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Part 5 of 6

Arizona Corporation Commission

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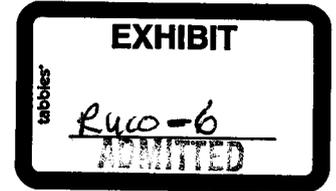
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RIO RICO UTILITIES
DOCKET NO. WS-02676A-12-0196



SURREBUTTAL TESTIMONY
OF
TIMOTHY J. COLEY

ON BEHALF OF
THE
RESIDENTIAL UTILITY CONSUMER OFFICE

FEBRUARY 19, 2013

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EXECUTIVE SUMMARY

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

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

Water Division Rate Base

Company Direct <u>Application</u>	Company Rebuttal <u>Filing</u>	RUCO Surrebuttal <u>Recommendation</u>
\$ 7,629,607	\$ 7,730,108	\$ 7,592,850

Sewer Division Rate Base

Company Direct <u>Application</u>	Company Rebuttal <u>Filing</u>	RUCO Surrebuttal <u>Recommendation</u>
\$ 4,600,012	\$ 4,735,192	\$ 4,677,834

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

Water Division Adjusted Test Year Operating Income

Company Direct <u>Application</u>	Company Rebuttal <u>Filing</u>	RUCO Surrebuttal <u>Recommendation</u>
\$ 375,933	\$ 374,335	\$ 502,033

Sewer Division Adjusted Test Year Operating Income

Company Direct <u>Application</u>	Company Rebuttal <u>Filing</u>	RUCO Surrebuttal <u>Recommendation</u>
\$ 213,826	\$ 302,177	\$ 346,695

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

Water Division Required Dollar Increase in Gross Revenues

Company Direct <u>Application</u>	Company Rebuttal <u>Filing</u>	RUCO Direct <u>Recommendation</u>	RUCO Surrebuttal <u>Recommendation</u>
\$ 604,079	\$ 581,865	\$ 90,894	\$ 206,273

Sewer Division Required Dollar Increase in Gross Revenues

Company Direct <u>Application</u>	Company Rebuttal <u>Filing</u>	RUCO Direct <u>Recommendation</u>	RUCO Surrebuttal <u>Recommendation</u>
\$ 393,612	\$ 235,540	\$ 3,060	\$ 65,054

Water Division Required Percentage Increase in Gross Revenues

<u>Company Direct Application</u>	<u>Company Rebuttal Filing</u>	<u>RUCO Direct Recommendation</u>	<u>RUCO Surrebuttal Recommendation</u>
21.16%	20.94%	3.14%	7.20%

Sewer Division Required Percentage Increase in Gross Revenues

<u>Company Direct Application</u>	<u>Company Rebuttal Filing</u>	<u>RUCO Direct Recommendation</u>	<u>RUCO Surrebuttal Recommendation</u>
28.93%	17.19%	0.22%	4.64%

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

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

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

4
5 For the Water Division, the Company sought a 9.70 percent rate of return
6 on its \$7,629,607 fair value rate base in its original rate Application and is
7 seeking a 9.38 percent rate of return on its \$7,730,108 rebuttal fair value
8 rate base. RUCO recommends an 8.25 percent rate of return on a
9 \$7,592,850 fair value rate base.

10
11 For the Sewer Division, the Company sought a 9.70 percent rate of return
12 on its \$4,600,012 fair value rate base in its original rate Application and is
13 seeking a 9.38 percent rate of return on its \$4,735,192 rebuttal fair value
14 rate base. RUCO recommends an 8.25 percent rate of return on a
15 \$4,677,834 fair value rate base.

16
17 RUCO's adjusted Test Year rate base and operating income surrebuttal
18 recommendations for RRUI's Water Division is comprised of six rate base
19 adjustments totaling (\$36,757) and eleven operating income adjustments
20 totaling \$126,101.
21

22 RUCO's adjusted Test Year rate base and operating income surrebuttal
23 recommendations for RRUI's Sewer Division is comprised of six rate base
24 adjustments totaling \$77,822 and fourteen operating income adjustments
25 totaling \$132,869.
26

27 Under RUCO's recommended rates, a typical residential water customer
28 on a 5/8 x 3/4-Inch meter using the average 7,794 gallons would be
29 \$32.16. A typical residential sewer customer on a 5/8 x 3/4-Inch meter
30 would be \$49.01.

1 **INTRODUCTION**

2 **Q. Please state your name for the record.**

3 A. My name is Timothy J. Coley.

4

5 **Q. Have you previously filed testimony regarding this docket?**

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

7

8 **Q. What is the purpose of your surrebuttal testimony?**

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

13

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

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

19

20 **Q. How is RUCO's surrebuttal testimony organized?**

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

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

3 A. I am sponsoring rate base and operating income schedules for RRUI
4 Water and Sewer Divisions numbered TJC-1 through TJC-29, Exhibit 1,
5 and rate design schedules numbered TJC-1 through TJC-4.
6

7 **SURREBUTTAL RATE BASE ADJUSTMENTS**

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

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

- 14 1(a). Reconstruction of Utility Plant in Service Balances
15 ("UPIS"), which is the one of the two additional
16 surrebuttal adjustments not included in RUCO's direct
17 testimony;
18 1(b). Reconstruction of the Accumulated Depreciation
19 Balances;
20 2. Reclassified accounts to the Nogales Wastewater
21 Treatment Plant ("NWWTP") account;
22 3. Retirement of a plant item, which is the last of the two
23 additional surrebuttal adjustments recommended by
24 RUCO;
25 4. Removal of affiliate profits charged to plant accounts;
26 and
27 5. An adjustment to Accumulated Deferred Income Tax
28 ("ADIT").
29

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

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

- 3 1(a). Reconstruction of Utility Plant in Service Balances
4 (“UPIS”) that includes a plant retirement item, which is
5 the one additional surrebuttal adjustment not included
6 in RUCO’s direct testimony;
7 1(b). Reconstruction of the Accumulated Depreciation
8 Balances;
9 2. Reclassified accounts from the Water Division to the
10 Sewer Divisions Nogales Wastewater Treatment
11 Plant (“NWWTP”) plant account;
12 3. Reclassified other Sewer Division’s plant accounts to
13 the NWWTP account
14 4. Removed affiliate profits charged to plant accounts;
15 and
16 5. An adjustment to Accumulated Deferred Income Tax
17 (“ADIT”).
18

19 **Q. Did the Company adopt any of RUCO’s direct testimony rate base**
20 **adjustments identified above?**

21 A. Yes.
22

23 **Water Division Surrebuttal Rate Base Adjustments**

24 Rate Base Adjustment 1(a) – Allocate Sewer Portion of Office Building

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

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

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

3
4 **Q. Briefly explain RUCO rate base adjustment 1(a) that the Company**
5 **also proposes in its rebuttal testimony.**

6 A. This adjustment allocates a portion of the new office building from the
7 Water Division to the Sewer Division in the amount of \$121,438. There
8 was link in the Company's original rate Application B-2 Schedules on page
9 3.5 that was not properly making the correct calculation. RUCO's
10 schedules failed to make the correct adjustment, also. I identified the
11 problem shortly after filing my direct testimony. The adjustment is now
12 correctly reflected in RUCO's surrebuttal testimony in adjustment 1(a).
13 This adjustment removes \$121,438 from the Water Division structures and
14 improvements plant account and allocate it to the Sewer Division. The
15 adjustment is reflected in RUCO Surrebuttal Schedules TJC-3 with the
16 details shown on TJC-4(a) and TJC-5(c) in year 2012.

17
18 Rate Base Adjustment 2 – Reclassify Costs

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

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

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

6
7 A companion adjustment to accumulated depreciation is also necessary to
8 complete this adjustment. In direct testimony, RUCO initially removed
9 \$418 of accumulated depreciation from the Water Division and added the
10 same amount to the accumulated depreciation balance in the Sewer
11 Division's NWWTP account. The Company's rate consultant, Mr.
12 Bourassa, calculated \$1,415 of accumulated depreciation to be removed
13 from the Water Division and reclassify it to the Sewer Division's NWWTP
14 account accordingly.

15
16 **Q. Does RUCO accept Mr. Bourassa's accumulated depreciation**
17 **adjustment of \$1,415?**

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

1 Rate Base Adjustment 3 – Plant Retirement

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

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

12
13 **Q. Are there any other Water Division adjustments that RUCO**
14 **recommended and the Company accepted?**

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

18
19 Rate Base Adjustment 4 – Remove Affiliate Profit

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

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

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

4
5 A companion adjustment to accumulated depreciation is also necessary to
6 complete this adjustment. In direct testimony, RUCO initially removed \$33
7 of accumulated depreciation from the Water Division. Mr. Bourassa
8 calculated \$6 of accumulated depreciation to be removed from the Water
9 Division.

10
11 **Q. Does RUCO accept Mr. Bourassa's accumulated depreciation**
12 **adjustment of \$6?**

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

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

3 **Q. What is the difference between the Company’s position and RUCO’s**
4 **accumulated depreciation and ADIT adjustments?**

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

13
14 **Q. Does RUCO agree with the Company’s proposed rebuttal accounting**
15 **methodology?**

16 A. At this point in time, no.

17
18 **Q. In recognizing that RUCO does not agree with the Company’s**
19 **proposed accounting methodology for UPIS at this time, what are**
20 **RUCO’s adjustments to accumulated depreciation and ADIT?**

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

1 by \$114,351. Likewise, RUCO's ADIT adjustment decreases the rate
2 base by \$14,021 as filed in the Company's original rate Application.
3

4 **Sewer Division Surrebuttal Rate Base Adjustments**

5 Rate Base Adjustment 1(a) – Plant Retirement

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

8 RUCO and the Company should be in agreement on RUCO's rate base
9 adjustment 1(a), which is for a plant retirement item, because RRUI in
10 rebuttal testimony adopted this same adjustment as recommended by
11 Staff. This is the only new Sewer Division adjustment that RUCO made in
12 its surrebuttal testimony that was not included in direct testimony. The
13 adjustment reduces UPIS by \$6,866. This adjustment is reflected in
14 RUCO Surrebuttal Schedules TJC-3 with the details shown on TJC-4(a)
15 and TJC-5(c) in year 2009. The companion adjustment to reduce the
16 accumulated depreciation by the same \$6,866 is embedded in RUCO
17 Schedule TJC-5(c) in year 2009 and reflected in RUCO rate base
18 adjustment 1(b) on Schedule TJC-3.
19
20
21
22
23

1 Rate Base Adjustment 2 – Reclassify Costs

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

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

13
14 A companion adjustment to accumulated depreciation is also necessary to
15 complete this adjustment. In direct testimony, RUCO initially removed
16 \$418 of accumulated depreciation from the Water Division and added the
17 same amount to the accumulated depreciation balance in the Sewer
18 Division's NWWTP account. The Company's rate consultant, Mr.
19 Bourassa, calculated \$1,415 of accumulated depreciation to be removed
20 from the Water Division and reclassify it to the Sewer Division's NWWTP
21 account, accordingly.

22
23 ...

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

3 A. Yes. The \$1,415 accumulated depreciation reclassification is reflected in
4 RUCO Surrebuttal Schedules TJC-3 with the details shown on TJC-4(b).
5 Rate Base Adjustment 3 – Reclassify Capacity Costs

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

8 A. The Company should be in agreement with RUCO surrebuttal adjustment
9 3. In direct testimony RUCO reclassified plant in the amount of
10 \$1,008,000 from account 380 to the NWWTP account where it is more
11 appropriately charged. In rebuttal testimony, Mr. Bourassa agreed that
12 the amount should be reclassified to the NWWTP account but asserts the
13 amount comes from two accounts (i.e. Accounts 361 and 380) rather than
14 just account 380.

15
16 **Q. Does RUCO agree with Mr. Bourassa's assessment that**
17 **reclassification from two accounts rather than just account 380 is**
18 **more appropriate?**

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

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

5
6 **Q. Did the Company accept any other Sewer Division adjustments**
7 **recommended by RUCO?**

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

11
12 Rate Base Adjustment 4 – Remove Affiliate Profits

13 **Q. Briefly explain RUCO rate base adjustment 4.**

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

19
20 A companion adjustment to accumulated depreciation is also necessary to
21 complete this adjustment. In direct testimony, RUCO initially removed \$4
22 of accumulated depreciation from the Sewer Division. Mr. Bourassa

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

3

4 **Q. Does RUCO accept Mr. Bourassa’s accumulated depreciation**
5 **adjustment of \$6?**

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

12

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

15 **Q. What is the difference between the Company’s position on RUCO’s**
16 **accumulated depreciation and ADIT adjustments?**

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

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

3
4 **Q. Does RUCO agree with the Company's proposed rebuttal accounting**
5 **methodology?**

6 A. At this point in time, no.

7
8 **Q. In recognizing that RUCO does not agree with the Company's**
9 **proposed accounting methodology for UPIS at this time, what are**
10 **RUCO's adjustments to accumulated depreciation and ADIT?**

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

15
16 **WATER DIVISION SURREBUTTAL OPERATING INCOME ADJUSTMENTS**

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

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

1 Operating Income Adjustment No. 1 – Depreciation Expense

2 **Q. Please describe RUCO’s surrebuttal adjustment to depreciation**
3 **expense.**

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

9
10 **Q. Did the Company make a rebuttal adjustment for its depreciation**
11 **expense?**

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

17
18 **Q. Has RUCO and the Company reached any agreement on the**
19 **depreciation expense differences?**

20 A. No.

21
22 ...

23

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

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

8

9 Operating Income Adjustment No. 2 – Property Tax Expense

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

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

19

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

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

1 **Q. Do you agree with the Company?**

2 A. No.

3

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

7 A. Regarding the effective property tax rate, I have included RUCO Exhibit 1,
8 pages 1-4 excluding the cover page, to illustrate my discussion. The
9 exhibit shows the three property tax bills that both the Company and
10 RUCO utilized in determining the effective property tax rate for RRUI. Mr.
11 Bourassa fails to use the "**full cash totals**" shown on the first two of the
12 three tax bills. Rather than utilizing the full assessed cash value of
13 \$720,200 and \$727,390 shown on the bills, Mr. Bourassa uses the lesser
14 figures shown above the full cash value. His method results in a lower
15 denominator. Thus, his effective property tax rate is higher. On the last
16 page of the exhibit, I have included a page that shows both the Company
17 and RUCO's effective property tax calculation. The use of different
18 effective property tax rates results in different property tax calculations.

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

1 does not believe fully depreciated plant can be depreciated going forward.
2 Once the net book value is less than a full year of depreciation expense
3 only the net book value is depreciated going forward plus any plant
4 additions in the subsequent year. RUCO's net book value of the vehicles
5 is reflected in RUCO direct and surrebuttal Schedules TJC-5(c) in year
6 2012 is \$21,167.

7
8 RUCO maintains its position on both the effective property tax rate and net
9 book value of the vehicles in its property tax calculations.

