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BEFORE THE ARIZONA CORPORATION COMMISSION

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IN THE MATTER OF THE APPLICATION OF RIO RICO UTILITIES, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER AND WASTEWATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.	Docket No. WS-02676A-12-0196

NOTICE OF FILING

The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing the Surrebuttal Testimony of Timothy J. Coley and William A. Rigsby, in the above-referenced matter.

RESPECTFULLY SUBMITTED this 19th day of February, 2013.

Michelle L. Wood
Counsel

Arizona Corporation Commission
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RIO RICO UTILITIES

DOCKET NO. WS-02676A-12-0196

SURREBUTTAL TESTIMONY

OF

TIMOTHY J. COLEY

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

FEBRUARY 19, 2013

TABLE OF CONTENTS

EXECUTIVE SUMMARY i

INTRODUCTION 1

SURREBUTTAL RATE BASE ADJUSTMENTS 2

Water Division Surrebuttal Rate Base Adjustments 3
Rate Base Adjustment 1(a) – Allocate Sewer Portion of Office Building 3
Rate Base Adjustment 2 – Reclassify Costs 4
Rate Base Adjustment 3 – Plant Retirement 6
Rate Base Adjustment 4 – Remove Affiliate Profit 6
Rate Base Adjustments 1(b) and 5 – Accumulated Depreciation and Accumulated Deferred Income Taxes ("ADIT") 8

Sewer Division Surrebuttal Rate Base Adjustments 9
Rate Base Adjustment 1(a) – Plant Retirement 9
Rate Base Adjustment 2 – Reclassify Costs 10
Rate Base Adjustment 3 – Reclassify Capacity Costs 11
Rate Base Adjustment 4 – Remove Affiliate Profits 12
Rate Base Adjustments 1(b) and 5 – Accumulated Depreciation and Accumulated Deferred Income Taxes (ADIT) 13

WATER DIVISION SURREBUTTAL OPERATING INCOME ADJUSTMENTS 14
Operating Income Adjustment No. 1 – Depreciation Expense 15
Operating Income Adjustment No. 2 – Property Tax Expense 16
Operating Income Adjustment No. 3 – Rate Case Expense 19
Operating Income Adjustment No. 4 – Annualize 6-Inch Bulk Water Sales 19
Operating Income Adjustment No. 5 – Intentionally Left Blank 21
Operating Income Adjustment No. 6 – Revenue Accrual 21
Operating Income Adjustment No. 7 – Intentionally Left Blank 21
Operating Income Adjustment No. 8 – Expense Annualization 21
Operating Income Adjustment No. 9 – Water Testing Expense 22
Operating Income Adjustment No. 10 – Miscellaneous Expense 22
Operating Income Adjustment No. 11 – Achievement / Incentive Pay 22
Operating Income Adjustment No. 12 – Merit Pay Expense 23
Operating Income Adjustment No. 13 – Intentionally Left Blank 23
Operating Income Adjustment No. 14 – Intentionally Left Blank 23
Operating Income Adjustment No. 15 – Algonquin Power Utility Corporation ("APUC") Corporate Cost Allocations 24
Operating Income Adjustment No. 16 – Employee Benefit Expense 24
Operating Income Adjustment No. 17 – Intentionally Left Blank 24
Operating Income Adjustment No. 18 – Intentionally Left Blank 24
Operating Income Adjustment No. 19 – Intentionally Left Blank 25

Operating Income Adjustment No. 20 – Intentionally Left Blank 25
Operating Income Adjustment No. 21 – Income Taxes 25
SEWER DIVISION SURREBUTTAL OPERATING INCOME ADJUSTMENTS . 26
Operating Income Adjustment No. 1 – Depreciation Expense 26
Operating Income Adjustment No. 2 – Property Tax Expense 28
Operating Income Adjustment No. 3 – Rate Case Expense 30
Operating Income Adjustment No. 4 – Annualize 6-Inch Commercial Meter ... 30
Operating Income Adjustment No. 5 – Annualize Other Missing Bills 31
Operating Income Adjustment No. 6 – Revenue Accrual 31
Operating Income Adjustment No. 7 – Revenue Accrual for Missing Bills of Four Customers 32
Operating Income Adjustment No. 8 – Expense Annualization 32
Operating Income Adjustment No. 9 – Intentionally Left Blank 33
Operating Income Adjustment No. 10 – Intentionally Left Blank 33
Operating Income Adjustment No. 11 – Achievement / Incentive Pay 33
Operating Income Adjustment No. 12 – Merit Pay Expense 34
Operating Income Adjustment No. 13 – City of Nogales Sewer Treatment Expense 34
Operating Income Adjustment No. 14 – Reclassify the City of Nogales Treatment Expense 37
Operating Income Adjustment No. 15 – Algonquin Power Utility Corporation ("APUC") Corporate Cost Allocations 37
Operating Income Adjustment No. 16 – Employee Benefit Expense 38
Operating Income Adjustment No. 17 – Intentionally Left Blank 38
Operating Income Adjustment No. 18 – Intentionally Left Blank 38
Operating Income Adjustment No. 19 – Intentionally Left Blank 38
Operating Income Adjustment No. 20 – Intentionally Left Blank 38
Operating Income Adjustment No. 21 – Income Taxes 39

REVENUE REQUIREMENTS 39

OTHER ISSUES 40
RRUI's Rebuttal Declining Usage Adjustment 40
Tucson Electric Power ("TEP") Anticipated Rate Increase 41
6-Inch Bulk Water Sales Customer - Morning Star Ranch ("MSR") 41

RATE DESIGN 42
Water Division 42
Sewer Division 44

EXECUTIVE SUMMARY

The Residential Utility Consumer Office ("RUCO") now provides surrebuttal testimony in response to Rio Rico Utilities, Inc. ("RRUI" or "Company") rebuttal testimony that was filed with the Arizona Corporation Commission ("ACC" or "Commission") on January 28, 2013. RUCO will address the Company's rate Application and rebuttal issues as it pertains to Rio Rico's Water and Sewer Divisions' rate base, operating income, and revenue requirement. RUCO's Chief of Accounting and Rates, William A. Rigsby, will provide separate testimony on RUCO's recommended cost of capital requested by the Company.

The following table presents the rate base for RRUI's Water and Sewer Divisions' as initially proposed in the Company's Application, its rebuttal position, and RUCO's surrebuttal recommendations.

Water Division Rate Base

Company Direct Application	Company Rebuttal Filing	RUCO Surrebuttal Recommendation
$ 7,629,607	$ 7,730,108	$ 7,592,850

Sewer Division Rate Base

Company Direct Application	Company Rebuttal Filing	RUCO Surrebuttal Recommendation
$ 4,600,012	$ 4,735,192	$ 4,677,834

The next table on the following page presents the adjusted Test Year operating income for RRUI's Water and Sewer Divisions' as initially proposed in the Company's Application, its rebuttal position, and RUCO's surrebuttal recommendations.

Water Division Adjusted Test Year Operating Income

Company Direct Application	Company Rebuttal Filing	RUCO Surrebuttal Recommendation
$ 375,933	$ 374,335	$ 502,033

Sewer Division Adjusted Test Year Operating Income

Company Direct Application	Company Rebuttal Filing	RUCO Surrebuttal Recommendation
$ 213,826	$ 302,177	$ 346,695

The final two tables below and on the following page presents the required increase in dollars and required percentage increase in gross revenues for RRUI's Water and Sewer Divisions' as initially proposed in the Company's Application, its rebuttal position, and RUCO's surrebuttal recommendations.

Water Division Required Dollar Increase in Gross Revenues

Company Direct Application	Company Rebuttal Filing	RUCO Direct Recommendation	RUCO Surrebuttal Recommendation
$ 604,079	$ 581,865	$ 90,894	$ 206,273

Sewer Division Required Dollar Increase in Gross Revenues

Company Direct Application	Company Rebuttal Filing	RUCO Direct Recommendation	RUCO Surrebuttal Recommendation
$ 393,612	$ 235,540	$ 3,060	$ 65,054

Water Division Required Percentage Increase in Gross Revenues

Company Direct Application	Company Rebuttal Filing	RUCO Direct Recommendation	RUCO Surrebuttal Recommendation
21.16%	20.94%	3.14%	7.20%

Sewer Division Required Percentage Increase in Gross Revenues

Company Direct Application	Company Rebuttal Filing	RUCO Direct Recommendation	RUCO Surrebuttal Recommendation
28.93%	17.19%	0.22%	4.64%

For the Water Division, the increase in gross revenues between RUCO direct and surrebuttal testimonies is primarily due to the change in the capital structure from an 80:20 equity/debt ratio with a 8.03 percent required rate of return to a 100 percent equity capital structure with an 8.25 percent required rate of return, which represents approximately $20,000. The remaining difference is because of RUCO's adoption of the Company's rebuttal response regarding a $20,898 revenue accrual adjustment, the $10,000 downward adjustment to RUCO's revenue annualization adjustment, and the inclusion of a $31,891 placeholder adjustment for the Company's rebuttal employee benefits adjustment, which all need to be adjusted for the gross revenue conversion factor of 1.6585. This accounts for approximately $105,000 of RUCO's increase in revenues from direct to its surrebuttal recommendation of $115,379 ($206,273 - $90,894 = $115,379) shown on the previous page.

For the Sewer Division, the increase in gross revenues between RUCO direct and surrebuttal testimonies is primarily due to the change in the capital structure from an 80:20 equity/debt ratio with a 8.03 percent required rate of return to a 100 percent equity capital structure with an 8.25 percent required rate of return, which represents approximately $17,000. The remaining difference is because of RUCO's approximate downward adjustment of $5,000 for depreciation expense, the elimination of the $783 merit pay expense adjustment, and the inclusion of an $11,811 placeholder adjustment for the Company's rebuttal employee benefits adjustment, which all needs to be adjusted for the gross revenue conversion factor of 1.6585. This accounts for approximately $46,000 of RUCO's increase in revenues from direct to its surrebuttal

recommendation of $61,994 ($65,054 - $3,060 = $61,944) shown on the page ii.

For the Water Division, the Company sought a 9.70 percent rate of return on its $7,629,607 fair value rate base in its original rate Application and is seeking a 9.38 percent rate of return on its $7,730,108 rebuttal fair value rate base. RUCO recommends an 8.25 percent rate of return on a $7,592,850 fair value rate base.

For the Sewer Division, the Company sought a 9.70 percent rate of return on its $4,600,012 fair value rate base in its original rate Application and is seeking a 9.38 percent rate of return on its $4,735,192 rebuttal fair value rate base. RUCO recommends an 8.25 percent rate of return on a $4,677,834 fair value rate base.

RUCO's adjusted Test Year rate base and operating income surrebuttal recommendations for RRUI's Water Division is comprised of six rate base adjustments totaling ($36,757) and eleven operating income adjustments totaling $126,101.

RUCO's adjusted Test Year rate base and operating income surrebuttal recommendations for RRUI's Sewer Division is comprised of six rate base adjustments totaling $77,822 and fourteen operating income adjustments totaling $132,869.

Under RUCO's recommended rates, a typical residential water customer on a 5/8 x 3/4-Inch meter using the average 7,794 gallons would be $32.16. A typical residential sewer customer on a 5/8 x 3/4-Inch meter would be $49.01.

INTRODUCTION

Q. Please state your name for the record.

A. My name is Timothy J. Coley.

Q. Have you previously filed testimony regarding this docket?

A. Yes, I have. I filed direct testimony in this docket on December 31, 2012.

Q. What is the purpose of your surrebuttal testimony?

A. My surrebuttal testimony will address Rio Rico Utilities, Inc. (hereafter referred to as "RRUI" or the "Company") Water and Sewer Divisions' rebuttal proposals and comments pertaining to the adjustments I recommended in my direct testimony.

Q. What areas will you address in your surrebuttal testimony?

A. My surrebuttal testimony will address RUCO's recommended rate base adjustments for both the Company's Water and Sewer Divisions, operating income adjustments for the two divisions, and the two divisions revenue requirement for RRUI's Water and Sewer Divisions.

Q. How is RUCO's surrebuttal testimony organized?

A. RUCO's surrebuttal testimony is comprised of six parts: the introduction that I've just presented; rate base adjustments; operating income adjustments; revenue requirements; other issues; and rate design.

Q. Please identify the schedules that you are sponsoring in RUCO's surrebuttal testimony for the Company's Water and Sewer Divisions.

A. I am sponsoring rate base and operating income schedules for RRUI Water and Sewer Divisions numbered TJC-1 through TJC-29, Exhibit 1, and rate design schedules numbered TJC-1 through TJC-4.

SURREBUTTAL RATE BASE ADJUSTMENTS

Q. What are RUCO's surrebuttal rate base adjustments and briefly identify each one?

A. For the Company's Water Division, RUCO's surrebuttal adjustments are similar to the ones that were described in my direct testimony with the exception of two additional rate base adjustments all of which are briefly identified below:

1(a). Reconstruction of Utility Plant in Service Balances ("UPIS"), which is the one of the two additional surrebuttal adjustments not included in RUCO's direct testimony;

1(b). Reconstruction of the Accumulated Depreciation Balances;

2. Reclassified accounts to the Nogales Wastewater Treatment Plant ("NWWTP") account;

3. Retirement of a plant item, which is the last of the two additional surrebuttal adjustments recommended by RUCO;

4. Removal of affiliate profits charged to plant accounts; and

5. An adjustment to Accumulated Deferred Income Tax ("ADIT").

For the Company's Sewer Division, RUCO's surrebuttal adjustments are similar to the ones that were described in my direct testimony with the

exception of one additional rate base adjustment all of which are briefly identified below:

1(a). Reconstruction of Utility Plant in Service Balances ("UPIS") that includes a plant retirement item, which is the one additional surrebuttal adjustment not included in RUCO's direct testimony;
1(b). Reconstruction of the Accumulated Depreciation Balances;
2. Reclassified accounts from the Water Division to the Sewer Divisions Nogales Wastewater Treatment Plant ("NWWTP") plant account;
3. Reclassified other Sewer Division's plant accounts to the NWWTP account
4. Removed affiliate profits charged to plant accounts; and
5. An adjustment to Accumulated Deferred Income Tax ("ADIT").

Q. Did the Company adopt any of RUCO's direct testimony rate base adjustments identified above?

A. Yes.

Water Division Surrebuttal Rate Base Adjustments

<u>Rate Base Adjustment 1(a) – Allocate Sewer Portion of Office Building</u>

Q. What RUCO Water Division rate base adjustments identified above did the Company adopt?

A. This is the first of two new RUCO surrebuttal rate base adjustments that was not included in direct testimony as mentioned earlier. The Company and RUCO should be in agreement with RUCO rate base adjustment 1(a) because it is the same adjustment proposed in the Company's rebuttal

testimony and labeled as Company adjustment B on Schedule B-2 on page 3 for ($121,438).

Q. Briefly explain RUCO rate base adjustment 1(a) that the Company also proposes in its rebuttal testimony.

A. This adjustment allocates a portion of the new office building from the Water Division to the Sewer Division in the amount of $121,438. There was link in the Company's original rate Application B-2 Schedules on page 3.5 that was not properly making the correct calculation. RUCO's schedules failed to make the correct adjustment, also. I identified the problem shortly after filing my direct testimony. The adjustment is now correctly reflected in RUCO's surrebuttal testimony in adjustment 1(a). This adjustment removes $121,438 from the Water Division structures and improvements plant account and allocate it to the Sewer Division. The adjustment is reflected in RUCO Surrebuttal Schedules TJC-3 with the details shown on TJC-4(a) and TJC-5(c) in year 2012.

<u>Rate Base Adjustment 2 – Reclassify Costs</u>

Q. What other RUCO rate base adjustments did the Company accept in its rebuttal testimony?

A. The Company adopted RUCO rate base adjustment 2. This adjustment reclassifies legal related costs that were incurred when the City of Nogales sued RRUI regarding the additional costs related to the NWWTP

upgrades. $15,362 of the $169,004, identified by the Company in response to RUCO DR 2.1, was booked to the Water Division, but more appropriately should have been charged to the Sewer Division's NWWTP account. The amount reclassified from the Water to the Sewer Division was $15,362.

A companion adjustment to accumulated depreciation is also necessary to complete this adjustment. In direct testimony, RUCO initially removed $418 of accumulated depreciation from the Water Division and added the same amount to the accumulated depreciation balance in the Sewer Division's NWWTP account. The Company's rate consultant, Mr. Bourassa, calculated $1,415 of accumulated depreciation to be removed from the Water Division and reclassify it to the Sewer Division's NWWTP account accordingly.

Q. Does RUCO accept Mr. Bourassa's accumulated depreciation adjustment of $1,415?

A. Yes. The $1,415 accumulated depreciation reclassification is reflected in RUCO Surrebuttal Schedules TJC-3 with the details shown on TJC-4(b).

Rate Base Adjustment 3 – Plant Retirement

Q. What other Water Division surrebuttal adjustments that RUCO recommends has the Company accepted in its rebuttal testimony?

A. The Company should be in agreement with RUCO surrebuttal adjustment 3. The Company's response to RUCO DR 11.3 identified $9,757 of plant that should be retired. Staff made the retirement adjustment in its direct testimony and Company accepted it. RUCO inadvertently failed to make the adjustment in direct testimony. This is the last of the two new Water Division's surrebuttal adjustments mentioned earlier that is now included in RUCO's testimony. The adjustment is shown on RUCO Schedules TJC-3 with the details on TJC-7(a).

Q. Are there any other Water Division adjustments that RUCO recommended and the Company accepted?

A. Yes. There is one other Water Division rate base adjustment recommended by RUCO that the Company accepted. It is RUCO rate base adjustment 4.

Rate Base Adjustment 4 – Remove Affiliate Profit

Q. Please briefly explain RUCO rate base adjustment 4 that the Company accepted.

A. In response to Staff DR MJR 1-15, the Company stated that it had identified $2,123 of affiliate profits that should be removed as a Test Year

expense. Of the $2,123 identified, $1,708 of that amount was related to the Water Division with the remaining $415 to be removed from the Sewer Division later.

A companion adjustment to accumulated depreciation is also necessary to complete this adjustment. In direct testimony, RUCO initially removed $33 of accumulated depreciation from the Water Division. Mr. Bourassa calculated $6 of accumulated depreciation to be removed from the Water Division.

Q. Does RUCO accept Mr. Bourassa's accumulated depreciation adjustment of $6?

A. Yes. The $6 accumulated depreciation amount is reflected in RUCO Surrebuttal Schedules TJC-3 with the details shown on TJC-4(b). The validity of RUCO's remaining two rate base adjustments for accumulated depreciation adjustment 1(b) and accumulated deferred income tax ("ADIT") adjustment 5 recommendations are subject to the Commission's decision on the Company's rebuttal position on retirements in this case.

Rate Base Adjustments 1(b) and 5 – Accumulated Depreciation and Accumulated Deferred Income Taxes ("ADIT")

Q. What is the difference between the Company's position and RUCO's accumulated depreciation and ADIT adjustments?

A. The Company has proposed a different methodology for accounting for its UPIS and accumulated depreciation balances in its rebuttal testimony. If the Commission rejects the Company's proposal, the two adjustments referenced earlier are valid adjustments. On the other hand, if the Commission accepts the Company's rebuttal proposal to retire plant, the two remaining referenced recommended adjustment amounts would need to be recalculated taking the retirements into consideration. The two adjustments are primarily driven by net UPIS.

Q. Does RUCO agree with the Company's proposed rebuttal accounting methodology?

A. At this point in time, no.

Q. In recognizing that RUCO does not agree with the Company's proposed accounting methodology for UPIS at this time, what are RUCO's adjustments to accumulated depreciation and ADIT?

A. RUCO's rebuttal adjustments to accumulated depreciation and ADIT decrease the Company's direct rate Application accumulated depreciation

by $114,351. Likewise, RUCO's ADIT adjustment decreases the rate base by $14,021 as filed in the Company's original rate Application.

Sewer Division Surrebuttal Rate Base Adjustments

Rate Base Adjustment 1(a) – Plant Retirement

Q. Which of RUCO's Sewer Division rate base adjustments identified on page 3 did the Company adopt?

RUCO and the Company should be in agreement on RUCO's rate base adjustment 1(a), which is for a plant retirement item, because RRUI in rebuttal testimony adopted this same adjustment as recommended by Staff. This is the only new Sewer Division adjustment that RUCO made in its surrebuttal testimony that was not included in direct testimony. The adjustment reduces UPIS by $6,866. This adjustment is reflected in RUCO Surrebuttal Schedules TJC-3 with the details shown on TJC-4(a) and TJC-5(c) in year 2009. The companion adjustment to reduce the accumulated depreciation by the same $6,866 is embedded in RUCO Schedule TJC-5(c) in year 2009 and reflected in RUCO rate base adjustment 1(b) on Schedule TJC-3.

Rate Base Adjustment 2 – Reclassify Costs

Q. Which of RUCO's other rate base adjustments did the Company accept in its rebuttal testimony?

A. The Company adopted RUCO rate base adjustment 2. This adjustment reclassifies legal costs that were incurred when the City of Nogales sued RRUI regarding the additional costs related to the NWWTP upgrades. Some of the $169,004, as identified by the Company in response to RUCO DR 2.1, was booked to the Water Division, but more appropriately should have been charged to the Sewer Division's NWWTP account. The amount reclassified from the Water to the Sewer Division was $15,362. This adjustment is shown on RUCO Schedule TJC-3 with the details on TJC-4(a).

A companion adjustment to accumulated depreciation is also necessary to complete this adjustment. In direct testimony, RUCO initially removed $418 of accumulated depreciation from the Water Division and added the same amount to the accumulated depreciation balance in the Sewer Division's NWWTP account. The Company's rate consultant, Mr. Bourassa, calculated $1,415 of accumulated depreciation to be removed from the Water Division and reclassify it to the Sewer Division's NWWTP account, accordingly.

...

Q. Does RUCO accept Mr. Bourassa's accumulated depreciation adjustment of $1,415?

A. Yes. The $1,415 accumulated depreciation reclassification is reflected in RUCO Surrebuttal Schedules TJC-3 with the details shown on TJC-4(b).

Rate Base Adjustment 3 – Reclassify Capacity Costs

Q. What other Sewer Division's surrebuttal adjustments that RUCO recommends has the Company accepted in its rebuttal testimony?

A. The Company should be in agreement with RUCO surrebuttal adjustment 3. In direct testimony RUCO reclassified plant in the amount of $1,008,000 from account 380 to the NWWTP account where it is more appropriately charged. In rebuttal testimony, Mr. Bourassa agreed that the amount should be reclassified to the NWWTP account but asserts the amount comes from two accounts (i.e. Accounts 361 and 380) rather than just account 380.

Q. Does RUCO agree with Mr. Bourassa's assessment that reclassification from two accounts rather than just account 380 is more appropriate?

A. Yes. The $1,008,000 plant reclassification is reflected in RUCO Surrebuttal Schedules TJC-3 with the details shown on TJC-4(a). A companion adjustment to accumulated depreciation is necessary to complete the adjustment to reclassify the related depreciation from accounts 361 and 380 in the amount of $556,622 to the NWWTP account.

In direct testimony, RUCO calculated $623,352 of accumulated depreciation. Mr. Bourassa calculates $556,622. RUCO adopts Mr. Bourassa's $556,622 calculation of accumulated depreciation in surrebuttal testimony.

Q. Did the Company accept any other Sewer Division adjustments recommended by RUCO?

A. Yes. There is one other Sewer Division rate base adjustment recommended by RUCO that the Company accepted. It is RUCO rate base adjustment 4.

Rate Base Adjustment 4 – Remove Affiliate Profits

Q. Briefly explain RUCO rate base adjustment 4.

A. In response to Staff DR MJR 1-15, the Company stated that it had identified $2,123 of affiliate profits that should be removed as a Test Year expense. Of the $2,123 identified, $415 of that amount was related to the Sewer Division. The remaining $1,708 was removed from the Water Division earlier.

A companion adjustment to accumulated depreciation is also necessary to complete this adjustment. In direct testimony, RUCO initially removed $4 of accumulated depreciation from the Sewer Division. Mr. Bourassa

calculated $6 of accumulated depreciation to be removed from the Water Division.

Q. Does RUCO accept Mr. Bourassa's accumulated depreciation adjustment of $6?

A. Yes. The $6 accumulated depreciation amount is reflected in RUCO Surrebuttal Schedules TJC-3 with the details shown on TJC-4(b). RUCO's remaining two rate base adjustments for accumulated depreciation adjustment 1(b) and accumulated deferred income tax ("ADIT") adjustment 5 recommendations are subject to the Commission's decision on the Company's rebuttal position on retirements.

<u>Rate Base Adjustments 1(b) and 5 – Accumulated Depreciation and Accumulated Deferred Income Taxes (ADIT)</u>

Q. What is the difference between the Company's position on RUCO's accumulated depreciation and ADIT adjustments?

A. The Company has proposed a different methodology for accounting for its UPIS and accumulated depreciation balances in its rebuttal testimony. If the Commission rejects the Company's proposal, the two adjustments referenced earlier are valid adjustments. On the other hand, if the Commission accepts the Company's rebuttal proposal to retire plant, the two remaining referenced recommended adjustment amounts would need

to be recalculated taking that fact under consideration because the two adjustments are primarily driven by net UPIS.

Q. Does RUCO agree with the Company's proposed rebuttal accounting methodology?

A. At this point in time, no.

Q. In recognizing that RUCO does not agree with the Company's proposed accounting methodology for UPIS at this time, what are RUCO's adjustments to accumulated depreciation and ADIT?

A. RUCO's rebuttal adjustments to accumulated depreciation and ADIT decrease the Company's accumulated depreciation, presented in its Application, by $85,126. RUCO's ADIT adjustment decreases the rate base by $13,976 as filed in the Company's original rate Application.

WATER DIVISION SURREBUTTAL OPERATING INCOME ADJUSTMENTS

Q. What are RUCO's surrebuttal operating income adjustments for the Water Division?

A. RUCO recommends eleven surrebuttal operating income adjustments to RRUI's Water Division. RUCO also recommended eleven operating income adjustments in direct testimony. Nine of these eleven surrebuttal adjustments were recommended in RUCO's direct testimony and were fully discussed there.

Operating Income Adjustment No. 1 – Depreciation Expense

Q. Please describe RUCO's surrebuttal adjustment to depreciation expense.

A. RUCO's surrebuttal adjustment for depreciation expense in the Water Division is ($202,094). This adjustment increased from ($198,500) on direct. The reason for the increase is R UCO's surrebuttal rate base adjustment 1(a), which allocated 25 percent of the cost of RRUI's new office building to the Sewer Division.

Q. Did the Company make a rebuttal adjustment for its depreciation expense?

A. Yes. The Company decreased its depreciation expense for the Water Division by $109,788 due to its new method of accounting for its depreciable UPIS. The Company was originally re-depreciating fully depreciated plant in its direct rate Application. This issue was fully discussed in RUCO's direct testimony.

Q. Has RUCO and the Company reached any agreement on the depreciation expense differences?

A. No.

...

Q. What adjustment is necessary to reflect RUCO's recommended surrebuttal adjustment to the Company's depreciation expense as filed in its direct rate Application?

A. RUCO's surrebuttal depreciation expense adjustment decreases the Company's expense as filed in its direct rate Application by $202,094. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-12.

Operating Income Adjustment No. 2 – Property Tax Expense

Q. Briefly discuss RUCO's surrebuttal adjustment 2 to property tax expense.

A. There are three reasons for this adjustment and are listed in order of importance. First, RUCO's recommended levels of adjusted and proposed Test Year level of revenues are different than the Company's. Second, RUCO has calculated a different effective property tax rate than the Company. Third, RUCO's net book value of vehicles is $803 higher than the amount reflected in the Company's property tax expense calculation.

Q. Did the Company address those three reasons in its rebuttal testimony?

A. The Company specifically addressed two of the points: the effective property tax rate and the net book value of vehicles.

Q. Do you agree with the Company?

A. No.

Q. Please explain why you do not agree with the Company's assessment regarding the effective property tax rate and net book value of the vehicles.

A. Regarding the effective property tax rate, I have included RUCO Exhibit 1, pages 1-4 excluding the cover page, to illustrate my discussion. The exhibit shows the three property tax bills that both the Company and RUCO utilized in determining the effective property tax rate for RRUI. Mr. Bourassa fails to use the "**full cash totals**" shown on the first two of the three tax bills. Rather than utilizing the full assessed cash value of $720,200 and $727,390 shown on the bills, Mr. Bourassa uses the lesser figures shown above the full cash value. His method results in a lower denominator. Thus, his effective property tax rate is higher. On the last page of the exhibit, I have included a page that shows both the Company and RUCO's effective property tax calculation. The use of different effective property tax rates results in different property tax calculations.

Regarding the net book value of vehicles, Mr. Bourassa also stated in rebuttal testimony that RUCO's calculated net book value of vehicles contained a depreciation error in the last two-months of the Test Year along with some other accounts. Again, I disagree that it is an error. Mr. Bourassa may disagree with RUCO's depreciation methodology. RUCO

does not believe fully depreciated plant can be depreciated going forward. Once the net book value is less than a full year of depreciation expense only the net book value is depreciated going forward plus any plant additions in the subsequent year. RUCO's net book value of the vehicles is reflected in RUCO direct and surrebuttal Schedules TJC-5(c) in year 2012 is $21,167.

RUCO maintains its position on both the effective property tax rate and net book value of the vehicles in its property tax calculations.

Q. What adjustment is necessary to reflect RUCO's recommended surrebuttal adjustment to the Company's property tax expense as filed in its direct rate Application?

A. RUCO's surrebuttal adjusted Test Year property tax expense adjustment decreases the Company's expense as originally filed in its direct rate Application by $1,848 and increases RUCO's proposed level of property tax expense by $4,022. That is $6,601 less than what was proposed by the Company. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-13.

Operating Income Adjustment No. 3 – Rate Case Expense

Q. Has RUCO revisited its rate case expense recommendation for normalizing the expense over four-years rather than the Company's proposed three-year period?

A. No. RUCO's rationale for using a four-year period is discussed in detail in direct testimony.

Q. What adjustment is necessary to reflect RUCO's recommended surrebuttal adjustment to the Company's rate case expense as filed in its direct rate Application?

A. RUCO's surrebuttal rate case expense adjustment decreases the Company's expense as filed in its direct rate Application by $21,875. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-14.

Operating Income Adjustment No. 4 – Annualize 6-Inch Bulk Water Sales

Q. Did the Company accept RUCO's rationale to recognize the housing development of Morning Star Ranch ("MSR")?

A. Yes. The Company's work paper provides for the correct monthly consumption of MSR for the period of January through December 2012, but the second column on all twelve-months contains errors for the dollar amount to be billed. This is shown in RUCO Surrebuttal Schedule TJC-15(b) on page 2 of 2. Rather than the additional $1,203 that the Company

proposes in its rebuttal filing, the amount should be $10,282 as calculated in the in RUCO's schedule as referenced above.

Q. Didn't RUCO recommend an amount higher than its surrebuttal recommendation of $10,282?

A. Yes. In direct testimony, RUCO initially recommended $20,898. After verifying the consumption and accepting the Company's rebuttal methodology, RUCO's adjust ment decreases from direct, but it is still higher than the Company's position as originally filed.

Q. What corrections did RUCO make in determining the monthly billings generated by the monthly consumption patterns?

A. For example, RUCO's Surrebuttal Schedule TJC-15(b) shows that in the month of January MSR consumption consisted of 541,000 gallons at $4.79 per thousand gallons (541 x $4.79 = $2,591.39) plus a monthly minimum charge of $549.00 equals a total January billing of $3,140.39. The schedule also shows the Company calculated a January billing of $2,428.24 or a difference of $712.15. The schedule shows a column as calculated by the Company and a column for RUCO's calculations that results in RUCO's recommendation of $10,282 after the Test Year revenues of $29,625 is subtracted from the MSR's annual revenue of $39,907 ($39,907 - $29,625 = $10,282). The adjustment is shown on

RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-15(b).

Operating Income Adjustment No. 5 – Intentionally Left Blank

Operating Income Adjustment No. 6 – Revenue Accrual

Q. Does RUCO accept the Company's rebuttal explanation regarding RUCO's direct testimony adjustment for the MSR revenue accrual adjustment?

A. Yes. RUCO's direct testimony revenue accrual adjustment has been removed from the surrebuttal filing.

Operating Income Adjustment No. 7 – Intentionally Left Blank

Operating Income Adjustment No. 8 – Expense Annualization

Q. Briefly explain RUCO's surrebuttal adjustment for the expense annualization.

A. This is a corresponding adjustment to RUCO's revenue annualization adjustment for MSR to account for the additional gallons of water to be produced and/or additional gallons of sewer to be pumped and treated. The adjustment increases the Company's purchased power by $1,671 and chemical expenses by $17 for the Water Division. The adjustment is

shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-19.

Operating Income Adjustment No. 9 – Water Testing Expense

Q. Please explain RUCO's surrebuttal adjustment that decreases the water testing expense?

A. RUCO adopted the Company's acceptance of Staff's water testing expense that decreases it by $4,410 for the Water Division. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-20.

Operating Income Adjustment No. 10 – Miscellaneous Expense

Q. Did the Company accept RUCO's miscellaneous expense adjustment of $1,802?

A. Yes.

Operating Income Adjustment No. 11 – Achievement / Incentive Pay

Q. Does RUCO accept the Company's rebuttal testimony concerning the 50:50 sharing of achievement/incentive pay between ratepayers and shareholders?

A. No. RUCO's direct testimony rationale regarding the 50:50 sharing of the achievement/incentive pay is the same in surrebuttal testimony. There is

no additional need to reiterate it here. The same direct testimony adjustments apply in RUCO's surrebuttal schedules.

Q. What adjustment is necessary to reflect RUCO's recommended surrebuttal adjustment for the Company's achievement/incentive pay as filed in its direct rate Application?

A. RUCO's surrebuttal adjustment decreases the Company's expense as filed in its direct rate Application by $19,977 for the Water Division. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-22.

Operating Income Adjustment No. 12 – Merit Pay Expense

Q. Does RUCO accept the Company's rebuttal testimony concerning the 50:50 sharing of merit pay between ratepayers and shareholders?

A. Yes. RUCO's direct testimony regarding the merit pay adjustment has been removed from its surrebuttal testimony.

Operating Income Adjustment No. 13 – Intentionally Left Blank

Operating Income Adjustment No. 14 – Intentionally Left Blank

Operating Income Adjustment No. 15 – Algonquin Power Utility Corporation ("APUC") Corporate Cost Allocations

Q. Does RUCO maintain its direct testimony position(s) here in surrebuttal testimony regarding the APUC corporate cost allocations?

A. Yes. RUCO's positions regarding those costs are discussed in detail in its direct testimony.

Operating Income Adjustment No. 16 – Employee Benefit Expense

Q. Does RUCO accept the Company's rebuttal adjustment to increase salaries and wage expense for employee benefits?

A. RUCO made the adjustment in its surrebuttal schedules but has not fully accepted it until RUCO can verify the additional expense. The adjustment is currently a mere placeholder at this time.

Q. What placeholder adjustment did RUCO make for the additional employee benefit expense?

A. For the Water Division, RUCO increased the salaries and wage expense by $31,891. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-27.

Operating Income Adjustment No. 17 – Intentionally Left Blank

Operating Income Adjustment No. 18 – Intentionally Left Blank

Operating Income Adjustment No. 19 – Intentionally Left Blank

Operating Income Adjustment No. 20 – Intentionally Left Blank

Operating Income Adjustment No. 21 – Income Taxes

Q. Have you calculated income tax expense based on both RUCO's recommended adjusted operating income and the recommended operating income associated with RUCO's revenue increase?

A. Yes. These adjustments for RUCO's recommended adjusted operating income and the recommended operating income less income tax associated with RUCO's revenue increase are shown on Schedules TJC-10 with the details shown on TJC-28 and TJC-1 on page 2 for the Water Division.

Q. Have you included an interest synchronization calculation in your computation of income tax expense?

A. No. RUCO's cost of capital structure in surrebuttal testimony is comprised of 100 percent equity with no debt and/or interest expense to synchronize a deduction for income taxes.

SEWER DIVISION SURREBUTTAL OPERATING INCOME ADJUSTMENTS

Q. What are RUCO's surrebuttal operating income adjustments for the Sewer Division?

A. RUCO recommends thirteen surrebuttal operating income adjustments to RRUI's Sewer Division. RUCO recommended eleven operating income adjustments in direct testimony. Nine of these thirteen surrebuttal adjustments were recommended in RUCO's direct testimony and were fully discussed there. If any of the nine direct testimony adjustments changed for any reason, RUCO will describe the reason why and by what amount.

Q. Briefly identify and summarize each of the Sewer Division's adjustments that RUCO made in its direct testimony and here in surrebuttal testimony.

A. <u>Operating Income Adjustment No. 1 – Depreciation Expense</u>

This adjustment was recommended in direct testimony and is fully explained there. However, RUCO's surrebuttal depreciation adjustment decreased from ($150,435) in direct testimony to ($145,457) here in surrebuttal testimony. The reason for the decrease in surrebuttal was due to RUCO's adoption of some adjustments in the Company's rebuttal filing and one correction to reconstruction of Schedules TJC-5(c) on pages 1 through 4.

Q. Did the Company make a rebuttal adjustment for its depreciation expense?

A. Yes. The Company decreased its depreciation expense for the Sewer Division by $155,665 due to its new method of accounting for its depreciable UPIS, which the Company incorrectly calculated in its direct testimony. The Company was originally re-depreciating fully depreciated plant in its direct rate Application. This issue was fully discussed in RUCO's direct testimony.

Q. Has RUCO and the Company reached any agreement on the depreciation expense differences?

A. No.

Q. What adjustment is necessary to reflect RUCO's recommended surrebuttal adjustment to the Company's depreciation expense as filed in its direct rate Application?

A. RUCO's surrebuttal depreciation expense adjustment decreases the Company's expense as filed in its direct rate Application by $145,457. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-12.

Operating Income Adjustment No. 2 – Property Tax Expense

Q. Please briefly discuss RUCO's surrebuttal adjustment 2 to property tax expense.

A. There are two reasons for this adjustment and they are listed in order of importance. First, RUCO's recommended levels of adjusted and proposed Test Year level of revenues are different than the Company's. Second, RUCO has calculated a different effective property tax rate than the Company.

Q. Did the Company address those two reasons in rebuttal testimony?

A. The Company specifically addressed the differences for the effective property tax rate.

Q. Do you agree with the Company?

A. No.

Q. Please explain why you do not agree with the Company's assessment regarding the effective property tax rate and net book value of the vehicles.

A. Regarding the effective property tax rate, I have included RUCO Exhibit 1, pages 1-4 excluding the cover page, to illustrate my discussion. The exhibit shows the three property tax bills that both the Company and RUCO utilized in determining the effective property tax rate for RRUI. Mr.

Bourassa fails to use the "**full cash totals**" shown on the first two of the three tax bills. Rather than utilizing the full assessed cash value of $720,200 and $727,390 shown on the bills, Mr. Bourassa uses the lesser figures shown above the full cash value. His method results in a lower denominator. Thus, his effective property tax rate is higher. On the last page of the exhibit, I have included a page that shows both the Company and RUCO's effective property tax calculation. The difference between the Company and RUCO's property tax results from the use of different effective property tax rates.

Q. What adjustment is necessary to reflect RUCO's recommended surrebuttal adjustment to the Company's property tax expense as filed in its direct rate Application?

A. RUCO's surrebuttal adjusted Test Year property tax expense adjustment increases the Company's expense as filed in its direct rate Application by $1,140 and increases RUCO's proposed level of property tax expense by $1,222. That is $3,078 less than what was proposed by the Company. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-13.

Operating Income Adjustment No. 3 – Rate Case Expense

Q. Has RUCO revisited its rate case expense recommendation for normalizing the expense over four-years rather than the Company's proposed three-year period?

A. No. RUCO's rationale and determination to use a four-year period is discussed in detail in direct testimony.

Q. What adjustment is necessary to reflect RUCO's recommended surrebuttal adjustment to the Company's rate case expense as filed in its direct rate Application?

A. RUCO's surrebuttal rate case expense adjustment decreases the Company's expense as filed in its direct rate Application by $7,292. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-14.

Operating Income Adjustment No. 4 – Annualize 6-Inch Commercial Meter

Q. Did the Company accept RUCO's adjustment to annualize the missing 6-Inch commercial sewers bills?

A. Yes. RUCO and the Company are in agreement that RUCO's adjustment of $12,213 is proper to account for the eight missing bills in the Test Year for the 6-Inch commercial customer. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-15.

Operating Income Adjustment No. 5 – Annualize Other Missing Bills

Q. Did the Company accept RUCO's revenue annualization adjustment for the four customers that did not receive bills during the Test Year?

A. Yes. However, the Company made modifications to the adjusted amount. RUCO had initially recommended an adjustment of $4,305. The Company calculated $4,937. RUCO and the Company were not using the same annualized bill counts in our direct filing. We reached agreement on these bill counts in late December 2012. RUCO's surrebuttal annualized bill counts match the Company's rebuttal bill counts.

Q. Does RUCO accept the Company's modified adjustment of $4,937?

A. Yes. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-15 in the second column on lines 10, 11, 13, and 14.

Operating Income Adjustment No. 6 – Revenue Accrual

Q. Did the Company accept RUCO's revenue accrual adjustment for the 6-Inch commercial customer's missing bills to match the general ledger revenues to those of the bill count revenues?

A. Yes. RUCO's revenue accrual adjustment of $20,805 is embedded in the Company's revenue accrual adjustment 5 in the amount of $25,110. The next adjustment should clarify the differences in RUCO and RRUI's revenue accrual adjustment(s). The adjustment is shown on RUCO

Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-17.

Operating Income Adjustment No. 7 – Revenue Accrual for Missing Bills of Four Customers

Q. Did the Company accept RUCO's $4,305 revenue accrual adjustment to properly match the general ledger revenues to present rates' bill count revenues of the four customers missing bills?

A. Yes. The Company's rebuttal schedules reflect a combination of two separate revenue accruals for total revenue accrual of $25,110 whereas RUCO shows the two accruals separately. The first of which was discussed in the previous adjustment 6 above. RUCO's two accrual adjustments ($20,805 + $4,305 = $25,110) total the Company's combined accrual of $25,110. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-18.

Operating Income Adjustment No. 8 – Expense Annualization

Q. Please briefly explain RUCO's surrebuttal adjustment for the expense annualization.

A. This is a corresponding adjustment to RUCO's revenue annualization adjustments number 4 and 5 discussed above. This allows the Company to recover any additional purchased power and chemical expense for the

additional gallons of water to be produced and/or additional gallons of sewer to be pumped and treated related to the revenue annualizations. The adjustment increases the Company's purchased power by $1,254 and chemical expenses by $96 for the Sewer Division. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-19.

Operating Income Adjustment No. 9 – Intentionally Left Blank

Operating Income Adjustment No. 10 – Intentionally Left Blank

Operating Income Adjustment No. 11 – Achievement / Incentive Pay

Q. Does RUCO accept the Company's rebuttal testimony concerning the 50:50 sharing of achievement/incentive pay between ratepayers and shareholders?

A. No. RUCO's direct testimony rationale regarding the 50:50 sharing of the achievement/incentive pay is the same in surrebuttal testimony. There is no additional need to reiterate it here. The same direct testimony adjustments apply in RUCO's surrebuttal schedules.

...

Q. What adjustment is necessary to reflect RUCO's recommended surrebuttal adjustment for the Company's achievement/incentive pay as filed in its direct rate Application?

A. RUCO's surrebuttal adjustment decreases the Company's expense as filed in its direct rate Application by $9,448 for the Sewer Division. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-22.

Operating Income Adjustment No. 12 – Merit Pay Expense

Q. Does RUCO accept the Company's rebuttal testimony concerning the 50:50 sharing of merit pay between ratepayers and shareholders?

A. Yes. RUCO's direct testimony regarding the merit pay adjustment has been removed.

Operating Income Adjustment No. 13 – City of Nogales Sewer Treatment Expense

Q. Did the Company accept RUCO's adjustment for the City of Nogales new lower charges that started in February 2012 to RRUI for its portion of the NWWTP monthly treatment expense?

A. No.

...

Q. How did the Company respond in not accepting these known and measurable changes that have been recurring since February 2012?

A. Essentially, the Company said there may be a big lump sum bill coming to RRUI for true-ups to actual costs. The City of Nogales provided a letter and monthly billings to RUCO through a public records request for the period of August 2010 through November 2012. The letter stated that, "Nogales is billed by the U.S. Section of the International Boundary and Water Commission, which operates the Nogales International Wastewater Treatment Plant, quarterly in arrears...In view of the above, Nogales proposes billing Rio Rico $9,083.26 per month ($950,000/12 x .1136 x 1.01), retroactive to March 1, 2012 (May's bill will reflect the two months' credit) for the remainder of this calendar year." While this reflects that the City of Nogales has been billing RRUI $9,083.26 for eleven to twelve-months now, RRUI wants to charge the ratepayers $13,824.65 per month for the same $9,083.26 that it is billed. A Santa Cruz County attorney has informed RUCO that the same $9,083.26 monthly billing took place in both December 2012 and January 2013.

The letter referenced in the previous paragraph stated, "January's bill to Rio Rico (and those of each successive January) will include a reconciliation that reflects actual costs of operating the treatment for the previous federal fiscal year." RUCO has not observed any true-ups that the Company insists on coming.

Q. What is RUCO's position on this issue at this surrebuttal phase?

A. RUCO maintains the its direct testimony position to remove $56,897 from the Test Year costs to the actual monthly costs of $9,083.26 that the City of Nogales has been billing RRUI retroactive to March 1, 2012. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-24.

Q. Has the Company requested a contract from the City of Nogales to clarify the amount the Company is going to pay on a going forward basis?

A. Yes.

Q. If RRUI secures a contract, would RUCO be willing to adjust this expense to the contractual amount?

A. Yes. RUCO would accept whatever amount the contract identifies. Absent a contract or other new information, RUCO continues to recommend the $9,083 per month cost be recognized.

Operating Income Adjustment No. 14 – Reclassify the City of Nogales Treatment Expense

Q. Did the Company accept RUCO's adjustment to reclassify the expenses you discussed in adjustment 13 in the previous adjustment?

A. In rebuttal, the Company reclassifies $165,896 of O&M expense from management services – other account to the purchased wastewater treatment expense, but without making the decrease for the lower treatment cost referenced in adjustment 13 above. RUCO first subtracts adjustment 13 in the amount of $56,897 from the $165,896 and reclassifies $108,999 to the purchased sewer treatment expense account from management services – other account. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-25.

Operating Income Adjustment No. 15 – Algonquin Power Utility Corporation ("APUC") Corporate Cost Allocations

Q. Does RUCO maintain its direct testimony position(s) here in surrebuttal testimony regarding the APUC corporate cost allocations?

A. Yes. RUCO's positions regarding those costs are discussed in detail in its direct testimony.

Operating Income Adjustment No. 16 – Employee Benefit Expense

Q. Does RUCO accept the Company's rebuttal adjustment to increase salaries and wage expense for employee benefits?

A. RUCO made the adjustment in its surrebuttal schedules, but has not fully accepted it until RUCO can verify the additional expense. The adjustment is currently a mere placeholder at this time.

Q. What placeholder adjustment did RUCO make for the additional employee benefit expense?

A. For the Sewer Division, RUCO increased the salaries and wage expense by $11,811. The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-27.

Operating Income Adjustment No. 17 – Intentionally Left Blank

Operating Income Adjustment No. 18 – Intentionally Left Blank

Operating Income Adjustment No. 19 – Intentionally Left Blank

Operating Income Adjustment No. 20 – Intentionally Left Blank

Operating Income Adjustment No. 21 – Income Taxes

Q. Have you calculated income tax expense based on both RUCO's recommended adjusted operating income and the recommended operating income associated with RUCO's revenue increase?

A. Yes. These adjustments for RUCO's recommended adjusted operating income and the recommended operating income less income tax associated with RUCO's revenue increase are shown on Schedules TJC-10 with the details shown on TJC-28 and TJC-1 on page 2 for the Water Division.

Q. Have you included an interest synchronization calculation in your computation of income tax expense?

A. No. RUCO's cost of capital structure in surrebuttal testimony is comprised of 100 percent equity with no debt and/or interest expense to synchronize a deduction for income taxes.

REVENUE REQUIREMENTS

Q. Please summarize the results of RUCO's analysis of the Company's filing and state RUCO's recommended revenue requirements for RRUI's Water and Sewer Divisions.

A. As can be seen on my Schedule TJC-1, a comparison between the Company's and RUCO's recommended revenue Water and Sewer increases are presented on the following page:

WATER DIVISION

RRUI Revenue $'s Increase	RUCO Revenue $'s Increase	RRUI Revenue % Increase	RUCO Revenue % Increase
$ 604,079	$ 206,273	21.16%	7.20%

SEWER DIVISION

RRUI Revenue $'s Increase	RUCO Revenue $'s Increase	RRUI Revenue % Increase	RUCO Revenue % Increase
$ 393,612	$ 65,054	28.93%	4.64%

OTHER ISSUES

RRUI's Rebuttal Declining Usage Adjustment

Q. Did the Company propose a rebuttal adjustment for declining usage?

A. Yes. RRUI proposed a downward adjustment to revenues for both the Water and Sewer Divisions in the amount of ($77,275) and ($32,713).

Q. What is RUCO's position on the declining usage rebuttal adjustment?

A. RUCO rejects the adjustment as it has in recent cases involving Arizona Water Company.[1]

Tucson Electric Power ("TEP") Anticipated Rate Increase

[1] Docket No's W-01445A-10-0517, W-01445A-11-0310, and W-01445A-11-0348.

Q. Do you agree with Mr. Bourassa's statement that RRUI is facing a 4.60 percent rate increase from TEP?

A. No. RRUI's electric service provider is UNS Electric, Inc. ("UNSE"), which serves Santa Cruz County, not TEP as indicated by the Company. UNSE filed a rate application with the Commission on December 31, 2012 requesting an increase in its non-fuel base rates of approximately 4.60 percent to be effective no later than January 1, 2014.[2]

Q. What is RUCO's position on the anticipated purchased power rate increase adjustment?

A. RUCO rejects it on the grounds that it is highly speculative as to what the Commission will ultimately approve in that case.

<u>6-Inch Bulk Water Sales Customer - Morning Star Ranch ("MSR")</u>

Q. Is there a disagreement between the Company and RUCO regarding the amount of revenue to be recognized on a going forward basis for the Morning Star Ranch ("MSR") 6-Inch bulk water sales customer?

A. Yes.

...

Q. Briefly explain the difference between the Company and RUCO regarding the MSR bulk water sales customer.

[2] In the matter of UNSE, Docket No. **E-04204A-12-0504**.

A. The Company and RUCO calculate different commodity rates per 1,000 gallons consumed by the MSR customer. RUCO uses the current commodity rate that RRUI charges MSR, which is $4.79 per 1,000 gallons. The Company uses its highest commodity rate as proposed in the instant case, which is $3.66 per 1,000 gallons. RRUI also uses its 2-Tier rate structure break-over points as proposed in its rebuttal filing, That amount per 1,000 gallons that RRUI is $1.13 less than the current third tier approved by the ACC in the last rate case that is utilized in RUCO's calculations. Those two differences result in the disparity between RUCO and the Company. The difference is reflected in RUCO operating income adjustment 4 for the Water Division and shown on Schedules TJC-10 and TJC-11 with the details on TJC-15(b).

RATE DESIGN

Water Division

Q. Describe RUCO's rate design for RRUI's Water Division.

A. RUCO's rate design for RRUI's Water Division is the same as recommended in direct testimony with the exception of the increased revenues that is generated by RUCO's surrebuttal recommendations. The rate design consists of a monthly minimum for the 5/8 x 3/4-Inch metered residential customer of $13.27, which shifts more revenue to the monthly minimum than the present rate structure, and a 3-Tier inverted commodity rate structure for the 5/8 x 3/4-Inch metered residential customer as the

Company proposes. The 3-Tier commodity rates that RUCO recommends for the 5/8 x 3/4-Inch metered residential customer are $1.60, $2.94, and $3.66. The classification of low-income customers rates are 85 percent of the same metered customer classifications as the Company proposes. All other customer classifications consist of a 2-Tier inverted commodity rate structure that reflects RUCO's tier-two and three commodity rates as referenced above for the 5/8 x 3/4-Inch metered residential customer as the Company proposes. RUCO maintains the same gallon break-over points as recommended in direct testimony and proposed by the Company. The lone exception is the 6-Inch metered bulk water sales customer, Morning Star Ranch ("MSR"). These rates are shown in RUCO rate design schedules numbered TJC-RD 1 through TJC-RD 4.

The MSR customer has never been in RRUI's Certificate of Convenience and Necessity ("CC&N") certificated area of service. MSR and Liberty Utilities have a separate water contract to be served by RRUI, which states that all commodity charges will be based on RRUI's Tier-3 rate as approved by the Commission with no tiered break-over points. The Company currently charges MSR a monthly minimum of $549 and a flat commodity rate of $4.79 per thousand gallons. RUCO recommends those same rates for the revenue annualization in order to properly reflect this customer's revenue on a going forward basis and to properly recognize the additional revenue.

Sewer Division

Q. Describe RUCO's rate design for RRUI's Sewer Division.

A. RUCO's rate design for RRUI's Sewer Division is the same as recommended in direct testimony with the exception of the increased revenues that is generated by RUCO's surrebuttal recommendations. The rate design consists of a flat monthly minimum for the 5/8 x 3/4-Inch metered residential customer of $49.01 with no commodity rate based on water consumption. The classification of low-income customers rates are 85 percent of the same metered customer classifications as the Company proposes. RUCO does recommend a commodity rate based on water consumption for the commercial and multi-tenant customer classifications as the Company proposes. RUCO recommends the commodity rate of $4.97 be charged on every thousand gallons of water consumption over 7,000 gallons as recommended in direct and proposed by the Company. These rates are shown in RUCO rate design schedules numbered TJC-RD 1 through TJC-RD 2.

Q. Does this conclude your surrebuttal testimony on RRUI's Water and Sewer Divisions?

A. Yes, it does.

RUCO

EXHIBIT

1

Rio Rico Utilities Inc.
RUCO's Property Tax Rate based on 2011 Property Taxes

Site	Tax Identification Number	Assess. Value	Property Tax	Company Propoerty Tax Rate
	938-03-502 2	706,020	98,349.52	13.9301%
	951-43-502 5	719,090	97,264.22	13.5260%
	938-02-830 1	23,410	2,728.52	11.6552%
	Utility Plant	1,448,520	198,342	13.6927%

Site	Tax Identification Number	Assess. Value	Property Tax	RUCO Propoerty Tax Rate
	938-03-502 2	720,200	98,349.52	13.6559%
	951-43-502 5	727,390	97,264.22	13.3717%
	938-02-830 1	23,410	2,728.52	11.6554%
	Utility Plant	1,471,000	198,342	13.4835%

2011 PROPERTY TAX NOTICE — Santa Cruz County — ARIZONA

PARCEL #	AREA CODE	PRIMARY TAX RATE PER $100 ASSESSED VALUE	SECONDARY TAX RATE PER $100 ASSESSED VALUE	IRRIGATION DISTRICT $ PER ACRE
938-03-502 2	3502	8.8867	5.1819	0.0000

ASSESSMENT	VALUE IN DOLLARS	ASSMT %	ASSESSED VALUE	EXEMPTIONS	TAX RATE	TAX
LIMITED LAND, BLDGS, ETC	106,848	20.0	21,370		8.8867	1,899.00
LIMITED PERSONAL PROPERTY	3,530,100	20.0	706,020		8.8867	62,741.88
LIMITED TOTALS	3,636,948		727,390			64,640.97
FULL CASH LAND		0.0	21,370		5.1819	990.32
FULL CASH BUILDINGS, ETC		0.0				.00
FULL CASH PERSONAL PROPERTY	3,530,100	20.0	706,020		4.6176	32,718.23
FULL CASH TOTALS	3,530,100		727,390			33,708.55

2011 TAX SUMMARY

PRIMARY PROPERTY TAX	64,640.97
LESS STATE AID TO EDUCATION	0.00
NET PRIMARY PROPERTY TAX	64,640.97
SECONDARY PROPERTY TAX	33,708.55
SPECIAL DISTRICT TAX	0.00
TOTAL TAX DUE	98,349.52

43093

SITUS ADDRESS:

LEGAL DESCRIPTION:

JURISDICTION	2010 TAXES	2011 TAXES
02000 SANTA CRUZ COUNTY	20,798.18	20,523.31
02001 STATE SCHOOL TAX EQUALIZATION	2,627.14	3,097.95
07035 SANTA CRUZ SD #35	49,429.86	48,771.50
08150 SCC COMMUNITY COLLEGE	515.26	508.45
11203 RIO RICO FD	22,058.68	24,236.63
11900 FIRE DISTRICT ASSISTANCE FUND	737.13	727.39
15001 SANTA CRUZ COUNTY FCD	126.62	120.59
30099 JTED	368.57	363.70
TOTALS:	96,661.44	98,349.52

8134-2-0000-20-2410-0000

This is the only notice you will receive.

Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

THIS IS A CALENDAR YEAR TAX NOTICE

RECEIVED
OCT 03 2011
BY:

938-03-502 2
110926 12 R C1041 00035

RIO RICO UTILITIES INC
SHAWN BUNDY/SENIOR ACCOUNTANT
12725 W. INDIAN SCHOOL RD., SUITE D-101
AVONDALE, AZ 853230000

327055-02-3666

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

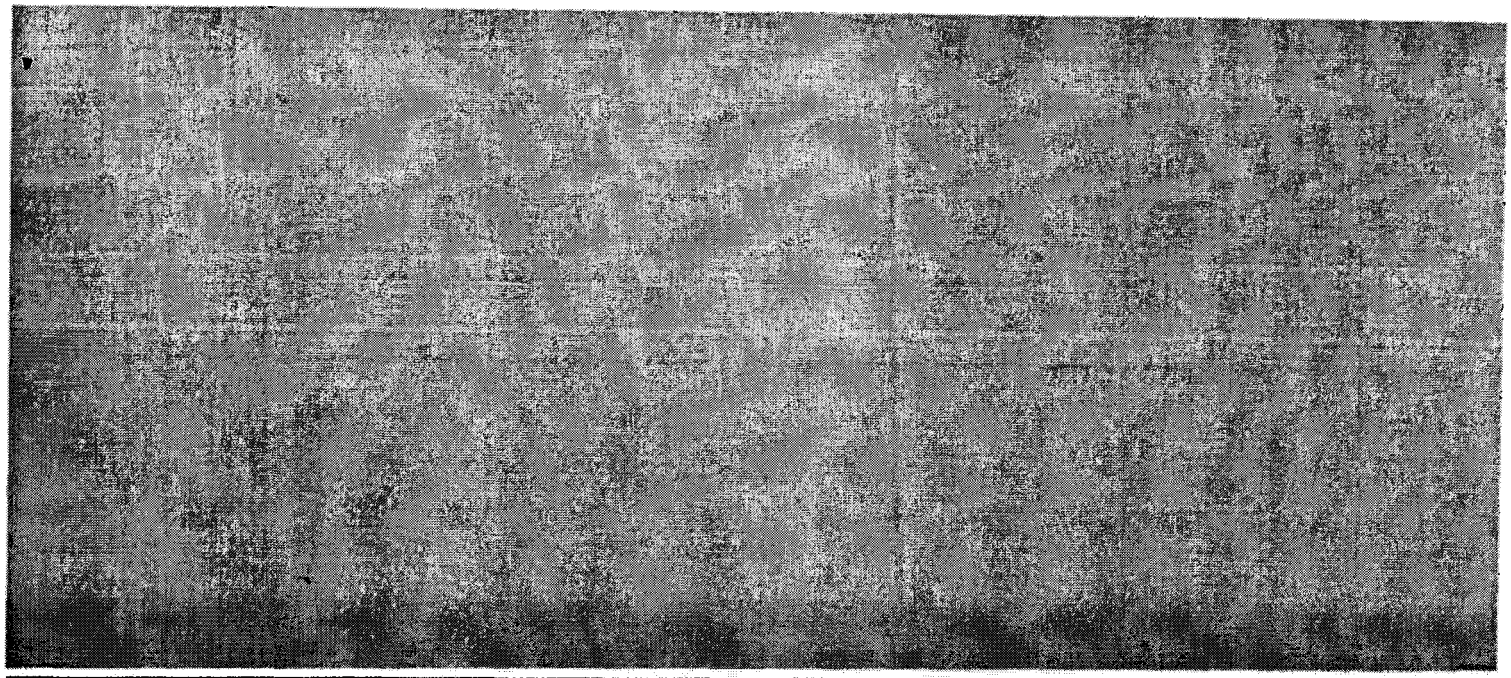
PLEASE INCLUDE YOUR **PARCEL NUMBER** ON YOUR CHECK.

PAYMENT INSTRUCTIONS

To pay the 1st half installment and tax notices under $100 send the 1st half coupon with your payment postmarked no later than Nov. 1, 2011. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2012. To pay taxes for the full year if the entire amount billed per notice exceeds $100, send the 1st half coupon with your payment postmarked no later than Jan. 3 2012, and no interest will be charged for the current year.

