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**COMMISSIONERS**

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

2012 SEP 26 P 2:42

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

SEP 26 2012

DOCKETED BY *TJM*

IN THE MATTER OF THE APPLICATION  
OF WATER UTILITY OF NORTHERN  
SCOTTSDALE, INC. FOR A RATE INCREASE

Docket No. W-03720A-12-0311

**NOTICE OF FILING  
REVISED SCHEDULES**

On July 9, 2012 Water Utility of Northern Scottsdale, ("WUNS" or "Applicant") filed a rate application. Staff has requested certain revisions in the schedules. Accordingly, revised schedules are attached.

RESPECTFULLY SUBMITTED this 26<sup>th</sup> day of September 2012.

ROSHKA DEWULF & PATTEN, PLC

By *Timothy J. Sabo*

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

*Attorneys for Willow Valley Water Company*

Original +13 copies of the foregoing  
filed this 26<sup>th</sup> day of September 2012, with:

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

1 Copies of the foregoing hand-delivered/mailed  
2 this 26<sup>th</sup> day of September 2012, to:

3 Lyn A. Farmer, Esq.  
4 Chief Administrative Law Judge  
5 Hearing Division  
6 Arizona Corporation Commission  
7 1200 West Washington  
8 Phoenix, AZ 85007

9 Janice Alward, Esq.  
10 Chief Counsel, Legal Division  
11 Arizona Corporation Commission  
12 1200 West Washington  
13 Phoenix, AZ 85007

14 Steven M. Olea  
15 Director, Utilities Division  
16 Arizona Corporation Commission  
17 1200 West Washington  
18 Phoenix, AZ 85007

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By Debbie Amual

Global Water - Water Utility of Northern Scottsdale - Schedules  
 Test Year Ended December 31, 2011  
 Computation of Increase in Gross Revenue Requirement

Schedule A-1

Line No.	DESCRIPTION	[A]	[B]	[C] Original Cost - As Filed	[D] Fair Value - As Filed
1	Adjusted Rate Base			\$ (181,978)	\$ (181,978)
2					
3	Adjusted Operating Income (Loss)			\$ 21,301	\$ 21,301
4					
5	Current Rate of Return (Line 3 / Line 1)			N/A	N/A
6					
7	Required Operating Income (Line 13 * Sch C-1, Line 5 )			\$ 21,301	\$ 21,301
8					
9	Required Rate of Return			N/A	N/A
10					
11	Current Operating Margin (Sch. C-1)			14.44%	14.44%
12					
13	Proposed Operating Margin (Line 11)			14.44%	14.44%
14					
15	Operating Income Deficiency (Line 7 - Line 3)			\$ -	\$ -
16					
17	Gross Revenue Conversion Factor			1.629	1.629
18					
19	Increase in Gross Revenue Requirements			\$ -	\$ -
20					
21					
22					
23					
24					
25	Customer	Present	Proposed	Dollar	Percent
26	Classification	Rates	Rates	Increase	Increase
27					
28	Residential	\$ 143,850	\$ 146,694	\$ 2,844	2.0%
29	Commercial	-	-	-	0.0%
30	Irrigation	-	-	-	0.0%
31	Construction	-	-	-	0.0%
32	Lake	-	-	-	0.0%
33	Non-Potable	-	-	-	0.0%
34					
35	Total of Water Revenues	\$ 143,850	\$ 146,694	\$ 2,844	2.0%
36					
37	Miscellaneous Revenues	1,550	1,550	-	0.0%
38					
39	Total Revenues	\$ 145,400	\$ 148,244	\$ 2,844	2.0%
40					
41	Total Adjusted Revenues (Schedule C-1)	\$ 147,513	\$ 148,244	\$ 731 *	0.496%
42					

\*The increase shown on line 32 does not match exactly with that shown on line 15 because an effort was made to keep the rates to round numbers.

Supporting Schedules:

- B-1
- C-1
- C-3
- H-1

Global Water - Water Utility of Northern Scottsdale - Schedules  
 Test Year Ended December 31, 2011  
 Summary of Results of Operations

Schedule A-2

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		12/31/2009	12/31/2010	Actual 12/31/2011	Adjusted 12/31/2011	Present Rates 12/31/2012	Proposed Rates 12/31/2012
1	Gross Revenues	\$ 133,843	\$ 135,148	\$ 151,196	\$ 147,513	\$ 147,513	\$ 147,513
2							
3	Revenue Deductions and						
4	Operating Expenses	117,787	25,138	127,615	126,212	126,212	126,212
5							
6	Operating Income	\$ 16,056	\$ 110,010	\$ 23,581	\$ 21,301	\$ 21,301	\$ 21,301
7							
8	Other Income and Deductions	-	-	-	-	-	-
9							
10	Interest Expense	-	-	-	-	-	-
11							
12	Net Income	\$ 16,056	\$ 110,010	\$ 23,581	\$ 21,301	\$ 21,301	\$ 21,301
13							
14	Common Shares	1,000	1,000	1,000	1,000	1,000	1,000
15							
16	Earned Per Average						
17	Common Share	16.06	110.01	23.58	21.30	21.30	21.30
18							
19	Dividends Per						
20	Common Share	-	-	-	-	-	-
21							
22	Payout Ratio	-	-	-	-	-	-
23							
24	Return on Average						
25	Invested Capital	0.22%	0.35%	0.07%	-9.54%	-20.05%	-20.05%
26							
27	Return on Year End						
28	Capital	-6.87%	0.17%	-10.08%	-10.02%	-10.02%	-10.02%
29							
30	Return on Average						
31	Common Equity	0.22%	0.35%	0.07%	-9.54%	-20.05%	-20.05%
32							
33	Return on Year End						
34	Common Equity	-6.87%	0.17%	-10.08%	-10.02%	-10.02%	-10.02%
35							
36	Times Bond Interest Earned						
37	Before Income Taxes	-	-	-	-	-	-
38							
39	Times Total Interest and						
40	Preferred Dividends Earned						
41	After Income Taxes	-	-	-	-	-	-
42							
43							
44							
45							
46	<u>Supporting Schedules:</u>						
47	E-2						
48	C-1						
49	F-1						
50							

**Global Water - Water Utility of Northern Scottsdale - Schedules**  
 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	\$ 1,307	\$ 2,455	\$ 1,916,993
2					
3	Prior Year Ended	12/31/2010	-	-	1,916,993
4					
5	Test Year Ended	12/31/2011	-	4,070	1,921,063
6					
7	Projected Year Ended	12/31/2012	-	-	1,921,063
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
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26					
27					
28					

Supporting Schedules:  
 F-3  
 E-5

**Global Water - Water Utility of Northern Scottsdale - Schedules**  
 Test Year Ended December 31, 2011  
 Summary of Fair Value Rate Base

Schedule B-1

Line No.		Original Cost Rate Base As Filed
1	Plant in Service	\$ 1,921,063
2	Less: Accumulated Depreciation	(424,824)
3		
4	Net Plant in Service	\$ 1,496,239
5		
6	<u>LESS:</u>	
7	Net CIAC	-
8	Advances in Aid of Construction (AIAC)	1,824,411
9	Customer Deposits	10,765
10	Deferred Income Tax Credits	-
11		
12	<u>ADD:</u>	
13	Unamortized Finance Charges	-
14	Deferred Tax Assets	156,959
15	Working Capital	-
16	Utility Plant Acquisition Adjustment	-
17		
18	Original Cost Rate Base	<u>\$ (181,978)</u>
19		
20		
21	Note: The Company is not requesting an RCND calculation.	
22		
23		
24		
25		

Supporting Schedules:

