Required Operating Income (Ln. 23 X Ln. 27)	\$ 5,118,235	\$ 3,949,289	\$ 953,532	\$ 88,825	\$ 53,459
20	Operating Income Deficiency (Ln. 29 - Ln. 17)	\$ 2,736,085	\$ 2,963,152	\$ (116,609)	\$ (144,948)	\$ 21,522
21	Additional Taxes at Proposed Rates (Sch. G-4, Lns. 42 + 48 - 18 + 24)	\$ 1,799,461	\$ 1,228,904	\$ 518,019	\$ 20,732	\$ 3,627
22	Required Increase in Gross Revenues (Ln. 31 + Ln. 34)	\$ 4,535,546	\$ 4,192,056	\$ 401,410	\$ (124,217)	\$ 25,148
23	% Required Increase in Gross Revenues (Ln. 36 + Ln. 5)	24.33%	33.12%	8.70%	-12.68%	23.52%
24	Gross Revenue Requirement (Ln. 5 + Ln. 36)	\$ 23,173,741	\$ 16,849,698	\$ 5,015,706	\$ 855,531	\$ 132,079
25	Less: Miscellaneous Revenues at Proposed Rates	\$ (994,322)	\$ (668,184)	\$ (259,685)	\$ (46,620)	\$ (5,246)
26	Revenue Requirement - Metered Water Revenues	\$ 22,179,419	\$ 16,181,514	\$ 4,756,021	\$ 808,911	\$ 126,833
27	% of Revenues Required from Fixed Charge	48%	52%	39%	19%	100%
28	% of Revenues Required from Commodity Charge	52%	48%	61%	81%	0%

<sup>1</sup>Allocated to customer classes based on percentage of total water revenues

Line No.	Western Group					[F] Monthly Fixed 5/8"	[G] Commodity Per M Gal
	[A] Commodity	[B] Demand	[C] Customer	[D] Direct Private Fire	[E] Total Cost of Service		
1	M Gal	equiv. meter	bill				
2	5,382,876	40,090	363,124	n/a			
3	\$ 5,746,084	\$ 12,479,702	\$ 4,815,875	\$ 132,079	\$ 23,173,741		
4	\$ 1.07	\$ 311.30	\$ 13.26	n/a			
5							
6							
7							
8	Residential						
9	Units of Service	30,473	337,500	n/a			
10	Cost of Service	\$ 9,178,915	\$ 4,198,913	n/a	\$ 16,849,698	\$ 24.99	\$ 2.4347
11							
12	Commercial						
13	Units of Service	8,530	24,780	n/a			
14	Cost of Service	\$ 2,857,344	\$ 550,080	n/a	\$ 5,015,706	\$ 36.16	\$ 2.1683
15							
16	Industrial						
17	Units of Service	429	344	n/a			
18	Cost of Service	\$ 226,071	\$ 47,596	n/a	\$ 855,531	\$ 160.34	\$ 1.1594
19							
20	Other						
21	Units of Service	658	500	n/a			
22	Cost of Service	\$ 217,372	\$ 19,287	n/a	\$ 320,726	\$ 52.33	\$ 2.6816
23							
24	Direct Private Fire						
25	Cost of Service	n/a	n/a	\$ 132,079	\$ 132,079		
26							
27							
28	Total System Cost of Service	\$ 12,479,702	\$ 4,815,875	\$ 132,079	\$ 23,173,741		
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Line No.	Pinal Valley (Casa Grande, Coolidge, Stanfield)					
	[A] Adj'd Total - Rebuttal	[B] Residential	[C] Commercial	[D] Industrial	[E] Other	[F] Direct Private Fire
2						
3	Operating Revenues					
4	Water Revenues (Sch. H-1)	\$ 15,810,092	\$ 4,124,957	\$ 911,893	\$ 218,600	\$ 100,237
5	Miscellaneous Revenues <sup>1</sup> (Sch. H-1)	734,234	485,512	42,349	10,152	4,655
6	Total Operating Revenues	\$ 16,544,326	\$ 4,610,469	\$ 954,243	\$ 228,752	\$ 104,892
7	Operating Expenses					
8	Operations & Maintenance Expense	9,677,559	7,085,313	1,997,866	107,454	334
9	Depreciation & Amortization Expense	3,286,192	2,536,643	601,923	37,597	58,953
10	Income Taxes	354,886	(235,108)	436,190	126,521	18,914
11	Property Taxes	893,268	590,672	233,060	51,522	8,370
12	Other Taxes	189,574	138,794	39,136	2,105	5,663
13	Total Operating Expenses	\$ 14,401,480	\$ 10,116,316	\$ 3,308,175	\$ 178,420	\$ 73,326
14	Taxable Income	919,660	(609,264)	1,130,352	49,013	21,889
15	Net Operating Income	\$ 2,142,846	\$ 823,599	\$ 1,008,349	\$ 50,332	\$ 31,566
16	Interest Expense	1,578,072	1,197,755	314,186	27,652	18,247
17	Rate Base	\$ 47,162,393	\$ 35,796,192	\$ 9,389,802	\$ 826,415	\$ 545,326
18	Rate of Return (Ln. 17 + Ln. 23)	4.54%	2.30%	10.74%	27.71%	8.32%
19	Required Rate of Return (Sch. A-1, Ln. 12)	9.51%	9.51%	9.51%	9.51%	9.51%
20	Required Operating Income (Ln. 23 X Ln. 27)	\$ 4,486,894	\$ 3,405,546	\$ 893,319	\$ 78,623	\$ 51,881
21	Operating Income Deficiency (Ln. 29 - Ln. 17)	\$ 2,344,047	\$ 2,581,947	\$ (115,030)	\$ (150,378)	\$ 20,314
22	Additional Taxes at Proposed Rates (Sch. G-4, Lns. 42 + 48 + 18 + 24)	\$ 1,773,559	\$ 1,209,549	\$ 512,553	\$ 20,578	\$ 3,549
23	Required Increase in Gross Revenues (Ln. 31 + Ln. 34)	\$ 4,117,607	\$ 3,791,496	\$ 397,523	\$ (129,799)	\$ 23,864
24	% Required Increase in Gross Revenues (Ln. 36 + Ln. 5)	24.89%	34.66%	9.21%	-13.60%	22.75%
25	Gross Revenue Requirement (Ln. 5 + Ln. 36)	\$ 20,661,933	\$ 14,731,412	\$ 4,714,047	\$ 824,443	\$ 128,756
26	Less: Miscellaneous Revenues at Proposed Rates	\$ (954,090)	\$ (634,935)	\$ (254,377)	\$ (46,074)	\$ (5,206)
27	Revenue Requirement - Metered Water Revenues	\$ 19,707,843	\$ 14,096,477	\$ 4,459,670	\$ 778,370	\$ 123,550
28	% of Revenues Required from Fixed Charge	49%	53%	40%	18%	100%
29	% of Revenues Required from Commodity Charge	51%	47%	60%	82%	0%

<sup>1</sup>Allocated to customer classes based on percentage of total water revenues

Pinhal Valley (Casa Grande, Coolidge, Stanfield)

Line No.	[A]		[B]		[C]		[D]		[E]		[F]		[G]
	Commodity	Demand	Customer	Direct Private Fire	Total Cost of Service	Monthly Fixed 5/8"	Commodity Per M.Gal	Cost of Service	Commodity	Per M.Gal			
1	Unit												
2	Total Units	4,969,244	equiv. meter	331,791	n/a								
3	Cost of Service	5,102,322	36,630	4,451,035	128,756	\$	20,661,933						
4	Cost per Unit	1.03	299.75	13.42	n/a	\$							
5													
6													
7													
8	Residential												
9	Units of Service	2,974,686	27,502	307,824	n/a	\$	14,731,412						
10	Cost of Service	2,967,813	7,903,939	3,859,660	n/a	\$							
11													
12	Commercial												
13	Units of Service	1,337,338	8,183	23,208	n/a	\$	4,714,047						
14	Cost of Service	1,487,761	2,699,899	526,387	n/a	\$							
15													
16	Industrial												
17	Units of Service	596,704	371	320	n/a	\$	824,443						
18	Cost of Service	578,306	199,015	47,123	n/a	\$							
19													
20	Other												
21	Units of Service	60,516	574	439	n/a	\$	263,275						
22	Cost of Service	68,443	176,967	17,865	n/a	\$							
23													
24	Direct Private Fire												
25	Cost of Service	n/a	n/a	n/a	128,756	\$	128,756						
26													
27													
28	Total System Cost of Service	5,102,322	10,979,820	4,451,035	128,756	\$	20,661,933						
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Line No.	Adjst'd Total - Rebuttal	White Tank				Direct Private Fire				
		[A]	[B]	[C]	[D]		[E]	[F]		
1										
2	Operating Revenues									
3	Water Revenues (Sch. H-1)	\$ 1,562,926	\$ 1,316,859	\$ 172,063	\$ 25,159	\$ 47,484	\$ 1,361			
4	Miscellaneous Revenues <sup>1</sup> (Sch. H-1)	21,463	18,084	2,363	346	652	19			
5	Total Operating Revenues	\$ 1,584,389	\$ 1,334,943	\$ 174,426	\$ 25,505	\$ 48,136	\$ 1,380			
6	Operating Expenses									
7	Operations & Maintenance Expense	923,143	804,132	84,780	11,278	22,949	4			
8	Depreciation & Amortization Expense	434,890	382,560	32,941	7,373	11,030	986			
9	Income Taxes	(19,322)	(34,835)	12,286	743	2,409	75			
10	Property Taxes	69,010	58,145	7,597	1,111	2,097	60			
11	Other Taxes	18,647	16,243	1,712	228	464	0			
12	Total Operating Expenses	\$ 1,426,367	\$ 1,226,244	\$ 139,317	\$ 20,732	\$ 38,948	\$ 1,125			
13	Taxable Income	(50,141)	(90,398)	31,884	1,927	6,251	195			
14	Net Operating Income	\$ 158,022	\$ 108,698	\$ 35,109	\$ 4,773	\$ 9,188	\$ 255			
15	Interest Expense	188,841	164,261	15,512	3,588	5,345	135			
16	Rate Base	\$ 5,643,725	\$ 4,909,130	\$ 463,581	\$ 107,236	\$ 159,743	\$ 4,035			
17	Rate of Return (Ln. 17 + Ln. 23)	2.80%	2.21%	7.57%	4.45%	5.75%	6.32%			
18	Required Rate of Return (Sch. A-1, Ln. 12)	9.51%	9.51%	9.51%	9.51%	9.51%	9.51%			
19	Required Operating Income (Ln. 23 X Ln. 27)	\$ 536,928	\$ 467,040	\$ 44,104	\$ 10,202	\$ 15,198	\$ 384			
20	Operating Income Deficiency (Ln. 29 - Ln. 17)	\$ 378,906	\$ 358,342	\$ 8,995	\$ 5,430	\$ 6,010	\$ 129			
21	Additional Taxes at Proposed Rates (Sch. G-4, Lns. 42 + 48 - 18 + 24)	\$ 17,345	\$ 11,899	\$ 4,434	\$ 153	\$ 792	\$ 68			
22	Required Increase in Gross Revenues (Ln. 31 + Ln. 34)	\$ 396,251	\$ 370,241	\$ 13,429	\$ 5,583	\$ 6,802	\$ 197			
23	% Required Increase in Gross Revenues (Ln. 36 + Ln. 5)	25.01%	27.73%	7.70%	21.89%	14.13%	14.24%			
24	Gross Revenue Requirement (Ln. 5 + Ln. 36)	\$ 1,980,640	\$ 1,705,183	\$ 187,855	\$ 31,087	\$ 54,938	\$ 1,577			
25	Less: Miscellaneous Revenues at Proposed Rates	\$ (34,335)	\$ (28,792)	\$ (3,908)	\$ (546)	\$ (1,056)	\$ (33)			
26	Revenue Requirement - Metered Water Revenues	\$ 1,946,305	\$ 1,676,392	\$ 183,947	\$ 30,541	\$ 53,882	\$ 1,544			
27	% of Revenues Required from Fixed Charge	46%	47%	35%	45%	38%	100%			
28	% of Revenues Required from Commodity Charge	54%	53%	65%	55%	62%	0%			

Line No.	White Tank					Total Cost of Service	Commodity Per M Gal
	[A] Commodity	[B] Demand	[C] Customer	[D] Direct Private Fire	[E]		
1	M Gal	equiv. meter	bill				
2	366,463	2,716	23,218	n/a			
3	Total Units						
4	\$ 449,875	\$ 1,258,583	\$ 270,605	\$ 1,577	\$ 1,980,640		
5	\$ 1.23	\$ 463.43	\$ 11.65	n/a			
6							
7							
8	Residential						
9	Units of Service						
10	Cost of Service	2,362	22,524	n/a			
11		\$ 1,081,725	\$ 258,596	n/a	\$ 1,705,183	\$ 30.56	\$ 2.9989
12	Commercial						
13	Units of Service	215	612	n/a			
14	Cost of Service	\$ 110,755	\$ 10,237	n/a	\$ 187,855	\$ 38.19	\$ 2.4128
15	Industrial						
16	Units of Service	58	24	n/a			
17	Cost of Service	\$ 27,056	\$ 473	n/a	\$ 31,087	\$ 39.16	\$ 6.4495
18	Other						
19	Units of Service	80	58	n/a			
20	Cost of Service	\$ 39,047	\$ 1,299	n/a	\$ 54,938	\$ 42.65	\$ 3.0648
21	Direct Private Fire						
22	Cost of Service	n/a	n/a	\$ 1,577	\$ 1,577		
23							
24							
25							
26							
27							
28	Total System Cost of Service	\$ 1,258,583	\$ 270,605	\$ 1,577	\$ 1,980,640		
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Line No.	Ajo					Direct Private Fire
	[A] Adj'd Total - Rebuttal	[B] Residential	[C] Commercial	[D] Industrial	[E] Other	
1						
2	Operating Revenues					
3	Water Revenues (Sch. H-1)	\$ 505,711	\$ 379,953	\$ 122,434	\$ -	\$ 653
4	Miscellaneous Revenues <sup>1</sup> (Sch. H-1)	3,768	2,831	912	-	5
5	Total Operating Revenues	\$ 509,480	\$ 382,785	\$ 123,347	\$ -	\$ 658
6	Operating Expenses					
7	Operations & Maintenance Expense	314,462	245,974	67,131	-	5
8	Depreciation & Amortization Expense	52,308	42,505	8,886	-	694
9	Income Taxes	30,294	16,927	13,244	-	(191)
10	Property Taxes	26,403	19,837	6,392	-	34
11	Other Taxes	4,731	3,700	1,010	-	0
12	Total Operating Expenses	\$ 428,198	\$ 328,945	\$ 96,863	\$ -	\$ 542
13	Taxable Income	78,370	43,790	34,261	-	(495)
14	Net Operating Income	\$ 81,282	\$ 53,840	\$ 26,683	\$ -	\$ 116
15	Interest Expense	33,206	26,977	5,666	-	420
16	Rate Base	\$ 992,393	\$ 806,233	\$ 169,329	\$ -	\$ 12,555
17	Rate of Return (Ln. 17 + Ln. 23)	8.19%	6.68%	15.76%	n/a	15.01%
18	Required Rate of Return (Sch. A-1, Ln. 12)	9.51%	9.51%	9.51%	9.51%	9.51%
19	Required Operating Income (Ln. 23 X Ln. 27)	\$ 94,413	\$ 76,703	\$ 16,109	\$ -	\$ 407
20	Operating Income Deficiency (Ln. 29 - Ln. 17)	\$ 13,132	\$ 22,863	\$ (10,574)	\$ -	\$ (235)
21	Additional Taxes at Proposed Rates (Sch. G-4, Lns. 42 + 48 - 18 + 24)	\$ 8,556	\$ 7,456	\$ 1,032	\$ -	\$ 58
22	Required Increase in Gross Revenues (Ln. 31 + Ln. 34)	\$ 21,688	\$ 30,319	\$ (9,542)	\$ -	\$ (177)
23	% Required Increase in Gross Revenues (Ln. 36 + Ln. 5)	4.26%	7.92%	-7.74%	0.00%	-6.57%
24	Gross Revenue Requirement (Ln. 5 + Ln. 36)	\$ 531,167	\$ 413,103	\$ 113,804	\$ -	\$ 2,514
25	Less: Miscellaneous Revenues at Proposed Rates	\$ (5,896)	\$ (4,457)	\$ (1,400)	\$ -	\$ (31)
26	Revenue Requirement - Metered Water Revenues	\$ 525,271	\$ 408,646	\$ 112,404	\$ -	\$ 1,738
27	% of Revenues Required from Fixed Charge	41%	43%	n/a	n/a	100%
28	% of Revenues Required from Commodity Charge	59%	57%	32%	68%	0%

<sup>1</sup>Allocated to customer classes based on percentage of total water revenues

Line No.	A/j					[E] Total Cost of Service	[F] Cost of Service	
	[A] Commodity	[B] Demand	[C] Customer	[D] Direct Private Fire	[G] Commodity Per M Gal		Monthly Fixed 5/8'	Per M Gal
2	Unit							
3	Total Units	47,168	equiv. meter	bill				
4	Cost of Service	193,887 \$	744	8,115	n/a			
5	Cost per Unit	4.11 \$	241,299 \$	94,235 \$	1,746 \$	531,167		
6			324.54 \$	11.61	n/a			
7								
8	Residential							
9	Units of Service	34,299	608	7,152	n/a			
10	Cost of Service	139,195 \$	193,251 \$	80,657	n/a \$	413,103	\$	24.52 \$
11								
12	Commercial							
13	Units of Service	12,638	132	960	n/a			
14	Cost of Service	53,659 \$	46,689 \$	13,456	n/a \$	113,804	\$	28.81 \$
15								
16	Industrial							
17	Units of Service	-	-	-	n/a			
18	Cost of Service	- \$	- \$	-	n/a \$	-	\$	- \$
19								
20	Other							
21	Units of Service	232	4	3	n/a			
22	Cost of Service	1,033 \$	1,358 \$	122	n/a \$	2,514	\$	54.87 \$
23								
24	Direct Private Fire							
25	Cost of Service	n/a	n/a	n/a	1,746 \$	1,746	\$	7.3962
26								
27								
28	Total System Cost of Service							
29		\$ 193,887 \$	241,299 \$	94,235 \$	1,746 \$	531,167		
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**G-2**

**RATES OF RETURN BY CUSTOMER CLASSIFICATION – PROPOSED RATES**

Line No.	[A] Adjstd' w/ Increase - Rebuttal	Western Group				[F] Direct Private Fire
		[B] Residential	[C] Commercial	[D] Industrial	[E] Other	
1						
2	Operating Revenues					
3	Water Revenues (Sch. H-1)	\$ 22,179,419	\$ 5,656,579	\$ 994,504	\$ 335,450	\$ 111,700
4	Miscellaneous Revenues <sup>1</sup> (Sch. H-1)	994,322	259,685	46,620	14,587	5,246
5	Total Operating Revenues	\$ 23,173,741	\$ 5,916,265	\$ 1,041,124	\$ 350,037	\$ 116,946
6						
7	Operating Expenses					
8	Operations & Maintenance Expense	10,915,164	2,149,776	497,869	131,755	343
9	Depreciation & Amortization Expense	3,773,390	643,751	58,449	48,849	60,632
10	Income Taxes	2,085,883	954,724	152,870	48,229	12,274
11	Property Taxes	1,066,117	272,064	47,758	16,174	5,364
12	Other Taxes	212,952	41,859	9,760	2,589	7
13	Total Operating Expenses	\$ 18,055,506	\$ 4,062,174	\$ 766,706	\$ 247,597	\$ 78,620
14						
15	Taxable Income	5,403,999	2,473,451	396,048	124,949	31,798
16						
17	Net Operating Income	\$ 5,118,235	\$ 2,848,951	\$ 274,418	\$ 102,440	\$ 38,326
18						
19	Interest Expense	1,800,119	335,364	31,240	25,720	18,802
20						
21	Rate Base	\$ 53,796,510	\$ 10,022,712	\$ 933,651	\$ 768,677	\$ 561,916
22						
23	Rate of Return <sup>2</sup> (Ln. 17 ÷ Ln. 22)	9.51%	6.86%	29.39%	13.33%	6.82%
24						
25	Increase in Gross Revenues	\$ 4,535,546	\$ 1,301,968	\$ 61,377	\$ 70,459	\$ 10,015
26						
27	% Increase in Gross Revenues	24.3%	28.2%	6.3%	25.2%	9.4%
28						
29						
30						
31	% of Revenues Generated from Fixed Charge	50%	42%	10%	53%	100%
32	% of Revenues Generated from Commodity Charge	50%	58%	90%	47%	0%
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52	<sup>1</sup> Allocated to customer classes based on					
53	percentage of total water revenues					
54	<sup>2</sup> Rate of return at proposed rates includes					
55	the effects of proposed rate consolidation					

<sup>1</sup>Allocated to customer classes based on percentage of total water revenues  
<sup>2</sup>Rate of return at proposed rates includes the effects of proposed rate consolidation

Line No.	Pinal Valley (Casa Grande, Coolidge, Stanfield)					
	[A] Adjstd' w/ Increase - Rebuttal	[B] Residential	[C] Commercial	[D] Industrial	[E] Other	[F] Direct Private Fire
1						
2	Operating Revenues					
3	Water Revenues (Sch. H-1)	13,358,678 \$	5,351,957 \$	969,361 \$	284,011 \$	109,525
4	Miscellaneous Revenues <sup>1</sup> (Sch. H-1)	634,935	254,377	46,074	13,499	5,206
5	Total Operating Revenues	13,993,613 \$	5,606,335 \$	1,015,435 \$	297,510 \$	114,731
6						
7	Operating Expenses					
8	Operations & Maintenance Expense	9,677,559	1,997,866	486,591	107,454	334
9	Depreciation & Amortization Expense	3,286,192	601,923	51,076	37,597	58,953
10	Income Taxes	2,058,471	924,986	152,106	44,965	12,327
11	Property Taxes	963,243	641,026	256,817	46,515	5,256
12	Other Taxes	189,574	138,794	39,136	2,105	7
13	Total Operating Expenses	16,175,039 \$	3,820,729 \$	745,820 \$	205,749 \$	76,875
14						
15	Taxable Income	5,332,982	2,396,405	394,068	116,493	31,935
16						
17	Net Operating Income	4,852,583 \$	2,667,747 \$	1,785,606 \$	91,760 \$	37,855
18						
19	Interest Expense	1,578,072	1,197,755	27,652	20,232	18,247
20						
21	Rate Base	47,162,393 \$	35,796,192 \$	9,389,802 \$	826,415 \$	545,326
22						
23	Rate of Return <sup>2</sup> (Ln. 17 + Ln. 22)	10.29%	7.45%	19.02%	32.62%	6.94%
24						
25	Increase in Gross Revenues	4,483,296 \$	3,053,698 \$	1,289,811 \$	61,192 \$	9,838
26						
27	% Increase in Gross Revenues	27.1%	27.9%	29.9%	6.4%	9.4%
28						
29						
30						
31	% of Revenues Generated from Fixed Charge	50%	56%	42%	9%	100%
32	% of Revenues Generated from Commodity Charge	50%	44%	58%	91%	0%
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<sup>1</sup>Allocated to customer classes based on percentage of total water revenues  
<sup>2</sup>Rate of return at proposed rates includes the effects of proposed rate consolidation

Line No.	[A] Adjstd' w/ Increase - Rebuttal	White Tank				[F] Direct Private Fire
		[B] Residential	[C] Commercial	[D] Industrial	[E] Other	
1						
2	Operating Revenues					
3	Water Revenues (Sch. H-1)	\$ 1,580,616	\$ 179,898	\$ 25,143	\$ 48,634	\$ 1,500
4	Miscellaneous Revenues <sup>1</sup> (Sch. H-1)	34,335	3,908	546	1,056	33
5	Total Operating Revenues	\$ 1,614,951	\$ 183,806	\$ 25,689	\$ 49,691	\$ 1,533
6						
7	Operating Expenses					
8	Operations & Maintenance Expense	923,143	84,780	11,278	22,949	4
9	Depreciation & Amortization Expense	434,890	32,941	7,373	11,030	986
10	Income Taxes	(11,066)	(30,282)	15,429	764	129
11	Property Taxes	78,099	65,491	8,889	1,242	74
12	Other Taxes	18,647	16,243	1,712	228	0
13	Total Operating Expenses	\$ 1,443,713	\$ 1,238,143	\$ 20,885	\$ 39,740	\$ 1,193
14						
15	Taxable Income	(28,668)	39,972	1,980	7,500	333
16						
17	Net Operating Income	\$ 171,239	\$ 116,090	\$ 4,804	\$ 9,950	\$ 340
18						
19	Interest Expense	188,841	164,261	15,512	5,345	135
20						
21						
22	Rate Base	\$ 5,643,725	\$ 4,909,130	\$ 463,581	\$ 159,743	\$ 4,035
23						
24	Rate of Return <sup>2</sup> (Ln. 17 ÷ Ln. 22)	3.03%	2.36%	8.64%	4.48%	6.23%
25						
26	Increase in Gross Revenues	\$ 30,562	\$ 19,291	\$ 185	\$ 1,555	\$ 152
27						
28	% Increase in Gross Revenues	1.9%	1.4%	5.4%	3.2%	11.0%
29						
30						
31	% of Revenues Generated from Fixed Charge	46%	47%	32%	44%	100%
32	% of Revenues Generated from Commodity Charge	54%	53%	68%	56%	0%
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52	<sup>1</sup> Allocated to customer classes based on					
53	percentage of total water revenues					
54	<sup>2</sup> Rate of return at proposed rates includes					
55	the effects of proposed rate consolidation					

<sup>1</sup>Allocated to customer classes based on percentage of total water revenues  
<sup>2</sup>Rate of return at proposed rates includes the effects of proposed rate consolidation

Line No.	Description	Ajo					Direct Private Fire
		[A] Adjst'd w/ Increase - Rebuttal	[B] Residential	[C] Commercial	[D] Industrial	[E] Other	
2	Operating Revenues						
3	Water Revenues (Sch. H-1)	\$ 525,271	\$ 397,067	\$ 124,724	\$ -	\$ 2,805	\$ 675
4	Miscellaneous Revenues <sup>1</sup> (Sch. H-1)	5,896	4,457	1,400	-	31	8
5	Total Operating Revenues	\$ 531,168	\$ 401,524	\$ 126,124	\$ -	\$ 2,837	\$ 683
7	Operating Expenses						
8	Operations & Maintenance Expense	314,462	245,974	67,131	-	1,352	5
9	Depreciation & Amortization Expense	52,308	42,505	8,886	-	223	694
10	Income Taxes	38,477	23,980	14,310	-	369	(182)
11	Property Taxes	26,776	20,241	6,358	-	143	34
12	Other Taxes	4,731	3,700	1,010	-	20	0
13	Total Operating Expenses	\$ 436,754	\$ 336,401	\$ 97,695	\$ -	\$ 2,107	\$ 562
14							
15	Taxable Income	99,685	62,126	37,074	-	956	(471)
16							
17	Net Operating Income	\$ 94,414	\$ 65,123	\$ 28,429	\$ -	\$ 730	\$ 131
18							
19	Interest Expense	33,206	26,977	5,666	-	143	420
20							
21							
22	Rate Base	\$ 992,393	\$ 806,233	\$ 169,329	\$ -	\$ 4,277	\$ 12,555
23							
24	Rate of Return <sup>2</sup> (Ln. 17 + Ln. 22)	9.51%	8.08%	16.79%	0.00%	17.07%	1.04%
25							
26	Increase in Gross Revenues	\$ 21,688	\$ 18,739	\$ 2,778	\$ -	\$ 146	\$ 25
27							
28	% Increase in Gross Revenues	4.3%	4.9%	2.3%	0.0%	5.4%	3.7%
29							
30							
31	% of Revenues Generated from Fixed Charge						
32	% of Revenues Generated from Commodity Charge	50%	54%	38%	0%	51%	100%
33		50%	46%	62%	0%	49%	0%
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<sup>1</sup>Allocated to customer classes based on percentage of total water revenues  
<sup>2</sup>Rate of return at proposed rates includes the effects of proposed rate consolidation