10

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

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

20

21

22

23

1 Operating Income Adjustment No. 3 – Rate Case Expense

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

5 **A. No. RUCO’s rationale for using a four-year period is discussed in detail in**
6 **direct testimony.**

7
8 **Q. What adjustment is necessary to reflect RUCO’s recommended**
9 **surrebuttal adjustment to the Company’s rate case expense as filed**
10 **in its direct rate Application?**

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

15
16 Operating Income Adjustment No. 4 – Annualize 6-Inch Bulk Water Sales

17 **Q. Did the Company accept RUCO’s rationale to recognize the housing**
18 **development of Morning Star Ranch (“MSR”)?**

19 **A. Yes. The Company’s work paper provides for the correct monthly**
20 **consumption of MSR for the period of January through December 2012,**
21 **but the second column on all twelve-months contains errors for the dollar**
22 **amount to be billed. This is shown in RUCO Surrebuttal Schedule TJC-**
23 **15(b) on page 2 of 2. Rather than the additional \$1,203 that the Company**

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

3

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

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

10

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

13 A. For example, RUCO's Surrebuttal Schedule TJC-15(b) shows that in the
14 month of January MSR consumption consisted of 541,000 gallons at
15 \$4.79 per thousand gallons ($541 \times \$4.79 = \$2,591.39$) plus a monthly
16 minimum charge of \$549.00 equals a total January billing of \$3,140.39.
17 The schedule also shows the Company calculated a January billing of
18 \$2,428.24 or a difference of \$712.15. The schedule shows a column as
19 calculated by the Company and a column for RUCO's calculations that
20 results in RUCO's recommendation of \$10,282 after the Test Year
21 revenues of \$29,625 is subtracted from the MSR's annual revenue of
22 \$39,907 ($\$39,907 - \$29,625 = \$10,282$). The adjustment is shown on

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

3

4 Operating Income Adjustment No. 5 – Intentionally Left Blank

5

6 Operating Income Adjustment No. 6 – Revenue Accrual

7 **Q. Does RUCO accept the Company’s rebuttal explanation regarding**
8 **RUCO’s direct testimony adjustment for the MSR revenue accrual**
9 **adjustment?**

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

12

13 Operating Income Adjustment No. 7 – Intentionally Left Blank

14

15 Operating Income Adjustment No. 8 – Expense Annualization

16 **Q. Briefly explain RUCO’s surrebuttal adjustment for the expense**
17 **annualization.**

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

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

3
4 Operating Income Adjustment No. 9 – Water Testing Expense

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

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

11
12 Operating Income Adjustment No. 10 – Miscellaneous Expense

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

15 A. Yes.

16
17 Operating Income Adjustment No. 11 – Achievement / Incentive Pay

18 **Q. Does RUCO accept the Company's rebuttal testimony concerning the**
19 **50:50 sharing of achievement/incentive pay between ratepayers and**
20 **shareholders?**

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

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

3

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

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

11

12 Operating Income Adjustment No. 12 – Merit Pay Expense

13 **Q. Does RUCO accept the Company's rebuttal testimony concerning the**
14 **50:50 sharing of merit pay between ratepayers and shareholders?**

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

17

18 Operating Income Adjustment No. 13 – Intentionally Left Blank

19

20 Operating Income Adjustment No. 14 – Intentionally Left Blank

21

22

1 Operating Income Adjustment No. 15 – Algonquin Power Utility
2 Corporation (“APUC”) Corporate Cost Allocations

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

6 **A.** Yes. RUCO’s positions regarding those costs are discussed in detail in its
7 direct testimony.

8
9 Operating Income Adjustment No. 16 – Employee Benefit Expense

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

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

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

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

20
21 Operating Income Adjustment No. 17 – Intentionally Left Blank

22
23 Operating Income Adjustment No. 18 – Intentionally Left Blank

1 Operating Income Adjustment No. 19 – Intentionally Left Blank

2
3 Operating Income Adjustment No. 20 – Intentionally Left Blank

4
5 Operating Income Adjustment No. 21 – Income Taxes

6 **Q. Have you calculated income tax expense based on both RUCO’s**
7 **recommended adjusted operating income and the recommended**
8 **operating income associated with RUCO’s revenue increase?**

9 **A.** Yes. These adjustments for RUCO’s recommended adjusted operating
10 income and the recommended operating income less income tax
11 associated with RUCO’s revenue increase are shown on Schedules TJC-
12 10 with the details shown on TJC-28 and TJC-1 on page 2 for the Water
13 Division.

14
15 **Q.** **Have you included an interest synchronization calculation in your**
16 **computation of income tax expense?**

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

1 **SEWER DIVISION SURREBUTTAL OPERATING INCOME ADJUSTMENTS**

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

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

11
12 **Q. Briefly identify and summarize each of the Sewer Division's**
13 **adjustments that RUCO made in its direct testimony and here in**
14 **surrebuttal testimony.**

15 A. Operating Income Adjustment No. 1 – Depreciation Expense

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

23

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

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

9

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

12 A. No.

13

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

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

21

22

23

1 Operating Income Adjustment No. 2 – Property Tax Expense

2 **Q. Please briefly discuss RUCO’s surrebuttal adjustment 2 to property**
3 **tax expense.**

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

9
10 **Q. Did the Company address those two reasons in rebuttal testimony?**

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

13
14 **Q. Do you agree with the Company?**

15 A. No.

16
17 **Q. Please explain why you do not agree with the Company’s**
18 **assessment regarding the effective property tax rate and net book**
19 **value of the vehicles.**

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

1 Bourassa fails to use the “**full cash totals**” shown on the first two of the
2 three tax bills. Rather than utilizing the full assessed cash value of
3 \$720,200 and \$727,390 shown on the bills, Mr. Bourassa uses the lesser
4 figures shown above the full cash value. His method results in a lower
5 denominator. Thus, his effective property tax rate is higher. On the last
6 page of the exhibit, I have included a page that shows both the Company
7 and RUCO’s effective property tax calculation. The difference between
8 the Company and RUCO’s property tax results from the use of different
9 effective property tax rates.

10
11 **Q. What adjustment is necessary to reflect RUCO’s recommended**
12 **surrebuttal adjustment to the Company’s property tax expense as**
13 **filed in its direct rate Application?**

14 **A.** RUCO’s surrebuttal adjusted Test Year property tax expense adjustment
15 increases the Company’s expense as filed in its direct rate Application by
16 \$1,140 and increases RUCO’s proposed level of property tax expense by
17 \$1,222. That is \$3,078 less than what was proposed by the Company.
18 The adjustment is shown on RUCO Surrebuttal Schedules TJC-11 and
19 TJC-10 with the details of the adjustment on TJC-13.

1 Operating Income Adjustment No. 3 – Rate Case Expense

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

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

7
8 **Q. What adjustment is necessary to reflect RUCO’s recommended**
9 **surrebuttal adjustment to the Company’s rate case expense as filed**
10 **in its direct rate Application?**

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

15
16 Operating Income Adjustment No. 4 – Annualize 6-Inch Commercial Meter

17 **Q. Did the Company accept RUCO’s adjustment to annualize the**
18 **missing 6-Inch commercial sewers bills?**

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

1 Operating Income Adjustment No. 5 – Annualize Other Missing Bills

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

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

10
11 **Q. Does RUCO accept the Company’s modified adjustment of \$4,937?**

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

15
16 Operating Income Adjustment No. 6 – Revenue Accrual

17 **Q. Did the Company accept RUCO’s revenue accrual adjustment for the**
18 **6-Inch commercial customer’s missing bills to match the general**
19 **ledger revenues to those of the bill count revenues?**

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

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

3
4 Operating Income Adjustment No. 7 – Revenue Accrual for Missing Bills of
5 Four Customers

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

9 A. Yes. The Company's rebuttal schedules reflect a combination of two
10 separate revenue accruals for total revenue accrual of \$25,110 whereas
11 RUCO shows the two accruals separately. The first of which was
12 discussed in the previous adjustment 6 above. RUCO's two accrual
13 adjustments (\$20,805 + \$4,305 = \$25,110) total the Company's combined
14 accrual of \$25,110. The adjustment is shown on RUCO Surrebuttal
15 Schedules TJC-11 and TJC-10 with the details of the adjustment on TJC-
16 18.

17
18 Operating Income Adjustment No. 8 – Expense Annualization

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

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

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

7
8 Operating Income Adjustment No. 9 – Intentionally Left Blank

9
10 Operating Income Adjustment No. 10 – Intentionally Left Blank

11
12 Operating Income Adjustment No. 11 – Achievement / Incentive Pay

13 **Q. Does RUCO accept the Company's rebuttal testimony concerning the**
14 **50:50 sharing of achievement/incentive pay between ratepayers and**
15 **shareholders?**

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

20
21
22 ...

23

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

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

8

9 Operating Income Adjustment No. 12 – Merit Pay Expense

10 **Q. Does RUCO accept the Company’s rebuttal testimony concerning the**
11 **50:50 sharing of merit pay between ratepayers and shareholders?**

12 A. Yes. RUCO’s direct testimony regarding the merit pay adjustment has
13 been removed.

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

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

19 A. No.

20

21

22 ...

23

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

3 A. Essentially, the Company said there may be a big lump sum bill coming to
4 RRUI for true-ups to actual costs. The City of Nogales provided a letter
5 and monthly billings to RUCO through a public records request for the
6 period of August 2010 through November 2012. The letter stated that,
7 “Nogales is billed by the U.S. Section of the International Boundary and
8 Water Commission, which operates the Nogales International Wastewater
9 Treatment Plant, quarterly in arrears...In view of the above, Nogales
10 proposes billing Rio Rico \$9,083.26 per month ($\$950,000/12 \times .1136 \times$
11 1.01), retroactive to March 1, 2012 (May’s bill will reflect the two months’
12 credit) for the remainder of this calendar year.” While this reflects that the
13 City of Nogales has been billing RRUI \$9,083.26 for eleven to twelve-
14 months now, RRUI wants to charge the ratepayers \$13,824.65 per month
15 for the same \$9,083.26 that it is billed. A Santa Cruz County attorney has
16 informed RUCO that the same \$9,083.26 monthly billing took place in both
17 December 2012 and January 2013.

18
19 The letter referenced in the previous paragraph stated, “January’s bill to
20 Rio Rico (and those of each successive January) will include a
21 reconciliation that reflects actual costs of operating the treatment for the
22 previous federal fiscal year.” RUCO has not observed any true-ups that
23 the Company insists on coming.

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

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

7

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

11 A. Yes.

12

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

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

18

19

20

21

22

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

3 **Q. Did the Company accept RUCO’s adjustment to reclassify the**
4 **expenses you discussed in adjustment 13 in the previous**
5 **adjustment?**

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

15
16 Operating Income Adjustment No. 15 – Algonquin Power Utility
17 Corporation (“APUC”) Corporate Cost Allocations

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

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

23

1 Operating Income Adjustment No. 16 – Employee Benefit Expense

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

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

7

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

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

13

14 Operating Income Adjustment No. 17 – Intentionally Left Blank

15

16 Operating Income Adjustment No. 18 – Intentionally Left Blank

17

18 Operating Income Adjustment No. 19 – Intentionally Left Blank

19

20 Operating Income Adjustment No. 20 – Intentionally Left Blank

21

22

23

1 Operating Income Adjustment No. 21 – Income Taxes

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

5 A. Yes. These adjustments for RUCO's recommended adjusted operating
6 income and the recommended operating income less income tax
7 associated with RUCO's revenue increase are shown on Schedules TJC-
8 10 with the details shown on TJC-28 and TJC-1 on page 2 for the Water
9 Division.

10
11 **Q. Have you included an interest synchronization calculation in your**
12 **computation of income tax expense?**

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

16
17 **REVENUE REQUIREMENTS**

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

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

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WATER DIVISION

<u>RRUI Revenue \$'s Increase</u>	<u>RUCO Revenue \$'s Increase</u>	<u>RRUI Revenue % Increase</u>	<u>RUCO Revenue % Increase</u>
\$ 604,079	\$ 206,273	21.16%	7.20%

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SEWER DIVISION

<u>RRUI Revenue \$'s Increase</u>	<u>RUCO Revenue \$'s Increase</u>	<u>RRUI Revenue % Increase</u>	<u>RUCO Revenue % Increase</u>
\$ 393,612	\$ 65,054	28.93%	4.64%

OTHER ISSUES

RRUI's Rebuttal Declining Usage Adjustment

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

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

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

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

Tucson Electric Power ("TEP") Anticipated Rate Increase

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

1 **Q. Do you agree with Mr. Bourassa's statement that RRUI is facing a**
2 **4.60 percent rate increase from TEP?**

3 A. No. RRUI's electric service provider is UNS Electric, Inc. ("UNSE"), which
4 serves Santa Cruz County, not TEP as indicated by the Company. UNSE
5 filed a rate application with the Commission on December 31, 2012
6 requesting an increase in its non-fuel base rates of approximately 4.60
7 percent to be effective no later than January 1, 2014.²

8
9 **Q. What is RUCO's position on the anticipated purchased power rate**
10 **increase adjustment?**

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

13
14 6-Inch Bulk Water Sales Customer - Morning Star Ranch ("MSR")

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

18 A. Yes.

19
20 ...

21
22 **Q. Briefly explain the difference between the Company and RUCO**
23 **regarding the MSR bulk water sales customer.**

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

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

13
14 **RATE DESIGN**

15 Water Division

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

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

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

13
14 The MSR customer has never been in RRUI's Certificate of Convenience
15 and Necessity ("CC&N") certificated area of service. MSR and Liberty
16 Utilities have a separate water contract to be served by RRUI, which
17 states that all commodity charges will be based on RRUI's Tier-3 rate as
18 approved by the Commission with no tiered break-over points. The
19 Company currently charges MSR a monthly minimum of \$549 and a flat
20 commodity rate of \$4.79 per thousand gallons. RUCO recommends those
21 same rates for the revenue annualization in order to properly reflect this
22 customer's revenue on a going forward basis and to properly recognize
23 the additional revenue.

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Sewer Division

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

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

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

A. Yes, it does.

RUCO
EXHIBIT

1

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

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

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

2011 PROPERTY TAX NOTICE

Santa Cruz County

ARIZONA

PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	2011 TAX SUMMARY	
938-03-502 2	3502	8.8867	5.1819	0.0000	PRIMARY PROPERTY TAX	64,640.97
					LESS STATE AID TO EDUCATION	0.00
					NET PRIMARY PROPERTY TAX	64,640.97
					SECONDARY PROPERTY TAX	33,708.55
					SPECIAL DISTRICT TAX	0.00
					TOTAL TAX DUE	98,349.52

ASSESSMENT	VALUE IN DOLLARS	ASST %	ASSESSED VALUE	EXEMPTIONS	TAX RATE	TAX
LIMITED LAND, BLDGS, ETC	106,848	20.0	21,370		8.8867	1,899.89
LIMITED PERSONAL PROPERTY	3,336,100	28.0	706,890		8.8867	62,741.88
LIMITED TOTALS	3,442,948		728,260			64,640.97
FULL CASH LAND		0.0	21,378		5.1819	996.32
FULL CASH BLDG/RES, ETC		0.0				0.00
FULL CASH PERSONAL PROPERTY	3,538,100	20.0	708,620		4.6176	32,718.23
FULL CASH TOTALS	3,538,100		727,398			33,708.55

JURISDICTION	2010 TAXES	2011 TAXES
02900 SANTA CRUZ COUNTY	20,798.18	20,523.31
02001 STATE SCHOOL TAX EQUALIZATION	2,627.14	3,097.95
07035 SANTA CRUZ SD #35	49,429.86	48,771.50
08150 SCC COMMUNITY COLLEGE	515.26	508.45
11203 RIO RICO FD	22,058.68	24,236.63
11900 FIRE DISTRICT ASSISTANCE FUND	737.13	727.39
15001 SANTA CRUZ COUNTY FCD	126.62	120.59
30099 JTED	368.57	363.70

43093
SITUS ADDRESS:
LEGAL DESCRIPTION:

8/134.2.0000 20.2410.0000

This is the only notice you will receive.