B-2  
 B-3  
 E-1  
 B-5

Recap Schedules

A-1

Line No.	Description	[A] Actual End of Test Year	[B] ADJ #1	[C] ADJ #2	[D] Adjusted Test Year As Filed
1	303 Land and Land Rights	\$ 30,374	\$ -	\$ -	\$ 30,374
2	304 Structures and Improvements	20,000	-	-	20,000
3	307 Wells and Springs	130,000	-	-	130,000
4	309 Supply Mains	-	-	-	-
5	310 Power Generation Equipment	-	-	-	-
6	311 Pumping Equipment	216,158	-	-	216,158
7	320 Water Treatment Equipment	377	-	-	377
8	330 Distribution Reservoirs and Standpipes	182,972	-	-	182,972
9	331 Transmission and Distribution Mains	1,155,497	-	-	1,155,497
10	333 Services	60,047	-	-	60,047
11	334 Meters and Meter Installations	11,303	-	-	11,303
12	335 Hydrants	108,312	-	-	108,312
13	336 Backflow Prevention Devices	775	-	-	775
14	339 Other Plant and Miscellaneous Equipment	2,390	-	-	2,390
15	340 Office Furniture and Equipment	-	-	-	-
16	341 Transportation Equipment	-	-	-	-
17	343 Tools, Shop and Garage Equipment	515	-	-	515
18	344 Laboratory Equipment	-	-	-	-
19	345 Power Operated Equipment	-	-	-	-
20	346 Communication Equipment	-	-	-	-
21	347 Miscellaneous Equipment	-	-	-	-
21	348 Other Tangible Plant	-	-	-	-
22	390 Office Furniture & Equipment	2,343	-	-	2,343
23					
24	Total Plant in Service	\$ 1,921,063	\$ -	\$ -	\$ 1,921,063
25	Less: Accumulated Depreciation	(424,824)	-	-	(424,824)
26	Net Plant in Service (L59 - L 60)	<u>\$ 1,496,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,496,239</u>
27					
28	LESS:				
29	Net Contributions in Aid of Construction (CIAC)	\$ -	\$ -	\$ -	\$ -
30	Advances in Aid of Construction (AIAC)	1,824,411	-	-	1,824,411
31	Customer Meter Deposits	10,765	-	-	10,765
32	Deferred Income Tax Credits	-	-	-	-
33					
34	ADD:				
35	Unamortized Finance Charges	\$ -	\$ -	\$ -	\$ -
36	Deferred Tax Assets				
37	Meter deposits	9,246	-	-	9,246
38	Deferred gain	-	-	-	-
39	Bad debt	483	-	-	483
40	Deferred compensation	232	-	-	232
41	Fixed asset depreciation	146,998	-	-	146,998
42		-	-	-	-
43	Working Capital	-	-	-	-
44	Utility Plant Acquisition Adjustment	-	-	-	-
45					
46	Original Cost Rate Base	<u>\$ (181,978)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (181,978)</u>
47					

Supporting Schedules:  
 E-1

Recap Schedules  
 B-1

**Global Water - Water Utility of Northern Scottsdale - Schedules**

Schedule B-3

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
- 2
- 3
- 4
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- 18
- 19
- 20

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

Supporting Schedules  
B-4

Recap Schedules  
B-1

**Global Water - Water Utility of Northern Scottsdale - Schedules**  
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

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19 Supporting Schedules

20 RCND Study

Recap Schedules

B-3

**Global Water - Water Utility of Northern Scottsdale - Schedules**  
Test Year Ended December 31, 2011  
Computation of Working Capital Allowance

Schedule B-5

Line

No.

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1

2

The Company is not requesting a working capital allowance.

3

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Supporting Schedules

Recap Schedules

19

E-1

B-1

20

Global Water - Water Utility of Northern Scottsdale - Schedules  
 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 - As Filed	[C] Adjusted Test Year - As Filed	[D] Proposed Rate Increase	[E] Adjusted With Rate Increase
1	Revenues					
2	Metered Water Sales	\$ 149,646	\$ (3,683)	\$ 145,963	\$ -	\$ 145,963
3	Water Sales - Unmetered	-	-	-	-	-
4	Other Operating Revenue	1,550	-	1,550	-	1,550
5	Total Operating Revenues	\$ 151,196	\$ (3,683)	\$ 147,513	\$ -	\$ 147,513
6						
7	Operating Expenses					
8	601 Salary and Wages - Employees	\$ 19,787	-	19,787	-	19,787
9	604 Employee Pensions and Benefits	-	-	-	-	-
10	610 Purchased Water	-	-	-	-	-
11	615 Purchased Power	9,918	132	10,050	-	10,050
12	616 Fuel for Power Production	-	-	-	-	-
13	618 Chemicals	1,270	16	1,286	-	1,286
14	620 Materials and Supplies	(779)	-	(779)	-	(779)
15	620.08 Materials and Supplies	-	-	-	-	-
16	621 Office Supplies and Expense	1,494	-	1,494	-	1,494
17	630 Outside Services	4,483	-	4,483	-	4,483
18	635 Contractual Services - Testing	728	-	728	-	728
19	636 Contractual Services - Other	-	-	-	-	-
20	641 Rental of Building/Real Property	504	-	504	-	504
21	642 Rental of Equipment	-	-	-	-	-
22	650 Transportation Expenses	1,508	-	1,508	-	1,508
23	657 Insurance - General Liability	475	-	475	-	475
24	659 Insurance - Other	664	-	664	-	664
25	660 Advertising Expense	-	-	-	-	-
26	666 Regulatory Commission Expense - Rate Case	-	502	502	-	502
27	667 Rate Case Expense	-	-	-	-	-
28	670 Bad Debt Expense	-	-	-	-	-
29	675 Miscellaneous Expenses	4,137	-	4,137	-	4,137
30	403 Depreciation Expense	64,552	-	64,552	-	64,552
31	408 Taxes Other Than Income	326	-	326	-	326
32	408.11 Taxes Other Than Income - Property Taxes	3,694	(590)	3,104	-	3,104
33	408.13 Taxes Other Than Income - Other Taxes and	-	-	-	-	-
34	409 Income Taxes	14,854	(1,463)	13,391	-	13,391
35	Total Operating Expenses	\$ 127,615	\$ (1,403)	\$ 126,212	\$ -	\$ 126,212
36						
37	Utility Operating Income (Loss)	\$ 23,581	\$ (2,280)	\$ 21,301	\$ -	\$ 21,301
38						
39	414 Gains (Losses) from Disp of Util Prop	\$ -	-	-	-	-
40	419 Interest and Dividend Income	-	-	-	-	-
41	421 Non-Utility Income	-	-	-	-	-
42	426 Miscellaneous Non-Utility Expenses	-	-	-	-	-
43	427 Interest Expense	-	-	-	-	-
44	Total Other Income and Deductions	\$ -	\$ -	\$ -	\$ -	\$ -
45						
46	Net Income (Loss)	\$ 23,581	\$ (2,280)	\$ 21,301	\$ -	\$ 21,301
47						
48						
49						
50						
51						
52						
53						
54	<u>Supporting Schedules:</u>			<u>Recap Schedules</u>		
55	E-2			A-1		
56	C-2					
57						

Global Water - Water Utility of Northern Scottsdale - Schedules  
 Test Year Ended December 31, 2011  
 Income Statement Pro Forma Adjustments