**G-3**

**RATE BASE ALLOCATION TO CLASSES**

Line No.	Rate Base	Western Group					Direct Private Fire
		[A] Adjusted Total - Rebuttal	[B] Residential	[C] Commercial	[D] Industrial	[E] Other	
1							
2							
3	Net Utility Plant in Service						
4	Commodity	\$ 9,829,996	\$ 6,197,785	\$ 2,471,428	\$ 1,017,660	\$ 143,123	\$ -
5	Demand	88,469,961	67,911,987	17,995,131	1,019,802	1,543,041	-
6	Customer	32,689,876	30,429,989	2,192,524	31,450	45,914	-
7	Direct Private Fire	2,139,478	-	-	-	-	2,139,478
8	Subtotal Net Utility Plant in Service	\$ 133,139,311	\$ 104,539,760	\$ 22,659,083	\$ 2,068,911	\$ 1,732,078	\$ 2,139,478
9							
10	Deductions						
11	Commodity	5,478,035	3,463,837	1,369,252	563,844	81,102	-
12	Demand	49,302,316	37,893,376	9,961,177	577,323	870,439	-
13	Customer	24,885,436	23,177,750	1,648,162	24,076	35,449	-
14	Direct Private Fire	1,610,445	-	-	-	-	1,610,445
15	Subtotal Deductions	\$ 81,276,232	\$ 64,534,963	\$ 12,978,591	\$ 1,165,244	\$ 986,989	\$ 1,610,445
16							
17	Additions						
18	Commodity	141,622	87,078	36,874	15,783	1,887	-
19	Demand	1,274,602	967,899	271,929	13,794	21,040	-
20	Customer	486,323	451,780	33,416	467	661	-
21	Direct Private Fire	32,883	-	-	-	-	32,883
22	Subtotal Additions	\$ 1,935,431	\$ 1,506,757	\$ 342,220	\$ 29,983	\$ 23,588	\$ 32,883
23							
24	Total Rate Base	\$ 53,798,510	\$ 41,511,554	\$ 10,022,712	\$ 933,651	\$ 768,677	\$ 561,916
25							
26							
27							
28	Total Commodity	\$ 4,493,583	\$ 2,821,026	\$ 1,139,050	\$ 469,598	\$ 63,909	\$ -
29	Total Demand	40,442,247	30,986,510	8,305,883	456,213	693,642	-
30	Total Customer	8,300,764	7,704,019	577,778	7,841	11,126	-
31	Total Direct Private Fire	561,916	-	-	-	-	561,916
32	Total Rate Base	\$ 53,798,510	\$ 41,511,554	\$ 10,022,712	\$ 933,651	\$ 768,677	\$ 561,916
33							
34							
35	Required Rate of Return	9.51%	9.51%	9.51%	9.51%	9.51%	9.51%
36							
37	Required Operating Income						
38	Commodity	\$ 427,506	\$ 268,384	\$ 108,366	\$ 44,676	\$ 6,080	\$ -
39	Demand	3,847,558	2,947,967	790,198	43,403	65,991	-
40	Customer	789,711	732,938	54,968	746	1,059	-
41	Direct Private Fire	53,459	-	-	-	-	53,459
42	Total Required Operating Income	\$ 5,118,235	\$ 3,949,289	\$ 953,532	\$ 88,825	\$ 73,130	\$ 53,459
43							
44	Weighted Cost of Debt	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%
45							
46	Interest Expense						
47	Commodity	\$ 150,357	\$ 94,993	\$ 38,113	\$ 15,713	\$ 2,138	\$ -
48	Demand	1,353,214	1,036,821	277,918	15,265	23,210	-
49	Customer	277,747	257,780	19,333	262	372	-
50	Direct Private Fire	18,802	-	-	-	-	18,802
51	Total Interest Expense	\$ 1,800,119	\$ 1,388,993	\$ 335,364	\$ 31,240	\$ 25,720	\$ 18,802
52							
53							
54							
55							

Line No.	Rate Base	Pinal Valley (Casa Grande, Coolidge, Stanfield)					Direct Private Fire
		(A) Adjusted Total - Rebuttal	(B) Residential	(C) Commercial	(D) Industrial	(E) Other	
2	Net Utility Plant in Service						
3	Commodity	\$ 8,394,883	\$ 5,025,339	\$ 2,259,256	\$ 1,008,053	\$ 102,234	\$ -
4	Demand	75,553,946	56,726,386	16,879,077	764,370	1,184,112	-
5	Customer	29,959,001	27,794,906	2,095,562	28,894	39,639	-
6	Direct Private Fire	2,085,818	-	-	-	-	-
7	Subtotal Net Utility Plant in Service	\$ 115,993,647	\$ 89,546,631	\$ 21,233,895	\$ 1,801,317	\$ 1,325,986	\$ 2,085,818
8							
9							
10	Deductions						
11	Commodity	4,647,304	2,781,966	1,250,697	558,045	56,596	-
12	Demand	41,825,736	31,403,031	9,344,050	423,146	655,510	-
13	Customer	22,591,863	20,959,934	1,580,248	21,789	29,892	-
14	Direct Private Fire	1,572,900	-	-	-	-	-
15	Subtotal Deductions	\$ 70,637,803	\$ 55,144,931	\$ 12,174,994	\$ 1,002,980	\$ 741,997	\$ 1,572,900
16							
17	Additions						
18	Commodity	130,865	78,338	35,219	15,714	1,584	-
19	Demand	1,177,785	884,288	263,122	11,916	18,459	-
20	Customer	465,491	431,866	32,560	449	616	-
21	Direct Private Fire	32,409	-	-	-	-	32,409
22	Subtotal Additions	\$ 1,806,549	\$ 1,394,493	\$ 330,901	\$ 28,079	\$ 20,668	\$ 32,409
23							
24	Total Rate Base	\$ 47,162,393	\$ 35,796,192	\$ 9,389,802	\$ 826,415	\$ 604,657	\$ 545,326
25							
26							
27							
28	Total Commodity	\$ 3,878,444	\$ 2,321,712	\$ 1,043,779	\$ 465,721	\$ 47,232	\$ -
29	Total Demand	34,905,984	26,207,644	7,798,149	353,140	547,061	-
30	Total Customer	7,832,629	7,266,837	547,874	7,554	10,364	-
31	Total Direct Private Fire	545,326	-	-	-	-	545,326
32	Total Rate Base	\$ 47,162,393	\$ 35,796,192	\$ 9,389,802	\$ 826,415	\$ 604,657	\$ 545,326
33							
34							
35	Required Rate of Return	9.51%	9.51%	9.51%	9.51%	9.51%	9.51%
36							
37	Required Operating Income						
38	Commodity	\$ 368,984	\$ 220,881	\$ 99,302	\$ 44,307	\$ 4,494	\$ -
39	Demand	3,320,855	2,493,319	741,893	33,597	52,046	-
40	Customer	745,174	691,346	52,123	719	986	-
41	Direct Private Fire	51,881	-	-	-	-	51,881
42	Total Required Operating Income	\$ 4,486,894	\$ 3,405,546	\$ 893,319	\$ 78,623	\$ 57,525	\$ 51,881
43							
44	Weighted Cost of Debt	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%
45							
46	Interest Expense						
47	Commodity	\$ 129,774	\$ 77,685	\$ 34,925	\$ 15,583	\$ 1,580	\$ -
48	Demand	1,167,968	876,918	260,929	11,816	18,305	-
49	Customer	262,083	243,151	18,332	253	347	-
50	Direct Private Fire	18,247	-	-	-	-	18,247
51	Total Interest Expense	\$ 1,578,072	\$ 1,197,755	\$ 314,186	\$ 27,652	\$ 20,232	\$ 18,247
52							
53							
54							
55							

Line No.	Rate Base	White Tank					Direct Private Fire
		[A] Adjusted Total - Rebuttal	[B] Residential	[C] Commercial	[D] Industrial	[E] Other	
1	Net Utility Plant in Service						
2	Commodity	\$ 1,328,943	\$ 1,095,243	\$ 183,725	\$ 9,607	\$ 40,368	\$ -
3	Demand	11,960,488	10,404,260	947,008	255,432	353,788	-
4	Customer	2,472,053	2,398,162	65,160	2,555	6,175	-
5	Direct Private Fire	35,994	-	-	-	-	35,994
6	Subtotal Net Utility Plant in Service	\$ 15,797,478	\$ 13,897,664	\$ 1,195,894	\$ 267,594	\$ 400,331	\$ 35,994
7	Deductions						
8	Commodity	802,143	661,083	110,896	5,799	24,366	-
9	Demand	7,219,290	6,279,959	571,609	154,177	213,545	-
10	Customer	2,212,456	2,146,324	58,318	2,287	5,527	-
11	Direct Private Fire	32,214	-	-	-	-	32,214
12	Subtotal Deductions	\$ 10,266,104	\$ 9,087,366	\$ 740,823	\$ 162,263	\$ 243,437	\$ 32,214
13	Additions						
14	Commodity	9,460	7,796	1,308	68	287	-
15	Demand	85,139	74,061	6,741	1,818	2,518	-
16	Customer	17,497	16,974	461	18	44	-
17	Direct Private Fire	255	-	-	-	-	255
18	Subtotal Additions	\$ 112,351	\$ 98,831	\$ 8,510	\$ 1,905	\$ 2,849	\$ 255
19	Total Rate Base	\$ 5,643,725	\$ 4,909,130	\$ 463,581	\$ 107,236	\$ 159,743	\$ 4,035
20	Total Commodity	\$ 536,260	\$ 441,956	\$ 74,138	\$ 3,877	\$ 16,289	\$ -
21	Total Demand	4,826,337	4,198,362	382,140	103,073	142,762	-
22	Total Customer	277,093	268,811	7,304	286	692	-
23	Total Direct Private Fire	4,035	-	-	-	-	4,035
24	Total Rate Base	\$ 5,643,725	\$ 4,909,130	\$ 463,581	\$ 107,236	\$ 159,743	\$ 4,035
25	Required Rate of Return	9.51%	9.51%	9.51%	9.51%	9.51%	9.51%
26	Required Operating Income						
27	Commodity	\$ 51,018	\$ 42,046	\$ 7,053	\$ 369	\$ 1,550	\$ -
28	Demand	459,164	399,420	36,356	9,806	13,582	-
29	Customer	26,362	25,574	695	27	66	-
30	Direct Private Fire	384	-	-	-	-	384
31	Total Required Operating Income	\$ 536,928	\$ 467,040	\$ 44,104	\$ 10,202	\$ 15,198	\$ 384
32	Weighted Cost of Debt	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%
33	Interest Expense						
34	Commodity	\$ 17,943	\$ 14,788	\$ 2,481	\$ 130	\$ 545	\$ -
35	Demand	161,491	140,479	12,787	3,449	4,777	-
36	Customer	9,272	8,995	244	10	23	-
37	Direct Private Fire	135	-	-	-	-	135
38	Total Interest Expense	\$ 188,841	\$ 164,261	\$ 15,512	\$ 3,588	\$ 5,345	\$ 135

Line No.	[A] Adjusted Total - Rebuttal	[B]	[C]	[D]	[E]	[F]
Rate Base		Residential	Commercial	Industrial	Other	Direct Private Fire
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**G-4**

**OPERATING EXPENSES ALLOCATION TO CLASSES**

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Allocation of Operating Expenses to Classes of Service - Summary

Line No.	Description	Western Group					Direct Private Fire
		(A) Adjusted Total - Rebuttal	(B) Residential	(C) Commercial	(D) Industrial	(E) Other	
1	Operating Expenses at Present Rates						
2	Operations & Maintenance Expense						
3	Commodity	\$ 4,227,134	\$ 2,630,199	\$ 1,091,501	\$ 448,735	\$ 56,699	\$ -
4	Demand	4,287,486	3,273,602	895,296	46,888	71,730	-
5	Customer	2,400,201	2,231,620	162,979	2,276	3,327	-
6	Direct Private Fire	343	-	-	-	-	343
7	Total Operations & Maintenance	\$ 10,915,164	\$ 8,135,420	\$ 2,149,776	\$ 497,869	\$ 131,755	\$ 343
8	Depreciation & Amortization Expenses						
9	Commodity	\$ 278,773	\$ 175,665	\$ 70,227	\$ 28,850	\$ 4,031	\$ -
10	Demand	2,508,955	1,925,455	511,262	28,713	43,524	-
11	Customer	925,030	860,588	62,262	887	1,293	-
12	Direct Private Fire	60,632	-	-	-	-	60,632
13	Total Depreciation & Amortization	\$ 3,773,390	\$ 2,961,708	\$ 643,751	\$ 58,449	\$ 48,849	\$ 60,632
14	Income Taxes at Present Rates						
15	Commodity	\$ 114,328	\$ (80,890)	\$ 147,614	\$ 40,687	\$ 6,917	\$ -
16	Demand	160,242	(113,376)	206,896	57,027	9,695	-
17	Customer	83,035	(58,750)	107,210	29,550	5,024	-
18	Direct Private Fire	8,253	-	-	-	-	8,253
19	Total Income Taxes at Present Rates	\$ 365,858	\$ (253,016)	\$ 461,720	\$ 127,264	\$ 21,637	\$ 8,253
20	Property Taxes						
21	Commodity	\$ 82,526	\$ 56,140	\$ 20,742	\$ 4,419	\$ 1,225	\$ -
22	Demand	742,733	505,260	186,679	39,771	11,022	-
23	Customer	157,665	107,255	39,628	8,443	2,340	-
24	Direct Private Fire	5,758	-	-	-	-	5,758
25	Total Property Taxes	\$ 988,681	\$ 668,655	\$ 247,049	\$ 52,633	\$ 14,587	\$ 5,758
26	Other Taxes						
27	Commodity	\$ 82,291	\$ 51,170	\$ 21,216	\$ 8,792	\$ 1,114	\$ -
28	Demand	83,772	63,963	17,476	923	1,410	-
29	Customer	46,882	43,605	3,167	45	65	-
30	Direct Private Fire	7	-	-	-	-	7
31	Total Other Taxes	\$ 212,952	\$ 158,738	\$ 41,859	\$ 9,760	\$ 2,589	\$ 7
32	Total Commodity at Present Rates	\$ 4,785,051	\$ 2,832,283	\$ 1,351,300	\$ 531,482	\$ 69,986	\$ -
33	Total Demand at Present Rates	\$ 7,783,188	\$ 5,654,904	\$ 1,817,610	\$ 173,292	\$ 137,382	\$ -
34	Total Customer at Present Rates	\$ 3,612,814	\$ 3,184,318	\$ 375,246	\$ 41,200	\$ 12,049	\$ -
35	Total Direct Private Fire at Present Rates	\$ 74,993	\$ -	\$ -	\$ -	\$ -	\$ 74,993
36	Total Operating Expenses at Present Rates	\$ 16,256,045	\$ 11,671,505	\$ 3,544,156	\$ 745,974	\$ 219,417	\$ 74,993
37	Income Taxes at Proposed Rates						
38	Commodity	\$ 641,106	\$ 285,264	\$ 294,249	\$ 46,823	\$ 14,770	\$ -
39	Demand	948,462	417,230	438,599	70,281	22,352	-
40	Customer	484,042	215,292	221,877	35,766	11,107	-
41	Direct Private Fire	12,274	-	-	-	-	12,274
42	Total Income Taxes at Proposed Rates	\$ 2,085,883	\$ 917,786	\$ 954,724	\$ 152,870	\$ 48,229	\$ 12,274
43	Property Taxes at Proposed Rates						
44	Commodity	\$ 89,274	\$ 61,189	\$ 22,724	\$ 3,988	\$ 1,374	\$ -
45	Demand	803,470	550,698	204,513	35,893	12,365	-
46	Customer	170,009	114,870	44,827	7,877	2,436	-
47	Direct Private Fire	5,364	-	-	-	-	5,364
48	Total Property Taxes at Proposed Rates	\$ 1,068,117	\$ 726,757	\$ 272,064	\$ 47,758	\$ 16,174	\$ 5,364
49	Total Commodity at Proposed Rates	\$ 5,318,577	\$ 3,203,486	\$ 1,499,916	\$ 537,188	\$ 77,988	\$ -
50	Total Demand at Proposed Rates	\$ 8,632,144	\$ 6,230,949	\$ 2,067,146	\$ 182,668	\$ 151,381	\$ -
51	Total Customer at Proposed Rates	\$ 4,026,165	\$ 3,465,975	\$ 495,112	\$ 46,850	\$ 18,228	\$ -
52	Total Direct Private Fire at Proposed Rates	\$ 78,620	\$ -	\$ -	\$ -	\$ -	\$ 78,620
53	Total Operating Expenses at Proposed Rates	\$ 18,055,506	\$ 12,900,409	\$ 4,062,174	\$ 766,706	\$ 247,597	\$ 78,620

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Allocation of Operating Expenses to Classes of Service - Detail

Line No.	Operating Expenses Operations & Maintenance Expense Source of Supply Expenses	Western Group					Direct Private Fire
		[A] Adjusted Total - Rebuttal	[B] Residential	[C] Commercial	[D] Industrial	[E] Other	
1	Commodity	\$ 584,602	\$ 380,507	\$ 149,327	\$ 47,522	\$ 7,247	\$ -
2	Demand	140,979	109,284	27,857	1,502	2,337	-
3	Customer	-	-	-	-	-	-
4	Direct Private Fire	-	-	-	-	-	-
5	Subtotal Source of Supply Expenses	\$ 725,582	\$ 489,791	\$ 177,183	\$ 49,023	\$ 9,584	\$ -
6	Pumping Expenses	-	-	-	-	-	-
7	Commodity	1,821,385	1,124,005	470,913	201,636	24,831	-
8	Demand	912,864	703,431	182,439	10,768	16,226	-
9	Customer	-	-	-	-	-	-
10	Direct Private Fire	-	-	-	-	-	-
11	Subtotal Pumping Expenses	\$ 2,734,249	\$ 1,827,436	\$ 653,352	\$ 212,404	\$ 41,057	\$ -
12	Water Treatment Expenses	-	-	-	-	-	-
13	Commodity	1,093,718	676,488	282,250	120,033	14,947	-
14	Demand	121,524	92,517	25,631	1,337	2,039	-
15	Customer	-	-	-	-	-	-
16	Direct Private Fire	-	-	-	-	-	-
17	Subtotal Water Treatment Expenses	\$ 1,215,242	\$ 769,005	\$ 307,881	\$ 121,369	\$ 16,986	\$ -
18	Transmission & Distribution Expenses	-	-	-	-	-	-
19	Commodity	231,250	143,008	60,014	25,147	3,081	-
20	Demand	2,081,252	1,584,318	440,522	22,226	34,186	-
21	Customer	-	-	-	-	-	-
22	Direct Private Fire	-	-	-	-	-	-
23	Subtotal Trans. & Dist. Expenses	\$ 2,312,502	\$ 1,727,326	\$ 500,536	\$ 47,373	\$ 37,266	\$ -
24	Customer Accounting Expenses	-	-	-	-	-	-
25	Commodity	1,356,615	1,261,329	92,121	1,285	1,880	-
26	Demand	-	-	-	-	-	-
27	Customer	-	-	-	-	-	-
28	Direct Private Fire	-	-	-	-	-	-
29	Subtotal Customer Accounting Exp.	\$ 1,356,615	\$ 1,261,329	\$ 92,121	\$ 1,285	\$ 1,880	\$ -
30	Sales Expenses	-	-	-	-	-	-
31	Commodity	-	-	-	-	-	-
32	Demand	-	-	-	-	-	-
33	Customer	-	-	-	-	-	-
34	Direct Private Fire	-	-	-	-	-	-
35	Subtotal Sales Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	Administrative & General Expenses	-	-	-	-	-	-
37	Commodity	496,179	306,190	128,997	54,398	6,594	-
38	Demand	1,030,866	784,052	218,847	11,026	16,942	-
39	Customer	1,043,586	970,291	70,859	990	1,446	-
40	Direct Private Fire	343	-	-	-	-	343
41	Subtotal A&G Expenses	\$ 2,570,974	\$ 2,060,533	\$ 418,703	\$ 66,414	\$ 24,982	\$ 343
42	Depreciation & Amortization Expenses	-	-	-	-	-	-
43	Commodity	278,773	175,665	70,227	28,850	4,031	-
44	Demand	2,508,955	1,925,455	511,262	28,713	43,524	-
45	Customer	925,030	860,588	62,262	887	1,293	-
46	Direct Private Fire	60,632	-	-	-	-	60,632
47	Subtotal Depreciation & Amortization	\$ 3,773,390	\$ 2,961,708	\$ 643,751	\$ 58,449	\$ 48,849	\$ 60,632
48	Other Taxes	-	-	-	-	-	-
49	Commodity	82,291	51,170	21,216	8,792	1,114	-
50	Demand	83,772	63,963	17,476	923	1,410	-
51	Customer	46,882	43,605	3,167	45	65	-
52	Direct Private Fire	-	-	-	-	-	-
53	Subtotal Other Taxes	\$ 212,952	\$ 158,738	\$ 41,859	\$ 9,760	\$ 2,589	\$ 7
54		7					7
55							

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Allocation of Operating Expenses to Classes of Service - Summary

Exhibit  
Schedule G-4 Rebuttal  
Page 3 of 8  
Witness: Reiker

Line No.	Description	Pinhal Valley (Casa Grande, Coolidge, Stanfield)				Direct Private Fire
		(A) Adjusted Total - Rebuttal	(B) Residential	(C) Commercial	(D) Industrial	
1	Operating Expenses at Present Rates					
2	Operations & Maintenance Expense					
3	Commodity	\$ 3,715,860	\$ 2,224,386	\$ 1,000,024	\$ 446,198	\$ 45,252
4	Demand	3,785,165	2,841,926	845,622	38,294	59,323
5	Customer	2,176,200	2,019,002	152,220	2,099	2,879
6	Direct Private Fire	334	-	-	-	-
7	Total Operations & Maintenance	\$ 9,677,559	\$ 7,085,313	\$ 1,997,866	\$ 486,591	\$ 107,454
8	Depreciation & Amortization Expenses					
9	Commodity	\$ 238,049	\$ 142,501	\$ 64,065	\$ 28,585	\$ 2,899
10	Demand	2,142,442	1,608,559	478,631	21,675	33,577
11	Customer	846,748	785,583	59,228	817	1,120
12	Direct Private Fire	58,953	-	-	-	-
13	Total Depreciation & Amortization	\$ 3,286,192	\$ 2,536,643	\$ 601,923	\$ 51,076	\$ 37,597
14	Income Taxes at Present Rates					
15	Commodity	\$ 106,172	\$ (72,037)	\$ 133,648	\$ 38,766	\$ 5,795
16	Demand	159,171	(107,996)	200,362	58,117	8,688
17	Customer	81,174	(55,075)	102,180	29,638	4,431
18	Direct Private Fire	8,370	-	-	-	-
19	Total Income Taxes at Present Rates	\$ 354,886	\$ (235,108)	\$ 436,190	\$ 126,521	\$ 18,914
20	Property Taxes					
21	Commodity	\$ 73,847	\$ 49,143	\$ 19,390	\$ 4,287	\$ 1,028
22	Demand	664,622	442,285	174,511	38,579	9,248
23	Customer	149,136	99,245	39,159	8,657	2,075
24	Direct Private Fire	5,663	-	-	-	-
25	Total Property Taxes	\$ 893,268	\$ 590,672	\$ 233,060	\$ 51,522	\$ 12,351
26	Other Taxes					
27	Commodity	\$ 72,790	\$ 43,574	\$ 19,590	\$ 8,741	\$ 886
28	Demand	74,148	55,671	16,565	750	1,162
29	Customer	42,630	39,550	2,982	41	56
30	Direct Private Fire	7	-	-	-	-
31	Total Other Taxes	\$ 189,574	\$ 138,794	\$ 39,136	\$ 9,532	\$ 2,105
32	Total Commodity at Present Rates	\$ 4,206,719	\$ 2,387,566	\$ 1,236,716	\$ 526,576	\$ 55,861
33	Total Demand at Present Rates	6,825,547	4,840,445	1,715,690	157,414	111,998
34	Total Customer at Present Rates	3,295,888	2,888,305	355,769	41,252	10,962
35	Total Direct Private Fire at Present Rates	73,326	-	-	-	-
36	Total Operating Expenses at Present Rates	\$ 14,401,480	\$ 10,116,316	\$ 3,308,175	\$ 725,242	\$ 178,420
37	Income Taxes at Proposed Rates					
38	Commodity	\$ 626,936	\$ 283,139	\$ 283,414	\$ 46,605	\$ 13,777
39	Demand	939,887	424,476	424,888	69,869	20,654
40	Customer	479,322	216,473	216,683	35,632	10,533
41	Direct Private Fire	12,327	-	-	-	-
42	Total Income Taxes at Proposed Rates	\$ 2,058,471	\$ 924,088	\$ 924,986	\$ 152,106	\$ 44,965
43	Property Taxes at Proposed Rates					
44	Commodity	\$ 79,703	\$ 53,332	\$ 21,367	\$ 3,870	\$ 1,134
45	Demand	717,323	479,988	192,300	34,830	10,205
46	Customer	160,962	107,706	43,151	7,816	2,290
47	Direct Private Fire	5,256	-	-	-	-
48	Total Property Taxes at Proposed Rates	\$ 963,243	\$ 641,026	\$ 256,817	\$ 46,515	\$ 13,628
49	Other Taxes at Proposed Rates					
50	Total Commodity at Proposed Rates	\$ 4,793,338	\$ 2,746,932	\$ 1,388,459	\$ 533,999	\$ 63,949
51	Total Demand at Proposed Rates	7,658,965	5,410,620	1,958,006	165,418	124,921
52	Total Customer at Proposed Rates	3,705,861	3,168,314	474,264	46,404	16,879
53	Total Direct Private Fire at Proposed Rates	76,875	-	-	-	-
54	Total Operating Expenses at Proposed Rates	\$ 16,175,039	\$ 11,325,865	\$ 3,820,729	\$ 745,820	\$ 205,749
55						\$ 76,875

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Allocation of Operating Expenses to Classes of Service - Detail