Make your check payable to and mail to:

Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628



2011 PROPERTY TAX NOTICE — Santa Cruz County — ARIZONA

PARCEL #	AREA CODE	PRIMARY TAX RATE PER $100 ASSESSED VALUE	SECONDARY TAX RATE PER $100 ASSESSED VALUE	IRRIGATION DISTRICT $ PER ACRE
951-43-502 5	3502	8.8867	5.1819	0.0000

ASSESSMENT

	VALUE IN DOLLARS	RATIO %	ASSESSED VALUE	EXEMPTIONS	TAX RATE	TAX
LIMITED MINE, BARGE, ETC	5,548	20.0	1,110		8.8867	98.64
LIMITED PERSONAL PROPERTY	3,595,452	20.0	719,090		8.8867	63,903.37
LIMITED TOTALS	3,601,000		720,200			64,002.01
FULL CASH LAND		0.0	1,092		5.1819	50.43
FULL CASH BUILDINGS, ETC		0.0	18		5.1819	.83
FULL CASH PERSONAL PROPERTY	3,595,452	20.0	719,090		4.6176	33,210.95
FULL CASH TOTALS	3,595,452		720,200			33,262.21

2011 TAX SUMMARY

PRIMARY PROPERTY TAX	64,002.01
LESS: STATE AID TO EDUCATION	0.00
NET PRIMARY PROPERTY TAX	64,002.01
SECONDARY PROPERTY TAX	33,262.21
SPECIAL DISTRICT TAX	0.00
TOTAL TAX DUE	97,264.22 ✓

43095

SITUS ADDRESS:

LEGAL DESCRIPTION:

JURISDICTION	2010 TAXES	2011 TAXES
02000 SANTA CRUZ COUNTY	20,862.44	20,320.44
02001 STATE SCHOOL TAX EQUALIZATION	2,635.26	3,067.33
07035 SANTA CRUZ SD #35	49,582.61	48,289.41
08150 SCC COMMUNITY COLLEGE	516.85	503.42
11203 RIO RICO FD	22,126.84	23,997.06
11900 FIRE DISTRICT ASSISTANCE FUND	739.41	720.20
15001 SANTA CRUZ COUNTY FCD	6.47	6.26
30099 JTED	369.70	360.10
TOTALS:	96,839.58	97,264.22

134.2.0000.20.2410.0000

This is the only notice you will receive.

Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

RECEIVED
OCT 04 2011
BY:

Amy 10/4

THIS IS A CALENDAR YEAR TAX NOTICE

951-43-502 5
110926 12 R A0012 01780

RIO RICO UTILITIES INC (SEWER)
C/O SHAWN BUNDY/SENIOR ACCOUNTANT
12725 W INDIAN SCHOOL RD., SUITE D-101
AVONDALE, AZ 853230000

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS

PLEASE INCLUDE YOUR PARCEL NUMBER ON YOUR CHECK

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Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

2011 9380283000 2 0000001364260000002728 52

DO NOT MARK IN THIS SPACE

Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

2011 SECOND HALF PAYMENT COUPON

Due March 1, 2012
RIO RICO UTILITIES INC

Parcel Number: 938-02-830 1 **Roll Number:** 43092

Delinquency Date Second Half Payment
Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after **5:00 P.M. May 1, 2012** (ARS 42-18052 and ARS 42-18053).

If your mortgage company makes your property tax payments, consider this notice as a courtesy copy for your records only.

12938028300012011000001364 26

DETACH AND RETURN WITH PAYMENT

Make checks payable to:
Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

Payment in U.S. FUNDS ONLY

TO PAY 2ND HALF ONLY PAY ▶ 1,364.26

2

2011 PROPERTY TAX NOTICE — Santa Cruz County — ARIZONA

PARCEL #	AREA CODE	PRIMARY TAX RATE PER $100 ASSESSED VALUE	SECONDARY TAX RATE PER $100 ASSESSED VALUE	IRRIGATION DISTRICT $ PER ACRE
938-02-830 1	2830	8.2234	3.9963	0.0000

ASSESSMENT	VALUE IN DOLLARS	ASSMT %	ASSESSED VALUE	EXEMPTIONS	TAX RATE	TAX
LIMITED LAND, BLDGS, ETC		0.0				.00
LIMITED PERSONAL PROPERTY	117,052	20.0	23,410		8.2234	1,925.09
LIMITED TOTALS	117,052		23,410			1,925.09
FULL CASH LAND		0.0				.00
FULL CASH BUILDINGS, ETC		0.0				.00
FULL CASH PERSONAL PROPERTY	117,052	20.0	23,410		3.4320	803.43
FULL CASH TOTALS	117,052		23,410			803.43

2011 TAX SUMMARY

PRIMARY PROPERTY TAX	1,925.09
LESS STATE AID TO EDUCATION	0.00
NET PRIMARY PROPERT TAX	1,925.09
SECONDARY PROPERTY TAX	803.43
SPECIAL DISTRICT TAX	0.00
TOTAL TAX DUE	2,728.52

43092

SITUS ADDRESS:

LEGAL DESCRIPTION:

JURISDICTION	2010 TAXES	2011 TAXES
02000 SANTA CRUZ COUNTY	668.63	660.51
02001 STATE SCHOOL TAX EQUALIZATION	84.46	99.70
05028 SANTA CRUZ SD #28	1,196.87	1,148.52
08150 SCC COMMUNITY COLLEGE	16.56	16.36
11203 RIO RICO FD	709.16	780.02
11900 FIRE DISTRICT ASSISTANCE FUND	23.70	23.41
TOTALS:	2,699.38	2,728.52

8134-20000-20-2410-0000

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Amy 10/4

938-02-830 1
110926 12 R C1041 00034

327055-02-3685

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SHAWN BUNDY/SENIOR ACCOUNTANT
12725 W. INDIAN SCHOOL RD., SUITE D-101
AVONDALE, AZ 853230000

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Nogales, AZ 85628

TABLE OF CONTENTS TO TJC SCHEDULES

SCH NO.	PAGE NO.	TITLE
TJC-1	1 & 2	REVENUE REQUIREMENT AND GROSS REVENUE CONVERSION FACTOR
TJC-2	1	RATE BASE SUMMARY - ORIGINAL COST/FAIR VALUE RATE BASE
TJC-3	1	ORIGINAL COST/FAIR VALUE RATE BASE WITH RUCO RECOMMENDED ADJUSTMENTS
TJC-4(a) & 4(b)	1 & 2	TOTAL DIRECT PLANT IN SERVICE AND ACCUMULATION DEPRECIATION
TJC-5(a) & 5(b)	1 & 2	SUMMARY OF RUCO RECOMMENDED PLANT IN SERVICE AND ACCUMULATED DEPRE.
TJC-5(c)	1-4	RATE BASE ADJ. NO. 1(a) & (b) RECONSTRUCTION OF PLANT IN SERVICE 2009 THRU FEBRUARY 29, 2012
TJC-6(a) & 6(b)	1 & 2	RATE BASE ADJ. NO. 2 - RECLASSIFY NWWTP ACCOUNTS
TJC-7(a) & 7(b)	1 & 2	RATE BASE ADJ. NO. 3 - PLANT RETIREMENT
TJC-8(a) & 8(b)	1 & 2	RATE BASE ADJ. NO. 4 - REMOVE AFFILIATE PROFITS
TJC-9	1 & 2	RATE BASE ADJ. NO. 5 - ACCUMULATED DEFERRED INCOME TAXES ("ADIT")
TJC-10	1	OPERATING INCOME SUMMARY
TJC-11	1 & 2	SCHEDULE OF OPERATING INCOME - ADJUSTED TEST YEAR WITH RUCO ADJUSTMENTS
TJC-12	1	OPERATING INCOME ADJUSTMENT NO. 1 - DEPRECIATION EXPENSE
TJC-13	1	OPERATING INCOME ADJUSTMENT NO. 2 - PROPERTY TAX EXPENSE
TJC-14	1	OPERATING INCOME ADJUSTMENT NO. 3 - RATE CASE EXPENSE
TJC-15	1-21	OPERATING INCOME ADJUSTMENT NO. 4 - REVENUE ANNUALIZATION
TJC-16	1	OPERATING INCOME ADJUSTMENT NO. 5 - INTENTIONALLY LEFT BLANK FOR WATER DIV.
TJC-17	1	OPERATING INCOME ADJUSTMENT NO. 6 - INTENTIONALLY LEFT BLANK
TJC-18	1	OPERATING INCOME ADJUSTMENT NO. 7 - INTENTIONALLY LEFT BLANK
TJC-19	1	OPERATING INCOME ADJUSTMENT NO. 8 - EXPENSE ANNUALIZATION
TJC-20	1	OPERATING INCOME ADJUSTMENT NO. 9 - WATER TESTING EXPENSE
TJC-21	1	OPERATING INCOME ADJUSTMENT NO. 10 - MISCELLANEOUS EXPENSE
TJC-22	1	OPERATING INCOME ADJUSTMENT NO. 11 - ACHIEVEMENT/INCENTIVE PAY EXPENSE
TJC-23	1	OPERATING INCOME ADJUSTMENT NO. 12 - INTENTIONALLY LEFT BLANK
TJC-24	1	OPERATING INCOME ADJUSTMENT NO. 13 - INTENTIONALLY LEFT BLANK
TJC-25	1	OPERATING INCOME ADJUSTMENT NO. 14 - INTENTIONALLY LEFT BLANK
TJC-26	1	OPERATING INCOME ADJUSTMENT NO. 15 - APUC COST ALLOCATIONS EXPENSE
TJC-27	1	OPERATING INCOME ADJUSTMENT NO. 16 - EMPLOYEE BENEFITS PACKAGE EXPENSE
		OPERATING INCOME ADJUSTMENT NO. 17 - INTENTIONALLY LEFT BLANK

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	[A] COMPANY OCRB/FVRB COST	[B] RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	$ 7,629,607	$ 7,592,850
2			
3	Adjusted Operating Income (Loss)	$ 375,933	$ 502,033
4			
5	Current Rate of Return (L3 / L1)	4.93%	6.61%
6			
7	Required Operating Income (L9 X L1)	$ 740,072	$ 626,410
8			
9	Required Rate of Return on Fair Value Rate Base	9.70%	8.25%
10			
11	Operating Income Deficiency (L7 - L3)	$ 364,139	$ 124,377
12			
13	Gross Revenue Conversion Factor (TJC-1, Page 2 of 2)	1.6589	1.6585
14			
15	Required Increase in Gross Revenue Requirement (L11 X L13)	$ 604,079	$ 206,273
16			
17	Adjusted Test Year Revenue	$ 2,854,838	$ 2,865,120
18			
19	Proposed Annual Revenue (L15 + L17)	$ 3,458,917	$ 3,071,393
20			
21	Required Percentage Increase in Revenue (L15 / L17)	21.16%	7.20%
22			
23			
24	Rate of Return on Common Equity	10.70%	8.25%

References:
Column [A]: Company Schs. A-1, B-1 and C-1
Column [B]: RUCO Schedules TJC-2, TJC-3, TJC-10 and TJC-11

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	[A]	[B]	[C]	[D]
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	100.0000%			
2	Proposed Bad Debt Expense (Per Co. Workpapers)	0.0000%			
3	Subtotal (L1 thru L2)	100.0000%			
4	Combined Federal, State, Property Tax Rate (L22)	39.7027%			
5	Subtotal (L3 - L4)	60.2973%			
6	**Gross Revenue Conversion Factor** (L1 / L5)	**1.6585**			
7					
8	CALCULATION OF EFFECTIVE TAX RATE:				
9	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
10	Arizona State Income Tax Rate	6.9680%			
11	Federal Taxable Income (L9 - L10)	93.0320%			
12	Applicable Federal Income Tax Rate (L58)	34.0000%			
13	Effective Federal Income Tax Rate (L11 X L12)	31.6309%			
14	Combined Federal and State Income Tax Rate (L10 + L13)	38.5989%			
15					
16	CALCULATION OF EFFECTIVE PRPERTY TAX FACTOR:				
17	Unity	100.0000%			
18	Combined Federal and State Tax Rate	38.5989%			
19	1 Minus Combined Income Tax Rate	61.4011%			
20	Property Tax Factor	1.7978%			
21	Effective Property Tax Factor (L19 x L 20)	1.1039%			
22	Combined Federal, State & Property Tax RateTax Rate (L14 + L21)	39.7027%			
23					
24	RUCO Required Operating Income (Sch. TJC-1, Col. [B], L7)	$ 626,410			
25	RUCO Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Col. [B], L3)	502,033			
26	Required Increase In Operating Income (L24 - L25)		$ 124,377		
27					
28	Income Taxes On Recommended Revenue (Col. [D], L53)	$ 393,783			
29	Income Taxes On Test Year Revenue (Col. [D], L55)	315,596			
30	Required Increase In Revenue To Provide For Income Taxes (L28 - L29)		$ 78,188		
31					
32	Property Tax with Recommended Revenue (Sch. TJC-10, Col. [E], L33)	157,665			
33	Propertry Tax on TestYear Revenue (Sch. TJC-10, Col. [C], L33)	153,957			
34	Increase in Property Tax Due to Increase in Revenue (L32 - L33)		$ 3,708		
35					
36	Total Required Increase In Revenue (L26 + L30 + L34)		$ 206,273		
37					
38	RUCO's CALCULATION OF INCOME TAX :			RUCO Recommended	
39	RUCO Proposed Revenue (Sch. TJC-1, Col. [B], L19)			$ 3,071,393	
40	**Less:**				
41	Operating Expense Excluding Income Tax (Sch. TJC-10, Col. [E], L36 - L34)			2,051,200	
42	Synchronized Interest (Col. [C], L63)			-	
43	Arizona Taxable Income (L39 - L41 - L42)			$ 1,020,193	
44	Arizona State Income Tax Rate			6.9680%	
45	Arizona Income Tax (L43 X L44)				$ 71,087
46	Fed. Taxable Income (L43 - L45)			$ 949,106	
47	Fed. Tax On 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
48	Fed. Tax On 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			$ 6,250	
49	Fed. Tax On 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			$ 8,500	
50	Fed. Tax On 4th Inc. Bracket ($100,001 - $335,000) @ 39%			$ 91,650	
51	Fed. Tax On 5th Inc. Bracket ($335,001 - $10M) @ 34%			$ 208,796	
52	Total Federal Income Tax (L47 thru L 51)				$ 322,696
53	Combined Federal And State Income Tax (L45+ L52)				$ 393,783
54					
55	RUCO Adj'd Test Year Combined Federal and State Income Tax (Sch. TJC-10, Col. [C], L34)				$ 315,596
56	RUCO Proposed Income Tax Adjustment (L53 - L55)				$ 78,188
57					
58	Applicable Federal Income Tax Rate				34.00%
59					
60	**NOTE (A): Interest Synchronization**				
61	RUCO Adjusted Rate Base (Sch. TJC-2, Col. [C], L23)			$ 7,592,850	
62	RUCO Weighted Cost Of Debt (Sch. TJC-27, Col. [D], L1)			0.00%	
63	RUCO Interest Expense (L61 X L62)			$ -	

RATE BASE SUMMARY - ORIGINAL COST/FAIR VALUE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED OCRB/FVRB	[B] RUCO OCRB/FVRB ADJUSTMENTS	[C] RUCO ADJ'TED OCRB/FVRB
1				
2	Gross Utility Plant in Service	$ 36,146,219	$ (148,265)	$ 35,997,954
3				
4	Accumulated Depreciation	(15,784,381)	125,528	(15,658,852)
5	Net Utility Plant In Service (L2 + L4)	$ 20,361,839	$ (22,737)	$ 20,339,102
6				
7	**Less:**			
8	Advances In Aid Of Construction (AIAC)	$ (660,955)	$ -	$ (660,955)
9				
10	Contribution In Aid Of Construction (CIAC)	(20,179,119)	-	(20,179,119)
11	Accumulated Amortization of CIAC	8,797,261	-	8,797,261
12	NET CIAC (L10 + L11)	$ (11,381,858)	$ -	$ (11,381,858)
13				
14	Deferred Income Tax	$ (405,395)	$ (14,021)	$ (419,415)
15				
16	Customer Deposits	(284,024)	-	(284,024)
17				
18				
19				
20				
21				
22				
23	TOTAL RATE BASE (L5+L8+L12+L14+L16)	$ 7,629,607	$ (36,757)	$ 7,592,850

References:
Column [A]: Company Schedule B-1
Column [B]: Schedule TJC-3 Column [H]
Column [C]: Column [A] + Column [B]

ORIGINAL COST/FAIR VALUE RATE BASE - RUCO ADJUSTMENTS

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED OCRB/FVRB	[B] RUCO ADJUSTMENT NO. 1(a) RECONSTRUCT PLANT BALANCES	[C] RUCO ADJUSTMENT NO. 1(b) ACCUM. DEPRE. BALANCE	[D] RUCO ADJUSTMENT NO. 2 RECLASSIFY NWWTP PLANT ACCOUNTS	[E] RUCO ADJUSTMENT NO. 3 PLANT RETIREMENT PER RUCO DR 11.3	[F] RUCO ADJUSTMENT NO. 4 REMOVE AFFILIATE PROFITS PER MJR 1-15	[G] RUCO ADJUSTMENT NO. 5 ADIT BALANCE	[H] RUCO Total Pro Forma Adjustments	[I] RUCO ADJ'TED OCRB/FVRB
1										
2	Gross Utility Plant in Service	$ 36,146,219	$ (121,438)	$ -	$ (15,362)	$ (9,757)	$ (1,708)	$ -	$ (148,265)	$ 35,997,954
3										
4	Accumulated Depreciation	(15,784,381)	-	114,351	1,415	9,757	6	-	125,528	(15,658,852)
5	Net Utility Plant In Service (L2 + L4)	$ 20,361,839	$ (121,438)	$ 114,351	$ (13,947)	$ -	$ (1,702)	$ -	$ (22,737)	$ 20,339,102
6										
7	**Less:**									
8	Advances In Aid Of Construction (AIAC)	$ (660,955)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (660,955)
9										
10	Contribution In Aid Of Construction (CIAC)	(20,179,119)	-	-	-	-	-	-	-	(20,179,119)
11	Accumulated Amortization of CIAC	8,797,261	-	-	-	-	-	-	-	8,797,261
12	NET CIAC (L10 + L11)	$ (11,381,858)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (11,381,858)
13										
14	Deferred Income Tax	(405,395)	-	-	-	-	-	(14,021)	(14,021)	(419,415)
15										
16	Customer Deposits	(284,024)	-	-	-	-	-	-	-	(284,024)
17										
18										
19										
20										
21										
22										
23	TOTAL RATE BASE (L5+L8+L12+L14+L16)	$ 7,629,607	$ (121,438)	$ 114,351	$ (13,947)	$ -	$ (1,702)	$ (14,021)	$ (36,757)	$ 7,592,850

References:
Column [A]: Company Schedule B-1 as Filed
Column [B] Thru [G]: RUCO Recommended Adjustments
Column [H]: Sum of Columns [B] Thru [G]
Column [I]: Column [A] + Column[H]

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

TOTAL UTILITY PLANT IN SERVICE SUMMARY SCHEDULE

Line No.	NARUC Account	Description	Company Plant in Service Balance As Filed	RUCO Adjustment No. 1(a) Plant In Service Reconstruction Adjustment	RUCO Adjustment No. 2(a) Reclassify NWWTP Accounts Per RUCO DR 2.1	RUCO Adjustment No. 3(a) PIS Retirement Per RUCO DR 11.3	RUCO Adjustment No. 4(a) Remove Affiliate Profits Per Staff DR MJR 1.15	RUCO Total Adjustments	RUCO Total Plant In Service Balance
1	301	Organization Cost	$ 5,785	$ -	$ -	$ -	$ -	$ -	$ 5,785
2	302	Franchise Cost	417	-	-	-	-	-	417
3	303	Land and Land Rights	44,194	-	-	-	-	-	44,194
4	304	Structures & Improvements	3,432,930	(121,438)	-	-	(35)	(121,473)	3,311,457
5	305	Collecting & Impounding Reservoirs	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	-	-	-	-	-	-	-
7	307	Wells & Springs	562,944	-	-	-	(7)	(7)	562,937
8	308	Infiltration Galleries	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	279,157	-	-	-	-	-	279,157
10	310	Power Generation Equipment	219,360	-	-	-	-	-	219,360
11	311	Pumping Equipment	3,147,011	-	-	-	(303)	(303)	3,146,708
12	320	Water Treatment Equipment	369,100	-	(5,658)	-	-	(5,658)	363,442
13	320.1	Water Treatment Plants	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipe	759,861	-	-	-	-	-	759,861
16	330.1	Storage Tanks	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	22,339,256	-	-	-	(1,363)	(1,363)	22,337,894
19	333	Services	2,768,122	-	-	-	-	-	2,768,122
20	334	Meters	1,010,366	-	-	-	-	-	1,010,366
21	335	Hydrants	572,321	-	-	-	-	-	572,321
22	336	Backflow Prevention Devices	15,855	-	(9,704)	-	-	(9,704)	6,151
23	339	Other Plant & Misc Equipment	123,778	-	-	-	-	-	123,778
24	340	Office Furniture & Equipment	29,265	-	-	-	-	-	29,265
25	340.1	Computers & Software	76,919	-	-	-	-	-	76,919
26	341	Transportation Equipment	142,188	-	-	-	-	-	142,188
27	342	Stores Equipment	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	18,203	-	-	-	-	-	18,203
29	344	Laboratory Equipment	3,061	-	-	-	-	-	3,061
30	345	Power Operated Equipment	-	-	-	-	-	-	-
31	346	Communication Equipment	212,996	-	-	-	-	-	212,996
32	347	Miscellaneous Equipment	13,128	-	-	-	-	-	13,128
33	348	Other Tangible Plant	-	-	-	-	-	-	-
34		Plant Held for Future Use	-	-	-	-	-	-	-
35									
36		RUCO Increase/(Decrease) Adj.	$ 36,146,219	$ (121,438)	$ (15,362)	$ -	$ (1,708)	$ (138,508)	$ 36,007,711

References:
Adjustment No. 1(a) - Schedule TJC-5(c), pages 1-4
Adjustment No. 2(a) - Schedule TJC-6(a)
Adjustment No. 3(a) - Intentionally Left Blank (Used for Wastewater Division)
Adjustment No. 4(a) - Schedule TJC-8(a)

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

TOTAL ACCUMULATED DEPRECIATION SUMMARY SCHEDULE

Line No.	NARUC Account	Description	Company Accum. Depre. Balance As Filed	RUCO Adjustment No. 1(b) Accumulated Depreciation Adjustment	RUCO Adjustment No. 2(b) Reclassify NWWTP Accounts Per RUCO DR 2.1	RUCO Adjustment No. 3(b) Intentionally Left Blank	RUCO Adjustment No. 4(b) Remove Affiliate Profits Per Staff DR MJR 1.15	RUCO Total Adjustments	RUCO Total Accum. Depre. Balance
1	301	Organization Cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	302	Franchise Cost	-	-	-	-	-	-	-
3	303	Land and Land Rights	-	-	-	-	-	-	-
4	304	Structures & Improvements	(598,813)	337	-	-	0	337	(598,476)
5	305	Collecting & Impounding Reservoirs	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	-	-	-	-	-	-	-
7	307	Wells & Springs	(219,473)	(0)	-	-	0	0	(219,473)
8	308	Infiltration Galleries	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	(43,831)	-	-	-	-	-	(43,831)
10	310	Power Generation Equipment	(103,188)	(0)	-	-	-	(0)	(103,188)
11	311	Pumping Equipment	(2,859,238)	113,110	-	-	3	113,113	(2,746,124)
12	320	Water Treatment Equipment	(183,785)	-	502	-	-	502	(183,282)
13	320.1	Water Treatment Plants	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipe	(191,697)	-	-	-	-	-	(191,697)
16	330.1	Storage Tanks	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	(9,566,814)	-	-	-	2	2	(9,566,812)
19	333	Services	(869,455)	-	-	-	-	-	(869,455)
20	334	Meters	(536,110)	-	-	-	-	-	(536,110)
21	335	Hydrants	(184,803)	(0)	-	-	-	(0)	(184,803)
22	336	Backflow Prevention Devices	(2,366)	-	912	-	-	912	(1,454)
23	339	Other Plant & Misc Equipment	(30,527)	(0)	-	-	-	(0)	(30,527)
24	340	Office Furniture & Equipment	(22,865)	100	-	-	-	100	(22,765)
25	340.1	Computers & Software	(76,919)	-	-	-	-	-	(76,919)
26	341	Transportation Equipment	(121,824)	803	-	-	-	803	(121,021)
27	342	Stores Equipment	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	(11,766)	-	-	-	-	-	(11,766)
29	344	Laboratory Equipment	(3,061)	-	-	-	-	-	(3,061)
30	345	Power Operated Equipment	-	-	-	-	-	-	-
31	346	Communication Equipment	(147,813)	(0)	-	-	-	(0)	(147,813)
32	347	Miscellaneous Equipment	(10,032)	(0)	-	-	-	(0)	(10,032)
33	348	Other Tangible Plant	-	-	-	-	-	-	-
34		Plant Held for Future Use	-	-	-	-	-	-	-
35									
36		RUCO Increase/(Decrease) Adj.	$ (15,784,381)	$ 114,351	$ 1,415	$ -	$ 6	$ 115,771	$ (15,668,609)

References:
Adjustment No. 1(b) - Schedule TJC-5(c), pages 1-4
Adjustment No. 2(b) - Schedule TJC-6(b)
Adjustment No. 3(b) - Intentionally Left Blank (Used for Wastewater Division)
Adjustment No. 4(b) - Schedule TJC-8(b)

RUCO RATE BASE ADJUSTMENT NO. 1(a)
RECONSTRUCTION OF UTILITY PLANT IN SERVICE ("UPIS")

Line No.	NARUC Account No.	Description	Company Plant in Service Balance As Filed	RUCO Adjustments	RUCO As Calculated
1	301	Organization Cost	$ 5,785	$ -	$ 5,785
2	302	Franchise Cost	417	-	417
3	303	Land and Land Rights	44,194	-	44,194
4	304	Structures & Improvements	3,432,930	(121,438)	3,311,492
5	305	Collecting & Impounding Reservoirs	-	-	-
6	306	Lake, River, Canal Intakes	-	-	-
7	307	Wells & Springs	562,944	-	562,944
8	308	Infiltration Galleries	-	-	-
9	309	Raw Water Supply Mains	279,157	-	279,157
10	310	Power Generation Equipment	219,360	-	219,360
11	311	Pumping Equipment	3,147,011	-	3,147,011
12	320	Water Treatment Equipment	369,100	-	369,100
13	320.1	Water Treatment Plants	-	-	-
14	320.2	Solution Chemical Feeders	-	-	-
15	330	Distribution Reservoirs & Standpipes	759,861	-	759,861
16	330.1	Storage Tanks	-	-	-
17	330.2	Pressure Tanks	-	-	-
18	331	Transmission & Distribution Mains	22,339,256	-	22,339,256
19	333	Services	2,768,122	-	2,768,122
20	334	Meters	1,010,366	-	1,010,366
21	335	Hydrants	572,321	-	572,321
22	336	Backflow Prevention Devices	15,855	-	15,855
23	339	Other Plant & Misc Equipment	123,778	-	123,778
24	340	Office Furniture & Equipment	29,265	-	29,265
25	340.1	Computers & Software	76,919	-	76,919
26	341	Transportation Equipment	142,188	-	142,188
27	342	Stores Equipment	-	-	-
28	343	Tools, Shop & Garage Equipment	18,203	-	18,203
29	344	Laboratory Equipment	3,061	-	3,061
30	345	Power Operated Equipment	-	-	-
31	346	Communication Equipment	212,996	-	212,996
32	347	Miscellaneous Equipment	13,128	-	13,128
33	348	Other Tangible Plant	-	-	-
34		Plant Held for Future Use	-	-	-
35					
36		RUCO TOTALS	$ 36,146,219	$ (121,438)	$ 36,024,781
37					
38		Company As Calculated & Filed			36,146,219
39					
40		RUCO Increase/(Decrease) Adj.			$ (121,438)

References: Sch. TJC-5, Pages 1-4, Plant Reconstruction Schedules - Years 2009 Through Feb. 2012

RUCO RATE BASE ADJUSTMENT NO. 1(b)
RECONSTRUCTION OF ACCUMULATED DEPRECIATION

Line No.	NARUC Account No.	Description	Company Accum. Depre. Balance As Filed	RUCO Adjustments	RUCO As Calculated
1	301	Organization Cost	$ -	$ -	$ -
2	302	Franchise Cost	-	-	-
3	303	Land and Land Rights	-	-	-
4	304	Structures & Improvements	(598,813)	337	(598,476)
5	305	Collecting & Impounding Reservoirs	-	-	-
6	306	Lake, River, Canal Intakes	-	-	-
7	307	Wells & Springs	(219,473)	(0)	(219,473)
8	308	Infiltration Galleries	-	-	-
9	309	Raw Water Supply Mains	(43,831)	-	(43,831)
10	310	Power Generation Equipment	(103,188)	(0)	(103,188)
11	311	Pumping Equipment	(2,859,238)	113,110	(2,746,127)
12	320	Water Treatment Equipment	(183,785)	-	(183,785)
13	320.1	Water Treatment Plants	-	-	-
14	320.2	Solution Chemical Feeders	-	-	-
15	330	Distribution Reservoirs & Standpipes	(191,697)	-	(191,697)
16	330.1	Storage Tanks	-	-	-
17	330.2	Pressure Tanks	-	-	-
18	331	Transmission & Distribution Mains	(9,566,814)	-	(9,566,814)
19	333	Services	(869,455)	-	(869,455)
20	334	Meters	(536,110)	-	(536,110)
21	335	Hydrants	(184,803)	(0)	(184,803)
22	336	Backflow Prevention Devices	(2,366)	-	(2,366)
23	339	Other Plant & Misc Equipment	(30,527)	(0)	(30,527)
24	340	Office Furniture & Equipment	(22,865)	100	(22,765)
25	340.1	Computers & Software	(76,919)	-	(76,919)
26	341	Transportation Equipment	(121,824)	803	(121,021)
27	342	Stores Equipment	-	-	-
28	343	Tools, Shop & Garage Equipment	(11,766)	-	(11,766)
29	344	Laboratory Equipment	(3,061)	-	(3,061)
30	345	Power Operated Equipment	-	-	-
31	346	Communication Equipment	(147,813)	(0)	(147,813)
32	347	Miscellaneous Equipment	(10,032)	(0)	(10,032)
33	348	Other Tangible Plant	-	-	-
34		Plant Held for Future Use	-	-	-
35					
36		RUCO TOTALS	$ (15,784,381)	$ 114,351	$ (15,670,030)
37					
38		Company As Calculated & Filed			(15,784,381)
39					
40		RUCO (Increase)/Decrease Adj.			$ 114,351

References: Sch. TJC-5(c), Pages 1-4, Plant Reconstruction Schedules - Years 2009 Through Feb. 2012

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

PLANT RECONSTRUCTION SCHEDULE

				Per Decision 72059			2009								
Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	Plant at 12/31/2008	Accum. Deprec. At 12/31/2008	Net Plant at 12/31/2008	Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%	$ 5,785	-	$ 5,785	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,785	$ -	$ 5,785
2	302	Franchise Cost	0.00%	417	-	417	-	-	-	-	-	-	417	-	417
3	303	Land and Land Rights	0.00%	44,194	-	44,194	-	-	-	-	-	-	44,194	-	44,194
4	304	Structures & Improvements	3.33%	2,732,833	(306,347)	2,426,487	16,449	-	16,449	-	-	91,277	2,749,282	(397,624)	2,351,658
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	563,511	(160,123)	403,388	(1,518)	-	(1,518)	-	-	18,740	561,993	(178,863)	383,130
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	279,153	(26,151)	253,002	-	-	-	-	-	5,583	279,153	(31,735)	247,419
10	310	Power Generation Equipment	5.00%	197,120	(69,734)	127,386	10,000	-	10,000	-	-	10,106	207,120	(79,840)	127,280
11	311	Pumping Equipment	12.50%	2,591,970	(1,882,999)	708,971	224,575	-	224,575	-	-	338,032	2,816,546	(2,221,032)	595,514
12	320	Water Treatment Equipment	3.33%	372,970	(144,799)	228,171	(3,869)	-	(3,869)	-	-	12,355	369,100	(157,154)	211,946
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	759,861	(138,279)	621,581	-	-	-	-	-	16,869	759,861	(155,148)	604,713
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	22,089,150	(8,163,798)	13,925,353	40,046	-	40,046	-	-	442,183	22,129,197	(8,605,981)	13,523,216
19	333	Services	3.33%	2,209,274	(805,963)	1,403,311	123,799	-	123,799	(4,394)	-	75,557	2,328,679	(877,126)	1,451,553
20	334	Meters	8.33%	956,605	(319,684)	636,921	1,871	-	1,871	(5,402)	-	79,538	953,075	(393,820)	559,254
21	335	Hydrants	2.00%	568,577	(148,744)	419,834	-	-	-	-	-	11,372	568,577	(160,115)	408,462
22	336	Backflow Prevention Devices	6.67%	3,848	(385)	3,463	-	-	-	-	-	257	3,848	(642)	3,206
23	339	Other Plant & Misc Equipment	6.67%	121,843	(4,647)	117,197	-	-	-	-	-	8,127	121,843	(12,774)	109,070
24	340	Office Furniture & Equipment	6.67%	22,986	(17,954)	5,032	-	-	-	-	-	1,533	22,986	(19,487)	3,499
25	340.1	Computers & Software	20.00%	76,919	(76,919)	-	-	-	-	-	-	-	76,919	(76,919)	-
26	341	Transportation Equipment	20.00%	218,945	(25,112)	193,833	(78,957)	-	(78,957)	-	-	35,893	139,988	(61,005)	78,983
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	15,035	(9,301)	5,734	-	-	-	-	-	752	15,035	(10,053)	4,982
29	344	Laboratory Equipment	10.00%	3,061	(2,893)	168	-	-	-	-	-	168	3,061	(3,061)	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	218,040	(113,464)	104,577	-	-	-	-	-	21,804	218,040	(135,268)	82,773
32	347	Miscellaneous Equipment	10.00%	7,701	(6,641)	1,060	480	-	480	-	-	794	8,181	(7,435)	746
33	348	Other Tangible Plant	4.00%	-	-	-	-	-	-	-	-	-	-	-	-
34		Plant Held for Future Use		-	-	-	-	-	-	-	-	-	-	-	-
35															
36		RUCO TOTALS		$ 34,059,801	$(12,423,937)	$ 21,635,864	$ 332,877	$ -	$ 332,877	$ (9,796)	$ -	$ 1,170,940	$ 34,382,881	$ (13,585,081)	$ 20,797,800

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

PLANT RECONSTRUCTION SCHEDULE

			2010								
Line No.	NARUC Account No.	Description	Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost			$ -	$ -	$ -	$ -	$ 5,785	$ -	$ 5,785
2	302	Franchise Cost			-	-	-	-	417	-	417
3	303	Land and Land Rights			-	-	-	-	44,194	-	44,194
4	304	Structures & Improvements	2,367		2,367	-	-	91,591	2,751,649	(489,214)	2,262,435
5	305	Collecting & Impounding Reservoirs			-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes			-	-	-	-	-	-	-
7	307	Wells & Springs	897		897	-	-	18,729	562,890	(197,592)	365,298
8	308	Infiltration Galleries			-	-	-	-	-	-	-
9	309	Raw Water Supply Mains			-	-	-	5,583	279,153	(37,318)	241,836
10	310	Power Generation Equipment	10,472		10,472	-	-	10,618	217,592	(90,458)	127,134
11	311	Pumping Equipment	23,210		23,210	-	-	353,519	2,839,756	(2,574,551)	265,205
12	320	Water Treatment Equipment			-	-	-	12,291	369,100	(169,445)	199,655
13	320.1	Water Treatment Plants			-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders			-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes			-	-	-	16,869	759,861	(172,017)	587,844
16	330.1	Storage Tanks			-	-	-	-	-	-	-
17	330.2	Pressure Tanks			-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	20,635		20,635	-	-	442,790	22,149,832	(9,048,771)	13,101,060
19	333	Services	251,427		251,427	(84,388)	-	80,326	2,495,718	(873,064)	1,622,654
20	334	Meters	12,184		12,184	(4,967)	-	79,692	960,292	(468,545)	491,747
21	335	Hydrants			-	-	-	11,372	568,577	(171,487)	397,091
22	336	Backflow Prevention Devices	9,513		9,513	-	-	574	13,361	(1,216)	12,146
23	339	Other Plant & Misc Equipment			-	-	-	8,127	121,843	(20,901)	100,943
24	340	Office Furniture & Equipment			-	-	-	1,533	22,986	(21,020)	1,966
25	340.1	Computers & Software			-	-	-	-	76,919	(76,919)	-
26	341	Transportation Equipment	381		381	-	-	28,036	140,369	(89,041)	51,328
27	342	Stores Equipment			-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment			-	-	-	752	15,035	(10,805)	4,230
29	344	Laboratory Equipment			-	-	-	-	3,061	(3,061)	-
30	345	Power Operated Equipment			-	-	-	-	-	-	-
31	346	Communication Equipment	3,230		3,230	-	-	21,966	221,270	(157,233)	64,037
32	347	Miscellaneous Equipment	4,947		4,947	-	-	1,065	13,128	(8,501)	4,628
33	348	Other Tangible Plant			-	-	-	-	-	-	-
34		Plant Held for Future Use			-	-	-	-	-	-	-
35											
36		RUCO TOTALS	$ 339,262	$ -	$ 339,262	$ (89,355)	$ -	$ 1,185,432	$ 34,632,789	$ (14,681,158)	$ 19,951,631

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

PLANT RECONSTRUCTION SCHEDULE

Line No.	NARUC Account No.	Description	2011 Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,785	$ -	$ 5,785
2	302	Franchise Cost	-	-	-	-	-	-	417	-	417
3	303	Land and Land Rights	-	-	-	-	-	-	44,194	-	44,194
4	304	Structures & Improvements	41,525	-	41,525	-	-	92,321	2,793,174	(581,536)	2,211,638
5	305	Collecting & Impounding Reservoirs	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	632	-	632	-	-	18,755	563,522	(216,347)	347,175
8	308	Infiltration Galleries	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	-	-	-	-	-	5,583	279,153	(42,901)	236,253
10	310	Power Generation Equipment	1,023	-	1,023	-	-	10,905	218,615	(101,363)	117,252
11	311	Pumping Equipment	67,261	-	67,261	-	-	269,409	2,907,017	(2,843,960)	63,057
12	320	Water Treatment Equipment	-	-	-	-	-	12,291	369,100	(181,736)	187,364
13	320.1	Water Treatment Plants	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	-	-	-	-	-	16,869	759,861	(188,886)	570,975
16	330.1	Storage Tanks	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	76,932	-	76,932	-	-	443,766	22,226,764	(9,492,537)	12,734,227
19	333	Services	307,904	-	307,904	(105,260)	-	86,481	2,698,362	(854,285)	1,844,076
20	334	Meters	61,930	-	61,930	(27,767)	-	81,415	994,455	(522,193)	472,262
21	335	Hydrants	3,684	-	3,684	-	-	11,408	572,261	(182,895)	389,366
22	336	Backflow Prevention Devices	2,494	-	2,494	-	-	974	15,855	(2,190)	13,666
23	339	Other Plant & Misc Equipment	3,443	-	3,443	-	-	8,242	125,286	(29,142)	96,144
24	340	Office Furniture & Equipment	554	-	554	-	-	1,552	23,540	(22,572)	969
25	340.1	Computers & Software	-	-	-	-	-	-	76,919	(76,919)	-
26	341	Transportation Equipment	-	-	-	-	-	28,074	140,369	(117,115)	23,254
27	342	Stores Equipment	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	2,437	-	2,437	-	-	813	17,472	(11,618)	5,855
29	344	Laboratory Equipment	-	-	-	-	-	-	3,061	(3,061)	-
30	345	Power Operated Equipment	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	381	-	381	(33,249)	-	20,484	188,402	(144,468)	43,934
32	347	Miscellaneous Equipment	-	-	-	-	-	1,313	13,128	(9,813)	3,315
33	348	Other Tangible Plant	-	-	-	-	-	-	-	-	-
34		Plant Held for Future Use	-	-	-	-	-	-	-	-	-
35											
36		RUCO TOTALS	$ 570,201	$ -	$ 570,201	$ (166,276)	$ -	$ 1,110,655	$ 35,036,714	$ (15,625,537)	$ 19,411,177

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

PLANT RECONSTRUCTION SCHEDULE

Line No.	NARUC Account No.	Description	2012 (2 Months - January 1 through February 29, 2012) Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,785	$ -	$ 5,785
2	302	Franchise Cost	-	-	-	-	-	-	417	-	417
3	303	Land and Land Rights	-	-	-	-	-	-	44,194	-	44,194
4	304	Structures & Improvements	639,756	(121,438)	518,318	-	-	16,940	3,311,492	(598,476)	2,713,016
5	305	Collecting & Impounding Reservoirs	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3,794	(4,372)	(578)	-	-	3,126	562,944	(219,473)	343,471
8	308	Infiltration Galleries	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	4	-	4	-	-	931	279,157	(43,831)	235,326
10	310	Power Generation Equipment	745	-	745	-	-	1,825	219,360	(103,188)	116,172
11	311	Pumping Equipment	351,006	(170)	350,836	(110,842)	-	13,009	3,147,011	(2,746,127)	400,884
12	320	Water Treatment Equipment	-	-	-	-	-	2,049	369,100	(183,785)	185,316
13	320.1	Water Treatment Plants	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	-	-	-	-	-	2,811	759,861	(191,697)	568,163
16	330.1	Storage Tanks	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	118,060	(5,568)	112,492	-	-	74,277	22,339,256	(9,566,814)	12,772,442
19	333	Services	69,760	-	69,760	-	-	15,169	2,768,122	(869,455)	1,898,667
20	334	Meters	15,911	-	15,911	-	-	13,917	1,010,366	(536,110)	474,256
21	335	Hydrants	60	-	60	-	-	1,908	572,321	(184,803)	387,519
22	336	Backflow Prevention Devices	-	-	-	-	-	176	15,855	(2,366)	13,489
23	339	Other Plant & Misc Equipment	6,878	(8,386)	(1,508)	-	-	1,384	123,778	(30,527)	93,252
24	340	Office Furniture & Equipment	5,725	-	5,725	-	-	193	29,265	(22,765)	6,500
25	340.1	Computers & Software	-	-	-	-	-	-	76,919	(76,919)	-
26	341	Transportation Equipment	1,819	-	1,819	-	-	3,906	142,188	(121,021)	21,167
27	342	Stores Equipment	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	731	-	731	-	-	149	18,203	(11,766)	6,437
29	344	Laboratory Equipment	-	-	-	-	-	-	3,061	(3,061)	-
30	345	Power Operated Equipment	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	24,594	-	24,594	-	-	3,345	212,996	(147,813)	65,183
32	347	Miscellaneous Equipment	-	-	-	-	-	219	13,128	(10,032)	3,096
33	348	Other Tangible Plant	-	-	-	-	-	-	-	-	-
34		Plant Held for Future Use	-	-	-	-	-	-	-	-	-
35											
36		RUCO TOTALS	$1,238,843	$ (139,934)	$ 1,098,909	$ (110,842)	$ -	$ 155,334	$36,024,781	$(15,670,030)	$20,354,752

37	Company Plant in Service as Filed	36,146,219	
38	RUCO Increase/(Decrease) Plant in Service Adjustment	$ (121,438)	
39	Company Accumulated Depreciation as Filed		(15,784,381)
40	RUCO (Increase)/Decrease Accumulated Depreciation Adjustment		$ 114,351

RUCO RATE BASE ADJUSTMENT NO. 2(a)
RECLASSIFY WATER & WASTEWATER PLANT ACCOUNTS TO NWWTP

Line No.	NARUC Account No.	Description	Company Plant in Service As Filed	RUCO Adjustments	Note	RUCO As Adjusted
1	301	Organization Cost	$ 5,785	$ -		$ 5,785
2	302	Franchise Cost	417	-		417
3	303	Land and Land Rights	44,194	-		44,194
4	304	Structures & Improvements	3,432,930	-		3,432,930
5	305	Collecting & Impounding Reservoirs	-	-		-
6	306	Lake, River, Canal Intakes	-	-		-
7	307	Wells & Springs	562,944	-		562,944
8	308	Infiltration Galleries	-	-		-
9	309	Raw Water Supply Mains	279,157	-		279,157
10	310	Power Generation Equipment	219,360	-		219,360
11	311	Pumping Equipment	3,147,011	-		3,147,011
12	320	Water Treatment Equipment	369,100	(5,658)	WP's	363,442
13	320.1	Water Treatment Plants	-	-		-
14	320.2	Solution Chemical Feeders	-	-		-
15	330	Distribution Reservoirs & Standpipes	759,861	-		759,861
16	330.1	Storage Tanks	-	-		-
17	330.2	Pressure Tanks	-	-		-
18	331	Transmission & Distribution Mains	22,339,256	-		22,339,256
19	333	Services	2,768,122	-		2,768,122
20	334	Meters	1,010,366	-		1,010,366
21	335	Hydrants	572,321	-		572,321
22	336	Backflow Prevention Devices	15,855	(9,704)	WP's	6,151
23	339	Other Plant & Misc Equipment	123,778	-		123,778
24	340	Office Furniture & Equipment	29,265	-		29,265
25	340.1	Computers & Software	76,919	-		76,919
26	341	Transportation Equipment	142,188	-		142,188
27	342	Stores Equipment	-	-		-
28	343	Tools, Shop & Garage Equipment	18,203	-		18,203
29	344	Laboratory Equipment	3,061	-		3,061
30	345	Power Operated Equipment	-	-		-
31	346	Communication Equipment	212,996	-		212,996
32	347	Miscellaneous Equipment	13,128	-		13,128
33	348	Other Tangible Plant	-	-		-
34		Plant Held for Future Use	-	-		-
35		TOTALS	$ 36,146,219	$ (15,362)		$ 36,130,857
36		Company As Calculated & Filed				36,146,219
37		RUCO Adjustment				$ (15,362)

References: Company B-2 Plant Schedules, Schedules TJC-4 2009 Through 2012, and RUCO NWWTP Reclassification Calculation Adjustme

RUCO RATE BASE ADJUSTMENT NO. 2(b)
RECLASSIFY WATER ACCUMULATED DEPRECIATION TO NWWTP

Line No.	NARUC Account No.	Description	Company Accum. Depre. As Filed	RUCO Adjustments	Note	RUCO As Adjusted
1	301	Organization Cost	$ -	$ -		$ -
2	302	Franchise Cost	-	-		-
3	303	Land and Land Rights	-	-		-
4	304	Structures & Improvements	(598,813)	-		(598,813)
5	305	Collecting & Impounding Reservoirs	-	-		-
6	306	Lake, River, Canal Intakes	-	-		-
7	307	Wells & Springs	(219,473)	-		(219,473)
8	308	Infiltration Galleries	-	-		-
9	309	Raw Water Supply Mains	(43,831)	-		(43,831)
10	310	Power Generation Equipment	(103,188)	-		(103,188)
11	311	Pumping Equipment	(2,859,238)	-		(2,859,238)
12	320	Water Treatment Equipment	(183,785)	502	RT	(183,282)
13	320.1	Water Treatment Plants	-	-		-
14	320.2	Solution Chemical Feeders	-	-		-
15	330	Distribution Reservoirs & Standpipes	(191,697)	-		(191,697)
16	330.1	Storage Tanks	-	-		-
17	330.2	Pressure Tanks	-	-		-
18	331	Transmission & Distribution Mains	(9,566,814)	-		(9,566,814)
19	333	Services	(869,455)	-		(869,455)
20	334	Meters	(536,110)	-		(536,110)
21	335	Hydrants	(184,803)	-		(184,803)
22	336	Backflow Prevention Devices	(2,366)	912	RT	(1,454)
23	339	Other Plant & Misc Equipment	(30,527)	-		(30,527)
24	340	Office Furniture & Equipment	(22,865)	-		(22,865)
25	340.1	Computers & Software	(76,919)	-		(76,919)
26	341	Transportation Equipment	(121,824)	-		(121,824)
27	342	Stores Equipment	-	-		-
28	343	Tools, Shop & Garage Equipment	(11,766)	-		(11,766)
29	344	Laboratory Equipment	(3,061)	-		(3,061)
30	345	Power Operated Equipment	-	-		-
31	346	Communication Equipment	(147,813)	-		(147,813)
32	347	Miscellaneous Equipment	(10,032)	-		(10,032)
33	348	Other Tangible Plant	-	-		-
34		Plant Held for Future Use	-	-		-
35		TOTALS	$ (15,784,381)	$ 1,415		$ (15,782,966)
36		Company As Calculated & Filed				(15,784,381)
37		RUCO Adjustment				$ 1,415

References: Company B-2 Plant Schedules and Company Rebuttal Testimony

RUCO RATE BASE ADJUSTMENT NO. 3(a)
PLANT RETIREMENT PER RUCO DR 11.3

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] RUCO ADJUSTMENTS	[C] RUCO AS ADJUSTED
1	Acct. No. 311	$ 3,147,011	$ (9,757)	$ 3,137,254
2	Accumulated Depreciation	$ 9,757	$ 9,757	$ -

References:
Column [A]: Company Schedule B-2, Page 3.5
Column [B]: Company Reponse to RUCO DR 11.3
Column [C]: Column [A] + Column [B]

RUCO RATE BASE ADJUSTMENT NO. 3(b)
NOT USED FOR WATER DIVISION

RUCO RATE BASE ADJUSTMENT NO. 4(a)
REMOVE AFFILIATE PLANT IN SERVICE PROFITS

Line No.	NARUC Account No.	Description	Company Plant in Service As Filed	RUCO Adjustments	RUCO As Adjusted
1	301	Organization Cost	$ 5,785	$ -	$ 5,785
2	302	Franchise Cost	417	-	417
3	303	Land and Land Rights	44,194	-	44,194
4	304	Structures & Improvements	3,432,930	(35)	3,432,895
5	305	Collecting & Impounding Reservoirs	-	-	-
6	306	Lake, River, Canal Intakes	-	-	-
7	307	Wells & Springs	562,944	(7)	562,937
8	308	Infiltration Galleries	-	-	-
9	309	Raw Water Supply Mains	279,157	-	279,157
10	310	Power Generation Equipment	219,360	-	219,360
11	311	Pumping Equipment	3,147,011	(303)	3,146,708
12	320	Water Treatment Equipment	369,100	-	369,100
13	320.1	Water Treatment Plants	-	-	-
14	320.2	Solution Chemical Feeders	-	-	-
15	330	Distribution Reservoirs & Standpipes	759,861	-	759,861
16	330.1	Storage Tanks	-	-	-
17	330.2	Pressure Tanks	-	-	-
18	331	Transmission & Distribution Mains	22,339,256	(1,363)	22,337,894
19	333	Services	2,768,122	-	2,768,122
20	334	Meters	1,010,366	-	1,010,366
21	335	Hydrants	572,321	-	572,321
22	336	Backflow Prevention Devices	15,855	-	15,855
23	339	Other Plant & Misc Equipment	123,778	-	123,778
24	340	Office Furniture & Equipment	29,265	-	29,265
25	340.1	Computers & Software	76,919	-	76,919
26	341	Transportation Equipment	142,188	-	142,188
27	342	Stores Equipment	-	-	-
28	343	Tools, Shop & Garage Equipment	18,203	-	18,203
29	344	Laboratory Equipment	3,061	-	3,061
30	345	Power Operated Equipment	-	-	-
31	346	Communication Equipment	212,996	-	212,996
32	347	Miscellaneous Equipment	13,128	-	13,128
33	348	Other Tangible Plant	-	-	-
34		Plant Held for Future Use	-	-	-
35		TOTALS	$ 36,146,219	$ (1,708)	$ 36,144,511
36		Company As Calculated & Filed			36,146,219
37		RUCO Adjustment			$ (1,708)

References: Company B-2 Plant Schedules and RRUI's Revised DR Response to Staff MJR 3-13

RUCO RATE BASE ADJUSTMENT NO. 4(b)
REMOVE AFFILIATE ACCUMULATED DEPRECIATION PROFITS

Line No.	NARUC Account No.	Description	Company Plant in Service As Filed	RUCO Adjustments	Note	RUCO As Adjusted
1	301	Organization Cost	$ -	$ -		$ -
2	302	Franchise Cost	-	-		-
3	303	Land and Land Rights	-	-		-
4	304	Structures & Improvements	(598,813)	0	RT	(598,813)
5	305	Collecting & Impounding Reservoirs	-	-		-
6	306	Lake, River, Canal Intakes	-	-		-
7	307	Wells & Springs	(219,473)	0	RT	(219,473)
8	308	Infiltration Galleries	-	-		-
9	309	Raw Water Supply Mains	(43,831)	-		(43,831)
10	310	Power Generation Equipment	(103,188)	-		(103,188)
11	311	Pumping Equipment	(2,859,238)	3	RT	(2,859,235)
12	320	Water Treatment Equipment	(183,785)	-		(183,785)
13	320.1	Water Treatment Plants	-	-		-
14	320.2	Solution Chemical Feeders	-	-		-
15	330	Distribution Reservoirs & Standpipes	(191,697)	-		(191,697)
16	330.1	Storage Tanks	-	-		-
17	330.2	Pressure Tanks	-	-		-
18	331	Transmission & Distribution Mains	(9,566,814)	2	RT	(9,566,812)
19	333	Services	(869,455)	-		(869,455)
20	334	Meters	(536,110)	-		(536,110)
21	335	Hydrants	(184,803)	-		(184,803)
22	336	Backflow Prevention Devices	(2,366)	-		(2,366)
23	339	Other Plant & Misc Equipment	(30,527)	-		(30,527)
24	340	Office Furniture & Equipment	(22,865)	-		(22,865)
25	340.1	Computers & Software	(76,919)	-		(76,919)
26	341	Transportation Equipment	(121,824)	-		(121,824)
27	342	Stores Equipment	-	-		-
28	343	Tools, Shop & Garage Equipment	(11,766)	-		(11,766)
29	344	Laboratory Equipment	(3,061)	-		(3,061)
30	345	Power Operated Equipment	-	-		-
31	346	Communication Equipment	(147,813)	-		(147,813)
32	347	Miscellaneous Equipment	(10,032)	-		(10,032)
33	348	Other Tangible Plant	-	-		-
34		Plant Held for Future Use	-	-		-
35		TOTALS	$ (15,784,381)	$ 6		$(15,784,375)
36		Company As Calculated & Filed				(15,784,381)
37		RUCO Adjustment				$ 6

References: Company B-2 Plant Schedules, RRUI's Revised DR Response to Staff MJR 3-13, and Company Rebuttal Testimony

RUCO RATE BASE ADJUSTMENT NO. 5
ACCUMULATED DEFERRED INCOME TAX ("ADIT")

Deferred Income Tax as of February 29, 2012

Line No.			Water & Sewer Adjusted Book Value	Water & Sewer Tax Value	Probability of Realization of Future Tax Benefit	Deductible TD (Taxable TD) Expected to be Realized	Effective Tax Rate	Future Tax Asset Current	Future Tax Asset Non Current	Future Tax Liability Current	Future Tax Liability Non Current
6		Plant-in-Service	$ 50,247,225 [1]								
7		Accum. Deprec.	(22,012,439) [1]								
8		CIAC - Net	(14,692,881) [3]								
9	Fed.	Fixed Assets	$ 13,541,905	$ 8,955,829 [2]	100.0%	$ (4,586,076)	31.63%		-		(1,450,616)
11	State	Fixed Assets	$ 13,541,905	$ 23,646,536 [2]	100.0%	$ 10,104,631	6.97%		704,091		-
13	Fed &State	AIAC		593,411 [4]	30.0%	$ 178,023 [4]	38.60%		$ 68,715		
16								$ -	$ 772,806	$ -	$ (1,450,616)

Net Asset (Liability)	$ (677,810)
Allocation Factor - Water-Division (based on rate base before ADIT)	0.61878
Net Asset (Liability) Water Division	$ (419,415)
DIT Asset (Liability) per Books	$ -
RUCO's Calculated Amount of ADIT	$ (419,415)
Company's Calculated Amount of ADIT	(405,395)
RUCO Adjustment to ADIT	$ (14,021)

Footnotes - See Schedule TJC-9, page 2 of 2

RUCO RATE BASE ADJUSTMENT NO. 5
ACCUMULATED DEFERRED INCOME TAX ("ADIT")

Line No.		FEDERAL			STATE		
1	[1] **Adjusted per B-2, page 2**						
2	[2] **Computation of Net Tax Value February 29, 2012**						
3	Based on 2011 Tax Depreciation report (December 31, 2011)						
4	Unadjusted Cost per 2011 Tax Depr. Report	$ 28,328,799			$ 28,328,799		
5	Reconciling Items not on tax report:						
6	KPMG CIAC related adjustments (see page 7.2)	(3,942,541)			-		
7	Plant added after 12/31/2011 (see B-2 page 3.4)	3,039,772			3,039,772		
8	Land costs not on tax, on books (see B-2 page 3.4)	51,739			51,739		
9	Reconciling Difference Book vs. Tax (timing) (see page 7.2)	(120,225)			(120,225)		
10					-		
11	Net Unadjusted Cost tax Basis			$ 27,357,544			$ 31,300,085
12							
13	Reductions						
14	Basis Reduction 2011 and Prior Years (from 2011 Tax Depr. Report)	$ (3,066,507)			$ -		
15	KPMG CIAC related adjustments (see workpapers)	1,166,545			-		
16	Accumulated Depreciation 2010 and prior (2011 Tax Depr Report)	(14,334,173)			(6,381,079)		
17	2011 Tax Depreciation (2011 Tax Depr Report)	(1,751,690)			(1,109,895)		
18	2012 Bonus Depreciation Estimate (50% - 2 months)(estimate)	(253,314)			-		
19	2012 Tax Depreciation Estimate (2 months)(estimate)	(162,575)			(162,575)		
20					-		
21	Net Reductions through February 2012			(18,401,715)			(7,653,549)
22	Net tax value of plant-in-service at February 29, 2012			$ 8,955,829			$ 23,646,536
23							
24	[3] **CIAC (including impact of change to probability of realization)**						
25							
26	Gross CIAC per B-2 (Water & Sewer)		$ 25,331,792				
27	CIAC reductions/addtions						
28	A.A per B-2 (Water and Sewer)	$ (11,307,236)					
29	A.A. reductions/addtions	-					
30			(11,307,236)				
31	Net CIAC before unrealized AIAC			$ 14,024,556			
32							
33	Unrealized AIAC Component (Water and Sewer)						
34	Adjusted Net AIAC (see footnote 5 below)		$ 954,749				
35	Unrealized AIAC Component % (1-Realized AIAC Component)		70.0%				
36				$ 668,325			
37	Total realizable CIAC			$ 14,692,881			
38							
39	[4] **AIAC (including impact of change in probability of realization)**						
40	AIAC per B-2 (Water and Sewer)		$ 954,749				
41	AIAC reductions/additions		-				
42	Net AIAC before unrealized portion			$ 954,749			
43	Less: Unrealized AIAC (from Note 4, above)			$ (668,325)			
44	Net realizable AIAC			$ 286,425			
45	Meter and Service Line Installation Charges			306,987			
46	Total AIAC			$ 593,411			

OPERATING INCOME SUMMARY

LINE NO.		[A] COMPANY AS FILED	[B] RUCO TEST YEAR ADJM'TS	[C] RUCO TEST YEAR AS ADJ'TED	[D] RUCO PROP'D CHANGES	[E] RUCO AS RECOMM'D
1	**Operating Revenues**					
2	Metered Water Revenues	$ 2,811,949	$ 10,282	$ 2,822,231	$ 206,273	$ 3,028,504
3	Unmetered Revenues	-	-	-	-	-
4	Other Water Revenues	42,889	-	42,889	-	42,889
5	Total Water Revenues (L2 thru L4)	$ 2,854,838	$ 10,282	$ 2,865,120	$ 206,273	$ 3,071,393
6						
7	**Operating Expenses**					
8	Salaries and Wages	$ 426,012	$ 31,891	$ 457,903	$ -	$ 457,903
9	Purchased Water	-	-	-	-	-
10	Purchased Power	371,378	1,598	372,976	-	372,976
11	Fuel For Power Production	-	-	-	-	-
12	Chemicals	3,884	17	3,901	-	3,901
13	Materials and Supplies	27,517	-	27,517	-	27,517
14	Management Services - US Liberty Water	257,367	-	257,367	-	257,367
15	Management Services - Corporate	133,975	(51,243)	82,732	-	82,732
16	Management Services - Other	15,903	-	15,903	-	15,903
17	Outside Services - Accounting	167	-	167	-	167
18	Outside Services - Engineering	-	-	-	-	-
19	Outside Services- Other	14,205	-	14,205	-	14,205
20	Outside Services- Legal	4,690	-	4,690	-	4,690
21	Water Testing	28,231	(4,410)	23,821	-	23,821
22	Rents - Building	-	-	-	-	-
23	Rents - Equipment	3,208	-	3,208	-	3,208
24	Transportation Expenses	89,305	-	89,305	-	89,305
25	Insurance - General Liability	34,100	-	34,100	-	34,100
26	Insurance - Vehicle	7,733	-	7,733	-	7,733
27	Reg. Comm. Exp. - Other	-	-	-	-	-
28	Reg. Comm. Exp. - Rate Case	87,500	(21,875)	65,625	-	65,625
29	Miscellaneous Expense	85,057	(1,802)	83,255	-	83,255
30	Bad Debt Expense	-	-	-	-	-
31	Depreciation and Amortization Expense	551,222	(202,094)	349,127	-	349,127
32	Taxes Other Than Income	-	-	-	-	-
33	Property Taxes	155,805	(1,848)	153,957	3,708	157,665
34	Income Tax	181,647	133,948	315,596	78,188	393,783
35						
36	Total Operationing Expenses (L8 thru L34)	$ 2,478,906	$ (115,818)	$ 2,363,087	$ 81,896	$ 2,444,983
37						
38	**Operating Income (L5 less L36)**	$ 375,933	$ 126,101	$ 502,033	$ 124,377	$ 626,410

