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BEFORE THE ARIZONA CORPORATIC

COMMISSIONERS

- BOB STUMP - CHAIRMAN
- GARY PIERCE
- BRENDA BURNS
- BOB BURNS
- SUSAN BITTER SMITH

RECEIVED

2013 APR 15 P 4: 17

AZ CORP COMMISSION
DOCKET CONTROL

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

DOCKET NO. W-01445A-12-0348

STAFF'S NOTICE OF FILING SETTLEMENT AGREEMENT

The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission"), on behalf of the Signatory Parties of the Settlement Agreement ("Agreement"), files the Agreement in the above-referenced matter.

RESPECTFULLY SUBMITTED this 15TH day of April, 2013.

Wesley C. Van Cleve
 Charles H. Hains
 Matthew Laudone
 Attorneys, Legal Division
 Arizona Corporation Commission
 1200 West Washington Street
 Phoenix, Arizona 85007
 (602) 542-3402

Original and thirteen (13) copies of the foregoing filed this 15th day of April, 2013, with:

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

...
...

Arizona Corporation Commission

DOCKETED

APR 15 2013


DOCKETED BY	
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1 **Copy of the foregoing mailed this**
2 **15th day of April, 2013, to:**

3 William M. Garfield, President and
4 Chief Operating Officer
5 ARIZONA WATER CO.
6 P.O. Box 29006
7 Phoenix, Arizona 85038-9006

8 Steven A. Hirsch
9 Stanley B. Lutz
10 BRYAN CAVE, LLP
11 Two North Central Avenue, Suite 2200
12 Phoenix, Arizona 85004-4406

13 Daniel W. Pozefsky
14 Chief Counsel
15 Residential Utility Consumer Office
16 1110 W. Washington Street, Suite 220
17 Phoenix, Arizona 85007

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ARIZONA WATER COMPANY

NORTHERN GROUP GENERAL RATE CASE

SETTLEMENT AGREEMENT

Docket No. W-01445A-12-0348

SETTLEMENT AGREEMENT

AND

LIST OF SIGNATORY PARTIES

The purpose of this Settlement Agreement (“Agreement”) is to settle identified disputed issues related to Docket No. W-01445A-12-0348, Arizona Water Company’s (“AWC” or “Company”) application to increase rates for its Northern Group of systems as identified in its August 1, 2012 application. This Agreement is entered into by the following entities:

Arizona Water Company (“AWC” or “Company”)

The Utilities Division of the Arizona Corporation Commission (“Staff”)

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

TERMS AND CONDITIONS

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

1.0 RECITALS

1.1 Docket No. W-01445A-12-0348 was commenced by the filing of a rate application by AWC on August 1, 2012. AWC's application ("Application") requested a total proposed revenue increase of \$2,829,777, or approximately 28.0%, and a Fair Value Rate Base ("FVRB") of \$36,045,843.

1.2 Following a sufficiency finding by Staff docketed on August 30, 2012, the Residential Utility Consumer Office ("RUCO") filed an Application to Intervene on September 12, 2012.

1.3 The Administrative Law Judge granted the application to intervene filed by RUCO. No other persons or entities have intervened in this proceeding.

1.4 The Administrative Law Judge scheduled an evidentiary hearing on the Application to commence on May 13, 2013.

1.5 The parties' litigation positions for hearing associated with the total proposed revenue increase and FVRB, together with the amount proposed in settlement by the Signatory Parties, are as follows:

	Revenue Increase	% Increase	FVRB
Company	\$2,829,777	28.0 %	\$36,045,843
Staff	\$1,923,874	18.8%	\$36,057,615
RUCO	\$1,691,803	16.5%	\$34,755,533
Settlement	\$2,240,329	21.8%	\$36,045,295

1.6 Staff filed a notice of settlement discussions on March 13, 2013, noting that AWC had approached Staff concerning the possibility of settling the issues in the Rate Case, and that Staff was providing notice that settlement discussions concerning the Rate Case might commence on or after March 19, 2013. The Signatory Parties and RUCO were notified of the settlement discussion process, were encouraged to participate in the negotiations, and were provided with an equal opportunity to participate. Pursuant to the notice of settlement discussions, formal settlement discussions between the Signatory Parties and RUCO began on March 19, 2013 at the Commission's offices, and were concluded that same day, with a settlement reached on all issues in the Rate Case by the Signatory Parties. The Signatory Parties believe that the settlement reached between them addresses many of the issues in the Rate Case raised by RUCO, but not all such issues.

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

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

1.9 The Signatory Parties agree that the terms of this Agreement will serve the public interest by providing a just and reasonable resolution of the issues presented by the Rate Case, establishing just and reasonable rates for AWC's customers, and promoting the health, welfare and safety of AWC's customers. Commission approval of this Agreement will further serve the public interest by allowing the Signatory Parties to avoid the expense and delay associated with continued litigation. The Signatory Parties believe the provisions set forth in this Agreement address the issues raised by RUCO, except as to the negotiated rate of return on common equity, set forth in Section 3.0 below, as it relates to 1) the impact of the System Improvement Benefits ("SIB") mechanism, and 2) the negotiated rate design's incorporation of a declining usage adjustment.

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

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

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

2.2 AWC will receive an annual increase in revenues of \$2,240,329, for an annual revenue requirement of \$12,496,939;

2.3 The FVRB, which is determined based on the Original Cost Less Depreciation Rate Base for purposes of this Rate Case, is \$36,045,295.

2.4 The breakdown of test year revenues of the Northern Group among the Navajo (Lakeside and Overgaard) and Verde Valley (Sedona, Pinewood and Rimrock) systems is set forth in Schedule A-1 attached and incorporated into the Agreement by this reference.

2.5 The breakdown of FVRB of the Northern Group among the Navajo (Lakeside and Overgaard) and Verde Valley (Sedona, Pinewood and Rimrock) systems is set forth in Schedule B-1 attached and incorporated into the Agreement by this reference.

2.6 The Pro Forma Adjustments applicable to FVRB for the Northern Group and the breakdown of such adjustments among the Navajo (Lakeside and Overgaard) and Verde Valley (Sedona, Pinewood and Rimrock) systems and the Phoenix Office and Meter Shop are set forth in Schedule B-2, including its appendix attached, which are incorporated into the Agreement by this reference.

2.7 The Adjusted Test Year Operating Income applicable to the Northern Group and the breakdown of same among the Navajo (Lakeside and Overgaard) and Verde Valley (Sedona, Pinewood and Rimrock) systems are set forth in Schedule C-1 attached and incorporated into the Agreement by this reference.

2.8 The Income Statement Pro Forma Adjustments applicable to the Northern Group and the breakdown of such adjustments among the Navajo (Lakeside and Overgaard) and Verde Valley (Sedona, Pinewood and Rimrock) systems are set forth in Schedule C-2, including its appendix attached, which are incorporated into the Agreement by this reference.

2.9 The computation of the Gross Revenue Conversion Factor applicable to the Northern Group and the breakdown of such factor among the Navajo (Lakeside and Overgaard) and Verde Valley (Sedona, Pinewood and Rimrock) systems are set forth in Schedule C-3 attached and incorporated into the Agreement by this reference.

3.0 COST OF CAPITAL

3.1 For ratemaking purposes and for the purposes of this Agreement, the Signatory Parties agree that an appropriate return on common equity shall be 10.0%, an appropriate cost of long-term debt shall be 6.82%, and that a capital structure comprised of 48.9% long-term debt and 51.1% common equity shall be adopted, which equates to a weighted cost of debt of 3.33%, a weighted cost of common equity of 5.11%, and an overall Weighted Average Cost of Capital of 8.44%, as set forth in Schedule D-1 attached and incorporated into the Agreement by reference.

4.0 RATE DESIGN

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

4.2 The summary of changes in representative rate schedules by customer classification for the Navajo (Lakeside and Overgaard) and Verde Valley (Sedona, Pinewood and Rimrock) systems are set forth in Schedule H-3 attached and incorporated into the Agreement by this reference.

4.3 The rate schedules for the Navajo (Lakeside and Overgaard) and Verde Valley (Sedona, Pinewood and Rimrock) systems set forth in Schedule H-3 attached and incorporated into the Agreement by this reference reflect certain post-Test Year declines in customer usage.

4.4 The summary of a typical bill analysis, showing impact on bills from the settlement set forth in this Agreement for the Navajo (Lakeside and Overgaard) and Verde Valley (Sedona, Pinewood and Rimrock) systems is set forth in Schedule H-4 attached and incorporated into the Agreement by this reference.

5.0 RATE CONSOLIDATION

5.1 The Signatory Parties agree that AWC may complete the full consolidation of its Verde Valley (Sedona, Pinewood and Rimrock) system.

6.0 SYSTEM IMPROVEMENT BENEFITS (“SIB”) MECHANISM

6.1 Pursuant to the Commission’s directive, the Signatory Parties and RUCO participated in lengthy settlement discussions concerning a SIB Mechanism in AWC’s Eastern Group rate proceeding, Docket No. W-01445A-11-0310. Those discussions resulting in a Settlement Agreement being docketed in that proceeding on April 1, 2013, a copy of which is attached as Exhibit 1 and incorporated by reference (the “SIB Settlement”). In the SIB Settlement, the Signatory Parties agreed that the SIB mechanism discussed in the SIB Settlement may be used as a template in other proceedings. For ratemaking purposes and for the purposes of this Agreement, the Signatory Parties agree that the terms and conditions of the SIB Settlement as is ultimately approved by the Commission in Docket No. W-01445A-11-310 shall be applicable to AWC’s Navajo (Lakeside, Pinetop Lakes, Overgaard and Forest Towne) and Verde Valley (Sedona, Valley Vista, Pinewood and Rimrock) public water systems, and that the SIB mechanism adopted in the SIB Settlement shall be available to those systems under the terms and conditions set forth in the SIB Settlement, adjusted as appropriate to reflect the specific projects eligible for SIB treatment in the Pinetop Lakes, Overgaard, Sedona, Pinewood, and Rimrock public water systems. The Signatory Parties agree that all factors incorporated into the SIB Settlement and its application to AWC’s Northern Group in this proceeding have been carefully considered in reaching settlement on the Cost of Capital, as set forth in Section 3.0 above.

7.0 OTHER SETTLEMENT ISSUES

7.1 The Signatory Parties agree on AWC’s Off-Site Facilities Fee as proposed in its Application and on the Company’s Off-site Facilities Fee Tariff Schedule in the form set forth on Exhibit 2 attached and incorporated into the Agreement by this reference.

7.2 The Signatory Parties agree that that an Arsenic Cost Recovery Mechanism (“ACRM”) is authorized for AWC’s Navajo and Verde Valley systems.

7.3 The Signatory Parties agree that AWC may defer its costs associated with implementing and performing its Commission approved Best Management Practices for recovery in a future general rate case, and that AWC should record such deferral of costs.

8.0 COMMISSION EVALUATION OF PROPOSED SETTLEMENT

8.1 This Agreement shall serve as a procedural device by which the Signatory Parties will submit their proposed settlement of AWC's Rate Case Docket No. W-01445A-12-0348 to the Commission.

8.2 All currently-filed testimony and exhibits, as well as the testimony in support of this Agreement anticipated by the Commission's September 19, 2012 and February 14, 2013 Procedural Orders, shall be offered into the Commission's record as evidence.

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

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

8.5 The Signatory Parties agree to support and defend this Agreement, including filing testimony in support of the Agreement and presenting evidence in support of the Agreement at the hearing scheduled to begin on May 13, 2013, and will not oppose any provision of the Agreement in pre-filed or live testimony. The Signatory Parties agree to waive their rights to appeal a Commission Decision approving the same, provided that the Commission approves all material provisions of the Agreement. The Signatory Parties shall take reasonable steps to expedite consideration of the settlement, entry of a Decision adopting the settlement, and implementation of the rates anticipated in this Agreement and shall not seek any delay in the schedules set for consideration of the Agreement or for the Administrative Law Judge's or Commission's consideration of the settlement embodied in the Agreement. If the Commission adopts an order approving all material terms of this Agreement, the Signatory Parties will support and defend the Commission's order before any court or regulatory agency in which it may be at issue.

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

8.7 If the Commission fails to issue an order adopting all material terms of this Agreement or adds new or different material terms to this Agreement or decides any issue or adopts any position in conflict with any material term of this Agreement, any or all of the Signatory Parties may withdraw from this Agreement, and such Signatory Party or Parties may pursue without prejudice their respective remedies at law. For the purposes of this Agreement, whether a term is material shall be left to the discretion of the Signatory Party choosing to withdraw from the Agreement. If AWC files an application for rehearing before the

Commission, Staff shall not be obligated to file any document or take any position regarding AWC's application for rehearing.

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

9.0 MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

9.8 This Agreement may be executed in any number of counterparts and by each individual Signatory Party on separate counterparts, each of which when so executed and

Executed this 15TH day of April, 2013.

ARIZONA WATER COMPANY

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

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

By: _____
Name: _____
Its: _____

delivered shall be deemed an original and all of which taken together shall constitute one and the same instrument. This Agreement may also be executed electronically or by facsimile.


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

Executed this ____ day of April, 2013.

ARIZONA WATER COMPANY

By: _____
Name: _____
Its: _____

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

By:  _____
Name: STEVE O'LEA
Its: UTILITIES DIVISION DIRECTOR

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Computation of Increase in Gross Revenue Requirement

Line No.	Description	Northern Group		
		(A) Total Northern Group	(B) Navajo	(C) Verde Valley (Sedona, Pinewood, Rimrock)
1				
2				
3	Adjusted Rate Base	\$ 36,045,295	\$ 10,060,534	\$ 25,984,762
4				
5	Adjusted Operating Income	\$ 1,664,394	\$ 474,971	\$ 1,209,423
6				
7	Current Rate of Return (Ln. 6 + Ln. 4)	4.67%	4.72%	4.65%
8				
9	Required Operating Income (Ln. 4 X Ln. 12)	\$ 3,044,018	\$ 849,610	\$ 2,194,408
10				
11	Required Rate of Return	8.44%	8.44%	8.44%
12				
13	Operating Income Deficiency (Ln. 10 - Ln. 6)	\$ 1,359,624	\$ 374,639	\$ 984,985
14				
15	Gross Revenue Conversion Factor	1.6478	1.6510	1.6465
16				
17				
18	Required Increase in Gross Revenue (Ln. 14 X Ln. 15)	\$ 2,240,329	\$ 618,535	\$ 1,621,794
19				
20	Adjusted Test Year Revenue	\$ 10,256,611	\$ 3,663,832	\$ 6,592,779
21				
22	Adjusted Revenue with Increase	\$ 12,496,939	\$ 4,282,366	\$ 8,214,573
23				
24	Required Increase in Revenue %	21.8%	16.9%	24.6%
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ARIZONA WATER COMPANY
 Test Year Ended December 31, 2011
 Summary Original Cost Rate Base

Line No.	Northern Group		
	[A] O.C. Rate Base Company - As Filed	[B] Settlement Adjustments	[C] O.C. Rate Base Settlement
1	\$ 84,174,349	\$ 228,793	\$ 84,403,142
2			
3			
4			
5	23,163,812	5,254	23,169,066
6	61,010,537	223,539	61,234,076
7			
8	7,048,087	-	7,048,087
9			
10	16,491,869	-	16,491,869
11	(3,964,163)	-	(3,964,163)
12	12,527,706	-	12,527,706
13			
14	6,406,416	-	6,406,416
15	68,783	-	68,783
16			
17			
18	1,086,288	(224,087)	862,210
19			
20			
21			
22			
23	\$ 36,045,843	\$ (548)	\$ 36,045,295
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ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Summary Original Cost Rate Base

Line No.	Navajo			Verde Valley (Sedona, Pinewood, Rimrock)		
	(A)	(B)	(C)	(A)	(B)	(C)
	O.C. Rate Base Company - As Filed	Settlement Adjustments	O.C. Rate Base Settlement	O.C. Rate Base Company - As Filed	Settlement Adjustments	O.C. Rate Base Settlement
1	\$ 30,223,380	\$ 228,159	\$ 30,451,539	\$ 53,950,969	\$ 634	\$ 53,951,603
2						
3						
4						
5	\$ 9,719,013	\$ 5,042	\$ 9,724,054	\$ 13,444,799	\$ 212	\$ 13,445,011
6	\$ 20,504,367	\$ 223,117	\$ 20,727,484	\$ 40,506,170	\$ 422	\$ 40,506,592
7						
8						
9	\$ 3,416,251		\$ 3,416,251	\$ 3,631,836		\$ 3,631,836
10	\$ 6,338,423		\$ 6,338,423	\$ 10,153,446		\$ 10,153,446
11	\$ (1,479,824)		\$ (1,479,824)	\$ (2,484,339)		\$ (2,484,339)
12	\$ 4,858,599		\$ 4,858,599	\$ 7,669,107		\$ 7,669,107
13						
14						
15	\$ 2,752,278		\$ 2,752,278	\$ 3,654,138		\$ 3,654,138
16	\$ 21,020		\$ 21,020	\$ 47,763		\$ 47,763
17						
18	\$ 454,831	\$ (73,634)	\$ 381,197	\$ 631,466	\$ (150,453)	\$ 481,013
19						
20						
21						
22	\$ 9,911,050	\$ 149,483	\$ 10,060,534	\$ 26,134,793	\$ (150,031)	\$ 25,984,762
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ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Original Cost Rate Base Proforma Adjustments

Line No.	Plant Classification	Northern Group											
		(A) Actual End of Test Year	(B) Total Pro Forma Adjustments	(C) Adjusted Test Year As Filed	(D) Settlement Adj. No. 1	(E) Settlement Adj. No. 2	(F) Settlement Adj. No. 3	(G) Settlement Rate Base Adjustments	(H) BLANK	(I) BLANK	(J) Settlement Adj. No. 4	(K) Total Settlement Adjustments	(L) Adjusted Test Year - Settlement
1		\$ 5,319	\$ 2,008	\$ 7,327	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,327
2	Intangible Plant	9,566,589	50,018	9,616,586	116,908	(25,334)	-	-	-	-	91,574	9,708,160	
3	Source of Supply Plant	6,219,549	40,000	6,259,549	67,225	(38,145)	-	-	-	-	67,225	6,326,774	
4	Pumping Plant	4,051,369	2,971,238	7,022,597	(34,191)	(3,954)	-	-	-	-	(38,145)	6,984,452	
5	Water Treatment Plant	56,770,161	607,273	57,377,435	65,475	-	-	-	-	-	65,475	57,442,910	
6	Transmission & Distribution Plant	1,890,138	2,000,716	3,890,854	42,946	-	-	-	-	(282)	42,664	3,933,518	
7	General Plant	78,503,086	5,671,253	84,174,349	258,363	(29,286)	-	-	-	(282)	228,793	84,403,142	
8	Total Gross Plant in Service	22,655,322	508,490	23,163,812	5,332	(57)	-	-	-	(22)	5,254	23,199,066	
9	Less: Accumulated Depreciation	55,847,774	5,162,763	61,010,537	253,081	(29,231)	-	-	-	(260)	223,539	61,234,076	
10	Net Plant in Service	7,048,087	-	7,048,087	-	-	-	-	-	-	-	7,048,087	
11	Less: Advances in Aid of Construction	16,491,869	-	16,491,869	-	-	-	-	-	-	-	16,491,869	
12	Contributions in Aid of Construction:	(3,964,163)	-	(3,964,163)	-	-	-	-	-	-	-	(3,964,163)	
13	Gross	12,527,706	-	12,527,706	-	-	-	-	-	-	-	12,527,706	
14	Accumulated Amortization	-	-	-	-	-	-	-	-	-	-	-	
15	Net Contributions in Aid of Construction	68,783	6,406,416	6,406,416	-	-	-	-	-	-	-	6,406,416	
16	Deferred Income Tax	-	-	-	-	-	-	-	-	-	-	-	
17	Customer Deposits	1,086,298	-	1,086,298	-	-	-	-	-	-	(224,087)	862,210	
18	Add: Working Capital	-	-	-	-	-	-	-	-	-	-	-	
19	Net Regulatory Asset / (Liability)	-	-	-	-	-	-	-	-	-	-	-	
20	Total Rate Base	37,289,496	(1,243,653)	36,045,843	253,031	(29,231)	(224,087)	-	-	(260)	(548)	36,045,295	

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Original Cost Rate Base Pro Forma Adjustments

Line No.	[A] Actual End of Test Year	[B] Total Pro Forma Adjustments	[C] Adjusted Test Year - As Filed	[D] Settlement Adj. No. 1	[E] Settlement Adj. No. 2	[F] Settlement Adj. No. 3	[G] Settlement Rate Base Adjustments	[H] BLANK	[I] BLANK	[J] Settlement Adj. No. 4	[K] Total Settlement Adjustments	[L] Adjusted Test Year - Settlement
1												
2	\$ 1,946	\$ 863	\$ 2,809	\$ -	\$ (25,334)	\$ -				\$ -	\$ 91,574	\$ 2,809
3	2,288,740	50,008	2,338,748	116,808							87,225	2,431,322
4	2,890,524	40,000	2,930,524	67,225	(3,954)						(39,678)	2,997,749
5	148,363	50,193	198,557	(35,724)	(3,954)						74,627	158,878
6	22,654,431	150,553	22,804,984	74,627							34,412	22,879,610
7	1,033,523	913,236	1,946,759	34,533						(121)	228,159	1,981,171
8	\$ 29,018,527	\$ 1,204,853	\$ 30,223,380	\$ 257,588	\$ (29,286)	\$ -				(121)	\$ 228,159	\$ 30,451,539
9												
10												
11	\$ 9,516,521	\$ 702,492	\$ 10,219,013	\$ 5,108	\$ (57)	\$ -				(10)	\$ 5,042	\$ 9,724,054
12	\$ 19,502,006	\$ 1,002,361	\$ 20,504,367	\$ 252,480	\$ (29,231)	\$ -				(112)	\$ 223,117	\$ 20,727,484
13												
14												
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ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Original Cost Rate Base Pro Forma Adjustments

Line No.	Plant Classification	Verde Valley (Sedona, Pineswood, Rimrock)										
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	Actual End of Test Year	Total Pro Forma Adjustments	Adjusted Test Year As Filed	Settlement Adj. No. 1	Settlement Adj. No. 2	Settlement Adj. No. 3	Settlement Rate Base Adjustments	BLANK	BLANK	Settlement Adj. No. 4	Total Settlement Adjustments	Adjusted Test Year - Settlement
1												
2	Intangible Plant	3,373	1,145	4,518	-	-	-	-	-	-	-	4,518
3	Source of Supply Plant	7,276,828	10	7,276,838	-	-	-	-	-	-	-	7,276,838
4	Pumping Plant	3,328,025	2,921,045	3,328,025	1,533	-	-	-	-	-	1,533	3,329,025
5	Water Treatment Plant	3,902,996	456,720	6,824,041	(9,151)	-	-	-	-	-	(9,151)	6,825,574
6	Transmission & Distribution Plant	34,115,731	1,944,095	34,572,451	8,413	-	-	-	-	(161)	8,252	34,563,300
7	General Plant	856,615	1,087,490	1,944,095	8,413	-	-	-	-	(161)	634	1,952,347
8	Total Gross Plant in Service	49,484,568	4,486,401	53,950,969	795	-	-	-	-	(13)	212	53,951,603
9												
10		13,138,801	305,988	13,444,789	225	-	-	-	-	(148)	422	13,445,011
11	Less: Accumulated Depreciation											
12	Net Plant in Service	36,345,767	4,160,402	40,506,170	570	-	-	-	-	-	-	40,506,592
13												
14												
15	Less: Advances in Aid of Construction	3,631,836		3,631,836								3,631,836
16	Contributions in Aid of Construction:											
17	Gross	10,153,448		10,153,448								10,153,448
18	Accumulated Amortization	(2,484,339)		(2,484,339)								(2,484,339)
19	Net Contributions in Aid of Construction	7,669,107		7,669,107								7,669,107
20												
21	Deferred Income Tax		3,654,138	3,654,138								3,654,138
22	Customer Deposits	47,763		47,763								47,763
23												
24												
25	Add: Working Capital		631,466	631,466								631,466
26	Net Regulatory Asset / (Liability)										(150,453)	481,013
27												
28												
29												
30	Total Rate Base	25,628,628	506,265	26,134,793	570	-	-	-	-	(148)	(150,031)	25,984,762
31												
32												
33												
34												
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ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Original Cost Rate Base Pro Forma Adjustments

Line No.	Plant Classification	Phoenix Office										
		(A) Actual End of Test Year	(B) Total Pro Forma Adjustments	(C) Adjusted Test Year As Filed	(D) Settlement Adj. No. 1	(E) Settlement Adj. No. 2	(F) Settlement Adj. No. 3	(G) Settlement Rate Base Adjustments	(H) BLANK	(I) BLANK	(J) Settlement Adj. No. 4	(K) Total Settlement Adjustments
1	\$ 9,148	\$ (9,148)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2												
3												
4												
5												
6												
7												
8	\$ 6,999,412	\$ (8,999,412)	\$ -	\$ (1,286)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9												
10												
11												
12	Less: Accumulated Depreciation	1,958,538	(1,958,538)		(101)							
13	Net Plant in Service	5,040,874	(5,040,874)		(1,185)							
14												
15												
16	Less: Advances in Aid of Construction											
17	Contributions in Aid of Construction:											
18	Gross											
19	Accumulated Amortization											
20	Net Contributions in Aid of Construction											
21												
22	Deferred Income Tax	29,186,404	(29,186,404)									
23	Customer Deposits											
24												
25	Add: Working Capital											
26	Net Regulatory Asset / (Liability)											
27												
28												
29												
30	Total Rate Base	\$ 24,145,531	\$ 24,145,531	\$ -	\$ (1,185)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31												
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33												
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ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Original Cost Rate Base Pro Forma Adjustments

Line No.	Plant Classification	(A) Actual End of Test Year	(B) Total Pro Forma Adjustments	(C) Adjusted Test Year - As Filed	Meter Shop			(K) Total Settlement Adjustments	(L) Adjusted Test Year - Settlement
					(D) Settlement Adj. No. 1	(E) Settlement Adj. No. 2	(F) Settlement Adj. No. 3		
1									
2	Intangible Plant	80	(80)	-					
3	Source of Supply Plant								
4	Pumping Plant	2,050	(2,050)						
5	Water Treatment Plant	6,066	(6,066)						
6	Transmission & Distribution Plant	145,849	(145,849)						
7	General Plant								
8	Total Gross Plant in Service	153,844	(153,844)						
9									
10									
11	Less:	62,087	(62,087)						
12	Accumulated Depreciation								
13	Net Plant in Service	91,758	(91,758)						
14									
15	Less:								
16	Advances in Aid of Construction								
17	Contributions in Aid of Construction:								
18	Gross								
19	Accumulated Amortization								
20	Net Contributions in Aid of Construction								
21									
22	Deferred Income Tax								
23	Customer Deposits								
24									
25	Add:								
26	Working Capital								
27	Net Regulatory Asset / (Liability)								
28									
29									
30	Total Rate Base	91,758	(91,758)						
31									
32									
33									
34									
35									
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37									
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ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1
Post-Test Year Plant True-Up

Line No.	Description	[A] 1-4921 Filled		[B] Work Authorization 1-4921 Actual Cost		[C] Navajo 1-4921 Increase / (Decrease)		[D] Adjustmt' to Depreciation Expense
		Rate						
1	Intangible Plant							
2	301 Organization	0.00%		\$				\$
3	302 Franchises	n/a						
4	303 Other Intangibles	n/a						
5	Subtotal Intangible Plant			\$				\$
6	Source of Supply Plant							
7	310.1 Water Rights	0.00%						
8	310.3 Other Source of Supply Land	0.00%						
9	310.4 Wells - Other	n/a						
10	314 Wells	3.13%						
11	Subtotal Source of Sup. Plant			\$				\$
12	Pumping Plant							
13	320 Pumping Plant Land	0.00%						
14	321 Pumping Plant Struct. & Improv.	2.86%						
15	325 Electric Pumping Equipment	5.86%						
16	328 Gas Engine Equipment	4.00%						
17	Subtotal Pumping Plant			\$				\$
18	Water Treatment Plant							
19	330 Water Treatment Plant Land	0.00%						
20	331 Water Trtmt. Struct. & Improv.	2.50%						
21	332 Water Treatment Equipment	2.86%						
22	Subtotal Water Trtmt. Plant			\$				\$
23	Transmission & Distribution Plant							
24	340 Trans. and Dist. Land	0.00%						
25	342 Storage Tanks	2.00%		39,482	34,372	(5,110)	(91)	
26	343 Trans. & Dist. Mains	1.79%						
27	344 Fire Sprinkler Taps	2.00%						
28	345 Services	2.36%		499		(499)	(12)	
29	346 Meters	4.55%						
30	348 Hydrants	1.82%						
31	Subtotal Trans. & Dist.			\$ 39,981	\$ 34,372	\$ (5,609)	\$ (103)	
32	General Plant							
33	389 General Plant Land	0.00%						
34	390 General Plant Structures	2.50%						
35	390.1 Leasehold Improvements	n/a						
36	391 Office Furniture & Equipment	6.67%						
37	393 Warehouse Equipment	5.00%						
38	394 Tools, Shop & Garage Equip.	4.00%						
39	395 Laboratory Equipment	5.00%						
40	396 Power Operated Equipment	6.67%						
41	397 Communication Equipment	6.67%						
42	398 Miscellaneous Equipment	3.33%						
43	Subtotal General Plant			\$	\$	\$	\$	\$
44	Total Utility Plant			\$ 39,981	\$ 34,372	\$ (5,609)	\$ (103)	
45	Accumulated Depreciation (1/2-Year Convention)							\$ (52)
46	Net Plant							\$ (5,558)

*Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Navajo (Continued)				Adjstmt to Depreciation Expense
		(A) 1-4922 Eligible Cost	(B) Work Authorization 1-4922 Actual Cost ¹	(C) 1-4922 Increase / (Decrease)	(D)	
1	Intangible Plant					
2	301 Organization			\$ -		\$ -
3	302 Franchises			n/a		-
4	303 Other Intangibles			\$ -		\$ -
5	Subtotal Intangible Plant					
6	Source of Supply Plant					
7	310.1 Water Rights					
8	310.3 Other Source of Supply Land					
9	310.4 Wells - Other		141,574	91,574		2,866
10	314 Wells	50,000	141,574	91,574		2,866
11	Subtotal Source of Sup. Plant	\$ 50,000	\$ 141,574	\$ 91,574		\$ 2,866
12	Pumping Plant					
13	320 Pumping Plant Land					
14	321 Pumping Plant Struct. & Improv.		82,630	82,630		4,859
15	325 Electric Pumping Equipment					
16	328 Gas Engine Equipment					
17	Subtotal Pumping Plant		\$ 82,630	\$ 82,630		\$ 4,859
18	Water Treatment Plant					
19	330 Water Treatment Plant Land					
20	331 Water Trtmt. Struct. & Improv.					
21	332 Water Treatment Equipment					
22	Subtotal Water Trtmt. Plant					
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land					
25	342 Storage Tanks					
26	343 Trans. & Dist. Mains					
27	344 Fire Sprinkler Taps					
28	345 Services					
29	346 Meters					
30	348 Hydrants					
31	Subtotal Trans. & Dist.					
32	General Plant					
33	389 General Plant Land					
34	390 General Plant Structures					
35	390.1 Leasehold Improvements					
36	391 Office Furniture & Equipment					
37	393 Warehouse Equipment					
38	394 Tools, Shop, & Garage Equip.					
39	395 Laboratory Equipment					
40	396 Power Operated Equipment					
41	397 Communication Equipment					
42	398 Miscellaneous Equipment					
43	Subtotal General Plant					
44	Total Utility Plant	\$ 50,000	\$ 224,204	\$ 174,204		\$ 7,725
45	Accumulated Depreciation (1/2-Year Convention)					\$ 3,862
46	Net Plant					\$ 170,342

¹Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Navajo (Continued)			Adjustmt' to Depreciation Expense
		(A) 1-4924 As Filled	(B) Work Authorization 1-4924 Actual Cost ¹	(C) 1-4924 Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a			
4	303 Other Intangibles	n/a	\$ -	\$ -	\$ -
5	Subtotal Intangible Plant				
6	Source of Supply Plant	0.00%			
7	310.1 Water Rights	0.00%			
8	310.3 Other Source of Supply Land	n/a			
9	310.4 Wells - Other	3.13%	\$ -	\$ -	\$ -
10	314 Wells				
11	Subtotal Source of Sup. Plant				
12	Pumping Plant	0.00%			
13	320 Pumping Plant Land	2.86%			
14	321 Pumping Plant Struct. & Improv.	5.88%			
15	325 Electric Pumping Equipment	4.00%			
16	328 Gas Engine Equipment				
17	Subtotal Pumping Plant				
18	Water Treatment Plant	0.00%			
19	330 Water Treatment Plant Land	2.50%			
20	331 Water Trtmt. Struct. & Improv.	2.86%			
21	332 Water Treatment Equipment				
22	Subtotal Water Trtmt. Plant				
23	Transmission & Distribution Plant	0.00%			
24	340 Trans. and Dist. Land	2.00%			
25	342 Storage Tanks	1.79%			
26	343 Trans. & Dist. Mains	2.00%	130,256	130,256	3,100
27	344 Fire Sprinkler Taps	2.38%			(2,275)
28	345 Services	4.55%	50,000		
29	346 Meters	1.82%			825
30	348 Hydrants				
31	Subtotal Trans. & Dist.		\$ 50,000	\$ 130,256	\$ 80,256
32	General Plant	0.00%			
33	389 General Plant Land	2.50%			
34	390 General Plant Structures	n/a			
35	390.1 Leasehold Improvements	6.67%			
36	391 Office Furniture & Equipment	5.00%			
37	393 Warehouse Equipment	4.00%			
38	394 Tools, Shop & Garage Equip.	5.00%			
39	395 Laboratory Equipment	6.67%			
40	396 Power Operated Equipment	6.67%			
41	397 Communication Equipment	6.67%			
42	398 Miscellaneous Equipment	3.33%			
43	Subtotal General Plant		\$ -	\$ -	\$ -
44	Total Utility Plant		\$ 50,000	\$ 130,256	\$ 80,256
45	Accumulated Depreciation (1/2-Year Convention)				\$ 413
46	Net Plant				\$ 79,844

¹Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.
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ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Navajo (Continued)				Adjstm't to Depreciation Expense
	(A) 1-4925 As Filed	(B) Work Authorization 1-4925 Actual Cost	(C) 1-4925 Increase / (Decrease)	(D)	
1	0.00%	\$		\$	
2	n/a				
3	n/a				
4		\$		\$	
5					
6	0.00%				
7	0.00%				
8	n/a				
9	3.13%				
10		\$		\$	
11					
12	0.00%				
13	2.86%				
14	5.88%	40,000	(15,405)	(906)	
15	4.00%				
16		\$ 40,000	\$ (15,405)	\$ (906)	
17					
18	0.00%				
19	2.50%				
20	2.86%				
21		\$		\$	
22					
23	0.00%				
24	2.00%				
25	1.79%				
26	2.00%				
27	2.38%				
28	4.55%				
29	1.82%				
30		\$		\$	
31					
32	0.00%				
33	2.50%				
34	n/a				
35	6.67%				
36	5.00%				
37	4.00%				
38	5.00%				
39	6.67%				
40	6.67%				
41	3.33%				
42		\$		\$	
43					
44		\$ 40,000	\$ (15,405)	(906)	
45					
46		\$ 24,595	\$ (15,405)	(453)	
47					
48					
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53					
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55					

Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

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ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Navajo (Continued)				Adjustment to Depreciation Expense
		(A) 1-4926 As Filed	(B) Work Authorization 1-4926 Actual Cost ¹	(C) 1-4926 Increase / (Decrease)	(D)	
	Intangible Plant					
1	301 Organization		\$ -	-	\$ -	
2	302 Franchises					
3	303 Other Intangibles					
4	Subtotal Intangible Plant		\$ -		\$ -	
5	Source of Supply Plant					
6	310.1 Water Rights	0.00%				
7	310.3 Other Source of Supply Land	0.00%				
8	310.4 Wells - Other	n/a				
9	314 Wells	3.13%				
10	Subtotal Source of Sup. Plant		\$ -		\$ -	
11	Pumping Plant					
12	320 Pumping Plant Land	0.00%				
13	321 Pumping Plant Struct. & Improv.	2.86%				
14	325 Electric Pumping Equipment	5.88%				
15	328 Gas Engine Equipment	4.00%				
16	Subtotal Pumping Plant		\$ -		\$ -	
17	Water Treatment Plant					
18	330 Water Treatment Plant Land	0.00%				
19	331 Water Trtmt. Struct. & Improv.	2.50%				
20	332 Water Treatment Equipment	2.86%				
21	Subtotal Water Trtmt. Plant		\$ -		\$ -	
22	Transmission & Distribution Plant					
23	340 Trans. and Dist. Land	0.00%				
24	342 Storage Tanks	2.00%				
25	343 Trans. & Dist. Mains	1.79%				
26	344 Fire Sprinkler Taps	2.00%				
27	345 Services	2.38%				
28	346 Meters	4.55%				
29	348 Hydrants	1.82%				
30	Subtotal Trans. & Dist. General Plant		\$ -		\$ -	
31	General Plant					
32	389 General Plant Land	0.00%				
33	390 General Plant Structures	2.50%				
34	390.1 Leasehold Improvements	n/a				
35	391 Office Furniture & Equipment	6.67%				
36	393 Warehouse Equipment	5.00%				
37	394 Tools, Shop & Garage Equip.	4.00%				
38	395 Laboratory Equipment	5.00%				
39	396 Power Operated Equipment	6.67%				
40	397 Communication Equipment	6.67%	147,891	178,138	30,247	2,017
41	398 Miscellaneous Equipment	3.35%				
42	Subtotal General Plant		\$ 147,891	\$ 178,138	\$ 30,247	\$ 2,017
43	Total Utility Plant		\$ 147,891	\$ 178,138	\$ 30,247	\$ 2,017
44	Accumulated Depreciation (1/2-Year Convention)					\$ 1,009
45	Net Plant					\$ 29,238

¹ Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Navajo (Continued)			Adjstmt to Depreciation Expense
		[A] 1-4920 Elled As	[B] Work Authorization 1-4920 Actual Cost	[C] 1-4920 Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	-	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	-	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	\$ -
11	Subtotal Source of Sup. Plant		\$ -	-	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	-	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	-	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	342 Storage Tanks	2.00%	-	-	-
26	343 Trans. & Dist. Mains	1.78%	-	-	-
27	344 Fire Sprinkler Taps	2.00%	-	-	-
28	345 Services	2.38%	-	-	-
29	346 Meters	4.55%	-	-	-
30	348 Hydrants	1.82%	-	-	-
31	Subtotal Trans. & Dist.		\$ -	-	\$ -
32	General Plant				
33	389 General Plant Land	0.00%	-	-	-
34	390 General Plant Structures	2.50%	-	-	-
35	390.1 Leasehold Improvements	n/a	-	-	-
36	391 Office Furniture & Equipment	6.67%	-	-	-
37	393 Warehouse Equipment	5.00%	-	-	-
38	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
39	395 Laboratory Equipment	5.00%	-	-	-
40	396 Power Operated Equipment	6.97%	70,000	4,286	286
41	397 Communication Equipment	6.87%	-	-	-
42	398 Miscellaneous Equipment	3.33%	-	-	-
43	Subtotal General Plant		\$ 70,000	\$ 4,286	\$ 286
44	Total Utility Plant		\$ 70,000	\$ 4,286	\$ 286
45	Accumulated Depreciation (1/2-Year Convention)				\$ 143
46	Net Plant				\$ 4,143

Updated costs provided in response to Staff data request JMM 8.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Navajo (Continued)				Adjstm't to Depreciation Expense
		(A) 1-4923 As Filed	(B) Work Authorization 1-4923 Actual Cost	(C) 1-4923 Increase / (Decrease)	(D)	
1	Intangible Plant					
2	301 Organization	0.00%	\$		\$	
3	302 Franchises	n/a				
4	303 Other Intangibles	n/a				
5	Subtotal Intangible Plant		\$		\$	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%				
8	310.3 Other Source of Supply Land	0.00%	25,334	25,334		
9	310.4 Wells - Other	n/a				
10	314 Wells	3.13%				
11	Subtotal Source of Sup. Plant		\$ 25,334	\$ 25,334	\$	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%				
14	321 Pumping Plant Struct. & Improv.	2.86%				
15	325 Electric Pumping Equipment	5.88%				
16	328 Gas Engine Equipment	4.00%				
17	Subtotal Pumping Plant		\$		\$	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	50,000	(50,000)		
20	331 Water Trmt. Struct. & Improv.	2.50%	10,321	10,321	258	
21	332 Water Treatment Equipment	2.86%	3,954	3,954	113	
22	Subtotal Water Trmt. Plant		\$ 50,000	\$ 14,276	\$ 371	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%				
25	342 Storage Tanks	2.00%				
26	343 Trans. & Dist. Mains	1.79%				
27	344 Fire Sprinkler Taps	2.00%				
28	345 Services	2.38%				
29	346 Meters	4.55%				
30	348 Hydrants	1.82%				
31	Subtotal Trans. & Dist.		\$		\$	
32	General Plant					
33	389 General Plant Land	0.00%				
34	390 General Plant Structures	2.50%				
35	390.1 Leasehold Improvements	n/a				
36	391 Office Furniture & Equipment	6.67%				
37	393 Warehouse Equipment	5.00%				
38	394 Tools, Shop & Garage Equip.	4.00%				
39	395 Laboratory Equipment	5.00%				
40	396 Power Operated Equipment	6.67%				
41	397 Communication Equipment	6.67%				
42	398 Miscellaneous Equipment	3.33%				
43	Subtotal General Plant		\$		\$	
44	Total Utility Plant		\$ 50,000	\$ 39,609	\$ (10,391)	
45	Accumulated Depreciation (1/2-Year Convention)				\$ 371	
46	Net Plant				\$ 186	
47					\$ (10,576)	

*Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Navajo (Continued)				Adjustmt to Depreciation Expense
		(A) 1-4927 As Filed	(B) Work Authorization 1-4927 Actual Cost	(C) 1-4927 Increase / (Decrease)	(D)	
1	Intangible Plant					
2	301 Organization	0.00%	\$		\$	
3	302 Franchises	n/a				
4	303 Other Intangibles	n/a	\$		\$	
5	Subtotal Intangible Plant					
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%				
8	310.3 Other Source of Supply Land	0.00%				
9	310.4 Wells - Other	n/a				
10	314 Wells	3.13%	\$		\$	
11	Subtotal Source of Sup. Plant					
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%				
14	321 Pumping Plant Struct. & Improv.	2.86%				
15	325 Electric Pumping Equipment	5.88%				
16	328 Gas Engine Equipment	4.00%				
17	Subtotal Pumping Plant					
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%				
20	331 Water Trmt. Struct. & Improv.	2.50%				
21	332 Water Treatment Equipment	2.86%				
22	Subtotal Water Trmt. Plant					
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%				
25	342 Storage Tanks	2.00%	60,000	(160)	(3)	
26	343 Trans. & Dist. Mains	1.79%				
27	344 Fire Sprinkler Taps	2.00%	140	140	3	
28	345 Services	2.98%				
29	346 Meters	4.55%				
30	348 Hydrants	1.82%	60,000	(20)	0	
31	Subtotal Trans. & Dist.					
32	General Plant					
33	369 General Plant Land	0.00%				
34	390 General Plant Structures	2.50%				
35	390.1 Leasehold Improvements	n/a				
36	391 Office Furniture & Equipment	6.87%				
37	393 Warehouse Equipment	5.00%				
38	394 Tools, Shop & Garage Equip.	4.00%				
39	395 Laboratory Equipment	5.00%				
40	396 Power Operated Equipment	6.87%				
41	397 Communication Equipment	6.87%				
42	398 Miscellaneous Equipment	3.33%				
43	Subtotal General Plant					
44	Total Utility Plant		\$ 59,980	\$ (20)	\$ 0	
45	Accumulated Depreciation (1/2-Year Convention)		\$ 60,000	\$ (20)	\$ (20)	
46	Net Plant					

Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

Supporting Schedules:
Recap Schedules:
N:\2012_Rate_Case\Settlement\Final Settlement Schedules\2012 AWC Rate Case Settlement v3.20.13 INTERNAL.xlsx B2.1
Processing Date: 4/2/2013 2:51 PM

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Navajo - Total				Total Adjust to Depreciation Expense
		(A) Total As Filed	(B) Work Authorization Total Actual Cost	(C) Total Increase / (Decrease)	(D)	
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	
3	302 Franchises	n/a	-	-	-	
4	303 Other Intangibles	n/a	-	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	
6	Sources of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	
8	310.3 Other Source of Supply Land	0.00%	25,334	25,334	-	
9	310.4 Wells - Other	n/a	-	-	-	
10	314 Wells	3.13%	50,000	141,574	91,574	
11	Subtotal Source of Sup. Plant		\$ 50,000	\$ 166,908	\$ 116,908	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	
15	325 Electric Pumping Equipment	5.88%	40,000	107,225	67,225	
16	328 Gas Engine Equipment	4.00%	-	-	-	
17	Subtotal Pumping Plant		\$ 40,000	\$ 107,225	\$ 67,225	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	50,000	-	(50,000)	
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	10,321	10,321	
21	332 Water Treatment Equipment	2.86%	-	3,954	3,954	
22	Subtotal Water Trtmt. Plant		\$ 50,000	\$ 14,276	\$ (35,724)	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	
25	342 Storage Tanks	2.00%	99,482	94,211	(5,271)	
26	343 Trans. & Dist. Mains	1.79%	-	-	-	
27	344 Fire Sprinkler Taps	2.00%	-	-	-	
28	345 Services	2.38%	499	130,396	129,897	
29	346 Meters	4.55%	50,000	-	(50,000)	
30	Hydrants	1.82%	-	-	-	
31	Subtotal Trans. & Dist.		\$ 149,981	\$ 224,608	\$ 74,627	
32	General Plant					
33	389 General Plant Land	0.00%	-	-	-	
34	390 General Plant Structures	2.50%	-	-	-	
35	390.1 Leasehold Improvements	n/a	-	-	-	
36	391 Office Furniture & Equipment	6.67%	-	-	-	
37	393 Warehouse Equipment	5.00%	-	-	-	
38	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	
39	395 Laboratory Equipment	5.00%	-	-	-	
40	396 Power Operated Equipment	6.67%	217,891	252,424	34,533	
41	397 Communication Equipment	6.67%	-	-	-	
42	398 Miscellaneous Equipment	3.33%	-	-	-	
43	Subtotal General Plant		\$ 217,891	\$ 252,424	\$ 34,533	
44	Total Utility Plant		\$ 567,872	\$ 765,440	\$ 257,568	
45	Accumulated Depreciation (1/2-Year Convention)				\$ 5,108	
46	Net Plant				\$ 252,460	

*Updated costs provided in response to Staff data request JMMI 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Verde Valley				Adjstmt to Depreciation Expense
		(A) 1-4814 As Filed	(B) Work Authorization 1-4814 Actual Cost	(C) 1-4814 Increase / (Decrease)	(D)	
	Depreciation Rate					
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	
3	302 Franchises	n/a				
4	303 Other Intangibles	n/a				
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%				
8	310.3 Other Source of Supply Land	0.00%				
9	310.4 Wells - Other	n/a				
10	314 Wells	3.13%				
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%				
14	321 Pumping Plant Struct. & Improv.	2.66%				
15	325 Electric Pumping Equipment	5.86%				
16	328 Gas Engine Equipment	4.00%				
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%				
20	331 Water Trmt. Struct. & Improv.	2.50%	1,183,437	36,372	1,040	
21	332 Water Treatment Equipment	2.66%	1,219,809	36,372	1,040	
22	Subtotal Water Trmt. Plant		\$ 1,183,437	\$ 36,372	\$ 1,040	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%				
25	342 Storage Tanks	2.00%				
26	343 Trans. & Dist. Mains	1.79%				
27	344 Fire Sprinkler Taps	2.00%				
28	345 Services	2.38%				
29	346 Meters	4.56%				
30	348 Hydrants	1.82%				
31	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -	
32	General Plant					
33	389 General Plant Land	0.00%				
34	390 General Plant Structures	2.50%				
35	390.1 Leasehold Improvements	n/a				
36	391 Office Furniture & Equipment	6.67%				
37	393 Warehouse Equipment	5.00%				
38	394 Tools, Shop & Garage Equip.	4.00%				
39	395 Laboratory Equipment	5.00%				
40	396 Power Operated Equipment	6.67%				
41	397 Communication Equipment	6.67%				
42	398 Miscellaneous Equipment	6.67%				
43	Subtotal General Plant	3.33%	\$ -	\$ -	\$ -	
44	Total Utility Plant		\$ 1,183,437	\$ 36,372	\$ 1,040	
45	Accumulated Depreciation (1/2-Year Convention)				\$ 520	
46	Net Plant				\$ 35,852	

*Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Verde Valley (Continued)				Adjustm't to Depreciation Expense
	(A) 1-4873 Filed	(B) Work Authorization 1-4873 Actual Cost ¹	(C) 1-4873 Increase / (Decrease)	(D)	
1	Intangible Plant				
2	301 Organization		\$		\$
3	302 Franchises				
4	303 Other Intangibles				
5	Subtotal Intangible Plant		\$		\$
6	Source of Supply Plant				
7	310.1 Water Rights				
8	310.3 Other Source of Supply Land				
9	310.4 Wells - Other				
10	314 Wells				
11	Subtotal Source of Sup. Plant		\$		\$
12	Pumping Plant				
13	320 Pumping Plant Land				
14	321 Pumping Plant Struct. & Improv.				
15	325 Electric Pumping Equipment				
16	328 Gas Engine Equipment				
17	Subtotal Pumping Plant		\$		\$
18	Water Treatment Plant				
19	330 Water Treatment Plant Land				
20	331 Water Trtmt. Struct. & Improv.				
21	332 Water Treatment Equipment		445,986	(21,535)	(616)
22	Subtotal Water Trtmt. Plant		\$ 445,986	\$ (21,535)	\$ (616)
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land				
25	342 Storage Tanks				
26	343 Trans. & Dist. Mains				
27	344 Fire Sprinkler Taps				
28	345 Services				
29	346 Meters				
30	348 Hydrants				
31	Subtotal Trans. & Dist.		\$		\$
32	General Plant				
33	389 General Plant Land				
34	390 General Plant Structures				
35	390.1 Leasehold Improvements				
36	391 Office Furniture & Equipment				
37	393 Warehouse Equipment				
38	394 Tools, Shop & Garage Equip.				
39	395 Laboratory Equipment				
40	396 Power Operated Equipment				
41	397 Communication Equipment				
42	398 Miscellaneous Equipment				
43	Subtotal General Plant		\$		\$
44	Total Utility Plant		\$ 445,986	\$ (21,535)	\$ (616)
45	Accumulated Depreciation (12-Year Convention)				\$ (308)
46	Net Plant				\$ (21,227)

¹ Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Verde Valley (Continued)				Adjustm't to Depreciation Expense
		(A) 1-4874 As Filled	(B) 1-4874 Actual Cost	(C) 1-4874 Increase / (Decrease)	(D)	
		Depreciation Rate				
1	Intangible Plant	0.00%				
2	301 Organization	n/a	\$		\$	
3	302 Franchises	n/a				
4	303 Other Intangibles		\$		\$	
5	Subtotal Intangible Plant		\$		\$	
6	Source of Supply Plant	0.00%				
7	310.1 Water Rights	0.00%				
8	310.3 Other Source of Supply Land	n/a				
9	310.4 Wells - Other	3.13%				
10	314 Wells		\$		\$	
11	Subtotal Source of Sup. Plant		\$		\$	
12	Pumping Plant	0.00%				
13	320 Pumping Plant Land	2.86%				
14	321 Pumping Plant Struct. & Improv.	5.88%				
15	325 Electric Pumping Equipment	4.00%				
16	328 Gas Engine Equipment		\$		\$	
17	Subtotal Pumping Plant		\$		\$	
18	Water Treatment Plant	0.00%				
19	330 Water Treatment Plant Land	2.50%	706,628	3,585	103	
20	331 Water Trmt. Struct. & Improv.	2.86%	703,043	3,585	103	
21	332 Water Treatment Equipment		\$		\$	
22	Subtotal Water Trmt. Plant		\$		\$	
23	Transmission & Distribution Plant	0.00%				
24	340 Trans. and Dist. Land	2.00%				
25	342 Storage Tanks	1.79%				
26	343 Trans. & Dist. Mains	2.00%				
27	344 Fire Sprinkler Taps	2.38%				
28	345 Services	4.55%				
29	346 Meters	1.82%				
30	348 Hydrants		\$		\$	
31	Subtotal Trans. & Dist.		\$		\$	
32	General Plant	0.00%				
33	388 General Plant Land	2.50%				
34	390 General Plant Structures	n/a				
35	390.1 Leasehold Improvements	6.67%				
36	391 Office Furniture & Equipment	5.00%				
37	393 Warehouse Equipment	4.00%				
38	394 Tools, Shop & Garage Equip.	5.00%				
39	395 Laboratory Equipment	6.67%				
40	396 Power Operated Equipment	6.67%				
41	397 Communication Equipment	6.67%				
42	398 Miscellaneous Equipment	3.33%				
43	Subtotal General Plant		\$		\$	
44	Total Utility Plant		\$		\$	
45			\$		\$	
46			\$		\$	
47	Accumulated Depreciation (12-Year Convention)		\$		\$	
48			\$		\$	
49			\$		\$	
50	Net Plant		\$		\$	
51			\$		\$	
52			\$		\$	
53			\$		\$	
54			\$		\$	
55			\$		\$	

*Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Verde Valley (Continued)			
		(A) 1-4875 As Filed	(B) Work Authorization 1-4875 Actual Cost ¹	(C) 1-4875 Increase / (Decrease)	(D) Adjstm't to Depreciation Expense
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	-	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	\$ -	-	\$ -
5	Subtotal Intangible Plant		\$ -	-	\$ -
6	Source of Supply Plant	0.00%	-	-	-
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	n/a	-	-	-
9	310.4 Wells - Other	3.13%	\$ -	-	\$ -
10	314 Wells		\$ -	-	\$ -
11	Subtotal Source of Sup. Plant		\$ -	-	\$ -
12	Pumping Plant	0.00%	-	-	-
13	320 Pumping Plant Land	2.86%	-	-	-
14	321 Pumping Plant Struct. & Improv.	5.88%	-	-	-
15	325 Electric Pumping Equipment	4.00%	-	-	-
16	328 Gas Engine Equipment		\$ -	-	\$ -
17	Subtotal Pumping Plant		\$ -	-	\$ -
18	Water Treatment Plant	0.00%	-	-	-
19	330 Water Treatment Plant Land	2.50%	588,322	571,433	(16,889)
20	331 Water Trmt. Struct. & Improv.	2.86%	588,322	571,433	(16,889)
21	332 Water Treatment Equipment		\$ -	-	\$ -
22	Subtotal Water Trmt. Plant		\$ 588,322	\$ 571,433	\$ (16,889)
23	Transmission & Distribution Plant	0.00%	-	-	-
24	340 Trans. and Dist. Land	2.00%	-	-	-
25	342 Storage Tanks	1.79%	-	-	-
26	343 Trans. & Dist. Mains	2.00%	-	-	-
27	344 Fire Sprinkler Taps	2.38%	-	-	-
28	345 Services	4.55%	-	-	-
29	346 Meters	1.82%	-	-	-
30	348 Hydrants		\$ -	-	\$ -
31	Subtotal Trans. & Dist.		\$ -	-	\$ -
32	General Plant	0.00%	-	-	-
33	389 General Plant Land	2.50%	-	-	-
34	390 General Plant Structures	n/a	-	-	-
35	390.1 Leasehold Improvements	6.67%	-	-	-
36	391 Office Furniture & Equipment	5.00%	-	-	-
37	393 Warehouse Equipment	4.00%	-	-	-
38	394 Tools, Shop & Garage Equip.	5.00%	-	-	-
39	395 Laboratory Equipment	6.67%	-	-	-
40	396 Power Operated Equipment	6.67%	-	-	-
41	397 Communication Equipment	6.67%	-	-	-
42	398 Miscellaneous Equipment	3.33%	-	-	-
43	Subtotal General Plant		\$ -	-	\$ -
44	Total Utility Plant		\$ 588,322	\$ 571,433	\$ (16,889)
45	Accumulated Depreciation (1/2-Year Convention)		\$ -	-	\$ (483)
46	Net Plant		\$ -	-	\$ (242)
47			\$ -	-	\$ (16,647)

¹ Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Verde Valley (Continued)				Adjnt't to Depreciation Expense
	(A) 1-4928 As Filed	(B) Work Authorization 1-4928 Actual Cost	(C) 1-4928 Increase / (Decrease)	(D)	
	Depreciation Rate				
1	Intangible Plant				
2	301 Organization		\$		\$
3	302 Franchises	n/a			
4	303 Other Intangibles		\$		\$
5	Subtotal Intangible Plant				
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%			
8	310.3 Other Source of Supply Land	0.00%			
9	310.4 Wells - Other	n/a			
10	314 Wells	3.13%			\$
11	Subtotal Source of Sup. Plant		\$		\$
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%			
14	321 Pumping Plant Struct. & Improv.	2.86%			
15	325 Electric Pumping Equipment	5.88%			
16	328 Gas Engine Equipment	4.00%			\$
17	Subtotal Pumping Plant		\$		\$
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%			
20	331 Water Trtmt. Struct. & Improv.	2.50%			
21	332 Water Treatment Equipment	2.86%			\$
22	Subtotal Water Trtmt. Plant		\$		\$
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%			
25	342 Storage Tanks	2.00%			
26	343 Trans. & Dist. Mains	1.79%	75,000	(8,109)	(145)
27	344 Fire Sprinkler Taps	2.00%			
28	345 Services	2.38%			
29	346 Meters	4.55%			
30	348 Hydrants	1.82%			
31	Subtotal Trans. & Dist.		\$ 75,000	\$ (8,109)	\$ (145)
32	General Plant				
33	389 General Plant Land	0.00%			
34	390 General Plant Structures	2.50%			
35	390.1 Leasehold Improvements	n/a			
36	391 Office Furniture & Equipment	6.87%			
37	393 Warehouse Equipment	5.00%			
38	394 Tools, Shop & Garage Equip.	4.00%			
39	395 Laboratory Equipment	5.00%			
40	396 Power Operated Equipment	6.87%			
41	397 Communication Equipment	6.87%			
42	398 Miscellaneous Equipment	3.33%			
43	Subtotal General Plant		\$		\$
44	Total Utility Plant		\$ 75,000	\$ (8,109)	\$ (145)
45	Accumulated Depreciation (1/2-Year Convention)				\$ (73)
46	Net Plant				\$ (8,037)

*Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Verde Valley (Continued)				Adjstnt to Depreciation Expense
	(A) 1-4929 As Filed	(B) Work Authorization 1-4929 Actual Cost ¹	(C) 1-4929 Increase / (Decrease)	(D)	
1	Intangible Plant				
2	301 Organization		\$		\$
3	302 Franchises				
4	303 Other Intangibles		\$		\$
5	Subtotal Intangible Plant				
6	Source of Supply Plant				
7	310.1 Water Rights				
8	310.3 Other Source of Supply Land				
9	310.4 Wells - Other				
10	314 Wells				
11	Subtotal Source of Sup. Plant		\$		\$
12	Pumping Plant				
13	320 Pumping Plant Land				
14	321 Pumping Plant Struct. & Improv.				
15	325 Electric Pumping Equipment				
16	328 Gas Engine Equipment				
17	Subtotal Pumping Plant		\$		\$
18	Water Treatment Plant				
19	330 Water Treatment Plant Land				
20	331 Water Trtmt. Struct. & Improv.				
21	332 Water Treatment Equipment				
22	Subtotal Water Trtmt. Plant		\$		\$
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land				
25	342 Storage Tanks				
26	343 Trans. & Dist. Mains				
27	344 Fire Sprinkler Taps	205,800	195,537	(10,263)	(244)
28	345 Services				
29	346 Meters				
30	348 Hydrants				
31	Subtotal Trans. & Dist.	\$ 205,800	\$ 195,537	\$ (10,263)	\$ (244)
32	General Plant				
33	369 General Plant Land				
34	390 General Plant Structures				
35	390.1 Leasehold Improvements				
36	391 Office Furniture & Equipment				
37	393 Warehouse Equipment				
38	394 Tools, Shop & Garage Equip.				
39	395 Laboratory Equipment				
40	396 Power Operated Equipment				
41	397 Communication Equipment				
42	398 Miscellaneous Equipment				
43	Subtotal General Plant				
44	Total Utility Plant	\$ 205,800	\$ 195,537	\$ (10,263)	\$ (244)
45	Accumulated Depreciation (1/2-Year Convention)				\$ (122)
46	Net Plant				\$ (10,141)

¹Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Verde Valley (Continued)			
	(A) 1-4930 As Eligible	(B) Work Authorization 1-4930 Actual Cost	(C) 1-4930 Increase / (Decrease)	(D) Adjustmt to Depreciation Expense
	Depreciation Rate			
1	Intangible Plant			
2	301 Organization	\$ -		\$ -
3	302 Franchises	n/a		
4	303 Other Intangibles	\$ -		\$ -
5	Subtotal Intangible Plant	\$ -		\$ -
6	Source of Supply Plant			
7	310.1 Water Rights	0.00%		
8	310.3 Other Source of Supply Land	0.00%		
9	310.4 Wells - Other	n/a		
10	314 Wells	3.13%		
11	Subtotal Source of Sup. Plant	\$ -		\$ -
12	Pumping Plant			
13	320 Pumping Plant Land	0.00%		
14	321 Pumping Plant Struct. & Improv.	2.86%		
15	325 Electric Pumping Equipment	5.88%		
16	328 Gas Engine Equipment	4.00%		
17	Subtotal Pumping Plant	\$ -		\$ -
18	Water Treatment Plant			
19	330 Water Treatment Plant Land	0.00%		
20	331 Water Trtmt. Struct. & Improv.	2.50%		
21	332 Water Treatment Equipment	2.86%		
22	Subtotal Water Trtmt. Plant	\$ -		\$ -
23	Transmission & Distribution Plant			
24	340 Trans. and Dist. Land	0.00%		
25	342 Storage Tanks	2.00%	(5,128)	(92)
26	343 Trans. & Dist. Mains	1.79%		
27	344 Fire Sprinkler Taps	2.00%		
28	345 Services	2.39%	12,069	287
29	346 Meters	4.55%		
30	348 Hydrants	1.82%		
31	Subtotal Trans. & Dist.	\$ 110,190	\$ 117,130	\$ 195
32	General Plant			
33	389 General Plant Land	0.00%		
34	390 General Plant Structures	2.50%		
35	390.1 Leasehold Improvements	n/a		
36	391 Office Furniture & Equipment	6.67%		
37	393 Warehouse Equipment	5.00%		
38	394 Tools, Shop & Garage Equip.	4.00%		
39	395 Laboratory Equipment	5.00%		
40	396 Power Operated Equipment	6.67%		
41	397 Communication Equipment	6.67%		
42	398 Miscellaneous Equipment	3.33%		
43	Subtotal General Plant	\$ -	\$ -	\$ -
44	Total Utility Plant	\$ 110,190	\$ 117,130	\$ 195
45	Accumulated Depreciation (1/2-Year Convention)		\$ 6,940	\$ 98
46	Net Plant			\$ 6,843

*Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Verde Valley (Continued)				Adjustmt to Depreciation Expense
	(A) 1-4931 As Filled	(B) Work Authorization 1-4931 Actual Cost	(C) 1-4931 Increase / (Decrease)	(D)	
1	Intangible Plant				
2	301 Organization		\$		\$
3	302 Franchises		n/a		
4	303 Other Intangibles				
5	Subtotal Intangible Plant		\$		\$
6	Source of Supply Plant				
7	310.1 Water Rights				
8	310.3 Other Source of Supply Land				
9	310.4 Wells - Other				
10	314 Wells				
11	Subtotal Source of Sup. Plant		\$		\$
12	Pumping Plant				
13	320 Pumping Plant Land				
14	321 Pumping Plant Struct. & Improv.				
15	325 Electric Pumping Equipment				
16	328 Gas Engine Equipment				
17	Subtotal Pumping Plant		\$		\$
18	Water Treatment Plant				
19	330 Water Treatment Plant Land				
20	331 Water Trmt. Struct. & Improv.				
21	332 Water Treatment Equipment				
22	Subtotal Water Trmt. Plant		\$		\$
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land				
25	342 Storage Tanks				
26	343 Trans. & Dist. Mains				
27	344 Fire Sprinkler Taps				
28	345 Services				
29	346 Meters				
30	348 Hydrants				
31	Subtotal Trans. & Dist.		\$		\$
32	General Plant				
33	389 General Plant Land				
34	390 General Plant Structures				
35	390.1 Leasehold Improvements				
36	391 Office Furniture & Equipment				
37	393 Warehouse Equipment				
38	394 Tools, Shop & Garage Equip.				
39	395 Laboratory Equipment				
40	396 Power Operated Equipment				
41	397 Communication Equipment				
42	398 Miscellaneous Equipment				
43	Subtotal General Plant		\$		\$
44	Total Utility Plant		\$		\$
45			\$ 64,971		\$ 67,251
46	Accumulated Depreciation (1/2-Year Convention)				\$ 38
47					\$ 19
48	Net Plant				\$ 2,261
49					
50					
51					
52					
53					
54					
55					

*Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Verde Valley (Continued)				Adjstm't to Depreciation Expense
		(A) 1-4932 As Filed	(B) Work Authorization 1-4932 Actual Cost	(C) 1-4932 Increase / (Decrease)	(D)	
		Depreciation Rate				
1	Intangible Plant	0.00%				
2	301 Organization	n/a				
3	302 Franchises	n/a				
4	303 Other Intangibles		\$	\$		
5	Subtotal Intangible Plant		\$	\$		
6	Source of Supply Plant	0.00%				
7	310.1 Water Rights	0.00%				
8	310.3 Other Source of Supply Land	0.00%				
9	310.4 Wells - Other	n/a				
10	314 Wells	3.13%				
11	Subtotal Source of Sup. Plant		\$	\$		
12	Pumping Plant	0.00%				
13	320 Pumping Plant Land	2.86%				
14	321 Pumping Plant Struct. & Improv.	5.88%				
15	325 Electric Pumping Equipment	4.00%				
16	328 Gas Engine Equipment					
17	Subtotal Pumping Plant		\$	\$		
18	Water Treatment Plant	0.00%				
19	330 Water Treatment Plant Land	2.50%				
20	331 Water Trmt. Struct. & Improv.	2.86%				
21	332 Water Treatment Equipment					
22	Subtotal Water Trmt. Plant		\$	\$		
23	Transmission & Distribution Plant	0.00%				
24	340 Trans. and Dist. Land	2.00%				
25	342 Storage Tanks	1.79%				
26	343 Trans. & Dist. Mains	2.00%				
27	344 Fire Sprinkler Taps	2.38%				
28	345 Services	4.55%				
29	346 Meters	1.82%				
30	348 Hydrants					
31	Subtotal Trans. & Dist. General Plant		\$	\$		
32	389 General Plant Land	0.00%				
33	390 General Plant Structures	2.50%				
34	390.1 Leasehold Improvements	n/a				
35	391 Office Furniture & Equipment	6.67%				
36	393 Warehouse Equipment	5.00%				
37	394 Tools, Shop & Garage Equip.	4.00%				
38	395 Laboratory Equipment	5.00%				
39	396 Power Operated Equipment	6.67%				
40	397 Communication Equipment	6.67%	164,286	172,699	8,413	
41	398 Miscellaneous Equipment	3.33%				
42	Subtotal General Plant		\$ 164,286	\$ 172,699	\$ 8,413	
43	Total Utility Plant		\$ 164,286	\$ 172,699	\$ 8,413	
44	Accumulated Depreciation (1/2-Year Convention)				\$ 281	
45	Net Plant				\$ 8,132	

Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Verde Valley - Total			Depreciation Rate	[D] Total Adjustmt to Depreciation Expense
		[A] Total As Filled	[B] Work Authorization Total Actual Cost	[C] Total Increase / (Decrease)		
1	Intangible Plant					
2	301 Organization	\$ -	\$ -	\$ -	0.00%	\$ -
3	302 Franchises	n/a			n/a	
4	303 Other Intangibles	n/a			n/a	
5	Subtotal Intangible Plant	\$ -	\$ -	\$ -		\$ -
6	Source of Supply Plant					
7	310.1 Water Rights				0.00%	
8	310.3 Other Source of Supply Land				0.00%	
9	310.4 Wells - Other				n/a	
10	314 Wells				3.13%	
11	Subtotal Source of Sup. Plant	\$ -	\$ -	\$ -		\$ -
12	Pumping Plant					
13	320 Pumping Plant Land				0.00%	
14	321 Pumping Plant Struct. & Improv.				2.86%	
15	325 Electric Pumping Equipment				5.88%	
16	328 Gas Engine Equipment				4.00%	
17	Subtotal Pumping Plant	\$ -	\$ -	\$ -		\$ -
18	Water Treatment Plant					
19	330 Water Treatment Plant Land				0.00%	
20	331 Water Trmt. Struct. & Improv.				2.50%	
21	332 Water Treatment Equipment	2,920,788	2,922,321	1,533	2.86%	44
22	Subtotal Water Trmt. Plant	\$ 2,920,788	\$ 2,922,321	\$ 1,533		\$ 44
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land				0.00%	
25	342 Storage Tanks				2.00%	
26	343 Trans. & Dist. Mains	193,016	182,522	(10,494)	1.79%	(188)
27	344 Fire Sprinkler Taps				2.00%	
28	345 Services	262,945	264,287	1,342	2.38%	32
29	346 Meters				4.55%	
30	348 Hydrants				1.82%	
31	Subtotal Trans. & Dist.	\$ 455,961	\$ 446,810	\$ (9,151)		\$ (156)
32	General Plant					
33	389 General Plant Land				0.00%	
34	390 General Plant Structures				2.50%	
35	390.1 Leasehold Improvements				n/a	
36	391 Office Furniture & Equipment				6.67%	
37	393 Warehouse Equipment				5.00%	
38	394 Tools, Shop & Garage Equip.				4.00%	
39	395 Laboratory Equipment				5.00%	
40	396 Power Operated Equipment				6.67%	
41	397 Communication Equipment	164,285	172,699	8,413	6.67%	561
42	398 Miscellaneous Equipment				3.33%	
43	Subtotal General Plant	\$ 164,286	\$ 172,699	\$ 8,413		\$ 561
44	Total Utility Plant	\$ 3,541,035	\$ 3,541,830	\$ 795		\$ 449
45	Accumulated Depreciation (1/2-Year Convention)					\$ 225
46	Net Plant					\$ 570

*Updated costs provided in response to Staff data request JMM 6.1/RUCO data request.1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Phoenix Office				Adjstr'd to Depreciation Expense
		(A) 1-4933 As Filed	(B) Wort Authorization 1-4933 Actual Cost	(C) Increase / (Decrease)	(D)	
1	Intangible Plant					
2	301 Organization	0.00%	\$		\$	
3	302 Franchises	n/a				
4	303 Other Intangibles	n/a	\$		\$	
5	Subtotal Intangible Plant					
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%				
8	310.3 Other Source of Supply Land	0.00%				
9	310.4 Wells - Other	n/a				
10	314 Wells	3.13%	\$		\$	
11	Subtotal Source of Sup. Plant					
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%				
14	321 Pumping Plant Struct. & Improv.	2.86%				
15	325 Electric Pumping Equipment	5.88%				
16	328 Gas Engine Equipment	4.00%				
17	Subtotal Pumping Plant					
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%				
20	331 Water Trtmt. Struct. & Improv.	2.50%				
21	332 Water Treatment Equipment	2.86%				
22	Subtotal Water Trtmt. Plant					
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%				
25	342 Storage Tanks	2.00%				
26	343 Trans. & Dist. Mains	1.79%				
27	344 Fire Sprinkler Taps	2.00%				
28	345 Services	2.38%				
29	346 Meters	4.55%				
30	348 Hydrants	1.82%				
31	Subtotal Trans. & Dist.					
32	General Plant					
33	389 General Plant Land	0.00%				
34	390 General Plant Structures	2.50%				
35	390.1 Leasehold Improvements	n/a				
36	391 Office Furniture & Equipment	6.67%	184,380	(5,620)	(375)	
37	393 Warehouse Equipment	5.00%				
38	394 Tools, Shop & Garage Equip.	4.00%				
39	395 Laboratory Equipment	5.00%				
40	396 Power Operated Equipment	6.67%				
41	397 Communication Equipment	6.67%				
42	398 Miscellaneous Equipment	3.33%				
43	Subtotal General Plant		\$ 190,000	\$ (5,620)	\$ (375)	
44	Total Utility Plant		\$ 190,000	\$ (5,620)	\$ (375)	
45	Accumulated Depreciation (12-Year Convention)				\$ (187)	
46	Net Plant				\$ (5,433)	

*Updated costs provided in response to Staff data request JIMM 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Phoenix Office (Continued)				Adjustmt' to Depreciation Expense
		(A) 1-4934 AS Filed	(B) Work Authorization 1-4934 Actual Cost ¹	(C) 1-4934 Increase / (Decrease)	(D)	
1	Intangible Plant		\$		\$	
2	301 Organization					
3	302 Franchises					
4	303 Other Intangibles					
5	Subtotal Intangible Plant		\$		\$	
6	Source of Supply Plant					
7	310.1 Water Rights					
8	310.3 Other Source of Supply Land					
9	310.4 Wells - Other					
10	314 Wells					
11	Subtotal Source of Sup. Plant		\$		\$	
12	Pumping Plant					
13	320 Pumping Plant Land					
14	321 Pumping Plant Struct. & Improv.					
15	325 Electric Pumping Equipment					
16	328 Gas Engine Equipment					
17	Subtotal Pumping Plant		\$		\$	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land					
20	331 Water Trtmt. Struct. & Improv.					
21	332 Water Treatment Equipment					
22	Subtotal Water Trtmt. Plant		\$		\$	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land					
25	342 Storage Tanks					
26	343 Trans. & Dist. Mains					
27	344 Fire Sprinkler Taps					
28	345 Services					
29	346 Meters					
30	348 Hydrants					
31	Subtotal Trans. & Dist.		\$		\$	
32	General Plant					
33	389 General Plant Land					
34	390 General Plant Structures					
35	390.1 Leasehold Improvements					
36	391 Office Furniture & Equipment					
37	393 Warehouse Equipment		47,841	4,334	173	
38	394 Tools, Shop & Garage Equip.					
39	395 Laboratory Equipment					
40	396 Power Operated Equipment					
41	397 Communication Equipment					
42	398 Miscellaneous Equipment					
43	Subtotal General Plant		\$ 47,841	\$ 4,334	\$ 173	
44	Total Utility Plant		\$ 47,841	\$ 52,175	\$ 173	
45	Accumulated Depreciation (12-Year Convention)				\$ 87	
46	Net Plant				\$ 4,248	

¹Updated costs provided in response to Staff data request JMM 6.1/RUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 1 (continued)
Post-Test Year Plant True-Up

Line No.	Description	Phoenix Office - Total			
		(A) Total As Elided	(B) Work Authorization Total Actual Cost	(C) Total Increase / (Decrease)	(D) Total Adjust to Depreciation Expense
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist Land	0.00%	-	-	-
25	342 Storage Tanks	2.00%	-	-	-
26	343 Trans. & Dist. Mains	1.79%	-	-	-
27	344 Fire Sprinkler Taps	2.00%	-	-	-
28	345 Services	2.38%	-	-	-
29	346 Meters	4.55%	-	-	-
30	348 Hydrants	1.82%	-	-	-
31	Subtotal Trans. & Dist. General Plant		\$ -	\$ -	\$ -
32	389 General Plant Land	0.00%	-	-	-
33	390 General Plant Structures	2.50%	-	-	-
34	390.1 Leasehold Improvements	n/a	-	-	-
35	391 Office Furniture & Equipment	6.67%	190,000	184,360	(5,620)
36	393 Warehouse Equipment	5.00%	-	-	-
37	394 Tools, Shop & Garage Equip.	4.00%	47,841	52,175	4,334
38	395 Laboratory Equipment	5.00%	-	-	-
39	396 Power Operated Equipment	6.67%	-	-	-
40	397 Communication Equipment	6.67%	-	-	-
41	398 Miscellaneous Equipment	3.33%	-	-	-
42	Subtotal General Plant		\$ 237,841	\$ 238,555	\$ (1,286)
43	Total Utility Plant		\$ 237,841	\$ 238,555	\$ (1,286)
44	Accumulated Depreciation (1/2-Year Convention)				\$ (101)
45	Net Plant				\$ (1,185)

¹Updated costs provided in response to Staff data request JMM 6.1/PUCO data request 1.30.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 2
Adopt Staff Rate Base Adjustment No. 2 (Remove Land Purchased for Arsenic Facility)

Line No.	Depreciation Rate	[A] Work Auth. 1-4923 As Filed	[B] Total Adjstm't to Depreciation Expense
1	0.00%	\$ -	\$ -
2	n/a	-	-
3	n/a	-	-
4		\$ -	\$ -
5		-	-
6		-	-
7	0.00%	(25,334)	(25,334)
8	0.00%	-	-
9	n/a	-	-
10	3.13%	-	-
11		\$ (25,334)	\$ (25,334)
12		-	-
13	0.00%	-	-
14	2.86%	-	-
15	5.88%	-	-
16	4.00%	-	-
17		\$ -	\$ -
18		-	-
19	0.00%	-	-
20	2.50%	-	-
21	2.86%	(3,954)	(113)
22		\$ (3,954)	\$ (113)
23		-	-
24	0.00%	-	-
25	2.00%	-	-
26	1.79%	-	-
27	2.00%	-	-
28	2.38%	-	-
29	4.55%	-	-
30	1.82%	-	-
31		\$ -	\$ -
32		-	-
33	0.00%	-	-
34	2.50%	-	-
35	n/a	-	-
36	6.67%	-	-
37	5.00%	-	-
38	4.00%	-	-
39	5.00%	-	-
40	6.67%	-	-
41	6.67%	-	-
42	3.33%	-	-
43		\$ -	\$ -
44		-	-
45		\$ (29,288)	\$ (113)
46		\$ -	\$ (57)
47		\$ -	\$ (29,231)
48		\$ -	\$ (29,231)
49		\$ -	\$ -
50		\$ -	\$ -
51		\$ -	\$ -
52		\$ -	\$ -
53		\$ -	\$ -
54		\$ -	\$ -
55		\$ -	\$ -

ARIZONA WATER COMPANY
 Test Year Ended December 31, 2011
 Settlement Rate Base Adjustment No. 3
 Adjust Working Cash to Reflect Rebutal Expense Levels & Include Intarasasi Expense

Line No.	System	Company Working Cash - As Filed	Company Working Cash - Settlement	Increase / (Decrease)
1				
2	Northern Group	\$ 84,216	\$ 10,582	\$ (73,634)
3	Navajo	111,380	(39,073)	(150,453)
4	Verde Valley			
5		\$ 195,597	\$ (28,490)	\$ (224,087)
6	Subtotal			
7		\$ 195,597	\$ (28,490)	\$ (224,087)
8	Total			
9				
10				
11	Increase/(Decrease) in Working Cash			\$ (224,087)
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
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ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Rate Base Adjustment No. 4
Allocate Phoenix Office & Meter Shop Settlement Adjustments

Line No.	Description	Northern Group		
		(A) Test Year Adjusted	(B) Navajo	(C) Verde Valley
1	3-Factor Allocation Ratio		0.0943	0.1252
2				
3				
4	Phoenix Office			
5	Plant Classification			
6	Intangible Plant	\$ -	\$ -	\$ -
7	Source of Supply Plant	-	-	-
8	Pumping Plant	-	-	-
9	Water Treatment Plant	-	-	-
10	Transmission & Distribution Plant	-	-	-
11	General Plant	(1,286)	(121)	(161)
12	Total Gross Plant in Service	(1,286)	(121)	(161)
13	Less:			
14	Accumulated Depreciation	(101)	(10)	(13)
15	Net Plant in Service	(1,185)	(112)	(148)
16	Less:			
17	Deferred Income Tax	-	-	-
18	Total Rate Base	(1,185)	(112)	(148)
19				
20				
21				
22	Meter Shop			
23	Plant Classification			
24	Intangible Plant	\$ -	\$ -	\$ -
25	Source of Supply Plant	-	-	-
26	Pumping Plant	-	-	-
27	Water Treatment Plant	-	-	-
28	Transmission & Distribution Plant	-	-	-
29	General Plant	-	-	-
30	Total Gross Plant in Service	-	-	-
31	Less:			
32	Accumulated Depreciation	-	-	-
33	Net Plant in Service	-	-	-
34	Less:			
35	Total Rate Base	-	-	-
36				
37				
38	Total Phoenix Office & Meter Shop			
39	Plant Classification			
40	Intangible Plant	\$ -	\$ -	\$ -
41	Source of Supply Plant	-	-	-
42	Pumping Plant	-	-	-
43	Water Treatment Plant	-	-	-
44	Transmission & Distribution Plant	-	-	-
45	General Plant	(1,286)	(121)	(161)
46	Total Gross Plant in Service	(1,286)	(121)	(161)
47	Less:			
48	Accumulated Depreciation	(101)	(10)	(13)
49	Net Plant in Service	(1,185)	(112)	(148)
50	Less:			
51	Deferred Income Tax	-	-	-
52	Total Rate Base	(1,185)	(112)	(148)
53				
54				
55				

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Computation of Working Capital

Line No.	Northern Group		
	(A) Company - As Filed Working Capital	(B) Settlement Adjustments	(C) Settlement Working Capital
1			
2	Working Cash Requirement		
3	(Sch. B-5 Rebuttal Appendix)	(224,087) \$	(28,490)
4			
5	Material and Supplies Inventories ¹	-	88,156
6			
7	Required Bank Balances ¹	-	231,729
8			
9	Prepayments & Special Deposits ¹	-	570,816
10			
11	Total Working Capital Allowance	(224,087) \$	862,210
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
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¹13-month average balances

Supporting Schedules:
Settlement B-5 Appendix

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Computation of Working Capital

Line No.	Navajo			Verde Valley (Sedona, Pinewood, Rimrock)		
	(A) Company - As Filed Working Capital	(B) Settlement Adjustments	(C) Settlement Working Capital	(A) Company - As Filed Working Capital	(B) Settlement Adjustments	(C) Settlement Working Capital
1						
2						
3	\$ 84,216	(73,634)	10,582	\$ 111,380	(150,463)	(39,073)
4	26,083	-	26,083	62,073	-	62,073
5	99,566	-	99,566	132,163	-	132,163
6	244,967	-	244,967	325,849	-	325,849
7						
8						
9						
10	\$ 454,831	(73,634)	381,197	\$ 631,466	(150,463)	481,013
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13-month average balances

Supporting Schedules:
Settlement B-5 Appendix

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Computation of Working Cash Requirement

Line No.	Navajo											
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]
	Adjusted Results - As Filed	Revenue Lag Days ¹	Expense Lag Days ²	Net Lag Days [B-C]	Lead / Lag Factor [D + 365]	Working Cash Requirement [A X E]	Adjusted Results - Rebuttal	Revenue Lag Days ¹	Expense Lag Days ²	Net Lag Days [H-I]	Lead / Lag Factor [J + 365]	Working Cash Requirement [G X K]
1	\$ 262,792	29.23	30.87	(1.64)	(0.0045)	\$ (1,184)	\$ 262,792	29.23	30.87	(1.64)	(0.0045)	\$ (1,184)
2	930,148	29.23	14.00	15.23	0.0417	38,801	930,148	29.23	14.00	15.23	0.0417	38,801
3	610	29.23	30.47	(1.24)	(0.0034)	(2)	610	29.23	30.47	(1.24)	(0.0034)	(2)
4	17,436	29.23	(18.11)	47.34	0.1297	2,261	17,436	29.23	(18.11)	47.34	0.1297	2,261
5	49,336	29.23	(45.27)	74.50	0.2041	10,069	49,336	29.23	(45.27)	74.50	0.2041	10,069
6	9,176	29.23	(46.50)	75.73	0.2075	1,904	9,176	29.23	(46.50)	75.73	0.2075	1,904
7	177,978	29.23	(6.92)	38.15	0.1045	18,600	177,978	29.23	(6.92)	38.15	0.1045	18,600
8	587,449	29.23	(9.27)	38.50	(0.0213)	(6,273)	587,449	29.23	(9.27)	38.50	(0.0213)	(6,273)
9	294,536	29.23	37.00	(7.77)	(0.0213)	(1,382)	294,536	29.23	37.00	(7.77)	(0.0213)	(1,382)
10	64,884	29.23	14.00	15.23	0.0417	2,898	64,884	29.23	14.00	15.23	0.0417	2,898
11	69,483	29.23	83.10	(53.87)	(0.1476)	(329)	69,483	29.23	83.10	(53.87)	(0.1476)	(329)
12	2,230	29.23	212.00	(182.77)	(0.5008)	(64,305)	2,230	29.23	212.00	(182.77)	(0.5008)	(64,305)
13	128,416	29.23	(98.83)	128.06	0.3508	22,472	128,416	29.23	(98.83)	128.06	0.3508	22,472
14	64,052	29.23	34.72	(5.49)	(0.0151)	(1,273)	64,052	29.23	34.72	(5.49)	(0.0151)	(1,273)
15	84,555	29.23					84,555	29.23				
16	\$ 2,743,081					\$ 84,216	\$ 2,708,349					\$ 67,596
17												
18												
19												
20												
21												
22							335,517	29.23	91.25	(62.02)	(0.1699)	(57,014)
23												
24							\$ 3,043,866					\$ 10,562
25												
26												
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Operating Expenses
Purchased Power
Payroll
Purchased Water
Chemicals
Property & Liability Insurance
Health Insurance
Workman's Compensation Insurance
Other O&M (Excluding Rate Case Expense)
Federal Income Taxes
State Income Taxes
FICA Taxes
FUTA & SUTA Taxes
Property Taxes
Registration, Svc. Contracts, & Misc. Fees
Retirement Annuities (401k)
Total Operating Expenses
Interest Expense
Total

2011 Actual lag days per AWC billing system.
2 Dec. No. 64282 as amended by Dec. Nos. 66849 & 68302. Purchased power lag days per Dec. No. 71845. Purchased water lag days are actual 2011.