Exhibit  
Schedule G-4 Rebuttal  
Page 4 of 8  
Witness: Reiker

Line No.	Operating Expenses Operations & Maintenance Expense Source of Supply Expenses	Pinal Valley (Casa Grande, Coolidge, Stanfield)					Direct Private Fire
		[A] Adjusted Total - Rebuttal	[B] Residential	[C] Commercial	[D] Industrial	[E] Other	
1	Commodity	\$ 392,142	\$ 234,744	\$ 105,534	\$ 47,088	\$ 4,776	\$ -
2	Demand	105,495	79,207	23,568	1,067	1,653	-
3	Customer	-	-	-	-	-	-
4	Direct Private Fire	-	-	-	-	-	-
5	Subtotal Source of Supply Expenses	\$ 497,638	\$ 313,951	\$ 129,103	\$ 48,155	\$ 6,429	\$ -
6	Pumping Expenses	-	-	-	-	-	-
7	Commodity	1,670,332	999,893	449,525	200,572	20,342	-
8	Demand	756,755	568,176	169,062	7,656	11,860	-
9	Customer	-	-	-	-	-	-
10	Direct Private Fire	-	-	-	-	-	-
11	Subtotal Pumping Expenses	\$ 2,427,086	\$ 1,568,069	\$ 618,587	\$ 208,228	\$ 32,202	\$ -
12	Water Treatment Expenses	-	-	-	-	-	-
13	Commodity	994,053	595,059	267,523	119,365	12,106	-
14	Demand	110,450	82,927	24,675	1,117	1,731	-
15	Customer	-	-	-	-	-	-
16	Direct Private Fire	-	-	-	-	-	-
17	Subtotal Water Treatment Expenses	\$ 1,104,503	\$ 677,986	\$ 292,198	\$ 120,483	\$ 13,837	\$ -
18	Transmission & Distribution Expenses	-	-	-	-	-	-
19	Commodity	208,401	124,753	56,086	25,025	2,538	-
20	Demand	1,875,612	1,408,221	419,020	18,975	29,395	-
21	Customer	-	-	-	-	-	-
22	Direct Private Fire	-	-	-	-	-	-
23	Subtotal Trans. & Dist. Expenses	\$ 2,084,013	\$ 1,532,974	\$ 475,105	\$ 44,000	\$ 31,933	\$ -
24	Customer Accounting Expenses	-	-	-	-	-	-
25	Commodity	-	-	-	-	-	-
26	Demand	-	-	-	-	-	-
27	Customer	1,227,894	1,139,197	85,888	1,184	1,625	-
28	Direct Private Fire	-	-	-	-	-	-
29	Subtotal Customer Accounting Exp.	\$ 1,227,894	\$ 1,139,197	\$ 85,888	\$ 1,184	\$ 1,625	\$ -
30	Sales Expenses	-	-	-	-	-	-
31	Commodity	-	-	-	-	-	-
32	Demand	-	-	-	-	-	-
33	Customer	-	-	-	-	-	-
34	Direct Private Fire	-	-	-	-	-	-
35	Subtotal Sales Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	Administrative & General Expenses	-	-	-	-	-	-
37	Commodity	450,932	269,937	121,356	54,148	5,492	-
38	Demand	936,853	703,395	209,297	9,478	14,683	-
39	Customer	948,306	879,805	66,332	915	1,255	-
40	Direct Private Fire	334	-	-	-	-	334
41	Subtotal A&G Expenses	\$ 2,336,426	\$ 1,853,137	\$ 396,985	\$ 64,540	\$ 21,429	\$ 334
42	Depreciation & Amortization Expenses	-	-	-	-	-	-
43	Commodity	238,049	142,501	64,065	28,585	2,899	-
44	Demand	2,142,442	1,608,559	478,631	21,675	33,577	-
45	Customer	846,748	785,583	59,228	817	1,120	-
46	Direct Private Fire	58,953	-	-	-	-	58,953
47	Subtotal Depreciation & Amortization	\$ 3,286,192	\$ 2,536,643	\$ 601,923	\$ 51,076	\$ 37,597	\$ 58,953
48	Other Taxes	-	-	-	-	-	-
49	Commodity	72,790	43,574	19,590	8,741	886	-
50	Demand	74,148	55,671	16,565	750	1,162	-
51	Customer	42,630	39,550	2,982	41	56	-
52	Direct Private Fire	7	-	-	-	-	7
53	Subtotal Other Taxes	\$ 189,574	\$ 138,794	\$ 39,136	\$ 9,532	\$ 2,105	\$ 7
54							
55							

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Allocation of Operating Expenses to Classes of Service - Summary

Line No.	Description	White Tank					Direct Private Fire
		[A] Adjusted Total - Rebuttal	[B]	[C]	[D]	[E]	
1	Operating Expenses at Present Rates						
2	Operations & Maintenance Expense						
3	Commodity	\$ 350,929	\$ 289,216	\$ 48,516	\$ 2,537	\$ 10,660	\$ -
4	Demand	401,015	348,837	31,752	8,564	11,862	-
5	Customer	171,196	166,079	4,513	177	428	-
6	Direct Private Fire	4	-	-	-	-	4
7	Total Operations & Maintenance	\$ 923,143	\$ 804,132	\$ 84,780	\$ 11,278	\$ 22,949	\$ 4
8	Depreciation & Amortization Expenses						
9	Commodity	\$ 36,618	\$ 30,178	\$ 5,062	\$ 265	\$ 1,112	\$ -
10	Demand	329,559	286,679	26,094	7,038	9,748	-
11	Customer	67,727	65,702	1,785	70	169	-
12	Direct Private Fire	986	-	-	-	-	986
13	Total Depreciation & Amortization	\$ 434,890	\$ 382,560	\$ 32,941	\$ 7,373	\$ 11,030	\$ 986
14	Income Taxes at Present Rates						
15	Commodity	\$ (5,539)	\$ (9,948)	\$ 3,509	\$ 212	\$ 688	\$ -
16	Demand	(10,443)	(18,754)	6,614	400	1,297	-
17	Customer	(3,415)	(6,133)	2,163	131	424	-
18	Direct Private Fire	75	-	-	-	-	75
19	Total Income Taxes at Present Rates	\$ (19,322)	\$ (34,835)	\$ 12,286	\$ 743	\$ 2,409	\$ 75
20	Property Taxes						
21	Commodity	\$ 6,556	\$ 5,529	\$ 722	\$ 106	\$ 199	\$ -
22	Demand	59,006	49,759	6,502	951	1,794	-
23	Customer	3,388	2,857	373	55	103	-
24	Direct Private Fire	60	-	-	-	-	60
25	Total Property Taxes	\$ 69,010	\$ 58,145	\$ 7,597	\$ 1,111	\$ 2,097	\$ 60
26	Other Taxes						
27	Commodity	\$ 7,088	\$ 5,842	\$ 980	\$ 51	\$ 215	\$ -
28	Demand	8,100	7,046	641	173	240	-
29	Customer	3,458	3,355	91	4	9	-
30	Direct Private Fire	0	-	-	-	-	0
31	Total Other Taxes	\$ 18,647	\$ 16,243	\$ 1,712	\$ 228	\$ 464	\$ 0
32	Total Commodity at Present Rates	\$ 395,651	\$ 320,817	\$ 58,789	\$ 3,171	\$ 12,875	\$ -
33	Total Demand at Present Rates	787,237	673,568	71,603	17,126	24,941	-
34	Total Customer at Present Rates	242,354	231,860	8,925	456	1,133	-
35	Total Direct Private Fire at Present Rates	1,125	-	-	-	-	1,125
36	Total Operating Expenses at Present Rates	\$ 1,426,367	\$ 1,226,244	\$ 139,317	\$ 20,732	\$ 38,948	\$ 1,125
37	Income Taxes at Proposed Rates						
38	Commodity	\$ (3,197)	\$ (8,648)	\$ 4,406	\$ 218	\$ 827	\$ -
39	Demand	(6,027)	(16,303)	8,306	411	1,558	-
40	Customer	(1,971)	(5,332)	2,716	135	510	-
41	Direct Private Fire	129	-	-	-	-	129
42	Total Income Taxes at Proposed Rates	\$ (11,066)	\$ (30,282)	\$ 15,429	\$ 764	\$ 2,895	\$ 129
43	Property Taxes at Proposed Rates						
44	Commodity	\$ 7,419	\$ 6,227	\$ 845	\$ 118	\$ 228	\$ -
45	Demand	66,772	56,046	7,607	1,063	2,056	-
46	Customer	3,834	3,218	437	61	118	-
47	Direct Private Fire	74	-	-	-	-	74
48	Total Property Taxes at Proposed Rates	\$ 78,059	\$ 65,491	\$ 8,889	\$ 1,242	\$ 2,403	\$ 74
49	Total Commodity at Proposed Rates	\$ 398,857	\$ 322,816	\$ 59,809	\$ 3,189	\$ 13,043	\$ -
50	Total Demand at Proposed Rates	799,419	682,305	74,400	17,250	25,465	-
51	Total Customer at Proposed Rates	244,244	233,022	9,542	446	1,233	-
52	Total Direct Private Fire at Proposed Rates	1,193	-	-	-	-	1,193
53	Total Operating Expenses at Proposed Rates	\$ 1,443,713	\$ 1,238,143	\$ 143,751	\$ 20,885	\$ 39,740	\$ 1,193

Line No.	Operating Expenses Operations & Maintenance Expense Source of Supply Expenses	White Tank				[F]
		[A] Adjusted Total - Rebuttal	[B] Residential	[C] Commercial	[D] Industrial	
1	Commodity	\$ 59,945	\$ 49,404	\$ 8,287	\$ 433	\$ 1,821
2	Demand	20,352	17,704	1,611	435	602
3	Customer	-	-	-	-	-
4	Direct Private Fire	-	-	-	-	-
5	Subtotal Source of Supply Expenses	\$ 80,298	\$ 67,108	\$ 9,899	\$ 868	\$ 2,423
6	Pumping Expenses	-	-	-	-	-
7	Commodity	147,157	121,279	20,344	1,064	4,470
8	Demand	145,707	126,748	11,537	3,112	4,310
9	Customer	-	-	-	-	-
10	Direct Private Fire	-	-	-	-	-
11	Subtotal Pumping Expenses	\$ 292,864	\$ 248,027	\$ 31,881	\$ 4,176	\$ 8,780
12	Water Treatment Expenses	-	-	-	-	-
13	Commodity	92,349	76,109	12,767	668	2,805
14	Demand	10,261	8,926	812	219	304
15	Customer	-	-	-	-	-
16	Direct Private Fire	-	-	-	-	-
17	Subtotal Water Treatment Expenses	\$ 102,610	\$ 85,035	\$ 13,580	\$ 887	\$ 3,109
18	Transmission & Distribution Expenses	-	-	-	-	-
19	Commodity	16,914	13,940	2,338	122	514
20	Demand	152,230	132,423	12,053	3,251	4,503
21	Customer	-	-	-	-	-
22	Direct Private Fire	-	-	-	-	-
23	Subtotal Trans. & Dist. Expenses	\$ 169,145	\$ 146,363	\$ 14,392	\$ 3,373	\$ 5,017
24	Customer Accounting Expenses	-	-	-	-	-
25	Commodity	-	-	-	-	-
26	Demand	-	-	-	-	-
27	Customer	97,839	94,915	2,579	101	244
28	Direct Private Fire	-	-	-	-	-
29	Subtotal Customer Accounting Exp.	\$ 97,839	\$ 94,915	\$ 2,579	\$ 101	\$ 244
30	Sales Expenses	-	-	-	-	-
31	Commodity	-	-	-	-	-
32	Demand	-	-	-	-	-
33	Customer	-	-	-	-	-
34	Direct Private Fire	-	-	-	-	-
35	Subtotal Sales Expenses	-	-	-	-	-
36	Administrative & General Expenses	-	-	-	-	-
37	Commodity	34,563	28,485	4,778	250	1,050
38	Demand	72,464	63,035	5,738	1,548	2,143
39	Customer	73,357	71,164	1,934	76	183
40	Direct Private Fire	4	-	-	-	-
41	Subtotal A&G Expenses	\$ 180,388	\$ 162,685	\$ 12,449	\$ 1,873	\$ 3,377
42	Depreciation & Amortization Expenses	-	-	-	-	-
43	Commodity	36,618	30,178	5,062	265	1,112
44	Demand	329,559	286,679	26,094	7,038	9,748
45	Customer	67,727	65,702	1,785	70	169
46	Direct Private Fire	986	-	-	-	-
47	Subtotal Depreciation & Amortization	\$ 434,890	\$ 382,560	\$ 32,941	\$ 7,373	\$ 11,030
48	Other Taxes	-	-	-	-	-
49	Commodity	7,088	5,842	980	51	215
50	Demand	8,100	7,046	641	173	240
51	Customer	3,458	3,355	91	4	9
52	Direct Private Fire	0	-	-	-	-
53	Subtotal Other Taxes	\$ 18,647	\$ 16,243	\$ 1,712	\$ 228	\$ 464
54						
55						

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Allocation of Operating Expenses to Classes of Service - Summary

Line No.	Description	Ajo					Direct Private Fire
		[A] Adjusted Total - Rebuttal	[B]	[C]	[D]	[E]	
1	Operating Expenses at Present Rates						
2	Operations & Maintenance Expense						
3	Commodity	\$ 160,345	\$ 116,597	\$ 42,961	\$ -	\$ 787	\$ -
4	Demand	101,307	82,839	17,923	-	545	-
5	Customer	52,805	46,539	6,247	-	20	-
6	Direct Private Fire	5	-	-	-	-	5
7	Total Operations & Maintenance	\$ 314,462	\$ 245,974	\$ 67,131	\$ -	\$ 1,352	\$ 5
8	Depreciation & Amortization Expenses						
9	Commodity	\$ 4,106	\$ 2,986	\$ 1,100	\$ -	\$ 20	\$ -
10	Demand	36,953	30,217	6,538	-	199	-
11	Customer	10,555	9,302	1,249	-	4	-
12	Direct Private Fire	694	-	-	-	-	694
13	Total Depreciation & Amortization	\$ 52,308	\$ 42,505	\$ 8,886	\$ -	\$ 223	\$ 694
14	Income Taxes at Present Rates						
15	Commodity	\$ 13,695	\$ 7604,305936	\$ 5,950	\$ -	\$ 141	\$ -
16	Demand	11,514	6,393	5,002	-	119	-
17	Customer	5,277	2,930	2,292	-	54	-
18	Direct Private Fire	(191)	-	-	-	-	(191)
19	Total Income Taxes at Present Rates	\$ 30,294	\$ 16,927	\$ 13,244	\$ -	\$ 314	\$ (191)
20	Property Taxes						
21	Commodity	\$ 2,123	\$ 1,597	\$ 515	\$ -	\$ 11	\$ -
22	Demand	19,105	14,373	4,631	-	101	-
23	Customer	5,141	3,868	1,246	-	27	-
24	Direct Private Fire	34	-	-	-	-	34
25	Total Property Taxes	\$ 26,403	\$ 19,837	\$ 6,392	\$ -	\$ 139	\$ 34
26	Other Taxes						
27	Commodity	\$ 2,412	\$ 1,754	\$ 646	\$ -	\$ 12	\$ -
28	Demand	1,524	1,246	270	-	8	-
29	Customer	794	700	94	-	0	-
30	Direct Private Fire	0	-	-	-	-	0
31	Total Other Taxes	\$ 4,731	\$ 3,700	\$ 1,010	\$ -	\$ 20	\$ 0
32	Total Commodity at Present Rates	\$ 182,681	\$ 130,538	\$ 51,172	\$ -	\$ 971	\$ -
33	Total Demand at Present Rates	\$ 170,403	\$ 135,068	\$ 34,363	\$ -	\$ 972	\$ -
34	Total Customer at Present Rates	\$ 74,572	\$ 63,339	\$ 11,128	\$ -	\$ 105	\$ -
35	Total Direct Private Fire at Present Rates	\$ 542	\$ -	\$ -	\$ -	\$ -	\$ 542
36	Total Operating Expenses at Present Rates	\$ 428,198	\$ 328,945	\$ 96,663	\$ -	\$ 2,048	\$ 542
37	Income Taxes at Proposed Rates						
38	Commodity	\$ 17,367	\$ 10,773	\$ 6,429	\$ -	\$ 166	\$ -
39	Demand	14,601	9,057	5,405	-	139	-
40	Customer	6,691	4,151	2,477	-	64	-
41	Direct Private Fire	(182)	-	-	-	-	(182)
42	Total Income Taxes at Proposed Rates	\$ 38,477	\$ 23,980	\$ 14,310	\$ -	\$ 369	\$ (182)
43	Property Taxes at Proposed Rates						
44	Commodity	\$ 2,153	\$ 1,629	\$ 512	\$ -	\$ 12	\$ -
45	Demand	19,375	14,665	4,606	-	104	-
46	Customer	5,214	3,946	1,240	-	28	-
47	Direct Private Fire	34	-	-	-	-	34
48	Total Property Taxes at Proposed Rates	\$ 26,776	\$ 20,241	\$ 6,358	\$ -	\$ 143	\$ 34
49	Total Commodity at Proposed Rates	\$ 186,383	\$ 133,738	\$ 51,648	\$ -	\$ 996	\$ -
50	Total Demand at Proposed Rates	\$ 173,760	\$ 138,024	\$ 34,741	\$ -	\$ 995	\$ -
51	Total Customer at Proposed Rates	\$ 76,080	\$ 64,658	\$ 11,306	\$ -	\$ 115	\$ -
52	Total Direct Private Fire at Proposed Rates	\$ 552	\$ -	\$ -	\$ -	\$ -	\$ 552
53	Total Operating Expenses at Proposed Rates	\$ 436,754	\$ 336,401	\$ 97,695	\$ -	\$ 2,107	\$ 552

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Allocation of Operating Expenses to Classes of Service - Detail

Line No.	Operating Expenses Operations & Maintenance Expense Source of Supply Expenses	Alo					Direct Private Fire
		[A] Adjusted Total - Rebuttal	[B]	[C]	[D]	[E]	
1	Commodity	\$ 132,515	\$ 96,360	\$ 35,505	-	\$ 650	-
2	Demand	15,131	12,373	2,677	-	81	-
3	Customer	-	-	-	-	-	-
4	Direct Private Fire	-	-	-	-	-	-
5	Subtotal Source of Supply Expenses	\$ 147,646	\$ 108,733	\$ 38,182	\$ -	\$ 732	\$ -
6	Pumping Expenses						
7	Commodity	3,896	2,833	1,044	-	19	-
8	Demand	10,403	8,507	1,840	-	56	-
9	Customer	-	-	-	-	-	-
10	Direct Private Fire	-	-	-	-	-	-
11	Subtotal Pumping Expenses	\$ 14,299	\$ 11,340	\$ 2,884	\$ -	\$ 75	\$ -
12	Water Treatment Expenses						
13	Commodity	7,316	5,320	1,960	-	36	-
14	Demand	813	665	144	-	4	-
15	Customer	-	-	-	-	-	-
16	Direct Private Fire	-	-	-	-	-	-
17	Subtotal Water Treatment Expenses	\$ 8,129	\$ 5,984	\$ 2,104	\$ -	\$ 40	\$ -
18	Transmission & Distribution Expenses						
19	Commodity	5,934	4,315	1,590	-	29	-
20	Demand	53,410	43,674	9,449	-	287	-
21	Customer	-	-	-	-	-	-
22	Direct Private Fire	-	-	-	-	-	-
23	Subtotal Trans. & Dist. Expenses	\$ 59,344	\$ 47,989	\$ 11,039	\$ -	\$ 316	\$ -
24	Customer Accounting Expenses						
25	Commodity	-	-	-	-	-	-
26	Demand	-	-	-	-	-	-
27	Customer	30,882	27,217	3,653	-	11	-
28	Direct Private Fire	-	-	-	-	-	-
29	Subtotal Customer Accounting Exp.	\$ 30,882	\$ 27,217	\$ 3,653	\$ -	\$ 11	\$ -
30	Sales Expenses						
31	Commodity	-	-	-	-	-	-
32	Demand	-	-	-	-	-	-
33	Customer	-	-	-	-	-	-
34	Direct Private Fire	-	-	-	-	-	-
35	Subtotal Sales Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	Administrative & General Expenses						
37	Commodity	10,683	7,769	2,862	-	52	-
38	Demand	21,549	17,621	3,812	-	116	-
39	Customer	21,923	19,322	2,593	-	8	-
40	Direct Private Fire	5	-	-	-	-	-
41	Subtotal A&G Expenses	\$ 54,161	\$ 44,711	\$ 9,268	\$ -	\$ 176	\$ 5
42	Depreciation & Amortization Expenses						
43	Commodity	4,106	2,986	1,100	-	20	-
44	Demand	36,953	30,217	6,538	-	199	-
45	Customer	10,555	9,302	1,249	-	4	-
46	Direct Private Fire	694	-	-	-	-	-
47	Subtotal Depreciation & Amortization	\$ 52,308	\$ 42,505	\$ 8,866	\$ -	\$ 223	\$ 694
48	Other Taxes						
49	Commodity	2,412	1,754	646	-	12	-
50	Demand	1,524	1,246	270	-	8	-
51	Customer	794	700	94	-	0	-
52	Direct Private Fire	0	-	-	-	-	-
53	Subtotal Other Taxes	\$ 4,731	\$ 3,700	\$ 1,010	\$ -	\$ 20	\$ 0
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**G-5**

**DISTRIBUTION OF RATE BASE BY FUNCTION**

Line No.	Plant Classification	Western Group					Direct Private Fire	
		(A) Adjusted Test Year - As Filed	(B) Rebuttal Adjustments	(C) Adjusted Total - Rebuttal	(D) Commodity	(E) Demand		(F) Customer
1	Intangible Plant	\$ 1,556,046	\$ -	\$ 1,556,046	\$ 155,605	\$ 1,400,441	\$ -	\$ -
2	Source of Supply Plant	8,633,691	-	8,633,691	863,369	7,770,321	-	-
3	Pumping Plant	10,977,806	9,532	10,987,338	1,098,734	9,888,604	-	-
4	Water Treatment Plant	10,815,047	(63)	10,814,984	1,081,498	9,733,485	-	-
5	Transmission & Distribution Plant	127,945,777	50,506	127,996,283	8,622,610	77,603,489	39,199,454	2,570,730
6	General Plant	6,765,688	-	6,765,688	483,178	4,348,599	1,812,122	121,789
7	Subtotal Gross Utility Plant	\$ 166,694,053	\$ 59,975	\$ 166,754,028	\$ 12,304,993	\$ 110,744,940	\$ 41,011,576	\$ 2,692,519
8								
9								
10	Less:							
11	Accumulated Depreciation	33,280,458	334,260	33,614,718	2,474,998	22,274,980	8,311,699	553,041
12	Net Plant in Service	\$ 133,413,595	\$ (274,285)	\$ 133,139,311	\$ 9,829,996	\$ 88,469,961	\$ 32,699,876	\$ 2,139,478
13								
14	Less:							
15	Advances in Aid of Construction	53,463,817	-	53,463,817	3,567,590	32,108,312	16,719,767	1,068,147
16	Net Contributions in Aid of Construction	17,809,774	-	17,809,774	1,175,327	10,577,944	5,680,282	376,221
17	Deferred Income Tax	9,644,941	-	9,644,941	708,894	6,360,044	2,395,955	160,049
18	Customer Deposits	357,699	-	357,699	26,224	236,016	89,432	6,027
19	Subtotal Deductions	\$ 81,276,232	\$ -	\$ 81,276,232	\$ 5,478,035	\$ 49,302,316	\$ 24,885,436	\$ 1,610,445
20								
21	Add:							
22	Working Capital	1,462,431	-	1,462,431	107,359	966,229	364,446	24,397
23	Net Regulatory Asset / (Liability)	473,000	-	473,000	34,264	308,374	121,877	8,485
24	Subtotal Additions	\$ 1,935,431	\$ -	\$ 1,935,431	\$ 141,622	\$ 1,274,602	\$ 486,323	\$ 32,883
25								
26	Total Rate Base	\$ 54,072,795	\$ (274,285)	\$ 53,798,510	\$ 4,493,583	\$ 40,442,247	\$ 8,300,764	\$ 561,916
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Line No.	Plant Classification	Pinal Valley (Casa Grande, Coolidge, Stanfield)						
		[A]	[B]	[C]	[D]	[E]	[F]	[G]
		Adjusted Test Year - As Filed	Rebuttal Adjustments	Adjusted Total - Rebuttal	Commodity	Demand	Customer	Direct Private Fire
1	Intangible Plant	\$ 1,537,106	\$ -	\$ 1,537,106	\$ 153,711	\$ 1,383,395	\$ -	\$ -
2	Source of Supply Plant	7,110,716	-	7,110,716	711,072	6,399,645	-	-
3	Pumping Plant	9,265,661	9,532	9,275,193	8,347,674	8,347,674	-	-
4	Water Treatment Plant	9,120,077	-	9,120,077	912,008	8,208,070	-	-
5	Transmission & Distribution Plant	112,505,699	44,771	112,550,470	7,413,439	66,720,949	35,915,555	2,500,527
6	General Plant	6,146,905	-	6,146,905	431,971	3,887,735	1,708,266	118,934
7	Subtotal Gross Utility Plant	\$ 145,686,165	\$ 54,303	\$ 145,740,468	\$ 10,549,719	\$ 94,947,467	\$ 37,623,821	\$ 2,619,461
8								
9								
10	Less:							
11	Accumulated Depreciation	29,456,880	289,940	29,746,821	2,154,836	19,393,522	7,664,820	533,643
12	Net Plant in Service	\$ 116,229,285	\$ (235,638)	\$ 115,993,647	\$ 8,394,883	\$ 75,553,946	\$ 29,959,001	\$ 2,085,818
13								
14	Less:							
15	Advances in Aid of Construction	45,465,736	-	45,465,736	2,947,020	26,523,183	14,954,374	1,041,159
16	Net Contributions in Aid of Construction	16,161,299	-	16,161,299	1,047,551	9,427,959	5,315,698	370,092
17	Deferred Income Tax	8,683,491	-	8,683,491	629,025	5,661,226	2,237,463	155,778
18	Customer Deposits	327,277	-	327,277	23,707,66	213,368,94	84,328,91	5,871,18
19	Subtotal Deductions	\$ 70,637,803	\$ -	\$ 70,637,803	\$ 4,647,304	\$ 41,825,736	\$ 22,591,863	\$ 1,572,900
20								
21	Add:							
22	Working Capital	1,333,549	-	1,333,549	96,601	869,411	343,614	23,923
23	Net Regulatory Asset / (Liability)	473,000	-	473,000	34,264	308,374	121,877	8,485
24	Subtotal Additions	\$ 1,806,549	\$ -	\$ 1,806,549	\$ 130,865	\$ 1,177,785	\$ 465,491	\$ 32,409
25								
26	Total Rate Base	\$ 47,398,030	\$ (235,638)	\$ 47,162,393	\$ 3,878,444	\$ 34,905,994	\$ 7,832,629	\$ 545,326
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Line No.	Plant Classification	White Tank						Direct Private Fire
		[A]	[B]	[C]	[D]	[E]	[F]	
		Adjusted Test Year - As Filed	Rebuttal Adjustments	Adjusted Total - Rebuttal	Commodity	Demand	Customer	
1	Intangible Plant	\$ 14,360	\$ -	\$ 14,360	\$ 1,436	\$ 12,924	\$ -	\$ -
2	Source of Supply Plant	1,511,950	-	1,511,950	151,195	1,360,755	-	-
3	Pumping Plant	1,622,914	-	1,622,914	162,291	1,460,622	-	-
4	Water Treatment Plant	1,690,664	(47)	1,690,617	169,062	1,521,555	-	-
5	Transmission & Distribution Plant	13,420,369	5,735	13,426,104	1,053,839	9,484,553	2,846,269	41,443
6	General Plant	432,750	-	432,750	35,402	318,618	77,600	1,130
7	Subtotal Gross Utility Plant	\$ 18,693,007	\$ 5,688	\$ 18,698,695	\$ 1,573,225	\$ 14,159,028	\$ 2,923,869	\$ 42,573
8								
9								
10	Less:							
11	Accumulated Depreciation	2,856,989	44,228	2,901,217	244,282	2,198,540	451,817	6,579
12	Net Plant in Service	\$ 15,836,018	\$ (38,540)	\$ 15,797,478	\$ 1,328,943	\$ 11,960,488	\$ 2,472,053	\$ 35,994
13								
14	Less:							
15	Advances in Aid of Construction	7,891,919	-	7,891,919	612,626	5,513,632	1,740,322	25,340
16	Net Contributions in Aid of Construction	1,580,502	-	1,580,502	122,690	1,104,206	348,531	5,075
17	Deferred Income Tax	771,189	-	771,189	64,934	584,407	120,100	1,749
18	Customer Deposits	22,494	-	22,494	1,893.96	17,045.61	3,503.00	51.01
19	Subtotal Deductions	\$ 10,266,104	\$ -	\$ 10,266,104	\$ 802,143	\$ 7,219,290	\$ 2,212,456	\$ 32,214
20								
21	Add:							
22	Working Capital	112,351	-	112,351	9,460	85,139	17,497	255
23	Net Regulatory Asset / (Liability)	-	-	-	-	-	-	-
24	Subtotal Additions	\$ 112,351	\$ -	\$ 112,351	\$ 9,460	\$ 85,139	\$ 17,497	\$ 255
25								
26	Total Rate Base	\$ 5,682,264	\$ (38,540)	\$ 5,643,725	\$ 536,260	\$ 4,826,337	\$ 277,093	\$ 4,035
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Line No.	[A] Adjusted Test Year - As Filed	[B] Rebuttal Adjustments	[C] Adjusted Total - Rebuttal	[D] Commodity	[E] Demand	[F] Customer	[G] Direct Private Fire
1							
2	\$ 4,580	\$ -	\$ 4,580	\$ 458	\$ 4,122	\$ -	\$ -
3	11,024	-	11,024	1,102	9,922	-	-
4	89,231	-	89,231	8,923	80,308	-	-
5	4,305	(16)	4,289	429	3,860	-	-
6	2,019,708	-	2,019,708	155,332	1,397,987	437,629	28,760
7	186,032	-	186,032	15,805	142,246	26,256	1,725
8	\$ 2,314,881	\$ (16)	\$ 2,314,865	\$ 182,049	\$ 1,638,445	\$ 463,885	\$ 30,485
9							
10							
11	966,588	91	966,679	75,880	682,918	195,062	12,819
12	\$ 1,348,293	\$ (107)	\$ 1,348,186	\$ 106,170	\$ 955,527	\$ 268,823	\$ 17,666
13							
14							
15	106,162	-	106,162	7,944	71,498	25,072	1,648
16	67,973	-	67,973	5,087	45,779	16,053	1,055
17	190,261	-	190,261	14,935	134,411	38,392	2,523
18	7,929	-	7,929	622	5,601	1,600	105
19	\$ 372,324	\$ -	\$ 372,324	\$ 28,588	\$ 257,289	\$ 81,117	\$ 5,331
20							
21							
22	16,531	-	16,531	1,298	11,679	3,336	219
23							
24	\$ 16,531	\$ -	\$ 16,531	\$ 1,298	\$ 11,679	\$ 3,336	\$ 219
25							
26	\$ 992,500	\$ (107)	\$ 992,393	\$ 78,880	\$ 709,917	\$ 191,041	\$ 12,555
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**G-6**