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

**THIS IS A
CALENDAR YEAR
TAX NOTICE**

RECEIVED
OCT 03 2011
BY: _____

Ameyda

TOTALS: 96,661.44 98,349.52

938-03-502 2
110926 12 R C1041 00035



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



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

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

PAYMENT INSTRUCTIONS

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

Make your check payable to and mail to:
Caesar Ramirez
Santa Cruz County Treasurer
PO Box 1150
Nogales, AZ 85628

2011 PROPERTY TAX NOTICE

Santa Cruz County

ARIZONA

PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	2011 TAX SUMMARY		
951-43-502 5	3502	8.8867	5.1819	0.0000	AGRICULTURAL TAX	64,002.01	
ASSESSMENT						AGRICULTURAL TAX	0.00
LIMITED LAND INTEREST	5,548	20.0	1,110	8.8867	98.64	64,002.01	
LIMITED RESERVING PROPERTY	3,595,452	20.0	719,090	8.8867	63,903.37	33,262.21	
LIMITED TOTAL	3,601,000		720,200		64,002.01	0.00	
FULL CARE LAND		0.0	1,092	5.1819	50.43		
FULL CARE RESERVING PROPERTY		0.0	18	5.1819	.83		
FULL CARE TOTAL	3,595,452	20.0	719,090	4.6176	33,210.95		
FULL CARE RESERVING PROPERTY	3,595,452		720,200		33,262.21		
TOTAL TAX DUE						97,264.22	

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

This is the only notice you will receive.

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

**THIS IS A
 CALENDAR YEAR
 TAX NOTICE**

134 2.0000 20 2410 0000

RECEIVED
 OCT 04 2011

August 2011

BY: _____

TOTALS: 96,839.58 97,264.22

951-43-502 5
 110926 12 R A0012 01780



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



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

PLEASE INCLUDE YOUR
 PARCEL NUMBER
 ON YOUR CHECK

PAYMENT INSTRUCTIONS

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Make your check payable to and mail to:
 Caesar Ramirez
 Santa Cruz County Treasurer
 PO Box 1150
 Nogales, AZ 85628

TABLE OF CONTENTS TO TJC SCHEDULES

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

REVENUE REQUIREMENT

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

References:

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

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	[A]	[B]	[C]	[D]
CALCULATION OF GROSS REVENUE CONVERSION FACTOR:					
1	Revenue	100.0000%			
2	Proposed Bad Debt Expense (Per Co. Workpapers)	0.0000%			
3	Subtotal (L1 thru L2)	100.0000%			
4	Combined Federal, State, Property Tax Rate (L22)	39.7027%			
5	Subtotal (L3 - L4)	60.2973%			
6	Gross Revenue Conversion Factor (L1 / L5)	1.6585			
CALCULATION OF EFFECTIVE TAX RATE:					
9	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
10	Arizona State Income Tax Rate	6.9680%			
11	Federal Taxable Income (L9 - L10)	93.0320%			
12	Applicable Federal Income Tax Rate (L58)	34.0000%			
13	Effective Federal Income Tax Rate (L11 X L12)	31.6309%			
14	Combined Federal and State Income Tax Rate (L10 + L13)	38.5989%			
CALCULATION OF EFFECTIVE PROPERTY TAX FACTOR:					
17	Unity	100.0000%			
18	Combined Federal and State Tax Rate	38.5989%			
19	1 Minus Combined Income Tax Rate	61.4011%			
20	Property Tax Factor	1.7978%			
21	Effective Property Tax Factor (L19 x L20)	1.1039%			
22	Combined Federal, State & Property Tax Rate Tax Rate (L14 + L21)	39.7027%			
24	RUCO Required Operating Income (Sch. TJC-1, Col. [B], L7)	\$ 626,410			
25	RUCO Adj'd T.Y. Oper'g Inc. (Loss) (Sch. TJC-1, Col. [B], L3)	502,033			
26	Required Increase In Operating Income (L24 - L25)		\$ 124,377		
28	Income Taxes On Recommended Revenue (Col. [D], L53)	\$ 393,783			
29	Income Taxes On Test Year Revenue (Col. [D], L55)	315,596			
30	Required Increase In Revenue To Provide For Income Taxes (L28 - L29)		\$ 78,188		
32	Property Tax with Recommended Revenue (Sch. TJC-10, Col. [E], L33)	157,665			
33	Property Tax on TestYear Revenue (Sch. TJC-10, Col. [C], L33)	153,957			
34	Increase in Property Tax Due to Increase in Revenue (L32 - L33)		\$ 3,708		
36	Total Required Increase In Revenue (L26 + L30 + L34)		\$ 206,273		
RUCO's CALCULATION OF INCOME TAX:					
39	RUCO Proposed Revenue (Sch. TJC-1, Col. [B], L19)			RUCO Recommended	
40	Less:			\$ 3,071,393	
41	Operating Expense Excluding Income Tax (Sch. TJC-10, Col. [E], L36 - L34)			2,051,200	
42	Synchronized Interest (Col. [C], L63)			-	
43	Arizona Taxable Income (L39 - L41 - L42)			\$ 1,020,193	
44	Arizona State Income Tax Rate			6.9680%	
45	Arizona Income Tax (L43 X L44)				\$ 71,087
46	Fed. Taxable Income (L43 - L45)			\$ 949,106	
47	Fed. Tax On 1st Inc. Bracket (\$1 - \$50,000) @ 15%			\$ 7,500	
48	Fed. Tax On 2nd Inc. Bracket (\$50,001 - \$75,000) @ 25%			\$ 6,250	
49	Fed. Tax On 3rd Inc. Bracket (\$75,001 - \$100,000) @ 34%			\$ 8,500	
50	Fed. Tax On 4th Inc. Bracket (\$100,001 - \$335,000) @ 39%			\$ 91,650	
51	Fed. Tax On 5th Inc. Bracket (\$335,001 - \$10M) @ 34%			\$ 208,796	
52	Total Federal Income Tax (L47 thru L51)				\$ 322,696
53	Combined Federal And State Income Tax (L45+ L52)				\$ 393,783
55	RUCO Adj'd Test Year Combined Federal and State Income Tax (Sch. TJC-10, Col. [C], L34)				\$ 315,596
56	RUCO Proposed Income Tax Adjustment (L53 - L55)				\$ 78,188
58	Applicable Federal Income Tax Rate				34.00%
NOTE (A): Interest Synchronization					
61	RUCO Adjusted Rate Base (Sch. TJC-2, Col. [C], L23)			\$ 7,592,850	
62	RUCO Weighted Cost Of Debt (Sch. TJC-27, Col. [D], L1)			0.00%	
63	RUCO Interest Expense (L61 X L62)			\$ -	

RATE BASE SUMMARY - ORIGINAL COST/FAIR VALUE

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

References:

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

Rio Rico Utilities, Inc.
 Docket No. WS-02676A-12-0196
 Test Year Ended February 28, 2012

LINE NO.	DESCRIPTION	ORIGINAL COST/FAIR VALUE RATE BASE - RUCO ADJUSTMENTS										(H) RUCO Total Pro Forma Adjustments	(I) RUCO ADJUSTED OCRB/FVRB	
		(A) COMPANY AS FILED OCRB/FVRB	(B) RUCO ADJUSTMENT NO. 1(a) RECONSTRUCT PLANT BALANCES	(C) RUCO ADJUSTMENT NO. 1(b) ACCUM. DEPRE. BALANCE	(D) RUCO ADJUSTMENT NO. 2 RECLASSIFY NWMTP PLANT ACCOUNTS	(E) RUCO ADJUSTMENT NO. 2 PLANT RETIREMENT PER RUCO DR 11.3	(F) RUCO ADJUSTMENT NO. 3 REMOVE AFFILIATE PROFITS PER MUR 1-15	(G) RUCO ADJUSTMENT NO. 4 ADJUSTMENT NO. 5 ADIT BALANCE						
1	Gross Utility Plant in Service	\$ 36,146,219	\$ (121,438)	\$ 114,351	\$ 1,415	\$ 9,757	\$ (1,702)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (600,955)
2	Accumulated Depreciation	(15,784,381)		114,351	(13,947)									(20,179,119)
3	Net Utility Plant in Service (L2 + L4)	\$ 20,361,838	\$ (121,438)	\$ 114,351	\$ (13,947)	\$ 9,757	\$ (1,702)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,797,261)
4														
5														
6	LESS:													
7	Advances in Aid Of Construction (AIAC)	\$ (600,955)												\$ (600,955)
8	Contribution in Aid Of Construction (CIAC)	(20,179,119)												(20,179,119)
9	Accumulated Amortization of CIAC	8,797,261												8,797,261
10	NET CIAC (L10 + L11)	\$ (11,381,858)												\$ (11,381,858)
11														
12	Deferred Income Tax	(405,395)												(405,395)
13														
14	Customer Deposits	(284,024)												(284,024)
15														
16														
17														
18														
19														
20														
21														
22														
23														
	TOTAL RATE BASE (L5+L8+L12+L14+L16)	\$ 7,629,607	\$ (121,438)	\$ 114,351	\$ (13,947)	\$ 9,757	\$ (1,702)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (36,757)
														\$ 7,592,850

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

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

TOTAL UTILITY PLANT IN SERVICE SUMMARY SCHEDULE

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

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

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

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

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

Line	NARUC Account	Description	Company Accum. Depre. Balance As Filed	RUCO Adjustments	RUCO As Calculated
1	301	Organization Cost	\$ -	\$ -	\$ -
2	302	Franchise Cost	-	-	-
3	303	Land and Land Rights	-	-	-
4	304	Structures & Improvements	(598,813)	337	(598,476)
5	305	Collecting & Impounding Reservoirs	-	-	-
6	306	Lake, River, Canal Intakes	-	-	-
7	307	Wells & Springs	(219,473)	(0)	(219,473)
8	308	Infiltration Galleries	-	-	-
9	309	Raw Water Supply Mains	(43,831)	-	(43,831)
10	310	Power Generation Equipment	(103,188)	(0)	(103,188)
11	311	Pumping Equipment	(2,859,238)	113,110	(2,746,127)
12	320	Water Treatment Equipment	(183,785)	-	(183,785)
13	320.1	Water Treatment Plants	-	-	-
14	320.2	Solution Chemical Feeders	-	-	-
15	330	Distribution Reservoirs & Standpipes	(191,697)	-	(191,697)
16	330.1	Storage Tanks	-	-	-
17	330.2	Pressure Tanks	-	-	-
18	331	Transmission & Distribution Mains	(9,566,814)	-	(9,566,814)
19	333	Services	(869,455)	-	(869,455)
20	334	Meters	(536,110)	-	(536,110)
21	335	Hydrants	(184,803)	(0)	(184,803)
22	336	Backflow Prevention Devices	(2,366)	-	(2,366)
23	339	Other Plant & Misc Equipment	(30,527)	(0)	(30,527)
24	340	Office Furniture & Equipment	(22,865)	100	(22,765)
25	340.1	Computers & Software	(76,919)	-	(76,919)
26	341	Transportation Equipment	(121,824)	803	(121,021)
27	342	Stores Equipment	-	-	-
28	343	Tools, Shop & Garage Equipment	(11,766)	-	(11,766)
29	344	Laboratory Equipment	(3,061)	-	(3,061)
30	345	Power Operated Equipment	-	-	-
31	346	Communication Equipment	(147,813)	(0)	(147,813)
32	347	Miscellaneous Equipment	(10,032)	(0)	(10,032)
33	348	Other Tangible Plant	-	-	-
34		Plant Held for Future Use	-	-	-
35					
36		RUCO TOTALS	<u>\$ (15,784,381)</u>	<u>\$ 114,351</u>	<u>\$ (15,670,030)</u>
37					
38		Company As Calculated & Filed			<u>(15,784,381)</u>
39					
40		RUCO (Increase)/Decrease Adj.			\$ 114,351

PLANT RECONSTRUCTION SCHEDULE

Line No.	NARUC Account No.	Description	2012 (2 Months - January 1 through February 29, 2012)										Net Plant	
			Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.				
1	301	Organization Cost	-	-	-	-	-	-	-	-	-	5,785	-	5,785
2	302	Franchise Cost	-	-	-	-	-	-	-	-	-	417	-	417
3	303	Land and Land Rights	-	-	-	-	-	-	-	-	-	44,194	-	44,194
4	304	Structures & Improvements	639,756	(121,438)	518,318	-	-	16,940	-	-	3,311,492	(598,476)	-	2,713,016
5	305	Collecting & Impounding Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	-	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3,794	(4,372)	(578)	-	-	3,126	-	-	562,944	(219,473)	-	343,471
8	308	Infiltration Galleries	-	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	4	-	4	-	-	931	-	-	279,157	(43,831)	-	235,326
10	310	Power Generation Equipment	745	-	745	-	-	1,825	-	-	219,360	(103,188)	-	116,172
11	311	Pumping Equipment	351,006	(170)	350,836	(110,842)	-	13,009	-	-	3,147,011	(2,746,127)	-	400,884
12	320	Water Treatment Equipment	-	-	-	-	-	2,049	-	-	369,100	(183,765)	-	185,316
13	320.1	Water Treatment Plants	-	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	-	-	-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	-	-	-	-	-	2,811	-	-	759,861	(191,697)	-	568,163
16	330.1	Storage Tanks	-	-	-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	-	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	118,060	(5,568)	112,492	-	-	74,277	-	-	22,339,256	(9,566,814)	-	12,772,442
19	333	Services	69,760	-	69,760	-	-	15,169	-	-	2,768,122	(869,455)	-	1,898,667
20	334	Meters	15,911	-	15,911	-	-	13,917	-	-	1,010,366	(536,110)	-	474,256
21	335	Hydrants	60	-	60	-	-	1,908	-	-	572,321	(184,803)	-	387,519
22	336	Backflow Prevention Devices	-	-	-	-	-	176	-	-	15,855	(2,366)	-	13,489
23	339	Other Plant & Misc Equipment	6,878	(8,386)	(1,508)	-	-	1,384	-	-	123,778	(30,527)	-	93,252
24	340	Office Furniture & Equipment	5,725	-	5,725	-	-	193	-	-	29,265	(22,766)	-	6,500
25	340.1	Computers & Software	-	-	-	-	-	-	-	-	76,919	(76,919)	-	-
26	341	Transportation Equipment	1,819	-	1,819	-	-	3,906	-	-	142,188	(121,021)	-	21,167
27	342	Stores Equipment	-	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	731	-	731	-	-	149	-	-	18,203	(11,766)	-	6,437
29	344	Laboratory Equipment	-	-	-	-	-	-	-	-	3,061	(3,061)	-	-
30	345	Power Operated Equipment	-	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	24,594	-	24,594	-	-	3,345	-	-	212,996	(147,813)	-	65,183
32	347	Miscellaneous Equipment	-	-	-	-	-	219	-	-	13,128	(10,032)	-	3,096
33	348	Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	-	-
34		Plant Held for Future Use	-	-	-	-	-	-	-	-	-	-	-	-
35		RUCO TOTALS	\$ 1,238,843	\$ (139,934)	\$ 1,098,909	\$ (110,842)	\$ -	\$ 155,334	\$ 36,024,781	\$ (15,670,030)	\$ 20,354,752			\$ 20,354,752
36														
37		Company Plant in Service as Filed									36,146,219			
38		RUCO Increase/(Decrease) Plant in Service Adjustment									\$ (121,438)			
39		Company Accumulated Depreciation as Filed										(15,784,381)		
40		RUCO (Increase)/Decrease Accumulated Depreciation Adjustment										\$ 114,351		