Supporting Schedules:
N:\2012_Rate_Case\Settlement\Final Settlement Schedules\2012 AWC Rate Case Settlement.v3.20.13 INTERNAL.XIS\K85.1
Processing Date: 4/2/2013 2:53 PM
Recap Schedules:
Settlement B-5

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Computation of Working Cash Requirement

Line No.	Verde Valley (Sedona, Pinewood, Rimrock)											
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
	Adjusted Results - As Filed	Revenue Lag Days ¹	Expense Lag Days ²	Net Lag Days [B - C]	Lead / Lag Factor [D + 365]	Working Cash Requirement [A X E]	Adjusted Results - Rebuttal	Revenue Lag Days ¹	Expense Lag Days ²	Net Lag Days [H - I]	Lead / Lag Factor [J + 365]	Working Cash Requirement [G X K]
1	\$ 635,560	28.82	30.87	(2.05)	(0.0056)	\$ (3,573)	\$ 635,560	28.82	30.87	(2.05)	(0.0056)	\$ (3,573)
2	1,306,798	28.82	14.00	14.82	0.0406	53,052	1,306,798	28.82	14.00	14.82	0.0406	53,052
3	Operating Expenses	28.82	(18.11)	46.93	0.1286	3,379	26,279	28.82	(18.11)	46.93	0.1286	3,379
4	Purchased Power	28.82	(45.27)	74.09	0.2030	13,286	65,502	28.82	(45.27)	74.09	0.2030	13,286
5	Payroll	28.82	(46.50)	75.32	0.2064	2,514	12,183	28.82	(46.50)	75.32	0.2064	2,514
6	Purchased Water	28.82	(8.92)	37.74	0.1034	23,157	223,971	28.82	(8.92)	37.74	0.1034	23,157
7	Chemicals	28.82	(9.27)	38.09	(0.0224)	(17,410)	1,172,268	28.82	(9.27)	38.09	(0.0224)	(17,410)
8	Property & Liability Insurance	28.82	37.00	(8.18)	(0.0224)	(844)	684,029	28.82	37.00	(8.18)	(0.0224)	(844)
9	Workman's Compensation Insurance	28.82	37.00	(8.18)	(0.0224)	(844)	150,666	28.82	37.00	(8.18)	(0.0224)	(844)
10	Health Insurance	28.82	14.00	14.82	0.0406	3,973	97,861	28.82	14.00	14.82	0.0406	3,973
11	Other O&M (Excluding Rate Case Expense)	28.82	83.10	(54.28)	(0.1487)	(484)	3,253	28.82	83.10	(54.28)	(0.1487)	(484)
12	Federal Income Taxes	28.82	212.00	(183.18)	(0.5019)	(98,833)	232,420	28.82	212.00	(183.18)	(0.5019)	(98,833)
13	State Income Taxes	28.82	(98.83)	127.65	0.3497	29,702	84,930	28.82	(98.83)	127.65	0.3497	29,702
14	FICA Taxes	28.82	34.72	(5.90)	(0.0162)	(1,723)	106,531	28.82	34.72	(5.90)	(0.0162)	(1,723)
15	FUTA & SUTA Taxes											
16	Property Taxes											
17	Registration, Svc. Contracts, & Misc. Fees											
18	Retirement Annuities (401k)											
19	Total Operating Expenses	\$ 4,965,453				\$ 111,380	\$ 4,862,270					\$ 110,264
20	Interest Expense						873,077	28.82	91.25	(62.43)	(0.1710)	(149,337)
21	Total	\$ 4,965,453				\$ 111,380	\$ 5,675,347					\$ (39,073)

¹2011 Actual lag days per AWC billing system.
²Dec. No. 64282 as amended by Dec. Nos. 66849 & 68302. Purchased power lag days per Dec. No. 71845. Purchased water lag days are actual 2011.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Adjusted Test Year Income Statement

Line No.	Northern Group						Adjst'd w/ Increase - Settlement
	(A) Test Year Ended 12/31/2011	(B) Pro Forma Adjustments - As Filed	(C) Adjusted Test Year - As Filed	(D) Settlement Adjustments	(E) Adjusted Test Year - Settlement	(F) Required Increase - Settlement	
1	Operating Revenues						
2	Residential	\$ 8,897,832	\$ (961,547)	\$ 7,936,285	\$ 131,954	\$ 8,068,239	
3	Commercial	2,221,794	(218,528)	2,003,266	-	2,003,266	
4	Industrial	3,594	638	4,231	-	4,231	
5	Private Fire Service	66,835	(7,019)	59,816	-	59,816	
6	Other Water Revenues	18,845	(1,545)	17,300	-	17,300	
7	Total Water Revenues	\$ 11,208,900	\$ (1,168,002)	\$ 10,020,898	\$ 131,954	\$ 10,152,852	
8	Miscellaneous	113,440	(9,681)	103,758	-	103,758	
9	Total Operating Revenues	\$ 11,322,340	\$ (1,197,683)	\$ 10,124,656	\$ 131,954	\$ 10,256,611	\$ 2,240,329
10	Operating Expenses						
11	Source of Supply Expenses:						
12	Purchased Water	610	6,016	83,900	2,166	86,066	610
13	Other	77,884	-	-	-	-	86,068
14	Pumping Expenses:	898,352	-	898,352	-	898,352	898,352
15	Purchased Power	451	-	451	-	451	451
16	Purchased Gas	292,753	33,841	326,594	30,219	356,814	356,814
17	Other	567,248	101,754	669,002	13,430	682,432	682,432
18	Water Treatment Expenses	1,047,823	231,194	1,279,017	(74,927)	1,204,090	1,204,090
19	Transmission & Distribution Expenses	974,482	94,596	1,069,078	-	1,069,078	1,069,078
20	Customer Accounting Expenses	2,058	-	2,058	-	2,058	2,058
21	Sales Expense	1,402,373	280,835	1,683,208	(76,378)	1,606,829	1,606,829
22	Administrative & General Expenses	5,284,034	748,236	6,012,270	(105,480)	5,906,780	5,906,780
23	Administrative & Maintenance Expense	1,689,546	150,254	1,839,800	10,508	1,850,307	1,850,307
24	Depreciation & Amortization Expenses	707,353	(521,446)	185,907	62,546	248,453	948,865
25	Taxes	105,071	(64,117)	40,954	13,778	54,732	209,026
26	Federal Income Taxes	311,379	21,141	332,520	31,271	363,790	389,786
27	State Income Taxes	1,182,063	(1,033,909)	148,155	-	148,155	148,155
28	Property Taxes	2,305,867	(1,588,331)	707,535	107,584	615,130	880,705
29	Other	9,259,446	(699,841)	8,559,605	12,612	8,572,217	9,452,921
30	Total Operating Expenses	\$ 2,062,894	\$ (497,842)	\$ 1,565,051	\$ 119,342	\$ 1,684,394	\$ 1,358,824
31	Operating Income						
32	Other Income & Deductions:						
33	Interest:	1,148,444	55,729	1,204,173	(2,069)	1,202,103	1,202,103
34	Long-Term Debt	841	(841)	-	-	-	-
35	Short-Term Debt	(83,728)	83,728	-	-	-	-
36	Other	1,065,557	138,618	1,204,173	(2,069)	1,202,103	1,202,103
37	Total Interest	(56,906)	56,906	-	-	-	-
38	Other (Income) - Net						
39	Total Other (Income) & Deductions	\$ 1,008,651	\$ 195,522	\$ 1,204,173	\$ (2,069)	\$ 1,202,103	\$ 1,202,103
40	Net Income	\$ 1,054,243	\$ (693,364)	\$ 360,879	\$ 121,412	\$ 482,290	\$ 1,359,624
41							\$ 1,841,915

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Adjusted Test Year Income Statement

Line No.	(A) Test Year Ended 12/31/2011	(B) Pro Forma Adjustments - As Filed	(C) Adjusted Test Year - As Filed	(D) Settlement Adjustments	(E) Adjusted Test Year - Settlement	(F) Required Increase - Settlement	(G) Adjst'd w/ Increase - Settlement
1	Operating Revenues						
2	Residential	\$ (290,248)	\$ 3,065,720	\$ 88,751	\$ 3,134,472		
3	Commercial	(26,674)	459,139	-	459,139		
4	Industrial	374	532	-	532		
5	Private Fire Service	(1,207)	14,767	-	14,767		
6	Other Water Revenues	(1,018)	12,480	-	12,480		
7	Total Water Revenues	\$ (318,969)	\$ 3,552,639	\$ 88,751	\$ 3,621,391		
8	Miscellaneous	(3,215)	42,441	-	42,441		
9	Total Operating Revenues	\$ (322,204)	\$ 3,595,080	\$ 88,751	\$ 3,663,832	\$ 818,535	\$ 4,282,366
10	Operating Expenses						
11	Source of Supply Expenses:						
12	Purchased Water	-	610	-	610	-	610
13	Other	879	38,862	1,281	40,143	-	40,143
14	Pumping Expenses:						
15	Purchased Power	-	262,792	-	262,792	-	262,792
16	Other	-	451	-	451	-	451
17	Purchased Gas	13,606	94,464	11,418	105,882	-	105,882
18	Other	(3,284)	73,577	2,550	76,128	-	76,128
19	Water Treatment Expenses	88,587	530,435	(21,629)	508,806	-	508,806
20	Transmission & Distribution Expenses	41,612	520,456	-	520,456	-	520,456
21	Customer Accounting Expenses	-	881	-	881	-	881
22	Sales Expense	114,617	724,239	(34,175)	689,064	-	689,064
23	Administrative & General Expenses	256,018	2,246,788	(40,555)	2,206,213	-	2,206,213
24	Administrative & Maintenance Expense	-	-	-	-	-	-
25	Total Operating Expenses	\$ 1,990,750	\$ 2,246,788	\$ 10,084	\$ 682,925		
26	Depreciation & Amortization Expenses	643,577	51,093	-	694,670	-	694,670
27	Taxes	(146,185)	20,747	-	(125,438)	-	(125,438)
28	Federal Income Taxes	(18,049)	11,255	-	(6,794)	-	(6,794)
29	State Income Taxes	(15,786)	119,773	-	103,987	-	103,987
30	Property Taxes	(282,408)	83,073	-	(209,335)	-	(209,335)
31	Other	(462,430)	245,195	54,528	(262,757)	-	(262,757)
32	Total Taxes	\$ (707,624)	\$ 3,164,804	\$ 24,057	\$ 3,188,861	\$ 243,895	\$ 3,432,756
33	Total Operating Expenses	\$ (177,147)	\$ 430,276	\$ 44,684	\$ 474,971	\$ 374,639	\$ 849,610
34	Operating Income	\$ 1,417,933	\$ 3,162,304	\$ 3,576,607	\$ 3,146,420	\$ 3,071,781	\$ 3,071,781
35	Other Income & Deductions:						
36	Interest:						
37	Long-Term Debt	(28,040)	331,096	4,421	307,477	-	307,477
38	Short-Term Debt	(263)	-	-	(263)	-	(263)
39	Other	(26,183)	-	-	(26,183)	-	(26,183)
40	Total Interest	\$ (54,486)	\$ 331,096	\$ 4,421	\$ 335,517	\$ -	\$ 335,517
41	Other (Income) - Net	(24,448)	-	-	(24,448)	-	(24,448)
42	Total Other (Income) & Deductions	\$ 308,768	\$ 22,328	\$ 4,421	\$ 335,517	\$ -	\$ 335,517
43	Total Operating (Income) & Deductions	\$ 1,109,165	\$ 3,184,632	\$ 3,581,028	\$ 3,481,937	\$ 3,071,781	\$ 3,071,781
44	Net Income	\$ 266,585	\$ (187,385)	\$ 99,181	\$ 139,454	\$ 374,639	\$ 514,093

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Adjusted Test Year Income Statement

	[A]	[B]	[C]	[D]	[E]	[F]	[G]
	Test Year Ended 12/31/2011	Pro Forma Adjustments - As Filed	Adjusted Test Year - As Filed	Settlement Adjustments	Adjusted Test Year - Settlement	Required Increase - Settlement	Adjusted w/ Increase - Settlement
Verde Valley (Sedona, Pinewood, Rimrock)							
1	Operating Revenues	\$ 5,541,864	\$ 4,870,585	\$ 63,203	\$ 4,933,788		
2	Residential	1,735,981	1,544,126	-	1,544,126		
3	Commercial	3,220	3,699	-	3,699		
4	Industrial	50,861	(5,812)	45,049	45,049		
5	Private Fire Service	5,347	(527)	4,820	4,820		
6	Other Water Revenues						
7	Total Water Revenues	\$ 7,337,272	\$ 6,488,289	\$ 63,203	\$ 6,531,462		
8	Miscellaneous	67,784	(6,486)	61,317	61,317		
9	Total Operating Revenues	\$ 7,405,056	\$ 6,528,576	\$ 63,203	\$ 6,592,779	\$ 1,621,794	\$ 8,214,573
10	Operating Expenses						
11	Source of Supply Expenses:						
12	Purchased Water	39,901	5,137	45,038	885	45,923	45,923
13	Other						
14	Pumping Expenses:	635,560	-	635,560	-	635,560	635,560
15	Purchased Power						
16	Purchased Gas	211,895	20,235	232,130	18,802	250,932	250,932
17	Other	490,387	105,038	595,425	10,880	606,305	606,305
18	Water Treatment Expenses	605,975	142,606	748,581	(53,298)	695,283	695,283
19	Transmission & Distribution Expenses	495,638	52,984	548,622	-	548,622	548,622
20	Customer Accounting Expenses	1,177	1,177	-	-	1,177	1,177
21	Sales Expense	792,751	166,218	958,969	(42,203)	916,765	916,765
22	Administrative & General Expenses	3,273,284	492,218	3,765,502	(64,935)	3,700,567	3,700,567
23	Other						
24	Administrative & Maintenance Expense	1,045,969	120,989	1,166,958	424	1,167,382	1,167,382
25	Depreciation & Amortization Expenses						
26	Other						
27	Taxes	510,075	(375,261)	134,814	41,789	176,613	684,029
28	Federal Income Taxes	75,767	(45,069)	29,698	9,208	38,906	150,686
29	State Income Taxes	175,818	36,928	212,747	2,059	214,806	232,420
30	Property Taxes	836,862	(751,500)	85,082	-	85,082	85,082
31	Other	1,596,242	(1,135,902)	462,341	53,066	515,407	636,809
32	Total Taxes	\$ 5,917,495	\$ (522,664)	\$ 5,394,801	\$ (11,445)	\$ 5,383,356	\$ 6,020,185
33	Total Operating Expenses	\$ 1,487,561	\$ (352,786)	\$ 1,134,775	\$ 74,848	\$ 1,209,423	\$ 984,985
34	Operating Income						
35	Other Income & Deductions:						
36	Interest:						
37	Long-Term Debt	769,309	83,768	853,077	(6,491)	846,587	846,587
38	Short-Term Debt	578	(578)	-	-	-	-
39	Other	(57,545)	57,545	-	-	-	-
40	Total Interest	\$ 732,342	\$ 140,735	\$ 873,077	\$ (6,491)	\$ 866,587	\$ 866,587
41	Other (Income) - Net	(32,459)	32,459	-	-	-	-
42	Total Other (Income) & Deductions	\$ 699,883	\$ 173,194	\$ 873,077	\$ (6,491)	\$ 866,587	\$ 866,587
43	Net Income	\$ 787,677	\$ (525,980)	\$ 261,698	\$ 81,139	\$ 342,837	\$ 984,985
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ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Income Statement Pro Forma Adjustments

Line No.	Northern Group										
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	Actual End of Test Year	Pro Forma Adjustments - As Filed	Adjusted Test Year - As Filed	Settlement Adj. No. 1	Settlement Adj. No. 2	Settlement Adj. No. 3	Settlement Adj. No. 4	Settlement Adj. No. 5	Settlement Adj. No. 6	Settlement Adj. No. 7	Settlement Adj. No. 8
1	Operating Revenues										
2	Residential	\$ 8,897,832	\$ (951,547)	\$ 7,936,285	\$ 131,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Commercial	2,221,794	(218,528)	2,003,266	-	-	-	-	-	-	-
4	Industrial	3,594	638	4,231	-	-	-	-	-	-	-
5	Private Fire Service	66,835	(7,019)	59,816	-	-	-	-	-	-	-
6	Other Water Revenues	18,845	(1,545)	17,300	-	-	-	-	-	-	-
7	Total Water Revenues	\$ 11,208,900	\$ (1,168,002)	\$ 10,020,898	\$ 131,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Miscellaneous	113,440	(8,681)	103,758	-	-	-	-	-	-	-
9	Total Operating Revenues	\$ 11,322,340	\$ (1,176,683)	\$ 10,124,658	\$ 131,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Operating Expenses										
11	Source of Supply Expenses:										
12	Purchased Water	610	-	610	-	-	-	-	-	-	-
13	Other	77,884	6,016	83,900	2,166	-	-	-	-	-	-
14	Pumping Expenses:										
15	Purchased Power	898,352	-	898,352	-	-	-	-	-	-	-
16	Purchased Gas	451	-	451	-	-	-	-	-	-	-
17	Other	292,753	33,841	326,594	30,219	-	-	-	-	-	-
18	Water Treatment Expenses	867,248	101,754	969,002	13,430	-	-	-	-	-	-
19	Transmission & Distribution Expenses	1,047,823	231,194	1,279,017	(74,927)	-	-	-	-	-	-
20	Customer Accounting Expenses	974,482	94,596	1,069,078	-	-	-	-	-	-	-
21	Sales Expense	2,058	-	2,058	-	-	-	-	-	-	-
22	Administrative & General Expenses	1,402,373	280,835	1,683,208	-	(3,528)	(42,325)	(30,525)	-	-	-
23	Operations & Maintenance Expense	5,264,034	748,236	6,012,270	45,815	(3,528)	(42,325)	(30,525)	10,508	-	-
24	Depreciation & Amortization Expenses	1,689,546	150,254	1,839,800	-	-	-	-	-	-	-
25	Taxes										
26	Federal Income Taxes	707,353	(521,446)	185,907	-	-	-	-	-	-	-
27	State Income Taxes	105,071	(64,117)	40,954	-	-	-	-	-	-	-
28	Property Taxes	311,379	21,141	332,520	-	-	-	-	-	-	31,271
29	Other	1,182,063	(1,033,909)	148,155	-	-	-	-	-	-	-
30	Total Taxes	\$ 2,305,867	\$ (1,598,331)	\$ 707,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,271
31	Total Operating Expenses	\$ 9,269,446	\$ (699,841)	\$ 8,559,605	\$ 45,815	\$ (74,927)	\$ (42,325)	\$ (30,525)	\$ 10,508	\$ -	\$ 31,271
32	Operating Income	\$ 2,062,894	\$ (497,842)	\$ 1,565,051	\$ 86,139	\$ 74,927	\$ 42,325	\$ 30,525	\$ (10,508)	\$ -	\$ (31,271)
33	Other Income & Deductions:										
34	Interest:										
35	Long-Term Debt	1,148,444	55,729	1,204,173	-	-	-	-	-	(2,069)	-
36	Short-Term Debt	841	(641)	-	-	-	-	-	-	-	-
37	Other	(63,728)	83,728	-	-	-	-	-	-	-	-
38	Total Interest	\$ 1,065,557	\$ 138,616	\$ 1,204,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,069)	\$ -
39	Other (Income) - Net	(56,908)	56,908	-	-	-	-	-	-	-	-
40	Total Other (Income) & Deductions	\$ 1,008,651	\$ 195,522	\$ 1,204,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,069)	\$ -
41	Net Income	\$ 1,054,243	\$ (893,364)	\$ 360,879	\$ 86,139	\$ 74,927	\$ 42,325	\$ 30,525	\$ (10,508)	\$ 2,069	\$ (31,271)

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Income Statement Pro Forma Adjustments

Line No.	Northern Group										
	[L]	[M]	[N]	[O]	[P]	[Q]	[R]	[S]	[T]	[U]	[V]
	Settlement Adj. No. 9	BLANK	BLANK	BLANK	BLANK	BLANK	BLANK	Total Settlement Adjustments	Adjusted Test Year - Settlement	Required Increase - Settlement	Adj'd w/ Increase - Settlement
1	Operating Revenues	\$	\$	\$	\$	\$	\$	\$ 131,954	\$ 8,068,239		
2	Residential								2,003,286		
3	Commercial								4,231		
4	Industrial								59,816		
5	Private Fire Service								17,300		
6	Other Water Revenues							\$ 131,954	\$ 10,152,852		
7	Total Water Revenues	\$	\$	\$	\$	\$	\$	\$ 131,954	\$ 10,256,611	\$ 2,240,329	\$ 12,496,939
8	Miscellaneous								103,758		
9	Total Operating Revenues	\$	\$	\$	\$	\$	\$	\$ 131,954	\$ 10,256,611	\$ 2,240,329	\$ 12,496,939
10	Operating Expenses:								610		610
11	Source of Supply Expenses:								86,066		86,066
12	Purchased Water							2,166			
13	Other								898,352		898,352
14	Pumping Expenses:								451		451
15	Purchased Power							30,219			356,814
16	Purchased Gas							13,430			682,432
17	Other							(74,927)			1,204,090
18	Water Treatment Expenses								1,069,078		1,069,078
19	Transmission & Distribution Expenses								2,058		2,058
20	Customer Accounting Expenses							(76,378)			1,606,829
21	Sales Expense							(105,490)			5,906,780
22	Administrative & General Expenses							10,508			1,850,307
23	Operations & Maintenance Expense										
24	Total Operating Expenses	\$	\$	\$	\$	\$	\$	\$ 10,508	\$ 1,850,307	\$ 700,412	\$ 948,865
25	Depreciation & Amortization Expenses								248,453		209,076
26	Taxes:								54,732		154,295
27	Federal Income Taxes							62,546			389,788
28	State Income Taxes							13,778			148,155
29	Property Taxes							31,271			1,895,834
30	Other								148,155		
31	Total Taxes	\$	\$	\$	\$	\$	\$	\$ 107,594	\$ 815,130	\$ 880,705	\$ 1,895,834
32	Total Operating Expenses	\$	\$	\$	\$	\$	\$	\$ 12,612	\$ 8,572,217	\$ 880,705	\$ 9,452,921
33	Operating Income	\$	\$	\$	\$	\$	\$	\$ 119,342	\$ 1,884,394	\$ 1,359,624	\$ 3,044,018
34	Other Income & Deductions:										
35	Interest:							(2,069)	1,202,103		1,202,103
36	Long-Term Debt										
37	Short-Term Debt										
38	Other										
39	Total Interest	\$	\$	\$	\$	\$	\$	\$ (2,069)	\$ 1,202,103	\$	\$ 1,202,103
40	Other (Income) - Net										
41	Total Other (Income) & Deductions	\$	\$	\$	\$	\$	\$	\$ (2,069)	\$ 1,202,103	\$	\$ 1,202,103
42	Net Income	\$	\$	\$	\$	\$	\$	\$ 121,412	\$ 482,290	\$ 1,359,624	\$ 1,841,915
43		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
44		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
45		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
46		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
47		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
48		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
49		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
50		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
51		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
52		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
53		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
54		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
55		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

ARIZONA WATER COMPANY
 Test Year Ended December 31, 2011
 Income Statement Pro Forma Adjustments

Line No.	Navajo										
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	Actual End of Test Year	Pro Forma Adjustments - As Filed	Adjusted Test Year - As Filed	Settlement Adj. No. 1	Settlement Adj. No. 2	Settlement Adj. No. 3	Settlement Adj. No. 4	Settlement Adj. No. 5	Settlement Adj. No. 6	Settlement Adj. No. 7	Settlement Adj. No. 8
1	Operating Revenues										
2	Residential	\$ 3,355,969	\$ (290,249)	\$ 3,065,720	\$ 68,751						
3	Commercial	485,813	(26,674)	459,139							
4	Industrial	374	158	532							
5	Private Fire Service	15,974	(1,207)	14,767							
6	Other Water Revenues	13,498	(1,018)	12,480							
7	Total Water Revenues	\$ 3,871,628	\$ (318,969)	\$ 3,552,659	\$ 68,751						
8											
9	Miscellaneous	45,656	(3,215)	42,441							
10	Total Operating Revenues	\$ 3,917,284	\$ (322,204)	\$ 3,595,080	\$ 68,751						
11											
12	Operating Expenses										
13	Source of Supply Expenses:										
14	Purchased Water	610		610	1,281						
15	Other	37,983	879	38,862							
16	Pumping Expenses:										
17	Purchased Power	262,792		262,792							
18	Purchased Gas	451		451							
19	Other	80,858	13,606	94,464	11,418						
20	Water Treatment Expenses	76,861	(3,284)	73,577	2,550						
21	Transmission & Distribution Expenses	441,848	88,587	530,435							
22	Customer Accounting Expenses	478,844	41,612	520,456							
23	Sales Expense	881		881							
24	Administrative & General Expenses	608,622	114,617	724,239							
25	Total Operations & Maintenance Expense	\$ 1,990,750	\$ 256,018	\$ 2,246,768	\$ 15,249	\$ (21,629)	\$ (18,750)	\$ (13,114)	\$ -	\$ -	\$ -
26											
27	Depreciation & Amortization Expenses	643,577	29,264	672,841						10,084	
28											
29	Taxes										
30	Federal Income Taxes	197,278	(146,185)	51,093							
31	State Income Taxes	29,304	(18,049)	11,255							29,211
32	Property Taxes	135,561	(15,786)	119,773							
33	Other	345,481	(282,408)	63,073							
34	Total Taxes	\$ 707,624	\$ (462,430)	\$ 245,195							
35											
36	Total Operating Expenses	\$ 3,341,951	\$ (177,147)	\$ 3,164,804	\$ 15,249	\$ (21,629)	\$ (18,750)	\$ (13,114)	\$ 10,084	\$ -	\$ 29,211
37	Operating Income	\$ 575,333	\$ (145,057)	\$ 430,276	\$ 53,503	\$ 21,629	\$ 18,750	\$ 13,114	\$ (10,084)	\$ -	\$ (29,211)
38											
39	Other Income & Deductions:										
40	Interest:										
41	Long-Term Debt	359,135	(28,040)	331,096						4,421	
42	Short-Term Debt	263	(263)	-							
43	Other	(26,183)	26,183	-							
44	Total Interest	\$ 333,215	\$ (2,120)	\$ 331,096						\$ 4,421	\$ -
45											
46	Other (Income) - Net	(24,448)	24,448	-							
47											
48	Total Other (Income) & Deductions	\$ 308,768	\$ 22,328	\$ 331,096						\$ 4,421	\$ -
49											
50	Net Income	\$ 266,565	\$ (167,395)	\$ 99,181	\$ 53,503	\$ 21,629	\$ 18,750	\$ 13,114	\$ (10,084)	\$ (4,421)	\$ (29,211)
51											
52											
53											
54											
55											

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Income Statement Pro Forma Adjustments

Line No.	[L]	[M]	[N]	[O]	[P]	[Q]	[R]	[S]	[T]	[U]	[V]
	Settlement Adj. No. 9	BLANK	BLANK	BLANK	BLANK	BLANK	BLANK	Total Settlement Adjustments	Adjusted Test Year - Settlement	Required Increase - Settlement	Adj'd w/ Increase - Settlement
1	Operating Revenues							\$ 68,751	\$ 3,134,472		
2	Residential								459,139		
3	Commercial								532		
4	Industrial								14,767		
5	Private Fire Service								12,480		
6	Other Water Revenues										
7	Total Water Revenues							\$ 68,751	\$ 3,621,391		
8									42,441		
9	Miscellaneous										
10	Total Operating Revenues							\$ 68,751	\$ 3,663,832	\$ 618,535	\$ 4,282,368
11											
12	Operating Expenses										
13	Source of Supply Expenses:										
14	Purchased Water							1,281	610		610
15	Other								40,143		40,143
16	Pumping Expenses:								262,792		262,792
17	Purchased Power								451		451
18	Purchased Gas								105,882		105,882
19	Other								76,128		76,128
20	Water Treatment Expenses								508,806		508,806
21	Transmission & Distribution Expenses								520,456		520,456
22	Customer Accounting Expenses								881		881
23	Sales Expense								690,064		690,064
24	Administrative & General Expenses										
25	Operations & Maintenance Expense								2,206,213		2,206,213
26	Total Operating Expenses							\$ 10,084	\$ 682,925		\$ 682,925
27	Depreciation & Amortization Expenses										
28											
29	Taxes										
30	Federal Income Taxes							20,747	71,840		264,836
31	State Income Taxes							4,570	15,826		58,341
32	Property Taxes							29,211	148,985		157,369
33	Other								63,073		63,073
34	Total Taxes							\$ 54,528	\$ 256,723	\$ 243,895	\$ 543,618
35	Total Operating Expenses							\$ 24,057	\$ 3,188,961	\$ 243,895	\$ 3,432,756
36	Operating Income							\$ 44,694	\$ 474,971	\$ 374,639	\$ 849,610
37											
38	Other Income & Deductions:										
39	Interest:										
40	Long-Term Debt							4,421	335,517		335,517
41	Short-Term Debt										
42	Other										
43	Total Interest							\$ 4,421	\$ 335,517	\$ -	\$ 335,517
44	Other (Income) - Net										
45											
46	Total Other (Income) & Deductions							\$ 4,421	\$ 335,517	\$ -	\$ 335,517
47											
48	Net Income							\$ 40,273	\$ 139,454	\$ 374,639	\$ 514,093
49											
50											
51											
52											
53											
54											
55											

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Income Statement Pro Forma Adjustments

Line No.	Verde Valley (Sedona, Pinewood, Rimrock)										
	[A] Actual End of Test Year	[B] Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	[D] Settlement Adj. No. 1	[E] Settlement Adj. No. 2	[F] Settlement Adj. No. 3	[G] Settlement Adj. No. 4	[H] Settlement Adj. No. 5	[I] Settlement Adj. No. 6	[J] Settlement Adj. No. 7	[K] Settlement Adj. No. 8
1											
2	\$ 5,541,864	\$ (671,269)	\$ 4,870,595	\$ 63,203							
3	1,735,981	(191,855)	1,544,126								
4	3,220	479	3,699								
5	50,861	(5,812)	45,049								
6	5,347	(527)	4,820								
7	\$ 7,337,272	\$ (669,013)	\$ 6,668,259	\$ 63,203							
8											
9	\$ 67,784	\$ (6,466)	\$ 61,317								
10	\$ 7,405,056	\$ (675,480)	\$ 6,729,576	\$ 63,203							
11											
12											
13											
14											
15	39,901	5,137	45,038	885							
16											
17	635,560		635,560								
18											
19	211,895	20,235	232,130	18,802							
20	490,387	105,038	595,425	10,880							
21	605,975	142,606	748,581		(53,298)						
22	495,638	52,984	548,622								
23	1,177	1,177	1,177								
24	792,751	166,218	958,969			(1,217)	(23,575)	(17,411)			
25	\$ 3,273,264	\$ 492,218	\$ 3,765,502	\$ 30,566	\$ (53,298)	\$ (1,217)	\$ (23,575)	\$ (17,411)			
26									424		
27	1,045,969	120,989	1,166,958								
28											
29											
30	510,075	(375,261)	134,814								2,059
31	75,767	(46,069)	29,698								
32	175,818	36,928	212,747								
33	836,582	(751,500)	85,082								
34	\$ 1,698,242	\$ (1,135,902)	\$ 462,341								2,059
35											
36	\$ 5,917,495	\$ (522,894)	\$ 5,394,601	\$ 30,566	\$ (53,298)	\$ (1,217)	\$ (23,575)	\$ (17,411)	\$ 424		\$ 2,059
37	\$ 1,487,561	\$ (352,786)	\$ 1,134,775	\$ 32,636	\$ 53,298	\$ 1,217	\$ 23,575	\$ 17,411	\$ (424)		\$ (2,059)
38											
39											
40											
41	789,309	83,768	873,077								(6,491)
42	578	(578)									
43	(57,545)	57,545									
44	\$ 732,342	\$ 140,735	\$ 873,077								(6,491)
45											
46	(32,459)	32,459									
47											
48	\$ 699,883	\$ 173,194	\$ 873,077								(6,491)
49	\$ 767,677	\$ (525,890)	\$ 261,698	\$ 32,636	\$ 53,298	\$ 1,217	\$ 23,575	\$ 17,411	\$ (424)		\$ 6,491
50											(2,059)
51											
52											
53											
54											
55											

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Income Statement Pro Forma Adjustments

Line No.	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)
	Settlement	BLANK	BLANK	BLANK	BLANK	BLANK	BLANK	Total Settlement Adjustments	Adjusted Test Year - Settlement	Required Increase - Settlement	Adjusted w/ Increase - Settlement
1	Operating Revenues							\$ 63,203	\$ 4,933,788		
2	Residential								1,544,126		
3	Commercial								3,699		
4	Industrial								45,049		
5	Private Fire Service								4,820		
6	Other Water Revenues							\$ 63,203	\$ 6,531,462		
7	Total Water Revenues								61,317		
8	Miscellaneous										
9	Total Operating Revenues							\$ 63,203	\$ 6,592,779	\$ 1,821,784	\$ 8,214,573
10	Operating Expenses										
11	Source of Supply Expenses:										
12	Purchased Water							885	45,923		45,923
13	Other								635,560		635,560
14	Pumping Expenses:										
15	Purchased Power							18,802	250,932		250,932
16	Purchased Gas							10,880	606,305		606,305
17	Other							(53,298)	695,283		695,283
18	Water Treatment Expenses								548,622		548,622
19	Transmission & Distribution Expenses								1,177		1,177
20	Customer Accounting Expenses							(42,203)	916,765		916,765
21	Sales Expense							(64,335)	3,700,567		3,700,567
22	Administrative & General Expense										
23	Operations & Maintenance Expense							424	1,167,382		1,167,382
24	Depreciation & Amortization Expenses										
25	Taxes										
26	Federal Income Taxes							41,799	176,613		176,613
27	State Income Taxes							9,208	38,906		38,906
28	Property Taxes							2,059	214,806		214,806
29	Other								85,082		85,082
30	Total Taxes							\$ 53,066	\$ 515,407	\$ 636,809	\$ 1,152,216
31	Total Operating Expenses							\$ (11,445)	\$ 5,383,356	\$ 636,809	\$ 6,020,165
32	Operating Income							\$ 74,848	\$ 1,209,423	\$ 984,985	\$ 2,194,408
33	Other Income & Deductions:										
34	Interest:										
35	Long-Term Debt							(6,491)	866,587		866,587
36	Short-Term Debt										
37	Other										
38	Total Interest							(6,491)	866,587		866,587
39	Other (Income) - Net										
40	Total Other (Income) & Deductions							(6,491)	866,587		866,587
41	Net Income							\$ 81,159	\$ 342,837	\$ 984,985	\$ 1,327,821

ARIZONA WATER COMPANY
 Test Year Ended December 31, 2011
 Settlement Income Statement Adjustment No. 1
 Reverse Company Proposed Weather & Usage Normalization

Line No.	Class of Service	Navajo [A]		Verde Valley [B]		Total [B]	
		Increase / (Decrease) in Revenue	Increase / (Decrease) in Expenses	Increase / (Decrease) in Revenue	Increase / (Decrease) in Expenses	Increase / (Decrease) in Revenue	Increase / (Decrease) in Expenses
3	Residential 5/8 x 3/4 -inch	\$ 63,677		\$ 52,810		\$ 116,487	
4	Residential 1-inch	1,745		6,385		8,130	
5	Residential 1.5-inch	1,672		2,794		4,466	
6	Residential 2-inch	612		612		612	
7	Residential 3-inch	1,045		204		1,249	
8	Residential 4-inch	-		1,011		1,011	
9	Residential 6-inch	-		-		-	
10	Residential 8-inch	-		-		-	
11	Residential 10-inch	-		-		-	
12	Total Residential	\$ 68,751		\$ 63,203		\$ 131,954	
13							
14							
15	Total Increase/(Decrease) in Revenue	\$ 68,751		\$ 63,203		\$ 131,954	
16							
17							
18							
19							
20							
21							
22	Class of Expense						
23							
24	Source of Supply	\$ 1,281		\$ 885		\$ 2,166	
25	Pumping	11,418		18,802		30,219	
26	Water Treatment	2,550		10,880		13,430	
27							
28	Total Residential	\$ 15,249		\$ 30,566		\$ 45,815	
29							
30	Total Increase/(Decrease) in Expenses	\$ 15,249		\$ 30,566		\$ 45,815	
31							
32							
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ARIZONA WATER COMPANY
 Test Year Ended December 31, 2011
 Settlement Income Statement Adjustment No. 2
 Adopt Staff Recommended T&D Maintenance Expense Adjustment

Line No.	[A]	Northern Group	[B]	[C]
1	Company Proposed			
2	T&D			
3	Maintenance -			
4	Expense -			
5	Adjustment			
6	System			
7	Northern Group			
8	Navajo	\$ 68,736	\$ 47,107	\$ (21,629)
9	Verde Valley	66,204	12,906	(53,298)
10	Subtotal	\$ 134,940	\$ 60,013	\$ (74,927)
11	Total	\$ 134,940	\$ 60,013	\$ (74,927)
12				
13				
14				
15	Increase/(Decrease) in Expenses			\$ (74,927)
16				
17				
18				
19				
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ARIZONA WATER COMPANY
 Test Year Ended December 31, 2011
 Settlement Income Statement Adjustment No. 3
 Adopt Staff Recommended Adjustment to Miscellaneous Expense

Line No.	System	Northern Group [A]	Staff Proposed Adjustment - Miscellaneous Expense
6	Northern Group		\$ (2,311)
7	Navajo		(1,217)
8	Verde Valley		
10	Subtotal		\$ (3,528)
11	Total		\$ (3,528)
14	Increase/(Decrease) in Expenses		\$ (3,528)

ARIZONA WATER COMPANY
 Test Year Ended December 31, 2011
 Settlement Income Statement Adjustment No. 4
 Adopt Staff Recommended Adjustment to Best Management Practices ("BMP") Expense

Line No.	System	Northern Group	Staff Proposed Adjustment - BMP Expense
6	Northern Group	\$ (18,750)	
7	Navajo	(23,575)	
8	Verde Valley		
10	Subtotal	\$ (42,325)	
11	Total	\$ (42,325)	
15	Increase/(Decrease) in Expenses	\$ (42,325)	

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Income Statement Adjustment No. 5
Adopt Staff Recommended Rate Case Expense