REFERENCES:

Column [A]: Company Schedule C-1
Column [B]: Summation of RUCO's Recommended Adjustment on Schedule TJC-11
Column [C]: Col. A + Col. B
Column [D]: RUCO Proposed Increases/(Decreases) to Revenues & Expenses
Column [E]: Column [C] + Column [D]

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

OPERATING INCOME

Line No		[A] Company Adjusted Test Year *As Filed*	[B] Operating Income Adjustment No. 1 *Depreciation Exp.*	[C] Operating Income Adjustment No. 2 *Property Tax Exp.*	[D] Operating Income Adjustment No. 3 *Rate Case Exp*	[E] Operating Income Adjustment No. 4 6-Inch Bulk Water Sales	[F] Operating Income Adjustment No. 5 Intentionally Left Blank	[G] Operating Income Adjustment No. 6 Intentionally Left Blank	[H] Operating Income Adjustment No. 7 Intentionally Left Blank	[I] Operating Income Adjustment No. 8 Expense Annualization	[J] Operating Income Adjustment No. 9 Water Testing Expense	[K] Operating Income Adjustment No. 10 *Miscellaneous* Expenses	[L] Operating Income Adjustment No. 11 *Achievement / Incentive* Pay
1	**Operating Revenues**												
2	Metered Water Revenues	$ 2,811,949	$ -	$ -	$ -	$ 10,282	$ -	$ -	$ -	$ -	$ -	$ -	$ -
3	Unmetered Revenues	-	-	-	-	-	-	-	-	-	-	-	-
4	Other Water Revenues	42,889	-	-	-	-	-	-	-	-	-	-	-
5	Total Water Revenues (L2 thru L4)	$ 2,854,838	$ -	$ -	$ -	$ 10,282	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6													
7	**Operating Expenses**												
8	Salaries and Wages	$ 426,012	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	*Purchased Water*	-	-	-	-	-	-	-	-	-	-	-	-
10	Purchased Power	371,378	-	-	-	-	-	-	-	-	-	-	-
11	Fuel For Power Production	-	-	-	-	-	-	-	-	1,598	-	-	-
12	Chemicals	3,884	-	-	-	-	-	-	-	-	-	-	-
13	Materials and Supplies	27,517	-	-	-	-	-	-	-	17	-	-	-
14	Management Services - US Liberty Wate	257,367	-	-	-	-	-	-	-	-	-	-	-
15	Management Services - Corporate	133,975	-	-	-	-	-	-	-	-	-	-	-
16	Management Services - Other	15,903	-	-	-	-	-	-	-	-	-	-	-
17	Outside Services - Accounting	167	-	-	-	-	-	-	-	-	-	-	(19,977)
18	Outside Services - *Engineering*	-	-	-	-	-	-	-	-	-	-	-	-
19	Outside Services- Other	14,205	-	-	-	-	-	-	-	-	-	-	-
20	Outside Services- Legal	4,690	-	-	-	-	-	-	-	-	-	-	-
21	Water Testing	28,231	-	-	-	-	-	-	-	-	-	-	-
22	Rents - Building	-	-	-	-	-	-	-	-	-	-	-	-
23	Rents - Equipment	3,208	-	-	-	-	-	-	-	-	(4,410)	-	-
24	Transportation Expenses	89,305	-	-	-	-	-	-	-	-	-	-	-
25	Insurance - General Liability	34,100	-	-	-	-	-	-	-	-	-	-	-
26	Insurance - Vehicle	7,733	-	-	-	-	-	-	-	-	-	-	-
27	Reg. Comm. Exp. - Other	-	-	-	-	-	-	-	-	-	-	-	-
28	Reg. Comm. Exp. - Rate Case	87,500	-	-	(21,875)	-	-	-	-	-	-	-	-
29	Miscellaneous Expense	85,057	-	-	-	-	-	-	-	-	-	-	-
30	Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-
31	Depreciation and Amortization Expense	551,222	(202,094)	-	-	-	-	-	-	-	-	(1,802)	-
32	Taxes Other Than Income	-	-	-	-	-	-	-	-	-	-	-	-
33	Property Taxes	155,805	-	(1,848)	-	-	-	-	-	-	-	-	-
34	Income Tax	181,647	-	-	-	-	-	-	-	-	-	-	-
35													
36	Total Operationing Expenses (L8 thru L34)	$ 2,478,906	$ (202,094)	$ (1,848)	$ (21,875)	$ -	$ -	$ -	$ -	$ 1,615	$ (4,410)	$ (1,802)	$ (19,977)
37													
38	**Operating Income (L5 less L36)**	$ 375,933	$ 202,094	$ 1,848	$ 21,875	$ 10,282	$ -	$ -	$ -	$ (1,615)	$ 4,410	$ 1,802	$ 19,977

REFERENCES:

Adjustment No. 1 - Company Schedule C-1
Adjustment No. 2 - Depreciation Expense Schedule TJC-12
Adjustment No. 3 - Property Tax Expense Schedule TJC-13
Adjustment No. 4 - *Rate Case Expense Schedule TJC-14*
Adjustment No. 5 - Revenue Annualization of 6" Meter Bulk Water Sales for Known and Measurable Sales Sch. TJC-15
Adjustment No. 6 - Intentionally Left Blank for Water Division Schedule TJC-16
Adjustment No. 7 - Revenue Accrual of 6" Meter Bulk Water Sales for Known and Measurable Sales Schedule TJC-17
Adjustment No. 8 - Intentionally Left Blank for Water Division Schedule TJC-18
Adjustment No. 9 - Expense Annualization Related to RUCO's *Revenue Annualization Adjustment No. 4- Schedule TJC-19*
Adjustment No. 10 - Intentionally Left Blank Schedule TJC-20
Adjustment No. 11 - Miscellaneous Expense Schedule TJC-21
Adjustment No. 12 - Achievement/Incentive Pay per Company Response to RUCO DR 1.15 Schedule TJC-22

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

OPERATING INCOME

Line No.		[M] Operating Income Adjustment No. 12 Intentionally Left Blank	[N] Operating Income Adjustment No. 13 Intentionally Left Blank	[O] Operating Income Adjustment No. 14 Intentionally Left Blank	[P] Operating Income Adjustment No. 15 APUC Corporate Allocations	[Q] Operating Income Adjustment No. 16 Employee Benefit Expense	[R] Operating Income Adjustment No. 17 Intentionally Left Blank	[S] Operating Income Adjustment No. 18 Intentionally Left Blank	[T] Operating Income Adjustment No. 19 Intentionally Left Blank	[U] Operating Income Adjustment No. 20 Intentionally Left Blank	[V] Operating Income Adjustment No. 21 Income Tax Expense	[W] RUCO Total Pro Forma Adjustments	[X] Test Year Adjusted Results
1	**Operating Revenues**												
2	Metered Water Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,282	$ 2,822,231
3	Unmetered Revenues	-	-	-	-	-	-	-	-	-	-	-	-
4	Other Water Revenues	-	-	-	-	-	-	-	-	-	-	-	42,889
5	Total Water Revenues (L2 thru L4)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,282	$ 2,865,120
6													
7	**Operating Expenses**												
8	Salaries and Wages	$ -	$ -	$ -	$ -	$ 31,891	$ -	$ -	$ -	$ -	$ -	$ 31,891	$ 457,903
9	Purchased Water	-	-	-	-	-	-	-	-	-	-	-	-
10	Purchased Power	-	-	-	-	-	-	-	-	-	-	1,598	372,976
11	Fuel For Power Production	-	-	-	-	-	-	-	-	-	-	-	-
12	Chemicals	-	-	-	-	-	-	-	-	-	-	17	3,901
13	Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	27,517
14	Management Services - US Liberty Wate	-	-	-	-	-	-	-	-	-	-	-	257,367
15	Management Services - Corporate	-	-	-	(31,266)	-	-	-	-	-	-	(51,243)	82,732
16	Management Services - Other	-	-	-	-	-	-	-	-	-	-	-	15,903
17	Outside Services - Accounting	-	-	-	-	-	-	-	-	-	-	-	167
18	Outside Services - Engineering	-	-	-	-	-	-	-	-	-	-	-	14,205
19	Outside Services- Other	-	-	-	-	-	-	-	-	-	-	-	4,690
20	Outside Services- Legal	-	-	-	-	-	-	-	-	-	-	(4,410)	23,821
21	Water Testing	-	-	-	-	-	-	-	-	-	-	-	3,208
22	Rents - Building	-	-	-	-	-	-	-	-	-	-	-	89,305
23	Rents - Equipment	-	-	-	-	-	-	-	-	-	-	-	34,100
24	Transportation Expenses	-	-	-	-	-	-	-	-	-	-	-	7,733
25	Insurance - General Liability	-	-	-	-	-	-	-	-	-	-	-	-
26	Insurance - Vehicle	-	-	-	-	-	-	-	-	-	-	(21,875)	65,625
27	Reg. Comm. Exp. - Other	-	-	-	-	-	-	-	-	-	-	(1,802)	83,255
28	Reg. Comm. Exp. - Rate Case	-	-	-	-	-	-	-	-	-	-	-	-
29	Miscellaneous Expense	-	-	-	-	-	-	-	-	-	-	(202,094)	349,127
30	Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-
31	Depreciation and Amortization Expense	-	-	-	-	-	-	-	-	-	-	(1,848)	153,957
32	Taxes Other Than Income	-	-	-	-	-	-	-	-	-	-	133,948	315,596
33	Property Taxes	-	-	-	-	-	-	-	-	-	-		
34	Income Tax	-	-	-	-	-	-	-	-	-	-		
35													
36	Total Operationing Expenses (L8 thru L34)	$ -	$ -	$ -	$ (31,266)	$ 31,891	$ -	$ -	$ -	$ -	$ 133,948	$ (115,818)	$ 2,363,087
37													
38	**Operating Income (L5 less L36)**	$ -	$ -	$ -	$ 31,266	$ (31,891)	$ -	$ -	$ -	$ -	$ (133,948)	$ 126,101	$ 502,033

REFERENCES:

Adjustment No. 13 - Intentionally Left Blank Schedule TJC-23
Adjustment No. 14 - APUC Cost Allocations Adjustment Schedule TJC-24
Adjustment No. 15 - Income Tax Expense Adjustments Schedules TJC-15 and TJC-1, page 2
Adjustment No. 16 - Not Used
Adjustment No. 17 - Not Used
Adjustment No. 18 - Not Used
Adjustment No. 19 - Not Used
Adjustment No. 20 - Not Used
Adjustment No. 21 - Not Used
Column [W] - RUCO Total Adjustments
Column [X] - RUCO Recommended Adjusted Test Year Level of Expenses
Column [X] - RUCO Adjusted Test Year Operating Income Recommendations (Col. [A] + Col. [W])

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

OPERATING INCOME ADJUSTMENT NO. 1
DEPRECIATION EXPENSE

Line No.	NARUC Account	Description	Company Adjusted Gross Plant Balance	RUCO Depreciable Plant Adjustments	RUCO Rate Base Adjustments 1(a) - 4(a)	RUCO Recommended Depreciable Balance	Depreciation Rate	RUCO Depreciation Expense Going Forward
1	301	Organization Cost	$ 5,785	$ -	$ -	$ 5,785	0.00%	$ -
2	302	Franchise Cost	417	-	-	417	0.00%	-
3	303	Land and Land Rights	44,194	-	-	44,194	0.00%	-
4	304	Structures & Improvements	3,432,930	-	(121,473)	3,311,457	3.33%	110,272
5	305	Collecting & Impounding Reservoirs	-	-	-	-	2.50%	-
6	306	Lake, River, Canal Intakes	-	-	-	-	2.50%	-
7	307	Wells & Springs	562,944	-	(7)	562,937	3.33%	18,746
8	308	Infiltration Galleries	-	-	-	-	6.67%	-
9	309	Raw Water Supply Mains	279,157	-	-	279,157	2.00%	5,583
10	310	Power Generation Equipment	219,360	-	-	219,360	5.00%	10,968
11	311	Pumping Equipment	3,147,011	(2,733,118)	(303)	413,590	12.50%	51,699
12	320	Water Treatment Equipment	369,100	-	(5,658)	363,442	3.33%	12,103
13	320.1	Water Treatment Plants	-	-	-	-	3.33%	-
14	320.2	Solution Chemical Feeders	-	-	-	-	20.00%	-
15	330	Distribution Reservoirs & Standpipes	759,861	-	-	759,861	2.22%	16,869
16	330.1	Storage Tanks	-	-	-	-	2.22%	-
17	330.2	Pressure Tanks	-	-	-	-	5.00%	-
18	331	Transmission & Distribution Mains	22,339,256	-	(1,363)	22,337,894	2.00%	446,758
19	333	Services	2,768,122	-	-	2,768,122	3.33%	92,178
20	334	Meters	1,010,366	-	-	1,010,366	8.33%	84,163
21	335	Hydrants	572,321	-	-	572,321	2.00%	11,446
22	336	Backflow Prevention Devices	15,855	-	(9,704)	6,151	6.67%	410
23	339	Other Plant & Misc Equipment	123,778	-	-	123,778	6.67%	8,256
24	340	Office Furniture & Equipment	29,265	(22,572)	-	6,694	6.67%	446
25	340.1	Computers & Software	76,919	(76,919)	-	-	20.00%	-
26	341	Transportation Equipment	142,188	(117,115)	-	25,073	20.00%	5,015
27	342	Stores Equipment	-	-	-	-	4.00%	-
28	343	Tools, Shop & Garage Equipment	18,203	-	-	18,203	5.00%	910
29	344	Laboratory Equipment	3,061	(3,061)	-	-	10.00%	-
30	345	Power Operated Equipment	-	-	-	-	5.00%	-
31	346	Communication Equipment	212,996	-	-	212,996	10.00%	21,300
32	347	Miscellaneous Equipment	13,128	-	-	13,128	10.00%	1,313
33	348	Other Tangible Plant	-	-	-	-	10.00%	-
34								
35								
36			$ 36,146,219	$ (2,952,784)	$ (138,508)	$ 33,054,927		$ 898,435
37								
38								
39		Less: Amortization of Contributions				Gross CIAC	Amortization Rate	
40						$ (20,179,119)	2.7222%	
41		RUCO Total Depreciation Expense						(549,307)
42								
43		Company Adjusted Depreciation Expense As Filed						$ 349,128
44								
45		RUCO Increase/(Decrease) Expense Adjustment						551,222
								$ (202,094)

References:
Company B-2 and C-1 Schedules, RUCO Schedule TJC-5 on Pages 5-6, and RUCO Schedule 4(a).

OPERATING INCOME ADJUSTMENT NO. 2
PROPERTY TAXES

LINE NO.	Property Tax Calculation	(A) RUCO AS ADJUSTED	(B) RUCO RECOMMENDED
1	RUCO Adjusted Test Year Revenues - Ended February 29, 2012 Per RUCO Schedule TJC-10	$ 2,865,120	$ 2,865,120
2	Multiplied by 2	2	2
3	Subtotal (Line 1 * Line 2)	$ 5,730,241	$ 5,730,241
4a	RUCO Adjusted Test Year Revenues - Ended February 29, 2012 Per RUCO Schedule TJC-10	2,865,120	
4b	RUCO Recommended Revenue Per RUCO Schedule TJC-9		3,071,393
5	Subtotal (Line 3 + Line 4a)	$ 8,595,361	$ 8,801,634
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	$ 2,865,120	$ 2,933,878
8	Department of Revenue Mutilplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	$ 5,730,241	$ 5,867,756
10	Plus: 10% of CWIP Per Company As Filed	-	-
11	Less: Net Book Value of Licensed Vehicles	21,167	21,167
12	Full Cash Value (Line 9 + Line 10 - Line 11)	$ 5,709,074	$ 5,846,589
13	Assessment Ratio	20.0%	20.0%
14	Assessed Value (Line 12 * Line 13)	$ 1,141,815	$ 1,169,318
15	Composite Property Tax Rate (Per RUCO Effective Property Tax Calculation)	13.4835%	13.4835%
16	RUCO Adjusted Test Year Property Tax Expense (Line 14 * Line 15)	$ 153,957	
17	Company Adjusted Test Year Property Tax Expense (Per Company Schedule C-1)	155,805	
18	RUCO Test Year Adjustment (Line 16-Line 17)	$ (1,848)	
19	Property Tax - RUCO Recommended Revenue (Line 14 * Line 15)		$ 157,665
20	RUCO Test Year Adjusted Property Tax Expense (Line 16)		153,957
21	Increase/(Decrease) to Property Tax Expense		$ 3,708
22	Increase/(Decrease) to Property Tax Expense		$ 3,708
23	Increase in Revenue Requirement		206,273
24	Increase /(Decrease) to Property Tax per Dollar Increase in Revenue (Line 22 / Line 23)		1.7978%

OPERATING INCOME ADJUSTMENT NO. 3
RATE CASE EXPENSE

Line No.			Amount
1	Company Requested Total Amount of Rate Case Expense	$	262,500
2			
3	Company Requested the Expense be Amortized Over a 3-Year Period		3
4			
5	Company's Annual Amortization Expense (L1 / L3)	$	87,500
6			
7	RUCO's Recommended Normalization is Over a 4-Year Period		4
8			
9	RUCO's Recommended Annual Normalization of Rate Case Expense (L1 / L7)	$	65,625
10			
11	RUCO's Recommended Expense Adjustment		(21,875)

OPERATING INCOME ADJUSTMENT NO. 4
REVENUE ANNUALIZATION

Line No.	Meter Size	Class	Company Annualization Present Revenues	RUCO Annualization Adjustments	RUCO Annualization Present Revenues	Additional Bills	Additional Gallons to be Pumped (In 1,000's)
1	5/8X3/4 Inch	Residential	$ (6,796)	$ -	$ (6,796)	(328)	(1,648)
2	5/8X3/4 Inch	Residential (Low Income)	11,550	-	11,550	520	3,196
3	3/4 Inch	Residential	(461)	-	(461)	(16)	(68)
4	1 Inch	Residential	(191)	-	(191)	(4)	(28)
5	1 Inch	Residential (Low Income)	70	-	70	3	-
6	1 1/2 Inch	Residential	1,219	-	1,219	9	235
7	2 Inch	Residential	(260)	-	(260)	(2)	(29)
8		Subtotal	$ 5,132	$ -	$ 5,132	182	1,659
9							
10	5/8X3/4 Inch	Commercial	$ 1,582	$ -	$ 1,582	35	425
11	1 Inch	Commercial	417	-	417	5	92
12	1 1/2 Inch	Commercial	(79)	-	(79)	-	(22)
13	2 Inch	Commercial	(779)	-	(779)	(4)	(147)
14	3 Inch	Commercial	(9,576)	-	(9,576)	(13)	(2,150)
15	4 Inch	Commercial	(1,321)	-	(1,321)	-	(363)
16	6 Inch	Commercial	-	-	-	-	-
17		Subtotal	$ (9,757)	$ -	$ (9,757)	23	(2,164)
18							
19	5/8X3/4 Inch	Industrial	$ 28	$ -	$ 28	-	10
20	2 Inch	Industrial	(13,917)	-	(13,917)	(22)	(3,531)
21		Subtotal	$ (13,889)	$ -	$ (13,889)	(22)	(3,521)
22							
23	5/8X3/4 Inch	Multi-family	$ (35)	$ -	$ (35)	(2)	(9)
24	1 1/2 Inch	Multi-family	-	-	-	-	-
25		Subtotal	$ (35)	$ -	$ (35)	(2)	(9)
26							
27	6 Inch	Bulk	$ -	$ -	$ -	8	6,956
28		Fire Lines up to 8 Inch	318	-	318	58	-
29			$ 318	$ -	$ 318	66	6,956
30							
31							
32	Total Revenue Annualization		$ (18,231)	$ -	$ (18,231)		
33							
34	RUCO Total Revenue Annualization						$ (18,231)
35							
36	Company Revenue Annualization						(18,231)
37							
38							
39	RUCO Increase/(Decrease) Adjustment to Revenue and/or Expense						$ -
40							
41							
42							
43	Total Increase/(Decrease) Gallons to be Produced						2,921

SUPPORTING SCHEDULES
RUCO Schedules TJC-15, pages 2 thru 21 and Company Schedule C-1, page 2.1

Line No.	Month	Gallons Sold In 1,000's	Company Present Rates Amount	RUCO Present Rates Amount
1	Jan. 2012	541	$ 2,428.24	$ 3,140
2	Feb.	404	1,929.56	2,484
3	March	462	2,140.68	2,762
4	April	275	1,460.00	1,866
5	May	578	2,562.92	3,318
6	June	709	3,039.76	3,945
7	July	1,017	4,160.88	5,420
8	August	554	2,475.56	3,203
9	Sept.	465	2,151.60	2,776
10	Oct.	616	2,701.24	3,500
11	Nov.	642	2,795.88	3,624
12	Dec. 2012	693	2,981.52	3,868
13				
14	Totals	6,956	30,827.84	$ 39,907
15				
16				
17	Revenues Per Company Direct As Filed			$ 29,625
18				
19	RUCO Increase in Revenues			$ 10,282

OPERATING INCOME ADJUSTMENT NO. 5
INTENTIONALLY LEFT BLANK USED FOR WASTEWATER DIVISION

Line No.
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OPERATING INCOME ADJUSTMENT NO. 6
REVENUE ACCRUAL

Line No.		
1	Revenue Accrual	
2		
3	Company Revenue Accrual Adjustment	$ 10,308
4		
5	RUCO Revenue Annualialization/Accrual Amount	-
6		
7		
8	RUCO Recommended Accrual Amount	$ 10,308
9		
10	RUCO Adjustment to Revenue and/or Expense	$ -
11		
12		
13		
14		
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18		
19		
20		

OPERATING INCOME ADJUSTMENT NO. 7
INTENTIONALLY LEFT BLANK USED FOR WASTEWATER DIVISION

Line No.
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OPERATING INCOME ADJUSTMENT NO. 8
EXPENSE ANNUALIZATION

Line No.	Expense Annualization	
1	Total Cost of Purchased Power Expense (Company Schedule C-1)	$ 371,378
2		
3	Total Cost of Chemical Expense (Company Schedule C-1)	$ 3,884
4		
5	Total Gallons Sold (In 1,000 Gallons) Per Company Schedule H-2, Page 3.2	678,936
6		
7	Cost of Purchased Power Expense Per 1,000 Gallons (L1 / L5)	0.5470
8		
9	Cost of Chemical Expense Per 1,000 Gallons (L3 / L5)	0.0057
10		
11	Total Revenue Annualization Increase/(Decrease) Gallons to be Produced (RUCO Schedule TJC-15, Page 1 of 21 and Company Schedule H-1, Pa	2,921
12		
13		
14	RUCO Adjustment to Purchased Power Expense (L7 X L11)	$ 1,598
15		
16	RUCO Adjustment to Chemical Expense (L9 X L11)	$ 17

OPERATING INCOME ADJUSTMENT NO. 9
WATER TESTING EXPENSE

Line No.	Description	Amount
1		
2	Water Testing Expense As Filed by the Company	$ 28,231
3		
4	Water Testing Expense As Recommended by Staff	23,821
5		
6	RUCO Increase/(Decrease) to Expense	(4,410)
7		
8		
9		
10		
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20		

OPERATING INCOME ADJUSTMENT NO. 10
MISCELLANEOUS EXPENSE

Line No.	Description	Company Water Division	Company Wastewater Division	RUCO Water Adjustments	RUCO Wastewater Adjustments
1	**Caritable Donations and Sponsorships:**				
2	Rio Rico Little League Per MJR 2-7	$ 1,000	$ -	$ (1,000)	
3	RRUI's 2011 Christmas Party Expenses Per MJR 2-7	802		(802)	
4					
5		$ 1,802	$ -		
6					
7					
8	RUCO Miscellaneous Expense Water Adjustment			(1,802)	
9					
10	RUCO Miscellaneous Expense Wastewater Adjustment				-
11					
12					
13					
14					
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OPERATING INCOME ADJUSTMENT NO. 11
ACHIEVEMENT / INCENTIVE PAY

Line No.	Description	Total RRUI Amount	Amount Allocated to RRUI Water	Amount Allocated to RRUI Wastewater
1	Liberty Utilities Allocations to RRUI:			
2				
3	Shared Bonus Pay ("SBP") Program	$ 8,022	$ 5,446	$ 2,576
4				
5	Short Term Incentive Plan ("STIP")Program	26,700	18,127	8,573
6				
7				
8	Amounts Paid Directly to Employees at RRUI:			
9				
10	Shared Bonus Pay ("SBP") Program	7,034	4,775	2,258
11				
12	Short Term Incentive Plan ("STIP")Program	17,043	11,571	5,472
13				
14	Power of Suggestion Program	-	-	-
15				
16	Spirit of Liberty Award Program	50	34	16
17				
18		58,849	39,953	18,895
19				
20				
21	RUCO Recommends Sharing 50/50 Between Ratepayers and Shareholders		50%	50%
22				
23	RUCO Increase/(Decrease) Expense Adjustment		(19,977)	(9,448)
24				
25				
26				
27	References:			
28	Company's Response to RUCO Data Request 2.13			

OPERATING INCOME ADJUSTMENT NO. 12
NOT USED

Line No.	Description	[A] Amount
1		
2		
3		
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OPERATING INCOME ADJUSTMENT NO. 13
INTENTIONALLY LEFT BLANK

Line No.
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OPERATING INCOME ADJUSTMENT NO. 14
INTENTIONALLY LEFT BLANK

Line No.
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OPERATING INCOME ADJUSTMENT NO. 15
APUC COST ALLOCATIONS

Line No.	Description	[A] Company Requested Cost	[B] Currency Conversion 1.05 CSD -> USD	[C] Company Allocation 9.21% RRUI Water	[D] Company Allocation 3.01% RRUI Sewer	[E] Percentage Amount Allowed	[F] RUCO Recommended Allocations RRUI Water	[G] Company Recommended Allocations RRUI Sewer
1	Audit	$ 136,866	$ 130,348	$ 11,999	$ 3,924	100%	$ 11,999	$ 3,924
2	Tax Services	37,197	35,426	3,261	1,067	100%	3,261	1,067
3	Legal	179,072	170,545	15,699	5,134	100%	15,699	5,134
4	Other Professional Services	86,163	82,060	7,554	2,470	0%	-	-
5	Unit Holder Communications	100,802	96,002	8,837	2,890	0%	-	-
6	Trustee Fees	97,290	92,657	8,529	2,789	0%	-	-
7	Computer	54,904	52,290	4,813	1,574	100%	4,813	1,574
8	Office Expenses	48,404	46,099	4,244	1,388	100%	4,244	1,388
9	Capital Tax	29,167	27,778	2,557	836	0%	-	-
10	Insurance	26,554	25,289	2,328	761	50%	1,164	381
11	Travel	17,146	16,330	1,503	492	100%	1,503	492
12	Vehicle Rental Expense	3,162	3,012	277	91	100%	277	91
13	Accommodation	11,469	10,923	1,005	329	100%	1,005	329
14	Meals and Entertainment	18,516	17,634	1,623	531	100%	1,623	531
15	Parking Mileage	4,284	4,080	376	123	100%	376	123
16	Escrow & Transfer Agent Fees	17,505	16,671	1,535	502	0%	-	-
17	Training	5,450	5,190	478	156	100%	478	156
18	HR Recruitment	6,374	6,070	559	183	100%	559	183
19	Rent	38,137	36,321	3,343	1,093	100%	3,343	1,093
20	Donations	1,638	1,560	144	47	0%	-	-
21	Communications	20,389	19,418	1,788	585	100%	1,788	585
22	Dues and Memberships	10,796	10,282	947	310	0%	-	-
23	Licenses/Fees & Permits	150,573	143,402	13,201	4,317	100%	13,201	4,317
24	APS Overhead Allocation	(8,066)	(7,682)	(707)	(231)	100%	(707)	(231)
25								
26	Total APUC Allocations Per Company and RUCO	$1,093,791	$1,041,705	$ 95,892	$ 31,361		$ 64,626	$ 21,135
27								
28								
29	RUCO Water and Wastewater Division's APUC Cost Allocation Recommendation						64,626	21,135
30								
31	Company Water Division's APUC Cost Allocation Requested						95,892	31,361
32								
33								
34	RUCO Water and Wastewater Division's APUC Cost Allocation Adjustment						$ (31,266)	$ (10,225)
35								
36								
37								
38								
39								
40	Variance by Company Per Response to RUCO DR 3.7			$ (540)	$ (177)			

OPERATING INCOME ADJUSTMENT NO. 16
EMPLOYEE BENEFITS

Line No.	Description	Amount
1	Salaries & Wages As Filed by the Company	$ 426,012
2		
3	Salaries & Wages With Additional Employee Benefits	457,903
4		
5	RUCO Increase/(Decrease) to Expense	$ 31,891
6		
7		
8		
9		
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OPERATING INCOME ADJUSTMENT NO. 15
ADJUSTED TEST YEAR INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAX PER RUCO:		
1	Operating Income Before Taxes	Sch. TJC-9, Col. (C), L38 + L34	$ 817,629
	LESS:		
2	Arizona State Tax	Line 16	56,972
3	Interest Expense	Note (A) Line 27	-
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ 760,657
5	Fed. Tax On 1st Inc. Bracket ($1 - $50,000) @ 15%		$ 7,500
6	Fed. Tax On 2nd Inc. Bracket ($50,001 - $75,000) @ 25%		6,250
7	Fed. Tax On 3rd Inc. Bracket ($75,001 - $100,000) @ 34%		8,500
8	Fed. Tax On 4th Inc. Bracket ($100,001 - $335,000) @ 39%		91,650
9	Fed. Tax On 5th Inc. Bracket ($335,001 - $10M) @ 34%		144,723
10	Total Federal Income Tax Expense (L5 + L6 + L7 + L8 + L9)		$ 258,623
11	Effective Federal Income Tax Rate	Line 10 / Line 4	34.00%
	STATE INCOME TAX PER RUCO:		
12	Operating Income Before Taxes	Line 1	$ 817,629
	LESS:		
13	Interest Expense	Note (A) Line 27	-
14	State Taxable Income	Line 12 - Line 13	$ 817,629
15	State Tax Rate	Sch. TJC-1, pg. 2, Col. [A] L10	6.968%
16	State Income Tax Expense	Line 14 X Line 15	$ 56,972
	RUCO TOTAL INCOME TAX EXPENSE:		
17	Federal Income Tax Expense	Line 10	$ 258,623
18	State Income Tax Expense	Line 16	56,972
19	Total Income Tax Expense Per RUCO	Line17 + Line 18	$ 315,596
20	Total Federal Income Tax Expense Per Company (Company Sch. GRCF, Col. (C), L53		148,856
21	Total State Income Tax Expense Per Company (Company Sch. GRCF, Col. (C), L44)		32,792
22	RUCO Federal Income Tax Adjustment	Line 10 - Line 20	$ 109,768
23	RUCO State Income Tax Adjustment	Line 16 - Line 21	$ 24,181
24	RUCO Total Federal & State Income Tax Adjustment		$ 133,948

NOTE (A):

24	Interest Synchronization:		
25	Adjusted Rate Base (Sch. TJC-2, Col. (C), L23)	$	7,592,850
26	Weighted Cost Of Debt (Sch. TJC-28 Col. [C], L1)		0.00%
27	Interest Expense (L25 X L26)	$	-

COST OF CAPITAL

LINE NO.	DESCRIPTION	[A] CAPITAL RATIO	[B] COST RATE	[C] WEIGHTED COST RATE
1	Long-Term Debt	0.00%	0.00%	0.00%
2				
3	Common Equity	100.00%	8.25%	8.25%
4				
5	Total Capitalization			
6				
7				
8	WEIGHTED AVERAGE COST OF CAPITAL			8.25%

References:
Columns [A] Thru [C]: WAR Testimony

WATER DIVISION
RESIDENTIAL

RIO RICO UTILITIES, INC. - RESIDENTIAL WATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
REVENUE COMPARISON

DOCKET NO. WS-02676A-12-0196
SUUREBUTTAL SCHEDULE TJC-RD 1

LINE NO.	METER SIZE	PERESENT RATES MONTHLY MINIMUM	PERESENT RATES COMMODITY CHARGE	PERESENT RATES TOTAL REVENUE	COMPANY PROPOSED RATES MONTHLY MINIMUM	COMPANY PROPOSED RATES COMMODITY CHARGE	COMPANY PROPOSED RATES TOTAL REVENUE	RUCO RECOMMENDED RATES MONTHLY MINIMUM	RUCO RECOMMENDED RATES COMMODITY CHARGE	RUCO RECOMMENDED RATES TOTAL REVENUE
1	5/8 X 3/4 - INCH	$ 774,090	$ 1,462,021	$ 2,236,111	$ 1,214,010	$ 1,531,936	$ 2,745,946	$ 935,535	$ 1,471,172	$ 2,406,707
2	3/4 - INCH	1,976	1,792	3,768	3,100	1,880	4,980	2,389	1,845	4,234
3	1 - INCH	11,529	14,208	25,737	18,081	14,192	32,273	13,934	13,345	27,278
4	1 1/2 - INCH	2,635	4,283	6,918	4,133	4,130	8,263	3,185	3,926	7,111
5	2 - INCH	3,162	2,144	5,306	4,959	2,217	7,176	3,822	2,158	5,980
6	3 - INCH	-	-	-	-	-	-	-	-	-
7	4 - INCH	-	-	-	-	-	-	-	-	-
8	6 - INCH	-	-	-	-	-	-	-	-	-
9	8 - INCH	-	-	-	-	-	-	-	-	-
10	10 - INCH	-	-	-	-	-	-	-	-	-
11	TOTALS	$ 793,393	$ 1,484,447	$ 2,277,840	$ 1,244,283	$ 1,554,355	$ 2,798,638	$ 958,864	$ 1,492,446	$ 2,451,309
12	PERCENTAGE	34.83%	65.17%	100.00%	44.46%	55.54%	100.00%	39.12%	60.88%	100.00%

RIO RICO UTILITIES, INC. - RESIDENTIAL WATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
RECOMMENDED RATES

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 2

LINE NO.	DESCRIPTION					PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	**RECOMMENDED MONTHLY MINIMUM USAGE CHARGE:**							
2								
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)							
4	5/8 X 3/4 - INCH					$10.98	$17.22	$13.27
5	3/4 - INCH					16.47	25.83	19.91
6	1 - INCH					27.45	43.05	33.18
7	1 1/2 - INCH					54.90	86.10	66.35
8	2 - INCH					87.84	137.76	106.16
9	3 - INCH					175.68	275.52	199.05
10	4 - INCH					274.50	430.50	331.75
11	6 - INCH					549.00	861.00	663.50
12	8 - INCH					878.40	1,377.60	1,327.00
13	10 - INCH					1,262.70	1,980.30	2,654.00
14								
15	**GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:**							
16								
17	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS					0	0	0
18								
19	**RECOMMENDED COMMODITY RATES BY METER SIZE**							
20								
21	5/8 X 3/4 - INCH							
22	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	3,000	GALLONS:	$ 1.59	$ 1.82	$ 1.60
23	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	3,001	TO	9,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
24	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		9,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
25								
26	3/4 - INCH							
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	4,500	GALLONS:	$ 2.92	$ 3.02	$ 2.94
28	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
29	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
30								
31	1 - INCH							
32	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	22,500	GALLONS:	$ 2.92	$ 3.02	$ 2.94
33	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 2.94
34	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ 3.67	$ -
35								
36	1 1/2 - INCH							
37	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	45,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
38	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 2.94
39	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
40								
41	2 - INCH							
42	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	72,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
43	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	72,001	TO	999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
44	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
45								
46	3 - INCH							
47	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	144,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
48	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	144,001	TO	999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
49	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
50								
51	4 - INCH							
52	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	225,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
53	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	225,001	TO	999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
54	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
55								
56	6 - INCH							
57	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	450,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
58	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	450,001	TO	999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
59	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
60								
61	8 - INCH							
62	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	720,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
63	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
64	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
65								
66	10 - INCH							
67	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	1,035,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
68	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
69	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -

RIO RICO UTILITIES, INC. - RESIDENTIAL WATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 3

RUCO RECOMMENDED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$13.27	$19.91	$33.18	$66.35	$106.16	$199.05	$331.75	$663.50	$1,327.00	$2,654.00
2	1,000	14.87	22.85	36.12	69.29	109.10	201.99	334.69	666.44	1,329.94	2,656.94
3	2,000	16.47	25.79	39.06	72.23	112.04	204.93	337.63	669.38	1,332.88	2,659.88
4	3,000	18.07	28.73	42.00	75.17	114.98	207.87	340.57	672.32	1,335.82	2,662.82
5	4,000	21.01	31.67	44.94	78.11	117.92	210.81	343.51	675.26	1,338.76	2,665.76
6	5,000	23.95	34.97	47.88	81.05	120.86	213.75	346.45	678.20	1,341.70	2,668.70
7	6,000	26.89	38.63	50.82	83.99	123.80	216.69	349.39	681.14	1,344.64	2,671.64
8	7,000	29.83	42.29	53.76	86.93	126.74	219.63	352.33	684.08	1,347.58	2,674.58
9	8,000	32.77	45.95	56.70	89.87	129.68	222.57	355.27	687.02	1,350.52	2,677.52
10	9,000	35.71	49.61	59.64	92.81	132.62	225.51	358.21	689.96	1,353.46	2,680.46
11	10,000	39.37	53.27	62.58	95.75	135.56	228.45	361.15	692.90	1,356.40	2,683.40
12	15,000	57.67	71.57	77.28	110.45	150.26	243.15	375.85	707.60	1,371.10	2,698.10
13	20,000	75.97	89.87	91.98	125.15	164.96	257.85	390.55	722.30	1,385.80	2,712.80
14	25,000	94.27	108.17	106.68	139.85	179.66	272.55	405.25	737.00	1,400.50	2,727.50
15	50,000	185.77	199.67	180.18	213.35	253.16	346.05	478.75	810.50	1,474.00	2,801.00
16	75,000	277.27	291.17	253.68	286.85	328.82	419.55	552.25	884.00	1,547.50	2,874.50
17	100,000	368.77	382.67	327.18	360.35	420.32	493.05	625.75	957.50	1,621.00	2,948.00
18	125,000	460.27	474.17	400.68	433.85	511.82	566.55	699.25	1,031.00	1,694.50	3,021.50
19	150,000	551.77	565.67	474.18	507.35	603.32	644.37	772.75	1,104.50	1,768.00	3,095.00
20	175,000	643.27	657.17	547.68	580.85	694.82	735.87	846.25	1,178.00	1,841.50	3,168.50
21	200,000	734.77	748.67	621.18	654.35	786.32	827.37	919.75	1,251.50	1,915.00	3,242.00
22	250,000	917.77	931.67	768.18	801.35	969.32	1,010.37	1,084.75	1,398.50	2,062.00	3,389.00
23	500,000	1,832.77	1,846.67	1,503.18	1,536.35	1,884.32	1,925.37	1,999.75	2,169.50	2,797.00	4,124.00
24	1,000,000	3,662.77	3,676.67	2,973.18	3,006.35	3,714.32	3,755.37	3,829.75	3,999.50	4,468.60	5,594.00
25	2,000,000	7,322.77	7,336.67	5,913.18	5,946.35	7,374.32	7,415.37	7,489.75	7,659.50	8,128.60	9,228.80
26	3,000,000	10,982.77	10,996.67	8,853.18	8,886.35	11,034.32	11,075.37	11,149.75	11,319.50	11,788.60	12,888.80
27	4,000,000	14,642.77	14,656.67	11,793.18	11,826.35	14,694.32	14,735.37	14,809.75	14,979.50	15,448.60	16,548.80
28	5,000,000	18,302.77	18,316.67	14,733.18	14,766.35	18,354.32	18,395.37	18,469.75	18,639.50	19,108.60	20,208.80
29											
30											
31	AVG. NO. OF CUST:	5,875	10	35	4	3	0	0	0	0	0
32											
33	AVG. USE (GAL.):	7,794	4,316	10,705	27,821	19,316					
34	MONTHLY BILL:	$32.16	$32.59	$64.65	$148.14	$162.95					
35											
36	MEDIAN USE (GAL.) :	5,622	2,577	5,455	70,667	16,000					
37	MONTHLY BILL:	$25.78	$27.48	$49.21	$274.11	$153.20					

RIO RICO UTILITIES, INC. - RESIDENTIAL WATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 4

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$2.29	$3.44	$5.73	$11.45	$18.32	$23.37	$57.25	$114.50	$448.60	$1,391.30
2	1,000	2.30	3.46	5.75	11.47	18.34	23.39	57.27	114.52	448.62	1,391.32
3	2,000	2.31	3.48	5.77	11.49	18.36	23.41	57.29	114.54	448.64	1,391.34
4	3,000	2.32	3.50	5.79	11.51	18.38	23.43	57.31	114.56	448.66	1,391.36
5	4,000	2.34	3.52	5.81	11.53	18.40	23.45	57.33	114.58	448.68	1,391.38
6	5,000	2.36	3.90	5.83	11.55	18.42	23.47	57.35	114.60	448.70	1,391.40
7	6,000	2.38	4.64	5.85	11.57	18.44	23.49	57.37	114.62	448.72	1,391.42
8	7,000	2.40	4.66	5.87	11.59	18.46	23.51	57.39	114.64	448.74	1,391.44
9	8,000	2.42	4.68	5.89	11.61	18.48	23.53	57.41	114.66	448.76	1,391.46
10	9,000	2.44	4.70	5.91	11.63	18.50	23.55	57.43	114.68	448.78	1,391.48
11	10,000	2.46	4.72	5.93	11.65	18.52	23.57	57.45	114.70	448.80	1,391.50
12	15,000	2.56	4.82	6.03	11.75	18.62	23.67	57.55	114.80	448.90	1,391.60
13	20,000	2.66	4.92	2.53	11.85	18.72	23.77	57.65	114.90	449.00	1,391.70
14	25,000	2.76	5.02	(0.97)	8.35	18.82	23.87	57.75	115.00	449.10	1,391.80
15	50,000	3.26	5.52	(18.47)	(9.15)	19.32	24.37	58.25	115.50	449.60	1,392.30
16	75,000	3.76	6.02	(35.97)	(26.65)	9.02	11.91	45.79	116.00	450.10	1,392.80
17	100,000	4.26	6.52	(53.47)	(44.15)	9.52	(5.59)	28.29	116.50	450.60	1,393.30
18	125,000	4.76	7.02	(70.97)	(61.65)	10.02	(23.09)	10.79	117.00	451.10	1,393.80
19	150,000	5.26	7.52	(88.47)	(79.15)	10.52	(36.27)	(6.71)	99.50	433.60	1,376.30
20	175,000	5.76	8.02	(105.97)	(96.65)	11.02	(35.77)	(24.21)	82.00	416.10	1,358.80
21	200,000	6.26	8.52	(123.47)	(114.15)	11.52	(35.27)	(41.71)	64.50	398.60	1,341.30
22	250,000	7.26	9.52	(158.47)	(149.15)	12.52	(34.27)	(58.71)	29.50	363.60	1,306.30
23	500,000	12.26	14.52	(333.47)	(324.15)	17.52	(29.27)	(53.71)	(109.50)	188.60	1,131.30
24	1,000,000	22.26	24.52	(683.47)	(674.15)	27.52	(19.27)	(43.71)	(99.50)	40.20	781.30
25	2,000,000	42.26	44.52	(1,383.47)	(1,374.15)	47.52	0.73	(23.71)	(79.50)	60.20	776.10
26	3,000,000	62.26	64.52	(2,083.47)	(2,074.15)	67.52	20.73	(3.71)	(59.50)	80.20	796.10
27	4,000,000	82.26	84.52	(2,783.47)	(2,774.15)	87.52	40.73	16.29	(39.50)	100.20	816.10
28	5,000,000	102.26	104.52	(3,483.47)	(3,474.15)	107.52	60.73	36.29	(19.50)	120.20	836.10
29											
30											
31	AVG. NO. OF CUST:	5,875	10	35	4	3	0	0	0	0	0
32											
33	AVG. USE (GAL.):	7,794	4,316	10,705	27,821	19,316	0	0	0	0	0
34	MONTHLY BILL:	$2.41	$3.52	$5.94	$6.37	$18.71					
35											
36	MEDIAN USE (GAL.) :	5,622	2,577	5,455	70,667	16,000	0	0	0	0	0
37	MONTHLY BILL:	$2.37	$3.49	$5.83	($23.62)	$18.64					

WATER DIVISION
RESIDENTIAL
LOW-INCOME

RIO RICO UTILITIES, INC. - RESIDENTIAL (LOW INCOME) CUSTOMERS
Docket No. WS-02676A-12-0196
REVENUE COMPARISON

DOCKET NO. WS-02676A-12-0196
SUUREBUTTAL SCHEDULE TJC-RD 1

LINE NO.	METER SIZE	PERESENT RATES MONTHLY MINIMUM	PERESENT RATES COMMODITY CHARGE	PERESENT RATES TOTAL REVENUE	COMPANY PROPOSED RATES MONTHLY MINIMUM	COMPANY PROPOSED RATES COMMODITY CHARGE	COMPANY PROPOSED RATES TOTAL REVENUE	RUCO RECOMMENDED RATES MONTHLY MINIMUM	RUCO RECOMMENDED RATES COMMODITY CHARGE	RUCO RECOMMENDED RATES TOTAL REVENUE
1	5/8 X 3/4 - INCH	$ 16,424	$ 28,589	$ 45,013	$ 25,758	$ 30,210	$ 55,968	$ 16,872	$ 24,458	$ 41,330
2	3/4 - INCH	-	-	-	-	-	-	-	-	-
3	1 - INCH	292	207	500	458	214	673	300	177	478
4	1 1/2 - INCH	-	-	-	-	-	-	-	-	-
5	2 - INCH	-	-	-	-	-	-	-	-	-
6	3 - INCH	-	-	-	-	-	-	-	-	-
7	4 - INCH	-	-	-	-	-	-	-	-	-
8	6 - INCH	-	-	-	-	-	-	-	-	-
9	8 - INCH	-	-	-	-	-	-	-	-	-
10	10 - INCH	-	-	-	-	-	-	-	-	-
11	TOTALS	$ 16,716	$ 28,796	$ 45,513	$ 26,216	$ 30,424	$ 56,640	$ 17,172	$ 24,636	$ 41,808
12	PERCENTAGE	36.73%	63.27%	100.00%	46.29%	53.71%	100.00%	41.07%	58.93%	100.00%

RIO RICO UTILITIES, INC. - RESIDENTIAL (LOW INCOME) CUSTOMERS
Docket No. WS-02676A-12-0196
RECOMMENDED RATES

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 2

LINE NO.	DESCRIPTION					PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	**RECOMMENDED MONTHLY MINIMUM USAGE CHARGE:**							
2								
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)							
4	5/8 X 3/4 - INCH					$10.98	$17.22	$11.28
5	3/4 - INCH					16.47	25.83	16.92
6	1 - INCH					27.45	43.05	28.20
7	1 1/2 - INCH					54.90	86.10	56.40
8	2 - INCH					87.84	137.76	90.24
9	3 - INCH					175.68	275.52	169.19
10	4 - INCH					274.50	430.50	281.99
11	6 - INCH					549.00	861.00	563.98
12	8 - INCH					878.40	1,377.60	1,127.95
13	10 - INCH					1,262.70	1,980.30	2,255.90
14								
15	**GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:**							
16								
17	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS					0	0	0
18								
19	**RECOMMENDED COMMODITY RATES BY METER SIZE**							
20								
21	5/8 X 3/4 - INCH							
22	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	3,000	GALLONS:	$ 1.59	$ 1.82	$ 1.36
23	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	3,001	TO	9,000	GALLONS:	$ 2.92	$ 3.02	$ 2.50
24	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		9,000	GALLONS:	$ 3.64	$ 3.67	$ 3.11
25								
26	3/4 - INCH							
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	4,500	GALLONS:	$ 2.92	$ 3.02	$ 2.50
28	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.11
29	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
30								
31	1 - INCH							
32	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	22,500	GALLONS:	$ 2.92	$ 3.02	$ 2.50
33	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.11
34	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ 3.67	$ -
35								
36	1 1/2 - INCH							
37	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	45,000	GALLONS:	$ 2.92	$ 3.02	$ 2.50
38	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.11
39	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
40								
41	2 - INCH							
42	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	72,000	GALLONS:	$ 2.92	$ 3.02	$ 2.50
43	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	72,001	TO	999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.11
44	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
45								
46	3 - INCH							
47	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	144,000	GALLONS:	$ 2.92	$ 3.02	$ 2.50
48	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	144,001	TO	999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.11
49	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
50								
51	4 - INCH							
52	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	225,000	GALLONS:	$ 2.92	$ 3.02	$ 2.50
53	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	225,001	TO	999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.11
54	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
55								
56	6 - INCH							
57	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	450,000	GALLONS:	$ 2.92	$ 3.02	$ 2.50
58	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	450,001	TO	999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.11
59	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
60								
61	8 - INCH							
62	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	720,000	GALLONS:	$ 2.92	$ 3.02	$ 2.50
63	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.11
64	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
65								
66	10 - INCH							
67	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	1,035,000	GALLONS:	$ 2.92	$ 3.02	$ 2.50
68	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.11
69	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -

RIO RICO UTILITIES, INC. - RESIDENTIAL (LOW INCOME) CUSTOMERS
Docket No. WS-02676A-12-0196
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 3

RUCO RECOMMENDED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$11.28	$16.92	$28.20	$56.40	$90.24	$169.19	$281.99	$563.98	$1,127.95	$2,255.90
2	1,000	12.64	19.42	30.70	58.90	92.74	171.69	284.49	566.47	1,130.45	2,258.40
3	2,000	14.00	21.92	33.20	61.40	95.23	174.19	286.99	568.97	1,132.95	2,260.90
4	3,000	15.36	24.42	35.70	63.89	97.73	176.69	289.48	571.47	1,135.45	2,263.40
5	4,000	17.86	26.92	38.19	66.39	100.23	179.19	291.98	573.97	1,137.95	2,265.90
6	5,000	20.36	29.72	40.69	68.89	102.73	181.69	294.48	576.47	1,140.45	2,268.40
7	6,000	22.86	32.83	43.19	71.39	105.23	184.19	296.98	578.97	1,142.94	2,270.89
8	7,000	25.36	35.94	45.69	73.89	107.73	186.69	299.48	581.47	1,145.44	2,273.39
9	8,000	27.85	39.05	48.19	76.39	110.23	189.18	301.98	583.97	1,147.94	2,275.89
10	9,000	30.35	42.16	50.69	78.89	112.73	191.68	304.48	586.47	1,150.44	2,278.39
11	10,000	33.46	45.28	53.19	81.39	115.23	194.18	306.98	588.97	1,152.94	2,280.89
12	15,000	49.02	60.83	65.68	93.88	127.72	206.68	319.47	601.46	1,165.44	2,293.39
13	20,000	64.57	76.39	78.18	106.38	140.22	219.17	331.97	613.96	1,177.93	2,305.88
14	25,000	80.13	91.94	92.20	118.87	152.71	231.67	344.46	626.45	1,190.43	2,318.38
15	50,000	157.90	169.72	169.98	184.41	215.19	294.14	406.94	688.93	1,252.90	2,380.85
16	75,000	235.68	247.49	247.75	262.18	279.50	356.62	469.41	751.40	1,315.38	2,443.33
17	100,000	313.45	325.27	325.53	339.96	357.27	419.09	531.89	813.88	1,377.85	2,505.80
18	125,000	391.23	403.04	403.30	417.73	435.05	481.57	594.36	876.35	1,440.33	2,568.28
19	150,000	469.00	480.82	481.08	495.51	512.82	547.71	656.84	938.83	1,502.80	2,630.75
20	175,000	546.78	558.59	558.85	573.28	590.60	625.49	719.31	1,001.30	1,565.28	2,693.23
21	200,000	624.55	636.37	636.63	651.06	668.37	703.26	781.79	1,063.78	1,627.75	2,755.70
22	250,000	780.10	791.92	792.18	806.61	823.92	858.81	922.04	1,188.73	1,752.70	2,880.65
23	500,000	1,557.85	1,569.67	1,569.93	1,584.36	1,601.67	1,636.56	1,699.79	1,844.08	2,377.45	3,505.40
24	1,000,000	3,113.35	3,125.17	3,125.43	3,139.86	3,157.17	3,192.06	3,255.29	3,399.58	3,798.31	4,754.90
25	2,000,000	6,224.35	6,236.17	6,236.43	6,250.86	6,268.17	6,303.06	6,366.29	6,510.58	6,909.31	7,844.48
26	3,000,000	9,335.35	9,347.17	9,347.43	9,361.86	9,379.17	9,414.06	9,477.29	9,621.58	10,020.31	10,955.48
27	4,000,000	12,446.35	12,458.17	12,458.43	12,472.86	12,490.17	12,525.06	12,588.29	12,732.58	13,131.31	14,066.48
28	5,000,000	15,557.35	15,569.17	15,569.43	15,583.86	15,601.17	15,636.06	15,699.29	15,843.58	16,242.31	17,177.48
29											
30											
31	AVG. NO. OF CUST:	139	0	1	0	0	0	0	0	0	0
32											
33	AVG. USE (GAL.):	7,658		6,667							
34	MONTHLY BILL:	$27.00		$44.86							
35											
36	MEDIAN USE (GAL.) :	8,651		6,667							
37	MONTHLY BILL:	$29.48		$44.86							

RIO RICO UTILITIES, INC. - RESIDENTIAL (LOW INCOME) CUSTOMERS
Docket No. WS-02676A-12-0196
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 4

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$0.30	$0.45	$0.75	$1.50	$2.40	($6.49)	$7.49	$14.98	$249.55	$993.20
2	1,000	0.07	0.03	0.33	1.08	1.98	(6.91)	7.07	14.55	249.13	992.78
3	2,000	(0.16)	(0.39)	(0.09)	0.66	1.55	(7.33)	6.65	14.13	248.71	992.36
4	3,000	(0.39)	(0.81)	(0.51)	0.23	1.13	(7.75)	6.22	13.71	248.29	991.94
5	4,000	(0.81)	(1.23)	(0.94)	(0.19)	0.71	(8.17)	5.80	13.29	247.87	991.52
6	5,000	(1.23)	(1.35)	(1.36)	(0.61)	0.29	(8.59)	5.38	12.87	247.45	991.10
7	6,000	(1.65)	(1.16)	(1.78)	(1.03)	(0.13)	(9.01)	4.96	12.45	247.02	990.67
8	7,000	(2.07)	(1.69)	(2.20)	(1.45)	(0.55)	(9.43)	4.54	12.03	246.60	990.25
9	8,000	(2.50)	(2.22)	(2.62)	(1.87)	(0.97)	(9.86)	4.12	11.61	246.18	989.83
10	9,000	(2.92)	(2.75)	(3.04)	(2.29)	(1.39)	(10.28)	3.70	11.19	245.76	989.41
11	10,000	(3.45)	(3.27)	(3.46)	(2.71)	(1.81)	(10.70)	3.28	10.77	245.34	988.99
12	15,000	(6.09)	(5.92)	(5.57)	(4.82)	(3.92)	(12.80)	1.17	8.66	243.24	986.89
13	20,000	(8.74)	(8.56)	(11.27)	(6.92)	(6.02)	(14.91)	(0.93)	6.56	241.13	984.78
14	25,000	(11.38)	(11.21)	(15.45)	(12.63)	(8.13)	(17.01)	(3.04)	4.45	239.03	982.68
15	50,000	(24.61)	(24.43)	(28.67)	(38.09)	(18.65)	(27.54)	(13.56)	(6.07)	228.50	972.15
16	75,000	(37.83)	(37.66)	(41.90)	(51.32)	(40.30)	(51.02)	(37.05)	(16.60)	217.98	961.63
17	100,000	(51.06)	(50.88)	(55.12)	(64.54)	(53.53)	(79.55)	(65.57)	(27.12)	207.45	951.10
18	125,000	(64.28)	(64.11)	(68.35)	(77.77)	(66.75)	(108.07)	(94.10)	(37.65)	196.93	940.58
19	150,000	(77.51)	(77.33)	(81.57)	(90.99)	(79.98)	(132.93)	(122.62)	(66.17)	168.40	912.05
20	175,000	(90.73)	(90.56)	(94.80)	(104.22)	(93.20)	(146.15)	(151.15)	(94.70)	139.88	883.53
21	200,000	(103.96)	(103.78)	(108.02)	(117.44)	(106.43)	(159.38)	(179.67)	(123.22)	111.35	855.00
22	250,000	(130.41)	(130.23)	(134.47)	(143.89)	(132.88)	(185.83)	(221.42)	(180.27)	54.30	797.95
23	500,000	(262.66)	(262.48)	(266.72)	(276.14)	(265.13)	(318.08)	(353.67)	(434.92)	(230.95)	512.70
24	1,000,000	(527.16)	(526.98)	(531.22)	(540.64)	(529.63)	(582.58)	(618.17)	(699.42)	(630.09)	(57.80)
25	2,000,000	(1,056.16)	(1,055.98)	(1,060.22)	(1,069.64)	(1,058.63)	(1,111.58)	(1,147.17)	(1,228.42)	(1,159.09)	(608.22)
26	3,000,000	(1,585.16)	(1,584.98)	(1,589.22)	(1,598.64)	(1,587.63)	(1,640.58)	(1,676.17)	(1,757.42)	(1,688.09)	(1,137.22)
27	4,000,000	(2,114.16)	(2,113.98)	(2,118.22)	(2,127.64)	(2,116.63)	(2,169.58)	(2,205.17)	(2,286.42)	(2,217.09)	(1,666.22)
28	5,000,000	(2,643.16)	(2,642.98)	(2,647.22)	(2,656.64)	(2,645.63)	(2,698.58)	(2,734.17)	(2,815.42)	(2,746.09)	(2,195.22)
29											
30											
31	AVG. NO. OF CUST:	139	0	1	0	0	0	0	0	0	0
32											
33	AVG. USE (GAL.):	7,658	0	6,667	0	0	0	0	0	0	0
34	MONTHLY BILL:	($2.35)		($2.06)							
35											
36	MEDIAN USE (GAL.) :	8,651	0	6,667	0	0	0	0	0	0	0
37	MONTHLY BILL:	($2.77)		($2.06)							

WATER DIVISION
COMMERCIAL

RIO RICO UTILITIES, INC. - COMMERCIAL CUSTOMERS
Docket No. WS-02676A-12-0196
REVENUE COMPARISON

DOCKET NO. WS-02676A-12-0196
SUUREBUTTAL SCHEDULE TJC-RD 1

LINE NO.	METER SIZE	PERESENT RATES MONTHLY MINIMUM	PERESENT RATES COMMODITY CHARGE	PERESENT RATES TOTAL REVENUE	COMPANY PROPOSED RATES MONTHLY MINIMUM	COMPANY PROPOSED RATES COMMODITY CHARGE	COMPANY PROPOSED RATES TOTAL REVENUE	RUCO RECOMMENDED RATES MONTHLY MINIMUM	RUCO RECOMMENDED RATES COMMODITY CHARGE	RUCO RECOMMENDED RATES TOTAL REVENUE
1	5/8 X 3/4 - INCH	$ 10,936	$ 27,119	$ 38,055	$ 17,151	$ 27,923	$ 45,074	$ 13,217	$ 27,279	$ 40,496
2	3/4 - INCH	-	-	-	-	-	-	-	-	-
3	1 - INCH	16,141	29,945	46,085	25,313	29,845	55,159	19,507	29,350	48,857
4	1 1/2 - INCH	6,588	9,846	16,434	10,332	9,588	19,920	7,962	9,428	17,390
5	2 - INCH	45,325	64,387	109,713	71,084	65,090	136,174	54,779	63,826	118,604
6	3 - INCH	23,190	88,465	111,655	36,369	87,808	124,177	26,275	87,091	113,366
7	4 - INCH	19,764	63,728	83,492	30,996	59,836	90,832	23,886	58,886	82,772
8	6 - INCH	6,588	19,035	25,623	10,332	17,485	27,817	7,962	17,141	25,103
9	8 - INCH	-	-	-	-	-	-	-	-	-
10	10 - INCH	-	-	-	-	-	-	-	-	-
11	TOTALS	$ 128,532	$ 302,525	$ 431,057	$ 201,577	$ 297,575	$ 499,152	$ 153,587	$ 293,002	$ 446,589
12	PERCENTAGE	29.82%	70.18%	100.00%	40.38%	59.62%	100.00%	34.39%	65.61%	100.00%