Line No.	DESCRIPTION	(A) Actual End of Test Year	(B) ADJ #2 C-2.2	(C) ADJ #4 C-2.4	(D) ADJ #5 C-2.5	(E) ADJ #11 C-2.11	(F) ADJ #12 C-2.12.a	(G) ADJ #14 C-2.14.a	(H) Adjusted Test Year - As Filled	(I) ADJ #15 A-1, C-2.11	(J) ADJ #17 C-2.12.b	(K) ADJ #18 C-2.14.b	(L) Adjusted With Rate Increase
1	Revenues												
2	Metered Water Sales	\$ 148,646	\$ -	\$ 2,115	\$ (5,798)	\$ -	\$ -	\$ -	\$ 145,963	\$ -	\$ -	\$ -	\$ 145,963
3	Water Sales - Unmetered	1,550	-	-	-	-	-	-	1,550	-	-	-	1,550
4	Other Operating Revenue	151,196	-	2,115	(5,798)	-	-	-	147,513	-	-	-	147,513
5	Total Operating Revenues	\$ 301,392	\$ -	\$ 2,115	\$ (5,798)	\$ -	\$ -	\$ -	\$ 300,026	\$ -	\$ -	\$ -	\$ 300,026
6	Operating Expenses												
7	601 Salary and Wages - Employees												
8	604 Employee Pensions and Benefits												
9	610 Purchased Water	9,916	-	132	-	-	-	-	10,050	-	-	-	10,050
10	615 Fuel for Power Production	1,270	-	16	-	-	-	-	1,286	-	-	-	1,286
11	618 Chemicals	(779)	-	-	-	-	-	-	(779)	-	-	-	(779)
12	620 Materials and Supplies	1,494	-	-	-	-	-	-	1,494	-	-	-	1,494
13	620.08 Materials and Supplies	4,483	-	-	-	-	-	-	4,483	-	-	-	4,483
14	621 Office Supplies and Expense	728	-	-	-	-	-	-	728	-	-	-	728
15	630 Outside Services	504	-	-	-	-	-	-	504	-	-	-	504
16	635 Contractual Services - Testing	1,508	-	-	-	-	-	-	1,508	-	-	-	1,508
17	636 Contractual Services - Other	475	-	-	-	-	-	-	475	-	-	-	475
18	637 Contractual Services - Other	664	-	-	-	-	-	-	664	-	-	-	664
19	641 Rental of Building/Real Property	502	-	-	-	-	-	-	502	-	-	-	502
20	642 Rental of Equipment	4,137	-	-	-	-	-	-	4,137	-	-	-	4,137
21	642 Rental of Equipment	64,552	-	-	-	-	-	-	64,552	-	-	-	64,552
22	650 Transportation Expenses	326	-	-	-	-	-	-	326	-	-	-	326
23	657 Insurance - General Liability	3,694	-	-	-	-	-	-	3,694	-	-	-	3,694
24	659 Insurance - Other	14,854	-	-	-	-	-	-	14,854	-	-	-	14,854
25	660 Advertising Expense	502	-	-	-	-	-	-	502	-	-	-	502
26	666 Regulatory Commission Expense - Rate Case	-	502	-	-	-	-	-	-	-	-	-	-
27	667 Rate Case Expense	-	-	-	-	-	-	-	-	-	-	-	-
28	670 Bad Debt Expense	4,137	-	-	-	-	-	-	4,137	-	-	-	4,137
29	675 Miscellaneous Expenses	64,552	-	-	-	-	-	-	64,552	-	-	-	64,552
30	403 Depreciation Expense	326	-	-	-	-	-	-	326	-	-	-	326
31	408 Taxes Other Than Income	3,694	-	-	-	-	-	-	3,694	-	-	-	3,694
32	408.11 Taxes Other Than Income - Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-
33	408.13 Taxes Other Than Income - Other Taxes and Licenses	-	-	-	-	-	-	-	-	-	-	-	-
34	409 Income Taxes	14,854	-	-	-	-	-	-	14,854	-	-	-	14,854
35	Total Operating Expenses	\$ 127,615	\$ 502	\$ 148	\$ -	\$ -	\$ (590)	\$ (3,463)	\$ 126,212	\$ -	\$ -	\$ -	\$ 126,212
36	Operating Income (Loss)	\$ 23,581	\$ (502)	\$ 1,967	\$ (5,798)	\$ -	\$ 590	\$ 1,463	\$ 21,301	\$ -	\$ -	\$ -	\$ 21,301
37	414 Gains (Losses) from Disposition of Utility Property												
38	419 Interest and Dividend Income												
39	421 Non-Utility Income												
40	421 Non-Utility Income												
41	426 Miscellaneous Non-Utility Expenses												
42	427 Interest Expense												
43	Total Other Income and Deductions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	Net Income (Loss)	\$ 23,581	\$ (502)	\$ 1,967	\$ (5,798)	\$ -	\$ 590	\$ 1,463	\$ 21,301	\$ -	\$ -	\$ -	\$ 21,301
45	Net Income (Loss)	\$ 23,581	\$ (502)	\$ 1,967	\$ (5,798)	\$ -	\$ 590	\$ 1,463	\$ 21,301	\$ -	\$ -	\$ -	\$ 21,301
46	Net Income (Loss)	\$ 23,581	\$ (502)	\$ 1,967	\$ (5,798)	\$ -	\$ 590	\$ 1,463	\$ 21,301	\$ -	\$ -	\$ -	\$ 21,301
47	Net Income (Loss)	\$ 23,581	\$ (502)	\$ 1,967	\$ (5,798)	\$ -	\$ 590	\$ 1,463	\$ 21,301	\$ -	\$ -	\$ -	\$ 21,301
48	Net Income (Loss)	\$ 23,581	\$ (502)	\$ 1,967	\$ (5,798)	\$ -	\$ 590	\$ 1,463	\$ 21,301	\$ -	\$ -	\$ -	\$ 21,301
49	Net Income (Loss)	\$ 23,581	\$ (502)	\$ 1,967	\$ (5,798)	\$ -	\$ 590	\$ 1,463	\$ 21,301	\$ -	\$ -	\$ -	\$ 21,301
50	Net Income (Loss)	\$ 23,581	\$ (502)	\$ 1,967	\$ (5,798)	\$ -	\$ 590	\$ 1,463	\$ 21,301	\$ -	\$ -	\$ -	\$ 21,301
51	Net Income (Loss)	\$ 23,581	\$ (502)	\$ 1,967	\$ (5,798)	\$ -	\$ 590	\$ 1,463	\$ 21,301	\$ -	\$ -	\$ -	\$ 21,301

Recap Schedules  
 C-1



**Global Water - Water Utility of Northern Scottsdale - Schedules**

Schedule C-2.4

Test Year Ended December 31, 2011

Income Statement Adjustment 4

Annualize Revenue & Expense to reflect End-of-Test Year Customer Counts

Line No.	Class of Service	[A] Average No. of Customers Per Bill Count Sch. H-5	[B] Year-End Number of Customers	[C] Average Additional Customers [B - A]	[D] Average Bill	[H] Additional Revenues at Present Rates
1	5/8" Residential	-	-	-	-	\$ -
2	3/4" Residential	-	-	-	-	-
3	1" Residential	69	70	1	176.28	2,115
4	1.5" Residential	5	5	-	284.88	-
5	2" Residential	1	1	-	234	-
6	Subtotal Residential	75	76	1		\$ 2,115
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17	Class of Expense					
18						
19	Pumping		\$ 0.73	180.77	180.77	\$ 132
20	Water Treatment		0.09			16
21						
22	Totals					\$ 148
23						
24						
25						
26						
27						
28						
29						
30						

**Global Water - Water Utility of Northern Scottsdale - Schedules**

Schedule C-2.5

Test Year Ended December 31, 2011

Income Statement Adjustment 5

Net change in accrued revenue accounts during the Test Year 2011.

Line No.		2010 Ending Balance	2011 Ending Balance	Change
1	<b>Unbilled revenue assets:</b>			
2	<u>Potable Water (Volumetric Fee)</u>			
3	(76101) Metered Water Sales Residential	\$ -	\$ 1,105.77	\$ 1,105.77
4				
5	<u>Basic Charge (Flat Fee)</u>			
6	(76101) Basic Charge Residential	1,354.70	1,734.00	379.30
7				
8	<b>Total unbilled revenues</b>	<b>\$ 1,354.70</b>	<b>\$ 2,839.77</b>	<b>\$ 1,485.07</b>
9				
10	<b>Deferred revenue liability:</b>			
11	<u>Basic Charge (Flat Fee)</u>			
12	(76101) Basic Charge Residential	\$ (4,313.00)	\$ -	\$ 4,313.00
13				
14				
15	<b>Total change in accrual balances</b>			<b>\$ 5,798.07</b>
16				
17				
18				
19				
20				

**Global Water - Water Utility of Northern Scottsdale - Schedules**

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)	\$ -
2	Actual Test Year Revenues (Sch C-2)	<u>151,196</u>
3	Bad Debt Expense Rate	0.0%
4		
5		
6	Adjusted Test Year Revenues (Sch C-2)	\$ 147,513
7	Bad Debt Expense Rate	0.0%
8	Expected Bad Debt Expense	<u>\$ -</u>
9		
10	Adjustment to Bad Debt Expense Based on Adjusted Test Year Revenues	\$ -
11		
12		
13	Proposed Revenues (Sch C-2)	\$ 147,513
14	Bad Debt Expense Rate	0.0%
15	Expected Bad Debt Expense Based on Proposed Revenues	<u>\$ -</u>
16		
17	Adjustment to Bad Debt Expense	\$ -
18		
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Global Water - Water Utility of Northern Scottsdale - Schedules  
 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	\$ 147,513	\$ 147,513
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	295,027	\$ 295,027
4	Proposed Revenue Requirement	147,513	\$ 147,513
5	Subtotal (Line 4 + Line 5)	442,540	442,540
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	147,513	\$ 147,513
8	Department of Revenue Mutilplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	295,027	\$ 295,027
10	Plus: 10% of CWIP -	-	-
11	Less: Net Book Value of Licensed Vehicles	-	\$ -
12	Full Cash Value (Line 9 + Line 10 - Line 11)	295,027	\$ 295,027
13	Assessment Ratio	21.0%	21.0%
14	Assessment Value (Line 12 * Line 13)	61,956	\$ 61,956
15	Composite Property Tax Rate	5.0100%	5.0100%
16			\$ -
17	Test Year Adjusted Property Tax (Line 14 * Line 15)	\$ 3,104	
18	Actual Test Year Property Tax Expense	3,694	
19			
20	Test Year Adjustment (Line 16-Line 17)	\$ (590)	
21	Property Tax - Recommended Revenue (Line 14 * Line 15)		\$ 3,104
22	Test Year Adjusted Property Tax Expense (Line 17)		3,104
23	Increase in Property Tax Expense Due to Increase in Revenue Requirement		\$ -
24			
25	Increase to Property Tax Expense		\$ -
26	Increase in Revenue Requirement		-
27	Increase to Property Tax per Dollar Increase in Revenue (Line19/Line 20)		0.000000%
28			
29			
30			
31			
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Global Water - Water Utility of Northern Scottsdale - Schedules  
 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	\$ 34,692	\$ 34,692
3	Synchronized Interest	-	-
4	Arizona Taxable Income	\$ 34,692	\$ 34,692
5			
6	Arizona Income Tax (6.968%)	\$ 2,417	\$ 2,417
7			
8	Federal Income Before Taxes	\$ 34,692	\$ 34,692
9	Less Arizona Income Taxes	2,417	2,417
10	Federal Taxable Income	\$ 32,275	\$ 32,275
11			
12	Federal Income Tax (34% Tax Bracket)	\$ 10,973	\$ 10,973
13			
14	Total Income Tax	\$ 13,391	\$ 13,391
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)	\$ 14,854	
24	Increase/(Decrease) to Income Taxes - Adjusted	\$ (1,463)	
25			
26	Test Year Income Taxes - Adjusted		\$ 13,391
27			
28	Increase/(Decrease) to Proposed Income Taxes		\$ -
29			
30			
31	<u>Calculation of Interest Synchronization:</u>		
32	Rate Base (Sch. B-1)		\$ (181,978)
33	Weighted Average Cost of Debt (Sch. D-1)		0.00%
34	Synchronized Interest (L32 X L33)		\$ -
35			
36			
37			
38			
39			
40			