**DISTRIBUTION OF EXPENSES BY FUNCTION**

Line No.	Western Group						Direct Private Fire
	(A)	(B)	(C)	(D)	(E)	(F)	
	Adjusted Test Year - As Filed	Rebuttal Adjustments	Adjusted Total - Rebuttal	Commodity	Demand	Customer	
1							
2	Operating Expenses						
3	Operations & Maintenance Expenses						
4	Source of Supply Expenses:						
5	Purchased Water	\$ 657,454	\$ (17,399)	\$ 640,055	\$ 576,050	\$ 64,006	\$ -
6	Other	85,941	(415)	85,526	8,553	76,974	-
7	Subtotal Source of Supply Expenses	\$ 743,396	\$ (17,814)	\$ 725,582	\$ 584,602	\$ 140,979	\$ -
8	Pumping Expenses:						
9	Purchased Power	1,934,023	-	1,934,023	1,740,620	193,402	-
10	Purchased Gas	927	-	927	834	93	-
11	Other	803,496	(4,197)	799,299	79,930	719,369	-
12	Subtotal Pumping Expenses	\$ 2,738,446	\$ (4,197)	\$ 2,734,249	\$ 1,821,385	\$ 912,864	\$ -
13	Water Treatment Expenses	1,216,545	(1,303)	1,215,242	1,093,718	121,524	-
14	Transmission & Distribution Expenses	2,326,205	(13,703)	2,312,502	231,250	2,081,252	-
15	Customer Accounting Expenses	1,360,309	(3,694)	1,356,615	-	1,356,615	-
16	Sales Expense	-	-	-	-	-	-
17	Administrative & General Expenses	2,582,308	(11,333)	2,570,974	496,179	1,030,866	343
18	Administrative & Maintenance Expense	10,967,208	(52,044)	10,915,164	4,227,134	4,287,486	2,400,201
19	Total Operations & Maintenance Expense	\$ 3,800,457	(27,066)	\$ 3,773,390	\$ 278,773	\$ 2,508,955	\$ 60,632
20	Depreciation & Amortization Expenses						
21	Taxes						
22	Income Taxes at Present Rates	363,833	2,025	365,858	114,328	160,242	83,035
23	Property Taxes	932,931	55,750	988,681	82,526	742,733	157,665
24	Other	213,622	(671)	212,952	82,291	83,772	46,882
25	Total Taxes	\$ 1,510,387	\$ 57,105	\$ 1,567,491	\$ 279,145	\$ 986,747	\$ 287,582
26	Total Operating Expenses	\$ 16,278,051	\$ (22,006)	\$ 16,256,045	\$ 4,785,051	\$ 7,783,188	\$ 3,612,814
27							
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37							
38	Income Taxes at Proposed Rates	\$ 2,085,883	\$ -	\$ 2,085,883	\$ 641,106	\$ 948,462	\$ 484,042
39	Property Taxes at Proposed Rates	1,068,117	-	1,068,117	89,274	803,470	170,009
40	Total Operating Expenses at Proposed Rates	\$ 18,055,506	\$ -	\$ 18,055,506	\$ 5,318,577	\$ 8,632,144	\$ 4,026,165
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Income & Property Taxes at Proposed Rates						
Adjusted with Increase	Commodity	Demand	Customer	Direct Private Fire		
\$ 2,085,883	\$ 641,106	\$ 948,462	\$ 484,042	\$ 12,274		
1,068,117	89,274	803,470	170,009	5,364		
\$ 18,055,506	\$ 5,318,577	\$ 8,632,144	\$ 4,026,165	\$ 78,620		

Line No.	[A] Adjusted Test Year - As Filed	[B] Rebuttal Adjustments	[C] Pinal Valley (Casa Grande, Coolidge, Stanfield)	[D] Commodity	[E] Demand	[F] Customer	[G] Direct Private Fire
1			Adjusted Total - Rebuttal				
2	Operating Expenses						
3	Operations & Maintenance Expenses						
4	Source of Supply Expenses:						
5	Purchased Water	\$ 445,372	\$ (17,399)	\$ 427,973	\$ 385,176	\$ 42,797	\$ -
6	Other	70,038	(373)	69,665	6,966	62,698	-
7	Subtotal Source of Supply Expenses	\$ 515,410	\$ (17,772)	\$ 497,638	\$ 392,142	\$ 105,495	\$ -
8	Pumping Expenses:						
9	Purchased Power	1,783,602	-	1,783,602	1,605,241	178,360	-
10	Purchased Gas	927	-	927	834	93	-
11	Other	646,335	(3,778)	642,557	64,256	578,302	-
12	Subtotal Pumping Expenses	\$ 2,430,864	\$ (3,778)	\$ 2,427,086	\$ 1,670,332	\$ 756,755	\$ -
13	Water Treatment Expenses	1,105,676	(1,173)	1,104,503	994,053	110,450	-
14	Transmission & Distribution Expenses	2,086,350	(12,337)	2,084,013	208,401	1,875,612	-
15	Customer Accounting Expenses	1,231,220	(3,326)	1,227,894	-	1,227,894	-
16	Sales Expense	-	-	-	-	-	-
17	Administrative & General Expenses	2,347,389	(10,964)	2,336,426	450,332	948,306	334
18	Total Operations & Maintenance Expense	\$ 9,726,909	\$ (49,350)	\$ 9,677,559	\$ 3,715,960	\$ 3,785,165	\$ 334
19	Depreciation & Amortization Expenses	3,313,401	(27,209)	3,286,192	238,049	2,142,442	58,953
20	Taxes						
21	Income Taxes at Present Rates	350,577	4,309	354,886	106,172	159,171	8,370
22	Property Taxes	847,951	45,317	893,268	73,847	664,622	149,136
23	Other	189,574	-	189,574	72,790	74,148	42,630
24	Total Taxes	\$ 1,388,102	\$ 49,627	\$ 1,437,729	\$ 252,809	\$ 897,941	\$ 14,039
25	Total Operating Expenses	\$ 14,428,412	\$ (26,932)	\$ 14,401,480	\$ 4,206,719	\$ 6,825,547	\$ 73,326

Income & Property Taxes at Proposed Rates						
	Adjusted with Increase	Commodity	Demand	Customer	Direct Private Fire	
Income Taxes at Proposed Rates	\$ 2,058,471	\$ 626,936	\$ 939,887	\$ 479,322	\$ 12,327	
Property Taxes at Proposed Rates	963,243	79,703	717,323	160,962	5,256	
Total Operating Expenses at Proposed Rates	\$ 16,175,039	\$ 4,733,338	\$ 7,658,965	\$ 3,705,861	\$ 76,875	

Line No.	White Tank						
	[A]	[B]	[C]	[D]	[E]	[F]	[G]
	Adjusted Test Year - As Filed	Rebuttal Adjustments	Adjusted Total - Rebuttal	Commodity	Demand	Customer	Direct Private Fire
1							
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Income & Property Taxes at Proposed Rates										
	Adjusted with Increase	Commodity	Demand	Customer	Direct Private Fire					
	\$	(11,066)	\$	(3,197)	\$	(6,027)	\$	(1,971)	\$	129
	\$	78,099	\$	7,419	\$	66,772	\$	3,834	\$	74
	\$	1,443,713	\$	398,857	\$	799,419	\$	244,244	\$	1,193

Line No.	[A] Adjusted Test Year - As Filed	[B] Rebuttal Adjustments	[C] Adjusted Total - Rebuttal	[D] Ajo	[E] Commodity	[F] Demand	[G] Customer	[G] Direct Private Fire
1	Operating Expenses							
2	Operations & Maintenance Expenses							
3	Source of Supply Expenses:							
4	Purchased Water	\$ 147,188	\$ -	\$ 147,188	\$ 132,469	\$ 14,719	\$ -	\$ -
5	Other	467	(9)	458	46	413	-	-
6	Subtotal Source of Supply Expenses	\$ 147,655	\$ (9)	\$ 147,646	\$ 132,515	\$ 15,131	\$ -	\$ -
7	Pumping Expenses:							
8	Purchased Power	3,083	-	3,083	2,775	308	-	-
9	Purchased Gas	-	-	-	-	-	-	-
10	Other	11,299	(83)	11,216	1,122	10,095	-	-
11	Subtotal Pumping Expenses	\$ 14,382	\$ (83)	\$ 14,299	\$ 3,896	\$ 10,403	\$ -	\$ -
12	Water Treatment Expenses	8,155	(26)	8,129	7,316	813	-	-
13	Transmission & Distribution Expenses	59,614	(270)	59,344	5,934	53,410	-	-
14	Customer Accounting Expenses	30,955	(73)	30,882	-	-	30,882	-
15	Sales Expense	-	-	-	-	-	-	-
16	Administrative & General Expenses	54,423	(262)	54,161	10,883	21,549	21,923	5
17	Total Operations & Maintenance Expense	\$ 315,185	\$ (723)	\$ 314,462	\$ 160,345	\$ 101,307	\$ 52,805	\$ 5
18	Depreciation & Amortization Expenses	52,300	8	52,308	4,106	36,953	10,555	694
19	Taxes							
20	Income Taxes at Present Rates	30,888	(594)	30,294	13,695	11,514	5,277	(191)
21	Property Taxes	24,146	2,258	26,403	2,123	19,105	5,141	34
22	Other	4,731	-	4,731	2,412	1,524	794	0
23	Total Taxes	\$ 59,764	\$ 1,664	\$ 61,428	\$ 18,230	\$ 32,143	\$ 11,212	\$ (157)
24	Total Operating Expenses	\$ 427,250	\$ 948	\$ 428,198	\$ 182,681	\$ 170,403	\$ 74,572	\$ 542

Income & Property Taxes at Proposed Rates							
	Adjusted with Increase	Commodity	Demand	Customer	Customer	Direct Private Fire	
	\$ 38,477	\$ 17,367	\$ 14,601	\$ 6,691	\$ 6,691	\$ (182)	
	26,776	2,153	19,375	5,214	5,214	34	
	\$ 436,754	\$ 186,383	\$ 173,760	\$ 76,060	\$ 76,060	\$ 552	

**G-7**

**DEVELOPMENT OF ALLOCATION FACTORS**

		Pinal Valley (Casa Grande, Coolidge, Stanfield)				
		[A]	[B]	[C]	[D]	[E]
Line No.	End of Test Year <sup>1</sup> 12/31/2010	Commodity	Demand	Customer	Direct Private Fire	
1	Intangible Plant					
2	Organization	0.10	0.90	-	-	
3	Franchises	0.10	0.90	-	-	
4	Other Intangibles	0.10	0.90	-	-	
5	Subtotal Intangible Plant	0.10	0.90	-	-	
6	Source of Supply Plant					
7	Water Rights	0.10	0.90	-	-	
8	Other Source of Supply Land	0.10	0.90	-	-	
9	Wells - Other	0.10	0.90	-	-	
10	Wells	0.10	0.90	-	-	
11	Subtotal Source of Supply Plant	0.10	0.90	-	-	
12	Pumping Plant					
13	Pumping Plant Land	0.10	0.90	-	-	
14	Pumping Plant Structures & Improvements	0.10	0.90	-	-	
15	Electric Pumping Equipment	0.10	0.90	-	-	
16	Gas Engine Equipment	0.10	0.90	-	-	
17	Subtotal Pumping Plant	0.10	0.90	-	-	
18	Water Treatment Plant					
19	Water Treatment Plant Land	0.10	0.90	-	-	
20	Water Treatment Structures & Improvements	0.10	0.90	-	-	
21	Water Treatment Equipment	0.10	0.90	-	-	
22	Subtotal Water Treatment Plant	0.10	0.90	-	-	
23	Transmission & Distribution Plant					
24	Transmission and Distribution Land	0.10	0.90	-	-	
25	Storage Tanks	0.10	0.90	-	-	
26	Transmission & Distribution Mains	0.10	0.90	-	-	
27	Fire Sprinkler Taps	-	-	-	1.00	
28	Services	-	-	1.00	-	
29	Meters	-	-	1.00	-	
30	Hydrants	-	-	1.00	-	
31	Subtotal Transmission & Distribution Plant	0.07	0.59	0.32	0.02	
32	General Plant					
33	General Plant Land	0.10	0.90	-	-	
34	General Plant Structures	0.10	0.90	-	-	
35	Leasehold Improvements	0.07	0.59	0.32	0.02	
36	Office Furniture & Equipment	0.07	0.59	0.32	0.02	
37	Warehouse Equipment	0.07	0.59	0.32	0.02	
38	Tools, Shop & Garage Equipment	0.07	0.59	0.32	0.02	
39	Laboratory Equipment	0.07	0.59	0.32	0.02	
40	Power Operated Equipment	0.07	0.59	0.32	0.02	
41	Communication Equipment	0.07	0.59	0.32	0.02	
42	Miscellaneous Equipment	0.07	0.59	0.32	0.02	
43	Subtotal General Plant	0.07	0.63	0.28	0.02	
44						
45	Total Plant in Service	0.07	0.65	0.26	0.02	
46						
47						
48	Advances & Contributions					
49	(T&D Mains, Fire Sprinkler Taps, Services					
50	Meters, & Hydrants)	0.06	0.58	0.33	0.02	
51						
52						
53						
54						
55	<sup>1</sup> Excludes Phoenix office & meter shop					

<sup>1</sup>Excludes Phoenix office & meter shop

Line No.	[A] End of Test Year 12/31/2010	Pinal Valley (Casa Grande, Coolidge, Stanfield)				[E]
		[B] Commodity	[C] Demand	[D] Customer	Direct Private Fire	
1	Operating Expenses <sup>1</sup>					
2	Source of Supply Expenses:					
3	Purchased Water	0.90	0.10	-	-	
4	Other	0.10	0.90	-	-	
5	Pumping Expenses:					
6	Purchased Power	0.90	0.10	-	-	
7	Purchased Gas	927	0.10	-	-	
8	Other	500,924	0.90	-	-	
9	Water Treatment Expenses	995,342	0.90	-	-	
10	Transmission & Distribution Expenses	1,562,011	0.90	-	-	
11	Customer Accounting Expenses	1,177,556	0.90	-	-	
12	Sales Expense	-	-	1.00	-	
13	Administrative & General Expenses	-	-	1.00	-	
14	Total Operations & Maintenance Expense	2,028,410	0.40	0.41	0.00	
15		\$ 8,536,752	0.36	0.23	0.00	
16	Depreciation & Amortization Expenses	\$ 3,104,883	0.65	0.26	0.02	

<sup>1</sup>A&G Expense allocation ratios updated to reflect 2010 actual functional ratios. All other allocation ratios reflect those accepted by Staff in Docket No. 08-0440.

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Development of Allocation Factors/Units of Service

Exhibit  
Schedule G-7 Rebuttal  
Page 3 of 9  
Witness: Reiker

Line No.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]
1	Commodity Allocation Factor									
2	Total	Percent of Total / Factor								
3	M Gallons									
4										
5	Class									
6	Residential	2,974,686	59.86%							
7	Commercial	1,337,338	26.91%							
8	Industrial	596,704	12.01%							
9	Other	60,516	1.22%							
10										
11	Totals	4,969,244	100.00%							
12										
13										
14										
15	Demand Allocation Factor									
16	Class									
17	Residential									
18	Meters/Services	25,067	491	75	7	4	8	-	-	
19	Equivalent Weight	1.0	2.5	8.0	16.0	25.0	50.0	80.0	115.0	
20	Equivalent Meters/Services	25,067	1,228	603	112	94	399	-	-	
21	Commercial									
22	Meters/Services	874	485	498	35	25	15	3	-	
23	Equivalent Weight	1.0	2.5	8.0	16.0	25.0	50.0	80.0	115.0	
24	Equivalent Meters/Services	874	1,213	3,987	553	619	736	202	-	27,502
25	Industrial									
26	Meters/Services	3	7	11	-	3	2	1	-	
27	Equivalent Weight	1.0	2.5	8.0	16.0	25.0	50.0	80.0	115.0	
28	Equivalent Meters/Services	3	16	88	-	75	108	80	-	8,183
29	Other									
30	Meters/Services	-	-	3	32	1	-	-	-	
31	Equivalent Weight	1.0	2.5	8.0	16.0	25.0	50.0	80.0	115.0	
32	Equivalent Meters/Services	-	-	24	515	35	-	-	-	371
33	Industrial									
34	Meters/Services	-	-	24	515	35	-	-	-	
35	Equivalent Weight	1.0	2.5	8.0	16.0	25.0	50.0	80.0	115.0	
36	Equivalent Meters/Services	-	-	24	515	35	-	-	-	574
37	Totals									36,630
38										100.00%
39										
40	Customer Allocation Factor									
41	Class									
42	Residential	25,652	307,824	92.78%						
43	Commercial	1,934	23,208	6.99%						
44	Industrial	27	320	0.10%						
45	Other	37	439	0.13%						
46										
47	Totals	27,649	331,791	100.00%						
48										
49										
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\*Allocation factors include customer growth

Supporting Schedules:

N:\2011\_Rate\_Case\Schedules\Western Group\2011 AWC Rate Case Modal\REBUTTAL SCHEDULES AWC WG FINAL.xlsxG7  
Processing Date: 1/11/2012 3:54 PM

Recap Schedules:  
G-4 Rebuttal, G-3 Rebuttal

Line No.	[A]	White Tank			[E]
		[B]	[C]	[D]	
	End of Test Year <sup>1</sup> 12/31/2010	Commodity	Demand	Customer	Direct Private Fire
1					
2	\$ -	0.10	0.90	-	-
3		0.10	0.90	-	-
4	14,082	0.10	0.90	-	-
5	\$ 14,082	0.10	0.90	-	-
6					
7	26,224	0.10	0.90	-	-
8	45,043	0.10	0.90	-	-
9		0.10	0.90	-	-
10	1,440,680	0.10	0.90	-	-
11	\$ 1,511,948	0.10	0.90	-	-
12					
13		0.10	0.90	-	-
14	22,985	0.10	0.90	-	-
15	1,599,928	0.10	0.90	-	-
16		0.10	0.90	-	-
17	\$ 1,622,914	0.10	0.90	-	-
18					
19	40,103	0.10	0.90	-	-
20	1,650,499	0.10	0.90	-	-
21	\$ 1,690,602	0.10	0.90	-	-
22					
23	35,990	0.10	0.90	-	-
24	478,301	0.10	0.90	-	-
25	9,928,618	0.10	0.90	-	-
26	41,067	-	-	-	1.00
27	1,952,221	-	-	1.00	-
28	244,729	-	-	1.00	-
29	623,530	-	-	1.00	-
30					
31	\$ 13,304,456	0.08	0.71	0.21	0.00
32					
33	33,643	0.10	0.90	-	-
34		0.08	0.71	0.21	0.00
35	27,194	0.08	0.71	0.21	0.00
36	1,306	0.08	0.71	0.21	0.00
37	34,073	0.08	0.71	0.21	0.00
38	6,654	0.08	0.71	0.21	0.00
39	1,788	0.08	0.71	0.21	0.00
40	100,557	0.08	0.71	0.21	0.00
41	13,051	0.08	0.71	0.21	0.00
42	\$ 218,266	0.08	0.74	0.18	0.00
43					
44	\$ 18,362,266	0.08	0.76	0.16	0.00
45					
46					
47					
48					
49					
50	\$ 12,790,165	0.08	0.70	0.22	0.00
51					
52					
53					
54					
55					

<sup>1</sup>Excludes Phoenix office & meter shop

Line No.	[A] End of Test Year 12/31/2010	White Tank				[E] Direct Private Fire
		[B] Commodity	[C] Demand	[D] Customer	[E] Private Fire	
1	Operating Expenses <sup>1</sup>					
2	Source of Supply Expenses:					
3	Purchased Water	0.90	0.10	-	-	
4	Other	0.10	0.90	-	-	
5	Pumping Expenses:					
6	Purchased Power	0.90	0.10	-	-	
7	Purchased Gas	0.90	0.10	-	-	
8	Other	0.90	0.10	-	-	
9	Water Treatment Expenses	0.90	0.10	-	-	
10	Transmission & Distribution Expenses	0.90	0.10	-	-	
11	Customer Accounting Expenses	0.90	0.10	-	-	
12	Sales Expense	-	-	1.00	-	
13	Administrative & General Expenses	-	-	1.00	-	
14	Operations & Maintenance Expense	0.19	0.40	0.41	0.00	
15	Total	0.38	0.42	0.20	0.00	
16	Depreciation & Amortization Expenses	0.08	0.76	0.16	0.00	
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<sup>1</sup>A&G Expense allocation ratios updated to reflect 2010 actual functional ratios. All other allocation ratios reflect those accepted by Staff in Docket No. 08-0440.

Line No.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]
	White Tank									
	Commodity Allocation Factor									
	Total M Gallons	Percent of Total / Factor								
6	Residential	302,019	82.41%							
7	Commercial	50,663	13.82%							
8	Industrial	2,649	0.72%							
9	Other	11,132	3.04%							
10	Totals	366,463	100.00%							

Line No.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]		
	Demand Allocation Factor											
	Class	5/8-inch	1-inch	1.5-inch	2-inch	3-inch	4-inch	6-inch	8-inch	10-inch	Total	Percent of Total / Factor
17	Residential											
18	Meters/Services	1,561	314	-	2	-	-	-	-	-	-	
19	Equivalent Weight	1.0	2.5	5.0	8.0	16.0	25.0	50.0	80.0	115.0	-	
20	Commercial	1,561	786	-	16	-	-	-	-	-	-	
21	Meters/Services	17	17	-	16	2	-	-	-	-	2,362	86.99%
22	Equivalent Weight	1.0	2.5	5.0	8.0	16.0	25.0	50.0	80.0	115.0	-	
23	Industrial	17	41	-	126	31	-	-	-	-	215	7.92%
24	Meters/Services	-	-	-	1	-	-	1	-	-	-	
25	Equivalent Weight	1.0	2.5	5.0	8.0	16.0	25.0	50.0	80.0	115.0	-	
26	Commercial	-	-	-	8	-	-	50	-	-	58	2.14%
27	Meters/Services	-	-	-	-	-	-	-	-	-	-	
28	Equivalent Weight	1.0	2.5	5.0	8.0	16.0	25.0	50.0	80.0	115.0	-	
29	Industrial	-	-	-	-	-	-	-	-	-	-	
30	Meters/Services	-	-	-	-	5	0	-	-	-	80	2.96%
31	Equivalent Weight	1.0	2.5	5.0	8.0	16.0	25.0	50.0	80.0	115.0	-	
32	Commercial	-	-	-	-	72	8	-	-	-	-	
33	Industrial	-	-	-	-	-	-	-	-	-	-	
34	Totals										2,716	100.00%

Line No.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]
	Customer Allocation Factor									
	Class	Meters / Services	Bills	Percent of Total / Factor						
45	Residential	1,877	22,524	97.01%						
46	Commercial	51	612	2.64%						
47	Industrial	2	24	0.10%						
48	Other	5	58	0.25%						
49	Totals	1,935	23,218	100.00%						

\*Allocation factors include customer growth

Line No.	[A] End of Test Year <sup>1</sup> 12/31/2010	[B] Ajo [C]				[D]		[E]	
		Commodity	Demand	Customer	Private Fire	Direct	Private Fire		
1	Intangible Plant								
2	Organization	0.10	0.90	-	-	-	-		
3	Franchises	0.10	0.90	-	-	-	-		
4	Other Intangibles	0.10	0.90	-	-	-	-		
5	Subtotal Intangible Plant	4,512	0.90	-	-	-	-		
6	Source of Supply Plant	4,512	0.90	-	-	-	-		
7	Water Rights	10,222	0.90	-	-	-	-		
8	Other Source of Supply Land	-	0.90	-	-	-	-		
9	Wells - Other	-	0.90	-	-	-	-		
10	Wells	802	0.90	-	-	-	-		
11	Subtotal Source of Supply Plant	11,024	0.90	-	-	-	-		
12	Pumping Plant								
13	Pumping Plant Land	3,208	0.90	-	-	-	-		
14	Pumping Plant Structures & Improvements	3,015	0.90	-	-	-	-		
15	Electric Pumping Equipment	83,008	0.90	-	-	-	-		
16	Gas Engine Equipment	-	0.90	-	-	-	-		
17	Subtotal Pumping Plant	89,231	0.90	-	-	-	-		
18	Water Treatment Plant								
19	Water Treatment Plant Land	-	0.90	-	-	-	-		
20	Water Treatment Structures & Improvements	-	0.90	-	-	-	-		
21	Water Treatment Equipment	4,290	0.90	-	-	-	-		
22	Subtotal Water Treatment Plant	4,290	0.90	-	-	-	-		
23	Transmission & Distribution Plant								
24	Transmission and Distribution Land	6,065	0.90	-	-	-	-		
25	Storage Tanks	160,595	0.90	-	-	-	-		
26	Transmission & Distribution Mains	1,386,625	0.90	-	-	-	-		
27	Fire Sprinkler Taps	28,759	0.90	-	-	-	-		
28	Services	306,627	-	1.00	-	1.00	-		
29	Meters	51,129	-	1.00	-	1.00	-		
30	Hydrants	79,863	-	1.00	-	1.00	-		
31	Subtotal Transmission & Distribution Plant	2,019,663	0.69	0.22	-	0.22	0.01		
32	General Plant								
33	General Plant Land	-	0.90	-	-	-	-		
34	General Plant Structures	46,411	0.90	-	-	-	-		
35	Leasehold Improvements	-	0.69	0.22	-	0.22	0.01		
36	Office Furniture & Equipment	9,884	0.69	0.22	-	0.22	0.01		
37	Warehouse Equipment	193	0.69	0.22	-	0.22	0.01		
38	Tools, Shop & Garage Equipment	8,618	0.69	0.22	-	0.22	0.01		
39	Laboratory Equipment	34,889	0.69	0.22	-	0.22	0.01		
40	Power Operated Equipment	3,234	0.69	0.22	-	0.22	0.01		
41	Communication Equipment	29,119	0.69	0.22	-	0.22	0.01		
42	Miscellaneous Equipment	788	0.69	0.22	-	0.22	0.01		
43	Subtotal General Plant	133,117	0.76	0.14	-	0.14	0.01		
44									
45	Total Plant in Service	2,261,836	0.71	0.20	-	0.20	0.01		
46									
47									
48	Advances & Contributions								
49	(T&D Mains, Fire Sprinkler Taps, Services								
50	Meters, & Hydrants)	1,853,004	0.67	0.24	-	0.24	0.02		
51									
52									
53									
54									
55	<sup>1</sup> Excludes Phoenix office & meter shop								

Line No.	[A] End of Test Year 12/31/2010	Ajo				[E] Direct Private Fire
		[B] Commodity	[C] Demand	[D] Customer	[E] Private Fire	
1	Operating Expenses <sup>1</sup>					
2	Source of Supply Expenses:					
3	Purchased Water	0.90	0.10	-	-	
4	Other	0.10	0.90	-	-	
5	Pumping Expenses:					
6	Purchased Power	0.90	0.10	-	-	
7	Purchased Gas	0.90	0.10	-	-	
8	Other	0.10	0.90	-	-	
9	Water Treatment Expenses					
10	Transmission & Distribution Expenses					
11	Customer Accounting Expenses					
12	Sales Expense			1.00		
13	Administrative & General Expenses			1.00		
14	Total Operations & Maintenance Expense	0.20	0.40	0.40	0.00	
15		0.54	0.29	0.17	0.00	
16	Depreciation & Amortization Expenses					
17		0.08	0.71	0.20	0.01	
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<sup>1</sup>A&G Expense allocation ratios updated to reflect 2010 actual functional ratios. All other allocation ratios reflect those accepted by Staff in Docket No. 08-0440.

