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BEFORE THE ARIZONA CORPORATION CC

COMMISSIONERS

- GARY PIERCE - Chairman
- BOB STUMP
- SANDRA D. KENNEDY
- PAUL NEWMAN
- BRENDA BURNS

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

DOCKET NO. W-01445A-10-0517

**NOTICE OF FILING  
SETTLEMENT AGREEMENT**

The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission"), on behalf of the Signatory Parties to the Proposed Settlement Agreement ("Agreement"), hereby files the Agreement in compliance with the filing deadline of February 15, 2012 set by the Administrative Law Judge in her January 31, 2012 Procedural Order.

RESPECTFULLY SUBMITTED this 15<sup>th</sup> day of February, 2012.

Wesley C. Van Cleve  
 Scott Hesla  
 Attorneys, Legal Division  
 Arizona Corporation Commission  
 1200 West Washington Street  
 Phoenix, Arizona 85007  
 (602) 542-3402

Original and thirteen (13) copies of the foregoing filed this 15<sup>th</sup> day of February, 2012, with:

Docket Control  
 Arizona Corporation Commission  
 1200 West Washington Street  
 Phoenix, Arizona 85007

Arizona Corporation Commission  
**DOCKETED**

FEB 15 2012

DOCKETED BY

CORP COMMISSION  
DOCKET CONTROL

2012 FEB 15 P 3:59

RECEIVED

1 **Copy of the foregoing mailed this**  
2 **15<sup>th</sup> day of February, 2012, to:**

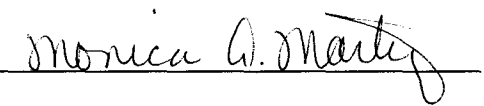
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ARIZONA WATER COMPANY

WESTERN GROUP GENERAL RATE CASE

PROPOSED SETTLEMENT AGREEMENT

Docket No. W-01445A-10-0517

SETTLEMENT AGREEMENT

AND

LIST OF SIGNATORY PARTIES

The purpose of this Settlement Agreement (“Agreement”) is to settle identified disputed issues related to Docket No. W-01445A-10-0517, Arizona Water Company’s (“AWC” or “Company”) application to increase rates for its Western Group of systems as identified in its December 29, 2010 application, as amended on May 9, 2011 (“Rate Case”). This Agreement is entered into by the following entities, which together comprise the entirety of the parties to this proceeding, including all intervenors:

Arizona Water Company  
Arizona Corporation Commission Utilities Division (“Staff”)  
Residential Utility Consumer Office (“RUCO”)  
Abbott Laboratories (“Abbott”)  
The Water Utility Association of Arizona (“WUAA”)

These entities shall be referred to collectively as the “Signatory Parties.”

## TERMS AND CONDITIONS

In consideration of the promises and agreements contained in this Agreement, the Signatory Parties agree that the following numbered sections and subsections, including attached exhibits and schedules, comprise the Signatory Parties' Agreement.

### 1.0 RECITALS

1.1 Docket No. W-01445A-10-0517 was commenced by the filing of a rate application by AWC on December 29, 2010. AWC filed an amendment to its application on May 9, 2011. AWC's amended application ("Application") requested a total proposed revenue increase of \$4,564,110, or approximately 24.45%, and a Fair Value Rate Base ("FVRB") of \$54,072,795.

1.2 Following a sufficiency finding by Staff on June 8, 2011, RUCO filed an Application to Intervene on June 15, 2011. Abbott filed an Application to Intervene on September 13, 2011. WUAA filed an Application to Intervene on October 3, 2011.

1.3 The Administrative Law Judge granted the applications to intervene filed by RUCO, Abbott and WUAA ("Intervenors"). No other persons or entities have intervened in this proceeding.

1.4 The Administrative Law Judge scheduled an evidentiary hearing on the Application to commence on February 21, 2012.

1.5 The parties' litigation positions for hearing associated with the total proposed revenue increase and FVRB, together with the amount proposed in settlement<sup>1</sup>, are as follows:

	Revenue Increase	% Increase	FVRB
Company	\$4,535,587	24.34%	\$53,798,510
Staff	\$2,520,496	13.52%	\$53,538,325
RUCO	\$3,147,980	16.89%	\$53,439,157
<b>Agreement</b>	<b>\$3,224,403</b>	<b>17.30%</b>	<b>\$53,234,209</b>

1.6 Staff filed a notice of settlement discussions on January 24, 2012, noting that AWC had approached Staff concerning the possibility of settling some or all of the issues in the Rate Case, and that Staff believed settlement of the Rate Case might be possible. The Signatory Parties were notified of the settlement discussion process, were encouraged to participate in the negotiations, and were provided with an equal opportunity to participate. Pursuant to a notice of scheduling of settlement conference docketed by the Company on January 25, 2012, formal settlement discussions between the Signatory Parties began on January 31, 2012, at the

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<sup>1</sup> WUAA and Abbott did not advocate for a particular amount of revenue increase or FVRB, but rather focused on issues specific to their interests, the resolution of which are set forth in other sections of this Agreement.

Commission's offices, and resumed on February 2, 2012, at which point they were concluded, with a settlement reached on all issues in the Rate Case by the Signatory Parties.

1.7 The Signatory Parties agree that the negotiation process undertaken in this matter was open, transparent and inclusive of all Signatory Parties, with each such party having an equal opportunity to participate. All Signatory Parties, including their counsel and principal witnesses and representatives, attended and actively participated in all phases of the settlement discussions. This Agreement is a result of those meetings and the Signatory Parties' good faith efforts to settle all of the issues presented in this Rate Case. A material consideration by AWC in compromising its positions is the ability to quickly move its Application to final determination by the Commission, so that the new rates as set forth in this Agreement and ordered by the Commission may be implemented at the earliest possible date. To this end, the Signatory Parties agree to expedite their efforts in advancing this matter before the Commission consistent with the Procedural Orders made in the Rate Case and Commission Rules.

1.8 The purpose of this Agreement is to settle all issues presented in the Rate Case in a manner that will promote the public interest, provide for a prompt resolution of the issues, and allow expeditious implementation of the new rates as ordered by the Commission.

1.9 The Signatory Parties agree that the terms of this Agreement will serve the public interest by providing a just and reasonable resolution of the issues presented by the Rate Case, establishing just and reasonable rates for AWC's customers, and promoting the health, welfare and safety of AWC's customers. Commission approval of this Agreement will further serve the public interest by allowing the Signatory Parties to avoid the expense and delay associated with continued litigation.

1.10 The Signatory Parties agree to ask the Commission to (1) find that the terms and conditions of this Agreement are just and reasonable and in the public interest, along with all other necessary findings, and (2) approve the Agreement and order that the Agreement and the rates contained therein shall become effective at the earliest practicable date.

## 2.0 REVENUE REQUIREMENT, RATE BASE, INCOME STATEMENTS AND ADJUSTMENTS TO SAME

2.1 For ratemaking purposes and for the purposes of this Agreement, the Signatory Parties agree that:

2.2 AWC will receive an annual increase in revenues of \$3,224,403 for an annual revenue requirement of \$21,862,556;

2.3 The FVRB, which is determined based on the Original Cost Less Depreciation Rate Base for purposes of this Rate Case, is \$53,234,209.

2.4 The breakdown of test year revenues of the Western Group among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems is set forth in Schedule A-1 attached and incorporated into the Agreement by this reference.

2.5 The breakdown of FVRB of the Western Group among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems is set forth in Schedule B-1 attached and incorporated into the Agreement by this reference.

2.6 The Pro Forma Adjustments applicable to FVRB for the Western Group and the breakdown of such adjustments among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems and the Phoenix Office and Meter Shop are set forth in Schedule B-2, including its appendix attached, which are incorporated into the Agreement by this reference.

2.7 The Adjusted Test Year Operating Income applicable to the Western Group and the breakdown of same among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems are set forth in Schedule C-1 attached and incorporated into the Agreement by this reference.

2.8 The Income Statement Pro Forma Adjustments applicable to the Western Group and the breakdown of such adjustments among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems are set forth in Schedule C-2, including its appendix attached, which are incorporated into the Agreement by this reference.

2.9 The computation of the Gross Revenue Conversion Factor applicable to the Western Group and the breakdown of such factor among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems are set forth in Schedule C-3 attached and incorporated into the Agreement by this reference.

### 3.0 COST OF CAPITAL

3.1 For ratemaking purposes and for the purposes of this Agreement, the Signatory Parties agree that an appropriate return on common equity shall be 10.0%, an appropriate cost of long-term debt shall be 6.82%, and that a capital structure comprised of 49.03% long-term debt and 50.97% common equity shall be adopted, which equates to a weighted cost of debt of 3.34%, a weighted cost of common equity of 5.10%, and an overall Weighted Average Cost of Capital of 8.44%, as set forth in Schedule D-1 attached and incorporated into the Agreement by this reference.

### 4.0 RATE DESIGN

4.1 For ratemaking purposes and for the purposes of this Agreement, the Signatory Parties agree that:

4.2 The summary of revenues by customer classification for the Western Group and the breakdown of such revenues by classification among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems shall be as set forth in Schedule H-1 attached and incorporated into the Agreement by this reference.

4.3 The specific revenues by customer classification for the Western Group and the breakdown of such specific revenues by classification among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems are set forth in Schedule H-2 attached and incorporated into the Agreement by this reference.

4.4 The summary of changes in representative rate schedules by customer classification for the Pinal Valley (Casa Grande/Coolidge), Pinal Valley (Stanfield), White Tank and Ajo systems is set forth in Schedule H-3 attached and incorporated into the Agreement by this reference.

4.5 The summary of a typical bill analysis, showing impact on bills from the settlement set forth in this Agreement for the Pinal Valley (Casa Grande/Coolidge), Pinal Valley (Stanfield), White Tank and Ajo systems is set forth in Schedule H-4 attached and incorporated into the Agreement by this reference.

## 5.0 RATE CONSOLIDATION

5.1 The Signatory Parties spent a significant portion of their settlement discussions on the topic of rate consolidation of the Company's Western Group systems, specifically regarding AWC's, Staff's and RUCO's separate positions regarding system consolidation, the Commission's comments regarding consolidation in the last AWC rate case (Docket No. W-01445A-08-0440, Decision No. 71845, August 25, 2010), and the Company's consolidation study docketed in that case. Without waiving their respective positions regarding rate consolidation for future cases, the Signatory Parties agree that the Stanfield system should be fully consolidated with the Pinal Valley system. In Decision No. 71845, the Commission partially consolidated the Stanfield system with the other Pinal Valley (Casa Grande and Coolidge) systems by authorizing a common monthly service charge, but different commodity rates. Under this Agreement, the White Tank and Ajo systems will remain separate and unconsolidated.

## 6.0 DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC")

6.1 The Signatory Parties also spent significant time and effort in discussing the appropriateness of implementing a DSIC mechanism in this Rate Case. Both Staff and RUCO opposed a DSIC in their testimony. Without waiving its position for future cases that a DSIC is in the public interest, AWC withdraws its request for a DSIC in this Rate Case.

## 7.0 OTHER SETTLEMENT ISSUES

7.1 The Signatory Parties agree on AWC's Off-site Facilities Fee as proposed in its Application and on the Company's Off-site Facilities Fee Tariff Schedule in the form set forth on Exhibit 1 attached and incorporated into the Agreement by this reference.

7.2 The Signatory Parties agree on AWC's proposal to continue its Arsenic Cost Recovery Mechanism ("ACRM"). AWC's General Service Tariff shall be amended to provide limited exceptions to the ACRM surcharge to exclude Industrial class customers that do not receive water from the potable water distribution system from the surcharge.

7.3 The Signatory Parties agree that AWC's Central Arizona Project ("CAP") hook-up fee for the Company's Casa Grande, Coolidge and White Tank systems should be continued, without change, but that the name of this fee should be changed to "CAP M&I Fees," as this



more accurately describes the charges being imposed and avoids confusion with other hook-up fee tariffs.

7.4 The Signatory Parties agree that Decision No. 71845 authorizes AWC to continue to defer its costs associated with implementing and performing additional Best Management Practices for recovery in a future general rate case, and that AWC should record such deferral of costs.

7.5 The Signatory Parties agree that AWC should be allowed to accrue Allowance for Funds Used During Construction on land purchased for the Arizona City water storage tank and booster pump station.

7.6 AWC's next Western Group general rate case filing, or rate case filed for any individual system of the Western Group, shall use a test year including at least twelve months of actual experience with the rates approved in this Rate Case.

## 8.0 COMMISSION EVALUATION OF PROPOSED SETTLEMENT

8.1 This Agreement shall serve as a procedural device by which the Signatory Parties will submit their proposed settlement of AWC's Rate Case Docket No. W-01445A-10-0517 to the Commission.

8.2 All currently-filed testimony and exhibits, as well as the testimony in support of this Agreement anticipated by the Commission's January 31, 2012 Procedural Order, shall be offered into the Commission's record as evidence. All Signatory Parties waive the filing and submission of surrebuttal testimony and exhibits from Staff and Intervenors, and the filing and submission of rejoinder testimony and exhibits from AWC.

8.3 The Signatory Parties recognize that the Commission will independently consider and evaluate the terms of this Agreement.

8.4 If the Commission issues an order adopting all material terms of this Agreement, such action shall constitute Commission approval of the Agreement. Thereafter, the Signatory Parties shall abide by the terms as approved by the Commission.

8.5 The Signatory Parties agree to support and defend this Agreement, including filing testimony in support of the Agreement and presenting evidence in support of the Agreement at the hearing scheduled to begin on March 1, 2012, and will not oppose any provision of the Agreement in pre-filed or live testimony. The parties agree to waive their rights to appeal a Commission Decision approving the same, provided that the Commission approves all material provisions of the Agreement. The Signatory Parties shall take reasonable steps to expedite consideration of the settlement, entry of a Decision adopting the settlement, and implementation of the rates anticipated in this Agreement and shall not seek any delay in the schedules set for consideration of the Agreement or for the Administrative Law Judge's or Commission's consideration of the settlement embodied in the Agreement. If the Commission adopts an order approving all material terms of this Agreement, the Signatory Parties will

support and defend the Commission's order before any court or regulatory agency in which it may be at issue.

8.6 Consistent with any order of the Commission, AWC shall file compliance tariffs for Staff review and approval. Such compliance tariffs, however, will become effective upon the effective date of the rate increase stated in the Commission's Order.

8.7 If the Commission fails to issue an order adopting all material terms of this Agreement or adds new or different material terms to this Agreement, any or all of the Signatory Parties may withdraw from this Agreement, and such Signatory Party or Parties may pursue without prejudice their respective remedies at law. For the purposes of this Agreement, whether a term is material shall be left to the discretion of the Signatory Party choosing to withdraw from the Agreement, so long as such discretion is reasonable. If a Signatory Party files an application for rehearing before the Commission, Staff shall not be obligated to file any document or take any position regarding the withdrawing Signatory Party's application for rehearing.

8.8 The Signatory parties recognize that Staff does not have the power to bind the Commission. For purposes of proposing a settlement agreement, Staff acts in the same manner as any party to a Commission proceeding.

## 9.0 MISCELLANEOUS PROVISIONS

9.1 The provisions set forth in the Agreement are made for purposes of settlement only and shall not be construed as admissions against interest or waivers of litigation positions of the Signatory parties in this Rate Case or related to other or future rate cases.

9.2 This Agreement represents the Signatory Parties' mutual desire to settle disputed issues in a manner consistent with the public interest. None of the positions taken in this Agreement by any of the Signatory Parties may be referred to, cited, or relied upon as precedent in any proceeding before the Commission, any other regulatory agency, or any court for any purpose except in furtherance of this Agreement.

9.3 This case presents a unique set of circumstances and to achieve consensus for settlement, participants may be accepting positions that, in other circumstances, they would be unwilling to accept. They are doing so because the Agreement, as a whole, with its various provisions for settling the unique issues presented by this case, is consistent with their long-term interests and with the broad public interest. The acceptance by any Signatory Party of a specific element of this Agreement shall not be considered as precedent for acceptance of that element in any other context.

9.4 No Signatory Party is bound by any position asserted in negotiations, except as expressly stated otherwise in this Agreement. No Signatory Party shall offer evidence of conduct or statements made in the course of negotiating this Agreement before this Commission, or any other regulatory agency, or any court.

9.5 Each of the terms and conditions of the Agreement is in consideration and support of all other terms. Accordingly, the terms are not severable.

9.6 The Signatory Parties warrant and represent that each person whose signature appears below is fully authorized and empowered to execute this Agreement.

9.7 The Signatory Parties acknowledge that they are represented by competent legal counsel and that they understand all of the terms of this Agreement and have had an opportunity to participate in the drafting of this Agreement and to fully review it with their counsel before signing, and that they execute this Agreement with full knowledge of the terms of the Agreement.

9.8 This Agreement may be executed in any number of counterparts and by each individual Signatory Party on separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute one and the same instrument. This Agreement may also be executed electronically or by facsimile.

9.9 To the extent any provision of this Agreement is inconsistent with any existing Commission order, rule or regulation, this Agreement shall control.

9.10 Nothing in this Agreement shall prevent AWC from requesting a change to its rates in the event of conditions or circumstances that constitute an emergency. For purposes of this Agreement, the term "emergency" is limited to an extraordinary event that, in the Commission's judgment, requires rate relief in order to protect the public interest. This provision is not intended to preclude Staff or any Intervenor from opposing an application for rate relief filed by AWC pursuant to this paragraph. Nothing in this Agreement is intended to limit the Commission's ability to change rates at any time pursuant to its lawful authority.

Executed this 15<sup>TH</sup> day of February, 2012.

ARIZONA WATER COMPANY

By: William M. Garfield  
Name: William M. Garfield  
Its: President and Chief Operating Officer

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

for By: SMD. A. Dlea.  
Name: Steve M. Dlea.  
Its: Arizona Corp. Commission  
Director Utilities Division

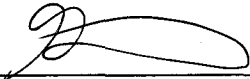
RESIDENTIAL UTILITY CONSUMER OFFICE

By: Jodi L. Serich  
Name: RUCO  
Its: Director

ABBOTT LABORATORIES

By: Jeffrey T. Starling  
Name: Jeffrey T. Starling  
Its: Plant Engineering Manager

THE WATER UTILITY ASSOCIATION OF  
ARIZONA

By:   
Name: W U A Director  
Its: \_\_\_\_\_

# **EXHIBIT NO. 1**

## TARIFF SCHEDULE

UTILITY: Arizona Water Company  
(Pinal Valley & Stanfield systems)  
DOCKET NO. W-01445A-10-0517

DECISION NO. \_\_\_\_\_  
EFFECTIVE DATE: \_\_\_\_\_

### OFF-SITE FACILITIES FEE (WATER)

#### I. Purpose and Applicability

The purpose of the off-site facilities fees payable to Arizona Water Company (“the Company”) pursuant to this tariff is to equitably apportion the costs of constructing additional off-site facilities necessary to provide water production, treatment, delivery, storage and pressure among all new service connections. These charges are applicable to all new service connections established after the effective date of this tariff undertaken via Main Extension Agreements or requests for service not requiring a Main Extension Agreement. The charges are one-time charges and are payable as a condition to Company’s establishment of service, as more particularly provided below.

#### II. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission’s (“Commission”) rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

“Applicant” means any party entering into an agreement with Company for the installation of water facilities to serve new service connections, including Developers and/or Builders of new residential subdivisions and/or commercial and industrial properties.

“CAP Water” means water from the Central Arizona Project provided directly or indirectly to the Company.

“Company” means Arizona Water Company.

“Main Extension Agreement” means any agreement whereby an Applicant agrees to advance the costs of the installation of water facilities necessary for the Company to serve new service connections within a development, or installs such water facilities necessary to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Commission pursuant to A.A.C. R-14-2-406, and shall have the same meaning as “Water Facilities Agreement” or “Line Extension Agreement.”

“Off-site Facilities” means water treatment facilities, including treatment of CAP Water and other available water supplies, storage tanks and related appurtenances and equipment necessary for proper operation of such water treatment facilities, including engineering and design costs. Off-site facilities may also include booster pumps, wells for recovery of stored CAP water or



other groundwater supplies, pressure tanks, transmission mains and related appurtenances and equipment necessary for proper operation of such facilities if these facilities are not for the exclusive use of the applicant and will benefit the entire water system.

“Service Connection” means and includes all service connections for single-family residential or commercial, industrial other uses, regardless of meter size.

### III. Off-Site Water Facilities Fee

For each new service connection, the Company shall collect an off-site facilities fee derived from the following table:

<b>OFF-SITE FACILITIES FEE TABLE</b>		
<b>Meter Size</b>	<b>Size Factor</b>	<b>Total Fee</b>
5/8" x 3/4 "	1	\$3,500
3/4"	1.5	\$5,250
1"	2.5	\$8,750
1-1/2 "	5	\$17,500
2"	8	\$28,000
3"	16	\$56,000
4"	25	\$87,500
6" or larger	50	\$175,000

### IV. Terms and Conditions

(A) Assessment of One Time Off-Site Facilities Fee: The off-site facilities fee may be assessed only once per parcel, service connection, or lot within a subdivision (similar to meter and service line installation charge). These charges are not applicable to additional service connections that are established as back-up connections, under the condition that these service connections are not to be used at the same time.

(B) Use of Off-Site Facilities Fee: Off-site facilities fees may only be used to pay for capital items of off-site facilities or for repayment of loans obtained to fund the cost of installation of off-site facilities. Off-site facilities fees shall not be used to cover repairs, maintenance, or operational costs. The Company shall record amounts collected under tariff as Contributions in Aid of Construction (“CIAC”); however, such amounts shall not be deducted from rate base until such amounts have been expended for utility plant.

(C) Time of Payment:

- 1) For those requiring a Main Extension Agreement: In the event that the Applicant is required to enter into a Main Extension Agreement, whereby the Applicant agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements or construct such improvements in order to extend service in accordance with R-14-2-406(B), payment of the off-site facilities fees required hereunder shall be made by the Applicant no later than 15 calendar days after receipt of notification from the Company that the Utilities Division of the Arizona Corporation Commission has approved the Main Extension Agreement in accordance with R-14-2-406(M).
- 2) For those connecting to an existing main: In the event that the Applicant is not required to enter into a Main Extension Agreement, the off-site facilities fee charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.

(D) Off-Site Facilities Construction By Developer: Company and Applicant may agree to construction of off-site facilities necessary to serve a particular development by Applicant, which facilities are then conveyed to Company. In that event, Company shall credit the total cost of such off-site facilities as an offset to off-site facilities fees due under this Tariff. If the total cost of the off-site facilities constructed by Applicant and conveyed to Company is less than the applicable off-site facilities fees under this Tariff, Applicant shall pay the remaining amount of off-site facilities fees owed hereunder. If the total cost of the off-site facilities contributed by Applicant and conveyed to Company is more than the applicable off-site facilities fees under this Tariff, Applicant shall be refunded the difference upon acceptance of the off-site facilities by the Company.

(E) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to make an advance commitment to provide or actually provide water service to any Applicant in the event that the Applicant has not paid in full all charges hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.

(F) Large Subdivision and/or Development Projects: In the event that the Applicant is engaged in the development of a residential subdivision and/or development containing more than 150 lots, the Company may, in its discretion, agree to payment of off-site facilities fees in installments. Such installments may be based on the residential subdivision and/or development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's construction schedule and water service requirements. In the alternative, the Applicant shall post an irrevocable letter of credit in favor of the Company in a commercially reasonable form, which may be drawn by the Company consistent with the actual or planned construction and hook up schedule for the subdivision and/or development.

(G) Off-Site Facilities Fees Non-refundable: The amounts collected by the Company as off-site facilities fees shall be non-refundable contributions in aid of construction.

(H) Use of Off-Site Facilities Fees Received: All funds collected by the Company as off-site facilities fees shall be deposited into a separate interest bearing bank account and used solely for the purposes of paying for the costs of installation of off-site facilities, including repayment of loans obtained for the installation of off-site facilities that will benefit the entire water system.

(I) Off-Site Facilities Fee in Addition to On-site Facilities: The off-site facilities fee shall be in addition to any costs associated with the construction of on-site facilities under a Main Extension Agreement.

(J) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to this tariff, or if the off-site facilities fee tariff has been terminated by order of the Arizona Corporation Commission, any funds remaining in the bank account shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

(K) Fire Flow Requirements: In the event the Applicant for service has fire flow requirements that require additional facilities not covered by this tariff, such additional facilities shall be constructed under a separate Main Extension Agreement as a non-refundable contribution and shall be in addition to the off-site facilities fees.

(L) Status Reporting Requirements to the Commission: The Company shall submit a calendar year off-site facilities fee status report each January 31<sup>st</sup> to Docket Control for the prior twelve (12) month period, beginning January 31, 2013, until the off-site facilities fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the off-site facilities fee, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the tariff account, and a list of all facilities that have been installed with the tariff funds during the 12 month period.

Line No.	Description	Western Group			
		[A]	[B]	[C]	[D]
1					
2					
3					
4	Adjusted Rate Base	\$ 53,234,209			
5					
6	Adjusted Operating Income	\$ 2,549,460			
7					
8	Current Rate of Return (Ln. 6 + Ln. 4)	4.79%			
9					
10	Required Operating Income (Ln. 4 X Ln. 12)	\$ 4,494,718			
11					
12	Required Rate of Return	8.44%			
13					
14	Operating Income Deficiency (Ln. 10 - Ln. 6)	\$ 1,945,258			
15					
16	Gross Revenue Conversion Factor	1.6576			
17					
18	Required Increase in Gross Revenue	\$ 3,224,403			
19	(Ln. 14 X Ln. 16)				
20					
21	Add: Consolidated Revenue Adjustment <sup>1</sup>	\$ -			
22					
23	Proposed Increase in Gross Revenues	\$ 3,224,403			
24					
25					
26					
27					
28					
29	Customer Classification				
30					
31	Residential	\$ 12,151,216	\$ 13,916,986	\$ 1,765,770	14.53%
32	Commercial	4,419,455	5,699,855	1,280,400	28.97%
33	Industrial	937,053	1,061,432	124,380	13.27%
34	Private Fire Service	102,252	111,700	9,448	9.24%
35	Other Water Revenues	268,754	313,117	44,363	16.51%
36					
37	Total Water Revenues	\$ 17,878,729	\$ 21,103,091	\$ 3,224,361	18.03%
38					
39					
40	Miscellaneous Revenues	759,466	759,466		
41					
42	Total Operating Revenues	\$ 18,638,195	\$ 21,862,556	\$ 3,224,361	17.30%
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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  
 Computation of Increase in Gross Revenue Requirement

Line No.	Description	Pinal Valley (Casa Grande, Coolidge, Stanfield)			White Tank			
		[A]	[B]	[C]	[E]	[F]	[G]	[H]
		Settlement			Settlement			
1								
2								
3								
4	Adjusted Rate Base	\$ 46,638,551			\$ 5,609,221			
5	Adjusted Operating Income	\$ 2,294,545			\$ 170,224			
6								
7	Current Rate of Return (Ln. 6 ÷ Ln. 4)	4.92%			3.03%			
8								
9	Required Operating Income (Ln. 4 X Ln. 12)	\$ 3,937,827			\$ 473,603			
10								
11	Required Rate of Return	8.44%			8.44%			
12								
13	Operating Income Deficiency (Ln. 10 - Ln. 6)	\$ 1,643,282			\$ 303,379			
14								
15	Gross Revenue Conversion Factor	1.6585			1.6526			
16								
17	Required Increase in Gross Revenue (Ln. 14 X Ln. 16)	\$ 2,725,357			\$ 501,373			
18								
19	Add: Consolidated Revenue Adjustment <sup>1</sup>	\$ -			\$ -			
20								
21	Proposed Increase in Gross Revenues	\$ 2,725,357			\$ 501,373			
22								
23								
24								
25								
26								
27								
28								
29	Customer Classification							
30								
31	Residential	\$ 10,454,403	\$ 11,878,933	\$ 1,424,530	\$ 1,316,859	\$ 1,673,608	\$ 356,749	27.09%
32	Commercial	4,124,957	5,275,058	1,150,101	172,063	289,058	116,995	68.00%
33	Industrial	911,893	1,035,703	123,809	25,159	25,730	571	2.27%
34	Private Fire Service	100,237	109,525	9,288	1,361	1,500	139	10.18%
35	Other Water Revenues	218,600	235,990	17,390	47,484	74,486	27,002	56.87%
36								
37	Total Water Revenues	\$ 15,810,092	\$ 18,535,209	\$ 2,725,117	\$ 1,562,926	\$ 2,064,382	\$ 501,455	32.08%
38								
39								
40	Miscellaneous Revenues	734,234	734,234		21,463	21,463		
41								
42	Total Operating Revenues	\$ 16,544,326	\$ 19,269,443	\$ 2,725,117	\$ 1,584,389	\$ 2,085,845	\$ 501,455	31.65%
43								
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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  
 Computation of Increase in Gross Revenue Requirement

Exhibit  
 Schedule A-1 Settlement  
 Page 3 of 3  
 Witness: Reiker

Line No.	Description	Ajo			
		[A]	[B]	[C]	[D]
		Settlement			
4	Adjusted Rate Base	\$ 986,437			
6	Adjusted Operating Income	\$ 84,691			
8	Current Rate of Return (Ln. 6 + Ln. 4)	8.59%			
10	Required Operating Income (Ln. 4 X Ln. 12)	\$ 83,288			
12	Required Rate of Return	8.44%			
14	Operating Income Deficiency (Ln. 10 - Ln. 6)	\$ (1,404)			
16	Gross Revenue Conversion Factor	1.6573			
18	Required Increase in Gross Revenue (Ln. 14 X Ln. 16)	\$ (2,326)			
21	Add: Consolidated Revenue Adjustment <sup>1</sup>	\$ -			
23	Proposed Increase in Gross Revenues	\$ (2,326)			
27					
28					
29					
30	Customer Classification				
31	Residential	\$ 379,953	\$ 364,445	\$ (15,509)	-4.08%
32	Commercial	122,434	135,739	13,305	10.87%
33	Industrial	-	-	-	0.00%
34	Private Fire Service	653	675	22	3.35%
35	Other Water Revenues	2,671	2,642	(29)	-1.08%
36					
37	Total Water Revenues	\$ 505,711	\$ 503,500	\$ (2,211)	-0.44%
38					
39					
40	Miscellaneous Revenues	3,768	3,768		
41					
42	Total Operating Revenues	\$ 509,480	\$ 507,269	\$ (2,211)	-0.43%
43					
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<sup>1</sup> Consolidated Revenue Adjustment represents the increase/(decrease) in revenue requirement resulting from proposed rate consolidation.