**Global Water - Water Utility of Northern Scottsdale - Schedules**  
 Test Year Ended December 31, 2011  
 Computation of Gross Conversion Factor

Schedule C-3

Line No.		Percentage of Incremental Gross Revenues
1	Revenue	100.0000%
2	Uncollectible Factor (L14)	0.0000%
3	Revenues (L1 - L2)	100.0000%
4	Combined Federal and State Income Tax	38.5989%
5	Subtotal (L3 - L4)	61.4011%
6	<b>Revenue Conversion Factor (L1 / L5)</b>	<b>1.628635</b>
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	0.0000%
14	Uncollectible Factor (L12 x L13 )	0.0000%
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	<u>Supporting Schedules</u>	<u>Recap Schedules</u> A-1

Global Water - Water Utility of Northern Scottsdale - Schedules  
 Test Year Ended December 31, 2011  
 Summary Cost of Capital

Schedule D-1

Line No.	Description	End of Test Year - Actual			
		Dollar Amount	Percent of Total	Rate of Return	Weighted Cost
1					
2	Short-Term Debt	\$ -	0.00%	0.00%	0.00%
3					
4	Long-Term Debt	-	0.00%	0.00%	0.00%
5					
6	Common Equity	(233,834)	100.00%	10.00%	10.00%
7					
8	Totals	<u>\$ (233,834)</u>	<u>100.00%</u>		<u>10.00%</u>

Line No.	Description	End of Test Year - Proposed			
		Dollar Amount	Percent of Total	Rate of Return	Weighted Cost
11					
12					
13					
14					
15	Short-Term Debt	\$ -	0.00%	0.00%	0.00%
16					
17	Long-Term Debt	-	0.00%		0.00%
18					
19	Common Equity	(233,834)	100.00%	N/A	0.00%
20					
21	Totals	<u>\$ (233,834)</u>	<u>100.00%</u>		<u>0.00%</u>

Line No.	Description	End of Projected Year - Proposed Rates			
		Dollar Amount	Percent of Total	Rate of Return	Weighted Cost
14					
15	Short-Term Debt	\$ -	0.00%	0.00%	0.00%
16					
17	Long-Term Debt	-	0.00%	0.00%	0.00%
18					
19	Common Equity	(212,532)	100.00%	N/A	0.00%
20					
21	Totals	<u>\$ (212,532)</u>	<u>100.00%</u>		<u>0.00%</u>

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Global Water - Water Utility of Northern Scottsdale - Schedules  
 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	\$ -	\$ -	\$ -
4	132 Special Deposits	-	-	-
5	141 Customer Accounts Receivable	11,870	13,087	3,144
6	143 Accumulated Provision for Uncollectible Accounts	(1,250)	(2,220)	(807)
7	151 Plant Material and Supplies	-	-	-
8	162 Prepayments	1,780	1,775	427
9	174 Miscellaneous Current and Accrued Assets	2,838	1,355	8,351
10	Total Current Assets	\$ 15,238	\$ 13,997	\$ 11,115
11				
12	101 Total Utility Plant in Service	\$ 1,921,063	\$ 1,916,993	\$ 1,916,993
13	105 Construction work-in-progress	-	(5,958)	4,070
14	108 Less: Accumulated Depreciation	(424,824)	(360,273)	(295,779)
15	Total Fixed Assets (Net)	\$ 1,496,239	\$ 1,550,762	\$ 1,625,284
16				
17	Deferred Debits			
18	190 Accumulated Deferred Income Taxes	\$ 108,092	\$ 114,861	\$ 13,690
19	Total other assets	\$ 108,092	\$ 114,861	\$ 13,690
20				
21	Total Assets	\$ 1,619,569	\$ 1,679,620	\$ 1,650,089
22				
23	Liabilities and Stockholders' Equity			
24				
25	231 Accounts payable	\$ 3,953	\$ 10,145	\$ 12,987
26	233 Accounts Payable to Associated Companies	-	-	-
27	235 Customer Deposits	10,765	8,160	6,560
28	236 Accrued Taxes	1,903	1,583	1,277
29	237 Accrued Interest	359	427	193
30	241 Miscellaneous Current and Accrued Liabilities	1,990	7,073	1,394
31	253 Other Deferred Credits	681	946	1,282
32	Total Current Liabilities	\$ 19,651	\$ 28,334	\$ 23,693
33				
34	252 Advances for Construction	\$ 1,824,411	\$ 1,831,984	\$ 1,844,573
35	271 Contributions in Aid of Construction	-	-	-
36	272 Less: Amortization of Contributions	-	-	-
37	281 Accumulated Deferred Income Taxes	9,340	1,255	-
38	Total Deferred Credits and Other Liabilities	\$ 1,833,751	\$ 1,833,239	\$ 1,844,573
39				
40	Total Liabilities and Deferred Credits	\$ 1,853,402	\$ 1,861,573	\$ 1,868,266
41				
42	201 Common Stock Issued	\$ -	\$ -	\$ -
43	211 Other Paid-In Capital	(341,075)	(265,614)	(191,828)
44	215 Unappropriated Retained Earnings	83,661	(26,349)	(42,405)
45	215 Current year net income	23,581	110,010	16,056
46	Total Members' Equity	\$ (233,834)	\$ (181,953)	\$ (218,177)
47				
48	Total Liabilities and Stockholders' Equity	\$ 1,619,569	\$ 1,679,620	\$ 1,650,089

Supporting Schedules

E-5

Recap Schedules

A-3

Global Water - Water Utility of Northern Scottsdale - Schedules  
 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	\$ 149,646	\$ 133,499	\$ 131,333
4	460 Unmetered Water Revenue	-	-	-
5	474 Other Water Revenues	1,550	1,649	2,510
6	Total Operating Revenues	\$ 151,196	\$ 135,148	\$ 133,843
7				
8	Operating Expenses			
9				
10	601 Salary and Wages - Employees	\$ 19,787	\$ 32,349	\$ 18,295
11	610 Purchased Water	-	-	-
12	615 Purchased Power	9,918	9,655	9,190
13	618 Chemicals	1,270	1,416	579
14	620 Materials and Supplies	(779)	1,007	198
15	621 Office Supplies and Expense	1,494	1,374	1,885
16	630 Outside Services	4,483	3,147	175
17	635 Contractual Services - Testing	728	1,658	3,778
18	641 Rental of Building/Real Property	504	-	956
19	650 Transportation Expenses	1,508	1,153	562
20	657 Insurance - General Liability	475	348	382
21	659 Insurance - Other	664	572	345
22	666 Regulatory Commission Expense - Rate Case	-	-	2,008
23	675 Miscellaneous Expenses	4,137	3,974	2,124
24	403 Depreciation Expense	64,552	64,493	64,414
25	408 Taxes Other Than Income	326	283	272
26	408.11 Property Taxes	3,694	3,625	2,522
27	409 Income Taxes	14,854	(99,916)	10,102
28	Total Operating Expenses	\$ 127,615	\$ 25,138	\$ 117,787
29				
30	Operating Income / (Loss)	\$ 23,581	\$ 110,010	\$ 16,056
31				
32	OTHER INCOME / (EXPENSE)			
33	421 Non-Utility Income	\$ -	\$ -	\$ -
34	426 Miscellaneous Non-Utility Expenses	-	-	-
35	427 Interest Expense	-	-	-
36	Total Other Income / (Expense)	\$ -	\$ -	\$ -
37				
38	NET INCOME / (LOSS)	\$ 23,581	\$ 110,010	\$ 16,056

