

ORIGINAL



0000137972

NEW APPLICATION
BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

Arizona Corporation Commission

DOCKETED

JUL - 9 2012

2012 JUL -9 P 12:44

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY	ne
-------------	----

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF
WILLOW VALLEY WATER COMPANY FOR
THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES FOR
UTILITY SERVICE DESIGNED TO REALIZE A
REASONABLE RATE OF RETURN ON THE
FAIR VALUE OF ITS PROPERTY
THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-01732A-12-0315

APPLICATION

1. Willow Valley Water Co. ("Willow Valley" or "Company") applies for a rate increase. A description of the proposed rate increase, an explanation of why it is necessary, and an explanation of the actions taken to limit the impact on customers (including low income customers) is included in the testimony that is being filed concurrently in the rate application of Global Water - Palo Verde Utilities Company.

2. In addition, a complete set of rate case schedules is included with this Application in accordance with A.A.C. R14-2-103.

3. A set of water use data sheets and plant descriptions for each Public Water System of the Company is included with this Application.

4. This application is being submitted at the same time as rate applications for six of the Company's sister utilities. In total, the following seven utilities are filing rate application: Global Water - Santa Cruz Water Company (Santa Cruz); Global Water - Palo Verde Utilities Company (Palo Verde), Valencia Water Company - Town Division, Valencia Water Company - Greater Buckeye Division (formerly Water Utility of Greater Buckeye), Water Utility of Greater Tonopah, Willow Valley Water Company, and Water Utility of Northern Scottsdale (collectively, the "Global Utilities", and together with their unregulated affiliates and parent companies, "Global

1 Water"). The Global Utilities are ultimately owned by Global Water Resources, Inc. The
2 Company requests that the Commission consolidate these seven rate dockets.

3 **Proposed Rate Increase**

4 5. The Company seeks an increase to gross revenues of \$510,906, or 68.3% over test
5 year revenues. The increase in revenues from residential customers is 66.8%.

6 6. The requested increase is attributable to a number of factors. The Global Utilities
7 have made significant investments in rate base since the 2008 test year used in their last rate case.
8 The Global Utilities' expenses have also increased, including some expenses caused by federal
9 government regulations, such as the EPA's Lead and Copper Rule, Disinfectants and Disinfection
10 By-Products Rules and Groundwater Rule.

11 7. Certain decisions made by the Commission in Global Water's last rate case
12 contribute to the requested increase. For example, while Commission Staff and Global agreed to a
13 10% return on equity (ROE) in that case, during the final day of the open meeting, the Commission
14 reduced the ROE to 9.0%. That 9.0% ROE is far below the ROEs recently awarded to other water
15 utilities in Arizona and other states, and is well below the Global Utilities' current cost of equity.

16 8. In addition, in Global Water's last rate case, the Commission treated all ICFA
17 (Infrastructure Coordination and Financing Agreement) revenues as CIAC, ultimately causing an
18 \$85 million net loss for Global Water in 2010. Global Water believes the ICFA decision should be
19 reversed for the reasons discussed during the Commission's 2011 water workshops. In particular,
20 the Commission should recognize that ICFA funds should not be deducted from rate base when
21 those funds are used to buy troubled utilities, as explained in the Direct Testimony of Paul Walker.

22 **Ratepayer Protections**

23 9. The Global Utilities have taken a number of steps to limit the impact of the rate
24 increase on their customers. For the two largest Global Utilities (Santa Cruz and Palo Verde), the
25 rate increase will be phased in, with the increase in any year limited to approximately 5% for the
26 median residential user.

27

1 including the first water utility Smart Phone apps in the industry. Lastly, Mr. Hill describes the
2 innovative FATHOM service provided by Global Water Management, Inc. to cities and water
3 companies, enabling them to share in the efficiencies and innovations pioneered by Global Water.

4 15. **Ed Borromeo** is the Vice President, Operations for Global Water Management,
5 Inc. His direct testimony provides further information about the customer service improvements
6 made by Global Water, including improvements to Global's call center, its software, and increased
7 hours of operation. Mr. Borromeo also provides further information regarding FATHOM, and
8 provides both market and internal cost data to support the cost of the FATHOM services used by
9 the Global Utilities. Mr. Borromeo demonstrates that the Global Utilities receive FATHOM
10 services at less than the cost of those services, and that the cost is also less than the price of
11 comparable services offered by other providers (although some services are unique to FATHOM).

12 16. **Ron Fleming** is the General Manager, Arizona for Global Water. In that role, he
13 oversees each of the Global Utilities. He explains the woeful condition of several utilities
14 purchased by Global Water using ICFA funds, and the improvements made by Global Water. He
15 demonstrates why the purchases are in the public interest. Mr. Fleming provides data showing that
16 the Global Utilities are efficient, reliable, and use less water per customer than the average utility.
17 He also explains Global Water's proposed adjustment mechanisms for CAGR fees and City of
18 Maricopa license fees. Mr. Fleming provides detailed support for the Global Utilities' requests for
19 post-test year plant, and for pro forma water treatment expenses for Willow Valley Water Co. Mr.
20 Fleming also testifies in support of various tariff changes requested by the Global Utilities,
21 including extension of the Low Income Relief Tariff to Water Utility of Northern Scottsdale. Mr.
22 Fleming also describes the Global Utilities' test year water loss and the steps they are taking to
23 reduce water loss. Lastly, Mr. Fleming describes the Global Utilities' proposed rate design.

24 17. **Brett Higginbotham** is the Controller for Global Water Resources, Inc. He
25 explains Global's schedules and pro forma adjustments to rate base, revenues and expenses.

26 18. **Matt Rowell** explains the deferred tax asset created by the Commission's decision
27 in Global Water's last rate case. Mr. Rowell also supports the Global Utilities' proposal to

1 consolidate the rates of Water Utility of Greater Tonopah, Valencia Water Company – Town
2 Division and Valencia Water Company – Greater Buckeye Division. In a separate volume, Mr.
3 Rowell provides expert testimony regarding the Global Utilities’ cost of equity, cost of debt and
4 required rate of return. Mr. Rowell proposes a cost of equity of 11.44%.

5 19. **Paul Walker** describes how ICFA funds were used to buy troubled water
6 companies, and why those funds should not be deducted from rate base. He explains the
7 ratemaking issues associated with using developer funds to pay for troubled water companies,
8 including Global Water’s alternative request for an acquisition adjustment. Mr. Walker
9 demonstrates the financial and rate impacts of the Commission’s decision regarding ICFA in
10 Global Water’s last rate case, and he puts forward a proposal for dealing with future ICFA funds.
11 Lastly, Mr. Walker proposes a Distribution System Improvement Charge (DSIC) for Global’s
12 water utilities and a Collection System Improvement Charge (CSIC) for Global’s wastewater
13 utility, Palo Verde.

14 **Contact Information**

15 20. The Global Utilities’ attorneys are:

16 Roshka DeWulf & Patten, PLC
17 One Arizona Center
18 400 East Van Buren Street, Suite 800
19 Phoenix, Arizona 85004
20 (602) 256-6100

21 All data requests or other requests for information should be directed to:

22 Michael W. Patten
23 Timothy J. Sabo
24 Roshka DeWulf & Patten, PLC
25 One Arizona Center
26 400 East Van Buren Street, Suite 800
27 Phoenix, Arizona 85004
mpatten@rdp-law.com
tsabo@rdp-law.com

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

With a copy to:

Mr. Ron Fleming
General Manager, Arizona
Global Water Management
21410 North 19th Avenue, Suite 201
Phoenix, Arizona 85027
ron.fleming@gwresources.com

Compliance Information

21. The Global Utilities are currently in compliance with all requirements of the Commission, the Arizona Department of Environmental Quality (ADEQ) and the Arizona Department of Water Resources (ADWR).

WHEREFORE, the Company respectfully requests that the Commission:

- A. Consolidate this case with the Rate Applications of the other 6 Global Utilities;
- B. Schedule a hearing on this Application as soon as possible; and thereafter
- C. Issue a final order:
 - 1. Granting the rate increase requested herein;
 - 2. Approving the CAGR and City of Maricopa license fee adjustment mechanisms requested herein;
 - 3. Approving the new and revised tariffs proposed in the Direct Testimony of Ron Fleming;
 - 4. Approving the Distribution System Improvement Charge (DSIC) and Collection System Improvement Charge (CSIC) proposed in the Direct Testimony of Paul Walker;
 - 5. Consolidating the rates of Water Utility of Greater Tonopah, Valencia Water Company – Town Division and Valencia Water Company – Greater Buckeye Division; and
 - 6. Granting such other and further relief as may be appropriate under the circumstances herein.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

RESPECTFULLY SUBMITTED this 9th day of July 2012.

ROSHKA DEWULF & PATTEN, PLC

By Timothy J. Sabo
Timothy J. Sabo
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004

Original + 15 copies of the foregoing
filed this 9th day of July 2012, with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, AZ 85007

Copies of the foregoing hand-delivered/mailed
this 9th day of July 2012, to:

Lyn Farmer, Esq.
Chief Administrative Law Judge
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, AZ 85007

Janice Alward, Esq.
Chief Counsel, Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, AZ 85007

Steven M. Olea
Director, Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, AZ 85007

By Rebbie Amador

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Computation of Increase in Gross Revenue Requirement

Schedule A-1

Line No.	DESCRIPTION	[A]	[B]	[C] ORIGINAL COST	[D] FAIR VALUE
1	Adjusted Rate Base			\$ 2,359,391	\$ 2,359,391
2					
3	Adjusted Operating Income (Loss)			\$ (60,541)	\$ (60,541)
4					
5	Current Rate of Return (C3 / C1)			-2.57%	-2.57%
6					
7	Required Operating Income (C9 * C1)			\$ 250,024	\$ 250,024
8					
9	Required Rate of Return			10.60%	10.60%
10					
11	Operating Income Deficiency (C7 - C3)			\$ 310,565	\$ 310,565
12					
13	Gross Revenue Conversion Factor			1.645086	1.645086
14					
15	Increase in Gross Revenue Requirements			\$ 510,906	\$ 510,906
16					
17					
18	Customer	Present	Proposed	Dollar	Percent
19	Classification	Rates	Rates	Increase	Increase
20					
21	Residential	\$ 613,848	\$ 1,033,321	\$ 419,472	68.3%
22	Commercial	55,688	98,986	43,298	77.8%
23	Irrigation	38,807	58,224	19,417	50.0%
24	Construction	2,485	4,420	1,935	N/A
25					
26	Total of Water Revenues	\$ 710,828	\$ 1,194,950	\$ 484,122	68.1%
27					
28	Miscellaneous Revenues	13,378	13,378	-	0.0%
29					
30	Total Operating Revenues	\$ 724,206	\$ 1,208,328	\$ 484,122	66.8%
31					
32					
33					
34	<u>Supporting Schedules:</u>				
35	B-1				
36	C-1				
37	C-3				
38	H-1				
39					
40					

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Summary of Results of Operations

Line No.	Description	Prior Years Ended		Test Year		Project
		12/31/2009	12/31/2010	Actual 12/31/2011	Adjusted 12/31/2011	Present Rates 12/31/2012
1	Gross Revenues	\$ 489,376	\$ 666,950	\$ 717,230	\$ 699,104	\$ 699,104
2						
3	Revenue Deductions and					
4	Operating Expenses	541,600	662,450	765,989	759,645	759,645
5						
6	Operating Income	\$ (52,224)	\$ 4,500	\$ (48,759)	\$ (60,541)	\$ (60,541)
7						
8	Other Income and Deductions	-	-	-	-	-
9						
10	Interest Expense	(12,219)	(14,990)	(21,026)	(21,026)	(21,026)
11						
12	Net Income	\$ (64,443)	\$ (10,490)	\$ (69,785)	\$ (81,567)	\$ (81,567)
13						
14	Common Shares	1,000	1,000	1,000	1,000	1,000
15						
16	Earned Per Average					
17	Common Share	(64.44)	(10.49)	(69.79)	(81.57)	(81.57)
18						
19	Dividends Per					
20	Common Share	-	-	-	-	-
21						
22	Payout Ratio	-	-	-	-	-
23						
24	Return on Average					
25	Invested Capital	-0.25%	-0.02%	-0.21%	-2.48%	-5.03%
26						
27	Return on Year End					
28	Capital	-0.18%	-0.02%	-2.10%	-2.52%	-2.52%
29						
30	Return on Average					
31	Common Equity	-0.25%	-0.02%	-0.21%	-2.85%	-5.77%
32						
33	Return on Year End					
34	Common Equity	-0.18%	-0.02%	-2.40%	-2.89%	-2.89%
35						
36	Times Bond Interest Earned					
37	Before Income Taxes	(7.56)	(0.24)	(4.48)	(8.12)	(8.12)
38						
39	Times Total Interest and					
40	Preferred Dividends Earned					
41	After Income Taxes	(3.27)	1.30	(1.32)	(1.88)	(1.88)
42						
43						
44						
45						
46	<u>Supporting Schedules:</u>					
47	E-2					
48	C-1					
49	F-1					
50						

Schedule A-2

ed Year
Proposed
Rates
12/31/2012
\$ 1,210,010

965,583

\$ 244,427

(21,026)

\$ 223,401

1,000

223.40

13.78%

6.89%

15.82%

7.91%

15.50

12.62

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Constructure Expenditures and Gross Utility Plant Placed in Service

Schedule A-4

Line No.			Construction Expenditures	Net Plant Placed In Service	Gross Utility Plant In Service
1	Prior Year Ended	12/31/2009	\$ 77,720	\$ 80,816	\$ 4,108,472
2					
3	Prior Year Ended	12/31/2010	515,844	333,295	4,441,767
4					
5	Test Year Ended	12/31/2011	397,888	591,335	5,033,102
6					
7	Projected Year Ended	12/31/2012	-	80,436	5,113,538
8					
9					
10					
11					
12					
13	<u>Supporting Schedules:</u>				
14	F-3				
15	E-5				
16					
17					
18					
19					
20					

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Summary of Fair Value Rate Base

Schedule B-1

Line No.		Original Cost Rate Base
1	Plant in Service	\$ 5,113,538
2	Less: Accumulated Depreciation	(1,742,556)
3		
4	Net Plant in Service	\$ 3,370,982
5		
6	<u>LESS:</u>	
7	Net CIAC	-
8	Advances in Aid of Construction (AIAC)	610,760
9	Customer Deposits	36,233
10	Deferred Income Tax Credits	391,114
11		
12	<u>ADD:</u>	
13	Unamortized Finance Charges	-
14	Deferred Tax Assets	26,516
15	Working Capital	-
16	Utility Plant Acquisition Adjustment	-
17		
18	Original Cost Rate Base	<u>\$ 2,359,391</u>
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30	<u>Supporting Schedules:</u>	<u>Recap Schedules:</u>
31	B-2	A-1
32	B-3	
33	E-1	
34	B-5	
35		

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Original Cost Rate Base Pro Forma Adjustments