Line No.	Western Group		
	(A)	(B)	(C)
	O.C. Rate Base - Company - As Filed	Settlement Adjustments	O.C. Rate Base Settlement
1			
2	\$ 166,694,053	\$ (196,090)	\$ 166,497,963
3			
4			
5	\$ 33,280,458	\$ 334,468	\$ 33,614,925
6	\$ 133,413,595	\$ (530,558)	\$ 132,883,037
7			
8			
9	\$ 53,463,817	-	\$ 53,463,817
10			
11	\$ 21,508,932	-	\$ 21,508,932
12	\$ (3,699,158)	-	\$ (3,699,158)
13	\$ 17,809,774	-	\$ 17,809,774
14			
15	\$ 9,644,941	-	\$ 9,644,941
16	\$ 357,699	-	\$ 357,699
17			
18			
19	\$ 1,462,431	\$ (308,027)	\$ 1,154,404
20	\$ 473,000	-	\$ 473,000
21			
22			
23	\$ 54,072,795	\$ (838,585)	\$ 53,234,209
24			
25			
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Line No.	Pinal Valley (Casa Grande, Coolidge, Stanfield)			White Tank		
	(A)	(B)	(C)	(A)	(B)	(C)
	O.C. Rate Base - Company - As Filed	Settlement Adjustments	O.C. Rate Base Settlement	O.C. Rate Base - Company - As Filed	Settlement Adjustments	O.C. Rate Base Settlement
1						
2	\$ 145,686,165	\$ (201,996)	\$ 145,484,169	\$ 18,693,007	\$ 5,876	\$ 18,698,883
3						
4						
5	\$ 29,456,880	\$ 290,128	\$ 29,747,008	\$ 2,856,989	\$ 44,245	\$ 2,901,234
6	\$ 116,229,285	\$ (492,124)	\$ 115,737,160	\$ 15,836,018	\$ (38,369)	\$ 15,797,649
7						
8						
9						
10	\$ 45,465,736	-	\$ 45,465,736	\$ 7,891,919	-	\$ 7,891,919
11						
12	\$ 19,589,664	-	\$ 19,589,664	\$ 1,831,118	-	\$ 1,831,118
13	\$ (3,428,365)	-	\$ (3,428,365)	\$ (250,616)	-	\$ (250,616)
14	\$ 16,161,299	-	\$ 16,161,299	\$ 1,580,502	-	\$ 1,580,502
15						
16	\$ 8,683,491	-	\$ 8,683,491	\$ 771,189	-	\$ 771,189
17	\$ 327,277	-	\$ 327,277	\$ 22,494	-	\$ 22,494
18						
19						
20	\$ 1,333,549	\$ (267,355)	\$ 1,066,194	\$ 112,351	\$ (34,674)	\$ 77,677
21	\$ 473,000	-	\$ 473,000	\$ -	-	\$ -
22						
23	\$ 47,398,030	\$ (759,479)	\$ 46,638,551	\$ 5,682,264	\$ (73,043)	\$ 5,609,221
24						
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Line No.	(A)	Ajo (B)	(C)
	O.C. Rate Base - Company - As Filed	Settlement Adjustments	O.C. Rate Base Settlement
1			
2	\$ 2,314,881	30 \$	2,314,911
3			
4			
5	966,588	95	966,683
6	1,348,293	(65) \$	1,348,228
7			
8			
9	106,162	-	106,162
10			
11	88,150	-	88,150
12	(20,177)	-	(20,177)
13	67,973	- \$	67,973
14			
15	190,261	-	190,261
16	7,929	-	7,929
17			
18			
19	16,531	(5,998)	10,533
20			
21			
22			
23	\$ 992,500	(6,063) \$	986,437
24			
25			
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
Original Cost Rate Base Pro Forma Adjustments

Line No.	[A] Actual End of Test Year	[B] Total Pro Forma Adjustments	[C] Adjusted Test Year - As Filed	Western Group					[K] Total Settlement Adjustments	[L] Adjusted Test Year - Settlement
				[D] BLANK	[E] Settlement Adj. RB-1	[F] Settlement Adj. RB-2	[G] Settlement Adj. RB-3	[H] Settlement Adj. RB-4		
1										
2										
3	\$ 1,552,568	\$ 3,478	\$ 1,556,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,556,046
4	8,633,660	30	8,633,691	-	-	-	-	-	-	8,633,691
5	10,822,941	154,865	10,977,806	-	-	9,532	-	-	-	10,987,338
6	10,814,267	779	10,815,047	(63)	-	-	-	-	-	(63)
7	126,807,423	1,138,354	127,945,777	-	-	50,506	-	(258,409)	-	10,814,984
8	4,083,217	2,682,471	6,765,688	-	-	-	-	-	2,343	127,737,874
9	\$ 162,714,076	\$ 3,979,977	\$ 166,694,053	\$ -	\$ (63)	\$ 60,038	\$ -	\$ (258,409)	\$ 2,343	\$ 6,768,031
10										
11										
12	32,640,331	640,126	33,280,458	-	333,247	1,013	-	-	208	33,614,925
13	\$ 130,073,744	\$ 3,339,851	\$ 133,413,595	\$ -	\$ (333,310)	\$ 59,025	\$ -	\$ (258,409)	\$ 2,135	\$ (530,558)
14										
15										
16	53,463,817	-	53,463,817	-	-	-	-	-	-	53,463,817
17										
18	21,508,932	-	21,508,932	-	-	-	-	-	-	21,508,932
19	(3,699,158)	-	(3,699,158)	-	-	-	-	-	-	(3,699,158)
20	\$ 17,809,774	\$ -	\$ 17,809,774	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,809,774
21										
22		9,644,941	9,644,941	-	-	-	-	-	-	9,644,941
23	357,699	-	357,699	-	-	-	-	-	-	357,699
24										
25										
26										
27	1,462,431	-	1,462,431	-	-	-	(308,027)	-	-	1,154,404
28		473,000	473,000	-	-	-	-	-	-	473,000
29										
30	\$ 59,904,885	\$ (5,832,090)	\$ 54,072,795	\$ -	\$ (333,310)	\$ 59,025	\$ (308,027)	\$ (258,409)	\$ 2,135	\$ (838,585)
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
Original Cost Rate Base Pro Forma Adjustments

Pinal Valley (Casa Grande, Coolidge, Starfield)

Line No.	[A] Actual End of Test Year	[B] Total Pro Forma Adjustments	[C] Adjusted Test Year - As Filed	[D] BLANK	[E] Settlement		[F] Settlement		[G] Settlement Rate Base Adjustments		[H] Settlement	[I] BLANK	[J] Settlement	[K] Total Settlement Adjustments	[L] Adjusted Test Year - Settlement
					Adj. RB-1	Adj. RB-2	Adj. RB-3	Adj. RB-4	Adj. RB-5						
1															
2															
3	\$ 1,533,974	\$ 3,131	\$ 1,537,106		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,537,106
4	7,110,689	27	7,110,716		-	-	-	-	-	-	-	-	-	-	7,110,716
5	9,110,796	154,865	9,265,661		-	9,532	-	-	-	-	-	-	-	9,532	9,275,193
6	9,119,376	702	9,120,077		-	-	-	-	-	-	-	-	-	-	9,120,077
7	111,483,305	1,022,395	112,505,699		-	44,771	-	-	-	-	-	-	-	-	112,292,061
8	3,731,834	2,415,071	6,146,905		-	-	-	-	-	-	-	-	-	-	6,149,015
9	\$ 142,089,974	\$ 3,596,191	\$ 145,686,165		\$ -	\$ 54,303	\$ -	\$ (258,409)	\$ -	\$ 2,110	\$ -	\$ -	\$ (201,996)	\$ -	\$ 145,484,169
10															
11															
12	28,880,112	576,768	29,456,880		288,979	961	-	-	-	187	-	-	290,128	-	29,747,008
13	\$ 113,209,862	\$ 3,019,422	\$ 116,229,285		\$ (288,979)	\$ 53,341	\$ -	\$ (258,409)	\$ -	\$ 1,923	\$ -	\$ -	\$ (492,124)	\$ -	\$ 115,737,160
14															
15															
16	45,465,736	-	45,465,736		-	-	-	-	-	-	-	-	-	-	45,465,736
17															
18	19,589,664	-	19,589,664		-	-	-	-	-	-	-	-	-	-	19,589,664
19	(3,428,365)	-	(3,428,365)		-	-	-	-	-	-	-	-	-	-	(3,428,365)
20	\$ 16,161,299	\$ -	\$ 16,161,299		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,161,299
21															
22	-	8,683,491	8,683,491		-	-	-	-	-	-	-	-	-	-	8,683,491
23	327,277	-	327,277		-	-	-	-	-	-	-	-	-	-	327,277
24															
25															
26	1,333,549	-	1,333,549		-	-	-	-	-	-	-	-	-	-	1,333,549
27	-	473,000	473,000		-	-	-	-	-	-	-	-	-	-	473,000
28															
29															
30	\$ 52,589,100	\$ (5,191,069)	\$ 47,398,030		\$ -	\$ (288,979)	\$ 53,341	\$ (258,409)	\$ -	\$ 1,923	\$ -	\$ -	\$ (759,479)	\$ -	\$ 46,638,551
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White Tank

Line No.	[A] Actual End of Test Year	[B] Total Pro Forma Adjustments	[C] Adjusted Test Year - As Filed	[D] BLANK	[E] Settlement Adj. RB-1	[F] Settlement Adj. RB-2	[G] Settlement Adj. RB-3	[H] Settlement Adj. RB-4	[I] BLANK	[J] Settlement Adj. RB-5	[K] Total Settlement Adjustments	[L] Adjusted Test Year - Settlement
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Line No.	Plant Classification	[A] Actual End of Test Year	[B] Total Pro Forma Adjustments	[C] Adjusted Test Year - As Filed	[D] BLANK	[E] Settlement Adj. RB-1	Ajo			[J] Settlement Adj. RB-5	[K] Total Settlement Adjustments	[L] Adjusted Test Year - Settlement
							[F] Settlement Adj. RB-2	[G] Settlement Adj. RB-3	[H] Settlement Adj. RB-4			
3	Intangible Plant	\$ 4,512	\$ 69	\$ 4,580								\$ 4,580
4	Source of Supply Plant	11,024	1	11,024								11,024
5	Pumping Plant	89,231	-	89,231								89,231
6	Water Treatment Plant	4,290	15	4,305		(16)					(16)	4,289
7	Transmission & Distribution Plant	2,019,663	45	2,019,708								2,019,708
8	General Plant	133,117	52,916	186,032								186,079
9	Total Gross Plant in Service	\$ 2,261,836	\$ 53,046	\$ 2,314,881		(16)					46	\$ 2,314,911
11	Less:											
12	Accumulated Depreciation	954,255	12,333	966,588		91					4	966,683
13	Net Plant in Service	\$ 1,307,580	\$ 40,713	\$ 1,348,293		(107)					42	\$ 1,348,226
14												
15	Less:											
16	Advances in Aid of Construction	106,162	-	106,162								106,162
17	Contributions in Aid of Construction:											
18	Gross	88,150	-	88,150								88,150
19	Accumulated Amortization	(20,177)	-	(20,177)								(20,177)
20	Net Contributions in Aid of Construction	\$ 67,973	\$ -	\$ 67,973								\$ 67,973
21												
22	Deferred Income Tax	-	190,261	190,261								190,261
23	Customer Deposits	7,929	-	7,929								7,929
24												
25	Add:											
26	Working Capital	16,531	-	16,531				(5,998)			(5,998)	10,533
27	Net Regulatory Asset / (Liability)	-	-	-								-
28												
29												
30	Total Rate Base	\$ 1,142,048	\$ (149,548)	\$ 992,500		(107)					42	\$ 986,437
31												
32												
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
Original Cost Rate Base Pro Forma Adjustments

Exhibit  
Schedule B-2 Settlement  
Page 5 of 6  
Witness: Reiker

Phoenix Office

Line No.	[A] Actual End of Test Year	[B] Total Pro Forma Adjustments	[C] Adjusted Test Year - As Filed	[D] BLANK	[E] Settlement Adj. RB-1	[F] Settlement Adj. RB-2	[G] Settlement Adj. RB-3	[H] Settlement Adj. RB-4	[I] BLANK	[J] Settlement Adj. RB-5	[K] Total Settlement Adjustments	[L] Adjusted Test Year - Settlement
2	\$ 9,148	\$ (9,148)	\$ -		\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
3	-	-	-		-	-	-	-		-	-	-
4	-	-	-		-	-	-	-		-	-	-
5	-	-	-		-	-	-	-		-	-	-
6	-	-	-		-	-	-	-		-	-	-
7	-	-	-		-	-	-	-		-	-	-
8	6,883,048	(6,883,048)	-		-	6,163	-	-		(6,163)	-	-
9	\$ 6,892,196	\$ (6,892,196)	\$ -		\$ -	\$ 6,163	\$ -	\$ -		\$ (6,163)	\$ -	\$ -
10												
11												
12	1,587,468	(1,587,468)	-		-	547	-	-		(547)	-	-
13	\$ 5,304,728	\$ (5,304,728)	\$ -		\$ -	\$ 5,617	\$ -	\$ -		\$ (5,617)	\$ -	\$ -
14												
15												
16												
17												
18												
19												
20												
21	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
22	25,368,073	(25,368,073)	-		-	-	-	-		-	-	-
23	-	-	-		-	-	-	-		-	-	-
24												
25												
26												
27												
28												
29												
30	\$ (20,063,345)	\$ 20,063,345	\$ -		\$ -	\$ 5,617	\$ -	\$ -		\$ (5,617)	\$ -	\$ -
31												
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
Original Cost Rate Base Pro Forma Adjustments

Line No.	[A] Actual End of Test Year	[B] Total Pro Forma Adjustments	[C] Adjusted Test Year - As Filed	Meter Shop								[K] Total Settlement Adjustments	[L] Adjusted Test Year - Settlement
				[D] BLANK	[E] Settlement Adj. RB-1	[F] Settlement Adj. RB-2	[G] Settlement Adj. RB-3	[H] Settlement Adj. RB-4	[I] BLANK	[J] Settlement Adj. RB-5			
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Line No.	Description	Depreciation Rate	Pinal Valley	
			[A] Increase / (Decrease)	[B] Adjstmt to Depreciation Expense
1	Intangible Plant			
2	301 Organization	0.00%	\$ -	\$ -
3	302 Franchises	n/a	-	-
4	303 Other Intangibles	n/a	-	-
5	Subtotal Intangible Plant		\$ -	\$ -
6	Source of Supply Plant			
7	310.1 Water Rights	0.00%	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-
9	310.4 Wells - Other	n/a	-	-
10	314 Wells	3.13%	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -
12	Pumping Plant			
13	320 Pumping Plant Land	0.00%	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-
15	325 Electric Pumping Equipment	5.88%	-	-
16	328 Gas Engine Equipment	4.00%	-	-
17	Subtotal Pumping Plant		\$ -	\$ -
18	Water Treatment Plant			
19	330 Water Treatment Plant Land	0.00%	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-
21	332 Water Treatment Equipment	2.86%	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -
23	Transmission & Distribution Plant			
24	340 Trans. and Dist. Land	0.00%	-	-
25	342 Storage Tanks	2.00%	-	-
26	343 Trans. & Dist. Mains	1.79%	-	-
27	344 Fire Sprinkler Taps	2.00%	-	-
28	345 Services	2.38%	-	-
29	346 Meters	4.55%	-	-
30	348 Hydrants	1.82%	-	-
31	Subtotal Trans. & Dist.		\$ -	\$ -
32	General Plant			
33	389 General Plant Land	0.00%	-	-
34	390 General Plant Structures	2.50%	-	-
35	390.1 Leasehold Improvements	n/a	-	-
36	391 Office Furniture & Equipment	6.67%	-	-
37	393 Warehouse Equipment	5.00%	-	-
38	394 Tools, Shop & Garage Equip.	4.00%	-	-
39	395 Laboratory Equipment	5.00%	-	-
40	396 Power Operated Equipment	6.67%	-	-
41	397 Communication Equipment	6.67%	-	-
42	398 Miscellaneous Equipment	3.33%	-	-
43	Subtotal General Plant		\$ -	\$ -
44	Total Utility Plant		\$ -	\$ -
45	Accumulated Depreciation		\$ -	\$ -
46			\$ -	\$ -
47			\$ -	\$ -
48			\$ -	\$ -
49	Net Plant		\$ 288,979	\$ (288,979)
50				
51				
52				
53				
54				
55				



Line No.	Description	Depreciation Rate	White Tank	
			[A] Increase / (Decrease)	[B] Adjstmt to Depreciation Expense
1	Intangible Plant			
2	301 Organization	0.00%	\$ -	\$ -
3	302 Franchises	n/a	-	-
4	303 Other Intangibles	n/a	-	-
5	Subtotal Intangible Plant		\$ -	\$ -
6	Source of Supply Plant			
7	310.1 Water Rights	0.00%	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-
9	310.4 Wells - Other	n/a	-	-
10	314 Wells	3.13%	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -
12	Pumping Plant			
13	320 Pumping Plant Land	0.00%	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-
15	325 Electric Pumping Equipment	5.88%	-	-
16	328 Gas Engine Equipment	4.00%	-	-
17	Subtotal Pumping Plant		\$ -	\$ -
18	Water Treatment Plant			
19	330 Water Treatment Plant Land	0.00%	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-
21	332 Water Treatment Equipment	2.86%	(47)	(1)
22	Subtotal Water Trtmt. Plant		\$ (47)	\$ (1)
23	Transmission & Distribution Plant			
24	340 Trans. and Dist. Land	0.00%	-	-
25	342 Storage Tanks	2.00%	-	-
26	343 Trans. & Dist. Mains	1.79%	-	-
27	344 Fire Sprinkler Taps	2.00%	-	-
28	345 Services	2.38%	-	-
29	346 Meters	4.55%	-	-
30	348 Hydrants	1.82%	-	-
31	Subtotal Trans. & Dist.		\$ -	\$ -
32	General Plant			
33	389 General Plant Land	0.00%	-	-
34	390 General Plant Structures	2.50%	-	-
35	390.1 Leasehold Improvements	n/a	-	-
36	391 Office Furniture & Equipment	6.67%	-	-
37	393 Warehouse Equipment	5.00%	-	-
38	394 Tools, Shop & Garage Equip.	4.00%	-	-
39	395 Laboratory Equipment	5.00%	-	-
40	396 Power Operated Equipment	6.67%	-	-
41	397 Communication Equipment	6.67%	-	-
42	398 Miscellaneous Equipment	3.33%	-	-
43	Subtotal General Plant		\$ -	\$ -
44	Total Utility Plant		\$ (47)	\$ (1)
45	Accumulated Depreciation		\$ -	\$ 44,177
46	Net Plant		\$ -	\$ (44,224)

Line No.		Depreciation Rate	[A] Increase / (Decrease)	[B] Adjstm't to Depreciation Expense
1	Intangible Plant			
2	301 Organization	0.00%	\$ -	\$ -
3	302 Franchises	n/a	-	-
4	303 Other Intangibles	n/a	-	-
5	Subtotal Intangible Plant		\$ -	\$ -
6	Source of Supply Plant			
7	310.1 Water Rights	0.00%	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-
9	310.4 Wells - Other	n/a	-	-
10	314 Wells	3.13%	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -
12	Pumping Plant			
13	320 Pumping Plant Land	0.00%	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-
15	325 Electric Pumping Equipment	5.88%	-	-
16	328 Gas Engine Equipment	4.00%	-	-
17	Subtotal Pumping Plant		\$ -	\$ -
18	Water Treatment Plant			
19	330 Water Treatment Plant Land	0.00%	-	-
20	331 Water Trmt. Struct. & Improv.	2.50%	-	-
21	332 Water Treatment Equipment	2.86%	(16)	(0)
22	Subtotal Water Trmt. Plant		\$ (16)	\$ (0)
23	Transmission & Distribution Plant			
24	340 Trans. and Dist. Land	0.00%	-	-
25	342 Storage Tanks	2.00%	-	-
26	343 Trans. & Dist. Mains	1.79%	-	-
27	344 Fire Sprinkler Taps	2.00%	-	-
28	345 Services	2.38%	-	-
29	346 Meters	4.55%	-	-
30	348 Hydrants	1.82%	-	-
31	Subtotal Trans. & Dist.		\$ -	\$ -
32	General Plant			
33	389 General Plant Land	0.00%	-	-
34	390 General Plant Structures	2.50%	-	-
35	390.1 Leasehold Improvements	n/a	-	-
36	391 Office Furniture & Equipment	6.67%	-	-
37	393 Warehouse Equipment	5.00%	-	-
38	394 Tools, Shop & Garage Equip.	4.00%	-	-
39	395 Laboratory Equipment	5.00%	-	-
40	396 Power Operated Equipment	6.67%	-	-
41	397 Communication Equipment	6.67%	-	-
42	398 Miscellaneous Equipment	3.33%	-	-
43	Subtotal General Plant		\$ -	\$ -
44	Total Utility Plant		\$ (16)	\$ (0)
45	Accumulated Depreciation			\$ 91
46	Net Plant			\$ (107)

Line No.	Description	Pinat Valley				Adjustmt' to Depreciation Expense
		(A) 1-4768 As Filed	(B) 1-4768 Actual Cost	(C) 1-4768 Increase / (Decrease)	(D)	
	Depreciation Rate					
1	Intangible Plant					
2	301 Organization		\$ -		\$ -	
3	302 Franchises		n/a		-	
4	303 Other Intangibles		n/a		-	
5	Subtotal Intangible Plant	\$ -	\$ -	\$ -	\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights				-	
8	310.3 Other Source of Supply Land				-	
9	310.4 Wells - Other				-	
10	314 Wells				-	
11	Subtotal Source of Sup. Plant	\$ -	\$ -	\$ -	\$ -	
12	Pumping Plant					
13	320 Pumping Plant Land				-	
14	321 Pumping Plant Struct. & Improv.				-	
15	325 Electric Pumping Equipment				-	
16	328 Gas Engine Equipment				-	
17	Subtotal Pumping Plant	\$ -	\$ -	\$ -	\$ -	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land				-	
20	331 Water Trtmt. Struct. & Improv.				-	
21	332 Water Treatment Equipment				-	
22	Subtotal Water Trtmt. Plant	\$ -	\$ -	\$ -	\$ -	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land				-	
25	342 Storage Tanks				-	
26	343 Trans. & Dist. Mains	116,754	120,248	3,494	63	
27	344 Fire Sprinkler Taps				-	
28	345 Services	13,529	13,882	353	8	
29	346 Meters				-	
30	348 Hydrants	7,531	7,717	186	3	
31	Subtotal Trans. & Dist.	\$ 137,814	\$ 141,847	\$ 4,033	\$ 74	
32	General Plant					
33	389 General Plant Land				-	
34	390 General Plant Structures				-	
35	390.1 Leasehold Improvements				-	
36	391 Office Furniture & Equipment				-	
37	393 Warehouse Equipment				-	
38	394 Tools, Shop & Garage Equip.				-	
39	395 Laboratory Equipment				-	
40	396 Power Operated Equipment				-	
41	397 Communication Equipment				-	
42	398 Miscellaneous Equipment				-	
43	Subtotal General Plant	\$ -	\$ -	\$ -	\$ -	
44	Total Utility Plant	\$ 137,814	\$ 141,847	\$ 4,033	\$ 74	
45	Accumulated Depreciation (1/2-Year Convention)					
46						
47						
48						
49	Net Plant					
50						
51						
52						
53						
54						
55						

Line No.	Description	Pinal Valley (Continued)				Adjstm't to Depreciation Expense
		[A] 1-4773 As Filled	[B] Work Authorization 1-4773 Actual Cost	[C] 1-4773 Increase / (Decrease)	[D]	
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	
3	302 Franchises	n/a	-	-	-	
4	303 Other Intangibles	n/a	-	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	-	
9	310.4 Wells - Other	n/a	-	-	-	
10	314 Wells	3.13%	-	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	
15	325 Electric Pumping Equipment	5.88%	-	-	-	
16	328 Gas Engine Equipment	4.00%	-	-	-	
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-	-	
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-	
21	332 Water Treatment Equipment	2.86%	-	-	-	
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	
25	342 Storage Tanks	2.00%	-	-	-	
26	343 Trans. & Dist. Mains	1.79%	75,683	41,678	746	
27	344 Fire Sprinkler Taps	2.00%	-	-	-	
28	345 Services	2.38%	45,497	(17,029)	(405)	
29	346 Meters	4.55%	-	-	-	
30	348 Hydrants	1.82%	-	-	-	
31	Subtotal Trans. & Dist. General Plant		\$ 121,180	\$ 24,649	\$ 341	
32	General Plant					
33	389 General Plant Land	0.00%	-	-	-	
34	390 General Plant Structures	2.50%	-	-	-	
35	390.1 Leasehold Improvements	n/a	-	-	-	
36	391 Office Furniture & Equipment	6.67%	-	-	-	
37	393 Warehouse Equipment	5.00%	-	-	-	
38	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	
39	395 Laboratory Equipment	5.00%	-	-	-	
40	396 Power Operated Equipment	6.67%	-	-	-	
41	397 Communication Equipment	6.67%	-	-	-	
42	398 Miscellaneous Equipment	3.33%	-	-	-	
43	Subtotal General Plant		\$ -	\$ -	\$ -	
44	Total Utility Plant		\$ 121,180	\$ 24,649	\$ 341	
45	Accumulated Depreciation (1/2-Year Convention)					
46	48					
47	49					
48	50					
49	51					
50	52					
51	53					
52	54					
53	55					
54						
55						

Line No.	Description	Pinal Valley (Continued)				Adjstmt to Depreciation Expense
		(A) 1-4772 AS Filed	(B) Work Authorization 1-4772 Actual Cost	(C) 1-4772 Increase / (Decrease)	(D)	
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	
3	302 Franchises	n/a				
4	303 Other Intangibles	n/a				
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%				
8	310.3 Other Source of Supply Land	0.00%				
9	310.4 Wells - Other	n/a				
10	314 Wells	3.13%				
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%				
14	321 Pumping Plant Struct. & Improv.	2.86%				
15	325 Electric Pumping Equipment	5.88%				
16	328 Gas Engine Equipment	4.00%				
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%				
20	331 Water Trtmt. Struct. & Improv.	2.50%				
21	332 Water Treatment Equipment	2.86%				
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%				
25	342 Storage Tanks	2.00%				
26	343 Trans. & Dist. Mains	1.79%	663,251	545,741	(117,510)	(2,103)
27	344 Fire Sprinkler Taps	2.00%				
28	345 Services	2.38%		111,993	111,993	2,665
29	346 Meters	4.55%				
30	348 Hydrants	1.82%				
31	Subtotal Trans. & Dist. General Plant		\$ 663,251	\$ 12,272	\$ 12,272	\$ 223
32	General Plant		\$ 663,251	\$ 670,006	\$ 6,755	\$ 785
33	389 General Plant Land	0.00%				
34	390 General Plant Structures	2.50%				
35	390.1 Leasehold Improvements	n/a				
36	391 Office Furniture & Equipment	6.67%				
37	393 Warehouse Equipment	5.00%				
38	394 Tools, Shop & Garage Equip.	4.00%				
39	395 Laboratory Equipment	5.00%				
40	396 Power Operated Equipment	6.67%				
41	397 Communication Equipment	6.67%				
42	398 Miscellaneous Equipment	3.33%				
43	Subtotal General Plant		\$ -	\$ -	\$ -	\$ -
44	Total Utility Plant		\$ 663,251	\$ 670,006	\$ 6,755	\$ 785
45	Accumulated Depreciation (1/2-Year Convention)					\$ 393
46	Net Plant					\$ 6,362

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2010  
 Settlement Rate Base Adjustment RB-2 (Continued)  
 True-up Post-Test Year Plant to Reflect Actual Costs

Line No.	Pinal Valley (Continued)					Adjstm't to Depreciation Expense
	[A] 1-4801 As Filled	[B] Work Authorization 1-4801 Actual Cost	[C]		[D]	
			1-4801 Increase /	1-4801 (Decrease)		
	Depreciation Rate					
1	Intangible Plant					
2	301 Organization	0.00%	\$	-	-	\$
3	302 Franchises	n/a		-	-	-
4	303 Other Intangibles	n/a		-	-	-
5	Subtotal Intangible Plant		\$	-	-	\$
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%		-	-	-
8	310.3 Other Source of Supply Land	0.00%		-	-	-
9	310.4 Wells - Other	n/a		-	-	-
10	314 Wells	3.13%		-	-	-
11	Subtotal Source of Sup. Plant		\$	-	-	\$
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%		-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%		-	-	-
15	325 Electric Pumping Equipment	5.88%	23,971	35,083	11,112	653
16	328 Gas Engine Equipment	4.00%		-	-	-
17	Subtotal Pumping Plant		\$	23,971	\$	35,083
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%		-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%		-	-	-
21	332 Water Treatment Equipment	2.86%		-	-	-
22	Subtotal Water Trtmt. Plant		\$	-	-	\$
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%		-	-	-
25	342 Storage Tanks	2.00%		-	-	-
26	343 Trans. & Dist. Mains	1.79%	64,375	75,449	11,074	198
27	344 Fire Sprinkler Taps	2.00%		-	-	-
28	345 Services	2.38%		-	-	-
29	346 Meters	4.55%		-	-	-
30	348 Hydrants	1.82%		-	-	-
31	Subtotal Trans. & Dist.		\$	64,375	\$	75,449
32	General Plant					
33	389 General Plant Land	0.00%		-	-	-
34	390 General Plant Structures	2.50%		-	-	-
35	390.1 Leasehold Improvements	n/a		-	-	-
36	391 Office Furniture & Equipment	6.67%		-	-	-
37	393 Warehouse Equipment	5.00%		-	-	-
38	394 Tools, Shop & Garage Equip.	4.00%		-	-	-
39	395 Laboratory Equipment	5.00%		-	-	-
40	396 Power Operated Equipment	6.67%		-	-	-
41	397 Communication Equipment	6.67%		-	-	-
42	398 Miscellaneous Equipment	3.33%		-	-	-
43	Subtotal General Plant		\$	-	-	\$
44	Total Utility Plant		\$	88,346	\$	110,533
45						22,187
46	Accumulated Depreciation (1/2-Year Convention)					852
47						426
48	Net Plant					21,761
49						
50						
51						
52						
53						
54						
55						

Line No.	Description	Pinal Valley (Continued)				Adjstm't to Depreciation Expense
		(A) 1-4802 As Filed	(B) 1-4802 Actual Cost	(C) 1-4802 Increase / (Decrease)	(D)	
1	Intangible Plant					
2	301 Organization	0.00%	\$		\$	
3	302 Franchises	n/a				
4	303 Other Intangibles	n/a				
5	Subtotal Intangible Plant		\$		\$	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%				
8	310.3 Other Source of Supply Land	0.00%				
9	310.4 Wells - Other	n/a				
10	314 Wells	3.13%				
11	Subtotal Source of Sup. Plant		\$		\$	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%				
14	321 Pumping Plant Struct. & Improv.	2.86%				
15	325 Electric Pumping Equipment	5.88%	80,720	(1,909)	(112)	
16	328 Gas Engine Equipment	4.00%				
17	Subtotal Pumping Plant		\$ 80,720	\$ (1,909)	\$ (112)	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%				
20	331 Water Trtmt. Struct. & Improv.	2.50%				
21	332 Water Treatment Equipment	2.86%				
22	Subtotal Water Trtmt. Plant		\$		\$	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%				
25	342 Storage Tanks	2.00%				
26	343 Trans. & Dist. Mains	1.79%				
27	344 Fire Sprinkler Taps	2.00%				
28	345 Services	2.38%				
29	346 Meters	4.55%				
30	348 Hydrants	1.82%				
31	Subtotal Trans. & Dist. General Plant		\$		\$	
32	General Plant					
33	389 General Plant Land	0.00%				
34	390 General Plant Structures	2.50%				
35	390.1 Leasehold Improvements	n/a				
36	391 Office Furniture & Equipment	6.67%				
37	393 Warehouse Equipment	5.00%				
38	394 Tools, Shop & Garage Equip.	4.00%				
39	395 Laboratory Equipment	5.00%				
40	396 Power Operated Equipment	6.67%				
41	397 Communication Equipment	6.67%				
42	398 Miscellaneous Equipment	3.33%				
43	Subtotal General Plant		\$		\$	
44	Total Utility Plant		\$ 80,720	\$ (1,909)	\$ (112)	
45	Accumulated Depreciation (1/2-Year Convention)				\$ (56)	
46	Net Plant				\$ (1,853)	

Line No.	Pinal Valley (Continued)					Adjstm't to Depreciation Expense
	[A]	[B]	[C]		[D]	
	1-4803 As Filed	1-4803 Actual Cost	1-4803 Increase / Decrease			
	Depreciation Rate					
1	Intangible Plant					
2	301 Organization		\$			\$
3	302 Franchises		n/a			
4	303 Other Intangibles		n/a			
5	Subtotal Intangible Plant		\$			\$
6	Source of Supply Plant					
7	310.1 Water Rights					
8	310.3 Other Source of Supply Land					
9	310.4 Wells - Other					
10	314 Wells					
11	Subtotal Source of Sup. Plant		\$			\$
12	Pumping Plant					
13	320 Pumping Plant Land					
14	321 Pumping Plant Struct. & Improv.					
15	325 Electric Pumping Equipment	35,039	32,984	(2,056)		(121)
16	328 Gas Engine Equipment					
17	Subtotal Pumping Plant	\$ 35,039	\$ 32,984	\$ (2,056)		\$ (121)
18	Water Treatment Plant					
19	330 Water Treatment Plant Land					
20	331 Water Trtmt. Struct. & Improv.					
21	332 Water Treatment Equipment					
22	Subtotal Water Trtmt. Plant	\$	\$	\$		\$
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land					
25	342 Storage Tanks					
26	343 Trans. & Dist. Mains					
27	344 Fire Sprinkler Taps					
28	345 Services	359		(359)		(9)
29	346 Meters					
30	348 Hydrants					
31	Subtotal Trans. & Dist. General Plant	\$ 359	\$	\$ (359)		\$ (9)
32	General Plant					
33	389 General Plant Land					
34	390 General Plant Structures					
35	390.1 Leasehold Improvements					
36	391 Office Furniture & Equipment					
37	393 Warehouse Equipment					
38	394 Tools, Shop & Garage Equip.					
39	395 Laboratory Equipment					
40	396 Power Operated Equipment					
41	397 Communication Equipment					
42	398 Miscellaneous Equipment					
43	Subtotal General Plant	\$	\$	\$		\$
44	Total Utility Plant	\$ 35,398	\$ 32,984	\$ (2,415)		\$ (129)
45	Accumulated Depreciation (1/2-Year Convention)					\$ (65)
46	Net Plant					\$ (2,350)