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

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

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

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

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

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

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

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

References:

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

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

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

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

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

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

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

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

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

Line No.	Deferred Income Tax as of February 29, 2012.	Water & Sewer Adjusted Book Value	Water & Sewer Tax Value	Probability of Realization of Future Tax Benefit	Deductible TD (Taxable TD) Expected to be Realized	Effective Tax Rate	Future Tax Asset		Future Tax Liability	
							Current	Non Current	Current	Non Current
6	Plant-in-Service	\$ 50,247,225 ¹								
7	Accum. Deprec.	(22,012,439) ¹								
8	CIAC - Net	(14,692,881) ³								
9	Fed. Fixed Assets	\$ 13,541,905	\$ 8,955,829 ²	100.0%	\$ (4,586,076)	31.63%				(1,450,616)
10	State Fixed Assets	\$ 13,541,905	\$ 23,646,536 ²	100.0%	\$ 10,104,631	6.97%		704,091		-
11	Fed & State AIAC		593,411 ⁴	30.0%	\$ 178,023 ⁴	38.60%		\$ 68,715		
14								\$ 772,806		\$ (1,450,616)
15								\$ -		\$ -
16	Net Asset (Liability)							\$ (677,810)		
17								0.61878		
18	Allocation Factor - Water-Division (based on rate base before ADIT)							\$ (419,415)		
19	Net Asset (Liability) Water Division							\$ -		
20	DIT Asset (Liability) per Books							\$ (419,415)		
21	RUCO's Calculated Amount of ADIT							(405,395)		
22	Company's Calculated Amount of ADIT							\$ (14,021)		
23	RUCO Adjustment to ADIT									
24										
25										
26										
27										
28										
29										
30										
31										
32										

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

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

	FEDERAL	STATE
\$	28,328,799	\$ 28,328,799
(3,942,541)		
3,039,772		3,039,772
51,739		51,739
(120,225)		(120,225)
	\$ 27,357,544	\$ 31,300,085
\$ (3,066,507)		
1,166,545		
(14,334,173)		(6,381,079)
(1,751,690)		(1,109,895)
(253,314)		
(162,575)		(162,575)
	(18,401,715)	(7,653,549)
	\$ 8,955,829	\$ 23,646,536

1	Adjusted per B-2, page 2		
2	Computation of Net Tax Value February 29, 2012		
3	Based on 2011 Tax Depreciation report (December 31, 2011)		
4	Unadjusted Cost per 2011 Tax Depr. Report		
5	Reconciling Items not on tax report		
6	KPMG CIAC related adjustments (see page 7.2)		
7	Plant added after 12/31/2011 (see B-2 page 3.4)		
8	Land costs not on tax, on books (see B-2 page 3.4)		
9	Reconciling Difference Book vs. Tax (timing) (see page 7.2)		
10	Net Unadjusted Cost tax Basis		
11	Reductions		
12	Basis Reduction 2011 and Prior Years (from 2011 Tax Depr. Report)		
13	KPMG CIAC related adjustments (see workpapers)		
14	Accumulated Depreciation 2010 and prior (2011 Tax Depr Report)		
15	2011 Tax Depreciation (2011 Tax Depr Report)		
16	2012 Bonus Depreciation Estimate (50% - 2 months)(estimate)		
17	2012 Tax Depreciation Estimate (2 months)(estimate)		
18	Net Reductions through February 2012		
19	Net tax value of plant-in-service at February 29, 2012	\$ 25,331,792	
20			
21			
22			
23	CIAC (including impact of change to probability of realization)		
24	Gross CIAC per B-2 (Water & Sewer)		
25	CIAC reductions/additions		
26	A.A. per B-2 (Water and Sewer)		
27	A.A. reductions/additions		
28	Net CIAC before unrealized AIAC		
29	Unrealized AIAC Component (Water and Sewer)		
30	Adjusted Net AIAC (see footnote 5 below)	\$ 954,749	
31	Unrealized AIAC Component % (1-Realized AIAC Component)	70.0%	
32	Total realizable CIAC	\$ 668,325	
33			
34			
35			
36			
37			
38			
39	AIAC (including impact of change in probability of realization)		
40	AIAC per B-2 (Water and Sewer)	\$ 954,749	
41	AIAC reductions/additions	\$ (668,325)	
42	Net AIAC before unrealized portion	\$ 286,425	
43	Less: Unrealized AIAC (from Note 4, above)	\$ 306,987	
44	Net realizable AIAC	\$ 593,411	
45	Meter and Service Line Installation Charges		
46	Total AIAC		

OPERATING INCOME SUMMARY

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

REFERENCES:

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

Rio Rico Utilities, Inc.
 Docket No. WS-02676A-12-0195
 Test Year Ended February 29, 2012

OPERATING INCOME

Line No.	(A) Company As Filed	(B) Operating Income Adjustment No. 1 Depreciation Exp. - Property Tax Exp.	(C) Operating Income Adjustment No. 2 Rate Case Exp. - 6-inch Bulk Water Sales	(D) Operating Income Adjustment No. 3 Rate Case Exp. - 6-inch Bulk Water Sales	(E) Operating Income Adjustment No. 4 Intentionally Left Blank	(F) Operating Income Adjustment No. 5 Intentionally Left Blank	(G) Operating Income Adjustment No. 6 Intentionally Left Blank	(H) Operating Income Adjustment No. 7 Intentionally Left Blank	(I) Operating Income Adjustment No. 8 Expense Annualization	(J) Operating Income Adjustment No. 9 Water Testing Expense	(K) Operating Income Adjustment No. 10 Miscellaneous Expenses	(L) Operating Income Adjustment No. 11 Achievement Incentive Pay
1	Operating Revenues											
2	Metered Water Revenues	\$ 2,811,949	\$ -	\$ -	\$ 10,282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Unmetered Revenues	\$ 42,889	\$ -	\$ -	\$ 10,282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Other Water Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Total Water Revenues (L2 thru L4)	\$ 2,854,838	\$ -	\$ -	\$ 20,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Operating Expenses											
7	Salaries and Wages	\$ 426,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,598	\$ -	\$ -	\$ -
8	Purchased Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Purchased Power	\$ 371,378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Fuel For Power Production	\$ 3,884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Materials and Supplies	\$ 27,517	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Management Services - US Liberty Water	\$ 257,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Management Services - Corporate	\$ 133,975	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Management Services - Other	\$ 15,343	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Management Services - Other	\$ 167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Outside Services - Accounting	\$ 14,205	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Outside Services - Engineering	\$ 4,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Outside Services - Other	\$ 28,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Outside Services - Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Water Testing	\$ 3,208	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Rentals - Building	\$ 89,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Rentals - Equipment	\$ 34,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Transportation Expenses	\$ 7,733	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Insurance - General Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Insurance - Vehicle	\$ 87,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Reg. Comm. Exp. - Other	\$ 85,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Reg. Comm. Exp. - Rate Case	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Miscellaneous Expense	\$ 551,222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Bad Debt Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Depreciation and Amortization Expense	\$ 155,805	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	Taxes Other Than Income	\$ 181,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	Total Operating Expenses (L8 thru L34)	\$ 2,478,906	\$ (202,094)	\$ (1,848)	\$ (21,875)	\$ -	\$ -	\$ -	\$ 1,615	\$ (4,410)	\$ (1,802)	\$ (19,977)
36	Operating Income (L5 less L36)	\$ 375,933	\$ 202,094	\$ 1,848	\$ 21,875	\$ -	\$ -	\$ -	\$ (1,615)	\$ 4,410	\$ 1,802	\$ 19,977

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

OPERATING INCOME

Line No.	Description	(M) Operating Income Adjustment No. 12		(N) Operating Income Adjustment No. 13		(O) Operating Income Adjustment No. 14		(P) Operating Income Adjustment No. 15		(Q) Operating Income Adjustment No. 16		(R) Operating Income Adjustment No. 17		(S) Operating Income Adjustment No. 18		(T) Operating Income Adjustment No. 19		(U) Operating Income Adjustment No. 20		(V) Operating Income Adjustment No. 21		RUCO Total	Test Year Adjusted Results		
		Intentionally Left Blank		Intentionally Left Blank		Intentionally Left Blank		APUC Corporate Allocations	Employee Benefit Expense	Intentionally Left Blank		Prio Forma Adjustments													
1	Operating Revenues																								
2	Metered Water Revenues																								
3	Unmetered Revenues																								
4	Other Water Revenues																								
5	Total Water Revenues (L2 thru L4)																								
6	Operating Expenses																								
7	Salaries and Wages																								
8	Purchased Water																								
9	Electric Power																								
10	Fuel/Power Production																								
11	Chemicals																								
12	Materials and Supplies																								
13	Management Services - US Liberty Wait																								
14	Management Services - Corporate																								
15	Management Services - Other																								
16	Management Services - Accounting																								
17	Outside Services - Engineering																								
18	Outside Services - Other																								
19	Outside Services - Legal																								
20	Outside Services - Other																								
21	Water - Building																								
22	Rents - Building																								
23	Rents - Equipment																								
24	Transportation Expenses																								
25	Insurance - General Liability																								
26	Insurance - Vehicle																								
27	Reg. Comm. Exp. - Other																								
28	Reg. Comm. Exp. - Rate Case																								
29	Miscellaneous Expense																								
30	Bad Debt Expense																								
31	Depreciation and Amortization Expense																								
32	Taxes Other Than Income																								
33	Property Taxes																								
34	Income Tax																								
35	Total Operating Expenses (L8 thru L34)																								
36	Operating Income (L5 less L35)																								
37																									
38																									

REFERENCES:
 Adjustment No. 13 - Intentionally Left Blank Schedule TUC-23
 Adjustment No. 14 - APUC Cost Allocations Adjustment Schedule TUC-24
 Adjustment No. 15 - APUC Corporate Expense Adjustments Schedules TUC-15 and TUC-1, page 2
 Adjustment No. 16 - Not Used
 Adjustment No. 17 - Not Used
 Adjustment No. 18 - Not Used

Adjustment No. 19 - Not Used
 Adjustment No. 20 - Not Used
 Adjustment No. 21 - Not Used
 Column (M) - RUCO Total Adjustments
 Column (X) - RUCO Recommended Adjusted Test Year Level of Expenses
 Column (X) - RUCO Adjusted Test Year Operating Income Recommendations (Col (A) + Col (W))

OPERATING INCOME ADJUSTMENT NO. 1
 DEPRECIATION EXPENSE

Line No.	NARUC Account	Description	Company Adjusted Gross Plant Balance	RUCO Depreciable Plant Adjustments	RUCO Rate Base Adjustments 1(a) - 4(a)	RUCO Recommended Depreciable Balance	Depreciation Rate	RUCO Depreciation Expense Going Forward
1	301	Organization Cost	5,785	-	-	5,785	0.00%	-
2	302	Franchise Cost	417	-	-	417	0.00%	-
3	303	Land and Land Rights	44,194	-	-	44,194	0.00%	-
4	304	Structures & Improvements	3,432,930	-	(121,473)	3,311,457	3.33%	110,272
5	305	Collecting & Impounding Reservoirs	-	-	-	-	2.50%	-
6	306	Lake, River, Canal Intakes	-	-	(7)	-	3.33%	18,746
7	307	Wells & Springs	562,944	-	-	562,937	6.67%	-
8	308	Infiltration Galleries	-	-	-	-	2.00%	5,583
9	309	Raw Water Supply Mains	279,157	-	-	279,157	5.00%	10,968
10	310	Power Generation Equipment	219,360	-	-	219,360	12.50%	51,699
11	311	Pumping Equipment	3,147,011	(2,733,118)	(303)	413,590	3.33%	12,103
12	320	Water Treatment Equipment	369,100	-	(5,658)	363,442	3.33%	-
13	320.1	Water Treatment Plants	-	-	-	-	20.00%	-
14	320.2	Solution Chemical Feeders	-	-	-	-	2.22%	16,869
15	330	Distribution Reservoirs & Standpipes	759,861	-	-	759,861	2.22%	-
16	330.1	Storage Tanks	-	-	-	-	5.00%	-
17	330.2	Pressure Tanks	-	-	(1,363)	-	2.00%	446,758
18	331	Transmission & Distribution Mains	22,339,256	-	-	22,337,894	3.33%	92,178
19	333	Services	2,768,122	-	-	2,768,122	8.33%	84,163
20	334	Meters	1,010,366	-	-	1,010,366	2.00%	11,448
21	335	Hydrants	572,321	-	(9,704)	572,321	6.67%	410
22	336	Backflow Prevention Devices	15,855	-	-	123,778	6.67%	8,256
23	339	Other Plant & Misc Equipment	123,778	-	-	6,694	6.67%	448
24	340	Office Furniture & Equipment	29,265	(22,572)	-	25,073	20.00%	5,015
25	340.1	Computers & Software	76,919	(76,919)	-	-	20.00%	-
26	341	Transportation Equipment	142,188	(117,115)	-	-	4.00%	910
27	342	Stores Equipment	-	-	-	18,203	5.00%	-
28	343	Tools, Shop & Garage Equipment	18,203	-	-	-	10.00%	-
29	344	Laboratory Equipment	3,061	(3,061)	-	-	5.00%	-
30	345	Power Operated Equipment	-	-	-	-	10.00%	21,300
31	346	Communication Equipment	212,996	-	-	212,996	10.00%	1,313
32	347	Miscellaneous Equipment	13,128	-	-	13,128	10.00%	-
33	348	Other Tangible Plant	-	-	-	-	10.00%	-
34			\$ 36,146,219	\$ (2,952,784)	\$ (138,508)	\$ 33,054,927		\$ 898,435
35								
36								
37								
38								
39								
40								
41		Less: Amortization of Contributions				Gross CIAC	Amortization Rate	(549,307)
42		RUCO Total Depreciation Expense				(20,179,119)	2.7222%	349,128
43		Company Adjusted Depreciation Expense As Filed						551,222
44		RUCO Increase/(Decrease) Expense Adjustment						(202,094)
45								