Line No.	Description	(A) Actual End of Test Year	(B) ADJ #1 B-2.1	(C) ADJ #2	(D) ADJ #3	(E) Adjusted End of Test Year
1	303 Land and Land Rights	\$ 18,293	\$ -	\$ -	\$ -	\$ 18,293
2	304 Structures and Improvements	464,273	-	-	-	464,273
3	306 Lake, River and Other Intakes	-	-	-	-	-
4	307 Wells and Springs	1,623,786	-	-	-	1,623,786
5	309 Supply Mains	5,441	-	-	-	5,441
6	310 Power Generation Equipment	10,751	-	-	-	10,751
7	311 Pumping Equipment	537,335	-	-	-	537,335
8	320 Water Treatment Equipment	572,865	-	-	-	572,865
9	330 Distribution Reservoirs and Standpipes	265,900	-	-	-	265,900
10	331 Transmission and Distribution Mains	670,561	-	-	-	670,561
11	333 Services	96,681	-	-	-	96,681
12	334 Meters and Meter Installations	533,416	-	-	-	533,416
13	335 Hydrants	47,803	-	-	-	47,803
14	336 Backflow Prevention Devices	1,024	-	-	-	1,024
15	339 Other Plant and Miscellaneous Equipment	20,318	-	-	-	20,318
16	340 Office Furniture and Equipment	22,646	-	-	-	22,646
17	341 Transportation Equipment	21,527	-	-	-	21,527
18	343 Tools, Shop and Garage Equipment	43,388	-	-	-	43,388
19	344 Laboratory Equipment	9,508	-	-	-	9,508
20	345 Power Operated Equipment	38,925	-	-	-	38,925
21	346 Communication Equipment	13,877	-	-	-	13,877
22	347 Miscellaneous Equipment	10,223	80,436	-	-	90,659
23	348 Other Tangible Plant	3,937	-	-	-	3,937
24	390 Office Furniture & Equipment	625	-	-	-	625
25	Total Plant in Service	\$ 5,033,102	\$ 80,436	\$ -	\$ -	\$ 5,113,538
26	Less: Accumulated Depreciation	(1,742,556)	-	-	-	(1,742,556)
27	Net Plant in Service (L59 - L 60)	\$ 3,290,546	\$ 80,436	\$ -	\$ -	\$ 3,370,982
28	LESS:					
30	Net Contributions in Aid of Construction (CIAC)	\$ -	\$ -	\$ -	\$ -	\$ -
31	Advances in Aid of Construction (AIAC)	610,760	-	-	-	610,760
32	Customer Meter Deposits	36,233	-	-	-	36,233
33	Deferred Income Tax Credits	391,114	-	-	-	391,114
34	ADD:					
36	Unamortized Finance Charges	\$ -	\$ -	\$ -	\$ -	\$ -
37	Deferred Tax Assets	16,555	-	-	-	16,555
38	Meter deposits	794	-	-	-	794
	Deferred gain	4,414	-	-	-	4,414
	Bad debt	4,754	-	-	-	4,754
	Deferred compensation	-	-	-	-	-
	CIAC	-	-	-	-	-
39	Working Capital	-	-	-	-	-
40	Utility Plant Acquisition Adjustment	-	-	-	-	-
41		-	-	-	-	-
42	Original Cost Rate Base	\$ 2,278,956	\$ 80,436	\$ -	\$ -	\$ 2,359,391
43						
44	Supporting Schedules:					
45	E-1					
46	Recap Schedules:					
	B-1					

Willow Valley Water Company, Inc.
Test Year Ended December 31, 2011
Rate Base Adjustment #1
Post Test Year CapEx

Schedule B-2.1

Line
No.
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63

Company Name	Project ID	Total 2012
Willow Valley Water Company	WVR SCADA - WVWC	\$ 80,436
Willow Valley Water Company Total		\$ 80,436

Willow Valley Water Company, Inc.

Test Year Ended December 31, 2011

Pro forma adjustments to gross plant in service and accumulated depreciation for the RCND rate base

Line

No.

1 The Company did not make pro forma adjustments to gross plant in service and accumulated depreciation for RCND rate base

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

Willow Valley Water Company, Inc.
Test Year Ended December 31, 2011
RCND Detail of Plant Accounts

Schedule B-4

Line
No.

1 The Company did not conduct a Reconstruction Cost New Study.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

Line

No.

1

2 The Company is not requesting a working capital allowance.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Adjusted Test Year Income Statement

Schedule C-1

Line No.	DESCRIPTION	[A] Actual Test Year	[B] Pro Forma Adjustments	[C] Adjusted Test Year	[D] Proposed Rate Increase	[E] Adjusted With Rate Increase
1	Revenues					
2	Metered Water Sales	\$ 659,351	\$ 26,375	\$ 685,726	\$ 510,906	\$ 1,196,632
3	Water Sales - Unmetered	44,501	(44,501)	-	-	-
4	Other Operating Revenue	13,378	-	13,378	-	13,378
5	Total Operating Revenues	717,230	(18,126)	699,104	510,906	1,210,010
6						
7	Operating Expenses					
8	601 Salary and Wages - Employees	263,312	-	263,312	-	263,312
9	604 Employee Pensions and Benefits	-	-	-	-	-
10	610 Purchased Water	-	-	-	-	-
11	615 Purchased Power	40,485	3,262	43,747	-	43,747
12	616 Fuel for Power Production	-	-	-	-	-
13	618 Chemicals	18,800	36,622	55,422	-	55,422
14	620 Materials and Supplies	36,002	-	36,002	-	36,002
15	621 Office Supplies and Expense	27,025	-	27,025	-	27,025
16	630 Outside Services	97,501	-	97,501	-	97,501
17	635 Contractual Services - Testing	20,993	-	20,993	-	20,993
18	636 Contractual Services - Other	-	-	-	-	-
19	641 Rental of Building/Real Property	10,241	-	10,241	-	10,241
20	642 Rental of Equipment	-	-	-	-	-
21	650 Transportation Expenses	24,173	-	24,173	-	24,173
22	657 Insurance - General Liability	7,125	-	7,125	-	7,125
23	659 Insurance - Other	4,218	-	4,218	-	4,218
24	666 Regulatory Commission Expense - Rate Case	5,333	4,589	9,922	-	9,922
25	667 Rate Case Expense	-	-	-	-	-
26	670 Bad Debt Expense	8,422	(213)	8,209	5,999	14,208
27	675 Miscellaneous Expenses	25,404	(842)	24,563	-	24,563
28	403 Depreciation Expense	196,646	4,022	200,668	-	200,668
29	408 Taxes Other Than Income	782	-	782	-	782
30	408.11 Taxes Other Than Income - Property Taxes	22,674	11,086	33,760	8,226	41,985
31	409 Income Taxes	(43,147)	(64,871)	(108,018)	191,713	83,696
32	Total Operating Expenses	765,989	(6,344)	759,645	205,938	965,583
33						
34	Utility Operating Income (Loss)	(48,759)	(11,782)	(60,541)	304,968	244,427
35						
36	414 Gains (Losses) from Disp of Util Prop	-	-	-	-	-
37	419 Interest and Dividend Income	-	-	-	-	-
38	426 Miscellaneous Non-Utility Expenses	(2,256)	-	(2,256)	-	(2,256)
39	427 Interest Expense	(21,026)	-	(21,026)	-	(21,026)
40	Total Other Income and Deductions	(23,282)	-	(23,282)	-	(23,282)
41						
42	Net Income (Loss)	\$ (72,041)	\$ (11,782)	\$ (83,823)	\$ 304,968	\$ 221,145
43						
44	Supporting Schedules:				Recap Schedules:	
45	E-2				A-1	
46	C-2					

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Income Statement Adjustment #1
 2008 Rate Case Costs Amortization Schedule

Schedule C-2.1

Line No.	Company ID	Company	Revenue Increase/Decrease	Percent
2	202	Palo Verde Utilities Co.	\$ 6,063,392.00	40.00%
3	602	Santa Cruz Water Company	\$ 1,542,323.00	40.00%
4	618	Valencia Water Company	\$ 1,473,012.00	14.00%
5	622	Willow Valley Water Company	\$ 428,047.00	4.00%
6	630	Water Utility of Greater Tonopah	\$ 24,283.00	1.00%
7	634	Water Utility of Greater Buckeye	\$ 77,259.000	1.00%
8			\$ 9,608,316.00	100.00%

11	Acct 28090	Total Rate Case Expense	\$ 400,000.00	
12		Number of Years for Amortization	3	
13		Period Amortization Start	8/31/2010	
14		Period Amortization End	8/31/2013	
15		Monthly Amortization Expense	\$ 11,111.11	

Amortization Expense by Company

Period Ended	Palo Verde Utilities Co.	Santa Cruz Water Company	Valencia Water Company	Willow Valley Water Company	Water Utility of Greater Tonopah	Water Utility of Greater Buckeye
18						
19	1/31/2010	\$ -	\$ -	\$ -	\$ -	\$ -
20	2/28/2010	\$ -	\$ -	\$ -	\$ -	\$ -
21	3/31/2010	\$ -	\$ -	\$ -	\$ -	\$ -
22	4/30/2010	\$ -	\$ -	\$ -	\$ -	\$ -
23	5/31/2010	\$ -	\$ -	\$ -	\$ -	\$ -
24	6/30/2010	\$ -	\$ -	\$ -	\$ -	\$ -
25	7/31/2010	\$ -	\$ -	\$ -	\$ -	\$ -
26	8/31/2010	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
27	9/30/2010	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
28	10/31/2010	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
29	11/30/2010	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
30	12/31/2010	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
31	1/31/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
32	2/28/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
33	3/31/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
34	4/30/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
35	5/31/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
36	6/30/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
37	7/31/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
38	8/31/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
39	9/30/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
40	10/31/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
41	11/30/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
42	12/31/2011	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
43	1/31/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
44	2/29/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
45	3/31/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
46	4/30/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
47	5/31/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
48	6/30/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
49	7/31/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
50	8/31/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
51	9/30/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
52	10/31/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
53	11/30/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
54	12/31/2012	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
55	1/31/2013	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
56	2/28/2013	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
57	3/31/2013	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
58	4/30/2013	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
59	5/31/2013	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
60	6/30/2013	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
61	7/31/2013	\$ 4,444.44	\$ 4,444.44	\$ 1,555.56	\$ 444.44	\$ 111.11
62	8/31/2013	\$ -	\$ -	\$ -	\$ -	\$ -
63						

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Income Statement Adjustment #3
 Low Income Relief Tariff

Schedule C-2.3

Line

No.

Line No.	Company	Description	Total 2011 201201 Accrual
1			
2			
3			
4	Palo Verde Utilities Co.	Balance LIRT Liability	(8,407.30)
5	Santa Cruz Water Company	Balance LIRT Liability	(8,295.10)
6	Valencia Water Company	Balance LIRT Liability	(2,761.00)
7	Willow Valley Water Company	Balance LIRT Liability	(841.50)
8	Water Utility of Greater Tonopah	Balance LIRT Liability	(171.60)
9	Water Utility of Greater Buckeye	Balance LIRT Liability	(334.40)
10			
11			(20,810.90)
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			

Line No.	Class of Service	[A]	[B]	[C]	[D]	[E]
		Average No. of Customers Per Bill Count Sch. H-2 Col. A	Year-End Number of Customers	Average Additional Customers [B - A]	Average Bill	Additional Revenues at Present Rates
1	5/8" Residential	1,468	1,466	(2)	\$ 21.93	\$ (44)
2	3/4" Residential	8	8	-	\$ 25.89	\$ -
3	1" Residential	7	5	(2)	\$ 87.66	\$ (175)
4	Subtotal Residential			(4)		\$ (219)
5						
6						
7	5/8" Commercial	5	5	-	\$ 77.06	\$ -
8	1" Commercial	6	4	(2)	\$ 182.29	\$ (365)
9	1.5" Commercial	3	2	(1)	\$ 242.09	\$ (242)
10	2" Commercial	2	2	-	\$ 261.54	\$ -
11	6" Commercial	3	2	(1)	\$ 1,148.58	\$ (1,149)
12	Subtotal Commercial			(4)		\$ (1,755)
13						
14	No change in irrigation customer counts.					
15						
16	Totals					\$ (1,974)
17						
18						
19	Class of Expense					
20		Cost per M gallons				
21	Pumping	\$ 0.54				
22	Water Treatment	0.25				
23						
24		Change in Customers	Average Consumption	Change in M Gallons	Change in Pumping Cost	Change in Treatment Cost
25						
26	Residential	(4)	3.82	(15.29)	(\$8.20)	(\$3.81)
27	Commercial	(4)	17.40	(69.61)	(\$37.33)	(\$17.33)
28					(\$45.53)	(\$21.14)
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

Willow Valley Water Company, Inc.

Schedule C-2.5

Test Year Ended December 31, 2011

Income Statement Adjustment 5

Reduce 2011 revenue for the unbilled minimum charge earned prior to 2011 but recognized in 2011.

Line

No.

1	Company Code	Company	Account Type	Adjustment
2	622	Willow Valley	Residential	\$ 20,219.09
3	622	Willow Valley	Commercial	(3,386.29)
4	622	Willow Valley	Construction	-
5	622	Willow Valley	Irrigation	(681.50)
6	622	Willow Valley	Golf Course	-
7	622	Willow Valley	Lake	-
8			<u>Total</u>	<u>\$ 16,151.30</u>

9

10

11

12

13

14

15

16

17

18

19

20

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Income Statement Adjustment 6
 Adjustment to Purchased Power Expense

Line No.	Description	2011 Total Costs
1	615 Purchased Power - Test year actual (Sch. C-2)	\$ 40,485
2		
3	MEC electrical increase of 4.02%	4.02%
4		
5		
6	2012 Expected Purchased Power due to MEC electrical annual increases at a rate of 4.02%	\$ 43,793
7		
8	Adjustment to Purchased Power	\$ 3,308
9		
10	Variables	
11	Recommended Revenue Increase	
12	Projected Growth Rate (Annually)	
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

Annual % Change	Implementation date	2011												2011 Total Costs
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
4.02%		\$ 3,262	\$ 2,981	\$ 4,959	\$ 3,119	\$ 3,291	\$ 3,732	\$ 3,840	\$ 4,074	\$ 4,149	\$ 2,976	\$ 2,947	\$ 2,844	\$ 42,175
3.5%		\$ 5,428	\$ 2,905	\$ 3,025	\$ 3,365	\$ 3,647	\$ 3,863	\$ 3,975	\$ 4,217	\$ 4,295	\$ 3,080	\$ 3,050	\$ 2,944	\$ 43,793

Willow Valley Water Company, Inc.
Test Year Ended December 31, 2011
Income Statement Adjustment 9
Adjust for depreciation of post test-year plant additions

Schedule C-2.9

Line No.			
1			
2	Post test-year plant additions (FY 2012) - see schedule B-2.1	\$	80,436
3	Blended depreciation rate (in years)		20
4	Estimated additional depreciation expense	\$	4,022
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

Willow Valley Water Company, Inc.

Schedule C-2.11

Test Year Ended December 31, 2011

Income Statement Adjustment 11 & 14

Adjust Bad Debt Expense for Change in Revenue Levels

Line No.		
1	Bad Debt Expense - Test Year Actual (Sch C-2)	\$ 8,422
2	Actual Test Year Revenues (Sch C-2)	<u>717,230</u>
3	Bad Debt Expense Rate	1.2%
4		
5		
6	Adjusted Test Year Revenues (Sch C-2)	\$ 699,104
7	Bad Debt Expense Rate	1.2%
8	Expected Bad Debt Expense	<u>\$ 8,209</u>
9		
10	Adjustment to Bad Debt Expense Based on Adjusted Test Year Revenues	\$ (213)
11		
12		
13	Proposed Revenues (Sch C-2)	\$ 1,210,010
14	Bad Debt Expense Rate	1.2%
15	Expected Bad Debt Expense Based on Proposed Revenues	<u>\$ 14,208</u>
16		
17	Adjustment to Bad Debt Expense	\$ 5,999
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Income Statement Adjustments 12 & 17
 Adjustment to Property Tax ..