Line No.	Pinal Valley (Continued)				Adjustmt' to Depreciation Expense
	(A)	(B)	(C)	(D)	
	1-4807 As Filed	Work Authorization 1-4807 Actual Cost	1-4807 Increase / (Decrease)		
1					
2	0.00%	\$			\$
3	n/a				
4	n/a				
5		\$			\$
6					
7	0.00%				
8	0.00%				
9	n/a				
10	3.13%				
11		\$			\$
12					
13	0.00%				
14	2.86%				
15	5.88%				
16	4.00%				
17		\$			\$
18					
19	0.00%				
20	2.50%				
21	2.86%				
22		\$			\$
23					
24	0.00%				
25	2.00%	33,339	31,958	(1,381)	(28)
26	1.79%				
27	2.00%				
28	2.38%				
29	4.55%				
30	1.82%				
31		\$ 33,339	\$ 31,958	\$ (1,381)	\$ (28)
32					
33	0.00%				
34	2.50%				
35	n/a				
36	6.67%				
37	5.00%				
38	4.00%				
39	5.00%				
40	6.67%				
41	6.67%				
42	3.33%				
43		\$			\$
44					
45		\$ 33,339	\$ 31,958	\$ (1,381)	\$ (28)
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					

Total Utility Plant  
 Accumulated Depreciation (1/2-Year Convention)

Net Plant

Line No.	Description	Pinal Valley (Continued)				Adjstm't to Depreciation Expense
		[A] 1-4763 AS Filed	[B] Work Authorization 1-4763 Actual Cost	[C] 1-4763 Increase / (Decrease)	[D]	
1	Intangible Plant					
2	301 Organization		\$ -		\$ -	
3	302 Franchises		n/a		-	
4	303 Other Intangibles		n/a		-	
5	Subtotal Intangible Plant	\$ -	\$ -		\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights					
8	310.3 Other Source of Supply Land					
9	310.4 Wells - Other					
10	314 Wells					
11	Subtotal Source of Sup. Plant	\$ -	\$ -		\$ -	
12	Pumping Plant					
13	320 Pumping Plant Land					
14	321 Pumping Plant Struct. & Improv.					
15	325 Electric Pumping Equipment	15,135	17,519	2,384	140	
16	328 Gas Engine Equipment					
17	Subtotal Pumping Plant	\$ 15,135	\$ 17,519	\$ 2,384	\$ 140	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land					
20	331 Water Trtmt. Struct. & Improv.					
21	332 Water Treatment Equipment					
22	Subtotal Water Trtmt. Plant	\$ -	\$ -		\$ -	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land					
25	342 Storage Tanks					
26	343 Trans. & Dist. Mains					
27	344 Fire Sprinkler Taps					
28	345 Services					
29	346 Meters					
30	348 Hydrants					
31	Subtotal Trans. & Dist. General Plant	\$ -	\$ -		\$ -	
32	General Plant					
33	389 General Plant Land					
34	390 General Plant Structures					
35	390.1 Leasehold Improvements					
36	391 Office Furniture & Equipment					
37	393 Warehouse Equipment					
38	394 Tools, Shop & Garage Equip.					
39	395 Laboratory Equipment					
40	396 Power Operated Equipment					
41	397 Communication Equipment					
42	398 Miscellaneous Equipment					
43	Subtotal General Plant	\$ -	\$ -		\$ -	
44	Total Utility Plant	\$ 15,135	\$ 17,519	\$ 2,384	\$ 140	
45	Accumulated Depreciation (1/2-Year Convention)				\$ 70	
46	Net Plant				\$ 2,314	

Line No.	Description	Pin al Valley - Total					[D] Total Adjstm't to Depreciation Expense
		[A]	[B]		[C]		
		Total As Filed	Total Actual Cost	Total Increase / (Decrease)			
1	Intangible Plant						
2	301 Organization	0.00%	\$ -	\$ -	\$ -	\$ -	
3	302 Franchises	n/a	-	-	-	-	
4	303 Other Intangibles	n/a	-	-	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	\$ -	
6	Source of Supply Plant						
7	310.1 Water Rights	0.00%	-	-	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	-	-	
9	310.4 Wells - Other	n/a	-	-	-	-	
10	314 Wells	3.13%	-	-	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	\$ -	
12	Pumping Plant						
13	320 Pumping Plant Land	0.00%	-	-	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	-	
15	325 Electric Pumping Equipment	5.88%	154,865	164,397	9,532	560	
16	328 Gas Engine Equipment	4.00%	-	-	-	-	
17	Subtotal Pumping Plant		\$ 154,865	\$ 164,397	\$ 9,532	\$ 560	
18	Water Treatment Plant						
19	330 Water Treatment Plant Land	0.00%	-	-	-	-	
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-	-	
21	332 Water Treatment Equipment	2.86%	-	-	-	-	
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -	\$ -	
23	Transmission & Distribution Plant						
24	340 Trans. and Dist. Land	0.00%	-	-	-	-	
25	342 Storage Tanks	2.00%	33,339	31,958	(1,381)	(28)	
26	343 Trans. & Dist. Mains	1.79%	920,063	858,800	(61,263)	(1,097)	
27	344 Fire Sprinkler Taps	2.00%	-	-	-	-	
28	345 Services	2.38%	59,385	154,343	94,958	2,260	
29	346 Meters	4.55%	-	-	-	-	
30	348 Hydrants	1.82%	7,531	19,988	12,457	227	
31	Subtotal Trans. & Dist.		\$ 1,020,318	\$ 1,065,089	\$ 44,771	\$ 1,362	
32	General Plant						
33	389 General Plant Land	0.00%	-	-	-	-	
34	390 General Plant Structures	2.50%	-	-	-	-	
35	390.1 Leasehold Improvements	n/a	-	-	-	-	
36	391 Office Furniture & Equipment	6.67%	-	-	-	-	
37	393 Warehouse Equipment	5.00%	-	-	-	-	
38	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	-	
39	395 Laboratory Equipment	5.00%	-	-	-	-	
40	396 Power Operated Equipment	6.67%	-	-	-	-	
41	397 Communication Equipment	6.67%	-	-	-	-	
42	398 Miscellaneous Equipment	3.33%	-	-	-	-	
43	Subtotal General Plant		\$ -	\$ -	\$ -	\$ -	
44	Total Utility Plant		\$ 1,175,183	\$ 1,229,486	\$ 54,303	\$ 1,923	
45	Accumulated Depreciation (1/2-Year Convention)						
46	Net Plant		\$ -	\$ 961	\$ 961	\$ 53,341	

Line No.	Description	White Tank				Adjstmt to Depreciation Expense
		(A) 1-4810 As Filed	(B) Work Authorization 1-4810 Actual Cost	(C) 1-4810 Increase / (Decrease)	(D)	
1	Intangible Plant					
2	301 Organization	0.00%	\$		\$	
3	302 Franchises	n/a				
4	303 Other Intangibles	n/a				
5	Subtotal Intangible Plant		\$		\$	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%				
8	310.3 Other Source of Supply Land	0.00%				
9	310.4 Wells - Other	n/a				
10	314 Wells	3.13%				
11	Subtotal Source of Sup. Plant		\$		\$	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%				
14	321 Pumping Plant Struct. & Improv.	2.86%				
15	325 Electric Pumping Equipment	5.88%				
16	328 Gas Engine Equipment	4.00%				
17	Subtotal Pumping Plant		\$		\$	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%				
20	331 Water Trtmt. Struct. & Improv.	2.50%				
21	332 Water Treatment Equipment	2.86%				
22	Subtotal Water Trtmt. Plant		\$		\$	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%				
25	342 Storage Tanks	2.00%				
26	343 Trans. & Dist. Mains	1.79%	121,464	5,735	103	
27	344 Fire Sprinkler Taps	2.00%				
28	345 Services	2.38%				
29	346 Meters	4.55%				
30	348 Hydrants	1.82%				
31	Subtotal Trans. & Dist. General Plant		\$ 115,729	\$ 5,735	\$ 103	
32	General Plant					
33	389 General Plant Land	0.00%				
34	390 General Plant Structures	2.50%				
35	390.1 Leasehold Improvements	n/a				
36	391 Office Furniture & Equipment	6.67%				
37	393 Warehouse Equipment	5.00%				
38	394 Tools, Shop & Garage Equip.	4.00%				
39	395 Laboratory Equipment	5.00%				
40	396 Power Operated Equipment	6.67%				
41	397 Communication Equipment	6.67%				
42	398 Miscellaneous Equipment	3.33%				
43	Subtotal General Plant		\$		\$	
44	Total Utility Plant		\$ 115,729	\$ 5,735	\$ 103	
45	Accumulated Depreciation (1/2-Year Convention)				\$ 51	
46	Net Plant				\$ 5,684	

Line No.	Description	Phoenix Office				Adjustmt to Depreciation Expense
		[A]	[B]	[C]	[D]	
		1-4823 As Filed	1-4823 Actual Cost	1-4823 Increase / (Decrease)		
1	Intangible Plant					
2	301 Organization		\$		\$	
3	302 Franchises		n/a		-	
4	303 Other Intangibles		n/a		-	
5	Subtotal Intangible Plant		\$		\$	
6	Source of Supply Plant					
7	310.1 Water Rights					
8	310.3 Other Source of Supply Land					
9	310.4 Wells - Other		n/a		-	
10	314 Wells		3.13%		-	
11	Subtotal Source of Sup. Plant		\$		\$	
12	Pumping Plant					
13	320 Pumping Plant Land					
14	321 Pumping Plant Struct. & Improv.		0.00%		-	
15	325 Electric Pumping Equipment		2.86%		-	
16	328 Gas Engine Equipment		5.88%		-	
17	Subtotal Pumping Plant		4.00%		\$	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land		0.00%		-	
20	331 Water Trmt. Struct. & Improv.		2.50%		-	
21	332 Water Treatment Equipment		2.86%		\$	
22	Subtotal Water Trmt. Plant		\$		\$	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land		0.00%		-	
25	342 Storage Tanks		2.00%		-	
26	343 Trans. & Dist. Mains		1.79%		-	
27	344 Fire Sprinkler Taps		2.00%		-	
28	345 Services		2.38%		-	
29	346 Meters		4.55%		-	
30	348 Hydrants		1.82%		-	
31	Subtotal Trans. & Dist.		\$		\$	
32	General Plant					
33	389 General Plant Land		0.00%		-	
34	390 General Plant Structures		2.50%		-	
35	390.1 Leasehold Improvements		n/a		-	
36	391 Office Furniture & Equipment		6.67%		-	
37	393 Warehouse Equipment		5.00%		-	
38	394 Tools, Shop & Garage Equip.		4.00%	(25,564)	(1,023)	
39	395 Laboratory Equipment		5.00%		-	
40	396 Power Operated Equipment		6.67%		-	
41	397 Communication Equipment		6.67%	31,727	2,116	
42	398 Miscellaneous Equipment		3.33%		-	
43	Subtotal General Plant		\$ 25,564	\$ 31,727	\$ 1,084	
44	Total Utility Plant		\$ 25,564	\$ 31,727	\$ 1,084	
45	Accumulated Depreciation (1/2-Year Convention)		\$ 25,564	\$ 31,727	\$ 1,084	
46	Net Plant		\$	\$	\$ 547	
47					\$ 5,617	

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
 Settlement Rate Base Adjustment RB-3  
 Update Working Cash to reflect Settlement Operating Expenses and Remove Cost of Equity Component  
 (Accept Staff Rate Base Adjustment No. 2 & RUCO Rate Base Adjustment No. 6)

Line No.	Company Working Capital - As Filled	Revised Working Capital - Settlement	Adjustment to Working Capital / Rate Base
1			
2	\$ 1,333,549	\$ 1,066,194	\$ (267,355)
3	112,351	77,677	(34,674)
4	16,531	10,533	(5,998)
5			
6	<u>\$ 1,462,431</u>	<u>\$ 1,154,404</u>	<u>\$ (308,027)</u>
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Settlement Rate Base Adjustment RB-4

Accept Staff Rate Base Adjustment No. 1 - Remove Arizona City Water Campus land site from Rate Base

Line No.	Description	Pinat Valley			[D] Total Adjstmt to Depreciation Expense
		[A] Total As Filed	[B] Total Increase / (Decrease)	[C] Total Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	258,409	(258,409)	-
25	342 Storage Tanks	2.00%	-	-	-
26	343 Trans. & Dist. Mains	1.79%	-	-	-
27	344 Fire Sprinkler Taps	2.00%	-	-	-
28	345 Services	2.38%	-	-	-
29	346 Meters	4.55%	-	-	-
30	348 Hydrants	1.82%	-	-	-
31	Subtotal Trans. & Dist.		\$ 258,409	\$ (258,409)	\$ -
32	General Plant				
33	389 General Plant Land	0.00%	-	-	-
34	390 General Plant Structures	2.50%	-	-	-
35	390.1 Leasehold Improvements	n/a	-	-	-
36	391 Office Furniture & Equipment	6.67%	-	-	-
37	393 Warehouse Equipment	5.00%	-	-	-
38	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
39	395 Laboratory Equipment	5.00%	-	-	-
40	396 Power Operated Equipment	6.67%	-	-	-
41	397 Communication Equipment	6.67%	-	-	-
42	398 Miscellaneous Equipment	3.33%	-	-	-
43	Subtotal General Plant		\$ -	\$ -	\$ -
44	Total Utility Plant		\$ 258,409	\$ (258,409)	\$ -
45	Accumulated Depreciation (12-Year Convention)				\$ -
46	Net Plant				\$ (258,409)

ARIZONA WATER COMPANY  
 Test Year Ended December 31, 2010  
 Settlement Rate Base Adjustment RB-5  
 Allocate Phoenix Office & Meter Shop Settlement Rate Base Adjustments

Line No.	Description	Western Group			
		[A] Rebuttal - Adjusted	[B] Pinal Valley	[C] Allocated	[D] Ajo
1					
2	3-Factor Allocation Ratio		0.3423	0.0304	0.0075
3					
4	<u>Phoenix Office</u>				
5	Plant Classification				
6	Intangible Plant	\$ -	\$ -	\$ -	\$ -
7	Source of Supply Plant	-	-	-	-
8	Pumping Plant	-	-	-	-
9	Water Treatment Plant	-	-	-	-
10	Transmission & Distribution Plant	-	-	-	-
11	General Plant	6,163	2,110	187	46
12	Total Gross Plant in Service	\$ 6,163	\$ 2,110	\$ 187	\$ 46
13	Less:				
14	Accumulated Depreciation	547	187	17	4
15	Net Plant in Service	\$ 5,617	\$ 1,923	\$ 171	\$ 42
16	Less:				
17	Deferred Income Tax	-	-	-	-
18	Total Rate Base	\$ 5,617	\$ 1,923	\$ 171	\$ 42
19					
20					
21					
22	<u>Meter Shop</u>				
23	Plant Classification				
24	Intangible Plant	\$ -	\$ -	\$ -	\$ -
25	Source of Supply Plant	-	-	-	-
26	Pumping Plant	-	-	-	-
27	Water Treatment Plant	-	-	-	-
28	Transmission & Distribution Plant	-	-	-	-
29	General Plant	-	-	-	-
30	Total Gross Plant in Service	\$ -	\$ -	\$ -	\$ -
31	Less:				
32	Accumulated Depreciation	-	-	-	-
33	Net Plant in Service	\$ -	\$ -	\$ -	\$ -
34	Less:				
35	Total Rate Base	\$ -	\$ -	\$ -	\$ -
36					
37					
38	<u>Total Phoenix Office &amp; Meter Shop</u>				
39	Plant Classification				
40	Intangible Plant	\$ -	\$ -	\$ -	\$ -
41	Source of Supply Plant	-	-	-	-
42	Pumping Plant	-	-	-	-
43	Water Treatment Plant	-	-	-	-
44	Transmission & Distribution Plant	-	-	-	-
45	General Plant	6,163	2,110	187	46
46	Total Gross Plant in Service	\$ 6,163	\$ 2,110	\$ 187	\$ 46
47	Less:				
48	Accumulated Depreciation	547	187	17	4
49	Net Plant in Service	\$ 5,617	\$ 1,923	\$ 171	\$ 42
50	Less:				
51	Deferred Income Tax	-	-	-	-
52	Total Rate Base	\$ 5,617	\$ 1,923	\$ 171	\$ 42
53					
54					
55					



Line No.	Western Group		
	(A) Company - As Filed Working Capital	(B) Settlement Adjustments	(C) Working Capital - Settlement
1			
2	Working Cash Requirement		
3	(Sch. B-5 Appendix)		
4	\$ 254,562	\$ (308,027)	\$ (53,466)
5	Material and Supplies Inventories <sup>1</sup>		
6	128,714	-	128,714
7	Required Bank Balances <sup>1</sup>		
8	826,817	-	826,817
9	Prepayments & Special Deposits <sup>1</sup>		
10	252,338	-	252,338
11	Total Working Capital Allowance		
12	\$ 1,462,431	\$ (308,027)	\$ 1,154,404
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<sup>1</sup>13-month average balances

Line No.	Pinal Valley (Casa Grande, Coolidge, Stanfield)		
	[A] Company - As Filed Working Capital	[B] Settlement Adjustments	[C] Working Capital - Settlement
1			
2			
3	Working Cash Requirement (Sch. B-5 Appendix)	(267,355) \$	(31,805)
4			
5	Material and Supplies Inventories <sup>1</sup>	-	126,149
6			
7	Required Bank Balances <sup>1</sup>	-	744,601
8			
9	Prepayments & Special Deposits <sup>1</sup>	-	227,249
10			
11	Total Working Capital Allowance	1,333,549 \$	1,066,194
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<sup>1</sup>13-month average balances

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2010  
 Computation of Working Capital

Line No.	White Tank		
	[A] Company - As Filed Working Capital	[B] Settlement Adjustments	[C] Working Capital - Settlement
1			
2	Working Cash Requirement		
3	(Sch. B-5 Appendix)		
4		(34,674) \$	(10,451)
5	Material and Supplies Inventories <sup>1</sup>		
6		2,057	2,057
7	Required Bank Balances <sup>1</sup>		
8		65,947	65,947
9	Prepayments & Special Deposits <sup>1</sup>		
10		20,124	20,124
11	Total Working Capital Allowance	(34,674) \$	77,677
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<sup>1</sup>13-month average balances

Line No.	Ajo		
	[A] Company - As Filed Working Capital	[B] Settlement Adjustments	[C] Working Capital - Settlement
1			
2			
3	Working Cash Requirement		
4	(Sch. B-5 Appendix)	(5,998) \$	(11,209)
5			
6	Material and Supplies Inventories <sup>1</sup>	507	507
7			
8	Required Bank Balances <sup>1</sup>	16,270	16,270
9			
10	Prepayments & Special Deposits <sup>1</sup>	4,965	4,965
11	Total Working Capital Allowance	16,531 \$	10,533
12		(5,998) \$	
13			
14			
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<sup>1</sup>13-month average balances

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
Computation of Working Cash Requirement

Exhibit  
Schedule B-5 Settlement Appendix  
Page 1 of 3  
Witness: Reiker

Phinal Valley (Casa Grande, Coolidge, Stanfield)

Line No.	Company - As Filed					Settlement						
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]
	Adjusted Results - As Filed	Revenue Lag Days <sup>1</sup>	Expense Lag Days <sup>2</sup>	Net Lag Days [B - C]	Lead / Lag Factor [D ÷ 365]	Working Cash Requirement [A X E]	Adjusted Results - Rebuttal	Revenue Lag Days <sup>1</sup>	Expense Lag Days <sup>2</sup>	Net Lag Days [H - I]	Lead / Lag Factor [J ÷ 365]	Working Cash Requirement [G X K]
1	\$ 1,783,602	30.10	30.87	(0.77)	(0.0021)	\$ (3,758)	\$ 1,771,173	30.10	30.87	(0.77)	(0.0021)	\$ (3,792)
2	2,924,079	30.10	14.00	16.10	0.0441	128,988	2,924,079	30.10	14.00	16.10	0.0441	128,988
3	445,372	30.10	(55.31)	85.41	0.2340	104,218	427,973	30.10	(55.31)	85.41	0.2340	100,147
4	237,329	30.10	(18.11)	48.21	0.1321	31,348	237,329	30.10	(18.11)	48.21	0.1321	31,348
5	189,650	30.10	(45.27)	75.37	0.2065	39,162	189,650	30.10	(45.27)	75.37	0.2065	39,162
6	43,376	30.10	(46.50)	76.60	0.2099	9,103	43,376	30.10	(46.50)	76.60	0.2099	9,103
7	539,321	30.10	(8.92)	39.02	0.1069	57,657	539,321	30.10	(8.92)	39.02	0.1069	57,657
8	2,913,906	30.10	(9.27)	39.37	0.1079	314,311	2,735,356	30.10	(9.27)	39.37	0.1079	295,051
9	1,505,971	30.10	37.00	(6.90)	(0.0189)	(28,465)	1,224,661	30.10	37.00	(6.90)	(0.0189)	(23,148)
10	331,752	30.10	37.00	(6.90)	(0.0189)	(28,465)	269,782	30.10	37.00	(6.90)	(0.0189)	(23,148)
11	219,076	30.10	14.00	16.10	0.0441	9,664	219,076	30.10	14.00	16.10	0.0441	9,664
12	6,783	30.10	83.10	(53.00)	(0.1452)	(985)	6,783	30.10	83.10	(53.00)	(0.1452)	(985)
13	914,804	30.10	212.00	(181.90)	(0.4984)	(455,896)	942,318	30.10	212.00	(181.90)	(0.4984)	(469,608)
14	182,839	30.10	(98.83)	128.93	0.3532	64,585	182,839	30.10	(98.83)	128.93	0.3532	64,585
15	276,469	30.10	34.72	(4.62)	(0.0127)	(3,499)	276,469	30.10	34.72	(4.62)	(0.0127)	(3,499)
16												
17												
18												
19												
20												
21	\$ 12,514,327					\$ 260,163	\$ 11,990,184					\$ 229,635
22												
23												
24												
25	1,585,957	30.10	91.25	(61.15)	(0.16753)	(265,698)	1,560,544	30.10	91.25	(61.15)	(0.16753)	(261,440)
26	2,923,355	30.10	-	30.10	0.08247	241,085	-	30.10	-	30.10	0.08247	-
27												
28	\$ 4,509,311					\$ (24,613)	\$ 1,560,544					\$ (261,440)
29												
30	17,023,638					\$ 235,550	13,550,728					\$ (31,805)
31												
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<sup>1</sup>2010 Actual lag days per AWC billing system.  
<sup>2</sup>Dec. No. 64282 as amended by Dec. Nos. 66849 & 68302. Purchased power and purchased water lag days per Dec. No. 71845.

White Tank

Line No.	Company - As Filed					Settlement						
	[A] Adjusted Results - As Filed	[B] Revenue Lag Days <sup>1</sup>	[C] Expense Lag Days <sup>2</sup>	[D] Net Lag Days [B - C]	[E] Lead / Lag Factor [D ÷ 365]	[F] Working Cash Requirement [A X E]	[G] Adjusted Results - Rebuttal	[H] Revenue Lag Days <sup>1</sup>	[I] Expense Lag Days <sup>2</sup>	[J] Net Lag Days [H - I]	[K] Lead / Lag Factor [J ÷ 365]	[L] Working Cash Requirement [G X K]
1	\$ 147,338	31.37	30.87	0.50	0.0014	\$ 203	\$ 146,135	31.37	30.87	0.50	0.0014	\$ 201
2	293,306	31.37	14.00	17.37	0.0476	13,961	293,306	31.37	14.00	17.37	0.0476	13,961
3	64,894	31.37	41.88	(10.51)	(0.0288)	(1,868)	64,894	31.37	41.88	(10.51)	(0.0288)	(1,868)
4	18,312	31.37	(18.11)	49.48	0.1356	2,483	18,312	31.37	(18.11)	49.48	0.1356	2,483
5	16,843	31.37	(45.27)	76.64	0.2100	3,537	16,843	31.37	(45.27)	76.64	0.2100	3,537
6	3,852	31.37	(46.50)	77.87	0.2134	822	3,852	31.37	(46.50)	77.87	0.2134	822
7	35,631	31.37	(8.92)	40.29	0.1104	3,933	35,631	31.37	(8.92)	40.29	0.1104	3,933
8	297,309	31.37	(9.27)	40.64	0.1114	33,106	280,404	31.37	(9.27)	40.64	0.1114	31,223
9	180,542	31.37	37.00	(5.63)	(0.0154)	(2,783)	147,290	31.37	37.00	(5.63)	(0.0154)	(2,271)
10	39,772	31.37	37.00	(5.63)	(0.0154)	(613)	32,447	31.37	37.00	(5.63)	(0.0154)	(500)
11	22,133	31.37	14.00	17.37	0.0476	1,053	22,133	31.37	14.00	17.37	0.0476	1,053
12	764	31.37	83.10	(51.73)	(0.1417)	(108)	764	31.37	83.10	(51.73)	(0.1417)	(108)
13	68,827	31.37	212.00	(180.63)	(0.4949)	(34,060)	76,289	31.37	212.00	(180.63)	(0.4949)	(37,753)
14	16,238	31.37	(98.83)	130.20	0.3567	5,792	16,238	31.37	(98.83)	130.20	0.3567	5,792
15	18,265	31.37	34.72	(3.35)	(0.0092)	(167)	18,265	31.37	34.72	(3.35)	(0.0092)	(167)
16												
17												
18												
19												
20												
21	Subtotal	\$ 1,224,026				\$ 25,289	\$ 1,172,803					\$ 20,338
22												
23												
24	Interest Expense	190,131	31.37	(59.88)	(0.16405)	(31,190)	187,687	31.37	91.25	(59.88)	(0.16405)	(30,789)
25	Cost of Equity	350,463	31.37	31.37	0.08595	30,124	-	31.37	-	31.37	0.08595	-
26												
27	Subtotal	\$ 540,594				\$ (1,067)	\$ 187,687					\$ (30,789)
28												
29												
30	Total	1,764,620				\$ 24,222	1,360,490					\$ (10,451)
31												
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<sup>1</sup>2010 Actual lag days per AWC billing system.  
<sup>2</sup>Dec. No. 64282 as amended by Dec. Nos. 66849 & 68302. Purchased power and purchased water lag days per Dec. No. 71845.

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
Computation of Working Cash Requirement

Exhibit  
Schedule B-5 Settlement Appendix  
Page 3 of 3  
Witness: Reiker

Line No.	A10											
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]
	Company - As Filed						Settlement					
	Adjusted Results - As Filed	Revenue Lag Days <sup>1</sup>	Expense Lag Days <sup>2</sup>	Net Lag Days [B - C]	Lead / Lag Factor [D ÷ 365]	Working Cash Requirement [A X E]	Adjusted Results - Rebuttal	Revenue Lag Days <sup>1</sup>	Expense Lag Days <sup>2</sup>	Net Lag Days [H - I]	Lead / Lag Factor [J ÷ 365]	Working Cash Requirement [G X K]
1	\$ 3,083	28.95	30.87	(1.93)	(0.0053)	\$ (16)	\$ 3,083	28.95	30.87	(1.93)	(0.0053)	\$ (16)
2	76,021	28.95	14.00	14.95	0.0409	3,113	76,021	28.95	14.00	14.95	0.0409	3,113
3	147,188	28.95	38.97	(10.03)	(0.0275)	(4,043)	147,188	28.95	38.97	(10.03)	(0.0275)	(4,043)
4	1,146	28.95	(18.11)	47.06	0.1289	148	1,146	28.95	(18.11)	47.06	0.1289	148
5	4,155	28.95	(45.27)	74.22	0.2033	845	4,155	28.95	(45.27)	74.22	0.2033	845
6	950	28.95	(46.50)	75.45	0.2067	196	950	28.95	(46.50)	75.45	0.2067	196
7	14,052	28.95	(8.92)	37.87	0.1037	1,458	14,052	28.95	(8.92)	37.87	0.1037	1,458
8	52,754	28.95	(9.27)	38.22	0.1047	5,523	49,160	28.95	(9.27)	38.22	0.1047	5,147
9	31,535	28.95	37.00	(8.06)	(0.0221)	(696)	25,902	28.95	37.00	(8.06)	(0.0221)	(572)
10	6,947	28.95	37.00	(8.06)	(0.0221)	(153)	5,706	28.95	37.00	(8.06)	(0.0221)	(126)
11	5,695	28.95	14.00	14.95	0.0409	233	5,695	28.95	14.00	14.95	0.0409	233
12	167	28.95	83.10	(54.16)	(0.1484)	(25)	167	28.95	83.10	(54.16)	(0.1484)	(25)
13	24,461	28.95	212.00	(183.06)	(0.5015)	(12,268)	26,363	28.95	212.00	(183.06)	(0.5015)	(13,222)
14	4,006	28.95	(98.83)	127.78	0.3501	1,402	4,006	28.95	(98.83)	127.78	0.3501	1,402
15	7,203	28.95	34.72	(5.78)	(0.0158)	(114)	7,203	28.95	34.72	(5.78)	(0.0158)	(114)
16												
17												
18												
19												
20												
21	\$ 379,364					\$ (4,396)	\$ 370,799					\$ (5,575)
22												
23												
24												
25	33,209	28.95	91.25	(62.31)	(0.1707)	(5,669)	33,007	28.95	91.25	(62.31)	(0.1707)	(5,634)
26	61,214	28.95	-	28.95	0.0793	4,854	-	28.95	-	28.95	0.0793	-
27												
28	\$ 94,424					\$ (814)	\$ 33,007					\$ (5,634)
29												
30												
31	473,788					\$ (5,211)	403,806					\$ (11,209)
32												
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<sup>1</sup>2010 Actual lag days per AWC billing system.  
<sup>2</sup>Dec. No. 64282 as amended by Dec. Nos. 66849 & 68302. Purchased power and purchased water lag days per Dec. No. 71845.