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

OPERATING INCOME ADJUSTMENT NO. 2
PROPERTY TAXES

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

**OPERATING INCOME ADJUSTMENT NO. 3
RATE CASE EXPENSE**

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

OPERATING INCOME ADJUSTMENT NO. 4
REVENUE ANNUALIZATION

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

SUPPORTING SCHEDULES

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

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

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

Line

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**OPERATING INCOME ADJUSTMENT NO. 6
REVENUE ACCRUAL**

Line No.			
1	<u>Revenue Accrual</u>		
2			
3	Company Revenue Accrual Adjustment	\$ 10,308	
4			
5	RUCO Revenue Annualialization/Accrual Amount	-	
6		<hr/>	
7			
8	RUCO Recommended Accrual Amount	\$ 10,308	
9			
10	RUCO Adjustment to Revenue and/or Expense	<table border="1"><tr><td>\$ -</td></tr></table>	\$ -
\$ -			
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**OPERATING INCOME ADJUSTMENT NO. 7
INTENTIONALLY LEFT BLANK USED FOR WASTEWATER DIVISION**

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**OPERATING INCOME ADJUSTMENT NO. 8
 EXPENSE ANNUALIZATION**

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

**OPERATING INCOME ADJUSTMENT NO. 9
WATER TESTING EXPENSE**

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1		
2	Water Testing Expense As Filed by the Company	\$ 28,231
3		
4	Water Testing Expense As Recommended by Staff	<u>23,821</u>
5		
6	RUCO Increase/(Decrease) to Expense	(4,410)
7		
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**OPERATING INCOME ADJUSTMENT NO. 10
MISCELLANEOUS EXPENSE**

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

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

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

Rio Rico - Water Division
Surrebuttal Schedule TJC-23
Page 1 of 1

**OPERATING INCOME ADJUSTMENT NO. 12
NOT USED**

<u>Line</u> <u>No.</u>	<u>Description</u>	[A] <u>Amount</u>
1		
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OPERATING INCOME ADJUSTMENT NO. 13
INTENTIONALLY LEFT BLANK

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**OPERATING INCOME ADJUSTMENT NO. 14
INTENTIONALLY LEFT BLANK**

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**OPERATING INCOME ADJUSTMENT NO. 15
APUC COST ALLOCATIONS**

Line No.	Description	[A]	[B]	[C]	[D]	[E]	[F]	[G]
		Company Requested Cost	Currency Conversion 1.05 CSD -> USD	Company Allocation 9.21% RRUI Water	Company Allocation 3.01% RRUI Sewer	Percentage Amount Allowed	RUCO Recommended Allocations RRUI Water	Company Recommended Allocations RRUI Sewer
1	Audit	\$ 136,866	\$ 130,348	\$ 11,999	\$ 3,924	100%	\$ 11,999	\$ 3,924
2	Tax Services	37,197	35,426	3,261	1,067	100%	3,261	1,067
3	Legal	179,072	170,545	15,699	5,134	100%	15,699	5,134
4	Other Professional Services	86,163	82,060	7,554	2,470	0%	-	-
5	Unit Holder Communications	100,802	96,002	8,837	2,890	0%	-	-
6	Trustee Fees	97,290	92,657	8,529	2,789	0%	-	-
7	Computer	54,904	52,290	4,813	1,574	100%	4,813	1,574
8	Office Expenses	48,404	46,099	4,244	1,388	100%	4,244	1,388
9	Capital Tax	29,167	27,778	2,557	836	0%	-	-
10	Insurance	26,554	25,289	2,328	761	50%	1,164	391
11	Travel	17,146	16,330	1,503	492	100%	1,503	492
12	Vehicle Rental Expense	3,162	3,012	277	91	100%	277	91
13	Accommodation	11,469	10,923	1,005	329	100%	1,005	329
14	Meals and Entertainment	18,516	17,634	1,623	531	100%	1,623	531
15	Parking Mileage	4,284	4,080	376	123	100%	376	123
16	Escrow & Transfer Agent Fees	17,505	16,671	1,535	502	0%	-	-
17	Training	5,450	5,190	478	156	100%	478	156
18	HR Recruitment	6,374	6,070	559	183	100%	559	183
19	Rent	38,137	36,321	3,343	1,093	100%	3,343	1,093
20	Donations	1,638	1,560	144	47	0%	-	-
21	Communications	20,389	19,418	1,788	585	100%	1,788	585
22	Dues and Memberships	10,796	10,282	947	310	0%	-	-
23	Licenses/Fees & Permits	150,573	143,402	13,201	4,317	100%	13,201	4,317
24	APS Overhead Allocation	(8,066)	(7,682)	(707)	(231)	100%	(707)	(231)
25								
26	Total APUC Allocations Per Company and RUCO	<u>\$1,093,791</u>	<u>\$1,041,705</u>	<u>\$ 95,892</u>	<u>\$ 31,361</u>		<u>\$ 64,626</u>	<u>\$ 21,135</u>
27								
28								
29	RUCO Water and Wastewater Division's APUC Cost Allocation Recommendation						64,626	21,135
30								
31	Company Water Division's APUC Cost Allocation Requested						<u>95,892</u>	<u>31,361</u>
32								
33								
34	RUCO Water and Wastewater Division's APUC Cost Allocation Adjustment						<u>\$ (31,266)</u>	<u>\$ (10,225)</u>
35								
36								
37								
38								
39								
40	Variance by Company Per Response to RUCO DR 3.7			\$ (540)	\$ (177)			

**OPERATING INCOME ADJUSTMENT NO. 16
EMPLOYEE BENEFITS**

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

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

NOTE (A):

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

COST OF CAPITAL

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

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

**WATER DIVISION
RESIDENTIAL**

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

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

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

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

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

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

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

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

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

**WATER DIVISION
RESIDENTIAL
LOW-INCOME**

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

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

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

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

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

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

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

RUCO RECOMMENDED RATES

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

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

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

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

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

**WATER DIVISION
COMMERCIAL**

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

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

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

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

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

RUCO RECOMMENDED RATES

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

**WATER DIVISION
INDUSTRIAL**

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

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

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

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

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

RUCO RECOMMENDED RATES

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

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

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

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$2.29	\$3.44	\$5.73	\$11.45	\$18.32	\$23.37	\$57.25	\$114.50	\$448.60	\$1,391.30
2	1,000	2.30	3.46	5.75	11.47	18.34	23.39	57.27	114.52	448.62	1,391.32
3	2,000	2.31	3.48	5.77	11.49	18.36	23.41	57.29	114.54	448.64	1,391.34
4	3,000	2.32	3.50	5.79	11.51	18.38	23.43	57.31	114.56	448.66	1,391.36
5	4,000	2.34	3.52	5.81	11.53	18.40	23.45	57.33	114.58	448.68	1,391.38
6	5,000	2.36	3.90	5.83	11.55	18.42	23.47	57.35	114.60	448.70	1,391.40
7	6,000	2.38	4.64	5.85	11.57	18.44	23.49	57.37	114.62	448.72	1,391.42
8	7,000	2.40	4.66	5.87	11.59	18.46	23.51	57.39	114.64	448.74	1,391.44
9	8,000	2.42	4.68	5.89	11.61	18.48	23.53	57.41	114.66	448.76	1,391.46
10	9,000	2.44	4.70	5.91	11.63	18.50	23.55	57.43	114.68	448.78	1,391.48
11	10,000	2.46	4.72	5.93	11.65	18.52	23.57	57.45	114.70	448.80	1,391.50
12	15,000	2.56	4.82	6.03	11.75	18.62	23.67	57.55	114.80	448.90	1,391.60
13	20,000	2.66	4.92	6.03	11.85	18.72	23.77	57.65	114.90	449.00	1,391.70
14	25,000	2.76	5.02	6.03	11.85	18.82	23.87	57.75	115.00	449.10	1,391.80
15	50,000	3.26	5.52	6.03	11.85	19.32	24.37	58.25	115.50	449.60	1,392.30
16	75,000	3.76	6.02	1.83	(5.05)	9.02	11.91	45.79	116.00	450.10	1,392.80
17	100,000	4.26	6.52	2.33	(4.55)	9.52	(5.59)	28.29	116.50	450.60	1,393.30
18	125,000	4.76	7.02	2.83	(4.05)	10.02	(3.09)	10.79	117.00	451.10	1,393.80
19	150,000	5.26	7.52	3.33	(3.55)	10.52	(36.27)	(6.71)	99.50	433.60	1,376.30
20	175,000	5.76	8.02	3.83	(3.05)	11.02	(35.77)	(24.21)	82.00	416.10	1,358.80
21	200,000	6.26	8.52	4.33	(2.55)	11.52	(35.27)	(58.71)	64.50	398.60	1,341.30
22	250,000	7.26	9.52	5.33	(1.55)	12.52	(34.27)	(53.71)	(109.50)	188.60	1,131.30
23	500,000	12.26	14.52	10.33	3.45	17.52	(29.27)	(43.71)	(99.50)	40.20	781.30
24	1,000,000	22.26	24.52	20.33	13.45	27.52	(19.27)	(43.71)	(79.50)	60.20	776.10
25	2,000,000	42.26	44.52	40.33	33.45	47.52	0.73	(23.71)	(79.50)	80.20	796.10
26	3,000,000	62.26	64.52	60.33	53.45	67.52	20.73	(3.71)	(59.50)	80.20	816.10
27	4,000,000	82.26	84.52	80.33	73.45	87.52	40.73	16.29	(39.50)	100.20	816.10
28	5,000,000	102.26	104.52	100.33	93.45	107.52	60.73	36.29	(19.50)	120.20	836.10
29											
30											
31	AVG. NO. OF CUST:	17	0	0	0	4	0	0	0	0	0
32											
33	AVG. USE (GAL.):	4.422	0	0	0	167.328	0	0	0	0	0
34	MONTHLY BILL:	\$2.35				\$10.86					
35											
36	MEDIAN USE (GAL.):	0	0	0	0	833	0	0	0	0	0
37	MONTHLY BILL:	#N/A				\$18.34					

**WATER DIVISION
MULTI-FAMILY**

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

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

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

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

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

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

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

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

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

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

WATER DIVISION
BULK WATER SALES

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

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

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

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

**WATER DIVISION
FIRE LINES**

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

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

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

TABLE OF CONTENTS TO TJC SCHEDULES

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

REVENUE REQUIREMENT

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

References:

Column [A]: Company Schedules A-1, B-1 and C-1

Column [B]: RUCO Schedules TJC-2, TJC-3, TJC-9 and TJC-10

GROSS REVENUE CONVERSION FACTOR

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

RATE BASE - ORIGINAL COST/FAIR VALUE

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

References:

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

ORIGINAL COST/FAIR VALUE RATE BASE - RUCO ADJUSTMENTS

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED OCRBIFVRB	[B] RUCO ADJUSTMENT NO. 1(a) PLANT RETIREMENT	[C] RUCO ADJUSTMENT NO. 1(b) ACCUM. DEPRE. BALANCE	[D] RUCO ADJUSTMENT NO. 2 RECLASSIFY NWWTP PLANT ACCOUNTS	[E] RUCO ADJUSTMENT NO. 3 RECLASSIFY ACCT. 300 CAPACITY CHRGS. TO NWWTP	[F] RUCO ADJUSTMENT NO. 4 REMOVE AFFILIATE PROFITS PER MUR 1-15	[G] RUCO ADJUSTMENT NO. 5 ADIT BALANCE	[H] RUCO Total Pre Forma Adjustments	[I] RUCO ADJUSTED OCRBIFVRB
1	Gross Utility Plant in Service	\$ 14,241,191	\$ (6,866)	\$ 85,126	\$ 15,362	\$ -	\$ (415)	\$ -	\$ 8,081	\$ 14,249,271
2	Accumulated Depreciation	(6,437,304)	-	85,126	(1,415)	-	6	-	83,717	(6,353,687)
3	Net Utility Plant in Service (L2 + L4)	\$ 7,803,886	\$ (6,866)	\$ 85,126	\$ 13,947	\$ -	\$ (409)	\$ -	\$ 91,798	\$ 7,895,684
4										
5	Less:									
6	Advances In Aid Of Construction (AIAC)	\$ (293,784)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (293,784)
7	Contribution In Aid Of Construction (CIAC)	(5,152,673)	-	-	-	-	-	-	-	(5,152,673)
8	Accumulated Amortization of CIAC	2,509,975	-	-	-	-	-	-	-	2,509,975
9	NET CIAC (L10 + L11)	\$ (2,642,698)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,642,698)
10	Deferred Income Tax	(244,419)	-	-	-	-	-	(13,976)	(13,976)	(258,395)
11	Customer Deposits	(22,963)	-	-	-	-	-	-	-	(22,963)
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23	TOTAL RATE BASE (L5+L6+L12+L14+L16)	\$ 4,600,012	\$ (6,866)	\$ 85,126	\$ 13,947	\$ -	\$ (409)	\$ (13,976)	\$ 77,822	\$ 4,617,634

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

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

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

TOTAL UTILITY PLANT IN SERVICE SUMMARY SCHEDULE

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

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

TOTAL ACCUMULATED DEPRECIATION SUMMARY SCHEDULE

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

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

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

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

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

Line	NARUC Account	Description	Company Accum. Depre. Balance As Filed	RUCO Adjustments	RUCO As Adjusted
1	351	Organization	\$ -	\$ -	\$ -
2	352	Franchise	-	-	-
3	353	Land	-	-	-
4	354	Structures & Improvements	(29,339)	160	(29,179)
5	355	Power Generation	-	-	-
6	360	Collection Sewer Forced	(1,910)	0	(1,910)
7	361	Collection Sewers Gravity	(2,596,939)	-	(2,596,939)
8	362	Special Collecting Structures	-	-	-
9	363	Customer Services	(669,901)	-	(669,901)
10	364	Flow Measuring Devices	(51,174)	-	(51,174)
11	366	Reuse Services	-	-	-
12	367	Reuse Meters And Installation	-	-	-
13	370	Receiving Wells	(330,148)	-	(330,148)
14	371	Pumping Equipment	(1,687,580)	85,177	(1,602,403)
15	374	Reuse Distribution Reservoirs	-	-	-
16	375	Reuse Trans. and Dist. System	-	-	-
17	380	Treatment & Disposal Equipment	(827,041)	-	(827,041)
18	381	Plant Sewers	(57)	-	(57)
19	382	Outfall Sewer Lines	-	-	-
20	389	Other Sewer Plant & Equipment	(68,869)	22	(68,847)
21	390	Office Furniture & Equipment	(31,386)	-	(31,386)
22	390.1	Computers and Software	(4,025)	-	(4,025)
23	391	Transportation Equipment	(10)	-	(10)
24	392	Stores Equipment	-	-	-
25	393	Tools, Shop And Garage Equip	(4,937)	18	(4,918)
26	394	Laboratory Equip	-	-	-
27	396	Communication Equip	(5,936)	-	(5,936)
28	398	Other Tangible Plant	(3,662)	(251)	(3,913)
29		Nogales WWTP	(124,390)	-	(124,390)
30		Plant Held for Future Use	-	-	-
31		RUCO TOTALS	<u>\$ (6,437,304)</u>	<u>\$ 85,126</u>	<u>\$ (6,352,178)</u>
32		Company As Calculated & Filed			<u>(6,437,304)</u>
33		RUCO (Increase)/Decrease Adj.			\$ 85,126