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
	Northern Group									
Line No.	System	Northern Grp. Rate Case Expense Estimate / Spread	Normalization Period In Years	Annual Expense - Normalized	T.Y. 2011 Prior Rate Case Expense Charged to O&M - 928.2	Increase / (Decrease)	Settlement Rate Case Expense	Normalization Period In Years	Annual Expense - Normalized	Increase / (Decrease)
1	Northern Group	\$ 189,707	3	\$ 63,236	\$ 16,980	\$ 46,256	\$ 150,364	3	\$ 50,121	\$ (13,114)
2	Navejo	251,869	3	83,956	21,480	62,476	199,636	3	66,545	(17,411)
3	Verde Valley									
4										
5	Subtotal	\$ 441,576		\$ 147,192	\$ 38,460	\$ 108,732	\$ 350,000		\$ 116,667	\$ (30,525)
6										
7										
8										
9	Phoenix Office	\$ 441,576		\$ 147,192	\$ 38,460	\$ 108,732	\$ 350,000		\$ 116,667	\$ (30,525)
10										
11										
12	Total									
13										
14	Increase/(Decrease) in Rate Case Expense									

ARIZONA WATER COMPANY
 Test Year Ended December 31, 2011
 Settlement Income Statement Adjustment No. 6
 Adjust Depreciation Expense to Reflected Settlement Plant Adjustments

Line No.	Acct.	(A) Depreciation Rate	(B) Settlement Rate Base Adjustments - Direct Plant	(C) Settlement Rate Base Adjustments - P.T.Y.P.	(D) Navajo Increase / (Decrease) Dep't. Exp.	(E) Increase / (Decrease) Phoenix Office (3-factor Alloc.) 0.0943	(F) Increase / (Decrease) Meter Shop (3-factor Alloc.) 0.0943	(G) Total Increase / (Decrease) (D + E + F)
1	Intangible Plant							
2	301 Organization	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	302 Franchises	note_1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	303 Other Intangibles	note_1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Source of Supply Plant	0.00%	\$ -	(0)	\$ -	\$ -	\$ -	\$ -
7	310.1 Water Rights	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	310.3 Other Source of Supply Land	note_1	\$ -	91,574	2,866	\$ -	\$ -	2,866
9	310.4 Wells - Other	3.13%	\$ -	91,574	2,866	\$ -	\$ -	2,866
10	314 Wells		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Subtotal Source of Supply Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Pumping Plant	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	320 Pumping Plant Land	2.86%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	321 Pumping Plant Structures & Improvements	5.88%	\$ -	67,225	3,953	\$ -	\$ -	3,953
15	325 Electric Pumping Equipment	4.00%	\$ -	67,225	3,953	\$ -	\$ -	3,953
16	328 Gas Engine Equipment		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Water Treatment Plant	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	330 Water Treatment Plant Land	2.50%	\$ -	(50,000)	258	\$ -	\$ -	258
20	331 Water Treatment Structures & Improvements	2.85%	\$ -	10,321	0	\$ -	\$ -	0
21	332 Water Treatment Equipment		\$ -	(39,878)	258	\$ -	\$ -	258
22	Subtotal Water Treatment Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Transmission & Distribution Plant	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	340 Transmission and Distribution Land	2.00%	\$ -	(5,271)	(94)	\$ -	\$ -	(94)
25	342 Storage Tanks	1.79%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	343 Transmission & Distribution Mains	2.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	344 Fire Sprinkler Taps	2.38%	\$ -	129,897	3,092	\$ -	\$ -	3,092
28	345 Services	4.55%	\$ -	(50,000)	(2,275)	\$ -	\$ -	(2,275)
29	346 Meters		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	348 Hydrants	1.82%	\$ -	74,627	722	\$ -	\$ -	722
31	Subtotal Transmission & Distribution Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	General Plant	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	389 General Plant Land	2.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	390 General Plant Structures	note_2	\$ -	\$ -	\$ -	(35)	\$ -	(35)
35	390.1 Leasehold Improvements	6.87%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	391 Office Furniture & Equipment	5.00%	\$ -	\$ -	\$ -	16	\$ -	16
37	393 Warehouse Equipment	4.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	394 Tools, Shop & Garage Equipment	5.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	395 Laboratory Equipment	6.87%	\$ -	34,533	2,303	\$ -	\$ -	2,303
40	396 Power Operated Equipment	6.87%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	397 Communication Equipment	3.33%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	398 Miscellaneous Equipment		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	Subtotal General Plant		\$ -	\$ -	\$ -	(19)	\$ -	(19)
44	Subtotal Depreciation Expense - Utility Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	Total Depreciation Expense - Utility Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	Net Regulatory Assets/(Liabilities)	2.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	Less: Contributions in Aid of Construction		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	Total Increase/(Decrease) in Depreciation & Amortization Expense - Settlement		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52	note_1 Acct. 302 - Franchises amortized over 25 years, Acct. 303 - Other intangibles amortized over 15 & 20 Years.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53	Acct. 310.4 - Wells - Other amortized over 24 years. Accumulated Amortization booked to Acct. 111 - Amort. Of Ltd. Term Investments.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54	note_2 Acct. 390.1 - Leasehold improvements amortized over the remaining life of the associated lease.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ARIZONA WATER COMPANY
 Test Year Ended December 31, 2011
 Settlement Income Statement Adjustment No. 6 (continued)
 Adjust Depreciation Expense to Reflect Settlement Plant Adjustments

Line No.	Acct. No.	Description	Verde Valley					Total Increase / (Decrease) [D+E+F]
			[A] Depreciation Rate	[B] Settlement Rate Base Adjustments - Direct Plant	[C] Settlement Rate Base Adjustments - P.T.Y.P.	[D] Increase / (Decrease) Depr. Exp.	[E] Increase / (Decrease) Phoenix Office (3-factor Alloc.) 0.1252	
1		Intangible Plant						
2	301	Organization	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
3	302	Franchises	note_1	\$ -	\$ -	\$ -	\$ -	\$ -
4	303	Other Intangibles	note_1	\$ -	\$ -	\$ -	\$ -	\$ -
5		Subtotal Intangible Plant		\$ -	\$ -	\$ -	\$ -	\$ -
6		Source of Supply Plant						
7	310.1	Water Rights	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
8	310.3	Other Source of Supply Land	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
9	310.4	Wells - Other	note_1	\$ -	\$ -	\$ -	\$ -	\$ -
10	314	Wells	3.13%	\$ -	\$ -	\$ -	\$ -	\$ -
11		Subtotal Source of Supply Plant		\$ -	\$ -	\$ -	\$ -	\$ -
12		Pumping Plant						
13	320	Pumping Plant Land	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
14	321	Pumping Plant Structures & Improvements	2.86%	\$ -	\$ -	\$ -	\$ -	\$ -
15	325	Electric Pumping Equipment	5.88%	\$ -	\$ -	\$ -	\$ -	\$ -
16	328	Gas Engine Equipment	4.00%	\$ -	\$ -	\$ -	\$ -	\$ -
17		Subtotal Pumping Plant		\$ -	\$ -	\$ -	\$ -	\$ -
18		Water Treatment Plant						
19	330	Water Treatment Plant Land	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
20	331	Water Treatment Structures & Improvements	2.50%	\$ 1,533	\$ 44	\$ 44	\$ 44	\$ 44
21	332	Water Treatment Equipment	2.86%	\$ 1,533	\$ 44	\$ 44	\$ 44	\$ 44
22		Subtotal Water Treatment Plant		\$ 3,066	\$ 88	\$ 88	\$ 88	\$ 88
23		Transmission & Distribution Plant						
24	340	Transmission and Distribution Land	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
25	342	Storage Tanks	2.00%	\$ (10,494)	\$ -	\$ (188)	\$ -	\$ (188)
26	343	Transmission & Distribution Mains	1.79%	\$ -	\$ -	\$ -	\$ -	\$ -
27	344	Fire Sprinkler Taps	2.00%	\$ 1,342	\$ -	\$ 32	\$ -	\$ 32
28	345	Services	2.38%	\$ -	\$ -	\$ -	\$ -	\$ -
29	346	Meters	4.55%	\$ -	\$ -	\$ -	\$ -	\$ -
30	348	Hydrants	1.82%	\$ (9,151)	\$ -	\$ (156)	\$ -	\$ (156)
31		Subtotal Transmission & Distribution Plant		\$ (7,803)	\$ -	\$ (124)	\$ -	\$ (7,927)
32		General Plant						
33	389	General Plant Land	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
34	390	General Plant Structures	2.50%	\$ -	\$ -	\$ -	\$ -	\$ -
35	390.1	Leasehold Improvements	note_2	\$ -	\$ -	\$ (47)	\$ -	\$ (47)
36	391	Office Furniture & Equipment	6.67%	\$ -	\$ -	\$ -	\$ -	\$ -
37	393	Warehouse Equipment	5.00%	\$ -	\$ -	\$ 22	\$ -	\$ 22
38	394	Tools, Shop & Garage Equipment	4.00%	\$ -	\$ -	\$ -	\$ -	\$ -
39	395	Laboratory Equipment	5.00%	\$ -	\$ -	\$ -	\$ -	\$ -
40	396	Power Operated Equipment	6.67%	\$ 8,413	\$ -	\$ 561	\$ -	\$ 8,974
41	397	Communication Equipment	6.67%	\$ -	\$ -	\$ -	\$ -	\$ -
42	398	Miscellaneous Equipment	3.33%	\$ -	\$ -	\$ -	\$ -	\$ -
43		Subtotal General Plant		\$ 8,413	\$ -	\$ 561	\$ (25)	\$ 8,949
44		Total Depreciation Expense - Utility Plant		\$ 795	\$ -	\$ (25)	\$ -	\$ 770
45		Net Regulatory Assets/(Liabilities)		\$ -	\$ -	\$ -	\$ -	\$ -
46		Less: Contributions in Aid of Construction	2.00%	\$ -	\$ -	\$ -	\$ -	\$ -
47		Total Increase/(Decrease) in Depreciation & Amortization Expense - Settlement		\$ 795	\$ -	\$ (25)	\$ -	\$ 770
48				\$ -	\$ -	\$ -	\$ -	\$ -
49				\$ -	\$ -	\$ -	\$ -	\$ -
50				\$ -	\$ -	\$ -	\$ -	\$ -
51				\$ -	\$ -	\$ -	\$ -	\$ -
52				\$ -	\$ -	\$ -	\$ -	\$ -
53				\$ -	\$ -	\$ -	\$ -	\$ -
54				\$ -	\$ -	\$ -	\$ -	\$ -
55				\$ -	\$ -	\$ -	\$ -	\$ -

note_1 Acct. 302 - Franchises amortized over 25 years. Acct. 303 - Other intangibles amortized over 15 & 20 Years.
 Acct. 310.4 - Wells - Other amortized over 24 years. Accumulated Amortization booked to Acct. 111 - Amort. Of Ltd. Term Investments.
 note_2 Acct. 390.1 - Leasehold improvements amortized over the remaining life of the associated lease.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Income Statement Adjustment No. 6 (continued)
Adjust Depreciation Expense to Reflect Settlement Plant Adjustments

Line No.	Acct. No.	Description	[A] Depreciation Rate	[B] Settlement Rate Base Adjustments -		[C] Phoenix Office Settlement Rate Base Adjustments - P.I.X.P.	[D] Increase / (Decrease) Depr. Exp.
				Direct Plant	Indirect Plant		
1		Intangible Plant					
2	301	Organization	0.00%	\$ -	\$ -	\$ -	\$ -
3	302	Franchises	note_1				
4	303	Other Intangibles	note_1				
5		Subtotal Intangible Plant		\$ -	\$ -	\$ -	\$ -
6		Source of Supply Plant					
7	310.1	Water Rights	0.00%				
8	310.3	Other Source of Supply Land	note_1				
9	310.4	Wells - Other	3.13%				
10	314	Wells					
11		Subtotal Source of Supply Plant		\$ -	\$ -	\$ -	\$ -
12		Pumping Plant					
13	320	Pumping Plant Land	0.00%				
14	321	Pumping Plant Structures & Improvements	2.86%				
15	325	Electric Pumping Equipment	5.88%				
16	328	Gas Engine Equipment	4.00%				
17		Subtotal Pumping Plant		\$ -	\$ -	\$ -	\$ -
18		Water Treatment Plant					
19	330	Water Treatment Plant Land	0.00%				
20	331	Water Treatment Structures & Improvements	2.50%				
21	332	Water Treatment Equipment	2.86%				
22		Subtotal Water Treatment Plant		\$ -	\$ -	\$ -	\$ -
23		Transmission & Distribution Plant					
24	340	Transmission and Distribution Land	0.00%				
25	342	Storage Tanks	2.00%				
26	343	Transmission & Distribution Mains	1.79%				
27	344	Fire Sprinkler Taps	2.00%				
28	345	Services	2.38%				
29	346	Meters	4.55%				
30	348	Hydrants	1.82%				
31		Subtotal Transmission & Distribution Plant		\$ -	\$ -	\$ -	\$ -
32		General Plant					
33	389	General Plant Land	0.00%				
34	390	General Plant Structures	2.50%				
35	390.1	Leasehold Improvements	note_2		(5,620)	(375)	
36	391	Office Furniture & Equipment	6.67%				
37	393	Warehouse Equipment	5.00%				
38	394	Tools, Shop & Garage Equipment	4.00%		4,334	173	
39	395	Laboratory Equipment	5.00%				
40	396	Power Operated Equipment	6.67%				
41	397	Communication Equipment	6.67%				
42	398	Miscellaneous Equipment	3.33%				
43		Subtotal General Plant		\$ -	(1,286)	(201)	
44		Total Depreciation Expense - Utility Plant		\$ -	(1,286)	(201)	
45		Net Regulatory Assets/(Liabilities)					
46		Total Increase/(Decrease) in Depreciation & Amortization Expense - Settlement					
47							
48							
49							
50							
51							
52							
53							
54							
55							

note_1 Acct. 302 - Franchises amortized over 25 years. Acct. 303 - Other intangibles amortized over 15 & 20 Years.
Acct. 310.4 - Wells - Other amortized over 24 years. Accumulated Amortization booked to Acct. 111 - Amort. Of Ltd. Term Investments.
note_2 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

ARIZONA WATER COMPANY
 Test Year Ended December 31, 2011
 Settlement Income Statement Adjustment No. 6 (continued)
 Adjust Depreciation Expense to Reflect Settlement Plant Adjustments

Line No.	Acct. No.	Description	[A]		[B]		[C]		[D]
			Depreciation Rate	Settlement Rate Base Adjustments - Direct Plant	Settlement Rate Base Adjustments - P.T.Y.P.	Increase / (Decrease) Depr. Exp.			
1		Intangible Plant							
2	301	Organization	0.00%	\$ -	\$ -	\$ -	\$ -		
3	302	Franchises	note_1	-	-	-	-		
4	303	Other Intangibles	note_1	\$ -	\$ -	\$ -	\$ -		
5		Subtotal Intangible Plant		\$ -	\$ -	\$ -	\$ -		
6		Source of Supply Plant							
7	310.1	Water Rights	0.00%	-	-	-	-		
8	310.3	Other Source of Supply Land	note_1	-	-	-	-		
9	310.4	Wells - Other	3.13%	-	-	-	-		
10	314	Wells		\$ -	\$ -	\$ -	\$ -		
11		Subtotal Source of Supply Plant		\$ -	\$ -	\$ -	\$ -		
12		Pumping Plant							
13	320	Pumping Plant Land	0.00%	-	-	-	-		
14	321	Pumping Plant Structures & Improvements	2.86%	-	-	-	-		
15	325	Electric Pumping Equipment	5.86%	-	-	-	-		
16	328	Gas Engine Equipment	4.00%	-	-	-	-		
17		Subtotal Pumping Plant		\$ -	\$ -	\$ -	\$ -		
18		Water Treatment Plant							
19	330	Water Treatment Plant Land	0.00%	-	-	-	-		
20	331	Water Treatment Structures & Improvements	2.50%	-	-	-	-		
21	332	Water Treatment Equipment	2.86%	-	-	-	-		
22		Subtotal Water Treatment Plant		\$ -	\$ -	\$ -	\$ -		
23		Transmission & Distribution Plant							
24	340	Transmission and Distribution Land	0.00%	-	-	-	-		
25	342	Storage Tanks	2.00%	-	-	-	-		
26	343	Transmission & Distribution Mains	1.79%	-	-	-	-		
27	344	Fire Sprinkler Taps	2.00%	-	-	-	-		
28	345	Services	2.38%	-	-	-	-		
29	346	Meters	4.55%	-	-	-	-		
30	348	Hydrants	1.82%	-	-	-	-		
31		Subtotal Transmission & Distribution Plant		\$ -	\$ -	\$ -	\$ -		
32		General Plant							
33	389	General Plant Land	0.00%	-	-	-	-		
34	390	General Plant Structures	2.50%	-	-	-	-		
35	390.1	Leasehold Improvements	note_2	-	-	-	-		
36	391	Office Furniture & Equipment	6.67%	-	-	-	-		
37	393	Warehouse Equipment	5.00%	-	-	-	-		
38	394	Tools, Shop & Garage Equipment	4.00%	-	-	-	-		
39	395	Laboratory Equipment	5.00%	-	-	-	-		
40	396	Power Operated Equipment	6.67%	-	-	-	-		
41	397	Communication Equipment	6.67%	-	-	-	-		
42	398	Miscellaneous Equipment	3.33%	-	-	-	-		
43		Subtotal General Plant		\$ -	\$ -	\$ -	\$ -		
44		Total Depreciation Expense - Utility Plant		\$ -	\$ -	\$ -	\$ -		
45		Net Regulatory Assets/(Liabilities)		\$ -	\$ -	\$ -	\$ -		
46		Total Increase/(Decrease) in Depreciation & Amortization Expense - Settlement		\$ -	\$ -	\$ -	\$ -		

note_1 Acct. 302 - Franchises amortized over 25 years. Acct. 303 - Other intangibles amortized over 15 & 20 Years.
 Acct. 310.4 - Wells - Other amortized over 24 years. Accumulated Amortization booked to Acct. 111 - Amort. Of Ltd. Term Investments.
 note_2 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Income Statement Adjustment No. 7
True-up Synchronized Interest to Reflect Settlement Rate Base Adjustments

Line No.	System	Northern Group - Synchronized Interest										
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
		Settlement Orig. Cost Rate Base Sch. B-1 Ln. 23	Weighted Cost of Long- Term Debt Sch. D-1	Synchronized Interest - Long-Term Debt	Adjusted T.Y. Long-Term Interest - As Filed	Increase / (Decrease) Long-Term Interest Exp.	Weighted Cost of Short- Term Debt Sch. D-1	Synchronized Interest - Short-Term Debt	Adjusted T.Y. Short-Term Interest - As Filed	Increase / (Decrease) Short-Term Interest Exp.	Test Year Other Interest - As Filed	Increase / (Decrease) Other Interest Exp.
3	Northern Group	\$ 10,060,534	3.33%	\$ 335,517	\$ 331,096	\$ 4,421	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
4	Navajo	25,984,762	3.33%	866,587	873,077	(6,491)	0.00%	-	-	-	-	-
5	Verde Valley											
6		\$ 36,045,295		\$ 1,202,103	\$ 1,204,173	\$ (2,069)		\$ -	\$ -	\$ -	\$ -	\$ -
7	Subtotal	\$ 36,045,295		\$ 1,202,103	\$ 1,204,173	\$ (2,069)		\$ -	\$ -	\$ -	\$ -	\$ -
8	Total	\$ 36,045,295		\$ 1,202,103	\$ 1,204,173	\$ (2,069)		\$ -	\$ -	\$ -	\$ -	\$ -
9												
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12												
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Increase/(Decrease) in Expenses
\$ (2,069)

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Settlement Income Statement Adjustment IS-8
Adjust Property Taxes

Line No.	Navajo		Verde Valley		Northern Group	
	(A) T.Y. Adjusted - Settlement	(B) Adjusted - Settlement w/ Increase	(C) T.Y. Adjusted - Settlement	(D) Adjusted - Settlement w/ Increase	(E) T.Y. Adjusted - Settlement	(F) Adjusted - Settlement w/ Increase
1	\$ 3,663,832	\$ 3,663,832	\$ 6,592,779	\$ 6,592,779	\$ 10,256,611	\$ 10,256,611
2	\$ 3,663,832	\$ 3,663,832	\$ 6,592,779	\$ 6,592,779	\$ 10,256,611	\$ 10,256,611
3	\$ 3,663,832	\$ 4,282,366	\$ 6,592,779	\$ 8,214,573	\$ 10,256,611	\$ 12,496,939
4						
5	\$ 3,663,832	\$ 3,870,010	\$ 6,592,779	\$ 7,133,377	\$ 10,256,611	\$ 11,003,387
6						
7	\$ 7,327,663	\$ 7,740,020	\$ 13,185,558	\$ 14,266,754	\$ 20,513,221	\$ 22,006,774
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18	\$ 7,327,663	\$ 7,740,020	\$ 13,185,558	\$ 14,266,754	\$ 20,513,221	\$ 22,006,774
19	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
20						
21	1,465,533	1,548,004	2,637,112	2,853,351	4,102,644	4,401,355
22	10.17%	10.17%	8.15%	8.15%	8.87%	8.86%
23						
24	148,985	157,369	214,806	232,420	363,790	389,788
25						
26						
27						
28						
29						
30						
31	\$ 148,985	\$ 157,369	\$ 214,806	\$ 232,420	\$ 363,790	\$ 389,788
32	119,773		212,747		332,520	
33	\$ 29,211		\$ 2,059		\$ 31,271	
34						
35						
36		148,985		214,806		363,790
37						
38						
39		\$ 8,384		\$ 17,514		\$ 25,998
40						
41		1.36%		1.09%		1.16%
42						
43						
44						
45						
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¹Property Tax rates updated to reflect current known & measurable rates.

ARIZONA WATER COMPANY

Test Year Ended December 31, 2011
Settlement Income Statement Adjustment IS-9
Adjust Income Taxes

Line No.	Navajo		Verde Valley		Northern Group	
	(A) T.Y. Adjusted - Settlement	(B) Adjusted - Settlement w/ Increase	(C) T.Y. Adjusted - Settlement	(D) Adjusted - Settlement w/ Increase	(D) T.Y. Adjusted - Settlement	(E) Adjusted - Settlement w/ Increase
1						
2						
3	\$ 562,635	\$ 1,172,787	\$ 1,424,942	\$ 3,029,123	\$ 1,987,578	\$ 4,201,910
4	\$ 335,517	\$ 335,517	\$ 866,597	\$ 866,597	\$ 1,202,103	\$ 1,202,103
5	\$ 227,119	\$ 837,270	\$ 558,356	\$ 2,162,536	\$ 785,475	\$ 2,999,806
6						
7	\$ 15,826	\$ 58,341	\$ 38,906	\$ 150,686	\$ 54,732	\$ 209,026
8						
9	\$ 227,119	\$ 837,270	\$ 558,356	\$ 2,162,536	\$ 785,475	\$ 2,999,806
10	\$ 15,826	\$ 58,341	\$ 38,906	\$ 150,686	\$ 54,732	\$ 209,026
11	\$ 211,294	\$ 778,929	\$ 519,449	\$ 2,011,850	\$ 730,743	\$ 2,790,780
12						
13						
14						
15						
16						
17						
18	71,840	284,836	176,613	684,029	248,453	948,865
19						
20	\$ 71,840	\$ 284,836	\$ 176,613	\$ 684,029	\$ 248,453	\$ 948,865
21						
22						
23						
24	\$ 87,666	\$ 323,177	\$ 215,519	\$ 834,715	\$ 309,185	\$ 1,157,892
25						
26	38.60%	38.60%	38.60%	38.60%	38.60%	38.60%
27						
28						
29						
30						
31						
32						
33						
34						
35						
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ARIZONA WATER COMPANY
 Test Year Ended December 31, 2011
 Computation of Gross Revenue Conversion Factor

Northern Group (A) Navajo (B) Verde Valley (Seedona, Pinewood, Rimrock) (C)

Line No.	Description	Percentage of Incremental Gross Revenues	Percentage of Incremental Gross Revenues	Percentage of Incremental Gross Revenues
1	Federal Income Taxes	31.63%	31.63%	31.63%
2	State Income Taxes	6.97%	6.97%	6.97%
3	Total Federal & State Income Tax Percentage	38.60%	38.60%	38.60%
4	Operating Income % = 100% - Tax Percentage	61.40%	61.40%	61.40%
5	Property Tax Factor (Sch. C-2 Appdx.)	1.16%	1.36%	1.09%
6	Effective Property Tax Factor (Ln. 5 x Ln. 10)	0.71%	0.83%	0.67%
7	Combined Federal & State Income & Property Tax Rate	39.31%	39.43%	39.27%
8	Operating Income % = 100% - Tax Percentage	60.69%	60.57%	60.73%

1 = Gross Revenue Conversion Factor
 Operating Income % 1.6478 1.6510 1.6465

ARIZONA WATER COMPANY
 Test Year Ended December 31, 2011
 Summary Cost of Capital

Line No.	Description	Northern Group		
		(A) Dollar Amount ¹	(B) Percent of Total	(C) (D) Rate of Return
1	Short-Term Debt	\$ -	0.0%	0.00%
3	Long-Term Debt	16,462,500	48.9%	6.82%
5	Common Equity	17,169,552	51.1%	6.14%
7	Totals	\$ 33,632,052	100.00%	6.48%

Line No.	Description	Proposed End of Test Year - As Filed		
		(A) Dollar Amount ¹	(B) Percent of Total	(C) (D) Rate of Return
1	Short-Term Debt	\$ -	0.0%	0.00%
3	Long-Term Debt	16,462,500	48.9%	6.82%
5	Common Equity	17,169,552	51.1%	11.30%
7	Totals	\$ 33,632,052	100.00%	9.11%

Line No.	Description	End of Test Year - Settlement		
		(A) Dollar Amount ¹	(B) Percent of Total	(C) (D) Rate of Return
1	Short-Term Debt	\$ -	0.0%	0.00%
3	Long-Term Debt	16,462,500	48.9%	6.82%
5	Common Equity	17,169,552	51.1%	10.00%
7	Totals	\$ 33,632,052	100.00%	8.44%

¹Allocated based on 3-factor methodology

Supporting Schedules:

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (M Gal)	
		Present	Settlement	Present Rate	Settlement Rate	Present Rate	Settlement Rate
1	Residential 5/8 x 3/4 -inch	3	3	\$ 12.64	\$ 17.26	\$ 4.2771	\$ 3.9160
2	Tier One Breakover (M Gal):	10	10			5.1320	5.4213
3	Tier Two Breakover (M Gal):	99,999	99,999			6.1580	7.3058
4	Tier Three Breakover (M Gal):						
5	Residential 1-inch	10	21	\$ 31.61	\$ 43.15	\$ 5.1320	\$ 5.4213
6	Tier One Breakover (M Gal):	99,999	99,999			6.1580	7.3058
7	Tier Two Breakover (M Gal):	99,999	99,999			6.1580	7.3058
8	Tier Three Breakover (M Gal):						
9	Residential 1.5-inch	n/a	50	n/a	86.30	n/a	5.4213
10	Tier One Breakover (M Gal):	n/a	99,999			n/a	7.3058
11	Tier Two Breakover (M Gal):	n/a	99,999			n/a	7.3058
12	Tier Three Breakover (M Gal):						
13	Residential 2-inch	50	60	\$ 101.15	\$ 138.08	\$ 5.1320	\$ 5.4213
14	Tier One Breakover (M Gal):	99,999	99,999			6.1580	7.3058
15	Tier Two Breakover (M Gal):	99,999	99,999			6.1580	7.3058
16	Tier Three Breakover (M Gal):						
17	Residential 3-inch	125	120	\$ 202.29	\$ 276.16	\$ 5.1320	\$ 5.4213
18	Tier One Breakover (M Gal):	99,999	99,999			6.1580	7.3058
19	Tier Two Breakover (M Gal):	99,999	99,999			6.1580	7.3058
20	Tier Three Breakover (M Gal):						
21	Residential 4-inch	200	190	\$ 316.08	\$ 431.50	\$ 5.1320	\$ 5.4213
22	Tier One Breakover (M Gal):	99,999	99,999			6.1580	7.3058
23	Tier Two Breakover (M Gal):	99,999	99,999			6.1580	7.3058
24	Tier Three Breakover (M Gal):						
25	Residential 6-inch	350	390	\$ 632.17	\$ 863.00	\$ 5.1320	\$ 5.4213
26	Tier One Breakover (M Gal):	99,999	99,999			6.1580	7.3058
27	Tier Two Breakover (M Gal):	99,999	99,999			6.1580	7.3058
28	Tier Three Breakover (M Gal):						
29	Residential 8-inch	650	600	\$ 1,011.47	\$ 1,380.80	\$ 5.1320	\$ 5.4213
30	Tier One Breakover (M Gal):	99,999	99,999			6.1580	7.3058
31	Tier Two Breakover (M Gal):	99,999	99,999			6.1580	7.3058
32	Tier Three Breakover (M Gal):						
33	Residential 10-inch	1,080	800	\$ 1,453.99	\$ 1,984.90	\$ 5.1320	\$ 5.4213
34	Tier One Breakover (M Gal):	99,999	99,999			6.1580	7.3058
35	Tier Two Breakover (M Gal):	99,999	99,999			6.1580	7.3058
36	Tier Three Breakover (M Gal):						

(Continued)

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

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (M Gal)				
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
		Present	Settlement	Present Rate	Settlement Rate	Change	Present Rate	Settlement Rate	Change	
1	Tier One Breakover (M Gal):	10	10	\$ 12.64	\$ 23.00	\$ 10.36	\$ 4,6988	\$ 5,4213	\$ 0.7225	
2	Tier Two Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
3	Tier Three Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
4										
5	Tier One Breakover (M Gal):	15	21	\$ 31.61	\$ 57.50	\$ 25.89	\$ 4,6988	\$ 5,4213	\$ 0.7225	
6	Tier Two Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
7	Tier Three Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
8										
9	Tier One Breakover (M Gal):	n/a	50	n/a	115.00	n/a	n/a	5,4213	n/a	
10	Tier Two Breakover (M Gal):	n/a	99,999				n/a	7,3058	n/a	
11	Tier Three Breakover (M Gal):	n/a	99,999				n/a	7,3058	n/a	
12										
13	Tier One Breakover (M Gal):	65	60	\$ 101.15	\$ 184.00	\$ 82.85	\$ 4,6988	\$ 5,4213	\$ 0.7225	
14	Tier Two Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
15	Tier Three Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
16										
17	Tier One Breakover (M Gal):	125	120	\$ 202.29	\$ 368.00	\$ 165.71	\$ 4,6988	\$ 5,4213	\$ 0.7225	
18	Tier Two Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
19	Tier Three Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
20										
21	Tier One Breakover (M Gal):	200	190	\$ 316.08	\$ 575.00	\$ 258.92	\$ 4,6988	\$ 5,4213	\$ 0.7225	
22	Tier Two Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
23	Tier Three Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
24										
25	Tier One Breakover (M Gal):	400	390	\$ 632.17	\$ 1,150.00	\$ 517.83	\$ 4,6988	\$ 5,4213	\$ 0.7225	
26	Tier Two Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
27	Tier Three Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
28										
29	Tier One Breakover (M Gal):	675	600	\$ 1,011.47	\$ 1,840.00	\$ 828.53	\$ 4,6988	\$ 5,4213	\$ 0.7225	
30	Tier Two Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
31	Tier Three Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
32										
33	Tier One Breakover (M Gal):	1,090	800	\$ 1,453.99	\$ 2,645.00	\$ 1,191.01	\$ 4,6988	\$ 5,4213	\$ 0.7225	
34	Tier Two Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
35	Tier Three Breakover (M Gal):	99,999	99,999				5,6386	7,3058	1,6672	
36										
37										
38										
39										
40										
41										
42										
43										
44										
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53										
54										
55										

(Continued)

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

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Line No.	Class of Service	Navajo																	
		[A] Rate Block		[B] Present		[C] Settlement		[D] Present Rate		[E] Basic Service Charge		[F] Change		[G] Present Rate		[H] Volumetric Charge (M Gal)		[I] Change	
		Present	Settlement	Rate	Settlement Rate	Rate	Settlement Rate	Rate	Settlement Rate	Rate	Settlement Rate	Rate	Settlement Rate	Rate	Settlement Rate	Rate	Settlement Rate	Rate	Settlement Rate
1	Industrial 5/8 x 3/4 -inch	99,999	99,999	\$ 12.64	\$ 23.00	\$ 10.36													
2	Tier One Breakover (M Gal):	99,999	99,999																
3	Tier Two Breakover (M Gal):	99,999	99,999																
4	Tier Three Breakover (M Gal):	99,999	99,999																
5	Industrial 1-inch	99,999	99,999	\$ 31.61	\$ 57.50	\$ 25.89													
6	Tier One Breakover (M Gal):	99,999	99,999																
7	Tier Two Breakover (M Gal):	99,999	99,999																
8	Tier Three Breakover (M Gal):	99,999	99,999																
9	Industrial 1.5-inch	n/a	n/a	n/a	\$ 115.00	n/a													
10	Tier One Breakover (M Gal):	n/a	n/a																
11	Tier Two Breakover (M Gal):	n/a	n/a																
12	Tier Three Breakover (M Gal):	n/a	n/a																
13	Industrial 2-inch	99,999	99,999	\$ 101.15	\$ 184.00	\$ 82.85													
14	Tier One Breakover (M Gal):	99,999	99,999																
15	Tier Two Breakover (M Gal):	99,999	99,999																
16	Tier Three Breakover (M Gal):	99,999	99,999																
17	Industrial 3-inch	99,999	99,999	\$ 202.29	\$ 368.00	\$ 165.71													
18	Tier One Breakover (M Gal):	99,999	99,999																
19	Tier Two Breakover (M Gal):	99,999	99,999																
20	Tier Three Breakover (M Gal):	99,999	99,999																
21	Industrial 4-inch	99,999	99,999	\$ 316.08	\$ 575.00	\$ 258.92													
22	Tier One Breakover (M Gal):	99,999	99,999																
23	Tier Two Breakover (M Gal):	99,999	99,999																
24	Tier Three Breakover (M Gal):	99,999	99,999																
25	Industrial 6-inch	99,999	99,999	\$ 632.17	\$ 1,150.00	\$ 517.83													
26	Tier One Breakover (M Gal):	99,999	99,999																
27	Tier Two Breakover (M Gal):	99,999	99,999																
28	Tier Three Breakover (M Gal):	99,999	99,999																
29	Industrial 8-inch	99,999	99,999	\$ 1,011.47	\$ 1,840.00	\$ 828.53													
30	Tier One Breakover (M Gal):	99,999	99,999																
31	Tier Two Breakover (M Gal):	99,999	99,999																
32	Tier Three Breakover (M Gal):	99,999	99,999																
33	Industrial 10-inch	99,999	99,999	\$ 1,453.99	\$ 2,645.00	\$ 1,191.01													
34	Tier One Breakover (M Gal):	99,999	99,999																
35	Tier Two Breakover (M Gal):	99,999	99,999																
36	Tier Three Breakover (M Gal):	99,999	99,999																
37	Private Fire Service			\$ 22.58	\$ 25.00	\$ 2.42													
38	All meter connection sizes:																		
39																			
40																			
41																			
42																			
43																			
44																			
45																			
46																			
47																			
48																			
49																			
50																			
51																			
52																			
53																			
54																			
55																			

(Continued)

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

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (M Gal)						
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]		
		Present	Settlement	Present Rate	Settlement Rate	Change	Present Rate	Settlement Rate	Change	Present Rate	Settlement Rate	Change
1	Public Fire Hydrant			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2	Coin Machine			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3												
4												
5	Construction Water (2-Inch)	65	60	\$ 101.15	\$ 82.85	\$ 184.00	\$ 4,6988	\$ 5,4213	\$ 7,3058	\$ 5,6386	\$ 7,3058	\$ 1,6672
6	Tier One Breakover (M Gal):	99,999	99,999									
7	Tier Two Breakover (M Gal):	99,999	99,999									
8	Tier Three Breakover (M Gal):	99,999	99,999									
9	Construction Water (3-Inch)	125	120	\$ 202.29	\$ 165.71	\$ 368.00	\$ 4,6988	\$ 5,4213	\$ 7,3058	\$ 5,6386	\$ 7,3058	\$ 1,6672
10	Tier One Breakover (M Gal):	99,999	99,999									
11	Tier Two Breakover (M Gal):	99,999	99,999									
12	Tier Three Breakover (M Gal):	99,999	99,999									
13	Construction Water (4-Inch)	200	190	\$ 316.08	\$ 258.92	\$ 575.00	\$ 4,6988	\$ 5,4213	\$ 7,3058	\$ 5,6386	\$ 7,3058	\$ 1,6672
14	Tier One Breakover (M Gal):	99,999	99,999									
15	Tier Two Breakover (M Gal):	99,999	99,999									
16	Tier Three Breakover (M Gal):	99,999	99,999									
17	Sales for Resale (5/8-Inch)	99,999	99,999	\$ 12.64	\$ 10.36	\$ 23.00	\$ 4,6988	\$ 5,4213	\$ 7,3058	\$ 4,6988	\$ 5,4213	\$ 0,7225
18	Tier One Breakover (M Gal):	99,999	99,999									
19	Tier Two Breakover (M Gal):	99,999	99,999									
20	Tier Three Breakover (M Gal):	99,999	99,999									
21	Sales for Resale (1-Inch)	99,999	99,999	\$ 31.61	\$ 25.89	\$ 57.50	\$ 4,6988	\$ 5,4213	\$ 7,3058	\$ 4,6988	\$ 5,4213	\$ 0,7225
22	Tier One Breakover (M Gal):	99,999	99,999									
23	Tier Two Breakover (M Gal):	99,999	99,999									
24	Tier Three Breakover (M Gal):	99,999	99,999									
25	Sales for Resale (1.5-Inch)	n/a	n/a	n/a	n/a	\$ 115.00	n/a	n/a	n/a	n/a	n/a	n/a
26	Tier One Breakover (M Gal):	n/a	n/a									
27	Tier Two Breakover (M Gal):	n/a	n/a									
28	Tier Three Breakover (M Gal):	n/a	n/a									
29	Sales for Resale (2-Inch)	99,999	99,999	\$ 101.15	\$ 82.85	\$ 184.00	\$ 4,6988	\$ 5,4213	\$ 7,3058	\$ 4,6988	\$ 5,4213	\$ 0,7225
30	Tier One Breakover (M Gal):	99,999	99,999									
31	Tier Two Breakover (M Gal):	99,999	99,999									
32	Tier Three Breakover (M Gal):	99,999	99,999									
33	Sales for Resale (3-Inch)	99,999	99,999	\$ 202.29	\$ 165.71	\$ 368.00	\$ 4,6988	\$ 5,4213	\$ 7,3058	\$ 4,6988	\$ 5,4213	\$ 0,7225
34	Tier One Breakover (M Gal):	99,999	99,999									
35	Tier Two Breakover (M Gal):	99,999	99,999									
36	Tier Three Breakover (M Gal):	99,999	99,999									
37	Sales for Resale (4-Inch)	99,999	99,999	\$ 316.08	\$ 258.92	\$ 575.00	\$ 4,6988	\$ 5,4213	\$ 7,3058	\$ 4,6988	\$ 5,4213	\$ 0,7225
38	Tier One Breakover (M Gal):	99,999	99,999									
39	Tier Two Breakover (M Gal):	99,999	99,999									
40	Tier Three Breakover (M Gal):	99,999	99,999									
41	Sales for Resale (5-Inch)	99,999	99,999	\$ 632.17	\$ 517.83	\$ 1,150.00	\$ 4,6988	\$ 5,4213	\$ 7,3058	\$ 4,6988	\$ 5,4213	\$ 0,7225
42	Tier One Breakover (M Gal):	99,999	99,999									
43	Tier Two Breakover (M Gal):	99,999	99,999									
44	Tier Three Breakover (M Gal):	99,999	99,999									
45	Sales for Resale (6-Inch)	99,999	99,999	\$ 1,011.47	\$ 828.53	\$ 1,840.00	\$ 4,6988	\$ 5,4213	\$ 7,3058	\$ 4,6988	\$ 5,4213	\$ 0,7225
46	Tier One Breakover (M Gal):	99,999	99,999									
47	Tier Two Breakover (M Gal):	99,999	99,999									
48	Tier Three Breakover (M Gal):	99,999	99,999									
49	Sales for Resale (8-Inch)	99,999	99,999	\$ 1,453.99	\$ 1,191.01	\$ 2,645.00	\$ 4,6988	\$ 5,4213	\$ 7,3058	\$ 4,6988	\$ 5,4213	\$ 0,7225
50	Tier One Breakover (M Gal):	99,999	99,999									
51	Tier Two Breakover (M Gal):	99,999	99,999									
52	Tier Three Breakover (M Gal):	99,999	99,999									
53												
54												
55												

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

Verde Valley (Seabona, Pinewood, Rimrock)

Line No.	Class of Service	Rate Block			Basic Service Charge			Volumetric Charge (/M Gal)		
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
		Present	Settlement	Change	Present Rate	Settlement Rate	Change	Present Rate	Settlement Rate	Change
1	Residential 5/8 x 3/4 -inch	3	3		\$ 23.10	\$ 25.33	\$ 2.23	varies	\$ 2,1210	varies
2	Tier One Breakover (M Gal):	10	10					varies	3,5527	varies
3	Tier Two Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
4	Tier Three Breakover (M Gal):									
5	Residential 1-inch	10	40		\$ 57.75	\$ 63.33	\$ 5.58	varies	3,5527	varies
6	Tier One Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
7	Tier Two Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
8	Tier Three Breakover (M Gal):									
9	Residential 1.5-inch	n/a	75		n/a	\$ 126.65	n/a	n/a	3,5527	n/a
10	Tier One Breakover (M Gal):	n/a	99,999					n/a	4,4860	n/a
11	Tier Two Breakover (M Gal):	n/a	99,999					n/a	4,4860	n/a
12	Tier Three Breakover (M Gal):									
13	Residential 2-inch	125	125		\$ 184.81	\$ 202.64	\$ 17.83	varies	3,5527	varies
14	Tier One Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
15	Tier Two Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
16	Tier Three Breakover (M Gal):									
17	Residential 3-inch	288	300		\$ 369.62	\$ 405.28	\$ 35.66	varies	3,5527	varies
18	Tier One Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
19	Tier Two Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
20	Tier Three Breakover (M Gal):									
21	Residential 4-inch	493	500		\$ 577.54	\$ 633.25	\$ 55.71	varies	3,5527	varies
22	Tier One Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
23	Tier Two Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
24	Tier Three Breakover (M Gal):									
25	Residential 6-inch	925	1,000		\$ 1,155.07	\$ 1,266.50	\$ 111.43	varies	3,5527	varies
26	Tier One Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
27	Tier Two Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
28	Tier Three Breakover (M Gal):									
29	Residential 8-inch	1,500	1,500		\$ 1,848.12	\$ 2,028.40	\$ 178.28	varies	3,5527	varies
30	Tier One Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
31	Tier Two Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
32	Tier Three Breakover (M Gal):									
33	Residential 10-inch	2,262	2,300		\$ 2,655.67	\$ 2,912.95	\$ 256.28	varies	3,5527	varies
34	Tier One Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
35	Tier Two Breakover (M Gal):	99,999	99,999					varies	4,4860	varies
36	Tier Three Breakover (M Gal):									
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(Continued)