	[A]	[B]	[C]	[D]	[E]	[F]	[G]
	Western Group						
Line No.	Test Year Ended 12/31/2010	Pro Forma Adjustments - As Filed	Adjusted Test Year - As Filed	Settlement Adjustments	Adjusted Test Year - Settlement	Required Increase - Settlement	Adjstd' w/ Increase - Settlement
1							
2	\$ 12,891,964	\$ (540,880)	\$ 12,151,084	\$ -	\$ 12,151,084		
3	4,520,297	(100,784)	4,419,514	-	4,419,514		
4	1,209,938	(244,923)	965,015	(27,962)	937,053		
5	56,746	45,506	102,252	-	102,252		
6	257,514	11,271	268,786	-	268,786		
7	\$ 18,736,459	\$ (829,809)	\$ 17,906,650	\$ (27,962)	\$ 17,878,688		
8							
9	832,174	(72,706)	759,466	-	759,466		
10	\$ 19,568,633	\$ (902,517)	\$ 18,666,115	\$ (27,962)	\$ 18,638,153	\$ 3,224,403	\$ 21,862,557
11							
12							
13							
14	618,095	39,359	657,454	(17,399)	640,055	-	640,055
15	82,779	3,162	85,941	(591)	85,350	-	85,350
16							
17	1,901,110	32,913	1,934,023	(13,632)	1,920,391	-	1,920,391
18	927	-	927	-	927	-	927
19	643,730	159,766	803,496	(31,091)	772,405	-	772,405
20	1,107,608	108,937	1,216,545	(2,484)	1,214,061	-	1,214,061
21	1,729,209	596,996	2,326,205	(115,312)	2,210,893	-	2,210,893
22	1,300,821	59,488	1,360,309	(16,442)	1,343,867	-	1,343,867
23							
24	2,230,487	351,821	2,582,308	(140,188)	2,442,119	-	2,442,119
25	\$ 9,614,766	\$ 1,352,442	\$ 10,967,208	\$ (337,140)	\$ 10,630,068	\$ -	\$ 10,630,068
26							
27	3,586,696	213,761	3,800,457	(27,066)	3,773,390	-	3,773,390
28							
29							
30	693,433	(395,280)	298,153	97,598	395,751	1,002,102	1,397,853
31	78,335	(12,655)	65,680	21,500	87,180	220,754	307,935
32	723,110	209,821	932,931	55,750	988,681	56,289	1,044,970
33	2,125,026	(1,911,404)	213,622	-	213,622	-	213,622
34	\$ 3,619,904	\$ (2,109,517)	\$ 1,510,387	\$ 174,848	\$ 1,685,235	\$ 1,279,146	\$ 2,964,380
35							
36	\$ 16,821,366	\$ (543,315)	\$ 16,278,051	\$ (189,358)	\$ 16,088,693	\$ 1,279,146	\$ 17,367,839
37	\$ 2,174,267	\$ (359,203)	\$ 2,368,064	\$ 161,396	\$ 2,549,460	\$ 1,945,258	\$ 4,494,718
38							
39							
40							
41	1,856,723	(47,426)	1,809,297	(28,059)	1,781,238	-	1,781,238
42	42,802	(42,802)	-	-	-	-	-
43	(114,557)	114,557	-	-	-	-	-
44	\$ 1,784,968	\$ 24,329	\$ 1,809,297	\$ (28,059)	\$ 1,781,238	\$ -	\$ 1,781,238
45							
46	(74,481)	74,481	-	-	-	-	-
47							
48	\$ 1,710,487	\$ 98,810	\$ 1,809,297	\$ (28,059)	\$ 1,781,238	\$ -	\$ 1,781,238
49							
50	\$ 1,036,780	\$ (458,013)	\$ 578,767	\$ 189,455	\$ 768,222	\$ 1,945,258	\$ 2,713,480
51							
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53							
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Line No.	[A] Test Year Ended 12/31/2010	[B] Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	[D] Settlement Adjustments	[E] Adjusted Test Year - Settlement	[F] Required Increase - Settlement	[G] Adjst'd w/ Increase - Settlement
Pinal Valley (Casa Grande, Coolidge, Stanfield)							
1							
2	Operating Revenues						
3	Residential	\$ (441,824)	\$ 10,454,087	\$ -	\$ 10,454,087		
4	Commercial	(84,136)	4,124,997	-	4,124,997		
5	Industrial	(245,277)	939,855	(27,962)	911,893		
6	Private Fire Service	44,606	100,237	-	100,237		
7	Other Water Revenues	11,087	218,638	-	218,638		
8	Total Water Revenues	\$ (715,545)	\$ 15,837,815	\$ (27,962)	\$ 15,809,853		
9	Miscellaneous	(70,907)	734,234	-	734,234		
10	Total Operating Revenues	\$ (786,452)	\$ 16,572,049	\$ (27,962)	\$ 16,544,087	\$ 2,725,357	\$ 19,269,444
11							
12	Operating Expenses						
13	Source of Supply Expenses:						
14	Purchased Water	-	445,372	(17,399)	427,973	-	427,973
15	Other	2,693	70,038	(541)	69,497	-	69,497
16	Pumping Expenses:						
17	Purchased Power	24,737	1,783,602	(12,429)	1,771,173	-	1,771,173
18	Purchased Gas	-	927	-	927	-	927
19	Other	145,411	646,335	(28,234)	618,101	-	618,101
20	Water Treatment Expenses	995,342	1,105,676	(2,526)	1,103,150	-	1,103,150
21	Transmission & Distribution Expenses	534,339	2,096,350	(104,251)	1,992,099	-	1,992,099
22	Customer Accounting Expenses	53,664	1,231,220	(15,130)	1,216,090	-	1,216,090
23	Sales Expense	-	-	-	-	-	-
24	Administrative & General Expenses	318,979	2,347,389	(127,310)	2,220,079	-	2,220,079
25	Administrations & Maintenance Expense	1,190,157	9,726,909	(307,820)	9,419,089	-	9,419,089
26							
27	Depreciation & Amortization Expenses	208,518	3,313,401	(27,209)	3,286,192	-	3,286,192
28							
29	Taxes						
30	Federal Income Taxes	(324,838)	287,290	90,832	378,122	846,539	1,224,661
31	State Income Taxes	(5,863)	63,287	20,009	83,297	186,485	269,782
32	Property Taxes	191,833	847,951	45,317	893,268	49,050	942,318
33	Other	(1,764,741)	189,574	-	189,574	-	189,574
34	Total Taxes	\$ (1,903,609)	\$ 1,388,102	\$ 156,159	\$ 1,544,261	\$ 1,082,075	\$ 2,626,335
35							
36	Total Operating Expenses	\$ (504,934)	\$ 14,428,412	\$ (178,870)	\$ 14,249,542	\$ 1,082,075	\$ 15,331,616
37	Operating Income	(281,517)	2,143,637	150,908	2,294,545	1,643,282	3,937,827
38							
39	Other Income & Deductions:						
40	Interest:						
41	Long-Term Debt	(44,017)	1,585,957	(25,412)	1,560,544	-	1,560,544
42	Short-Term Debt	(37,575)	-	-	-	-	-
43	Other	100,567	-	-	-	-	-
44	Total Interest	\$ 18,975	\$ 1,585,957	\$ (25,412)	\$ 1,560,544	\$ -	\$ 1,560,544
45							
46	Other (Income) - Net	67,057	-	-	-	-	-
47							
48	Total Other (Income) & Deductions	\$ 66,032	\$ 1,585,957	\$ (25,412)	\$ 1,560,544	\$ -	\$ 1,560,544
49							
50	Net Income	\$ 925,230	\$ (367,549)	\$ 557,680	\$ 734,001	\$ 1,643,282	\$ 2,377,283
51							
52							
53							
54							
55							

	White Tank						
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line No.	Test Year Ended 12/31/2010	Pro Forma Adjustments - As Filed	Adjusted Test Year - As Filed	Settlement Adjustments	Adjusted Test Year - Settlement	Required Increase - Settlement	Adjst'd w/ Increase - Settlement
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Line No.	A/c						
	[A]	[B]	[C]	[D]	[E]	[F]	[G]
	Test Year Ended 12/31/2010	Pro Forma Adjustments - As Filed	Adjusted Test Year - As Filed	Settlement Adjustments	Adjusted Test Year - Settlement	Required Increase - Settlement	Adjusted w/ Increase - Settlement
1							
2	\$ 386,577	\$ (6,524)	\$ 380,053	\$ -	\$ 380,053		
3	122,784	(329)	122,455	-	122,455		
4	-	-	-	-	-		
5	412	241	653	-	653		
6	2,719	(54)	2,665	-	2,665		
7	\$ 512,492	\$ (6,666)	\$ 505,826	\$ -	\$ 505,826		
8							
9	4,016	(248)	3,768	-	3,768		
10	\$ 516,508	\$ (6,914)	\$ 509,594	\$ -	\$ 509,594	\$ (2,326)	\$ 507,268
11							
12							
13							
14	147,188	-	147,188	-	147,188	-	147,188
15	276	191	467	(11)	456	-	456
16							
17	3,083	-	3,083	-	3,083	-	3,083
18							
19	8,819	2,480	11,299	(412)	10,887	-	10,887
20	8,024	131	8,155	142	8,297	-	8,297
21	43,973	15,641	59,614	(2,723)	56,891	-	56,891
22	29,834	1,121	30,955	(147)	30,808	-	30,808
23							
24	47,000	7,423	54,423	(3,064)	51,360	-	51,360
25	\$ 288,197	\$ 26,988	\$ 315,185	\$ (6,215)	\$ 308,970	\$ -	\$ 308,970
26							
27	50,906	1,394	52,300	8	52,308	-	52,308
28							
29							
30	23,398	1,914	25,312	1,313	26,625	(723)	25,902
31	2,643	2,933	5,576	289	5,865	(159)	5,706
32	21,214	2,932	24,146	2,258	26,403	(40)	26,363
33	37,454	(32,723)	4,731	-	4,731	-	4,731
34	\$ 84,709	\$ (24,945)	\$ 59,764	\$ 3,860	\$ 63,625	\$ (922)	\$ 62,702
35							
36	\$ 423,812	\$ 3,438	\$ 427,250	\$ (2,347)	\$ 424,903	\$ (922)	\$ 423,981
37	\$ 92,696	\$ (10,352)	\$ 82,344	\$ 2,347	\$ 84,691	\$ (1,404)	\$ 83,288
38							
39							
40							
41	35,397	(2,188)	33,209	(203)	33,007	-	33,007
42	816	(816)	-	-	-	-	-
43	(2,184)	2,184	-	-	-	-	-
44	\$ 34,029	\$ (820)	\$ 33,209	\$ (203)	\$ 33,007	\$ -	\$ 33,007
45							
46	(1,469)	1,469	-	-	-	-	-
47							
48	\$ 32,560	\$ 649	\$ 33,209	\$ (203)	\$ 33,007	\$ -	\$ 33,007
49							
50	\$ 60,136	\$ (11,001)	\$ 49,135	\$ 2,550	\$ 51,685	\$ (1,404)	\$ 50,281
51							
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Line No.	Western Group										
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
	Actual End of Test Year	Pro Forma Adjustments - As Filed	Adjusted Test Year - As Filed	BLANK	Settlement Adj. IS-1	Settlement Adj. IS-2	Settlement Adj. IS-3	Settlement Adj. IS-4	Settlement Adj. IS-5	Settlement Adj. IS-6	Settlement Adj. IS-7
1	Operating Revenues										
2	Residential	\$ 12,691,964	\$ (540,880)	\$ 12,151,084	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Commercial	4,520,297	(100,784)	4,419,514	-	-	-	-	-	-	-
4	Industrial	1,209,938	(244,923)	965,015	-	-	-	-	(27,962)	-	-
5	Private Fire Service	56,746	45,506	102,252	-	-	-	-	-	-	-
6	Other Water Revenues	257,514	11,271	268,786	-	-	-	-	-	-	-
7	Total Water Revenues	\$ 18,736,459	\$ (829,809)	\$ 17,906,650	\$ -	\$ -	\$ -	\$ -	\$ (27,962)	\$ -	\$ -
8	Miscellaneous	832,174	(72,708)	759,466	-	-	-	-	-	-	-
9	Total Operating Revenues	\$ 19,568,633	\$ (902,517)	\$ 18,666,115	\$ -	\$ -	\$ -	\$ -	\$ (27,962)	\$ -	\$ -
10	Operating Expenses										
11	Source of Supply Expenses:										
12	Purchased Water	618,095	39,359	657,454	-	(17,399)	-	-	-	-	-
13	Other	82,779	3,162	85,941	-	(415)	-	-	-	-	(176)
14	Pumping Expenses:										
15	Purchased Power	1,901,110	32,913	1,934,023	-	-	-	-	-	-	(13,632)
16	Purchased Gas	927	-	927	-	-	-	-	-	-	-
17	Other	643,730	159,766	803,496	-	(4,197)	-	-	-	-	(8,591)
18	Water Treatment Expenses	1,107,608	108,937	1,216,545	-	(1,303)	-	-	-	-	(1,181)
19	Transmission & Distribution Expenses	1,729,209	596,996	2,326,205	-	(13,703)	-	-	-	-	(23,600)
20	Customer Accounting Expenses	1,300,821	59,488	1,360,309	-	(3,694)	-	-	-	-	(12,748)
21	Sales Expense	2,230,487	351,821	2,582,308	-	(1,340)	-	(10,664)	-	(11,925)	(9,199)
22	Administrative & General Expenses	9,614,766	1,352,442	10,967,208	-	(17,399)	-	(24,652)	-	(10,664)	(11,925)
23	Total Operations & Maintenance Expense	3,586,696	213,761	3,800,457	-	-	(29,506)	-	-	-	(69,127)
24	Depreciation & Amortization Expenses										
25	Taxes										
26	Federal Income Taxes	683,433	(396,280)	287,153	-	-	-	-	-	-	-
27	State Income Taxes	78,335	(12,655)	65,680	-	-	-	-	-	-	-
28	Property Taxes	723,110	209,821	932,931	-	-	-	-	-	-	-
29	Other	2,125,026	(1,911,404)	213,622	-	-	-	-	-	-	-
30	Total Taxes	\$ 3,619,904	\$ (2,109,517)	\$ 1,510,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	Total Operating Expenses	\$ 16,821,366	\$ (543,315)	\$ 16,278,051	\$ -	\$ (17,399)	\$ (29,506)	\$ (10,664)	\$ -	\$ (11,925)	\$ (69,127)
32	Operating Income	\$ 2,747,267	\$ (359,203)	\$ 2,388,064	\$ -	\$ 17,399	\$ 29,506	\$ 10,664	\$ (27,962)	\$ 11,925	\$ 69,127
33	Other Income & Deductions:										
34	Interest:										
35	Long-Term Debt	1,856,723	(47,426)	1,809,297	-	-	-	-	-	-	-
36	Short-Term Debt	42,802	(42,802)	-	-	-	-	-	-	-	-
37	Other	(114,557)	114,557	-	-	-	-	-	-	-	-
38	Total Interest	\$ 1,784,968	\$ 24,329	\$ 1,809,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	Other (Income) - Net	(74,481)	74,481	-	-	-	-	-	-	-	-
40	Total Other (Income) & Deductions	\$ 1,710,487	\$ 98,810	\$ 1,809,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	Net Income	\$ 1,036,780	\$ (458,013)	\$ 578,767	\$ -	\$ 17,399	\$ 29,506	\$ 10,664	\$ (27,962)	\$ 11,925	\$ 69,127

Line No.	Western Group											
	[L]	[M]	[N]	[O]		[P]	[Q]		[R]	[S]	[T]	[U]
	Settlement Adj. IS-8	Settlement Adj. IS-9	Settlement Adj. IS-10	Settlement Adj. IS-11	Settlement Adj. IS-12	Settlement Adj. IS-13	Settlement Adj. IS-14	Settlement Adj. IS-15	Total Settlement Adjustments	Adjusted Test Year - Settlement	Required Increase - Settlement	Adjusted w/ Increase - Settlement
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Line No.	Pinal Valley (Casa Grande, Coolidge, Stanfield)										
	[A] Actual End of Test Year	[B] Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	[D] BLANK	[E] Settlement Adj. IS-1	[F] Settlement Adj. IS-2	[G] Settlement Income Statement Settlement Adj. IS-3	[H] Settlement Income Statement Adjustments Settlement Adj. IS-4	[I] Settlement Adj. IS-5	[J] Settlement Adj. IS-6	[K] Settlement Adj. IS-7
1	Operating Revenues										
2	Residential	\$ 10,895,910	\$ (441,824)	\$ 10,454,087							
3	Commercial	4,209,134	(84,136)	4,124,997							
4	Industrial	1,185,133	(245,277)	939,855							
5	Private Fire Service	55,631	44,606	100,237							
6	Other Water Revenues	207,551	11,087	218,638							
7	Total Water Revenues	\$ 16,553,359	\$ (715,545)	\$ 15,837,815							
8											
9	Miscellaneous	805,141	(70,907)	734,234							
10	Total Operating Revenues	\$ 17,358,501	\$ (786,452)	\$ 16,572,049							
11											
12	Operating Expenses										
13	Source of Supply Expenses:										
14	Purchased Water	445,372	-	445,372	(17,399)	(373)					(168)
15	Other	67,345	2,693	70,038							
16	Pumping Expenses:										
17	Purchased Power	1,758,865	24,737	1,783,602							
18	Purchased Gas	927	-	927							
19	Other	500,924	145,411	646,335							(7,039)
20	Water Treatment Expenses	985,342	110,334	1,105,676							(1,353)
21	Transmission & Distribution Expenses	1,562,011	534,339	2,096,350							(22,009)
22	Customer Accounting Expenses	1,177,556	53,664	1,231,220							(11,804)
23	Sales Expense	-	-	-							
24	Administrative & General Expenses	2,028,410	318,979	2,347,389							(8,479)
25	Total Operations & Maintenance Expenses	\$ 8,536,752	\$ 1,190,157	\$ 9,726,909	\$ (17,399)	\$ (22,194)	\$ (9,757)	\$ (9,757)	\$ (8,425)	\$ (8,425)	\$ (63,281)
26											
27	Depreciation & Amortization Expenses	3,104,883	208,518	3,313,401							
28											
29	Taxes										
30	Federal Income Taxes	612,128	(324,838)	287,290							
31	State Income Taxes	69,150	(5,863)	63,287							
32	Property Taxes	656,118	191,833	847,951							
33	Other	1,954,315	(1,764,741)	189,574							
34	Total Taxes	\$ 3,291,711	\$ (1,903,609)	\$ 1,388,102							
35											
36	Total Operating Expenses	\$ 14,933,346	\$ (504,934)	\$ 14,428,412	\$ (17,399)	\$ (22,194)	\$ (29,506)	\$ (9,757)	\$ (8,425)	\$ (8,425)	\$ (63,281)
37	Operating Income	\$ 2,425,155	\$ (281,517)	\$ 2,143,637	\$ 17,399	\$ 22,194	\$ 29,506	\$ 9,757	\$ 8,425	\$ 8,425	\$ 63,281
38											
39	Other Income & Deductions:										
40	Interest:										
41	Long-Term Debt	1,629,974	(44,017)	1,585,957							
42	Short-Term Debt	37,575	(37,575)	-							
43	Other	(100,567)	100,567	-							
44	Total Interest	\$ 1,566,982	\$ 18,975	\$ 1,585,957							
45	Other (Income) - Net	(67,057)	67,057	-							
46											
47	Total Other (Income) & Deductions	\$ 1,499,925	\$ 86,032	\$ 1,585,957							
48											
49	Net Income	\$ 925,230	\$ (367,549)	\$ 557,680	\$ 17,399	\$ 22,194	\$ 29,506	\$ 9,757	\$ 8,425	\$ 8,425	\$ 63,281
50											
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Pinal Valley (Casa Grande, Coolidge, Stanfield)

Line No.	[L]	[M]	[N]	[O]	[P]	[Q]	[R]	[S]	[T]	[U]	[V]
	Settlement Adj. IS-8	Settlement Adj. IS-9	BLANK	Settlement Adj. IS-10	Settlement Adj. IS-11	Settlement Adj. IS-12	Settlement Adj. IS-13	Total Settlement Adjustments	Adjusted Test Year - Settlement	Required Increase - Settlement	Adj'd' w/ Increase - Settlement
1	Operating Revenues										
2	Residential							\$	\$ 10,454,087		
3	Commercial								4,124,997		
4	Industrial							(27,962)	911,893		
5	Private Fire Service								100,237		
6	Other Water Revenues								218,638		
7	Total Water Revenues							(27,962)	15,809,853		
8											
9	Miscellaneous								734,234		
10	Total Operating Revenues							(27,962)	16,544,087	\$ 2,725,357	\$ 19,269,444
11											
12	Operating Expenses										
13	Source of Supply Expenses:										
14	Purchased Water							(17,399)	427,973		427,973
15	Other							(541)	69,497		69,497
16	Pumping Expenses:										
17	Purchased Power							(12,429)	1,771,173		1,771,173
18	Purchased Gas								927		927
19	Other	(17,417)							618,101		618,101
20	Water Treatment Expenses							(28,234)	1,103,150		1,103,150
21	Transmission & Distribution Expenses	(69,905)						(2,526)	1,992,099		1,992,099
22	Customer Accounting Expenses							(104,251)	1,216,090		1,216,090
23	Sales Expense							(15,130)			
24	Administrative & General Expenses	(99,442)									
25	Total Operations & Maintenance Expense	(99,442)						(127,310)	2,220,079		2,220,079
26								(307,820)	9,419,089		9,419,089
27	Depreciation & Amortization Expenses							(27,209)	3,286,192		3,286,192
28											
29	Taxes										
30	Federal Income Taxes										
31	State Income Taxes							90,832	378,122		1,224,661
32	Property Taxes							20,009	83,297		269,782
33	Other							45,317	893,268		942,318
34	Total Taxes								189,574		189,574
35									1,544,261		2,626,335
36	Total Operating Expenses	(87,322)						(178,870)	14,249,542	\$ 1,082,075	\$ 15,331,616
37	Operating Income	87,322						(110,841)	2,294,545	\$ 1,643,282	\$ 3,937,827
38											
39	Other Income & Deductions:										
40	Interest:										
41	Long-Term Debt							(25,412)	1,560,544		1,560,544
42	Short-Term Debt										
43	Other										
44	Total Interest										
45	Other (Income) - Net										
46											
47											
48	Total Other (Income) & Deductions							(25,412)	1,560,544		1,560,544
49											
50	Net Income	87,322						(110,841)	734,001	\$ 1,643,282	\$ 2,377,283
51											
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Line No.	[A] Actual End of Test Year	[B] Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	White Tank							[K] Settlement Adj. IS-7		
				[D] BLANK	[E] Settlement Adj. IS-1	[F] Settlement Adj. IS-2	[G] Settlement Adj. IS-3	[H] Settlement Adj. IS-4	[I] Settlement Adj. IS-5	[J] Settlement Adj. IS-6			
1	Operating Revenues												
2	Residential	\$ 1,409,477	\$ (92,533)	\$ 1,316,944									
3	Commercial	188,379	(16,318)	172,061									
4	Industrial	24,805	354	25,159									
5	Private Fire Service	702	659	1,361									
6	Other Water Revenues	47,244	238	47,483									
7	Total Water Revenues	\$ 1,870,608	\$ (107,599)	\$ 1,563,009									
8	Miscellaneous	23,016	(1,553)	21,463									
9	Total Operating Revenues	\$ 1,893,624	\$ (109,152)	\$ 1,584,472									
10	Operating Expenses												
11	Source of Supply Expenses:												
12	Purchased Water	25,535	39,359	64,894									
13	Other	15,158	278	15,436									
14	Pumping Expenses:												
15	Purchased Power	139,162	8,176	147,338									
16	Purchased Gas												
17	Other	133,987	11,875	145,862									
18	Water Treatment Expenses	104,242	(1,528)	102,714									
19	Transmission & Distribution Expenses	123,225	47,016	170,241									
20	Customer Accounting Expenses	93,431	4,703	98,134									
21	Sales Expense												
22	Administrative & General Expenses	155,077	25,418	180,495									
23	Total Operations & Maintenance Expense	\$ 789,817	\$ 135,297	\$ 925,114									
24	Depreciation & Amortization Expenses	430,907	3,848	434,755									
25	Taxes												
26	Federal Income Taxes	57,907	(72,356)	(14,449)									
27	State Income Taxes	6,542	(9,725)	(3,183)									
28	Property Taxes	45,778	15,057	60,835									
29	Other	133,257	(113,940)	19,317									
30	Total Taxes	\$ 243,484	\$ (180,964)	\$ 62,520									
31	Total Operating Expenses	\$ 1,464,208	\$ (41,819)	\$ 1,422,389									
32	Operating Income	\$ 229,416	\$ (67,334)	\$ 162,083									
33	Other Income & Deductions:												
34	Interest:												
35	Long-Term Debt	191,352	(1,221)	190,131									
36	Short-Term Debt	4,411	(4,411)	-									
37	Other	(11,806)	11,806	-									
38	Total Interest	\$ 183,957	\$ 6,174	\$ 190,131									
39	Other (Income) - Net	(5,955)	5,955	-									
40	Total Other (Income) & Deductions	\$ 178,002	\$ 12,129	\$ 190,131									
41	Net Income	\$ 51,414	\$ (79,463)	\$ (28,048)									
42	Settlement Adj. IS-1												
43	Settlement Adj. IS-2												
44	Settlement Adj. IS-3												
45	Settlement Adj. IS-4												
46	Settlement Adj. IS-5												
47	Settlement Adj. IS-6												
48	Settlement Adj. IS-7												
49	Total Settlement Adjustments												
50	Net Income	\$ 51,414	\$ (79,463)	\$ (28,048)									
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Line No.	White Tank										Adjst'd w/ Increase - Settlement
	[L]	[M]	[N]	[O]	[P]	[Q]	[R]	[S]	[T]	[U]	
	Settlement Adj. IS-8	Settlement Adj. IS-9	BLANK	Settlement Adj. IS-10	Settlement Adj. IS-11	Settlement Adj. IS-12	Settlement Adj. IS-13	Total Settlement Adjustments	Adjusted Test Year - Settlement	Required Increase - Settlement	
1	Operating Revenues										
2	Residential								1,316,944		
3	Commercial								172,061		
4	Industrial								25,159		
5	Private Fire Service								1,361		
6	Other Water Revenues								47,483		
7	Total Water Revenues								1,563,009		
8											
9	Miscellaneous								21,463		
10	Total Operating Revenues								1,584,472	501,373	2,085,845
11											
12	Operating Expenses										
13	Source of Supply Expenses:										
14	Purchased Water								64,894		64,894
15	Other							(39)	15,397		15,397
16	Pumping Expenses:										
17	Purchased Power								146,135		146,135
18	Purchased Gas										
19	Other										
20	Water Treatment Expenses	(574)							143,417		143,417
21	Transmission & Distribution Expenses	(5,997)							102,614		102,614
22	Customer Accounting Expenses								161,902		161,902
23	Sales Expense								96,969		96,969
24	Administrative & General Expenses										
25	Total Operations & Maintenance Expense	(4,997)	(6,571)					(9,814)	170,681		170,681
26		(4,997)	(6,571)					(23,105)	902,009		902,009
27	Depreciation & Amortization Expenses							135	434,890		434,890
28											
29	Taxes										
30	Federal Income Taxes						5,453		(8,996)	156,286	147,290
31	State Income Taxes						1,201		(1,982)	34,428	32,447
32	Property Taxes					8,175			69,010	7,279	76,289
33	Other								19,317		19,317
34	Total Taxes						6,654	14,829	77,349	197,994	275,343
35											
36	Total Operating Expenses	(4,997)	(6,571)		135		6,654	(8,141)	1,414,248	197,994	1,612,242
37	Operating Income	4,997	6,571		(135)		(6,654)	8,141	170,224	303,379	473,603
38											
39	Other Income & Deductions:										
40	Interest:										
41	Long-Term Debt								187,687		187,687
42	Short-Term Debt										
43	Other										
44	Total Interest								187,687		187,687
45											
46	Other (Income) - Net										
47											
48	Total Other (Income) & Deductions								187,687		187,687
49											
50	Net Income	4,997	6,571		(135)		(6,654)	10,585	(17,463)	303,379	285,916
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
Income Statement Pro Forma Adjustments

Exhibit  
Schedule C-2 Settlement  
Page 7 of 8  
Witness: Reiker

Line No.	[A] Actual End of Test Year	[B] Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	[D] BLANK	Ajo Settlement Income Statement Adjustments					[K] Settlement Adj. IS-7		
					[E] Settlement Adj. IS-1	[F] Settlement Adj. IS-2	[G] Settlement Adj. IS-3	[H] Settlement Adj. IS-4	[I] Settlement Adj. IS-5		[J] Settlement Adj. IS-6	
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Line No.	Ajo										Adjs'd w/ Increase - Settlement
	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	
	Settlement Adj. IS-8	Settlement Adj. IS-9	BLANK	Settlement Adj. IS-10	Settlement Adj. IS-11	Settlement Adj. IS-12	Settlement Adj. IS-13	Total Settlement Adjustments	Adjusted Test Year - Settlement	Required Increase - Settlement	
1	Operating Revenues										
2	Residential								\$ 380,053		
3	Commercial								122,455		
4	Industrial								-		
5	Private Fire Service								653		
6	Other Water Revenues								2,665		
7	Total Water Revenues								\$ 505,826		
8											
9	Miscellaneous								3,768		
10	Total Operating Revenues								\$ 509,594		(2,326) \$
11											
12	Operating Expenses										
13	Source of Supply Expenses:										
14	Purchased Water								147,188		147,188
15	Other							(11)	456		456
16	Pumping Expenses:										
17	Purchased Power								3,083		3,083
18	Purchased Gas										
19	Other										
20	Water Treatment Expenses		(312)					(412)	10,887		10,887
21	Transmission & Distribution Expenses							142	8,297		8,297
22	Customer Accounting Expenses		(2,108)					(2,723)	56,891		56,891
23	Sales Expense							(147)	30,808		30,808
24	Administrative & General Expenses										
25	Total Operations & Maintenance Expense	(2,621)	(2,420)					(3,064)	51,360		51,360
26									\$ 308,970		\$ 308,970
27	Depreciation & Amortization Expenses							8	52,308		52,308
28											
29	Taxes										
30	Federal Income Taxes						1,313	1,313	26,625		(723)
31	State Income Taxes						289	289	5,865		(159)
32	Property Taxes					2,258		2,258	26,403		(40)
33	Other								4,731		4,731
34	Total Taxes							3,860	63,625		(922)
35											
36	Total Operating Expenses	(2,621)	(2,420)		8		1,603	(2,347)	424,903		(922)
37	Operating Income	2,621	2,420		(8)		(1,603)	2,347	84,691		(1,404)
38											
39	Other Income & Deductions:										
40	Interest:										
41	Long-Term Debt										
42	Short-Term Debt										
43	Other								33,007		33,007
44	Total Interest										
45	Other (Income) - Net										
46											
47											
48	Total Other (Income) & Deductions										
49											
50	Net Income	2,621	2,420		(8)		(1,603)	2,550	51,685		(1,404)
51											
52											
53											
54											
55											

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Settlement Income Statement Adjustment IS-1

Accept Staff Income Statement Adjustment No. 2 - Reduce Over-Amortization of CAP M&I Charges

Line No.		Increase / (Decrease)
1		
2	Pinal Valley	\$ (17,399)
3	White Tank	-
4	Ajo	-
5		
6	Total Western Group	\$ (17,399)
7		
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Line No.	Source of Supply Expenses - Increase / (Decrease)	Pumping Expenses - Increase / (Decrease)	Water Treatment Expenses - Increase / (Decrease)	Transmission & Distribution Expenses - Increase / (Decrease)	Customer Accounting Expenses - Increase / (Decrease)	Administrative & General Expenses - Increase / (Decrease)	Total Increase / (Decrease)
2	\$ (373)	\$ (3,778)	\$ (1,173)	\$ (12,337)	\$ (3,326)	\$ (1,207)	\$ (22,194)
3	(33)	(336)	(104)	(1,096)	(295)	(107)	(1,971)
4	(8)	(83)	(26)	(270)	(73)	(26)	(487)
5							
6	\$ (415)	\$ (4,197)	\$ (1,303)	\$ (13,703)	\$ (3,694)	\$ (1,340)	\$ (24,652)
7							
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Settlement Income Statement Adjustment IS-3

Accept Staff Income Statement Adjustment No. 7 - Depreciation Expense (Amortization of Regulatory Asset - Double Counted)

Line No.	Depreciation & Amortization Expense - Increase / (Decrease)
1	
2	Pinal Valley \$ (29,506)
3	White Tank -
4	Ajo -
5	
6	Total Western Group \$ (29,506)
7	
8	
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Settlement Income Statement Adjustment IS-4

Adjust and Partially Accept RUCO Income Statement Adjustment No. 5 (Miscellaneous Expense)

Line No.	Description	Pinal Valley		White Tank		Ajo	
		Amount	Amount	Amount	Amount	Amount	Amount
1							
2	Civic/Service Club Fees, Donations, and Dues	\$ 4,907	\$ 4,907	\$ 4,907	\$ 4,907	\$	4,907
3							
4							
5	Water Association Dues and Fees	\$2,717.36	\$2,717.36	\$2,717.36	\$2,717.36	\$2,717.36	1,359
6		50%	50%	50%	50%	50%	
7							
8		1,359	1,359	1,359	1,359		
9							
10	Flowers	\$375.36	\$375.36	\$375.36	\$375.36		\$375.36
11							
12							
13	Service Awards and Banquets	\$4,022.57	\$4,022.57	\$4,022.57	\$4,022.57		\$4,022.57
14							
15							
16	Total Miscellaneous Expenses Disallowed	\$ 10,664	\$ 10,664	\$ 10,664	\$ 10,664	\$	10,664
17							
18	Pinal Valley Allocation Factor by Customer Count	0.9149	0.9149	0.0629	0.0629		0.0222
19							
20	RUCO Miscellaneous Expense Adjustment	\$ (9,757)	\$ (9,757)	\$ (671)	\$ (671)	\$	(236)
21							
22							
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Settlement Income Statement Adjustment IS-5

Adjust Pinal Valley Industrial Revenues to Reflect Known & Measurable Post-Test Year Reduction in Usage

Line No.	Description	Total Industrial Usage - (M Gals) T.Y. 2010	Total Industrial Usage - (M Gals) 2011	Increase / (Decrease) in Usage	T.Y. Rate Per 1,000 Gals	Increase / (Decrease) in Revenues
1						
2	Pinal Valley					
3						
4	Industrial 5/8 x 3/4 -inch	722.7	398.0	(324.7)	\$ 1,5036	\$ (488)
5	Industrial 1-inch	8,889.4	11,378.2	2,488.8	\$ 1,5036	\$ 3,742
6	Industrial 1.5-inch	-	-	-	\$ 1,5036	-
7	Industrial 2-inch	10,490.5	11,586.6	1,096.1	\$ 1,5036	\$ 1,648
8	Industrial 3-inch	-	-	-	\$ 1,5036	-
9	Industrial 4-inch	39,790.0	42,327.0	2,537.0	\$ 1,5036	\$ 3,815
10	Industrial 6-inch	509,003.9	486,411.0	(22,592.9)	\$ 1,5036	\$ (33,971)
11	Industrial 8-inch	27,807.4	26,006.4	(1,801.0)	\$ 1,5036	\$ (2,708)
12	Industrial 10-inch	-	-	-	\$ 1,5036	\$ -
13						
14		596,703.9	578,107.2	(18,596.7)		\$ (27,962)
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
 Settlement Income Statement Adjustment IS-6  
 Remove Company pro forma adjustment related to additional BMPs

Line No.	Description	Company Proposed BMP Expense - As Filed	Increase / (Decrease) Settlement
1			
2	Pinal Valley	8,425	(8,425)
3	White Tank	3,500	(3,500)
4	Ajo	-	-
5			
6		\$ 11,925	\$ (11,925)
7			
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Settlement Income Statement Adjustment IS-7

Accept portion of Staff Income Statement Adjustment No. 1 related to unbilled operating expenses