Schedule C-2.12

Line No.		Test Year	
		As Adjusted	Proposed
1	Adjusted Test Year Revenues	\$ 699,104	\$ 699,104
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	1,398,208	\$ 1,398,208
4	Proposed Revenue Requirement	699,104	\$ 1,210,010
5	Subtotal (Line 4 + Line 5)	2,097,313	2,608,219
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	699,104	\$ 869,406
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	1,398,208	\$ 1,738,812
10	Plus: 10% of CWIP -	47	47
11	Less: Net Book Value of Licensed Vehicles	340	\$ 340
12	Full Cash Value (Line 9 + Line 10 - Line 11)	1,397,915	\$ 1,738,519
13	Assessment Ratio	21.0%	21.0%
14	Assessment Value (Line 12 * Line 13)	293,562	\$ 365,089
15	Composite Property Tax Rate	11.5000%	11.5000%
16			\$ -
17	Test Year Adjusted Property Tax (Line 14 * Line 15) - Rebuttal	\$ 33,760	
18	Actual Test Year Property Tax Expense	22,674	
19			
20	Test Year Adjustment (Line 16-Line 17)	\$ 11,086	
21	Property Tax - Recommended Revenue (Line 14 * Line 15)		\$ 41,985
22	Test Year Adjusted Property Tax Expense (Line 17)		33,760
23	Increase in Property Tax Expense Due to Increase in Revenue Requirement		\$ 8,226
24			
25	Increase to Property Tax Expense		\$ 8,226
26	Increase in Revenue Requirement		510,906
27	Increase to Property Tax per Dollar Increase in Revenue (Line 19/Line 20)		1.610000%
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			

Willow Valley Water Company, Inc.

Test Year Ended December 31, 2011

Income Statement Adjustments 14 & 18

Adjust Income Taxes to Reflect Adjusted and Proposed Income Taxes

Schedule C-2.14

Line No.		Adjusted Test Year Results	Proposed Revenue Results
1			
2	Operating Income Before Income Taxes	\$ (168,558)	\$ 328,123
3	Synchronized Interest	111,289	111,289
4	Arizona Taxable Income	\$ (279,847)	\$ 216,834
5			
6	Arizona Income Tax (6.968%)	\$ (19,500)	\$ 15,109
7			
8	Federal Income Before Taxes	\$ (279,847)	\$ 216,834
9	Less Arizona Income Taxes	(19,500)	15,109
10	Federal Taxable Income	\$ (260,347)	\$ 201,725
11			
12	Federal Income Tax (34% Tax Bracket)	\$ (88,518)	\$ 68,587
13			
14	Total Income Tax	\$ (108,018)	\$ 83,696
15			
16	Tax Rate	38.5989%	38.5989%
17			
18	Effective Income Tax Rates		
19	State	6.9680%	6.9680%
20	Federal	31.6309%	31.6309%
21			
22			
23	Test Year Income Taxes (Sch. C-2, Line 31)	\$ (43,147)	
24	Increase/(Decrease) to Income Taxes - Adjusted	\$ (64,871)	
25			
26	Test Year Income Taxes - Adjusted		\$ (108,018)
27			
28	Increase/(Decrease) to Proposed Income Taxes		\$ 191,713
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Income Statement Adjustments 19
 Adjust for additional treatment costs

Line No.

Projected Monthly Increase – Cimarron Production Site

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Prod (Kgal)	741	671	807	743	898	944	935	1,229	1,121	1,112	801	724	5,792
Prod(\$) 2010	\$400	\$362	\$436	\$401	\$485	\$510	\$505	\$664	\$605	\$600	\$433	\$391	\$5,792
Prod(\$) 2012	\$793	\$718	\$863	\$795	\$961	\$1,010	\$1,000	\$1,315	\$1,199	\$1,190	\$857	\$775	\$11,477
Change(\$)	\$393	\$356	\$428	\$394	\$476	\$500	\$496	\$651	\$594	\$589	\$425	\$384	\$5,685

Projected Monthly Increase – Unit 17 Production Site

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Prod (Kgal)	5,931	5,857	7,039	7,519	9,303	8,303	9,467	9,975	7,514	6,543	8,728	4,875	91,054
Prod(\$) 2010	\$2,135	\$2,109	\$2,534	\$2,707	\$3,349	\$2,989	\$3,408	\$3,591	\$2,705	\$2,355	\$3,142	\$1,755	\$32,779
Prod(\$) 2012	\$4,152	\$4,100	\$4,927	\$5,263	\$6,512	\$5,812	\$6,627	\$6,983	\$5,260	\$4,580	\$6,100	\$3,413	\$63,738
Change(\$)	\$2,017	\$1,991	\$2,393	\$2,556	\$3,163	\$2,823	\$3,129	\$3,392	\$2,555	\$2,225	\$2,968	\$1,658	\$30,958

Total

\$36,643

2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40

Line No.		Percentage of Incremental Gross Revenues
1	Revenue	100.0000%
2	Uncollectible Factor (L14)	0.6140%
3	Revenues (L1 - L2)	99.3860%
4	Combined Federal and State Income Tax	38.5989%
5	Subtotal (L3 - L4)	60.7871%
6	Revenue Conversion Factor (L1 / L5)	1.645086
7		
8		
9	<u>Calculation of Uncollectible Factor:</u>	
10	Revenue	100.0000%
11	Combined Federal and State Tax Rate (L23)	38.5989%
12	One Minus Combined Income Tax Rate (L10 - L11)	61.4011%
13	Uncollectible Rate	1.0000%
14	Uncollectible Factor (L12 x L13)	0.6140%
15		
16	<u>Calculation of Effective Tax Rate:</u>	
17	Arizona State Income Tax Rate	6.9680%
18	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%
19	Arizona State Income Tax Rate	6.9680%
20	Federal Taxable Income (L18 - L19)	93.0320%
21	Applicable Federal Income Tax Rate	34.0000%
22	Effective Federal Income Tax Rate (L20 x L21)	31.6309%
23	Combined Federal and State Income Tax Rate (L17 +L22)	38.5989%
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Summary Cost of Capital

Line No.	Description	End of Test Year - Actual			
		Dollar Amount	Percent of Total	Rate of Return	
1				Weighted Cost	
2	Short-Term Debt	\$ 29,470	0.89%	5.17%	0.05%
3					
4	Long-Term Debt	387,538	11.65%	4.68%	0.55%
5					
6	Common Equity	2,908,686	87.46%	-2.40% a	-2.10%
7					
8	Totals	\$ 3,325,694	100.00%		-1.51%
9					

Line No.	Description	End of Projected Year - Proposed Rates			
		Dollar Amount	Percent of Total	Rate of Return	
15	Short-Term Debt	\$ 29,470	0.91%	5.17%	0.05%
16					
17	Long-Term Debt	387,538	11.95%	4.68%	0.56%
18					
19	Common Equity	2,824,864	87.14%	11.44%	9.97%
20					
21	Totals	\$ 3,241,872	100.00%		10.58%
22					

Line No.	Description	End of Test Year - Proposed			
		Dollar Amount	Percent of Total	Rate of Return	
15	Short-Term Debt	\$ 29,470	0.89%	5.17%	0.05%
16					
17	Long-Term Debt	387,538	11.65%	4.68%	0.55%
18					
19	Common Equity	2,908,686	87.46%	11.44%	10.01%
20					
21	Totals	\$ 3,325,694	100.00%		10.60%
22					

a. Sch. A-2

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Cost of Debt

Line No.		End of Test Year - Actual			End of Projected Year - Proposed Rates		
		Amount Outstanding	Annual Cost	Interest Rate	Amount Outstanding	Annual Cost	Interest Rate
1	Long-Term Debt						
2							
3	WIFA 92A179-10	\$ 232,347	\$ 9,759	4.20%	\$ 232,347	\$ 9,759	4.20%
4	WIFA 920010-98	91,312	5,593	6.13%	91,312	5,593	6.13%
5	WIFA 920078-03	63,879	2,795	4.38%	63,879	2,795	4.38%
6							
7	Totals	\$ 387,538	\$ 18,146	4.68%	\$ 387,538	\$ 18,146	4.68%
8							
9	Short-Term Debt						
10							
10	WIFA 92A179-10	\$ 9,656	\$ 406	4.20%	\$ 9,656.11	\$ 406	4.20%
11	WIFA 920010-98	14,344	879	6.13%	14,344	879	6.13%
12	WIFA 920078-03	5,470	239	4.38%	5,470	239	4.38%
13							
14	Totals	\$ 29,470	\$ 1,523	5.17%	\$ 29,470	\$ 1,523	5.17%
15							
16		\$ 417,008	\$ 19,670	4.72%	\$ 417,008	\$ 19,670	4.72%
17							
18							
19							
20							
21	Long-Term Debt						
22							
22	WIFA 92A179-10	\$ 232,347	\$ 9,759	4.20%	\$ 232,347	\$ 9,759	4.20%
23	WIFA 920010-98	91,312	5,593	6.13%	91,312	5,593	6.13%
24	WIFA 920078-03	63,879	2,795	4.38%	63,879	2,795	4.38%
25							
26	Totals	\$ 387,538	\$ 18,146	4.68%	\$ 387,538	\$ 18,146	4.68%
27							
28	Short-Term Debt						
29							
30	WIFA 92A179-10	\$ 9,656	\$ 406	4.20%	\$ 9,656.11	\$ 406	4.20%
30	WIFA 920010-98	14,344	879	6.13%	14,344	879	6.13%
31	WIFA 920078-03	5,470	239	4.38%	5,470	239	4.38%
32							
33	Totals	\$ 29,470	\$ 1,523	5.17%	\$ 29,470	\$ 1,523	5.17%
34							
35		\$ 417,008	\$ 19,670	4.72%	\$ 417,008	\$ 19,670	4.72%
36							
37							
38							
39							
40							
41							
42							
43							

Willow Valley Water Company, Inc.
Test Year Ended December 31, 2011
Comparative Balance Sheets

Schedule E-1

Line No.		Test Year Ended 12/31/2011	Prior Year Ended 12/31/2010	Prior Year Ended 12/31/2009
1	<u>Assets</u>			
2				
3	131 Cash and cash equivalents	\$ 42,113	\$ 20,167	\$ 2,729
4	132 Special Deposits	35,668	32,067	29,367
5	141 Customer Accounts Receivable	32,923	38,914	20,348
6	142 Other Accounts Receivable			
7	143 Accumulated Provision for Uncollectible Accounts	(11,408)	(7,416)	(3,365)
8	151 Plant Material and Supplies	10,648	11,302	10,987
9	162 Prepayments	4,368	4,517	6,994
10	174 Miscellaneous Current and Accrued Assets	63,015	49,251	24,924
11	173 Accrued utility revenue	-	-	-
12	Total Current Assets	\$ 177,327	\$ 148,802	\$ 91,984
13				
14	Total Utility Plant in Service	\$ 5,033,102	\$ 4,441,767	\$ 4,108,472
15	105 Construction work-in-progress	(9,354)	184,093	1,544
16	108 Less: Accumulated Depreciation	(1,742,556)	(1,548,093)	(1,387,070)
17	Total Fixed Assets (Net)	\$ 3,281,192	\$ 3,077,767	\$ 2,722,946
18				
19	Deferred Debits			
20	114 Utility Plant Acquisition Adjustments	\$ 398,499	\$ 398,499	\$ 398,499
21	181 Unamortized Debt Discount & Expense	8,939	9,435	9,932
22	190 Accumulated Deferred Income Taxes	225,865	182,718	176,640
23	Total other assets	\$ 633,303	\$ 590,652	\$ 585,071
24				
25	Total Assets	\$ 4,091,822	\$ 3,817,221	\$ 3,400,001
26				
27	Liabilities and Stockholders' Equity			
28				
29	231 Accounts payable	\$ 49,886	\$ 19,448	\$ 52,101
30	232 Notes Payable	29,376	27,519	17,630
31	233 Accounts Payable to Associated Companies	-	-	-
32	235 Customer Deposits	36,233	21,716	15,409
33	236 Accrued Taxes	11,337	9,731	11,346
34	237 Accrued Interest	3,287	2,842	1,539
35	241 Miscellaneous Current and Accrued Liabilities	54,625	38,787	24,587
36	253 Other Deferred Credits	-	-	-
37	Total Current Liabilities	\$ 184,744	\$ 120,043	\$ 122,612
38				
39	224 Other Long-Term Debt	\$ 387,632	\$ 591,386	\$ 193,650
40	Total Long-Term Liabilities	\$ 387,632	\$ 591,386	\$ 193,650
41				
42	252 Advances for Construction	\$ 610,760	\$ 617,186	\$ 615,635
43	Total Deferred Credits and Other Liabilities	\$ 610,760	\$ 617,186	\$ 615,635
44				
45	Total Liabilities and Deferred Credits	\$ 1,183,136	\$ 1,328,615	\$ 931,897
46				
47	201 Common Stock Issued	\$ -	\$ -	\$ -
48	211 Other Paid-In Capital	3,144,983	2,652,862	2,619,816
49	215 Unappropriated Retained Earnings	(164,256)	(151,712)	(87,269)
50	215 Current year net income	(72,041)	(12,544)	(64,443)
51	Total Members' Equity	\$ 2,908,686	\$ 2,488,606	\$ 2,468,104
52				
53	Total Liabilities and Stockholders' Equity	\$ 4,091,822	\$ 3,817,221	\$ 3,400,001
54				
55				
56				

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Comparative Income Statements

Schedule E-2

Line No.		Test Year Ended 12/31/2011	Prior Year Ended 12/31/2010	Prior Year Ended 12/31/2009
1	Operating Revenues			
2				
3	461 Metered Water Revenue	\$ 659,351	\$ 574,319	\$ 443,056
4	460 Unmetered Water Revenue	44,501	25,111	12,385
5	474 Other Water Revenues	13,378	67,520	33,935
6	Total Operating Revenues	\$ 717,230	\$ 666,950	\$ 489,376
7				
8	Operating Expenses			
9				
10	601 Salary and Wages - Employees	\$ 263,312	\$ 264,735	\$ 215,782
11	604 Employee Pensions and Benefits	-	-	-
12	610 Purchased Water	-	-	-
13	615 Purchased Power	40,485	41,011	42,797
14	616 Fuel for Power Production	-	-	-
15	618 Chemicals	18,800	15,687	18,966
16	620 Materials and Supplies	36,002	12,620	13,024
17	621 Office Supplies and Expense	27,025	28,118	35,161
18	630 Outside Services	97,501	62,003	13,005
19	635 Contractual Services - Testing	20,993	11,253	16,874
20	636 Contractual Services - Other	-	-	-
21	641 Rental of Building/Real Property	10,241	-	12,092
22	642 Rental of Equipment	-	-	-
23	650 Transportation Expenses	24,173	14,127	9,254
24	657 Insurance - General Liability	7,125	7,424	8,024
25	659 Insurance - Other	4,218	3,071	4,155
26	666 Regulatory Commission Expense - Rate Case	5,333	8,532	-
27	667 Rate Case Expense	-	-	-
28	670 Bad Debt Expense	8,422	3,943	4,524
29	675 Miscellaneous Expenses	25,404	13,565	6,570
30	403 Depreciation Expense	196,646	161,338	158,880
31	408 Taxes Other Than Income	782	155	218
32	408.11 Taxes Other Than Income - Property Taxes	22,674	20,945	22,395
33	409 Income Taxes	(43,147)	(6,077)	(40,121)
34	Total Operating Expenses	\$ 765,989	\$ 662,450	\$ 541,600
35				
36	Operating Income / (Loss)	\$ (48,759)	\$ 4,500	\$ (52,224)
37				
38	OTHER INCOME / (EXPENSE			
39	414 Gains (Losses) from Disposition of Utility Property	\$ -	\$ -	\$ -
40	419 Interest and Dividend Income	-	-	-
41	426 Miscellaneous Non-Utility Expenses	(2,256)	(2,054)	
42	427 Interest Expense	(21,026)	(14,990)	(12,219)
43	Total Other Income / (Expense)	\$ (23,282)	\$ (17,044)	\$ (12,219)
44				
45	NET INCOME / (LOSS)	\$ (72,041)	\$ (12,544)	\$ (64,443)
46				
47				
48				