Line No.	Commodity Allocation Factor	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	Percent of Total / Factor
1												
2												
3												
4												
5												
6	Class		Percent of Total / Factor									
7	Residential	34,299	72.72%									
8	Commercial	12,638	26.79%									
9	Industrial	-	0.00%									
10	Other	232	0.49%									
11	Totals	47,168	100.00%									
12												
13												
14												
15												
16												
17	Demand Allocation Factor											
18	Class											
19	Residential											
20	Meters/Services	588	8		8.0	16.0	25.0	50.0	80.0	115.0	608	81.77%
21	Equivalent Weight	1.0	2.5									
22	Equivalent Meters/Services	588	20									
23	Commercial											
24	Meters/Services	57	20		3							
25	Equivalent Weight	1.0	2.5	5.0	8.0	16.0	25.0	50.0	80.0	115.0	132	17.69%
26	Equivalent Meters/Services	57	51		24							
27	Industrial											
28	Meters/Services	-	-									
29	Equivalent Weight	1.0	2.5	5.0	8.0	16.0	25.0	50.0	80.0	115.0	-	0.00%
30	Equivalent Meters/Services	-	-									
31	Other											
32	Meters/Services	-	-									
33	Equivalent Weight	1.0	2.5	5.0	8.0	16.0	25.0	50.0	80.0	115.0	4	0.54%
34	Equivalent Meters/Services	-	-									
35	Totals										744	100.00%
36												
37												
38												
39												
40												
41												
42												
43												
44	Customer Allocation Factor											
45	Class											
46	Residential	596	7,152	88.13%								
47	Commercial	80	960	11.83%								
48	Industrial	-	-	0.00%								
49	Other	0	3	0.04%								
50	Totals	676	8,115	100.00%								
51												
52												
53												
54												
55												

Meters / Services	Bills	Percent of Total / Factor
596	7,152	88.13%
80	960	11.83%
-	-	0.00%
0	3	0.04%
676	8,115	100.00%

\*Allocation factors include customer growth

# **EFFECT OF PROPOSED TARIFF SCHEDULES**

- H-1** SUMMARY OF REVENUES BY CUSTOMER
- H-2** ANALYSIS OF REVENUES BY DETAILED CLASS
- H-3** CHANGES IN REPRESENTATIVE RATE SCHEDULES
- H-4** TYPICAL BILL ANALYSIS

**H-1**

**SUMMARY OF REVENUES BY CUSTOMER**

Line No.	Customer Classification	Western Group												
		[A]		[B]		[C]		[D]		[E]		[F]		[G]
		Test Year Rates Sch. H-2 Col. E	Proposed Rates Sch. H-2 Col. F	Test Year Rates Sch. H-2 Col. E	Proposed Rates Sch. H-2 Col. F	Proposed Increase Amount	%	Proposed Increase Amount	%	Proposed Rates Sch. H-2 Col. I	Proposed Increase Amount	%	Proposed Increase Amount	%
3	Residential	\$ 12,151,216	\$ 15,125,401	\$ 2,974,185	24.48%	\$ 2,974,185	24.48%	\$ 15,081,186	\$ 2,929,970	24.11%	\$ 2,929,970	24.11%		
4	Commercial	4,419,455	5,667,871	1,248,416	28.25%	1,248,416	28.25%	5,656,579	1,237,125	27.99%	1,237,125	27.99%		
5	Industrial	937,053	994,504	29,490	3.06%	29,490	3.06%	994,504	57,452	6.13%	57,452	6.13%		
6	Private Fire Service	102,252	111,700	9,448	9.24%	9,448	9.24%	111,700	9,448	9.24%	9,448	9.24%		
7	Other Water Revenues	268,754	336,427	67,673	25.18%	67,673	25.18%	335,450	66,696	24.82%	66,696	24.82%		
9	Total Water Revenues	\$ 17,878,729	\$ 22,235,903	\$ 4,329,212	24.18%	\$ 4,329,212	24.18%	\$ 22,179,419	\$ 4,300,690	24.05%	\$ 4,300,690	24.05%		
12	Miscellaneous Revenues	759,466	994,322	234,856	30.92%	234,856	30.92%	994,322	234,856	30.92%	234,856	30.92%		
14	Total Operating Revenues	\$ 18,638,195	\$ 23,230,225	\$ 4,564,068	24.45%	\$ 4,564,068	24.45%	\$ 23,173,741	\$ 4,535,546	24.33%	\$ 4,535,546	24.33%		
17	Target Revenue Requirement (Sch. C-1, Ln. 10)													
18	Difference (Ln. 14 - Ln. 25)		\$ 23,230,225					\$ 23,173,740						
19	Less: Consolidated Revenue Adjustment <sup>1</sup>		(1)					1						
20	Over/(Short)													
21	%													
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<sup>1</sup>Consolidated Revenue Adjustment represents the increase/(decrease) in revenue requirement resulting from proposed rate consolidation.

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2010  
 Summary of Revenues by Customer  
 Classification - Present & Proposed Rates

Line No.	Customer Classification	Pinal Valley (Casa Grande, Coolidge, Stanfield)												
		[A]		[B]		[C]		[D]		[E]		[F]		[G]
		Test Year Rates Sch. H-2 Col. E	Proposed Rates Sch. H-2 Col. F	Proposed Rates Sch. H-2 Col. G	Proposed Increase Amount	%	Proposed Rates Sch. H-2 Col. I	Proposed Increase Amount	%	Proposed Rates Sch. H-2 Col. J	Proposed Increase Amount	%	Proposed Rates Sch. H-2 Col. K	Proposed Increase Amount
1	Residential	\$ 10,454,403	\$ 13,400,527	\$ 2,946,123	28.18%	\$ 13,358,678	\$ 2,904,274	27.78%	\$ 13,358,678	\$ 2,904,274	27.78%	\$ 13,358,678	\$ 2,904,274	27.78%
2	Commercial	4,124,957	5,363,447	1,238,489	30.02%	5,351,957	1,227,000	29.75%	5,351,957	1,227,000	29.75%	5,351,957	1,227,000	29.75%
3	Industrial	911,893	969,361	29,506	3.14%	969,361	57,468	6.30%	969,361	57,468	6.30%	969,361	57,468	6.30%
4	Private Fire Service	100,237	109,525	9,288	9.27%	109,525	9,288	9.27%	109,525	9,288	9.27%	109,525	9,288	9.27%
5	Other Water Revenues	218,600	284,881	66,281	30.32%	284,011	65,411	29.92%	284,011	65,411	29.92%	284,011	65,411	29.92%
6	Total Water Revenues	\$ 15,810,092	\$ 20,127,740	\$ 4,289,686	27.08%	\$ 20,073,532	\$ 4,263,440	26.97%	\$ 20,073,532	\$ 4,263,440	26.97%	\$ 20,073,532	\$ 4,263,440	26.97%
7	Miscellaneous Revenues	734,234	954,090	219,856	29.94%	954,090	219,856	29.94%	954,090	219,856	29.94%	954,090	219,856	29.94%
8	Total Operating Revenues	\$ 16,544,326	\$ 21,081,830	\$ 4,509,542	27.21%	\$ 21,027,622	\$ 4,483,296	27.10%	\$ 21,027,622	\$ 4,483,296	27.10%	\$ 21,027,622	\$ 4,483,296	27.10%
9	Target Revenue Requirement (Sch. C-1, Ln. 10)													
10	Difference (Ln. 14 - Ln. 25)		20,491,722			20,432,048			20,432,048			20,432,048		
11	Less: Consolidated Revenue Adjustment <sup>1</sup>		590,109			595,574			595,574			595,574		
12	Over/(Short)		\$ 590,109			\$ 595,574			\$ 595,574			\$ 595,574		
13	%		0.00%			0.00%			0.00%			0.00%		
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<sup>1</sup>Consolidated Revenue Adjustment represents the increase/(decrease) in revenue requirement resulting from proposed rate consolidation.

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2010  
 Summary of Revenues by Customer  
 Classification - Present & Proposed Rates

Line No.	Customer Classification	White Tank												
		[A]		[B]		[C]		[D]		[E]		[F]		[G]
		Test Year Rates Sch. H-2 Col. E	Proposed Rates Sch. H-2 Col. F	Company - As Filed Proposed Rates Sch. H-2 Col. F	Proposed Increase Amount	%	Company - Rebuttal Proposed Rates Sch. H-2 Col. I	Proposed Increase Amount	%					
1		\$ 1,316,859	\$ 1,328,912	\$ 12,053	0.92%	\$ 1,325,441	\$ 8,583	0.65%						
2	Residential	172,063	180,172	8,109	4.71%	179,898	7,835	4.55%						
3	Commercial	25,159	25,143	(16)	-0.06%	25,143	(16)	-0.06%						
4	Industrial	1,361	1,500	139	10.18%	1,500	139	10.18%						
5	Private Fire Service	47,484	48,750	1,266	2.67%	48,634	1,150	2.42%						
6	Other Water Revenues													
7	Total Water Revenues	\$ 1,562,926	\$ 1,584,477	\$ 21,550	1.38%	\$ 1,580,616	\$ 17,690	1.13%						
8														
9														
10														
11														
12	Miscellaneous Revenues	21,463	34,335	12,872	59.97%	34,335	12,872	59.97%						
13														
14	Total Operating Revenues	\$ 1,584,389	\$ 1,618,812	\$ 34,422	2.17%	\$ 1,614,951	\$ 30,562	1.93%						
15														
16														
17	Target Revenue Requirement (Sch. C-1, Ln. 10)													
18	Difference (Ln. 14 - Ln. 25)			2,208,921										
19	Less: Consolidated Revenue Adjustment <sup>1</sup>			\$ (590,109)										
20	Over/(Short)			\$ (590,109)										
21	%			(0)										
22				0.00%										
23														
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<sup>1</sup>Consolidated Revenue Adjustment represents the increase/(decrease) in revenue requirement resulting from proposed rate consolidation.

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2010  
 Summary of Revenues by Customer  
 Classification - Present & Proposed Rates

Line No.	Customer Classification	[A]		[B]		[C]		[D]		[E]		[F]		[G]
		Test Year		Proposed Rates		Company - As Filed		Company - Rebuttal		Proposed Rates		Proposed Increase		%
		Sch. H-2 Col. E	Sch. H-2 Col. F	Sch. H-2 Col. E	Sch. H-2 Col. F	Proposed Increase Amount	%	Sch. H-2 Col. I	Sch. H-2 Col. J	Proposed Increase Amount	%			
1	Residential	\$ 379,963	\$ 395,962	\$ 16,009	4.21%	\$ 397,067	\$ 17,113	4.50%						
4	Commercial	122,434	124,252	1,818	1.48%	124,724	2,290	1.87%						
5	Industrial	-	-	-	0.00%	-	-	0.00%						
6	Private Fire Service	653	675	22	3.35%	675	22	3.35%						
7	Other Water Revenues	2,671	2,797	126	4.73%	2,805	135	5.04%						
8														
9	Total Water Revenues	\$ 505,711	\$ 523,686	\$ 17,975	3.55%	\$ 525,271	\$ 19,560	3.87%						
10														
11														
12	Miscellaneous Revenues	3,768	5,896	2,128	56.47%	5,896	2,128	56.47%						
13														
14	Total Operating Revenues	\$ 509,480	\$ 529,582	\$ 20,103	3.95%	\$ 531,167	\$ 21,688	4.26%						
15														
16														
17	Target Revenue Requirement (Sch. C-1, Ln. 10)													
18	Difference (Ln. 14 - Ln. 25)			\$ 529,583		\$ 531,167								
19	Less: Consolidated Revenue Adjustment <sup>1</sup>			(0)		0								
20	Over/(Short)			\$ (0)		\$ (0)								
21	%			0.00%		0.00%								
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<sup>1</sup>Consolidated Revenue Adjustment represents the increase/(decrease) in revenue requirement resulting from proposed rate consolidation.

**H-2**

**ANALYSIS OF REVENUES BY DETAILED CLASS**

Line No.	Detail Class of Service	Western Group										[K]
		[A]	[B]	[C]	[D]	[E]	[F]	[G]		[H]	[I]	
		Average Number of Customers	Average Consumption	Test Year Rates	Cust. Growth Adjustment (IS-Z)	Adjusted T.Y. Rates [C+D]	Proposed Rates	Company - As Filed Increase [F-E]	%	Proposed Rates	Company - Rebuttal Increase [I-E]	%
1	Residential 5/8 x 3/4 -inch	27,238	8,745	\$ 10,582,674	(4,835)	\$ 10,577,840	\$ 13,255,880	\$ 2,678,040	25.32%	\$ 13,216,370	\$ 2,638,531	24.94%
2	Residential 1-inch	812	17,288	798,664	1,475	800,140	906,036	105,897	13.23%	902,936	102,796	12.85%
3	Residential 1.5-inch	77	163,172	413,673	(304)	413,369	512,032	98,663	23.87%	511,238	97,869	23.68%
4	Residential 2-inch	7	406,313	84,981	(117)	84,863	105,635	20,771	24.48%	105,500	20,637	24.32%
5	Residential 3-inch	4	885,251	94,678	(131)	94,547	116,669	22,142	23.42%	116,597	22,050	23.32%
6	Residential 4-inch	8	628,570	180,709	(252)	180,457	229,128	48,671	26.97%	228,545	48,088	26.65%
7	Residential 6-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
8	Residential 8-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
9	Residential 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
10	Commercial 5/8 x 3/4 -inch	940	8,449	391,393	2,594	393,986	499,128	105,142	26.69%	497,915	103,928	26.38%
11	Commercial 1-inch	517	27,930	622,833	5,283	628,116	794,118	166,002	26.43%	792,579	164,464	26.18%
12	Commercial 1.5-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
13	Commercial 2-inch	512	114,096	2,170,613	17,862	2,188,475	2,811,667	623,192	28.48%	2,806,022	617,547	28.22%
14	Commercial 3-inch	36	193,051	270,001	2,386	272,387	351,261	78,874	28.96%	350,418	78,031	28.65%
15	Commercial 4-inch	25	599,542	456,927	4,660	461,587	594,569	132,981	28.81%	593,832	132,245	28.65%
16	Commercial 6-inch	15	746,105	381,524	4,004	385,528	500,051	114,523	29.71%	499,029	113,501	29.44%
17	Commercial 8-inch	3	908,677	88,403	973	89,375	117,077	27,702	31.00%	116,783	27,408	30.67%
18	Commercial 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
19	Industrial 5/8 x 3/4 -inch	3	20,075	1,432	-	1,432	1,480	48	3.37%	1,480	48	3.37%
20	Industrial 1-inch	7	113,967	15,237	-	15,237	15,729	492	3.23%	15,729	492	3.23%
21	Industrial 1.5-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
22	Industrial 2-inch	12	82,355	34,014	-	34,014	34,923	909	2.67%	34,923	909	2.67%
23	Industrial 3-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
24	Industrial 4-inch	3	1,105,278	68,460	-	68,460	70,675	2,215	3.23%	70,675	2,215	3.23%
25	Industrial 6-inch	3	13,428,539	794,853	-	794,853	818,996	24,143	3.04%	818,996	24,143	3.04%
26	Industrial 8-inch	1	2,317,283	51,019	-	51,019	52,701	1,683	3.30%	52,701	1,683	3.30%
27	Industrial 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
28	Private Fire Service	372	-	102,252	-	102,252	111,700	9,448	9.24%	111,700	9,448	9.24%
29	Other Water Revenues	-	-	-	-	-	-	-	0.00%	-	-	0.00%
30	Public Fire Hydrant	-	-	-	-	-	-	-	0.00%	-	-	0.00%
31	Coin Machine	-	-	19,746	-	19,746	15,029	(4,717)	-23.89%	15,043	(4,703)	-23.82%
32	Construction Water 2-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
33	Construction Water 3-inch	-	-	193,568	-	193,568	244,124	50,557	26.12%	243,205	49,637	25.64%
34	Construction Water 4-inch	37	85,293	4,377	-	4,377	5,050	673	15.38%	5,019	642	14.67%
35	Sales for Resale 5/8 x 3/4-inch	1	8,133	-	-	-	-	-	0.00%	-	-	0.00%
36	Sales for Resale 1-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
37	Sales for Resale 1.5-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
38	Sales for Resale 2-inch	3	390,317	25,674	-	25,674	36,319	10,644	41.46%	36,299	10,625	41.38%
39	Sales for Resale 3-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
40	Sales for Resale 4-inch	-	-	25,369	-	25,369	35,905	10,515	41.42%	35,884	10,494	41.33%
41	Sales for Resale 6-inch	1	1,144,667	-	-	-	-	-	0.00%	-	-	0.00%
42	Sales for Resale 8-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
43	Sales for Resale 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
44	Totals	30,636	14,594	\$ 17,873,094	\$ 33,597	\$ 17,906,691	\$ 22,235,903	\$ 4,329,212	24.18%	\$ 22,179,419	\$ 4,272,728	23.96%

Line No.	Summary Class of Service	Western Group										
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
		Average Number of Customers	Average Consumption	Test Year Rates	Cust. Growth Adjustment (IS-Z)	Adjusted T.Y. Rates [C + D]	Proposed Rates	Company - As Filed Increase [F - E]	%	Proposed Rates	Company - Rebuttal Increase [J - I]	%
1	Total Residential/	28,146	9,808	\$ 12,155,380	\$ (4,164)	\$ 12,151,216	\$ 15,125,401	\$ 2,974,185	24.48%	\$ 15,081,186	\$ 2,929,970	24.11%
2	Total Commercial	2,047	56,482	4,381,693	37,762	4,419,455	5,667,871	1,248,416	28.25%	5,656,579	1,237,125	27.99%
3	Total Industrial	29	1,742,306	965,015	-	965,015	994,504	29,490	3.06%	994,504	29,490	3.06%
4	Total Private Fire	372	-	102,252	-	102,252	111,700	9,448	9.24%	111,700	9,448	9.24%
5	Total Other Water Revenues	42	131,291	268,754	-	268,754	336,427	67,673	25.18%	335,450	66,696	24.82%
6	Totals	30,636	14,594	\$ 17,873,094	\$ 33,597	\$ 17,906,691	\$ 22,235,903	\$ 4,329,212	24.18%	\$ 22,179,419	\$ 4,272,728	23.86%
7	Miscellaneous Revenues	-	-	759,466	-	759,466	994,322	234,856	30.92%	994,322	234,856	30.92%
8	Total Revenue Generated	-	-	\$ 23,230,225	-	\$ 23,230,225	\$ 23,230,225	-	0.00%	\$ 23,173,741	-	0.00%
9	Target Rev. Rqmt. (Sch. C-1)	-	-	-	-	-	(1)	-	-	1	-	-
10	Difference	-	-	-	-	-	(1)	-	-	1	-	-
11	Less: Consolidated Revenue Adj.	-	-	-	-	-	(1)	-	-	1	-	-
12	Over/(Short)	-	-	-	-	-	(1)	-	-	1	-	-
13	%	-	-	-	-	-	0.00%	-	0.00%	-	0.00%	0.00%

Line No.	Detail Class of Service	Pinal Valley (Casa Grande, Coolidge, Stanfield)										[K]
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	
		Bill Count Water Revenues										
		Average Number of Customers	Average Consumption	Test Year Rates	Reconciling/Revenue Adjustments	Adjusted T.Y. Rates [C+D]	Proposed Rates	Company - As Filed Increase [F-E]	%	Proposed Rates	Company - Rebuttal Increase [I-J]	%
1	Residential 5/8 x 3/4 -inch	25,100	8,520	\$ 9,215,386	\$ (11,452)	\$ 9,203,934	\$ 11,847,320	\$ 2,643,386	28.72%	\$ 11,808,920	\$ 2,604,986	28.30%
2	Residential 1-inch	492	22,736	501,249	(668)	500,581	614,452	113,871	22.75%	612,595	112,013	22.38%
3	Residential 1.5-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
4	Residential 2-inch	75	158,940	390,495	(474)	390,021	487,302	97,281	24.94%	486,521	96,500	24.74%
5	Residential 3-inch	7	406,313	84,981	(117)	84,863	105,635	20,771	24.48%	105,500	20,637	24.32%
6	Residential 4-inch	4	885,251	94,678	(131)	94,547	116,689	22,142	23.42%	116,597	22,050	23.32%
7	Residential 6-inch	8	628,570	180,709	(252)	180,457	229,128	48,671	26.97%	228,545	48,088	26.65%
8	Residential 8-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
9	Residential 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
10	Commercial 5/8 x 3/4 -inch	867	8,203	331,608	2,608	334,216	437,347	103,131	30.86%	436,025	101,809	30.46%
11	Commercial 1-inch	480	27,502	530,038	5,152	535,190	700,661	165,471	30.92%	698,892	163,702	30.59%
12	Commercial 1.5-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
13	Commercial 2-inch	493	112,714	2,046,015	19,638	2,065,654	2,682,243	616,589	29.85%	2,676,694	611,040	29.58%
14	Commercial 3-inch	34	191,776	250,649	2,758	253,407	331,499	78,092	30.82%	330,701	77,295	30.50%
15	Commercial 4-inch	25	599,542	456,927	4,660	461,587	594,569	132,981	28.81%	593,832	132,245	28.65%
16	Commercial 6-inch	15	746,105	381,524	4,004	385,528	500,051	114,523	29.71%	499,029	113,501	29.44%
17	Commercial 8-inch	3	908,677	88,403	973	89,375	117,077	27,702	31.00%	116,783	27,408	30.67%
18	Commercial 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
19	Industrial 5/8 x 3/4 -inch	3	20,075	1,432	(488)	944	1,480	537	56.85%	1,480	537	56.85%
20	Industrial 1-inch	7	113,967	15,237	3,742	18,979	15,729	(3,250)	-17.13%	15,729	(3,250)	-17.13%
21	Industrial 1.5-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
22	Industrial 2-inch	11	79,473	25,902	1,648	27,550	26,820	(730)	-2.65%	26,820	(730)	-2.65%
23	Industrial 3-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
24	Industrial 4-inch	3	1,105,278	68,460	3,815	72,275	70,675	(1,600)	-2.21%	70,675	(1,600)	-2.21%
25	Industrial 6-inch	2	19,577,073	777,807	(33,971)	743,836	801,956	58,120	7.81%	801,956	58,120	7.81%
26	Industrial 8-inch	1	2,317,283	51,019	(2,708)	48,311	52,701	4,391	9.09%	52,701	4,391	9.09%
27	Industrial 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
28	Private Fire Service	365	-	100,237	-	100,237	109,525	9,288	9.27%	109,525	9,288	9.27%
29	Other Water Revenues	-	-	-	-	-	-	-	0.00%	-	-	0.00%
30	Public Fire Hydrant	-	-	-	-	-	-	-	0.00%	-	-	0.00%
31	Coin Machine	-	-	18,977	-	18,977	14,297	(4,680)	-24.66%	14,307	(4,670)	-24.61%
32	Construction Water 2-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
33	Construction Water 3-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
34	Construction Water 4-inch	32	68,799	146,492	-	146,492	195,524	49,032	33.47%	194,702	48,210	32.91%
35	Sales for Resale 5/8 x 3/4 -inch	0	11,000	2,068	-	2,068	2,836	769	37.19%	2,819	751	36.35%
36	Sales for Resale 1-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
37	Sales for Resale 1.5-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
38	Sales for Resale 2-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
39	Sales for Resale 3-inch	3	390,317	25,674	-	25,674	36,319	10,644	41.46%	36,299	10,625	41.38%
40	Sales for Resale 4-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
41	Sales for Resale 6-inch	1	1,144,667	25,389	-	25,389	35,905	10,515	41.42%	35,884	10,494	41.33%
42	Sales for Resale 8-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
43	Sales for Resale 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
44	Totals	28,030	14,726	\$ 15,811,355	\$ 26,699	\$ 15,810,092	\$ 20,127,740	\$ 4,289,686	27.08%	\$ 20,073,532	\$ 4,263,440	26.97%