Line No.	Description	Source of Supply - As Filed	Purchased Power Pumping - As Filed	Other Pumping - As Filed	Water Treatment - As Filed	Transmission & Distribution - As Filed	Customer Accounting - As Filed	Administrative & General - As Filed	Totals
1									
2	Pinal Valley	\$ 168	\$ 12,429	\$ 7,039	\$ 1,353	\$ 22,009	\$ 11,804	\$ 8,479	\$ 63,281
3	White Tank	6	1,203	1,535	(4)	1,246	870	540	5,396
4	Ajo	2	-	17	(168)	345	74	180	450
5									
6	Total - As Filed	\$ 176	\$ 13,632	\$ 8,591	\$ 1,181	\$ 23,600	\$ 12,748	\$ 9,199	\$ 69,127
7									
8	Increase/(Decrease)	\$ (176)	\$ (13,632)	\$ (8,591)	\$ (1,181)	\$ (23,600)	\$ (12,748)	\$ (9,199)	\$ (69,127)
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Settlement Income Statement Adjustment IS-8

Rate Case Expense Settlement - Adopt RUCO recommended rate case expense of \$304,975 recovered over 3-years

Line No.	Description	3-Factor Ratio	Allocation %	Company Proposed Rate Case Expense - As Filed	Agreed Upon Rate Case Expense - Settlement	Difference	Normalization in Years	Increase / Decrease
1								
2	Pinal Valley	0.3423	90.03%	\$ 572,901	\$ 274,574	\$ (298,327)	3	\$ (99,442)
3	White Tank	0.0304	8.00%	39,375	24,385	(14,990)	3	(4,997)
4	Ajo	0.0075	1.97%	13,880	6,016	(7,864)	3	(2,621)
5								
6	Total	0.3802	100%	\$ 626,156	\$ 304,975	\$ (321,181)		\$ (107,060)
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010

Settlement Income Statement Adjustment IS-9

Adjust Pumping & T&D Maintenance Expense/Partially accept Staff Income Statement Adjustment No. 4

Line No.	Description	Normalized T&D Maintenance Expense - As Filed	Normalized T&D Maintenance Expense - Settlement	Normalized Pumping Maintenance Expense - As Filed	Normalized Pumping Maintenance Expense - Settlement	Total Increase / Decrease
1						
2	Pinal Valley	\$ 1,215,264	\$ 1,145,359	\$ 212,845	\$ 195,428	\$ (87,322)
3	White Tank	89,157	83,160	15,381	14,807	(6,571)
4	Ajo	33,631	31,523	3,908	3,596	(2,420)
5						
6	Total	\$ 1,338,052	\$ 1,260,043	\$ 232,134	\$ 213,831	\$ (96,313)
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
 Settlement Income Statement Adjustment IS-10  
 Adjust Depreciation Expense to Reflect Settlement Plant Adjustments

		Pinal Valley					
[A]	[B]	[C]	[D]	[E]	[F]	[G]	
Depreciation Rate	Settlement Rate Base Adjustments - Direct Plant	Settlement Rate Base Adjustments - P.T.Y.P.	Increase / (Decrease) Depr. Exp.	Increase / (Decrease) Phoenix Office (3-factor Alloc.) 0.3423	Increase / (Decrease) Meter Shop (3-factor Alloc.) 0.3423	Total Increase / (Decrease) (C + D + E + F)	
1	Intangible Plant						
2	301 Organization	\$ -	\$ -	\$ -	\$ -	\$ -	
3	302 Franchises						
4	303 Other Intangibles						
5	Subtotal Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	
6	Source of Supply Plant						
7	310.1 Water Rights						
8	310.3 Other Source of Supply Land						
9	310.4 Wells - Other						
10	314 Wells						
11	Subtotal Source of Supply Plant	\$ -	\$ -	\$ -	\$ -	\$ -	
12	Pumping Plant						
13	320 Pumping Plant Land						
14	321 Pumping Plant Structures & Improvements						
15	325 Electric Pumping Equipment		9,532			560	
16	328 Gas Engine Equipment						
17	Subtotal Pumping Plant	\$ -	\$ 9,532	\$ 560	\$ -	\$ 560	
18	Water Treatment Plant						
19	330 Water Treatment Plant Land						
20	331 Water Treatment Structures & Improvements						
21	332 Water Treatment Equipment						
22	Subtotal Water Treatment Plant	\$ -	\$ -	\$ -	\$ -	\$ -	
23	Transmission & Distribution Plant						
24	340 Transmission and Distribution Land						
25	342 Storage Tanks	(258,409)					
26	343 Transmission & Distribution Mains		(1,381)	(28)		(28)	
27	344 Fire Sprinkler Taps		(61,263)	(1,097)		(1,097)	
28	345 Services		94,958	2,260		2,260	
29	346 Meters						
30	348 Hydrants			227		227	
31	Subtotal Transmission & Distribution Plant	\$ (258,409)	\$ 44,771	\$ 1,362	\$ -	\$ 1,362	
32	General Plant						
33	389 General Plant Land						
34	390 General Plant Structures						
35	390.1 Leasehold Improvements						
36	391 Office Furniture & Equipment						
37	393 Warehouse Equipment						
38	394 Tools, Shop & Garage Equipment						
39	395 Laboratory Equipment				(350)	(350)	
40	396 Power Operated Equipment						
41	397 Communication Equipment				724	724	
42	398 Miscellaneous Equipment						
43	Subtotal General Plant	\$ -	\$ -	\$ 374	\$ -	\$ 374	
44	Total Depreciation Expense - Utility Plant	\$ (258,409)	\$ 54,303	\$ 1,923	\$ 374	\$ 2,297	
45	Net Regulatory Assets/(Liabilities) (Sch. B-2 Rebuttal Appndx.)						
46	Less: Contributions in Aid of Construction						
47	Total Increase/(Decrease) in Depreciation & Amortization Expense - Settlement					\$ 2,297	
48							
49							
50							
51							
52							
53	note_1 Acct. 302 - Franchises amortized over 25 years. Acct. 303 - Other intangibles amortized over 15 & 20 Years						
54	Acct. 310.4 - Wells - Other amortized over 24 years. Accumulated Amortization booked to Acct. 111 - Amort. Of Ltd. Term Investments.						
55	note_2 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.						

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
 Settlement Income Statement Adjustment IS-10 (Continued)  
 Adjust Depreciation Expense to Reflect Settlement Plant Adjustments

Line No.	Acct. No.	[A] Depreciation Rate	[B] Settlement Rate Base Adjustments - Direct Plant	[C] Settlement Rate Base Adjustments - P.T.Y.P.	[D] White Tank Increase / (Decrease) Depr. Exp.	[E] Increase / (Decrease) Phoenix Office (3-factor Alloc.) 0.0304	[F] Increase / (Decrease) Meter Shop (3-factor Alloc.) 0.0304	[G] Total Increase / (Decrease) [C + D + E + F]
1	Intangible Plant							
2	301 Organization	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	302 Franchises	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	303 Other Intangibles	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Source of Supply Plant							
7	310.1 Water Rights	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	310.3 Other Source of Supply Land	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	310.4 Wells - Other	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	314 Wells	3.13%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Subtotal Source of Supply Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Pumping Plant							
13	320 Pumping Plant Land	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	321 Pumping Plant Structures & Improvements	2.86%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	325 Electric Pumping Equipment	5.88%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	328 Gas Engine Equipment	4.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Water Treatment Plant							
19	330 Water Treatment Plant Land	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	331 Water Treatment Structures & Improvements	2.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	332 Water Treatment Equipment	2.86%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Subtotal Water Treatment Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Transmission & Distribution Plant							
24	340 Transmission & Distribution Plant	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	342 Storage Tanks	2.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	343 Transmission & Distribution Mains	1.79%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	344 Fire Sprinkler Taps	2.00%	\$ -	5,735	103	\$ -	\$ -	103
28	345 Services	2.38%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	346 Meters	4.55%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	348 Hydrants	1.82%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	Subtotal Transmission & Distribution Plant		\$ -	5,735	103	\$ -	\$ -	103
32	General Plant							
33	389 General Plant Land	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	390 General Plant Structures	2.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	390.1 Leasehold Improvements	note 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	381 Office Furniture & Equipment	6.67%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	393 Warehouse Equipment	5.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	394 Tools, Shop & Garage Equipment	4.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	395 Laboratory Equipment	5.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	396 Power Operated Equipment	6.67%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	397 Communication Equipment	6.67%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	398 Miscellaneous Equipment	3.33%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	Subtotal General Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	Total Depreciation Expense - Utility Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	47 Net Regulatory Assets/(Liabilities) (Sch. B-2 Rebuttal Appndx.)		(47)	5,735	101	33	\$ -	135
46	48 Less: Contributions in Aid of Construction		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	49		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	Total Increase/(Decrease) in Depreciation & Amortization Expense - Settlement	2.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	51		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52	52		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53	53 note_1 Acct. 302 - Franchises amortized over 25 years. Acct. 303 - Other intangibles amortized over 15 & 20 Years.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54	54 Acct. 310.4 - Wells - Other amortized over 24 years. Accumulated Amortization booked to Acct. 111 - Amort. Of Ltd. Term Investments.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55	55 note_2 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2010  
 Settlement Income Statement Adjustment IS-10 (Continued)  
 Adjust Depreciation Expense to Reflect Settlement Plant Adjustments

Line No.	Acct. No.	Description	Ajo					Total Increase / (Decrease) (C + D + E + F)
			[A] Depreciation Rate	[B] Settlement Rate Base Adjustments - Direct Plant	[C] Settlement Rate Base Adjustments - P.T.Y.P.	[D] Increase / (Decrease) Depr. Exp.	[E] Increase / (Decrease) Phoenix Office (3-factor Alloc.) 0.0075	
1		Intangible Plant						
2	301	Organization	0.00%					
3	302	Franchises	note_1					
4	303	Other Intangibles	note_1					
5		Subtotal Intangible Plant						
6		Source of Supply Plant						
7	310.1	Water Rights	0.00%					
8	310.3	Other Source of Supply Land	0.00%					
9	310.4	Wells - Other	note_1					
10	314	Wells	3.13%					
11		Subtotal Source of Supply Plant						
12		Pumping Plant						
13	320	Pumping Plant Land	0.00%					
14	321	Pumping Plant Structures & Improvements	2.86%					
15	325	Electric Pumping Equipment	5.88%					
16	328	Gas Engine Equipment	4.00%					
17		Subtotal Pumping Plant						
18		Water Treatment Plant						
19	330	Water Treatment Plant Land	0.00%					
20	331	Water Treatment Structures & Improvements	2.50%					
21	332	Water Treatment Equipment	2.86%	(16)		(0)		(0)
22		Subtotal Water Treatment Plant		(16)		(0)		(0)
23		Transmission & Distribution Plant						
24	340	Transmission and Distribution Land	0.00%					
25	342	Storage Tanks	2.00%					
26	343	Transmission & Distribution Mains	1.79%					
27	344	Fire Sprinkler Taps	2.00%					
28	345	Services	2.38%					
29	346	Meters	4.55%					
30	348	Hydrants	1.82%					
31		Subtotal Transmission & Distribution Plant						
32		General Plant						
33	389	General Plant Land	0.00%					
34	390	General Plant Structures	2.50%					
35	390.1	Leasehold Improvements	note_2					
36	391	Office Furniture & Equipment	6.67%					
37	393	Warehouse Equipment	5.00%					
38	394	Tools, Shop & Garage Equipment	4.00%				(8)	(8)
39	395	Laboratory Equipment	5.00%					
40	396	Power Operated Equipment	6.67%				16	16
41	397	Communication Equipment	6.67%					
42	398	Miscellaneous Equipment	3.33%					
43		Subtotal General Plant					8	8
44		Subtotal Depreciation Expense - Utility Plant		(16)		(0)	8	8
45		Total Depreciation Expense - Utility Plant		(16)		(0)	8	8
46		Net Regulatory Assets/(Liabilities) (Sch. B-2 Rebuttal Appendix)						
47		Less: Contributions in Aid of Construction						
48								
49								
50		Total Increase/(Decrease) in Depreciation & Amortization Expense - Settlement						
51								
52								
53		note_1 Acct. 302 - Franchises amortized over 25 years. Acct. 303 - Other intangibles amortized over 15 & 20 Years.						
54		Acct. 310.4 - Wells - Other amortized over 24 years. Accumulated Amortization booked to Acct. 111 - Amort. Of Ltd. Term Investments.						
55		note_2 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.						

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
 Settlement Income Statement Adjustment IS-10 (Continued)  
 Adjust Depreciation Expense to Reflect Settlement Plant Adjustments

Line No.	Acct. No.	Description	Phoenix Office			
			[A] Depreciation Rate	[B] Settlement Rate Base Adjustments - Direct Plant	[C] Settlement Rate Base Adjustments - P.T.Y.P.	[D] Increase / (Decrease) Depr. Exp.
1		Intangible Plant				
2	301	Organization	0.00%	\$ -		\$ -
3	302	Franchises	note_1			
4	303	Other Intangibles	note_1			
5		Subtotal Intangible Plant		\$ -		\$ -
6		Source of Supply Plant				
7	310.1	Water Rights	0.00%			
8	310.3	Other Source of Supply Land	0.00%			
9	310.4	Wells - Other	note_1			
10	314	Wells	3.13%			
11		Subtotal Source of Supply Plant		\$ -		\$ -
12		Pumping Plant				
13	320	Pumping Plant Land	0.00%			
14	321	Pumping Plant Structures & Improvements	2.86%			
15	325	Electric Pumping Equipment	5.88%			
16	328	Gas Engine Equipment	4.00%			
17		Subtotal Pumping Plant		\$ -		\$ -
18		Water Treatment Plant				
19	330	Water Treatment Plant Land	0.00%			
20	331	Water Treatment Structures & Improvements	2.50%			
21	332	Water Treatment Equipment	2.86%			
22		Subtotal Water Treatment Plant		\$ -		\$ -
23		Transmission & Distribution Plant				
24	340	Transmission and Distribution Land	0.00%			
25	342	Storage Tanks	2.00%			
26	343	Transmission & Distribution Mains	1.79%			
27	344	Fire Sprinkler Taps	2.00%			
28	345	Services	2.38%			
29	346	Meters	4.55%			
30	348	Hydrants	1.82%			
31		Subtotal Transmission & Distribution Plant		\$ -		\$ -
32		General Plant				
33	389	General Plant Land	0.00%			
34	390	General Plant Structures	2.50%			
35	390.1	Leasehold Improvements	note_2			
36	391	Office Furniture & Equipment	6.67%			
37	393	Warehouse Equipment	5.00%			
38	394	Tools, Shop & Garage Equipment	4.00%	(25,564)		(1,023)
39	395	Laboratory Equipment	5.00%			
40	396	Power Operated Equipment	6.67%			
41	397	Communication Equipment	6.67%	31,727		2,116
42	398	Miscellaneous Equipment	3.33%			
43		Subtotal General Plant		\$ 6,163		\$ 1,094
44		Total Depreciation Expense - Utility Plant		\$ -		\$ 1,094
45		Net Regulatory Assets/(Liabilities) (Sch. B-2 Rebuttal Appendix)		\$ -		\$ -
46		Total Increase/(Decrease) in Depreciation & Amortization Expense - Settlement				\$ 1,094

note\_1 Acct. 302 - Franchises amortized over 25 years. Acct. 303 - Other intangibles amortized over 15 & 20 Years.  
 Acct. 310.4 - Wells - Other amortized over 24 years. Accumulated Amortization booked to Acct. 111 - Amort. Of Ltd. Term Investments.  
 note\_2 Acct. 390.1 - Leasehold improvements amortized over the remaining life of the associated lease.



**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
 Settlement Income Statement Adjustment IS-10 (Continued)  
 Adjust Depreciation Expense to Reflect Settlement Plant Adjustments

Line No.	Acct. No.	[A] Depreciation Rate	[B] Settlement Rate Base Adjustments - Direct Plant	[C] Meter Shop Settlement Rate Base Adjustments - P.I.Y.P.	[D] Increase / (Decrease) Depr. Exp.
1	Intangible Plant				
2	301 Organization	0.00%			\$ -
3	302 Franchises	note_1			
4	303 Other Intangibles	note_1			
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%			
8	310.3 Other Source of Supply Land	0.00%			
9	310.4 Wells - Other	note_1			
10	314 Wells	3.13%			
11	Subtotal Source of Supply Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%			
14	321 Pumping Plant Structures & Improvements	2.86%			
15	325 Electric Pumping Equipment	5.88%			
16	328 Gas Engine Equipment	4.00%			
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%			
20	331 Water Treatment Structures & Improvements	2.50%			
21	332 Water Treatment Equipment	2.86%			
22	Subtotal Water Treatment Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Transmission and Distribution Land	0.00%			
25	342 Storage Tanks	2.00%			
26	343 Transmission & Distribution Mains	1.79%			
27	344 Fire Sprinkler Taps	2.00%			
28	345 Services	2.38%			
29	346 Meters	4.55%			
30	348 Hydrants	1.82%			
31	Subtotal Transmission & Distribution Plant		\$ -	\$ -	\$ -
32	General Plant				
33	389 General Plant Land	0.00%			
34	390 General Plant Structures	2.50%			
35	390.1 Leasehold Improvements	note_2			
36	391 Office Furniture & Equipment	6.67%			
37	393 Warehouse Equipment	5.00%			
38	394 Tools, Shop & Garage Equipment	4.00%			
39	395 Laboratory Equipment	5.00%			
40	396 Power Operated Equipment	6.67%			
41	397 Communication Equipment	6.67%			
42	398 Miscellaneous Equipment	3.33%			
43	Subtotal General Plant		\$ -	\$ -	\$ -
44					
45	Total Depreciation Expense - Utility Plant		\$ -	\$ -	\$ -
46	Net Regulatory Assets/(Liabilities) (Sch. B-2 Rebuttal Appendix)		\$ -	\$ -	\$ -
47					
48	Total Increase/(Decrease) in Depreciation & Amortization Expense - Settlement		\$ -	\$ -	\$ -
49					
50					
51					
52					
53	note_1 Acct. 302 - Franchises amortized over 25 years. Acct. 303 - Other intangibles amortized over 15 & 20 Years.				
54	Acct. 310.4 - Wells - Other amortized over 24 years. Accumulated Amortization booked to Acct. 111 - Amort. Of Ltd. Term Investments.				
55	note_2 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.				

Line No.	System	Western Group - Synchronized Interest																			
		[A] Settlement Orig. Cost Rate Base Sch. B-1 Ln. 23	[B] Weighted Cost of Long- Term Debt Sch. D-1	[C] Synchronized Interest - L-T Debt - Settlement	[D] Adjusted T.Y. Long-Term Interest - As Filed	[E] Increase / (Decrease) Long-Term Interest Exp.	[F] Weighted Cost of Short- Term Debt Sch. D-1	[G] Synchronized Interest - S-T Debt Settlement	[H] Adjusted T.Y. Short-Term Interest - As Filed	[I] Increase / (Decrease) Short-Term Interest Exp.	[J] Test Year Other Interest - As Filed	[K] Increase / (Decrease) Other Interest Exp.									
3	Western Group																				
4	Pinal Valley	\$ 46,638,551	3.3%	\$ 1,560,544	\$ 1,585,957	\$ (25,412)	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	White Tank	5,609,221	3.3%	187,687	190,131	(2,444)	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Ajo	986,437	3.3%	33,007	33,209	(203)	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Subtotal	\$ 53,234,209		\$ 1,781,238	\$ 1,809,297	\$ (28,059)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Total	\$ 53,234,209		\$ 1,781,238	\$ 1,809,297	\$ (28,059)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

12 Increase/(Decrease) in Expenses

\$ (28,059)

Line No.	Pinal Valley		White Tank		Ajo	
	(A) T.Y. Adjusted - Settlement	(B) Adjusted - Settlement w/ Increase	(C) T.Y. Adjusted - Settlement	(D) Adjusted - Settlement w/ Increase	(E) T.Y. Adjusted - Settlement	(F) Adjusted - Settlement w/ Increase
1						
2	Adjusted Revenues - Settlement	\$ 16,544,087	\$ 1,584,472	\$ 1,584,472	\$ 509,594	\$ 509,594
3	Adjusted Revenues - Settlement	16,544,087	1,584,472	1,584,472	509,594	509,594
4	Adjusted Revenues - Settlement / Proposed Revenues	16,544,087	1,584,472	2,085,845	509,594	507,268
5						
6	Average Revenue	\$ 16,544,087	\$ 1,584,472	\$ 1,751,596	\$ 509,594	\$ 508,819
7						
8	Average Revenue Multiplied by 2	\$ 33,088,174	\$ 3,168,944	\$ 3,503,192	\$ 1,019,189	\$ 1,017,638
9						
10						
11						
12						
13						
14						
15	Deduct:					
16	Net Book Value of Transportation Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
17						
18						
19	Full Cash Value	\$ 33,088,174	\$ 3,168,944	\$ 3,503,192	\$ 1,019,189	\$ 1,017,638
20						
21	Assessment Ratio	21.0%	21.0%	21.0%	21.0%	21.0%
22						
23	Assessed Value	6,948,517	665,478	735,670	214,030	213,704
24						
25	Property Tax Rate <sup>1</sup>	12.86%	10.37%	10.37%	12.34%	12.34%
26						
27	Property Tax	893,268	69,010	76,289	26,403	26,363
28						
29	Tax on Parcels	-	-	-	-	-
30						
31	Total Property Taxes - Calculated	\$ 893,268	\$ 942,318	\$ 76,289	\$ 26,403	\$ 26,363
32						
33	Adjusted Property Taxes - As filed	847,951	60,835	60,835	24,146	24,146
34						
35	Increase / (Decrease) in Property Taxes - Settlement	\$ 45,317	\$ 8,175	\$ 2,258	\$ 2,258	\$ 2,258
36						
37	Adjusted Property Taxes - Settlement	893,268	69,010	69,010	26,403	26,403
38						
39	Inc. / (Dec.) in Property Taxes at Proposed Rates - Settlement	\$ 49,050	\$ 7,279	\$ 7,279	\$ (40)	\$ (40)
40						
41	As % of Change in Revenue Requirement	1.80%	1.45%	1.45%	1.73%	1.73%
42						
43						
44						
45						
46						
47						
48						
49						
50						
51						
52						
53						
54	<sup>1</sup> Property Tax rates updated to reflect current known & measurable rates.					
55						

<sup>1</sup>Property Tax rates updated to reflect current known & measurable rates.

Line No.	Western Group	
	[A]	[B]
	T.Y. Adjustd' - Settlement	Adjusted - Settlement
		w/ Increase
1		
2	Adjusted Revenues - Settlement	18,638,153
3	Adjusted Revenues - Settlement	18,638,153
4	Adjusted Revenues - Settlement / Proposed Revenues	21,862,557
5		
6	Average Revenue	19,712,955
7		
8	Average Revenue Multiplied by 2	39,425,909
9		
10		
11		
12		
13		
14		
15	Deduct:	
16	Net Book Value of Transportation Equipment	-
17		
18		
19	Full Cash Value	39,425,909
20		
21	Assessment Ratio	21.0%
22		
23	Assessed Value	8,279,441
24		
25	Property Tax Rate <sup>1</sup>	12.63%
26		
27	Property Tax	1,044,970
28		
29	Tax on Parcels	-
30		
31	Total Property Taxes - Calculated	1,044,970
32		
33	Adjusted Property Taxes - As filed	932,931
34		
35	Increase / (Decrease) in Property Taxes - Settlement	55,750
36		
37	Adjusted Property Taxes - Settlement	988,681
38		
39	Inc. / (Dec.) in Property Taxes at Proposed Rates - Settlement	56,289
40		
41	As % of Change in Revenue Requirement	1.75%
42		
43		
44		
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52		
53		
54	<sup>1</sup> Property Tax rates updated to reflect current known & measurable rates.	
55		

<sup>1</sup>Property Tax rates updated to reflect current known & measurable rates.

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
Settlement Income Statement Adjustment IS-13  
Adjust Income Taxes to Reflect Adjusted Test Year Results & Proposed Revenues

Exhibit  
Schedule C-2 Settlement Appendix  
Page 18 of 19  
Witness: Reiker

Line No.	Description	Pinal Valley		White Tank		Ajo	
		[A] T.Y. Adjusted - Settlement	[B] Adjusted - Settlement w/ Increase	[C] T.Y. Adjusted - Settlement	[D] Adjusted - Settlement w/ Increase	[E] T.Y. Adjusted - Settlement	[F] Adjusted - Settlement w/ Increase
1							
2							
3	Operating Income Before Inc. Taxes	\$ 2,755,964	\$ 5,432,270	\$ 159,246	\$ 653,339	\$ 117,182	\$ 114,896
4	Interest Expense	1,560,544	1,560,544	187,687	187,687	33,007	33,007
5	Arizona Taxable Income (Ln. 3 + Ln. 4)	\$ 1,195,419	\$ 3,871,726	\$ (28,441)	\$ 465,653	\$ 84,175	\$ 81,890
6							
7	Less Arizona Income Tax (Ln. 5 X Ln. 7)						
8	Arizona Income Tax Rate = 6.968%	\$ 83,297	\$ 269,782	\$ (1,982)	\$ 32,447	\$ 5,865	\$ 5,706
9							
10	Federal Income Before Taxes (Ln. 5)	\$ 1,195,419	\$ 3,871,726	\$ (28,441)	\$ 465,653	\$ 84,175	\$ 81,890
11	Less Arizona Income Taxes (Ln. 7)	83,297	269,782	(1,982)	32,447	5,865	5,706
12	Federal Taxable Income (Ln. 10 - Ln. 11)	\$ 1,112,123	\$ 3,601,944	\$ (26,459)	\$ 433,206	\$ 78,310	\$ 76,184
13							
14	Federal Income Taxes:						
15	15% Bracket from \$1 to \$50,000	-	-	-	-	-	-
16	25% Bracket from \$50,001 to \$75,000	-	-	-	-	-	-
17	34% Bracket from \$75,001 to \$100,000	-	-	-	-	-	-
18	39% Bracket from \$100,001 to \$335,000	-	-	-	-	-	-
19	34% Bracket over \$335,000	378,122	1,224,661	(8,996)	147,290	26,625	25,902
20	Federal Income Taxes:	\$ 378,122	\$ 1,224,661	\$ (8,996)	\$ 147,290	\$ 26,625	\$ 25,902
21							
22							
23							
24	Total Income Tax (Ln. 11 + Ln. 21)	\$ 461,418	\$ 1,494,443	\$ (10,978)	\$ 179,737	\$ 32,491	\$ 31,608
25							
26	Tax Rate (Ln. 24 ÷ Ln. 5)	38.60%	38.60%	38.60%	38.60%	38.60%	38.60%
27							
28	Effective Income Tax Rates						
29	State (Ln. 7 ÷ Ln. 5)	6.97%	6.97%	6.97%	6.97%	6.97%	6.97%
30	Federal (Ln. 21 ÷ Ln. 5)	31.63%	31.63%	31.63%	31.63%	31.63%	31.63%
31							
32							
33	Test Year Federal Income Taxes - As Filed (Sch. C-2, Ln. 30)	\$ 287,290	\$ 378,122	\$ (14,449)	\$ (8,996)	\$ 25,312	\$ 26,625
34	Increase / (Decrease) in Federal Income Taxes (Ln. 21 - Ln. 33)	\$ 90,832	\$ 846,539	\$ 5,453	\$ 156,286	\$ 1,313	\$ (723)
35							
36	Test Year State Income Taxes - As Filed (Sch. C-2, Ln. 31)	\$ 63,287	\$ 83,297	\$ (3,183)	\$ (1,982)	\$ 5,576	\$ 5,865
37	Increase / (Decrease) in State Income Taxes (Ln. 11 - Ln. 36)	\$ 20,009	\$ 186,485	\$ 1,201	\$ 34,428	\$ 289	\$ (159)
38							
39	Test Year Federal Income Taxes - Settlement		\$ 378,122		\$ (8,996)		\$ 26,625
40	Increase / (Decrease) in Federal Income Taxes (Ln. 21 - Ln. 39)		\$ 846,539		\$ 156,286		\$ (723)
41							
42	Test Year State Income Taxes - Settlement		\$ 83,297		\$ (1,982)		\$ 5,865
43	Increase / (Decrease) in State Income Taxes (Ln. 11 - Ln. 42)		\$ 186,485		\$ 34,428		\$ (159)
44							
45							
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
 Settlement Income Statement Adjustment IS-13 (Continued)  
 Adjust Income Taxes to Reflect Adjusted Test Year Results & Proposed Revenues

Line No.	Western Group	
	(A)	(B)
	T.Y. Adjusted - Settlement	Adjusted - Settlement w/Increase
1		
2		
3	Operating Income Before Inc. Taxes	\$ 6,200,506
4	Interest Expense	1,781,238
5	Arizona Taxable Income (Ln. 3 + Ln. 4)	\$ 4,419,268
6		
7	Less Arizona Income Tax (Ln. 5 X Ln. 7)	\$ 307,935
8	Arizona Income Tax Rate =	6.968%
9		
10	Federal Income Before Taxes (Ln. 5)	\$ 4,419,268
11	Less Arizona Income Taxes (Ln. 7)	307,935
12	Federal Taxable Income (Ln. 10 - Ln. 11)	\$ 4,111,333
13		
14	Federal Income Taxes:	
15	15% Bracket from \$1 to \$50,000	-
16	25% Bracket from \$50,001 to \$75,000	-
17	34% Bracket from \$75,001 to \$100,000	-
18	39% Bracket from \$100,001 to \$335,000	-
19	34% Bracket over \$335,000	395,751
20		1,397,853
21	Federal Income Taxes:	\$ 1,397,853
22		
23		
24	Total Income Tax (Ln. 11 + Ln. 21)	\$ 1,705,788
25		
26	Tax Rate (Ln. 24 ÷ Ln. 5)	38.60%
27		38.60%
28	Effective Income Tax Rates	
29	State (Ln. 7 ÷ Ln. 5)	6.97%
30	Federal (Ln. 21 ÷ Ln. 5)	31.63%
31		31.63%
32		
33	Test Year Federal Income Taxes - As Filed (Sch. C-2, Ln. 30)	\$ 298,153
34	Increase / (Decrease) in Federal Income Taxes (Ln. 21 - Ln. 33)	\$ 97,598
35		
36	Test Year State Income Taxes - As filed (Sch. C-2, Ln. 31)	\$ 65,680
37	Increase / (Decrease) in State Income Taxes (Ln. 11 - Ln. 36)	\$ 21,500
38		
39	Test Year Federal Income Taxes - Settlement	\$ 395,751
40	Increase / (Decrease) in Federal Income Taxes (Ln. 21 - Ln. 39)	\$ 1,002,102
41		
42	Test Year State Income Taxes - Settlement	\$ 87,180
43	Increase / (Decrease) in State Income Taxes (Ln. 11 - Ln. 42)	\$ 220,754
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**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2010  
 Computation of Gross Revenue Conversion Factor

Exhibit  
 Schedule C-3 Settlement  
 Page 1 of 2  
 Witness: Reiker

Western Group  
 (A)

Line No.	Description	Percentage of Incremental Gross Revenues
1		
2	Federal Income Taxes	31.63%
3		
4	State Income Taxes	6.97%
5		
6	Total Federal & State Income Tax Percentage	<u>38.60%</u>
7		
8	Operating Income % = 100% - Tax Percentage	61.40%
9		
10	Property Tax Factor (Sch. C-2 Appdx.)	1.75%
11		
12	Effective Property Tax Factor (Ln. 8 x Ln. 10)	1.07%
13		
14	Combined Federal & State Income & Property Tax Rate	39.67%
15		
16	Operating Income % = 100% - Tax Percentage	60.33%
17		
18		
19		
20		
21		
22		
23	$\frac{1}{\text{Operating Income \%}} = \text{Gross Revenue Conversion Factor}$	1.6576
24		
25		
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**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2010  
 Computation of Gross Revenue Conversion Factor

Line No.	Description	Pinal Valley (Casa Grande, Coolidge, Stanfield) [A]	White Tank [B]	Ajo [C]
		Percentage of Incremental Gross Revenues	Percentage of Incremental Gross Revenues	Percentage of Incremental Gross Revenues
1				
2	Federal Income Taxes	31.63%	31.63%	31.63%
3				
4	State Income Taxes	6.97%	6.97%	6.97%
5				
6	Total Federal & State Income Tax Percentage	38.60%	38.60%	38.60%
7				
8	Operating Income % = 100% - Tax Percentage	61.40%	61.40%	61.40%
9				
10	Property Tax Factor (Sch. C-2 Appdx.)	1.80%	1.45%	1.73%
11				
12	Effective Property Tax Factor (Ln. 8 x Ln. 10)	1.11%	0.89%	1.06%
13				
14	Combined Federal & State Income & Property Tax Rate	39.70%	39.49%	39.66%
15				
16	Operating Income % = 100% - Tax Percentage	60.30%	60.51%	60.34%
17				
18				
19				
20				
21				
22				
23	$\frac{1}{\text{Operating Income \%}} = \text{Gross Revenue Conversion Factor}$	1.6585	1.6526	1.6573
24				
25				
26				
27				
28				
29				
30				
31				
32				
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Line No.	Description	Western Group		
		[A]	[B]	[C] [D]
		End of Test Year - Actual		
		Dollar Amount <sup>1</sup>	Percent of Total	Rate of Return
2	Short-Term Debt	\$ -	0.00%	0.00%
4	Long-Term Debt	28,515,000	49.03%	6.82%
6	Common Equity	29,646,222	50.97%	3.21%
8	Totals	\$ 58,161,222	100.00%	4.98%