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Detail Plant in Service

Schedule E-5

Line No.		End of Prior Year 12/31/2010	Net Additions	End of Test Year 12/31/2011
1	Utility Plant in Service			
2	303 Land and Land Rights	\$ 18,100	\$ 193	\$ 18,293
3	304 Structures and Improvements	198,156	266,117	464,273
4	306 Lake, River and Other Intakes	-	-	-
5	307 Wells and Springs	1,622,491	1,295	1,623,786
6	309 Supply Mains	2,118	3,323	5,441
7	310 Power Generation Equipment	10,751	0	10,751
8	311 Pumping Equipment	528,462	8,873	537,335
9	320 Water Treatment Equipment	299,412	273,453	572,865
10	330 Distribution Reservoirs ad Standpipes	266,344	(444)	265,900
11	331 Transmission and Distribution Mains	649,921	20,640	670,561
12	333 Services	96,681	(0)	96,681
13	334 Meters and Meter Installations	532,199	1,217	533,416
14	335 Hydrants	37,179	10,624	47,803
15	336 Backflow Prevention Devices	1,024	(0)	1,024
16	339 Other Plant and Miscellaneous Equipment	7,666	12,652	20,318
17	340 Office Furniture and Equipment	22,526	120	22,646
18	341 Transportation Equipment	21,527	(0)	21,527
19	343 Tools, Shop and Garage Equipment	42,909	479	43,388
20	344 Laboratory Equipment	9,508	0	9,508
21	345 Power Operated Equipment	38,925	(0)	38,925
22	346 Communication Equipment	9,437	4,440	13,877
23	347 Miscellaneous Equipment	10,223	0	10,223
24	348 Other Tangible Plant	3,937	0	3,937
25	390 Office Furniture & Equipment	12,270		625
26	Total Utility Plant in Service	<u>\$ 4,441,766</u>	<u>\$ 602,981</u>	<u>\$ 5,033,102</u>
27				
28	107 Construction Work in Progress	<u>\$ 184,093</u>	<u>\$ (193,447)</u>	<u>\$ (9,354)</u>
29				
30	Total Plant	<u>\$ 4,625,859</u>	<u>\$ 397,889</u>	<u>\$ 5,023,748</u>
31				
32	Total Accum. Depreciation	<u>\$ (1,548,093)</u>	<u>\$ (194,463)</u>	<u>\$ (1,742,556)</u>
33				
34	Total Net Plant	<u>\$ 3,077,766</u>	<u>\$ 203,426</u>	<u>\$ 3,281,192</u>
35				
36				
37				
38				
39				
40				
41				

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Comparative Departmental Statements of Operating Income

Schedule E-6

Line No.		Test Year Ended 12/31/2011	Prior Year Ended 12/31/2010	Prior Year Ended 12/31/2009
1	Operating Revenues			
2	Residential	\$ 598,503	\$ 541,597	\$ 421,989
3	Commercial	60,848	32,721	21,066
4	Construction	2,485	-	-
5	Irrigation	42,016	25,111	12,385
6				
7	Total Water Sales	\$ 703,852	\$ 599,429	\$ 455,440
8				
9	Miscellaneous	13,378	67,520	33,935
10				
11	Total Operating Revenues	\$ 717,230	\$ 666,949	\$ 489,375
12				
13	Operating Expenses			
14	Operations and Maintenance	\$ 290,645	\$ 242,917	\$ 225,923
15				
16	General and Administrative	\$ 298,389	\$ 243,171	\$ 174,304
17				
18	Depreciation	\$ 196,646	\$ 161,338	\$ 158,880
19				
20	Taxes			
21	Income Taxes	\$ (43,147)	\$ (6,077)	\$ (40,121)
22	Property taxes	22,674	20,945	22,395
23	Other Taxes and Licenses	782	155	218
24	Utility Regulatory Assessment Fee			-
25				
26	Total Taxes	\$ (19,691)	\$ 15,023	\$ (17,508)
27				
28	Total Operating Expenses	\$ 765,989	\$ 662,449	\$ 541,599
29				
30	Operating Income/(Loss)	\$ (48,759)	\$ 4,500	\$ (52,224)
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Operating Statistics

Schedule E-7

Line No.		Test Year Ended 12/31/2011	Prior Year Ended 12/31/2010	Prior Year Ended 12/31/2009
1	Gallons Sold (in 1,000's)			
2	Total Residential	68,029	85,155	95,605
3	Total Commercial	4,385	2,285	3,038
4	Total Irrigation	2,960	3,005	3,137
5	Total Construction	117	-	
6		<u>75,492</u>	<u>90,445</u>	<u>101,780</u>
7				
8	Average No. Customers			
9	Total Residential	1,483	1,486	1,502
10	Total Commercial	21	20	20
11	Total Irrigation	6	6	6
12	Total Construction	1	1	1
13	Totals	<u>1,511</u>	<u>1,513</u>	<u>1,529</u>
14				
15	Average Annual Gallons Per			
16	Residential Customer (in 1,000's)	45.87	57.30	63.65
17				
18	Average Annual Revenue Per			
19	Residential Customer	\$ 403.58	\$ 364.47	\$ 280.95
20				
21				
22	Average Per 1,000 Gallons Sold			
23	Pumping Expense	\$ 0.54	\$ 0.45	\$ 0.42
24	Water Treatment Expense	0.25	0.17	0.19
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Taxes Charged to Operations

Schedule E-8

Line No.		Test Year Ended 12/31/2011	Prior Year Ended 12/31/2010	Prior Year Ended 12/31/2009
1				
2	Federal Taxes			
3	Income	\$ (35,358)	\$ (4,980)	\$ (32,878)
4	FICA (Employer's)	16,287	15,524	12,329
5	Unemployment	300	244	179
6	Total Federal Taxes	\$ (18,771)	\$ 10,788	\$ (20,370)
7				
8				
9	State Taxes			
10	Income	\$ (7,789)	\$ (1,097)	\$ (7,243)
11	Property	22,674	20,945 #	22,395
12	Other	782	155 #	218
13	Unemployment	2,238	1,357	456
12	Total State Taxes	\$ 17,905	\$ 21,360	\$ 15,826
13				
14				
15	Total Taxes to Operations	\$ (866)	\$ 32,148	\$ (4,544)
16				
17				
18				
19				
20				

Line

No.

1 **Significant Accounting Policies** — The Company prepares its financial statements in accordance with accounting
2 principles generally accepted in the United States of America. Significant accounting policies are as follows:

3

4

5 **Utility Plant** — Property, plant and equipment is stated at cost less accumulated depreciation provided on a straight-line
6 basis.

7

8 Depreciation rates for asset classes of utility property, plant and equipment are established by the Commission. The cost of
9 additions, including betterments and replacements of units of utility fixed assets are charged to utility property, plant and
10 equipment. When units of utility property are replaced, renewed or retired, their cost plus removal or disposal costs, less
11 salvage proceeds, is charged to accumulated depreciation.

12

13

14 **Revenue Recognition** — Water services revenues are recorded when service is rendered or water is delivered to
15 customers. However, in addition to the monthly basic service charge, the determination and billing of water sales to
16 individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At
17 the end of each reporting period, amounts of water delivered to customers since the date of the last meter reading are
18 estimated and the corresponding accrued, but unbilled revenue is recorded.

19

20

21 Water connection fees are the fees associated with the application process to set up a customer to receive utility service on
22 an existing water meter. These fees are approved by the ACC through the regulatory process and are set based on the
23 costs incurred to establish services including the application process, billing setup, initial meter reading and service
24 transfer. Because the amounts charged for water connection fees are set by our regulator and not negotiated in conjunction
25 with the pricing of ongoing water service, the connection fees represent the culmination of a separate earnings process and
26 are recognized when the service is provided.

27

28

29 Meter installation fees are the fees charged to the developer or builder associated with the installation of a new water
30 meter. Fees charged for meters installed within a service area regulated by the ACC are refundable pursuant to a utility line
31 extension agreement and properly recorded as a liability. For a portion of our service area, meter installation fees are not
32 refundable. Because these fees are negotiated with the developer or builder independent of service that will be provided to
33 the end-user and represent the culmination of a separate earnings process, they are recognized when the service is
34 rendered. Accordingly, revenue for water meter sales is recognized at the time the water meters are installed.

35

36 Wastewater service revenues are generally recognized when service is rendered. Wastewater services are billed at a fixed
37 monthly amount per connection, and recycled water services are billed monthly based on volumetric fees.

38

39

40 **Advances and Contributions in Aid of Construction** — The Company has various agreements with Developers and
41 builders, whereby funds, water line extensions, or wastewater line extensions are provided to us by the Developers and are
42 considered refundable advances for construction. These advances in aid of construction ("AIAC") are noninterest bearing
43 and are subject to refund to the Developers through annual payments that are computed as a percentage of the total annual
44 gross revenue earned from customers connected to utility services constructed under the agreement over a specified
45 period. Upon the expiration of the agreements, the remaining balance of the advance becomes nonrefundable and at that
46 time is considered CIAC. Contributions in aid of construction are amortized as a reduction of depreciation expense over the
47 estimated remaining life of the related utility plant.

48

49

50

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Projected Income Statements - Present and Proposed

Schedule F-1

Line No.		Test Year Actual 12/31/2011	Present Rates Year Ended 12/31/2012	Adjustments	Proposed Rates Year Ended 12/31/2012
1	Operating Revenues	\$ 717,230	\$ 699,104	\$ 510,906	\$ 1,210,010
2					
3	Operating Expenses				
4					
5	601 Salary and Wages - Employees	\$ 263,312	\$ 263,312	\$ -	\$ 263,312
6	604 Employee Pensions and Benefits	-	-	-	-
7	610 Purchased Water	-	-	-	-
8	615 Purchased Power	40,485	43,747	-	43,747
9	616 Fuel for Power Production	-	-	-	-
10	618 Chemicals	18,800	55,422	-	55,422
11	620 Materials and Supplies	36,002	36,002	-	36,002
12	621 Office Supplies and Expense	27,025	27,025	-	27,025
13	630 Outside Services	97,501	97,501	-	97,501
14	635 Contractual Services - Testing	20,993	20,993	-	20,993
15	636 Contractual Services - Other	-	-	-	-
16	641 Rental of Building/Real Property	10,241	10,241	-	10,241
17	642 Rental of Equipment	-	-	-	-
18	650 Transportation Expenses	24,173	24,173	-	24,173
19	657 Insurance - General Liability	7,125	7,125	-	7,125
20	659 Insurance - Other	4,218	4,218	-	4,218
21	666 Regulatory Commission Expense - Rate Case	5,333	9,922	-	9,922
22	667 Rate Case Expense	-	-	-	-
22	670 Bad Debt Expense	8,422	8,209	5,999	14,208
23	675 Miscellaneous Expenses	25,404	24,563	-	24,563
24	403 Depreciation Expense	196,646	200,668	-	200,668
25	408 Taxes Other Than Income	782	782	-	782
26	408.11 Taxes Other Than Income - Property Taxes	22,674	33,760	8,226	41,985
27	409 Income Taxes	(43,147)	(108,018)	191,713	83,696
28	Total Operating Expenses	\$ 765,989	\$ 759,645	\$ 205,938	\$ 965,583
29					
30	Operating Income / (Loss)	\$ (48,759)	\$ (60,541)	\$ 304,968	\$ 244,427
31					
32	OTHER INCOME / (EXPENSE)				
33	414 Gains (Losses) from Disposition of Utility Property	\$ -	\$ -	\$ -	\$ -
34	419 Interest and Dividend Income	-	-	-	-
35	426 Miscellaneous Non-Utility Expenses	(2,256)	(2,256)	-	(2,256)
36	427 Interest Expense	(21,026)	(21,026)	-	(21,026)
37	Total Other Income / (Expense)	\$ (23,282)	\$ (23,282)	\$ -	\$ (23,282)
38					
39	NET INCOME / (LOSS)	\$ (72,041)	\$ (83,823)	\$ 304,968	\$ 221,145
40					

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Projected Construction Requirements

Schedule F-3

Line No.	Property Classification	Through 12/31/2012	Through 12/31/2013	Through 12/31/2014
1				
2	Well Development	\$ -	\$ -	\$ -
3				
4	Water Distribution Centers	-	-	-
5				
6	Treatment and/or Blending	-	-	-
7				
8	Pipelines	-	-	-
9				
10	SCADA	80,436	-	-
11				
12	Other	-		
13				
14	Totals	\$ 80,436	\$ -	\$ -
15		(Sch. B-2.1)		
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

Line
No.

1 Revenues and expenses were projected using the pro forma changes to the test year
2 ending December 31, 2011.

3

4 Construction forecasts are based on estimated plant requirements including
5 new facilities, the replacement of existing facilities, and the improvement and
6 maintenance of infrastructure necessary to ensure safe and reliable service.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

Willow Valley Water Company, Inc.
Test Year Ended December 31, 2011
Cost of Service Summary - Present Rates

Schedule G-1

Line
No.

1 The Company did not prepare a cost of service study due to its proposal
2 of a conservation-oriented rate design which is not based on costs.

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35
- 36
- 37
- 38
- 39
- 40

Willow Valley Water Company, Inc.
Test Year Ended December 31, 2011
Cost of Service Summary - Proposed Rates

Schedule G-2

Line
No.

1 The Company did not prepare a cost of service study due to its proposal
2 of a conservation-oriented rate design which is not based on costs.

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40

Willow Valley Water Company, Inc.
Test Year Ended December 31, 2011
Rate Base Allocation to Classes of Service

Schedule G-3

Line
No.

- 1 The Company did not prepare a cost of service study due to its proposal
- 2 of a conservation-oriented rate design which is not based on costs.
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35
- 36
- 37
- 38
- 39
- 40

Willow Valley Water Company, Inc.
Test Year Ended December 31, 2011
Expense Allocation to Classes of Service

Schedule G-4

Line
No.

1 The Company did not prepare a cost of service study due to its proposal
2 of a conservation-oriented rate design which is not based on costs.

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35
- 36
- 37
- 38
- 39
- 40

Willow Valley Water Company, Inc.
Test Year Ended December 31, 2011
Distribution of Rate Base by Function

Schedule G-5

Line
No.

1 The Company did not prepare a cost of service study due to its proposal
2 of a conservation-oriented rate design which is not based on costs.

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35
- 36
- 37
- 38
- 39
- 40

Willow Valley Water Company, Inc.
Test Year Ended December 31, 2011
Distribution of Expenses by Function

Schedule G-6

Line
No.

- 1 The Company did not prepare a cost of service study due to its proposal
- 2 of a conservation-oriented rate design which is not based on costs.
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35
- 36
- 37
- 38
- 39
- 40

Willow Valley Water Company, Inc.
Test Year Ended December 31, 2011
Development of Allocation Factors

Schedule G-7

Line
No.

1 The Company did not prepare a cost of service study due to its proposal
2 of a conservation-oriented rate design which is not based on costs.