Supporting Schedules  
 E-6

Recap Schedules  
 A-2

**Global Water - Water Utility of Northern Scottsdale - Schedules**

Schedule E-5

Test Year Ended December 31, 2011

Detail Plant in Service

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	\$ 28,647	\$ 1,727	\$ 30,374
3	304 Structures and Improvements	20,000	-	20,000
4	307 Wells and Springs	130,000	-	130,000
5	309 Supply Mains	-	-	-
6	310 Power Generation Equipment	-	-	-
7	311 Pumping Equipment	216,158	0	216,158
8	320 Water Treatment Equipment	377	0	377
9	330 Distribution Reservoirs ad Standpipes	182,972	0	182,972
10	331 Transmission and Distribution Mains	1,155,497	0	1,155,497
11	333 Services	60,047	(0)	60,047
12	334 Meters and Meter Installations	11,303	(0)	11,303
13	335 Hydrants	108,312	(0)	108,312
14	336 Backflow Prevention Devices	775	0	775
15	339 Other Plant and Miscellaneous Equipment	2,390	(0)	2,390
16	340 Office Furniture and Equipment	-	-	-
17	341 Transportation Equipment	-	-	-
18	343 Tools, Shop and Garage Equipment	515	0	515
19	344 Laboratory Equipment	-	-	-
20	345 Power Operated Equipment	-	-	-
21	346 Communication Equipment	-	-	-
22	347 Miscellaneous Equipment	-	-	-
23	348 Other Tangible Plant	-	-	-
24	390 Office Furniture & Equipment	-	2,343	2,343
24	Total Utility Plant in Service	\$ 1,916,993	\$ 4,070	\$ 1,921,063
25				
26	107 Construction Work in Progress	\$ (5,958)	\$ 5,958	\$ -
27				
28	Total Plant	\$ 1,911,035	\$ 10,028	\$ 1,921,063
29				
30	Total Accum. Depreciation	\$ (360,273)	\$ (64,551)	\$ (424,824)
31				
32	Total Net Plant	\$ 1,550,762	\$ (54,523)	\$ 1,496,239
33				
34				

Supporting Schedules

Recap Schedules

E-1

A-4

**Global Water - Water Utility of Northern Scottsdale - Schedules**  
 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	\$ 149,646	\$ 132,333	\$ 124,677
3	Commercial	-	-	-
4	Construction	-	1,166	6,656
5	Irrigation	-	-	-
6	Golf Course	-	-	-
7	Lake	-	-	-
8				
9	Total Water Sales	\$ 149,646	\$ 133,499	\$ 131,333
10				
11	Miscellaneous	1,550	1,649	2,510
12				
13	Total Operating Revenues	\$ 151,196	\$ 135,148	\$ 133,843
14				
15	OPERATING EXPENSES:			
16	Operations and Maintenance	\$ 18,619	\$ 22,181	\$ 19,807
17				
18	General and Administrative	\$ 25,570	\$ 34,472	\$ 20,670
19				
20	Depreciation	\$ 64,552	\$ 64,493	\$ 64,414
21				
22	TAXES			
23	Income Taxes	\$ 14,854	\$ (99,916)	\$ 10,102
24	Property taxes	3,694	3,625	2,522
25	Other Taxes and Licenses	326	283	272
26	Utility Regulatory Assessment Fee	-	-	-
27				
28	TOTAL TAXES	\$ 18,874	\$ (96,008)	\$ 12,896
29				
30	Total Operating Expenses	\$ 127,615	\$ 25,138	\$ 117,787
31				
32	Operating Income/(Loss)	\$ 23,581	\$ 110,010	\$ 16,056

35 Supporting Schedules

Recap Schedules

E-2

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**Global Water - Water Utility of Northern Scottsdale - Schedules**  
 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	13,558	13,349	11,442
3	Total Commercial	-		
4	Total Irrigation	-		
5	Total Construction	-		
6	Total Lake	-		
7	Non-Potable	-		
8		<u>13,558</u>	<u>13,349</u>	<u>11,442</u>
9				
10	Average No. Customers			
11	Total Residential	75	71	70
12	Total Commercial	-		
13	Total Irrigation	-		
14	Total Construction	-		
15	Total Lake	-		
16	Non-Potable	-		
17	Total Potable	<u>75</u>	<u>71</u>	<u>70</u>
18				
19	Average Annual Gallons Per			
20	Residential Customer (in 1,000's)	180.77	188.01	163.46
21				
22	Average Annual Revenue Per			
23	Residential Customer	\$ 1,995.28	\$ 1,863.85	\$ 1,781.10
24				
25				
26	Average Per 1,000 Gallons Sold			
27	Pumping Expense	\$ 0.73	\$ 0.72	\$ 0.80
28	Water Treatment Expense	0.09	0.11	0.05
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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 64

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

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

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

In addition to material costs, direct labor and personnel costs, and indirect construction overhead costs may be capitalized. Interest incurred during the construction period is also capitalized as a component of the cost of the constructed assets, which represents the cost of debt associated with construction activity. Expenditures for maintenance and repairs are charged to expense.

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

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

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

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

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

**Global Water - Water Utility of Northern Scottsdale - Schedules**  
 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	\$ 147,513	\$ 147,513	\$ -	\$ 147,513
2					
3	Operating Expenses				
4					
5	601 Salary and Wages - Employees	\$ 19,787	\$ 19,787	\$ -	\$ 19,787
6	604 Employee Pensions and Benefits	-	-	-	-
7	610 Purchased Water	-	-	-	-
8	615 Purchased Power	9,918	10,050	-	10,050
9	616 Fuel for Power Production	-	-	-	-
10	618 Chemicals	1,270	1,286	-	1,286
11	620 Materials and Supplies	(779)	(779)	-	(779)
12	620.08 Materials and Supplies	-	-	-	-
13	621 Office Supplies and Expense	1,494	1,494	-	1,494
14	630 Outside Services	4,483	4,483	-	4,483
15	635 Contractual Services - Testing	728	728	-	728
16	636 Contractual Services - Other	-	-	-	-
17	641 Rental of Building/Real Property	504	504	-	504
18	642 Rental of Equipment	-	-	-	-
19	650 Transportation Expenses	1,508	1,508	-	1,508
20	657 Insurance - General Liability	475	475	-	475
21	659 Insurance - Other	664	664	-	664
22	660 Advertising Expense	-	-	-	-
23	666 Regulatory Commission Expense - Rate Case	-	502	-	502
24	667 Rate Case Expense	-	-	-	-
25	670 Bad Debt Expense	-	-	-	-
26	675 Miscellaneous Expenses	4,137	4,137	-	4,137
27	403 Depreciation Expense	64,552	64,552	-	64,552
28	408 Taxes Other Than Income	326	326	-	326
29	408.11 Property Taxes	3,694	3,104	-	3,104
30	408.13 Taxes Other Than Income - Other Taxes and Licenses	-	-	-	-
31	409 Income Taxes	14,854	13,391	-	13,391
32	Total Operating Expenses	\$ 127,615	\$ 126,212	\$ -	\$ 126,212
33					
34	Operating Income / (Loss)	\$ 19,898	\$ 21,301	\$ -	\$ 21,301
35					
36	OTHER INCOME / (EXPENSE)				
37	421 Non-Utility Income	\$ -	\$ -	-	\$ -
38	426 Miscellaneous Non-Utility Expenses	-	-	-	-
39	427 Interest Expense	-	-	-	-
40	Total Other Income / (Expense)	\$ -	\$ -	\$ -	\$ -
41					
42	NET INCOME / (LOSS)	\$ 19,898	\$ 21,301	\$ -	\$ 21,301
43					

Supporting Schedules  
E-2

Recap Schedules  
A-2

Global Water - Water Utility of Northern Scottsdale - Schedules  
 Test Year Ended December 31, 2011  
 Projected Construction Requirements

Schedule F-3

Line No.	Property Classification	Through 12/31/2012
1		
2	Well Development	\$ -
3		
4	Water Distribution Centers	-
5		
6	Treatment and/or Blending	-
7		
8	Pipelines	-
9		
10	SCADA	-
11		
12	Other	-
13		
14	Totals	<u>\$ -</u>
15		
16		
17	<u>Supporting Schedules</u>	<u>Recap Schedules</u>
18		F-2 & A-4
19		
20		

**Global Water - Water Utility of Northern Scottsdale - Schedules**  
Test Year Ended December 31, 2011  
Assumptions

Schedule F-4

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.

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Supporting Schedules

Recap Schedules

**Global Water - Water Utility of Northern Scottsdale - Schedules**  
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  
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Supporting Schedules

H-1  
G-4  
G-3

Recap Schedules

**Global Water - Water Utility of Northern Scottsdale - Schedules**  
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.
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- 12
- 13
- 14

Supporting Schedules

- H-1
- G-4
- G-3

Recap Schedules

Global Water - Water Utility of Northern Scottsdale - Schedules  
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.