Line No.	Summary Class of Service	Pinal Valley (Casa Grande, Coolidge, Stanfield)										
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
		Bill Count Water Revenues										
	Average Number of Customers	Average Consumption	Test Year Rates	Reconciling/Revenue Adjustments	Adjusted T.Y. Rates [C + D]	Proposed Rates	Company - As Filed Increase [F - E]	%	Proposed Rates	Company - Rebuttal Increase [I - E]	%	
1	Total Residential	25,686	9,664 \$	10,467,498 \$	(13,095) \$	10,454,403 \$	13,400,527	2,946,123	28.18%	\$ 13,358,678	\$ 2,904,274	27.78%
2	Total Commercial	1,916	57,558	4,085,164	39,793	4,124,957	5,363,447	1,238,489	30.02%	5,351,957	1,227,000	29.75%
3	Total Industrial	27	1,864,700	939,855	(27,962)	911,893	969,361	57,468	3.14%	969,361	57,468	6.30%
4	Total Private Fire	365	-	100,237	-	100,237	109,525	9,288	9.27%	109,525	9,288	9.27%
5	Total Other Water Revenues	37	123,915	218,600	-	218,600	284,881	66,281	30.32%	284,011	65,411	29.92%
6	Totals	28,030	14,726	\$ 15,811,355	\$ 26,699	\$ 15,810,092	\$ 20,127,740	\$ 4,317,648	27.08%	\$ 20,073,532	\$ 4,263,440	26.97%
7	Miscellaneous Revenues	-	-	734,234	-	734,234	954,090	219,856	29.94%	954,090	219,856	29.94%
8	Total Revenue Generated	-	-	734,234	-	734,234	\$ 21,081,830	219,856	29.94%	\$ 21,027,622	219,856	29.94%
9	Target Rev. Rqmt. (Sch. C-1)	-	-	-	-	-	20,491,722	-	-	20,432,048	-	-
10	Difference	-	-	-	-	-	\$ 590,109	-	-	\$ 595,574	-	-
11	Less: Consolidated Revenue Adj.	-	-	-	-	-	590,109	(Pinal Valley/White Tank)	0.00%	595,574	(Pinal Valley/White Tank)	0.00%
12	Overr/(Short)	-	-	-	-	-	(0)	(Pinal Valley/White Tank)	0.00%	0	(Pinal Valley/White Tank)	0.00%
13	%	-	-	-	-	-	0.00%	(Pinal Valley/White Tank)	0.00%	0	(Pinal Valley/White Tank)	0.00%

Line No.	Detail Class of Service	White Tank										Company - Rebuttal Increase (L-E)	%
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]		
		Average Number of Customers	Test Year Rates	Cust. Growth Adjustment (IS-Z)	Adjusted T.Y. Rates (C+D)	Proposed Rates	Company - As Filed Increase (F-E)	%	Proposed Rates	Company - Rebuttal Increase (L-E)	%		
1	Residential 5/8 x 3/4 -inch	1,549	\$ 986,917	\$ 7,460	\$ 1,004,378	\$ 1,023,507	\$ 19,130	1.90%	\$ 1,021,317	\$ 16,939	1.69%		
2	Residential 1-inch	312	286,966	2,167	289,133	280,675	(8,458)	-2.93%	279,408	(9,725)	-3.36%		
3	Residential 1.5-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
4	Residential 2-inch	2	322,754	170	23,348	24,730	1,381	5.92%	24,717	1,369	5.86%		
5	Residential 3-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
6	Residential 4-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
7	Residential 6-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
8	Residential 8-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
9	Residential 10-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
10	Commercial 5/8 x 3/4 -inch	17	32,539	(402)	20,843	21,257	414	1.99%	21,240	398	1.91%		
11	Commercial 1-inch	17	36,104	(510)	27,414	28,155	741	2.70%	28,097	683	2.49%		
12	Commercial 1.5-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
13	Commercial 2-inch	16	169,296	(1,960)	104,826	110,999	6,173	5.89%	110,843	6,017	5.74%		
14	Commercial 3-inch	2	214,825	(372)	18,980	19,762	781	4.12%	19,717	737	3.88%		
15	Commercial 4-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
16	Commercial 6-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
17	Commercial 8-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
18	Commercial 10-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
19	Industrial 5/8 x 3/4 -inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
20	Industrial 1-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
21	Industrial 1.5-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
22	Industrial 2-inch	1	114,050	8,112	8,112	8,103	(10)	-0.12%	8,103	(10)	-0.12%		
23	Industrial 3-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
24	Industrial 4-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
25	Industrial 6-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
26	Industrial 8-inch	1	106,717	17,047	17,047	17,040	(6)	-0.04%	17,040	(6)	-0.04%		
27	Industrial 10-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
28	Private Fire Service	-	-	-	-	-	-	0.00%	-	-	0.00%		
29	Other Water Revenues	5	1,361	1,361	1,361	1,500	139	10.18%	1,500	139	10.18%		
30	Public Fire Hydrant	-	-	-	-	-	-	0.00%	-	-	0.00%		
31	Coin Machine	-	-	-	-	-	-	0.00%	-	-	0.00%		
32	Construction Water 2-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
33	Construction Water 3-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
34	Construction Water 4-inch	5	205,804	45,174	45,174	46,536	1,362	3.01%	46,434	1,260	2.79%		
35	Construction Water 6-inch	0	4,550	2,309	2,309	2,214	(96)	-4.14%	2,200	(110)	-4.74%		
36	Sales for Resale 5/8 x 3/4 -inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
37	Sales for Resale 1-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
38	Sales for Resale 1.5-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
39	Sales for Resale 2-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
40	Sales for Resale 3-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
41	Sales for Resale 4-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
42	Sales for Resale 6-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
43	Sales for Resale 8-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
44	Sales for Resale 10-inch	-	-	-	-	-	-	0.00%	-	-	0.00%		
45	Totals	1,927	\$ 1,556,373	\$ 6,554	\$ 1,562,926	\$ 1,584,477	\$ 21,550	1.38%	\$ 1,580,616	\$ 17,690	1.13%		

Line No.	Summary Class of Service	White Tank									
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]
	Average Number of Customers	Average Consumption	Test Year Rates	Cust. Growth Adjustment	Adjusted T.Y. Rates	Proposed Rates	Company - As Filed Increase	%	Proposed Rates	Company - Rebuttal Increase	%
			[(S-Z)]	[C + D]			[F - E]	%		[I - E]	%
1	Total Residential	1,863	\$ 1,307,062	\$ 9,797	\$ 1,316,859	\$ 1,328,912	\$ 12,053	0.92%	\$ 1,325,441	\$ 8,583	0.65%
2	Total Commercial	52	82,783	(3,243)	172,063	180,172	8,109	4.71%	179,898	7,835	4.55%
3	Total Industrial	2	110,383	-	25,159	25,143	(16)	-0.06%	25,143	(16)	-0.06%
4	Total Private Fire	5	-	-	1,361	1,500	139	10.18%	1,500	139	10.18%
5	Total Other Water Revenues	5	191,924	-	47,484	48,750	1,266	2.67%	48,634	1,150	2.42%
6	Totals	1,927	15,795	1,556,373	6,554	1,584,477	21,550	1.38%	1,580,616	17,690	1.13%
7	Miscellaneous Revenues	-	-	-	21,463	34,335	12,872	59.97%	34,335	12,872	59.97%
8	Total Revenue Generated	-	-	-	21,463	1,618,812	12,872	59.97%	1,614,951	12,872	59.97%
9	Target Rev. Rqmt. (Sch. C-1)	-	-	-	-	2,208,921	-	-	2,210,525	-	-
10	Difference	-	-	-	-	(590,109)	-	-	(595,574)	-	-
11	Less: Consolidated Revenue Adj. Over/(Short)	-	-	-	-	(590,109)	(Pinal Valley/ White Tank)	0.00%	(595,574)	(Pinal Valley/ White Tank)	0.00%
12	%	-	-	-	-	(0)	(Pinal Valley/ White Tank)	0.00%	0	(Pinal Valley/ White Tank)	0.00%

Line No.	Detail Class of Service	Average Number of Customers	Average Consumption	Test Year Rates	Cust. Growth Adjustment (US-Z)	Adjusted T.Y. Rates (C+D)	Bill Count Water Revenues		Proposed Rates	Company - As Filed Increase (E-E)	Company - Rebuttal Increase (I-E)	%
							Proposed Rates	%				
1	Residential 5/8 x 3/4 -inch	589	4,764	\$ 370,371	\$ (843)	\$ 369,528	\$ 385,052	\$ 15,524	4.20%	\$ 386,133	\$ 16,605	4.49%
2	Residential 1-inch	8	7,107	10,450	(24)	10,426	10,910	484	4.64%	10,933	508	4.87%
3	Residential 1.5-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
4	Residential 2-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
5	Residential 3-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
6	Residential 4-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
7	Residential 6-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
8	Residential 8-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
9	Residential 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
10	Commercial 5/8 x 3/4 -inch	56	4,888	38,540	387	38,928	40,525	1,597	4.10%	40,649	1,721	4.42%
11	Commercial 1-inch	20	31,342	64,871	641	65,512	65,303	(209)	-0.32%	65,590	78	0.12%
12	Commercial 1.5-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
13	Commercial 2-inch	3	46,931	17,811	183	17,995	18,425	430	2.39%	18,485	490	2.72%
14	Commercial 3-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
15	Commercial 4-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
16	Commercial 6-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
17	Commercial 8-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
18	Commercial 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
19	Industrial 5/8 x 3/4 -inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
20	Industrial 1-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
21	Industrial 1.5-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
22	Industrial 2-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
23	Industrial 3-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
24	Industrial 4-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
25	Industrial 6-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
26	Industrial 8-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
27	Industrial 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
28	Private Fire Service	2	-	653	-	653	675	22	3.35%	675	22	3.35%
29	Other Water Revenues	-	-	-	-	-	-	-	0.00%	-	-	0.00%
30	Public Fire Hydrant	-	-	-	-	-	-	-	0.00%	-	-	0.00%
31	Coin Machine	-	-	769	-	769	732	(37)	-4.84%	736	(33)	-4.26%
32	Construction Water 2-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
33	Construction Water 3-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
34	Construction Water 4-inch	0	38,400	1,902	-	1,902	2,065	163	8.60%	2,069	167	8.81%
35	Sales for Resale 5/8 x 3/4-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
36	Sales for Resale 1-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
37	Sales for Resale 1.5-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
38	Sales for Resale 2-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
39	Sales for Resale 3-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
40	Sales for Resale 4-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
41	Sales for Resale 6-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
42	Sales for Resale 8-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
43	Sales for Resale 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%
44	Totals	679	5,768	\$ 505,366	\$ 345	\$ 505,711	\$ 523,686	\$ 17,975	3.55%	\$ 525,271	\$ 19,560	3.87%

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2010  
 Summary Analysis of Revenue by Class

Line No.	Summary Class of Service	Average Number of Customers	Average Consumption	Test Year Rates	Cust. Growth Adjustment (I-S-Z)	Adjusted T.Y. Rates (C+D)	Bill Count Water Revenues		Proposed Rates	Company - As Filed Increase (F-E)	Company - Rebuttal Increase (I-E)	%
							Proposed Rates	Company - As Filed Increase (F-E)				
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]		
1	Totals	679	5,768	\$ 505,366	\$ 345	\$ 505,711	\$ 523,686	\$ 17,975	\$ 525,271	\$ 19,560		3.87%
2	Total Residential	597	4,796	\$ 380,820	\$ (667)	\$ 379,953	\$ 395,962	\$ 16,009	\$ 397,067	\$ 17,113		4.50%
3	Total Commercial	79	13,164	121,223	1,212	122,434	124,252	1,818	124,724	2,290		1.87%
4	Total Industrial	-	-	-	-	-	-	-	-	-		0.00%
5	Total Private Fire	2	-	653	-	653	675	22	675	22		3.35%
6	Total Other Water Revenues	0	38,400	2,671	-	2,671	2,797	126	2,805	135		5.04%
7	Totals	679	5,768	\$ 505,366	\$ 345	\$ 505,711	\$ 523,686	\$ 17,975	\$ 525,271	\$ 19,560		3.87%
8	Miscellaneous Revenues	-	-	3,768	-	3,768	5,896	2,128	5,896	2,128		56.47%
9	Total Revenue Generated	-	-	3,768	-	3,768	5,896	2,128	5,896	2,128		56.47%
10	Target Rev. Rqmt. (Sch. C-1)	-	-	-	-	-	529,583	-	531,167	0		0.00%
11	Difference	-	-	-	-	-	(1,585)	-	(1,585)	0		0.00%
12	Less: Consolidated Revenue Adj.	-	-	-	-	-	(1,585)	-	(1,585)	0		0.00%
13	Over/(Short)	-	-	-	-	-	(1,585)	-	(1,585)	0		0.00%
14	%	-	-	-	-	-	0.00%	-	0.00%	0		0.00%

**H-3**

**CHANGES IN REPRESENTATIVE RATE SCHEDULES**

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (M Gal)		
		Present	Proposed - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal	
		[B]	[C]	[D]	[E]	[G]	[H]	
1	Residential 5/8 x 3/4 -inch	3	3	\$ 15.79	\$ 21.61	\$ 1.3700	\$ 1.7123	\$ 0.3423
2	Tier One Breakover (M Gal):	10	10			1.7123	2.1404	0.4281
3	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
4	Tier Three Breakover (M Gal):							
5								
6	Residential 1-inch	10	40	\$ 39.47	\$ 54.03	\$ 1.7123	\$ 2.1404	\$ 0.4281
7	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
8	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
9	Tier Three Breakover (M Gal):							
10	Residential 1.5-inch	n/a	75	n/a	\$ 108.05	n/a	\$ 2.1404	n/a
11	Tier One Breakover (M Gal):	n/a	99,999			n/a	2.6755	n/a
12	Tier Two Breakover (M Gal):	n/a	99,999			n/a	2.6755	n/a
13	Tier Three Breakover (M Gal):							
14	Residential 2-inch	125	125	\$ 126.29	\$ 172.88	\$ 1.7123	\$ 2.1404	\$ 0.4281
15	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
16	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
17	Tier Three Breakover (M Gal):							
18	Residential 3-inch	299	300	\$ 252.59	\$ 345.76	\$ 1.7123	\$ 2.1404	\$ 0.4281
19	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
20	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
21	Tier Three Breakover (M Gal):							
22	Residential 4-inch	494	500	\$ 394.67	\$ 540.25	\$ 1.7123	\$ 2.1404	\$ 0.4281
23	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
24	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
25	Tier Three Breakover (M Gal):							
26	Residential 6-inch	925	1,000	\$ 789.33	\$ 1,080.50	\$ 1.7123	\$ 2.1404	\$ 0.4281
27	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
28	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
29	Tier Three Breakover (M Gal):							
30	Residential 8-inch	1,500	1,500	\$ 1,262.93	\$ 1,728.80	\$ 1.7123	\$ 2.1404	\$ 0.4281
31	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
32	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
33	Tier Three Breakover (M Gal):							
34	Residential 10-inch	2,264	2,300	\$ 1,815.47	\$ 2,485.15	\$ 1.7123	\$ 2.1404	\$ 0.4281
35	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
36	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
37	Tier Three Breakover (M Gal):							
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\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (M Gal)		Change
		[B]		[E]		[H]		
		Present	Proposed - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal	
1								
2	Commercial 5/8 x 3/4 -inch	10	10	\$ 15.79	\$ 21.61	\$ 1.7123	\$ 2.1404	\$ 0.4281
3	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
4	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
5	Tier Three Breakover (M Gal):							
6	Commercial 1-inch	40	40	\$ 39.47	\$ 54.03	\$ 1.7123	\$ 2.1404	\$ 0.4281
7	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
8	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
9	Tier Three Breakover (M Gal):							
10	Commercial 1.5-inch	n/a	75	n/a	108.05	n/a	2.1404	n/a
11	Tier One Breakover (M Gal):	n/a	99,999			n/a	2.6755	n/a
12	Tier Two Breakover (M Gal):	n/a	99,999			n/a	2.6755	n/a
13	Tier Three Breakover (M Gal):							
14	Commercial 2-inch	125	125	\$ 126.29	\$ 172.88	\$ 1.7123	\$ 2.1404	\$ 0.4281
15	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
16	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
17	Tier Three Breakover (M Gal):							
18	Commercial 3-inch	299	300	\$ 252.59	\$ 345.76	\$ 1.7123	\$ 2.1404	\$ 0.4281
19	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
20	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
21	Tier Three Breakover (M Gal):							
22	Commercial 4-inch	494	500	\$ 394.67	\$ 540.25	\$ 1.7123	\$ 2.1404	\$ 0.4281
23	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
24	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
25	Tier Three Breakover (M Gal):							
26	Commercial 6-inch	925	1,000	\$ 789.33	\$ 1,080.50	\$ 1.7123	\$ 2.1404	\$ 0.4281
27	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
28	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
29	Tier Three Breakover (M Gal):							
30	Commercial 8-inch	1,500	1,500	\$ 1,262.93	\$ 1,728.80	\$ 1.7123	\$ 2.1404	\$ 0.4281
31	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
32	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
33	Tier Three Breakover (M Gal):							
34	Commercial 10-inch	2,264	2,300	\$ 1,815.47	\$ 2,485.15	\$ 1.7123	\$ 2.1404	\$ 0.4281
35	Tier One Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
36	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755	0.5349
37	Tier Three Breakover (M Gal):							
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(Continued)

\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (M Gal)		
		[B]		[E]		[G]		
		Present	Proposed - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal	
1								
2	Industrial 5/8 x 3/4 -inch	99,999	99,999	\$ 9.59	\$ 10.00	\$ 1.5036	\$ 1.5500	\$ 0.0464
3	Tier One Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
4	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
5	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
6	Industrial 1-inch	99,999	99,999	\$ 23.98	\$ 25.00	\$ 1.5036	\$ 1.5500	\$ 0.0464
7	Tier One Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
8	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
9	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
10	Industrial 1.5-inch	n/a	99,999	n/a	50.00	n/a	1.5500	n/a
11	Tier One Breakover (M Gal):	n/a	99,999			n/a	1.5500	n/a
12	Tier Two Breakover (M Gal):	n/a	99,999			n/a	1.5500	n/a
13	Tier Three Breakover (M Gal):	n/a	99,999			n/a	1.5500	n/a
14	Industrial 2-inch	99,999	99,999	\$ 76.73	\$ 80.00	\$ 1.5036	\$ 1.5500	\$ 0.0464
15	Tier One Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
16	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
17	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
18	Industrial 3-inch	99,999	99,999	\$ 153.46	\$ 160.00	\$ 1.5036	\$ 1.5500	\$ 0.0464
19	Tier One Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
20	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
21	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
22	Industrial 4-inch	99,999	99,999	\$ 239.77	\$ 250.00	\$ 1.5036	\$ 1.5500	\$ 0.0464
23	Tier One Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
24	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
25	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
26	Industrial 6-inch	99,999	99,999	\$ 479.55	\$ 500.00	\$ 1.5036	\$ 1.5500	\$ 0.0464
27	Tier One Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
28	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
29	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
30	Industrial 8-inch	99,999	99,999	\$ 767.28	\$ 800.00	\$ 1.5036	\$ 1.5500	\$ 0.0464
31	Tier One Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
32	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
33	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
34	Industrial 10-inch	99,999	99,999	\$ 1,102.96	\$ 1,150.00	\$ 1.5036	\$ 1.5500	\$ 0.0464
35	Tier One Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
36	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
37	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	1.5500	0.0464
38	Private Fire Service			\$ 22.88	\$ 25.00	n/a	n/a	n/a

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\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Supporting Schedules:

N:\2011\_Rate\_Case\Schedules\Western Group\2011 AWC Rate Case Model REBUTTAL SCHEDULES AWC WG FINAL.xlsx\H3  
 Processing Date: 1/11/2012 3:54 PM

Recap Schedules:

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (M Gal)	
		[B]		[E]		[G]	
		Present	Proposed - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal
1	Public Fire Hydrant						
2	Coin Machine						
3	Construction Water (2-Inch)						
4	Construction Water (3-Inch)						
5	Construction Water (4-Inch)						
6	Sales for Resale (5/8-Inch)						
7	Sales for Resale (1-Inch)						
8	Sales for Resale (1.5-Inch)						
9	Sales for Resale (2-Inch)						
10	Sales for Resale (3-Inch)						
11	Sales for Resale (4-Inch)						
12	Sales for Resale (6-Inch)						
13	Sales for Resale (8-Inch)						
14	Sales for Resale (10-Inch)						
15	No. Gallons / \$.25 (quarter)						
16	Tier One Breakover (M Gal):	125	125	\$ 126.29	\$ 172.88	\$ 1.7123	\$ 2.1404
17	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755
18	Tier Three Breakover (M Gal):	99,999	99,999			2.1406	2.6755
19	Tier One Breakover (M Gal):	299	300	\$ 252.59	\$ 345.76	\$ 1.7123	\$ 2.1404
20	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755
21	Tier Three Breakover (M Gal):	99,999	99,999			2.1406	2.6755
22	Tier One Breakover (M Gal):	494	500	\$ 394.67	\$ 540.25	\$ 1.7123	\$ 2.1404
23	Tier Two Breakover (M Gal):	99,999	99,999			2.1406	2.6755
24	Tier Three Breakover (M Gal):	99,999	99,999			2.1406	2.6755
25	Tier One Breakover (M Gal):	99,999	99,999	\$ 15.79	\$ 21.61	\$ 1.5036	\$ 2.1404
26	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	2.1404
27	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	2.1404
28	Tier One Breakover (M Gal):	99,999	99,999	\$ 39.47	\$ 54.03	\$ 1.5036	\$ 2.1404
29	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	2.1404
30	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	2.1404
31	Tier One Breakover (M Gal):	n/a	n/a	n/a	\$ 108.05	n/a	\$ 2.1404
32	Tier Two Breakover (M Gal):	n/a	n/a			n/a	n/a
33	Tier Three Breakover (M Gal):	n/a	n/a			n/a	n/a
34	Tier One Breakover (M Gal):	99,999	99,999	\$ 126.29	\$ 172.88	\$ 1.5036	\$ 2.1404
35	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	2.1404
36	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	2.1404
37	Tier One Breakover (M Gal):	99,999	99,999	\$ 252.59	\$ 345.76	\$ 1.5036	\$ 2.1404
38	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	2.1404
39	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	2.1404
40	Tier One Breakover (M Gal):	99,999	99,999	\$ 394.67	\$ 540.25	\$ 1.5036	\$ 2.1404
41	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	2.1404
42	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	2.1404
43	Tier One Breakover (M Gal):	99,999	99,999	\$ 789.33	\$ 1,080.50	\$ 1.5036	\$ 2.1404
44	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	2.1404
45	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	2.1404
46	Tier One Breakover (M Gal):	99,999	99,999	\$ 1,262.93	\$ 1,728.80	\$ 1.5036	\$ 2.1404
47	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	2.1404
48	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	2.1404
49	Tier One Breakover (M Gal):	99,999	99,999	\$ 1,815.47	\$ 2,485.15	\$ 1.5036	\$ 2.1404
50	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	2.1404
51	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	2.1404
52	Tier One Breakover (M Gal):	99,999	99,999	\$ 1,815.47	\$ 2,485.15	\$ 1.5036	\$ 2.1404
53	Tier Two Breakover (M Gal):	99,999	99,999			1.5036	2.1404
54	Tier Three Breakover (M Gal):	99,999	99,999			1.5036	2.1404
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\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Pinal Valley (Stanfield)						Volumetric Charge (/M Gal)		
		Rate Block		Basic Service Charge		Volumetric Charge		Present Rate	Proposed Rate	Change
		Present	Proposed - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal			
1	Residential 5/8 x 3/4 -inch	3	3	\$ 15.79	\$ 21.61	\$ 5.82	\$ 2.4379	\$ 1.7123	\$ (0.7256)	
2	Tier One Breakover (M Gal):	10	10				3.0476	2.1404	(0.9072)	
3	Tier Two Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
4	Tier Three Breakover (M Gal):									
5	Residential 1-inch	10	40	\$ 39.47	\$ 54.03	\$ 14.56	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
6	Tier One Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
7	Tier Two Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
8	Tier Three Breakover (M Gal):									
9	Residential 1.5-inch	n/a	75	n/a	\$ 108.05	n/a	n/a	\$ 2.1404	n/a	
10	Tier One Breakover (M Gal):	n/a	99,999				n/a	\$ 2.6755	n/a	
11	Tier Two Breakover (M Gal):	n/a	99,999				n/a	\$ 2.6755	n/a	
12	Tier Three Breakover (M Gal):									
13	Residential 2-inch	122	125	\$ 126.29	\$ 172.88	\$ 46.59	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
14	Tier One Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
15	Tier Two Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
16	Tier Three Breakover (M Gal):									
17	Residential 3-inch	286	300	\$ 252.59	\$ 345.76	\$ 93.17	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
18	Tier One Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
19	Tier Two Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
20	Tier Three Breakover (M Gal):									
21	Residential 4-inch	471	500	\$ 394.67	\$ 540.25	\$ 145.58	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
22	Tier One Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
23	Tier Two Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
24	Tier Three Breakover (M Gal):									
25	Residential 6-inch	925	1,000	\$ 789.33	\$ 1,080.50	\$ 291.17	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
26	Tier One Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
27	Tier Two Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
28	Tier Three Breakover (M Gal):									
29	Residential 8-inch	1,500	1,500	\$ 1,262.93	\$ 1,728.80	\$ 465.87	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
30	Tier One Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
31	Tier Two Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
32	Tier Three Breakover (M Gal):									
33	Residential 10-inch	2,223	2,300	\$ 1,815.47	\$ 2,485.15	\$ 669.68	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
34	Tier One Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
35	Tier Two Breakover (M Gal):	99,999	99,999				3.8097	2.6755	(1.1342)	
36	Tier Three Breakover (M Gal):									
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\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (M Gal)		
		[B]		[E]		[H]		
		Present	Proposed - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal	
1								
2	Commercial 5/8 x 3/4 -inch	10	10	\$ 15.79	\$ 21.61	\$ 3.0476	\$ 2.1404	\$ (0.9072)
3	Tier One Breakover (M Gal):	99,999	99,999		5.82	3.8097	2.6755	(1.1342)
4	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	2.6755	(1.1342)
5	Tier Three Breakover (M Gal):							
6	Commercial 1-inch	40	40	\$ 39.47	\$ 54.03	\$ 3.0476	\$ 2.1404	\$ (0.9072)
7	Tier One Breakover (M Gal):	99,999	99,999		14.56	3.8097	2.6755	(1.1342)
8	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	2.6755	(1.1342)
9	Tier Three Breakover (M Gal):							
10	Commercial 1.5-inch	n/a	75	n/a	108.05	n/a	n/a	n/a
11	Tier One Breakover (M Gal):	n/a	99,999			n/a	2.1404	n/a
12	Tier Two Breakover (M Gal):	n/a	99,999			n/a	2.6755	n/a
13	Tier Three Breakover (M Gal):		99,999			n/a	2.6755	n/a
14	Commercial 2-inch	125	125	\$ 126.29	\$ 172.88	\$ 3.0476	\$ 2.1404	\$ (0.9072)
15	Tier One Breakover (M Gal):	99,999	99,999		46.59	3.8097	2.6755	(1.1342)
16	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	2.6755	(1.1342)
17	Tier Three Breakover (M Gal):							
18	Commercial 3-inch	289	300	\$ 252.59	\$ 345.76	\$ 3.0476	\$ 2.1404	\$ (0.9072)
19	Tier One Breakover (M Gal):	99,999	99,999		93.17	3.8097	2.6755	(1.1342)
20	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	2.6755	(1.1342)
21	Tier Three Breakover (M Gal):							
22	Commercial 4-inch	474	500	\$ 394.67	\$ 540.25	\$ 3.0476	\$ 2.1404	\$ (0.9072)
23	Tier One Breakover (M Gal):	99,999	99,999		145.58	3.8097	2.6755	(1.1342)
24	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	2.6755	(1.1342)
25	Tier Three Breakover (M Gal):							
26	Commercial 6-inch	925	1,000	\$ 789.33	\$ 1,080.50	\$ 3.0476	\$ 2.1404	\$ (0.9072)
27	Tier One Breakover (M Gal):	99,999	99,999		291.17	3.8097	2.6755	(1.1342)
28	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	2.6755	(1.1342)
29	Tier Three Breakover (M Gal):							
30	Commercial 8-inch	1,500	1,500	\$ 1,262.93	\$ 1,728.80	\$ 3.0476	\$ 2.1404	\$ (0.9072)
31	Tier One Breakover (M Gal):	99,999	99,999		465.87	3.8097	2.6755	(1.1342)
32	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	2.6755	(1.1342)
33	Tier Three Breakover (M Gal):							
34	Commercial 10-inch	2,223	2,300	\$ 1,815.47	\$ 2,485.15	\$ 3.0476	\$ 2.1404	\$ (0.9072)
35	Tier One Breakover (M Gal):	99,999	99,999		669.68	3.8097	2.6755	(1.1342)
36	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	2.6755	(1.1342)
37	Tier Three Breakover (M Gal):							
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\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (/M Gal)		
		[A]		[E]		[G]		
		[B]	[C]	[D]	[F]	[H]	[I]	
		Present	Proposed - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Change
1	Industrial 5/8 x 3/4 -inch	99,999	99,999	\$ 9.59	\$ 10.00	\$ 3.0476	\$ 3.0476	\$ (1,4976)
2	Tier One Breakover (M Gal):	99,999	99,999					\$ 1,5500
3	Tier Two Breakover (M Gal):	99,999	99,999					\$ (1,4976)
4	Tier Three Breakover (M Gal):	99,999	99,999					\$ 1,5500
5	Industrial 1-inch	99,999	99,999	\$ 40.00	\$ 25.00	\$ 3.0476	\$ 3.0476	\$ (1,4976)
6	Tier One Breakover (M Gal):	99,999	99,999					\$ 1,5500
7	Tier Two Breakover (M Gal):	99,999	99,999					\$ (1,4976)
8	Tier Three Breakover (M Gal):	99,999	99,999					\$ 1,5500
9	Industrial 1.5-inch	n/a	n/a	n/a	\$ 50.00	n/a	n/a	n/a
10	Tier One Breakover (M Gal):	n/a	n/a					\$ 1,5500
11	Tier Two Breakover (M Gal):	n/a	n/a					\$ (1,4976)
12	Tier Three Breakover (M Gal):	n/a	n/a					\$ 1,5500
13	Industrial 2-inch	99,999	99,999	\$ 200.00	\$ 80.00	\$ 3.0476	\$ 3.0476	\$ (1,4976)
14	Tier One Breakover (M Gal):	99,999	99,999					\$ 1,5500
15	Tier Two Breakover (M Gal):	99,999	99,999					\$ (1,4976)
16	Tier Three Breakover (M Gal):	99,999	99,999					\$ 1,5500
17	Industrial 3-inch	99,999	99,999	\$ 153.46	\$ 160.00	\$ 3.0476	\$ 3.0476	\$ (1,4976)
18	Tier One Breakover (M Gal):	99,999	99,999					\$ 1,5500
19	Tier Two Breakover (M Gal):	99,999	99,999					\$ (1,4976)
20	Tier Three Breakover (M Gal):	99,999	99,999					\$ 1,5500
21	Industrial 4-inch	99,999	99,999	\$ 239.77	\$ 250.00	\$ 3.0476	\$ 3.0476	\$ (1,4976)
22	Tier One Breakover (M Gal):	99,999	99,999					\$ 1,5500
23	Tier Two Breakover (M Gal):	99,999	99,999					\$ (1,4976)
24	Tier Three Breakover (M Gal):	99,999	99,999					\$ 1,5500
25	Industrial 6-inch	99,999	99,999	\$ 479.55	\$ 500.00	\$ 3.0476	\$ 3.0476	\$ (1,4976)
26	Tier One Breakover (M Gal):	99,999	99,999					\$ 1,5500
27	Tier Two Breakover (M Gal):	99,999	99,999					\$ (1,4976)
28	Tier Three Breakover (M Gal):	99,999	99,999					\$ 1,5500
29	Industrial 8-inch	99,999	99,999	\$ 767.28	\$ 800.00	\$ 3.0476	\$ 3.0476	\$ (1,4976)
30	Tier One Breakover (M Gal):	99,999	99,999					\$ 1,5500
31	Tier Two Breakover (M Gal):	99,999	99,999					\$ (1,4976)
32	Tier Three Breakover (M Gal):	99,999	99,999					\$ 1,5500
33	Industrial 10-inch	99,999	99,999	\$ 1,102.96	\$ 1,150.00	\$ 3.0476	\$ 3.0476	\$ (1,4976)
34	Tier One Breakover (M Gal):	99,999	99,999					\$ 1,5500
35	Tier Two Breakover (M Gal):	99,999	99,999					\$ (1,4976)
36	Tier Three Breakover (M Gal):	99,999	99,999					\$ 1,5500
37	Private Fire Service			\$ 22.88	\$ 25.00	n/a	n/a	n/a
38	All meter connection sizes:							
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\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Rate Block			Basic Service Charge			Volumetric Charge (M Gal)						
		[A]		[B]	[C]		[D]	[E]		[F]	[G]		[H]	[I]
		Present	Proposed - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Change	Present Rate	Proposed Rate - Rebuttal	Change	Present Rate	Proposed Rate - Rebuttal	Change	Present Rate	Proposed Rate - Rebuttal
1														
2	Public Fire Hydrant			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3														
4	Coin Machine													
5														
6	Construction Water (2-Inch)	125	125	\$ 126.29	\$ 172.88	\$ 46.59	\$	\$ 3.0476	\$ 2.1404	\$ (0.9072)	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
7	Tier One Breakover (M Gal):	99,999	99,999					3.8097	2.6755	(1.1342)	3.8097	2.6755	(1.1342)	
8	Tier Two Breakover (M Gal):	99,999	99,999					3.8097	2.6755	(1.1342)	3.8097	2.6755	(1.1342)	
9	Tier Three Breakover (M Gal):													
10	Construction Water (3-Inch)	289	300	\$ 252.59	\$ 345.76	\$ 93.17	\$	\$ 3.0476	\$ 2.1404	\$ (0.9072)	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
11	Tier One Breakover (M Gal):	99,999	99,999					3.8097	2.6755	(1.1342)	3.8097	2.6755	(1.1342)	
12	Tier Two Breakover (M Gal):	99,999	99,999					3.8097	2.6755	(1.1342)	3.8097	2.6755	(1.1342)	
13	Tier Three Breakover (M Gal):													
14	Construction Water (4-Inch)	474	500	\$ 394.67	\$ 540.25	\$ 145.58	\$	\$ 3.0476	\$ 2.1404	\$ (0.9072)	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
15	Tier One Breakover (M Gal):	99,999	99,999					3.8097	2.6755	(1.1342)	3.8097	2.6755	(1.1342)	
16	Tier Two Breakover (M Gal):	99,999	99,999					3.8097	2.6755	(1.1342)	3.8097	2.6755	(1.1342)	
17	Tier Three Breakover (M Gal):													
18	Sales for Resale (5/8-Inch)	99,999	99,999	\$ 15.79	\$ 21.61	\$ 5.82	\$	\$ 3.0476	\$ 2.1404	\$ (0.9072)	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
19	Tier One Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
20	Tier Two Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
21	Tier Three Breakover (M Gal):													
22	Sales for Resale (1-Inch)	99,999	99,999	\$ 39.47	\$ 54.03	\$ 14.56	\$	\$ 3.0476	\$ 2.1404	\$ (0.9072)	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
23	Tier One Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
24	Tier Two Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
25	Tier Three Breakover (M Gal):													
26	Sales for Resale (1.5-Inch)	n/a	n/a	n/a	\$ 108.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
27	Tier One Breakover (M Gal):	n/a	n/a					n/a	n/a	n/a	n/a	n/a	n/a	
28	Tier Two Breakover (M Gal):	n/a	n/a					n/a	n/a	n/a	n/a	n/a	n/a	
29	Tier Three Breakover (M Gal):													
30	Sales for Resale (2-Inch)	99,999	99,999	\$ 126.29	\$ 172.88	\$ 46.59	\$	\$ 3.0476	\$ 2.1404	\$ (0.9072)	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
31	Tier One Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
32	Tier Two Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
33	Tier Three Breakover (M Gal):													
34	Sales for Resale (3-Inch)	99,999	99,999	\$ 252.59	\$ 345.76	\$ 93.17	\$	\$ 3.0476	\$ 2.1404	\$ (0.9072)	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
35	Tier One Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
36	Tier Two Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
37	Tier Three Breakover (M Gal):													
38	Sales for Resale (4-Inch)	99,999	99,999	\$ 394.67	\$ 540.25	\$ 145.58	\$	\$ 3.0476	\$ 2.1404	\$ (0.9072)	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
39	Tier One Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
40	Tier Two Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
41	Tier Three Breakover (M Gal):													
42	Sales for Resale (6-Inch)	99,999	99,999	\$ 789.33	\$ 1,080.50	\$ 291.17	\$	\$ 3.0476	\$ 2.1404	\$ (0.9072)	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
43	Tier One Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
44	Tier Two Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
45	Tier Three Breakover (M Gal):													
46	Sales for Resale (8-Inch)	99,999	99,999	\$ 1,262.93	\$ 1,728.80	\$ 465.87	\$	\$ 3.0476	\$ 2.1404	\$ (0.9072)	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
47	Tier One Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
48	Tier Two Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
49	Tier Three Breakover (M Gal):													
50	Sales for Resale (10-Inch)	99,999	99,999	\$ 1,815.47	\$ 2,485.15	\$ 669.68	\$	\$ 3.0476	\$ 2.1404	\$ (0.9072)	\$ 3.0476	\$ 2.1404	\$ (0.9072)	
51	Tier One Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
52	Tier Two Breakover (M Gal):	99,999	99,999					3.0476	2.1404	(0.9072)	3.0476	2.1404	(0.9072)	
53	Tier Three Breakover (M Gal):													
54														
55														

\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	White Tank						Basic Service Charge		Volumetric Charge (M Gal)				
		Rate Block		[D]		[E]		[F]		[G]		[H]		[I]
		Present	Proposed - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Change
2	Residential 5/8 x 3/4 -inch	3	3	\$ 22.72	\$ 21.61	\$ 21.61	\$ (1.11)	\$	\$	1,6493	\$ 1,7123	\$ 0.0630		
3	Tier One Breakover (M Gal):	10	10							2,0614	2,1404	0.0790		
4	Tier Two Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
5	Tier Three Breakover (M Gal):													
6	Residential 1-inch	10	40	\$ 56.80	\$ 54.03	\$ 54.03	\$ (2.78)	\$	\$	2,0614	\$ 2,1404	\$ 0.0790		
7	Tier One Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
8	Tier Two Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
9	Tier Three Breakover (M Gal):													
10	Residential 1.5-inch	n/a	75	n/a	\$ 108.05	\$ 108.05	n/a	\$	\$	n/a	\$ 2,1404	\$ 0.0790		
11	Tier One Breakover (M Gal):	n/a	99,999							n/a	2,6755	n/a		
12	Tier Two Breakover (M Gal):	n/a	99,999							n/a	2,6755	n/a		
13	Tier Three Breakover (M Gal):													
14	Residential 2-inch	185	125	\$ 181.76	\$ 172.88	\$ 172.88	\$ (8.88)	\$	\$	2,0614	\$ 2,1404	\$ 0.0790		
15	Tier One Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
16	Tier Two Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
17	Tier Three Breakover (M Gal):													
18	Residential 3-inch	400	300	\$ 363.51	\$ 345.76	\$ 345.76	\$ (17.75)	\$	\$	2,0614	\$ 2,1404	\$ 0.0790		
19	Tier One Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
20	Tier Two Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
21	Tier Three Breakover (M Gal):													
22	Residential 4-inch	795	500	\$ 567.99	\$ 540.25	\$ 540.25	\$ (27.74)	\$	\$	2,0614	\$ 2,1404	\$ 0.0790		
23	Tier One Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
24	Tier Two Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
25	Tier Three Breakover (M Gal):													
26	Residential 6-inch	1,895	1,000	\$ 1,135.98	\$ 1,080.50	\$ 1,080.50	\$ (55.48)	\$	\$	2,0614	\$ 2,1404	\$ 0.0790		
27	Tier One Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
28	Tier Two Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
29	Tier Three Breakover (M Gal):													
30	Residential 8-inch	2,500	1,500	\$ 1,817.56	\$ 1,728.80	\$ 1,728.80	\$ (88.76)	\$	\$	2,0614	\$ 2,1404	\$ 0.0790		
31	Tier One Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
32	Tier Two Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
33	Tier Three Breakover (M Gal):													
34	Residential 10-inch	5,024	2,300	\$ 2,612.75	\$ 2,485.15	\$ 2,485.15	\$ (127.60)	\$	\$	2,0614	\$ 2,1404	\$ 0.0790		
35	Tier One Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
36	Tier Two Breakover (M Gal):	99,999	99,999							2,5769	2,6755	0.0986		
37	Tier Three Breakover (M Gal):													
38														
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\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	White Tank												
		[A] Rate Block		[B]		[C]		[D] Basic Service Charge		[E] Volumetric Charge (M Gal)		[F] Change		
		Present	Proposed - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal			
1														
2	Commercial 5/8 x 3/4 -inch	10	10	22.72	21.61	21.61	2.0814	2.1404	2.0814	2.1404	0.0790	0.0790	0.0986	0.0986
3	Tier One Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
4	Tier Two Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
5	Tier Three Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
6	Commercial 1-inch	75	40	56.80	54.03	54.03	2.0614	2.1404	2.0614	2.1404	0.0790	0.0790	0.0986	0.0986
7	Tier One Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
8	Tier Two Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
9	Tier Three Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
10	Commercial 1.5-inch	n/a	75	n/a	108.05	108.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
11	Tier One Breakover (M Gal):	n/a	99,999				n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
12	Tier Two Breakover (M Gal):	n/a	99,999				n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
13	Tier Three Breakover (M Gal):	n/a	99,999				n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
14	Commercial 2-inch	316	125	181.76	172.88	172.88	2.0614	2.1404	2.0614	2.1404	0.0790	0.0790	0.0986	0.0986
15	Tier One Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
16	Tier Two Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
17	Tier Three Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
18	Commercial 3-inch	667	300	363.51	345.76	345.76	2.0614	2.1404	2.0614	2.1404	0.0790	0.0790	0.0986	0.0986
19	Tier One Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
20	Tier Two Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
21	Tier Three Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
22	Commercial 4-inch	1,062	500	567.99	540.25	540.25	2.0614	2.1404	2.0614	2.1404	0.0790	0.0790	0.0986	0.0986
23	Tier One Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
24	Tier Two Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
25	Tier Three Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
26	Commercial 6-inch	2,162	1,000	1,135.98	1,080.50	1,080.50	2.0614	2.1404	2.0614	2.1404	0.0790	0.0790	0.0986	0.0986
27	Tier One Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
28	Tier Two Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
29	Tier Three Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
30	Commercial 8-inch	3,483	1,500	1,817.56	1,728.80	1,728.80	2.0614	2.1404	2.0614	2.1404	0.0790	0.0790	0.0986	0.0986
31	Tier One Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
32	Tier Two Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
33	Tier Three Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
34	Commercial 10-inch	5,024	2,300	2,612.75	2,485.15	2,485.15	2.0614	2.1404	2.0614	2.1404	0.0790	0.0790	0.0986	0.0986
35	Tier One Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
36	Tier Two Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
37	Tier Three Breakover (M Gal):	99,999	99,999				2.5769	2.6755	2.5769	2.6755	0.0986	0.0986	0.0986	0.0986
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\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	White Tank																
		[A] Rate Block		[B] Present		[C] Proposed - Rebuttal		[D] Present		[E] Proposed		[F] Change		[G] Present		[H] Proposed		[I]
		Present	Rebuttal	Present	Rebuttal	Present	Rebuttal	Present	Rebuttal	Present	Rebuttal	Present	Rebuttal	Present	Rebuttal	Present	Rebuttal	Change
1	Industrial 5/8 x 3/4 -inch	99,999	99,999	18.54	18.54	\$	\$	18.54	18.54	\$	\$	4.6274	4.6274	\$	\$	4.6274	4.6274	(0.0074)
2	Tier One Breakover (M Gal):	99,999	99,999															(0.0074)
3	Tier Two Breakover (M Gal):	99,999	99,999															(0.0074)
4	Tier Three Breakover (M Gal):	99,999	99,999															(0.0074)
5	Industrial 1-inch	99,999	99,999	46.34	46.35	\$	\$	46.35	46.35	\$	\$	4.6274	4.6274	\$	\$	4.6274	4.6274	(0.0074)
6	Tier One Breakover (M Gal):	99,999	99,999															(0.0074)
7	Tier Two Breakover (M Gal):	99,999	99,999															(0.0074)
8	Tier Three Breakover (M Gal):	99,999	99,999															(0.0074)
9	Industrial 1.5-inch	n/a	n/a	n/a	92.70	\$	\$	92.70	n/a			n/a	n/a	\$	\$	4.6200	4.6200	n/a
10	Tier One Breakover (M Gal):	n/a	n/a															n/a
11	Tier Two Breakover (M Gal):	n/a	n/a															n/a
12	Tier Three Breakover (M Gal):	n/a	n/a															n/a
13	Industrial 2-inch	99,999	99,999	148.28	148.32	\$	\$	148.32	0.04			4.6274	4.6274	\$	\$	4.6200	4.6200	(0.0074)
14	Tier One Breakover (M Gal):	99,999	99,999															(0.0074)
15	Tier Two Breakover (M Gal):	99,999	99,999															(0.0074)
16	Tier Three Breakover (M Gal):	99,999	99,999															(0.0074)
17	Industrial 3-inch	99,999	99,999	296.56	296.64	\$	\$	296.64	0.08			4.6274	4.6274	\$	\$	4.6200	4.6200	(0.0074)
18	Tier One Breakover (M Gal):	99,999	99,999															(0.0074)
19	Tier Two Breakover (M Gal):	99,999	99,999															(0.0074)
20	Tier Three Breakover (M Gal):	99,999	99,999															(0.0074)
21	Industrial 4-inch	99,999	99,999	463.38	463.50	\$	\$	463.50	0.12			4.6274	4.6274	\$	\$	4.6200	4.6200	(0.0074)
22	Tier One Breakover (M Gal):	99,999	99,999															(0.0074)
23	Tier Two Breakover (M Gal):	99,999	99,999															(0.0074)
24	Tier Three Breakover (M Gal):	99,999	99,999															(0.0074)
25	Industrial 6-inch	99,999	99,999	926.75	927.00	\$	\$	927.00	0.25			4.6274	4.6274	\$	\$	4.6200	4.6200	(0.0074)
26	Tier One Breakover (M Gal):	99,999	99,999															(0.0074)
27	Tier Two Breakover (M Gal):	99,999	99,999															(0.0074)
28	Tier Three Breakover (M Gal):	99,999	99,999															(0.0074)
29	Industrial 8-inch	99,999	99,999	1,482.81	1,483.20	\$	\$	1,483.20	0.39			4.6274	4.6274	\$	\$	4.6200	4.6200	(0.0074)
30	Tier One Breakover (M Gal):	99,999	99,999															(0.0074)
31	Tier Two Breakover (M Gal):	99,999	99,999															(0.0074)
32	Tier Three Breakover (M Gal):	99,999	99,999															(0.0074)
33	Industrial 10-inch	99,999	99,999	2,131.54	2,132.10	\$	\$	2,132.10	0.56			4.6274	4.6274	\$	\$	4.6200	4.6200	(0.0074)
34	Tier One Breakover (M Gal):	99,999	99,999															(0.0074)
35	Tier Two Breakover (M Gal):	99,999	99,999															(0.0074)
36	Tier Three Breakover (M Gal):	99,999	99,999															(0.0074)
37	Private Fire Service			22.69	25.00	\$	\$	25.00	2.31			n/a	n/a	\$	\$	n/a	n/a	n/a
38	All meter connection sizes:																	
39																		
40																		
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42																		
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(Continued)

\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	White Tank																	
		[A] Rate Block		[B] Present		[C] Proposed - Rebuttal		[D] Present		[E] Proposed		[F] Basic Service Charge		[G] Present		[H] Proposed		[I] Change	
		Present	Rebuttal	Present	Rebuttal	Present	Rebuttal	Present	Rebuttal	Present	Rebuttal	Present	Rebuttal	Present	Rebuttal	Present	Rebuttal	Change	
1	Public Fire Hydrant																		
2	Coin Machine																		
3																			
4																			
5																			
6	Construction Water (2-Inch)	316	125	99,999	99,999	99,999	99,999	172.88	n/a	181.76	n/a	172.88	n/a	172.88	n/a	172.88	n/a	n/a	n/a
7																			
8																			
9																			
10	Construction Water (3-Inch)	667	300	99,999	99,999	99,999	99,999	345.76	n/a	363.51	n/a	345.76	(17.75)	345.76	n/a	345.76	n/a	n/a	n/a
11																			
12																			
13																			
14	Construction Water (4-Inch)	1,062	500	99,999	99,999	99,999	99,999	540.25	n/a	567.99	n/a	540.25	(27.74)	540.25	n/a	540.25	n/a	n/a	n/a
15																			
16																			
17																			
18	Sales for Resale (5/8-Inch)	99,999	99,999	99,999	99,999	99,999	99,999	21.61	n/a	22.72	n/a	21.61	(1.11)	21.61	n/a	21.61	n/a	n/a	n/a
19																			
20																			
21																			
22	Sales for Resale (1-Inch)	99,999	99,999	99,999	99,999	99,999	99,999	54.03	n/a	56.80	n/a	54.03	(2.78)	54.03	n/a	54.03	n/a	n/a	n/a
23																			
24																			
25																			
26	Sales for Resale (1.5-Inch)	n/a	99,999	n/a	99,999	n/a	99,999	108.05	n/a	n/a	n/a	108.05	n/a	108.05	n/a	108.05	n/a	n/a	n/a
27																			
28																			
29																			
30	Sales for Resale (2-Inch)	99,999	99,999	99,999	99,999	99,999	99,999	172.88	n/a	181.76	n/a	172.88	(8.88)	172.88	n/a	172.88	n/a	n/a	n/a
31																			
32																			
33																			
34	Sales for Resale (3-Inch)	99,999	99,999	99,999	99,999	99,999	99,999	345.76	n/a	363.51	n/a	345.76	(17.75)	345.76	n/a	345.76	n/a	n/a	n/a
35																			
36																			
37																			
38	Sales for Resale (4-Inch)	99,999	99,999	99,999	99,999	99,999	99,999	540.25	n/a	567.99	n/a	540.25	(27.74)	540.25	n/a	540.25	n/a	n/a	n/a
39																			
40																			
41																			
42	Sales for Resale (6-Inch)	99,999	99,999	99,999	99,999	99,999	99,999	1,080.50	n/a	1,135.98	n/a	1,080.50	(55.48)	1,080.50	n/a	1,080.50	n/a	n/a	n/a
43																			
44																			
45																			
46	Sales for Resale (8-Inch)	99,999	99,999	99,999	99,999	99,999	99,999	1,728.80	n/a	1,817.56	n/a	1,728.80	(88.76)	1,728.80	n/a	1,728.80	n/a	n/a	n/a
47																			
48																			
49																			
50	Sales for Resale (10-Inch)	99,999	99,999	99,999	99,999	99,999	99,999	2,485.15	n/a	2,612.75	n/a	2,485.15	(127.60)	2,485.15	n/a	2,485.15	n/a	n/a	n/a
51																			
52																			
53																			
54																			
55																			

\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Rate Block		Proposed - Rebuttal	Present Rate	[D]	Basic Service Charge		[F]	[G]	Volumetric Charge (M Gal)		[I]
		Present	Proposed				Present Rate	Proposed Rate			Present Rate	Proposed Rate	
2	Residential 5/8 x 3/4 -inch	3	3	3	\$ 25.16	\$	29.20	\$ 4.04		4.8189	\$ 4.6348	\$ (0.1841)	
3		10	10	10						6.0236	5.7935	(0.2301)	
4		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
5													
6	Residential 1-inch	10	30	30	\$ 62.90	\$	73.00	\$ 10.10		6.0236	5.7935	(0.2301)	
7		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
8		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
9													
10	Residential 1.5-inch	n/a	75	75	n/a		146.00	n/a		n/a	5.7935	n/a	
11		n/a	99,999	99,999						n/a	7.2419	n/a	
12		n/a	99,999	99,999						n/a	7.2419	n/a	
13													
14	Residential 2-inch	90	125	125	\$ 201.27	\$	233.60	\$ 32.33		6.0236	5.7935	(0.2301)	
15		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
16		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
17													
18	Residential 3-inch	200	275	275	\$ 402.54	\$	467.20	\$ 64.66		6.0236	5.7935	(0.2301)	
19		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
20		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
21													
22	Residential 4-inch	325	450	450	\$ 628.97	\$	730.00	\$ 101.03		6.0236	5.7935	(0.2301)	
23		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
24		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
25													
26	Residential 6-inch	725	950	950	\$ 1,257.94	\$	1,460.00	\$ 202.06		6.0236	5.7935	(0.2301)	
27		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
28		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
29													
30	Residential 8-inch	1,200	1,500	1,500	\$ 2,012.70	\$	2,336.00	\$ 323.30		6.0236	5.7935	(0.2301)	
31		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
32		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
33													
34	Residential 10-inch	1,783	2,200	2,200	\$ 2,893.25	\$	3,358.00	\$ 464.75		6.0236	5.7935	(0.2301)	
35		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
36		99,999	99,999	99,999						7.5292	7.2419	(0.2873)	
37													
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\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Rate Block			Basic Service Charge			Volumetric Charge (M Gal)		
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
		Present	Proposed - Rebuttal		Present Rate	Proposed Rate - Rebuttal	Change	Present Rate	Proposed Rate - Rebuttal	Change
1	Commercial 5/8 x 3/4 -inch	10	10		\$ 25.16	\$ 29.20	\$ 4.04	\$ 6.0236	\$ 5.7935	\$ (0.2301)
2		99,999	99,999					7.5292	7.2419	(0.2873)
3		99,999	99,999					7.5292	7.2419	(0.2873)
4										
5										
6	Commercial 1-inch	30	30		\$ 62.90	\$ 73.00	\$ 10.10	\$ 6.0236	\$ 5.7935	\$ (0.2301)
7		99,999	99,999					7.5292	7.2419	(0.2873)
8		99,999	99,999					7.5292	7.2419	(0.2873)
9										
10	Commercial 1.5-inch	n/a	75		n/a	\$ 146.00	n/a	n/a	\$ 5.7935	n/a
11		n/a	99,999					n/a	7.2419	n/a
12		n/a	99,999					n/a	7.2419	n/a
13										
14	Commercial 2-inch	100	125		\$ 201.27	\$ 233.60	\$ 32.33	\$ 6.0236	\$ 5.7935	\$ (0.2301)
15		99,999	99,999					7.5292	7.2419	(0.2873)
16		99,999	99,999					7.5292	7.2419	(0.2873)
17										
18	Commercial 3-inch	200	275		\$ 402.54	\$ 467.20	\$ 64.66	\$ 6.0236	\$ 5.7935	\$ (0.2301)
19		99,999	99,999					7.5292	7.2419	(0.2873)
20		99,999	99,999					7.5292	7.2419	(0.2873)
21										
22	Commercial 4-inch	325	450		\$ 628.97	\$ 730.00	\$ 101.03	\$ 6.0236	\$ 5.7935	\$ (0.2301)
23		99,999	99,999					7.5292	7.2419	(0.2873)
24		99,999	99,999					7.5292	7.2419	(0.2873)
25										
26	Commercial 6-inch	725	950		\$ 1,257.94	\$ 1,460.00	\$ 202.06	\$ 6.0236	\$ 5.7935	\$ (0.2301)
27		99,999	99,999					7.5292	7.2419	(0.2873)
28		99,999	99,999					7.5292	7.2419	(0.2873)
29										
30	Commercial 8-inch	1,200	1,500		\$ 2,012.70	\$ 2,336.00	\$ 323.30	\$ 6.0236	\$ 5.7935	\$ (0.2301)
31		99,999	99,999					7.5292	7.2419	(0.2873)
32		99,999	99,999					7.5292	7.2419	(0.2873)
33										
34	Commercial 10-inch	1,783	2,200		\$ 2,893.25	\$ 3,358.00	\$ 464.75	\$ 6.0236	\$ 5.7935	\$ (0.2301)
35		99,999	99,999					7.5292	7.2419	(0.2873)
36		99,999	99,999					7.5292	7.2419	(0.2873)
37										
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(Continued)