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35
- 36
- 37
- 38
- 39
- 40

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Classification - Present and Proposed Rates

Schedule H-1

Line No.	Customer Classification	[A] Present Rates Adjusted		[B] Proposed Rates		[C] Proposed Increase Amount	[D] %
		Sch. H-2 Col. E	Sch. H-2 Col. F	Sch. H-2 Col. F	Sch. H-2 Col. F		
1							
2	Residential	\$ 613,848	\$ 1,033,321	\$ 419,472		68.3%	
3	Commercial	55,688	98,986	43,298		77.8%	
4	Irrigation	38,807	58,224	19,417		50.0%	
5	Construction	2,485	4,420	1,935		N/A	
6							
7	Total Water Revenues	\$ 710,828	\$ 1,194,950	\$ 484,122		68.1%	
8							
9	Miscellaneous Revenues (Sch. C-1, L4)	13,378	13,378				
10							
11	Total Operating Revenues	\$ 724,206	\$ 1,208,328				
12							
13							
14							
15	Pro Forma Adjustments						
16	Subtotal (L11 + L15)	\$ 724,206					
17							
18	Total Gen. Ledger Operating Revenues						
19	Test Year Ended 12/31/2011(Sch. C-1, L5)	717,230					
20	Unreconciled Difference (L16 - L19)	6,976					
21	%	0.96%					
22							
23	Target Revenue Requirement (Sch. C-1, L5)		1,210,010				
24	Difference (L11 - L23)		(1,682)				
25	%		-0.14%				
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							

CHAPARRAL CITY WATER COMPANY
 Docket No. W-02113A-04-0616
 Test Year Ended December 31, 2003

Average Usage:
 CMF:

Revenues:	Total	Base
Residential	\$ 1,033,321	\$ 626,290
Commercial	123,811	63,265
Irrigation	33,399	24,640
HOA	-	-
Construction	4,420	3,920
	-	-
Total	\$ 1,194,950	\$ 718,115
Revenue Requirement	1,196,632	
Over(Short)	\$ (1,682)	
Revenue Increase(Decrease) %	-	

Meter:	.625R
Basic Charge:	\$ 35.0000
Tier One Rate:	4.5000
Incremental Tier Two Rate:	1.5000
Incremental Tier Three Rate:	1.5000
Incremental Tier Four Rate:	1.5000
Incremental Tier Five Rate:	1.5000
Incremental Tier Six Rate:	1.5000
Gallons in Minimum: (000's)	-
Tier One Upper Limit:	1.0000
Tier Two Upper Limit:	5.0000

Meter Size	Minimum Charge	Capacity Multiplier	Estimate		
5/8"	35.00			Tier 1	4.50
3/4"	35.00			Tier 2	2.14
1"	87.50	2.5	87.5	Tier 3	1.25
1.5"	175.00	5	175	Tier 4	1.25
2"	280.00	8	280	Tier 5	1.25
3"	560.00	16	560	Tier 6	1.25
4"	875.00	25	875		
6"	1,750.00	50	1750		
8"	3,500.00	80	3500		
10"	4,025.00	115	4025		
12"	7,525.00	215	7525		

Conservation Motivation Factor (CMF): 50.00%
 CMF Qualification Limit: 3.9 *90% of avg

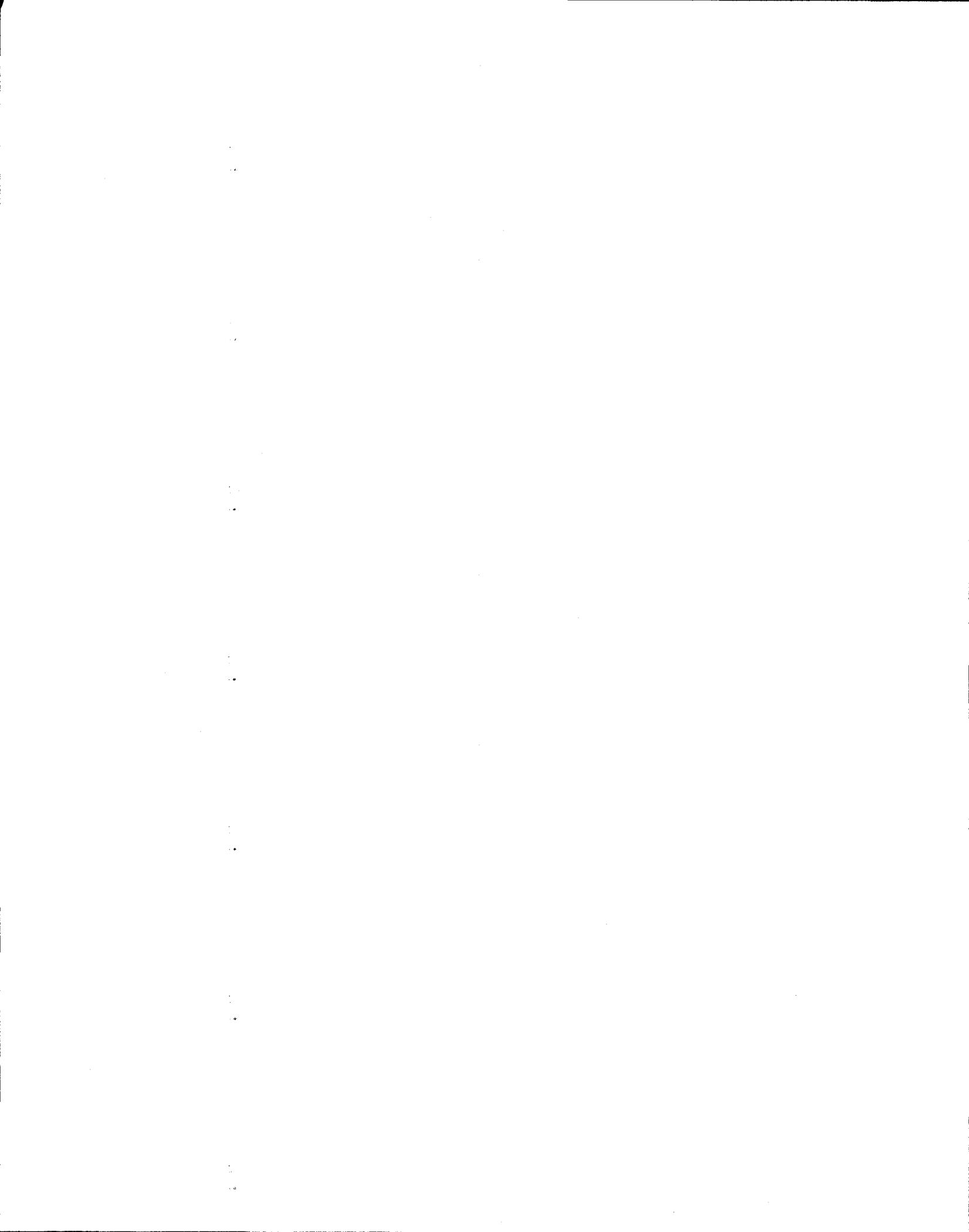
Average Residential Usage (in 1,000's): 4.374
 Average Usage (All Potable Customers):

Calculated Flat Rate \$ 6.38
 Non-Potable Rate \$ 5.43
 Raw Discount Rate 15.00%
 * Discounts Tier 3 Rate

Revenue from rates: \$ 1,194,950 724137
 Percent from Base: 60.10%

Revenue Requirement: \$ 1,196,632
 Over/(Short) \$ (1,682)

2011 Actual Revenue
 \$ 703,852
 \$ 492,780 increase
 70%





Guide	Rate	Increment	Breakover (in 1,000's)	current	change	% change	
				\$ 21.12	13.88	66%	
1.00	4.50	4.50	1	1	1.48	3.02	204%
9.63	6.00	1.50	5	5	2.99	3.01	101%
5.63	7.50	1.50	10	10	4.51	2.99	66%
5.63	9.00	1.50	18	18	6.00	3.00	50%
5.63	10.50	1.50	25	25	7.50	3.00	40%
5.63	12.00	1.50		>25	9.00	3.00	33%

Residential

Size	Min	1st Tier Rate	2nd Tier Inc. Rate	3rd Tier Inc. Rate	4th Tier Inc. Rate	5th Tier Inc. Rate
.625R	\$ 35.00	\$ 4.5000	\$ 1.5000	\$ 1.5000	\$ 1.5000	\$ 1.5000
.75R	35.00	4.5000	1.5000	1.5000	1.5000	1.5000
1R	87.50	4.5000	1.5000	1.5000	1.5000	1.5000
1.5R	175.00	4.5000	1.5000	1.5000	1.5000	1.5000
2R	280.00	4.5000	1.5000	1.5000	1.5000	1.5000
3R	560.00	4.5000	1.5000	1.5000	1.5000	1.5000
4R	875.00	4.5000	1.5000	1.5000	1.5000	1.5000
6R	1,750.00	4.5000	1.5000	1.5000	1.5000	1.5000
8R	3,500.00	4.5000	1.5000	1.5000	1.5000	1.5000
10R	4,025.00	4.5000	1.5000	1.5000	1.5000	1.5000
12R	7,525.00	4.5000	1.5000	1.5000	1.5000	1.5000

Commercial

Size	Min	1st Tier Rate	2nd Tier Inc. Rate	3rd Tier Rate	4th Tier Inc. Rate	5th Tier Inc. Rate
.625C	\$ 35.00	\$ 4.5000	\$ 1.5000	\$ 1.5000	\$ 1.5000	\$ 1.5000
.75C	35.00	4.5000	1.5000	1.5000	1.5000	1.5000
1C	87.50	4.5000	1.5000	1.5000	1.5000	1.5000
1.5C	175.00	4.5000	1.5000	1.5000	1.5000	1.5000
2C	280.00	4.5000	1.5000	1.5000	1.5000	1.5000
3C	560.00	4.5000	1.5000	1.5000	1.5000	1.5000
4C	875.00	4.5000	1.5000	1.5000	1.5000	1.5000
6C	1,750.00	4.5000	1.5000	1.5000	1.5000	1.5000
8C	3,500.00	4.5000	1.5000	1.5000	1.5000	1.5000
10C	4,025.00	4.5000	1.5000	1.5000	1.5000	1.5000
12C	7,525.00	4.5000	1.5000	1.5000	1.5000	1.5000

Irrigation

Size	Min	1st Tier Rate	2nd Tier Inc. Rate	3rd Tier Inc. Rate	4th Tier Inc. Rate	5th Tier Inc. Rate
.625I	\$ 35.00	\$ 4.5000	\$ 1.5000	\$ 1.5000	\$ 1.5000	\$ 1.5000
.75I	35.00	4.5000	1.5000	1.5000	1.5000	1.5000
1I	87.50	4.5000	1.5000	1.5000	1.5000	1.5000
1.5I	175.00	4.5000	1.5000	1.5000	1.5000	1.5000
2I	280.00	4.5000	1.5000	1.5000	1.5000	1.5000
3I	560.00	4.5000	1.5000	1.5000	1.5000	1.5000
4I	875.00	4.5000	1.5000	1.5000	1.5000	1.5000
6I	1,750.00	4.5000	1.5000	1.5000	1.5000	1.5000
8I	3,500.00	4.5000	1.5000	1.5000	1.5000	1.5000

10I	4,025.00	4.5000	1.5000	1.5000	1.5000	1.5000
12I	7,525.00	4.5000	1.5000	1.5000	1.5000	1.5000

HOA

Size	Min	1st Tier Rate	2nd Tier Inc. Rate	3rd Tier Inc. Rate	4th Tier Inc. Rate	5th Tier Inc. Rate
.625HOA	\$ 35.00	\$ 4.5000	\$ 1.5000	\$ 1.5000	\$ 1.5000	\$ 1.5000
.75HOA	35.00	4.5000	1.5000	1.5000	1.5000	1.5000
1HOA	87.50	4.5000	1.5000	1.5000	1.5000	1.5000
1.5HOA	175.00	4.5000	1.5000	1.5000	1.5000	1.5000
2HOA	280.00	4.5000	1.5000	1.5000	1.5000	1.5000
3HOA	560.00	4.5000	1.5000	1.5000	1.5000	1.5000
4HOA	875.00	4.5000	1.5000	1.5000	1.5000	1.5000
6HOA	1,750.00	4.5000	1.5000	1.5000	1.5000	1.5000
8HOA	3,500.00	4.5000	1.5000	1.5000	1.5000	1.5000
10HOA	4,025.00	4.5000	1.5000	1.5000	1.5000	1.5000
12HOA	7,525.00	4.5000	1.5000	1.5000	1.5000	1.5000

Construction

Size	Min	1st Tier Rate	2nd Tier Inc. Rate	3rd Tier Inc. Rate	4th Tier Inc. Rate	5th Tier Inc. Rate
.625Cons	\$ 35.00	\$ 4.5000	\$ 1.5000	\$ 1.5000	\$ 1.5000	\$ 1.5000
.75Cons	35.00	4.5000	1.5000	1.5000	1.5000	1.5000
1Cons	87.50	4.5000	1.5000	1.5000	1.5000	1.5000
1.5Cons	175.00	4.5000	1.5000	1.5000	1.5000	1.5000
2Cons	280.00	4.5000	1.5000	1.5000	1.5000	1.5000
3Cons	560.00	4.5000	1.5000	1.5000	1.5000	1.5000
4Cons	875.00	4.5000	1.5000	1.5000	1.5000	1.5000
6Cons	1,750.00	4.5000	1.5000	1.5000	1.5000	1.5000
8Cons	3,500.00	4.5000	1.5000	1.5000	1.5000	1.5000
10Cons	4,025.00	4.5000	1.5000	1.5000	1.5000	1.5000
12Cons	7,525.00	4.5000	1.5000	1.5000	1.5000	1.5000

Lake

Size	Min	1st Tier Rate	2nd Tier Inc. Rate	3rd Tier Inc. Rate	4th Tier Inc. Rate	5th Tier Inc. Rate
.625Lake	\$ 35.00	\$ 4.5000	\$ 1.5000	\$ 1.5000	\$ 1.5000	\$ 1.5000
.75Lake	35.00	4.5000	1.5000	1.5000	1.5000	1.5000
1Lake	87.50	4.5000	1.5000	1.5000	1.5000	1.5000
1.5Lake	175.00	4.5000	1.5000	1.5000	1.5000	1.5000
2Lake	280.00	4.5000	1.5000	1.5000	1.5000	1.5000
3Lake	560.00	4.5000	1.5000	1.5000	1.5000	1.5000
4Lake	875.00	4.5000	1.5000	1.5000	1.5000	1.5000
6Lake	1,750.00	4.5000	1.5000	1.5000	1.5000	1.5000
8Lake	3,500.00	4.5000	1.5000	1.5000	1.5000	1.5000
10Lake	4,025.00	4.5000	1.5000	1.5000	1.5000	1.5000
12Lake	7,525.00	4.5000	1.5000	1.5000	1.5000	1.5000

Raw

Size	Min	1st Tier Rate	2nd Tier Inc. Rate	3rd Tier Inc. Rate	4th Tier Inc. Rate	5th Tier Inc. Rate
------	-----	---------------	--------------------	--------------------	--------------------	--------------------

.625RAW	\$	35.00	\$	5.4300	-	-	-	-
.75RAW		35.00		5.4300	-	-	-	-
1RAW		87.50		5.4300	-	-	-	-
1.5RAW		175.00		5.4300	-	-	-	-
2RAW		280.00		5.4300	-	-	-	-
3RAW		560.00		5.4300	-	-	-	-
4RAW		875.00		5.4300	-	-	-	-
6RAW		1,750.00		5.4300	-	-	-	-
8RAW		3,500.00		5.4300	-	-	-	-
10RAW		4,025.00		5.4300	-	-	-	-
12RAW		7,525.00		5.4300	-	-	-	-

Fireflow

Size	Min	1st Tier Rate	2nd Tier Inc. Rate	3rd Tier Inc. Rate	4th Tier Inc. Rate	5th Tier Inc. Rate
.625F	\$ 5.00	\$ 4.5000	\$ 1.5000	\$ 1.5000	\$ 1.5000	\$ 1.5000
.75F	5.00	4.5000	1.5000	1.5000	1.5000	1.5000
1F	5.00	4.5000	1.5000	1.5000	1.5000	1.5000
1.5F	5.00	4.5000	1.5000	1.5000	1.5000	1.5000
2F	5.00	4.5000	1.5000	1.5000	1.5000	1.5000
3F	5.60	4.5000	1.5000	1.5000	1.5000	1.5000
4F	8.75	4.5000	1.5000	1.5000	1.5000	1.5000
6F	17.50	4.5000	1.5000	1.5000	1.5000	1.5000
8F	35.00	4.5000	1.5000	1.5000	1.5000	1.5000
10F	40.25	4.5000	1.5000	1.5000	1.5000	1.5000
12IF	75.25	4.5000	1.5000	1.5000	1.5000	1.5000

Willow Valley Water Company, Inc.