PLANT RECONSTRUCTION SCHEDULE

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

PLANT RECONSTRUCTION SCHEDULE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Line No.	Deferred Income Tax as of February 29, 2012	Water & Sewer Adjusted Book Value	Water & Sewer Tax Value	Probability of Realization of Future Tax Benefit	Deductible TD (Taxable TD) Expected to be Realized	Effective Tax Rate	Future Tax Asset Current	Future Tax Asset Non Current	Future Tax Liability Current	Future Tax Liability Non Current
1										
2										
3										
4										
5										
6	Plant-in-Service	\$ 50,247,225 ¹								
7	Accum. Deprec.	(22,012,439) ¹								
8	CIAC	(14,692,881) ³								
9	Fed. Fixed Assets	\$ 13,541,905	\$ 8,955,829 ²	100.0%	\$ (4,586,076)	31.63%				(1,450,616)
10										
11	State Fixed Assets	\$ 13,541,905	\$ 23,648,535 ²	100.0%	\$ 10,104,630	6.97%		704,091		-
12										
13	Fed & State AIAC		593,411 ⁴	30.0%	\$ 178,023 ⁴	38.60%		\$ 68,715		
14										
15										
16										
17	Net Asset (Liability)							\$ (677,811)		
18										
19	Allocation Factor - Water-Division (based on rate base before ADIT)							0.3812		
20										
21	Net Asset (Liability) Water Division							\$ (258,395)		
22										
23	Company's Calculated Amount of ADIT							\$ (244,419)		
24										
25	Adjustment to DIT							\$ (13,976)		
26										
27										
28										
29										
30										
31										
32										
33										
34										
35										
36										
37										
38										
39										
40										

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

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

Line No.	FEDERAL	STATE
1	\$ 28,328,799	\$28,328,799
2	(3,942,541)	-
3	3,039,772	3,039,772
4	51,739	51,739
5	(120,225)	(120,225)
6		
7		
8		
9		
10	\$ 27,357,543	\$ 31,300,084
11		
12		
13	\$ (3,066,507)	\$ -
14	116,545	-
15	(14,334,173)	(6,381,079)
16	(1,751,690)	(1,109,895)
17	(253,314)	-
18	(162,575)	(162,575)
19		
20		
21	(19,451,714)	(7,653,549)
22	\$ 7,905,829	\$ 23,646,535

23		
24		
25	\$ 25,331,792	
26		
27		
28		
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1 Adjusted per B-2, page 2

2 Computation of Net Tax Value February 29, 2012
 Based on 2011 Tax Depreciation report (December 31, 2011)
 Unadjusted Cost per 2011 Tax Depr. Report
 Reconciling items not on tax report:
 KPMG CIAC related adjustments (see page 7.2)
 Plant added after 12/31/2011 (see B-2 page 3.4)
 Land costs not on tax, on books (see B-2 page 3.4)
 Reconciling Difference Book vs. Tax (timing) (see page 7.2)

Net Unadjusted Cost tax Basis

Reductions:
 Basis Reduction 2011 and Prior Years (from 2011 Tax Depr. Report)
 KPMG CIAC related adjustments (see workpapers)
 Accumulated Depreciation 2010 and prior (2011 Tax Depr Report)
 2011 Tax Depreciation (2011 Tax Depr Report)
 2012 Bonus Depreciation Estimate (50% - 2 months)(estimate)
 2012 Tax Depreciation Estimate (2 months)(estimate)

Net Reductions through February 2012
 Net tax value of plant-in-service at February 29, 2012

3 CIAC (including impact of change to probability of realization)

Gross CIAC per B-2 (Water & Sewer)
 CIAC reductions/additions
 A.A per B-2 (Water and Sewer)
 A.A. reductions/additions
 Net CIAC before unrealized AIAC

Unrealized AIAC Component (Water and Sewer)
 Adjusted Net AIAC (see footnote 5 below)
 Unrealized AIAC Component % (1-Realized AIAC Component)

Total realizable CIAC

4 AIAC (including impact of change in probability of realization)

AIAC per B-2 (Water and Sewer)
 AIAC reductions/additions
 Net AIAC before unrealized portion
 Less: Unrealized AIAC (from Note 4, above)
 Net realizable AIAC
 Meter and Service Line Installation Charges
 Total AIAC

OPERATING INCOME

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

REFERENCES:

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

OPERATING INCOME

Line No.	(A) Company Adjusted Test Year As Filed	(B) Operating Income Adjustment No. 1 Depreciation Exp.	(C) Operating Income Adjustment No. 2 Property Tax Exp.	(D) Operating Income Adjustment No. 3 Rate Case Exp.	(E) Operating Income Adjustment No. 4 6-inch Commercial WW Revenue Annualization	(F) Operating Income Adjustment No. 5 Missing Bill Counts Per RUCO DR 6.1(d)	(G) Operating Income Adjustment No. 6 6-inch Commercial WW Revenue Accrual	(H) Operating Income Adjustment No. 7 Missing Bill Counts Revenue Accrual	(I) Operating Income Adjustment No. 8 Expense Annualization	(J) Operating Income Adjustment No. 9 Intentionally Left Blank	(K) Operating Income Adjustment No. 10 Intentionally Left Blank	(L) Operating Income Adjustment No. 11 Achievement / Incentive Pay
1	Operating Revenues											
2	Water Revenues	\$ 1,360,583	\$ -	\$ -	\$ 12,213	\$ 4,937	\$ 20,805	\$ 4,305	\$ -	\$ -	\$ -	\$ -
3	Unmetered Revenues	-	-	-	-	-	-	-	-	-	-	-
4	Other Water Revenues	-	-	-	-	-	-	-	-	-	-	-
5	Total Water Revenues (L2 thru L4)	\$ 1,360,583	\$ -	\$ -	\$ 12,213	\$ 4,937	\$ 20,805	\$ 4,305	\$ -	\$ -	\$ -	\$ -
6	Operating Expenses											
7	Salaries and Wages	\$ 131,547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Purchased Wastewater Treatment	-	-	-	-	-	-	-	-	-	-	-
9	Sudge Removal Expense	-	-	-	-	-	-	-	-	-	-	-
10	Purchase Power	61,280	-	-	-	-	-	-	-	-	-	-
11	Fuel for Power Production	4,907	-	-	-	-	-	-	1,199	-	-	-
12	Chemicals	4,907	-	-	-	-	-	-	-	-	-	-
13	Repairs and Supplies	83,038	-	-	-	-	-	-	96	-	-	-
14	Management Services - US Liberty Wa	59,292	-	-	-	-	-	-	-	-	-	-
15	Management Services - Corporate	172,270	-	-	-	-	-	-	-	-	-	-
16	Management Services - Other	-	-	-	-	-	-	-	-	-	-	-
17	Contracted Services - Engineering	330	-	-	-	-	-	-	-	-	-	-
18	Contractual Services - Testing	638	-	-	-	-	-	-	-	-	-	-
19	Contractual Services - Other	585	-	-	-	-	-	-	-	-	-	-
20	Contractual Services - Legal	400	-	-	-	-	-	-	-	-	-	-
21	Equipment Rental	18,056	-	-	-	-	-	-	-	-	-	-
22	Rentals - Building	11,302	-	-	-	-	-	-	-	-	-	-
23	Transportation Expenses	2,516	-	-	-	-	-	-	-	-	-	-
24	Insurance - General Liability	29,167	-	-	-	-	-	-	-	-	-	-
25	Insurance - Vehicles	16,111	-	-	-	-	-	-	-	-	-	-
26	Regulatory Commission Expense	23,194	-	-	-	-	-	-	-	-	-	-
27	Reg. Comm. Exp. - Rate Case	358,629	-	-	-	-	-	-	-	-	-	-
28	Miscellaneous Expense	(145,457)	-	-	-	-	-	-	-	-	-	-
29	Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-
30	Depreciation and Amortization Expense	74,520	-	-	-	-	-	-	-	-	-	-
31	Taxes Other Than Income	93,481	-	-	-	-	-	-	-	-	-	-
32	Property Taxes	-	-	-	-	-	-	-	-	-	-	-
33	Income Taxes	-	-	-	-	-	-	-	-	-	-	-
34	Total Operating Expenses (L8 thru L44)	\$ 1,146,757	\$ (145,457)	\$ 1,140	\$ (7,292)	\$ -	\$ -	\$ -	\$ 1,295	\$ -	\$ -	\$ (9,448)
35	Operating Income (L5 less L36)	\$ 213,826	\$ 145,457	\$ (1,140)	\$ 7,292	\$ 4,937	\$ 20,805	\$ 4,305	\$ (1,295)	\$ -	\$ -	\$ 9,448
36												
37												
38												

REFERENCES:

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

OPERATING INCOME ADJUSTMENT NO. 1
 DEPRECIATION EXPENSE

Line No.	NARUC Account	Description	Company Adjusted Gross Plant Balance	RUCO Depreciable Plant Adjustments	RUCO Rate Base Adjustments (1)(a)-(4)(a)	RUCO Recommended Depreciable Balance	Depreciation Rate	RUCO Depreciation Expense Going Forward
1	351	Organization	5,785	-	-	5,785	0.00%	-
2	352	Franchise	417	-	-	417	0.00%	-
3	353	Land	7,545	-	-	7,545	0.00%	-
4	354	Structures & Improvements	150,294	28,842	-	121,452	3.33%	4,044
5	355	Power Generation	-	-	-	-	5.00%	-
6	360	Collection Sewer Forced	636,023	-	-	636,023	2.00%	12,720
7	361	Collection Sewers Gravity	5,991,654	-	(315,415)	5,676,239	2.00%	113,525
8	362	Special Collecting Structures	-	-	-	-	2.00%	-
9	363	Customer Services	1,204,113	-	-	1,204,113	10.00%	24,082
10	364	Flow Measuring Devices	66,339	-	-	66,339	2.00%	6,634
11	366	Reuse Services	-	-	-	-	8.33%	-
12	367	Reuse Meters And Installation	-	-	-	-	3.33%	-
13	370	Receiving Wells	867,120	-	-	867,120	3.33%	28,875
14	371	Pumping Equipment	1,712,940	1,601,107	(6,866)	111,834	12.50%	13,979
15	374	Reuse Distribution Reservoirs	-	-	-	-	2.50%	-
16	375	Reuse Trans. and Dist. System	-	-	-	-	5.00%	-
17	380	Treatment & Disposal Equipment	1,128,675	846,642	(846,642)	282,033	5.00%	14,102
18	381	Plant Sewers	13,690	-	-	13,690	3.33%	685
19	382	Outfall Sewer Lines	-	-	-	-	6.67%	-
20	389	Other Sewer Plant & Equipment	64,928	-	-	64,928	6.67%	7,800
21	390	Office Furniture & Equipment	116,937	-	-	116,937	20.00%	-
22	390.1	Computers and Software	4,025	4,025	-	-	20.00%	23
23	391	Transportation Equipment	117	-	-	117	20.00%	-
24	392	Stores Equipment	5,139	-	-	5,139	4.00%	12
25	393	Tools, Shop And Garage Equip	-	4,894	-	-	5.00%	-
26	394	Laboratory Equip	5,936	-	-	5,936	10.00%	-
27	396	Communication Equip	3,913	-	-	3,913	10.00%	-
28	398	Other Tangible Plant	2,255,600	(1,177,004)	-	1,078,596	10.00%	-
29		Nogales WWTP	-	-	1,177,004	3,432,604	4.00%	137,304
30			\$ 14,241,191	\$ 1,698,699	\$ 8,081	\$ 12,542,492		\$ 363,786
31		Less: Amortization of Contributions					Amortization Rate 2.9036%	(149,613)
32		RUCO Total Depreciation Expense						\$ 214,172
33		Company Adjusted Depreciation Expense As Filed						359,629
34		RUCO Increase/(Decrease) Expense Adjustment						\$ (145,457)

References:
 Company B-2 and C-1 Schedules, RUCO Schedule TJC-5(c) on Pages 3 and 6, and RUCO Schedule 4(a).