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17 Supporting Schedules

18 G-5

19 G-7

20

Recap Schedules

G-1 & G-2

**Global Water - Water Utility of Northern Scottsdale - Schedules**  
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.

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18 Supporting Schedules

19 G-5

20 G-7

Recap Schedules

G-1 & 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.

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Supporting Schedules

Recap Schedules  
G-3

**Global Water - Water Utility of Northern Scottsdale - Schedules**  
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.

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Supporting Schedules

Recap Schedules

G-4

**Global Water - Water Utility of Northern Scottsdale - Schedules**  
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.

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Supporting Schedules

Recap Schedules

G-4  
G-3

Water Utility of Northern Scottsdale  
 Test Year Ended December 31, 2011  
 Classification - Present and Proposed Rates

Schedule H-1

Line No.	Customer Classification	[A]	[B]	[C]	[D]	[E]	[F]	[G]
		Present Rates	Present Rates Adjusted	Proposed Rates No CRT	Proposed CRT	Proposed Rates [C+D]	Proposed Increase Amount	%
1								
2	Residential	\$ 143,850	\$ 145,965 *	\$ 152,610	\$ (5,915)	\$ 146,694	\$ 729	0.5%
3	Commercial	-	-	-	-	-	-	-
4	Irrigation	-	-	-	-	-	-	-
5	Construction	-	-	-	-	-	-	-
6								
7	Total Water Revenues	\$ 143,850	\$ 145,965	\$ 152,610	\$ (5,915)	\$ 146,694	\$ 729	0.5%
8								
9	Miscellaneous Revenues (Sch. C-1, L4)	1,550	1,550	1,550	1,550	1,550		
10								
11	Total Operating Revenues	\$ 145,400	\$ 147,515	\$ 154,160	\$ (4,365)	\$ 148,244		
12								
13	Adjustment C-2.4							
14								
15								
16	Test Year Revenue (Schedule C-2)	\$ 151,196						
17	Less adjustment C-2.5	(5,798)						
18		145,398						
19								
20	Unreconciled Difference	\$ 2						
21		0.0014%						
22								

Supporting Schedules  
 H-2

Recap Schedules  
 A-1

**Water Utility of Northern Scottsdale**  
 Test Year Ended December 31, 2011  
 Analysis of Revenue by Detailed Class

Line No.	Class of Service	[A] Average Number of Customers	[B] Average Consumption	[C] Present Rates No CRT	[D] CRT	[E] Present Rates	[F] Bill Count Water Revenues			[G] Present Rates No CRT	[H] Proposed Rates No CRT	[I] Proposed CRT	[J] Proposed Rates [H + I]	[K] Proposed Increase [J - G]	[L] %
							Sch. C-2.4	Adjustments	Adjusted						
1	1" Residential, GBD	69	15687	\$ 128,112	\$ -	\$ 128,112	\$ 2,115	\$ 130,228	\$ 122,920	\$ (5,512)	\$ 128,432	\$ (1,795)	-1.4%		
2	1.5" Residential, GBD	4	20038	\$ 12,930	\$ -	\$ 12,930	\$ -	\$ 12,930	\$ 13,780	\$ (326)	\$ 14,106	\$ 1,176	9.1%		
3	2" Residential, GBD	1	17667	\$ 2,808	\$ -	\$ 2,808	\$ -	\$ 2,808	\$ 4,079	\$ (77)	\$ 4,156	\$ 1,348	48.0%		
7				\$ -	\$ -	\$ -									
8				\$ -	\$ -	\$ -									
9	Total Residential	74	15973	\$ 143,850	\$ -	\$ 143,850	\$ 2,115	\$ 145,966	\$ 140,779	\$ (5,915)	\$ 146,694	\$ 729	0.50%		
10	Total Commercial	0	NA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0		
11	Total Irrigation	0	NA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0		
12	Total Construction	0	NA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0		

Supporting Schedules

Recap Schedules  
H-1

**Monthly Minimum Charges:**

Meter Size (All Classes)	Basic Service Charge		
	Present	Proposed	Change
5/8" by 3/4" Meter	\$ 27.00	\$ 34.00	\$ 7.00
3/4" Meter	27.00	\$ 34.00	7.00
1" Meter	57.00	\$ 85.00	28.00
1.5" Meter	120.00	\$ 170.00	50.00
2" Meter	128.00	\$ 272.00	144.00
3" Meter	340.00	\$ 544.00	204.00
4" Meter	550.00	\$ 850.00	300.00
6" Meter	1,100.00	\$ 1,700.00	600.00

**Commodity Rate Charges:**

Potable Water	Present		Proposed		Change
	Rate Block (Gallons)	Volumetric Charge (Per 1,000 Gallons)	Rate Block	Volumetric Charge (Per 1,000 Gallons)	
<b><u>5/8 x 3/4", 3/4", 1", and 1 1/2" Residential Meters</u></b>					
Tier One Breakover	4,000	\$ 5.00	1,000	2.50	NA
Tier Two Breakover	10,000	6.00	5,000	3.50	NA
Tier Three Breakover	over 10,000	7.00	10,000	4.50	NA
Tier Four Breakover	NA	NA	18,000	5.50	NA
Tier Five Breakover	NA	NA	25,000	6.50	NA
Tier Six Breakover	NA	NA	over 25,000	7.50	NA
<b><u>5/8 x 3/4" and 3/4" Non-residential Meters</u></b>					
Tier One Breakover	7,000	\$ 6.00	1,000	2.50	NA
Tier Two Breakover	over 7,000	7.00	5,000	3.50	NA
Tier three Breakover	NA	NA	10,000	4.50	NA
Tier Four Breakover	NA	NA	18,000	5.50	NA
Tier Five Breakover	NA	NA	25,000	6.50	NA
Tier Six Breakover	NA	NA	over 25,000	7.50	NA
<b><u>1" Non-residential Meters</u></b>					
Tier One Breakover	16,000	\$ 6.00	1,000	2.50	NA
Tier Two Breakover	over 16,000	7.00	5,000	3.50	NA
Tier three Breakover	NA	NA	10,000	4.50	NA
Tier Four Breakover	NA	NA	18,000	5.50	NA
Tier Five Breakover	NA	NA	25,000	6.50	NA
Tier Six Breakover	NA	NA	over 25,000	7.50	NA
<b><u>1 1/2" Non-residential Meters</u></b>					
Tier One Breakover	32,000	\$ 6.00	1,000	2.50	NA
Tier Two Breakover	over 32,000	7.00	5,000	3.50	NA
Tier three Breakover	NA	NA	10,000	4.50	NA
Tier Four Breakover	NA	NA	18,000	5.50	NA
Tier Five Breakover	NA	NA	25,000	6.50	NA
Tier Six Breakover	NA	NA	over 25,000	7.50	NA
<b><u>2" Meters - All Classes</u></b>					
Tier One Breakover	60,000	\$ 6.00	1,000	2.50	NA
Tier Two Breakover	over 60,000	7.00	5,000	3.50	NA
Tier three Breakover	NA	NA	10,000	4.50	NA
Tier Four Breakover	NA	NA	18,000	5.50	NA
Tier Five Breakover	NA	NA	25,000	6.50	NA
Tier Six Breakover	NA	NA	over 25,000	7.50	NA
<b><u>3" Meters - All Classes</u></b>					
Tier One Breakover	120,000	\$ 6.00	1,000	2.50	NA
Tier Two Breakover	over 120,000	7.00	5,000	3.50	NA
Tier three Breakover	NA	NA	10,000	4.50	NA
Tier Four Breakover	NA	NA	18,000	5.50	NA
Tier Five Breakover	NA	NA	25,000	6.50	NA
Tier Six Breakover	NA	NA	over 25,000	7.50	NA
<b><u>4" Meters - All Classes</u></b>					
Tier One Breakover	200,000	\$ 6.00	1,000	2.50	NA
Tier Two Breakover	over 200,000	7.00	5,000	3.50	NA
Tier three Breakover	NA	NA	10,000	4.50	NA
Tier Four Breakover	NA	NA	18,000	5.50	NA
Tier Five Breakover	NA	NA	25,000	6.50	NA
Tier Six Breakover	NA	NA	over 25,000	7.50	NA
<b><u>6" Meters - All Classes</u></b>					
Tier One Breakover	400,000	\$ 6.00	1,000	2.50	NA
Tier Two Breakover	over 400,000	7.00	5,000	3.50	NA
Tier three Breakover	NA	NA	10,000	4.50	NA
Tier Four Breakover	NA	NA	18,000	5.50	NA
Tier Five Breakover	NA	NA	25,000	6.50	NA
Tier Six Breakover	NA	NA	over 25,000	7.50	NA
Standpipe Rate - per 1,000 gallons	all gallons	\$ 7.00	all gallons	\$ 7.00	\$ -