Test Year Ended December 31, 2011

Calculation of Change in Miscellaneous Service Charge revenue

Schedule H-2

Page 2 of 2

Line No.		Current	Proposed	Increase	Test Year Charges	Revenue Increase
1						
2	Establishment	\$ 35.00	\$ 35.00	\$ -	192	\$ -
3	Reconnect	35.00	35.00	-	33	-
4	NSF Fees	30.00	30.00	-	26	-
5						
6	Proposed Misc. Service Charge Increase					<u>\$ -</u>
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

Monthly Minimum Charges:

Meter Size (All Classes)	Basic Service Charge		
	Present	Proposed	Change
5/8" Meter	\$ 21.12	\$ 35.00	\$ 13.88
3/4" Meter	21.12	35.00	13.88
1" Meter	52.80	87.50	34.70
1.5" Meter	105.60	175.00	69.40
2" Meter	168.96	280.00	111.04
3" Meter	337.92	560.00	222.08
4" Meter	528.00	875.00	347.00
6" Meter	1,056.00	1,750.00	694.00
8" Meter	2,112.00	3,500.00	1,388.00

Commodity Rate Charges:

Potable Water - All Meter Sizes and Classes	Rate Block		Volumetric Charge (/M Gal)		
	Present	Proposed	Present	Proposed	Change
Tier One Breakover (M Gal)	1	1	\$ 1.48	\$ 4.50	\$ 3.02
Tier Two Breakover (M Gal)	5	5	2.99	6.00	3.01
Tier Three Breakover (M Gal)	10	10	4.51	7.50	2.99
Tier Four Breakover (M Gal)	18	18	6.00	9.00	3.00
Tier Five Breakover (M Gal)	25	25	7.50	10.50	3.00
Tier Six Breakover (M Gal)	>25		9.00	12.00	3.00
Conservation Rebate Threshold ("CRT") in Gallons	3,937				
Commodity rate rebate applied if consumption is below the CRT:	50%				

Miscellaneous Service Charges

	Present	Proposed	Change
Establishment of Service	\$ 35.00	\$ 35.00	\$ -
Establishment of Service (After Hours)	50.00	50.00	-
Re-establishment of Service (Within 12 Months)	(a)	(a)	-
Reconnection of Service (Delinquent)	35.00	35.00	-
Reconnection of Service - After Hours (Delinquent)	50.00	50.00	-
Meter Move at Customer Request	(b)	(b)	-
After Hours Service Charge, Per Hour*	50.00	50.00	-
Deposit	(c)	(c)	-
Meter Re-Read (If Correct)	30.00	30.00	-
Meter Test Fee (If Correct)	30.00	30.00	-
NSF Check	30.00	30.00	-
Late Payment Charge (Per Month)	1.50%	1.5%	-
Deferred Payment Charge (Per Month)	1.50%	1.50%	-

(a) Number of Months off System times the monthly minimum per A.A.C. R14-2-403(D).

(b) Cost to include parts, labor, overhead and all applicable taxes per A.A.C. R14-2-405(B)(5).

(c) Per A.A.C. R14-2-403(B).

* For After Hours Service Calls for work performed on the customer's property; not to be charged in addition to an establishment or a reconnection after hours charge.

Service Line and Meter Installation Charges (Refundable Pursuant to A.A.C. R14-2-405)

Meter Size	Present			Proposed			Change
	Service Line Charges	Meter Charges	Total Charges	Service Line Charges	Meter Charges	Total Charges	
5/8 x 3/4" Meter	\$ 445.00	\$ 155.00	\$ 600.00			\$ -	-100.00%
3/4" Meter	445.00	255.00	700.00			-	-100.00%
1" Meter	495.00	315.00	810.00			-	-100.00%
1 1/2" Meter	550.00	525.00	1,075.00			-	-100.00%
2" Turbine Meter	830.00	1,045.00	1,875.00			-	-100.00%
2" Compound Meter	830.00	1,890.00	2,720.00			-	-100.00%
3" Turbine Meter	1,045.00	1,670.00	2,715.00			-	-100.00%
3" Compound Meter	1,165.00	2,545.00	3,710.00			-	-100.00%
4" Turbine Meter	1,490.00	2,670.00	4,160.00			-	-100.00%
4" Compound Meter	1,670.00	3,645.00	5,315.00			-	-100.00%
6" Turbine Meter	2,210.00	5,025.00	7,235.00			-	-100.00%
6" Compound Meter	2,330.00	6,920.00	9,250.00			-	-100.00%
8" and Larger Meters	Cost	Cost	Cost			-	-100.00%

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Typical Bill Analysis

Rate Schedule: 5/8" and 3/4" Meters All Classes

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 21.12	\$ 35.00	65.72%
1,000	21.93	37.25	69.83%
2,000	23.58	40.25	70.71%
3,000	25.22	43.25	71.47%
4,000	26.87	46.25	72.14%
5,000	28.51	49.25	72.73%
6,000	30.99	53.00	71.01%
7,000	43.58	78.50	80.13%
8,000	48.09	86.00	78.83%
9,000	52.60	93.50	77.76%
10,000	57.11	101.00	76.85%
15,000	87.11	146.00	67.60%
20,000	120.11	194.00	61.52%
25,000	157.61	246.50	56.40%
50,000	382.61	546.50	42.83%
75,000	607.61	846.50	39.32%
100,000	832.61	1,146.50	37.70%
125,000	1,057.61	1,446.50	36.77%
150,000	1,282.61	1,746.50	36.17%
175,000	1,507.61	2,046.50	35.74%
200,000	1,732.61	2,346.50	35.43%

Rate Schedule: 1" Meters All Classes

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 52.80	\$ 87.50	65.72%
1,000	53.61	\$ 89.75	67.40%
2,000	55.26	\$ 92.75	67.85%
3,000	56.90	\$ 95.75	68.27%
4,000	58.55	\$ 98.75	68.67%
5,000	60.19	\$ 101.75	69.04%
6,000	62.67	\$ 105.50	68.34%
7,000	75.26	\$ 131.00	74.06%
8,000	79.77	\$ 138.50	73.62%
9,000	84.28	\$ 146.00	73.23%
10,000	88.79	\$ 153.50	72.88%
15,000	118.79	\$ 198.50	67.10%
20,000	151.79	\$ 246.50	62.40%
25,000	189.29	\$ 299.00	57.96%
50,000	414.29	\$ 599.00	44.58%
75,000	639.29	\$ 899.00	40.62%
100,000	864.29	\$ 1,199.00	38.73%
125,000	1,089.29	\$ 1,499.00	37.61%
150,000	1,314.29	\$ 1,799.00	36.88%
175,000	1,539.29	\$ 2,099.00	36.36%
200,000	1,764.29	\$ 2,399.00	35.98%

Rate Schedule: 1 1/2" Meters All Classes

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 105.60	\$ 175.00	65.72%
1,000	106.41	\$ 177.25	66.57%
2,000	108.06	\$ 180.25	66.81%
3,000	109.70	\$ 183.25	67.04%
4,000	111.35	\$ 186.25	67.27%
5,000	112.99	\$ 189.25	67.49%
6,000	115.47	\$ 193.00	67.14%
7,000	128.06	\$ 218.50	70.62%
8,000	132.57	\$ 226.00	70.48%
9,000	137.08	\$ 233.50	70.34%
10,000	141.59	\$ 241.00	70.21%
15,000	171.59	\$ 286.00	66.68%
20,000	204.59	\$ 334.00	63.25%
25,000	242.09	\$ 386.50	59.65%
50,000	467.09	\$ 686.50	46.97%
75,000	692.09	\$ 986.50	42.54%
100,000	917.09	\$ 1,286.50	40.28%
125,000	1,142.09	\$ 1,586.50	38.91%
150,000	1,367.09	\$ 1,886.50	37.99%
175,000	1,592.09	\$ 2,186.50	37.34%
200,000	1,817.09	\$ 2,486.50	36.84%

Rate Schedule: 2" Meters All Classes

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 168.96	\$ 280.00	65.72%
1,000	169.77	\$ 282.25	66.25%
2,000	171.42	\$ 285.25	66.41%
3,000	173.06	\$ 288.25	66.56%
4,000	174.71	\$ 291.25	66.71%
5,000	176.35	\$ 294.25	66.85%
6,000	178.83	\$ 298.00	66.64%
7,000	191.42	\$ 323.50	69.00%
8,000	195.93	\$ 331.00	68.94%
9,000	200.44	\$ 338.50	68.88%
10,000	204.95	\$ 346.00	68.82%
15,000	234.95	\$ 391.00	66.42%
20,000	267.95	\$ 439.00	63.84%
25,000	305.45	\$ 491.50	60.91%
50,000	530.45	\$ 791.50	49.21%
75,000	755.45	\$ 1,091.50	44.48%
100,000	980.45	\$ 1,391.50	41.92%
125,000	1,205.45	\$ 1,691.50	40.32%
150,000	1,430.45	\$ 1,991.50	39.22%
175,000	1,655.45	\$ 2,291.50	38.42%
200,000	1,880.45	\$ 2,591.50	37.81%

Willow Valley Water Company, Inc.
 Test Year Ended December 31, 2011
 Typical Bill Analysis

Rate Schedule: 3" Meters All Classes

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 337.92	\$ 560.00	65.72%
1,000	338.73	\$ 562.25	65.99%
2,000	340.38	\$ 565.25	66.07%
3,000	342.02	\$ 568.25	66.14%
4,000	343.67	\$ 571.25	66.22%
5,000	345.31	\$ 574.25	66.30%
6,000	347.79	\$ 578.00	66.19%
7,000	360.38	\$ 603.50	67.46%
8,000	364.89	\$ 611.00	67.45%
9,000	369.40	\$ 618.50	67.43%
10,000	373.91	\$ 626.00	67.42%
15,000	403.91	\$ 671.00	66.13%
20,000	436.91	\$ 719.00	64.56%
25,000	474.41	\$ 771.50	62.62%
50,000	699.41	\$ 1,071.50	53.20%
75,000	924.41	\$ 1,371.50	48.36%
100,000	1,149.41	\$ 1,671.50	45.42%
125,000	1,374.41	\$ 1,971.50	43.44%
150,000	1,599.41	\$ 2,271.50	42.02%
175,000	1,824.41	\$ 2,571.50	40.95%
200,000	2,049.41	\$ 2,871.50	40.11%

Willow Valley Water Company
 Test Year Ended December 31, 2011
 Typical Bill Analysis

Rate Schedule: 4" Meters All Classes

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 528.00	\$ 875.00	65.72%
1,000	528.81	\$ 877.25	65.89%
2,000	530.46	\$ 880.25	65.94%
3,000	532.10	\$ 883.25	65.99%
4,000	533.75	\$ 886.25	66.04%
5,000	535.39	\$ 889.25	66.09%
6,000	537.87	\$ 893.00	66.02%
7,000	550.46	\$ 918.50	66.86%
8,000	554.97	\$ 926.00	66.86%
9,000	559.48	\$ 933.50	66.85%
10,000	563.99	\$ 941.00	66.85%
15,000	593.99	\$ 986.00	66.00%
20,000	626.99	\$ 1,034.00	64.91%
25,000	664.49	\$ 1,086.50	63.51%
50,000	889.49	\$ 1,386.50	55.88%
75,000	1,114.49	\$ 1,686.50	51.32%
100,000	1,339.49	\$ 1,986.50	48.30%
125,000	1,564.49	\$ 2,286.50	46.15%
150,000	1,789.49	\$ 2,586.50	44.54%
175,000	2,014.49	\$ 2,886.50	43.29%
200,000	2,239.49	\$ 3,186.50	42.29%

Willow Valley Water Company
 Test Year Ended December 31, 2011
 Typical Bill Analysis

Rate Schedule: 6" Meters All Classes

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 1,056.00	\$ 1,750.00	65.72%
1,000	1,056.81	\$ 1,752.25	65.80%
2,000	1,058.46	\$ 1,755.25	65.83%
3,000	1,060.10	\$ 1,758.25	65.86%
4,000	1,061.75	\$ 1,761.25	65.88%
5,000	1,063.39	\$ 1,764.25	65.91%
6,000	1,065.87	\$ 1,768.00	65.87%
7,000	1,078.46	\$ 1,793.50	66.30%
8,000	1,082.97	\$ 1,801.00	66.30%
9,000	1,087.48	\$ 1,808.50	66.30%
10,000	1,091.99	\$ 1,816.00	66.30%
15,000	1,121.99	\$ 1,861.00	65.87%
20,000	1,154.99	\$ 1,909.00	65.28%
25,000	1,192.49	\$ 1,961.50	64.49%
50,000	1,417.49	\$ 2,261.50	59.54%
75,000	1,642.49	\$ 2,561.50	55.95%
100,000	1,867.49	\$ 2,861.50	53.23%
125,000	2,092.49	\$ 3,161.50	51.09%
150,000	2,317.49	\$ 3,461.50	49.36%
175,000	2,542.49	\$ 3,761.50	47.95%
200,000	2,767.49	\$ 4,061.50	46.76%

Rate Schedule: 5/8" Residential

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
0	2,242	-	2,242	12.73%	-	0.00%
1	1,000	2,045,000	6,332	35.95%	2,045,000	3.06%
1,001	2,000	3,198,000	8,464	48.06%	5,243,000	7.84%
2,001	3,000	4,670,000	10,332	58.66%	9,913,000	14.82%
3,001	4,000	4,952,500	11,747	66.70%	14,865,500	22.22%
4,001	5,000	5,413,500	12,950	73.53%	20,279,000	30.31%
5,001	6,000	5,373,500	13,927	79.08%	25,652,500	38.34%
6,001	7,000	5,089,500	14,710	83.52%	30,742,000	45.95%
7,001	8,000	4,402,500	15,297	86.86%	35,144,500	52.53%
8,001	9,000	3,961,000	15,763	89.50%	39,105,500	58.45%
9,001	10,000	3,477,000	16,129	91.58%	42,582,500	63.65%
10,001	11,000	3,108,000	16,425	93.26%	45,690,500	68.30%
11,001	12,000	2,633,500	16,654	94.56%	48,324,000	72.23%
12,001	13,000	2,212,500	16,831	95.57%	50,536,500	75.54%
13,001	14,000	1,633,500	16,952	96.25%	52,170,000	77.98%
14,001	15,000	1,435,500	17,051	96.81%	53,605,500	80.13%
15,001	16,000	1,131,500	17,124	97.23%	54,737,000	81.82%
16,001	17,000	1,122,000	17,192	97.62%	55,859,000	83.49%
17,001	18,000	997,500	17,249	97.94%	56,856,500	84.99%
18,001	19,000	814,000	17,293	98.19%	57,670,500	86.20%
19,001	20,000	858,000	17,337	98.44%	58,528,500	87.48%
20,001	21,000	840,500	17,378	98.67%	59,369,000	88.74%
21,001	22,000	645,000	17,408	98.84%	60,014,000	89.70%
22,001	23,000	630,000	17,436	99.00%	60,644,000	90.65%
23,001	24,000	517,000	17,458	99.13%	61,161,000	91.42%
24,001	25,000	196,000	17,466	99.17%	61,357,000	91.71%
25,001	26,000	433,500	17,483	99.27%	61,790,500	92.36%
26,001	27,000	424,000	17,499	99.36%	62,214,500	92.99%
27,001	28,000	330,000	17,511	99.43%	62,544,500	93.49%
28,001	29,000	228,000	17,519	99.47%	62,772,500	93.83%
29,001	30,000	236,000	17,527	99.52%	63,008,500	94.18%
30,001	31,000	274,500	17,536	99.57%	63,283,000	94.59%
31,001	32,000	189,000	17,542	99.60%	63,472,000	94.87%
32,001	33,000	260,000	17,550	99.65%	63,732,000	95.26%
33,001	34,000	134,000	17,554	99.67%	63,866,000	95.46%
34,001	35,000	172,500	17,559	99.70%	64,038,500	95.72%
35,001	36,000	142,000	17,563	99.72%	64,180,500	95.93%
36,001	37,000	36,500	17,564	99.73%	64,217,000	95.99%
37,001	38,000	225,000	17,570	99.76%	64,442,000	96.32%
38,001	39,000	77,000	17,572	99.77%	64,519,000	96.44%
39,001	40,000	158,000	17,576	99.80%	64,677,000	96.67%
40,001	41,000	81,000	17,578	99.81%	64,758,000	96.80%
41,001	42,000	124,500	17,581	99.82%	64,882,500	96.98%
42,001	43,000	42,500	17,582	99.83%	64,925,000	97.05%
43,001	44,000	-	17,582	99.83%	64,925,000	97.05%
44,001	45,000	89,000	17,584	99.84%	65,014,000	97.18%
45,001	46,000	91,000	17,586	99.85%	65,105,000	97.31%
46,001	47,000	93,000	17,588	99.86%	65,198,000	97.45%
47,001	48,000	47,500	17,589	99.87%	65,245,500	97.52%
48,001	49,000	48,500	17,590	99.88%	65,294,000	97.60%
49,001	50,000	49,500	17,591	99.88%	65,343,500	97.67%
50,001	51,000	50,500	17,592	99.89%	65,394,000	97.75%
51,001	52,000	-	17,592	99.89%	65,394,000	97.75%
52,001	53,000	-	17,592	99.89%	65,394,000	97.75%
53,001	54,000	-	17,592	99.89%	65,394,000	97.75%
54,001	55,000	218,000	17,596	99.91%	65,612,000	98.07%
55,001	56,000	-	17,596	99.91%	65,612,000	98.07%
56,001	57,000	-	17,596	99.91%	65,612,000	98.07%
57,001	58,000	-	17,596	99.91%	65,612,000	98.07%
58,001	59,000	-	17,596	99.91%	65,612,000	98.07%
59,001	60,000	119,000	17,598	99.92%	65,731,000	98.25%
60,001	61,000	60,500	17,599	99.93%	65,791,500	98.34%