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

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Line No.	Class of Service	Rate Block			Basic Service Charge			Volumetric Charge (M Gal)		
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
		Present	Settlement	Present Rate	Settlement Rate	Change	Present Rate	Settlement Rate	Change	
1	Tier One Breakover (M Gal):	10	10	\$ 23.10	\$ 25.00	\$ 1.90	varies	\$ 3,5527	varies	
2	Tier Two Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
3	Tier Three Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
4	Tier One Breakover (M Gal):	40	40	\$ 57.75	\$ 62.50	\$ 4.75	varies	3,5527	varies	
5	Tier Two Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
6	Tier Three Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
7	Tier One Breakover (M Gal):	n/a	75	n/a	\$ 125.00	n/a	n/a	3,5527	n/a	
8	Tier Two Breakover (M Gal):	n/a	99,999				n/a	4,4860	n/a	
9	Tier Three Breakover (M Gal):	n/a	99,999				n/a	4,4860	n/a	
10	Tier One Breakover (M Gal):	125	125	\$ 184.81	\$ 200.00	\$ 15.19	varies	3,5527	varies	
11	Tier Two Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
12	Tier Three Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
13	Tier One Breakover (M Gal):	298	300	\$ 369.62	\$ 400.00	\$ 30.38	varies	3,5527	varies	
14	Tier Two Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
15	Tier Three Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
16	Tier One Breakover (M Gal):	493	500	\$ 577.54	\$ 625.00	\$ 47.46	varies	3,5527	varies	
17	Tier Two Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
18	Tier Three Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
19	Tier One Breakover (M Gal):	925	1,000	\$ 1,155.07	\$ 1,250.00	\$ 94.93	varies	3,5527	varies	
20	Tier Two Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
21	Tier Three Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
22	Tier One Breakover (M Gal):	1,500	1,500	\$ 1,848.12	\$ 2,000.00	\$ 151.88	varies	3,5527	varies	
23	Tier Two Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
24	Tier Three Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
25	Tier One Breakover (M Gal):	2,262	2,300	\$ 2,656.67	\$ 2,875.00	\$ 218.33	varies	3,5527	varies	
26	Tier Two Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
27	Tier Three Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
28	Tier One Breakover (M Gal):	2,300	2,300				varies	3,5527	varies	
29	Tier Two Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
30	Tier Three Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
31	Tier One Breakover (M Gal):	2,300	2,300				varies	3,5527	varies	
32	Tier Two Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
33	Tier Three Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
34	Tier One Breakover (M Gal):	2,300	2,300				varies	3,5527	varies	
35	Tier Two Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
36	Tier Three Breakover (M Gal):	99,999	99,999				varies	4,4860	varies	
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(Continued)

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

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Line No.	Class of Service	Rate Block		Verde Valley (Sedona, Pinewood, Rimrock)			Volumetric Charge (M Gal)				
		Present	Settlement	Basic Service Charge		Present Rate	Settlement Rate	Change	Present Rate	Settlement Rate	Change
				Rate	Settlement Rate						
1	Industrial 5/8 x 3/4 -inch	99,999	99,999	\$ 21.74	\$ 25.00	\$ 3.26	varies	\$ 3,5527	varies	varies	
2	Tier One Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
3	Tier Two Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
4	Tier Three Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
5	Industrial 1-inch	99,999	99,999	\$ 54.36	\$ 62.50	\$ 8.14	varies	3,5527	varies	varies	
6	Tier One Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
7	Tier Two Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
8	Tier Three Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
9	Industrial 1.5-inch	n/a	99,999	n/a	125.00	n/a	n/a	3,5527	n/a	n/a	
10	Tier One Breakover (M Gal):	n/a	99,999				n/a	3,5527	n/a	n/a	
11	Tier Two Breakover (M Gal):	n/a	99,999				n/a	3,5527	n/a	n/a	
12	Tier Three Breakover (M Gal):	n/a	99,999				n/a	3,5527	n/a	n/a	
13	Industrial 2-inch	99,999	99,999	\$ 173.96	\$ 200.00	\$ 26.04	varies	3,5527	varies	varies	
14	Tier One Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
15	Tier Two Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
16	Tier Three Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
17	Industrial 3-inch	99,999	99,999	\$ 347.92	\$ 400.00	\$ 52.08	varies	3,5527	varies	varies	
18	Tier One Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
19	Tier Two Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
20	Tier Three Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
21	Industrial 4-inch	99,999	99,999	\$ 543.62	\$ 625.00	\$ 81.38	varies	3,5527	varies	varies	
22	Tier One Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
23	Tier Two Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
24	Tier Three Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
25	Industrial 6-inch	99,999	99,999	\$ 1,087.25	\$ 1,250.00	\$ 162.75	varies	3,5527	varies	varies	
26	Tier One Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
27	Tier Two Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
28	Tier Three Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
29	Industrial 8-inch	99,999	99,999	\$ 1,739.60	\$ 2,000.00	\$ 260.40	varies	3,5527	varies	varies	
30	Tier One Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
31	Tier Two Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
32	Tier Three Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
33	Industrial 10-inch	99,999	99,999	\$ 2,500.67	\$ 2,875.00	\$ 374.33	varies	3,5527	varies	varies	
34	Tier One Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
35	Tier Two Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
36	Tier Three Breakover (M Gal):	99,999	99,999				varies	3,5527	varies	varies	
37	Private Fire Service			\$ 25.89	\$ 30.50	\$ 4.61	n/a	n/a	n/a	n/a	
38	All meter connection sizes:										

(Continued)

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

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Line No.	Class of Service	Rate Block			Basic Service Charge			Volumetric Charge (M Gal)		
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
		Present	Settlement	Present Rate	Settlement Rate	Change	Present Rate	Settlement Rate	Change	
1	Public Fire Hydrant			n/a	n/a	n/a	n/a	n/a	n/a	
2	Coin Machine			n/a	n/a	n/a	varies	64	varies	
3	Construction Water (2-Inch)	125	125	\$ 184.81	\$ 200.00	\$ 15.19	varies	\$ 3,527	varies	
4		99,999	99,999				varies	4,4860	varies	
5		99,999	99,999				varies	4,4860	varies	
6	Construction Water (3-Inch)	varies	300	\$ 369.62	\$ 400.00	\$ 30.38	varies	\$ 3,527	varies	
7		99,999	99,999				varies	4,4860	varies	
8		99,999	99,999				varies	4,4860	varies	
9	Construction Water (4-Inch)	500	500	\$ 577.54	\$ 625.00	\$ 47.46	varies	\$ 3,527	varies	
10		99,999	99,999				varies	4,4860	varies	
11		99,999	99,999				varies	4,4860	varies	
12	Sales for Resale (5/8-Inch)	99,999	99,999	\$ 23.10	\$ 25.00	\$ 1.90	varies	\$ 3,527	varies	
13		99,999	99,999				varies	3,527	varies	
14		99,999	99,999				varies	3,527	varies	
15	Sales for Resale (1-Inch)	99,999	99,999	\$ 57.75	\$ 62.50	\$ 4.75	varies	\$ 3,527	varies	
16		99,999	99,999				varies	3,527	varies	
17		99,999	99,999				varies	3,527	varies	
18	Sales for Resale (1.5-Inch)	n/a	n/a	n/a	\$ 125.00	n/a	n/a	\$ 3,527	n/a	
19		n/a	n/a				n/a	\$ 3,527	n/a	
20		n/a	n/a				n/a	\$ 3,527	n/a	
21	Sales for Resale (2-Inch)	99,999	99,999	\$ 184.81	\$ 200.00	\$ 15.19	varies	\$ 3,527	varies	
22		99,999	99,999				varies	3,527	varies	
23		99,999	99,999				varies	3,527	varies	
24	Sales for Resale (3-Inch)	99,999	99,999	\$ 369.62	\$ 400.00	\$ 30.38	varies	\$ 3,527	varies	
25		99,999	99,999				varies	3,527	varies	
26		99,999	99,999				varies	3,527	varies	
27	Sales for Resale (4-Inch)	99,999	99,999	\$ 577.54	\$ 625.00	\$ 47.46	varies	\$ 3,527	varies	
28		99,999	99,999				varies	3,527	varies	
29		99,999	99,999				varies	3,527	varies	
30	Sales for Resale (6-Inch)	99,999	99,999	\$ 1,155.07	\$ 1,250.00	\$ 94.93	varies	\$ 3,527	varies	
31		99,999	99,999				varies	3,527	varies	
32		99,999	99,999				varies	3,527	varies	
33	Sales for Resale (8-Inch)	99,999	99,999	\$ 1,648.12	\$ 2,000.00	\$ 151.88	varies	\$ 3,527	varies	
34		99,999	99,999				varies	3,527	varies	
35		99,999	99,999				varies	3,527	varies	
36	Sales for Resale (10-Inch)	99,999	99,999	\$ 2,656.67	\$ 2,975.00	\$ 218.33	varies	\$ 3,527	varies	
37		99,999	99,999				varies	3,527	varies	
38		99,999	99,999				varies	3,527	varies	
39		99,999	99,999				varies	3,527	varies	
40		99,999	99,999				varies	3,527	varies	
41		99,999	99,999				varies	3,527	varies	
42		99,999	99,999				varies	3,527	varies	
43		99,999	99,999				varies	3,527	varies	
44		99,999	99,999				varies	3,527	varies	
45		99,999	99,999				varies	3,527	varies	
46		99,999	99,999				varies	3,527	varies	
47		99,999	99,999				varies	3,527	varies	
48		99,999	99,999				varies	3,527	varies	
49		99,999	99,999				varies	3,527	varies	
50		99,999	99,999				varies	3,527	varies	
51		99,999	99,999				varies	3,527	varies	
52		99,999	99,999				varies	3,527	varies	
53		99,999	99,999				varies	3,527	varies	
54		99,999	99,999				varies	3,527	varies	
55		99,999	99,999				varies	3,527	varies	

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

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (M Gal)	
		[B]		[E]		[H]	
		Present	Settlement	Present Rate	Settlement Rate	Present Rate	Settlement Rate
1	Residential 5/8 x 3/4 -inch	3	3	\$ 23.10	\$ 25.33	\$ 1,531.7	\$ 2,121.0
2		10	10			3,552.7	1,638.0
3		99,999	99,999			4,486.0	2,095.0
4							
5	Residential 1-inch	10	40	\$ 57.75	\$ 63.33	\$ 1,914.7	\$ 3,552.7
6		99,999	99,999			2,391.0	4,486.0
7		99,999	99,999			2,391.0	4,486.0
8							
9	Residential 1.5-inch	n/a	75	n/a	126.65	n/a	3,552.7
10		n/a	99,999			n/a	4,486.0
11		n/a	99,999			n/a	4,486.0
12							
13	Residential 2-inch	125	125	\$ 184.81	\$ 202.64	\$ 1,914.7	\$ 3,552.7
14		99,999	99,999			2,391.0	4,486.0
15		99,999	99,999			2,391.0	4,486.0
16							
17	Residential 3-inch	298	300	\$ 369.62	\$ 405.28	\$ 1,914.7	\$ 3,552.7
18		99,999	99,999			2,391.0	4,486.0
19		99,999	99,999			2,391.0	4,486.0
20							
21	Residential 4-inch	493	500	\$ 577.54	\$ 633.25	\$ 1,914.7	\$ 3,552.7
22		99,999	99,999			2,391.0	4,486.0
23		99,999	99,999			2,391.0	4,486.0
24							
25	Residential 6-inch	925	1,000	\$ 1,155.07	\$ 1,266.50	\$ 1,914.7	\$ 3,552.7
26		99,999	99,999			2,391.0	4,486.0
27		99,999	99,999			2,391.0	4,486.0
28							
29	Residential 8-inch	1,500	1,500	\$ 1,848.12	\$ 2,026.40	\$ 1,914.7	\$ 3,552.7
30		99,999	99,999			2,391.0	4,486.0
31		99,999	99,999			2,391.0	4,486.0
32							
33	Residential 10-inch	2,262	2,300	\$ 2,656.67	\$ 2,912.95	\$ 1,914.7	\$ 3,552.7
34		99,999	99,999			2,391.0	4,486.0
35		99,999	99,999			2,391.0	4,486.0
36							
37							
38							
39							
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(Continued)

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

Line No.	Class of Service	Rate Block			Verde Valley (Seasons)			Basic Service Charge			Volumetric Charge (M Gal)		
		[A]		[B]	[C]		[D]	[E]	[F]	[G]	[H]	[I]	
		Present	Settlement	Present	Settlement Rate	Change	Present Rate	Settlement Rate	Change	Present Rate	Settlement Rate	Change	
1	Commercial 5/8 x 3/4 -inch	10	10	99,999	25.00	\$ 1.90	\$ 23.10	\$ 25.00	\$ 1.90	\$ 1.9147	\$ 3.5527	\$ 1.6380	
2	Tier One Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
3	Tier Two Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
4	Tier Three Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
5	Commercial 1-inch	40	40	99,999	62.50	\$ 4.75	\$ 57.75	\$ 62.50	\$ 4.75	\$ 1.9147	\$ 3.5527	\$ 1.6380	
6	Tier One Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
7	Tier Two Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
8	Tier Three Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
9	Commercial 1.5-inch	n/a	75	n/a	125.00	n/a	n/a	n/a	n/a	n/a	3.5527	n/a	
10	Tier One Breakover (M Gal):	n/a	99,999							n/a	4.4860	n/a	
11	Tier Two Breakover (M Gal):	n/a	99,999							n/a	4.4860	n/a	
12	Tier Three Breakover (M Gal):	n/a	99,999							n/a	4.4860	n/a	
13	Commercial 2-inch	125	125	99,999	200.00	\$ 15.19	\$ 184.81	\$ 200.00	\$ 15.19	\$ 1.9147	\$ 3.5527	\$ 1.6380	
14	Tier One Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
15	Tier Two Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
16	Tier Three Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
17	Commercial 3-inch	298	300	99,999	400.00	\$ 30.38	\$ 369.62	\$ 400.00	\$ 30.38	\$ 1.9147	\$ 3.5527	\$ 1.6380	
18	Tier One Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
19	Tier Two Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
20	Tier Three Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
21	Commercial 4-inch	493	500	99,999	625.00	\$ 47.46	\$ 577.54	\$ 625.00	\$ 47.46	\$ 1.9147	\$ 3.5527	\$ 1.6380	
22	Tier One Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
23	Tier Two Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
24	Tier Three Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
25	Commercial 6-inch	925	1,000	99,999	1,250.00	\$ 94.93	\$ 1,155.07	\$ 1,250.00	\$ 94.93	\$ 1.9147	\$ 3.5527	\$ 1.6380	
26	Tier One Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
27	Tier Two Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
28	Tier Three Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
29	Commercial 8-inch	1,500	1,500	99,999	2,000.00	\$ 151.88	\$ 1,848.12	\$ 2,000.00	\$ 151.88	\$ 1.9147	\$ 3.5527	\$ 1.6380	
30	Tier One Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
31	Tier Two Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
32	Tier Three Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
33	Commercial 10-inch	2,262	2,300	99,999	2,875.00	\$ 218.33	\$ 2,656.67	\$ 2,875.00	\$ 218.33	\$ 1.9147	\$ 3.5527	\$ 1.6380	
34	Tier One Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
35	Tier Two Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	
36	Tier Three Breakover (M Gal):	99,999	99,999							2.3910	4.4860	2.0950	

(Continued)

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

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (M Gal)				
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
		Present	Settlement	Present Rate	Settlement Rate	Change	Present Rate	Settlement Rate	Change	
1	Industrial 5/8 x 3/4 -inch	99,999	99,999	\$ 21.74	\$ 25.00	\$ 3.26	\$ 1,680.1	\$ 1,680.1	\$ 3,552.7	\$ 1,872.6
2	Tier One Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
3	Tier Two Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
4	Tier Three Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
5	Industrial 1-inch	99,999	99,999	\$ 54.36	\$ 62.50	\$ 8.14	\$ 1,680.1	\$ 1,680.1	\$ 3,552.7	\$ 1,872.6
6	Tier One Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
7	Tier Two Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
8	Tier Three Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
9	Industrial 1.5-inch	n/a	n/a	n/a	\$ 125.00	n/a	n/a	n/a	3,552.7	n/a
10	Tier One Breakover (M Gal):	n/a	n/a				n/a	n/a	3,552.7	n/a
11	Tier Two Breakover (M Gal):	n/a	n/a				n/a	n/a	3,552.7	n/a
12	Tier Three Breakover (M Gal):	n/a	n/a				n/a	n/a	3,552.7	n/a
13	Industrial 2-inch	99,999	99,999	\$ 173.96	\$ 200.00	\$ 26.04	\$ 1,680.1	\$ 1,680.1	\$ 3,552.7	\$ 1,872.6
14	Tier One Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
15	Tier Two Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
16	Tier Three Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
17	Industrial 3-inch	99,999	99,999	\$ 347.92	\$ 400.00	\$ 52.08	\$ 1,680.1	\$ 1,680.1	\$ 3,552.7	\$ 1,872.6
18	Tier One Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
19	Tier Two Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
20	Tier Three Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
21	Industrial 4-inch	99,999	99,999	\$ 543.62	\$ 625.00	\$ 81.38	\$ 1,680.1	\$ 1,680.1	\$ 3,552.7	\$ 1,872.6
22	Tier One Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
23	Tier Two Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
24	Tier Three Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
25	Industrial 6-inch	99,999	99,999	\$ 1,087.25	\$ 1,250.00	\$ 162.75	\$ 1,680.1	\$ 1,680.1	\$ 3,552.7	\$ 1,872.6
26	Tier One Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
27	Tier Two Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
28	Tier Three Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
29	Industrial 8-inch	99,999	99,999	\$ 1,739.60	\$ 2,000.00	\$ 260.40	\$ 1,680.1	\$ 1,680.1	\$ 3,552.7	\$ 1,872.6
30	Tier One Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
31	Tier Two Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
32	Tier Three Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
33	Industrial 10-inch	99,999	99,999	\$ 2,500.67	\$ 2,875.00	\$ 374.33	\$ 1,680.1	\$ 1,680.1	\$ 3,552.7	\$ 1,872.6
34	Tier One Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
35	Tier Two Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
36	Tier Three Breakover (M Gal):	99,999	99,999				1,680.1	1,680.1	3,552.7	1,872.6
37	Private Fire Service			\$ 25.89	\$ 30.50	\$ 4.61	n/a	n/a	n/a	n/a

(Continued)

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

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Line No.	Class of Service	Verde Valley (Sedona)																		
		[A] Rate Block		[B] Present		[C] Settlement		[D] Present Rate		[E] Basic Service Charge		[F] Change		[G] Present Rate		[H] Settlement Rate		[I] Volumetric Charge (M Gal)		
		Present	Settlement	Present Rate	Settlement Rate	Present Rate	Settlement Rate	Change	Present Rate	Settlement Rate	Change	Present Rate	Settlement Rate	Change	Present Rate	Settlement Rate	Change	Present Rate	Settlement Rate	Change
1	Public Fire Hydrant																			
2	Coin Machine																			
3	Construction Water (2-Inch)	125	125	\$ 164.81	\$ 200.00	n/a	n/a	n/a	n/a	118.94	n/a	n/a	64	0.4585						
4	Tier One Breakover (M Gal)	99,999	99,999																	
5	Tier Two Breakover (M Gal)	99,999	99,999																	
6	Tier Three Breakover (M Gal)	99,999	99,999																	
7	Construction Water (3-Inch)	325	300	\$ 369.62	\$ 400.00					30.38										
8	Tier One Breakover (M Gal)	99,999	99,999																	
9	Tier Two Breakover (M Gal)	99,999	99,999																	
10	Tier Three Breakover (M Gal)	99,999	99,999																	
11	Construction Water (4-Inch)	500	500	\$ 577.54	\$ 625.00					47.46										
12	Tier One Breakover (M Gal)	99,999	99,999																	
13	Tier Two Breakover (M Gal)	99,999	99,999																	
14	Tier Three Breakover (M Gal)	99,999	99,999																	
15	Sales for Resale (5/8-Inch)	99,999	99,999																	
16	Tier One Breakover (M Gal)	99,999	99,999																	
17	Tier Two Breakover (M Gal)	99,999	99,999																	
18	Tier Three Breakover (M Gal)	99,999	99,999																	
19	Sales for Resale (1-Inch)	99,999	99,999																	
20	Tier One Breakover (M Gal)	99,999	99,999																	
21	Tier Two Breakover (M Gal)	99,999	99,999																	
22	Tier Three Breakover (M Gal)	99,999	99,999																	
23	Sales for Resale (1.5-Inch)	99,999	99,999																	
24	Tier One Breakover (M Gal)	99,999	99,999																	
25	Tier Two Breakover (M Gal)	99,999	99,999																	
26	Tier Three Breakover (M Gal)	99,999	99,999																	
27	Sales for Resale (2-Inch)	99,999	99,999																	
28	Tier One Breakover (M Gal)	99,999	99,999																	
29	Tier Two Breakover (M Gal)	99,999	99,999																	
30	Tier Three Breakover (M Gal)	99,999	99,999																	
31	Sales for Resale (3-Inch)	99,999	99,999																	
32	Tier One Breakover (M Gal)	99,999	99,999																	
33	Tier Two Breakover (M Gal)	99,999	99,999																	
34	Tier Three Breakover (M Gal)	99,999	99,999																	
35	Sales for Resale (4-Inch)	99,999	99,999																	
36	Tier One Breakover (M Gal)	99,999	99,999																	
37	Tier Two Breakover (M Gal)	99,999	99,999																	
38	Tier Three Breakover (M Gal)	99,999	99,999																	
39	Sales for Resale (5-Inch)	99,999	99,999																	
40	Tier One Breakover (M Gal)	99,999	99,999																	
41	Tier Two Breakover (M Gal)	99,999	99,999																	
42	Tier Three Breakover (M Gal)	99,999	99,999																	
43	Sales for Resale (6-Inch)	99,999	99,999																	
44	Tier One Breakover (M Gal)	99,999	99,999																	
45	Tier Two Breakover (M Gal)	99,999	99,999																	
46	Tier Three Breakover (M Gal)	99,999	99,999																	
47	Sales for Resale (8-Inch)	99,999	99,999																	
48	Tier One Breakover (M Gal)	99,999	99,999																	
49	Tier Two Breakover (M Gal)	99,999	99,999																	
50	Tier Three Breakover (M Gal)	99,999	99,999																	
51	Sales for Resale (10-Inch)	99,999	99,999																	
52	Tier One Breakover (M Gal)	99,999	99,999																	
53	Tier Two Breakover (M Gal)	99,999	99,999																	
54	Tier Three Breakover (M Gal)	99,999	99,999																	
55																				

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

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Line No.	Class of Service	Rate Block			Basic Service Charge			Volumetric Charge (M Gal)					
		[A]		[B]	[C]		[D]	[E]	[F]	[G]		[H]	[I]
		Present	Settlement	Present	Settlement Rate	Change	Present Rate	Settlement Rate	Change	Present Rate	Settlement Rate	Change	
1													
2	Residential 5/8 x 3/4 -inch	3	3	\$ 23.10	\$ 25.33	\$ 2.23	\$ 3,389.1	\$ 2,121.0	\$ (1,268.1)	\$ 3,389.1	\$ 2,121.0	\$ (1,268.1)	
3	Tier One Breakover (M Gal):	10	10				4,236.1	3,552.7	(0,683.4)	4,236.1	3,552.7	(0,683.4)	
4	Tier Two Breakover (M Gal):	99,999	99,999				5,295.4	4,486.0	(0,809.4)	5,295.4	4,486.0	(0,809.4)	
5	Tier Three Breakover (M Gal):												
6	Residential 1-inch	10	40	\$ 57.75	\$ 63.33	\$ 5.58	\$ 4,236.1	\$ 3,552.7	\$ (0,683.4)	\$ 4,236.1	\$ 3,552.7	\$ (0,683.4)	
7	Tier One Breakover (M Gal):	99,999	99,999				5,295.4	4,486.0	(0,809.4)	5,295.4	4,486.0	(0,809.4)	
8	Tier Two Breakover (M Gal):	99,999	99,999										
9	Tier Three Breakover (M Gal):												
10	Residential 1.5-inch	n/a	75	n/a	\$ 126.65	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
11	Tier One Breakover (M Gal):	n/a	99,999				n/a	n/a	n/a	n/a	n/a	n/a	
12	Tier Two Breakover (M Gal):	n/a	99,999				n/a	n/a	n/a	n/a	n/a	n/a	
13	Tier Three Breakover (M Gal):												
14	Residential 2-inch	125	125	\$ 184.81	\$ 202.64	\$ 17.83	\$ 4,236.1	\$ 3,552.7	\$ (0,683.4)	\$ 4,236.1	\$ 3,552.7	\$ (0,683.4)	
15	Tier One Breakover (M Gal):	99,999	99,999				5,295.4	4,486.0	(0,809.4)	5,295.4	4,486.0	(0,809.4)	
16	Tier Two Breakover (M Gal):	99,999	99,999										
17	Tier Three Breakover (M Gal):												
18	Residential 3-inch	298	300	\$ 369.62	\$ 405.28	\$ 35.66	\$ 4,236.1	\$ 3,552.7	\$ (0,683.4)	\$ 4,236.1	\$ 3,552.7	\$ (0,683.4)	
19	Tier One Breakover (M Gal):	99,999	99,999				5,295.4	4,486.0	(0,809.4)	5,295.4	4,486.0	(0,809.4)	
20	Tier Two Breakover (M Gal):	99,999	99,999										
21	Tier Three Breakover (M Gal):												
22	Residential 4-inch	493	500	\$ 577.54	\$ 633.25	\$ 55.71	\$ 4,236.1	\$ 3,552.7	\$ (0,683.4)	\$ 4,236.1	\$ 3,552.7	\$ (0,683.4)	
23	Tier One Breakover (M Gal):	99,999	99,999				5,295.4	4,486.0	(0,809.4)	5,295.4	4,486.0	(0,809.4)	
24	Tier Two Breakover (M Gal):	99,999	99,999										
25	Tier Three Breakover (M Gal):												
26	Residential 6-inch	925	1,000	\$ 1,155.07	\$ 1,266.50	\$ 111.43	\$ 4,236.1	\$ 3,552.7	\$ (0,683.4)	\$ 4,236.1	\$ 3,552.7	\$ (0,683.4)	
27	Tier One Breakover (M Gal):	99,999	99,999				5,295.4	4,486.0	(0,809.4)	5,295.4	4,486.0	(0,809.4)	
28	Tier Two Breakover (M Gal):	99,999	99,999										
29	Tier Three Breakover (M Gal):												
30	Residential 8-inch	1,500	1,500	\$ 1,848.12	\$ 2,026.40	\$ 178.28	\$ 4,236.1	\$ 3,552.7	\$ (0,683.4)	\$ 4,236.1	\$ 3,552.7	\$ (0,683.4)	
31	Tier One Breakover (M Gal):	99,999	99,999				5,295.4	4,486.0	(0,809.4)	5,295.4	4,486.0	(0,809.4)	
32	Tier Two Breakover (M Gal):	99,999	99,999										
33	Tier Three Breakover (M Gal):												
34	Residential 10-inch	2,262	2,300	\$ 2,656.67	\$ 2,912.95	\$ 256.28	\$ 4,236.1	\$ 3,552.7	\$ (0,683.4)	\$ 4,236.1	\$ 3,552.7	\$ (0,683.4)	
35	Tier One Breakover (M Gal):	99,999	99,999				5,295.4	4,486.0	(0,809.4)	5,295.4	4,486.0	(0,809.4)	
36	Tier Two Breakover (M Gal):	99,999	99,999										
37	Tier Three Breakover (M Gal):												
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(Continued)

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

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (M Gal)	
		Present	Settlement	Present Rate	Settlement Rate	Present Rate	Settlement Rate
1		10	10	\$ 23.10	25.00	\$ 4.2361	\$ 3.5527
2	Commercial 5/8 x 3/4 -inch	99,999	99,999		1.90	5,2954	4,4860
3		99,999	99,999			5,2954	4,4860
4							
5	Commercial 1-inch	40	40	\$ 57.75	62.50	\$ 4.2361	\$ 3.5527
6		99,999	99,999		4.75	5,2954	4,4860
7		99,999	99,999			5,2954	4,4860
8							
9	Commercial 1.5-inch	n/a	75	n/a	125.00	n/a	3,5527
10		n/a	99,999			n/a	4,4860
11		n/a	99,999			n/a	4,4860
12							
13	Commercial 2-inch	125	125	\$ 184.81	200.00	\$ 4.2361	\$ 3.5527
14		99,999	99,999		15.19	5,2954	4,4860
15		99,999	99,999			5,2954	4,4860
16							
17	Commercial 3-inch	298	300	\$ 369.62	400.00	\$ 4.2361	\$ 3.5527
18		99,999	99,999		30.38	5,2954	4,4860
19		99,999	99,999			5,2954	4,4860
20							
21	Commercial 4-inch	493	500	\$ 577.54	625.00	\$ 4.2361	\$ 3.5527
22		99,999	99,999		47.46	5,2954	4,4860
23		99,999	96,999			5,2954	4,4860
24							
25	Commercial 6-inch	925	1,000	\$ 1,155.07	1,250.00	\$ 4.2361	\$ 3.5527
26		99,999	99,999		94.93	5,2954	4,4860
27		99,999	99,999			5,2954	4,4860
28							
29	Commercial 8-inch	1,500	1,500	\$ 1,848.12	2,000.00	\$ 4.2361	\$ 3.5527
30		99,998	99,999		151.88	5,2954	4,4860
31		99,999	99,999			5,2954	4,4860
32							
33	Commercial 10-inch	2,262	2,300	\$ 2,656.67	2,875.00	\$ 4.2361	\$ 3.5527
34		99,999	99,999		218.33	5,2954	4,4860
35		99,999	99,999			5,2954	4,4860
36							
37							
38							
39							
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(Continued)

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

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (M Gal)		
		Present	Settlement	Present Rate	Settlement Rate	Present Rate	Settlement Rate	Change
1	Industrial 5/8 x 3/4 -inch	99,999	99,999	\$ 21.74	\$ 25.00	\$ 3.6242	\$ 3.5527	\$ (0.0715)
2	Tier One Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
3	Tier Two Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
4	Tier Three Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
5	Industrial 1-inch	99,999	99,999	\$ 54.36	\$ 62.50	\$ 3.6242	\$ 3.5527	\$ (0.0715)
6	Tier One Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
7	Tier Two Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
8	Tier Three Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
9	Industrial 1.5-inch	n/a	n/a	n/a	125.00	n/a	3.5527	n/a
10	Tier One Breakover (M Gal):	n/a	n/a			n/a	3.5527	n/a
11	Tier Two Breakover (M Gal):	n/a	n/a			n/a	3.5527	n/a
12	Tier Three Breakover (M Gal):	n/a	n/a			n/a	3.5527	n/a
13	Industrial 2-inch	99,999	99,999	\$ 173.96	\$ 200.00	\$ 3.6242	\$ 3.5527	\$ (0.0715)
14	Tier One Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
15	Tier Two Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
16	Tier Three Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
17	Industrial 3-inch	99,999	99,999	\$ 347.92	\$ 400.00	\$ 3.6242	\$ 3.5527	\$ (0.0715)
18	Tier One Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
19	Tier Two Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
20	Tier Three Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
21	Industrial 4-inch	99,999	99,999	\$ 543.62	\$ 625.00	\$ 3.6242	\$ 3.5527	\$ (0.0715)
22	Tier One Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
23	Tier Two Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
24	Tier Three Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
25	Industrial 6-inch	99,999	99,999	\$ 1,087.25	\$ 1,250.00	\$ 3.6242	\$ 3.5527	\$ (0.0715)
26	Tier One Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
27	Tier Two Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
28	Tier Three Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
29	Industrial 8-inch	99,999	99,999	\$ 1,739.60	\$ 2,000.00	\$ 3.6242	\$ 3.5527	\$ (0.0715)
30	Tier One Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
31	Tier Two Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
32	Tier Three Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
33	Industrial 10-inch	99,999	99,999	\$ 2,500.67	\$ 2,875.00	\$ 3.6242	\$ 3.5527	\$ (0.0715)
34	Tier One Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
35	Tier Two Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
36	Tier Three Breakover (M Gal):	99,999	99,999			3.6242	3.5527	(0.0715)
37	Private Fire Service			\$ 25.89	\$ 30.50	n/a	n/a	n/a
38	All meter connection sizes:							

(Continued)

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

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Line No.	Class of Service	Rate Block		Basic Service Charge		Volumetric Charge (M Gal)						
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]		
		Present	Settlement	Present	Settlement	Present	Settlement	Present	Settlement	Present	Settlement	Change
1	Public Fire Hydrant	125	125	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2	Coin Machine	99,999	99,999	n/a	n/a	n/a	n/a	53.76	64	64	(0.1980)	
3	Construction Water (2-inch)	99,999	99,999	\$ 184.81	\$ 200.00	\$ 15.19	\$ 4,236.1	\$ 4,236.1	\$ 3,552.7	\$ 4,486.0	\$ (0.6834)	
4	Construction Water (3-inch)	99,999	99,999	\$ 369.62	\$ 400.00	\$ 30.38	\$ 4,236.1	\$ 4,236.1	\$ 3,552.7	\$ 4,486.0	\$ (0.6834)	
5	Construction Water (4-inch)	99,999	99,999	\$ 577.54	\$ 625.00	\$ 47.46	\$ 4,236.1	\$ 4,236.1	\$ 3,552.7	\$ 4,486.0	\$ (0.6834)	
6	Sales for Resale (5/8-inch)	99,999	99,999	\$ 23.10	\$ 25.00	\$ 1.90	\$ 4,236.1	\$ 4,236.1	\$ 3,552.7	\$ 3,552.7	\$ (0.6834)	
7	Sales for Resale (1-inch)	99,999	99,999	\$ 57.75	\$ 62.50	\$ 4.75	\$ 4,236.1	\$ 4,236.1	\$ 3,552.7	\$ 3,552.7	\$ (0.6834)	
8	Sales for Resale (1.5-inch)	99,999	99,999	n/a	\$ 125.00	n/a	n/a	n/a	n/a	n/a	n/a	
9	Sales for Resale (2-inch)	99,999	99,999	\$ 184.81	\$ 200.00	\$ 15.19	\$ 4,236.1	\$ 4,236.1	\$ 3,552.7	\$ 4,486.0	\$ (0.6834)	
10	Sales for Resale (3-inch)	99,999	99,999	\$ 369.62	\$ 400.00	\$ 30.38	\$ 4,236.1	\$ 4,236.1	\$ 3,552.7	\$ 4,486.0	\$ (0.6834)	
11	Sales for Resale (4-inch)	99,999	99,999	\$ 577.54	\$ 625.00	\$ 47.46	\$ 4,236.1	\$ 4,236.1	\$ 3,552.7	\$ 4,486.0	\$ (0.6834)	
12	Sales for Resale (6-inch)	99,999	99,999	\$ 1,155.07	\$ 1,250.00	\$ 94.93	\$ 4,236.1	\$ 4,236.1	\$ 3,552.7	\$ 4,486.0	\$ (0.6834)	
13	Sales for Resale (8-inch)	99,999	99,999	\$ 1,848.12	\$ 2,000.00	\$ 151.88	\$ 4,236.1	\$ 4,236.1	\$ 3,552.7	\$ 4,486.0	\$ (0.6834)	
14	Sales for Resale (10-inch)	99,999	99,999	\$ 2,656.67	\$ 2,875.00	\$ 218.33	\$ 4,236.1	\$ 4,236.1	\$ 3,552.7	\$ 4,486.0	\$ (0.6834)	

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

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Changes in Representative Rate Schedules

Northern Group

	(A)	(B)
	<u>Current Rate</u>	<u>Settlement Rate</u>
1	\$16.00	\$32.00
2	Establishment	
3	Residential - maximum: Two(2) times average customer class bill.	
4	Non-Residential-maximum: Two and one-half (2 1/2) times that customers estimated maximum monthly bill.	
5		
6	\$16.00	\$32.00
7	Reconnection for Delinquency	
8		
9		
10		
11		
12	Eight (8) times the customer's monthly minimum charge, or payment of the minimums since disconnection, whichever is less.	
13	Re-Establishment	
14		
15	Service Call Out	
16	During regular working hours - No charge. After regular working hours, on Saturdays, Sundays, or holidays - \$35.00	
17		
18		
19	Returned Check	
20	\$25.00	
21		
22	No charge, if done during regular working hours, otherwise, a \$35.00 service call out.	
23	Meter Re-read	
24		
25		
26	Meter Test	
27	No charge for the first test; for the second test for the same customer within any twelve (12) month period, \$50.00, or actual time and material whichever is greater.	
28		
29		
30	Service Line and Meter Installation	
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		
48		
49		
50		
51	Late Charge	
52	1.5 percent after 15 days.	
53		
54		
55		

Meter Size	Service Line	Meter	Total
5/8-inch	\$ 445.00	\$ 155.00	\$ 600.00
1-inch	495.00	315.00	810.00
2" turbine	830.00	1,045.00	1,875.00
2" compound	830.00	1,890.00	2,720.00
3" turbine	Actual Cost	Actual Cost	Actual Cost
3" compound	Actual Cost	Actual Cost	Actual Cost
4" turbine	Actual Cost	Actual Cost	Actual Cost
4" compound	Actual Cost	Actual Cost	Actual Cost
6" turbine	Actual Cost	Actual Cost	Actual Cost
6" compound	Actual Cost	Actual Cost	Actual Cost
8" turbine	Actual Cost	Actual Cost	Actual Cost
8" compound	Actual Cost	Actual Cost	Actual Cost
10" turbine	Actual Cost	Actual Cost	Actual Cost
10" compound	Actual Cost	Actual Cost	Actual Cost

Actual cost of service line if boring under roadway is required.

No Change

1.5 percent after 15 days.