RIO RICO UTILITIES, INC. - COMMERCIAL CUSTOMERS
Docket No. WS-02676A-12-0196
RECOMMENDED RATES

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 2

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	**RECOMMENDED MONTHLY MINIMUM USAGE CHARGE:**			
2				
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)			
4	5/8 X 3/4 - INCH	$10.98	$17.22	$13.27
5	3/4 - INCH	16.47	25.83	19.91
6	1 - INCH	27.45	43.05	33.18
7	1 1/2 - INCH	54.90	86.10	66.35
8	2 - INCH	87.84	137.76	106.16
9	3 - INCH	175.68	275.52	199.05
10	4 - INCH	274.50	430.50	331.75
11	6 - INCH	549.00	861.00	663.50
12	8 - INCH	878.40	1,377.60	1,327.00
13	10 - INCH	1,262.70	1,980.30	2,654.00
14				
15	**GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:**			
16				
17	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	0	0	0
18				
19	**RECOMMENDED COMMODITY RATES BY METER SIZE**			
20				
21	5/8 X 3/4 - INCH			
22	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 3,000 GALLONS:	$ 1.59	$ 1.82	$ 1.60
23	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 3,001 TO 9,000 GALLONS:	$ 2.92	$ 3.02	$ 2.94
24	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 9,000 GALLONS:	$ 3.64	$ 3.67	$ 3.66
25				
26	3/4 - INCH			
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 4,500 GALLONS:	$ 2.92	$ 3.02	$ 2.94
28	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 3.64	$ 3.67	$ 3.66
29	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
30				
31	1 - INCH			
32	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 22,500 GALLONS:	$ 2.92	$ 3.02	$ 2.94
33	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 3.64	$ 3.67	$ 3.66
34	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ 3.67	$ -
35				
36	1 1/2 - INCH			
37	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 45,000 GALLONS:	$ 2.92	$ 3.02	$ 2.94
38	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 3.64	$ 3.67	$ 3.66
39	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
40				
41	2 - INCH			
42	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 72,000 GALLONS:	$ 2.92	$ 3.02	$ 2.94
43	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 72,001 TO 999,999,999,999,999,000 GALLONS:	$ 3.64	$ 3.67	$ 3.66
44	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
45				
46	3 - INCH			
47	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 144,000 GALLONS:	$ 2.92	$ 3.02	$ 2.94
48	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 144,001 TO 999,999,999,999,999,000 GALLONS:	$ 3.64	$ 3.67	$ 3.66
49	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
50				
51	4 - INCH			
52	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 225,000 GALLONS:	$ 2.92	$ 3.02	$ 2.94
53	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 225,001 TO 999,999,999,999,999,000 GALLONS:	$ 3.64	$ 3.67	$ 3.66
54	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
55				
56	6 - INCH			
57	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 450,000 GALLONS:	$ 2.92	$ 3.02	$ 2.94
58	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 450,001 TO 999,999,999,999,999,000 GALLONS:	$ 3.64	$ 3.67	$ 3.66
59	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
60				
61	8 - INCH			
62	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 720,000 GALLONS:	$ 2.92	$ 3.02	$ 2.94
63	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 3.64	$ 3.67	$ 3.66
64	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
65				
66	10 - INCH			
67	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 1,035,000 GALLONS:	$ 2.92	$ 3.02	$ 2.94
68	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 3.64	$ 3.67	$ 3.66
69	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -

RIO RICO UTILITIES, INC. - COMMERCIAL CUSTOMERS
Docket No. WS-02676A-12-0196
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 3

RUCO RECOMMENDED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$13.27	$19.91	$33.18	$66.35	$106.16	$199.05	$331.75	$663.50	$1,327.00	$2,654.00
2	1,000	14.87	22.85	36.12	69.29	109.10	201.99	334.69	666.44	1,329.94	2,656.94
3	2,000	16.47	25.79	39.06	72.23	112.04	204.93	337.63	669.38	1,332.88	2,659.88
4	3,000	18.07	28.73	42.00	75.17	114.98	207.87	340.57	672.32	1,335.82	2,662.82
5	4,000	21.01	31.67	44.94	78.11	117.92	210.81	343.51	675.26	1,338.76	2,665.76
6	5,000	23.95	34.97	47.88	81.05	120.86	213.75	346.45	678.20	1,341.70	2,668.70
7	6,000	26.89	38.63	50.82	83.99	123.80	216.69	349.39	681.14	1,344.64	2,671.64
8	7,000	29.83	42.29	53.76	86.93	126.74	219.63	352.33	684.08	1,347.58	2,674.58
9	8,000	32.77	45.95	56.70	89.87	129.68	222.57	355.27	687.02	1,350.52	2,677.52
10	9,000	35.71	49.61	59.64	92.81	132.62	225.51	358.21	689.96	1,353.46	2,680.46
11	10,000	39.37	53.27	62.58	95.75	135.56	228.45	361.15	692.90	1,356.40	2,683.40
12	15,000	57.67	71.57	77.28	110.45	150.26	243.15	375.85	707.60	1,371.10	2,698.10
13	20,000	75.97	89.87	91.98	125.15	164.96	257.85	390.55	722.30	1,385.80	2,712.80
14	25,000	94.27	108.17	108.48	139.85	179.66	272.55	405.25	737.00	1,400.50	2,727.50
15	50,000	185.77	199.67	199.98	216.95	253.16	346.05	478.75	810.50	1,474.00	2,801.00
16	75,000	277.27	291.17	291.48	308.45	328.82	419.55	552.25	884.00	1,547.50	2,874.50
17	100,000	368.77	382.67	382.98	399.95	420.32	493.05	625.75	957.50	1,621.00	2,948.00
18	125,000	460.27	474.17	474.48	491.45	511.82	566.55	699.25	1,031.00	1,694.50	3,021.50
19	150,000	551.77	565.67	565.98	582.95	603.32	644.37	772.75	1,104.50	1,768.00	3,095.00
20	175,000	643.27	657.17	657.48	674.45	694.82	735.87	846.25	1,178.00	1,841.50	3,168.50
21	200,000	734.77	748.67	748.98	765.95	786.32	827.37	919.75	1,251.50	1,915.00	3,242.00
22	250,000	917.77	931.67	931.98	948.95	969.32	1,010.37	1,084.75	1,398.50	2,062.00	3,389.00
23	500,000	1,832.77	1,846.67	1,846.98	1,863.95	1,884.32	1,925.37	1,999.75	2,169.50	2,797.00	4,124.00
24	1,000,000	3,662.77	3,676.67	3,676.98	3,693.95	3,714.32	3,755.37	3,829.75	3,999.50	4,468.60	5,594.00
25	2,000,000	7,322.77	7,336.67	7,336.98	7,353.95	7,374.32	7,415.37	7,489.75	7,659.50	8,128.60	9,228.80
26	3,000,000	10,982.77	10,996.67	10,996.98	11,013.95	11,034.32	11,075.37	11,149.75	11,319.50	11,788.60	12,888.80
27	4,000,000	14,642.77	14,656.67	14,656.98	14,673.95	14,694.32	14,735.37	14,809.75	14,979.50	15,448.60	16,548.80
28	5,000,000	18,302.77	18,316.67	18,316.98	18,333.95	18,354.32	18,395.37	18,469.75	18,639.50	19,108.60	20,208.80
29											
30											
31	AVG. NO. OF CUST:	83	0	49	10	43	11	6	1	0	0
32											
33	AVG. USE (GAL.):	8,995	0	15,566	24,508	39,263	173,138	253,431	457,917	0	0
34	MONTHLY BILL:	$35.69	$19.91	$78.94	$138.40	$221.59	$729.05	$1,097.31	$2,015.48	$1,327.00	$2,654.00
35											
36	MEDIAN USE (GAL.) :	2,333	0	7,045	8,667	40,714	35,000	84,000	96,000	0	0
37	MONTHLY BILL:	$17.00	$19.91	$53.89	$91.83	$225.86	$301.95	$578.71	$945.74	$1,327.00	$2,654.00

RIO RICO UTILITIES, INC. - COMMERCIAL CUSTOMERS
Docket No. WS-02676A-12-0196
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 4

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$2.29	$3.44	$5.73	$11.45	$18.32	$23.37	$57.25	$114.50	$448.60	$1,391.30
2	1,000	2.30	3.46	5.75	11.47	18.34	23.39	57.27	114.52	448.62	1,391.32
3	2,000	2.31	3.48	5.77	11.49	18.36	23.41	57.29	114.54	448.64	1,391.34
4	3,000	2.32	3.50	5.79	11.51	18.38	23.43	57.31	114.56	448.66	1,391.36
5	4,000	2.34	3.52	5.81	11.53	18.40	23.45	57.33	114.58	448.68	1,391.38
6	5,000	2.36	3.90	5.83	11.55	18.42	23.47	57.35	114.60	448.70	1,391.40
7	6,000	2.38	4.64	5.85	11.57	18.44	23.49	57.37	114.62	448.72	1,391.42
8	7,000	2.40	4.66	5.87	11.59	18.46	23.51	57.39	114.64	448.74	1,391.44
9	8,000	2.42	4.68	5.89	11.61	18.48	23.53	57.41	114.66	448.76	1,391.46
10	9,000	2.44	4.70	5.91	11.63	18.50	23.55	57.43	114.68	448.78	1,391.48
11	10,000	2.46	4.72	5.93	11.65	18.52	23.57	57.45	114.70	448.80	1,391.50
12	15,000	2.56	4.82	6.03	11.75	18.62	23.67	57.55	114.80	448.90	1,391.60
13	20,000	2.66	4.92	2.53	11.85	18.72	23.77	57.65	114.90	449.00	1,391.70
14	25,000	2.76	5.02	0.83	8.35	18.82	23.87	57.75	115.00	449.10	1,391.80
15	50,000	3.26	5.52	1.33	(5.55)	19.32	24.37	58.25	115.50	449.60	1,392.30
16	75,000	3.76	6.02	1.83	(5.05)	9.02	11.91	45.79	116.00	450.10	1,392.80
17	100,000	4.26	6.52	2.33	(4.55)	9.52	(5.59)	28.29	116.50	450.60	1,393.30
18	125,000	4.76	7.02	2.83	(4.05)	10.02	(23.09)	10.79	117.00	451.10	1,393.80
19	150,000	5.26	7.52	3.33	(3.55)	10.52	(36.27)	(6.71)	99.50	433.60	1,376.30
20	175,000	5.76	8.02	3.83	(3.05)	11.02	(35.77)	(24.21)	82.00	416.10	1,358.80
21	200,000	6.26	8.52	4.33	(2.55)	11.52	(35.27)	(41.71)	64.50	398.60	1,341.30
22	250,000	7.26	9.52	5.33	(1.55)	12.52	(34.27)	(58.71)	29.50	363.60	1,306.30
23	500,000	12.26	14.52	10.33	3.45	17.52	(29.27)	(53.71)	(109.50)	188.60	1,131.30
24	1,000,000	22.26	24.52	20.33	13.45	27.52	(19.27)	(43.71)	(99.50)	40.20	781.30
25	2,000,000	42.26	44.52	40.33	33.45	47.52	0.73	(23.71)	(79.50)	60.20	776.10
26	3,000,000	62.26	64.52	60.33	53.45	67.52	20.73	(3.71)	(59.50)	80.20	796.10
27	4,000,000	82.26	84.52	80.33	73.45	87.52	40.73	16.29	(39.50)	100.20	816.10
28	5,000,000	102.26	104.52	100.33	93.45	107.52	60.73	36.29	(19.50)	120.20	836.10
29											
30											
31	AVG. NO. OF CUST:	83	0	49	10	43	11	6	1	0	0
32											
33	AVG. USE (GAL.):	8,995	0	15,566	24,508	39,263	173,138	253,431	457,917	0	0
34	MONTHLY BILL:	$2.44	$19.91	$5.63	$8.69	$19.10	($35.81)	($58.64)	($110.34)	$1,327.00	$2,654.00
35											
36	MEDIAN USE (GAL.) :	2,333	0	7,045	8,667	40,714	35,000	84,000	96,000	0	0
37	MONTHLY BILL:	$2.31	$19.91	$5.87	$11.62	$19.13	$24.07	$39.49	$116.42	$1,327.00	$2,654.00

WATER DIVISION

INDUSTRIAL

RIO RICO UTILITIES, INC. - INDUSTRIAL CUSTOMERS
Docket No. WS-02676A-12-0196
REVENUE COMPARISON

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 1

LINE NO.	METER SIZE	PERESENT RATES MONTHLY MINIMUM	PERESENT RATES COMMODITY CHARGE	PERESENT RATES TOTAL REVENUE	COMPANY PROPOSED RATES MONTHLY MINIMUM	COMPANY PROPOSED RATES COMMODITY CHARGE	COMPANY PROPOSED RATES TOTAL REVENUE	RUCO RECOMMENDED RATES MONTHLY MINIMUM	RUCO RECOMMENDED RATES COMMODITY CHARGE	RUCO RECOMMENDED RATES TOTAL REVENUE
1	5/8 X 3/4 - INCH	$ 2,240	$ 2,488	$ 4,727	$ 3,513	$ 2,592	$ 6,105	$ 2,707	$ 2,503	$ 5,210
2	3/4 - INCH	-	-	-	-	-	-	-	-	-
3	1 - INCH	-	-	-	-	-	-	-	-	-
4	1 1/2 - INCH	-	-	-	-	-	-	-	-	-
5	2 - INCH	4,216	41,287	45,504	6,612	41,538	48,150	5,096	41,265	46,360
6	3 - INCH	-	-	-	-	-	-	-	-	-
7	4 - INCH	-	-	-	-	-	-	-	-	-
8	6 - INCH	-	-	-	-	-	-	-	-	-
9	8 - INCH	-	-	-	-	-	-	-	-	-
10	10 - INCH	-	-	-	-	-	-	-	-	-
11	TOTALS	$ 6,456	$ 43,775	$ 50,231	$ 10,125	$ 44,130	$ 54,255	$ 7,803	$ 43,767	$ 51,570
12	PERCENTAGE	12.85%	87.15%	100.00%	18.66%	81.34%	100.00%	15.13%	84.87%	100.00%

RIO RICO UTILITIES, INC. - INDUSTRIAL CUSTOMERS
Docket No. WS-02676A-12-0196
RECOMMENDED RATES

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 2

LINE NO.	DESCRIPTION						PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	**RECOMMENDED MONTHLY MINIMUM USAGE CHARGE:**								
2									
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)								
4	5/8 X 3/4 - INCH						$10.98	$17.22	$13.27
5	3/4 - INCH						16.47	25.83	19.91
6	1 - INCH						27.45	43.05	33.18
7	1 1/2 - INCH						54.90	86.10	66.35
8	2 - INCH						87.84	137.76	106.16
9	3 - INCH						175.68	275.52	199.05
10	4 - INCH						274.50	430.50	331.75
11	6 - INCH						549.00	861.00	663.50
12	8 - INCH						878.40	1,377.60	1,327.00
13	10 - INCH						1,262.70	1,980.30	2,654.00
14									
15	**GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:**								
16									
17	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS						0	0	0
18									
19	**RECOMMENDED COMMODITY RATES BY METER SIZE**								
20									
21	5/8 X 3/4 - INCH								
22	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	3,000	GALLONS:		$ 1.59	$ 1.82	$ 1.60
23	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	3,001	TO	9,000	GALLONS:		$ 2.92	$ 3.02	$ 2.94
24	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		9,000	GALLONS:		$ 3.64	$ 3.67	$ 3.66
25									
26	3/4 - INCH								
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	4,500	GALLONS:		$ 2.92	$ 3.02	$ 2.94
28	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:		$ 3.64	$ 3.67	$ 3.66
29	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:		$ -	$ -	$ -
30									
31	1 - INCH								
32	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	22,500	GALLONS:		$ 2.92	$ 3.02	$ 2.94
33	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:		$ 3.64	$ 3.67	$ 3.66
34	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:		$ -	$ 3.67	$ -
35									
36	1 1/2 - INCH								
37	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	45,000	GALLONS:		$ 2.92	$ 3.02	$ 2.94
38	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:		$ 3.64	$ 3.67	$ 3.66
39	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:		$ -	$ -	$ -
40									
41	2 - INCH								
42	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	72,000	GALLONS:		$ 2.92	$ 3.02	$ 2.94
43	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	72,001	TO	999,999,999,999,999,000	GALLONS:		$ 3.64	$ 3.67	$ 3.66
44	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:		$ -	$ -	$ -
45									
46	3 - INCH								
47	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	144,000	GALLONS:		$ 2.92	$ 3.02	$ 2.94
48	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	144,001	TO	999,999,999,999,999,000	GALLONS:		$ 3.64	$ 3.67	$ 3.66
49	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:		$ -	$ -	$ -
50									
51	4 - INCH								
52	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	225,000	GALLONS:		$ 2.92	$ 3.02	$ 2.94
53	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	225,001	TO	999,999,999,999,999,000	GALLONS:		$ 3.64	$ 3.67	$ 3.66
54	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:		$ -	$ -	$ -
55									
56	6 - INCH								
57	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	450,000	GALLONS:		$ 2.92	$ 3.02	$ 2.94
58	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	450,001	TO	999,999,999,999,999,000	GALLONS:		$ 3.64	$ 3.67	$ 3.66
59	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:		$ -	$ -	$ -
60									
61	8 - INCH								
62	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	720,000	GALLONS:		$ 2.92	$ 3.02	$ 2.94
63	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:		$ 3.64	$ 3.67	$ 3.66
64	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:		$ -	$ -	$ -
65									
66	10 - INCH								
67	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	1,035,000	GALLONS:		$ 2.92	$ 3.02	$ 2.94
68	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:		$ 3.64	$ 3.67	$ 3.66
69	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:		$ -	$ -	$ -

RIO RICO UTILITIES, INC. - INDUSTRIAL CUSTOMERS
Docket No. WS-02676A-12-0196
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 3

RUCO RECOMMENDED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$13.27	$19.91	$33.18	$66.35	$106.16	$199.05	$331.75	$663.50	$1,327.00	$2,654.00
2	1,000	14.87	22.85	36.12	69.29	109.10	201.99	334.69	666.44	1,329.94	2,656.94
3	2,000	16.47	25.79	39.06	72.23	112.04	204.93	337.63	669.38	1,332.88	2,659.88
4	3,000	18.07	28.73	42.00	75.17	114.98	207.87	340.57	672.32	1,335.82	2,662.82
5	4,000	21.01	31.67	44.94	78.11	117.92	210.81	343.51	675.26	1,338.76	2,665.76
6	5,000	23.95	34.97	47.88	81.05	120.86	213.75	346.45	678.20	1,341.70	2,668.70
7	6,000	26.89	38.63	50.82	83.99	123.80	216.69	349.39	681.14	1,344.64	2,671.64
8	7,000	29.83	42.29	53.76	86.93	126.74	219.63	352.33	684.08	1,347.58	2,674.58
9	8,000	32.77	45.95	56.70	89.87	129.68	222.57	355.27	687.02	1,350.52	2,677.52
10	9,000	35.71	49.61	59.64	92.81	132.62	225.51	358.21	689.96	1,353.46	2,680.46
11	10,000	39.37	53.27	62.58	95.75	135.56	228.45	361.15	692.90	1,356.40	2,683.40
12	15,000	57.67	71.57	77.28	110.45	150.26	243.15	375.85	707.60	1,371.10	2,698.10
13	20,000	75.97	89.87	91.98	125.15	164.96	257.85	390.55	722.30	1,385.80	2,712.80
14	25,000	94.27	108.17	108.48	139.85	179.66	272.55	405.25	737.00	1,400.50	2,727.50
15	50,000	185.77	199.67	199.98	216.95	253.16	346.05	478.75	810.50	1,474.00	2,801.00
16	75,000	277.27	291.17	291.48	308.45	328.82	419.55	552.25	884.00	1,547.50	2,874.50
17	100,000	368.77	382.67	382.98	399.95	420.32	493.05	625.75	957.50	1,621.00	2,948.00
18	125,000	460.27	474.17	474.48	491.45	511.82	566.55	699.25	1,031.00	1,694.50	3,021.50
19	150,000	551.77	565.67	565.98	582.95	603.32	644.37	772.75	1,104.50	1,768.00	3,095.00
20	175,000	643.27	657.17	657.48	674.45	694.82	735.87	846.25	1,178.00	1,841.50	3,168.50
21	200,000	734.77	748.67	748.98	765.95	786.32	827.37	919.75	1,251.50	1,915.00	3,242.00
22	250,000	917.77	931.67	931.98	948.95	969.32	1,010.37	1,084.75	1,398.50	2,062.00	3,389.00
23	500,000	1,832.77	1,846.67	1,846.98	1,863.95	1,884.32	1,925.37	1,999.75	2,169.50	2,797.00	4,124.00
24	1,000,000	3,662.77	3,676.67	3,676.98	3,693.95	3,714.32	3,755.37	3,829.75	3,999.50	4,468.60	5,594.00
25	2,000,000	7,322.77	7,336.67	7,336.98	7,353.95	7,374.32	7,415.37	7,489.75	7,659.50	8,128.60	9,228.80
26	3,000,000	10,982.77	10,996.67	10,996.98	11,013.95	11,034.32	11,075.37	11,149.75	11,319.50	11,788.60	12,888.80
27	4,000,000	14,642.77	14,656.67	14,656.98	14,673.95	14,694.32	14,735.37	14,809.75	14,979.50	15,448.60	16,548.80
28	5,000,000	18,302.77	18,316.67	18,316.98	18,333.95	18,354.32	18,395.37	18,469.75	18,639.50	19,108.60	20,208.80
29											
30											
31	AVG. NO. OF CUST:	17	0	0	0	4	0	0	0	0	0
32											
33	AVG. USE (GAL.):	4,422				167,328					
34	MONTHLY BILL:	$22.25				$666.74					
35											
36	MEDIAN USE (GAL.) :					833					
37	MONTHLY BILL:					$108.61					

RIO RICO UTILITIES, INC. - INDUSTRIAL CUSTOMERS
Docket No. WS-02676A-12-0196
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 4

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$2.29	$3.44	$5.73	$11.45	$18.32	$23.37	$57.25	$114.50	$448.60	$1,391.30
2	1,000	2.30	3.46	5.75	11.47	18.34	23.39	57.27	114.52	448.62	1,391.32
3	2,000	2.31	3.48	5.77	11.49	18.36	23.41	57.29	114.54	448.64	1,391.34
4	3,000	2.32	3.50	5.79	11.51	18.38	23.43	57.31	114.56	448.66	1,391.36
5	4,000	2.34	3.52	5.81	11.53	18.40	23.45	57.33	114.58	448.68	1,391.38
6	5,000	2.36	3.90	5.83	11.55	18.42	23.47	57.35	114.60	448.70	1,391.40
7	6,000	2.38	4.64	5.85	11.57	18.44	23.49	57.37	114.62	448.72	1,391.42
8	7,000	2.40	4.66	5.87	11.59	18.46	23.51	57.39	114.64	448.74	1,391.44
9	8,000	2.42	4.68	5.89	11.61	18.48	23.53	57.41	114.66	448.76	1,391.46
10	9,000	2.44	4.70	5.91	11.63	18.50	23.55	57.43	114.68	448.78	1,391.48
11	10,000	2.46	4.72	5.93	11.65	18.52	23.57	57.45	114.70	448.80	1,391.50
12	15,000	2.56	4.82	6.03	11.75	18.62	23.67	57.55	114.80	448.90	1,391.60
13	20,000	2.66	4.92	2.53	11.85	18.72	23.77	57.65	114.90	449.00	1,391.70
14	25,000	2.76	5.02	0.83	8.35	18.82	23.87	57.75	115.00	449.10	1,391.80
15	50,000	3.26	5.52	1.33	(5.55)	19.32	24.37	58.25	115.50	449.60	1,392.30
16	75,000	3.76	6.02	1.83	(5.05)	9.02	11.91	45.79	116.00	450.10	1,392.80
17	100,000	4.26	6.52	2.33	(4.55)	9.52	(5.59)	28.29	116.50	450.60	1,393.30
18	125,000	4.76	7.02	2.83	(4.05)	10.02	(23.09)	10.79	117.00	451.10	1,393.80
19	150,000	5.26	7.52	3.33	(3.55)	10.52	(36.27)	(6.71)	99.50	433.60	1,376.30
20	175,000	5.76	8.02	3.83	(3.05)	11.02	(35.77)	(24.21)	82.00	416.10	1,358.80
21	200,000	6.26	8.52	4.33	(2.55)	11.52	(35.27)	(41.71)	64.50	398.60	1,341.30
22	250,000	7.26	9.52	5.33	(1.55)	12.52	(34.27)	(58.71)	29.50	363.60	1,306.30
23	500,000	12.26	14.52	10.33	3.45	17.52	(29.27)	(53.71)	(109.50)	188.60	1,131.30
24	1,000,000	22.26	24.52	20.33	13.45	27.52	(19.27)	(43.71)	(99.50)	40.20	781.30
25	2,000,000	42.26	44.52	40.33	33.45	47.52	0.73	(23.71)	(79.50)	60.20	776.10
26	3,000,000	62.26	64.52	60.33	53.45	67.52	20.73	(3.71)	(59.50)	80.20	796.10
27	4,000,000	82.26	84.52	80.33	73.45	87.52	40.73	16.29	(39.50)	100.20	816.10
28	5,000,000	102.26	104.52	100.33	93.45	107.52	60.73	36.29	(19.50)	120.20	836.10
29											
30											
31	AVG. NO. OF CUST:	17	0	0	0	4	0	0	0	0	0
32											
33	AVG. USE (GAL.):	4,422	0	0	0	167,328	0	0	0	0	0
34	MONTHLY BILL:	$2.35				$10.86					
35											
36	MEDIAN USE (GAL.) :	0	0	0	0	833	0	0	0	0	0
37	MONTHLY BILL:	#N/A				$18.34					

WATER DIVISION
MULTI-FAMILY

RIO RICO UTILITIES, INC. - MULTI-FAMILY CUSTOMERS
Docket No. WS-02676A-12-0196
REVENUE COMPARISON

DOCKET NO. WS-02676A-12-0196
SUUREBUTTAL SCHEDULE TJC-RD 1

LINE NO.	METER SIZE	PERESENT RATES MONTHLY MINIMUM	PERESENT RATES COMMODITY CHARGE	PERESENT RATES TOTAL REVENUE	COMPANY PROPOSED RATES MONTHLY MINIMUM	COMPANY PROPOSED RATES COMMODITY CHARGE	COMPANY PROPOSED RATES TOTAL REVENUE	RUCO RECOMMENDED RATES MONTHLY MINIMUM	RUCO RECOMMENDED RATES COMMODITY CHARGE	RUCO RECOMMENDED RATES TOTAL REVENUE
1	5/8 X 3/4 - INCH	$ 922	$ 2,128	$ 3,051	$ 1,446	$ 2,220	$ 3,667	$ 1,115	$ 2,142	$ 3,256
2	3/4 - INCH	-	-	-	-	-	-	-	-	-
3	1 - INCH	-	-	-	-	-	-	-	-	-
4	1 1/2 - INCH	659	412	1,071	1,033	426	1,459	796	415	1,211
5	2 - INCH	-	-	-	-	-	-	-	-	-
6	3 - INCH	-	-	-	-	-	-	-	-	-
7	4 - INCH	-	-	-	-	-	-	-	-	-
8	6 - INCH	-	-	-	-	-	-	-	-	-
9	8 - INCH	-	-	-	-	-	-	-	-	-
10	10 - INCH	-	-	-	-	-	-	-	-	-
11	TOTALS	$ 1,581	$ 2,540	$ 4,121	$ 2,480	$ 2,646	$ 5,126	$ 1,911	$ 2,556	$ 4,467
12	PERCENTAGE	38.37%	61.63%	100.00%	48.37%	51.63%	100.00%	42.78%	57.22%	100.00%

RIO RICO UTILITIES, INC. - MULTI-FAMILY CUSTOMERS
Docket No. WS-02676A-12-0196
RECOMMENDED RATES

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 2

LINE NO.	DESCRIPTION					PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	**RECOMMENDED MONTHLY MINIMUM USAGE CHARGE:**							
2								
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)							
4	5/8 X 3/4 - INCH					$10.98	$17.22	$13.27
5	3/4 - INCH					16.47	25.83	19.91
6	1 - INCH					27.45	43.05	33.18
7	1 1/2 - INCH					54.90	86.10	66.35
8	2 - INCH					87.84	137.76	106.16
9	3 - INCH					175.68	275.52	199.05
10	4 - INCH					274.50	430.50	331.75
11	6 - INCH					549.00	861.00	663.50
12	8 - INCH					878.40	1,377.60	1,327.00
13	10 - INCH					1,262.70	1,980.30	2,654.00
14								
15	**GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:**							
16								
17	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS					0	0	0
18								
19	**RECOMMENDED COMMODITY RATES BY METER SIZE**							
20								
21	5/8 X 3/4 - INCH							
22	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	3,000	GALLONS:	$ 1.59	$ 1.82	$ 1.60
23	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	3,001	TO	9,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
24	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		9,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
25								
26	3/4 - INCH							
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	4,500	GALLONS:	$ 2.92	$ 3.02	$ 2.94
28	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
29	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
30								
31	1 - INCH							
32	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	22,500	GALLONS:	$ 2.92	$ 3.02	$ 2.94
33	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
34	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ 3.67	$ -
35								
36	1 1/2 - INCH							
37	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	45,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
38	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
39	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
40								
41	2 - INCH							
42	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	72,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
43	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	72,001	TO	999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
44	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
45								
46	3 - INCH							
47	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	144,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
48	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	144,001	TO	999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
49	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
50								
51	4 - INCH							
52	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	225,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
53	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	225,001	TO	999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
54	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
55								
56	6 - INCH							
57	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	450,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
58	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	450,001	TO	999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
59	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
60								
61	8 - INCH							
62	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	720,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
63	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
64	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
65								
66	10 - INCH							
67	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	1,035,000	GALLONS:	$ 2.92	$ 3.02	$ 2.94
68	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ 3.64	$ 3.67	$ 3.66
69	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -

RIO RICO UTILITIES, INC. - MULTI-FAMILY CUSTOMERS
Docket No. WS-02676A-12-0196
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 3

RUCO RECOMMENDED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$13.27	$19.91	$33.18	$66.35	$106.16	$199.05	$331.75	$663.50	$1,327.00	$2,654.00
2	1,000	14.87	22.85	36.12	69.29	109.10	201.99	334.69	666.44	1,329.94	2,656.94
3	2,000	16.47	25.79	39.06	72.23	112.04	204.93	337.63	669.38	1,332.88	2,659.88
4	3,000	18.07	28.73	42.00	75.17	114.98	207.87	340.57	672.32	1,335.82	2,662.82
5	4,000	21.01	31.67	44.94	78.11	117.92	210.81	343.51	675.26	1,338.76	2,665.76
6	5,000	23.95	34.97	47.88	81.05	120.86	213.75	346.45	678.20	1,341.70	2,668.70
7	6,000	26.89	38.63	50.82	83.99	123.80	216.69	349.39	681.14	1,344.64	2,671.64
8	7,000	29.83	42.29	53.76	86.93	126.74	219.63	352.33	684.08	1,347.58	2,674.58
9	8,000	32.77	45.95	56.70	89.87	129.68	222.57	355.27	687.02	1,350.52	2,677.52
10	9,000	35.71	49.61	59.64	92.81	132.62	225.51	358.21	689.96	1,353.46	2,680.46
11	10,000	39.37	53.27	62.58	95.75	135.56	228.45	361.15	692.90	1,356.40	2,683.40
12	15,000	57.67	71.57	77.28	110.45	150.26	243.15	375.85	707.60	1,371.10	2,698.10
13	20,000	75.97	89.87	91.98	125.15	164.96	257.85	390.55	722.30	1,385.80	2,712.80
14	25,000	94.27	108.17	108.48	139.85	179.66	272.55	405.25	737.00	1,400.50	2,727.50
15	50,000	185.77	199.67	199.98	216.95	253.16	346.05	478.75	810.50	1,474.00	2,801.00
16	75,000	277.27	291.17	291.48	308.45	328.82	419.55	552.25	884.00	1,547.50	2,874.50
17	100,000	368.77	382.67	382.98	399.95	420.32	493.05	625.75	957.50	1,621.00	2,948.00
18	125,000	460.27	474.17	474.48	491.45	511.82	566.55	699.25	1,031.00	1,694.50	3,021.50
19	150,000	551.77	565.67	565.98	582.95	603.32	644.37	772.75	1,104.50	1,768.00	3,095.00
20	175,000	643.27	657.17	657.48	674.45	694.82	735.87	846.25	1,178.00	1,841.50	3,168.50
21	200,000	734.77	748.67	748.98	765.95	786.32	827.37	919.75	1,251.50	1,915.00	3,242.00
22	250,000	917.77	931.67	931.98	948.95	969.32	1,010.37	1,084.75	1,398.50	2,062.00	3,389.00
23	500,000	1,832.77	1,846.67	1,846.98	1,863.95	1,884.32	1,925.37	1,999.75	2,169.50	2,797.00	4,124.00
24	1,000,000	3,662.77	3,676.67	3,676.98	3,693.95	3,714.32	3,755.37	3,829.75	3,999.50	4,468.60	5,594.00
25	2,000,000	7,322.77	7,336.67	7,336.98	7,353.95	7,374.32	7,415.37	7,489.75	7,659.50	8,128.60	9,228.80
26	3,000,000	10,982.77	10,996.67	10,996.98	11,013.95	11,034.32	11,075.37	11,149.75	11,319.50	11,788.60	12,888.80
27	4,000,000	14,642.77	14,656.67	14,656.98	14,673.95	14,694.32	14,735.37	14,809.75	14,979.50	15,448.60	16,548.80
28	5,000,000	18,302.77	18,316.67	18,316.98	18,333.95	18,354.32	18,395.37	18,469.75	18,639.50	19,108.60	20,208.80
29											
30											
31	AVG. NO. OF CUST:	7	0	0	1	0	0	0	0	0	0
32											
33	AVG. USE (GAL.):	9,058			11,750						
34	MONTHLY BILL:	$35.92			$100.90						
35											
36	MEDIAN USE (GAL.) :	7,333			10,500						
37	MONTHLY BILL:	$30.81			$97.22						

RIO RICO UTILITIES, INC. - MULTI-FAMILY CUSTOMERS
Docket No. WS-02676A-12-0196
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 4

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$2.29	$3.44	$5.73	$11.45	$18.32	$23.37	$57.25	$114.50	$448.60	$1,391.30
2	1,000	2.30	3.46	5.75	11.47	18.34	23.39	57.27	114.52	448.62	1,391.32
3	2,000	2.31	3.48	5.77	11.49	18.36	23.41	57.29	114.54	448.64	1,391.34
4	3,000	2.32	3.50	5.79	11.51	18.38	23.43	57.31	114.56	448.66	1,391.36
5	4,000	2.34	3.52	5.81	11.53	18.40	23.45	57.33	114.58	448.68	1,391.38
6	5,000	2.36	3.90	5.83	11.55	18.42	23.47	57.35	114.60	448.70	1,391.40
7	6,000	2.38	4.64	5.85	11.57	18.44	23.49	57.37	114.62	448.72	1,391.42
8	7,000	2.40	4.66	5.87	11.59	18.46	23.51	57.39	114.64	448.74	1,391.44
9	8,000	2.42	4.68	5.89	11.61	18.48	23.53	57.41	114.66	448.76	1,391.46
10	9,000	2.44	4.70	5.91	11.63	18.50	23.55	57.43	114.68	448.78	1,391.48
11	10,000	2.46	4.72	5.93	11.65	18.52	23.57	57.45	114.70	448.80	1,391.50
12	15,000	2.56	4.82	6.03	11.75	18.62	23.67	57.55	114.80	448.90	1,391.60
13	20,000	2.66	4.92	2.53	11.85	18.72	23.77	57.65	114.90	449.00	1,391.70
14	25,000	2.76	5.02	0.83	8.35	18.82	23.87	57.75	115.00	449.10	1,391.80
15	50,000	3.26	5.52	1.33	(5.55)	19.32	24.37	58.25	115.50	449.60	1,392.30
16	75,000	3.76	6.02	1.83	(5.05)	9.02	11.91	45.79	116.00	450.10	1,392.80
17	100,000	4.26	6.52	2.33	(4.55)	9.52	(5.59)	28.29	116.50	450.60	1,393.30
18	125,000	4.76	7.02	2.83	(4.05)	10.02	(23.09)	10.79	117.00	451.10	1,393.80
19	150,000	5.26	7.52	3.33	(3.55)	10.52	(36.27)	(6.71)	99.50	433.60	1,376.30
20	175,000	5.76	8.02	3.83	(3.05)	11.02	(35.77)	(24.21)	82.00	416.10	1,358.80
21	200,000	6.26	8.52	4.33	(2.55)	11.52	(35.27)	(41.71)	64.50	398.60	1,341.30
22	250,000	7.26	9.52	5.33	(1.55)	12.52	(34.27)	(58.71)	29.50	363.60	1,306.30
23	500,000	12.26	14.52	10.33	3.45	17.52	(29.27)	(53.71)	(109.50)	188.60	1,131.30
24	1,000,000	22.26	24.52	20.33	13.45	27.52	(19.27)	(43.71)	(99.50)	40.20	781.30
25	2,000,000	42.26	44.52	40.33	33.45	47.52	0.73	(23.71)	(79.50)	60.20	776.10
26	3,000,000	62.26	64.52	60.33	53.45	67.52	20.73	(3.71)	(59.50)	80.20	796.10
27	4,000,000	82.26	84.52	80.33	73.45	87.52	40.73	16.29	(39.50)	100.20	816.10
28	5,000,000	102.26	104.52	100.33	93.45	107.52	60.73	36.29	(19.50)	120.20	836.10
29											
30											
31	AVG. NO. OF CUST:	7	0	0	1	0	0	0	0	0	0
32											
33	AVG. USE (GAL.):	9,058	0	0	11,750	0	0	0	0	0	0
34	MONTHLY BILL:	$2.44			$11.69						
35											
36	MEDIAN USE (GAL.) :	7,333	0	0	10,500	0	0	0	0	0	0
37	MONTHLY BILL:	$2.41			$11.66						

WATER DIVISION
BULK WATER SALES

RIO RICO UTILITIES, INC. - BULK SALES CUSTOMER
Docket No. WS-02676A-12-0196
REVENUE COMPARISON

DOCKET NO. WS-02676A-12-0196
SUUREBUTTAL SCHEDULE TJC-RD 1

LINE NO.	METER SIZE	PERESENT RATES MONTHLY MINIMUM	PERESENT RATES COMMODITY CHARGE	PERESENT RATES TOTAL REVENUE	COMPANY PROPOSED RATES MONTHLY MINIMUM	COMPANY PROPOSED RATES COMMODITY CHARGE	COMPANY PROPOSED RATES TOTAL REVENUE	RUCO RECOMMENDED RATES MONTHLY MINIMUM	RUCO RECOMMENDED RATES COMMODITY CHARGE	RUCO RECOMMENDED RATES TOTAL REVENUE
1	5/8 X 3/4 - INCH	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	3/4 - INCH	-	-	-	-	-	-	-	-	-
3	1 - INCH	-	-	-	-	-	-	-	-	-
4	1 1/2 - INCH	-	-	-	-	-	-	-	-	-
5	2 - INCH	-	-	-	-	-	-	-	-	-
6	3 - INCH	-	-	-	-	-	-	-	-	-
7	4 - INCH	-	-	-	-	-	-	-	-	-
8	6 - INCH	2,196	27,429	29,625	3,444	26,848	30,292	2,654	27,942	30,596
9	8 - INCH	-	-	-	-	-	-	-	-	-
10	10 - INCH	-	-	-	-	-	-	-	-	-
11	TOTALS	$ 2,196	$ 27,429	$ 29,625	$ 3,444	$ 26,848	$ 30,292	$ 2,654	$ 27,942	$ 30,596
12	PERCENTAGE	7.41%	92.59%	100.00%	11.37%	88.63%	100.00%	8.67%	91.33%	100.00%

RIO RICO UTILITIES, INC. - BULK SALES CUSTOMER
Docket No. WS-02676A-12-0196
RECOMMENDED RATES

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 2

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	**RECOMMENDED MONTHLY MINIMUM USAGE CHARGE:**			
2				
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)			
4	5/8 X 3/4 - INCH	$10.98	$17.22	$0.00
5	3/4 - INCH	16.47	25.83	0.00
6	1 - INCH	27.45	43.05	0.00
7	1 1/2 - INCH	54.90	86.10	0.00
8	2 - INCH	87.84	137.76	0.00
9	3 - INCH	175.68	275.52	0.00
10	4 - INCH	274.50	430.50	0.00
11	6 - INCH	549.00	861.00	663.50
12	8 - INCH	878.40	1,377.60	0.00
13	10 - INCH	1,262.70	1,980.30	0.00
14				
15	**GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:**			
16				
17	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	0	0	0
18				
19	**RECOMMENDED COMMODITY RATES BY METER SIZE**			
20				
21	5/8 X 3/4 - INCH			
22	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	$ 1.59	$ 1.82	$ -
23	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 1 TO 0 GALLONS:	$ 2.92	$ 3.02	$ -
24	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ 3.64	$ 3.67	$ -
25				
26	3/4 - INCH			
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	$ 2.92	$ 3.02	$ -
28	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ 3.64	$ 3.67	$ -
29	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ -	$ -	$ -
30				
31	1 - INCH			
32	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	$ 2.92	$ 3.02	$ -
33	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ 3.64	$ 3.67	$ -
34	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ -	$ 3.67	$ -
35				
36	1 1/2 - INCH			
37	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	$ 2.92	$ 3.02	$ -
38	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ 3.64	$ 3.67	$ -
39	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ -	$ -	$ -
40				
41	2 - INCH			
42	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	$ 2.92	$ 3.02	$ -
43	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 1 TO 0 GALLONS:	$ 3.64	$ 3.67	$ -
44	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ -	$ -	$ -
45				
46	3 - INCH			
47	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	$ 2.92	$ 3.02	$ -
48	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 1 TO 0 GALLONS:	$ 3.64	$ 3.67	$ -
49	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ -	$ -	$ -
50				
51	4 - INCH			
52	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	$ 2.92	$ 3.02	$ -
53	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 1 TO 0 GALLONS:	$ 3.64	$ 3.67	$ -
54	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ -	$ -	$ -
55				
56	6 - INCH			
57	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO ######### GALLONS:	$ 2.92	$ 3.02	$ 3.66
58	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ######### TO 0 GALLONS:	$ 3.64	$ 3.67	$ -
59	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ -	$ -	$ -
60				
61	8 - INCH			
62	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	$ 2.92	$ 3.02	$ -
63	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ 3.64	$ 3.67	$ -
64	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ -	$ -	$ -
65				
66	10 - INCH			
67	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	$ 2.92	$ 3.02	$ -
68	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ 3.64	$ 3.67	$ -
69	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	$ -	$ -	$ -

RIO RICO UTILITIES, INC. - BULK SALES CUSTOMER
Docket No. WS-02676A-12-0196
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 3

RUCO RECOMMENDED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$663.50	$0.00	$0.00
2	1,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	667.16	0.00	0.00
3	2,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	670.82	0.00	0.00
4	3,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	674.48	0.00	0.00
5	4,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	678.14	0.00	0.00
6	5,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	681.80	0.00	0.00
7	6,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	685.46	0.00	0.00
8	7,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	689.12	0.00	0.00
9	8,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	692.78	0.00	0.00
10	9,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	696.44	0.00	0.00
11	10,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	700.10	0.00	0.00
12	15,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	718.40	0.00	0.00
13	20,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	736.70	0.00	0.00
14	25,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	755.00	0.00	0.00
15	50,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	846.50	0.00	0.00
16	75,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	938.00	0.00	0.00
17	100,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,029.50	0.00	0.00
18	125,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,121.00	0.00	0.00
19	150,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,212.50	0.00	0.00
20	175,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,304.00	0.00	0.00
21	200,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,395.50	0.00	0.00
22	250,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,578.50	0.00	0.00
23	500,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,493.50	0.00	0.00
24	1,000,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,323.50	0.00	0.00
25	2,000,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,983.50	0.00	0.00
26	3,000,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,643.50	0.00	0.00
27	4,000,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,303.50	0.00	0.00
28	5,000,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,963.50	0.00	0.00
29											
30											
31	AVG. NO. OF CUST:	0	0	0	0	0	0	0	0	0	0
32											
33	AVG. USE (GAL.):								1,908,591		
34	MONTHLY BILL:								$7,648.94		
35											
36	MEDIAN USE (GAL.) :										
37	MONTHLY BILL:										

RIO RICO UTILITIES, INC. - BULK SALES CUSTOMER
Docket No. WS-02676A-12-0196
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 4

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	($10.98)	($16.47)	($27.45)	($54.90)	($87.84)	($175.68)	($274.50)	$114.50	($878.40)	($1,262.70)
2	1,000	(12.57)	(19.39)	(30.37)	(57.82)	(90.76)	(178.60)	(277.42)	115.24	(881.32)	(1,265.62)
3	2,000	(14.16)	(22.31)	(33.29)	(60.74)	(93.68)	(181.52)	(280.34)	115.98	(884.24)	(1,268.54)
4	3,000	(15.75)	(25.23)	(36.21)	(63.66)	(96.60)	(184.44)	(283.26)	116.72	(887.16)	(1,271.46)
5	4,000	(18.67)	(28.15)	(39.13)	(66.58)	(99.52)	(187.36)	(286.18)	117.46	(890.08)	(1,274.38)
6	5,000	(21.59)	(31.07)	(42.05)	(69.50)	(102.44)	(190.28)	(289.10)	118.20	(893.00)	(1,277.30)
7	6,000	(24.51)	(33.99)	(44.97)	(72.42)	(105.36)	(193.20)	(292.02)	118.94	(895.92)	(1,280.22)
8	7,000	(27.43)	(37.63)	(47.89)	(75.34)	(108.28)	(196.12)	(294.94)	119.68	(898.84)	(1,283.14)
9	8,000	(30.35)	(41.27)	(50.81)	(78.26)	(111.20)	(199.04)	(297.86)	120.42	(901.76)	(1,286.06)
10	9,000	(33.27)	(44.91)	(53.73)	(81.18)	(114.12)	(201.96)	(300.78)	121.16	(904.68)	(1,288.98)
11	10,000	(36.91)	(48.55)	(56.65)	(84.10)	(117.04)	(204.88)	(303.70)	121.90	(907.60)	(1,291.90)
12	15,000	(55.11)	(66.75)	(71.25)	(98.70)	(131.64)	(219.48)	(318.30)	125.60	(922.20)	(1,306.50)
13	20,000	(73.31)	(84.95)	(89.45)	(113.30)	(146.24)	(234.08)	(332.90)	129.30	(936.80)	(1,321.10)
14	25,000	(91.51)	(103.15)	(107.65)	(131.50)	(160.84)	(248.68)	(347.50)	133.00	(951.40)	(1,335.70)
15	50,000	(182.51)	(194.15)	(198.65)	(222.50)	(233.84)	(321.68)	(420.50)	151.50	(1,024.40)	(1,408.70)
16	75,000	(273.51)	(285.15)	(289.65)	(313.50)	(319.80)	(407.64)	(506.46)	170.00	(1,097.40)	(1,481.70)
17	100,000	(364.51)	(376.15)	(380.65)	(404.50)	(410.80)	(498.64)	(597.46)	188.50	(1,170.40)	(1,554.70)
18	125,000	(455.51)	(467.15)	(471.65)	(495.50)	(501.80)	(589.64)	(688.46)	207.00	(1,243.40)	(1,627.70)
19	150,000	(546.51)	(558.15)	(562.65)	(586.50)	(592.80)	(680.64)	(779.46)	207.50	(1,334.40)	(1,718.70)
20	175,000	(637.51)	(649.15)	(653.65)	(677.50)	(683.80)	(771.64)	(870.46)	208.00	(1,425.40)	(1,809.70)
21	200,000	(728.51)	(740.15)	(744.65)	(768.50)	(774.80)	(862.64)	(961.46)	208.50	(1,516.40)	(1,900.70)
22	250,000	(910.51)	(922.15)	(926.65)	(950.50)	(956.80)	(1,044.64)	(1,143.46)	209.50	(1,698.40)	(2,082.70)
23	500,000	(1,820.51)	(1,832.15)	(1,836.65)	(1,860.50)	(1,866.80)	(1,954.64)	(2,053.46)	214.50	(2,608.40)	(2,992.70)
24	1,000,000	(3,640.51)	(3,652.15)	(3,656.65)	(3,680.50)	(3,686.80)	(3,774.64)	(3,873.46)	224.50	(4,428.40)	(4,812.70)
25	2,000,000	(7,280.51)	(7,292.15)	(7,296.65)	(7,320.50)	(7,326.80)	(7,414.64)	(7,513.46)	244.50	(8,068.40)	(8,452.70)
26	3,000,000	(10,920.51)	(10,932.15)	(10,936.65)	(10,960.50)	(10,966.80)	(11,054.64)	(11,153.46)	264.50	(11,708.40)	(12,092.70)
27	4,000,000	(14,560.51)	(14,572.15)	(14,576.65)	(14,600.50)	(14,606.80)	(14,694.64)	(14,793.46)	284.50	(15,348.40)	(15,732.70)
28	5,000,000	(18,200.51)	(18,212.15)	(18,216.65)	(18,240.50)	(18,246.80)	(18,334.64)	(18,433.46)	304.50	(18,988.40)	(19,372.70)
29											
30											
31	AVG. NO. OF CUST:	0	0	0	0	0	0	0	0	0	0
32											
33	AVG. USE (GAL.):	0	0	0	0	0	0	0	1,908,591	0	0
34	MONTHLY BILL:								$242.67		
35											
36	MEDIAN USE (GAL.) :	0	0	0	0	0	0	0	0	0	0
37	MONTHLY BILL:										

WATER DIVISION

FIRE LINES

RIO RICO UTILITIES, INC. - FIRE CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
REVENUE COMPARISON

DOCKET NO. WS-02676A-12-0196
SUUREBUTTAL SCHEDULE TJC-RD 1

LINE NO.	METER SIZE	PERESENT RATES MONTHLY MINIMUM	PERESENT RATES COMMODITY CHARGE	PERESENT RATES TOTAL REVENUE	COMPANY PROPOSED RATES MONTHLY MINIMUM	COMPANY PROPOSED RATES COMMODITY CHARGE	COMPANY PROPOSED RATES TOTAL REVENUE	RUCO RECOMMENDED RATES MONTHLY MINIMUM	RUCO RECOMMENDED RATES COMMODITY CHARGE	RUCO RECOMMENDED RATES TOTAL REVENUE
1	UP TO 8 - INCH	$ 1,581	$ -	$ 1,581	$ 2,480	$ -	$ 2,480	$ 2,166	$ -	$ 2,166
2	3/4 - INCH	-	-	-	-	-	-	-	-	-
3	1 - INCH	-	-	-	-	-	-	-	-	-
4	1 1/2 - INCH	-	-	-	-	-	-	-	-	-
5	2 - INCH	-	-	-	-	-	-	-	-	-
6	3 - INCH	-	-	-	-	-	-	-	-	-
7	4 - INCH	-	-	-	-	-	-	-	-	-
8	6 - INCH	-	-	-	-	-	-	-	-	-
9	8 - INCH	-	-	-	-	-	-	-	-	-
10	10 - INCH	-	-	-	-	-	-	-	-	-
11	TOTALS	$ 1,581	$ -	$ 1,581	$ 2,480	$ -	$ 2,480	$ 2,166	$ -	$ 2,166
12	PERCENTAGE	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%

RIO RICO UTILITIES, INC. - FIRE CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
RECOMMENDED RATES

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 2

LINE NO.	DESCRIPTION					PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	**RECOMMENDED MONTHLY MINIMUM USAGE CHARGE:**							
2								
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)							
4	UP TO 8 - INCH					$5.49	$8.61	$7.52
5	3/4 - INCH					0.00	0.00	11.28
6	1 - INCH					0.00	0.00	18.80
7	1 1/2 - INCH					0.00	0.00	37.60
8	2 - INCH					0.00	0.00	60.16
9	3 - INCH					0.00	0.00	112.80
10	4 - INCH					0.00	0.00	188.00
11	6 - INCH					0.00	0.00	376.00
12	8 - INCH					0.00	0.00	752.00
13	10 - INCH					0.00	0.00	1,504.00
14								
15	**GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:**							
16								
17	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS					0	0	0
18								
19	**RECOMMENDED COMMODITY RATES BY METER SIZE**							
20								
21	UP TO 8 - INCH							
22	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
23	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
24	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
25								
26	3/4 - INCH							
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
28	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
29	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
30								
31	1 - INCH							
32	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
33	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
34	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
35								
36	1 1/2 - INCH							
37	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
38	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
39	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
40								
41	2 - INCH							
42	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
43	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
44	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
45								
46	3 - INCH							
47	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
48	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
49	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
50								
51	4 - INCH							
52	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
53	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
54	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
55								
56	6 - INCH							
57	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
58	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
59	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
60								
61	8 - INCH							
62	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
63	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
64	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
65								
66	10 - INCH							
67	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
68	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
69	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -

RIO RICO UTILITIES, INC. - FIRE CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 3

RUCO RECOMMENDED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$7.52	$11.28	$18.80	$37.60	$60.16	$112.80	$188.00	$376.00	$752.00	$1,504.00
2	1,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
3	2,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
4	3,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
5	4,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
6	5,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
7	6,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
8	7,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
9	8,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
10	9,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
11	10,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
12	15,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
13	20,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
14	25,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
15	50,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
16	75,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
17	100,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
18	125,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
19	150,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
20	175,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
21	200,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
22	250,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
23	500,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
24	1,000,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
25	2,000,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
26	3,000,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
27	4,000,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
28	5,000,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
29											
30											
31	AVG. NO. OF CUST:	24	0	0	0	0	0	0	0	0	0
32											
33	AVG. USE (GAL.):	1,917									
34	MONTHLY BILL:	$7.52									
35											
36	MEDIAN USE (GAL.) :										
37	MONTHLY BILL:										

RIO RICO UTILITIES, INC. - FIRE CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 4

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$2.03	$11.28	$18.80	$37.60	$60.16	$112.80	$188.00	$376.00	$752.00	$1,504.00
2	1,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
3	2,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
4	3,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
5	4,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
6	5,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
7	6,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
8	7,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
9	8,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
10	9,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
11	10,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
12	15,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
13	20,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
14	25,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
15	50,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
16	75,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
17	100,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
18	125,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
19	150,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
20	175,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
21	200,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
22	250,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
23	500,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
24	1,000,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
25	2,000,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
26	3,000,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
27	4,000,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
28	5,000,000	2.03	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
29											
30											
31	AVG. NO. OF CUST:	24	0	0	0	0	0	0	0	0	0
32											
33	AVG. USE (GAL.):	1,917	0	0	0	0	0	0	0	0	0
34	MONTHLY BILL:										
35											
36	MEDIAN USE (GAL.) :	0	0	0	0	0	0	0	0	0	0
37	MONTHLY BILL:										

TABLE OF CONTENTS TO TJC SCHEDULES

SCH NO.	PAGE NO.	TITLE
TJC-1	1 & 2	REVENUE REQUIREMENT AND GROSS REVENUE CONVERSION FACTOR
TJC-2	1	RATE BASE SUMMARY - ORIGINAL COST/FAIR VALUE RATE BASE
TJC-3	1	ORIGINAL COST/FAIR VALUE RATE BASE WITH RUCO RECOMMENDED ADJUSTMENTS
TJC-4(a) & 4(b)	1 & 2	TOTAL DIRECT PLANT IN SERVICE AND ACCUMULATION DEPRECIATION
TJC-5(a) & 5(b)	1 & 2	SUMMARY OF RUCO RECOMMENDED PLANT IN SERVICE AND ACCUMULATED DEPRE.
TJC-5(c)	1-4	RATE BASE ADJ. NO. 1(a) - PLANT RETIREMENT
TJC-5(c)	1-4	RATE BASE ADJ. NO. 1(b) - RECONSTRUCTION OF PLANT IN SERVICE 2009 THRU FEBRUARY 29, 2012
TJC-6(a) & 6(b)	1 & 2	RATE BASE ADJ. NO. 2 - RECLASSIFY NWWTP ACCOUNTS
TJC-7(a) & 7(b)	1 & 2	RATE BASE ADJ. NO. 3 - RECLASSIFY ACCOUNT 361 & 380 TO NWWTP
TJC-8(a) & 8(b)	1 & 2	RATE BASE ADJ. NO. 4 - REMOVE AFFILIATE PROFITS
TJC-9	1 & 2	RATE BASE ADJ. NO. 5 - ACCUMULATED DEFERRED INCOME TAXES ("ADIT")
TJC-10	1	OPERATING INCOME SUMMARY
TJC-11	1 & 2	SCHEDULE OF OPERATING INCOME - ADJUSTED TEST YEAR WITH RUCO ADJUSTMENTS
TJC-12	1	OPERATING INCOME ADJUSTMENT NO. 1 - DEPRECIATION EXPENSE
TJC-13	1	OPERATING INCOME ADJUSTMENT NO. 2 - PROPERTY TAX EXPENSE
TJC-14	1	OPERATING INCOME ADJUSTMENT NO. 3 - RATE CASE EXPENSE
TJC-15	1-21	OPERATING INCOME ADJUSTMENT NO. 4 - REVENUE ANNUALIZATION OF 6" METER COMM. CUSTOMER
TJC-16	1	OPERATING INCOME ADJUSTMENT NO. 5 - MISSING BILL COUNTS FOR 4 CUSTOMERS
TJC-17	1	OPERATING INCOME ADJUSTMENT NO. 6 - REVENUE ACCRUAL FOR 6" METER COMM. CUSTOMER
TJC-18	1	OPERATING INCOME ADJUSTMENT NO. 7 - REVENUE ACCRUAL FOR MISSING BILL COUNTS
TJC-19	1	OPERATING INCOME ADJUSTMENT NO. 8 - EXPENSE ANNUALIZATION
TJC-20	1	OPERATING INCOME ADJUSTMENT NO. 9 - INTENTIONALLY LEFT BLANK
TJC-21	1	OPERATING INCOME ADJUSTMENT NO. 10 - INTENTIONALLY LEFT BLANK
TJC-22	1	OPERATING INCOME ADJUSTMENT NO. 11 - ACHIEVEMENT/INCENTIVE PAY EXPENSE
TJC-23	1	OPERATING INCOME ADJUSTMENT NO. 12 - INTENTIONALLY LEFT BLANK
TJC-24	1	OPERATING INCOME ADJUSTMENT NO. 13 - ADJUST TEST YEAR NWWTP TREATMENT EXPENSE
TJC-25	1	OPERATING INCOME ADJUSTMENT NO. 14 - RECLASSIFY NWWTP TREATMENT EXPENSE
TJC-26	1	OPERATING INCOME ADJUSTMENT NO. 15 - APUC COST ALLOCATIONS EXPENSE
TJC-27	1	OPERATING INCOME ADJUSTMENT NO. 16 - EMPLOYEE BENEFIT PACKAGE EXPENSE EXPENSE
		OPERATING INCOME ADJUSTMENT NO. 17 - INTENTIONALLY LEFT BLANK
		OPERATING INCOME ADJUSTMENT NO. 18 - INTENTIONALLY LEFT BLANK
		OPERATING INCOME ADJUSTMENT NO. 19 - INTENTIONALLY LEFT BLANK
		OPERATING INCOME ADJUSTMENT NO. 20 - INTENTIONALLY LEFT BLANK
TJC-28	1	OPERATING INCOME ADJUSTMENT NO. 16 - INCOME TAX EXPENSES
TJC-29	1	COST OF CAPITAL

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	[A] COMPANY OCRB/FVRB COST	[B] RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	$ 4,600,012	$ 4,677,834
2			
3	Adjusted Operating Income (Loss)	$ 213,826	$ 346,695
4			
5	Current Rate of Return (L3 / L1)	4.65%	7.41%
6			
7	Required Operating Income (L9 X L1)	$ 446,201	$ 385,921
8			
9	Required Rate of Return on Fair Value Rate Base	9.70%	8.25%
10			
11	Operating Income Deficiency (L7 - L3)	$ 232,375	$ 39,226
12			
13	Gross Revenue Conversion Factor (TJC-1, Page 2 of 2)	1.6939	1.6585
14			
15	Required Increase in Gross Revenue Requirement (L11 X L13)	$ 393,612	$ 65,054
16			
17	Adjusted Test Year Revenue	$ 1,360,583	$ 1,402,843
18			
19	Proposed Annual Revenue (L15 + L17)	$ 1,754,195	$ 1,467,898
20			
21	Required Percentage Increase in Revenue (L15 / L17)	28.93%	4.64%
22			
23			
24	Rate of Return on Common Equity	10.70%	8.25%

References:
Column [A]: Company Schedules A-1, B-1 and C-1
Column [B]: RUCO Schedules TJC-2, TJC-3, TJC-9 and TJC-10