	Present	Proposed
Conservation Rebate Threshold ("CRT") in Gallons	N/A	14,000
Commodity rate rebate applied if consumption is below the CRT:	N/A	50%

Miscellaneous Service Charges	Present	Proposed	Change
Establishment of Service	\$ 30.00	\$ 30.00	\$ -
Establishment of Service (After Hours)	45.00	45.00	\$ -
Re-establishment of Service (Within 12 Months)	**	**	
Reconnection of Service (Delinquent)	\$ 30.00	\$ 30.00	\$ -
Reconnection of Service - After Hours (Delinquent)	N/A	45.00	\$ -
Meter Move at Customer Request	N/A	at cost	
Deposit	*	*	
Deposit Interest	*	*	
Meter Re-Read (If Correct)	25.00	25.00	\$ -
Meter Test Fee (If Correct)	30.00	30.00	\$ -
NSF Check	30.00	30.00	\$ -
Late Payment Charge (Per Month)	\$ 3.00	\$ 3.00	\$ -
Deferred Payment Charge (Per Month)	1.50%	1.50%	\$ -
Fire Sprinkler, Monthly Service Charge	***	***	

\* Per A.A.C. R14-2-403(B).

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

\*\*\* One percent (1.00%) of monthly minimum for a comparable sized meter connection, but not less than \$5.00 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.

In addition to the collection of its regular rates and charges, the Company shall collect from customers their proportionate share of any privilege, sales or use tax in accordance with A.A.C. R14-2-409(D)(5).

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

Meter Size	Present			Proposed		Total Charges	Change
	Service Line Charges	Meter Charges	Total Charges	Service Line Charges	Meter Charges		
5/8 x 3/4" Meter	\$370.00	\$115.00	\$485.00	\$ 445.00	\$ 155.00	\$600.00	23.71%
3/4" Meter	375.00	145.00	520.00	445.00	255.00	700.00	34.62%
1" Meter	405.00	205.00	610.00	495.00	315.00	810.00	32.79%
1 1/2" Meter	440.00	415.00	855.00	560.00	525.00	1,075.00	25.73%
2" Turbine Meter	615.00	900.00	1,515.00	830.00	1,045.00	1,875.00	23.76%
2" Compound Meter	615.00	1,625.00	2,240.00	830.00	1,890.00	2,720.00	21.43%
3" Turbine Meter	790.00	1,405.00	2,195.00	1,045.00	1,670.00	2,715.00	23.69%
3" Compound Meter	830.00	2,200.00	3,030.00	1,165.00	2,545.00	3,710.00	22.44%
4" Turbine Meter	1,100.00	2,260.00	3,360.00	1,490.00	2,670.00	4,160.00	23.81%
4" Compound Meter	1,155.00	3,160.00	4,315.00	1,670.00	3,645.00	5,315.00	23.17%
6" Turbine Meter	1,655.00	4,460.00	6,115.00	2,210.00	5,025.00	7,235.00	18.32%
6" Compound Meter	1,700.00	6,190.00	7,890.00	2,330.00	6,920.00	9,250.00	17.24%
8" and Larger Meters	NA	NA	NA	Cost	Cost	Cost	

**Water Utility of Northern Scottsdale**  
 Test Year Ended December 31, 2011  
 Typical Bill Analysis

Schedule H-4

Rate Schedule: 1" Residential Meters

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 57.00	\$ 85.00	49.12%
1,000	62.00	\$ 86.25	39.11%
2,000	67.00	\$ 88.00	31.34%
3,000	72.00	\$ 89.75	24.65%
4,000	77.00	\$ 91.50	18.83%
5,000	83.00	\$ 93.25	12.35%
6,000	89.00	\$ 95.50	7.30%
7,000	95.00	\$ 97.75	2.89%
8,000	101.00	\$ 115.00	13.86%
9,000	107.00	\$ 119.50	11.68%
10,000	113.00	\$ 124.00	9.73%
15,000	148.00	\$ 151.50	2.36%
20,000	183.00	\$ 181.00	-1.09%
25,000	218.00	\$ 251.00	15.14%
50,000	393.00	\$ 438.50	11.58%
75,000	568.00	\$ 626.00	10.21%
100,000	743.00	\$ 813.50	9.49%
125,000	918.00	\$ 1,001.00	9.04%
150,000	1,093.00	\$ 1,188.50	8.74%
175,000	1,268.00	\$ 1,376.00	8.52%
200,000	1,443.00	\$ 1,563.50	8.35%

Water Utility of Northern Scottsdale  
 Test Year Ended December 31, 2011  
 Typical Bill Analysis

Schedule H-4

Rate Schedule: 1 1/2" Residential Meters

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 120.00	\$ 170.00	41.67%
1,000	125.00	\$ 171.25	37.00%
2,000	130.00	\$ 173.00	33.08%
3,000	135.00	\$ 174.75	29.44%
4,000	140.00	\$ 176.50	26.07%
5,000	146.00	\$ 178.25	22.09%
6,000	152.00	\$ 180.50	18.75%
7,000	158.00	\$ 182.75	15.66%
8,000	164.00	\$ 200.00	21.95%
9,000	170.00	\$ 204.50	20.29%
10,000	176.00	\$ 209.00	18.75%
15,000	211.00	\$ 236.50	12.09%
20,000	246.00	\$ 266.00	8.13%
25,000	281.00	\$ 336.00	19.57%
50,000	456.00	\$ 523.50	14.80%
75,000	631.00	\$ 711.00	12.68%
100,000	806.00	\$ 898.50	11.48%
125,000	981.00	\$ 1,086.00	10.70%
150,000	1,156.00	\$ 1,273.50	10.16%
175,000	1,331.00	\$ 1,461.00	9.77%
200,000	1,506.00	\$ 1,648.50	9.46%

**Water Utility of Northern Scottsdale**  
 Test Year Ended December 31, 2011  
 Typical Bill Analysis

Schedule H-4

Rate Schedule: 2" Residential Meters

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 128.00	\$ 272.00	112.50%
1,000	134.00	\$ 273.25	103.92%
2,000	140.00	\$ 275.00	96.43%
3,000	146.00	\$ 276.75	89.55%
4,000	152.00	\$ 278.50	83.22%
5,000	158.00	\$ 280.25	77.37%
6,000	164.00	\$ 282.50	72.26%
7,000	170.00	\$ 284.75	67.50%
8,000	176.00	\$ 302.00	71.59%
9,000	182.00	\$ 306.50	68.41%
10,000	188.00	\$ 311.00	65.43%
15,000	218.00	\$ 338.50	55.28%
20,000	248.00	\$ 368.00	48.39%
25,000	278.00	\$ 438.00	57.55%
50,000	428.00	\$ 625.50	46.14%
75,000	593.00	\$ 813.00	37.10%
100,000	768.00	\$ 1,000.50	30.27%
125,000	943.00	\$ 1,188.00	25.98%
150,000	1,118.00	\$ 1,375.50	23.03%
175,000	1,293.00	\$ 1,563.00	20.88%
200,000	1,468.00	\$ 1,750.50	19.24%