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Typical Bill Analysis

Line No.	Description	[A] Base Rates	[B] Surcharges (ACRM/DSIC)	[C] Monthly Consumption (M Gal)	[D] Typical Bill		[E] Present Rates	[F] Total	[G] Proposed Rates - Staff Direct	[H] Amount	[I] Percent
					Base	Surcharge					
1	Residential 5/8 x 3/4 -inch	\$ 12.64	-	5	\$ 12.64	\$ -	\$ 12.64	\$ 17.26	\$ 4.62	36.55%	
2		35.74	-	5	35.74	-	35.74	39.85	4.12	11.52%	
3		92.19	-	15	92.19	-	92.19	103.49	11.30	12.26%	
4		122.98	-	20	122.98	-	122.98	140.01	17.04	13.86%	
5	Present Rates	153.77	-	25	153.77	-	153.77	176.54	22.78	14.81%	
6		184.56	-	30	184.56	-	184.56	213.07	28.52	15.45%	
7		215.35	-	35	215.35	-	215.35	249.60	34.26	15.91%	
8	Basic Service Charge:	\$ 12.64	-	40	246.14	-	246.14	286.13	39.99	16.25%	
9				45	276.93	-	276.93	322.66	45.73	16.51%	
10	Tier One Breakover (M Gal):	3	-	50	307.72	-	307.72	359.19	51.47	16.73%	
11	Tier Two Breakover (M Gal):	10	-	55	338.51	-	338.51	395.72	57.21	16.90%	
12	Tier Three Breakover (M Gal):	99,999	-	60	369.30	-	369.30	432.25	62.95	17.05%	
13				65	400.09	-	400.09	468.77	68.69	17.17%	
14	Tier One Rate:	\$ 4.2771	-	70	430.88	-	430.88	505.30	74.43	17.27%	
15	Tier Two Rate:	5.1320	-	75	461.67	-	461.67	541.83	80.17	17.36%	
16	Tier Three Rate:	6.1580	-	100	615.62	-	615.62	724.48	108.86	17.68%	
17				150	923.52	-	923.52	1,089.78	166.25	18.00%	
18	Proposed Rates - Staff Direct	1,231.42	-	200	1,231.42	-	1,231.42	1,455.05	223.64	18.16%	
19		1,539.32	-	250	1,539.32	-	1,539.32	1,820.34	281.02	18.28%	
20		1,847.22	-	300	1,847.22	-	1,847.22	2,185.63	338.41	18.32%	
21		2,155.12	-	350	2,155.12	-	2,155.12	2,550.91	395.80	18.37%	
22	Basic Service Charge:	\$ 17.26	-	400	2,463.02	-	2,463.02	2,916.20	453.19	18.40%	
23				450	2,770.92	-	2,770.92	3,281.49	510.58	18.43%	
24	Tier One Breakover (M Gal):	3	-	500	3,078.82	-	3,078.82	3,646.78	567.96	18.45%	
25	Tier Two Breakover (M Gal):	10	-	550	3,386.72	-	3,386.72	4,012.07	625.35	18.46%	
26	Tier Three Breakover (M Gal):	99,999	-	600	3,694.62	-	3,694.62	4,377.35	682.74	18.48%	
27				650	4,002.52	-	4,002.52	4,742.84	740.33	18.49%	
28	Tier One Rate:	\$ 3.9180	-	700	4,310.42	-	4,310.42	5,107.93	797.51	18.50%	
29	Tier Two Rate:	5.4213	-	750	4,618.32	-	4,618.32	5,473.22	854.90	18.51%	
30	Tier Three Rate:	7.3058	-	800	4,926.22	-	4,926.22	5,838.51	912.29	18.52%	
31				850	5,234.12	-	5,234.12	6,203.79	969.68	18.53%	
32				900	5,542.02	-	5,542.02	6,569.08	1,027.07	18.53%	
33				1,000	6,157.82	-	6,157.82	7,299.66	1,141.84	18.54%	
34				1,500	9,236.82	-	9,236.82	10,952.54	1,715.72	18.57%	
35				2,000	12,315.82	-	12,315.82	14,605.42	2,289.60	18.59%	
36				2,500	15,394.82	-	15,394.82	18,258.29	2,863.48	18.60%	
37				3,000	18,473.82	-	18,473.82	21,911.17	3,437.36	18.61%	
38											
39											
40											
41	Average Usage:	\$ 26.24	-	3.2	\$ 26.24	-	\$ 26.24	\$ 29.82	\$ 3.58	13.64%	
42	Median Usage:	\$ 17.73	-	1.2	\$ 17.73	-	\$ 17.73	\$ 21.92	\$ 4.19	23.64%	
43	Standardized Usage:	\$ 48.57	-	7.5	\$ 48.57	-	\$ 48.57	\$ 53.40	\$ 4.84	9.96%	
44	Proposed Bill at Lifetime Usage (3.0 M Gal):							\$ 29.01			
45	Cost of Service at Lifetime Usage (3.0 M Gal):							\$ 34.12			
46	% Cost Discount at Lifetime Usage:							14.98%			
47	Cost of Service at Average Usage:							\$ 34.80			
48	% Cost Discount at Average Usage:							14.31%			
49											
50											
51											
52											
53											
54											
55											

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Typical Bill Analysis

Line No.	Description	[A] Base Rates	[B] Surcharges (ACRM/DSIC)	[C] Monthly Consumption (M Gal)	[D] Typical Bill		[G] Proposed Rates - Staff Direct	[H] Amount	[I] Percent
					[E] Base	[F] Total			
1	Residential 5/8 x 3/4 -inch			5	varies \$	varies	25.33	varies	varies
2				15	varies	varies	38.80	varies	varies
3				20	varies	varies	78.99	varies	varies
4				25	varies	varies	101.42	varies	varies
5	Present Rates			30	varies	varies	123.85	varies	varies
6				35	varies	varies	146.28	varies	varies
7				40	varies	varies	168.71	varies	varies
8	Basic Service Charge:	\$ 23.10		45	varies	varies	213.57	varies	varies
9				50	varies	varies	236.00	varies	varies
10	Tier One Breakover (M Gal):	3		55	varies	varies	258.43	varies	varies
11	Tier Two Breakover (M Gal):	10		60	varies	varies	280.86	varies	varies
12	Tier Three Breakover (M Gal):	99,999		65	varies	varies	303.29	varies	varies
13		varies \$		70	varies	varies	325.72	varies	varies
14	Tier One Rate:	varies		75	varies	varies	348.15	varies	varies
15	Tier Two Rate:	varies		100	varies	varies	460.30	varies	varies
16	Tier Three Rate:	varies		150	varies	varies	684.60	varies	varies
17				200	varies	varies	908.89	varies	varies
18	Proposed Rates - Staff Direct			250	varies	varies	1,133.19	varies	varies
19				300	varies	varies	1,357.49	varies	varies
20				350	varies	varies	1,581.79	varies	varies
21		\$ 25.33		400	varies	varies	2,030.39	varies	varies
22	Basic Service Charge:			450	varies	varies	2,254.68	varies	varies
23				500	varies	varies	2,478.98	varies	varies
24	Tier One Breakover (M Gal):	3		550	varies	varies	2,703.28	varies	varies
25	Tier Two Breakover (M Gal):	10		600	varies	varies	2,927.58	varies	varies
26	Tier Three Breakover (M Gal):	99,999		650	varies	varies	3,151.88	varies	varies
27				700	varies	varies	3,376.17	varies	varies
28	Tier One Rate:	\$ 2,121.0		750	varies	varies	3,600.47	varies	varies
29	Tier Two Rate:	3,5527		800	varies	varies	3,824.77	varies	varies
30	Tier Three Rate:	4,4860		850	varies	varies	4,049.07	varies	varies
31				900	varies	varies	4,497.66	varies	varies
32				1,000	varies	varies	6,740.65	varies	varies
33				1,500	varies	varies	8,983.63	varies	varies
34				2,000	varies	varies	11,226.61	varies	varies
35				2,500	varies	varies	13,469.59	varies	varies
36				3,000	varies	varies		varies	varies
37					varies \$	varies	43.16	varies	varies
38					varies \$	varies	32.92	varies	varies
39					varies \$	varies	47.68	varies	varies
40	Average Usage:			6.2					
41	Median Usage:			3.3					
42	Standardized Usage:			7.5					
43	Proposed Bill at Lifeline Usage (3.0 M Gal):						\$ 31.69		
44	Cost of Service at Lifeline Usage (3.0 M Gal):						\$ 37.28		
45	% Cost Discount at Lifeline Usage:						14.99%		
46	Cost of Service at Average Usage:						\$ 49.54		
47	% Cost Discount at Average Usage:						12.88%		

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ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Typical Bill Analysis

Line No.	Description	[A]		[B]		[C]	[D] Verde Valley (Sedona)			[E] Typical Bill		[F]		[G]		[H]		[I]	
		Base Rates	Surcharges (ACRM/PSIC)	Base	Surcharge		Total	Present Rates	Staff Direct	Proposed Rates - Staff Direct	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	
1	Residential 5/6 x 3/4 - inch			23.10	2.87	5	23.10	2.87	25.97	25.33	(0.64)	-2.46%							
2				31.52	4.24	15	31.52	4.24	35.76	38.80	3.04	8.49%							
3				53.05	6.99	20	53.05	6.99	60.03	76.99	18.96	31.59%							
4				65.01	8.34	25	65.01	8.34	73.35	101.42	28.07	38.27%							
5	Present Rates			76.96	9.71	30	76.96	9.71	86.66	123.85	46.28	46.28%							
6				100.87	12.45	35	100.87	12.45	113.32	148.28	46.28	46.28%							
7	Basic Service Charge:		2.87	112.83	13.82	40	112.83	13.82	126.65	168.71	56.06	46.88%							
8				124.78	15.19	45	124.78	15.19	139.97	191.14	73.60	52.59%							
9				136.74	16.56	50	136.74	16.56	153.29	203.00	82.71	53.95%							
10	Tier One Breakover (M Gal):		3	148.69	17.92	55	148.69	17.92	166.62	213.57	91.81	55.10%							
11	Tier Two Breakover (M Gal):		10	160.65	19.29	60	160.65	19.29	179.94	236.00	100.92	56.09%							
12	Tier Three Breakover (M Gal):		99,999	172.60	20.66	65	172.60	20.66	193.26	260.86	110.03	56.93%							
13				184.56	22.03	70	184.56	22.03	206.59	285.72	82.71	53.95%							
14	Tier One Rate:		0.2737	196.51	23.40	75	196.51	23.40	219.91	303.29	100.92	56.09%							
15	Tier Two Rate:		0.2737	256.29	30.24	100	256.29	30.24	286.53	384.15	128.24	58.31%							
16	Tier Three Rate:		0.2737	373.84	43.93	150	373.84	43.93	419.76	460.30	173.77	60.65%							
17				495.39	57.61	200	495.39	57.61	553.00	608.89	113.89	63.09%							
18	Proposed Rates - Staff Direct			614.94	71.30	250	614.94	71.30	686.23	1,133.19	518.25	65.13%							
19				734.49	84.98	300	734.49	84.98	819.47	1,357.49	623.09	66.03%							
20				854.04	98.67	350	854.04	98.67	952.70	1,581.79	720.15	66.34%							
21	Basic Service Charge:		25.33	973.59	112.35	400	973.59	112.35	1,085.94	1,806.09	811.21	66.54%							
22				1,093.14	126.04	450	1,093.14	126.04	1,219.17	2,030.39	902.28	66.72%							
23	Tier One Breakover (M Gal):		3	1,212.69	139.72	500	1,212.69	139.72	1,352.41	2,254.68	1,042.27	66.66%							
24	Tier Two Breakover (M Gal):		10	1,332.24	153.41	550	1,332.24	153.41	1,485.64	2,478.98	1,143.34	66.98%							
25	Tier Three Breakover (M Gal):		99,999	1,451.79	167.09	600	1,451.79	167.09	1,618.88	2,703.28	1,084.40	67.09%							
26				1,571.34	180.78	650	1,571.34	180.78	1,752.11	2,927.58	1,175.46	67.18%							
27	Tier One Rate:		2.1210	1,690.89	184.46	700	1,690.89	184.46	1,875.35	3,151.88	1,266.53	67.25%							
28	Tier Two Rate:		3.5527	1,810.44	208.15	750	1,810.44	208.15	2,018.58	3,376.17	1,357.59	67.32%							
29	Tier Three Rate:		4.4860	1,929.99	221.83	800	1,929.99	221.83	2,151.82	3,600.47	1,448.65	67.36%							
30				2,049.54	235.52	850	2,049.54	235.52	2,285.05	3,824.77	1,539.72	67.44%							
31				2,169.09	249.20	900	2,169.09	249.20	2,418.29	4,049.07	1,812.91	67.53%							
32				2,408.19	276.57	1,000	2,408.19	276.57	2,684.76	4,497.66	2,733.54	67.80%							
33				3,603.69	413.42	1,500	3,603.69	413.42	4,017.11	6,740.85	3,634.17	68.02%							
34				4,799.19	550.27	2,000	4,799.19	550.27	5,349.46	8,983.63	4,544.80	68.07%							
35				5,994.69	687.12	2,500	5,994.69	687.12	6,681.81	11,226.61	5,455.43	68.07%							
36				7,190.19	823.97	3,000	7,190.19	823.97	8,014.16	13,469.59									
37																			
38																			
39																			
40	Average Usage:		8.8	38.71	5.27		38.71	5.27	43.97	52.13	8.15	18.54%							
41	Median Usage:		5.2	31.96	4.30		31.96	4.30	36.27	39.62	3.35	9.23%							
42	Standardized Usage:		7.5	36.31	4.92		36.31	4.92	41.23	47.68	6.45	15.63%							
43																			
44	Proposed Bill at Lifeline Usage (3.0 M Gal):																		
45	Cost of Service at Lifeline Usage (3.0 M Gal):																		
46	% Cost Discount at Lifeline Usage:																		
47																			
48	Cost of Service at Average Usage:																		
49	% Cost Discount at Average Usage:																		
50																			
51																			
52																			
53																			
54																			
55																			

ARIZONA WATER COMPANY
Test Year Ended December 31, 2011
Typical Bill Analysis

Verde Valley (Pinewood, Rimrock)

Line No.	Description	[A] Base Rates	[B] Surcharges (ACR/MDSIC)	[C] Monthly Consumption (M Gal)	[D] Typical Bill		[E] Present Rates	[F] Total	[G] Proposed Rates - Staff Direct	[H] Amount	[I] Percent Increase
					Base	Surcharge					
1	Residential 5/8 x 3/4 - inch	\$ 23.10	-	5	\$ 23.10	\$ -	\$ 23.10	\$ 25.33	\$ 2.23	9.65%	
2		41.74	-	15	41.74	-	89.40	36.80	(2.94)	-7.05%	
3		89.40	-	20	89.40	-	115.87	78.99	(10.41)	-11.64%	
4		115.87	-	25	115.87	-	142.35	101.42	(14.45)	-12.47%	
5	Present Rates	142.35	-	30	142.35	-	168.83	123.85	(18.50)	-13.00%	
6		168.83	-	35	168.83	-	195.31	148.28	(22.55)	-13.36%	
7		195.31	-	40	195.31	-	221.78	168.71	(26.59)	-13.62%	
8	Basic Service Charge:	221.78	-	45	221.78	-	248.26	191.14	(30.64)	-13.87%	
9		248.26	-	50	248.26	-	274.74	236.00	(38.74)	-14.10%	
10	Tier One Breakover (M Gal):	301.21	3	55	301.21	3	327.69	280.86	(46.83)	-14.23%	
11	Tier Two Breakover (M Gal):	99,999	10	60	99,999	10	354.17	303.29	(50.86)	-14.37%	
12	Tier Three Breakover (M Gal):	3,3891	-	65	3,3891	-	380.64	325.72	(54.92)	-14.43%	
13	Tier One Rate:	4,2361	-	70	4,2361	-	407.12	348.15	(58.97)	-14.49%	
14	Tier Two Rate:	5,2954	-	75	5,2954	-	539.51	460.30	(79.21)	-14.68%	
15	Tier Three Rate:		-	100		-	804.28	684.60	(119.66)	-14.86%	
16			-	150		-	1,069.05	908.89	(160.15)	-14.96%	
17			-	200		-	1,333.82	1,133.19	(200.62)	-15.04%	
18	Proposed Rates - Staff Direct	1,598.59	-	250	1,598.59	-	1,986.59	1,357.49	(241.10)	-15.06%	
19		1,863.36	-	300	1,863.36	-	2,128.13	1,581.79	(281.57)	-15.11%	
20		2,128.13	-	350	2,128.13	-	2,392.90	1,806.09	(322.04)	-15.13%	
21	Basic Service Charge:	2,392.90	-	400	2,392.90	-	2,657.67	2,030.39	(362.51)	-15.15%	
22		2,657.67	-	450	2,657.67	-	2,922.44	2,254.68	(402.98)	-15.16%	
23	Tier One Breakover (M Gal):	99,999	3	500	99,999	3	3,187.21	2,476.98	(443.45)	-15.17%	
24	Tier Two Breakover (M Gal):	3,187.21	10	550	3,187.21	10	3,451.98	2,922.44	(463.93)	-15.18%	
25	Tier Three Breakover (M Gal):	2,1210	-	600	2,1210	-	3,716.75	2,927.58	(524.40)	-15.19%	
26	Tier One Rate:	3,5527	-	650	3,5527	-	3,981.52	3,151.88	(564.87)	-15.20%	
27	Tier Two Rate:	4,4860	-	700	4,4860	-	4,246.29	3,600.47	(605.34)	-15.21%	
28	Tier Three Rate:		-	750		-	4,511.06	3,824.77	(686.29)	-15.21%	
29			-	800		-	4,775.83	4,049.07	(726.76)	-15.22%	
30			-	850		-	4,775.83	4,497.66	(278.17)	-5.85%	
31			-	900		-	5,305.37	4,983.63	(321.74)	-6.07%	
32			-	1,000		-	7,953.07	6,740.65	(1,212.42)	-15.24%	
33			-	1,500		-	10,600.77	8,983.63	(1,617.14)	-15.25%	
34			-	2,000		-	13,248.47	11,226.61	(2,021.86)	-15.26%	
35			-	2,500		-	15,896.17	13,468.59	(2,426.58)	-15.27%	
36			-	3,000		-					
37			-			-					
38			-			-					
39			-			-					
40			-			-					
41	Average Usage:	\$ 33.42	-	3.0	\$ 33.42	-	\$ 33.42	\$ 31.82	\$ (1.60)	-4.78%	
42	Median Usage:	\$ 27.22	-	1.2	\$ 27.22	-	\$ 27.22	\$ 27.91	\$ 0.69	2.53%	
43	Standardized Usage:	\$ 52.33	-	7.5	\$ 52.33	-	\$ 52.33	\$ 47.68	\$ (4.65)	-8.89%	
44			-			-					
45	Proposed Bill at Lifeline Usage (3.0 M Gal):		-			-		\$ 31.69			
46	Cost of Service at Lifeline Usage (3.0 M Gal):		-			-		\$ 37.28			
47	% Cost Discount at Lifeline Usage:		-			-		14.99%			
48	Cost of Service at Average Usage:		-			-		\$ 37.42			
49	% Cost Discount at Average Usage:		-			-		14.96%			
50			-			-					
51			-			-					
52			-			-					
53			-			-					
54			-			-					
55			-			-					

Recap Schedules:

EXHIBIT 1

ARIZONA WATER COMPANY

PHASE 2--EASTERN GROUP GENERAL RATE CASE

SETTLEMENT AGREEMENT
REGARDING DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC")
AND OTHER DSIC-LIKE PROPOSALS

Docket No. W-01445A-11-0310

SETTLEMENT AGREEMENT ON DSIC AND DSIC-LIKE PROPOSALS
AND
LIST OF SIGNATORY PARTIES

The purpose of this Settlement Agreement (“Agreement”) is to settle specific, identified remaining issues related to Phase 2 of Docket No. W-01445A-11-0310, Arizona Water Company’s (“AWC” or “Company”) application to increase rates for its Eastern Group of systems as identified in its August 5, 2011 application (“Rate Case”). These remaining issues relate to a DSIC proposal presented by AWC in the Rate Case and the parties’ responses to that proposal, including presentation of DSIC-like proposals. This Agreement is entered into by the following entities:

Arizona Water Company

Arizona Corporation Commission Utilities Division (“Staff”)

Global Water – Palo Verde Utilities Company, Global Water – Santa Cruz Water Company, Valencia Water Company- Town Division, Valencia Water Company – Greater Buckeye Division, Water Utility of Greater Tonopah, Willow Valley Water Co. and Water Utility of Northern Scottsdale (collectively the “Global Utilities”)

EPCOR Water Arizona Inc.

Rio Rico Utilities, Inc. dba Liberty Utilities (“Liberty Utilities”)

The Water Utility Association of Arizona (“WUAA”)

Arizona Investment Council (“AIC”)

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

TERMS AND CONDITIONS

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

1.0 RECITALS

1.1 Docket No. W-01445A-11-0310 was commenced by the filing of a rate application by AWC on August 5, 2011. AWC's application ("Application"), among other relief, proposed that the Arizona Corporation Commission ("ACC" or "Commission") adopt a Distribution System Improvement Charge ("DSIC").

1.2 Following a sufficiency finding by Staff on September 6, 2011, RUCO filed an Application to Intervene on September 14, 2011. Kathie Wyatt filed an Application to Intervene on October 20, 2011.

1.3 The Administrative Law Judge granted the applications to intervene filed by RUCO and Kathie Wyatt. No other persons or entities intervened in the Rate Case or participated in the proceedings until after the Commission entered its Decision No. 73736 on February 20, 2013.

1.4 The Administrative Law Judge scheduled an evidentiary hearing on the Application to commence on May 14, 2012. The evidentiary hearing closed on May 24, 2012. Testimony and exhibits were presented by AWC, RUCO, and Staff. Kathie Wyatt did not appear.

1.5 Following post-hearing briefing, the Administrative Law Judge issued a Recommended Opinion and Order ("ROO") on January 30, 2013. AWC and RUCO filed exceptions to the ROO and Staff responded to AWC's exceptions. In addition, amendments to the ROO were presented at the Open Meeting at which the Commission considered the ROO on February 12, 2013. At the Open Meeting on that date, the Commission voted 5-0 to adopt Decision No. 73736, and reopened intervention for the limited purpose of discussing AWC's DSIC proposal, other DSIC-like proposals, and the possibility of achieving a settlement or compromise on the two. On February 21, 2013, the Administrative Law Judge issued a Procedural Order setting forth a schedule for the determination of the remaining issues in Phase 2 of the Rate Case (the "Phase 2 Proceedings").

1.6 The Global Utilities, EPCOR Water Arizona Inc., Liberty Utilities, WUAA, Arizona Investment Council and the City of Globe moved to intervene and were granted intervention in the Phase 2 Proceedings. Staff filed a notice of settlement discussions on February 21, 2013, setting settlement discussions in the Phase 2 Proceedings for March 4, 2013. The Signatory Parties and Kathie Wyatt were notified of the settlement discussion process, were encouraged to participate in the negotiations, and were provided with an equal opportunity to participate. Formal settlement discussions between the Signatory Parties began on the scheduled date of March 4, 2013. Kathie Wyatt did not appear or participate. A settlement was reached on all issues in the Phase 2 Proceedings by the participating Signatory Parties.

1.7 The Signatory Parties agree that the negotiation process undertaken in this matter was open, transparent and inclusive of all Signatory Parties, with each such party having an equal opportunity to participate. All Signatory Parties attended and actively participated in the settlement discussions. This Agreement is a result of those meetings and the Signatory Parties' good faith efforts to settle all of the issues presented in the Phase 2 Proceedings.

1.8 The purpose of this Agreement is to document the settlement of all issues presented in the Phase 2 Proceedings in a manner that will promote the public interest and provide for a prompt resolution of the issues on the schedule ordered by the Commission.

1.9 The Signatory Parties agree that the terms of this Agreement will serve the public interest by providing a just and reasonable resolution of the issues presented in the Phase 2 Proceedings and promoting the health, welfare and safety of customers. Commission approval of this Agreement will further serve the public interest by allowing the Signatory Parties to avoid the expense and delay associated with continued litigation of the Phase 2 Proceedings.

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

2.0 SYSTEM IMPROVEMENT BENEFITS ("SIB") MECHANISM

2.1 It is necessary for AWC to undertake a variety of system improvements in order to maintain adequate and reliable service to existing customers. AWC is also required to complete certain system improvements in order to comply with requirements imposed by law. The Signatory Parties acknowledge that these projects are necessary to provide proper, adequate and reliable service to existing customers; are not designed to serve or promote customer growth; and will not comprise an upgrade or expansion of existing plant unless justified for existing customers per Section 6.3.3.

2.2 Both the cost of these projects and the timing of their proposed completion and other factors set forth in the record create a circumstance for AWC that justifies the implementation of a SIB mechanism.

2.3 For ratemaking purposes and for the purposes of this Agreement, the Signatory Parties agree that the Commission may authorize a SIB mechanism for AWC in Docket W-01455A-11-0310. The SIB mechanism is a ratemaking device designed to provide for the timely recovery of the capital costs (depreciation expense and pre-tax return on investment) associated with distribution system improvement projects meeting the requirements contained herein and that have been completed and placed in service and where costs have not been included for recovery in Decision No. 73736.

2.4 A list of these projects and an estimation of the capital costs of each is set forth in SIB Plant Table I, attached hereto as Exhibit A

2.5 AWC may seek a SIB surcharge for projects on SIB Plant Table I that have been completed and placed into service, per SIB Plant Table II (Exhibit C).

3.0 CALCULATION OF AMOUNTS TO BE COLLECTED BY THE SIB SURCHARGE

3.1 The amount to be collected by the SIB surcharge ("SIB Authorized Revenue") shall be equal to the SIB revenue requirement minus the SIB efficiency credit.

3.2 The SIB revenue requirement is equal to the required pre-tax return on investment and depreciation expense associated with SIB-eligible projects that have been completed and placed into service, per SIB Plant Table II (Exhibit C), net of associated retirements. For such calculation:

3.2.1 The required rate of return is equal to the overall rate of return authorized in Decision No. 73736.

3.2.2 The gross revenue conversion factor/tax multiplier is equal to the gross revenue conversion factor/tax multiplier approved in Decision No. 73736 and;

3.2.3 The applicable depreciation rate(s) is equal to the depreciation rate(s) approved in Decision No. 73736.

3.3 The SIB Efficiency Credit shall be equal to five percent of the SIB revenue requirement.

3.4 The amount to be collected by each SIB surcharge filing shall be capped annually at five percent of the revenue requirement authorized in Decision No. 73736.

4.0 TIMING AND FREQUENCY OF SIB FILINGS

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

4.2 AWC may make its initial SIB surcharge filing no earlier than twelve months after the entry of Decision No. 73736.

4.3 Any subsequent SIB surcharge filings shall be made within sixty (60) days of the end of the previous twelve (12)-month SIB surcharge period.

4.4 AWC may make no more than one (1) SIB surcharge filing every twelve (12) months.

4.5 AWC is permitted no more than five (5) SIB surcharge filings between rate case decisions.

4.6 Unless otherwise authorized by the Commission, AWC (Eastern Group) shall be required to file its next general rate case no later than August 31, 2016 with a test year ending no later than December 31, 2015.

4.7 Any SIB surcharges that are in effect shall be reset to zero upon the date new rates become effective in AWC's next general rate case.

4.8 Every six (6) months AWC shall file a report with Docket Control delineating the status of all SIB eligible projects listed per SIB Plant Table I above, and may include modifications to that list for approval by the Commission using the process referenced in Section 6.0.

4.9 AWC shall make an annual SIB surcharge filing to true-up its collections under the SIB surcharge and establish the surcharge for the new surcharge period. A new SIB surcharge may be combined with an existing SIB surcharge such that a single SIB surcharge and SIB efficiency credit are shown on a customer's bill.

5.0 RECONCILIATION AND TRUE-UPS

5.1 The revenue collected by the SIB surcharge over the preceding twelve months shall be true-up and reconciled with the SIB Authorized Revenue for that period.

5.2 For each twelve (12) month period that a SIB surcharge is in effect, AWC shall reconcile the amounts collected by the SIB surcharge with the SIB Authorized Revenue, for that twelve (12)-month period, consistent with Schedule B, attached hereto as Exhibit B.

5.3 Any under- or over-collected SIB revenues shall be recovered or refunded, without interest, over a twelve-month period by means of a fixed monthly true-up surcharge or credit.

5.4 Starting with the second annual SIB surcharge, where there are over/under-collected balances related to the previous annual SIB surcharge, such over/under-collected balances shall be carried over to the next year, and capped to the extent annual revenues do not exceed the five percent cap. If, after the five year period there remains an over/under-collected balance, such balance shall be reset to zero, and any over/under-collected balance shall be addressed in the Company's next rate case for the Eastern Group.

6.0 ADDING PROJECTS TO SIB PLANT TABLE I

6.1 For ratemaking purposes and for purposes of this Agreement, the Signatory Parties agree that AWC, during the period to which the SIB applies, may request Commission authorization to modify or add other projects to SIB Plant Table I. Such additional projects may be added to SIB Plant Table I if they satisfy the criteria set forth in Paragraphs 6.2, 6.3, and 6.4.

6.2 To be eligible for SIB recovery, an asset must be utility plant investment that represents expenditures made by the Company to maintain or improve existing customer service and system reliability, integrity and safety. Eligible plant additions are limited to replacement projects. The costs of extending facilities or capacity to serve new customers are not recoverable through the SIB mechanism.

6.3 To be eligible for SIB recovery, a project must be a distribution system improvement that satisfies at least one of the following criteria:

6.3.1 Water loss for the system exceeds ten (10) percent, as calculated by the following formula:

6.3.1.1
$$\frac{(\text{Volume of Water Produced} - (\text{Volume of Water Sold} + \text{Volume of Water Put to Beneficial Use}))}{(\text{Volume of Water Produced})}$$
 If the Volume of Water Put to Beneficial Use is not metered, it shall be established in a reliable, verifiable manner;

6.3.2 Water Utility plant assets have remained in service beyond their useful service lives (based on that system's authorized utility plant depreciation rates) and are in need of replacement due to being worn out or in a deteriorating condition through no fault of the Company;

6.3.3 Any other engineering, operational or financial justification supporting the need for a plant asset replacement, other than AWC's negligence or improper maintenance, including, but not limited to:

6.3.3.1 A documented increasing level of repairs to, or failures of, a plant asset justifying its replacement prior to reaching the end of its useful service life (e.g. black poly pipe);

6.3.3.2 Meter replacements for systems that have implemented a meter testing and maintenance program in compliance with A.A.C. R14-2-408 (E);

6.3.3.3 Meters replaced in a system for the purpose of complying with the U.S. Environmental Protection Agency's Reduction of Lead in Drinking Water Act of 2010; and

6.3.3.4 Assets that are required to be moved, replaced or abandoned by a governmental agency or political subdivision if AWC can show that it has made a good faith effort to seek reimbursement for all or part of the costs incurred.

6.4 To be eligible for SIB treatment, a project must be a distribution system improvement with assets to be classified in the following plant categories:

6.4.1 Transmission and Distribution Mains;

6.4.2 Fire Mains;

6.4.3 Services, including Service Connections;

6.4.4 Valves and Valve Structures;

6.4.5 Meters and Meter Installations;

6.4.6 Hydrants

6.5 With a request to modify or add projects to SIB Plant Table I, AWC shall provide a proposed order for Commission consideration. Staff and RUCO shall have 30 days to object to the projects AWC is seeking to include in its revised SIB Plant Table I. Staff shall promptly process AWC's request and shall docket any Staff recommendations to the Commission within thirty days after AWC has filed its request. If there is no objection to AWC's request, that request shall be placed on an open meeting agenda at the earliest practical date.

7.0 SIB SURCHARGE FILING REQUIREMENTS

7.1 For ratemaking purposes and for all purposes of this Agreement, the Signatory Parties agree that AWC shall include the following information with each SIB surcharge filing:

7.1.1 A schedule (an example of which is attached hereto as Exhibit C, SIB Plant Table II) showing the SIB eligible projects completed for which AWC seeks cost recovery. Such projects must 1) be projects set forth in AWC's initial SIB Plant Table I or have been added to said SIB Plant Table I pursuant to Section 6.0 of this agreement; 2) have been completed by AWC; and 3) be actually serving customers.

7.1.2 SIB Schedule A (an example of which is attached hereto as Exhibit D), showing a calculation of the SIB revenue requirement and SIB efficiency credit, as well as the individual SIB fixed surcharge calculation;

7.1.3 SIB Schedule B (an example of which is attached hereto as Exhibit B), showing the overall SIB revenue true-up calculation for the prior twelve-month SIB surcharge period, as well as the individual SIB fixed true-up surcharge or credit calculation;

7.1.4 SIB Schedule C (an example of which is attached hereto as Exhibit E) showing the effect of the SIB surcharge on a typical residential customer bill;

7.1.5 SIB Plant Table II, summarizing SIB-eligible projects completed and included in the current SIB surcharge filing.

7.1.6 SIB Plant Table I (an example of which is attached hereto as Exhibit A), summarizing SIB-eligible projects contemplated for the next twelve (12)-month SIB surcharge period.

7.1.7 SIB Schedule D (an example of which is attached as Exhibit F) showing an analysis of the impact of the SIB Plant on the fair value rate base, revenue, and the fair value rate of return as set forth in Decision No. 73736.

7.1.8 A proposed order for the Commission's consideration.

7.2 At least 30 days prior to the SIB surcharge becoming effective, AWC shall provide public notice in the form of a billing insert or customer letter which includes the following information:

7.2.1 The individual SIB surcharge amount, by meter size;

7.2.2 The individual SIB efficiency credit, by meter size;

7.2.3 Any individual SIB true-up surcharge or credit, by meter size; and

7.2.4 A summary of the projects included in the current SIB surcharge filing, including a description of each project and its cost.

8.0 RATE DESIGN

8.1 The SIB fixed surcharge/rate design shall be calculated as follows:

8.1.1 The SIB surcharge shall be a fixed monthly surcharge containing a SIB fixed surcharge and the SIB efficiency credit as its two components.

8.1.2 The SIB surcharge shall be calculated by dividing the overall SIB revenue requirement by the number of 5/8-inch equivalent meters serving active customers at the end of the most recent twelve (12) month period, and shall increase with meter size based on the following meter capacity multipliers:

8.1.2.1	5/8-inch x 3/4-inch	1.0 times
8.1.2.2	1-inch	2.5 times
8.1.2.3	1 1/2-inch	5 times
8.1.2.4	2-inch	8 times
8.1.2.5	3-inch	16 times
8.1.2.6	4-inch	25 times

8.1.2.7	6-inch	50 times
8.1.2.8	8-inch	80 times
8.1.2.9	10-inch & above	115 times

8.2 The SIB surcharge shall apply to all of AWC's metered general service customers, including private fire service customers.

9.0 SIB SURCHARGE IMPLEMENTATION

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

9.2 AWC's SIB surcharges and SIB true-up surcharges/credits shall not become effective unless approved by the Commission.

9.3 AWC shall provide a proposed order with each SIB surcharge filing for the Commission's consideration.

9.4 Staff and RUCO shall have thirty (30) days from the date a SIB surcharge filing is made by AWC to review the amount of the SIB surcharge or SIB true-up surcharge or credit, and dispute and/or file a request for the Commission to alter the SIB surcharge or SIB true-up surcharge/credit. If no objection is filed to AWC's request within the thirty-day timeframe, the request shall be placed on an open meeting agenda at the earliest practicable date.

10.0 COMMISSION REVIEW OF SIB MECHANISM

10.1 For ratemaking purposes and for all purposes of this Agreement, the Signatory Parties agree that the Commission may determine that good cause exists to suspend, terminate or modify AWC's SIB mechanism, after the affected parties are afforded due process and an opportunity to be heard prior to any suspension, termination, or modification of the SIB mechanism.

10.2 The Signatory Parties agree that, although the SIB mechanism discussed in this agreement may be used as a template in other rate proceedings, it is specific to AWC in Docket W-01455A-11-0310. The Signatory Parties further agree that Staff may recommend and/or that any utility may apply to the Commission for a similar SIB mechanism for projects meeting the criteria outlined herein in a full rate case application.

11.0 COMMISSION EVALUATION OF PROPOSED SETTLEMENT

11.1 This Agreement shall serve as the procedural device by which the Signatory Parties will submit their proposed settlement of the Phase 2 Rate Proceeding to the Commission. Nothing herein is intended to amend or supersede Decision No. 73736, which Decision is final in every respect.

11.2 All currently-filed testimony and exhibits, as well as the testimony in support of this Agreement anticipated by the Commission's February 21, 2013 Procedural Order, shall be offered into the Commission's record as evidence. All Signatory Parties waive the filing and submission of surrebuttal testimony and exhibits from Staff and Intervenors, and the filing and submission of rejoinder testimony and exhibits from AWC.

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

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

11.5 The Signatory Parties agree to support and defend this Agreement, including filing testimony in support of the Agreement and presenting evidence in support of the Agreement at the hearing in the Phase 2 Proceedings scheduled to begin on April 8, 2013, and will not oppose any provision of the Agreement in pre-filed or live testimony. The parties agree to waive their rights to appeal a Commission Decision approving the same, provided that the Commission approves all material provisions of the Agreement. The Signatory Parties shall take reasonable steps to expedite consideration of the settlement, entry of a Decision adopting the settlement, and implementation of the mechanism anticipated in this Agreement, and shall not seek any delay in the schedules set for consideration of the Agreement or for the Administrative Law Judge's or Commission's consideration of the settlement embodied in the Agreement. If the Commission adopts an order approving all material terms of this Agreement, the Signatory Parties will support and defend the Commission's order before any court or regulatory agency in which it may be at issue.

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

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

12.0 MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

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

Executed this 15th day of April, 2013.

ARIZONA WATER COMPANY

By: William M. Garfield
Name: William M. Garfield
Its: President and COO

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

By: _____
Name: _____
Its: _____

GLOBAL WATER - PALO VERDE UTILITIES
COMPANY

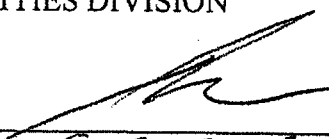
By: _____
Name: _____
Its: _____

Executed this ____ day of March, 2013.

ARIZONA WATER COMPANY

By: _____
Name: _____
Its: _____

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

By:  _____
Name: STEVE O'LEA
Its: UTILITIES DIVISION Director

GLOBAL WATER - PALO VERDE UTILITIES
COMPANY

By: _____
Name: _____
Its: _____

Executed this ____ day of March, 2013.

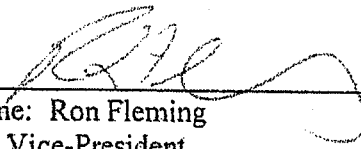
ARIZONA WATER COMPANY

By: _____
Name: _____
Its: _____

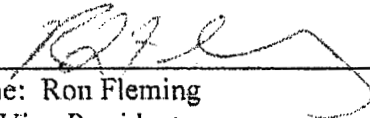
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

By: _____
Name: _____
Its: _____

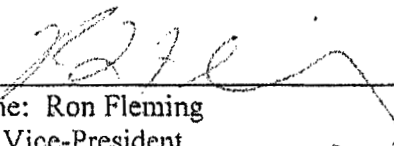
GLOBAL WATER – PALO VERDE UTILITIES
COMPANY

By:  _____
Name: Ron Fleming
Its: Vice-President

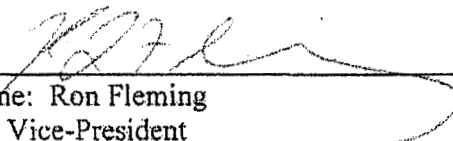
GLOBAL WATER - SANTA CRUZ WATER
COMPANY

By: 
Name: Ron Fleming
Its: Vice-President

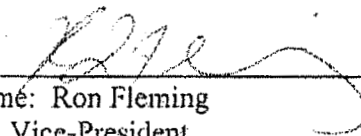
VALENCIA WATER COMPANY - TOWN
DIVISION

By: 
Name: Ron Fleming
Its: Vice-President

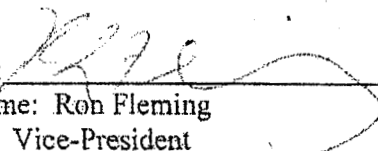
VALENCIA WATER COMPANY - GREATER
BUCKEYE DIVISION

By: 
Name: Ron Fleming
Its: Vice-President


WATER UTILITY OF GREATER TONOPAH

By: 
Name: Ron Fleming
Its: Vice-President

WILLOW VALLEY WATER CO.

By: 
Name: Ron Fleming
Its: Vice-President

WATER UTILITY OF NORTHERN
SCOTTSDALE

By: 
Name: Ron Fleming
Its: Vice-President

EPCOR WATER ARIZONA, INC.

By: _____
Name: _____
Its: _____

RIO RICO UTILITIES, INC. dba LIBERTY
UTILITIES

By: _____
Name: _____
Its: _____

THE WATER UTILITY ASSOCIATION OF
ARIZONA

By: _____
Name: _____
Its: _____

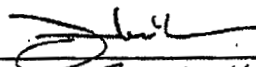
ARIZONA INVESTMENT COUNCIL

By: _____
Name: _____
Its: _____

WATER UTILITY OF NORTHERN
SCOTTSDALE

By: _____
Name: _____
Its: _____


EPCOR WATER ARIZONA, INC.

By:  _____
Name: JIM KEEFE
Its: WP - CORP. SERVICES

RIO RICO UTILITIES, INC. dba LIBERTY
UTILITIES

By: _____
Name: _____
Its: _____

THE WATER UTILITY ASSOCIATION OF
ARIZONA

By:  _____
Name: GREG PATTERSON
Its: DIRECTOR

ARIZONA INVESTMENT COUNCIL

By: _____
Name: _____
Its: _____

WATER UTILITY OF NORTHERN
SCOTTSDALE

By: _____
Name: _____
Its: _____

EPCOR WATER ARIZONA, INC.

By: _____
Name: _____
Its: _____

RIO RICO UTILITIES, INC. dba LIBERTY
UTILITIES

By: [Signature]
Name: Grossman S. Sorenson
Its: V.P. GM

THE WATER UTILITY ASSOCIATION OF
ARIZONA

By: _____
Name: _____
Its: _____

ARIZONA INVESTMENT COUNCIL

By: _____
Name: _____
Its: _____

WATER UTILITY OF NORTHERN
SCOTTSDALE

By: _____
Name: _____
Its: _____

EPCOR WATER ARIZONA, INC.