End of Test Year - Proposed - As Filed				
	Dollar Amount <sup>1</sup>	Percent of Total	Cost Rate	Weighted Cost
20	Short-Term Debt	\$ -	0.00%	0.00%
22	Long-Term Debt	28,515,000	49.03%	6.82%
24	Common Equity	29,646,222	50.97%	12.10%
26	Totals	\$ 58,161,222	100.00%	9.51%

End of Test Year - Settlement				
	Dollar Amount <sup>1</sup>	Percent of Total	Cost Rate	Weighted Cost
38	Short-Term Debt	\$ -	0.00%	0.00%
40	Long-Term Debt	28,515,000	49.03%	6.82%
42	Common Equity	29,646,222	50.97%	10.00%
44	Totals	\$ 58,161,222	100.00%	8.44%

<sup>1</sup>Allocated based on 3-factor methodology

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

Line No.	Customer Classification	Western Group			
		[A] Test Year Rates Sch. H-2 Col. E	[B] Proposed Rates Sch. H-2 Col. I	[C] Settlement Proposed Increase Amount	[D] %
1	Residential	\$ 12,151,216	\$ 13,916,986	\$ 1,765,770	14.53%
2	Commercial	4,419,455	5,699,855	1,280,400	28.97%
3	Industrial	937,053	1,061,432	124,380	13.27%
4	Private Fire Service	102,252	111,700	9,448	9.24%
5	Other Water Revenues	268,754	313,117	44,363	16.51%
6	<b>Total Water Revenues</b>	<b>\$ 17,878,729</b>	<b>\$ 21,103,091</b>	<b>\$ 3,224,361</b>	<b>18.03%</b>
7	Miscellaneous Revenues	759,466	759,466		
8	<b>Total Operating Revenues</b>	<b>\$ 18,638,195</b>	<b>\$ 21,862,556</b>	<b>\$ 3,224,361</b>	<b>17.30%</b>
9	Target Revenue Requirement (Sch. C-1, Ln. 10)		21,862,557		
10	Difference (Ln. 14 - Ln. 17)		(0)		
11	Less: Consolidated Revenue Adjustment <sup>1</sup>				
12	Over/(Short)		(0)		
13	%		0.00%		

<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]
		Test Year Rates Sch. H-2 Col. E	Proposed Rates Sch. H-2 Col. I	Proposed Increase Amount	%
2	Residential	\$ 10,454,403	\$ 11,878,933	\$ 1,424,530	13.63%
3	Commercial	4,124,957	5,275,058	1,150,101	27.88%
4	Industrial	911,893	1,035,703	123,809	13.58%
5	Private Fire Service	100,237	109,525	9,288	9.27%
6	Other Water Revenues	218,600	235,990	17,390	7.96%
8	Total Water Revenues	\$ 15,810,092	\$ 18,535,209	\$ 2,725,117	17.24%
10					
11	Miscellaneous Revenues	734,234	734,234		
12					
13	Total Operating Revenues	\$ 16,544,326	\$ 19,269,443	\$ 2,725,117	16.47%
14					
15					
16					
17	Target Revenue Requirement (Sch. C-1, Ln. 10)		19,269,444		
18	Difference (Ln. 14 - Ln. 17)		(0)		
19	Less: Consolidated Revenue Adjustment <sup>1</sup>				
20	Over/(Short)		(0)		
21	%		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

Exhibit  
 Schedule H-1 Settlement  
 Page 3 of 4  
 Witness: Reiker

Line No.	Customer Classification	White Tank		
		[A]	[B]	[C] [D]
		Test Year Rates Sch. H-2 Col. E	Proposed Rates Sch. H-2 Col. I	Settlement Proposed Increase Amount %
1	Residential	\$ 1,316,859	\$ 1,673,608	\$ 356,749 27.09%
2	Commercial	172,063	289,058	116,995 68.00%
3	Industrial	25,159	25,730	571 2.27%
4	Private Fire Service	1,361	1,500	139 10.18%
5	Other Water Revenues	47,484	74,486	27,002 56.87%
6	Total Water Revenues	<u>\$ 1,562,926</u>	<u>\$ 2,064,382</u>	<u>\$ 501,455 32.08%</u>
7	Miscellaneous Revenues	21,463	21,463	
8	Total Operating Revenues	<u>\$ 1,584,389</u>	<u>\$ 2,085,845</u>	<u>\$ 501,455 31.65%</u>
9	Target Revenue Requirement (Sch. C-1, Ln. 10)		2,085,845	
10	Difference (Ln. 14 - Ln. 17)		(0)	
11	Less: Consolidated Revenue Adjustment <sup>1</sup>			
12	Over/(Short)		(0)	
13	%			0.00%

<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	Ajo			
		[A]	[B]	[C]	
		Test Year Rates Sch. H-2 Col. E	Proposed Rates Sch. H-2 Col. I	Settlement Proposed Increase Amount	[D] %
1	Residential	\$ 379,953	\$ 364,445	\$ (15,509)	-4.08%
2	Commercial	122,434	135,739	13,305	10.87%
3	Industrial	-	-	-	0.00%
4	Private Fire Service	653	675	22	3.35%
5	Other Water Revenues	2,671	2,642	(29)	-1.08%
6					
7					
8					
9	Total Water Revenues	\$ 505,711	\$ 503,500	\$ (2,211)	-0.44%
10					
11					
12	Miscellaneous Revenues	3,768	3,768		
13					
14	Total Operating Revenues	\$ 509,480	\$ 507,269	\$ (2,211)	-0.43%
15					
16					
17	Target Revenue Requirement (Sch. C-1, Ln. 10)		507,268		
18	Difference (Ln. 14 - Ln. 17)		0		
19	Less: Consolidated Revenue Adjustment <sup>1</sup>				
20	Over/(Short)		0		
21	%		0.00%		
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<sup>1</sup> Consolidated Revenue Adjustment represents the increase/(decrease) in revenue requirement resulting from proposed rate consolidation.

Line No.	Detail Class of Service	Western Group					Bill Count Water Revenues		Settlement Increase [F - E]	%
		[A] Average Number of Customers	[B] Average Consumption	[C] Test Year Rates	[D] Reconciling/Revenue Adjustments	[E] Adjusted T.Y. Rates [C + D]	[F] Proposed Rates	[G]		
1	Residential 5/8 x 3/4 -inch	27,238	8,745	\$ 10,582,674	\$ (4,835)	\$ 10,577,840	\$ 11,982,853	\$ 1,405,014	13.28%	
2	Residential 1-inch	812	17,288	798,664	1,475	800,140	918,391	118,251	14.78%	
3	Residential 1.5-inch	-	-	-	-	-	-	-	0.00%	
4	Residential 2-inch	77	163,172	413,673	(304)	413,369	553,097	139,728	33.80%	
5	Residential 3-inch	7	406,313	84,981	(117)	84,863	114,786	29,923	35.26%	
6	Residential 4-inch	4	885,251	94,678	(131)	94,547	132,720	38,173	40.37%	
7	Residential 6-inch	8	628,570	180,709	(252)	180,457	215,139	34,682	19.22%	
8	Residential 8-inch	-	-	-	-	-	-	-	0.00%	
9	Residential 10-inch	-	-	-	-	-	-	-	0.00%	
10	Commercial 5/8 x 3/4 -inch	940	8,449	391,393	2,594	393,986	475,865	81,878	20.78%	
11	Commercial 1-inch	517	27,930	622,833	5,283	628,116	795,410	167,294	26.63%	
12	Commercial 1.5-inch	-	-	-	-	-	-	-	0.00%	
13	Commercial 2-inch	512	114,096	2,170,613	17,862	2,188,475	2,843,894	655,419	29.95%	
14	Commercial 3-inch	36	193,051	270,001	2,386	272,387	348,820	76,433	28.06%	
15	Commercial 4-inch	25	599,542	456,927	4,660	461,587	630,653	169,066	36.63%	
16	Commercial 6-inch	15	746,105	381,524	4,004	385,528	492,710	107,181	27.80%	
17	Commercial 8-inch	3	908,677	88,403	973	89,375	112,504	23,129	25.88%	
18	Commercial 10-inch	-	-	-	-	-	-	-	0.00%	
19	Industrial 5/8 x 3/4 -inch	3	20,075	1,432	(488)	944	2,105	1,162	123.12%	
20	Industrial 1-inch	7	113,967	15,237	3,742	18,979	24,189	5,210	27.45%	
21	Industrial 1.5-inch	-	-	-	-	-	-	-	0.00%	
22	Industrial 2-inch	12	82,355	34,014	1,648	35,662	44,638	8,975	25.17%	
23	Industrial 3-inch	-	-	-	-	-	-	-	0.00%	
24	Industrial 4-inch	3	1,105,278	88,460	3,815	72,275	104,641	32,367	44.78%	
25	Industrial 6-inch	3	13,428,539	794,853	(33,971)	760,883	827,398	66,515	8.74%	
26	Industrial 8-inch	1	2,317,283	51,019	(2,706)	48,311	58,461	10,151	21.01%	
27	Industrial 10-inch	-	-	-	-	-	-	-	0.00%	
28	Private Fire Service	372	-	102,252	-	102,252	111,700	9,448	9.24%	
29	Other Water Revenues	-	-	-	-	-	-	-	-	
30	Public Fire Hydrant	-	-	-	-	-	-	-	-	
31	Coin Machine	-	-	19,746	-	19,746	14,811	(4,935)	-24.99%	
32	Construction Water 2-inch	-	-	-	-	-	-	-	0.00%	
33	Construction Water 3-inch	-	-	-	-	-	-	-	0.00%	
34	Construction Water 4-inch	37	85,293	193,568	-	193,568	241,358	47,790	24.69%	
35	Construction Water 6-inch	1	8,133	4,377	-	4,377	4,470	93	2.13%	
36	Sales for Resale 5/8 x 3/4 -inch	-	-	-	-	-	-	-	0.00%	
37	Sales for Resale 1-inch	-	-	-	-	-	-	-	0.00%	
38	Sales for Resale 1.5-inch	-	-	-	-	-	-	-	0.00%	
39	Sales for Resale 2-inch	3	390,317	25,674	-	25,674	26,388	714	2.78%	
40	Sales for Resale 3-inch	-	-	-	-	-	-	-	0.00%	
41	Sales for Resale 4-inch	-	-	-	-	-	-	-	0.00%	
42	Sales for Resale 6-inch	1	1,144,667	25,389	-	25,389	26,091	701	2.76%	
43	Sales for Resale 8-inch	-	-	-	-	-	-	-	0.00%	
44	Sales for Resale 10-inch	-	-	-	-	-	-	-	0.00%	
45	Totals	30,636	14,594	\$ 17,873,094	\$ 5,635	\$ 17,878,729	\$ 21,103,091	\$ 3,224,361	18.03%	

Line No.	Summary Class of Service	Western Group					Settlement Increase [F - E]	%	
		[A] Average Number of Customers	[B] Average Consumption	[C] Test Year Rates	[D] Reconciling/Revenue Adjustments	[E] Adjusted T.Y. Rates [C + D]			[F] Proposed Rates
Bill Count Water Revenues									
1									
2	Total Residential	28,146	9,808	\$ 12,155,380	\$ (4,164)	\$ 12,151,216	\$ 13,916,986	\$ 1,765,770	14.53%
3	Total Commercial	2,047	56,482	4,381,693	37,762	4,419,455	5,699,855	1,280,400	28.97%
4	Total Industrial	29	1,742,306	965,015	(27,962)	937,053	1,061,432	124,380	13.27%
5	Total Private Fire	372	-	102,252	-	102,252	111,700	9,448	9.24%
6	Total Other Water Revenues	42	131,291	268,754	-	268,754	313,117	44,363	16.51%
8	Totals	30,636	14,594	\$ 17,873,094	\$ 5,635	\$ 17,878,729	\$ 21,103,091	\$ 3,224,361	18.03%
10	Miscellaneous Revenues						759,466		
11	Total Revenue Generated					\$ 18,638,195	\$ 21,862,556	\$ 3,224,361	17.30%
13	Target Rev. Rqmt. (Sch. C-1)						21,862,557		
14	Difference								
16	Less: Consolidated Revenue Adj.								
17	Over/(Short)								
18	%								0.00%

Line No.	Detail Class of Service	Pinal Valley (Casa Grande, Coolidge, Stanfield)										[H]
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]			
		Average Number of Customers	Average Consumption	Test Year Rates	Reconciling/Revenue Adjustments	Adjusted T.Y. Rates [C + D]	Proposed Rates	Settlement Increase [F - E]	%			
1	Residential 5/8 x 3/4 -inch	25,100	8,520	\$ 9,215,386	\$ (11,452)	\$ 9,203,934	\$ 10,325,491	\$ 1,121,557	12.19%			
2	Residential 1-inch	492	22,736	501,249	(668)	500,581	580,366	79,785	15.94%			
3	Residential 1.5-inch	-	-	-	-	-	-	-	0.00%			
4	Residential 2-inch	75	158,940	390,495	(474)	390,021	510,431	120,411	30.87%			
5	Residential 3-inch	7	406,313	84,981	(117)	84,863	114,786	29,923	35.26%			
6	Residential 4-inch	4	885,251	94,678	(131)	94,547	132,720	38,173	40.37%			
7	Residential 6-inch	8	628,570	180,709	(252)	180,457	215,139	34,682	19.22%			
8	Residential 8-inch	-	-	-	-	-	-	-	0.00%			
9	Residential 10-inch	10	-	-	-	-	-	-	0.00%			
10	Commercial 5/8 x 3/4 -inch	867	8,203	331,608	2,608	334,216	399,534	65,318	19.54%			
11	Commercial 1-inch	480	27,502	530,038	5,152	535,190	675,834	140,643	26.28%			
12	Commercial 1.5-inch	-	-	-	-	-	-	-	0.00%			
13	Commercial 2-inch	493	112,714	2,046,015	19,638	2,065,654	2,644,908	579,254	28.04%			
14	Commercial 3-inch	34	191,776	250,649	2,758	253,407	318,916	65,509	25.85%			
15	Commercial 4-inch	25	599,542	456,927	4,860	461,787	630,653	169,066	36.63%			
16	Commercial 6-inch	15	746,105	381,524	4,004	385,528	492,710	107,181	27.80%			
17	Commercial 8-inch	3	908,677	88,403	973	89,375	112,504	23,129	25.88%			
18	Commercial 10-inch	-	-	-	-	-	-	-	0.00%			
19	Industrial 5/8 x 3/4 -inch	3	20,075	1,432	(488)	944	2,105	1,162	123.12%			
20	Industrial 1-inch	7	113,967	15,237	3,742	18,979	24,189	5,210	27.45%			
21	Industrial 1.5-inch	-	-	-	-	-	-	-	0.00%			
22	Industrial 2-inch	11	79,473	25,902	1,648	27,550	36,550	9,000	32.67%			
23	Industrial 3-inch	-	-	-	-	-	-	-	0.00%			
24	Industrial 4-inch	3	1,105,278	68,460	3,815	72,275	104,641	32,367	44.78%			
25	Industrial 6-inch	2	19,577,073	777,807	(33,971)	743,836	809,756	65,920	8.86%			
26	Industrial 8-inch	1	2,317,283	51,019	(2,708)	48,311	58,461	10,151	21.01%			
27	Industrial 10-inch	-	-	-	-	-	-	-	0.00%			
28	Private Fire Service	365	-	100,237	-	100,237	109,525	9,288	9.27%			
29	Other Water Revenues	-	-	-	-	-	-	-	-			
30	Public Fire Hydrant	-	-	-	-	-	-	-	-			
31	Coin Machine	-	-	18,977	-	18,977	14,054	(4,923)	-25.94%			
32	Construction Water 2-inch	-	-	-	-	-	-	-	0.00%			
33	Construction Water 3-inch	32	68,799	146,492	-	146,492	167,341	20,849	14.23%			
34	Construction Water 4-inch	0	11,000	2,068	-	2,068	2,116	48	2.33%			
35	Sales for Resale 5/8 x 3/4 -inch	-	-	-	-	-	-	-	0.00%			
36	Sales for Resale 1-inch	-	-	-	-	-	-	-	0.00%			
37	Sales for Resale 1.5-inch	-	-	-	-	-	-	-	0.00%			
38	Sales for Resale 2-inch	3	390,317	25,674	-	25,674	26,388	714	2.78%			
39	Sales for Resale 3-inch	-	-	-	-	-	-	-	0.00%			
40	Sales for Resale 4-inch	1	1,144,667	25,389	-	25,389	26,091	701	2.76%			
41	Sales for Resale 6-inch	-	-	-	-	-	-	-	0.00%			
42	Sales for Resale 8-inch	-	-	-	-	-	-	-	0.00%			
43	Sales for Resale 10-inch	-	-	-	-	-	-	-	0.00%			
44	Totals	28,030	14,726	\$ 15,811,355	\$ (1,263)	\$ 15,810,092	\$ 18,535,209	\$ 2,725,117	17.24%			



		Pinal Valley (Casa Grande, Coolidge, Stanfield)							
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
Line No.	Summary Class of Service	Average Number of Customers	Average Consumption	Test Year Rates	Reconciling/ Revenue Adjustments	Adjusted T.Y. Rates [C + D]	Proposed Rates	Settlement Increase [F - E]	%
1									
2	Total Residential	25,686	9,664	\$ 10,467,498	\$ (13,095)	\$ 10,454,403	\$ 11,878,933	\$ 1,424,530	13.63%
3	Total Commercial	1,916	57,558	4,085,164	39,793	4,124,957	5,275,058	1,150,101	27.88%
4	Total Industrial	27	1,864,700	939,855	(27,962)	911,893	1,035,703	123,809	13.58%
5	Total Private Fire	365	-	100,237	-	100,237	109,525	9,288	9.27%
6	Total Other Water Revenues	37	123,915	218,600	-	218,600	235,990	17,390	7.96%
7									
8	Totals	28,030	14,726	\$ 15,811,355	\$ (1,263)	\$ 15,810,092	\$ 18,535,209	\$ 2,725,117	17.24%
9									
10	Miscellaneous Revenues	-	-	734,234	-	734,234	734,234		
11	Total Revenue Generated					\$ 16,544,326	\$ 19,269,443	\$ 2,725,117	16.47%
12									
13	Target Rev. Rqmt. (Sch. C-1)						19,269,444		
14	Difference						(0)		
15									
16	Less: Consolidated Revenue Adj.								
17	Over/(Short)								
18	%								0.00%
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Line No.	Detail/Class of Service	White Tank				Bill Count Water Revenues				Settlement Increase [F - E]	%	
		[A] Average Number of Customers	[B] Average Consumption	[C] Test Year Rates	[D] Reconciling/Revenue Adjustments	[E] Adjusted T.Y. Rates [C + D]	[F] Proposed Rates	[G]	[H]			
1												
2	Residential 5/8 x 3/4 -inch	1,549	13,906	\$ 986,917	\$ 7,460	\$ 1,004,378	\$ 1,303,305	\$ 298,928	29.76%			
3	Residential 1-inch	312	8,955	286,966	2,167	289,133	327,637	38,504	13.32%			
4	Residential 1.5-inch	-	-	-	-	-	-	-	0.00%			
5	Residential 2-inch	2	322,754	23,179	170	23,348	42,666	19,317	82.74%			
6	Residential 3-inch	-	-	-	-	-	-	-	0.00%			
7	Residential 4-inch	-	-	-	-	-	-	-	0.00%			
8	Residential 6-inch	-	-	-	-	-	-	-	0.00%			
9	Residential 8-inch	-	-	-	-	-	-	-	0.00%			
10	Residential 10-inch	-	-	-	-	-	-	-	0.00%			
11	Commercial 5/8 x 3/4 -inch	17	32,539	21,244	(402)	20,843	35,718	14,876	71.37%			
12	Commercial 1-inch	17	36,104	27,924	(510)	27,414	43,797	16,383	59.76%			
13	Commercial 1.5-inch	-	-	-	-	-	-	-	0.00%			
14	Commercial 2-inch	16	169,296	106,786	(1,960)	104,826	179,639	74,813	71.37%			
15	Commercial 3-inch	2	214,825	19,352	(372)	18,980	29,904	10,924	57.55%			
16	Commercial 4-inch	-	-	-	-	-	-	-	0.00%			
17	Commercial 6-inch	-	-	-	-	-	-	-	0.00%			
18	Commercial 8-inch	-	-	-	-	-	-	-	0.00%			
19	Commercial 10-inch	-	-	-	-	-	-	-	0.00%			
20	Industrial 5/8 x 3/4 -inch	-	-	-	-	-	-	-	0.00%			
21	Industrial 1-inch	-	-	-	-	-	-	-	0.00%			
22	Industrial 1.5-inch	1	114,050	8,112	-	8,112	8,088	(24)	-0.30%			
23	Industrial 2-inch	-	-	-	-	-	-	-	0.00%			
24	Industrial 3-inch	-	-	-	-	-	-	-	0.00%			
25	Industrial 4-inch	-	-	-	-	-	-	-	0.00%			
26	Industrial 6-inch	1	106,717	17,047	-	17,047	17,642	595	3.49%			
27	Industrial 8-inch	-	-	-	-	-	-	-	0.00%			
28	Industrial 10-inch	-	-	-	-	-	-	-	0.00%			
29	Private Fire Service	5	-	1,361	-	1,361	1,500	139	10.18%			
30	Other Water Revenues	-	-	-	-	-	-	-	0.00%			
31	Public Fire Hydrant	-	-	-	-	-	-	-	0.00%			
32	Coin Machine	-	-	-	-	-	-	-	0.00%			
33	Construction Water 2-inch	-	-	-	-	-	-	-	0.00%			
34	Construction Water 3-inch	5	205,804	45,174	-	45,174	72,131	26,957	59.67%			
35	Construction Water 4-inch	0	4,550	2,309	-	2,309	2,355	45	1.95%			
36	Sales for Resale 5/8 x 3/4-Inch	-	-	-	-	-	-	-	0.00%			
37	Sales for Resale 1-Inch	-	-	-	-	-	-	-	0.00%			
38	Sales for Resale 1.5-Inch	-	-	-	-	-	-	-	0.00%			
39	Sales for Resale 2-Inch	-	-	-	-	-	-	-	0.00%			
40	Sales for Resale 3-Inch	-	-	-	-	-	-	-	0.00%			
41	Sales for Resale 4-Inch	-	-	-	-	-	-	-	0.00%			
42	Sales for Resale 6-Inch	-	-	-	-	-	-	-	0.00%			
43	Sales for Resale 8-Inch	-	-	-	-	-	-	-	0.00%			
44	Sales for Resale 10-Inch	-	-	-	-	-	-	-	0.00%			
45	Totals	1,927	15,795	\$ 1,556,373	\$ 6,554	\$ 1,562,926	\$ 2,064,382	\$ 501,455	32.08%			
46												
47												
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55												

Line No.	Summary Class of Service	White Tank					Settlement Increase [F - E]	%	
		[A] Average Number of Customers	[B] Average Consumption	[C] Test Year Rates	[D] Reconciling/Revenue Adjustments	[E] Adjusted T.Y. Rates [C + D]			[F] Proposed Rates
1	Totals	1,863	13,409	\$ 1,307,062	\$ 9,797	\$ 1,316,859	\$ 1,673,608	\$ 356,749	27.09%
2	Total Residential	52	82,783	175,307	(3,243)	172,063	289,058	116,995	68.00%
3	Total Commercial	2	110,383	25,159	-	25,159	25,730	571	2.27%
4	Total Industrial	5	-	1,361	-	1,361	1,500	139	10.18%
5	Total Private Fire	5	191,924	47,484	-	47,484	74,486	27,002	56.87%
6	Total Other Water Revenues								
7	Totals	1,927	15,795	\$ 1,556,373	\$ 6,554	\$ 1,562,926	\$ 2,064,382	\$ 501,455	32.08%
8	Miscellaneous Revenues						21,463		
9	Total Revenue Generated			\$ 21,463		\$ 1,584,389	\$ 2,085,845	\$ 501,455	31.65%
10	Target Rev. Rqmt. (Sch. C-1)						2,085,845		
11	Difference						(0)		
12	Less: Consolidated Revenue Adj. Over/(Short)						(0)		
13	%						0.00%		

Line No.	Detail Class of Service	Ajo					Bill Count Water Revenues			Settlement Increase [F-E]	%
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]		
		Average Number of Customers	Average Consumption	Test Year Rates	Reconciling/Revenue Adjustments	Adjusted T.Y. Rates [C+D]	Proposed Rates				
1	Residential 5/8 x 3/4 -inch	589	4,764	\$ 370,371	\$ (843)	\$ 369,528	\$ 354,057	\$ (15,471)	-4.19%		
2	Residential 1-inch	8	7,107	10,450	(24)	10,426	10,388	(38)	-0.36%		
3	Residential 1.5-inch	-	-	-	-	-	-	-	0.00%		
4	Residential 2-inch	-	-	-	-	-	-	-	0.00%		
5	Residential 3-inch	-	-	-	-	-	-	-	0.00%		
6	Residential 4-inch	-	-	-	-	-	-	-	0.00%		
7	Residential 6-inch	-	-	-	-	-	-	-	0.00%		
8	Residential 8-inch	-	-	-	-	-	-	-	0.00%		
9	Residential 10-inch	-	-	-	-	-	-	-	0.00%		
10	Commercial 5/8 x 3/4 -inch	56	4,888	38,540	387	38,928	40,613	1,685	4.33%		
11	Commercial 1-inch	20	31,342	64,871	641	65,512	75,780	10,268	15.67%		
12	Commercial 1.5-inch	-	-	-	-	-	-	-	0.00%		
13	Commercial 2-inch	3	46,931	17,811	183	17,995	19,347	1,352	7.51%		
14	Commercial 3-inch	-	-	-	-	-	-	-	0.00%		
15	Commercial 4-inch	-	-	-	-	-	-	-	0.00%		
16	Commercial 6-inch	-	-	-	-	-	-	-	0.00%		
17	Commercial 8-inch	-	-	-	-	-	-	-	0.00%		
18	Commercial 10-inch	-	-	-	-	-	-	-	0.00%		
19	Industrial 5/8 x 3/4 -inch	-	-	-	-	-	-	-	0.00%		
20	Industrial 1-inch	-	-	-	-	-	-	-	0.00%		
21	Industrial 1.5-inch	-	-	-	-	-	-	-	0.00%		
22	Industrial 2-inch	-	-	-	-	-	-	-	0.00%		
23	Industrial 3-inch	-	-	-	-	-	-	-	0.00%		
24	Industrial 4-inch	-	-	-	-	-	-	-	0.00%		
25	Industrial 6-inch	-	-	-	-	-	-	-	0.00%		
26	Industrial 8-inch	-	-	-	-	-	-	-	0.00%		
27	Industrial 10-inch	-	-	-	-	-	-	-	0.00%		
28	Private Fire Service	2	-	653	-	653	675	22	3.35%		
29	Other Water Revenues	-	-	-	-	-	-	-	0.00%		
30	Public Fire Hydrant	-	-	-	-	-	-	-	0.00%		
31	Coin Machine	-	-	769	-	769	756	(13)	-1.67%		
32	Construction Water 2-inch	-	-	-	-	-	-	-	0.00%		
33	Construction Water 3-inch	-	-	-	-	-	-	-	0.00%		
34	Construction Water 4-inch	0	38,400	1,902	-	1,902	1,885	(16)	-0.85%		
35	Sales for Resale 5/8 x 3/4-Inch	-	-	-	-	-	-	-	0.00%		
36	Sales for Resale 1-inch	-	-	-	-	-	-	-	0.00%		
37	Sales for Resale 1.5-inch	-	-	-	-	-	-	-	0.00%		
38	Sales for Resale 2-inch	-	-	-	-	-	-	-	0.00%		
39	Sales for Resale 3-inch	-	-	-	-	-	-	-	0.00%		
40	Sales for Resale 4-inch	-	-	-	-	-	-	-	0.00%		
41	Sales for Resale 6-inch	-	-	-	-	-	-	-	0.00%		
42	Sales for Resale 8-inch	-	-	-	-	-	-	-	0.00%		
43	Sales for Resale 10-inch	-	-	-	-	-	-	-	0.00%		
44	Totals	679	5,768	\$ 505,366	\$ 345	\$ 505,711	\$ 503,500	\$ (2,211)	-0.44%		

Line No.	Summary Class of Service	Ajo					Settlement Increase [F - E]	%	
		[A] Average Number of Customers	[B] Average Consumption	[C] Test Year Rates	[D] Reconciling/Revenue Adjustments	[E] Adjusted T.Y. Rates [C + D]			[F] Proposed Rates
Bill Count Water Revenues									
1	Total Residential	597	4,796	\$ 380,820	\$ (667)	\$ 379,953	\$ 364,445	\$ (15,509)	-4.08%
2	Total Commercial	79	13,164	121,223	1,212	122,434	135,739	13,305	10.87%
3	Total Industrial	-	-	-	-	-	-	-	0.00%
4	Total Private Fire	2	-	653	-	653	675	22	3.35%
5	Total Other Water Revenues	0	38,400	2,671	-	2,671	2,642	(29)	-1.08%
6	Totals	679	5,768	\$ 505,366	\$ 345	\$ 505,711	\$ 503,500	\$ (2,211)	-0.44%
7	Miscellaneous Revenues	-	-	3,768	-	3,768	3,768	-	-
8	Total Revenue Generated	-	-	\$ 509,480	-	\$ 509,480	\$ 507,269	\$ (2,211)	-0.43%
9	Target Rev. Rqmt. (Sch. C-1)	-	-	-	-	-	507,268	-	-
10	Difference	-	-	-	-	-	0	-	-
11	Less: Consolidated Revenue Adj.	-	-	-	-	-	-	-	-
12	Over/(Short)	-	-	-	-	-	0	-	-
13	%	-	-	-	-	-	0.00%	-	-