Rate Schedule: 1<sup>st</sup> Residential

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
0	15	-	15	1.82%	-	0.00%
1,000	24	24,000	39	4.73%	24,000	0.19%
2,000	34	68,000	73	8.86%	92,000	0.71%
3,000	56	168,000	129	15.66%	260,000	2.01%
4,000	43	172,000	172	20.87%	432,000	3.34%
5,000	44	220,000	216	26.21%	652,000	5.04%
6,000	39	234,000	255	30.95%	886,000	6.85%
7,000	35	245,000	290	35.19%	1,131,000	8.75%
8,000	38	304,000	328	39.81%	1,435,000	11.10%
9,000	42	378,000	370	44.90%	1,813,000	14.03%
10,000	23	230,000	393	47.69%	2,043,000	15.81%
11,000	41	451,000	434	52.67%	2,494,000	19.29%
12,000	33	396,000	467	56.67%	2,890,000	22.36%
13,000	23	299,000	490	59.47%	3,189,000	24.67%
14,000	32	448,000	522	63.35%	3,637,000	28.14%
15,000	19	285,000	541	65.66%	3,922,000	30.34%
16,000	23	368,000	564	68.45%	4,290,000	33.19%
17,000	25	425,000	589	71.48%	4,715,000	36.48%
18,000	22	396,000	611	74.15%	5,111,000	39.54%
19,000	16	304,000	627	76.09%	5,415,000	41.89%
20,000	10	200,000	637	77.31%	5,615,000	43.44%
21,000	8	168,000	645	78.28%	5,783,000	44.74%
22,000	7	154,000	652	79.13%	5,937,000	45.93%
23,000	10	230,000	662	80.34%	6,167,000	47.71%
24,000	5	120,000	667	80.95%	6,287,000	48.64%
25,000	7	175,000	674	81.80%	6,462,000	49.99%
26,000	6	156,000	680	82.52%	6,618,000	51.20%
27,000	6	162,000	686	83.25%	6,780,000	52.45%
28,000	7	196,000	693	84.10%	6,976,000	53.97%
29,000	5	145,000	698	84.71%	7,121,000	55.09%
30,000	13	390,000	711	86.29%	7,511,000	58.11%
31,000	4	124,000	715	86.77%	7,635,000	59.07%
32,000	8	256,000	723	87.74%	7,891,000	61.05%
33,000	9	297,000	732	88.83%	8,188,000	63.35%
34,000	6	204,000	738	89.56%	8,392,000	64.92%
35,000	6	210,000	744	90.29%	8,602,000	66.55%
36,000	4	144,000	748	90.78%	8,746,000	67.66%
37,000	3	111,000	751	91.14%	8,857,000	68.52%
38,000	3	114,000	754	91.50%	8,971,000	69.40%
39,000	7	273,000	761	92.35%	9,244,000	71.51%
40,000	8	320,000	769	93.33%	9,564,000	73.99%
41,000	1	41,000	770	93.45%	9,605,000	74.31%
42,000	4	168,000	774	93.93%	9,773,000	75.61%
43,000	3	129,000	777	94.30%	9,902,000	76.61%
44,000	2	88,000	779	94.54%	9,990,000	77.29%
45,000	1	45,000	780	94.66%	10,035,000	77.63%
46,000	1	46,000	781	94.78%	10,081,000	77.99%
47,000	3	141,000	784	95.15%	10,222,000	79.08%
48,000	-	-	784	95.15%	10,222,000	79.08%
49,000	2	98,000	786	95.39%	10,320,000	79.84%
50,000	1	50,000	787	95.51%	10,370,000	80.23%
51,000	1	51,000	788	95.63%	10,421,000	80.62%
52,000	2	104,000	790	95.87%	10,525,000	81.43%
53,000	1	53,000	791	96.00%	10,578,000	81.84%
54,000	2	108,000	793	96.24%	10,686,000	82.67%
55,000	2	110,000	795	96.48%	10,796,000	83.52%
56,000	1	56,000	796	96.60%	10,852,000	83.95%
57,000	1	57,000	797	96.72%	10,909,000	84.40%
58,000	3	174,000	800	97.09%	11,083,000	85.74%
59,000	2	118,000	802	97.33%	11,201,000	86.65%
60,000	-	-	802	97.33%	11,201,000	86.65%
61,000	1	61,000	803	97.45%	11,262,000	87.13%
62,000	2	124,000	805	97.69%	11,386,000	88.09%
63,000	2	126,000	807	97.94%	11,512,000	89.06%
64,000	-	-	807	97.94%	11,512,000	89.06%
65,000	2	130,000	809	98.18%	11,642,000	90.07%
66,000	-	-	809	98.18%	11,642,000	90.07%
67,000	3	201,000	812	98.54%	11,843,000	91.62%
68,000	-	-	812	98.54%	11,843,000	91.62%
69,000	2	138,000	814	98.79%	11,981,000	92.69%
70,000	-	-	814	98.79%	11,981,000	92.69%
71,000	1	71,000	815	98.91%	12,052,000	93.24%
72,000	-	-	815	98.91%	12,052,000	93.24%
73,000	-	-	815	98.91%	12,052,000	93.24%
74,000	1	74,000	816	99.03%	12,126,000	93.81%
75,000	2	150,000	818	99.27%	12,276,000	94.97%
76,000	1	76,000	819	99.39%	12,352,000	95.56%
82,000	1	82,000	820	99.51%	12,434,000	96.19%
92,000	1	92,000	821	99.64%	12,526,000	96.91%
98,000	1	98,000	822	99.76%	12,624,000	97.66%
112,000	1	112,000	823	99.88%	12,736,000	98.53%
190,000	1	190,000	824	100.00%	12,926,000	100.00%
		-	824	100.00%	12,926,000	100.00%
Totals	824	12,926,000	824		12,926,000	
Average No. of Customers:	69					
Average Consumption:	15,687					
Median Consumption:	10,500					

Rate Schedule: 1 1/2" Residential

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
0		-	-	0.00%	-	0.00%
1,000	1,000	2,000	2	3.77%	2,000	0.19%
2,000	2,000	2,000	3	5.66%	4,000	0.38%
3,000	3,000	-	3	5.66%	4,000	0.38%
4,000	4,000	-	3	5.66%	4,000	0.38%
5,000	5,000	10,000	5	9.43%	14,000	1.32%
6,000	6,000	6,000	6	11.32%	20,000	1.88%
7,000	7,000	28,000	10	18.87%	48,000	4.52%
8,000	8,000	16,000	12	22.64%	64,000	6.03%
9,000	9,000	18,000	14	26.42%	82,000	7.72%
10,000	10,000	10,000	15	28.30%	92,000	8.66%
11,000	11,000	-	15	28.30%	92,000	8.66%
12,000	12,000	48,000	19	35.85%	140,000	13.18%
13,000	13,000	39,000	22	41.51%	179,000	16.85%
14,000	14,000	28,000	24	45.28%	207,000	19.49%
15,000	15,000	15,000	25	47.17%	222,000	20.90%
16,000	16,000	32,000	27	50.94%	254,000	23.92%
17,000	17,000	17,000	28	52.83%	271,000	25.52%
18,000	18,000	72,000	32	60.38%	343,000	32.30%
19,000	19,000	57,000	35	66.04%	400,000	37.66%
20,000	20,000	40,000	37	69.81%	440,000	41.43%
21,000	21,000	-	37	69.81%	440,000	41.43%
22,000	22,000	22,000	38	71.70%	462,000	43.50%
23,000	23,000	23,000	39	73.58%	485,000	45.67%
24,000	24,000	-	39	73.58%	485,000	45.67%
25,000	25,000	125,000	44	83.02%	610,000	57.44%
26,000	26,000	-	44	83.02%	610,000	57.44%
27,000	27,000	27,000	45	84.91%	637,000	59.98%
28,000	28,000	28,000	46	86.79%	665,000	62.62%
29,000	29,000	-	46	86.79%	665,000	62.62%
30,000	30,000	60,000	48	90.57%	725,000	68.27%
31,000	31,000	-	48	90.57%	725,000	68.27%
32,000	32,000	32,000	49	92.45%	757,000	71.28%
37,000	37,000	37,000	50	94.34%	794,000	74.76%
88,000	88,000	88,000	51	96.23%	882,000	83.05%
89,000	89,000	89,000	52	98.11%	971,000	91.43%
91,000	91,000	91,000	53	100.00%	1,062,000	100.00%
		-	53	100.00%	1,062,000	100.00%
<b>Totals</b>			<b>53</b>		<b>1,062,000</b>	

Average No. of Customers: 5  
 Average Consumption: 20,038  
 Median Consumption: 15,500

**Note:**

The monthly minimum for this meter size is \$120. Two of the bills had monthly minimum amounts of \$16.00 and \$36.00 to reflect a partial months billing. As a result, the amount of revenue calculated by the bill count for the monthly minimum must be reduced by \$188.00:

	Actual	Mo. Min	Difference
Bill 1	\$ 16.00	\$ 120.00	\$ (104.00)
Bill 2	36.00	120.00	(84.00)
Adjustment to match bill count revenue			\$ (188.00)

**Water Utility of Northern Scottsdale**  
 Test Year Ended December 31, 2011  
 Bill Count

Schedule H-5

Rate Schedule: 2" Residential

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
0		-	-	0.00%	-	0.00%
7,000	7,000	7,000	1	8.33%	7,000	3.30%
11,000	11,000	22,000	3	25.00%	29,000	13.68%
12,000	12,000	12,000	4	33.33%	41,000	19.34%
17,000	17,000	17,000	5	41.67%	58,000	27.36%
19,000	19,000	19,000	6	50.00%	77,000	36.32%
20,000	20,000	20,000	7	58.33%	97,000	45.75%
22,000	22,000	44,000	9	75.00%	141,000	66.51%
23,000	23,000	46,000	11	91.67%	187,000	88.21%
25,000	25,000	25,000	12	100.00%	212,000	100.00%
		-	12	100.00%	212,000	100.00%
<b>Totals</b>		<b>12</b>	<b>212,000</b>	<b>12</b>	<b>212,000</b>	

Average No. of Customers: 1

Average Consumption: 17,667

Median Consumption: 19,500