By: _____
Name: _____
Its: _____

RIO RICO UTILITIES, INC. dba LIBERTY
UTILITIES

By: _____
Name: _____
Its: _____

THE WATER UTILITY ASSOCIATION OF
ARIZONA

By: _____
Name: _____
Its: _____

ARIZONA INVESTMENT COUNCIL

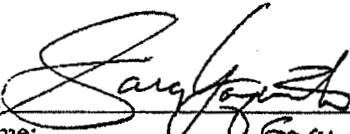
By:  _____
Name: Gary Yaguinte _____
Its: President & CEO _____

EXHIBIT A

SUPERSTITION/APACHE JUNCTION
TABLE 1 (Page 1 of 6)
Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)			PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn-out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
		Pipe length	Diameter	Material			Cost/Unit	Expected In-Service Date	
1	NA				11-004			\$0	
2	NA				11-004			\$0	
3	NA				11-004			\$0	
4	NA				11-004			\$0	
6	NA				11-004			\$0	
9	NA				11-004			\$0	
10	NA				11-004			\$0	
11	NA				11-004			\$0	
12	NA				11-004			\$0	
14	NA				11-004			\$0	
17	NA				11-004			\$0	
18	NA				11-004			\$0	
25	NA				11-004			\$0	
27	NA				11-004			\$0	
28	NA				11-004			\$0	
31	NA				11-004			\$0	

SUPERSTITION/APACHE JUNCTION
TABLE I (Page 2 of 6)
Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)				PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
		Pipe length	Diameter	Material	Cost/Unit			Expected In-Service Date	Cost (estimated)	
1	NA					11-004			\$0	
2	343 T&D Mains	1,350	6	DI	88.81	11-004	Boise St.	2015	\$119,894	Install approximately 1,350 LF of 6-inch DI replacement pipe with polywrap, replace 88 service connections and replace 88 meters between Boise Street and Avalon Street. This project will replace approximately 800 LF of 4-inch CA water main installed in 1970 in an alley between 113 rd Way and 114 th Street. The existing water main and service connections to be replaced have 22 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
3	343	650	6	DI	88.81	11-004	114 th St.	2014	\$57,727	Install approximately 650 LF of 6-inch DI replacement pipe with polywrap, replace 102 service connections, replace 102 meters, and replace 1 fire hydrant between 114 th Street and Meridian Road. The existing water mains and service connections to be replaced have 22 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
4	NA					11-004			\$0	
6	NA					11-004			\$0	

SUPERSTITION/APACHE JUNCTION
TABLE I (Page 2 of 6) cont.
Information to be included with SIB-Eligible Project Notification

9	343	4,700	6	DI	88.71	11-004	Hidalgo St.	2013	\$416,937	Install approximately 4,700 LF of 6-inch DI replacement pipe with polywrap, replace 32 service connections and replace 32 meters along Hidalgo Street and Concho Street. This project will replace approximately 2,950 LF of 1.5-inch and 2-inch GS water main installed in 1959 and 1960 along Hidalgo Street and will also replace approximately 2,350 LF of 1-inch and 2-inch GS water main installed in 1960 along Concho Street. These existing water mains and service connections to be replaced have 19 recorded leaks over the last 8 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
10	NA					11-004			\$0	
11	NA					11-004			\$0	
12	NA					11-004			\$0	
14	NA					11-004			\$0	
17	NA					11-004			\$0	
18	NA					11-004			\$0	
25	NA					11-004			\$0	
27	343	500	6	DI	89.65	11-004	Emerald Dr.	2014	\$44,825	Install approximately 500 LF of 2-inch ST water main installed in 1955 along South Emerald Drive. This project will replace approximately 500 LF of 2-inch ST water main installed in 1955 along South Emerald Drive. The existing water mains and service connections to be replaced has 10 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
28	NA					11-004			\$0	
31	NA					11-004			\$0	
32	343	600	6	DI	84.90	11-004	Broadway Ave.	2014	\$50,940	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 3 service connections, replace 3 meters, and replace 1 fire hydrant along Broadway Avenue from Tomahawk Road to Vista Road. This project will replace approximately 600 LF of 6-inch CA water main installed in 1960 and 1984 along Broadway Avenue. The existing water mains and service connections to be replaced has 7 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

SUPERSTITION/APACHE JUNCTION
TABLE I (Page 3 of 6)
Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)			PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.	
		Quantity	Diameter	Material			Cost/Unit	Expected In-Service Date		Cost (estimated)
1	345 Services	126	1-inch	Copper	4,077.36	11-004	Peralta Estates Unit 2	2014	\$513,747	Replace 126 service connections and replace 126 meters in Peralta Estates Unit Two. The existing water mains have 25 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
2	345	88	1-inch	Copper	4,750.34	11-004	Boise St.	2015	\$418,030	Install approximately 1,350 LF of 6-inch DI replacement pipe with polywrap, replace 88 service connections and replace 88 meters between Boise Street and Avalon Street. This project will replace approximately 800 LF of 4-inch CA water main installed in 1970 in an alley between 113 th Way and 114 th Street. The existing water main and service connections to be replaced have 22 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
3	345	102	1-inch	Copper	3,570.63	11-004	114 th St.	2014	\$364,204	Install approximately 650 LF of 6-inch DI replacement pipe with polywrap, replace 102 service connections, replace 102 meters and replace 1 fire hydrant between 114 th Street and Meridian Road. The existing water mains and service connections to be replaced have 22 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
4	345	87	1-inch	Copper	3,902.31	11-004	Delaware Dr.	2014	\$339,501	Replace 87 service connections and replace 87 meters along Delaware and Lawther Drives. The existing water mains have 22 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

SUPERSTITION/APACHE JUNCTION
TABLE I (Page 3 of 6) cont.
Information to be included with SIB-Eligible Project Notification

6	345	25	1-inch	Copper	4,000.32	11-004	Greasewood Dr.	2014	\$100,008	Replace 25 service connections and replace 25 meters along Greasewood Drive and Escondido Court. The existing water main has 20 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
9	345	32	1-inch	Copper	4,499.32	11-004	Hidalgo St	2013	\$143,978	Install approximately 4,700 LF of 6-inch DI replacement pipe with polywrap, replace 32 service connections and replace 32 meters along Hidalgo Street and Concho Street. This project will replace approximately 2,950 LF of 1.5-inch and 2-inch GS water main installed in 1959 and 1960 along Hidalgo Street and will also replace approximately 2,350 LF of 1-inch and 2-inch GS water main installed in 1960 along Concho Street. These existing water mains and service connections to be replaced have 19 recorded leaks over the last 8 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
10	345	47	1-inch	Copper	3,987.04	11-004	Sugar Creek Dr.	2014	\$187,391	Replace 47 service connections and replace 47 meters along Sugar Creek Drive, Pleasant Place and Breathless Drive. The existing water mains have 19 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
11	345	101	1-inch	Copper	4,041.83	11-004	Pinyon Dr.	2015	\$408,225	Replace 101 service connections and replace 101 meters along Pinyon Drive and Virginia, Scenic, Cactus Wren, and Gregory Streets. The existing water mains have 18 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
12	345	44	1-inch	Copper	4,076.36	11-004	Peralta Estates	2015	\$179,360	Replace 44 service connections and replace 44 meters in Peralta Estates Unit Two. The existing water main has 17 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
14	345	121	1-inch	Copper	4,127.63	11-004	Copper Dr.	2015	\$499,443	Replace 121 service connections and replace 121 meters along Copper, Gold and Silver Drives. The existing water mains have 16 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
17	345	25	1-inch	Copper	4,037.08	11-004	Sleepy Hollow	2015	\$100,927	Replace 25 service connections and replace 25 meters along Sleepy Hollow Trail and Lazy Lane. The existing water mains have 15 recorded service line leaks over the last 7 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

SUPERSTITION/APACHE JUNCTION
TABLE I (Page 3 of 6) cont.
Information to be included with SIB-Eligible Project Notification

18	345	21	1-inch	Copper	3,946.08	11-004	Hideaway Lane	2015	\$82,868	Replace 21 service connections and replace 21 meters along Hideaway Lane, Lazy Lane, and Breathless Drive. The existing water mains have 14 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
25	345	48	1-inch	Copper	3,959.74	11-004	Mountain Rd.	2015	\$190,068	Replace 48 service connections and replace 48 meters along Mountain Road, Elmout Drive and Malcolm Drive. The existing water mains have 11 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
27	345	8	1-inch	Copper	4,146.89	11-004	Emerald Dr.	2014	\$33,175	Install approximately 500 LF of 6-inch DI replacement pipe with polywrap, replace 8 service connections and replace 8 meters along South Emerald Drive. This project will replace approximately 500 LF of 2-inch ST water main installed in 1955 along South Emerald Drive. The existing water mains and service connections to be replaced has 10 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
28	345	30	1-inch	Copper	3,963.58	11-004	Sleepy Hollow Trail, Breathless Dr	2014	\$118,907	Replace 30 service connections, and replace 30 meters along Sleepy Hollow Trail, Breathless Drive and Turn Turn Court. The existing water mains have 10 recorded service line leaks over the last 7 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
31	345	14	1-inch	Copper	4,055.48	11-004	Hummingbird Lane	2015	\$56,777	Replace 14 service connections and replace 14 meters along Hummingbird Lane. The existing water main has 7 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
32	345	3	1-inch	Copper	4,491.60	11-004	Broadway Ave.	2014	\$13,475	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 3 service connections, replace 3 meters, and replace 1 fire hydrant along Broadway Avenue from Tomahawk Road to Vista Road. This project will replace approximately 600 LF of 6-inch CA water main installed in 1960 and 1984 along Broadway Avenue. The existing water mains and service connections to be replaced has 7 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

SUPERSTITION/APACHE JUNCTION
TABLE I (Page 4 of 6)
Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)			PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility
		Size	Quantity	Cost/Unit			Expected In-Service Date	Cost (estimated)	
1	346	5/8-inch	126	80.00	11-004	Peralta Estates Unit 2	2014	\$10,080	2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
2	346	5/8-inch	88	80.00	11-004	Boise St.	2015	\$7,040	Replace 126 meters in Peralta Estates Unit Two. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
3	346	5/8-inch	102	80.00	11-004	114 th St.	2014	\$8,160	Replace 88 meters between Boise Street and Avalon Street. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
4	346	5/8-inch	87	80.00	11-004	Delaware Dr.	2014	\$6,960	Replace 102 meters between 114 th Street and Meridian Road. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

SUPERSTITION/APACHE JUNCTION
TABLE I (Page 4 of 6) cont.
Information to be included with SIB-Eligible Project Notification

6	346	5/8-inch	25	80.00	11-004	Greasewood Dr.	2014	\$2,000	Replace 25 meters along Greasewood Drive and Escondido Court. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
9	346	5/8-inch	32	80.00	11-004	Hidalgo St.	2013	\$2,560	Replace 32 meters along Hidalgo Street and Concho Street. The existing meters have reached the end of their useful life. This replacement project is not being constructed to serve new customers.
10	346	5/8-inch	47	80.00	11-004	Sugar Creek Dr.	2014	\$3,760	Replace 47 meters along Sugar Creek Drive, Pleasant Place and Breathless Drive. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
11	346	5/8-inch	101	80.00	11-004	Pinyon Dr.	2015	\$8,080	Replace 101 meters along Pinyon Drive and Virginia, Scenic, Cactus Wren, and Gregory Streets. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
12	346	5/8-inch	44	80.00	11-004	Peralta Estates	2015	\$3,520	Replace 44 meters in Peralta Estates Unit Two. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
14	346	5/8-inch	121	80.00	11-004	Copper Dr.	2015	\$9,680	Replace 121 meters along Copper, Gold and Silver Drives. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
17	346	5/8-inch	25	80.00	11-004	Sleepy Hollow	2015	\$2,000	Replace 25 meters along Sleepy Hollow Trail and Lazy Lane. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

SUPERSTITION/APACHE JUNCTION
TABLE I (Page 4 of 6) cont.
Information to be included with SIB-Eligible Project Notification

18	346	5/8-inch	21	80.00	11-004	Hideaway Lane	2015	\$1,680	Replace 21 meters along Hideaway Lane, Lazy Lane, and Breathless Drive. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
25	346	5/8-inch	48	80.00	11-004	Mountain Rd.	2015	\$3,840	Replace 48 meters along Mountain Road, Elminut Drive and Malcolm Drive. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
27	346	5/8-inch	8	80.00	11-004	Emerald Dr.	2014	\$640	Replace 8 meters along South Emerald Drive. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
28	346	5/8-inch	30	80.00	11-004	Sleepy Hollow Trail, Breathless Dr	2014	\$2,400	Replace 30 meters along Sleepy Hollow Trail, Breathless Drive and Tum Tum Court. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
31	346	5/8-inch	14	80.00	11-004	Hummingbird Lane	2015	\$1,120	Replace 14 meters along Hummingbird Lane. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
32	346	5/8-inch	3	80.00	11-004	Broadway Ave.	2014	\$240	Replace 3 meters along Broadway Avenue from Tomahawk Road to Vista Road. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
33	346	5/8-inch	13	80.00	11-004	Boise St.	2014	\$1,040	Replace 13 meters along Boise Street and 103 rd Place. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

SUPERSTITION/APACHE JUNCTION

TABLE I (Page 4 of 6) cont.

Information to be included with SIB-Eligible Project Notification

35	346	5/8-inch	14	80.00	11-004	Alhambra Way	2014	\$1,120	Replace 14 meters along Hummingbird Avenue and Alhambra Way. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.	
Subtotal Cost (estimate)										\$75,920

SUPERSTITION/APACHE JUNCTION

TABLE I (Page 5 of 6)

Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)		PWSID No.	Site (location description)	Replacement Plant		Notes
		Quantity	Cost/Unit			Expected In-Service Date	Cost (estimated)	
	348 Hydrants							1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
1	NA			11-004			\$0	
2	NA			11-004			\$0	
3	348	1	2,886.70	11-004	114 th St.	2014	\$2,887	Replace 1 fire hydrant between 114 th Street and Meridian Road. This project will replace a fire hydrant installed in 1970. The existing hydrant is old and failing requiring replacement. Replacement parts are unavailable for this hydrant. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
4	NA			11-004			\$0	
6	NA			11-004			\$0	
9	NA			11-004			\$0	
10	NA			11-004			\$0	
11	NA			11-004			\$0	
12	NA			11-004			\$0	
14	NA			11-004			\$0	
17	NA			11-004			\$0	
18	NA			11-004			\$0	
25	NA			11-004			\$0	
27	NA			11-004			\$0	
28	NA			11-004			\$0	
31	NA			11-004			\$0	

SUPERSTITION/APACHE JUNCTION

TABLE I (Page 5 of 6) cont.

Information to be included with SIB-Eligible Project Notification

32	348	1	2,693.80	11-004	Broadway Ave.	2014	\$2,694
33	NA			11-004			\$0
35	NA			11-004			\$0
Subtotal Cost (estimate)							\$5,581

Replace 1 fire hydrant along Broadway Avenue from Tomahawk Road to Vista Road. This project will replace a fire hydrant installed in 1960 along Broadway Avenue. The existing hydrant is old and failing, requiring replacement. Replacement parts are unavailable for this hydrant. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

SUPERSTITION/APACHE JUNCTION
TABLE I (Page 6 of 6, Summary)
Information to be included with SIB-Eligible Project Notification

Project No.	PWSID No.	Project Description	Cost (estimated)
1	11-004	REPLACE 126 SERVICE CONNECTIONS IN PERALTA ESTATES UNIT TWO	\$523,827
2	11-004	INSTALL 1,350 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 88 SERVICE CONNECTIONS BETWEEN BOISE STREET AND AVALON STREET	\$544,964
3	11-004	INSTALL 650 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 102 SERVICE CONNECTIONS BETWEEN 114 TH STREET AND MERIDIAN ROAD	\$432,978
4	11-004	REPLACE 87 SERVICE CONNECTIONS ALONG DELAWARE AND ALWETHER DRIVES	\$346,461
6	11-004	REPLACE 25 SERVICE CONNECTIONS ALONG GREASEWOOD DRIVE AND ESCONDIDO COURT	\$102,008
9	11-004	INSTALL 4,700 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 32 SERVICE CONNECTIONS ALONG HIDALGO STREET AND CONCHO STREET	\$563,475
10	11-004	REPLACE 46 SERVICE CONNECTIONS ALONG SUGAR CREEK DRIVE, PLEASANT PLACE AND BREATHTLESS DRIVE	\$191,151
11	11-004	REPLACE 101 SERVICE CONNECTIONS ALONG PINYON DRIVE AND VIRGINIA, SCENIC, CACTUS WREN, AND GREGORY STREETS	\$416,305
12	11-004	REPLACE 44 SERVICE CONNECTIONS IN PERALTA ESTATES UNIT TWO	\$182,880
14	11-004	REPLACE 121 SERVICE CONNECTIONS ALONG COPPER, GOLD AND SILVER DRIVES	\$509,123
17	11-004	REPLACE 25 SERVICE CONNECTIONS ALONG SLEEPY HOLLOW TRAIL AND LAZY LANE	\$102,927
18	11-004	REPLACE 21 SERVICE CONNECTIONS ALONG HIDEAWAY LANE, LAZY LANE AND BREATHTLESS DRIVE	\$84,548
25	11-004	REPLACE 48 SERVICE CONNECTIONS ALONG MOUNTAIN ROAD, ELMONT DRIVE AND MALCOLM DRIVE	\$193,908
27	11-004	INSTALL 500 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 8 SERVICE CONNECTIONS ALONG SOUTH EMERALD DRIVE	\$78,640
28	11-004	REPLACE 30 SERVICE CONNECTIONS ALONG SLEEPY HOLLOW TRAIL, BREATHTLESS DRIVE AND TUM TUM COURT	\$121,307

SUPERSTITION/APACHE JUNCTION
TABLE I (Page 6 of 6, Summary) cont.
Information to be included with SIB-Eligible Project Notification

31	11-004	REPLACE 14 SERVICE CONNECTIONS ALONG HUMMINGBIRD LANE	\$57,897
32	11-004	REPLACE 14 SERVICE CONNECTIONS ALONG BROADWAY AVENUE FROM TOMAHAWK ROAD TO VISTA ROAD	\$67,349
33	11-004	INSTALL 600 LF OF 6-INCH DIP W/POLYWRAP AND REPLACE 3 SERVICE CONNECTIONS ALONG BOISE STREET AND 105 TH PLACE	\$176,447
35	11-004	INSTALL 1,400 LF OF 6-INCH DIP W/POLYWRAP AND REPLACE 13 SERVICE CONNECTIONS ALONG HUMMINGBIRD LANE AND ALHAMBRA WAY	\$57,897
Total Cost (estimate)			\$4,754,092

SUPERSTITION/SUPERIOR

TABLE I (Page 1 of 6)

Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)				PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility	2. Provide narrative explaining why this segment of plant is a priority.	3. Provide narrative explaining how replacing this plant will benefit existing customers.	4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
		Pipe length	Diameter	Material	Cost/Unit			Expected In-Service Date	Cost (estimated)				
19	NA					11-021			\$0				
34	NA					11-021			\$0				
36	NA					11-021			\$0				
Subtotal Cost (estimate)									\$0				

SUPERSTITION/SUPERIOR
TABLE I (Page 2 of 6)
Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)				PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility
		Pipe length	Diameter	Material	Cost/Unit			Expected In-Service Date	Cost (estimated)	
19	343	1,350	6	DI	83.07	11-021	Stone Avenue	2013	\$112,145	Install approximately 1,350 LF of 6-inch DI replacement pipe with polywrap, replace 25 service connections, replace 25 meters, and replace 3 fire hydrants along Stone Avenue from Kiser Street to Molatt Street. This project will replace approximately 950 LF of 4-inch CI water main installed in 1937 along Stone Avenue and approximately 400 LF of 2-inch CA water main installed in 1942 along Kiser Street. The existing water mains to be replaced have 14 recorded leaks and over the past 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
34	NA					11-021			\$0	Install approximately 1,250 LF of 6-inch DI replacement pipe with polywrap, replace 31 service connections, and replace 31 meters along Garrot Avenue and Stansberry Avenue. This project will replace approximately 650 LF of 2-inch CA water main installed in 1939 in the alley west of Garrot Avenue and approximately 600 LF of 6-inch CA water main installed in 1930 on Stansberry Avenue. The existing water mains to be replaced have 6 recorded leaks over the past 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
36	343	1,250	6	DI	98.18	11-021	Garrot Avenue	2015	\$122,725	
Subtotal Cost (estimate)									\$234,870	

SUPERSTITION/SUPERIOR
TABLE I (Page 3 of 6)
Information to be Included with SIB-Eligible Project Notification

Project No.	NARIUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)				PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility
		Quantity	Diameter	Material	Cost/Unit			Expected In-Service Date	Cost (estimated)	
19	345	25	1-inch	Copper	3,996.17	11-021	Stone Avenue	2013	\$99,904	Install approximately 1,350 LF of 6-inch DI replacement pipe with polywrap, replace 25 service connections, replace 25 meters, and replace 3 fire hydrants along Stone Avenue from Kiser Street to Moffatt Street. This project will replace approximately 950 LF of 4-inch CI water main installed in 1937 along Stone Avenue and approximately 400 LF of 2-inch CA water main installed in 1942 along Kiser Street. The existing water mains to be replaced have 14 recorded leaks and over the past 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
34	345	28	1-inch	Copper	4,022.64	11-021	Hill Street	2014	\$112,634	Replace 28 service connections along Hill Street from Church Avenue to Terrace Drive. The existing water mains have 7 recorded service line leaks over the past 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
36	345	31	1-inch	Copper	4,958.40	11-021	Garrot Avenue	2015	\$153,710	Install approximately 1,250 LF of 6-inch DI replacement pipe with polywrap, replace 31 service connections, and replace 31 meters along Garrot Avenue and Stansberry Avenue. This project will replace approximately 650 LF of 2-inch CA water main installed in 1939 in the alley west of Garrot Avenue and approximately 600 LF of 6-inch CA water main installed in 1930 on Stansberry Avenue. The existing water mains to be replaced have 6 recorded leaks over the past 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
Subtotal Cost (estimate)									\$366,248	

SUPERSTITION/SUPERIOR
TABLE I (Page 4 of 6)
Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plan)	Size	Quantity	Cost/Unit	PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility
							Expected In-Service Date	Cost (estimated)	
19	346	5/8-inch	25	80.00	11-021	Stone Avenue	2013	\$2,000	Replace 25 meters along Stone Avenue from Kiser Street to Morait Street. The existing meters have reached the end of their useful life. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
34	346	5/8-inch	28	80.00	11-021	Hill Street	2014	\$2,240	Replace 28 meters along Hill Street from Church Avenue to Terrace Drive. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter has to be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
36	346	5/8-inch	31	80.00	11-021	Garrot Avenue	2015	\$2,480	Replace 31 meters along Garrot Avenue and Stansberry Avenue. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter has to be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
Subtotal Cost (estimate)									\$6,720

SUPERSTITION/SUPERIOR
TABLE I (Page 5 of 6)
Information to be included with SIB-Eligible Project Notification

Project No	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)	Quantity	Cost/Unit	PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility
							Expected In-Service Date	Cost (estimated)	
19	348	Hydrants	3	2,826.37	11-021	Stone Avenue	2013	\$8,479	Replace 3 fire hydrants along Stone Avenue from Kiser Street to Mofatt Street. This project will replace fire hydrants installed in 1937 along Stone Avenue and fire hydrants installed in 1942 along Kiser Street. The existing hydrants are old and failing requiring replacement. Replacement parts are unavailable for those hydrants. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
34	NA				11-021			\$0	
36	NA				11-021			\$0	
								\$8,479	

SUPERSTITION/SUPERIOR
TABLE 1 (Page 6 of 6, Summary)
Information to be included with SIB-Eligible Project Notification

Project No.	PWSID No.	Project Description	Cost (estimated)
19	11-021	INSTALL 1,350 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 25 SERVICE CONNECTIONS ALONG STONE AVENUE FROM KISER STREET TO MOFATT STREET	\$114,874
34	11-021	REPLACE 26 SERVICE CONNECTIONS ALONG HILL STREET FROM CHURCH AVENUE TO TERRANCE DRIVE	\$278,915
36	11-021	INSTALL 1,250 LF OF 6" DIP w/POLLYWRAP AND REPLACE 31 SERVICE CONNECTIONS ALONG GARROT AVENUE AND STANSBERRY AVENUE	
Total Cost (estimate)			\$616,317

**SUPERSTITION/MIAMI
TABLE I (Page 1 of 6)**

Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)			PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
		Pipe length	Diameter	Material			Cost/Unit	Expected In-Service Date	
5	NA				04-002			\$0	
7	NA				04-002			\$0	
8	NA				04-002			\$0	
13	NA				04-002			\$0	
15	NA				04-002			\$0	
16	NA				04-002			\$0	
20	NA				04-002			\$0	
21	NA				04-002			\$0	
22	NA				04-002			\$0	
23	NA				04-002			\$0	
24	NA				04-002			\$0	
26	NA				04-002			\$0	
29	NA				04-002			\$0	
30	NA				04-002			\$0	
Subtotal Cost (estimate)								\$0	

SUPERSTITION/MIAMI

TABLE I (Page 2 of 6)

Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB- eligible plant)	Replacement Plant Description (SIB-eligible plant)				PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
		Pipe length	Diameter	Material	Cost/Unit			Expected In-Service Date	Cost (estimated)	
5	NA					04-002			\$0	
7	NA					04-002			\$0	
8	343	600	6	DI	89.54	04-002	Ranch Rd.	2014	\$53,724	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 1 service connection and replace 1 meter along Ranch Road. This project will replace approximately 600 LF of 2-inch PVC water main installed in 1984 on Ranch Road. The existing water main and service connection to be replaced has 20 recorded leaks over the last 3 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
13	343	1,050	6	DI	88.78	04-002	Russell Ave.	2014	\$93,219	Install approximately 1,050 LF of 6-inch DI replacement pipe with polywrap, replace 23 service connections, and replace 23 meters along Snedden Avenue east of Russell Avenue. This project will replace approximately 650 LF of 2-inch CA water main installed in 1949, approximately 200 LF of 1-inch GS water main installed in 1950, and approximately 200 LF of 3-inch CA water main installed in 1965. The existing water mains and service connections to be replaced have 17 recorded leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
15	NA					04-002			\$0	

SUPERSTITION/MIAMI
TABLE I (Page 2 of 6) cont.
Information to be included with SIB-Eligible Project Notification

16	343	250	6	DI	90.57	04-002	Monroe St.	2013	\$22,643	Install approximately 250 LF of 6-inch DI replacement pipe with polywrap, replace 6 service connections and replace 6 meters along Monroe Street from Miami Street to Marion Street. This project will replace approximately 400 LF of 2-inch PVC water main installed in 1976 and 2-inch GS water main installed in 1936 on Monroe Street. The existing water mains and service connections to be replaced have 16 recorded leaks over the last 7 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
20	343	550	6	DI	83.02	04-002	Central Ave.	2014	\$45,661	Install approximately 550 LF of 6-inch DI replacement pipe with polywrap, replace 25 service connections, replace 25 meters, replace 1 fire hydrant along Central Avenue from Braloy Street to Monroe Street. This project will replace approximately 550 LF of 6-inch ST water main installed in 1955 on Central Avenue. The existing water mains and service connections to be replaced have 14 recorded leaks over the last 7 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
21	343	1,700	6	DI	89.08	04-002	Orphan St.	2014	\$151,436	Install approximately 1,700 LF of 6-inch DI replacement pipe with polywrap, replace 33 service connections, and replace 33 meters along Orphan Street and Kenzie Avenue. This project will replace approximately 1,050 LF of 2-inch CA water main installed in 1949 on Orphan Avenue, and will replace approximately 650 LF of 1-inch and 2-inch GS water mains installed in 1932 on Kenzie Avenue. The existing water mains and service connections to be replaced have 14 recorded leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
22	343	2,750	6	DI	87.78	04-002	Fredric St.	2015	\$241,395	Install approximately 2,750 LF of 6-inch DI replacement pipe with polywrap, replace 53 service connections, replace 53 meters and replace 2 fire hydrants along Fredric Street and Bird Street. This project will replace approximately 1,450 LF of 2-inch GS water main installed in 1930 and 1936 on Fredric Street and approximately 1,300 LF of 2-inch GS and 4-inch CA water main installed in 1930 and 1949, respectively, and in 1949 on Bird Street. The existing water mains and service connections to be replaced have 13 recorded leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
23	NA					04-002			\$0	

SUPERSTITION/MIAMI
TABLE 1 (Page 2 of 6) cont.
Information to be included with SIB-Eligible Project Notification

24	343	600	6	DI	88.74	04-002	Story St.	2014	\$53,244	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 11 service connections, replace 11 meters and install 2 fire hydrants along Story Street east of Russell Avenue. This project will replace approximately 600 LF of 2-inch GS water main installed in 1956. The existing water mains and service connections to be replaced have 12 recorded leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
26	343	800	6	DI	90.03	04-002	Young St.	2015	\$72,024	Install approximately 800 LF of 6-inch DI replacement pipe with polywrap, replace 17 service connections and replace 17 meters along Young Street, Second Avenue, Hill Street, and Third Avenue. This project will replace approximately 300 LF of 1-inch ST water main installed in 1975, approximately 350 LF of 1-inch PVC water main installed in 1979, and approximately 100 LF of 2-inch PVC water main installed in 1975. The existing water mains and service connections to be replaced have 11 recorded leaks over the last 3 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
29	343	1,600	6	DI	87.70	04-002	Washburn Rd.	2013	140,320	Install approximately 1,600 LF of 6-inch DI replacement pipe with polywrap and replace 1 fire hydrant along Washburn Road. This project will replace approximately 1,600 LF of 6-inch HDPE water main along Washburn Road. The existing water main to be replaced has 9 recorded water main leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
30	343	500	6	DI	89.48	04-002	Loomis Ave.	2015	\$44,740	Install approximately 500 LF of 6-inch DI replacement pipe with polywrap, replace 5 service connections and replace 5 meters east of Loomis Avenue. This project will replace approximately 500 LF of 1-inch GS water main installed in 1935 east of Loomis Avenue. The existing water main and service connections to be replaced have 9 recorded leaks in the last 7 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
Subtotal Cost (estimate)										\$918,406

SUPERSTITION/MIAMI
TABLE I (Page 3 of 6)
Information to be included with SIB-Eligible Project Notification

Project No.	NARRUC Acct No. (SIB-eligible plant)	Quantity	Diameter	Material	Cost/Unit	PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility
								Expected In-Service Date	Cost (estimated)	
										2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
5	345	10	1-inch	Copper	4,147.43	04-002	Globe Ave.	2014	\$41,474	Replace 10 service connections and replace 10 meters along Globe Avenue. The existing water mains have 22 recorded service line leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
7	345	22	1-inch	Copper	4,139.00	04-002	Chisolm Ave.	2014	\$91,058	Replace 22 service connections and replace 22 meters along Chisolm Avenue. The existing water mains have 20 recorded service line leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
8	345	1	1-inch	Copper	3,435.50	04-002	Ranch Rd.	2014	\$3,436	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap and replace 1 service connection, and replace 1 meter along Ranch Road. This project will replace approximately 600 LF of 2-inch PVC water main installed in 1984 on Ranch Road. The existing water main and service connection to be replaced has 20 recorded leaks over the last 3 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
13	345	23	1-inch	Copper	4,137.96	04-002	Russell Ave.	2014	\$95,173	Install approximately 1,050 LF of 6-inch DI replacement pipe with polywrap, replace 23 service connections, and replace 23 meters along Sneedden Avenue east of Russell Avenue. This project will replace approximately 650 LF of 2-inch CA water main installed in 1949, approximately 200 LF of 1-inch GS water main installed in 1950, and approximately 200 LF of 3-inch CA water main installed in 1965. The existing water mains and service connections to be replaced have 17 recorded leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

SUPERSTITION/MIAMI
TABLE 1 (Page 3 of 6) cont.
Information to be included with SIB-Eligible Project Notification

15	345	18	1-inch	Copper	4,055.49	04-002	McKinney Ave.	2015	\$72,999	Replace 18 service connections and replace 18 meters along McKinney Avenue from Braley Street to Hill Street. The existing water mains have 16 recorded service line leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
16	345	6	1-inch	Copper	3,848.24	04-002	Monroe St.	2013	\$23,089	Install approximately 250 LF of 6-inch DI replacement pipe with polywrap, replace 6 service connections and replace 6 meters along Monroe Street from Miami Street to Marion Street. This project will replace approximately 400 LF of 2-inch PVC water main installed in 1976 and 2-inch GS water main installed in 1936 on Monroe Street. The existing water mains and service connections to be replaced have 16 recorded leaks over the last 7 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
20	345	25	1-inch	Copper	4,192.08	04-002	Central Ave.	2014	\$104,802	Install approximately 550 LF of 6-inch DI replacement pipe with polywrap, replace 25 service connections, replace 25 meters and replace 1 fire hydrant along Central Avenue from Braley Street to Moore Street. This project will replace approximately 550 LF of 6-inch ST water main installed in 1955 on Central Avenue. The existing water mains and service connections to be replaced have 14 recorded leaks over the last 7 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
21	345	33	1-inch	Copper	3,828.75	04-002	Orphan St.	2014	\$126,349	Install approximately 1,700 LF of 6-inch DI replacement pipe with polywrap, replace 33 service connections and replace 33 meters along Orphan Street and Kenzie Avenue. This project will replace approximately 1,050 LF of 2-inch CA water main installed in 1949 on Orphan Avenue, and will replace approximately 650 LF of 1-inch and 2-inch GS water mains installed in 1932 on Kenzie Avenue. The existing water mains and service connections to be replaced have 14 recorded leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
22	345	53	1-inch	Copper	4,036.73	04-002	Fredric St.	2015	\$213,947	Install approximately 2,750 LF of 6-inch DI replacement pipe with polywrap, replace 53 service connections, replace 53 meters and replace 2 fire hydrants along Fredric Street and Bird Street. This project will replace approximately 1,450 LF of 2-inch GS water main installed in 1930 and 1936 on Fredric Street and approximately 1,300 LF of 2-inch GS and 4-inch CA water main installed in 1930 and 1949, respectively, and in 1949 on Bird Street. The existing water mains and service connections to be replaced have 13 recorded leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

SUPERSTITION/MIAMI
TABLE I (Page 3 of 6) cont.
Information to be included with SIB-Eligible Project Notification

23	345	17	1-inch	Copper	4,028.46	04-002	Glendale Ave.	2015	\$68,484	Replace 17 service connections and replace 17 meters along Glendale Avenue from Braley Street to Hill Street. The existing water mains have 13 recorded service line leaks over the last 7 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
24	345	11	1-inch	Copper	4,042.78	04-002	Story St.	2014	\$44,471	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 11 service connections, and replace 11 meters along Story Street east of Russell Avenue. This project will replace approximately 600 LF of 2-inch GS water main installed in 1956. The existing water mains and service connections to be replaced have 12 recorded leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
26	345	17	1-inch	Copper	3,830.70	04-002	Young St.	2015	\$65,122	Install approximately 800 LF of 6-inch DI replacement pipe with polywrap, replace 17 service connections and replace 17 meters along Young Street, Second Avenue, Hill Street, and Third Avenue. This project will replace approximately 350 LF of 1-inch ST water main installed in 1975, approximately 100 LF of 1-inch PVC water main installed in 1979, and approximately 100 LF of 2-inch PVC water main installed in 1975. The existing water mains and service connections to be replaced have 11 recorded leaks over the last 3 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
29	NA								\$0	
30	345	5	1-inch	Copper	3,575.45	04-002	Loomis Ave.	2015	\$17,877	Install approximately 500 LF of 6-inch DI replacement pipe with polywrap, replace 5 service connections and replace 5 meters east of Loomis Avenue. This project will replace approximately 500 LF of 1-inch GS water main installed in 1935 east of Loomis Avenue. The existing water main and service connections to be replaced have 9 recorded leaks in the last 7 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
Subtotal Cost (estimate)									\$968,281	

SUPERSTITION/MIAMI
TABLE I (Page 4 of 6)
Information to be included with SIB-Eligible Project Notification

Project No.	NARLIC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)			PW/SID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designed useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility
		Size	Quantity	Cost/Unit			Expected In-Service Date	Cost (estimated)	
5	346	5/8-inch	10	80.00	04-002	Globe Ave.	2014	\$800	Replace 10 meters along Globe Avenue. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
7	346	5/8-inch	22	80.00	04-002	Chisolm Ave.	2014	\$1,760	Replace 22 meters along Chisolm Avenue. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
8	346	5/8-inch	1	80.00	04-002	Ranch Rd.	2014	\$80	Replace 1 meter along Ranch Road. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
13	346	5/8-inch	23	80.00	04-002	Russell Ave.	2014	\$1,840	Replace 23 meters along Snedden Avenue east of Russell Avenue. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

SUPERSTITION/MIAMI
TABLE I (Page 4 of 6) cont.
Information to be included with SIB-Eligible Project Notification

15	346	5/8-inch	18	80,000	04-002	McKinney Ave.	2015	\$1,440	Replace 18 meters along McKinney Avenue from Braley Street to Hill Street. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
16	346	5/8-inch	6	80,000	04-002	Monroe St.	2013	\$480	Replace 6 meters along Monroe Street from Miami Street to Marlon Street. The existing meters have reached the end of their useful life. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
20	346	5/8-inch	25	80,000	04-002	Central Ave.	2014	\$2,000	Replace 25 meters along Central Avenue from Braley Street to Monroe Street. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
21	346	5/8-inch	33	80,000	04-002	Orphan St.	2014	\$2,640	Replace 33 meters along Orphan Street and Kenzie Avenue. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
22	346	5/8-inch	53	80,000	04-002	Fredric St.	2015	\$4,240	Replace 53 meters along Fredric Street and Bird Street. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
23	346	5/8-inch	17	80,000	04-002	Glendale Ave.	2015	\$1,360	Replace 17 meters along Glendale Avenue from Braley Street to Hill Street. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
24	346	5/8-inch	11	80,000	04-002	Story St.	2014	\$880	Replace 11 meters along Story Street east of Russell Avenue. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

SUPERSTITION/MIAMI
 TABLE I (Page 4 of 6) cont.
 Information to be included with SIB-Eligible Project Notification

26	346	5/8-inch	17	80.00	04-002	Young St.	2015	\$1,360	Replace 17 meters along Young Street, Second Avenue, Hill Street, and Third Avenue. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
29	NA				04-002			\$0	
30	346	5/8-inch	5	80.00	04-002	Loomis Ave.	2015	\$400	Replace 5 meters east of Loomis Avenue. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
Subtotal Cost (estimate)									\$19,280

SUPERSTITION/MIAMI
TABLE 1 (Page 5 of 6)

Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)		PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility
		Quantity	Cost/Unit			Expected In-Service Date	Cost (estimated)	
	348	Hydrants						2. Provide narrative explaining why this segment of plant is a priority.
5	NA			04-002			\$0	3. Provide narrative explaining how replacing this plant will benefit existing customers.
7	NA			04-002			\$0	4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
8	NA			04-002			\$0	
13	NA			04-002			\$0	
15	NA			04-002			\$0	
16	NA			04-002			\$0	
20	348	1	2,321.78	04-002	Central Ave.	2014	\$2,232	Replace 1 fire hydrant along Central Avenue from Braley Street to Monroe Street. This project will replace a fire hydrant installed in 1955 on Central Avenue. The existing hydrant is old and failing requiring replacement. Replacement parts are unavailable for this hydrant. This replacement is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
21	NA			04-002			\$0	
22	348	2	2,321.12	04-002	Fredric St	2015	\$4,642	Replace 2 fire hydrants along Fredric Street and Bird Street. This project will replace fire hydrants installed in 1930s on Fredric Street and Bird Street. The existing hydrants are old and failing requiring replacement. Replacement parts are unavailable for these hydrants. This replacement is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
23	NA			04-002			\$0	
24	NA			04-002			\$0	
26	NA			04-002			\$0	

SUPERSTITION/MIAMI
TABLE I (Page 5 of 6) cont.

Information to be included with SIB-Eligible Project Notification

29	NA	I	2,517.50	04-002	Washbom Rd.	\$2,518	Replace 1 fire hydrant along Washbom Road. This project will replace a fire hydrant Washbom Road. The existing hydrant is old and failing requiring replacement. Replacement parts are unavailable for this hydrant. This replacement is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.	
30	NA			04-002		\$0		
Subtotal Cost (estimate)							\$9,482	

SUPERSTITION/MIAMI
TABLE 1 (Page 6 of 6, Summary)
Information to be included with SIB-Eligible Project Notification

Project No.	PWSID No.	Project Description	Cost (estimated)
5	04-002	REPLACE 10 SERVICE CONNECTIONS ALONG GLOBE AVENUE	\$42,274
7	04-002	REPLACE 22 SERVICE CONNECTIONS ALONG CHISOLM AVENUE	\$92,818
8	04-002	INSTALL 600 LF OF 6-INCH DIP w/POLYWRAP ALONG RANCH ROAD AND REPLACE 1 SERVICE CONNECTION	\$57,240
13	04-002	INSTALL 1,050 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 23 SERVICE CONNECTIONS ALONG SNEPDED AVENUE EAST OF RUSSELL AVENUE	\$190,232
15	04-002	REPLACE 18 SERVICE CONNECTIONS ALONG MCKINNEY AVENUE FROM BRALEY STREET TO HILL STREET	\$74,439
16	04-002	INSTALL 250 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 6 SERVICE CONNECTIONS ALONG MONROE STREET FROM MIAMI STREET TO MARION STREET	\$46,212
20	04-002	INSTALL 550 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 25 SERVICE CONNECTIONS ALONG CENTRAL AVENUE FROM BRALEY STREET TO MONROE STREET	\$154,785
21	04-002	INSTALL 1,700 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 33 SERVICE CONNECTIONS ALONG ORPHAN STREET AND KENZIE AVENUE	\$280,425
22	04-002	INSTALL 2,750 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 53 SERVICE CONNECTIONS ALONG FREDRIC STREET AND BIRD STREET	\$464,224
23	04-002	REPLACE 17 SERVICE CONNECTIONS ALONG GLENDALE AVENUE FROM BRALEY STREET TO HILL STREET	\$69,844
24	04-002	INSTALL 600 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 11 SERVICE CONNECTIONS ALONG STORY STREET EAST OF RUSSELL AVENUE	\$98,595
26	04-002	INSTALL 800 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 17 SERVICE CONNECTIONS ALONG YOUNG STREET, SECOND AVENUE, HILL STREET AND THRID AVENUE	\$138,506
29	04-002	INSTALL 1,600 LF OF 6-INCH DIP w/POLYWRAP ALONG WASHBORN ROAD	\$142,838
30	04-002	INSTALL 500 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 5 SERVICES EAST OF LOOMIS AVENUE	\$63,017
Total Cost (estimate)			\$1,915,449

FALCON VALLEY/ORACLE
 TABLE I (Page 1 of 6)

Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)				PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
		Pipe length	Diameter	Material	Cost/Unit			Expected In-Service Date	Cost (estimated)	
37	NA							\$0		
38	NA							\$0		
39	NA							\$0		
40	NA							\$0		
41	NA							\$0		
42	NA							\$0		
Subtotal Cost (estimate)								\$0		

FALCON VALLEY/ORACLE
TABLE 1 (Page 2 of 6)
Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)				PW/SID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary. - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility
		Pipe length	Diameter	Material	Cost/Unit			Expected In-Service Date	Cost (estimated)	
37	NA					11-019			\$0	
38	NA					11-019			\$0	
39	NA					11-019			\$0	
40	NA					11-019			\$0	
41	NA					11-019			\$0	
42	NA					11-019			\$0	
Subtotal Cost (estimate)									\$0	

1. Provide narrative why Replacement Plant is necessary.
 - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility.
 - replacement of existing plant to address excessive water loss (10% or more)
 - replacement of existing plant for other reasons supported by persuasive showing by utility
2. Provide narrative explaining why this segment of plant is a priority.
3. Provide narrative explaining how replacing this plant will benefit existing customers.
4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.