Line No.	Class of Service	[A] Rate Block		[B] Present		[C] Proposed - Settlement		[D] Pinal Valley (Casa Grande/Coolidge)		[E] Basic Service Charge		[F] Proposed Settlement		[G] Present Rate		[H] Volumetric Charge (M Gal)		[I] Change	
		Present	Proposed - Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Change	
1	Residential 5/8 x 3/4 -inch	3	3	\$ 15.79	\$ 16.00	0.21		\$ 1.3700	\$ 1.1879	\$ 0.1821									
2	Tier One Breakover (M Gal):	10	10					1.7123	2.1026	0.3903									
3	Tier Two Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
4	Tier Three Breakover (M Gal):																		
5	Residential 1-inch	10	25	\$ 39.47	\$ 40.00	0.53		1.7123	2.1026	0.3903									
6	Tier One Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
7	Tier Two Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
8	Tier Three Breakover (M Gal):																		
9	Residential 1.5-inch	n/a	55	n/a	\$ 80.00	n/a		n/a	2.1026	n/a									
10	Tier One Breakover (M Gal):	n/a	99,999					n/a	3.2590	n/a									
11	Tier Two Breakover (M Gal):	n/a	99,999					n/a	3.2590	n/a									
12	Tier Three Breakover (M Gal):																		
13	Residential 2-inch	125	95	\$ 126.29	\$ 128.00	1.71		1.7123	2.1026	0.3903									
14	Tier One Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
15	Tier Two Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
16	Tier Three Breakover (M Gal):																		
17	Residential 3-inch	299	195	\$ 252.59	\$ 256.00	3.41		1.7123	2.1026	0.3903									
18	Tier One Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
19	Tier Two Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
20	Tier Three Breakover (M Gal):																		
21	Residential 4-inch	494	315	\$ 394.67	\$ 400.00	5.33		1.7123	2.1026	0.3903									
22	Tier One Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
23	Tier Two Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
24	Tier Three Breakover (M Gal):																		
25	Residential 6-inch	925	650	\$ 789.33	\$ 800.00	10.67		1.7123	2.1026	0.3903									
26	Tier One Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
27	Tier Two Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
28	Tier Three Breakover (M Gal):																		
29	Residential 8-inch	1,500	1,000	\$ 1,262.93	\$ 1,280.00	17.07		1.7123	2.1026	0.3903									
30	Tier One Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
31	Tier Two Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
32	Tier Three Breakover (M Gal):																		
33	Residential 10-inch	2,264	1,475	\$ 1,815.47	\$ 1,840.00	24.53		1.7123	2.1026	0.3903									
34	Tier One Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
35	Tier Two Breakover (M Gal):	99,999	99,999					2.1406	3.2590	1.1184									
36	Tier Three Breakover (M Gal):																		
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	Pinhal Valley (Casa Grande/Coolidge)																			
		[A] Rate Block		[B] Present		[C] Proposed - Settlement		[D] Present Rate		[E] Basic Service Charge		[F] Proposed Settlement		[G] Present Rate		[H] Proposed Settlement		[I] Change			
		Present	Settlement	Present	Settlement	Present	Settlement	Rate	Settlement	Rate	Settlement	Rate	Settlement	Rate	Settlement	Rate	Settlement	Change	Change		
1	Commercial 5/8 x 3/4 -inch	10	10	99,999	99,999	16.00	0.21	15.79	16.00	1.7123	2.1026	2.1026	2.1026	2.1406	3.2590	3.2590	3.2590	3.2590	0.3903	1.1184	
2	Tier One Breakover (M Gal):	10	10	99,999	99,999																
3	Tier Two Breakover (M Gal):	99,999	99,999																		
4	Tier Three Breakover (M Gal):	99,999	99,999																		
5	Commercial 1-inch	40	25	99,999	99,999	40.00	0.53	39.47	40.00	1.7123	2.1026	2.1026	2.1026	2.1406	3.2590	3.2590	3.2590	3.2590	0.3903	1.1184	
6	Tier One Breakover (M Gal):	40	25	99,999	99,999																
7	Tier Two Breakover (M Gal):	99,999	99,999																		
8	Tier Three Breakover (M Gal):	99,999	99,999																		
9	Commercial 1.5-inch	n/a	55	n/a	99,999	80.00	n/a	n/a	80.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
10	Tier One Breakover (M Gal):	n/a	55	n/a	99,999																
11	Tier Two Breakover (M Gal):	n/a	99,999	n/a	99,999																
12	Tier Three Breakover (M Gal):	n/a	99,999	n/a	99,999																
13	Commercial 2-inch	125	95	99,999	99,999	128.00	1.71	126.29	128.00	1.7123	2.1026	2.1026	2.1026	2.1406	3.2590	3.2590	3.2590	3.2590	0.3903	1.1184	
14	Tier One Breakover (M Gal):	125	95	99,999	99,999																
15	Tier Two Breakover (M Gal):	99,999	99,999																		
16	Tier Three Breakover (M Gal):	99,999	99,999																		
17	Commercial 3-inch	299	195	99,999	99,999	256.00	3.41	252.59	256.00	1.7123	2.1026	2.1026	2.1026	2.1406	3.2590	3.2590	3.2590	3.2590	0.3903	1.1184	
18	Tier One Breakover (M Gal):	299	195	99,999	99,999																
19	Tier Two Breakover (M Gal):	99,999	99,999																		
20	Tier Three Breakover (M Gal):	99,999	99,999																		
21	Commercial 4-inch	494	315	99,999	99,999	400.00	5.33	394.67	400.00	1.7123	2.1026	2.1026	2.1026	2.1406	3.2590	3.2590	3.2590	3.2590	0.3903	1.1184	
22	Tier One Breakover (M Gal):	494	315	99,999	99,999																
23	Tier Two Breakover (M Gal):	99,999	99,999																		
24	Tier Three Breakover (M Gal):	99,999	99,999																		
25	Commercial 6-inch	925	650	99,999	99,999	800.00	10.67	789.33	800.00	1.7123	2.1026	2.1026	2.1026	2.1406	3.2590	3.2590	3.2590	3.2590	0.3903	1.1184	
26	Tier One Breakover (M Gal):	925	650	99,999	99,999																
27	Tier Two Breakover (M Gal):	99,999	99,999																		
28	Tier Three Breakover (M Gal):	99,999	99,999																		
29	Commercial 8-inch	1,500	1,000	99,999	99,999	1,280.00	17.07	1,262.93	1,280.00	1.7123	2.1026	2.1026	2.1026	2.1406	3.2590	3.2590	3.2590	3.2590	0.3903	1.1184	
30	Tier One Breakover (M Gal):	1,500	1,000	99,999	99,999																
31	Tier Two Breakover (M Gal):	99,999	99,999																		
32	Tier Three Breakover (M Gal):	99,999	99,999																		
33	Commercial 10-inch	2,264	1,475	99,999	99,999	1,840.00	24.53	1,815.47	1,840.00	1.7123	2.1026	2.1026	2.1026	2.1406	3.2590	3.2590	3.2590	3.2590	0.3903	1.1184	
34	Tier One Breakover (M Gal):	2,264	1,475	99,999	99,999																
35	Tier Two Breakover (M Gal):	99,999	99,999																		
36	Tier Three Breakover (M Gal):	99,999	99,999																		
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 - Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement
1	Industrial 5/8 x 3/4 -inch		99,999	10	\$ 9.59	\$ 16.00	\$ 6.41	\$ 1,5036	\$ 1,5500	\$ 0.0464
2	Tier One Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
3	Tier Two Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
4	Tier Three Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
5	Industrial 1-inch		99,999	25	\$ 23.98	\$ 40.00	\$ 16.02	\$ 1,5036	\$ 1,5500	\$ 0.0464
6	Tier One Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
7	Tier Two Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
8	Tier Three Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
9	Industrial 1.5-inch		n/a	55	n/a	\$ 80.00	n/a	n/a	\$ 1,5500	n/a
10	Tier One Breakover (M Gal):		n/a	99,999				n/a	2,4800	n/a
11	Tier Two Breakover (M Gal):		n/a	99,999				n/a	2,4800	n/a
12	Tier Three Breakover (M Gal):		n/a	99,999				n/a	2,4800	n/a
13	Industrial 2-inch		99,999	95	\$ 76.73	\$ 128.00	\$ 51.27	\$ 1,5036	\$ 1,5500	\$ 0.0464
14	Tier One Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
15	Tier Two Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
16	Tier Three Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
17	Industrial 3-inch		99,999	195	\$ 153.46	\$ 256.00	\$ 102.54	\$ 1,5036	\$ 1,5500	\$ 0.0464
18	Tier One Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
19	Tier Two Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
20	Tier Three Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
21	Industrial 4-inch		99,999	315	\$ 239.77	\$ 400.00	\$ 160.23	\$ 1,5036	\$ 1,5500	\$ 0.0464
22	Tier One Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
23	Tier Two Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
24	Tier Three Breakover (M Gal):		99,999	99,999				1,5036	2,4800	0.9764
25	Industrial 6-inch		99,999	650	\$ 479.55	\$ 800.00	\$ 320.45	\$ 1,5036	\$ 1,5500	\$ 0.0464
26	Tier One Breakover (M Gal):		99,999	99,999				1,5036	1,5500	0.0464
27	Tier Two Breakover (M Gal):		99,999	99,999				1,5036	1,5500	0.0464
28	Tier Three Breakover (M Gal):		99,999	99,999				1,5036	1,5500	0.0464
29	Industrial 8-inch		99,999	1,000	\$ 767.28	\$ 1,280.00	\$ 512.72	\$ 1,5036	\$ 1,5500	\$ 0.0464
30	Tier One Breakover (M Gal):		99,999	99,999				1,5036	1,5500	0.0464
31	Tier Two Breakover (M Gal):		99,999	99,999				1,5036	1,5500	0.0464
32	Tier Three Breakover (M Gal):		99,999	99,999				1,5036	1,5500	0.0464
33	Industrial 10-inch		99,999	1,475	\$ 1,102.96	\$ 1,840.00	\$ 737.04	\$ 1,5036	\$ 1,5500	\$ 0.0464
34	Tier One Breakover (M Gal):		99,999	99,999				1,5036	1,5500	0.0464
35	Tier Two Breakover (M Gal):		99,999	99,999				1,5036	1,5500	0.0464
36	Tier Three Breakover (M Gal):		99,999	99,999				1,5036	1,5500	0.0464
37	Private Fire Service				\$ 22.88	\$ 25.00	\$ 2.12	n/a	n/a	n/a
38	All meter connection sizes:									

(Continued)

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



Line No.	Class of Service	Rate Block		[C]		[D]		[E]		[F]		[G]		[H]		[I]	
				Proposed - Settlement		Present Rate		Basic Service Charge Proposed Settlement		Change		Present Rate		Volumetric Charge (M Gal) Proposed Settlement		Change	
		Present	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Change	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Change		
1																	
2	Public Fire Hydrant																
3	Coin Machine																
4																	
5	No. Gallons / \$ .25 (quarter)																
6		125	95														
7	Tier One Breakover (M Gal):	99,999	99,999														
8	Tier Two Breakover (M Gal):	99,999	99,999														
9	Tier Three Breakover (M Gal):	99,999	99,999														
10	Construction Water (3-Inch)																
11		299	195														
12	Tier One Breakover (M Gal):	99,999	99,999														
13	Tier Two Breakover (M Gal):	99,999	99,999														
14	Tier Three Breakover (M Gal):	99,999	99,999														
15	Construction Water (4-Inch)																
16		494	315														
17	Tier One Breakover (M Gal):	99,999	99,999														
18	Tier Two Breakover (M Gal):	99,999	99,999														
19	Tier Three Breakover (M Gal):	99,999	99,999														
20	Sales for Resale (5/8-Inch)																
21		99,999	99,999														
22	Tier One Breakover (M Gal):	99,999	99,999														
23	Tier Two Breakover (M Gal):	99,999	99,999														
24	Tier Three Breakover (M Gal):	99,999	99,999														
25	Sales for Resale (1-Inch)																
26		99,999	99,999														
27	Tier One Breakover (M Gal):	99,999	99,999														
28	Tier Two Breakover (M Gal):	99,999	99,999														
29	Tier Three Breakover (M Gal):	99,999	99,999														
30	Sales for Resale (2-Inch)																
31		99,999	99,999														
32	Tier One Breakover (M Gal):	99,999	99,999														
33	Tier Two Breakover (M Gal):	99,999	99,999														
34	Tier Three Breakover (M Gal):	99,999	99,999														
35	Sales for Resale (3-Inch)																
36		99,999	99,999														
37	Tier One Breakover (M Gal):	99,999	99,999														
38	Tier Two Breakover (M Gal):	99,999	99,999														
39	Tier Three Breakover (M Gal):	99,999	99,999														
40	Sales for Resale (4-Inch)																
41		99,999	99,999														
42	Tier One Breakover (M Gal):	99,999	99,999														
43	Tier Two Breakover (M Gal):	99,999	99,999														
44	Tier Three Breakover (M Gal):	99,999	99,999														
45	Sales for Resale (6-Inch)																
46		99,999	99,999														
47	Tier One Breakover (M Gal):	99,999	99,999														
48	Tier Two Breakover (M Gal):	99,999	99,999														
49	Tier Three Breakover (M Gal):	99,999	99,999														
50	Sales for Resale (8-Inch)																
51		99,999	99,999														
52	Tier One Breakover (M Gal):	99,999	99,999														
53	Tier Two Breakover (M Gal):	99,999	99,999														
54	Tier Three Breakover (M Gal):	99,999	99,999														
55		99,999	99,999														

\*\*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 - Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Change
1										
2	Residential 5/8 x 3/4 -inch	3	3	\$ 15.79	\$ 16.00	\$ 2.4379	\$ 1.1879	\$ 2.4379	\$ 1.1879	\$ (1.2500)
3	Tier Two Breakover (M Gal):	10	10			3.0476	2.1026	3.0476	2.1026	(0.9450)
4	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
5										
6	Residential 1-1/2-inch	10	25	\$ 39.47	\$ 40.00	\$ 3.0476	\$ 2.1026	\$ 3.0476	\$ 2.1026	\$ (0.9450)
7	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
8	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
9	Tier Three Breakover (M Gal):	n/a	55	n/a	\$ 80.00	n/a	2.1026	n/a	2.1026	n/a
10	Residential 1.5-inch	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	3.2590	n/a	3.2590	n/a
12	Tier Two Breakover (M Gal):	n/a	99,999			n/a	3.2590	n/a	3.2590	n/a
13	Tier Three Breakover (M Gal):	n/a	99,999			n/a	3.2590	n/a	3.2590	n/a
14	Residential 2-inch	122	95	\$ 126.29	\$ 128.00	\$ 3.0476	\$ 2.1026	\$ 3.0476	\$ 2.1026	\$ (0.9450)
15	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
16	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
17	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
18	Residential 3-inch	286	195	\$ 252.59	\$ 256.00	\$ 3.0476	\$ 2.1026	\$ 3.0476	\$ 2.1026	\$ (0.9450)
19	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
20	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
21	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
22	Residential 4-inch	471	315	\$ 394.67	\$ 400.00	\$ 3.0476	\$ 2.1026	\$ 3.0476	\$ 2.1026	\$ (0.9450)
23	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
24	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
25	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
26	Residential 6-inch	925	650	\$ 789.33	\$ 800.00	\$ 3.0476	\$ 2.1026	\$ 3.0476	\$ 2.1026	\$ (0.9450)
27	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
28	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
29	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
30	Residential 8-inch	1,500	1,000	\$ 1,262.93	\$ 1,280.00	\$ 3.0476	\$ 2.1026	\$ 3.0476	\$ 2.1026	\$ (0.9450)
31	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
32	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
33	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
34	Residential 10-inch	2,223	1,475	\$ 1,815.47	\$ 1,840.00	\$ 3.0476	\$ 2.1026	\$ 3.0476	\$ 2.1026	\$ (0.9450)
35	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
36	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
37	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	3.8097	3.2590	(0.5507)
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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)		
		[A]		[E]		[H]		
		[B]	[C]	[D]	[F]	[G]	[I]	
		Present	Proposed - Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Change
1								
2	Commercial 5/8 x 3/4 -inch	10	10	\$ 15.79	\$ 16.00	\$ 3.0476	\$ 2.1026	\$ (0.9450)
3	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
4	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
5	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
6	Commercial 1-inch	40	25	\$ 39.47	\$ 40.00	\$ 3.0476	\$ 2.1026	\$ (0.9450)
7	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
8	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
9	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
10	Commercial 1.5-inch	n/a	55	n/a	\$ 80.00	n/a	2.1026	n/a
11	Tier One Breakover (M Gal):	n/a	99,999			n/a	3.2590	n/a
12	Tier Two Breakover (M Gal):	n/a	99,999			n/a	3.2590	n/a
13	Tier Three Breakover (M Gal):	n/a	99,999			n/a	3.2590	n/a
14	Commercial 2-inch	125	95	\$ 126.29	\$ 128.00	\$ 3.0476	\$ 2.1026	\$ (0.9450)
15	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
16	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
17	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
18	Commercial 3-inch	289	195	\$ 252.59	\$ 256.00	\$ 3.0476	\$ 2.1026	\$ (0.9450)
19	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
20	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
21	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
22	Commercial 4-inch	474	315	\$ 394.67	\$ 400.00	\$ 3.0476	\$ 2.1026	\$ (0.9450)
23	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
24	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
25	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
26	Commercial 6-inch	925	650	\$ 789.33	\$ 800.00	\$ 3.0476	\$ 2.1026	\$ (0.9450)
27	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
28	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
29	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
30	Commercial 8-inch	1,500	1,000	\$ 1,262.93	\$ 1,280.00	\$ 3.0476	\$ 2.1026	\$ (0.9450)
31	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
32	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
33	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
34	Commercial 10-inch	2,223	1,475	\$ 1,815.47	\$ 1,840.00	\$ 3.0476	\$ 2.1026	\$ (0.9450)
35	Tier One Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
36	Tier Two Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
37	Tier Three Breakover (M Gal):	99,999	99,999			3.8097	3.2590	(0.5507)
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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 Change (M Gal)				
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
		Present	Proposed - Settlement	Present Rate	Proposed Settlement	Change	Present Rate	Proposed Settlement	Change	
1										
2	Industrial 5/8 x 3/4 -inch	99,999	10	\$ 9.59	\$ 16.00	\$ 6.41	\$ 3.0476	\$ 1,5500	\$ (1,4976)	
3	Tier One Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
4	Tier Two Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
5	Tier Three Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
6	Industrial 1-inch	99,999	25	\$ 40.00	\$ 40.00	\$ -	\$ 3.0476	\$ 1,5500	\$ (1,4976)	
7	Tier One Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
8	Tier Two Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
9	Tier Three Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
10	Industrial 1.5-inch	n/a	55	n/a	\$ 80.00	n/a	n/a	\$ 1,5500	n/a	
11	Tier One Breakover (M Gal):	n/a	99,999				n/a	2,4800	n/a	
12	Tier Two Breakover (M Gal):	n/a	99,999				n/a	2,4800	n/a	
13	Tier Three Breakover (M Gal):	n/a	99,999				n/a	2,4800	n/a	
14	Industrial 2-inch	99,999	95	\$ 200.00	\$ 128.00	\$ (72.00)	\$ 3.0476	\$ 1,5500	\$ (1,4976)	
15	Tier One Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
16	Tier Two Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
17	Tier Three Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
18	Industrial 3-inch	99,999	195	\$ 153.46	\$ 256.00	\$ 102.54	\$ 3.0476	\$ 1,5500	\$ (1,4976)	
19	Tier One Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
20	Tier Two Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
21	Tier Three Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
22	Industrial 4-inch	99,999	315	\$ 239.77	\$ 400.00	\$ 160.23	\$ 3.0476	\$ 1,5500	\$ (1,4976)	
23	Tier One Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
24	Tier Two Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
25	Tier Three Breakover (M Gal):	99,999	99,999				3.0476	2,4800	(0.5676)	
26	Industrial 6-inch	99,999	650	\$ 479.55	\$ 800.00	\$ 320.45	\$ 3.0476	\$ 1,5500	\$ (1,4976)	
27	Tier One Breakover (M Gal):	99,999	99,999				3.0476	1,5500	(1,4976)	
28	Tier Two Breakover (M Gal):	99,999	99,999				3.0476	1,5500	(1,4976)	
29	Tier Three Breakover (M Gal):	99,999	99,999				3.0476	1,5500	(1,4976)	
30	Industrial 8-inch	99,999	1,000	\$ 767.28	\$ 1,280.00	\$ 512.72	\$ 3.0476	\$ 1,5500	\$ (1,4976)	
31	Tier One Breakover (M Gal):	99,999	99,999				3.0476	1,5500	(1,4976)	
32	Tier Two Breakover (M Gal):	99,999	99,999				3.0476	1,5500	(1,4976)	
33	Tier Three Breakover (M Gal):	99,999	99,999				3.0476	1,5500	(1,4976)	
34	Industrial 10-inch	99,999	1,475	\$ 1,102.96	\$ 1,840.00	\$ 737.04	\$ 3.0476	\$ 1,5500	\$ (1,4976)	
35	Tier One Breakover (M Gal):	99,999	99,999				3.0476	1,5500	(1,4976)	
36	Tier Two Breakover (M Gal):	99,999	99,999				3.0476	1,5500	(1,4976)	
37	Tier Three Breakover (M Gal):	99,999	99,999				3.0476	1,5500	(1,4976)	
38	Private Fire Service			\$ 22.88	\$ 25.00	\$ 2.12	n/a	n/a	n/a	
39	All meter connection sizes:									
40										
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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)						Rate Block		Basic Service Charge		Volumetric Charge (M Gal)	
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]
			Present	Proposed - Settlement	Present Rate	Proposed Settlement	Change	Present Rate	Proposed Settlement	Change	Present Rate	Proposed Settlement	Change
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	
3	Coin Machine		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(0.4564)	
4													
5													
6	Construction Water (2-Inch)		125	95	\$ 126.29	\$ 128.00	\$ 1.71	\$ 126.29	\$ 128.00	\$ 1.71	\$ 3.0476	\$ 2.1026	\$ (0.9450)
7	Tier One Breakover (M Gal):		99,999	99,999							3.8097	3.2590	(0.5507)
8	Tier Two Breakover (M Gal):		99,999	99,999							3.8097	3.2590	(0.5507)
9	Tier Three Breakover (M Gal):												
10	Construction Water (3-Inch)		289	195	\$ 252.59	\$ 256.00	\$ 3.41	\$ 252.59	\$ 256.00	\$ 3.41	\$ 3.0476	\$ 2.1026	\$ (0.9450)
11	Tier One Breakover (M Gal):		99,999	99,999							3.8097	3.2590	(0.5507)
12	Tier Two Breakover (M Gal):		99,999	99,999							3.8097	3.2590	(0.5507)
13	Tier Three Breakover (M Gal):												
14	Construction Water (4-Inch)		474	315	\$ 394.67	\$ 400.00	\$ 5.33	\$ 394.67	\$ 400.00	\$ 5.33	\$ 3.0476	\$ 2.1026	\$ (0.9450)
15	Tier One Breakover (M Gal):		99,999	99,999							3.8097	3.2590	(0.5507)
16	Tier Two Breakover (M Gal):		99,999	99,999							3.8097	3.2590	(0.5507)
17	Tier Three Breakover (M Gal):												
18	Sales for Resale (5/8-Inch)		99,999	99,999	\$ 15.79	\$ 16.00	\$ 0.21	\$ 15.79	\$ 16.00	\$ 0.21	\$ 3.0476	\$ 1.5500	\$ (1.4976)
19	Tier One Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
20	Tier Two Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
21	Tier Three Breakover (M Gal):												
22	Sales for Resale (1-Inch)		99,999	99,999	\$ 39.47	\$ 40.00	\$ 0.53	\$ 39.47	\$ 40.00	\$ 0.53	\$ 3.0476	\$ 1.5500	\$ (1.4976)
23	Tier One Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
24	Tier Two Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
25	Tier Three Breakover (M Gal):												
26	Sales for Resale (1.5-Inch)		n/a	n/a	n/a	\$ 80.00	n/a	n/a	\$ 80.00	n/a	n/a	n/a	n/a
27	Tier One Breakover (M Gal):		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
29	Tier Three Breakover (M Gal):												
30	Sales for Resale (2-Inch)		99,999	99,999	\$ 126.29	\$ 128.00	\$ 1.71	\$ 126.29	\$ 128.00	\$ 1.71	\$ 3.0476	\$ 1.5500	\$ (1.4976)
31	Tier One Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
32	Tier Two Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
33	Tier Three Breakover (M Gal):												
34	Sales for Resale (3-Inch)		99,999	99,999	\$ 252.59	\$ 256.00	\$ 3.41	\$ 252.59	\$ 256.00	\$ 3.41	\$ 3.0476	\$ 1.5500	\$ (1.4976)
35	Tier One Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
36	Tier Two Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
37	Tier Three Breakover (M Gal):												
38	Sales for Resale (4-Inch)		99,999	99,999	\$ 394.67	\$ 400.00	\$ 5.33	\$ 394.67	\$ 400.00	\$ 5.33	\$ 3.0476	\$ 1.5500	\$ (1.4976)
39	Tier One Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
40	Tier Two Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
41	Tier Three Breakover (M Gal):												
42	Sales for Resale (6-Inch)		99,999	99,999	\$ 789.33	\$ 800.00	\$ 10.67	\$ 789.33	\$ 800.00	\$ 10.67	\$ 3.0476	\$ 1.5500	\$ (1.4976)
43	Tier One Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
44	Tier Two Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
45	Tier Three Breakover (M Gal):												
46	Sales for Resale (8-Inch)		99,999	99,999	\$ 1,262.93	\$ 1,280.00	\$ 17.07	\$ 1,262.93	\$ 1,280.00	\$ 17.07	\$ 3.0476	\$ 1.5500	\$ (1.4976)
47	Tier One Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
48	Tier Two Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
49	Tier Three Breakover (M Gal):												
50	Sales for Resale (10-Inch)		99,999	99,999	\$ 1,815.47	\$ 1,840.00	\$ 24.53	\$ 1,815.47	\$ 1,840.00	\$ 24.53	\$ 3.0476	\$ 1.5500	\$ (1.4976)
51	Tier One Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
52	Tier Two Breakover (M Gal):		99,999	99,999							3.0476	1.5500	(1.4976)
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	Rate Block			White Tank			Basic Service Charge			Volumetric Charge (M Gal)		
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]
		Present	Proposed - Settlement		Present Rate	Proposed Settlement	Change	Present Rate	Proposed Settlement	Change	Present Rate	Proposed Settlement	Change
1													
2	Residential 5/8 x 3/4 -inch	3	5		\$ 22.72	\$ 23.00	\$ 0.28	\$ 1.6493	\$ 1.8000	\$ 0.1507	\$ 2.0614	\$ 3.0000	\$ 0.9386
3	Tier One Breakover (M Gal):	10	15					2.0614	3.0000	0.9386	2.5769	5.1664	2.5895
4	Tier Two Breakover (M Gal):	99,999	99,999										
5	Tier Three Breakover (M Gal):												
6	Residential 1-inch	10	25		\$ 56.80	\$ 57.50	\$ 0.70	\$ 2.0614	\$ 3.0000	\$ 0.9386	\$ 2.5769	\$ 5.1664	\$ 2.5895
7	Tier One Breakover (M Gal):	99,999	99,999					2.0614	3.0000	0.9386	2.5769	5.1664	2.5895
8	Tier Two Breakover (M Gal):	99,999	99,999										
9	Tier Three Breakover (M Gal):												
10	Residential 1.5-inch	n/a	50		n/a	\$ 115.00	n/a	n/a	3.0000	n/a	n/a	5.1664	n/a
11	Tier One Breakover (M Gal):	n/a	99,999						5.1664	n/a	n/a	5.1664	n/a
12	Tier Two Breakover (M Gal):	n/a	99,999						n/a	n/a	n/a	5.1664	n/a
13	Tier Three Breakover (M Gal):												
14	Residential 2-inch	185	80		\$ 181.76	\$ 184.00	\$ 2.24	\$ 2.0614	\$ 3.0000	\$ 0.9386	\$ 2.5769	\$ 5.1664	\$ 2.5895
15	Tier One Breakover (M Gal):	99,999	99,999					2.0614	3.0000	0.9386	2.5769	5.1664	2.5895
16	Tier Two Breakover (M Gal):	99,999	99,999										
17	Tier Three Breakover (M Gal):												
18	Residential 3-inch	400	160		\$ 363.51	\$ 368.00	\$ 4.49	\$ 2.0614	\$ 3.0000	\$ 0.9386	\$ 2.5769	\$ 5.1664	\$ 2.5895
19	Tier One Breakover (M Gal):	99,999	99,999					2.0614	3.0000	0.9386	2.5769	5.1664	2.5895
20	Tier Two Breakover (M Gal):	99,999	99,999										
21	Tier Three Breakover (M Gal):												
22	Residential 4-inch	795	250		\$ 567.99	\$ 575.00	\$ 7.01	\$ 2.0614	\$ 3.0000	\$ 0.9386	\$ 2.5769	\$ 5.1664	\$ 2.5895
23	Tier One Breakover (M Gal):	99,999	99,999					2.0614	3.0000	0.9386	2.5769	5.1664	2.5895
24	Tier Two Breakover (M Gal):	99,999	99,999										
25	Tier Three Breakover (M Gal):												
26	Residential 6-inch	1,895	500		\$ 1,135.98	\$ 1,150.00	\$ 14.02	\$ 2.0614	\$ 3.0000	\$ 0.9386	\$ 2.5769	\$ 5.1664	\$ 2.5895
27	Tier One Breakover (M Gal):	99,999	99,999					2.0614	3.0000	0.9386	2.5769	5.1664	2.5895
28	Tier Two Breakover (M Gal):	99,999	99,999										
29	Tier Three Breakover (M Gal):												
30	Residential 8-inch	2,500	800		\$ 1,817.56	\$ 1,840.00	\$ 22.44	\$ 2.0614	\$ 3.0000	\$ 0.9386	\$ 2.5769	\$ 5.1664	\$ 2.5895
31	Tier One Breakover (M Gal):	99,999	99,999					2.0614	3.0000	0.9386	2.5769	5.1664	2.5895
32	Tier Two Breakover (M Gal):	99,999	99,999										
33	Tier Three Breakover (M Gal):												
34	Residential 10-inch	5,024	1,150		\$ 2,612.75	\$ 2,645.00	\$ 32.25	\$ 2.0614	\$ 3.0000	\$ 0.9386	\$ 2.5769	\$ 5.1664	\$ 2.5895
35	Tier One Breakover (M Gal):	99,999	99,999					2.0614	3.0000	0.9386	2.5769	5.1664	2.5895
36	Tier Two Breakover (M Gal):	99,999	99,999										
37	Tier Three Breakover (M Gal):												
38													
39													
40													
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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			White Tank			Volumetric Charge (M Gal)		
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
		Present	Proposed - Settlement	Present Rate	Proposed Settlement	Change	Present Rate	Proposed Settlement	Change	
1										
2	Commercial 5/8 x 3/4 -inch	10	10	\$ 22.72	\$ 23.00	\$ 0.28	\$ 2,0614	\$ 3,0000	\$ 0.9386	
3		99,999	99,999				2,5769	5,1664	2,5895	
4		99,999	99,999				2,5769	5,1664	2,5895	
5										
6	Commercial 1-inch	75	20	\$ 56.80	\$ 57.50	\$ 0.70	\$ 2,0614	\$ 3,0000	\$ 0.9386	
7		99,999	99,999				2,5769	5,1664	2,5895	
8		99,999	99,999				2,5769	5,1664	2,5895	
9										
10	Commercial 1.5-inch	n/a	45	n/a	\$ 115.00	n/a	n/a	\$ 3,0000	n/a	
11		n/a	99,999				n/a	5,1664	n/a	
12		n/a	99,999				n/a	5,1664	n/a	
13										
14	Commercial 2-inch	316	75	\$ 181.76	\$ 184.00	\$ 2.24	\$ 2,0614	\$ 3,0000	\$ 0.9386	
15		99,999	99,999				2,5769	5,1664	2,5895	
16		99,999	99,999				2,5769	5,1664	2,5895	
17										
18	Commercial 3-inch	667	155	\$ 363.51	\$ 368.00	\$ 4.49	\$ 2,0614	\$ 3,0000	\$ 0.9386	
19		99,999	99,999				2,5769	5,1664	2,5895	
20		99,999	99,999				2,5769	5,1664	2,5895	
21										
22	Commercial 4-inch	1,062	245	\$ 567.99	\$ 575.00	\$ 7.01	\$ 2,0614	\$ 3,0000	\$ 0.9386	
23		99,999	99,999				2,5769	5,1664	2,5895	
24		99,999	99,999				2,5769	5,1664	2,5895	
25										
26	Commercial 6-inch	2,162	500	\$ 1,135.98	\$ 1,150.00	\$ 14.02	\$ 2,0614	\$ 3,0000	\$ 0.9386	
27		99,999	99,999				2,5769	5,1664	2,5895	
28		99,999	99,999				2,5769	5,1664	2,5895	
29										
30	Commercial 8-inch	3,483	800	\$ 1,817.56	\$ 1,840.00	\$ 22.44	\$ 2,0614	\$ 3,0000	\$ 0.9386	
31		99,999	99,999				2,5769	5,1664	2,5895	
32		99,999	99,999				2,5769	5,1664	2,5895	
33										
34	Commercial 10-inch	5,024	1,150	\$ 2,612.75	\$ 2,645.00	\$ 32.25	\$ 2,0614	\$ 3,0000	\$ 0.9386	
35		99,999	99,999				2,5769	5,1664	2,5895	
36		99,999	99,999				2,5769	5,1664	2,5895	
37										
38										
39										
40										
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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 - Settlement		Present Rate	Proposed Settlement	Change	Present Rate	Proposed Settlement	Change
1										
2	Industrial 5/8 x 3/4 -inch	99,999	10		\$ 18.54	\$ 23.00	\$ 4.46	\$ 4.6274	\$ 3.0000	\$ (1.6274)
3	Tier One Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
4	Tier Two Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
5	Tier Three Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
6	Industrial 1-inch	99,999	20		\$ 46.34	\$ 57.50	\$ 11.16	\$ 4.6274	\$ 3.0000	\$ (1.6274)
7	Tier One Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
8	Tier Two Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
9	Tier Three Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
10	Industrial 1.5-inch	n/a	45		n/a	\$ 115.00	n/a	n/a	\$ 3.0000	n/a
11	Tier One Breakover (M Gal):	n/a	99,999					n/a	5.1664	n/a
12	Tier Two Breakover (M Gal):	n/a	99,999					n/a	5.1664	n/a
13	Tier Three Breakover (M Gal):	n/a	99,999					n/a	5.1664	n/a
14	Industrial 2-inch	99,999	75		\$ 148.28	\$ 184.00	\$ 35.72	\$ 4.6274	\$ 3.0000	\$ (1.6274)
15	Tier One Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
16	Tier Two Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
17	Tier Three Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
18	Industrial 3-inch	99,999	155		\$ 296.56	\$ 368.00	\$ 71.44	\$ 4.6274	\$ 3.0000	\$ (1.6274)
19	Tier One Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
20	Tier Two Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
21	Tier Three Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
22	Industrial 4-inch	99,999	245		\$ 463.38	\$ 575.00	\$ 111.62	\$ 4.6274	\$ 3.0000	\$ (1.6274)
23	Tier One Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
24	Tier Two Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
25	Tier Three Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
26	Industrial 6-inch	99,999	500		\$ 926.75	\$ 1,150.00	\$ 223.25	\$ 4.6274	\$ 3.0000	\$ (1.6274)
27	Tier One Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
28	Tier Two Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
29	Tier Three Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
30	Industrial 8-inch	99,999	800		\$ 1,482.81	\$ 1,840.00	\$ 357.19	\$ 4.6274	\$ 3.0000	\$ (1.6274)
31	Tier One Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
32	Tier Two Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
33	Tier Three Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
34	Industrial 10-inch	99,999	1,150		\$ 2,131.54	\$ 2,645.00	\$ 513.46	\$ 4.6274	\$ 3.0000	\$ (1.6274)
35	Tier One Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
36	Tier Two Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
37	Tier Three Breakover (M Gal):	99,999	99,999					4.6274	5.1664	0.5390
38	Private Fire Service				\$ 22.69	\$ 25.00	\$ 2.31	n/a	n/a	n/a
39										
40										
41										
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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				White Tank				Volumetric Charge (M Gal)									
		[A]		[B]		[C]		[D]		[E]		[F]		[G]		[H]		[I]	
		Present	Proposed - Settlement	Present	Proposed - Settlement	Present	Proposed - Settlement	Present	Proposed - Settlement	Present	Proposed - Settlement	Present	Proposed - Settlement	Present	Proposed - Settlement	Present	Proposed - Settlement	Present	Proposed - Settlement
1	Public Fire Hydrant																		
2	Coin Machine																		
3																			
4																			
5																			
6	Construction Water (2-Inch)																		
7																			
8																			
9																			
10	Construction Water (3-Inch)																		
11																			
12																			
13																			
14	Construction Water (4-Inch)																		
15																			
16																			
17																			
18	Sales for Resale (5/8-Inch)																		
19																			
20																			
21																			
22	Sales for Resale (1-Inch)																		
23																			
24																			
25																			
26	Sales for Resale (1.5-Inch)																		
27																			
28																			
29																			
30	Sales for Resale (2-Inch)																		
31																			
32																			
33																			
34	Sales for Resale (3-Inch)																		
35																			
36																			
37																			
38	Sales for Resale (4-Inch)																		
39																			
40																			
41																			
42	Sales for Resale (6-Inch)																		
43																			
44																			
45																			
46	Sales for Resale (8-Inch)																		
47																			
48																			
49																			
50	Sales for Resale (10-Inch)																		
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 - Settlement	Present Rate	Basic Service Charge		Present Rate	Volumetric Charge (M Gal)		Change
		Present	Proposed Settlement			Proposed Settlement	Change		Present Rate	Proposed Settlement	
1											
2	Residential 5/8 x 3/4 -inch	3	3	99,999	\$ 25.16	\$ 25.00	\$ (0.16)	\$ 4.8189	\$ 3.3617	\$ (1.4572)	
3	Tier One Breakover (M Gal):	10	10	99,999				6.0236	5.9502	(0.0734)	
4	Tier Two Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
5	Tier Three Breakover (M Gal):										
6	Residential 1-inch	10	15	99,999	\$ 62.90	\$ 62.50	\$ (0.40)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
7	Tier One Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
8	Tier Two Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
9	Tier Three Breakover (M Gal):										
10	Residential 1.5-inch	n/a	30	n/a	n/a	\$ 125.00	n/a	n/a	5.9502	n/a	
11	Tier One Breakover (M Gal):	n/a	99,999					n/a	9.2228	n/a	
12	Tier Two Breakover (M Gal):	n/a	99,999					n/a	9.2228	n/a	
13	Tier Three Breakover (M Gal):										
14	Residential 2-inch	90	50	99,999	\$ 201.27	\$ 200.00	\$ (1.27)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
15	Tier One Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
16	Tier Two Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
17	Tier Three Breakover (M Gal):										
18	Residential 3-inch	200	100	99,999	\$ 402.54	\$ 400.00	\$ (2.54)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
19	Tier One Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
20	Tier Two Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
21	Tier Three Breakover (M Gal):										
22	Residential 4-inch	325	150	99,999	\$ 628.97	\$ 625.00	\$ (3.97)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
23	Tier One Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
24	Tier Two Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
25	Tier Three Breakover (M Gal):										
26	Residential 6-inch	725	330	99,999	\$ 1,257.94	\$ 1,250.00	\$ (7.94)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
27	Tier One Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
28	Tier Two Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
29	Tier Three Breakover (M Gal):										
30	Residential 8-inch	1,200	525	99,999	\$ 2,012.70	\$ 2,000.00	\$ (12.70)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
31	Tier One Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
32	Tier Two Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
33	Tier Three Breakover (M Gal):										
34	Residential 10-inch	1,763	775	99,999	\$ 2,893.25	\$ 2,875.00	\$ (18.25)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
35	Tier One Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
36	Tier Two Breakover (M Gal):	99,999	99,999					7.5292	9.2228	1.6936	
37	Tier Three Breakover (M Gal):										
38											
39											
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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 Settlement	Present Rate	Proposed Settlement	Change	Present Rate	Proposed Settlement	Change	
1	Commercial 5/8 x 3/4 -inch	10	10	\$ 25.16	\$ 25.00	\$ (0.16)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
2	Tier One Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
3	Tier Two Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
4	Tier Three Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
5										
6	Commercial 1-inch	30	15	\$ 62.90	\$ 62.50	\$ (0.40)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
7	Tier One Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
8	Tier Two Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
9	Tier Three Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
10	Commercial 1.5-inch	n/a	30	n/a	\$ 125.00	n/a	n/a	\$ 5.9502	n/a	
11	Tier One Breakover (M Gal):	n/a	99,999				n/a	9.2228	n/a	
12	Tier Two Breakover (M Gal):	n/a	99,999				n/a	9.2228	n/a	
13	Tier Three Breakover (M Gal):	n/a	99,999				n/a	9.2228	n/a	
14	Commercial 2-inch	100	50	\$ 201.27	\$ 200.00	\$ (1.27)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
15	Tier One Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
16	Tier Two Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
17	Tier Three Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
18	Commercial 3-inch	200	100	\$ 402.54	\$ 400.00	\$ (2.54)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
19	Tier One Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
20	Tier Two Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
21	Tier Three Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
22	Commercial 4-inch	325	150	\$ 628.97	\$ 625.00	\$ (3.97)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
23	Tier One Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
24	Tier Two Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
25	Tier Three Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
26	Commercial 6-inch	725	330	\$ 1,257.94	\$ 1,250.00	\$ (7.94)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
27	Tier One Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
28	Tier Two Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
29	Tier Three Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
30	Commercial 8-inch	1,200	525	\$ 2,012.70	\$ 2,000.00	\$ (12.70)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
31	Tier One Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
32	Tier Two Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
33	Tier Three Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
34	Commercial 10-inch	1,783	775	\$ 2,893.25	\$ 2,875.00	\$ (18.25)	\$ 6.0236	\$ 5.9502	\$ (0.0734)	
35	Tier One Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
36	Tier Two Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
37	Tier Three Breakover (M Gal):	99,999	99,999				7.5292	9.2228	1.6936	
38										
39										
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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	[A]		[B]		[C]		[D]		[E]		[F]		[G]		[H]		[I]
		Present	Proposed - Settlement	Present	Proposed - Settlement	Present	Proposed - Settlement	Present	Proposed - Settlement	Present	Proposed - Settlement	Present	Proposed - Settlement	Present	Proposed - Settlement	Present	Proposed - Settlement	
1																		
2	Industrial 5/8 x 3/4 -inch	99,999	10	\$ 25.16	\$ 25.00	\$	\$ (0.16)	\$	\$	6.0236	\$ 5,9502	\$	\$ (0.0734)	6.0236	\$ 9,2228	\$	\$ 3,1992	
3	Tier One Breakover (M Gal):	99,999	99,999															
4	Tier Two Breakover (M Gal):	99,999	99,999															
5	Tier Three Breakover (M Gal):	99,999	99,999															
6	Industrial 1-inch	99,999	15	\$ 65.60	\$ 62.50	\$	\$ (3.10)	\$	\$	6.0236	\$ 5,9502	\$	\$ (0.0734)	6.0236	\$ 9,2228	\$	\$ 3,1992	
7	Tier One Breakover (M Gal):	99,999	99,999															
8	Tier Two Breakover (M Gal):	99,999	99,999															
9	Tier Three Breakover (M Gal):	99,999	99,999															
10	Industrial 1.5-inch	n/a	30	n/a	\$ 125.00	n/a	n/a	n/a	n/a	n/a	\$ 5,9502	n/a	\$	n/a	\$ 9,2228	n/a	\$	n/a
11	Tier One Breakover (M Gal):	n/a	99,999															
12	Tier Two Breakover (M Gal):	n/a	99,999															
13	Tier Three Breakover (M Gal):	n/a	99,999															
14	Industrial 2-inch	99,999	50	\$ 201.27	\$ 200.00	\$	\$ (1.27)	\$	\$	6.0236	\$ 5,9502	\$	\$ (0.0734)	6.0236	\$ 9,2228	\$	\$ 3,1992	
15	Tier One Breakover (M Gal):	99,999	99,999															
16	Tier Two Breakover (M Gal):	99,999	99,999															
17	Tier Three Breakover (M Gal):	99,999	99,999															
18	Industrial 3-inch	99,999	100	\$ 402.54	\$ 400.00	\$	\$ (2.54)	\$	\$	6.0236	\$ 5,9502	\$	\$ (0.0734)	6.0236	\$ 9,2228	\$	\$ 3,1992	
19	Tier One Breakover (M Gal):	99,999	99,999															
20	Tier Two Breakover (M Gal):	99,999	99,999															
21	Tier Three Breakover (M Gal):	99,999	99,999															
22	Industrial 4-inch	99,999	150	\$ 628.97	\$ 625.00	\$	\$ (3.97)	\$	\$	6.0236	\$ 5,9502	\$	\$ (0.0734)	6.0236	\$ 9,2228	\$	\$ 3,1992	
23	Tier One Breakover (M Gal):	99,999	99,999															
24	Tier Two Breakover (M Gal):	99,999	99,999															
25	Tier Three Breakover (M Gal):	99,999	99,999															
26	Industrial 6-inch	99,999	330	\$ 1,257.94	\$ 1,250.00	\$	\$ (7.94)	\$	\$	6.0236	\$ 5,9502	\$	\$ (0.0734)	6.0236	\$ 9,2228	\$	\$ 3,1992	
27	Tier One Breakover (M Gal):	99,999	99,999															
28	Tier Two Breakover (M Gal):	99,999	99,999															
29	Tier Three Breakover (M Gal):	99,999	99,999															
30	Industrial 8-inch	99,999	525	\$ 2,012.70	\$ 2,000.00	\$	\$ (12.70)	\$	\$	6.0236	\$ 5,9502	\$	\$ (0.0734)	6.0236	\$ 9,2228	\$	\$ 3,1992	
31	Tier One Breakover (M Gal):	99,999	99,999															
32	Tier Two Breakover (M Gal):	99,999	99,999															
33	Tier Three Breakover (M Gal):	99,999	99,999															
34	Industrial 10-inch	99,999	775	\$ 2,893.25	\$ 2,875.00	\$	\$ (18.25)	\$	\$	6.0236	\$ 5,9502	\$	\$ (0.0734)	6.0236	\$ 9,2228	\$	\$ 3,1992	
35	Tier One Breakover (M Gal):	99,999	99,999															
36	Tier Two Breakover (M Gal):	99,999	99,999															
37	Tier Three Breakover (M Gal):	99,999	99,999															
38	Private Fire Service			\$ 24.19	\$ 25.00	\$	\$ 0.81	\$	\$	n/a	n/a	\$	\$	n/a	n/a	\$	\$	n/a
39	All meter connection sizes:																	
40																		
41																		
42																		
43																		
44																		
45																		
46																		
47																		
48																		
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(Continued)