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	[A]	[B]	[C]	[D]
	CALCULATION OF GROSS REVENUE CONVERSION FACTOR:				
1	Revenue	100.0000%			
2	Proposed Bad Debt Expense (Per Co. Workpapers)	-			
3	Subtotal (L1 thru L2)	100.0000%			
4	Combined Federal, State, Property Tax Rate (L22)	39.7027%			
5	Subtotal (L3 - L4)	60.2973%			
6	**Gross Revenue Conversion Factor** (L1 / L5)	**1.6585**			
7					
8	CALCULATION OF EFFECTIVE TAX RATE:				
9	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
10	Arizona State Income Tax Rate	6.9680%			
11	Federal Taxable Income (L9 - L10)	93.0320%			
12	Applicable Federal Income Tax Rate (L58)	34.0000%			
13	Effective Federal Income Tax Rate (L11 X L12)	31.6309%			
14	Combined Federal and State Income Tax Rate (L10 + L13)	38.5989%			
15					
16	CALCULATION OF EFFECTIVE PRPERTY TAX FACTOR:				
17	Unity	100.0000%			
18	Combined Federal and State Tax Rate	38.5989%			
19	1 Minus Combined Income Tax Rate	61.4011%			
20	Property Tax Factor	1.7978%			
21	Effective Property Tax Factor (L19 x L 20)	1.1039%			
22	Combined Federal, State & Property Tax RateTax Rate (L14 + L21)	39.7027%			
23					
24	RUCO Required Operating Income (Sch. TJC-1, Col. [B], L7)	$ 385,921			
25	RUCO Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Col. [B], L3)	346,695			
26	Required Increase In Operating Income (L24 - L25)		$ 39,226		
27					
28	Income Taxes On Recommended Revenue (Col. [D], L53)	$ 242,604			
29	Income Taxes On Test Year Revenue (Col. [D], L55)	217,945			
30	Required Increase In Revenue To Provide For Income Taxes (L28 - L29)		$ 24,659		
31					
32	Property Tax with Recommended Revenue (Sch. TJC-10, Col. [E], L33)	76,830			
33	Propertry Tax on Test Year Revenue (Sch. TJC-10, Col. [C], L33)	75,661			
34	Increase in Property Tax Due to Increase in Revenue (L32 - L33)		$ 1,170		
35					
36	Total Required Increase In Revenue (L26 + L30 + L34)		$ 65,054		
37					
38	RUCO's CALCULATION OF INCOME TAX :			RUCO Recommended	
39	RUCO Proposed Revenue (Sch. TJC-1, Col. [B], L19)			$ 1,467,898	
40	**Less:**				
41	Operating Expense Excluding Income Tax (Sch. TJC-10, Col. [E], L36 - L34)			839,373	
42	Synchronized Interest (Col. [C], L63)			-	
43	Arizona Taxable Income (L39 - L41 - L42)			$ 628,525	
44	Arizona State Income Tax Rate			6.9680%	
45	Arizona Income Tax (L43 X L44)				$ 43,796
46	Fed. Taxable Income (L43 - L45)			$ 584,729	
47	Fed. Tax On 1st Inc. Bracket ($1 - $50,000) @ 15%			$ 7,500	
48	Fed. Tax On 2nd Inc. Bracket ($50,001 - $75,000) @ 25%			$ 6,250	
49	Fed. Tax On 3rd Inc. Bracket ($75,001 - $100,000) @ 34%			$ 8,500	
50	Fed. Tax On 4th Inc. Bracket ($100,001 - $335,000) @ 39%			$ 91,650	
51	Fed. Tax On 5th Inc. Bracket ($335,001 - $10M) @ 34%			$ 84,908	
52	Total Federal Income Tax (L47 thru L 51)				$ 198,808
53	Combined Federal And State Income Tax (L45+ L52)				$ 242,604
54					
55	RUCO Adj'd Test Year Combined Federal and State Income Tax (TJC-10, Col. [C], L34)				$ 217,945
56	RUCO Proposed Income Tax Adjustment (L53 - L55)				$ 24,659
57					
58	Applicable Federal Income Tax Rate				34.00%
59					
60	**NOTE (A): Interest Synchronization**				
61	Adjusted Rate Base TJC-2, Col. (C), L23			$ 4,677,834	
62	Weighted Cost Of Debt TJC-28, Col. [C], L1			0.00%	
63	Interest Expense (L61 X L62)			$ -	

RATE BASE - ORIGINAL COST/FAIR VALUE

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED OCRB/FVRB	[B] RUCO OCRB/FVRB ADJUSTMENTS	[C] RUCO ADJ'TED OCRB/FVRB
1				
2	Gross Utility Plant in Service	$ 14,241,191	$ 8,081	$ 14,249,271
3				
4	Accumulated Depreciation	(6,437,304)	83,717	(6,353,587)
5	Net Utility Plant In Service (L2 + L4)	$ 7,803,886	$ 91,798	$ 7,895,684
6				
7	**Less:**			
8	Advances In Aid Of Construction (AIAC)	$ (293,794)	$ -	$ (293,794)
9				
10	Contribution In Aid Of Construction (CIAC)	(5,152,673)	-	(5,152,673)
11	Accumulated Amortization of CIAC	2,509,975	-	2,509,975
12	NET CIAC (L10 + L11)	$ (2,642,698)	$ -	$ (2,642,698)
13				
14	Deferred Income Tax	$ (244,419)	$ (13,976)	$ (258,395)
15				
16	Customer Deposits	(22,963)	-	(22,963)
17				
18				
19				
20				
21				
22				
23	TOTAL RATE BASE (L5+L8+L12+L14+L16)	$ 4,600,012	$ 77,822	$ 4,677,834

References:
Column [A]: Company Schedule B-1
Column [B]: Schedule TJC-3 Column [H]
Column [C]: Column [A] + Column [B]

ORIGINAL COST/FAIR VALUE RATE BASE - RUCO ADJUSTMENTS

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED OCRB/FVRB	[B] RUCO ADJUSTMENT NO. 1(a) PLANT RETIREMENT	[C] RUCO ADJUSTMENT NO. 1(b) ACCUM. DEPRE. BALANCE	[D] RUCO ADJUSTMENT NO. 2 RECLASSIFY NWWTP PLANT ACCOUNTS	[E] RUCO ADJUSTMENT NO. 3 RECLASSIFY ACCT. 380 CAPACITY CHRGS. TO NWWTP	[F] RUCO ADJUSTMENT NO. 4 REMOVE AFFILIATE PROFITS PER MJR 1-15	[G] RUCO ADJUSTMENT NO. 5 ADIT BALANCE	[H] RUCO Total Pro Forma Adjustments	[I] RUCO ADJ'TED OCRB/FVRB
1										
2	Gross Utility Plant in Service	$ 14,241,191	$ (6,866)	$ -	$ 15,362	$ -	$ (415)	$ -	$ 8,081	$ 14,249,271
3										
4	Accumulated Depreciation	(6,437,304)	-	85,126	(1,415)	-	6	-	83,717	(6,353,587)
5	Net Utility Plant In Service (L2 + L4)	$ 7,803,886	$ (6,866)	$ 85,126	$ 13,947	$ -	$ (409)	$ -	$ 91,798	$ 7,895,684
6										
7	**Less:**									
8	Advances In Aid Of Construction (AIAC)	$ (293,794)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (293,794)
9										
10	Contribution In Aid Of Construction (CIAC)	(5,152,673)	-	-	-	-	-	-	-	(5,152,673)
11	Accumulated Amortization of CIAC	2,509,975	-	-	-	-	-	-	-	2,509,975
12	NET CIAC (L10 + L11)	$ (2,642,698)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (2,642,698)
13										
14	Deferred Income Tax	(244,419)	-	-	-	-	-	(13,976)	(13,976)	(258,395)
15										
16	Customer Deposits	(22,963)	-	-	-	-	-	-	-	(22,963)
17										
18										
19										
20										
21										
22										
23	TOTAL RATE BASE (L5+L8+L12+L14+L16)	$ 4,600,012	$ (6,866)	$ 85,126	$ 13,947	$ -	$ (409)	$ (13,976)	$ 77,822	$ 4,677,834

This adjustment is embedded in TJC-5(c) 2009

References:
Column [A]: Company Schedule B-1 as Filed
Column [B] Thru [G]: RUCO Recommended Adjustments
Column [H]: Sum of Columns [B] Thru [G]
Column [I]: Column [A] + Column[H]

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

TOTAL UTILITY PLANT IN SERVICE SUMMARY SCHEDULE

Line No.	NARUC Account	Description	Company Plant in Service Balance As Filed	RUCO Adjustment No. 1(a) Plant In Service Reconstruction Adjustment	RUCO Adjustment No. 2(a) Reclassify NWWTP Accounts Per RUCO DR 2.1	RUCO Adjustment No. 3(a) Reclassify Acct. 380 Acct. 380 Capacity Chrgs. To NWWTP Account	RUCO Adjustment No. 4(a) Remove Affiliate Profits Per Staff DR MJR 1.15	RUCO Total Adjustments	RUCO Total Plant In Service Balance
1	351	Organization	$ 5,785	$ -	$ -	$ -	$ -	$ -	$ 5,785
2	352	Franchise	417	-	-	-	-	-	417
3	353	Land	7,545	-	-	-	-	-	7,545
4	354	Structures & Improvements	150,294	-	-	-	-	-	150,294
5	355	Power Generation	-	-	-	-	-	-	-
6	360	Collection Sewer Forced	636,023	-	-	-	-	-	636,023
7	361	Collection Sewers Gravity	5,991,654	-	-	(315,000)	(415)	(315,415)	5,676,239
8	362	Special Collecting Structures	-	-	-	-	-	-	-
9	363	Customer Services	1,204,113	-	-	-	-	-	1,204,113
10	364	Flow Measuring Devices	66,339	-	-	-	-	-	66,339
11	366	Reuse Services	-	-	-	-	-	-	-
12	367	Reuse Meters And Installation	-	-	-	-	-	-	-
13	370	Receiving Wells	867,120	-	-	-	-	-	867,120
14	371	Pumping Equipment	1,712,940	(6,866)	-	-	-	(6,866)	1,706,074
15	374	Reuse Distribution Reservoirs	-	-	-	-	-	-	-
16	375	Reuse Trans. and Dist. System	-	-	-	-	-	-	-
17	380	Treatment & Disposal Equipment	1,128,675	-	(153,642)	(693,000)	-	(846,642)	282,033
18	381	Plant Sewers	13,690	-	-	-	-	-	13,690
19	382	Outfall Sewer Lines	-	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	64,928	-	-	-	-	-	64,928
21	390	Office Furniture & Equipment	116,937	-	-	-	-	-	116,937
22	390.1	Computers and Software	4,025	-	-	-	-	-	4,025
23	391	Transportation Equipment	117	-	-	-	-	-	117
24	392	Stores Equipment	-	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	5,139	-	-	-	-	-	5,139
26	394	Laboratory Equip	-	-	-	-	-	-	-
27	396	Communication Equip	5,936	-	-	-	-	-	5,936
28	398	Other Tangible Plant	3,913	-	-	-	-	-	3,913
29		Nogales WWTP	2,255,600	-	169,004	1,008,000	-	1,177,004	3,432,604
30		RUCO Increase/(Decrease) Adj.	$ 14,241,191	$ (6,866)	$ 15,362	$ -	$ (415)	$ 8,081	$ 14,249,271
31									

References:
Adjustment No. 1(a) - Schedule TJC-5(c), pages 1-4
Adjustment No. 2(a) - Schedule TJC-6(a)
Adjustment No. 3(a) - Schedule TJC-7(a)
Adjustment No. 4(a) - Schedule TJC-8(a)

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

TOTAL ACCUMULATED DEPRECIATION SUMMARY SCHEDULE

Line No.	NARUC Account	Description	Company Accum. Depre. Balance As Filed	RUCO Adjustment No. 1(b) Accumulated Depreciation Adjustment	RUCO Adjustment No. 2(b) Reclassify NWWTP Accounts Per RUCO DR 2.1	RUCO Adjustment No. 3(b) Reclassify Acct. 380 Acct. 380 Capacity Chrgs. To NWWTP Account	RUCO Adjustment No. 4(b) Remove Affiliate Profits Per Staff DR MJR 1.15	RUCO Total Adjustments	RUCO Total Accum. Depre. Balance
1	351	Organization	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	352	Franchise	-	-	-	-	-	-	-
3	353	Land	-	-	-	-	-	-	-
4	354	Structures & Improvements	(29,339)	160	-	-	-	160	(29,179)
5	355	Power Generation	-	-	-	-	-	-	-
6	360	Collection Sewer Forced	(1,910)	0	-	-	-	0	(1,910)
7	361	Collection Sewers Gravity	(2,596,939)	-	-	42,000	6	42,006	(2,554,933)
8	362	Special Collecting Structures	-	-	-	-	-	-	-
9	363	Customer Services	(669,901)	-	-	-	-	-	(669,901)
10	364	Flow Measuring Devices	(51,174)	-	-	-	-	-	(51,174)
11	366	Reuse Services	-	-	-	-	-	-	-
12	367	Reuse Meters And Installation	-	-	-	-	-	-	-
13	370	Receiving Wells	(330,148)	-	-	-	-	-	(330,148)
14	371	Pumping Equipment	(1,687,580)	85,177	-	-	-	85,177	(1,602,403)
15	374	Reuse Distribution Reservoirs	-	-	-	-	-	-	-
16	375	Reuse Trans. and Dist. System	-	-	-	-	-	-	-
17	380	Treatment & Disposal Equipment	(827,041)	-	-	514,622	-	545,008	(282,033)
18	381	Plant Sewers	(57)	-	-	-	-	-	(57)
19	382	Outfall Sewer Lines	-	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	(68,869)	22	-	-	-	3,941	(64,928)
21	390	Office Furniture & Equipment	(31,386)	-	-	-	-	-	(31,386)
22	390.1	Computers and Software	(4,025)	-	-	-	-	-	(4,025)
23	391	Transportation Equipment	(10)	-	-	-	-	-	(10)
24	392	Stores Equipment	-	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	(4,937)	18	-	-	-	18	(4,918)
26	394	Laboratory Equip	-	-	-	-	-	-	-
27	396	Communication Equip	(5,936)	-	-	-	-	-	(5,936)
28	398	Other Tangible Plant	(3,662)	(251)	-	-	-	(251)	(3,913)
29		Nogales WWTP	(124,390)	-	(1,415)	(556,622)	-	(558,037)	(682,427)
30									
31		RUCO Increase/(Decrease) Adj.	$ (6,437,304)	$ 85,126	$ (1,415)	$ -	$ 6	$ 118,022	$ (6,319,282)

References:
Adjustment No. 1(b) - Schedule TJC-5(c), pages 1-4
Adjustment No. 2(b) - Schedule TJC-6(b)
Adjustment No. 3(b) - Schedule TJC-7(b)
Adjustment No. 4(b) - Schedule TJC-8(b)

RUCO RATE BASE ADJUSTMENT NO. 1(a)
RECONSTRUCTION OF UTILITY PLANT IN SERVICE ("UPIS")

Line No.	NARUC Account No.	Description	Company Plant in Service Balance As Filed	RUCO Adjustments	RUCO As Calculated
1	351	Organization	$ 5,785	$ -	$ 5,785
2	352	Franchise	417	-	417
3	353	Land	7,545	-	7,545
4	354	Structures & Improvements	150,294	-	150,294
5	355	Power Generation	-	-	-
6	360	Collection Sewer Forced	636,023	-	636,023
7	361	Collection Sewers Gravity	5,991,654	-	5,991,654
8	362	Special Collecting Structures	-	-	-
9	363	Customer Services	1,204,113	-	1,204,113
10	364	Flow Measuring Devices	66,339	-	66,339
11	366	Reuse Services	-	-	-
12	367	Reuse Meters And Installation	-	-	-
13	370	Receiving Wells	867,120	-	867,120
14	371	Pumping Equipment	1,712,940	(6,866)	1,706,074
15	374	Reuse Distribution Reservoirs	-	-	-
16	375	Reuse Trans. and Dist. System	-	-	-
17	380	Treatment & Disposal Equipment	1,128,675	-	1,128,675
18	381	Plant Sewers	13,690	-	13,690
19	382	Outfall Sewer Lines	-	-	-
20	389	Other Sewer Plant & Equipment	64,928	-	64,928
21	390	Office Furniture & Equipment	116,937	-	116,937
22	390.1	Computers and Software	4,025	-	4,025
23	391	Transportation Equipment	117	-	117
24	392	Stores Equipment	-	-	-
25	393	Tools, Shop And Garage Equip	5,139	-	5,139
26	394	Laboratory Equip	-	-	-
27	396	Communication Equip	5,936	-	5,936
28	398	Other Tangible Plant	3,913	-	3,913
29		Nogales WWTP	2,255,600	-	2,255,600
30		Plant Held for Future Use	-	-	-
31		RUCO TOTALS	$ 14,241,191	$ (6,866)	$ 14,234,325
32		Company As Calculated & Filed			14,241,191
33		RUCO Increase/(Decrease) Adj.			$ (6,866)

References: Schedules TJC-5, Pages 3-6, Plant Reconstruction Schedules - Years 2009 Through 2012

RUCO RATE BASE ADJUSTMENT NO. 1(b)
RECONSTRUCTION OF ACCUMULATED DEPRECIATION

Line No.	NARUC Account No.	Description	Company Accum. Depre. Balance As Filed	RUCO Adjustments	RUCO As Adjusted
1	351	Organization	$ -	$ -	$ -
2	352	Franchise	-	-	-
3	353	Land	-	-	-
4	354	Structures & Improvements	(29,339)	160	(29,179)
5	355	Power Generation	-	-	-
6	360	Collection Sewer Forced	(1,910)	0	(1,910)
7	361	Collection Sewers Gravity	(2,596,939)	-	(2,596,939)
8	362	Special Collecting Structures	-	-	-
9	363	Customer Services	(669,901)	-	(669,901)
10	364	Flow Measuring Devices	(51,174)	-	(51,174)
11	366	Reuse Services	-	-	-
12	367	Reuse Meters And Installation	-	-	-
13	370	Receiving Wells	(330,148)	-	(330,148)
14	371	Pumping Equipment	(1,687,580)	85,177	(1,602,403)
15	374	Reuse Distribution Reservoirs	-	-	-
16	375	Reuse Trans. and Dist. System	-	-	-
17	380	Treatment & Disposal Equipment	(827,041)	-	(827,041)
18	381	Plant Sewers	(57)	-	(57)
19	382	Outfall Sewer Lines	-	-	-
20	389	Other Sewer Plant & Equipment	(68,869)	22	(68,847)
21	390	Office Furniture & Equipment	(31,386)	-	(31,386)
22	390.1	Computers and Software	(4,025)	-	(4,025)
23	391	Transportation Equipment	(10)	-	(10)
24	392	Stores Equipment	-	-	-
25	393	Tools, Shop And Garage Equip	(4,937)	18	(4,918)
26	394	Laboratory Equip	-	-	-
27	396	Communication Equip	(5,936)	-	(5,936)
28	398	Other Tangible Plant	(3,662)	(251)	(3,913)
29		Nogales WWTP	(124,390)	-	(124,390)
30		Plant Held for Future Use	-	-	-
31		RUCO TOTALS	$ (6,437,304)	$ 85,126	$ (6,352,178)
32		Company As Calculated & Filed			(6,437,304)
33		RUCO (Increase)/Decrease Adj.			$ 85,126

References: Schedules TJC-5, Pages 3-6, Plant Reconstruction Schedules - Years 2009 Through Feb. 20

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

PLANT RECONSTRUCTION SCHEDULE

				Per Decision 72059			2009								
Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	Plant at 12/31/2008	Accum. Deprec. At 12/31/2008	Net Plant at 12/31/2008	Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization	0.00%	$ 5,785	$ -	$ 5,785	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,785	$ -	$ 5,785
2	352	Franchise	0.00%	417	-	417	-	-	-	-	-	-	417	-	417
3	353	Land	0.00%	7,545	-	7,545	-	-	-	-	-	-	7,545	-	7,545
4	354	Structures & Improvements	3.33%	28,548	(27,203)	1,345	294	-	294	-	-	956	28,842	(28,159)	683
5	355	Power Generation	5.00%	-	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewer Forced	2.00%	636,023	38,371	674,394	-	-	-	-	-	12,720	636,023	25,651	661,674
7	361	Collection Sewers Gravity	2.00%	5,945,962	(2,213,553)	3,732,409	130,091	-	130,091	-	-	120,220	6,076,053	(2,333,773)	3,742,280
8	362	Special Collecting Structures	2.00%	-	-	-	-	-	-	-	-	-	-	-	-
9	363	Customer Services	2.00%	1,145,530	(595,856)	549,674	7,994	-	7,994	(245)	-	22,988	1,153,279	(618,599)	534,680
10	364	Flow Measuring Devices	10.00%	55,988	(31,043)	24,946	8,964	-	8,964	-	-	6,047	64,952	(37,090)	27,863
11	366	Reuse Services	2.00%	-	-	-	-	-	-	-	-	-	-	-	-
12	367	Reuse Meters And Installation	8.33%	-	-	-	-	-	-	-	-	-	-	-	-
13	370	Receiving Wells	3.33%	867,120	(238,710)	628,410	-	-	-	-	-	28,875	867,120	(267,585)	599,535
14	371	Pumping Equipment	12.50%	1,504,181	(1,232,681)	271,499	112	-	112	(6,866)	-	187,600	1,497,426	(1,413,415)	84,011
15	374	Reuse Distribution Reservoirs	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
16	375	Reuse Trans. and Dist. System	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
17	380	Treatment & Disposal Equipment	5.00%	1,006,848	(665,783)	341,066	14,462	-	14,462	-	-	50,704	1,021,310	(716,486)	304,824
18	381	Plant Sewers	5.00%	-	-	-	-	-	-	-	-	-	-	-	-
19	382	Outfall Sewer Lines	3.33%	-	-	-	-	-	-	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	6.67%	68,869	(65,244)	3,625	-	-	-	-	-	3,625	68,869	(68,869)	-
21	390	Office Furniture & Equipment	6.67%	110,454	(8,021)	102,433	-	-	-	-	-	7,367	110,454	(15,388)	95,066
22	390.1	Computers and Software	20.00%	4,025	(4,025)	-	-	-	-	-	-	-	4,025	(4,025)	-
23	391	Transportation Equipment	20.00%	-	-	-	-	-	-	-	-	-	-	-	-
24	392	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	5.00%	4,897	(4,156)	741	-	-	-	-	-	245	4,897	(4,401)	496
26	394	Laboratory Equip	10.00%	-	-	-	-	-	-	-	-	-	-	-	-
27	396	Communication Equip	10.00%	5,936	(5,936)	-	-	-	-	-	-	-	5,936	(5,936)	-
28	398	Other Tangible Plant	10.00%	3,913	(2,815)	1,099	-	-	-	-	-	391	3,913	(3,206)	707
29		Nogales WWTP	4.72%	427,000	(53,375)	373,625	-	-	-	-	-	20,154	427,000	(73,529)	353,471
30															
31															
32															
33															
34		Rounding		-	-	-	-	-	-	-	-	-	-	-	-
35															
36		RUCO TOTALS		$ 11,829,042	$ (5,110,028)	$ 6,719,013	$ 161,917	$ -	$ 161,917	$ (7,111)	$ -	$ 461,894	$ 11,983,848	$ (5,564,811)	$ 6,419,036

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

PLANT RECONSTRUCTION SCHEDULE

Line No.	NARUC Account No.	Description	2010 Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,785	$ -	$ 5,785
2	352	Franchise	-	-	-	-	-	-	417	-	417
3	353	Land	-	-	-	-	-	-	7,545	-	7,545
4	354	Structures & Improvements	-	-	-	-	-	683	28,842	(28,842)	-
5	355	Power Generation	-	-	-	-	-	-	-	-	-
6	360	Collection Sewer Forced	-	-	-	-	-	12,720	636,023	12,930	648,953
7	361	Collection Sewers Gravity	108	-	108	-	-	121,522	6,076,161	(2,455,296)	3,620,866
8	362	Special Collecting Structures	-	-	-	-	-	-	-	-	-
9	363	Customer Services	36,522	-	36,522	-	-	23,431	1,189,801	(642,030)	547,771
10	364	Flow Measuring Devices	-	-	-	-	-	6,495	64,952	(43,585)	21,368
11	366	Reuse Services	-	-	-	-	-	-	-	-	-
12	367	Reuse Meters And Installation	-	-	-	-	-	-	-	-	-
13	370	Receiving Wells	-	-	-	-	-	28,875	867,120	(296,460)	570,660
14	371	Pumping Equipment	84,064	-	84,064	-	-	89,265	1,581,490	(1,502,680)	78,810
15	374	Reuse Distribution Reservoirs	-	-	-	-	-	-	-	-	-
16	375	Reuse Trans. and Dist. System	-	-	-	-	-	-	-	-	-
17	380	Treatment & Disposal Equipment	609	-	609	-	-	51,081	1,021,920	(767,567)	254,352
18	381	Plant Sewers	-	-	-	-	-	-	-	-	-
19	382	Outfall Sewer Lines	-	-	-	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	-	-	-	-	-	-	68,869	(68,869)	-
21	390	Office Furniture & Equipment	-	-	-	-	-	7,367	110,454	(22,755)	87,699
22	390.1	Computers and Software	-	-	-	-	-	-	4,025	(4,025)	-
23	391	Transportation Equipment	-	-	-	-	-	-	-	-	-
24	392	Stores Equipment	-	-	-	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	-	-	-	-	-	245	4,897	(4,646)	251
26	394	Laboratory Equip	-	-	-	-	-	-	-	-	-
27	396	Communication Equip	-	-	-	-	-	-	5,936	(5,936)	-
28	398	Other Tangible Plant	-	-	-	-	-	391	3,913	(3,597)	316
29		Nogales WWTP	-	-	-	-	-	20,154	427,000	(93,684)	333,316
30											
31											
32											
33											
34		Rounding	-	-	-	-	-	-	-	-	-
35											
36		RUCO TOTALS	$ 121,303	$ -	$ 121,303	$ -	$ -	$ 362,230	$ 12,105,151	$ (5,927,042)	$ 6,178,109

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

Rio Rico - Wastewater Division
Surrebuttal Schedule TJC-5(c)

PLANT RECONSTRUCTION SCHEDULE

Line No.	NARUC Account No.	Description	2011 Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,785	$ -	$ 5,785
2	352	Franchise	-	-	-	-	-	-	417	-	417
3	353	Land	-	-	-	-	-	-	7,545	-	7,545
4	354	Structures & Improvements	-	-	-	-	-	-	28,842	(28,842)	-
5	355	Power Generation	-	-	-	-	-	-	-	-	-
6	360	Collection Sewer Forced	-	-	-	-	-	12,720	636,023	210	636,233
7	361	Collection Sewers Gravity	652	-	652	-	-	121,530	6,076,813	(2,576,825)	3,499,988
8	362	Special Collecting Structures	-	-	-	-	-	-	-	-	-
9	363	Customer Services	7,319	-	7,319	-	-	23,869	1,197,120	(665,899)	531,221
10	364	Flow Measuring Devices	-	-	-	-	-	6,495	64,952	(50,080)	14,872
11	366	Reuse Services	-	-	-	-	-	-	-	-	-
12	367	Reuse Meters And Installation	-	-	-	-	-	-	-	-	-
13	370	Receiving Wells	-	-	-	-	-	28,875	867,120	(325,335)	541,785
14	371	Pumping Equipment	94,151	-	94,151	-	-	84,694	1,675,641	(1,587,375)	88,267
15	374	Reuse Distribution Reservoirs	-	-	-	-	-	-	-	-	-
16	375	Reuse Trans. and Dist. System	-	-	-	-	-	-	-	-	-
17	380	Treatment & Disposal Equipment	99,979	-	99,979	(3,400)	-	53,510	1,118,499	(817,678)	300,821
18	381	Plant Sewers	-	-	-	-	-	-	-	-	-
19	382	Outfall Sewer Lines	-	-	-	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	-	-	-	-	-	-	68,869	(68,869)	-
21	390	Office Furniture & Equipment	-	-	-	-	-	7,367	110,454	(30,122)	80,332
22	390.1	Computers and Software	-	-	-	-	-	-	4,025	(4,025)	-
23	391	Transportation Equipment	67	-	67	-	-	7	67	(7)	61
24	392	Stores Equipment	-	-	-	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	139	-	139	-	-	248	5,036	(4,894)	142
26	394	Laboratory Equip	-	-	-	-	-	-	-	-	-
27	396	Communication Equip	-	-	-	-	-	-	5,936	(5,936)	-
28	398	Other Tangible Plant	-	-	-	-	-	316	3,913	(3,913)	-
29		Nogales WWTP	-	-	-	-	-	20,154	427,000	(113,838)	313,162
30											
31											
32											
33											
34		Rounding	-	-	-	-	-	-	-	-	-
35											
36		RUCO TOTALS	$ 202,307	$ -	$ 202,307	$ (3,400)	$ -	$ 359,787	$ 12,304,058	$ (6,283,429)	$ 6,020,629

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

PLANT RECONSTRUCTION SCHEDULE

Line No.	NARUC Account No.	Description	2012 (2 Months - January 1 through February 29, 2012) Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,785	$ -	$ 5,785
2	352	Franchise	-	-	-	-	-	-	417	-	417
3	353	Land	-	-	-	-	-	-	7,545	-	7,545
4	354	Structures & Improvements	14	121,438	121,452	-	-	337	150,294	(29,179)	121,115
5	355	Power Generation	-	-	-	-	-	-	-	-	-
6	360	Collection Sewer Forced	-	-	-	-	-	2,120	636,023	(1,910)	634,113
7	361	Collection Sewers Gravity	(85,159)	-	(85,159)	-	-	20,114	5,991,654	(2,596,939)	3,394,715
8	362	Special Collecting Structures	-	-	-	-	-	-	-	-	-
9	363	Customer Services	7,009	(16)	6,993	-	-	4,002	1,204,113	(669,901)	534,212
10	364	Flow Measuring Devices	1,387	-	1,387	-	-	1,094	66,339	(51,174)	15,165
11	366	Reuse Services	-	-	-	-	-	-	-	-	-
12	367	Reuse Meters And Installation	-	-	-	-	-	-	-	-	-
13	370	Receiving Wells	-	-	-	-	-	4,813	867,120	(330,148)	536,972
14	371	Pumping Equipment	30,433	-	30,433	-	-	15,028	1,706,074	(1,602,403)	103,671
15	374	Reuse Distribution Reservoirs	-	-	-	-	-	-	-	-	-
16	375	Reuse Trans. and Dist. System	-	-	-	-	-	-	-	-	-
17	380	Treatment & Disposal Equipment	10,176	-	10,176	-	-	9,363	1,128,675	(827,041)	301,634
18	381	Plant Sewers	13,690	-	13,690	-	-	57	13,690	(57)	13,633
19	382	Outfall Sewer Lines	-	-	-	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	280	(4,221)	(3,941)	-	-	(22)	64,928	(68,847)	(3,919)
21	390	Office Furniture & Equipment	6,483	-	6,483	-	-	1,264	116,937	(31,386)	85,551
22	390.1	Computers and Software	-	-	-	-	-	-	4,025	(4,025)	-
23	391	Transportation Equipment	50	-	50	-	-	3	117	(10)	108
24	392	Stores Equipment	-	-	-	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	103	-	103	-	-	24	5,139	(4,918)	221
26	394	Laboratory Equip	-	-	-	-	-	-	-	-	-
27	396	Communication Equip	-	-	-	-	-	-	5,936	(5,936)	-
28	398	Other Tangible Plant	-	-	-	-	-	-	3,913	(3,913)	-
29		Nogales WWTP	1,828,600	-	1,828,600	-	-	10,552	2,255,600	(124,390)	2,131,210
30											
31											
32											
33											
34		Rounding	-	-	-	-	-	-	-	-	-
35											
36		RUCO TOTALS	$ 1,813,066	$ 117,201	$ 1,930,267	$ -	$ -	$ 68,749	$ 14,234,325	$ (6,352,178)	$ 7,882,147
37		Company Plant in Service as Filed							14,241,191		
38		RUCO Increase/(Decrease) Plant in Service Adjustment							$ (6,866)		
39		Company Accumulated Depreciation as Filed								(6,437,304)	
40		RUCO (Increase)/Decrease Accumulated Depreciation Adjustment								$ 85,126	

RUCO RATE BASE ADJUSTMENT NO. 2(a)
RECLASSIFY WATER & WASTEWATER PLANT ACCOUNTS TO NWWTP

Line No.	NARUC Account No.	Description	Company Plant In Service As Filed	RUCO Adjustments	RUCO As Calculated
1	351	Organization	$ 5,785	$ -	$ 5,785
2	352	Franchise	417	-	417
3	353	Land	7,545	-	7,545
4	354	Structures & Improvements	150,294	-	150,294
5	355	Power Generation	-	-	-
6	360	Collection Sewer Forced	636,023	-	636,023
7	361	Collection Sewers Gravity	5,991,654	-	5,991,654
8	362	Special Collecting Structures	-	-	-
9	363	Customer Services	1,204,113	-	1,204,113
10	364	Flow Measuring Devices	66,339	-	66,339
11	366	Reuse Services	-	-	-
12	367	Reuse Meters And Installation	-	-	-
13	370	Receiving Wells	867,120	-	867,120
14	371	Pumping Equipment	1,712,940	-	1,712,940
15	374	Reuse Distribution Reservoirs	-	-	-
16	375	Reuse Trans. and Dist. System	-	-	-
17	380	Treatment & Disposal Equipment	1,128,675	(153,642)	975,033
18	381	Plant Sewers	13,690	-	13,690
19	382	Outfall Sewer Lines	-	-	-
20	389	Other Sewer Plant & Equipment	64,928	-	64,928
21	390	Office Furniture & Equipment	116,937	-	116,937
22	390.1	Computers and Software	4,025	-	4,025
23	391	Transportation Equipment	117	-	117
24	392	Stores Equipment	-	-	-
25	393	Tools, Shop And Garage Equip	5,139	-	5,139
26	394	Laboratory Equip	-	-	-
27	396	Communication Equip	5,936	-	5,936
28	398	Other Tangible Plant	3,913	-	3,913
29		Nogales WWTP	2,255,600	169,004	2,424,604
30		Plant Held for Future Use	-	-	-
31		TOTALS	$ 14,241,191	$ 15,362	$ 14,256,553
32		Company As Calculated & Filed			14,241,191
33		RUCO Adjustment			$ 15,362

References: Company B-2 Plant Schedules, Schedules TJC-4 2009 Through 2012, and RUCO NWWTP Reclassification Calculation Adjustment WP

RUCO RATE BASE ADJUSTMENT NO. 2(b)
RECLASSIFY WATER & WASTEWATER ACCUMULATED DEPRECIATION TO NWWTP

Line No.	NARUC Account No.	Description	Company Accum. Depre. As Filed	RUCO Adjustments	Note	RUCO As Adjusted
1	351	Organization	$ -	$ -		$ -
2	352	Franchise	-	-		-
3	353	Land	-	-		-
4	354	Structures & Improvements	(29,339)	-		(29,339)
5	355	Power Generation	-	-		-
6	360	Collection Sewer Forced	(1,910)	-		(1,910)
7	361	Collection Sewers Gravity	(2,596,939)	-		(2,596,939)
8	362	Special Collecting Structures	-	-		-
9	363	Customer Services	(669,901)	-		(669,901)
10	364	Flow Measuring Devices	(51,174)	-		(51,174)
11	366	Reuse Services	-	-		-
12	367	Reuse Meters And Installation	-	-		-
13	370	Receiving Wells	(330,148)	-		(330,148)
14	371	Pumping Equipment	(1,687,580)	-		(1,687,580)
15	374	Reuse Distribution Reservoirs	-	-		-
16	375	Reuse Trans. and Dist. System	-	-		-
17	380	Treatment & Disposal Equipment	(827,041)	-	RT	(827,041)
18	381	Plant Sewers	(57)	-		(57)
19	382	Outfall Sewer Lines	-	-		-
20	389	Other Sewer Plant & Equipment	(68,869)	-		(68,869)
21	390	Office Furniture & Equipment	(31,386)	-		(31,386)
22	390.1	Computers and Software	(4,025)	-		(4,025)
23	391	Transportation Equipment	(10)	-		(10)
24	392	Stores Equipment	-	-		-
25	393	Tools, Shop And Garage Equip	(4,937)	-		(4,937)
26	394	Laboratory Equip	-	-		-
27	396	Communication Equip	(5,936)	-		(5,936)
28	398	Other Tangible Plant	(3,662)	-		(3,662)
29		Nogales WWTP	(124,390)	(1,415)	RT	(125,805)
30		Plant Held for Future Use	-	-		-
31		TOTALS	$ (6,437,304)	$ (1,415)		$ (6,438,719)
32		Company As Calculated & Filed				(6,437,304)
33		RUCO Adjustment				$ (1,415)

References: Company B-2 Plant Schedules, Schedules TJC-4 2009 Through 2012, and RUCO NWWTP Reclassification Calculation Adjustment WP

RUCO RATE BASE ADJUSTMENT NO. 3(a)
RECLASSIFY ACCOUNT 380 UPIS CAPACITY CHARGES TO NWWTP

Line No.	NARUC Account No.	Description	Company Plant In Service As Filed	RUCO Adjustments	RUCO As Calculated
1	351	Organization	$ 5,785	$ -	$ 5,785
2	352	Franchise	417	-	417
3	353	Land	7,545	-	7,545
4	354	Structures & Improvements	150,294	-	150,294
5	355	Power Generation	-	-	-
6	360	Collection Sewer Forced	636,023	-	636,023
7	361	Collection Sewers Gravity	5,991,654	(315,000)	5,676,654
8	362	Special Collecting Structures	-	-	-
9	363	Customer Services	1,204,113	-	1,204,113
10	364	Flow Measuring Devices	66,339	-	66,339
11	366	Reuse Services	-	-	-
12	367	Reuse Meters And Installation	-	-	-
13	370	Receiving Wells	867,120	-	867,120
14	371	Pumping Equipment	1,712,940	-	1,712,940
15	374	Reuse Distribution Reservoirs	-	-	-
16	375	Reuse Trans. and Dist. System	-	-	-
17	380	Treatment & Disposal Equipment	1,128,675	(693,000)	435,675
18	381	Plant Sewers	13,690	-	13,690
19	382	Outfall Sewer Lines	-	-	-
20	389	Other Sewer Plant & Equipment	64,928	-	64,928
21	390	Office Furniture & Equipment	116,937	-	116,937
22	390.1	Computers and Software	4,025	-	4,025
23	391	Transportation Equipment	117	-	117
24	392	Stores Equipment	-	-	-
25	393	Tools, Shop And Garage Equip	5,139	-	5,139
26	394	Laboratory Equip	-	-	-
27	396	Communication Equip	5,936	-	5,936
28	398	Other Tangible Plant	3,913	-	3,913
29		Nogales WWTP	2,255,600	1,008,000	3,263,600
30		Plant Held for Future Use	-	-	-
31		TOTALS	$ 14,241,191	$ -	$ 14,241,191
32		Company As Calculated & Filed			14,241,191
33		RUCO Adjustment			$ -

References: Company B-2 Plant Schedules, Schedules TJC-4 2009 Through 2012, and RUCO NWWTP Reclassify WW Acct. 380 to NWWTP WP and Company Data Response to RUCO DR 5.7.

RUCO RATE BASE ADJUSTMENT NO. 3(b)
RECLASSIFY ACCOUNT 380 ACCUMULATED DEPRECIATION CAPACITY CHARGES TO NWWTP

Line No.	NARUC Account No.	Description	Company Accum. Depre. As Filed	RUCO Adjustments	Note	RUCO As Adjusted
1	351	Organization	$ -	$ -		$ -
2	352	Franchise	-	-		-
3	353	Land	-	-		-
4	354	Structures & Improvements	(29,339)	-		(29,339)
5	355	Power Generation	-	-		-
6	360	Collection Sewer Forced	(1,910)	-		(1,910)
7	361	Collection Sewers Gravity	(2,596,939)	42,000	RT	(2,554,939)
8	362	Special Collecting Structures	-	-		-
9	363	Customer Services	(669,901)	-		(669,901)
10	364	Flow Measuring Devices	(51,174)	-		(51,174)
11	366	Reuse Services	-	-		-
12	367	Reuse Meters And Installation	-	-		-
13	370	Receiving Wells	(330,148)	-		(330,148)
14	371	Pumping Equipment	(1,687,580)	-		(1,687,580)
15	374	Reuse Distribution Reservoirs	-	-		-
16	375	Reuse Trans. and Dist. System	-	-		-
17	380	Treatment & Disposal Equipment	(827,041)	514,622	RT	(312,419)
18	381	Plant Sewers	(57)	-		(57)
19	382	Outfall Sewer Lines	-	-		-
20	389	Other Sewer Plant & Equipment	(68,869)	-		(68,869)
21	390	Office Furniture & Equipment	(31,386)	-		(31,386)
22	390.1	Computers and Software	(4,025)	-		(4,025)
23	391	Transportation Equipment	(10)	-		(10)
24	392	Stores Equipment	-	-		-
25	393	Tools, Shop And Garage Equip	(4,937)	-		(4,937)
26	394	Laboratory Equip	-	-		-
27	396	Communication Equip	(5,936)	-		(5,936)
28	398	Other Tangible Plant	(3,662)	-		(3,662)
29		Nogales WWTP	(124,390)	(556,622)	RT	(681,012)
30		Plant Held for Future Use	-	-		-
31		TOTALS	$ (6,437,304)	$ -		$ (6,437,304)
32		Company As Calculated & Filed				(6,437,304)
33		RUCO Adjustment				$ -

References: Company B-2 Plant Schedules, Schedules TJC-4 2009 Through 2012, Company Rebuttal Testimony and Company Data Response to RUCO DR 5.7.

RUCO RATE BASE ADJUSTMENT NO. 4(a)
REMOVE AFFILIATE PROFITS FROM PLANT IN SERVICE

Line No.	NARUC Account No.	Description	Company Plant In Service As Filed	RUCO Adjustments	RUCO As Calculated
1	351	Organization	$ 5,785	$ -	$ 5,785
2	352	Franchise	417	-	417
3	353	Land	7,545	-	7,545
4	354	Structures & Improvements	150,294	-	150,294
5	355	Power Generation	-	-	-
6	360	Collection Sewer Forced	636,023	-	636,023
7	361	Collection Sewers Gravity	5,991,654	(415)	5,991,239
8	362	Special Collecting Structures	-	-	-
9	363	Customer Services	1,204,113	-	1,204,113
10	364	Flow Measuring Devices	66,339	-	66,339
11	366	Reuse Services	-	-	-
12	367	Reuse Meters And Installation	-	-	-
13	370	Receiving Wells	867,120	-	867,120
14	371	Pumping Equipment	1,712,940	-	1,712,940
15	374	Reuse Distribution Reservoirs	-	-	-
16	375	Reuse Trans. and Dist. System	-	-	-
17	380	Treatment & Disposal Equipment	1,128,675	-	1,128,675
18	381	Plant Sewers	13,690	-	13,690
19	382	Outfall Sewer Lines	-	-	-
20	389	Other Sewer Plant & Equipment	64,928	-	64,928
21	390	Office Furniture & Equipment	116,937	-	116,937
22	390.1	Computers and Software	4,025	-	4,025
23	391	Transportation Equipment	117	-	117
24	392	Stores Equipment	-	-	-
25	393	Tools, Shop And Garage Equip	5,139	-	5,139
26	394	Laboratory Equip	-	-	-
27	396	Communication Equip	5,936	-	5,936
28	398	Other Tangible Plant	3,913	-	3,913
29		Nogales WWTP	2,255,600	-	2,255,600
30		Plant Held for Future Use	-	-	-
31		TOTALS	$ 14,241,191	$ (415)	$ 14,240,775
32		Company As Calculated & Filed			14,241,191
33		RUCO Adjustment			$ (415)

References: Company B-2 Plant Schedules and RRUI's Revised DR Response to Staff MJR-3.13

RUCO RATE BASE ADJUSTMENT NO. 4(b)
REMOVE ACCUMULATED DEPRECIATION RELATED TO REMOVAL OF AFFILIATE PLANT PROFITS

Line No.	NARUC Account No.	Description	Company Accum. Depre. As Filed	RUCO Adjustments	Note	RUCO As Adjusted
1	351	Organization	$ -	$ -		$ -
2	352	Franchise	-	-		-
3	353	Land	-	-		-
4	354	Structures & Improvements	(29,339)	-		(29,339)
5	355	Power Generation	-	-		-
6	360	Collection Sewer Forced	(1,910)	-		(1,910)
7	361	Collection Sewers Gravity	(2,596,939)	6	RT	(2,596,933)
8	362	Special Collecting Structures	-	-		-
9	363	Customer Services	(669,901)	-		(669,901)
10	364	Flow Measuring Devices	(51,174)	-		(51,174)
11	366	Reuse Services	-	-		-
12	367	Reuse Meters And Installation	-	-		-
13	370	Receiving Wells	(330,148)	-		(330,148)
14	371	Pumping Equipment	(1,687,580)	-		(1,687,580)
15	374	Reuse Distribution Reservoirs	-	-		-
16	375	Reuse Trans. and Dist. System	-	-		-
17	380	Treatment & Disposal Equipment	(827,041)	-		(827,041)
18	381	Plant Sewers	(57)	-		(57)
19	382	Outfall Sewer Lines	-	-		-
20	389	Other Sewer Plant & Equipment	(68,869)	-		(68,869)
21	390	Office Furniture & Equipment	(31,386)	-		(31,386)
22	390.1	Computers and Software	(4,025)	-		(4,025)
23	391	Transportation Equipment	(10)	-		(10)
24	392	Stores Equipment	-	-		-
25	393	Tools, Shop And Garage Equip	(4,937)	-		(4,937)
26	394	Laboratory Equip	-	-		-
27	396	Communication Equip	(5,936)	-		(5,936)
28	398	Other Tangible Plant	(3,662)	-		(3,662)
29		Nogales WWTP	(124,390)	-		(124,390)
30		Plant Held for Future Use	-	-		-
31		TOTALS	$ (6,437,304)	$ 6		$ (6,437,298)
32		Company As Calculated & Filed				(6,437,304)
33		RUCO Adjustment				$ 6

References: Company B-2 Plant Schedules and RRUI's Revised DR Response to Staff MJR-3.13 and Company Rebuttal Testi

RUCO RATE BASE ADJUSTMENT NO. 5
ACCUMULATED DEFERRED INCOME TAX ("ADIT")

Line No.			Water & Sewer Adjusted Book Value	Water & Sewer Tax Value	Probability of Realization of Future Tax Benefit	Deductible TD (Taxable TD) Expected to be Realized	Effective Tax Rate	Future Tax Asset Current	Future Tax Asset Non Current	Future Tax Liability Current	Future Tax Liability Non Current
1		**Deferred Income Tax as of February 29, 2012**									
6		Plant-in-Service	$ 50,247,225 [1]								
7		Accum. Deprec.	(22,012,439) [1]								
8		CIAC	(14,692,881) [3]								
9	Fed.	Fixed Assets	$ 13,541,905	$ 8,955,829 [2]	100.0%	$ (4,586,076)	31.63%		-		(1,450,616)
11	State	Fixed Assets	$ 13,541,905	$ 23,646,535 [2]	100.0%	$ 10,104,630	6.97%		704,091		-
13	Fed &State	AIAC		593,411 [4]	30.0%	$ 178,023 [4]	38.60%		$ 68,715		
15								$ -	$ 772,806	$ -	$ (1,450,616)
17		Net Asset (Liability)						$ (677,811)			
19		Allocation Factor - Water-Division (based on rate base before ADIT)						0.3812			
21		Net Asset (Liability) Water Division						$ (258,395)			
23		Company's Calculated Amount of ADIT						$ (244,419)			
25		Adjustment to DIT						$ (13,976)			

Footnotes - See Schedule TJC-9, page 2 of 2

RUCO RATE BASE ADJUSTMENT NO. 5
ACCUMULATED DEFERRED INCOME TAX ("ADIT")

Line No.		FEDERAL			STATE		
1	[1] **Adjusted per B-2, page 2**						
2	[2] **Computation of Net Tax Value February 29, 2012**						
3	Based on 2011 Tax Depreciation report (December 31, 2011)						
4	Unadjusted Cost per 2011 Tax Depr. Report	$ 28,328,799			$28,328,799		
5	Reconciling Items not on tax report:						
6	KPMG CIAC related adjustments (see page 7.2)	(3,942,541)			-		
7	Plant added after 12/31/2011 (see B-2 page 3.4)	3,039,772			3,039,772		
8	Land costs not on tax, on books (see B-2 page 3.4)	51,739			51,739		
9	Reconciling Difference Book vs. Tax (timing) (see page 7.2)	(120,225)			(120,225)		
10					-		
11	Net Unadjusted Cost tax Basis			$ 27,357,543			$ 31,300,084
12							
13	Reductions						
14	Basis Reduction 2011 and Prior Years (from 2011 Tax Depr. Report)	$ (3,066,507)			$ -		
15	KPMG CIAC related adjustments (see workpapers)	116,545			-		
16	Accumulated Depreciation 2010 and prior (2011 Tax Depr Report)	(14,334,173)			(6,381,079)		
17	2011 Tax Depreciation (2011 Tax Depr Report)	(1,751,690)			(1,109,895)		
18	2012 Bonus Depreciation Estimate (50% - 2 months)(estimate)	(253,314)			-		
19	2012 Tax Depreciation Estimate (2 months)(estimate)	(162,575)			(162,575)		
20					-		
21	Net Reductions through February 2012			(19,451,714)			(7,653,549)
22	Net tax value of plant-in-service at February 29. 2012			$ 7,905,829			$ 23,646,535
23							
24	[3] **CIAC (including impact of change to probability of realization)**						
25							
26	Gross CIAC per B-2 (Water & Sewer)		$ 25,331,792				
27	CIAC reductions/addtions						
28	A.A per B-2 (Water and Sewer)	$ (11,307,236)					
29	A.A. reductions/addtions	-					
30			(11,307,236)				
31	Net CIAC before unrealized AIAC			$ 14,024,556			
32							
33	Unrealized AIAC Component (Water and Sewer)						
34	Adjusted Net AIAC (see footnote 5 below)		$ 954,749				
35	Unrealized AIAC Component % (1-Realized AIAC Component)		70.0%				
36				$ 668,325			
37	Total realizable CIAC			$ 14,692,881			
38							
39	[4] **AIAC (including impact of change in probability of realization)**						
40	AIAC per B-2 (Water and Sewer)		$ 954,749				
41	AIAC reductions/additions		-				
42	Net AIAC before unrealized portion			$ 954,749			
43	Less: Unrealized AIAC (from Note 4, above)			$ (668,325)			
44	Net realizable AIAC			$ 286,425			
45	Meter and Service Line Installation Charges			306,987			
46	Total AIAC			$ 593,411			
47							

OPERATING INCOME

LINE NO.		[A] COMPANY AS FILED	[B] RUCO TEST YEAR ADJM'TS	[C] RUCO TEST YEAR AS ADJ'TED	[D] RUCO PROP'D CHANGES	[E] RUCO AS RECOMM'D
1	**Operating Revenues**					
2	Metered Water Revenues	$ 1,360,583	$ 42,260	$ 1,402,843	$ 65,054	$ 1,467,898
3	Unmetered Revenues	-	-	-	-	-
4	Other Water Revenues	-	-	-	-	-
5	Total Water Revenues (L2 thru L4)	$ 1,360,583	$ 42,260	$ 1,402,843	$ 65,054	$ 1,467,898
6						
7	**Operating Expenses**					
8	Salaries and Wages	$ 131,547	$ 11,811	$ 143,358	$ -	$ 143,358
9	Purchased Wastewater Treatment	-	108,999	108,999	-	108,999
10	Sludge Removal Expense	-	-	-	-	-
11	Purchased Power	61,290	1,199	62,489	-	62,489
12	Fuel for Power Production	-	-	-	-	-
13	Chemicals	4,907	96	5,003	-	5,003
14	Materials and Supplies	4,473	-	4,473	-	4,473
15	Management Services - US Liberty Water	83,038	-	83,038	-	83,038
16	Management Services - Corporate	59,292	(19,673)	39,619	-	39,619
17	Management Services - Other	172,270	(165,896)	6,374	-	6,374
18	Contracted Services - Engineering	-	-	-	-	-
19	Contractual Services - Testing	330	-	330	-	330
20	Contractual Services - Other	638	-	638	-	638
21	Contractual Services - Legal	585	-	585	-	585
22	Equipment Rental	400	-	400	-	400
23	Rents - Building	-	-	-	-	-
24	Transportation Expenses	18,066	-	18,066	-	18,066
25	Insurance - General Liability	11,302	-	11,302	-	11,302
26	Insurance - Vehicles	2,516	-	2,516	-	2,516
27	Regulatory Commission Expense	-	-	-	-	-
28	Reg. Comm. Exp. - Rate Case	29,167	(7,292)	21,875	-	21,875
29	Miscellaneous Expense	16,111	-	16,111	-	16,111
30	Bad Debt Expense	23,194	-	23,194	-	23,194
31	Depreciation and Amortization Expense	359,629	(145,457)	214,172	-	214,172
32	Taxes Other Than Income	-	-	-	-	-
33	Property Taxes	74,520	1,140	75,661	1,170	76,830
34	Income Taxes	93,481	124,463	217,945	24,659	242,604
35						
36	Total Operationing Expenses (L8 thru L44)	$ 1,146,757	$ (90,609)	$ 1,056,148	$ 25,828	$ 1,081,976
37						
38	**Operating Income (L5 less L36)**	$ 213,826	$ 132,869	$ 346,695	$ 39,226	$ 385,921

REFERENCES:

Column [A]: Company Schedule C-1
Column [B]: Summation of RUCO's Recommended Adjustment on Schedule TJC-11
Column [C]: Col. A + Col. B
Column [D]: RUCO Proposed Increases/(Decreases) to Revenues & Expenses
Column [E]: Column [C] + Column [D]

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

OPERATING INCOME

Line No.		[A] Company Adjusted Test Year *As Filed*	[B] Operating Income Adjustment No. 1 *Depreciation Exp.*	[C] Operating Income Adjustment No. 2 *Property Tax Exp.*	[D] Operating Income Adjustment No. 3 *Rate Case Exp.*	[E] Operating Income Adjustment No. 4 6-Inch Commercial WW Revenue Annualization	[F] Operating Income Adjustment No. 5 Missing Bill Counts Per RUCO DR 6.1(d)	[G] Operating Income Adjustment No. 6 6-Inch Commercial WW Revenue Accrual	[H] Operating Income Adjustment No. 7 Missing Bill Counts Revenue Accrual	[I] Operating Income Adjustment No. 8 Expense Annualization	[J] Operating Income Adjustment No. 9 Intentionally Left Blank	[K] Operating Income Adjustment No. 10 Intentionally Left Blank	[L] Operating Income Adjustment No. 11 Achievement / Incentive Pay
1	**Operating Revenues**												
2	Metered Water Revenues	$ 1,360,583	$ -	$ -	$ -	$ 12,213	$ 4,937	$ 20,805	$ 4,305	$ -	$ -	$ -	$ -
3	Unmetered Revenues	-	-	-	-	-	-	-	-	-	-	-	-
4	Other Water Revenues	-	-	-	-	-	-	-	-	-	-	-	-
5	Total Water Revenues (L2 thru L4)	$ 1,360,583	$ -	$ -	$ -	$ 12,213	$ 4,937	$ 20,805	$ 4,305	$ -	$ -	$ -	$ -
6													
7	**Operating Expenses**												
8	Salaries and Wages	$ 131,547	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Purchased Wastewater Treatment	-	-	-	-	-	-	-	-	-	-	-	-
10	Sludge Removal Expense	-	-	-	-	-	-	-	-	-	-	-	-
11	Purchased Power	61,290	-	-	-	-	-	-	-	-	-	-	-
12	Fuel for Power Production	-	-	-	-	-	-	-	-	1,199	-	-	-
13	Chemicals	4,907	-	-	-	-	-	-	-	-	-	-	-
14	Materials and Supplies	4,473	-	-	-	-	-	-	-	96	-	-	-
15	Management Services - US Liberty Wa	83,038	-	-	-	-	-	-	-	-	-	-	-
16	Management Services - Corporate	59,292	-	-	-	-	-	-	-	-	-	-	-
17	Management Services - Other	172,270	-	-	-	-	-	-	-	-	-	-	(9,448)
18	Contracted Services - Engineering	-	-	-	-	-	-	-	-	-	-	-	-
19	Contractual Services - Testing	330	-	-	-	-	-	-	-	-	-	-	-
20	Contractual Services - Other	638	-	-	-	-	-	-	-	-	-	-	-
21	Contractual Services - Legal	585	-	-	-	-	-	-	-	-	-	-	-
22	Equipment Rental	400	-	-	-	-	-	-	-	-	-	-	-
23	Rents - Building	-	-	-	-	-	-	-	-	-	-	-	-
24	Transportation Expenses	18,066	-	-	-	-	-	-	-	-	-	-	-
25	Insurance - General Liability	11,302	-	-	-	-	-	-	-	-	-	-	-
26	Insurance - Vehicles	2,516	-	-	-	-	-	-	-	-	-	-	-
27	Regulatory Commission Expense	-	-	-	-	-	-	-	-	-	-	-	-
28	Reg. Comm. Exp. - Rate Case	29,167	-	-	(7,292)	-	-	-	-	-	-	-	-
29	Miscellaneous Expense	16,111	-	-	-	-	-	-	-	-	-	-	-
30	Bad Debt Expense	23,194	-	-	-	-	-	-	-	-	-	-	-
31	Depreciation and Amortization Expense	359,629	(145,457)	-	-	-	-	-	-	-	-	-	-
32	Taxes Other Than Income	-	-	-	-	-	-	-	-	-	-	-	-
33	Property Taxes	74,520	-	1,140	-	-	-	-	-	-	-	-	-
34	Income Taxes	93,481	-	-	-	-	-	-	-	-	-	-	-
35													
36	Total Operationing Expenses (L8 thru L44)	$ 1,146,757	$ (145,457)	$ 1,140	$ (7,292)	$ -	$ -	$ -	$ -	$ 1,295	$ -	$ -	$ (9,448)
37													
38	**Operating Income (L5 less L36)**	$ 213,826	$ 145,457	$ (1,140)	$ 7,292	$ 12,213	$ 4,937	$ 20,805	$ 4,305	$ (1,295)	$ -	$ -	$ 9,448

REFERENCES:

Adjustment No. 1 - Company Schedule C-1
Adjustment No. 2 - Depreciation Expense Schedule TJC-12
Adjustment No. 3 - Property Tax Expense Schedule TJC-13
Adjustment No. 4 - Rate Case Expense Schedule TJC-14
Adjustment No. 5 - Revenue Annualization of 6" Meter Bulk Water Sales for Known and Measurable Sales Sch. TJC-15
Adjustment No. 6 - Intentionally Left Blank for Water Division Schedule TJC-16
Adjustment No. 7 - Revenue Accrual of 6" Meter Bulk Water Sales for Known and Measurable Sales Schedule TJC-17
Adjustment No. 8 - Intentionally Left Blank for Water Division Schedule TJC-18
Adjustment No. 9 - Expense Annualization Related to RUCO's *Revenue Annualization Adjustment No. 4- Schedule TJC-19*
Adjustment No. 10 - Intentionally Left Blank Schedule TJC-20
Adjustment No. 11 - Miscellaneous Expense Schedule TJC-21
Adjustment No. 12 - Achievement/Incentive Pay per Company Response to RUCO DR 1.15 Schedule TJC-22

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

OPERATING INCOME

Line No.		[M] Operating Income Adjustment No. 12 Intentionally Left Blank	[N] Operating Income Adjustment No. 13 Adjust O&M Treatment Expense	[O] Operating Income Adjustment No. 14 Reclassify Treatment Expense	[P] Operating Income Adjustment No. 15 APUC Corporate Allocations	[Q] Operating Income Adjustment No. 16 Employee Benefit Expense	[R] Operating Income Adjustment No. 17 Not Used	[S] Operating Income Adjustment No. 18 Not Used	[T] Operating Income Adjustment No. 19 Not Used	[U] Operating Income Adjustment No. 20 Not Used	[V] Operating Income Adjustment No. 21 Income Tax Expense	[W] RUCO Total Pro Forma Adjustments	[X] Test Year Adjusted Results
1	**Operating Revenues**												
2	Metered Water Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 42,260	$ 1,402,843
3	Unmetered Revenues	-	-	-	-	-	-	-	-	-	-	-	-
4	Other Water Revenues	-	-	-	-	-	-	-	-	-	-	-	-
5	Total Water Revenues (L2 thru L4)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 42,260	$ 1,402,843
6													
7	**Operating Expenses**												
8	Salaries and Wages	$ -	$ -	$ -	$ -	$ 11,811	$ -	$ -	$ -	$ -	$ -	$ 11,811	$ 143,358
9	Purchased Wastewater Treatment	-	-	108,999	-	-	-	-	-	-	-	108,999	108,999
10	Sludge Removal Expense	-	-	-	-	-	-	-	-	-	-	-	-
11	Purchased Power	-	-	-	-	-	-	-	-	-	-	1,199	62,489
12	Fuel for Power Production	-	-	-	-	-	-	-	-	-	-	-	-
13	Chemicals	-	-	-	-	-	-	-	-	-	-	96	5,003
14	Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	4,473
15	Management Services - US Liberty Wa	-	-	-	-	-	-	-	-	-	-	-	83,038
16	Management Services - Corporate	-	-	-	(10,225)	-	-	-	-	-	-	(19,673)	39,619
17	Management Services - Other	-	(56,897)	(108,999)	-	-	-	-	-	-	-	(165,896)	6,374
18	Contracted Services - Engineering	-	-	-	-	-	-	-	-	-	-	-	-
19	Contractual Services - Testing	-	-	-	-	-	-	-	-	-	-	-	330
20	Contractual Services - Other	-	-	-	-	-	-	-	-	-	-	-	638
21	Contractual Services - Legal	-	-	-	-	-	-	-	-	-	-	-	585
22	Equipment Rental	-	-	-	-	-	-	-	-	-	-	-	400
23	Rents - Building	-	-	-	-	-	-	-	-	-	-	-	-
24	Transportation Expenses	-	-	-	-	-	-	-	-	-	-	-	18,066
25	Insurance - General Liability	-	-	-	-	-	-	-	-	-	-	-	11,302
26	Insurance - Vehicles	-	-	-	-	-	-	-	-	-	-	-	2,516
27	Regulatory Commission Expense	-	-	-	-	-	-	-	-	-	-	-	-
28	Reg. Comm. Exp. - Rate Case	-	-	-	-	-	-	-	-	-	-	(7,292)	21,875
29	Miscellaneous Expense	-	-	-	-	-	-	-	-	-	-	-	16,111
30	Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	23,194
31	Depreciation and Amortization Expense	-	-	-	-	-	-	-	-	-	-	(145,457)	214,172
32	Taxes Other Than Income	-	-	-	-	-	-	-	-	-	-	-	-
33	Property Taxes	-	-	-	-	-	-	-	-	-	-	1,140	75,661
34	Income Taxes	-	-	-	-	-	-	-	-	-	124,463	124,463	217,945
35													
36	Total Operationing Expenses (L8 thru L44)	$ -	$ (56,897)	$ -	$ (10,225)	$ 11,811	$ -	$ -	$ -	$ -	$ 124,463	$ (90,609)	$ 1,056,148
37													
38	**Operating Income (L5 less L36)**	$ -	$ 56,897	$ -	$ 10,225	$ (11,811)	$ -	$ -	$ -	$ -	$ (124,463)	$ 132,869	$ 346,695

REFERENCES:

Adjustment No. 13 - Intentionally Left Blank Schedule TJC-23
Adjustment No. 14 - APUC Cost Allocations Adjustment Schedule TJC-24
Adjustment No. 15 - Income Tax Expense Adjustments Schedules TJC-15 and TJC-1, page 2
Adjustment No. 16 - Not Used
Adjustment No. 17 - Not Used
Adjustment No. 18 - Not Used
Adjustment No. 19 - Not Used
Adjustment No. 20 - Not Used
Adjustment No. 21 - Not Used
Column [W] - RUCO Total Adjustments
Column [X] - RUCO Recommended Adjusted Test Year Level of Expenses
Column [X] - RUCO Adjusted Test Year Operating Income Recommendations (Col. [A] + Col. [W])

Rio Rico Utilities, Inc
Docket No. WS-02676A-12-0196
Test Year Ended February 29, 2012

OPERATING INCOME ADJUSTMENT NO. 1
DEPRECIATION EXPENSE

Line No.	NARUC Account	Description	Company Adjusted Gross Plant Balance	RUCO Depreciable Plant Adjustments	RUCO Rate Base Adjustments 1(a) - 4(a)	RUCO Recommended Depreciable Balance	Depreciation Rate	RUCO Depreciation Expense Going Forward
1	351	Organization	$ 5,785	$ -	$ -	$ 5,785	0.00%	$ -
2	352	Franchise	417	-	-	417	0.00%	-
3	353	Land	7,545	-	-	7,545	0.00%	-
4	354	Structures & Improvements	150,294	28,842	-	121,452	3.33%	4,044
5	355	Power Generation	-	-	-	-	5.00%	-
6	360	Collection Sewer Forced	636,023	-	-	636,023	2.00%	12,720
7	361	Collection Sewers Gravity	5,991,654	315,415	(315,415)	5,676,239	2.00%	113,525
8	362	Special Collecting Structures	-	-	-	-	2.00%	-
9	363	Customer Services	1,204,113	-	-	1,204,113	2.00%	24,082
10	364	Flow Measuring Devices	66,339	-	-	66,339	10.00%	6,634
11	366	Reuse Services	-	-	-	-	2.00%	-
12	367	Reuse Meters And Installation	-	-	-	-	8.33%	-
13	370	Receiving Wells	867,120	-	-	867,120	3.33%	28,875
14	371	Pumping Equipment	1,712,940	1,601,107	(6,866)	111,834	12.50%	13,979
15	374	Reuse Distribution Reservoirs	-	-	-	-	2.50%	-
16	375	Reuse Trans. and Dist. System	-	-	-	-	2.50%	-
17	380	Treatment & Disposal Equipment	1,128,675	846,642	(846,642)	282,033	5.00%	14,102
18	381	Plant Sewers	13,690	-	-	13,690	5.00%	685
19	382	Outfall Sewer Lines	-	-	-	-	3.33%	-
20	389	Other Sewer Plant & Equipment	64,928	64,928	-	-	6.67%	-
21	390	Office Furniture & Equipment	116,937	-	-	116,937	6.67%	7,800
22	390.1	Computers and Software	4,025	4,025	-	-	20.00%	-
23	391	Transportation Equipment	117	-	-	117	20.00%	23
24	392	Stores Equipment	-	-	-	-	4.00%	-
25	393	Tools, Shop And Garage Equip	5,139	4,894	-	245	5.00%	12
26	394	Laboratory Equip	-	-	-	-	10.00%	-
27	396	Communication Equip	5,936	5,936	-	-	10.00%	-
28	398	Other Tangible Plant	3,913	3,913	-	-	10.00%	-
29		Nogales WWTP	2,255,600	(1,177,004)	1,177,004	3,432,604	4.00%	137,304
30			$ 14,241,191	$ 1,698,699	$ 8,081	$ 12,542,492		$ 363,786

31	Less: Amortization of Contributions	Gross CIAC $ (5,152,673)	Amortization Rate 2.9036%	(149,613)
32	RUCO Total Depreciation Expense			$ 214,172
33	Company Adjusted Depreciation Expense As Filed			359,629
34	RUCO Increase/(Decrease) Expense Adjustment			$ (145,457)

References:
Company B-2 and C-1 Schedules, RUCO Schedule TJC-5(c) on Pages 3 and6, and RUCO Schedule 4(a).