OPERATING INCOME ADJUSTMENT NO. 2
PROPERTY TAXES

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

OPERATING INCOME ADJUSTMENT NO. 3
RATE CASE EXPENSE

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

OPERATING INCOME ADJUSTMENT NO. 4
REVENUE ANNUALIZATION

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

**OPERATING INCOME ADJUSTMENT NO. 5
MISSING BILL COUNTS REVENUE ANNUALIZATIONS**

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

SUPPORTING SCHEDULES

Per Company Response to RUCO DR 6.1(d)

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

<u>Line No.</u>	<u>Revenue Accrual</u>		
1	Company Revenue Accrual Adjustment	\$ 41,889	
2	RUCO Revenue Accrual Per RRUI Response to RUCO DR 4.2(d)	<u>62,694</u>	
3	RUCO Adjustment to Revenue and/or Expense	<table border="1"><tr><td>\$ 20,805</td></tr></table>	\$ 20,805
\$ 20,805			

SUPPORTING SCHEDULES

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

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

<u>Line No.</u>	<u>Revenue Accrual:</u>		
1	Company Revenue Accrual Adjustment	\$ -	
2	Per Company Response to RUCO DR 6.1(d)	<u>4,305</u>	
3	RUCO Adjustment to Revenue and/or Expense	<table border="1"><tr><td>\$ 4,305</td></tr></table>	\$ 4,305
\$ 4,305			

**OPERATING INCOME ADJUSTMENT NO. 8
 EXPENSE ANNUALIZATION**

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

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

Line
No.
1
2
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**OPERATING INCOME ADJUSTMENT NO. 10
 MISCELLANEOUS EXPENSE**

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

OPERATING INCOME ADJUSTMENT NO. 11
ACHIEVEMENT / INCENTIVE PAY

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

References:
Company's Response to RUCO Data Request 2.13

**OPERATING INCOME ADJUSTMENT NO. 12
NOT USED**

Line No.	Description	[A] Amount
1		
2		
3		
4		
5		
6		
7		
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10		
11		
12		
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21		

OPERATING INCOME ADJUSTMENT NO. 13
ADJUST TEST YEAR CITY OF NOGALES O&M TREATMENT EXPENSES

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

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

Line No.	<u>Reclassify Treatment Expenses:</u>			
1	Reclassify O&M Treatment Expenses from Management Services - Other Account	\$ (108,999)		
2	Reclassify O&M Treatment Expenses to Purchased Wastewater Treatment Account	\$ 108,999		
3	RUCO Increase/(Decrease) Adjustment to Revenue and Expenses	<table border="1"><tr><td>\$</td><td>-</td></tr></table>	\$	-
\$	-			

OPERATING INCOME ADJUSTMENT NO. 14
APUC COST ALLOCATIONS

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

**OPERATING INCOME ADJUSTMENT NO. 16
EMPLOYEE BENEFITS**

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Salaries & Wages As Filed by the Company	\$ 131,547
2		
3	Salaries & Wages With Additional Employee Benefits	<u>143,358</u>
4		
5	RUCO Increase/(Decrease) to Expense	\$ 11,811
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		

**OPERATING INCOME ADJUSTMENT NO. 15
ADJUSTED TEST YEAR INCOME TAX EXPENSE**

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

NOTE (A):

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

COST OF CAPITAL

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

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

**SEWER DIVISION
RESIDENTIAL**

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

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

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

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

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

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

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

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

AVG. NO. OF CUST: 1,805
 AVG. USE (GAL.): 0
 MONTHLY BILL: \$3.13
 MEDIAN USE (GAL.): 0
 MONTHLY BILL:

**SEWER DIVISION
RESIDENTIAL
LOW-INCOME**

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

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

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

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

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

**SEWER DIVISION
COMMERCIAL**

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

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

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

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

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

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

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

RUCO RECOMMENDED RATES

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

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

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

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

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

**SEWER DIVISION
MULTI-TENANT**

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

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

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

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

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

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

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

RUCO RECOMMENDED RATES

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

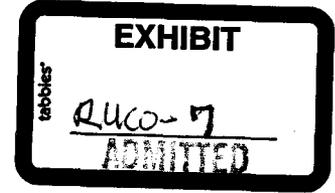
RIO RICO UTILITIES, INC. - MULTI-TENANT WASTEWATER CUSTOMERS
 TEST YEAR ENDED FEBRUARY 29, 2012
 BILLING ANALYSIS

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

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

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 BOB STUMP
CHAIRMAN
3 GARY PIERCE
COMMISSIONER
4 BRENDA BURNS
COMMISSIONER
5 BOB BURNS
COMMISSIONER
6 SUSAN BITTER SMITH
COMMISSIONER



7
8 IN THE MATTER OF THE APPLICATION OF
9 RIO RICO UTILITIES, INC., AN ARIZONA
10 CORPORATION, FOR A DETERMINATION
11 OF THE FAIR VALUE OF ITS UTILITY
PLANTS AND PROPERTY AND FOR
INCREASES IN ITS WATER AND
WASTEWATER RATES AND CHARGES
FOR UTILITY SERVICE BASED THEREON.

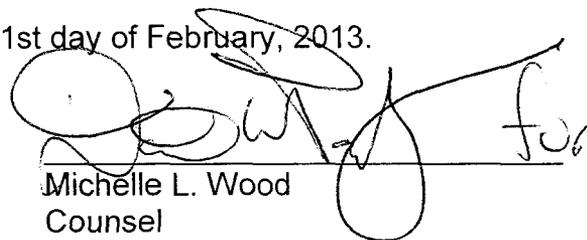
Docket No. WS-02676A-12-0196

12 **RUCO's NOTICE OF ERRATA**

13 The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing an
14 Errata to the Surrebuttal Testimony of Timothy J. Coley, in the above-referenced matter.

15 The corrected pages are attached which include pages 40-44 of Mr. Coley's
16 testimony which were missing page numbers, the Table of Contents for the Water Division
17 Schedules, and some minor cleanup corrections were made to the Bulk Water Sales and
18 Fire Line Rate Design Schedules for the Water Division, and the Residential, Commercial,
19 and Multi-Tenant Rate Design Schedules for the Sewer Division. These are being
20 provided as replacement pages to his testimony.

21 RESPECTFULLY SUBMITTED this 21st day of February, 2013.

22 
23 Michelle L. Wood
24 Counsel

1 AN ORIGINAL AND THIRTEEN COPIES
of the foregoing filed this 21st day
2 of February, 2013 with:

3 Docket Control
Arizona Corporation Commission
4 1200 West Washington
Phoenix, Arizona 85007

5 COPIES of the foregoing hand delivered/
6 mailed this 21st day of February, 2013 to:

7 Lyn Farmer
Chief Administrative Law Judge
8 Hearing Division
Arizona Corporation Commission
9 1200 West Washington
Phoenix, Arizona 85007

Charlene Laplante
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By Cheryl Braulob
Cheryl Braulob

13 Steven Olea, Director
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15 1200 West Washington
Phoenix, Arizona 85007

16 Jay L. Shapiro
17 Fennemore Craig, P.C.
3003 North Central Avenue
18 Suite 2600
Phoenix, Arizona 85012

19 Greg Sorensen
20 Liberty Utilities
12725 W. Indian School Road
21 Suite D-101
Avondale, Arizona 85392

22

23

24

WATER DIVISION

<u>RRUI Revenue \$'s Increase</u>	<u>RUCO Revenue \$'s Increase</u>	<u>RRUI Revenue % Increase</u>	<u>RUCO Revenue % Increase</u>
\$ 604,079	\$ 206,273	21.16%	7.20%

SEWER DIVISION

<u>RRUI Revenue \$'s Increase</u>	<u>RUCO Revenue \$'s Increase</u>	<u>RRUI Revenue % Increase</u>	<u>RUCO Revenue % Increase</u>
\$ 393,612	\$ 65,054	28.93%	4.64%

OTHER ISSUES

RRUI's Rebuttal Declining Usage Adjustment

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

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

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

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

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

1 Tucson Electric Power (“TEP”) Anticipated Rate Increase

2 **Q. Do you agree with Mr. Bourassa’s statement that RRUI is facing a**
3 **4.60 percent rate increase from TEP?**

4 A. No. RRUI’s electric service provider is UNS Electric, Inc. (“UNSE”), which
5 serves Santa Cruz County, not TEP as indicated by the Company. UNSE
6 filed a rate application with the Commission on December 31, 2012
7 requesting an increase in its non-fuel base rates of approximately 4.60
8 percent to be effective no later than January 1, 2014.²

9

10 **Q. What is RUCO’s position on the anticipated purchased power rate**
11 **increase adjustment?**

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

14

15 6-Inch Bulk Water Sales Customer - Morning Star Ranch (“MSR”)

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

19 A. Yes.

20

21 ...

22

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

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

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

15
16 **RATE DESIGN**

17 Water Division

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

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

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

15
16 The MSR customer has never been in RRUI's Certificate of Convenience
17 and Necessity ("CC&N") certificated area of service. MSR and Liberty
18 Utilities have a separate water contract to be served by RRUI, which
19 states that all commodity charges will be based on RRUI's Tier-3 rate as
20 approved by the Commission with no tiered break-over points. The
21 Company currently charges MSR a monthly minimum of \$549 and a flat
22 commodity rate of \$4.79 per thousand gallons. RUCO recommends those
23 same rates for the revenue annualization in order to properly reflect this

1 customer's revenue on a going forward basis and to properly recognize
2 the additional revenue.

3
4 Sewer Division

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

6 A. RUCO's rate design for RRUI's Sewer Division is the same as
7 recommended in direct testimony with the exception of the increased
8 revenues that is generated by RUCO's surrebuttal recommendations. The
9 rate design consists of a flat monthly minimum for the 5/8 x 3/4-Inch
10 metered residential customer of \$49.01 with no commodity rate based on
11 water consumption. The classification of low-income customers rates are
12 85 percent of the same metered customer classifications as the Company
13 proposes. RUCO does recommend a commodity rate based on water
14 consumption for the commercial and multi-tenant customer classifications
15 as the Company proposes. RUCO recommends the commodity rate of
16 \$4.97 be charged on every thousand gallons of water consumption over
17 7,000 gallons as recommended in direct and proposed by the Company.
18 These rates are shown in RUCO rate design schedules numbered TJC-
19 RD 1 through TJC-RD 2.

20
21 **Q. Does this conclude your surrebuttal testimony on RRUI's Water and**
22 **Sewer Divisions?**

23 A. Yes, it does.

TABLE OF CONTENTS TO TJC SCHEDULES

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

WATER DIVISION
BULK WATER SALES

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

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

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

LINE NO.	DESCRIPTION	PRESENT RATES	COMPANY PROPOSED	RUCO PROPOSED
1	RECOMMENDED MONTHLY MINIMUM USAGE CHARGE:			
2				
3	<u>(RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS)</u>			
4	5/8 X 3/4 - INCH	\$10.98	\$17.22	\$0.00
5	3/4 - INCH	16.47	25.83	0.00
6	1 - INCH	27.45	43.05	0.00
7	1 1/2 - INCH	54.90	86.10	0.00
8	2 - INCH	87.84	137.76	0.00
9	3 - INCH	175.68	275.52	0.00
10	4 - INCH	274.50	430.50	0.00
11	6 - INCH	549.00	861.00	663.50
12	8 - INCH	878.40	1,377.60	0.00
13	10 - INCH	1,262.70	1,980.30	0.00
14				
15	GALLONS INCLUDED IN MONTHLY MINIMUM USAGE CHARGE:			
16				
17	RESIDENTIAL, COMMERCIAL AND MISC. CUSTOMERS	0	0	0
18				
19	<u>RECOMMENDED COMMODITY RATES BY METER SIZE</u>			
20				
21	<u>5/8 X 3/4 - INCH</u>			
22	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	\$ 1.59	\$ 1.82	\$ -
23	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 1 TO 0 GALLONS:	\$ 2.92	\$ 3.02	\$ -
24	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ 3.64	\$ 3.67	\$ -
25				
26	<u>3/4 - INCH</u>			
27	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	\$ 2.92	\$ 3.02	\$ -
28	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ 3.64	\$ 3.67	\$ -
29	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ -	\$ -	\$ -
30				
31	<u>1 - INCH</u>			
32	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	\$ 2.92	\$ 3.02	\$ -
33	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ 3.64	\$ 3.67	\$ -
34	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ -	\$ 3.67	\$ -
35				
36	<u>1 1/2 - INCH</u>			
37	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	\$ 2.92	\$ 3.02	\$ -
38	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ 3.64	\$ 3.67	\$ -
39	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ -	\$ -	\$ -
40				
41	<u>2 - INCH</u>			
42	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	\$ 2.92	\$ 3.02	\$ -
43	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 1 TO 0 GALLONS:	\$ 3.64	\$ 3.67	\$ -
44	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ -	\$ -	\$ -
45				
46	<u>3 - INCH</u>			
47	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	\$ 2.92	\$ 3.02	\$ -
48	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 1 TO 0 GALLONS:	\$ 3.64	\$ 3.67	\$ -
49	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ -	\$ -	\$ -
50				
51	<u>4 - INCH</u>			
52	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	\$ 2.92	\$ 3.02	\$ -
53	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 1 TO 0 GALLONS:	\$ 3.64	\$ 3.67	\$ -
54	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ -	\$ -	\$ -
55				
56	<u>6 - INCH</u>			
57	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 999,999,999,999,000 GALLONS:	\$ 2.92	\$ 3.02	\$ 3.66
58	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - 999,999,999,999,999,000 TO 0 GALLONS:	\$ 3.64	\$ 3.67	\$ -
59	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ -	\$ -	\$ -
60				
61	<u>8 - INCH</u>			
62	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	\$ 2.92	\$ 3.02	\$ -
63	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ 3.64	\$ 3.67	\$ -
64	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ -	\$ -	\$ -
65				
66	<u>10 - INCH</u>			
67	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - ZERO TO 0 GALLONS:	\$ 2.92	\$ 3.02	\$ -
68	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ 3.64	\$ 3.67	\$ -
69	COMMODITY RATE (PER 1,000 GAL. OVER MINIMUM) - OVER 0 GALLONS:	\$ -	\$ -	\$ -

**WATER DIVISION
FIRE LINES**

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

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

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

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

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

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

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

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

RUCO RECOMMENDED RATES

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$7.52	\$11.28	\$18.80	\$37.60	\$60.16	\$112.80	\$188.00	\$376.00	\$752.00	\$1,504.00
2	1,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
3	2,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
4	3,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
5	4,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
6	5,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
7	6,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
8	7,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
9	8,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
10	9,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
11	10,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
12	15,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
13	20,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
14	25,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
15	50,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
16	75,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
17	100,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
18	125,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
19	150,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
20	175,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
21	200,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
22	250,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
23	500,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
24	1,000,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
25	2,000,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
26	3,000,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
27	4,000,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
28	5,000,000	7.52	11.28	18.80	37.60	60.16	112.80	188.00	376.00	752.00	1,504.00
29											
30			24	0	0	0	0	0	0	0	0
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**SEWER DIVISION
RESIDENTIAL**

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

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

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

**SEWER DIVISION
COMMERCIAL**

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

LINE NO.	METER SIZE	PERESENT RATES MONTHLY MINIMUM	PERESENT RATES COMMODITY CHARGE	PERESENT RATES TOTAL REVENUE	COMPANY PROPOSED RATES MONTHLY MINIMUM	COMPANY PROPOSED RATES COMMODITY CHARGE	COMPANY PROPOSED RATES TOTAL REVENUE	RUCO RECOMMENDED RATES MONTHLY MINIMUM	RUCO RECOMMENDED RATES COMMODITY CHARGE	RUCO RECOMMENDED RATES TOTAL REVENUE
1	5/8 X 3/4 - INCH	\$ 32,495	\$ 15,288	\$ 47,783	\$ 42,503	\$ 17,810	\$ 60,314	\$ 34,712	\$ 16,270	\$ 50,982
2	3/4 - INCH	-	-	-	-	-	-	-	-	-
3	1 - INCH	32,310	24,231	56,540	42,261	28,229	70,490	34,514	25,787	60,301
4	1 1/2 - INCH	8,017	9,695	17,712	10,487	11,295	21,781	8,564	10,318	18,882
5	2 - INCH	43,937	52,291	96,228	57,468	60,919	118,387	46,935	55,650	102,585
6	3 - INCH	4,612	2,539	7,151	6,033	2,958	8,991	4,927	2,702	7,629
7	4 - INCH	16,408	73,543	89,951	21,461	85,678	107,139	17,527	78,268	95,795
8	6 - INCH	2,728	9,485	12,213	3,569	11,050	14,618	2,914	10,094	13,008
9	8 - INCH	-	-	-	-	-	-	-	-	-
10	10 - INCH	-	-	-	-	-	-	-	-	-
11	TOTALS	\$ 140,507	\$ 187,071	\$ 327,578	\$ 183,783	\$ 217,938	\$ 401,721	\$ 150,093	\$ 199,089	\$ 349,182
12	PERCENTAGE	42.89%	57.11%	100.00%	45.75%	54.25%	100.00%	42.88%	57.02%	100.00%