61,001	62,000	1	61,500	17,600	99.93%	65,853,000	98.43%
62,001	63,000	-	-	17,600	99.93%	65,853,000	98.43%
63,001	64,000	-	-	17,600	99.93%	65,853,000	98.43%
64,001	65,000	1	64,500	17,601	99.94%	65,917,500	98.53%
65,001	66,000	-	-	17,601	99.94%	65,917,500	98.53%
66,001	67,000	-	-	17,601	99.94%	65,917,500	98.53%
67,001	68,000	-	-	17,601	99.94%	65,917,500	98.53%
68,001	69,000	2	137,000	17,603	99.95%	66,054,500	98.73%
69,001	70,000	1	69,500	17,604	99.95%	66,124,000	98.84%
70,001	71,000	-	-	17,604	99.95%	66,124,000	98.84%
71,001	72,000	1	71,500	17,605	99.96%	66,195,500	98.94%
72,001	73,000	-	-	17,605	99.96%	66,195,500	98.94%
73,001	74,000	-	-	17,605	99.96%	66,195,500	98.94%
74,001	75,000	-	-	17,605	99.96%	66,195,500	98.94%
75,001	76,000	-	-	17,605	99.96%	66,195,500	98.94%
76,001	77,000	1	76,500	17,606	99.97%	66,272,000	99.06%
77,001	78,000	1	77,500	17,607	99.97%	66,349,500	99.17%
78,001	79,000	-	-	17,607	99.97%	66,349,500	99.17%
79,001	80,000	-	-	17,607	99.97%	66,349,500	99.17%
80,001	81,000	-	-	17,607	99.97%	66,349,500	99.17%
81,001	82,000	-	-	17,607	99.97%	66,349,500	99.17%
82,001	83,000	2	165,000	17,609	99.98%	66,514,500	99.42%
125,040	125,040	1	125,040	17,610	99.99%	66,639,540	99.61%
125,040	125,040	1	125,040	17,611	99.99%	66,764,580	99.80%
136,969	136,969	1	136,969	17,612	100.00%	66,901,549	100.00%
			-	17,612	100.00%	66,901,549	100.00%
			-	17,612	100.00%	66,901,549	100.00%

Totals	17,612	66,901,549	17,612	66,901,549
--------	--------	------------	--------	------------

Average No. of Customers:	1,468	1,468
Average Consumption:	3,799	3,799
Median Consumption:	2,500	2,500

Rate Schedule: 3/4" Residential

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
0	3	-	3	3.26%	-	0.00%
1	26	13,000	29	31.52%	13,000	4.01%
1,001	25	37,500	54	58.70%	50,500	15.56%
2,001	10	25,000	64	69.57%	75,500	23.27%
3,001	3	10,500	67	72.83%	86,000	26.50%
4,001	4	18,000	71	77.17%	104,000	32.05%
5,001	1	5,500	72	78.26%	109,500	33.74%
6,001	4	26,000	76	82.61%	135,500	41.76%
7,001	4	30,000	80	86.96%	165,500	51.00%
8,001	4	34,000	84	91.30%	199,500	61.48%
9,001	2	19,000	86	93.48%	218,500	67.33%
10,001	2	21,000	88	95.65%	239,500	73.81%
11,001		-	88	95.65%	239,500	73.81%
12,001	1	12,500	89	96.74%	252,000	77.66%
13,001	1	13,500	90	97.83%	265,500	81.82%
14,001	1	14,500	91	98.91%	280,000	86.29%
45,000	1	44,500	92	100.00%	324,500	100.00%
		-	92	100.00%	324,500	100.00%
Totals	92	324,500	92		324,500	

Average No. of Customers: 8

Average Consumption: 3,527

Median Consumption: 1,500

Rate Schedule: 1" Residential

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
0	4	-	4	5.26%	-	0.00%
1 1,000	12	6,000	16	21.05%	6,000	0.86%
1,001 2,000	11	16,500	27	35.53%	22,500	3.21%
2,001 3,000	4	10,000	31	40.79%	32,500	4.64%
3,001 4,000	6	21,000	37	48.68%	53,500	7.64%
4,001 5,000	3	13,500	40	52.63%	67,000	9.57%
5,001 6,000	6	33,000	46	60.53%	100,000	14.29%
6,001 7,000		-	46	60.53%	100,000	14.29%
7,001 8,000	1	7,500	47	61.84%	107,500	15.36%
8,001 9,000	1	8,500	48	63.16%	116,000	16.57%
9,001 10,000		-	48	63.16%	116,000	16.57%
10,001 11,000	2	21,000	50	65.79%	137,000	19.57%
11,001 12,000	1	11,500	51	67.11%	148,500	21.21%
12,001 13,000	3	37,500	54	71.05%	186,000	26.57%
13,001 14,000	1	13,500	55	72.37%	199,500	28.50%
14,001 15,000		-	55	72.37%	199,500	28.50%
15,001 16,000	2	31,000	57	75.00%	230,500	32.93%
16,001 17,000	1	16,500	58	76.32%	247,000	35.29%
17,001 18,000	1	17,500	59	77.63%	264,500	37.79%
18,001 19,000	4	74,000	63	82.89%	338,500	48.36%
19,001 20,000		-	63	82.89%	338,500	48.36%
20,001 21,000	1	20,500	64	84.21%	359,000	51.29%
21,001 22,000	3	64,500	67	88.16%	423,500	60.50%
22,001 23,000	2	45,000	69	90.79%	468,500	66.93%
27,001 28,000	3	82,500	72	94.74%	551,000	78.71%
31,001 32,000	1	31,500	73	96.05%	582,500	83.21%
32,001 33,000	1	32,500	74	97.37%	615,000	87.86%
39,001 40,000	1	39,500	75	98.68%	654,500	93.50%
45,001 46,000	1	45,500	76	100.00%	700,000	100.00%
		-	76	100.00%	700,000	100.00%
Totals	76	700,000	76		700,000	

Average No. of Customers: 7

Average Consumption: 9,211

Median Consumption: 4,500

Rate Schedule: 5/8" Commercial

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
0	3	-	3	5.00%	-	0.00%
1 1,000	19	9,500	22	36.67%	9,500	1.19%
1,001 2,000	8	12,000	30	50.00%	21,500	2.70%
2,001 3,000	5	12,500	35	58.33%	34,000	4.26%
3,001 4,000	3	10,500	38	63.33%	44,500	5.58%
4,001 5,000	3	13,500	41	68.33%	58,000	7.27%
5,001 6,000	1	5,500	42	70.00%	63,500	7.96%
6,001 7,000	1	6,500	43	71.67%	70,000	8.78%
7,001 8,000	1	7,500	44	73.33%	77,500	9.72%
8,001 9,000	2	17,000	46	76.67%	94,500	11.85%
18,001 19,000	1	18,500	47	78.33%	113,000	14.17%
22,001 23,000	1	22,500	48	80.00%	135,500	16.99%
28,001 29,000	1	28,500	49	81.67%	164,000	20.56%
30,001 31,000	1	30,500	50	83.33%	194,500	24.39%
46,001 47,000	1	46,500	51	85.00%	241,000	30.22%
56,001 57,000	1	56,500	52	86.67%	297,500	37.30%
58,001 59,000	2	117,000	54	90.00%	414,500	51.97%
59,001 60,000	3	178,500	57	95.00%	593,000	74.36%
62,001 63,000	1	62,500	58	96.67%	655,500	82.19%
63,001 64,000	1	63,500	59	98.33%	719,000	90.16%
78,001 79,000	1	78,500	60	100.00%	797,500	100.00%
		-	60	100.00%	797,500	100.00%
Totals	60	797,500	60		797,500	

Average No. of Customers: 5
 Average Consumption: 13,292
 Median Consumption: 2,500

Rate Schedule: 1" Commercial

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
0	-	-	-	0.00%	-	0.00%
1	7	3,500	7	10.29%	3,500	0.20%
1,001	3	4,500	10	14.71%	8,000	0.46%
2,001	2	5,000	12	17.65%	13,000	0.75%
3,001	5	17,500	17	25.00%	30,500	1.76%
4,001	6	27,000	23	33.82%	57,500	3.31%
5,001	6	33,000	29	42.65%	90,500	5.21%
6,001	5	32,500	34	50.00%	123,000	7.08%
7,001	3	22,500	37	54.41%	145,500	8.37%
8,001	-	-	37	54.41%	145,500	8.37%
11,001	1	11,500	38	55.88%	157,000	9.04%
12,001	1	12,500	39	57.35%	169,500	9.75%
13,001	-	-	39	57.35%	169,500	9.75%
14,001	1	14,500	40	58.82%	184,000	10.59%
16,001	2	33,000	42	61.76%	217,000	12.49%
17,001	1	17,500	43	63.24%	234,500	13.50%
18,001	1	18,500	44	64.71%	253,000	14.56%
23,001	2	47,000	46	67.65%	300,000	17.27%
24,001	2	49,000	48	70.59%	349,000	20.09%
25,001	2	51,000	50	73.53%	400,000	23.02%
26,001	1	26,500	51	75.00%	426,500	24.55%
34,001	1	34,500	52	76.47%	461,000	26.53%
39,001	1	39,500	53	77.94%	500,500	28.80%
46,001	1	46,500	54	79.41%	547,000	31.48%
50,001	1	50,500	55	80.88%	597,500	34.39%
59,001	1	59,500	56	82.35%	657,000	37.81%
63,001	1	63,500	57	83.82%	720,500	41.47%
76,001	2	153,000	59	86.76%	873,500	50.27%
85,001	1	85,500	60	88.24%	959,000	55.19%
87,001	2	175,000	62	91.18%	1,134,000	65.26%
89,001	1	89,500	63	92.65%	1,223,500	70.41%
91,001	1	91,500	64	94.12%	1,315,000	75.68%
95,001	1	95,500	65	95.59%	1,410,500	81.18%
102,180	1	102,180	66	97.06%	1,512,680	87.06%
102,773	1	102,773	67	98.53%	1,615,453	92.97%
122,145	1	122,145	68	100.00%	1,737,598	100.00%
		-	68	100.00%	1,737,598	100.00%

Totals 68 1,737,598 68 1,737,598

Average No. of Customers: 6

Average Consumption: 25,553

Median Consumption: 7,500

Rate Schedule: 1.5" Commercial

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption		
			No.	% of Total	Amount	% of Total	
1	1,000	1	500	1	4.00%	500	0.06%
1,001	2,000	1	1,500	2	8.00%	2,000	0.23%
6,001	7,000	1	6,500	3	12.00%	8,500	0.97%
19,001	20,000	1	19,500	4	16.00%	28,000	3.21%
20,001	21,000	3	61,500	7	28.00%	89,500	10.26%
21,001	22,000	1	21,500	8	32.00%	111,000	12.72%
23,001	24,000	1	23,500	9	36.00%	134,500	15.42%
25,001	26,000	1	25,500	10	40.00%	160,000	18.34%
27,001	28,000	1	27,500	11	44.00%	187,500	21.49%
29,001	30,000	1	29,500	12	48.00%	217,000	24.87%
30,001	31,000	1	30,500	13	52.00%	247,500	28.37%
32,001	33,000	1	32,500	14	56.00%	280,000	32.09%
34,001	35,000	1	34,500	15	60.00%	314,500	36.05%
39,001	40,000	1	39,500	16	64.00%	354,000	40.57%
42,001	43,000	1	42,500	17	68.00%	396,500	45.44%
52,001	53,000	1	52,500	18	72.00%	449,000	51.46%
53,001	54,000	1	53,500	19	76.00%	502,500	57.59%
54,001	55,000	1	54,500	20	80.00%	557,000	63.84%
55,001	56,000	1	55,500	21	84.00%	612,500	70.20%
56,001	57,000	2	113,000	23	92.00%	725,500	83.15%
73,001	74,000	2	147,000	25	100.00%	872,500	100.00%
			-	25	100.00%	872,500	100.00%
Totals		25	872,500	25		872,500	

Average No. of Customers: 3
 Average Consumption: 34,900
 Median Consumption: 31,000

Rate Schedule: 2" Commercial

Block	Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
				No.	% of Total	Amount	% of Total
4,001	5,000	9	40,500	9	37.50%	40,500	8.79%
5,001	6,000	3	16,500	12	50.00%	57,000	12.36%
6,001	7,000	2	13,000	14	58.33%	70,000	15.18%
12,001	13,000	1	12,500	15	62.50%	82,500	17.90%
14,001	15,000	1	14,500	16	66.67%	97,000	21.04%
22,001	23,000	1	22,500	17	70.83%	119,500	25.92%
25,001	26,000	1	25,500	18	75.00%	145,000	31.45%
26,001	27,000	1	26,500	19	79.17%	171,500	37.20%
39,001	40,000	1	39,500	20	83.33%	211,000	45.77%
42,001	43,000	1	42,500	21	87.50%	253,500	54.99%
48,001	49,000	1	48,500	22	91.67%	302,000	65.51%
59,001	60,000	1	59,500	23	95.83%	361,500	78.42%
99,001	100,000	1	99,500	24	100.00%	461,000	100.00%
Totals		24	461,000	24		461,000	

Average No. of Customers: 2

Average Consumption: 19,208

Median Consumption: 6,500

Rate Schedule: 6" Commercial

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
0	22	-	22	91.67%	-	0.00%
1 1,000	1	500	23	95.83%	500	2.50%
19,001 20,000	1	19,500	24	100.00%	20,000	100.00%
		-	24	100.00%	20,000	100.00%
Totals	24	20,000	24		20,000	