OPERATING INCOME ADJUSTMENT NO. 2
PROPERTY TAXES

LINE NO.	Property Tax Calculation	(A) RUCO AS ADJUSTED	(B) RUCO RECOMMENDED
1	RUCO Adjusted Test Year Revenues - Ended February 29, 2012 Per RUCO Schedule TJC-10	$ 1,402,843	$ 1,402,843
2	Multiplied by 2	2	2
3	Subtotal (Line 1 * Line 2)	$ 2,805,687	$ 2,805,687
4a	RUCO Adjusted Test Year Revenues - Ended February 29, 2012 Per RUCO Schedule TJC-10	1,402,843	
4b	RUCO Recommended Revenue Per RUCO Schedule TJC-9		1,467,898
5	Subtotal (Line 3 + Line 4a)	$ 4,208,530	$ 4,273,585
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	$ 1,402,843	$ 1,424,528
8	Department of Revenue Mutilplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	$ 2,805,687	$ 2,849,056
10	Plus: 10% of CWIP Per Company As Filed	-	-
11	Less: Net Book Value of Licensed Vehicles	-	-
12	Full Cash Value (Line 9 + Line 10 - Line 11)	$ 2,805,687	$ 2,849,056
13	Assessment Ratio	20.0%	20.0%
14	Assessed Value (Line 12 * Line 13)	$ 561,137	$ 569,811
15	Composite Property Tax Rate (Per RUCO Effective Property Tax Calculation)	13.4835%	13.4835%
16	RUCO Adjusted Test Year Property Tax Expense (Line 14 * Line 15)	75,661	
17	Company Adjusted Test Year Property Tax Expense (Per Company Schedule C-1)	74,520	
18	RUCO Test Year Adjustment (Line 16-Line 17)	$ 1,140	
19	Property Tax - RUCO Recommended Revenue (Line 14 * Line 15)		$ 76,830
20	RUCO Test Year Adjusted Property Tax Expense (Line 16)		75,661
21	Increase/(Decrease) to Property Tax Expense		$ 1,170
22	Increase/(Decrease) to Property Tax Expense		$ 1,170
23	Increase in Revenue Requirement		65,054
24	Increase /(Decrease) to Property Tax per Dollar Increase in Revenue (Line 22 / Line 23)		1.7978%

OPERATING INCOME ADJUSTMENT NO. 3
RATE CASE EXPENSE

Line No.			Amount
1	Company Requested Total Amount of Rate Case Expense	$	87,500
2			
3	Company Requested the Expense be Amortized Over a 3-Year Period		3
4			
5	Company's Annual Amortization Expense (L1 / L3)	$	29,167
6			
7	RUCO's Recommended Normalization is Over a 4-Year Period		4
8			
9	RUCO's Recommended Annual Normalization of Rate Case Expense (L1 / L7)	$	21,875
10			
11	RUCO's Recommended Expense Adjustment		(7,292)

OPERATING INCOME ADJUSTMENT NO. 4
REVENUE ANNUALIZATION

Line No.	Meter Size	Class	Company Annualization Present Revenues	RUCO Annualization Adjustments	RUCO Annualization Present Revenues	Additional Bills	Additional Gallons to be Pumped (In 1,000's)
1	5/8X3/4 Inch	Residential	$ (7,478)	$ -	$ (7,478)	(163)	-
2	5/8X3/4 Inch	Residential (Low Income)	11,894	-	11,894	305	-
3	3/4 Inch	Residential	(106)	-	(106)	(2)	-
4	1 Inch	Residential	(323)	-	(323)	(5)	-
5	1 Inch	Residential (Low Income)	165	-	165	3	-
6	1 1/2 Inch	Residential	-	-	-	-	-
7	2 Inch	Residential	(132)	-	(132)	(1)	-
8		Subtotal	$ 4,019	$ -	$ 4,019	137	-
9							
10	5/8X3/4 Inch	Commercial	$ 2,592	$ (77)	$ 2,515	44	415
11	1 Inch	Commercial	1,892	(10)	1,882	15	299
12	1 1/2 Inch	Commercial	25	-	25	-	5
13	2 Inch	Commercial	361	2,371	2,732	9	391
14	3 Inch	Commercial	-	2,653	2,653	8	222
15	4 Inch	Commercial	(1,837)	-	(1,837)	-	(393)
16	6 Inch	Commercial	(12,213)	12,213	-	-	-
17		Subtotal	$ (9,179)	$ 17,150	$ 7,971	76	939
18							
19	5/8X3/4 Inch	Multi-tenant	$ (47)	$ -	$ (47)	(2)	(5)
20	1 1/2 Inch	Multi-tenant	-	-	-	-	-
21		Subtotal	$ (47)	$ -	$ (47)	(2)	(5)
22							
23	Up to 8 Inch	Fire Lines	-	-	-	-	-
24							
25							
26							
27	Total Revenue Annualization		$ (5,207)	$ 17,150	$ 11,943	211	-
28							
29							
30	RUCO Total Revenue Annualization						$ 11,943
31							
32	Company Revenue Annualization						(5,207)
33							
34							
35	RUCO Increase/(Decrease) Adjustment to Revenue and/or Expense						$ 17,150
36							
37							
38							
39	Total Increase/(Decrease) Gallons to be Produced						934
40							
41							
42	SUPPORTING SCHEDULES						
43	RUCO Schedules TJC-15, pages 2 thru 18 and Company Schedule C-1, page 2.1						

OPERATING INCOME ADJUSTMENT NO. 5
MISSING BILL COUNTS REVENUE ANNUALIZATIONS

Line No.	Missing Bill Counts:	Amount
1		
2	Nogales Imperial, LLC - ICE	$ 1,072
3	Nogales Imperial, LLC - Fish & Game	1,267
4	Southern Arizona Title Insurance	1,415
5	Sergio Sanchez	551
6	RUCO Adjustment to Revenue and/or Expense	$ 4,305

SUPPORTING SCHEDULES
Per Company Response to RUCO DR 6.1(d)

OPERATING INCOME ADJUSTMENT NO. 6
6 INCH COMMERCIAL METER REVENUE ACCRUAL

Line No.	Revenue Accrual	
1	Company Revenue Accrual Adjustment	$ 41,889
2	RUCO Revenue Accrual Per RRUI Response to RUCO DR 4.2(d)	62,694
3	RUCO Adjustment to Revenue and/or Expense	$ 20,805

SUPPORTING SCHEDULES
Company Schedule C-1, page 2.1 and RRUI Response to RUCO DR 4.2(d)

OPERATING INCOME ADJUSTMENT NO. 7
MISSING METER BILL COUNTS REVENUE ACCRUAL

Line No.	Revenue Accrual:	
1	Company Revenue Accrual Adjustment	$ -
2	Per Company Response to RUCO DR 6.1(d)	4,305
3	RUCO Adjustment to Revenue and/or Expense	$ 4,305

OPERATING INCOME ADJUSTMENT NO. 8
EXPENSE ANNUALIZATION

Line No.	Expense Annualization	
1	Total Cost of Purchased Power Expense (Company Schedule C-1)	$ 61,290
2		
3	Total Cost of Chemical Expense (Company Schedule C-1)	$ 4,907
4		
5	Total Gallons Sold (In 1,000 Gallons) Per Company Schedule H-2, Page 3.2	47,765
6		
7	Cost of Purchased Power Expense Per 1,000 Gallons (L1 / L5)	1.2831
8		
9	Cost of Chemical Expense Per 1,000 Gallons (L3 / L5)	0.1027
10		
11	Total Revenue Annualization Increase/(Decrease) Gallons to be Produced (RUCO Schedule TJC-15, Page 1 of 21 and Company Schedule H-1, Page 2)	934
12		
13		
14	RUCO Adjustment to Purchased Power Expense (L7 X L11)	$ 1,199
15		
16	RUCO Adjustment to Chemical Expense (L9 X L11)	$ 96

OPERATING INCOME ADJUSTMENT NO. 9
INTENTIONALLY LEFT BLANK - FOR FUTURE USE

Line No.
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OPERATING INCOME ADJUSTMENT NO. 10
MISCELLANEOUS EXPENSE

Line No.	Description	Company Water Division	Company Wastewater Division	RUCO Water Adjustments	RUCO Wastewater Adjustments
	Caritable Donations and Sponsorships:				
1	Rio Rico Little League Per MJR 2-7	$ 1,000	$ -	$ (1,000)	
2	RRUI's 2011 Christmas Party Expenses Per MJR 2-7	802		(802)	
3		$ 1,802	$ -		
4	RUCO Miscellaneous Expense Water Adjustment			(1,802)	
5	RUCO Miscellaneous Expense Wastewater Adjustment				-

OPERATING INCOME ADJUSTMENT NO. 11
ACHIEVEMENT / INCENTIVE PAY

Line No.	Description	Total RRUI Amount	Amount Allocated to RRUI Water	Amount Allocated to RRUI Wastewater
1	Liberty Utilities Allocations to RRUI:			
2				
3	Shared Bonus Pay ("SBP") Program	$ 8,022	$ 5,446	$ 2,576
4				
5	Short Term Incentive Plan ("STIP")Program	26,700	18,127	8,573
6				
7				
8	Amounts Paid Directly to Employees at RRUI:			
9				
10	Shared Bonus Pay ("SBP") Program	7,034	4,775	2,258
11				
12	Short Term Incentive Plan ("STIP")Program	17,043	11,571	5,472
13				
14	Power of Suggestion Program	-	-	-
15				
16	Spirit of Liberty Award Program	50	34	16
17	Totals	58,849	39,953	18,895
18	RUCO Recommends Sharing 50/50 Between Ratepayers and Shareholders		50%	50%
19	RUCO Increase/(Decrease) Expense Adjustment		(19,977)	(9,448)

References:
Company's Response to RUCO Data Request 2.13

OPERATING INCOME ADJUSTMENT NO. 12
NOT USED

Line No.	Description	[A] Amount
1		
2		
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OPERATING INCOME ADJUSTMENT NO. 13
ADJUST TEST YEAR CITY OF NOGALES O&M TREATMENT EXPENSES

Line No.	Adjust Treatment Expenses:	
1	Company Adjusted Test Year City of Nogales Treatment Expenses Per RUCO DR 2.8	$ 165,896
2	RUCO Adjustment Per City of Nogales Letter dated May 10, 2012	108,999
3	RUCO Increase/(Decrease) Adjustment to Revenue and Expenses	$ (56,897)

OPERATING INCOME ADJUSTMENT NO. 14
RECLASSIFY THE CITY OF NOGALES TREATMENT O&M EXPENSES

Line No.	Reclassify Treatment Expenses:	
1	Reclassify O&M Treatment Expenses from Management Services - Other Account	$ (108,999)
2	Reclassify O&M Treatment Expenses to Purchased Wastewater Treatment Account	$ 108,999
3	RUCO Increase/(Decrease) Adjustment to Revenue and Expenses	$ -

OPERATING INCOME ADJUSTMENT NO. 14
APUC COST ALLOCATIONS

Line No.	Description	[A] Company Requested Cost	[B] Currency Conversion 1.05 CSD -> USD	[C] Company Allocation 9.21% RRUI Water	[D] Company Allocation 3.01% RRUI Sewer	[E] Percentage Amount Allowed	[F] RUCO Recommended Allocations RRUI Water	[G] Company Recommended Allocations RRUI Sewer
1	Audit	$ 136,866	$ 130,348	$ 11,999	$ 3,924	100%	$ 11,999	$ 3,924
2	Tax Services	37,197	35,426	3,261	1,067	100%	3,261	1,067
3	Legal	179,072	170,545	15,699	5,134	100%	15,699	5,134
4	Other Professional Services	86,163	82,060	7,554	2,470	0%	-	-
5	Unit Holder Communications	100,802	96,002	8,837	2,890	0%	-	-
6	Trustee Fees	97,290	92,657	8,529	2,789	0%	-	-
7	Computer	54,904	52,290	4,813	1,574	100%	4,813	1,574
8	Office Expenses	48,404	46,099	4,244	1,388	100%	4,244	1,388
9	Capital Tax	29,167	27,778	2,557	836	0%	-	-
10	Insurance	26,554	25,289	2,328	761	50%	1,164	381
11	Travel	17,146	16,330	1,503	492	100%	1,503	492
12	Vehicle Rental Expense	3,162	3,012	277	91	100%	277	91
13	Accommodation	11,469	10,923	1,005	329	100%	1,005	329
14	Meals and Entertainment	18,516	17,634	1,623	531	100%	1,623	531
15	Parking Mileage	4,284	4,080	376	123	100%	376	123
16	Escrow & Transfer Agent Fees	17,505	16,671	1,535	502	0%	-	-
17	Training	5,450	5,190	478	156	100%	478	156
18	HR Recruitment	6,374	6,070	559	183	100%	559	183
19	Rent	38,137	36,321	3,343	1,093	100%	3,343	1,093
20	Donations	1,638	1,560	144	47	0%	-	-
21	Communications	20,389	19,418	1,788	585	100%	1,788	585
22	Dues and Memberships	10,796	10,282	947	310	0%	-	-
23	Licenses/Fees & Permits	150,573	143,402	13,201	4,317	100%	13,201	4,317
24	APS Overhead Allocation	(8,066)	(7,682)	(707)	(231)	100%	(707)	(231)
25								
26	Total APUC Allocations Per Company and RUCO	$ 1,093,791	$ 1,041,705	$ 95,892	$ 31,361		$ 64,626	$ 21,135
27	RUCO Water and Wastewater Division's APUC Cost Allocation Recommendation						64,626	21,135
28	Company Water Division's APUC Cost Allocation Requested						95,892	31,361
29	RUCO Water and Wastewater Division's APUC Cost Allocation Adjustment						$ (31,266)	$ (10,225)

Variance by Company Per Response to RUCO DR 3.7 $ (540) $ (177)

OPERATING INCOME ADJUSTMENT NO. 16
EMPLOYEE BENEFITS

Line No.	Description	Amount
1	Salaries & Wages As Filed by the Company	$ 131,547
2		
3	Salaries & Wages With Additional Employee Benefits	143,358
4		
5	RUCO Increase/(Decrease) to Expense	$ 11,811
6		
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OPERATING INCOME ADJUSTMENT NO. 15
ADJUSTED TEST YEAR INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	(A) REFERENCE	(B) AMOUNT
	FEDERAL INCOME TAX PER RUCO:		
1	Operating Income Before Taxes	Sch. TJC-10, Col. [C], L38 + L34	$ 564,640
	LESS:		
2	Arizona State Tax	Line 16	39,344
3	Interest Expense	Note (A) Line 27	-
4	Federal Taxable Income	Line 1 - Line 2 - Line 3	$ 525,296
5	Fed. Tax On 1st Inc. Bracket ($1 - $50,000) @ 15%		$ 7,500
6	Fed. Tax On 2nd Inc. Bracket ($50,001 - $75,000) @ 25%		6,250
7	Fed. Tax On 3rd Inc. Bracket ($75,001 - $100,000) @ 34%		8,500
8	Fed. Tax On 4th Inc. Bracket ($100,001 - $335,000) @ 39%		91,650
9	Fed. Tax On 5th Inc. Bracket ($335,001 - $10M) @ 34%		64,701
10	Total Federal Income Tax Expense (L5 + L6 + L7 + L8 + L9)		$ 178,601
11	Effective Federal Income Tax Rate	Line 10 / Line 4	34.00%
	STATE INCOME TAX PER RUCO:		
12	Operating Income Before Taxes	Line 1	$ 564,640
	LESS:		
13	Interest Expense	Note (A) Line 27	-
14	State Taxable Income	Line 12 - Line 13	$ 564,640
15	State Tax Rate	Sch. TJC-1, pg. 2, Col. [A] L10	6.968%
16	State Income Tax Expense	Line 14 X Line 15	$ 39,344
	RUCO TOTAL INCOME TAX EXPENSE:		
17	Federal Income Tax Expense	Line 10	$ 178,601
18	State Income Tax Expense	Line 16	39,344
19	Total Income Tax Expense Per RUCO	Line17 + Line 18	$ 217,945
20	Total Federal Income Tax Expense Per Company (Company Sch. GRCF, Col. (B), L53		75,722
21	Total State Income Tax Expense Per Company (Company Sch. GRCF, Col. (B), L44)		17,759
22	RUCO Federal Income Tax Adjustment	Line 10 - Line 20	$ 102,878
23	RUCO State Income Tax Adjustment	Line 16 - Line 21	$ 21,585
24	RUCO Total Federal & State Income Tax Adjustment		$ 124,463

NOTE (A):

24	Interest Synchronization:		
25	Adjusted Rate Base (Sch. TJC-2, Col. (C), L23)	$	4,677,834
26	Weighted Cost Of Debt (Sch. TJC-28 Col. [D], L1)		0.00%
27	Interest Expense (L25 X L26)	$	-

COST OF CAPITAL

LINE NO.	DESCRIPTION	[A] CAPITAL RATIO	[B] COST RATE	[C] WEIGHTED COST RATE
1	Long-Term Debt	0.00%	0.00%	0.00%
2	Common Equity	100.00%	8.25%	8.25%
3	Total Capitalization			
4	WEIGHTED AVERAGE COST OF CAPITAL			8.25%

References:
Columns [A] Thru [C]: WAR Testimony

SEWER DIVISION
RESIDENTIAL

RIO RICO UTILITIES, INC. - RESIDENTIAL WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
REVENUE COMPARISON

DOCKET NO. WS-02676A-12-0196
SUUREBUTTAL SCHEDULE TJC-RD 1

LINE NO.	METER SIZE	PERESENT RATES MONTHLY MINIMUM	PERESENT RATES COMMODITY CHARGE	PERESENT RATES TOTAL REVENUE	COMPANY PROPOSED RATES MONTHLY MINIMUM	COMPANY PROPOSED RATES COMMODITY CHARGE	COMPANY PROPOSED RATES TOTAL REVENUE	RUCO RECOMMENDED RATES MONTHLY MINIMUM	RUCO RECOMMENDED RATES COMMODITY CHARGE	RUCO RECOMMENDED RATES TOTAL REVENUE
1	5/8 X 3/4 - INCH	$ 993,761	$ -	$ 993,761	$ 1,299,839	$ -	$ 1,299,839	$ 1,061,557	$ -	$ 1,061,557
2	3/4 - INCH	5,076	-	5,076	6,640	-	6,640	5,423	-	5,423
3	1 - INCH	6,981	-	6,981	9,131	-	9,131	7,457	-	7,457
4	1 1/2 - INCH	-	-	-	-	-	-	-	-	-
5	2 - INCH	-	-	-	-	-	-	-	-	-
6	3 - INCH	-	-	-	-	-	-	-	-	-
7	4 - INCH	-	-	-	-	-	-	-	-	-
8	6 - INCH	-	-	-	-	-	-	-	-	-
9	8 - INCH	-	-	-	-	-	-	-	-	-
10	10 - INCH	-	-	-	-	-	-	-	-	-
11	TOTALS	$ 1,005,818	$ -	$ 1,005,818	$ 1,315,611	$ -	$ 1,315,611	$ 1,074,437	$ -	$ 1,074,437
12	PERCENTAGE	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%

RIO RICO UTILITIES, INC. - RESIDENTIAL WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
RECOMMENDED RATES

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 2

LINE NO.	DESCRIPTION					PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	**RECOMMENDED MONTHLY MINIMUM USAGE CHARGE:**							
2								
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)							
4	5/8 X 3/4 - INCH					$45.88	$60.01	$49.01
5	3/4 - INCH					52.88	69.17	56.49
6	1 - INCH					64.64	84.55	69.05
7	1 1/2 - INCH					95.44	124.84	101.95
8	2 - INCH					132.38	173.15	141.41
9	3 - INCH					230.62	301.65	246.35
10	4 - INCH					341.83	447.11	365.15
11	6 - INCH					649.58	849.65	693.89
12	8 - INCH					944.45	1,235.34	1,008.88
13	10 - INCH					1,415.24	1,851.13	1,511.79
14								
15	**GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:**							
16								
17	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS					0	0	0
18								
19	**RECOMMENDED COMMODITY RATES BY METER SIZE**							
20								
21	5/8 X 3/4 - INCH							
22	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
23	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
24	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
25								
26	3/4 - INCH							
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
28	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
29	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
30								
31	1 - INCH							
32	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
33	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
34	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
35								
36	1 1/2 - INCH							
37	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
38	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
39	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
40								
41	2 - INCH							
42	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
43	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
44	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
45								
46	3 - INCH							
47	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
48	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
49	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
50								
51	4 - INCH							
52	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
53	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
54	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
55								
56	6 - INCH							
57	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
58	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
59	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
60								
61	8 - INCH							
62	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
63	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
64	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
65								
66	10 - INCH							
67	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
68	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
69	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -

RIO RICO UTILITIES, INC. - RESIDENTIAL WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 3

RUCO RECOMMENDED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$49.01	$56.49	$69.05	$101.95	$141.41	$246.35	$365.15	$693.89	$1,008.88	$1,511.79
2	1,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
3	2,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
4	3,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
5	4,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
6	5,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
7	6,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
8	7,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
9	8,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
10	9,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
11	10,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
12	15,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
13	20,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
14	25,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
15	50,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
16	75,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
17	100,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
18	125,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
19	150,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
20	175,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
21	200,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
22	250,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
23	500,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
24	1,000,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
25	2,000,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
26	3,000,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
27	4,000,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
28	5,000,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
29											
30											
31	AVG. NO. OF CUST:	1,805	8	9	0	0	0	0	0	0	0
32											
33	AVG. USE (GAL.):	0	0	0							
34	MONTHLY BILL:	$49.01	$56.49	$69.05							
35											
36	MEDIAN USE (GAL.) :										
37	MONTHLY BILL:										

RIO RICO UTILITIES, INC. - RESIDENTIAL WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 4

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$3.13	$3.61	$4.41	$6.51	$9.03	$15.73	$23.32	$44.31	$64.43	$96.55
2	1,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
3	2,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
4	3,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
5	4,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
6	5,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
7	6,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
8	7,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
9	8,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
10	9,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
11	10,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
12	15,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
13	20,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
14	25,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
15	50,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
16	75,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
17	100,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
18	125,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
19	150,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
20	175,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
21	200,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
22	250,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
23	500,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
24	1,000,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
25	2,000,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
26	3,000,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
27	4,000,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
28	5,000,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
29											
30											
31	AVG. NO. OF CUST:	1,805	8	9	0	0	0	0	0	0	0
32											
33	AVG. USE (GAL.):	0	0	0	0	0	0	0	0	0	0
34	MONTHLY BILL:	$3.13	$3.61	$4.41							
35											
36	MEDIAN USE (GAL.) :	0	0	0	0	0	0	0	0	0	0
37	MONTHLY BILL:										

SEWER DIVISION
RESIDENTIAL
LOW-INCOME

RIO RICO UTILITIES, INC. - RESIDENTIAL - LOW INCOME WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
REVENUE COMPARISON

DOCKET NO. WS-02676A-12-0196
SUUREBUTTAL SCHEDULE TJC-RD 1

LINE NO.	METER SIZE	PERESENT RATES MONTHLY MINIMUM	PERESENT RATES COMMODITY CHARGE	PERESENT RATES TOTAL REVENUE	COMPANY PROPOSED RATES MONTHLY MINIMUM	COMPANY PROPOSED RATES COMMODITY CHARGE	COMPANY PROPOSED RATES TOTAL REVENUE	RUCO RECOMMENDED RATES MONTHLY MINIMUM	RUCO RECOMMENDED RATES COMMODITY CHARGE	RUCO RECOMMENDED RATES TOTAL REVENUE
1	5/8 X 3/4 - INCH	$ 34,800	$ -	$ 34,800	$ 45,517	$ -	$ 45,517	$ 37,174	$ -	$ 37,174
2	3/4 - INCH	-	-	-	-	-	-	-	-	-
3	1 - INCH	585	-	585	765	-	765	625	-	625
4	1 1/2 - INCH	-	-	-	-	-	-	-	-	-
5	2 - INCH	-	-	-	-	-	-	-	-	-
6	3 - INCH	-	-	-	-	-	-	-	-	-
7	4 - INCH	-	-	-	-	-	-	-	-	-
8	6 - INCH	-	-	-	-	-	-	-	-	-
9	8 - INCH	-	-	-	-	-	-	-	-	-
10	10 - INCH	-	-	-	-	-	-	-	-	-
11	TOTALS	$ 35,385	$ -	$ 35,385	$ 46,283	$ -	$ 46,283	$ 37,799	$ -	$ 37,799
12	PERCENTAGE	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%

RIO RICO UTILITIES, INC. - RESIDENTIAL - LOW INCOME WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
RECOMMENDED RATES

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 2

LINE NO.	DESCRIPTION					PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	**RECOMMENDED MONTHLY MINIMUM USAGE CHARGE:**							
2								
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)							
4	5/8 X 3/4 - INCH					$39.00	$51.01	$41.66
5	3/4 - INCH					52.88	69.17	48.02
6	1 - INCH					54.94	71.87	58.69
7	1 1/2 - INCH					95.44	124.84	86.66
8	2 - INCH					132.38	173.15	120.20
9	3 - INCH					230.62	301.65	209.40
10	4 - INCH					341.83	447.11	310.38
11	6 - INCH					649.58	849.65	589.81
12	8 - INCH					944.45	1,235.34	857.55
13	10 - INCH					1,415.24	1,851.13	1,285.02
14								
15	**GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:**							
16								
17	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS					0	0	0
18								
19	**RECOMMENDED COMMODITY RATES BY METER SIZE**							
20								
21	5/8 X 3/4 - INCH							
22	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
23	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
24	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
25								
26	3/4 - INCH							
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
28	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
29	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
30								
31	1 - INCH							
32	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
33	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
34	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
35								
36	1 1/2 - INCH							
37	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
38	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
39	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
40								
41	2 - INCH							
42	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
43	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
44	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
45								
46	3 - INCH							
47	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
48	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
49	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
50								
51	4 - INCH							
52	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
53	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
54	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
55								
56	6 - INCH							
57	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
58	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	999,999,999,999,999,000	TO	0	GALLONS:	$ -	$ -	$ -
59	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
60								
61	8 - INCH							
62	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
63	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
64	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
65								
66	10 - INCH							
67	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	ZERO	TO	999,999,999,999,999,000	GALLONS:	$ -	$ -	$ -
68	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -
69	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) -	OVER		0	GALLONS:	$ -	$ -	$ -

RIO RICO UTILITIES, INC. - RESIDENTIAL - LOW INCOME WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 3

RUCO RECOMMENDED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$41.66	$48.02	$58.69	$86.66	$120.20	$209.40	$310.38	$589.81	$857.55	$1,285.02
2	1,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
3	2,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
4	3,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
5	4,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
6	5,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
7	6,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
8	7,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
9	8,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
10	9,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
11	10,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
12	15,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
13	20,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
14	25,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
15	50,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
16	75,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
17	100,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
18	125,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
19	150,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
20	175,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
21	200,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
22	250,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
23	500,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
24	1,000,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
25	2,000,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
26	3,000,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
27	4,000,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
28	5,000,000	41.66	48.02	58.69	86.66	120.20	209.40	310.38	589.81	857.55	1,285.02
29											
30											
31	AVG. NO. OF CUST:	83	0	1	0	0	0	0	0	0	0
32											
33	AVG. USE (GAL.):	0	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
34	MONTHLY BILL:	$41.66	#DIV/0!	$58.69	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
35											
36	MEDIAN USE (GAL.) :	#N/A	#DIV/0!	#N/A	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
37	MONTHLY BILL:	#N/A	#DIV/0!	#N/A	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

RIO RICO UTILITIES, INC. - RESIDENTIAL - LOW INCOME WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 4

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$2.66	($4.86)	$3.75	($8.78)	($12.18)	($21.22)	($31.45)	($59.77)	($86.90)	($130.22)
2	1,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
3	2,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
4	3,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
5	4,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
6	5,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
7	6,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
8	7,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
9	8,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
10	9,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
11	10,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
12	15,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
13	20,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
14	25,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
15	50,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
16	75,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
17	100,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
18	125,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
19	150,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
20	175,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
21	200,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
22	250,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
23	500,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
24	1,000,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
25	2,000,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
26	3,000,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
27	4,000,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
28	5,000,000	2.66	(4.86)	3.75	(8.78)	(12.18)	(21.22)	(31.45)	(59.77)	(86.90)	(130.22)
29											
30											
31	AVG. NO. OF CUST:	83	0	1	0	0	0	0	0	0	0
32											
33	AVG. USE (GAL.):	0	#DIV/0!	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
34	MONTHLY BILL:	$2.66	#DIV/0!	$3.75	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
35											
36	MEDIAN USE (GAL.) :	#N/A	#DIV/0!	#N/A	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
37	MONTHLY BILL:	#N/A	#DIV/0!	#N/A	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

SEWER DIVISION
COMMERCIAL

RIO RICO UTILITIES, INC. - COMMERCIAL WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
REVENUE COMPARISON

DOCKET NO. WS-02676A-12-0196
SUUREBUTTAL SCHEDULE TJC-RD 1

LINE NO.	METER SIZE	PERESENT RATES MONTHLY MINIMUM	PERESENT RATES COMMODITY CHARGE	PERESENT RATES TOTAL REVENUE	COMPANY PROPOSED RATES MONTHLY MINIMUM	COMPANY PROPOSED RATES COMMODITY CHARGE	COMPANY PROPOSED RATES TOTAL REVENUE	RUCO RECOMMENDED RATES MONTHLY MINIMUM	RUCO RECOMMENDED RATES COMMODITY CHARGE	RUCO RECOMMENDED RATES TOTAL REVENUE
1	5/8 X 3/4 - INCH	$ 32,495	$ 15,288	$ 47,783	$ 42,503	$ 17,810	$ 60,314	$ 34,712	$ 16,270	$ 50,982
2	3/4 - INCH	-	-	-	-	-	-	-	-	-
3	1 - INCH	32,310	24,231	56,540	42,261	28,229	70,490	34,514	25,787	60,301
4	1 1/2 - INCH	8,017	9,695	17,712	10,487	11,295	21,781	8,564	10,318	18,882
5	2 - INCH	43,937	52,291	96,228	57,468	60,919	118,387	46,935	55,650	102,585
6	3 - INCH	4,612	2,539	7,151	6,033	2,958	8,991	4,927	2,702	7,629
7	4 - INCH	16,408	73,543	89,951	21,461	85,678	107,139	17,527	78,268	95,795
8	6 - INCH	2,728	9,485	12,213	3,569	11,050	14,618	2,914	10,094	13,008
9	8 - INCH	-	-	-	-	-	-	-	-	-
10	10 - INCH	-	-	-	-	-	-	-	-	-
11	TOTALS	$ 140,507	$ 187,071	$ 327,578	$ 183,783	$ 217,938	$ 401,721	$ 150,093	$ 199,089	$ 349,182
12	PERCENTAGE	42.89%	57.11%	100.00%	45.75%	54.25%	100.00%	42.98%	57.02%	100.00%

RIO RICO UTILITIES, INC. - COMMERCIAL WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
RECOMMENDED RATES

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 2

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	**RECOMMENDED MONTHLY MINIMUM USAGE CHARGE:**			
2				
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)			
4	5/8 X 3/4 - INCH	$45.88	$60.01	$49.01
5	3/4 - INCH	52.88	69.17	56.49
6	1 - INCH	64.64	84.55	69.05
7	1 1/2 - INCH	95.44	124.84	101.95
8	2 - INCH	132.38	173.15	141.41
9	3 - INCH	230.62	301.65	246.35
10	4 - INCH	341.83	447.11	365.15
11	6 - INCH	649.58	849.65	693.89
12	8 - INCH	944.45	1,235.34	1,008.88
13	10 - INCH	1,415.24	1,851.13	1,511.79
14				
15	**GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:**			
16				
17	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	0	0	0
18				
19	**RECOMMENDED COMMODITY RATES BY METER SIZE**			
20				
21	5/8 X 3/4 - INCH			
22	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
23	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 7,001 TO 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
24	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
25				
26	3/4 - INCH			
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
28	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
29	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
30				
31	1 - INCH			
32	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
33	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
34	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ 5.44	$ -
35				
36	1 1/2 - INCH			
37	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
38	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
39	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
40				
41	2 - INCH			
42	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
43	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 7,001 TO 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
44	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
45				
46	3 - INCH			
47	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
48	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 7,001 TO 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
49	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
50				
51	4 - INCH			
52	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
53	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 7,001 TO 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
54	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
55				
56	6 - INCH			
57	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
58	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 7,001 TO 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
59	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
60				
61	8 - INCH			
62	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
63	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
64	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
65				
66	10 - INCH			
67	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
68	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
69	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -

RIO RICO UTILITIES, INC. - COMMERCIAL WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 3

RUCO RECOMMENDED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$49.01	$56.49	$69.05	$101.95	$141.41	$246.35	$365.15	$693.89	$1,008.88	$1,511.79
2	1,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
3	2,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
4	3,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
5	4,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
6	5,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
7	6,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
8	7,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
9	8,000	53.98	61.46	74.02	106.92	146.38	251.32	370.12	698.86	1,013.85	1,516.76
10	9,000	58.95	66.43	78.99	111.89	151.35	256.29	375.09	703.83	1,018.82	1,521.73
11	10,000	63.92	71.40	83.96	116.86	156.32	261.26	380.06	708.80	1,023.79	1,526.70
12	15,000	88.77	96.25	108.81	141.71	181.17	286.11	404.91	733.65	1,048.64	1,551.55
13	20,000	113.62	121.10	133.66	166.56	206.02	310.96	429.76	758.50	1,073.49	1,576.40
14	25,000	138.47	145.95	158.51	191.41	230.87	335.81	454.61	783.35	1,098.34	1,601.25
15	50,000	262.72	270.20	282.76	315.66	355.12	460.06	578.86	907.60	1,222.59	1,725.50
16	75,000	386.97	394.45	407.01	439.91	479.37	584.31	703.11	1,031.85	1,346.84	1,849.75
17	100,000	511.22	518.70	531.26	564.16	603.62	708.56	827.36	1,156.10	1,471.09	1,974.00
18	125,000	635.47	642.95	655.51	688.41	727.87	832.81	951.61	1,280.35	1,595.34	2,098.25
19	150,000	759.72	767.20	779.76	812.66	852.12	957.06	1,075.86	1,404.60	1,719.59	2,222.50
20	175,000	883.97	891.45	904.01	936.91	976.37	1,081.31	1,200.11	1,528.85	1,843.84	2,346.75
21	200,000	1,008.22	1,015.70	1,028.26	1,061.16	1,100.62	1,205.56	1,324.36	1,653.10	1,968.09	2,471.00
22	250,000	1,256.72	1,264.20	1,276.76	1,309.66	1,349.12	1,454.06	1,572.86	1,901.60	2,216.59	2,719.50
23	500,000	2,499.22	2,506.70	2,519.26	2,552.16	2,591.62	2,696.56	2,815.36	3,144.10	3,459.09	3,962.00
24	1,000,000	4,984.22	4,991.70	5,004.26	5,037.16	5,076.62	5,181.56	5,300.36	5,629.10	5,944.09	6,447.00
25	2,000,000	9,954.22	9,961.70	9,974.26	10,007.16	10,046.62	10,151.56	10,270.36	10,599.10	10,914.09	11,417.00
26	3,000,000	14,924.22	14,931.70	14,944.26	14,977.16	15,016.62	15,121.56	15,240.36	15,569.10	15,884.09	16,387.00
27	4,000,000	19,894.22	19,901.70	19,914.26	19,947.16	19,986.62	20,091.56	20,210.36	20,539.10	20,854.09	21,357.00
28	5,000,000	24,864.22	24,871.70	24,884.26	24,917.16	24,956.62	25,061.56	25,180.36	25,509.10	25,824.09	26,327.00
29											
30											
31	AVG. NO. OF CUST:	59	0	42	7	28	2	4	0	0	0
32											
33	AVG. USE (GAL.):	8,446		15,237	30,036	39,801	33,833	335,083	488,571		
34	MONTHLY BILL:	$56.20		$109.99	$216.44	$304.43	$379.71	$1,995.72	$3,087.30		
35											
36	MEDIAN USE (GAL.) :	3,107		7,654	14,000	50,842	100,333	78,000	100,250		
37	MONTHLY BILL:	$49.01		$72.30	$136.74	$359.31	$710.22	$718.02	$1,157.35		

RIO RICO UTILITIES, INC. - COMMERCIAL WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 4

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$3.13	$3.61	$4.41	$6.51	$9.03	$15.73	$23.32	$44.31	$64.43	$96.55
2	1,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
3	2,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
4	3,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
5	4,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
6	5,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
7	6,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
8	7,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
9	8,000	3.43	3.91	4.71	6.81	9.33	16.03	23.62	44.61	64.73	96.85
10	9,000	3.73	4.21	5.01	7.11	9.63	16.33	23.92	44.91	65.03	97.15
11	10,000	4.03	4.51	5.31	7.41	9.93	16.63	24.22	45.21	65.33	97.45
12	15,000	5.53	6.01	6.81	8.91	11.43	18.13	25.72	46.71	66.83	98.95
13	20,000	7.03	7.51	8.31	10.41	12.93	19.63	27.22	48.21	68.33	100.45
14	25,000	8.53	9.01	9.81	11.91	14.43	21.13	28.72	49.71	69.83	101.95
15	50,000	16.03	16.51	17.31	19.41	21.93	28.63	36.22	57.21	77.33	109.45
16	75,000	23.53	24.01	24.81	26.91	29.43	36.13	43.72	64.71	84.83	116.95
17	100,000	31.03	31.51	32.31	34.41	36.93	43.63	51.22	72.21	92.33	124.45
18	125,000	38.53	39.01	39.81	41.91	44.43	51.13	58.72	79.71	99.83	131.95
19	150,000	46.03	46.51	47.31	49.41	51.93	58.63	66.22	87.21	107.33	139.45
20	175,000	53.53	54.01	54.81	56.91	59.43	66.13	73.72	94.71	114.83	146.95
21	200,000	61.03	61.51	62.31	64.41	66.93	73.63	81.22	102.21	122.33	154.45
22	250,000	76.03	76.51	77.31	79.41	81.93	88.63	96.22	117.21	137.33	169.45
23	500,000	151.03	151.51	152.31	154.41	156.93	163.63	171.22	192.21	212.33	244.45
24	1,000,000	301.03	301.51	302.31	304.41	306.93	313.63	321.22	342.21	362.33	394.45
25	2,000,000	601.03	601.51	602.31	604.41	606.93	613.63	621.22	642.21	662.33	694.45
26	3,000,000	901.03	901.51	902.31	904.41	906.93	913.63	921.22	942.21	962.33	994.45
27	4,000,000	1,201.03	1,201.51	1,202.31	1,204.41	1,206.93	1,213.63	1,221.22	1,242.21	1,262.33	1,294.45
28	5,000,000	1,501.03	1,501.51	1,502.31	1,504.41	1,506.93	1,513.63	1,521.22	1,542.21	1,562.33	1,594.45
29											
30											
31	AVG. NO. OF CUST:	59	0	42	7	28	2	4	0	0	0
32											
33	AVG. USE (GAL.):	8,446	0	15,237	30,036	39,801	33,833	335,083	488,571	0	0
34	MONTHLY BILL:	$3.57		$6.88	$13.42	$18.87	$23.78	$121.74	$188.78		
35											
36	MEDIAN USE (GAL.) :	3,107	0	7,654	14,000	50,842	100,333	78,000	100,250	0	0
37	MONTHLY BILL:	$3.13		$4.61	$8.61	$22.19	$43.73	$44.62	$72.29		

SEWER DIVISION
MULTI-TENANT

RIO RICO UTILITIES, INC. - MULTI-TENANT WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
REVENUE COMPARISON

DOCKET NO. WS-02676A-12-0196
SUUREBUTTAL SCHEDULE TJC-RD 1

LINE NO.	METER SIZE	PERESENT RATES MONTHLY MINIMUM	PERESENT RATES COMMODITY CHARGE	PERESENT RATES TOTAL REVENUE	COMPANY PROPOSED RATES MONTHLY MINIMUM	COMPANY PROPOSED RATES COMMODITY CHARGE	COMPANY PROPOSED RATES TOTAL REVENUE	RUCO RECOMMENDED RATES MONTHLY MINIMUM	RUCO RECOMMENDED RATES COMMODITY CHARGE	RUCO RECOMMENDED RATES TOTAL REVENUE
1	5/8 X 3/4 - INCH	$ 3,297	$ 1,392	$ 4,689	$ 4,312	$ 1,621	$ 5,934	$ 3,522	$ 1,481	$ 5,003
2	3/4 - INCH	-	-	-	-	-	-	-	-	-
3	1 - INCH	-	-	-	-	-	-	-	-	-
4	1 1/2 - INCH	1,145	266	1,411	1,498	310	1,808	1,223	283	1,507
5	2 - INCH	-	-	-	-	-	-	-	-	-
6	3 - INCH	-	-	-	-	-	-	-	-	-
7	4 - INCH	-	-	-	-	-	-	-	-	-
8	6 - INCH	-	-	-	-	-	-	-	-	-
9	8 - INCH	-	-	-	-	-	-	-	-	-
10	10 - INCH	-	-	-	-	-	-	-	-	-
11	TOTALS	$ 4,442	$ 1,658	$ 6,100	$ 5,810	$ 1,931	$ 7,742	$ 4,745	$ 1,764	$ 6,510
12	PERCENTAGE	72.82%	27.18%	100.00%	75.05%	24.95%	100.00%	72.90%	27.10%	100.00%

RIO RICO UTILITIES, INC. - MULTI-TENANT WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
RECOMMENDED RATES

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 2

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	**RECOMMENDED MONTHLY MINIMUM USAGE CHARGE:**			
2				
3	(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)			
4	5/8 X 3/4 - INCH	$45.88	$60.01	$49.01
5	3/4 - INCH	52.88	69.17	56.49
6	1 - INCH	64.64	84.55	69.05
7	1 1/2 - INCH	95.44	124.84	101.95
8	2 - INCH	132.38	173.15	141.41
9	3 - INCH	230.62	301.65	246.35
10	4 - INCH	341.83	447.11	365.15
11	6 - INCH	649.58	849.65	693.89
12	8 - INCH	944.45	1,235.34	1,008.88
13	10 - INCH	1,415.24	1,851.13	1,511.79
14				
15	**GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:**			
16				
17	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	0	0	0
18				
19	**RECOMMENDED COMMODITY RATES BY METER SIZE**			
20				
21	5/8 X 3/4 - INCH			
22	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
23	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 7,001 TO 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
24	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
25				
26	3/4 - INCH			
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
28	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
29	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
30				
31	1 - INCH			
32	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
33	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
34	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ 5.44	$ -
35				
36	1 1/2 - INCH			
37	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
38	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
39	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
40				
41	2 - INCH			
42	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
43	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 7,001 TO 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
44	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
45				
46	3 - INCH			
47	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
48	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 7,001 TO 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
49	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
50				
51	4 - INCH			
52	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
53	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 7,001 TO 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
54	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
55				
56	6 - INCH			
57	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
58	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 7,001 TO 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
59	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
60				
61	8 - INCH			
62	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
63	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
64	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -
65				
66	10 - INCH			
67	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 7,000 GALLONS:	$ -	$ -	$ -
68	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ 4.67	$ 5.44	$ 4.97
69	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 999,999,999,999,999,000 GALLONS:	$ -	$ -	$ -

RIO RICO UTILITIES, INC. - MULTI-TENANT WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 3

RUCO RECOMMENDED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$49.01	$56.49	$69.05	$101.95	$141.41	$246.35	$365.15	$693.89	$1,008.88	$1,511.79
2	1,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
3	2,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
4	3,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
5	4,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
6	5,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
7	6,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
8	7,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
9	8,000	53.98	61.46	74.02	106.92	146.38	251.32	370.12	698.86	1,013.85	1,516.76
10	9,000	58.95	66.43	78.99	111.89	151.35	256.29	375.09	703.83	1,018.82	1,521.73
11	10,000	63.92	71.40	83.96	116.86	156.32	261.26	380.06	708.80	1,023.79	1,526.70
12	15,000	88.77	96.25	108.81	141.71	181.17	286.11	404.91	733.65	1,048.64	1,551.55
13	20,000	113.62	121.10	133.66	166.56	206.02	310.96	429.76	758.50	1,073.49	1,576.40
14	25,000	138.47	145.95	158.51	191.41	230.87	335.81	454.61	783.35	1,098.34	1,601.25
15	50,000	262.72	270.20	282.76	315.66	355.12	460.06	578.86	907.60	1,222.59	1,725.50
16	75,000	386.97	394.45	407.01	439.91	479.37	584.31	703.11	1,031.85	1,346.84	1,849.75
17	100,000	511.22	518.70	531.26	564.16	603.62	708.56	827.36	1,156.10	1,471.09	1,974.00
18	125,000	635.47	642.95	655.51	688.41	727.87	832.81	951.61	1,280.35	1,595.34	2,098.25
19	150,000	759.72	767.20	779.76	812.66	852.12	957.06	1,075.86	1,404.60	1,719.59	2,222.50
20	175,000	883.97	891.45	904.01	936.91	976.37	1,081.31	1,200.11	1,528.85	1,843.84	2,346.75
21	200,000	1,008.22	1,015.70	1,028.26	1,061.16	1,100.62	1,205.56	1,324.36	1,653.10	1,968.09	2,471.00
22	250,000	1,256.72	1,264.20	1,276.76	1,309.66	1,349.12	1,454.06	1,572.86	1,901.60	2,216.59	2,719.50
23	500,000	2,499.22	2,506.70	2,519.26	2,552.16	2,591.62	2,696.56	2,815.36	3,144.10	3,459.09	3,962.00
24	1,000,000	4,984.22	4,991.70	5,004.26	5,037.16	5,076.62	5,181.56	5,300.36	5,629.10	5,944.09	6,447.00
25	2,000,000	9,954.22	9,961.70	9,974.26	10,007.16	10,046.62	10,151.56	10,270.36	10,599.10	10,914.09	11,417.00
26	3,000,000	14,924.22	14,931.70	14,944.26	14,977.16	15,016.62	15,121.56	15,240.36	15,569.10	15,884.09	16,387.00
27	4,000,000	19,894.22	19,901.70	19,914.26	19,947.16	19,986.62	20,091.56	20,210.36	20,539.10	20,854.09	21,357.00
28	5,000,000	24,864.22	24,871.70	24,884.26	24,917.16	24,956.62	25,061.56	25,180.36	25,509.10	25,824.09	26,327.00
29											
30											
31	AVG. NO. OF CUST:	6	0	0	1	0	0	0	0	0	0
32											
33	AVG. USE (GAL.):	9,614			11,750						
34	MONTHLY BILL:	$62.00			$125.56						
35											
36	MEDIAN USE (GAL.) :	8,012			10,500						
37	MONTHLY BILL:	$54.04			$119.35						

RIO RICO UTILITIES, INC. - MULTI-TENANT WASTEWATER CUSTOMERS
TEST YEAR ENDED FEBRUARY 29, 2012
BILLING ANALYSIS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE TJC-RD 4

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	$3.13	$3.61	$4.41	$6.51	$9.03	$15.73	$23.32	$44.31	$64.43	$96.55
2	1,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
3	2,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
4	3,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
5	4,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
6	5,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
7	6,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
8	7,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
9	8,000	3.43	3.91	4.71	6.81	9.33	16.03	23.62	44.61	64.73	96.85
10	9,000	3.73	4.21	5.01	7.11	9.63	16.33	23.92	44.91	65.03	97.15
11	10,000	4.03	4.51	5.31	7.41	9.93	16.63	24.22	45.21	65.33	97.45
12	15,000	5.53	6.01	6.81	8.91	11.43	18.13	25.72	46.71	66.83	98.95
13	20,000	7.03	7.51	8.31	10.41	12.93	19.63	27.22	48.21	68.33	100.45
14	25,000	8.53	9.01	9.81	11.91	14.43	21.13	28.72	49.71	69.83	101.95
15	50,000	16.03	16.51	17.31	19.41	21.93	28.63	36.22	57.21	77.33	109.45
16	75,000	23.53	24.01	24.81	26.91	29.43	36.13	43.72	64.71	84.83	116.95
17	100,000	31.03	31.51	32.31	34.41	36.93	43.63	51.22	72.21	92.33	124.45
18	125,000	38.53	39.01	39.81	41.91	44.43	51.13	58.72	79.71	99.83	131.95
19	150,000	46.03	46.51	47.31	49.41	51.93	58.63	66.22	87.21	107.33	139.45
20	175,000	53.53	54.01	54.81	56.91	59.43	66.13	73.72	94.71	114.83	146.95
21	200,000	61.03	61.51	62.31	64.41	66.93	73.63	81.22	102.21	122.33	154.45
22	250,000	76.03	76.51	77.31	79.41	81.93	88.63	96.22	117.21	137.33	169.45
23	500,000	151.03	151.51	152.31	154.41	156.93	163.63	171.22	192.21	212.33	244.45
24	1,000,000	301.03	301.51	302.31	304.41	306.93	313.63	321.22	342.21	362.33	394.45
25	2,000,000	601.03	601.51	602.31	604.41	606.93	613.63	621.22	642.21	662.33	694.45
26	3,000,000	901.03	901.51	902.31	904.41	906.93	913.63	921.22	942.21	962.33	994.45
27	4,000,000	1,201.03	1,201.51	1,202.31	1,204.41	1,206.93	1,213.63	1,221.22	1,242.21	1,262.33	1,294.45
28	5,000,000	1,501.03	1,501.51	1,502.31	1,504.41	1,506.93	1,513.63	1,521.22	1,542.21	1,562.33	1,594.45
29											
30											
31	AVG. NO. OF CUST:	6	0	0	1	0	0	0	0	0	0
32											
33	AVG. USE (GAL.):	9,614	0	0	11,750	0	0	0	0	0	0
34	MONTHLY BILL:	$3.91			$7.94						
35											
36	MEDIAN USE (GAL.) :	8,012	0	0	10,500	0	0	0	0	0	0
37	MONTHLY BILL:	$3.44			$7.56						

RIO RICO UTILITIES

DOCKET NO. WS-02676A-12-0196

SURREBUTTAL TESTIMONY

OF

WILLIAM A. RIGSBY

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

FEBRUARY 19, 2013

TABLE OF CONTENTS

EXECUTIVE SUMMARY i

INTRODUCTION 1

SUMMARY OF REBUTTAL TESTIMONY 2

DSIC SURCHARGE MECHANISM 3

COST OF CAPITAL 6

ATTACHMENT A – Value Line Water Utility Industry Update

SURREBUTTAL SCHEDULES WAR-1 through WAR-9

EXECUTIVE SUMMARY

RUCO continues to recommend that the ACC deny RRUI Utility, Inc.'s request for a SWIP or DSIC surcharge mechanism to recover the costs of routine plant additions between general rate case proceedings.

RUCO recommends that the Commission adopt a revised 8.25 percent cost of common equity.

RUCO is recommending that the Commission adopt a revised capital structure comprised of 100.00 percent common equity.

As a result of its revised cost of equity and revised capital structure recommendations, RUCO is recommending that the Commission adopt a weighted average cost of capital of 8.25 percent which is 22 basis points higher than the 8.03 percent recommended in RUCO's direct testimony.

INTRODUCTION

Q. Please state your name, occupation, and business address.

A. My Name is William A. Rigsby. I am the Chief of Accounting and Rates for the Residential Utility Consumer Office ("RUCO") located at 1110 W. Washington, Suite 220, Phoenix, Arizona 85007.

Q. Have you filed any prior testimony in this case on behalf of RUCO?

A. Yes. On December 31, 2012, I filed direct testimony that presented RUCO's recommendations on the Company-proposed Enhanced SWIP surcharge mechanism and the cost of capital for RRUI.

Q. Please state the purpose of your surrebuttal testimony.

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of RRUI witnesses Christopher D. Krygier and Thomas J. Bourassa, which was filed on January 28, 2013.

Q. Will RUCO be filing surrebuttal testimony on the rate base, operating income and rate design issues in this case?

A. Yes. Those aspects of the case will be addressed in the surrebuttal testimony of RUCO rate analyst Timothy J. Coley.

...

Q. How is your surrebuttal testimony organized?

A. My surrebuttal testimony is comprised of four parts: the introduction that I've just presented; a brief summary of RRUI's rebuttal testimony; a section on the Company-proposed Enhanced SWIP surcharge mechanism; and, a section on cost of capital.

SUMMARY OF REBUTTAL TESTIMONY

Q. Briefly summarize RRUI's rebuttal testimony.

A. RRUI witness Christopher Krygier, states in his rebuttal testimony that the Company has dropped its request for the Enhanced SWIP surcharge mechanism that he advocated in his direct testimony and now states that RRUI wants the DSIC mechanism that is being proposed in an Arizona Water Company Eastern Group rate case filing that is now before the Commission.[1] Mr. Krygier flatly rejects the System Betterment Cost Recovery surcharge mechanism which has been recommended by ACC Staff as an alternative to the Enhanced SWIP that was proposed by the Company.

Mr. Thomas Bourassa, RRUI's cost of capital consultant, has revised his cost of common equity figure down from 10.70 percent to 10.30 percent. Mr. Bourassa continues to recommend a 5.70 percent cost of debt and has not made any changes to his proposed hypothetical capital structure

[1] Docket No. W-01445A-11-0310.

comprised of 80.00 percent common equity and 20.00 percent debt. His revised cost of common equity produces a WACC of 9.38 percent as opposed to the 9.70 percent that he recommended in his direct testimony.

As is common in utility rate case proceedings, Mr. Bourassa takes issue with my recommended cost of common equity and the methods that I used to derive it.

DSIC SURCHARGE MECHANISM

Q. Have you reviewed Mr. Krygier's rebuttal testimony in this case?

A. Yes.

Q. Is RRUI still proposing that the Commission adopt the Company-proposed Enhanced SWIP surcharge mechanism that you discussed in your direct testimony?

A. No. Mr. Krygier states in his rebuttal testimony that RRUI has dropped its request for the Enhanced SWIP and now seeks Commission approval of the DSIC mechanism that is being proposed in the Arizona Water Company Eastern Group rate case filing that is now before the ACC.[2] On page 3 of his rebuttal testimony, Mr. Krygier now describes the Company-proposed Enhanced SWIP as a "step backward."

[2] On January 30, 2013, the Administrative Law Judge assigned to the Arizona Water Company Eastern Group rate case issued a Recommended Opinion and Order that rejected the DSIC surcharge mechanism proposed by Arizona Water Company.

Q. Has ACC Staff recommended an alternative to the Enhanced SWIP or DSIC surcharge mechanisms?

A. Yes. In his direct testimony, ACC Chief Accountant James R. Armstrong is recommending a System Betterment Cost Recovery ("SBCR") surcharge mechanism as an alternative to RRUI's Enhanced SWIP.

Q. What is RRUI's opinion of the SBCR being recommended by ACC Staff?

A. Mr. Krygier flatly rejects the SBCR calling it "unworkable and undesirable" and describes it as a deal breaker that "wouldn't even come in third in a three horse race."

Q. What is RUCO's opinion of the SBCR?

A. RUCO believes that Mr. Armstrong has done an admirable job in attempting to balance the interests of both ratepayers and utilities through the SBCR. However, for the reasons that I discussed in my direct testimony (which addressed both RRUI's Enhanced SWIP and the DSIC being proposed in the AWC Eastern Group[3] case) RUCO still opposes the implementation of any surcharge mechanism that allows for the recovery of routine plant additions between general rate case proceedings.

[3] Also see Direct Testimony of William A. Rigsby in Docket No. W-01445-11-0310..

Q. Does RUCO oppose the DSIC surcharge mechanism that RRUI is now requesting?

A. Yes. For the same reasons that I stated in my direct testimony, RUCO recommends that the Commission reject both the Enhanced SWIP and the DSIC surcharge mechanism, such as the one proposed in the AWC Eastern Group rate case proceeding, that RRUI now seeks.

Q. Has the Commission issued a final decision on the AWC Eastern Group rate case that you discussed in your direct testimony?

A. Yes. During the Regular Open Meeting conducted on February 12, 2013, the Commission ordered the AWC Eastern Group docket to remain open in order to allow the parties to the case, and any other party that wishes to intervene, to enter into settlement discussions on a proposed DSIC mechanism. A final decision on a settlement agreement that is reached by the parties will be voted on by the five Commissioners no later than the Regular Open Meeting scheduled for Tuesday and Wednesday, June 11, and 12, 2013.

Q. Has RRUI intervened in the AWC Eastern Group docket?

A. Yes. RRUI filed an Application to Intervene in the AWC Eastern Group docket on February 13, 2013. So at this point RUCO has no idea as to what the outcome of the settlement discussions will be.

COST OF CAPITAL

Q. Have you reviewed Mr. Bourassa's rebuttal testimony on the cost of capital issues in this case?

A. Yes.

Q. Have you had an opportunity to update your cost of equity analysis?

A. Yes. I updated my cost of equity analysis to include more recent data published in Value Line's January 18, 2013 quarterly update on the water utility industry (Attachment A). The results of my analysis can be seen in my Surrebuttal Schedules WAR-1 through WAR-9.