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

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2010  
Changes in Representative Rate Schedules

Exhibit  
Schedule H-3 Settlement  
Page 16 of 17  
Witness: Reiker

Line No.	Class of Service	[A] Rate Block		[B] Present		[C] Proposed - Settlement		[D] Present Rate		[E] Basic Service Charge Proposed Settlement		[F] Change		[G] Present Rate		[H] Volumetric Charge (M Gal) Proposed Settlement		[I] Change		
		Present	Proposed - Settlement	Present	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	
1																				
2	Public Fire Hydrant																			
3	Coin Machine																			
4																				
5																				
6	Construction Water (2-Inch)																			
7																				
8																				
9																				
10	Construction Water (3-Inch)																			
11																				
12																				
13																				
14	Construction Water (4-Inch)																			
15																				
16																				
17																				
18	Sales for Resale (5/8-Inch)																			
19																				
20																				
21																				
22	Sales for Resale (1-Inch)																			
23																				
24																				
25																				
26	Sales for Resale (1.5-Inch)																			
27																				
28																				
29																				
30	Sales for Resale (2-Inch)																			
31																				
32																				
33																				
34	Sales for Resale (3-Inch)																			
35																				
36																				
37																				
38	Sales for Resale (4-Inch)																			
39																				
40																				
41																				
42	Sales for Resale (6-Inch)																			
43																				
44																				
45																				
46	Sales for Resale (8-Inch)																			
47																				
48																				
49																				
50	Sales for Resale (10-Inch)																			
51																				
52																				
53																				
54																				
55																				

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

Western Group

Line No.	Service Charges	[A]	[B]
	Current Rate	Settlement Rate*	
1	Establishment	\$16.00	\$32.00
2	Guarantee Deposit	Residential - maximum: Two(2) times average customer class bill. Non-Residential-maximum: Two and one-half (2 1/2) times that customers estimated maximum monthly bill.	No Change
3	Reconnection for Delinquency	\$16.00	\$32.00
4	Re-Establishment	Eight (8) times the customer's monthly minimum charge, or payment of the minimums since disconnection, whichever is less.	No Change
5	Service Call Out	During regular working hours - No charge. After regular working hours, on Saturdays, Sundays, or holidays - \$35.00	During regular working hours - no charge. After regular working hours, on Saturdays, Sundays, or holidays - a \$35.00 After Hours Service Charge. The current Service Call Out After Hours Charge is eliminated.
6	Returned Check	\$25.00	No Change in rate. Change language to read "Returned payment for insufficient funds."
7	Meter Re-read	No charge, if done during regular working hours, otherwise, a \$35.00 service call out.	All Meter Re-Reads - \$25.00
8	Meter Test	No charge for the first test; for the second test for the same customer within any twelve (12) month period, \$50.00, or actual time and material whichever is greater.	No charge for the first test; for the second test for the same customer within any twelve (12) month period, \$25.00, or actual time and material, whichever is greater.
9	Service Line and Meter Installation		
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11			
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51	Late Charge	1.5 percent after 15 days.	No Change
52			
53			
54			
55			

Meter Size	Service Line <sup>1</sup>	Meter	Total	Meter	Total <sup>1</sup>
5/8-inch	\$ 445.00	\$ 155.00	\$ 600.00	\$ 445.00	\$ 155.00
1-inch	495.00	315.00	810.00	495.00	315.00
2" turbine	830.00	1,045.00	1,875.00	830.00	1,045.00
2" compound	830.00	1,890.00	2,720.00	830.00	1,890.00
3" turbine	1,045.00	1,670.00	2,715.00	Actual Cost	Actual Cost
3" compound	1,165.00	2,545.00	3,710.00	Actual Cost	Actual Cost
4" turbine	1,490.00	2,670.00	4,160.00	Actual Cost	Actual Cost
4" compound	1,670.00	3,645.00	5,315.00	Actual Cost	Actual Cost
6" turbine	2,210.00	5,025.00	7,235.00	Actual Cost	Actual Cost
6" compound	2,330.00	6,920.00	9,250.00	Actual Cost	Actual Cost
8" turbine	2,210.00	5,025.00	7,235.00	Actual Cost	Actual Cost
8" compound	2,330.00	6,920.00	9,250.00	Actual Cost	Actual Cost
10" turbine	2,210.00	5,025.00	7,235.00	Actual Cost	Actual Cost
10" compound	2,330.00	6,920.00	9,250.00	Actual Cost	Actual Cost

<sup>1</sup>Actual cost of service line if boring under roadway is required.

\*Adopts Staff's recommended service charges.

Pinal Valley (Casa Grande, Coolidge)

Line No.	Description	[A] Base Rates	[B] ACRM / PPA Surcharge	[C] Monthly Consumption (M Gal)	[D] Typical Bill		[E] Present Rates	[F] Total	[G] Proposed Rates - Settlement	[H] Increase		[I] Percent
					Base	Surcharge				Amount	Percent	
1	Residential 5/8 x 3/4 -inch											
2				5			\$ 15.79	\$ 15.79	\$ 16.00	\$ 0.21	1.33%	
3				15			23.32	23.32	23.77	0.44	1.91%	
4				20			42.59	42.59	50.58	7.99	18.76%	
5	Present Rates			25			53.29	53.29	66.87	13.58	25.48%	
6				30			64.00	64.00	83.17	19.17	29.96%	
7				35			74.70	74.70	99.46	24.76	33.15%	
8	Basic Service Charge:		\$ 15.79	40			85.40	85.40	115.76	30.36	35.55%	
9				45			96.10	96.10	132.05	35.95	37.41%	
10	Tier One Breakover (M Gal):	3		50			106.81	106.81	148.35	41.54	38.89%	
11	Tier Two Breakover (M Gal):	10		55			117.51	117.51	164.64	47.13	40.11%	
12	Tier Three Breakover (M Gal):	99,999		60			128.21	128.21	180.94	52.73	41.12%	
13				65			138.92	138.92	197.23	58.32	41.98%	
14	Tier One Rate:	\$ 1,3700		70			149.62	149.62	213.53	63.91	42.72%	
15	Tier Two Rate:	1.7123		75			160.32	160.32	229.82	69.50	43.35%	
16	Tier Three Rate:	2.1406		100			171.03	171.03	246.12	75.09	43.91%	
17				150			224.54	224.54	327.60	103.06	45.90%	
18	Proposed Rates - Settlement			200			331.57	331.57	490.55	158.98	47.95%	
19				250			438.60	438.60	653.50	214.90	49.00%	
20				300			545.63	545.63	816.45	270.82	49.63%	
21	Basic Service Charge:		\$ 16.00	350			652.66	652.66	979.40	326.74	50.06%	
22				400			759.69	759.69	1,142.36	382.67	50.37%	
23				450			866.72	866.72	1,305.31	438.59	50.60%	
24	Tier One Breakover (M Gal):	3		500			973.75	973.75	1,468.26	494.51	50.78%	
25	Tier Two Breakover (M Gal):	10		550			1,080.78	1,080.78	1,631.21	550.43	50.93%	
26	Tier Three Breakover (M Gal):	99,999		600			1,187.81	1,187.81	1,794.16	606.35	51.05%	
27				650			1,294.84	1,294.84	1,957.12	662.28	51.15%	
28	Tier One Rate:	\$ 1,1879		700			1,401.87	1,401.87	2,120.07	718.20	51.23%	
29	Tier Two Rate:	2.1026		750			1,508.90	1,508.90	2,283.02	774.12	51.30%	
30	Tier Three Rate:	3.2590		800			1,615.93	1,615.93	2,445.97	830.04	51.37%	
31				850			1,722.96	1,722.96	2,608.92	885.96	51.42%	
32				900			1,829.99	1,829.99	2,771.88	941.89	51.47%	
33				1,000			1,937.02	1,937.02	2,934.83	997.81	51.51%	
34				1,500			2,151.08	2,151.08	3,260.73	1,109.65	51.59%	
35				2,000			3,221.38	3,221.38	4,890.25	1,668.87	51.81%	
36				2,500			4,291.68	4,291.68	6,519.77	2,228.09	51.92%	
37				3,000			5,361.98	5,361.98	8,149.29	2,787.31	51.98%	
38							6,432.28	6,432.28	9,778.81	3,346.53	52.03%	

Average Usage:	8.5	\$ 29.36	\$ 29.36	\$ 31.17	1.82	6.20%
Median Usage:	6.1	\$ 25.22	\$ 25.22	\$ 26.09	\$ 0.88	3.47%
Standardized Usage:	7.5	\$ 27.61	\$ 27.61	\$ 29.03	\$ 1.42	5.14%
Proposed Bill at Lifeline Usage (3.0 M Gal): \$ 19.56						
Cost of Service at Lifeline Usage (3.0 M Gal): \$ 28.97						
% Cost Discount at Lifeline Usage: 32.47%						
Cost of Service at Average Usage: \$ 40.76						
% Cost Discount at Average Usage: 23.53%						

Line No.	[A]		[B]	[C]	[D] Pinal Valley (Stanfield)			[E]	[F]	[G]	[H]	[I]
	Base Rates	ACRM / PPA Surcharge	Monthly Consumption (M Gal)	Typical Bill	Base	Surcharge	Total	Present Rates	Proposed Rates - Settlement	Amount	Percent	
1					\$	\$	\$	\$	\$	\$		
2					15.79	-	15.79	15.79	16.00	0.21	1.33%	
3			5		29.20	-	29.20	29.20	23.77	(5.43)	-18.60%	
4			15		63.49	-	63.49	63.49	50.58	(12.91)	-20.33%	
5			20		82.53	-	82.53	82.53	66.87	(15.66)	-18.98%	
6			25		101.58	-	101.58	101.58	83.17	(18.41)	-18.13%	
7			30		120.63	-	120.63	120.63	99.46	(21.17)	-17.55%	
8			35		139.68	-	139.68	139.68	115.76	(23.92)	-17.13%	
9			40		158.73	-	158.73	158.73	132.05	(26.67)	-16.81%	
10			45		177.78	-	177.78	177.78	148.35	(29.43)	-16.55%	
11			50		196.82	-	196.82	196.82	164.64	(32.18)	-16.35%	
12			55		215.87	-	215.87	215.87	180.94	(34.93)	-16.18%	
13			60		234.92	-	234.92	234.92	197.23	(37.69)	-16.04%	
14			65		253.97	-	253.97	253.97	213.53	(40.44)	-15.92%	
15			70		273.02	-	273.02	273.02	229.82	(43.19)	-15.82%	
16			75		292.07	-	292.07	292.07	246.12	(45.95)	-15.73%	
17			100		387.31	-	387.31	387.31	327.60	(59.71)	-15.42%	
18			150		577.79	-	577.79	577.79	490.55	(87.25)	-15.10%	
19			200		768.28	-	768.28	768.28	653.50	(114.78)	-14.94%	
20			250		958.76	-	958.76	958.76	816.45	(142.31)	-14.84%	
21			300		1,149.25	-	1,149.25	1,149.25	979.40	(169.85)	-14.78%	
22			350		1,339.73	-	1,339.73	1,339.73	1,142.36	(197.38)	-14.73%	
23			400		1,530.22	-	1,530.22	1,530.22	1,305.31	(224.91)	-14.70%	
24			450		1,720.70	-	1,720.70	1,720.70	1,468.26	(252.44)	-14.67%	
25			500		1,911.19	-	1,911.19	1,911.19	1,631.21	(279.98)	-14.65%	
26			550		2,101.67	-	2,101.67	2,101.67	1,794.16	(307.51)	-14.63%	
27			600		2,292.16	-	2,292.16	2,292.16	1,957.12	(335.04)	-14.62%	
28			650		2,482.64	-	2,482.64	2,482.64	2,120.07	(362.58)	-14.60%	
29			700		2,673.13	-	2,673.13	2,673.13	2,283.02	(390.11)	-14.59%	
30			750		2,863.61	-	2,863.61	2,863.61	2,445.97	(417.64)	-14.58%	
31			800		3,054.10	-	3,054.10	3,054.10	2,608.92	(445.18)	-14.58%	
32			850		3,244.58	-	3,244.58	3,244.58	2,771.88	(472.71)	-14.57%	
33			900		3,435.07	-	3,435.07	3,435.07	2,934.83	(500.24)	-14.56%	
34			1,000		3,816.04	-	3,816.04	3,816.04	3,260.73	(555.31)	-14.55%	
35			1,500		5,720.89	-	5,720.89	5,720.89	4,890.25	(830.64)	-14.52%	
36			2,000		7,625.74	-	7,625.74	7,625.74	6,519.77	(1,105.97)	-14.50%	
37			2,500		9,530.59	-	9,530.59	9,530.59	8,149.29	(1,381.30)	-14.49%	
38			3,000		11,435.44	-	11,435.44	11,435.44	9,778.81	(1,656.63)	-14.49%	
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Average Usage:	8.3	\$	39.17	\$	39.17	\$	30.65
Median Usage:	6.5	\$	33.88	\$	33.88	\$	27.00
Standardized Usage:	7.5	\$	36.82	\$	36.82	\$	29.03
Proposed Bill at Lifeline Usage (3.0 M Gal): \$ 19.56							
Cost of Service at Lifeline Usage (3.0 M Gal): \$ 28.97							
% Cost Discount at Lifeline Usage: 32.47%							
Cost of Service at Average Usage: \$ 40.23							
% Cost Discount at Average Usage: 23.82%							



Line No.	Description	[A]		[B]		[C]		[D]		[E]		[F]		[G]		[H]		[I]	
		Base Rates	ACRM / PPA Surcharges	Monthly Consumption (M Gal)	Base	Present Rates	Surcharge	Total	Proposed Rates - Settlement	Amount	Percent	Amount	Percent						
1	Residential 5/8 x 3/4 -inch																		
2				5	\$ 22.72	\$ -	\$ 22.72	\$ 23.00	\$										
3				15	31.79	-	31.79	32.00											1.23%
4	Present Rates			20	54.98	-	54.98	62.00											0.86%
5				25	67.87	-	67.87	87.83											12.76%
6				30	80.75	-	80.75	113.66											29.42%
7	Basic Service Charge:			35	93.64	-	93.64	139.50											40.76%
8		\$ 22.72		40	106.52	-	106.52	165.33											48.98%
9	Tier One Breakover (M Gal):			45	119.40	-	119.40	191.16											55.21%
10	Tier Two Breakover (M Gal):	3		50	132.29	-	132.29	216.99											60.09%
11	Tier Three Breakover (M Gal):	10		55	145.17	-	145.17	242.82											64.03%
12		99,999		60	158.06	-	158.06	268.66											67.26%
13	Tier One Rate:			65	170.94	-	170.94	284.49											69.97%
14	Tier Two Rate:	\$ 1.6493		70	183.83	-	183.83	320.32											72.27%
15	Tier Three Rate:	2.0614		75	196.71	-	196.71	346.15											74.25%
16		2.5769		100	274.02	-	274.02	501.14											75.97%
17	Proposed Rates - Settlement			150	402.86	-	402.86	759.46											77.48%
18				200	531.71	-	531.71	1,017.78											82.89%
19				250	660.55	-	660.55	1,276.10											88.52%
20				300	789.40	-	789.40	1,534.42											91.42%
21	Basic Service Charge:			350	918.24	-	918.24	1,792.74											93.19%
22		\$ 23.00		400	1,047.09	-	1,047.09	2,051.06											94.38%
23	Tier One Breakover (M Gal):			450	1,175.93	-	1,175.93	2,309.38											95.24%
24	Tier Two Breakover (M Gal):	5		500	1,304.78	-	1,304.78	2,567.70											95.88%
25	Tier Three Breakover (M Gal):	15		550	1,433.62	-	1,433.62	2,826.02											96.39%
26		99,999		600	1,562.47	-	1,562.47	3,084.34											96.79%
27	Tier One Rate:			650	1,691.31	-	1,691.31	3,342.66											97.12%
28	Tier Two Rate:	\$ 1.8000		700	1,820.16	-	1,820.16	3,600.98											97.40%
29	Tier Three Rate:	3.0000		750	1,949.00	-	1,949.00	3,859.30											97.64%
30		5.1664		800	2,077.85	-	2,077.85	4,117.62											97.84%
31	Proposed Rates - Settlement			850	2,206.69	-	2,206.69	4,375.94											98.01%
32				900	2,335.54	-	2,335.54	4,634.26											98.17%
33				1,000	2,593.23	-	2,593.23	5,150.90											98.30%
34				1,500	3,881.68	-	3,881.68	7,734.10											98.42%
35				2,000	5,170.13	-	5,170.13	10,317.30											98.63%
36				2,500	6,458.58	-	6,458.58	12,900.50											99.25%
37				3,000	7,747.03	-	7,747.03	15,483.70											99.56%
38				13.9	\$ 52.16	\$ -	\$ 52.16	\$ 58.72											99.74%
39	Average Usage:			9.0	\$ 40.02	\$ -	\$ 40.02	\$ 43.98											99.87%
40	Median Usage:			7.5	\$ 36.94	\$ -	\$ 36.94	\$ 39.50											12.57%
41	Standardized Usage:																		9.89%
42																			6.92%
43	Proposed Bill at Lifeline Usage (3.0 M Gal):							\$ 28.40											
44	Cost of Service at Lifeline Usage (3.0 M Gal):							\$ 40.91											
45	% Cost Discount at Lifeline Usage:							30.56%											
46	Cost of Service at Average Usage:							\$ 75.02											
47	% Cost Discount at Average Usage:							21.73%											
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Line No.	Description	[A] Base Rates	[B] ACRM / PPA Surcharge	[C] Monthly Consumption (M Gal)	[D] Ajo [E] Typical Bill [F] Proposed Rates - Settlement			[G] Increase Amount	[H] Increase Percent
					Base	Surcharge	Total		
1	Residential 5/8 x 3/4 - inch	\$ 25.16	-	5	\$ 25.16	\$ -	\$ 25.16	\$ (0.16)	-0.64%
2									
3				15	51.66	-	51.66	(4.68)	-9.06%
4				20	119.43	-	119.43	3.42	2.87%
5	Present Rates			25	157.07	-	157.07	11.89	7.57%
6				30	194.72	-	194.72	20.36	10.46%
7				35	232.37	-	232.37	28.83	12.41%
8	Basic Service Charge:	\$ 25.16	-	40	270.01	-	270.01	37.30	13.81%
9				45	307.66	-	307.66	45.76	14.87%
10	Tier One Breakover (M Gal):	3	-	50	345.30	-	345.30	54.23	15.71%
11	Tier Two Breakover (M Gal):	10	-	55	382.95	-	382.95	62.70	16.37%
12	Tier Three Breakover (M Gal):	99,999	-	60	420.60	-	420.60	71.17	16.92%
13				65	458.24	-	458.24	79.64	17.38%
14	Tier One Rate:	\$ 4.8189	-	70	495.89	-	495.89	88.10	17.77%
15	Tier Two Rate:	6.0236	-	75	533.53	-	533.53	96.57	18.10%
16	Tier Three Rate:	7.5292	-	100	571.18	-	571.18	105.04	18.39%
17				150	759.41	-	759.41	147.38	19.41%
18				200	1,135.87	-	1,135.87	232.06	20.43%
19	Proposed Rates - Settlement			250	1,512.33	-	1,512.33	316.74	20.94%
20				300	1,888.79	-	1,888.79	401.42	21.25%
21				350	2,265.25	-	2,265.25	486.11	21.46%
22	Basic Service Charge:	\$ 25.00	-	400	2,641.71	-	2,641.71	570.79	21.61%
23				450	3,018.17	-	3,018.17	655.47	21.72%
24	Tier One Breakover (M Gal):	3	-	500	3,394.63	-	3,394.63	740.15	21.80%
25	Tier Two Breakover (M Gal):	10	-	550	3,771.09	-	3,771.09	824.83	21.87%
26	Tier Three Breakover (M Gal):	99,999	-	600	4,147.55	-	4,147.55	909.51	21.93%
27				650	4,524.01	-	4,524.01	994.19	21.98%
28	Tier One Rate:	\$ 3.3617	-	700	4,900.47	-	4,900.47	1,078.87	22.02%
29	Tier Two Rate:	5.9502	-	750	5,276.93	-	5,276.93	1,163.56	22.05%
30	Tier Three Rate:	9.2228	-	800	5,653.39	-	5,653.39	1,248.24	22.08%
31				850	6,029.85	-	6,029.85	1,332.92	22.11%
32				900	6,406.31	-	6,406.31	1,417.60	22.13%
33				1,000	7,135.69	-	7,135.69	1,502.28	22.15%
34				1,500	11,300.29	-	11,300.29	1,671.64	22.18%
35				2,000	15,064.89	-	15,064.89	2,518.45	22.29%
36				2,500	18,829.49	-	18,829.49	3,365.27	22.34%
37				3,000	22,594.09	-	22,594.09	4,212.08	22.37%
38								5,058.89	22.39%
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Average Usage: 4.8  
 Median Usage: 3.2  
 Standardized Usage: 7.5

Proposed Bill at Lifeline Usage (3.0 M Gal): \$ 35.09  
 Cost of Service at Lifeline Usage (3.0 M Gal): \$ 42.27  
 % Cost Discount at Lifeline Usage: 17.00%

Cost of Service at Average Usage: \$ 53.72  
 % Cost Discount at Average Usage: 15.14%