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

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

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

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

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

LINE NO.	CONSUMPTION IN GALLONS	RUCO RECOMMENDED RATES									
		(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$49.01	\$56.49	\$69.05	\$101.95	\$141.41	\$246.35	\$365.15	\$693.89	\$1,008.88	\$1,511.79
2	1,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
3	2,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
4	3,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
5	4,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
6	5,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
7	6,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
8	7,000	49.01	56.49	69.05	101.95	141.41	246.35	365.15	693.89	1,008.88	1,511.79
9	8,000	53.98	61.46	74.02	106.92	146.38	251.32	370.12	698.86	1,013.85	1,516.76
10	9,000	58.95	66.43	78.99	111.89	151.35	256.29	375.09	703.83	1,018.82	1,521.73
11	10,000	63.92	71.40	83.96	116.86	156.32	261.26	380.06	708.80	1,023.79	1,526.70
12	15,000	88.77	96.25	108.81	141.71	181.17	286.11	404.91	733.85	1,048.64	1,551.55
13	20,000	136.62	145.95	158.51	191.41	230.87	335.81	454.61	783.35	1,098.34	1,601.25
14	25,000	138.47	270.20	282.76	315.66	479.37	584.31	703.11	907.60	1,222.59	1,725.50
15	30,000	386.97	518.70	531.26	688.41	832.81	1,075.86	1,404.60	1,719.59	2,222.50	2,843.84
16	35,000	511.22	642.95	655.51	812.66	852.12	957.06	1,200.11	1,528.85	1,843.84	2,346.75
17	40,000	759.72	767.20	779.76	812.66	852.12	957.06	1,200.11	1,528.85	1,843.84	2,346.75
18	45,000	883.97	891.45	904.01	936.91	976.37	1,081.31	1,205.56	1,653.10	1,968.09	2,471.00
19	50,000	1,008.22	1,015.70	1,028.26	1,061.16	1,100.62	1,205.56	1,324.36	1,901.60	2,216.59	2,719.50
20	55,000	1,256.72	1,264.20	1,276.76	1,309.66	1,349.12	1,454.06	1,572.86	3,144.10	3,459.09	3,962.00
21	60,000	2,499.22	2,506.70	2,519.26	2,552.16	2,591.62	2,696.56	2,815.36	5,629.10	5,944.09	6,447.00
22	65,000	4,984.22	4,991.70	5,004.26	5,037.16	5,076.62	5,181.56	5,300.36	10,599.10	10,914.09	11,417.00
23	70,000	9,954.22	9,961.70	9,974.26	10,007.16	10,046.62	10,151.56	10,270.36	15,569.10	15,884.09	16,387.00
24	75,000	14,924.22	14,931.70	14,944.26	14,977.16	15,016.62	15,121.56	15,240.36	20,539.10	20,854.09	21,357.00
25	80,000	19,894.22	19,901.70	19,914.26	19,947.16	19,986.62	20,091.56	20,210.36	25,509.10	25,824.09	26,327.00
26	85,000	24,864.22	24,871.70	24,884.26	24,917.16	24,956.62	25,061.56	25,180.36	30,000.00	30,315.00	30,630.00
27	90,000	29,834.22	29,841.70	29,854.26	29,887.16	29,926.62	30,031.56	30,150.36	35,000.00	35,315.00	35,630.00
28	95,000	34,804.22	34,811.70	34,824.26	34,857.16	34,896.62	35,001.56	35,120.36	40,000.00	40,315.00	40,630.00
29	100,000	39,774.22	39,781.70	39,794.26	39,827.16	39,866.62	40,001.56	40,120.36	45,000.00	45,315.00	45,630.00
30	105,000	44,744.22	44,751.70	44,764.26	44,797.16	44,836.62	45,001.56	45,120.36	50,000.00	50,315.00	50,630.00
31	110,000	49,714.22	49,721.70	49,734.26	49,767.16	49,806.62	50,001.56	50,120.36	55,000.00	55,315.00	55,630.00
32	115,000	54,684.22	54,691.70	54,704.26	54,737.16	54,776.62	55,001.56	55,120.36	60,000.00	60,315.00	60,630.00
33	120,000	59,654.22	59,661.70	59,674.26	59,707.16	59,746.62	60,001.56	60,120.36	65,000.00	65,315.00	65,630.00
34	125,000	64,624.22	64,631.70	64,644.26	64,677.16	64,716.62	65,001.56	65,120.36	70,000.00	70,315.00	70,630.00
35	130,000	69,594.22	69,601.70	69,614.26	69,647.16	69,686.62	70,001.56	70,120.36	75,000.00	75,315.00	75,630.00
36	135,000	74,564.22	74,571.70	74,584.26	74,617.16	74,656.62	75,001.56	75,120.36	80,000.00	80,315.00	80,630.00
37	140,000	79,534.22	79,541.70	79,554.26	79,587.16	79,626.62	80,001.56	80,120.36	85,000.00	85,315.00	85,630.00
38	145,000	84,504.22	84,511.70	84,524.26	84,557.16	84,596.62	85,001.56	85,120.36	90,000.00	90,315.00	90,630.00
39	150,000	89,474.22	89,481.70	89,494.26	89,527.16	89,566.62	90,001.56	90,120.36	95,000.00	95,315.00	95,630.00
40	155,000	94,444.22	94,451.70	94,464.26	94,497.16	94,536.62	95,001.56	95,120.36	100,000.00	100,315.00	100,630.00
41	160,000	99,414.22	99,421.70	99,434.26	99,467.16	99,506.62	100,001.56	100,120.36	105,000.00	105,315.00	105,630.00
42	165,000	104,384.22	104,391.70	104,404.26	104,437.16	104,476.62	105,001.56	105,120.36	110,000.00	110,315.00	110,630.00
43	170,000	109,354.22	109,361.70	109,374.26	109,407.16	109,446.62	110,001.56	110,120.36	115,000.00	115,315.00	115,630.00
44	175,000	114,324.22	114,331.70	114,344.26	114,377.16	114,416.62	115,001.56	115,120.36	120,000.00	120,315.00	120,630.00
45	180,000	119,294.22	119,301.70	119,314.26	119,347.16	119,386.62	120,001.56	120,120.36	125,000.00	125,315.00	125,630.00
46	185,000	124,264.22	124,271.70	124,284.26	124,317.16	124,356.62	125,001.56	125,120.36	130,000.00	130,315.00	130,630.00
47	190,000	129,234.22	129,241.70	129,254.26	129,287.16	129,326.62	130,001.56	130,120.36	135,000.00	135,315.00	135,630.00
48	195,000	134,204.22	134,211.70	134,224.26	134,257.16	134,296.62	135,001.56	135,120.36	140,000.00	140,315.00	140,630.00
49	200,000	139,174.22	139,181.70	139,194.26	139,227.16	139,266.62	140,001.56	140,120.36	145,000.00	145,315.00	145,630.00
50	205,000	144,144.22	144,151.70	144,164.26	144,197.16	144,236.62	145,001.56	145,120.36	150,000.00	150,315.00	150,630.00
51	210,000	149,114.22	149,121.70	149,134.26	149,167.16	149,206.62	150,001.56	150,120.36	155,000.00	155,315.00	155,630.00
52	215,000	154,084.22	154,091.70	154,104.26	154,137.16	154,176.62	155,001.56	155,120.36	160,000.00	160,315.00	160,630.00
53	220,000	159,054.22	159,061.70	159,074.26	159,107.16	159,146.62	160,001.56	160,120.36	165,000.00	165,315.00	165,630.00
54	225,000	164,024.22	164,031.70	164,044.26	164,077.16	164,116.62	165,001.56	165,120.36	170,000.00	170,315.00	170,630.00
55	230,000	168,994.22	169,001.70	169,014.26	169,047.16	169,086.62	170,001.56	170,120.36	175,000.00	175,315.00	175,630.00
56	235,000	173,964.22	173,971.70	173,984.26	174,017.16	174,056.62	175,001.56	175,120.36	180,000.00	180,315.00	180,630.00
57	240,000	178,934.22	178,941.70	178,954.26	178,987.16	179,026.62	180,001.56	180,120.36	185,000.00	185,315.00	185,630.00
58	245,000	183,904.22	183,911.70	183,924.26	183,957.16	183,996.62	185,001.56	185,120.36	190,000.00	190,315.00	190,630.00
59	250,000	188,874.22	188,881.70	188,894.26	188,927.16	188,966.62	190,001.56	190,120.36	195,000.00	195,315.00	195,630.00
60	255,000	193,844.22	193,851.70	193,864.26	193,897.16	193,936.62	195,001.56	195,120.36	200,000.00	200,315.00	200,630.00
61	260,000	198,814.22	198,821.70	198,834.26	198,867.16	198,906.62	200,001.56	200,120.36	205,000.00	205,315.00	205,630.00
62	265,000	203,784.22	203,791.70	203,804.26	203,837.16	203,876.62	205,001.56	205,120.36	210,000.00	210,315.00	210,630.00
63	270,000	208,754.22	208,761.70	208,774.26	208,807.16	208,846.62	210,001.56	210,120.36	215,000.00	215,315.00	215,630.00
64	275,000	213,724.22	213,731.70	213,744.26	213,777.16	213,816.62	215,001.56	215,120.36	220,000.00	220,315.00	220,630.00
65	280,000	218,694.22	218,701.70	218,714.26	218,747.16	218,786.62	220,001.56	220,120.36	225,000.00	225,315.00	225,630.00
66	285,000	223,664.22	223,671.70	223,684.26	223,717.16	223,756.62	225,001.56	225,120.36	230,000.00	230,315.00	230,630.00
67	290,000	228,634.22	228,641.70	228,654.26	228,687.16	228,726.62	230,001.56	230,120.36	235,000.00	235,315.00	235,630.00
68	295,000	233,604.22	233,611.70	233,624.26	233,657.16	233,696.62	235,001.56	235,120.36	240,000.00	240,315.00	240,630.00
69	300,000	238,574.22	238,581.70	238,594.26	238,627.16	238,666.62	240,001.56	240,120.36	245,000.00	245,315.00	245,630.00
70	305,000	243,544.22	243,551.70	243,564.26	243,597.16	243,636.62	245,001.56	245,120.36	250,000.00	250,315.00	250,630.00
71	310,000	248,514.22	248,521.70	248,534.26	248,567.16	248,606.62	250,001.56	250,120.36	255,000.00	255,315.00	255,630.00
72	315,000	253,484.22	253,491.70	253,504.26	253,537.16	253,576.62	255,001.56	255,120.36	260,000.00	260,315.00	260,630.00
73	320,000	258,454.22	258,461.70	258,474.26	258,507.16	258,546.62	260,001.56	260,120.36	265,000.00	265,315.00	265,630.00
74	325,000	263,424.22	263,431.70	263,444.26	263,477.16	263,516.62	265,001.56	265,120.36	270,000.00	270,315.00	270,630.00
75	330,000	268,394.22	268,401.70	268,414.26	268,447.16	268					

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

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

LINE NO.	CONSUMPTION IN GALLONS	(A) 5/8 - INCH	(B) 3/4 - INCH	(C) 1 - INCH	(D) 1.5 - INCH	(E) 2 - INCH	(F) 3 - INCH	(G) 4 - INCH	(H) 6 - INCH	(G) 8 - INCH	(H) 10 - INCH
1	0	\$3.13	\$3.61	\$4.41	\$6.51	\$9.03	\$15.73	\$23.32	\$44.31	\$64.43	\$96.55
2	1,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
3	2,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
4	3,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
5	4,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
6	5,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
7	6,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
8	7,000	3.13	3.61	4.41	6.51	9.03	15.73	23.32	44.31	64.43	96.55
9	8,000	3.43	3.91	4.71	6.81	9.33	16.33	23.92	45.21	65.33	97.45
10	9,000	3.73	4.21	5.01	7.11	9.33	16.63	24.22	46.71	66.83	98.95
11	10,000	4.03	4.51	5.31	7.41	11.43	18.13	25.72	48.21	68.33	100.45
12	15,000	5.53	6.01	6.81	8.91	12.93	19.63	27.22	49.71	69.83	101.95
13	20,000	7.03	7.51	8.31	10.41	14.43	21.13	28.72	51.21	71.33	109.45
14	25,000	8.53	9.01	9.81	11.91	16.23	22.63	30.22	52.71	72.83	116.95
15	50,000	16.03	16.51	17.31	19.41	21.93	28.63	36.22	57.21	77.33	124.45
16	75,000	23.53	24.01	24.81	26.91	29.43	36.13	43.72	64.71	92.33	131.95
17	100,000	31.03	31.51	32.31	34.41	36.93	43.63	51.22	72.21	99.83	139.45
18	125,000	38.53	39.01	39.81	41.91	44.43	51.13	58.72	79.71	107.33	146.95
19	150,000	46.03	46.51	47.31	49.41	51.93	58.63	66.22	94.71	114.83	154.45
20	175,000	53.53	54.01	54.81	56.91	59.43	66.13	73.72	102.21	122.33	161.95
21	200,000	61.03	61.51	62.31	64.41	66.93	73.63	81.22	117.21	137.33	169.45
22	250,000	76.03	76.51	77.31	79.41	81.93	88.63	96.22	122.21	142.33	176.95
23	500,000	151.03	151.51	152.31	154.41	156.93	163.63	171.22	192.21	212.33	244.45
24	1,000,000	301.03	301.51	302.31	304.41	306.93	313.63	321.22	342.21	362.33	394.45
25	2,000,000	601.03	601.51	602.31	604.41	606.93	613.63	621.22	642.21	662.33	694.45
26	3,000,000	901.03	901.51	902.31	904.41	906.93	913.63	921.22	942.21	962.33	994.45
27	4,000,000	1,201.03	1,201.51	1,202.31	1,204.41	1,206.93	1,213.63	1,221.22	1,242.21	1,262.33	1,294.45
28	5,000,000	1,501.03	1,501.51	1,502.31	1,504.41	1,506.93	1,513.63	1,521.22	1,542.21	1,562.33	1,594.45
29											
30	AVG. NO. OF CUST:	59	0	42	7	28	2	4	0	0	0
31	AVG. USE (GAL.):	8,446	15,237	30,036	30,036	39,801	33,833	335,083	488,571	\$188.78	
32	MONTHLY BILL:	\$3.57	\$6.88	\$13.42	\$13.42	\$18.87	\$23.78	\$121.74	\$188.78		
33	MEDIAN USE (GAL.):	3,107	7,654	14,000	14,000	50,842	100,333	78,000	100,250	\$72.29	
34	MONTHLY BILL:	\$3.13	\$4.61	\$8.61	\$8.61	\$22.19	\$43.73	\$44.62	\$72.29		

**SEWER DIVISION
MULTI-TENANT**

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

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

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

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

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

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

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

RUCO RECOMMENDED CHANGES EXPRESSED IN DOLLARS

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