Average No. of Customers: 2

Average Consumption: 833

Median Consumption: -

Rate Schedule: 1" Irrigation

Block	Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
				No.	% of Total	Amount	% of Total
31,001	32,000	1	31,500	1	4.17%	31,500	1.52%
35,001	36,000	1	35,500	2	8.33%	67,000	3.24%
41,001	42,000	1	41,500	3	12.50%	108,500	5.24%
44,001	45,000	1	44,500	4	16.67%	153,000	7.39%
45,001	46,000	1	45,500	5	20.83%	198,500	9.59%
56,001	57,000	1	56,500	6	25.00%	255,000	12.31%
58,001	59,000	1	58,500	7	29.17%	313,500	15.14%
62,001	63,000	1	62,500	8	33.33%	376,000	18.16%
63,001	64,000	1	63,500	9	37.50%	439,500	21.22%
77,001	78,000	1	77,500	10	41.67%	517,000	24.97%
78,001	79,000	1	78,500	11	45.83%	595,500	28.76%
79,001	80,000	1	79,500	12	50.00%	675,000	32.60%
81,001	82,000	2	163,000	14	58.33%	838,000	40.47%
88,001	89,000	1	88,500	15	62.50%	926,500	44.74%
89,001	90,000	1	89,500	16	66.67%	1,016,000	49.07%
92,001	93,000	1	92,500	17	70.83%	1,108,500	53.53%
95,001	96,000	1	95,500	18	75.00%	1,204,000	58.15%
99,001	100,000	1	99,500	19	79.17%	1,303,500	62.95%
104,637	104,637	1	104,637	20	83.33%	1,408,137	68.00%
156,240	156,240	1	156,240	21	87.50%	1,564,377	75.55%
157,376	157,376	1	157,376	22	91.67%	1,721,753	83.15%
160,275	160,275	1	160,275	23	95.83%	1,882,028	90.89%
188,650	188,650	1	188,650	24	100.00%	2,070,678	100.00%
			-	24	100.00%	2,070,678	100.00%
Totals		24	2,070,678	24		2,070,678	

Average No. of Customers: 2

Average Consumption: 86,278

Median Consumption: 81,000

Rate Schedule: 2" Irrigation

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
0		-	-	0.00%	-	0.00%
1	1,000	500	1	7.69%	500	1.01%
1,001	2,000	4,500	4	30.77%	5,000	10.10%
2,001	3,000	5,000	6	46.15%	10,000	20.20%
3,001	4,000	-	6	46.15%	10,000	20.20%
4,001	5,000	9,000	8	61.54%	19,000	38.38%
5,001	6,000	22,000	12	92.31%	41,000	82.83%
6,001	7,000	-	12	92.31%	41,000	82.83%
7,001	8,000	-	12	92.31%	41,000	82.83%
8,001	9,000	8,500	13	100.00%	49,500	100.00%
		-	13	100.00%	49,500	100.00%
Totals	13	49,500	13		49,500	

Average No. of Customers: 2

Average Consumption: 3,808

Median Consumption: 4,500

Rate Schedule: 4" Irrigation

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
0	3	-	3	12.50%	-	0.00%
1	8	4,000	11	45.83%	4,000	0.50%
2,001	1	2,500	12	50.00%	6,500	0.81%
7,001	1	7,500	13	54.17%	14,000	1.75%
39,001	1	39,500	14	58.33%	53,500	6.70%
45,001	1	45,500	15	62.50%	99,000	12.40%
56,001	4	226,000	19	79.17%	325,000	40.72%
72,001	1	72,500	20	83.33%	397,500	49.81%
81,001	1	81,500	21	87.50%	479,000	60.02%
91,001	1	91,500	22	91.67%	570,500	71.48%
108,140	1	108,140	23	95.83%	678,640	85.03%
119,470	1	119,470	24	100.00%	798,110	100.00%
Totals	24	798,110	24		798,110	

Average No. of Customers: 2
 Average Consumption: 33,255
 Median Consumption: 5,500

Rate Schedule: 3" Hydrant

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
0	2	-	2	28.57%	-	0.00%
3,001 4,000	1	3,500	3	42.86%	3,500	5.11%
13,001 14,000	1	13,500	4	57.14%	17,000	24.82%
16,001 17,000	2	33,000	6	85.71%	50,000	72.99%
18,001 19,000	1	18,500	7	100.00%	68,500	100.00%
		-	7	100.00%	68,500	100.00%
Totals	7	68,500	7		6	

Average No. of Customers: 1

Average Consumption: 9,786

Median Consumption: 9,000

Note:

Bill count revenue must be reduced by \$168.96 as one of the zero amount bills only incurred half of a month of the monthly minimum charge.

Rate Schedule: Commercial Fire Lines

Block		Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
				No.	% of Total	Amount	% of Total
10	10	2	20	2	50.00%	20	18.18%
20	20	1	20	3	75.00%	40	36.36%
70	70	1	70	4	100.00%	110	100.00%
			-	4	100.00%	110	100.00%
Totals		4	110	4		110	

Average No. of Customers: 1

Average Consumption: 28

Median Consumption: 15

Note:
 No monthly minimum.

Verification of Calcs

Line No.	Description			
<u>Calculation of Gross Revenue Conversion Factor:</u>				
1	Revenue	100.0000%		
2	Uncollectible Factor (Line 11)	0.6140%		
3	Revenues (L1 - L2)	99.3860%		
4	Combined Federal and State Income Tax and Property Tax Rate (Line 17)	38.5989%		
5	Subtotal (L3 - L4)	60.7871%		
6	Revenue Conversion Factor (L1 / L5)	1.645086		
7				
<u>Calculation of Uncollectible Factor:</u>				
9	Unity	100.0000%		
10	Combined Federal and State Tax Rate (L21)	38.5989%		
11	One Minus Combined Income Tax Rate (L9 - L10)	61.4011%		
12	Uncollectible Rate	1.0000%		
13	Uncollectible Factor (L11 * L12)	0.6140%		
14				
<u>Calculation of Effective Tax Rate:</u>				
16	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%		
17	Arizona State Income Tax Rate	6.9680%		
18	Federal Taxable Income (L16 - L17)	93.0320%		
19	Applicable Federal Income Tax Rate (L69)	34.0000%		
20	Effective Federal Income Tax Rate (L18 x L19)	31.6309%		
21	Combined Federal and State Income Tax Rate (L17 + L20)	38.5989%		
22				
<u>Calculation of Effective Tax Rate (Includes Property Tax)</u>				
24	Property Tax Factor		0.0000%	
25	Gross Revenues	100.0000%		
26	Property Tax Factor	0.0000%		
27	Taxable Income	100.0000%		
28	Combined Federal and State Income Tax Rate (L21)	38.5989%		
29	Effective Property Tax Factor		38.5989%	
30	Combined State and Federal Income Tax and Property Tax Rate			38.5989%
31				
32	Required Operating Income (Sch. A-1)	\$ 250,024		
33	Adjusted Test Year Operating Income (Loss) (Sch. C-1)	(60,541)		
34	Required Increase in Operating Income (L33 - L32)		\$ 310,565	
35				
36	Income Taxes on Recommended Revenue (C-2.8)	\$ 83,696		
37	Income Taxes on Test Year Revenue (C-1)	(108,018)		
38	Required Increase in Revenue to Provide for Income Taxes (L37 - L36)		\$ 191,713	
39				
40	Recommended Revenue Requirement	\$ 1,210,010		
41	Uncollectible Rate (L12)	1.0000%		
42	Uncollectible Expense on Recommended Revenue (L40 * L41)	\$ 12,100		
43	Adjusted Test Year Uncollectible Expense (C-1)	8,209		
44	Required Increase in Revenue to Provide for Uncollectible Exp. (L26 - L27)		\$ 3,891	
45				
46	Property Tax On Recommended Revenue	\$ -		
47	Property Tax On Test Year Revenue (C-1)	-		
48	Increase in Property Tax Due to Increase in Revenue		\$ -	
49				
50	Total Required Increase in Revenue (L34 + L38 + L44 + L48)		\$ 506,169	
51				
52				
<u>Calculation of Income Tax:</u>				
		Test Year		Proposed
54	Revenue (Sch. C-1)	\$ 699,104	\$ 510,906	\$ 1,210,010
55	Operating Expenses Excluding Income Taxes	867,663		881,888
56	Synchronized Interest (L74)	111,289		111,289
57	Arizona Taxable Income	\$ (279,847)		\$ 216,834
58	Arizona State Income Tax Rate	6.9680%		6.9680%
59	Arizona Income Tax		\$ (19,500)	
60	Federal Taxable Income	\$ (260,347)		\$ 201,725

61	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	(7,500)	7,500
62	Federal Tax on Second Income Bracket (\$50,001 - \$75,000) @ 25%	(6,250)	6,250
63	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	(8,500)	8,500
64	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	(62,535)	39,673
65	Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34%	-	-
66	Total Federal Income Tax	\$ (88,518)	
67	Combined Federal and State Income Tax (L59 + L66)	\$ (108,018)	
68			
69	Applicable Federal Income Tax Rate		
70			
71	<u>Calculation of Interest Synchronization:</u>		
72	Rate Base (Sch. B-1)	\$ 2,359,391	
73	Weighted Average Cost of Debt (Sch. D-2)	4.72%	
74	Synchronized Interest (L72 X L73)	\$ 111,289	

\$ 15,109

\$	68,587
\$	<u>83,696</u>

34.0000%

Company Willow Valley Water Company, Inc.
Month 12
Year 2011

	1 January	31	31
	2 February	28	
	3 March	31	
	4 April	30	
	5 May	31	
	6 June	30	
	7 July	31	
	8 August	31	
	9 September	30	
	10 October	31	
	11 November	30	
	12 December	31	
12/31/2011			
December			

WATER USE DATA SHEETS

AND

PLANT SUMMARIES

COMPANY NAME: Willow Valley Water Company

Name of System: Lake Cimarron

ADEQ Public Water System Number: AZ-04-08-129

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55-604160 Lake Cimarron Large Well, Primary	7.5	190	60	12	4"	1960
55-604161 Lake Cimarron Small Well, Secondary	10	225	100	6		1967

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (GPM)	Gallons Purchased or Obtained (In Thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	2	19	
25	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
196,000 GAL	1	5,800 GAL	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Willow Valley Water Company

Name of System: Lake Cimarron

ADEQ Public Water System Number: AZ-04-08-129

MAINS

Size (in Inches)	Material	Length (in Feet)
4	PVC	21
6	PVC	196
8	PVC	7,405
10	PVC	5,509
4	UNK	276
6	UNK	684
8	UNK	4,461
10	UNK	652

CUSTOMER METERS

Size (in inches)	Quantity
5/8"	130
3/4"	1
2"	1

ABS = Acrylonitrile-Butadiene-Styrene
AC = Asbestos Cement
ACP = Asbestos Concrete Pipe
ASWP = American Spiral Weld Pipe
CU = Copper
DIP = Ductile Iron Pipe
DIP150 = 150# Ductile Iron Pipe
=

GALV = Galvanized Steel Pipe
PVC = Polyvinyl Chloride
PVCCL1 = PVC 900 CL 150
PVCCL2 = PVC 900 CL 200
PVCNP = PVC - Not Purple
SDRCL1 = PVC SDR 26 CL 160
STEEL = Steel
UNK = Unknown

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

TREATMENT EQUIPMENT:

NaOCl Injection System
Fe & Mn Removal System
Chlorine Dioxide Generation System (ClO2)
Sodium permanganate (NaMNO4)

STRUCTURES:

Shed
Fences around well sites

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Willow Valley Water Company

Name of System: King Street

ADEQ Public Water System Number: AZ-04-08-040

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55-208170 Unit 17-Primary	30	500	120	9	6"	1970
55-603946 Center Street			100	8		1964
55-603947 King St	15	300	120	8	4"	1959
55-603948 Meadowlark			100	8		1966
55-603949 Unit 17-Secondary	15	300	100	8	4"	1969
55-603950 Commercial Well			100	8		1965
55-603951 Unit 1	15	250	100	24	4"	1960
55-603952 Riding Club Well			120	20		1960

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (GPM)	Gallons Purchased or Obtained (In Thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	6	46	
30	1		
40	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
163,000 GAL	1	14,000 GAL	1
47,000 GAL	1	2,200 GAL	1
96,000 GAL	1	5,200 GAL	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Willow Valley Water Company

Name of System: King Street

ADEQ Public Water System Number: AZ-04-08-040

MAINS

CUSTOMER METERS

Size (in Inches)	Material	Length (in Feet)
4	ABS	1,225
6	AC	2,164
4	ASWP	8,197
4	DIP	14
6	DIP	178
2	PVC	3,802
3	PVC	1,587
4	PVC	52,639
6	PVC	26,185
8	PVC	4,035
4	STEEL	22
6	STEEL	3
8	STEEL	185
-99	UNK	122
4	UNK	2,456
6	UNK	480

Size (in inches)	Quantity
1 1/2"	2
1"	15
3/4"	9
5/8"	1,450
2"	2
4"	2
6"	2

ABS = Acrylonitrile-Butadiene-Styrene
AC = Asbestos Cement
ACP = Asbestos Concrete Pipe
ASWP = American Spiral Weld Pipe
CU = Copper
DIP = Ductile Iron Pipe
DIP150 = 150# Ductile Iron Pipe
=

GALV = Galvanized Steel Pipe
PVC = Polyvinyl Chloride
PVCCL1 = PVC 900 CL 150
PVCCL2 = PVC 900 CL 200
PVCNP = PVC - Not Purple
SDRCL1 = PVC SDR 26 CL 160
STEEL = Steel
UNK = Unknown

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Willow Valley Water Company

Name of System: King Street

ADEQ Public Water System Number: AZ-04-08-040

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

TREATMENT EQUIPMENT:

NaOCl Injection System at Unit 17 and King St
Iron & Manganese removal at Unit 17 and King St
Filter Skid at Commercial St reservoir
Chlorine Dioxide Generation System (ClO₂)
Sodium permanganate (NaMNO₄)

STRUCTURES:

Office Building
Fences around well sites
Sheds at Unit 17 and King St

OTHER:

1 x Backhoe
1 x Bobcat
3 x Vehicles

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: WILLOW VALLEY WATER COMPANY

Name of System: Lake Cimarron

ADEQ Public Water System Number: AZ04-08-129

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2011

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	125	605	761	
FEBRUARY	126	565	671	
MARCH	128	618	807	
APRIL	128	672	743	
MAY	128	736	898	
JUNE	129	808	944	
JULY	129	699	935	
AUGUST	129	729	1,229	
SEPTEMBER	129	951	1,121	
OCTOBER	128	682	1,172	
NOVEMBER	130	594	801	
DECEMBER	128	641	724	
TOTALS →		8,301	10,806	

What is the level of arsenic for each well on your system?

(If more than one well, please list each separately.)

ADWR #55-604161 (Lake Cimarron) 5 ppb

If system has fire hydrants, what is the fire flow requirement? ___ GPM for ___ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

Yes No

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

Yes No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: WILLOW VALLEY WATER COMPANY	
Name of System: King Street	ADEQ Public Water System Number: AZ04-08-040

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2011

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1376	5,140	7,447	
FEBRUARY	1376	4,288	5,931	
MARCH	1378	4,734	7,039	
APRIL	1379	4,877	7,519	
MAY	1377	5,667	9,303	
JUNE	1382	6,609	8,303	
JULY	1378	7,108	9,647	
AUGUST	1382	6,827	9,975	
SEPTEMBER	1384	7,855	7,514	
OCTOBER	1384	5,221	6,543	
NOVEMBER	1393	4,851	5,728	
DECEMBER	1374	5,536	4,875	
TOTALS →		68,712	89,824	

What is the level of arsenic for each well on your system?

(If more than one well, please list each separately.)

ADWR #55-063947 (King Street) 4.1 ppb ADWR #55-603949 (Unit 17) <3 ppb

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

Yes No

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

Yes No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.