Q. Are you still recommending that the Commission adopt the Company-proposed hypothetical capital structure comprised of 80 percent common equity and 20 percent debt?

A. No. I have reconsidered my original recommendation and have decided to recommend that the Commission adopt RRUI's actual capital structure comprised of 100 percent common equity.

Q. Have you revised your recommended 9.00 percent cost of common equity for RRUI as a result of your updated analysis and your revised capital structure recommendation?

A. Yes. Based on the results of my updated analysis and my revised capital structure recommendation, I have reduced my recommended cost of common equity from 9.00 percent to 8.25 percent. My revised 8.25

percent figure is 50 basis points lower than the high end result of my updated DCF analysis that was derived from a sample of publicly-traded water and natural gas companies that had average capital structures comprised of 50.00 percent common equity and 50.00 percent debt. My lower 8.25 percent cost of common equity takes into consideration the lower financial risk associated with a capital structure that contains no debt. My revised capital structure and cost of common equity produces a WACC of 8.25 percent, which is 22 basis points higher than the 8.03 percent WACC that I originally recommended in my direct testimony.

Q. How does your revised cost of common equity recommendation compare with the recommendations of RRUI's and ACC Staff's cost of capital witnesses?

A. My revised 8.25 percent cost of common equity is 205 basis points lower than Mr. Bourassa's revised 10.30 percent cost of common equity. In his direct testimony, ACC Staff witness John A. Cassidy recommended an 8.40 percent cost of common equity which is 190 basis points lower than Mr. Bourassa's 10.30 percent recommendation and 15 basis points higher than my revised 8.25 percent recommendation.

Q. Are the parties to the case in agreement on RRUI's cost of debt?

A. At this stage of the proceeding the answer is no. Now that Mr. Cassidy and I are recommending capital structures comprised of 100 percent

common equity we have no hypothetical cost of debt. On the other hand, Mr. Bourassa continues to propose a 5.70 percent hypothetical cost of debt.

Q. Where do the parties stand on a capital structure for RRUI?

A. As I stated previously, Mr. Bourassa has not made any changes to his hypothetical capital structure comprised of 80.00 percent common equity and 20.00 percent hypothetical debt and both Mr. Cassidy and I are recommending capital structures comprised of 100.00 percent common equity.

Q. Please compare the recommended weighted average cost of capital ("WACC") being proposed by RRUI, ACC Staff and RUCO at this stage of the proceeding.

A. At this stage of the proceeding RRUI is recommending a WACC of capital of 9.38 percent that is 98 basis points higher than ACC Staff's recommendation of 8.40 percent in Mr. Cassidy's direct testimony, and 155 basis points higher than my 8.25 percent surrebuttal recommendation.

...

Q. Has the Federal Reserve made any changes to its current policy to keep interest rates low for an extended period of time since you filed your direct testimony?

A. No. At its most recent meeting during the last week of January, the Federal Reserve decided not to change its current policy regarding interest rates.

Q. Please respond to Mr. Bourassa's position that your recommended cost of equity is lower than an average of projections published in Value Line's recent quarterly updates on the water and natural gas industries.

A. In the case of the water utilities, Mr. Bourassa only averages Value Line's long-term projections (i.e. 2015 to 2017) on returns on book common equity (as opposed to estimated costs of common equity). He does not take into consideration all of Value Line's projections for 2012 through 2017 as I do. If all of the projections are taken into consideration, the average return on book common equity for Mr. Bourassa's sample would be 9.69 percent as opposed to 10.30 percent. When you include American Water Works, in the sample, the 2012 to 2017 average falls to 9.55 percent. The average for my sample, which includes American Water Works but does not include Connecticut Water, is 9.36 percent. Again, these are projections on book common equity as opposed to cost of common equity estimates. By definition, the cost of common equity

would have to be lower than the returns on book common equity or a company would not be profitable.

Q. Do you agree with Mr. Bourassa's view that the fact that RRUI is owned by a large publicly traded company should be ignored?

A. No. On the one hand, Mr. Bourassa argues that RRUI's parent company should be ignored for the purpose of establishing a cost of equity for RRUI, but then on the other hand he states that the parent company's ability to obtain debt at the corporate level benefits RRUI. In virtually every merger or acquisition of a water company that I have been involved with, the prospective buyer's access to the capital markets has always been touted as a positive reason for the merger or acquisition. So I don't possibly see how the fact that RRUI is owned by a large publicly traded corporate entity can be ignored.

Q. Please address Mr. Bourassa's assertion that your retention growth rate (b x r) component of "g" in the DCF model is impossible to verify.

A. I have made no secret of the fact that my b x r figure is an estimate derived from my evaluation of Value Line's growth projections of 2012 through 2017. I have consistently provided an example of how I perform the estimation in the DCF section in every piece of direct testimony that I have filed with the Commission. My final growth estimates are then

compared to growth estimates provided by both Value Line and Zacks on my schedule WAR-6 to check on their reasonableness. My estimates are often even higher than those of professional analysts as is the case with my average growth estimate for the companies included in my natural gas sample in this proceeding. As I pointed out in my direct testimony, the method that I have used for estimating growth in the DCF model has not only been adopted by the Commission in cases that I have testified in but also in cases that cost of capital consultant Stephen Hill has testified in as an expert witness for ACC Staff.

Q. Has Mr. Bourassa's rebuttal testimony changed the position you expressed in your direct testimony on his CAPM market risk premium approach?

A. No.

Q. Does your silence on any other issues, matters or findings addressed in the rebuttal testimony of Mr. Krygier, Mr. Bourassa or any other witness constitute your acceptance of the Company's positions on such issues, matters or findings?

A. No, it does not.

...

1 **Q. Does this conclude your surrebuttal testimony on the SWIP/DSIC and**

2 **cost of capital issues in RRUI's filing?**

3 A. Yes, it does.

ATTACHMENT A

AMERICAN WATER NYSE-AWK

RECENT PRICE **37.33** | P/E RATIO **16.4** (Trailing: 17.9 Median: NMF) | RELATIVE P/E RATIO **1.04** | DIV'D YLD **2.7%** | **VALUE LINE**

TIMELINESS 3 Lowered 12/28/12
SAFETY 3 New 7/25/08
TECHNICAL 3 Raised 1/4/13
BETA .65 (1.00 = Market)

2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+45%)	13%
Low	40	(+5%)	5%

Insider Decisions

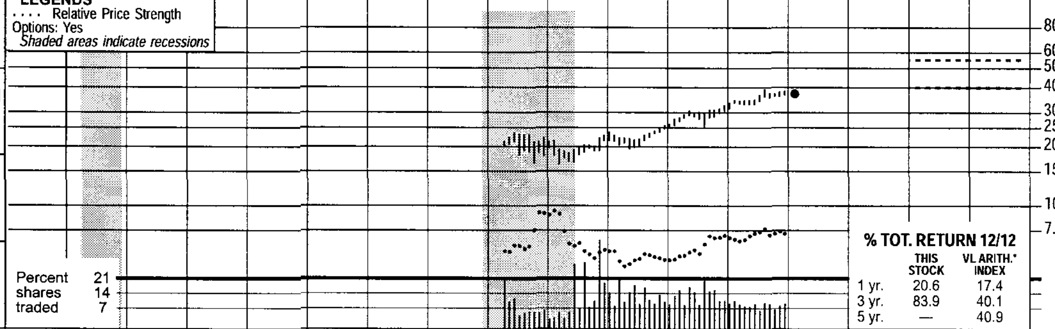
	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	0	7	0	2	1	0	5	0	0
to Sell	0	7	0	2	0	0	6	0	0

Institutional Decisions

	1Q2012	2Q2012	3Q2012
to Buy	164	176	173
to Sell	163	162	171
Hld's(000)	141669	140028	143865

LEGENDS
.... Relative Price Strength
Options: Yes
Shaded areas indicate recessions

	2008	2009	2010	2011	2012
High:	23.7	23.0	25.8	32.8	39.4
Low:	16.5	16.2	19.4	25.2	31.3



Target Price Range 2015 | 2016 | 2017

% TOT. RETURN 12/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	20.6	17.4
3 yr.	83.9	40.1
5 yr.	—	40.9

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
--	--	--	--	--	--	--	--	--	--	13.08	13.84	14.61	13.98	15.49	15.18	16.40	16.55	Revenues per sh	18.60
--	--	--	--	--	--	--	--	--	--	.65	d.47	2.87	2.89	3.56	3.74	4.30	4.40	"Cash Flow" per sh	4.80
--	--	--	--	--	--	--	--	--	--	d.97	d2.14	1.10	1.25	1.53	1.72	2.20	2.25	Earnings per sh A	2.50
--	--	--	--	--	--	--	--	--	--	--	--	.40	.82	.86	.91	.96	1.04	Div'd Decl'd per sh B■	1.25
--	--	--	--	--	--	--	--	--	--	4.31	4.74	6.31	4.50	4.38	5.27	5.10	5.30	Cap'l Spending per sh	5.05
--	--	--	--	--	--	--	--	--	--	23.86	28.39	25.64	22.91	23.59	24.14	25.20	25.60	Book Value per sh D	27.15
--	--	--	--	--	--	--	--	--	--	160.00	160.00	160.00	174.63	175.00	175.66	177.00	180.00	Common Shs Outst'g C	188.00
--	--	--	--	--	--	--	--	--	--	--	--	18.9	15.6	14.6	16.7	16.0		Avg Ann'l P/E Ratio	19.0
--	--	--	--	--	--	--	--	--	--	--	--	1.14	1.04	.93	1.05	1.01		Relative P/E Ratio	1.25
--	--	--	--	--	--	--	--	--	--	--	--	1.9%	4.2%	3.8%	3.1%	2.7%		Avg Ann'l Div'd Yield	2.8%

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		15-17
--	--	--	--	2093.1	2214.2	2336.9	2440.7	2710.7	2666.2	2900	2975	Revenues ($mill)	3500
--	--	--	--	d155.8	d342.3	187.2	209.9	267.8	304.9	390	400	Net Profit ($mill)	470
--	--	--	--	--	--	37.4%	37.9%	40.4%	39.5%	40.0%	40.0%	Income Tax Rate	39.0%
--	--	--	--	--	--	--	--	12.5%	10.0%	10.0%	10.0%	AFUDC % to Net Profit	15.0%
--	--	--	--	56.1%	50.9%	53.1%	56.9%	56.8%	55.6%	53.5%	54.0%	Long-Term Debt Ratio	53.0%
--	--	--	--	43.9%	49.1%	46.9%	43.1%	43.2%	44.2%	46.5%	46.0%	Common Equity Ratio	47.0%
--	--	--	--	8692.8	9245.7	8750.2	9289.0	9561.3	9601.5	9650	9995	Total Capital ($mill)	10850
--	--	--	--	8720.6	9318.0	9991.8	10524	11059	11021	11550	12105	Net Plant ($mill)	13700
--	--	--	--	NMF	NMF	3.7%	3.8%	4.4%	4.7%	5.5%	5.5%	Return on Total Cap'l	6.0%
--	--	--	--	NMF	NMF	4.6%	5.2%	6.5%	7.2%	8.5%	8.5%	Return on Shr. Equity	9.0%
--	--	--	--	NMF	NMF	4.6%	5.2%	6.5%	7.2%	8.5%	8.5%	Return on Com Equity	9.0%
--	--	--	--	NMF	NMF	3.0%	1.8%	2.8%	3.5%	5.0%	4.5%	Retained to Com Eq	4.5%
--	--	--	--	--	--	34%	65%	56%	52%	44%	47%	All Div'ds to Net Prof	51%

CAPITAL STRUCTURE as of 9/30/12
Total Debt $5535.9 mill. **Due in 5 Yrs** $229.5 mill.
LT Debt $5203.1 mill. **LT Interest** $306.5 mill.
(Total interest coverage: 4.3x) (54% of Cap'l)

Leases, Uncapitalized: Annual rentals $21.5 mill.
Pension Assets-12/11 $981.1 mill
Oblig. $1402.0 mill.
Pfd Stock $19.3 mill. **Pfd Div'd** $.7 mill

Common Stock 176,756,790 shs.
as of 11/1/12

MARKET CAP: $6.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2010	2011	9/30/12
Cash Assets	13.1	14.2	18.5
Other	521.2	1383.5	622.0
Current Assets	534.3	1397.7	642.5
Accts Payable	199.2	243.7	202.3
Debt Due	44.8	543.9	332.8
Other	530.5	701.5	460.8
Current Liab.	774.5	1489.1	1005.9
Fix. Chg. Cov.	237%	256%	300%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	--	--	4.0%
"Cash Flow"	--	--	6.0%
Earnings	--	--	9.0%
Dividends	--	--	6.5%
Book Value	--	--	2.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2009	550.2	612.7	680.0	597.8	2440.7
2010	588.1	671.2	786.9	664.5	2710.7
2011	596.7	668.8	760.9	639.8	2666.2
2012	618.6	745.6	831.8	704	2900
2013	650	750	850	725	2975

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2009	.19	.32	.52	.21	1.25
2010	.18	.42	.71	.23	1.53
2011	.23	.42	.73	.34	1.72
2012	.28	.66	.87	.39	2.20
2013	.34	.68	.84	.39	2.25

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.20	.20	.21	.21	.82
2010	.21	.21	.22	.22	.86
2011	.22	.23	.23	.23	.91
2012	.23	.23	.25	.25	.96
2013					

BUSINESS: American Water Works Company, Inc. is the largest investor-owned water and wastewater utility in the U.S., providing services to over 15 million people in over 30 states and Canada. Its nonregulated business assists municipalities and military bases with the maintenance and upkeep as well. Regulated operations made up 88.9% of 2011 revenues. New Jersey is its biggest market accounting for 20.9% of revenues. Has roughly 7,000 employees. Depreciation rate, 2.5% in '11. BlackRock, Inc., owns 7.4% of the common stock outstanding. Off. & dir. own less than 1% (3/12 Proxy). President & CEO; Jeffry Sterba. Chairman; George Mackenzie. Address: 1025 Laurel Oak Road, Voorhees, NJ 08043. Telephone: 856-346-8200. Internet: www.amwater.com.

American Water Works probably closed out a successful 2012 campaign in impressive fashion. The water provider posted strong top- and bottom-line growth through the first nine months, as earlier portfolio optimization proved a benefit. Indeed, the company was able to add exposure to flourishing systems, while removing positions in less profitable areas. Perhaps just as important, however, was management's ability to control costs while doing so. We suspect that the company posted 15% share-net growth, on a 10 % revenue gain in the fourth quarter.

Earnings growth will probably be far more difficult to come by this year, however. Although we believe that the top line will continue to benefit from favorable regulatory rulings and the improved portfolio mix, it is hard to imagine that the cost base will not rise going forward. Indeed, the company is slated to make a number of infrastructure upgrades to aging systems. Thus, we look for costs to begin to mount, thereby cutting into margins, despite efforts to keep expenses under wraps.

Financing is likely to become a concern again. Aside from the benefits mentioned above, the portfolio optimization effort gave American Water some financial flexibility last year. However, most of that cash probably has been burned through by now, and cash on hand is minimal, so the company will have to seek outside financing in order to fund the aforementioned upgrades. But any debt and/or share offerings will dilute earnings.

This stock is not overly appealing at this time. It is no longer timely, and the capital-intensive nature of the business threatens to stymie earnings growth for the foreseeable future. The balance sheet is highly leveraged and is likely to only get worse as the company is expected to spend some $900 million per annum to make infrastructure repairs. Operational cash flow will not be sufficient to make the changes, requiring American Water to float additional debt and shares, despite what we believe will be favorable regulatory backing. Overall, although the stock's income component is above average, there are better, more sustainable options to chose from, in our opinion.

Andre J. Costanza *January 18, 2013*

(A) Diluted earnings. Excludes nonrecurring losses: '08, $4.62; '09, $2.63; '11, $0.07. Discontinued operations: '06, (4¢); '11, 3¢; '12, (10¢).
Next earnings report due late Feb. Quarterly earnings may not sum due to rounding.
(B) Dividends paid in March, June, September, and December. ■ Div. reinvestment available.
(C) In millions.
(D) Includes intangibles. In 2011: $1.195 billion, $9.80/share.

Company's Financial Strength	B
Stock's Price Stability	95
Price Growth Persistence	85
Earnings Predictability	20

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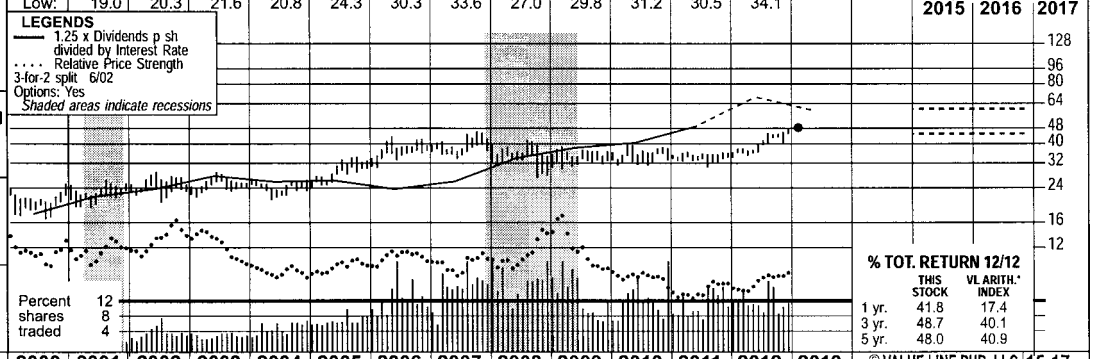
AMER. STATES WATER NYSE-AWR

RECENT PRICE 48.57 | P/E RATIO 18.8 (Trailing: 18.3 Median: 22.0) | RELATIVE P/E RATIO 1.19 | DIV'D YLD 2.9% | VALUE LINE

TIMELINESS 2 Raised 11/23/12
SAFETY 2 Raised 7/20/12
TECHNICAL 3 Raised 1/4/13
BETA .70 (1.00 = Market)

High:	26.4	29.0	29.0	26.8	34.6	43.8	46.1	42.0	38.8	39.6	36.4	48.1
Low:	19.0	20.3	21.6	20.8	24.3	30.3	33.6	27.0	29.8	31.2	30.5	34.1

LEGENDS
— 1.25 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
3-for-2 split 6/02
Options: Yes
Shaded areas indicate recessions



Target Price Range 2015 | 2016 | 2017

2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+25%)	8%
Low	45	(-5%)	1%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	2	2	0	4	2	0	16	0	0
to Sell	2	2	0	4	2	0	17	0	0

Institutional Decisions

	1Q2012	2Q2012	3Q2012
to Buy	69	83	79
to Sell	63	50	65
Hld's(000)	11810	11968	11747

Percent shares traded 12 8 4

% TOT. RETURN 12/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	41.8	17.4
3 yr.	48.7	40.1
5 yr.	48.0	40.9

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
11.37	11.44	11.02	12.91	12.17	13.06	13.78	13.98	13.61	14.06	15.76	17.49	18.42	19.48	21.41	22.24	23.95	24.50	Revenues per sh	27.80
1.75	1.85	2.04	2.26	2.20	2.53	2.54	2.08	2.23	2.64	2.89	3.31	3.37	3.40	4.23	4.26	4.60	4.85	"Cash Flow" per sh	5.50
1.13	1.04	1.08	1.19	1.28	1.35	1.34	.78	1.05	1.32	1.33	1.62	1.55	1.62	2.22	2.24	2.65	2.70	Earnings per sh A	2.80
.82	.83	.84	.85	.86	.87	.87	.88	.89	.90	.91	.96	1.00	1.01	1.04	1.10	1.27	1.45	Div'd Decl'd per sh B■	1.60
2.40	2.58	3.11	4.30	3.03	3.18	2.68	3.76	5.03	4.24	3.91	2.89	4.45	4.18	4.24	4.26	4.20	4.40	Cap'l Spending per sh	5.10
11.01	11.24	11.48	11.82	12.74	13.22	14.05	13.97	15.01	15.72	16.64	17.53	17.95	19.39	20.26	21.68	22.80	23.15	Book Value per sh	23.80
13.33	13.44	13.44	13.44	15.12	15.12	15.18	15.21	16.75	16.80	17.05	17.23	17.30	18.53	18.63	18.85	19.00	19.20	Common Shs Outst'g C	19.60
12.6	14.5	15.5	17.1	15.9	16.7	18.3	31.9	23.2	21.9	27.7	24.0	22.6	21.2	15.7	15.7	15.3		Avg Ann'l P/E Ratio	19.0
.79	.84	.81	.97	1.03	.86	1.00	1.82	1.23	1.17	1.50	1.27	1.36	1.41	1.00	1.01	.96		Relative P/E Ratio	1.25
5.8%	5.5%	5.0%	4.2%	4.2%	3.9%	3.6%	3.5%	3.6%	3.1%	2.5%	2.5%	2.9%	2.9%	3.0%	3.0%	3.1%		Avg Ann'l Div'd Yield	3.0%
						209.2	212.7	228.0	236.2	268.6	301.4	318.7	361.0	398.9	419.3	455	470	Revenues ($mill)	545
						20.3	11.9	16.5	22.5	23.1	28.0	26.8	29.5	41.4	42.0	50.0	55.0	Net Profit ($mill)	55.0
						38.9%	43.5%	37.4%	47.0%	40.5%	42.6%	37.8%	38.9%	43.2%	41.7%	42.5%	42.0%	Income Tax Rate	40.0%
						--	--	--	--	12.2%	8.5%	6.9%	3.2%	5.8%	5.8%	5.0%	5.0%	AFUDC % to Net Profit	5.0%
						52.0%	52.0%	47.7%	50.4%	48.6%	46.9%	46.2%	45.9%	44.3%	45.4%	43.0%	43.0%	Long-Term Debt Ratio	42.0%
						48.0%	48.0%	52.3%	49.6%	51.4%	53.1%	53.8%	54.1%	55.7%	54.6%	57.0%	57.0%	Common Equity Ratio	58.0%
						444.4	442.3	480.4	532.5	551.6	569.4	577.0	665.0	677.4	749.1	760	780	Total Capital ($mill)	805
						563.3	602.3	664.2	713.2	750.6	776.4	825.3	866.4	855.0	896.5	935	980	Net Plant ($mill)	1080
						6.5%	4.6%	5.2%	5.4%	6.0%	6.7%	6.4%	5.9%	7.6%	6.0%	6.0%	6.0%	Return on Total Cap'l	7.0%
						9.5%	5.6%	6.6%	8.5%	8.1%	9.3%	8.6%	8.2%	11.0%	10.3%	10.5%	11.0%	Return on Shr. Equity	12.0%
						9.5%	5.6%	6.6%	8.5%	8.1%	9.3%	8.6%	8.2%	11.0%	10.3%	10.5%	11.0%	Return on Com Equity	12.0%
						3.3%	NMF	1.0%	2.8%	2.7%	3.9%	3.1%	3.2%	5.8%	5.2%	5.0%	5.0%	Retained to Com Eq	5.0%
						65%	113%	84%	67%	67%	58%	64%	61%	47%	49%	48%	50%	All Div'ds to Net Prof	57%

CAPITAL STRUCTURE as of 9/30/12
Total Debt $344.4 mill. **Due in 5 Yrs** $280.0 mill.
LT Debt $344.2 mill. **LT Interest** $24.0 mill.
(LT interest earned: 5.5x: total interest coverage: 5.2x) (43% of Cap'l)

Leases, Uncapitalized: Annual rentals $3.3 mill.

Pension Assets-12/11 $92.9 mill. **Oblig.** $146.1 mill.

Pfd Stock None.

Common Stock 19,216,427 shs. as of 11/2/12

MARKET CAP: $925 million (Small Cap)

CURRENT POSITION ($MILL.)	2010	2011	9/30/12
Cash Assets	4.2	1.3	43.1
Other	200.8	164.3	144.0
Current Assets	205.0	165.6	187.1
Accts Payable	36.2	37.9	52.1
Debt Due	61.3	.3	.2
Other	81.3	66.2	56.9
Current Liab.	178.8	104.4	109.2
Fix. Chg. Cov.	428%	401%	390%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	5.0%	7.5%	4.5%
"Cash Flow"	5.5%	9.5%	5.5%
Earnings	4.5%	11.5%	5.5%
Dividends	2.0%	2.5%	7.5%
Book Value	5.0%	5.0%	2.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2009	79.6	93.6	101.5	86.3	361.0
2010	88.4	95.5	111.3	103.7	398.9
2011	94.3	109.8	119.9	95.3	419.3
2012	106.6	114.3	133.5	100.6	455
2013	105	120	135	110	470

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2009	.28	.64	.52	.18	1.62
2010	.45	.47	.62	.68	2.22
2011	.37	.68	.83	.36	2.24
2012	.53	.79	.97	.36	2.65
2013	.50	.75	1.00	.45	2.70

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.250	.250	.250	.260	1.01
2010	.260	.260	.260	.260	1.04
2011	.260	.280	.280	.280	1.10
2012	.280	.280	.355	.355	1.27
2013					

BUSINESS: American States Water Co. operates as a holding company. Through its principal subsidiary, Golden State Water Company, it supplies water to more than 250,000 customers in 75 communities in 10 counties. Service areas include the greater metropolitan areas of Los Angeles and Orange Counties. The company also provides electric utility services to nearly 23,250 customers in the city of Big Bear Lake and in areas of San Bernardino County. Sold Chaparral City Water of Arizona (6/11). Has 703 employees. Officers & directors own 2.9% of common stock (4/12 Proxy). Chairman: Lloyd Ross. President & CEO: Robert J. Sprowls. Inc: CA. Addr: 630 East Foothill Boulevard, San Dimas, CA 91773. Tel: 909-394-3600. Internet: www.aswater.com.

American States Water's bottom-line momentum will likely slow a bit in 2013. We believe that share net grew 18% in 2012, largely due to the Contracted Services unit in its American States Utility Services (ASUS) subsidiary. ASUS continues to generate higher-than-expected construction margins on the Fort Bragg military base in North Carolina and on bases in Virginia. This subsidiary provides the most upside, as it takes on projects that are lighter on the regulatory front. The 50-year privatization contract with the U.S. government on Fort Bragg offers a decent amount of business going forward. Though optimism is strong, the reliability of future awards provides a greater concern. We expect difficult comps, and fewer projects will slow growth in this segment. Therefore, this expected softness in Contracted Services, coupled with flattish water and electric growth, have tempered our optimism for 2013.

Management's focus on bidding opportunities should bolster longer-term growth. We expect work on military bases will drive a majority of the company's bidding activity. One new venture that should get started in 2013 is the $18 million Patriot Project. The project includes construction of water and sewer infrastructure on a Fort Bragg addition. As mentioned, new work should be lumpy and provide some uncertainty for longer-term profitability. However, the newly initiated dividend from ASUS to AWR should ease some of investors' concerns.

The balance sheet continues to show improvement. AWR generated $43 million of free cash flow in the first nine months of 2012. This compares to the $1 million cash burn experienced for the same time frame in 2011. The company's cash position has strengthened to $43 million from $1 million reported at the start of 2012.

The Timeliness rank of this issue is 2 (Above Average). These shares should appeal to dividend-oriented accounts, as the stock offers an above-average yield when compared to the *Value Line* median and its peers. However, we advise longer-term investors to look elsewhere, due to the below-average capital appreciation potential.

Michael Collins *January 18, 2013*

(A) Primary earnings. Excludes nonrecurring gains/(losses): '04, 14¢; '05, 25¢; '06, 6¢; '08, (27¢); '10, (45¢) '11, 20¢. Next earnings report due early March. Quarterly egs. may not add due to rounding.
(B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.
(C) In millions, adjusted for split.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	65
Earnings Predictability	90

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CALIFORNIA WATER NYSE-CWT

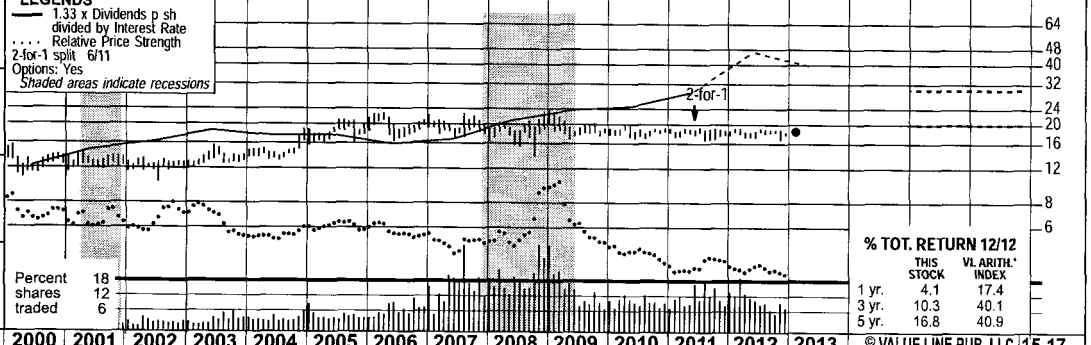
RECENT PRICE **18.58** | P/E RATIO **18.6** (Trailing: 19.8 / Median: 21.0) | RELATIVE P/E RATIO **1.18** | DIV'D YLD **3.4%** | VALUE LINE

TIMELINESS 3 Raised 8/3/12
SAFETY 3 Lowered 7/27/07
TECHNICAL 3 Lowered 11/16/12
BETA .65 (1.00 = Market)

High:	14.3	13.4	15.7	19.0	21.1	22.9	22.7	23.3	24.1	19.8	19.4	19.3
Low:	11.4	10.2	11.8	13.0	15.6	16.4	17.1	13.8	16.7	16.9	16.7	16.8

Target Price Range 2015 | 2016 | 2017

LEGENDS
— 1.33 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 6/11
Options: Yes
Shaded areas indicate recessions



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+60%)	15%
Low	20	(+10%)	5%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	19	0	2	0	0	1	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	1	0	0	0	0	1	0	0

Institutional Decisions

	1Q2012	2Q2012	3Q2012
to Buy	60	54	63
to Sell	55	53	46
Hld's(000)	22431	21505	22150

% TOT. RETURN 12/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	4.1	17.4
3 yr.	10.3	40.1
5 yr.	16.8	40.9

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
7.24	7.74	7.38	7.98	8.08	8.13	8.67	8.18	8.59	8.72	8.10	8.88	9.90	10.82	11.05	12.00	13.00	13.05	Revenues per sh	14.20
1.25	1.46	1.30	1.37	1.26	1.10	1.32	1.26	1.42	1.52	1.36	1.56	1.86	1.93	1.93	2.07	2.30	2.35	"Cash Flow" per sh	2.65
.75	.92	.73	.77	.66	.47	.63	.61	.73	.74	.67	.75	.95	.98	.91	.86	.97	1.05	Earnings per sh A	1.30
.52	.53	.54	.54	.55	.56	.56	.56	.57	.57	.58	.58	.59	.59	.60	.62	.63	.64	Div'd Decl'd per sh B ■	.72
1.41	1.30	1.37	1.72	1.23	2.04	2.91	2.19	1.87	2.01	2.14	1.84	2.41	2.66	2.97	2.83	3.00	3.20	Cap'l Spending per sh	3.05
6.11	6.50	6.69	6.71	6.45	6.48	6.56	7.22	7.83	7.90	9.07	9.25	9.72	10.13	10.45	10.76	11.35	11.60	Book Value per sh C	12.75
25.24	25.24	25.24	25.87	30.29	30.36	30.36	33.86	36.73	36.78	41.31	41.33	41.45	41.53	41.67	41.82	42.25	44.00	Common Shs Outst'g D	47.00
11.9	12.6	17.8	17.8	19.6	27.1	19.8	22.1	20.1	24.9	29.2	26.1	19.8	19.7	20.3	21.3	18.8		Avg Ann'l P/E Ratio	19.0
.75	.73	.93	1.01	1.27	1.39	1.08	1.26	1.06	1.33	1.58	1.39	1.19	1.31	1.29	1.34	1.18		Relative P/E Ratio	1.25
5.8%	4.6%	4.2%	4.0%	4.3%	4.4%	4.5%	4.2%	3.9%	3.1%	2.9%	3.0%	3.1%	3.1%	3.2%	3.4%	3.5%		Avg Ann'l Div'd Yield	2.9%
						263.2	277.1	315.6	320.7	334.7	367.1	410.3	449.4	460.4	501.8	550	575	Revenues ($mill) E	675
						19.1	19.4	26.0	27.2	25.6	31.2	39.8	40.6	37.7	36.1	41.0	45.0	Net Profit ($mill)	62.0
						39.7%	39.9%	39.6%	42.4%	37.4%	39.9%	37.7%	40.3%	39.5%	40.5%	41.0%	40.5%	Income Tax Rate	40.0%
						--	10.3%	3.2%	3.3%	10.6%	8.3%	8.6%	7.6%	4.2%	5.0%	5.0%	5.0%	AFUDC % to Net Profit	10.0%
						55.3%	50.2%	48.6%	48.3%	43.5%	42.9%	41.6%	47.1%	52.4%	51.7%	51.0%	51.0%	Long-Term Debt Ratio	50.0%
						44.0%	49.1%	50.8%	51.1%	55.9%	56.6%	58.4%	52.9%	47.6%	48.3%	49.0%	49.0%	Common Equity Ratio	50.0%
						453.1	498.4	565.9	568.1	670.1	674.9	690.4	794.9	914.7	931.5	980	1040	Total Capital ($mill)	1200
						697.0	759.5	800.3	862.7	941.5	1010.2	1112.4	1198.1	1294.3	1381.1	1455	1525	Net Plant ($mill)	1725
						5.9%	5.6%	6.1%	6.3%	5.2%	5.9%	7.1%	6.5%	5.5%	5.5%	6.0%	6.0%	Return on Total Cap'l	7.0%
						9.4%	7.8%	8.9%	9.3%	6.8%	8.1%	9.9%	9.6%	8.6%	8.0%	8.5%	9.0%	Return on Shr. Equity	10.5%
						9.5%	7.9%	9.0%	9.3%	6.8%	8.1%	9.9%	9.6%	8.6%	8.0%	8.5%	9.0%	Return on Com Equity	10.5%
						1.0%	.7%	2.1%	2.1%	1.0%	1.8%	3.8%	3.8%	3.0%	2.3%	3.0%	3.5%	Retained to Com Eq	4.5%
						90%	91%	77%	78%	86%	77%	61%	60%	66%	71%	65%	63%	All Div'ds to Net Prof	55%

CAPITAL STRUCTURE as of 9/30/12
Total Debt $546.9 mill. **Due in 5 Yrs** $58.1 mill.

LT Debt $479.5 mill. **LT Interest** $32.0 mill.
(LT interest earned: 6.7x; total int. cov.: 6.0x)
(50% of Cap'l)

Pension Assets-12/11 $155.7 mill.
Oblig. $346.3 mill.

Pfd Stock None

Common Stock 41,905,495 shs.

as of 10/21/12

MARKET CAP: $775 million (Small Cap)

CURRENT POSITION ($MILL.)	2010	2011	9/30/12
Cash Assets	42.3	27.2	17.0
Other	83.9	86.7	133.1
Current Assets	126.2	113.9	150.1
Accts Payable	39.5	48.9	58.8
Debt Due	26.1	53.7	67.4
Other	41.7	49.3	64.0
Current Liab.	107.3	151.9	190.2
Fix. Chg. Cov.	304%	278%	285%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	3.5%	6.0%	4.0%
"Cash Flow"	4.5%	6.5%	5.0%
Earnings	4.0%	5.0%	6.0%
Dividends	1.0%	1.0%	3.0%
Book Value	5.0%	5.0%	3.5%

Cal-endar	QUARTERLY REVENUES ($ mill.)E Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	86.6	116.7	139.2	106.9	449.4
2010	90.3	118.3	146.3	105.5	460.4
2011	98.1	131.4	169.3	103.0	501.8
2012	116.7	143.6	178.1	111.6	550
2013	120	150	187	118	575

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.06	.29	.47	.16	.98
2010	.05	.25	.49	.12	.91
2011	.03	.29	.50	.04	.86
2012	.03	.31	.56	.07	.97
2013	.04	.33	.58	.10	1.05

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.148	.148	.148	.148	.59
2010	.149	.149	.149	.149	.60
2011	.154	.154	.154	.154	.62
2012	.1575	.1575	.1575	.1575	.63
2013					

BUSINESS: California Water Service Group provides regulated and nonregulated water service to roughly 471,900 customers in 83 communities in California, Washington, New Mexico, and Hawaii. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired Rio Grande Corp; West Hawaii Utilities (9/08). Revenue breakdown, '11: residential, 73%; business, 18%; public authorities, 5%; industrial, 4%. '11 reported depreciation rate: 2.7%. Has roughly 1,132 employees. President, Chairman, and CEO: Peter C. Nelson (4/11 Proxy). Inc.: Delaware. Address: 1720 North First Street, San Jose, California 95112-4598. Telephone: 408-367-8200. Internet: www.calwatergroup.com.

We suspect that earnings power is drying up at California Water Service Group. The water utility managed to post better-than-expected growth in the September period, thanks to decent top-line growth and management's ability to keep costs in check. However, it is highly unlikely that operating costs are not already on the rise. Most of the company's water-systems and pipelines are old and in need of significant repair, or complete overhauls. Thus, infrastructure repair and maintenance costs are expected be problematic, pinching margins for the foreseeable future. Although fourth-quarter results may look favorable at first, it is important to remember that the prior year's figures were historically weak.

The company's finances are a big concern going forward. Although regulatory backing has been much improved in recent years, and is expected to remain business friendly, California Water will need to shoulder a fair share of the load. That said, it is not financially capable of doing so on its own. The cash coffers are relatively bare, and cash flow generation is not likely to be sufficient enough to cover the outlays we envision over the next few years. The company will have to continue to look to outsiders to provide financing, but the necessary stock and debt offerings will also dilute gains. As a result, we look for minimal annual share-net growth this year and henceforth.

This issue is not for growth-minded investors. It is likely to provide below average annual price returns out to mid-decade, due to the increasing costs of doing business that face the industry.

We warn income-oriented parties to be cautious here, too. Although CWT's yield is tops in the Water Utilities space, the company also has the highest payout ratio in the group. This is a concern given the capital restrictions we anticipate in the years ahead and the company's weak balance sheet. We would not be surprised if the current yield slides a bit, especially if the industry landscape takes a turn for the worse and management is forced to take action. Either way, investors with a bent for income have better, more sustainable, options to choose from elsewhere.

Andre J. Costanza *January 18, 2013*

(A) Basic EPS. Excl. nonrecurring gain (loss): '00, (4¢); '01, 2¢; '02, 4¢; '11, 4¢. Next earnings report due mid-February.
(B) Dividends historically paid in late Feb., May, Aug., and Nov. ■ Div'd reinvestment plan available.
(C) Incl. deferred charges. In '11: $2.2 mill., $0.05/sh.
(D) In millions, adjusted for splits.
(E) Excludes non-reg. rev.

Company's Financial Strength	B+
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	90

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MIDDLESEX WATER NDQ-MSEX

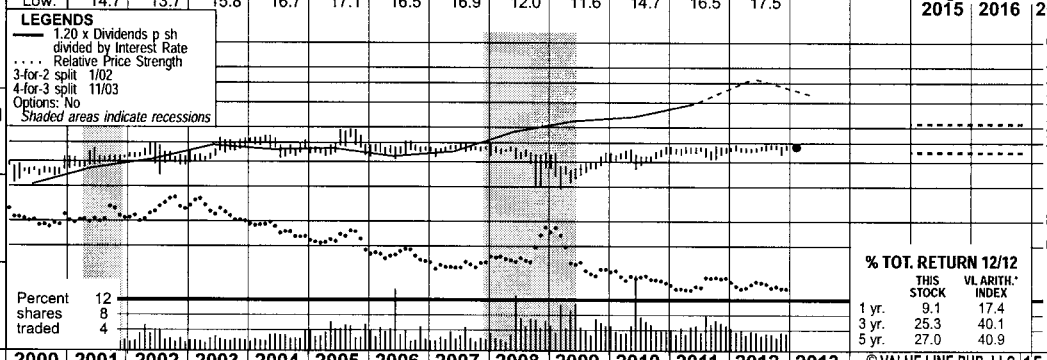
RECENT PRICE 19.19 | P/E RATIO 19.0 (Trailing: 22.8 Median: 22.0) | RELATIVE P/E RATIO 1.20 | DIV'D YLD 3.9% | VALUE LINE

TIMELINESS 1 Raised 12/28/12
SAFETY 2 New 10/21/11
TECHNICAL 3 Raised 6/29/12
BETA .70 (1.00 = Market)

High:	18.7	20.0	21.2	21.8	23.5	20.5	20.2	19.8	17.9	19.3	19.4	19.6
Low:	14.7	13.7	15.8	16.7	17.1	16.5	16.9	12.0	11.6	14.7	16.5	17.5

Target Price Range 2015 | 2016 | 2017

LEGENDS
— 1.20 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
3-for-2 split 1/02
4-for-3 split 11/03
Options: No
Shaded areas indicate recessions



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	25	(+30%)	10%
Low	18	(-5%)	3%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	1	1	1	1	1
Options	0	0	0	0	0	0	0	0	0
to Sell	0	1	0	1	0	1	0	0	0

Institutional Decisions

	1Q2012	2Q2012	3Q2012
to Buy	29	32	37
to Sell	31	30	22
Hld's(000)	6511	6653	6713

% TOT. RETURN 12/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	9.1	17.4
3 yr.	25.3	40.1
5 yr.	27.0	40.9

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
4.52	4.72	4.39	5.35	5.39	5.87	5.98	6.12	6.25	6.44	6.16	6.50	6.79	6.75	6.60	6.50	*6.90*	*7.10*	Revenues per sh	*8.40*
.94	1.02	1.02	1.19	.99	1.18	1.20	1.15	1.28	1.33	1.33	1.49	1.53	1.40	1.55	1.52	*1.50*	*1.75*	"Cash Flow" per sh	*2.20*
.60	.67	.71	.76	.51	.66	.73	.61	.73	.71	.82	.87	.89	.72	.96	.84	*.90*	*1.00*	Earnings per sh A	*1.25*
.55	.57	.58	.60	.61	.62	.63	.65	.66	.67	.68	.69	.70	.71	.72	.73	.74	*.75*	Div'd Decl'd per sh B■	*.80*
.73	1.20	2.68	2.33	1.32	1.25	1.59	1.87	2.54	2.18	2.31	1.66	2.12	1.49	1.90	1.50	*1.90*	*2.15*	Cap'l Spending per sh	*2.60*
5.85	6.00	6.80	6.95	6.98	7.11	7.39	7.60	8.02	8.26	9.52	10.05	10.03	10.33	11.13	11.27	*11.80*	*12.55*	Book Value per sh	*13.60*
8.41	8.54	9.82	10.00	10.11	10.17	10.36	10.48	11.36	11.58	13.17	13.25	13.40	13.52	15.57	15.70	*16.00*	*16.25*	Common Shs Outst'g C	*17.25*
14.4	13.4	15.2	17.6	28.7	24.6	23.5	30.0	26.4	27.4	22.7	21.6	19.8	21.0	17.8	21.9	*20.8*		Avg Ann'l P/E Ratio	*17.0*
.90	.77	.79	1.00	1.87	1.26	1.28	1.71	1.39	1.46	1.23	1.15	1.19	1.40	1.13	1.32	*1.31*		Relative P/E Ratio	*1.15*
6.4%	6.3%	5.4%	4.4%	4.2%	3.8%	3.7%	3.5%	3.4%	3.5%	3.7%	3.7%	4.0%	4.7%	4.2%	4.2%	4.8%		Avg Ann'l Div'd Yield	*3.8%*

CAPITAL STRUCTURE as of 9/30/12
Total Debt $137.5 mill. **Due in 5 Yrs** $25.0 mill.
LT Debt $132.4 mill. **LT Interest** $6.0 mill.
(LT interest coverage: 5.0x)
(42% of Cap'l)

Pension Assets-12/11 $32.2 mill.
Oblig. $56.2 mill.
Pfd Stock $3.4 mill. **Pfd Div'd:** $.2 mill.

Common Stock 15,754,856 shs.
as of 10/26/12

MARKET CAP: $300 million (Small Cap)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		15-17
61.9	64.1	71.0	74.6	81.1	86.1	91.0	91.2	102.7	102.1	*110*	*115*	Revenues ($mill)	*145*
7.8	6.6	8.4	8.5	10.0	11.8	12.2	10.0	14.3	13.5	*14.0*	*16.0*	Net Profit ($mill)	*21.5*
33.3%	32.8%	31.1%	27.6%	33.4%	32.6%	33.2%	34.1%	32.1%	32.5%	*32.0%*	*32.0%*	Income Tax Rate	*32.0%*
--	--	--	--	--	--	--	--	6.8%	7.5%	*7.5%*	*7.5%*	AFUDC % to Net Profit	*7.0%*
52.1%	53.8%	53.8%	55.3%	49.5%	49.0%	45.6%	46.6%	43.1%	43.0%	*42.0%*	*41.0%*	Long-Term Debt Ratio	*39.0%*
45.5%	44.0%	42.5%	41.3%	47.5%	49.6%	51.8%	52.1%	55.8%	57.0%	*58.0%*	*59.0%*	Common Equity Ratio	*61.0%*
168.0	181.1	214.5	231.7	264.0	268.8	259.4	267.9	310.5	309.1	*325*	*345*	Total Capital ($mill)	*385*
211.4	230.9	262.9	288.0	317.1	333.9	366.3	376.5	405.9	422.2	*440*	*455*	Net Plant ($mill)	*500*
6.0%	5.0%	5.1%	5.0%	5.1%	5.6%	5.8%	5.0%	5.7%	5.3%	*4.5%*	*4.5%*	Return on Total Cap'l	*5.5%*
9.6%	7.9%	8.5%	8.2%	7.5%	8.6%	8.6%	7.0%	8.1%	7.5%	*7.5%*	*8.0%*	Return on Shr. Equity	*9.0%*
9.8%	8.0%	9.0%	8.6%	7.8%	8.7%	8.9%	7.0%	8.2%	7.6%	*7.5%*	*8.0%*	Return on Com Equity	*9.0%*
1.3%	NMF	.9%	.6%	1.3%	1.8%	2.0%	.1%	2.1%	1.1%	*1.0%*	*2.0%*	Retained to Com Eq	*3.0%*
87%	106%	90%	94%	84%	79%	78%	98%	75%	85%	*85%*	*76%*	All Div'ds to Net Prof	*64%*

CURRENT POSITION ($MILL.)	2010	2011	9/30/12
Cash Assets	2.5	3.1	1.8
Other	20.3	19.8	23.9
Current Assets	22.8	22.9	25.7
Accts Payable	6.4	5.7	4.2
Debt Due	4.4	4.6	5.1
Other	29.9	36.4	40.6
Current Liab.	40.7	46.7	49.9
Fix. Chg. Cov.	400%	380%	300%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	3.0%	1.5%	*4.0%*
"Cash Flow"	3.5%	3.5%	*7.0%*
Earnings	2.5%	4.5%	*7.0%*
Dividends	2.0%	1.5%	*1.5%*
Book Value	4.5%	5.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2009	20.6	23.1	25.5	22.0	91.2
2010	21.6	26.5	29.6	25.0	102.7
2011	24.0	26.1	28.7	23.3	102.1
2012	23.5	27.4	32.3	*26.8*	*110*
2013	*28.0*	*28.0*	*32.0*	*27.0*	*115*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2009	.10	.21	.29	.12	.72
2010	.11	.31	.37	.17	.96
2011	.17	.23	.32	.12	.84
2012	.11	.23	.38	*.18*	*.90*
2013	*.20*	*.25*	*.35*	*.20*	*1.00*

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.178	.178	.178	.180	.71
2010	.180	.180	.180	.183	.72
2011	.183	.183	.183	.185	.73
2012	.185	.185	.185	.1875	.74
2013					

BUSINESS: Middlesex Water Company engages in the ownership and operation of regulated water utility systems in New Jersey, Delaware, and Pennsylvania. It also operates water and wastewater systems under contract on behalf of municipal and private clients in NJ and DE. Its Middlesex System provides water services to 60,000 retail customers, primarily in Middlesex County, New Jersey. in 2011, the Middlesex System accounted for 64% of total revenues. At 12/31/11, the company had 289 employees. Incorporated: NJ. President, CEO, and Chairman: Dennis W. Doll. Officers/directors own 3.39% of the common stock; BlackRock, 6.2%; The Vanguard Group, 5.4% (4/12 proxy). Address: 1500 Ronson Road, Iselin, NJ 08830. Tel.: 732-634-1500. Internet: www.middlesexwater.com.

Middlesex Water should be able to grow the bottom line in 2013. In fact, we believe share earnings could likely rise 10%-12%. We think recent rate increases, debt refinancing, and a recovering New Jersey housing market will drive decent share-net gains. The most notable rate increase in 2012 was an $8.1 million increase for New Jersey customers in its Middlesex system. (The company had requested a rate increase of $11.3 million per year.) Additionally, the Tidewater business in Delaware saw a $3.9 million upgrade to its base water rates.

Hurricane Sandy and a lackluster job market are a concern. The company mostly escaped the devastation of the hurricane. The one notable disturbance was the loss of power at an intake station in New Brunswick, New Jersey. However, the storm's impact will likely hurt an already weak job market in the state. MSEX continues to face reductions in demand from a number of its largest commercial and industrial customers. However, we do expect the housing market to boost customers and water usage in the coming years.

Capital investment will likely help longer-term growth. The company expects to invest $34 million over the next two years. The vast majority of these investments are targeted toward its Distribution systems. We believe the focus on water distribution infrastructure is crucial to help offset the weakening demand from commercial and industrial customers.

The company has increased its quarterly dividend. The 1.3% hike was expected when considering MSEX's payout history.

We have adjusted our top- and bottom-line estimates for 2013. We have slightly raised our revenue and share-net projections to $115 million and $1.00, respectively.

The issue has a Timeliness rank of 1 (Highest). The income-minded investor may also find these shares appealing, as the dividend yield is above the *Value Line* median and most of its peers. However, a rich valuation and the stock's below-average 3- to 5-year capital appreciation potential suggest that long-term investors should stay on the sidelines.

Michael Collins *January 18, 2013*

(A) Diluted earnings. Next earnings report due early March.
(B) Dividends historically paid in mid-Feb., May, Aug., and November.■ Div'd reinvestment plan available.
(C) In millions, adjusted for splits.
(D) Intangible assets in 2011: $8.2 million, $0.55 a share.

Company's Financial Strength	B+
Stock's Price Stability	95
Price Growth Persistence	35
Earnings Predictability	85

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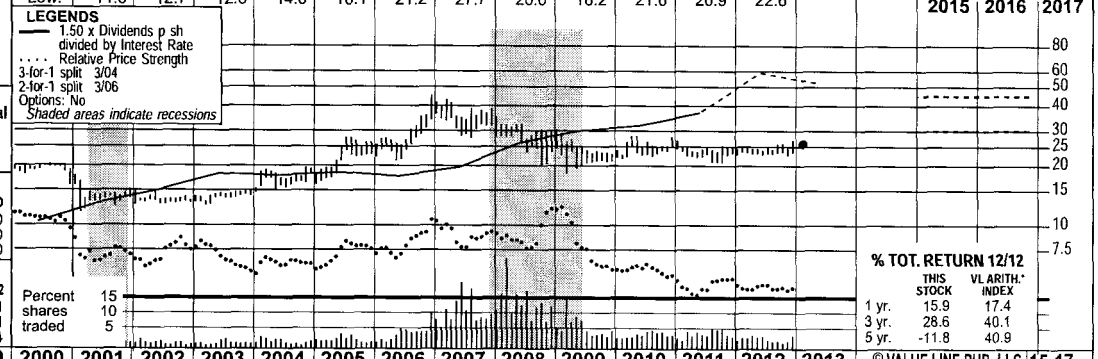
SJW CORP. NYSE-SJW

RECENT PRICE **25.97** | P/E RATIO **22.8** (Trailing: 21.3 / Median: 23.0) | RELATIVE P/E RATIO **1.44** | DIV'D YLD **2.7%** | VALUE LINE

TIMELINESS 2 Raised 1/11/13
SAFETY 3 New 4/22/11
TECHNICAL 3 Lowered 12/28/12
BETA .85 (1.00 = Market)

High:	17.8	15.1	15.0	19.6	27.8	45.3	43.0	35.1	30.4	28.2	26.8	26.9
Low:	11.6	12.7	12.6	14.6	16.1	21.2	27.7	20.0	18.2	21.6	20.9	22.6

LEGENDS
— 1.50 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
3-for-1 split 3/04
2-for-1 split 3/06
Options: No
Shaded areas indicate recessions



Target Price Range
2015 | 2016 | 2017

2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+75%)	17%
Low	30	(+15%)	6%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	1	0	1	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	1Q2012	2Q2012	3Q2012
to Buy	34	34	31
to Sell	22	31	31
Hld's(000)	9012	8955	8844

Percent shares traded 15 10 5

% TOT. RETURN 12/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	15.9	17.4
3 yr.	28.6	40.1
5 yr.	-11.8	40.9

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
5.39	5.79	5.58	6.40	6.74	7.45	7.97	8.20	9.14	9.86	10.35	11.25	12.12	11.68	11.62	12.86	14.15	13.75	Revenues per sh	15.00
1.43	1.27	1.26	1.43	1.23	1.49	1.55	1.75	1.89	2.21	2.38	2.30	2.44	2.21	2.38	2.80	2.85	2.95	Cash Flow" per sh	3.20
.96	.80	.76	.87	.58	.77	.78	.91	.87	1.12	1.19	1.04	1.08	.81	.84	1.11	1.05	1.20	Earnings per sh A	1.45
.37	.38	.39	.40	.41	.43	.46	.49	.51	.53	.57	.61	.65	.66	.68	.69	.71	.73	Div'd Decl'd per sh B■	.80
1.06	1.27	1.81	1.77	1.89	2.63	2.06	3.41	2.31	2.83	3.87	6.62	3.79	3.17	5.65	3.75	4.80	4.75	Cap'l Spending per sh	4.10
6.31	7.02	7.53	7.88	7.90	8.17	8.40	9.11	10.11	10.72	12.48	12.90	13.99	13.66	13.75	14.20	15.45	16.25	Book Value per sh	17.95
19.02	19.02	19.01	18.27	18.27	18.27	18.27	18.27	18.27	18.27	18.28	18.36	18.18	18.50	18.55	18.59	18.75	20.00	Common Shs Outst'g C	22.00
6.8	11.2	13.1	15.5	33.1	18.5	17.3	15.4	19.6	19.7	23.5	33.4	26.2	28.7	29.1	21.2	22.9		Avg Ann'l P/E Ratio	25.0
.43	.65	.68	.88	2.15	.95	.94	.88	1.04	1.05	1.27	1.77	1.58	1.91	1.85	1.34	1.44		Relative P/E Ratio	1.65
5.7%	4.3%	3.9%	3.0%	2.1%	3.0%	3.4%	3.5%	3.0%	2.4%	2.0%	1.7%	2.3%	2.8%	2.8%	2.9%	3.0%		Avg Ann'l Div'd Yield	2.1%
						145.7	149.7	166.9	180.1	189.2	206.6	220.3	216.1	215.6	239.0	265	275	Revenues ($mill)	330
						14.2	16.7	16.0	20.7	22.2	19.3	20.2	15.2	15.8	20.9	20.5	24.0	Net Profit ($mill)	31.0
						40.4%	36.2%	42.1%	41.6%	40.8%	39.4%	39.5%	40.4%	38.8%	41.1%	40.5%	40.0%	Income Tax Rate	40.0%
						4.2%	1.6%	2.1%	1.6%	2.1%	2.7%	2.3%	2.0%	2.0%	3.0%	5.0%	5.0%	AFUDC % to Net Profit	5.0%
						41.7%	45.6%	43.7%	42.6%	41.8%	47.7%	46.0%	49.4%	53.7%	56.6%	55.5%	53.5%	Long-Term Debt Ratio	52.0%
						58.3%	54.4%	56.3%	57.4%	58.2%	52.3%	54.0%	50.6%	46.3%	43.4%	44.5%	46.5%	Common Equity Ratio	48.0%
						263.5	306.0	328.3	341.2	391.8	453.2	470.9	499.6	550.7	607.8	650	700	Total Capital ($mill)	820
						390.8	428.5	456.8	484.8	541.7	645.5	684.2	718.5	785.5	756.2	815	875	Net Plant ($mill)	1050
						6.9%	6.9%	6.5%	7.6%	7.0%	5.7%	5.8%	4.4%	4.3%	5.0%	4.5%	5.0%	Return on Total Cap'l	5.0%
						9.3%	10.0%	8.7%	10.6%	9.7%	8.2%	8.0%	6.0%	6.2%	7.9%	7.0%	7.5%	Return on Shr. Equity	7.0%
						9.3%	10.0%	8.7%	10.6%	9.7%	8.2%	8.0%	6.0%	6.2%	7.9%	7.0%	7.5%	Return on Com Equity	7.0%
						3.8%	4.7%	3.6%	5.6%	5.2%	3.5%	3.3%	1.2%	1.2%	3.1%	2.5%	3.0%	Retained to Com Eq	3.5%
						59%	53%	58%	47%	46%	57%	59%	80%	80%	61%	64%	61%	All Div'ds to Net Prof	57%

CAPITAL STRUCTURE as of 9/30/12
Total Debt $341.2 mill. **Due in 5 Yrs** $5.2 mill.
LT Debt $335.8 mill. **LT Interest** $18.7 mill.
(Total interest coverage: 4.6x) (55% of Cap'l)

Leases, Uncapitalized: Annual rentals $4.5 mill.

Pension Assets-12/11 $62.8 mill.
Oblig. $123.9 mill.

Pfd Stock None.

Common Stock 18,653,633 shs.
as of 10/19/12
MARKET CAP: $475 million (Small Cap)

CURRENT POSITION ($MILL.)	2010	2011	9/30/12
Cash Assets	1.7	26.7	6.7
Other	36.3	42.2	55.4
Current Assets	38.0	68.9	62.1
Accts Payable	5.5	7.4	17.6
Debt Due	5.1	.8	5.4
Other	18.6	20.1	27.9
Current Liab.	29.2	28.3	50.9
Fix. Chg. Cov.	262%	276%	250%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	6.0%	4.5%	3.5%
"Cash Flow"	6.0%	2.5%	4.5%
Earnings	2.0%	-3.0%	8.0%
Dividends	5.0%	5.0%	3.0%
Book Value	5.5%	4.5%	4.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2009	40.0	58.2	69.3	48.6	216.1
2010	40.4	54.1	70.3	50.8	215.6
2011	43.7	59.0	73.9	62.4	239.0
2012	51.2	65.6	82.4	65.8	265
2013	54.0	69.0	84.0	68.0	275

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2009	.01	.23	.43	.14	.81
2010	.05	.24	.44	.11	.84
2011	.03	.29	.44	.35	1.11
2012	.06	.28	.53	.18	1.05
2013	.10	.33	.55	.22	1.20

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.165	.165	.165	.165	.66
2010	.17	.17	.17	.17	.68
2011	.173	.173	.173	.173	.69
2012	.1775	.1775	.1775	.1775	.71
2013					

BUSINESS: SJW Corporation engages in the production, purchase, storage, purification, distribution, and retail sale of water. It provides water service to approximately 226,000 connections that serve a population of approximately one million people in the San Jose area and 8,700 connections that serve approximately 36,000 residents in a service area in the region between San Antonio and Austin, Texas. The company offers nonregulated water-related services, including water system operations, cash remittances, and maintenance contract services. SJW also owns and operates commercial real estate investments. Has 375 employees. Chairman: Charles J. Toeniskoetter. Inc.: CA. Address: 110 W. Taylor Street, San Jose, CA 95110. Tel.: (408) 279-7800. Int:www.sjwater.com.

SJW will probably report a steep earnings decline in the fourth quarter. The water utility's 2011 December-period results benefited greatly from the recognition of a Mandatory Conservation Revenue Adjustment Account (MCRAM), the likes of which are not expected to have been recovered again in 2012. We suspect that share net fell nearly 50% absent this $0.18-per-share contribution. Meanwhile, rising operating costs are expected to have offset any top-line momentum gained from good weather.

Growth is likely to get a boost in 2013. We expect a favorable ruling to be handed down shortly on the company's 2013-2015 general rate case. If we are correct, the contribution will result in double-digit earnings growth.

That said, the momentum is expected to be short-lived. Infrastructure improvements are expected to total hundreds of millions of dollars over the next few years. SJW, however, is cash-poor and has an already highly leveraged balance sheet. Improved regulatory backing will help, but cash flows from operations are likely to pale in comparison to the company's obligations. It will have to issue more stock and/or debt in order to make the changes, but such financing will dilute gains for the foreseeable future. As a result, we look for earnings growth to fall off considerably in 2014, and to remain muted thereafter.

This issue is favorably ranked for Timeliness as a result of its recent earnings power. Still, potential investors are advised to be careful. SJW does not stand out for price appreciation potential over the coming 3 to 5 years because of the company's financial limitations. Indeed, the financing needed to make infrastructure improvements will erase a fair share of the regulatory benefits we envision. True, the dividend is above the *Value Line* average, but it is far less impressive when compared to other utilities. Thus, there are much better choices for investors seeking an income producer. Meanwhile, we caution that annual dividend increases may slow if operating conditions worsen or regulatory backing sours. Nevertheless, SJW is one of the better total return vehicles offered in this space for those looking to gain exposure to water utilities.