FALCON VALLEY/ORACLE
TABLE I (Page 3 of 6)

Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)				PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
		Quantity	Diameter	Material	Cost/Unit			Expected In-Service Date	Cost (estimated)	
37	345 Services	61	1-inch	Copper	2,717.88	11-019	Beverly Circle	2013	\$165,791	Replace 61 service connections and replace 61 meters along Beverly Circle. The existing water mains have 36 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
38	345	35	1-inch	Copper	2,639.48	11-019	Sonberg Drive	2013	\$92,382	Replace 35 service connections and replace 35 meters along Sonberg Drive, Harold Drive and Rockcliff Boulevard. The existing water mains have 21 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
39	345	19	1-inch	Copper	2,735.75	11-019	Camino Seco	2014	\$51,979	Replace 19 service connections and replace 19 meters along Camino Seco and Calle Valencia. The existing water mains have 9 recorded service line leaks over the last 5 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
40	345	27	1-inch	Copper	2,837.44	11-019	Adams Street	2014	\$76,611	Replace 27 service connections and replace 27 meters along Adams Street, Howard Street and Logan Street. The existing water mains have 7 recorded service line leaks and 1 water main leak over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
41	345	24	1-inch	Copper	2,668.79	11-019	Two O'Clock Hills Road	2015	\$64,051	Replace 24 service connections and replace 24 meters along North Two O'clock Hills Road and Chaparral Street. The existing water mains have 8 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

FALCON VALLEY/ORACLE

TABLE I (Page 3 of 6) cont.

Information to be included with SIB-Eligible Project Notification

42	345	16	1-inch	Copper	2,709.84	11-019	Cedar Ridge Drive	2015	\$43,357	Replace 16 service connections and replace 16 meters along North Cedar Ridge Drive. The existing water main has 6 recorded service line leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.	
Subtotal Cost (estimate)									\$494,171		

FALCON VALLEY/ORACLE

TABLE I (Page 4 of 6)

Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)			PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
		Size	Quantity	Cost/Unit			Expected In-Service Date	Cost (estimated)	
37	346 Meters	5/8-inch	61	80.00	11-019	Beverly Circle	2013	\$4,880	Replace 61 meters along Beverly Circle. The existing meters have reached the end of their useful life. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
38	346	5/8-inch	35	80.00	11-019	Sonberg Drive	2013	\$2,800	Replace 35 meters along Sonberg Drive, Harold Drive and Rockcliff Boulevard. The existing meters have reached the end of their useful life. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
39	346	5/8-inch	19	80.00	11-019	Camino Seco	2014	\$1,520	Replace 19 meters along Camino Seco and Calle Valencia. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter has to be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
40	346	5/8-inch	27	80.00	11-019	Adams Street	2014	\$2,160	Replace 27 meters along Adams Street, Howard Street and Logan Street. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter has to be installed in its place for compliance. This replacement project is not being constructed to serve new customers.
41	346	5/8-inch	24	80.00	11-019	Two O'Clock Hills Road	2015	\$1,920	Replace 24 meters along North Two O'Clock Hills Road and Chaparral Street. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter has to be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

FALCON VALLEY/ORACLE
TABLE 1 (Page 4 of 6) cont.

Information to be included with SIB-Eligible Project Notification

42	346	5/8-inch	16	80.00	11-019	Cedar Ridge Drive	2015	\$1,280	
<p>Replace 16 meters along North Cedar Ridge Drive. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter has to be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.</p>									
									Subtotal Cost (estimate)
									\$14,560

FALCON VALLEY/ORACLE

TABLE 1 (Page 5 of 6)

Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)		PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
		Quantity	Cost/Unit			Expected In-Service Date	Cost (estimated)	
37	NA			11-019				\$0
38	NA			11-019				\$0
39	NA			11-019				\$0
40	NA			11-019				\$0
41	NA			11-019				\$0
42	NA			11-019				\$0
Subtotal Cost (estimate)								\$0

FALCON VALLEY/ORACLE
TABLE I (Page 6 of 6, Summary)
Information to be included with SIB-Eligible Project Notification

Project No.	PWSID No.	Project Description	Cost (estimated)
37	11-019	REPLACE 61 SERVICE CONNECTIONS AND METERS ALONG BEVERLY CIRCLE.	\$170,671
38	11-019	REPLACE 35 SERVICE CONNECTIONS AND METERS ALONG SONBERG DRIVE, HAROLD DRIVE AND ROCKCLIFF BOULEVARD.	\$95,182
39	11-019	REPLACE 19 SERVICE CONNECTIONS AND METERS ALONG CAMINO SECO AND CALLE VALENCIA.	\$53,499
40	11-019	REPLACE 27 SERVICE CONNECTIONS AND METERS ALONG ADAMS STREET, HOWARD STREET AND LOGAN STREET.	\$78,771
41	11-019	REPLACE 24 SERVICE CONNECTIONS AND METERS ALONG NORTH TWO O'CLOCK HILLS ROAD AND CHAPARRAL STREET.	\$65,971
42	11-019	REPLACE 16 SERVICE CONNECTIONS AND METERS ALONG NORTH CEDAR RIDGE DRIVE.	\$44,637
Total Cost (estimate)			\$508,731

COCHISE/BISBEE

TABLE I (Page 1 of 6)

Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)			PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
		Pipe length	Diameter	Material			Cost/Unit	Expected In-Service Date	
43	NA				02-001			\$0	
44	NA				02-001			\$0	
45	NA				02-001			\$0	
46	NA				02-001			\$0	
47	NA				02-001			\$0	
48	NA				02-001			\$0	
49	NA				02-001			\$0	
50	NA				02-001			\$0	
51	NA				02-001			\$0	
52	NA				02-001			\$0	
Subtotal Cost (estimate)									\$0

COCHISE/BISBEE

TABLE 1 (Page 2 of 6)

Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)				PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
		Pipe length	Diameter	Material	Cost/Unit			Expected In-Service Date	Cost (estimated)	
43	343 T&D Mains	1,900	6	DI	90.27	02-001	Bowers Street	2012	\$171,513	Install approximately 1,900 LF of 6-inch DI replacement pipe with polywrap, replace 22 service connections, replace 22 meters, and replace 1 fire hydrant along Bowers Street from Marie Street to McDonald Street. This project will replace approximately 1,250 LF of 4-inch SF water main installed in 1958 and approximately 150 LF of 1-inch GS water main installed in 1961 on Bowers Street; and approximately 500 LF of 2-inch GS water main installed in 1958 on Marie Street. The existing water mains and service connections to be replaced have 80 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
44	343	700	6	DI	88.34	02-001	Ocotillo Avenue	2012	\$61,838	Install approximately 700 LF of 6-inch DI replacement pipe with polywrap, replace 11 service connections, replace 11 meters, and replace 1 fire hydrant along Ocotillo Street. This project will replace approximately 600 LF of 1-inch GS water main installed in 1945, 1947, and 1950, approximately 250 LF of 1-inch PVC water main installed in 1980, approximately 150 LF of 4-inch ST water main installed in 1960, and approximately 100 LF of 2-inch CU water main installed in 2007 on Ocotillo Street. The existing water mains and service connections to be replaced have 35 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

COCHISE/BISBEE

TABLE I (Page 2 of 6) cont.

Information to be included with SIB-Eligible Project Notification

45	343	2,450	6	DI	92.37	02-001	Ledge Avenue	2014	\$226,307	Install approximately 2,450 LF of 6-inch DI replacement pipe with polywrap, replace 41 service connections, and replace 41 meters along Ledge Avenue and Quality Road. This project will replace approximately 1,050 LF of 1-inch GS water main installed in 1937, 1939, 1958, and 1962; approximately 100 LF of 2-inch ST water main installed in 2002; approximately 1,000 LF of 2-inch GS water main installed in 1932 and 1947, and approximately 200 LF of 3-inch GS water main installed in 1947. The existing water mains and service connections to be replaced have 35 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
46	343	900	6	DI	92.09	02-001	Highway 80	2014	\$82,881	Install approximately 900 LF of 6-inch DI replacement pipe with polywrap, replace 1 service connection, and replace 1 meter along Highway 80 and Winwood Road. This project will replace approximately 900 LF of 1-inch PVC water main installed in 1980 on Winwood Road. The existing water mains and service connections to be replaced have 22 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
47	343	1,650	6	DI	91.98	02-001	Ledge Avenue	2014	\$151,767	Install approximately 1,650 LF of 6-inch DI replacement pipe with polywrap, replace 20 service connections, and replace 20 meters along Ledge Avenue, Quality Road and Alleys. This project will replace approximately 150 LF of 1-inch GS water main installed in 1939, approximately 100 LF of 1-inch PVC water main installed in 1976, approximately 750 LF of 2-inch GS water main installed in 1939 and 1947, and approximately 350 LF of 3-inch GS water main installed in 1932 and 1952. The existing water mains and service connections to be replaced have 21 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
48	343	2,900	6	DI	91.66	02-001	Teran Street	2013	\$265,814	Install approximately 2,900 LF of 6-inch DI replacement pipe with polywrap, replace 22 service connections, and replace 22 meters along Teran Street, Aruiza Street, Carbajal Street, and Vargas Street. This project will replace approximately 700 LF of 1-inch GS water main installed in 1938, approximately 800 LF of 2-inch GS water main installed in 1938, and approximately 1,300 LF of 6-inch ST water main installed in 1908 and 1976. The existing water mains and service connections to be replaced have 20 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

COCHISE/BISBEE

TABLE 1 (Page 2 of 6) cont.

Information to be included with SIB-Eligible Project Notification

49	343	700	6	DI	88.73	02-001	Park Avenue	2013	\$62,111	Install approximately 700 LF of 6-inch DI replacement pipe with polywrap, replace 12 service connections, replace 12 meters, and replace 1 fire hydrant along Park Avenue. This project will replace approximately 650 LF of 2-inch GS water main installed in 1920 and 1967; approximately 300 LF of 4-inch GS water main installed in 1922; and approximately 250 LF of 6-inch ST water main installed in 1922 on Second Street. The existing water mains and service connections to be replaced have 16 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
50	343	600	6	DI	92.16	02-001	Brophy Avenue	2014	\$55,296	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 11 service connections, and replace 11 meters along Brophy Avenue. This project will replace approximately 400 LF of 1-inch GS water main installed in 1944 and approximately 200 LF of 2-inch CU water main installed in 1980 on Brophy Avenue. The existing water mains and service connections to be replaced have 15 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
51	343	1,000	6	DI	86.18	02-001	Cole Avenue	2014	\$86,180	Install approximately 1,000 LF of 6-inch DI replacement pipe with polywrap, replace 7 service connections, replace 7 meters, and replace 2 fire hydrants along Cole Avenue. This project will replace approximately 800 LF of 6-inch ST water main installed in 1908 and approximately 150 LF of 8-inch ST water main installed in 1908 on Cole Avenue. The existing water mains and service connections to be replaced have 14 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
52	343	400	6	DI	85.06	02-001	Church Street	2012	\$34,024	Install approximately 400 LF of 6-inch DI replacement pipe with polywrap, replace 7 service connections, replace 7 meters, and replace 1 fire hydrant along Church Street from Clawson Avenue to Sowels Avenue. This project will replace approximately 300 LF of 4-inch ST water main installed in 1930, 1975, and 1978 and approximately 100 LF of 6-inch ST water main installed in 1908 on Church Street. The existing water mains and service connections to be replaced have 12 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
Subtotal Cost (estimate)										
									\$1,197,731	

COCHISE/BISBEE

TABLE I (Page 3 of 6)

Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)				PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
		Quantity	Diameter	Material	Cost/Unit			Expected In-Service Date	Cost (estimated)	
43	345 Services	22	1-inch	Copper	2555.67	02-001	Bowers Street	2012	\$56,225	Install approximately 1900 LF of 6-inch DI replacement pipe with polywrap, replace 22 service connections, replace 22 meters, and replace 1 fire hydrant along Bowers Street from Marie Street to McDonald Street. This project will replace approximately 1,250 LF of 4-inch ST water main installed in 1958 and approximately 150 LF of 1-inch GS water main installed in 1961 on Bowers Street, and approximately 500 LF of 2-inch GS water main installed in 1958 on Marie Street. The existing water mains and service connections to be replaced have 80 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
44	345	11	1-inch	Copper	2673.90	02-001	Ocotillo Avenue	2012	\$29,413	Install approximately 700 LF of 6-inch DI replacement pipe with polywrap, replace 11 service connections, replace 11 meters, and replace 1 fire hydrant along Ocotillo Street. This project will replace approximately 600 LF of 1-inch GS water main installed in 1945, 1947, and 1950, approximately 250 LF of 1-inch PVC water main installed in 1980, approximately 150 LF of 4-inch ST water main installed in 1960, and approximately 100 LF of 2-inch CU water main installed in 2007 on Ocotillo Street. The existing water mains and service connections to be replaced have 35 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

COCHISE/BISBEE

TABLE I (Page 3 of 6) cont.

Information to be included with SIB-Eligible Project Notification

45	345	41	1-inch	Copper	2,178.15	02-001	Ledge Avenue	2014	\$89,304	Install approximately 2,450 LF of 6-inch DI replacement pipe with polywrap, replace 41 service connections, and replace 41 meters along Ledge Avenue and Quality Road. This project will replace approximately 1,050 LF of 1-inch GS water main installed in 1937, 1939, 1958, and 1962; approximately 100 LF of 2-inch ST water main installed in 2002; approximately 1,000 LF of 2-inch GS water main installed in 1932 and 1947; and approximately 200 LF of 3-inch GS water main installed in 1947. The existing water mains and service connections to be replaced have 35 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
46	345	1	1-inch	Copper	1,717.75	02-001	Highway 80	2014	\$1,718	Install approximately 900 LF of 6-inch DI replacement pipe with polywrap, replace 1 service connection, and replace 1 meter along Highway 80 and Winwood Road. This project will replace approximately 900 LF of 1-inch PVC water main installed in 1980 on Winwood Road. The existing water mains and service connections to be replaced have 22 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
47	345	20	1-inch	Copper	1,954.85	02-001	Ledge Avenue	2014	\$39,097	Install approximately 1,650 LF of 6-inch DI replacement pipe with polywrap, replace 20 service connections, and replace 20 meters along Ledge Avenue, Quality Road and Alleys. This project will replace approximately 150 LF of 1-inch GS water main installed in 1939, approximately 100 LF of 1-inch PVC water main installed in 1976, approximately 750 LF of 2-inch GS water main installed in 1939 and 1947, and approximately 350 LF of 3-inch GS water main installed in 1932 and 1952. The existing water mains and service connections to be replaced have 21 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
48	345	22	1-inch	Copper	2,052.15	02-001	Teran Street	2013	\$45,147	Install approximately 2,900 LF of 6-inch DI replacement pipe with polywrap, replace 22 service connections, and replace 22 meters along Teran Street, Aruizu Street, Carbajal Street, and Vargas Street. This project will replace approximately 700 LF of 1-inch GS water main installed in 1938, approximately 800 LF of 2-inch GS water main installed in 1938, and approximately 1,300 LF of 6-inch ST water main installed in 1908 and 1976. The existing water mains and service connections to be replaced have 20 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

COCHISE/BISBEE

TABLE I (Page 3 of 6) cont.

Information to be included with SIB-Eligible Project Notification

49	345	12	1-inch	Copper	2,698.67	02-001	Park Avenue	2013	\$32,384	Install approximately 700 LF of 6-inch DI replacement pipe with polywrap, replace 12 service connections, replace 12 meters, and replace 1 fire hydrant along Park Avenue. This project will replace approximately 650 LF of 2-inch GS water main installed in 1920 and 1967, approximately 300 LF of 4-inch GS water main installed in 1922, and approximately 250 LF of 6-inch ST water main installed in 1922 on Second Street. The existing water mains and service connections to be replaced have 16 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
50	345	11	1-inch	Copper	1,875.09	02-001	Brophy Avenue	2014	\$20,626	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 11 service connections, and replace 11 meters along Brophy Avenue. This project will replace approximately 400 LF of 1-inch GS water main installed in 1944 and approximately 200 LF of 2-inch CU water main installed in 1980 on Brophy Avenue. The existing water mains and service connections to be replaced have 15 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
51	345	7	1-inch	Copper	2,985.16	02-001	Cole Avenue	2014	\$20,896	Install approximately 1,000 LF of 6-inch DI replacement pipe with polywrap, replace 7 service connections, replace 7 meters, and replace 2 fire hydrants along Cole Avenue. This project will replace approximately 800 LF of 6-inch ST water main installed in 1908 and approximately 150 LF of 8-inch ST water main installed in 1908 on Cole Avenue. The existing water mains and service connections to be replaced have 14 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
52	345	7	1-inch	Copper	2,507.04	02-001	Church Street	2012	\$17,549	Install approximately 400 LF of 6-inch DI replacement pipe with polywrap, replace 7 service connections, replace 7 meters, and replace 1 fire hydrant along Church Street from Clawson Avenue to Sowels Avenue. This project will replace approximately 300 LF of 4-inch ST water main installed in 1930, 1975, and 1978 and approximately 100 LF of 6-inch ST water main installed in 1908 on Church Street. The existing water mains and service connections to be replaced have 12 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
Subtotal Cost (estimate)									\$352,359	

COCHISE/BISBEE

TABLE I (Page 4 of 6)

Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)			PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
		Size	Quantity	Cost/Unit			Expected In-Service Date	Cost (estimated)	
43	346 Meters	5/8-inch	22	80.00	02-001	Bowers Street	2012	\$1,760	Replace 22 meters along Bowers Street from Marie Street to McDonald Street. The existing meters have reached the end of their useful life. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
44	346	5/8-inch	11	80.00	02-001	Ocotillo Avenue	2012	\$880	Replace 11 meters along Ocotillo Street. The existing meters have reached the end of their useful life. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
45	346	5/8-inch	41	80.00	02-001	Ledge Avenue	2014	\$3,280	Replace 41 meters along Ledge Avenue and Quality Road. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
46	346	5/8-inch	1	80.00	02-001	Highway 80	2014	\$80	Replace 1 meter along Highway 80 and Winwood Road. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
47	346	5/8-inch	20	80.00	02-001	Ledge Avenue	2014	\$1,600	Replace 20 meters along Ledge Avenue, Quality Road and Alleys. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

COCHISE/BISBEE

TABLE I (Page 4 of 6) cont.

Information to be included with SIB-Eligible Project Notification

48	346	5/8-inch	22	80.00	02-001	Teran Street	2013	\$1,760	Replace 22 meters along Teran Street, Aruzu Street, Carbajal Street, and Vargas Street. The existing meters have reached the end of their useful life. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
49	346	5/8-inch	12	80.00	02-001	Park Avenue	2013	\$960	Replace 12 meters along Park Avenue. The existing meters have reached the end of their useful life. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
50	346	5/8-inch	11	80.00	02-001	Brophy Avenue	2014	\$880	Replace 11 meters along Brophy Avenue. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
51	346	5/8-inch	7	80.00	02-001	Cole Avenue	2014	\$560	Replace 7 meters along Cole Avenue. In 2014 the existing meters are no longer NSF approved due to the new lead free brass requirements. Once a meter is removed from service, a new NSF approved meter must be installed in its place for compliance. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
52	346	5/8-inch	7	80.00	02-001	Church Street	2012	\$560	Replace 7 meters along Church Street from Clawson Avenue to Sowels Avenue. The existing meters have reached the end of their useful life. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
								\$12,320	
Subtotal Cost (estimate)									

COCHISE/BISBEE

TABLE I (Page 5 of 6)

Information to be included with SIB-Eligible Project Notification

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)		PWSID No.	Site (location description)	Replacement Plant		1. Provide narrative why Replacement Plant is necessary - replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility - replacement of existing plant to address excessive water loss (10% or more) - replacement of existing plant for other reasons supported by persuasive showing by utility
		Quantity	Cost/Unit			Expected In-Service Date	Cost (estimated)	
	348 Hydrants							2. Provide narrative explaining why this segment of plant is a priority.
43	348	1	2,876.32	02-001	Bowers Street	2012	\$2,876	3. Provide narrative explaining how replacing this plant will benefit existing customers.
44	348	1	2,524.87	02-001	Ocotillo Avenue	2012	\$2,525	4. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers.
45	NA			02-001			\$0	Replace 1 fire hydrant along Bowers Street from Marie Street to McDonald Street. This project will replace a fire hydrant installed in 1958 along Bowers Street. The existing hydrant is old and failing requiring replacement. Replacement parts are unavailable for this hydrant. This replacement is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
46	NA			02-001			\$0	Replace 1 fire hydrant along Ocotillo Street. This project will replace a fire hydrant installed in 1960 along Ocotillo Street. The existing hydrant is old and failing requiring replacement. Replacement parts are unavailable for this hydrant. This replacement is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
47	NA			02-001			\$0	
48	NA			02-001			\$0	
49	348	1	2,615.10	02-001	Park Avenue	2013	\$2,615	Replace 1 fire hydrant along Park Avenue. This project will replace a fire hydrant installed in 1920 along Park Avenue. The existing hydrant is old and failing requiring replacement. Replacement parts are unavailable for this hydrant. This replacement is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
50	NA			02-001			\$0	
51	348	2	2,634.45	02-001	Cole Avenue	2014	\$5,269	Replace 2 fire hydrants along Cole Avenue. This project will replace fire hydrants installed in 1908 along Cole Avenue. The existing hydrants are old and failing requiring replacement. Replacement parts are unavailable for these hydrants. This replacement is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

COCHISE/BISBEE

TABLE I (Page 5 of 6) cont.

Information to be included with SIB-Eligible Project Notification

52	348	1	2,743.86	02-001	Church Street	2012	\$2,744	Replace 1 fire hydrant along Church Street from Clawson Avenue to Sowels Avenue. This project will replace a fire hydrant installed in 1908 along Church Street from Clawson Avenue to Sowels Avenue. The existing hydrant is old and failing requiring replacement. Replacement parts are unavailable for this hydrant. This replacement is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.	
Subtotal Cost (estimate)									\$16,029

COCHISE/BISBEE
TABLE I (Page 6 of 6, Summary)
Information to be included with SIB-Eligible Project Notification

Project No.	PWSID No.	Project Description	Cost (estimated)
43	02-001	INSTALL 1,900 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 22 SERVICE CONNECTIONS ALONG BOWERS STREET FROM MARIE STREET TO McDONALD STREET.	\$232,374
44	02-001	INSTALL 700 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 11 SERVICE CONNECTIONS ALONG OCOTILLO AVENUE.	\$94,656
45	02-001	INSTALL 2,450 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 41 SERVICE CONNECTIONS ALONG LEDGE AVENUE AND QUALITY ROAD.	\$318,891
46	02-001	INSTALL 900 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 1 SERVICE CONNECTION ALONG HIGHWAY 80 AND WINWOOD ROAD.	\$84,679
47	02-001	INSTALL 1,650 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 20 SERVICE CONNECTIONS ALONG LEDGE AVENUE, QUALITY ROAD, AND ALLEYS.	\$192,464
48	02-001	INSTALL 2,900 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 22 SERVICE CONNECTIONS ALONG TERAN STREET, ARUJU STREET, CARBAJAL STREET, AND VARGAS STREET.	\$312,721
49	02-001	INSTALL 700 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 12 SERVICE CONNECTIONS ALONG PARK AVENUE.	\$98,070
50	02-001	INSTALL 600 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 11 SERVICE CONNECTIONS ALONG BROPHY AVENUE.	\$76,802
51	02-001	INSTALL 1,000 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 7 SERVICE CONNECTIONS ALONG COLE AVENUE.	\$112,905
52	02-001	INSTALL 400 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 7 SERVICE CONNECTIONS ALONG CHURCH STREET FROM CLAWSON AVENUE TO SOWELS AVENUE.	\$54,877
Total Cost (estimate)			\$1,578,439

EXHIBIT B

ARIZONA WATER COMPANY
 Docket No. W-01445A-11-0310
 Calculation of Overall SIB True-Up and Individual True-Up Surcharge/Credit
 As of December 31, 2012

SIB Schedule B

Line No.	(A)	(B)
1	<u>CALCULATION OF OVERALL SIB REVENUE TRUE-UP FROM PRIOR 12-MONTH SIBA SURCHARGE PERIOD</u>	
2		<u>SUPERSTITITION</u>
3	\$ 335,722	
4	\$ (16,786)	
5		<u>\$ 318,936</u>
6	Total SIB Revenue Requirement Net of Efficiency Credit - Prior 12-Month SIB Surcharge Period	
7		<u>\$ 318,936</u>
8	\$ 310,000	
9		
10	Total SIB Surcharge Revenues from Prior 12-Month SIB Surcharge Period	
11	\$ (15,500)	
12		<u>\$ 294,500</u>
13	Total SIB Efficiency Credit Refunds from Prior 12-Month SIB Surcharge Period	
14		<u>\$ 294,500</u>
15	Total SIB Surcharge Revenues Net of Efficiency Credit from Prior 12-Month SIB Surcharge Period	
16		<u>\$ 24,436</u>
17	Net SIB Surcharge Under/(Over)-Collections from Prior 12-Month SIB Surcharge Period (ln. 6 - ln. 12)	
18		<u>\$ 24,436</u>
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ARIZONA WATER COMPANY
 Docket No. W-01445A-11-0310
 Calculation of Overall SIB True-Up and Individual True-Up Surcharge/Credit
 As of December 31, 2012

(A) (B) (C) (D) (E)

Line No.	Customer Meter Size	No. of Customers 12/31/2012	Meter Multiplier	5/8 x 3/4-inch Equivalent Meters (C.X.F.)	SIB True-Up Surcharge/(Credit) Fixed Surcharge / (Credit)	Annual Revenue by Meter Size
8	5/8 x 3/4-inch	21,521	1	21,521	0.07 \$	17,098
9	1-inch	1,824	2.5	4,559	0.17 \$	3,622
10	1 1/2-inch		5		0.33 \$	
11	2-inch	285	8	2,278	0.53 \$	1,810
12	3-inch	31	16	492	1.06 \$	391
13	4-inch	21	25	523	1.86 \$	415
14	6-inch	25	50	1,225	3.31 \$	973
15	8-inch	2	80	160	5.30 \$	127
16	10-inch		115		7.61 \$	
17						
18	Totals	23,708		30,758		24,436

Net SIB Surcharge Under/(Over)-Collections from Prior 12-Month SIB Surcharge Period (p. 1, ln. 14) \$ 24,436

Individual SIB Fixed True-Up Surcharge/(Credit) Per 5/8 x 3/4-inch Equivalent Meter (ln. 24 + col. C, ln. 19 + 12) 0.07

EXHIBIT C

Information to be included with SIB-Eligible Completed Project Filings

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)				PWSID No.	Site (location description)	Replacement Plant		Original Plant (Plant Being Retired)		
		Pipe Length	Diameter	Material	Cost/Unit			In-Service Date (provide ADEQ AOC and other related approvals by state and/or federal agencies when applicable; pictures of installed plant)	Actual Cost	Actual Retirement Date	Original In-Service Date	Original Cost
	309 Supply Mains											
Subtotal Actual Cost												

SIB PLANT TABLE II (Page 3 of 6)

Information to be included with SIB-Eligible Completed Project Filings

Project No.	MARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)			PWSID No.	Site (location description)	Replacement Plant		Original Plant (Plant Being Retired)							
		Quantity	Diameter	Material			Cost/Unit	In-Service Date (provide ADEQ AOC and other related approvals by state and/or federal agencies when applicable; pictures of installed plant)	Actual Cost	Actual Retirement Date	Original In-Service Date	Original Cost	Accumulated Depreciation Reserve (as of the actual retirement date)			
Subtotal Actual Cost																

SIB PLANT TABLE II (Page 4 of 6)

Information to be included with SIB-Eligible Completed Project Filings

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (SIB-eligible plant)			PWSID No.	Site (location description)	Replacement Plant		Original Plant (Plant Being Retired)			
		Size	Quantity	Cost/Unit			In-Service Date (provide ADEQ AOC and other related approvals by state and/or federal agencies when applicable; pictures of installed plant)	Actual Cost	Actual Retirement Date	Original In-Service Date	Original Cost	Accumulated Depreciation Reserve (as of the actual retirement date)
	334 Meters											
Subtotal Actual Cost												

Information to be included with SIB-Eligible Completed Project Filings

Project No.	NARUC Acct No. (SIB-eligible plant) 335 Hydrants	Replacement Plant Description (SIB-eligible plant)		PWSID No.	Site (location description)	Replacement Plant		Original Plant (Plant Being Retired)					
		Quantity	Cost/Unit			In-Service Date (provide ADEQ AOC and other related approvals by state and/or federal agencies when applicable; pictures of installed plant)	Actual Cost	Actual Retirement Date	Original In-Service Date	Original Cost	Accumulated Depreciation Reserve (as of the actual retirement date)		
Subtotal Actual Cost													

Information to be included with SIB-Eligible Completed Project Filings

Project No.	PWSID No.	Project Description	Cost (estimated)	Actual Cost	Detailed explanation of why actual costs have exceeded estimated costs by more than 10% for the project
Total Cost					

EXHIBIT D

SIB Schedule A

Line No.		[A]	[B]	
	CALCULATION OF OVERALL SIB REVENUE REQUIREMENT & EFFICIENCY CREDIT			
1	Total Authorized Revenue Requirement - Decision No. 73736	\$ 17,848,923		
2	SIB Revenue Cap %	5.00%		
3	Net SIB Revenue Cap (ln. 2 x ln. 4)	\$ 892,446		
4	SIB-Eligible Plant in Service - Per SIB Table II Summary	\$ 2,000,000		
5	Accumulated Depreciation - 1/2-Year Convention (ln. 24 x .5)	27,700		
6	SIB Rate Base (ln. 8 - ln. 10)	\$ 1,972,300		
7	Required Rate of Return - Decision No. 73736	8.72%		
8	Required SIB Operating Income (ln. 12 x ln. 14)	\$ 171,985		
9	Gross Revenue Conversion Factor/Tax Multiplier - Per Decision No. 73736	1.6590		
10	Revenue Requirement - Return on SIB-Eligible Rate Base (ln. 16 x ln. 18)	\$ 285,322		
11	Applicable Depreciation Rate - Per Decision No. 73736	2.77%		
12	SIB Depreciation Expense (ln. 8 x ln. 22)	\$ 55,400		
13	Less: Depreciation Expense Associated with Applicable Retirements - Per SIB Table II Summary	\$ 5,000		
14	Net Depreciation Expense - SIBA Eligible Plant (ln. 24 - ln. 26)	\$ 50,400		
15	SIB Capital Costs - Pre-Tax Return & Depreciation (ln. 20 + ln. 28)	\$ 335,722		
16	Under of Over Recovery from Previous Period	\$ -		
17	Overall SIB Revenue Requirement - Lesser of Net SIB Revenue Cap or SIB Capital Costs	\$ 335,722		
18	SIB Efficiency Credit %	-5.00%		
19	Overall SIB Efficiency Credit (ln. 35 x ln. 37)	\$ (16,786)		

ARIZONA WATER COMPANY
 Docket No. W-01445A-11-0310
 Calculation of Overall SIB Revenue Requirement and Individual Surcharge
 As of December 31, 2012

Line No.	(A) Customer Meter Size	(B) No. of Customers 12/31/2012	(C) 5/8 x 3/4-inch Equivalent Meters (C X F)	(D) Individual Fixed Surcharge	(E) Annual Revenue by Meter Size	(F) Individual Fixed Credit	(G) Annual Refund by Meter Size
1							
2							
3							
4							
5							
6							
7							
8	5/8 x 3/4-inch	21,521	21,521	\$ 0.91	\$ 234,900	\$ (0.05)	\$ (11,745.00)
9	1-inch	1,824	4,559	\$ 2.27	\$ 49,763	\$ (0.11)	\$ (2,488.16)
10	1 1/2-inch			\$ 4.55		\$ (0.23)	
11	2-inch	285	2,278	\$ 7.28	\$ 24,864	\$ (0.36)	\$ (1,243.21)
12	3-inch	31	492	\$ 14.55	\$ 5,370	\$ (0.73)	\$ (268.51)
13	4-inch	21	523	\$ 22.74	\$ 5,708	\$ (1.14)	\$ (285.38)
14	6-inch	25	1,225	\$ 45.48	\$ 13,371	\$ (2.27)	\$ (668.54)
15	8-inch	2	160	\$ 72.77	\$ 1,746	\$ (3.64)	\$ (87.32)
16	10-inch			\$ 104.60	\$ -	\$ (5.23)	\$ -
17							
18	Totals	23,708	30,758		\$ 335,722	\$ (16,786)	\$ (16,786)
19							
20							
21							
22							
23							
24							
25	Overall SIB Revenue Requirement (p. 1, ln. 32)				\$ 335,722		\$ 0.91
26	Individual SIB Fixed Surcharge Per 5/8 x 3/4-inch Equivalent Meter (ln. 24 + col. C, ln. 19 + 12)						
27	Overall SIB Efficiency Credit (p. 1, ln. 36)					\$ (16,786)	
28	Individual SIB Fixed Efficiency Credit Per 5/8 x 3/4-inch Equivalent Meter (ln. 28 + col. C, ln. 19 + 12)						\$ (0.05)
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EXHIBIT E

ARIZONA WATER COMPANY
 Docket No. W-01445A-11-0310
 Typical Bill Analysis - Residential 5/8 x 3/4-Inch Meter
 As of December 31, 2012

SIB Schedule C

[A] [B] [C] [D] [E] [F] [G]

SUPERSTITITION

Line No.	Gallons Consumed	Present Bill	SIB Fixed Surcharge	SIB Efficiency Credit	True-Up Surcharge / (Credit)	Total Pro Forma Bill	Net SIB Increase	Percent SIB Increase
1		\$						
2		22.26	0.91	(0.05)	0.07	23.19	0.93	4.2%
3	1,000	23.89	0.91	(0.05)	0.07	24.82	0.93	3.9%
4	2,000	25.53	0.91	(0.05)	0.07	26.46	0.93	3.6%
5	3,000	27.16	0.91	(0.05)	0.07	28.09	0.93	3.4%
6	4,000	30.49	0.91	(0.05)	0.07	31.42	0.93	3.1%
7	5,000	33.82	0.91	(0.05)	0.07	34.75	0.93	2.8%
8	6,000	37.14	0.91	(0.05)	0.07	38.07	0.93	2.5%
9	7,000	40.47	0.91	(0.05)	0.07	41.40	0.93	2.3%
10	8,000	43.80	0.91	(0.05)	0.07	44.73	0.93	2.1%
11	9,000	47.12	0.91	(0.05)	0.07	48.05	0.93	2.0%
12	10,000	50.45	0.91	(0.05)	0.07	51.38	0.93	1.8%
13	11,000	55.25	0.91	(0.05)	0.07	56.18	0.93	1.7%
14	12,000	60.05	0.91	(0.05)	0.07	60.98	0.93	1.5%
15	13,000	64.84	0.91	(0.05)	0.07	65.77	0.93	1.4%
16	14,000	69.64	0.91	(0.05)	0.07	70.57	0.93	1.3%
17	15,000	74.44	0.91	(0.05)	0.07	75.37	0.93	1.2%
18	20,000	98.42	0.91	(0.05)	0.07	99.35	0.93	0.9%
19	25,000	122.41	0.91	(0.05)	0.07	123.34	0.93	0.8%
20								
21								
22								
23								
24		\$ 38.14	\$ 0.91	\$ (0.05)	\$ 0.07	\$ 39.07	\$ 0.93	2.4%
25	Residential Bill at Average Consumption of 6,300 Gallons							
26								
27	Basic Service Charge	\$ 22.26	\$ 0.91	\$ (0.05)	\$ 0.07	\$ 23.19	\$ 0.93	4.2%
28								
29	Commodity Rate Per 1,000 Gallons							
30	0 - 3,000 Gallons	\$ 1.6340	n/a	n/a	n/a	n/a	n/a	n/a
31	3,001 - 10,000 Gallons	\$ 3.3270	n/a	n/a	n/a	n/a	n/a	n/a
32	Over 10,000 Gallons	\$ 4.7970	n/a	n/a	n/a	n/a	n/a	n/a
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EXHIBIT F

ARIZONA WATER COMPANY
 Docket No. W-01445A-11-0310
 Fair Value Rate Base, Revenue & Rate of Return
 As of December 31, 2012

SIB Schedule D

Line No.	[A] Per Decision 73736	[B] Net SIB Step-1 Increase	[C] Net SIB Step-2 Increase	[D] Net SIB Step-3 Increase	[E] Net SIB Step-4 Increase	[F] Net SIB Step-5 Increase	[G] Pro Forma With SIB
1	Total Operating Revenue	\$ 17,848,923	\$ 318,936	\$ -	\$ -	\$ -	\$ 18,167,859
2							
3	Operating Expenses						
4	Operations & Maintenance	\$ 8,057,876	\$ -	\$ -	\$ -	\$ -	\$ 8,057,876
5	Depreciation & Amortization	2,671,694	50,400	-	-	-	2,722,094
6	Taxes Other than Income	1,049,113	-	-	-	-	1,049,113
7	Income Taxes	1,695,023	106,663	-	-	-	1,801,686
8	Total Operating Expenses	\$ 13,473,706	\$ 157,063	\$ -	\$ -	\$ -	\$ 13,630,769
9							
10	Operating Income (ln. 1 - ln. 8)	\$ 4,375,217	\$ 161,874	\$ -	\$ -	\$ -	\$ 4,537,091
11							
12	Interest Expense	3.34%	3.34%	3.34%	3.34%	3.34%	3.34%
13	Weighted Avg. Cost of Debt						
14	Interest Expense (ln. 13 x ln. 19)	\$ 1,676,832	\$ 65,914	\$ -	\$ -	\$ -	\$ 1,742,746
15							
16	Net Income (ln. 10 - ln. 14)	\$ 2,698,365	\$ 95,959	\$ -	\$ -	\$ -	\$ 2,794,344
17							
18							
19	Rate Base - O.C.L.D.	\$ 50,174,504	\$ 1,972,300	\$ -	\$ -	\$ -	\$ 52,146,804
20							
21	Return on Rate Base - O.C.L.D. (ln. 10 + ln. 19)	8.72%	8.21%	0.00%	0.00%	0.00%	8.70%
22							
23	Authorized Return on Rate Base	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%
24							
25	Capital Structure						
26	Debt %	49.03%	49.03%	49.03%	49.03%	49.03%	49.03%
27	Equity %	50.97%	50.97%	50.97%	50.97%	50.97%	50.97%
28							
29	Total Equity (ln. 19 x ln. 27)	\$ 25,573,945	\$ 1,005,281	\$ -	\$ -	\$ -	\$ 26,579,226
30							
31	Authorized Return on Equity	10.55%	10.55%	10.55%	10.55%	10.55%	10.55%
32							
33	Return on Equity (Ln. 16 + ln. 29)	10.55%	9.55%	0.00%	0.00%	0.00%	10.51%
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EXHIBIT 2

TARIFF SCHEDULE

ARIZONA WATER COMPANY

Filed by: William M. Garfield

Title: President

Date of Original Filing

System(s): Sedona PWS No. 03-003&

Valley Vista PWS No. 13-114

(VERDE VALLEY DIVISION / SEDONA)

A.C.C. No.

Cancelling A.C.C. No.

Tariff or Schedule No.

Filed:

Effective:

OFF-SITE FACILITIES FEE (WATER)

I. Purpose and Applicability

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

II. Definitions

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

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

"Company" means Arizona Water Company.

"System" means Public Water System ("PWS"), as defined by Arizona Department of Environmental Quality.

"Main Extension Agreement" means any agreement whereby an Applicant agrees to advance the costs of the installation of water facilities necessary for the Company to serve new service connections within a development, or installs such water facilities necessary to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the

Commission pursuant to A.A.C. R-14-2-406, and shall have the same meaning as "Water Facilities Agreement" or "Line Extension Agreement."

"Off-site Facilities" means wells, storage tanks, water treatment facilities, that are not otherwise supported by an Arsenic Cost Recovery Mechanism ("ACRM"), and related appurtenances and equipment necessary for proper operation of such water treatment facilities, including engineering and design costs. Off-site facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances and equipment necessary for proper operation of such facilities if these facilities are not for the exclusive use of the applicant and will benefit the entire water system (Either all of Valley Vista or all of Sedona).

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

III. Off-Site Water Facilities Fee

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

OFF-SITE FACILITIES FEE TABLE		
Meter Size	Size Factor	Total Fee
5/8" x 3/4 "	1	\$1,100
3/4"	1.5	\$1,650
1"	2.5	\$2,750
1-1/2 "	5	\$5,500
2"	8	\$8,800
3"	16	\$17,600
4"	25	\$27,500
6" or larger	50	\$55,000

IV. Terms and Conditions

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

(B) Use of Off-Site Facilities Fee: Off-site facilities fees may only be used to pay for capital items of off-site facilities or for repayment of loans obtained to fund the cost of installation of off-site facilities. Off-site facilities fees shall not be used to cover repairs,

maintenance, or operational costs. The Company shall record amounts collected under tariff as Contributions in Aid of Construction ("CIAC"); however, such amounts shall not be deducted from rate base until such amounts have been expended for utility plant.

(C) Time of Payment:

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

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

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

(F) Large Subdivision and/or Development Projects: In the event that the Applicant is engaged in the development of a residential subdivision and/or development containing more than 150 lots, the Company may, in its discretion, agree to payment of off-site facilities fees in installments. Such installments may be based on the residential subdivision and/or development's phasing, and should attempt to equitably apportion

the payment of charges hereunder based on the Applicant's construction schedule and water service requirements. In the alternative, the Applicant shall post an irrevocable letter of credit in favor of the Company in a commercially reasonable form, which may be drawn by the Company consistent with the actual or planned construction and hook up schedule for the subdivision and/or development.

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

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

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

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

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

(L) Status Reporting Requirements to the Commission: The Company shall submit a calendar year off-site facilities fee status report each January 31st to Docket Control for the prior twelve (12) month period, beginning January 31, 2014, until the off-site facilities fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the off-site facilities fee, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the tariff account, and a list of all facilities (by system location) that have been installed with the tariff funds during the twelve (12) month period.