\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Ajo																	
		[A] Rate Block		[B] Present		[C] Proposed - Rebuttal		[D] Present Rate		[E] Proposed Rate - Rebuttal		[F] Change		[G] Present Rate		[H] Proposed Rate - Rebuttal		[I] Change	
		Present	Proposed - Rebuttal	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
1	Industrial 5/8 x 3/4 -inch	99,999	99,999	\$ 25.16	\$ 29.20	\$ 4.04	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)	99,999	99,999	\$ 25.16	\$ 29.20	\$ 4.04	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)
2	Tier One Breakover (M Gal):	99,999	99,999								99,999	99,999							
3	Tier Two Breakover (M Gal):	99,999	99,999								99,999	99,999							
4	Tier Three Breakover (M Gal):	99,999	99,999								99,999	99,999							
5	Industrial 1-inch	99,999	99,999	\$ 65.60	\$ 73.00	\$ 7.40	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)	99,999	99,999	\$ 65.60	\$ 73.00	\$ 7.40	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)
6	Tier One Breakover (M Gal):	99,999	99,999								99,999	99,999							
7	Tier Two Breakover (M Gal):	99,999	99,999								99,999	99,999							
8	Tier Three Breakover (M Gal):	99,999	99,999								99,999	99,999							
9	Industrial 1.5-inch	n/a	n/a	n/a	\$ 146.00	n/a	n/a	n/a	n/a	n/a	99,999	99,999	n/a	\$ 146.00	n/a	n/a	n/a	n/a	n/a
10	Tier One Breakover (M Gal):	n/a	n/a								99,999	99,999	n/a						
11	Tier Two Breakover (M Gal):	n/a	n/a								99,999	99,999	n/a						
12	Tier Three Breakover (M Gal):	n/a	n/a								99,999	99,999	n/a						
13	Industrial 2-inch	99,999	99,999	\$ 201.27	\$ 233.60	\$ 32.33	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)	99,999	99,999	\$ 201.27	\$ 233.60	\$ 32.33	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)
14	Tier One Breakover (M Gal):	99,999	99,999								99,999	99,999							
15	Tier Two Breakover (M Gal):	99,999	99,999								99,999	99,999							
16	Tier Three Breakover (M Gal):	99,999	99,999								99,999	99,999							
17	Industrial 3-inch	99,999	99,999	\$ 402.54	\$ 467.20	\$ 64.66	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)	99,999	99,999	\$ 402.54	\$ 467.20	\$ 64.66	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)
18	Tier One Breakover (M Gal):	99,999	99,999								99,999	99,999							
19	Tier Two Breakover (M Gal):	99,999	99,999								99,999	99,999							
20	Tier Three Breakover (M Gal):	99,999	99,999								99,999	99,999							
21	Industrial 4-inch	99,999	99,999	\$ 628.97	\$ 730.00	\$ 101.03	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)	99,999	99,999	\$ 628.97	\$ 730.00	\$ 101.03	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)
22	Tier One Breakover (M Gal):	99,999	99,999								99,999	99,999							
23	Tier Two Breakover (M Gal):	99,999	99,999								99,999	99,999							
24	Tier Three Breakover (M Gal):	99,999	99,999								99,999	99,999							
25	Industrial 6-inch	99,999	99,999	\$ 1,257.94	\$ 1,460.00	\$ 202.06	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)	99,999	99,999	\$ 1,257.94	\$ 1,460.00	\$ 202.06	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)
26	Tier One Breakover (M Gal):	99,999	99,999								99,999	99,999							
27	Tier Two Breakover (M Gal):	99,999	99,999								99,999	99,999							
28	Tier Three Breakover (M Gal):	99,999	99,999								99,999	99,999							
29	Industrial 8-inch	99,999	99,999	\$ 2,012.70	\$ 2,336.00	\$ 323.30	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)	99,999	99,999	\$ 2,012.70	\$ 2,336.00	\$ 323.30	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)
30	Tier One Breakover (M Gal):	99,999	99,999								99,999	99,999							
31	Tier Two Breakover (M Gal):	99,999	99,999								99,999	99,999							
32	Tier Three Breakover (M Gal):	99,999	99,999								99,999	99,999							
33	Industrial 10-inch	99,999	99,999	\$ 2,893.25	\$ 3,358.00	\$ 464.75	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)	99,999	99,999	\$ 2,893.25	\$ 3,358.00	\$ 464.75	\$ 6.0236	\$ 6.0236	\$ 5.7935	\$ (0.2301)
34	Tier One Breakover (M Gal):	99,999	99,999								99,999	99,999							
35	Tier Two Breakover (M Gal):	99,999	99,999								99,999	99,999							
36	Tier Three Breakover (M Gal):	99,999	99,999								99,999	99,999							
37	Private Fire Service			\$ 24.19	\$ 25.00	\$ 0.81	n/a	n/a	n/a	n/a			\$ 24.19	\$ 25.00	\$ 0.81	n/a	n/a	n/a	n/a
38	All meter connection sizes:																		
39																			
40																			
41																			
42																			
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(Continued)

\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (M Gal)	
		[B]		[E]		[H]	
		Present	Proposed - Rebuttal	Present Rate	Proposed Rate - Rebuttal	Present Rate	Proposed Rate - Rebuttal
1							
2	Public Fire Hydrant			n/a	n/a	n/a	n/a
3	Coin Machine			n/a	n/a	37.81	39 (0.0445)
4							
5							
6	Construction Water (2-Inch)	100	125	\$ 201.27	\$ 233.60	\$ 6.0236	\$ 5.7935 (0.2301)
7	Tier One Breakover (M Gal):	99,999	99,999			7.5292	7.2419 (0.2873)
8	Tier Two Breakover (M Gal):	99,999	99,999			7.5292	7.2419 (0.2873)
9	Tier Three Breakover (M Gal):						
10	Construction Water (3-Inch)	200	275	\$ 402.54	\$ 467.20	\$ 6.0236	\$ 5.7935 (0.2301)
11	Tier One Breakover (M Gal):	99,999	99,999			7.5292	7.2419 (0.2873)
12	Tier Two Breakover (M Gal):	99,999	99,999			7.5292	7.2419 (0.2873)
13	Tier Three Breakover (M Gal):						
14	Construction Water (4-Inch)	325	450	\$ 628.97	\$ 730.00	\$ 6.0236	\$ 5.7935 (0.2301)
15	Tier One Breakover (M Gal):	99,999	99,999			7.5292	7.2419 (0.2873)
16	Tier Two Breakover (M Gal):	99,999	99,999			7.5292	7.2419 (0.2873)
17	Tier Three Breakover (M Gal):						
18	Sales for Resale (5/8-Inch)	99,999	99,999	\$ 25.16	\$ 29.20	\$ 6.0236	\$ 5.7935 (0.2301)
19	Tier One Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
20	Tier Two Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
21	Tier Three Breakover (M Gal):						
22	Sales for Resale (1-Inch)	99,999	99,999	\$ 62.90	\$ 73.00	\$ 6.0236	\$ 5.7935 (0.2301)
23	Tier One Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
24	Tier Two Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
25	Tier Three Breakover (M Gal):						
26	Sales for Resale (1.5-Inch)	n/a	99,999	n/a	146.00	n/a	5.7935 n/a
27	Tier One Breakover (M Gal):	n/a	99,999			n/a	5.7935 n/a
28	Tier Two Breakover (M Gal):	n/a	99,999			n/a	5.7935 n/a
29	Tier Three Breakover (M Gal):						
30	Sales for Resale (2-Inch)	99,999	99,999	\$ 201.27	\$ 233.60	\$ 6.0236	\$ 5.7935 (0.2301)
31	Tier One Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
32	Tier Two Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
33	Tier Three Breakover (M Gal):						
34	Sales for Resale (3-Inch)	99,999	99,999	\$ 402.54	\$ 467.20	\$ 6.0236	\$ 5.7935 (0.2301)
35	Tier One Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
36	Tier Two Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
37	Tier Three Breakover (M Gal):						
38	Sales for Resale (4-Inch)	99,999	99,999	\$ 628.97	\$ 730.00	\$ 6.0236	\$ 5.7935 (0.2301)
39	Tier One Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
40	Tier Two Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
41	Tier Three Breakover (M Gal):						
42	Sales for Resale (6-Inch)	99,999	99,999	\$ 1,257.94	\$ 1,460.00	\$ 6.0236	\$ 5.7935 (0.2301)
43	Tier One Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
44	Tier Two Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
45	Tier Three Breakover (M Gal):						
46	Sales for Resale (8-Inch)	99,999	99,999	\$ 2,012.70	\$ 2,336.00	\$ 6.0236	\$ 5.7935 (0.2301)
47	Tier One Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
48	Tier Two Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
49	Tier Three Breakover (M Gal):						
50	Sales for Resale (10-Inch)	99,999	99,999	\$ 2,893.25	\$ 3,358.00	\$ 6.0236	\$ 5.7935 (0.2301)
51	Tier One Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
52	Tier Two Breakover (M Gal):	99,999	99,999			6.0236	5.7935 (0.2301)
53	Tier Three Breakover (M Gal):						
54							
55							

\*\*For Service Charges See Company-wide Service Charge Tariff at the end of this schedule\*\*

Total Company

Line No.	Service Charges*	Current Rate	[A]	Proposed Rate	[B]
1					
2					
3					
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\*The Company accepts Staff's proposed Service Charges (including Service Line & Meter Installation charges).

**H-4**

**TYPICAL BILL ANALYSIS**

Pinal Valley (Casa Grande, Coolidge)

Line No.	[A]	[B]	[C]	[D]		[E]		[F]	[G]	[H]	[I]
				Base Rates	Surcharge	Present Rates	Surcharge				
1											
2											
3											
4											
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Average Usage: 8.5  
 Median Usage: 6.1  
 Standardized Usage: 7.5

Proposed Bill at Lifeline Usage (3.0 M Gal): \$ 26.75  
 Cost of Service at Lifeline Usage (3.0 M Gal): \$ 31.49  
 % Cost Discount at Lifeline Usage: 15.07%

Cost of Service at Average Usage: \$ 44.34  
 % Cost Discount at Average Usage: 13.02%

Line No.	Description	[A]		[B]		[C]	[D]		[E]		[F]		[G]		[H]		[I]	
		Base Rates	ACRM / PPA Surcharge	Present Rates	Surcharge		Base	Surcharge	Total	Proposed Rates - Rebuttal	Amount	Percent	Proposed Rates - Rebuttal	Amount	Percent	Proposed Rates - Rebuttal	Amount	Percent
1	Residential 5/8 x 3/4 -inch																	
2				\$ 15.79	\$ -	5	\$ 15.79	\$ -	\$ 15.79	\$ -	\$ 15.79	\$ 21.61	\$ 5.82	36.86%	\$ 5.82	36.86%		
3						15	29.20		29.20		31.03	1.83	6.26%	1.83	6.26%			
4						20	63.49		63.49		55.11	(8.38)	(13.20%)	(8.38)	(13.20%)			
5	Present Rates			82.53		25	82.53		82.53		68.48	(14.05)	(17.02%)	(14.05)	(17.02%)			
6				101.58		30	101.58		101.58		81.86	(19.72)	(19.41%)	(19.72)	(19.41%)			
7				120.63		35	120.63		120.63		95.24	(25.39)	(21.05%)	(25.39)	(21.05%)			
8	Basic Service Charge:			\$ 15.79	\$ -	40	139.68		139.68		108.62	(31.06)	(22.24%)	(31.06)	(22.24%)			
9						45	158.73		158.73		121.99	(36.73)	(23.14%)	(36.73)	(23.14%)			
10	Tier One Breakover (M Gal):			3		50	177.78		177.78		135.37	(42.40)	(23.85%)	(42.40)	(23.85%)			
11	Tier Two Breakover (M Gal):			10		55	196.82		196.82		148.75	(48.08)	(24.43%)	(48.08)	(24.43%)			
12	Tier Three Breakover (M Gal):			99,999		60	215.87		215.87		162.13	(53.75)	(24.90%)	(53.75)	(24.90%)			
13						65	234.92		234.92		175.50	(59.42)	(25.29%)	(59.42)	(25.29%)			
14	Tier One Rate:			\$ 2.4379	\$ -	70	253.97		253.97		188.88	(65.09)	(25.63%)	(65.09)	(25.63%)			
15	Tier Two Rate:			3.0476		75	273.02		273.02		202.26	(70.76)	(25.92%)	(70.76)	(25.92%)			
16	Tier Three Rate:			3.8097		100	292.07		292.07		215.64	(76.43)	(26.17%)	(76.43)	(26.17%)			
17						150	387.31		387.31		282.52	(104.79)	(27.05%)	(104.79)	(27.05%)			
18	Proposed Rates - Rebuttal					200	577.79		577.79		416.30	(161.50)	(27.95%)	(161.50)	(27.95%)			
19						250	768.28		768.28		550.07	(218.21)	(28.40%)	(218.21)	(28.40%)			
20						300	958.76		958.76		683.85	(274.92)	(28.67%)	(274.92)	(28.67%)			
21	Basic Service Charge:			\$ 21.61	\$ -	350	1,149.25		1,149.25		817.62	(331.63)	(28.86%)	(331.63)	(28.86%)			
22						400	1,339.73		1,339.73		951.40	(388.34)	(28.99%)	(388.34)	(28.99%)			
23	Tier One Breakover (M Gal):			3		450	1,530.22		1,530.22		1,085.17	(445.05)	(29.08%)	(445.05)	(29.08%)			
24	Tier Two Breakover (M Gal):			10		500	1,720.70		1,720.70		1,218.95	(501.76)	(29.16%)	(501.76)	(29.16%)			
25	Tier Three Breakover (M Gal):			99,999		550	1,911.19		1,911.19		1,352.72	(558.47)	(29.22%)	(558.47)	(29.22%)			
26						600	2,101.67		2,101.67		1,486.50	(615.18)	(29.27%)	(615.18)	(29.27%)			
27	Tier One Rate:			\$ 1.7123	\$ -	650	2,292.16		2,292.16		1,620.27	(671.89)	(29.31%)	(671.89)	(29.31%)			
28	Tier Two Rate:			2.1404		700	2,482.64		2,482.64		1,754.05	(728.60)	(29.35%)	(728.60)	(29.35%)			
29	Tier Three Rate:			2.6755		750	2,673.13		2,673.13		1,887.82	(785.31)	(29.38%)	(785.31)	(29.38%)			
30						800	2,863.61		2,863.61		2,021.60	(842.02)	(29.40%)	(842.02)	(29.40%)			
31						850	3,054.10		3,054.10		2,155.37	(898.73)	(29.43%)	(898.73)	(29.43%)			
32						900	3,244.58		3,244.58		2,289.15	(955.44)	(29.45%)	(955.44)	(29.45%)			
33						950	3,435.07		3,435.07		2,422.92	(1,012.15)	(29.47%)	(1,012.15)	(29.47%)			
34						1,000	3,616.04		3,616.04		2,690.47	(1,125.57)	(29.50%)	(1,125.57)	(29.50%)			
35						1,500	5,720.89		5,720.89		4,028.22	(1,692.67)	(29.59%)	(1,692.67)	(29.59%)			
36						2,000	7,625.74		7,625.74		5,365.97	(2,259.77)	(29.63%)	(2,259.77)	(29.63%)			
37						2,500	9,530.59		9,530.59		6,703.72	(2,826.87)	(29.66%)	(2,826.87)	(29.66%)			
38						3,000	11,435.44		11,435.44		8,041.47	(3,393.97)	(29.68%)	(3,393.97)	(29.68%)			
39																		
40																		
41	Average Usage:			\$ 39.17	\$ -	8.3	\$ 39.17	\$ -	\$ 39.17	\$ -	\$ 38.03	(1.14)	(2.91%)	(1.14)	(2.91%)			
42	Median Usage:			\$ 33.88	\$ -	6.5	\$ 33.88	\$ -	\$ 33.88	\$ -	\$ 34.32	0.43	1.28%	0.43	1.28%			
43	Standardized Usage:			\$ 36.82	\$ -	7.5	\$ 36.82	\$ -	\$ 36.82	\$ -	\$ 36.38	(0.44)	(1.19%)	(0.44)	(1.19%)			
44																		
45																		
46																		
47																		
48	Proposed Bill at Lifeline Usage (3.0 M Gal):			\$			\$		\$		\$	26.75						
49	Cost of Service at Lifeline Usage (3.0 M Gal):			\$			\$		\$		\$	31.49						
50	% Cost Discount at Lifeline Usage:											15.07%						
51	Cost of Service at Average Usage:			\$			\$		\$		\$	43.75						
52	% Cost Discount at Average Usage:											13.08%						
53																		
54																		
55																		

Line No.	Description	[A] Base Rates	[B] ACRM / PPA Surcharge	[C] Monthly Consumption (M Gal)	[D] White Tank		[E] Present Rates	[F] Typical Bill Total	[G] Proposed Rates - Rebuttal	[H] Increase		[I] Percent
					Base	Surcharge				Amount	Percent	
1	Residential 5/8 x 3/4 -inch			5	\$ 22.72	\$ -	\$ 22.72	\$ 22.72	\$ 21.61	\$ (1.11)	-4.89%	
2				15	31.79	-	31.79	31.03	(0.76)	0.13	-2.40%	
3	Present Rates			20	67.87	-	67.87	66.48	0.62	0.91%		
4				25	80.75	-	80.75	81.86	1.11	1.38%		
5	Basic Service Charge:	\$ 22.72	\$ -	30	93.64	-	93.64	95.24	1.60	1.71%		
6				35	106.52	-	106.52	108.62	2.10	1.97%		
7	Tier One Breakover (M Gal):	3		40	119.40	-	119.40	121.99	2.59	2.17%		
8	Tier Two Breakover (M Gal):	10		45	132.29	-	132.29	135.37	3.08	2.33%		
9	Tier Three Breakover (M Gal):	99,999		50	145.17	-	145.17	148.75	3.58	2.46%		
10				55	158.06	-	158.06	162.13	4.07	2.57%		
11	Tier One Rate:	\$ 1.6493	\$ -	60	170.94	-	170.94	175.50	4.56	2.67%		
12	Tier Two Rate:	2.0614		65	183.83	-	183.83	188.88	5.05	2.75%		
13	Tier Three Rate:	2.5769		70	196.71	-	196.71	202.26	5.55	2.82%		
14				75	209.60	-	209.60	215.64	6.04	2.88%		
15	Proposed Rates - Rebuttal			100	274.02	-	274.02	282.52	8.51	3.10%		
16				150	402.86	-	402.86	416.30	13.44	3.34%		
17				200	531.71	-	531.71	550.07	18.37	3.45%		
18				250	660.55	-	660.55	683.85	23.30	3.53%		
19	Basic Service Charge:	\$ 21.61	\$ -	300	789.40	-	789.40	817.62	28.23	3.58%		
20				350	918.24	-	918.24	951.40	33.16	3.61%		
21	Tier One Breakover (M Gal):	3		400	1,047.09	-	1,047.09	1,085.17	38.09	3.64%		
22	Tier Two Breakover (M Gal):	10		450	1,175.93	-	1,175.93	1,218.95	43.02	3.67%		
23	Tier Three Breakover (M Gal):	99,999		500	1,304.78	-	1,304.78	1,352.72	47.94	3.69%		
24				550	1,433.62	-	1,433.62	1,486.50	52.87	3.70%		
25	Tier One Rate:	\$ 1.7123	\$ -	600	1,562.47	-	1,562.47	1,620.27	57.80	3.71%		
26	Tier Two Rate:	2.1404		650	1,691.31	-	1,691.31	1,754.05	62.73	3.72%		
27	Tier Three Rate:	2.6755		700	1,820.16	-	1,820.16	1,887.82	67.66	3.73%		
28				750	1,949.00	-	1,949.00	2,021.60	72.59	3.74%		
29				800	2,077.85	-	2,077.85	2,155.37	77.52	3.74%		
30				850	2,206.69	-	2,206.69	2,289.15	82.45	3.74%		
31				900	2,335.54	-	2,335.54	2,422.92	87.38	3.74%		
32				1,000	2,593.23	-	2,593.23	2,690.47	97.24	3.75%		
33				1,500	3,881.68	-	3,881.68	4,028.22	146.54	3.76%		
34				2,000	5,170.13	-	5,170.13	5,365.97	195.84	3.79%		
35				2,500	6,458.58	-	6,458.58	6,703.72	245.14	3.80%		
36				3,000	7,747.03	-	7,747.03	8,041.47	294.44	3.80%		
37				13.9	\$ 52.16	\$ -	\$ 52.16	\$ 52.18	\$ 0.02	0.03%		
38	Average Usage:			9.0	\$ 40.02	\$ -	\$ 40.02	\$ 39.58	\$ (0.45)	-1.12%		
39	Median Usage:			7.5	\$ 36.94	\$ -	\$ 36.94	\$ 36.38	\$ (0.57)	-1.53%		
40	Standardized Usage:											
41	Proposed Bill at Lifeline Usage (3.0 M Gal):							\$ 26.75				
42	Cost of Service at Lifeline Usage (3.0 M Gal):							\$ 39.56				
43	% Cost Discount at Lifeline Usage:							32.38%				
44	Cost of Service at Average Usage:							\$ 72.26				
45	% Cost Discount at Average Usage:							27.79%				

Line No.	[A]	[B]	[C]	[D]	[E]		[F]	[G]	[H]	[I]
					Base	Surcharge				
1	Residential 5/8 x 3/4 -inch			\$ 25.16	\$ -	\$ 25.16	\$ 29.20	\$ 4.04	16.06%	
2			5	51.66	-	51.66	54.69	3.03	5.86%	
3			15	119.43	-	119.43	119.87	0.44	0.37%	
4	Present Rates		20	157.07	-	157.07	156.08	(1.00)	-0.63%	
5			25	194.72	-	194.72	192.29	(2.43)	-1.25%	
6			30	232.37	-	232.37	228.50	(3.87)	-1.66%	
7	Basic Service Charge:		35	270.01	-	270.01	264.71	(5.31)	-1.96%	
8			40	307.66	-	307.66	300.92	(6.74)	-2.19%	
9	Tier One Breakover (M Gal):	3	45	345.30	-	345.30	337.13	(8.18)	-2.37%	
10	Tier Two Breakover (M Gal):	10	50	382.95	-	382.95	373.34	(9.61)	-2.51%	
11	Tier Three Breakover (M Gal):	99,999	55	420.60	-	420.60	409.54	(11.05)	-2.63%	
12			60	458.24	-	458.24	445.75	(12.49)	-2.73%	
13	Tier One Rate:	\$ 4.8189	65	495.89	-	495.89	481.96	(13.92)	-2.81%	
14	Tier Two Rate:	6.0236	70	533.53	-	533.53	518.17	(15.36)	-2.88%	
15	Tier Three Rate:	7.5292	75	571.18	-	571.18	554.38	(16.80)	-2.94%	
16			100	759.41	-	759.41	735.43	(23.98)	-3.16%	
17	Proposed Rates - Rebuttal		150	1,135.87	-	1,135.87	1,097.53	(38.34)	-3.38%	
18			200	1,512.33	-	1,512.33	1,459.62	(52.71)	-3.49%	
19			250	1,888.79	-	1,888.79	1,821.72	(67.07)	-3.55%	
20	Basic Service Charge:		300	2,265.25	-	2,265.25	2,183.81	(81.44)	-3.60%	
21			350	2,641.71	-	2,641.71	2,545.91	(95.80)	-3.63%	
22	Tier One Breakover (M Gal):	3	400	3,018.17	-	3,018.17	2,908.00	(110.17)	-3.65%	
23	Tier Two Breakover (M Gal):	10	450	3,394.63	-	3,394.63	3,270.10	(124.53)	-3.67%	
24	Tier Three Breakover (M Gal):	99,999	500	3,771.09	-	3,771.09	3,632.19	(138.90)	-3.68%	
25			550	4,147.55	-	4,147.55	3,994.29	(153.26)	-3.70%	
26	Basic Service Charge:		600	4,524.01	-	4,524.01	4,356.38	(167.63)	-3.71%	
27			650	4,900.47	-	4,900.47	4,718.48	(181.99)	-3.71%	
28	Tier One Rate:	\$ 4.6348	700	5,276.93	-	5,276.93	5,080.57	(196.36)	-3.72%	
29	Tier Two Rate:	5.7935	750	5,653.39	-	5,653.39	5,442.67	(210.72)	-3.73%	
30	Tier Three Rate:	7.2419	800	6,029.85	-	6,029.85	5,804.77	(225.08)	-3.73%	
31			850	6,406.31	-	6,406.31	6,166.86	(239.45)	-3.74%	
32			900	6,782.77	-	6,782.77	6,528.96	(253.81)	-3.74%	
33			1,000	7,535.69	-	7,535.69	7,253.15	(282.54)	-3.75%	
34			1,500	11,300.29	-	11,300.29	10,874.10	(426.19)	-3.77%	
35			2,000	15,064.89	-	15,064.89	14,495.05	(569.84)	-3.78%	
36			2,500	18,829.49	-	18,829.49	18,116.01	(713.48)	-3.79%	
37			3,000	22,594.09	-	22,594.09	21,736.96	(857.13)	-3.79%	
38										
39										
40										
41										
42	Average Usage:		4.8	\$ 50.24	\$ -	\$ 50.24	\$ 53.33	\$ 3.08	6.13%	
43	Median Usage:		3.2	\$ 40.83	\$ -	\$ 40.83	\$ 44.27	\$ 3.44	8.43%	
44	Standardized Usage:		7.5	\$ 66.72	\$ -	\$ 66.72	\$ 69.18	\$ 2.45	3.68%	
45	Proposed Bill at Lifeline Usage (3.0 M Gal):						\$ 43.10			
46	Cost of Service at Lifeline Usage (3.0 M Gal):						\$ 45.15			
47	% Cost Discount at Lifeline Usage:						4.53%			
48	Cost of Service at Average Usage:						\$ 57.28			
49	% Cost Discount at Average Usage:						6.90%			
50										
51										
52										
53										
54										
55										