Andre J. Costanza *January 18, 2013*

(A) Diluted earnings. Excludes nonrecurring losses : '03, $1.97; '04, $3.78; '05, $1.09; '06, $16.36; '08, $1.22; '10, 46¢. Next earnings report due late February. Quarterly egs. may not add due to rounding.
(B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.
(C) In millions, adjusted for stock splits.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	60
Earnings Predictability	80

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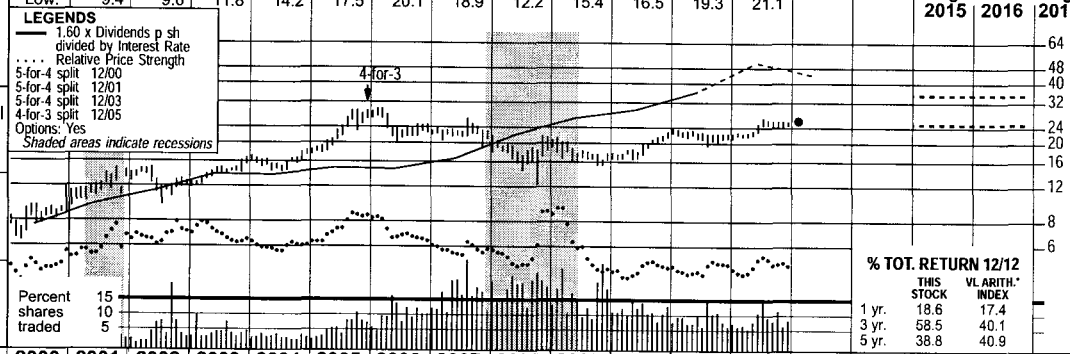
AQUA AMERICA NYSE-WTR

RECENT PRICE	26.01	P/E RATIO	24.5 (Trailing: 23.4 Median: 25.0)	RELATIVE P/E RATIO	1.55	DIV'D YLD	2.7%	VALUE LINE

TIMELINESS 2 Raised 10/5/12
SAFETY 2 Raised 4/20/12
TECHNICAL 3 Lowered 11/16/12
BETA .60 (1.00 = Market)

High:	14.8	15.0	16.8	18.5	29.2	29.8	26.6	22.0	21.5	23.0	23.8	26.9
Low:	9.4	9.6	11.8	14.2	17.5	20.1	18.9	12.2	15.4	16.5	19.3	21.1

LEGENDS
— 1.60 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
5-for-4 split 12/00
5-for-4 split 12/01
5-for-4 split 12/03
4-for-3 split 12/05
Options: Yes
Shaded areas indicate recessions



Target Price Range
2015 | 2016 | 2017

2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+35%)	10%
Low	25	(-5%)	2%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	2	0	1	0	0	0
to Sell	0	0	0	3	1	0	0	0	0

Institutional Decisions

	1Q2012	2Q2012	3Q2012
to Buy	114	112	117
to Sell	104	108	108
Hld's(000)	57767	60392	64465

% TOT. RETURN 12/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	18.6	17.4
3 yr.	58.5	40.1
5 yr.	38.8	40.9

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
1.86	2.02	2.09	2.41	2.46	2.70	2.85	2.97	3.48	3.85	4.03	4.52	4.63	4.91	5.26	5.13	5.55	5.80	Revenues per sh	6.60
.50	.56	.61	.72	.76	.86	.94	.96	1.09	1.21	1.26	1.37	1.42	1.61	1.78	1.84	1.90	2.05	"Cash Flow" per sh	2.30
.30	.34	.40	.42	.47	.51	.54	.57	.64	.71	.70	.71	.73	.77	.90	1.03	1.05	1.15	Earnings per sh A	1.35
.23	.24	.26	.27	.28	.30	.32	.35	.37	.40	.44	.48	.51	.55	.59	.62	.67	.71	Div'd Decl'd per sh B■	.80
.48	.58	.82	.90	1.16	1.09	1.20	1.32	1.54	1.84	2.05	1.79	1.98	2.08	2.37	2.38	2.40	2.65	Cap'l Spending per sh	2.70
2.69	2.84	3.21	3.42	3.85	4.15	4.36	5.34	5.89	6.30	6.96	7.32	7.82	8.12	8.51	9.01	9.25	9.75	Book Value per sh	10.85
65.75	67.47	72.20	106.80	111.82	113.97	113.19	123.45	127.18	128.97	132.33	133.40	135.37	136.49	137.97	138.87	140.90	141.90	Common Shs Outst'g C	143.90
15.6	17.8	22.5	21.2	18.2	23.6	23.6	24.5	25.1	31.8	34.7	32.0	24.9	23.1	21.1	21.1	22.8		Avg Ann'l P/E Ratio	21.0
.98	1.03	1.17	1.21	1.18	1.21	1.29	1.40	1.33	1.69	1.87	1.70	1.50	1.54	1.34	1.36	1.43		Relative P/E Ratio	1.40
4.9%	3.9%	2.9%	3.0%	3.3%	2.5%	2.5%	2.5%	2.3%	1.8%	1.8%	2.1%	2.8%	3.1%	3.1%	3.1%	2.8%		Avg Ann'l Div'd Yield	2.8%

CAPITAL STRUCTURE as of 9/30/12
Total Debt $1658.4 mill. **Due in 5 Yrs** $300 mill.
LT Debt $1519.7 mill. **LT Interest** $65.0 mill.
(LT interest earned: 5.3x; total interest coverage: 4.4x) (54% of Cap'l)

Pension Assets-12/11 $148.9 mill. **Oblig.** $237.1 mill.

Pfd Stock None
Common Stock 139,941,476 shares as of 10/24/12
MARKET CAP: $3.6 billion (Mid Cap)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		15-17
322.0	367.2	442.0	496.8	533.5	602.5	627.0	670.5	726.1	712.0	785	825	Revenues ($mill)	950
62.7	67.3	80.0	91.2	92.0	95.0	97.9	104.4	124.0	143.1	145	160	Net Profit ($mill)	195
38.5%	39.3%	39.4%	38.4%	39.6%	38.9%	39.7%	39.4%	39.2%	32.9%	40.0%	40.0%	Income Tax Rate	40.0%
--	--	--	--	--	--	--	--	2.9%	3.1%	3.0%	3.0%	AFUDC % to Net Profit	2.0%
54.2%	51.4%	50.0%	52.0%	51.6%	55.4%	54.1%	55.6%	56.6%	53.0%	52.0%	50.0%	Long-Term Debt Ratio	46.0%
45.8%	48.6%	50.0%	48.0%	48.4%	44.6%	45.9%	44.4%	43.4%	47.0%	48.0%	50.0%	Common Equity Ratio	54.0%
1076.2	1355.7	1497.3	1690.4	1904.4	2191.4	2306.6	2495.5	2706.2	2647.3	2715	2760	Total Capital ($mill)	2885
1490.8	1824.3	2069.8	2280.0	2506.0	2792.8	2997.4	3227.3	3469.3	3612.9	3785	3960	Net Plant ($mill)	4320
7.6%	6.4%	6.7%	6.9%	6.4%	5.9%	5.7%	5.6%	5.9%	6.8%	5.5%	6.0%	Return on Total Cap'l	4.5%
12.7%	10.2%	10.7%	11.2%	10.0%	9.7%	9.3%	9.4%	10.6%	11.4%	11.0%	11.5%	Return on Shr. Equity	12.5%
12.7%	10.2%	10.7%	11.2%	10.0%	9.7%	9.3%	9.4%	10.6%	11.4%	11.0%	11.5%	Return on Com Equity	12.5%
5.2%	4.2%	4.6%	4.9%	3.7%	3.2%	2.8%	2.7%	3.7%	4.6%	4.0%	4.5%	Retained to Com Eq	5.0%
59%	59%	57%	56%	63%	67%	70%	72%	65%	60%	65%	63%	All Div'ds to Net Prof	59%

CURRENT POSITION ($MILL.)	2010	2011	9/30/12
Cash Assets	5.9	8.2	6.1
Receivables	85.9	81.1	103.8
Inventory (AvgCst)	9.2	11.2	12.2
Other	44.4	220.0	108.9
Current Assets	145.4	320.5	231.0
Accts Payable	45.3	68.3	45.1
Debt Due	28.5	80.4	138.7
Other	149.9	277.0	131.3
Current Liab.	223.7	425.7	315.1
Fix. Chg. Cov.	290%	367%	328%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	8.0%	7.5%	4.5%
"Cash Flow"	8.5%	8.0%	5.0%
Earnings	6.5%	4.5%	7.0%
Dividends	7.5%	8.0%	5.0%
Book Value	9.0%	7.0%	4.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	154.5	167.3	180.8	167.9	670.5
2010	160.5	178.5	207.8	179.3	726.1
2011	163.6	178.3	197.3	172.7	712.0
2012	170.2	198.2	214.6	202	785
2013	180	210	215	220	825

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.14	.19	.25	.19	.77
2010	.16	.22	.32	.20	.90
2011	.22	.27	.30	.25	1.03
2012	.20	.30	.36	.19	1.05
2013	.22	.29	.39	.25	1.15

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.135	.135	.135	.145	.55
2010	.145	.145	.145	.155	.59
2011	.155	.155	.155	.165	.63
2012	.165	.165	.165	.175	.67
2013					

BUSINESS: Aqua America, Inc. is the holding company for water and wastewater utilities that serve approximately three million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Florida, Indiana, and five other states. Divested three of four non-water businesses in '91; telemarketing group in '93; and others. Acquired AquaSource, 7/03; Consumers Water, 4/99; and others. Water supply revenues '11: residential, 59.5%; commercial, 14.5%; industrial & other, 26.0%. Officers and directors own 1.5% of the common stock (4/12 Proxy). Chairman & Chief Executive Officer: Nicholas DeBenedictis. Incorporated: Pennsylvania. Address: 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010. Telephone: 610-525-1400. Internet: www.aquaamerica.com.

Aqua America will likely grow at a decent clip in 2013. Indeed, we expect the shale-water pipeline business, the retooling of its portfolio, and cost controls to drive a 9% year-over-year rise in the bottom line. Additionally, we are looking for an acceleration of infrastructure investments over the next two years. Management estimates that capital spending should increase 8%-10% from the 2012 figure. The majority of investments will be focused on pipe replacement projects to improve its distribution networks and upgrade plants. These investments are necessary, considering that the housing market appears to be rebounding. On the cost side, the construction of four solar farms and the conversion of their truck fleet to natural gas should help margins.

We have raised our 2013 share-net estimate. We have increased our 2013 top- and bottom-line estimates to $825 million and $1.15 a share, respectively.

The Marcellus water pipeline venture should boost longer-term profitability. Phase II of the project was most likely completed at the end of 2012. The pipeline has already eliminated the need for 15,000 water truck trips over the rural roads of Pennsylvania. With the recent uptick in natural gas prices, drilling activity should start picking up for oil & gas operators. WTR may also start looking to penetrate the Utica market, as well.

The company's portfolio restructuring efforts should continue into 2013. There has been no update on Aqua America's $95 million offer to sell its Florida operations to the Florida Governmental Utility Authority. The leaner portfolio plan will consolidate its operations to 8 markets, with Ohio and Texas offering the most promise, due to lighter regulations and improving demographics.

A dividend hike provides a welcoming sign. However, further increases are unlikely in the near term, as management shifts its focus on M&A and capital investments.

The stock is set to outperform the broader market averages in the near term. The issue should have some appeal to income-oriented accounts, due to its above-average dividend yield when compared to the *Value Line* median.

Michael Collins *January 18, 2013*

(A) Diluted egs. Excl. nonrec. gains (losses): '99, (11¢); '00, 2¢; '01, 2¢; '02, 5¢; '03, 4¢. Excl. gain from disc. operations: '96, 2¢. Next earnings report due late February.

(B) Dividends historically paid in early March, June, Sept. & Dec. ■ Div'd. reinvestment plan available (5% discount).
(C) In millions, adjusted for stock splits.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	65
Earnings Predictability	100

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RIO RICO UTILITIES, INC.
DOCKET NO. WS-02676A-12-0196
TABLE OF CONTENTS TO SURREBUTTAL SCHEDULES WAR

SCHEDULE #	
WAR - 1	COST OF CAPITAL SUMMARY
WAR - 2	DCF COST OF EQUITY CAPITAL
WAR - 3	DIVIDEND YIELD CALCULATION
WAR - 4	DIVIDEND GROWTH RATE CALCULATION
WAR - 5	DIVIDEND GROWTH COMPONENTS
WAR - 6	GROWTH RATE COMPARISON
WAR - 7	CAPM COST OF EQUITY CAPITAL
WAR - 8	ECONOMIC INDICATORS - 1990 TO PRESENT
WAR - 9	ECONOMIC INDICATORS - 1990 TO PRESENT

RIO RICO UTILITIES, INC.
TEST YEAR ENDED FEBRUARY 29, 2012
COST OF CAPITAL SUMMARY

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE WAR - 1

WEIGHTED AVERAGE COST OF CAPITAL - WATER AND WASTEWATER DIVISIONS

LINE NO.	DESCRIPTION	(A) CAPITAL RATIO	(B) COST	(C) WEIGHTED COST
1	Long-Term Debt	0.00%	0.00%	0.00%
2	Common Equity	100.00%	8.25%	8.25%
3	Total Capitalization	100.00%		
4	**WEIGHTED AVERAGE COST OF CAPITAL**			**8.25%**

REFERENCES:
COLUMN (A): TESTIMONY, WAR
COLUMN (B): LINE 1; TESTIMONY WAR, LINE 2; SCHEDULE WAR-1, PAGE 2
COLUMN (C): LINES 1 & 2; COLUMN (A) x COLUMN (B)
COLUMN (C): LINE 4; LINE 1 + LINE 2

COST OF COMMON EQUITY CALCULATION

LINE NO.			
1	**DCF METHODOLOGY**		
2	DCF - WATER COMPANY SINGLE-STAGE CONSTANT GROWTH MODEL ESTIMATE	7.97%	SCHEDULE WAR-2, COLUMN (C), LINE 5
3	DCF - NATURAL GAS LDC SINGLE-STAGE CONSTANT GROWTH MODEL ESTIMATE	8.75%	SCHEDULE WAR-2, COLUMN (C), LINE 13
4	**AVERAGE OF DCF ESTIMATES**	**8.36%**	(LINE 2 + LINE 3) ÷ 2
5	**CAPM METHODOLOGY**		
6	CAPM - WATER COMPANY GEOMETRIC MEAN ESTIMATE	5.79%	SCHEDULE WAR-7 PAGE 1, COLUMN (B), LINE 5
7	CAPM - NATURAL GAS LDC GEOMETRIC MEAN ESTIMATE	5.64%	SCHEDULE WAR-7 PAGE 1, COLUMN (B), LINE 13
8	CAPM - WATER COMPANY ARITHMETIC MEAN ESTIMATE	6.90%	SCHEDULE WAR-7 PAGE 2, COLUMN (B), LINE 5
9	CAPM - NATURAL GAS LDC ARITHMETIC MEAN ESTIMATE	6.69%	SCHEDULE WAR-7 PAGE 2, COLUMN (B), LINE 13
10	**AVERAGE OF CAPM ESTIMATES**	**6.25%**	(SUM OF LINES 6 THRU 9) ÷ 4
11	**AVERAGE OF DCF AND CAPM ESTIMATES**	**7.31%**	(SUM OF LINES 4 AND 10) ÷ 2
12	**FINAL COST OF COMMON EQUITY ESTIMATE**	**8.25%**	TESTIMONY WAR

RIO RICO UTILITIES, INC.
DOCKET NO. WS-02676A-12-0196
DCF COST OF EQUITY CAPITAL

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE WAR - 2

LINE NO.	STOCK SYMBOL	COMPANY	(A) DIVIDEND YIELD	+	(B) GROWTH RATE (g)	=	(C) DCF COST OF EQUITY CAPITAL
1	AWK	AMERICAN WATER WORKS COMPANY, INC.	2.66%	+	4.85%	=	7.50%
2	AWR	AMERICAN STATES WATER CO.	2.94%	+	5.66%		8.60%
3	CWT	CALIFORNIA WATER SERVICE GROUP	3.40%	+	5.32%	=	8.72%
4	MSEX	MIDDLESEX WATER COMPANY	3.91%	+	3.59%	=	7.51%
5	SJW	SJW CORPORATION	2.76%	+	4.23%	=	6.99%
6	WTR	AQUA AMERICA, INC.	2.72%	+	5.77%	=	8.49%
7	**WATER COMPANY AVERAGE**						**7.97%**
8	GAS	AGL RESOURCES, INC.	4.57%	+	2.00%	=	6.57%
9	ATO	ATMOS ENERGY CORP.	3.90%	+	3.98%	=	7.88%
10	LG	LACLEDE GROUP, INC.	4.26%	+	4.13%	=	8.39%
11	NJR	NEW JERSEY RESOURCES CORPORATION	3.97%	+	7.01%	=	10.97%
12	NWN	NORTHWEST NATURAL GAS CO.	4.11%	+	4.29%	=	8.40%
13	PNY	PIEDMONT NATURAL GAS COMPANY	3.79%	+	3.01%	=	6.80%
14	SJI	SOUTH JERSEY INDUSTRIES, INC.	3.15%	+	9.65%	=	12.79%
15	SWX	SOUTHWEST GAS CORPORATION	2.76%	+	6.40%	=	9.16%
16	WGL	WGL HOLDINGS, INC.	4.08%	+	3.68%	=	7.75%
17	**NATURAL GAS LDC AVERAGE**						**8.75%**

REFERENCES:
COLUMN (A): SCHEDULE WAR - 3, COLUMN C
COLUMN (B): SCHEDULE WAR - 4, PAGE 1, COLUMN C
COLUMN (C): COLUMN (A) + COLUMN (B)

RIO RICO UTILITIES, INC.
TEST YEAR ENDED FEBRUARY 29, 2012
DIVIDEND YIELD CALCULATION

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE WAR - 3

LINE NO.	STOCK SYMBOL	COMPANY	(A) ESTIMATED DIVIDEND (PER SHARE)	/	(B) AVERAGE STOCK PRICE (PER SHARE)	=	(C) DIVIDEND YIELD
1	AWK	AMERICAN WATER WORKS COMPANY, INC.	$1.00	/	$37.62	=	2.66%
2	AWR	AMERICAN STATES WATER CO.	1.42	/	48.26	=	2.94%
3	CWT	CALIFORNIA WATER SERVICE GROUP	0.63	/	18.52	=	3.40%
4	MSEX	MIDDLESEX WATER COMPANY	0.75	/	19.17	=	3.91%
5	SJW	SJW CORPORATION	0.71	/	25.69		2.76%
6	WTR	AQUA AMERICA, INC.	0.70	/	25.73	=	2.72%
7	**WATER COMPANY AVERAGE**						**3.07%**
8	GAS	AGL RESOURCES, INC.	$1.84	/	$40.29	=	4.57%
9	ATO	ATMOS ENERGY CORP.	1.40	/	35.85	=	3.90%
10	LG	LACLEDE GROUP, INC.	1.66	/	38.96	=	4.26%
11	NJR	NEW JERSEY RESOURCES CORPORATION	1.60	/	40.32	=	3.97%
12	NWN	NORTHWEST NATURAL GAS CO.	1.82	/	44.32	=	4.11%
13	PNY	PIEDMONT NATURAL GAS COMPANY	1.20	/	31.66	=	3.79%
14	SJI	SOUTH JERSEY INDUSTRIES, INC.	1.61	/	51.23	=	3.15%
15	SWX	SOUTHWEST GAS CORPORATION	1.18	/	42.71	=	2.76%
16	WGL	WGL HOLDINGS, INC.	1.60	/	39.22	=	4.08%
17	**NATURAL GAS LDC AVERAGE**						**3.84%**

REFERENCES:
COLUMN (A): ESTIMATED 12 MONTH DIVIDEND REPORTED IN VALUE LINE INVESTMENT SURVEY - RATINGS & REPORTS DATED 01/18/2013 (WATER COMPANIES) AND 12/07/2012 (NATURAL GAS LDC's).
COLUMN (B): EIGHT WEEK AVERAGE OF ADJUSTED CLOSING PRICES FROM 12/03/2012 TO 01/25/2013 STOCK QUOTES OBTAINED THROUGH YAHOO! FINANCE WEB SITE - HISTORICAL QUOTES (http://finance.yahoo.com).
COLUMN (C): COLUMN (A) DIVIDED BY COLUMN (B)

NOTE:
CLOSING STOCK PRICES ARE ADJUSTED FOR DIVIDENDS AND STOCK SPLITS.

RIO RICO UTILITIES, INC.
TEST YEAR ENDED FEBRUARY 29, 2012
DIVIDEND GROWTH RATE CALCULATION

LINE NO.	STOCK SYMBOL	COMPANY	(A) INTERNAL GROWTH (br)	+	(B) EXTERNAL GROWTH (sv)	=	(C) DIVIDEND GROWTH (g)
1	AWK	AMERICAN WATER WORKS COMPANY, INC.	4.50%	+	0.35%	=	4.85%
2	AWR	AMERICAN STATES WATER CO.	5.10%	+	0.56%	=	5.66%
3	CWT	CALIFORNIA WATER SERVICE GROUP	4.50%	+	0.82%	=	5.32%
4	MSEX	MIDDLESEX WATER COMPANY	3.00%	+	0.59%	=	3.59%
5	SJW	SJW CORPORATION	3.00%	+	1.23%	=	4.23%
6	WTR	AQUA AMERICA, INC.	5.10%	+	0.67%	=	5.77%
7	**WATER COMPANY AVERAGE**						**4.90%**
8	GAS	AGL RESOURCES, INC.	2.00%	+	0.00%	=	2.00%
9	ATO	ATMOS ENERGY CORP.	3.50%	+	0.48%	=	3.98%
10	LG	LACLEDE GROUP, INC.	3.90%	+	0.23%	=	4.13%
11	NJR	NEW JERSEY RESOURCES CORPORATION	7.00%	+	0.01%	=	7.01%
12	NWN	NORTHWEST NATURAL GAS CO.	4.00%	+	0.29%	=	4.29%
13	PNY	PIEDMONT NATURAL GAS COMPANY	3.00%	+	0.01%	=	3.01%
14	SJI	SOUTH JERSEY INDUSTRIES, INC.	7.50%	+	2.15%	=	9.65%
15	SWX	SOUTHWEST GAS CORPORATION	6.00%	+	0.40%	=	6.40%
16	WGL	WGL HOLDINGS, INC.	3.50%	+	0.18%	=	3.68%
17	**NATURAL GAS LDC AVERAGE**						**4.90%**

REFERENCES:
COLUMN (A): TESTIMONY, WAR
COLUMN (B): SCHEDULE WAR - 4, PAGE 2, COLUMN C
COLUMN (C): COLUMN (A) + COLUMN (B)

RIO RICO UTILITIES, INC.
TEST YEAR ENDED FEBRUARY 29, 2012
DIVIDEND GROWTH RATE CALCULATION

LINE NO.	STOCK SYMBOL	COMPANY	(A) SHARE GROWTH	x	{ [((M + B) + 1) / 2] - 1 }	=	(C) EXTERNAL GROWTH (sv)
1	AWK	AMERICAN WATER WORKS COMPANY, INC.	1.40%	x	{ [((1.49) + 1) / 2] - 1 }	=	0.35%
2	AWR	AMERICAN STATES WATER CO.	1.00%	x	{ [((2.12) + 1) / 2] - 1 }	=	0.56%
3	CWT	CALIFORNIA WATER SERVICE GROUP	2.60%	x	{ [((1.63) + 1) / 2] - 1 }	=	0.82%
4	MSEX	MIDDLESEX WATER COMPANY	1.90%	x	{ [((1.62) + 1) / 2] - 1 }	=	0.59%
5	SJW	SJW CORPORATION	3.70%	x	{ [((1.66) + 1) / 2] - 1 }	=	1.23%
6	WTR	AQUA AMERICA, INC.	0.75%	x	{ [((2.78) + 1) / 2] - 1 }	=	0.67%
7	**WATER COMPANY AVERAGE**						**0.70%**
8	GAS	AGL RESOURCES, INC.	0.01%	x	{ [((1.30) + 1) / 2] - 1 }	=	0.00%
9	ATO	ATMOS ENERGY CORP.	2.60%	x	{ [((1.37) + 1) / 2] - 1 }	=	0.48%
10	LG	LACLEDE GROUP, INC.	1.00%	x	{ [((1.46) + 1) / 2] - 1 }	=	0.23%
11	NJR	NEW JERSEY RESOURCES CORPORATION	0.01%	x	{ [((2.22) + 1) / 2] - 1 }	=	0.01%
12	NWN	NORTHWEST NATURAL GAS CO.	0.90%	x	{ [((1.64) + 1) / 2] - 1 }	=	0.29%
13	PNY	PIEDMONT NATURAL GAS COMPANY	0.01%	x	{ [((2.29) + 1) / 2] - 1 }	=	0.01%
14	SJI	SOUTH JERSEY INDUSTRIES, INC.	3.50%	x	{ [((2.23) + 1) / 2] - 1 }	=	2.15%
15	SWX	SOUTHWEST GAS CORPORATION	1.50%	x	{ [((1.53) + 1) / 2] - 1 }	=	0.40%
16	WGL	WGL HOLDINGS, INC.	0.60%	x	{ [((1.58) + 1) / 2] - 1 }	=	0.18%
17	**NATURAL GAS LDC AVERAGE**						**0.41%**

REFERENCES:
COLUMN (A): TESTIMONY, WAR
COLUMN (B): VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 01/18/2013 (WATER COMPANIES) AND 12/07/2012 (NATURAL GAS LDC's)
COLUMN (C): COLUMN (A) x COLUMN (B)

RIO RICO UTILITIES, INC.
TEST YEAR ENDED FEBRUARY 29, 2012
DIVIDEND GROWTH COMPONENTS

LINE NO.	STOCK SYMBOL	WATER COMPANY NAME	OPERATING PERIOD	(A) RETENTION RATIO (b)	x	(B) RETURN ON BOOK EQUITY (r)	=	(C) DIVIDEND GROWTH (g)	(D) BOOK VALUE ($/SHARE)	(E) SHARES OUTST. (MILLIONS)	(F) SHARE GROWTH
1	AWK	AMERICAN WATER WORKS COMPANY, INC.	2007	-		NMF		-	28.39	160.00	
2			2008	0.6364		4.60%		2.93%	25.64	160.00	
3			2009	0.3440		5.20%		1.79%	22.91	174.63	
4			2010	0.4379		6.50%		2.85%	23.59	175.00	
5			2011	0.4709		7.20%		3.39%	24.14	175.66	
6			GROWTH 2007 - 2011					2.74%	-		2.36%
7			2012	0.5826		8.50%		4.95%		177.00	0.76%
8			2013	0.5378		8.50%		4.57%		180.00	1.23%
9			2015-17	0.5000		9.00%		4.50%	2.50%	188.00	1.37%
10											
11	AWR	AMERICAN STATES WATER CO.	2007	0.4074		9.30%		3.79%	17.53	17.23	
12			2008	0.3548		8.60%		3.05%	17.95	17.30	
13			2009	0.3765		8.20%		3.09%	19.39	18.53	
14			2010	0.5315		11.00%		5.85%	20.26	18.63	
15			2011	0.5089		10.30%		5.24%	21.68	18.85	
16			GROWTH 2007 - 2011					4.20%	5.00%		2.27%
17			2012	0.5208		10.50%		5.47%		19.00	0.80%
18			2013	0.4630		11.00%		5.09%		19.20	0.92%
19			2015-17	0.4286		12.00%		5.14%	2.50%	19.60	0.78%
20											
21	CWT	CALIFORNIA WATER SERVICE GROUP	2007	0.2267		8.10%		1.84%	9.25	41.33	
22			2008	0.3789		9.90%		3.75%	9.72	41.45	
23			2009	0.3980		9.60%		3.82%	10.13	41.53	
24			2010	0.3407		8.60%		2.93%	10.45	41.67	
25			2011	0.2791		8.00%		2.23%	10.76	41.82	
26			GROWTH 2007 - 2011					2.91%	5.00%		0.30%
27			2012	0.3505		8.50%		2.98%		42.25	1.03%
28			2013	0.3905		9.00%		3.51%		44.00	2.57%
29			2015-17	0.4462		10.50%		4.68%	3.50%	47.00	2.36%
30											
31	MSEX	MIDDLESEX WATER COMPANY	2007	0.2069		8.70%		1.80%	10.05	13.25	
32			2008	0.2135		8.90%		1.90%	10.03	13.40	
33			2009	0.0139		7.00%		0.10%	10.33	13.52	
34			2010	0.2500		8.20%		2.05%	11.13	15.57	
35			2011	0.1310		7.60%		1.00%	11.27	15.70	
36			GROWTH 2007 - 2011					1.37%	5.50%		4.33%
37			2012	0.1778		7.50%		1.33%		16.00	1.91%
38			2013	0.2500		8.00%		2.00%		16.25	1.74%
39			2015-17	0.3600		9.00%		3.24%	3.50%	17.25	1.90%

REFERENCES:
COLUMNS (A) & (B): VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 01/18/2013
COLUMN (C): COLUMN (A) x COLUMN (B)
COLUMN (C): LINES 6, 16, 26 & 36, SIMPLE AVERAGE GROWTH, 2007 - 2011

COLUMN (D): VALUE LINE INVESTMENT SURVEY
COLUMN (D): LINES 6, 16, 26 & 36, COMPOUND GROWTH RATE
COLUMN (E): VALUE LINE INVESTMENT SURVEY
COLUMN (F): COMPOUND GROWTH RATES OF DATES SHOWN

RIO RICO UTILITIES, INC.
TEST YEAR ENDED FEBRUARY 29, 2012
DIVIDEND GROWTH COMPONENTS

LINE NO.	STOCK SYMBOL	NATURAL GAS LDC NAME	OPERATING PERIOD	(A) RETENTION RATIO (b)	x	(B) RETURN ON BOOK EQUITY (r)	=	(C) DIVIDEND GROWTH (g)	(D) BOOK VALUE ($/SHARE)	(E) SHARES OUTST. (MILLIONS)	(F) SHARE GROWTH
1	SJW	SJW CORPORATION	2007	0.4135		8.20%		3.39%	12.90	18.36	
2			2008	0.3981		8.00%		3.19%	13.99	18.18	
3			2009	0.1852		6.00%		1.11%	13.66	18.50	
4			2010	0.1905		6.20%		1.18%	13.75	18.55	
5			2011	0.3784		7.90%		2.99%	14.20	18.59	
6			GROWTH 2007 - 2011					2.37%	4.50%		0.31%
7			2012	0.3238		7.00%		2.27%		18.75	0.86%
8			2013	0.3917		7.50%		2.94%		20.00	3.72%
9			2015-17	0.4483		7.00%		3.14%	3.50%	22.00	3.43%
10											
11	WTR	AQUA AMERICA, INC.	2007	0.3239		9.70%		3.14%	7.32	133.40	
12			2008	0.3014		9.30%		2.80%	7.82	135.37	
13			2009	0.2857		9.40%		2.69%	8.12	136.49	
14			2010	0.3444		10.60%		3.65%	8.51	137.97	
15			2011	0.3981		11.40%		4.54%	9.01	138.87	
16			GROWTH 2007 - 2011					3.36%	7.00%		1.01%
17			2012	0.3619		11.00%		3.98%		140.90	1.46%
18			2013	0.3826		11.50%		4.40%		141.90	1.09%
19			2015-17	0.4074		12.50%		5.09%	4.00%	143.90	0.71%

REFERENCES:
COLUMNS (A) & (B): VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 01/18/2013
COLUMN (C): COLUMN (A) x COLUMN (B)
COLUMN (C): LINES 6, & 16, SIMPLE AVERAGE GROWTH, 2007 - 2011

COLUMN (D): VALUE LINE INVESTMENT SURVEY
COLUMN (D): LINE 6, COMPOUND GROWTH RATE
COLUMN (E): VALUE LINE INVESTMENT SURVEY
COLUMN (F): COMPOUND GROWTH RATES OF DATES SHOWN

RIO RICO UTILITIES, INC.
TEST YEAR ENDED FEBRUARY 29, 2012
DIVIDEND GROWTH COMPONENTS

LINE NO.	STOCK SYMBOL	NATURAL GAS LDC NAME	OPERATING PERIOD	(A) RETENTION RATIO (b)	x	(B) RETURN ON BOOK EQUITY (r)	=	(C) DIVIDEND GROWTH (g)	(D) BOOK VALUE ($/SHARE)	(E) SHARES OUTST. (MILLIONS)	(F) SHARE GROWTH
1	GAS	AGL RESOURCES, INC.	2007	0.3971		12.70%		5.04%	21.74	76.40	
2			2008	0.3801		12.60%		4.79%	21.48	76.90	
3			2009	0.4028		12.50%		5.03%	22.95	77.54	
4			2010	0.4133		12.90%		5.33%	23.24	78.00	
5			2011	0.1038		5.20%		0.54%	28.54	117.00	
6			GROWTH 2007 - 2011					4.15%	5.50%		11.24%
7			2012	0.3556		3.00%		1.07%		117.00	0.00%
8			2013	0.4250		4.50%		1.91%		117.00	0.00%
9			2015-17	0.4842		5.50%		2.66%	5.00%	117.00	0.00%
10											
11	ATO	ATMOS ENERGY CORP.	2007	0.3402		8.70%		2.96%	22.01	89.33	
12			2008	0.3500		8.80%		3.08%	22.60	90.81	
13			2009	0.3299		8.30%		2.74%	23.52	92.55	
14			2010	0.3796		9.20%		3.49%	24.16	90.16	
15			2011	0.3982		8.80%		3.50%	24.98	90.30	
16			GROWTH 2007 - 2011					3.16%	4.50%		0.27%
17			2008	0.3500		8.80%		3.08%		90.00	-0.33%
18			2009	0.3299		8.30%		2.74%		91.00	0.39%
19			2010	0.3796		9.20%		3.49%	6.00%	103.00	2.67%
20											
21	LG	LACLEDE GROUP, INC.	2007	0.3723		11.60%		4.32%	19.79	21.65	
22			2008	0.4356		11.80%		5.14%	22.12	21.99	
23			2009	0.4760		12.40%		5.90%	23.32	22.17	
24			2010	0.3539		10.10%		3.57%	24.02	22.29	
25			2011	0.4371		11.10%		4.85%	25.56	22.43	
26			GROWTH 2007 - 2011					4.76%	6.50%		0.89%
27			2012	0.4050		10.60%		4.29%		22.62	0.85%
28			2013	0.3895		9.50%		3.70%		23.00	1.26%
29			2015-17	0.4424		10.00%		4.42%	4.50%	23.50	0.94%
30											
31	NJR	NEW JERSEY RESOURCES CORPORATION	2007	0.3484		10.10%		3.52%	15.50	41.61	
32			2008	0.5889		15.70%		9.25%	17.28	42.06	
33			2009	0.4833		14.60%		7.06%	16.59	41.59	
34			2010	0.4472		14.00%		6.26%	17.62	41.17	
35			2011	0.4419		13.70%		6.05%	18.73	41.45	
36			GROWTH 2007 - 2011					6.43%	7.50%		-0.10%
37			2012	0.4391		14.00%		6.15%		41.53	0.19%
38			2013	0.4483		16.00%		7.17%		40.00	-1.76%
39			2015-17	0.5059		14.00%		7.08%	5.50%	40.00	-0.71%

REFERENCES:
COLUMNS (A) & (B): VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 12/07/2012
COLUMN (C): COLUMN (A) x COLUMN (B)
COLUMN (C): LINES 6, 16, 26 & 36, SIMPLE AVERAGE GROWTH, 2007 - 2011

COLUMN (D): VALUE LINE INVESTMENT SURVEY
COLUMN (D): LINES 6, 16, 26 & 36, COMPOUND GROWTH RATE
COLUMN (E): VALUE LINE INVESTMENT SURVEY
COLUMN (F): COMPOUND GROWTH RATES OF DATES SHOWN

RIO RICO UTILITIES, INC.
TEST YEAR ENDED FEBRUARY 29, 2012
DIVIDEND GROWTH COMPONENTS

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE WAR - 5

LINE NO.	STOCK SYMBOL	NATURAL GAS LDC NAME	OPERATING PERIOD	(A) RETENTION RATIO (b)	x	(B) RETURN ON BOOK EQUITY (r)	=	(C) DIVIDEND GROWTH (g)	(D) BOOK VALUE ($/SHARE)	(E) SHARES OUTST. (MILLIONS)	(F) SHARE GROWTH
1	NWN	NORTHWEST NATURAL GAS CO.	2007	0.4783		12.50%		5.98%	22.52	26.41	
2			2008	0.4086		10.90%		4.45%	23.71	26.50	
3			2009	0.4346		11.40%		4.95%	24.88	26.53	
4			2010	0.3846		10.50%		4.04%	26.08	26.58	
5			2011	0.2678		8.90%		2.38%	26.70	26.76	
6			GROWTH 2007 - 2011					4.36%	4.00%		0.33%
7			2012	0.2044		8.50%		1.74%		27.00	0.90%
8			2013	0.2531		9.00%		2.28%		27.50	1.37%
9			2015-17	0.3778		11.50%		4.34%	1.00%	28.00	0.91%
10											
11	PNY	PIEDMONT NATURAL GAS COMPANY	2007	0.2929		11.90%		3.49%	11.99	73.23	
12			2008	0.3087		12.40%		3.83%	12.11	73.26	
13			2009	0.3593		13.20%		4.74%	12.67	73.27	
14			2010	0.2839		11.60%		3.29%	13.35	72.28	
15			2011	0.2675		11.40%		3.05%	13.79	72.32	
16			GROWTH 2007 - 2011					3.68%	3.00%		-0.31%
17			2012	0.2563		11.50%		2.95%		71.00	-1.83%
18			2013	0.2765		12.00%		3.32%		70.00	-1.62%
19			2015-17	0.2703		12.50%		3.38%	1.50%	68.00	-1.22%
20											
21	SJI	SOUTH JERSEY INDUSTRIES, INC.	2007	0.5167		12.80%		6.61%	16.25	29.61	
22			2008	0.5110		13.10%		6.69%	17.33	29.73	
23			2009	0.4874		13.10%		6.38%	18.24	29.80	
24			2010	0.4963		14.20%		7.05%	19.08	29.87	
25			2011	0.4810		13.90%		6.69%	20.66	30.21	
26			GROWTH 2007 - 2011					6.69%	7.00%		0.50%
27			2012	0.4762		14.00%		6.67%		31.50	4.27%
28			2013	0.4567		13.00%		5.94%		32.50	3.72%
29			2015-17	0.4889		16.00%		7.82%	6.00%	36.00	3.57%
30											
31	SWX	SOUTHWEST GAS CORPORATION	2007	0.5590		8.50%		4.75%	22.98	42.81	
32			2008	0.3525		5.90%		2.08%	23.49	44.19	
33			2009	0.5103		7.90%		4.03%	24.44	45.09	
34			2010	0.5595		8.90%		4.98%	25.62	45.56	
35			2011	0.5638		9.20%		5.19%	26.66	45.96	
36			GROWTH 2007 - 2011					4.21%	5.00%		1.79%
37			2012	0.5662		9.50%		5.38%		46.50	1.17%
38			2013	0.5439		9.50%		5.17%		47.00	1.13%
39			2015-17	0.5733		10.50%		6.02%	6.00%	50.00	1.70%

REFERENCES:
COLUMNS (A) & (B): VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 12/07/2012
COLUMN (C): COLUMN (A) x COLUMN (B)
COLUMN (C): LINES 6, 16, 26 & 36, SIMPLE AVERAGE GROWTH, 2007 - 2011

COLUMN (D): VALUE LINE INVESTMENT SURVEY
COLUMN (D): LINES 6, 16, 26 & 36, COMPOUND GROWTH RATE
COLUMN (E): VALUE LINE INVESTMENT SURVEY
COLUMN (F): COMPOUND GROWTH RATES OF DATES SHOWN

RIO RICO UTILITIES, INC.
TEST YEAR ENDED FEBRUARY 29, 2012
DIVIDEND GROWTH COMPONENTS

LINE NO.	STOCK SYMBOL	NATURAL GAS LDC NAME	OPERATING PERIOD	(A) RETENTION RATIO (b)	x	(B) RETURN ON BOOK EQUITY (r)	=	(C) DIVIDEND GROWTH (g)	(D) BOOK VALUE ($/SHARE)	(E) SHARES OUTST. (MILLIONS)	(F) SHARE GROWTH
1	WGL	WGL HOLDINGS, INC.	2007	0.3445		10.40%		3.58%	19.83	49.45	
2			2008	0.4221		10.40%		4.39%	20.99	49.92	
3			2009	0.4190		11.60%		4.86%	21.89	50.14	
4			2010	0.3392		9.90%		3.36%	22.82	50.54	
5			2011	0.3111		9.50%		2.96%	23.49	51.20	
6			GROWTH 2007 - 2011					3.83%	5.00%		0.87%
7			2012	0.4067		11.00%		4.47%		51.50	0.59%
8			2013	0.3480		10.00%		3.48%		51.75	0.54%
9			2015-17	0.3636		9.50%		3.45%	4.00%	52.00	0.31%

REFERENCES:
COLUMNS (A) & (B): VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 12/07/2012
COLUMN (C): COLUMN (A) x COLUMN (B)
COLUMN (C): LINE 6, SIMPLE AVERAGE GROWTH, 2007 - 2011

COLUMN (D): VALUE LINE INVESTMENT SURVEY
COLUMN (D): LINE 6, COMPOUND GROWTH RATE
COLUMN (E): VALUE LINE INVESTMENT SURVEY
COLUMN (F): COMPOUND GROWTH RATES OF DATES SHOWN

RIO RICO UTILITIES, INC.
TEST YEAR ENDED FEBRUARY 29, 2012
GROWTH RATE COMPARISON

DOCKET NO. WS-02676A-12-0196
SURREBUTTAL SCHEDULE WAR - 6

WATER COMPANY SAMPLE:

LINE NO.	STOCK SYMBOL	(A) (br) + (sv)	(B) ZACKS EPS	(C) VALUE LINE PROJECTED EPS	DPS	BVPS	(D) VALUE LINE HISTORIC EPS	DPS	BVPS	(E) VALUE LINE & ZACKS AVGS.	(F) 5 - YEAR COMPOUND HISTORY EPS	DPS	BVPS
1	AWK	4.85%	8.50%	9.00%	6.50%	2.50%	-	-	-	6.63%	-	-	-3.97%
2	AWR	5.66%	6.00%	5.50%	7.50%	2.50%	11.50%	2.50%	5.00%	5.79%	8.44%	3.46%	5.46%
3	CWT	5.32%	5.00%	6.00%	3.00%	3.50%	5.00%	1.00%	5.00%	4.07%	3.48%	1.68%	3.85%
4	MSEX	3.59%	-	7.00%	1.50%	3.50%	4.50%	1.50%	5.50%	3.92%	-0.87%	1.42%	2.91%
5	SJW	4.23%	-	8.00%	3.00%	3.50%	-3.00%	5.00%	4.50%	3.50%	1.64%	3.13%	2.43%
6	WTR	5.77%	6.90%	7.00%	5.00%	4.00%	4.50%	8.00%	7.00%	6.06%	9.75%	6.61%	5.33%
7				7.08%	4.42%	3.25%	4.50%	3.60%	5.40%		4.49%	3.26%	2.67%
8	AVERAGES	4.90%	6.60%		4.92%			4.50%		4.99%		3.47%	

NATURAL GAS LDC SAMPLE:

LINE NO.	STOCK SYMBOL	(A) (br) + (sv)	(B) ZACKS EPS	(C) VALUE LINE PROJECTED EPS	DPS	BVPS	(D) VALUE LINE HISTORIC EPS	DPS	BVPS	(E) VALUE LINE & ZACKS AVGS.	(F) 5 - YEAR COMPOUND HISTORY EPS	DPS	BVPS
1	GAS	2.00%	4.30%	6.00%	1.50%	5.00%	4.50%	7.50%	5.50%	4.90%	-6.04%	3.75%	7.04%
2	ATO	3.98%	4.30%	4.00%	1.50%	6.00%	4.00%	1.50%	4.50%	3.69%	3.89%	1.53%	3.22%
3	LG	4.13%	3.00%	3.00%	2.50%	4.50%	6.00%	2.50%	6.50%	4.00%	5.48%	2.65%	6.61%
4	NJR	7.01%	4.00%	5.50%	4.00%	5.50%	7.00%	8.00%	7.50%	5.93%	13.59%	9.27%	4.85%
5	NWN	4.29%	4.20%	3.00%	2.50%	1.00%	4.50%	4.50%	4.00%	3.39%	-3.53%	5.00%	4.35%
6	PNY	3.01%	3.70%	2.50%	3.50%	1.50%	4.50%	4.00%	3.00%	3.24%	2.91%	3.82%	3.56%
7	SJI	9.65%	6.00%	9.00%	9.00%	6.00%	7.00%	9.50%	7.00%	7.64%	8.44%	10.39%	6.19%
8	SWX	6.40%	5.00%	9.00%	8.00%	6.00%	6.50%	4.00%	5.00%	6.21%	5.66%	5.37%	3.78%
9	WGL	3.68%	5.30%	2.50%	2.50%	4.00%	3.00%	2.50%	5.00%	3.54%	1.86%	3.13%	4.33%
10				4.94%	3.89%	4.39%	5.22%	4.89%	5.33%		3.58%	4.99%	4.88%
11	AVERAGES	4.90%	4.42%		4.41%			5.15%		4.73%		4.48%	

REFERENCES:
COLUMN (A): SCHEDULE WAR - 4, PAGE 1, COLUMN C
COLUMN (B): ZACKS INVESTMENT RESEARCH (www.zacks.com)
COLUMN (C): VALUE LINE INVESTMENT SURVEY - RATINGS & REPORTS DATED 01/18/2013 (WATER COMPANIES) AND 12/07/2012 (NATURAL GAS LDC's)
COLUMN (D): VALUE LINE INVESTMENT SURVEY - RATINGS & REPORTS DATED 01/18/2013 (WATER COMPANIES) AND 12/07/2012 (NATURAL GAS LDC's)
COLUMN (E): SIMPLE AVERAGE OF COLUMNS (B) THRU (D) LINES 1 THRU 3 (WATER) AND 1 THRU 9 (NATURAL GAS)
COLUMN (F): 5-YEAR ANNUAL GROWTH RATE CALCULATED WITH DATA COMPILED FROM VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 01/18/2013 (WATER COMPANIES) AND 12/07/2012 (NATURAL GAS LDC's)

BASED ON A GEOMETRIC MEAN:

LINE NO.	STOCK SYMBOL	k	=	r_f	+	[	(A) ß	x	(	r_m	-	r_f	)]	=	(B) EXPECTED RETURN
1	AWK	k	=	2.95%	+	[	0.65	x	(	9.80%	-	5.70%	)]	=	5.62%
2	AWR	k	=	2.95%	+	[	0.70	x	(	9.80%	-	5.70%	)]	=	5.82%
3	CWT	k	=	2.95%	+	[	0.65	x	(	9.80%	-	5.70%	)]	=	5.62%
4	MSEX	k	=	2.95%	+	[	0.70	x	(	9.80%	-	5.70%	)]	=	5.82%
5	SJW	k	=	2.95%	+	[	0.85	x	(	9.80%	-	5.70%	)]	=	6.44%
6	WTR	k	=	2.95%	+	[	0.60	x	(	9.80%	-	5.70%	)]	=	5.41%
7	**WATER COMPANY AVERAGE**						0.69								**5.79%**
8	GAS	k	=	2.95%	+	[	0.75	x	(	9.80%	-	5.70%	)]	=	6.03%
9	ATO	k	=	2.95%	+	[	0.70	x	(	9.80%	-	5.70%	)]	=	5.82%
10	LG	k	=	2.95%	+	[	0.55	x	(	9.80%	-	5.70%	)]	=	5.21%
11	NJR	k	=	2.95%	+	[	0.65	x	(	9.80%	-	5.70%	)]	=	5.62%
12	NWN	k	=	2.95%	+	[	0.55	x	(	9.80%	-	5.70%	)]	=	5.21%
13	PNY	k	=	2.95%	+	[	0.65	x	(	9.80%	-	5.70%	)]	=	5.62%
14	SJI	k	=	2.95%	+	[	0.65	x	(	9.80%	-	5.70%	)]	=	5.62%
15	SWX	k	=	2.95%	+	[	0.75	x	(	9.80%	-	5.70%	)]	=	6.03%
16	WGL	k	=	2.95%	+	[	0.65	x	(	9.80%	-	5.70%	)]	=	5.62%
17	**NATURAL GAS LDC AVERAGE**						0.66								**5.64%**

REFERENCES:
COLUMN (A): SHARPE LITNER CAPITAL ASSET PRICING MODEL ("CAPM") FORMULA

$$k = r_f + [\, ß\, (r_m - r_f)\,]$$

WHERE: k = THE EXPECTED RETURN ON A GIVEN SECURITY
r_f = RATE OF RETURN ON A RISK FREE ASSET PROXY (a)
ß = THE BETA COEFFICIENT OF A GIVEN SECURITY
r_m = PROXY FOR THE MARKET RATE OF RETURN (b)

COLUMN (B): EXPECTED RATE OF RETURN USING THE CAPM FORMULA

NOTES

(a) AN 8-WEEK AVERAGE OF THE YIELD ON A 30-YEAR U.S. TREASURY INSTRUMENT THAT APPEARED IN VALUE LINE INVESTMENT SURVEY'S "SELECTION & OPINIONS" PUBLICATION FROM 12/07/2012 THROUGH 01/25/2013 WAS USED AS A RISK FREE RATE OF RETURN.

(b) THE RISK PREMIUM (RM - RF) USED THE GEOMETRIC MEAN FOR S&P 500 TOTAL RETURNS OVER THE 1926 - 2011 PERIOD MINUS TOTAL RETURNS ON LONG-TERM TREASURIES DURING THE SAME PERIOD. THE DATA WAS OBTAINED FROM MORNINGSTAR'S STOCKS, BONDS, BILLS AND INFLATION: 2012 YEARBOOK.

BASED ON AN ARITHMETIC MEAN:

LINE NO.	STOCK SYMBOL	k	=	r_f	+	[	(A) ß	x	(	r_m	-	r_f	)]	=	(B) EXPECTED RETURN
1	AWK	k	=	2.95%	+	[	0.65	x	(	11.80%	-	6.10%	)]	=	6.66%
2	AWR	k	=	2.95%	+	[	0.70	x	(	11.80%	-	6.10%	)]	=	6.94%
3	CWT	k	=	2.95%	+	[	0.65	x	(	11.80%	-	6.10%	)]	=	6.66%
4	MSEX	k	=	2.95%	+	[	0.70	x	(	11.80%	-	6.10%	)]	=	6.94%
5	SJW	k	=	2.95%	+	[	0.85	x	(	11.80%	-	6.10%	)]	=	7.80%
6	WTR	k	=	2.95%	+	[	0.60	x	(	11.80%	-	6.10%	)]	=	6.37%
7	**WATER COMPANY AVERAGE**						0.69								**6.90%**
8	GAS	k	=	2.95%	+	[	0.75	x	(	11.80%	-	6.10%	)]	=	7.23%
9	ATO	k	=	2.95%	+	[	0.70	x	(	11.80%	-	6.10%	)]	=	6.94%
10	LG	k	=	2.95%	+	[	0.55	x	(	11.80%	-	6.10%	)]	=	6.09%
11	NJR	k	=	2.95%	+	[	0.65	x	(	11.80%	-	6.10%	)]	=	6.66%
12	NWN	k	=	2.95%	+	[	0.55	x	(	11.80%	-	6.10%	)]	=	6.09%
13	PNY	k	=	2.95%	+	[	0.65	x	(	11.80%	-	6.10%	)]	=	6.66%
14	SJI	k	=	2.95%	+	[	0.65	x	(	11.80%	-	6.10%	)]	=	6.66%
15	SWX	k	=	2.95%	+	[	0.75	x	(	11.80%	-	6.10%	)]	=	7.23%
16	WGL	k	=	2.95%	+	[	0.65	x	(	11.80%	-	6.10%	)]	=	6.66%
17	**NATURAL GAS LDC AVERAGE**						0.66								**6.69%**

REFERENCES:
COLUMN (A): SHARPE LITNER CAPITAL ASSET PRICING MODEL ("CAPM") FORMULA

$$k = r_f + [\, ß\, (r_m - r_f)\,]$$

WHERE: k = THE EXPECTED RETURN ON A GIVEN SECURITY
r_f = RATE OF RETURN ON A RISK FREE ASSET PROXY (a)
ß = THE BETA COEFFICIENT OF A GIVEN SECURITY
r_m = PROXY FOR THE MARKET RATE OF RETURN (b)

COLUMN (B): EXPECTED RATE OF RETURN USING THE CAPM FORMULA

NOTES

(a) AN 8-WEEK AVERAGE OF THE YIELD ON A 30-YEAR U.S. TREASURY INSTRUMENT THAT APPEARED IN VALUE LINE INVESTMENT SURVEY'S "SELECTION & OPINIONS" PUBLICATION FROM 12/07/2012 THROUGH 01/25/2013 WAS USED AS A RISK FREE RATE OF RETURN.

(b) THE RISK PREMIUM (RM - RF) USED THE ARITHMETIC MEAN FOR S&P 500 TOTAL RETURNS OVER THE 1926 - 2011 PERIOD MINUS TOTAL RETURNS ON LONG-TERM TREASURIES DURING THE SAME PERIOD. THE DATA WAS OBTAINED FROM MORNINGSTAR'S STOCKS, BONDS, BILLS AND INFLATION: 2012 YEARBOOK.

RIO RICO UTILITIES, INC.
TEST YEAR ENDED FEBRUARY 29, 2012
ECONOMIC INDICATORS - 1990 TO PRESENT

DOCKET NO. W-01445A-12-0348
SURREBUTTAL SCHEDULE WAR - 8

LINE NO.	YEAR	(A) CHANGE IN CPI	(B) CHANGE IN GDP (1996 $)	(C) PRIME RATE	(D) FED. DISC. RATE	(E) FED. FUNDS RATE	(F) 91-DAY T-BILLS	(G) 30-YR T-BONDS	(H) A-RATED UTIL. BOND YIELD	(I) Baa-RATED UTIL. BOND YIELD
1	1990	5.39%	1.90%	10.01%	6.98%	8.10%	7.50%	7.49%	9.86%	10.06%
2	1991	4.25%	-0.20%	8.46%	5.45%	5.69%	5.38%	5.38%	9.36%	9.55%
3	1992	3.03%	3.30%	6.25%	3.25%	3.52%	3.43%	3.43%	8.69%	8.86%
4	1993	2.96%	2.70%	6.00%	3.00%	3.02%	3.00%	3.00%	7.59%	7.91%
5	1994	2.61%	4.00%	7.14%	3.60%	4.21%	4.25%	4.25%	8.31%	8.63%
6	1995	2.81%	2.50%	8.83%	5.21%	5.83%	5.49%	5.49%	7.89%	8.29%
7	1996	2.93%	3.70%	8.27%	5.02%	5.30%	5.01%	5.01%	7.75%	8.17%
8	1997	2.34%	4.50%	8.44%	5.00%	5.46%	5.06%	5.06%	7.60%	8.12%
9	1998	1.55%	4.20%	8.35%	4.92%	5.35%	4.78%	4.78%	7.04%	7.27%
10	1999	2.19%	4.50%	7.99%	4.62%	4.97%	4.64%	4.64%	7.62%	7.88%
11	2000	3.38%	3.70%	9.23%	5.73%	6.24%	5.82%	5.82%	8.24%	8.36%
12	2001	2.83%	0.80%	6.92%	3.41%	3.88%	3.40%	5.95%	7.59%	8.02%
13	2002	1.59%	1.60%	4.67%	1.17%	1.67%	1.61%	5.38%	7.41%	7.98%
14	2003	2.27%	2.50%	4.12%	2.03%	1.13%	1.01%	4.92%	6.18%	6.64%
15	2004	2.68%	3.60%	4.34%	2.34%	1.35%	1.37%	5.03%	5.77%	6.20%
16	2005	3.39%	2.90%	6.16%	4.19%	3.22%	3.15%	4.57%	5.38%	5.78%
17	2006	3.24%	2.80%	7.97%	5.96%	4.97%	4.73%	4.91%	5.94%	6.30%
18	2007	2.85%	2.90%	8.05%	5.86%	5.02%	4.36%	4.84%	6.07%	6.24%
19	2008	3.84%	-6.80%	5.09%	2.39%	1.92%	1.37%	4.28%	6.34%	6.64%
20	2009	-0.36%	5.00%	3.25%	0.50%	0.00% - 0.25%	0.15%	4.08%	5.84%	6.87%
21	2010	1.64%	2.80%	3.25%	0.72%	0.00% - 0.25%	0.13%	4.25%	5.50%	5.98%
22	2011	3.00%	1.70%	3.25%	0.75%	0.00% - 0.25%	0.05%	3.93%	5.06%	5.58%
23	2012	1.70%	2.20%	3.25%	0.75%	0.00% - 0.25%	0.08%	2.92%	3.99%	4.42%
24	CURRENT	1.70%	2.20%	3.25%	0.75%	0.00% - 0.25%	0.05%	3.10%	4.00%	4.36%

REFERENCES:
COLUMN (A): 1990 - CURRENT, U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS WEB SITE
COLUMN (B): 1990 - CURRENT, U.S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS
COLUMN (C) THROUGH (G): 1990 - 2003, FEDERAL RESERVE BANK OF ST. LOUIS WEB SITE
COLUMN (C) THROUGH (D): CURRENT, THE VALUE LINE INVESTMENT SURVEY, DATED 01/18/2013

COLUMN (F) THROUGH (I): CURRENT, THE VALUE LINE INVESTMENT SURVEY, DATED 01/18/2013
COLUMN (H) THROUGH (I): 1990 - 2000, MOODY'S PUBLIC UTILITY REPORTS
COLUMN (H) THROUGH (I): 2001, MERGENT 2002 PUBLIC UTILITY MANUAL
COLUMN (H) THROUGH (I): 2003 MERGENT NEWS REPORTS

RIO RICO UTILITIES, INC.
TEST YEAR ENDED DECEMBER 31, 2011
ECONOMIC INDICATORS - 1990 TO PRESENT

DOCKET NO. W-01445A-12-0348
SURREBUTTAL SCHEDULE WAR - 9

AVERAGE CAPITAL STRUCTURES OF SAMPLE WATER COMPANIES (000's)

LINE NO.		AWK	PCT.	AWR	PCT.	CWT	PCT.	SJW	PCT.	MSEX	PCT.
1	DEBT	$ 5,339.9	55.6%	$ 340.6	45.5%	$ 479.2	52.4%	$ 343.8	56.6%	$ 132.2	42.3%
2											
3	PREFERRED STOCK	25.7	0.3%	0.0	0.0%	0.0	0.0%	0.0	0.0%	3.3	1.1%
4											
5	COMMON EQUITY	4,235.8	44.1%	408.6	54.5%	435.5	47.6%	264.0	43.4%	177.0	56.6%
6											
7	TOTALS	$ 9,601.4	100%	$ 749.2	100%	$ 914.7	100%	$ 607.8	100%	$ 312.5	100%
8											
9				WATER COMPANY							
10		WTR	PCT.	AVERAGE	PCT.						
11											
12	DEBT	$ 1,395.4	52.7%	$ 1,338.5	54.1%						
13											
14	PREFERRED STOCK	0.0	0.0%	4.8	0.2%						
15											
16	COMMON EQUITY	1,251.8	47.3%	1,128.8	45.7%						
17											
18	TOTALS	$ 2,647.2	100%	$ 2,472.1	100%						

AVERAGE CAPITAL STRUCTURES OF SAMPLE NATURAL GAS COMPANIES (000's)

LINE NO.		AGL	PCT.	ATO	PCT.	LG	PCT.	NJR	PCT.	NWN	PCT.
1											
2											
3	DEBT	$ 3,561.0	51.6%	$ 1,956.3	45.3%	$ 339.4	40.9%	$ 525.1	39.2%	$ 641.7	47.3%
4											
5	PREFERRED STOCK	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
6											
7	COMMON EQUITY	3,339.0	48.4%	2,359.2	54.7%	491.3	59.1%	813.9	60.8%	714.5	52.7%
8											
9	TOTALS	$ 6,900.0	100%	$ 4,315.5	100%	$ 830.7	100%	$ 1,339.0	100%	$ 1,356.2	100%
10											
11										NATURAL GAS LDC	
12		PNY	PCT.	SJI	PCT.	SWX	PCT.	WGL	PCT.	AVERAGE	PCT.
13											
14	DEBT	$ 675.0	40.4%	$ 424.2	40.5%	$ 930.8	43.2%	$ 589.2	31.2%	$ 1,071.4	44.8%
15											
16	PREFERRED STOCK	0.0	0.0%	0.0	0.0%	0.0	0.0%	28.2	1.5%	$ 3.1	0.1%
17											
18	COMMON EQUITY	996.9	59.6%	624.1	59.5%	1,225.0	56.8%	1,269.5	67.3%	1,314.8	55.0%
19											
20	TOTALS	$ 1,671.9	100%	$ 1,048.3	100%	$ 2,155.8	100%	$1,886.9	100%	$ 2,389.4	100%
21											
22		WATER & LDC									
23		AVERAGE	PCT.								
24											
25	DEBT	$ 1,205.0	49.6%								
26											
27	PREFERRED STOCK	1.6	0.1%								
28											
29	COMMON EQUITY	1,221.8	50.3%								
30											
31	TOTALS	$ 2,428.3	100%								

REFERENCE:
MOST RECENT SEC 10-K FILINGS OR ANNUAL REPORTS