

ORIGINAL

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

2013 AUG - 2 P 2-51

Arizona Corporation Commission

COMMISSIONERS

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AZ CORP COMMISSION
DOCKET CONTROL

AUG - 2 2013

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IN THE MATTER OF THE
APPLICATION OF FARMERS WATER
CO., AN ARIZONA CORPORATION,
FOR A DETERMINATION OF THE
CURRENT FAIR VALUE OF ITS
UTILITY PLANT AND PROPERTY
AND FOR INCREASES IN ITS RATES
AND CHARGES FOR UTILITY
SERVICE.

DOCKET NO. W-01654A-13-0267

APPLICATION

Farmers Water Co. ("Company"), an Arizona corporation, submits this Application for an order establishing the fair value of its plant and property for the provision of public utility service and, based on such fair value, approving permanent rates and charges for utility service provided by the Company designed to produce a fair return thereon. In support of its request, the Company states as follows:

I. INTRODUCTION

1. The Company is a public service corporation engaged in providing water service in portions of Pima County, Arizona, pursuant to a Certificate of Convenience and Necessity ("CC&N") initially granted by the Arizona Corporation Commission ("Commission") in Decision No. 32055 (January 28, 1960). The Company's present rates and charges were approved in Decision No. 71510 (March 17, 2010).

2. The Company served approximately 2,725 service connections in the Test Year. Currently, the Company provides water utility service through four water systems: the Sahuarita, Continental, Santa Rita Springs, and Sahuarita Highlands systems.

1 3. The Company is located within the Tucson Active Management Area. The
2 Company is in compliance with the Arizona Department of Revenue and Arizona
3 Department of Environmental Quality. The Company is current on all property taxes.

4 **II. FAIR VALUE DETERMINATION AND RATE INCREASE**

5 4. In this Application, the Company seeks a determination of the current, fair
6 value of its property devoted to public service and approval of permanent adjustments to
7 its rates and charges for utility service based upon that determination.

8 5. Filed concurrently in support of this Application are the direct testimonies
9 of Thomas J. Bourassa, C.P.A. and Heather Triana. Mr. Bourassa is the Company's
10 accounting consultant and will be sponsoring the Company's schedules, and has prepared
11 the schedules required for the rate applications of Class C water utilities in accordance
12 with A.A.C. R14-2-103, with the exception of Schedules B-3 and B-4 because the
13 Company is requesting to use its original cost rate based ("OCRB") as its Fair Value Rate
14 Base ("FVRB"), instead of using a reconstructed costs new rate base. Mr. Bourassa's
15 testimony and supporting schedules are attached as Exhibit A. The Test Year used by the
16 Company in connection with the preparation of such schedules is the 12-month period
17 ending September 30, 2012. Ms. Triana is the Vice President of Finance, Treasurer and
18 Secretary for Farmers Investment Co., the parent of Farmers Water Co., and is the
19 Company's policy witness. Ms. Triana's testimony is attached as Exhibit B.

20 6. During the Test Year, the Company's adjusted FVRB was negative \$15,143
21 and the adjusted Test Year operating loss is over \$51,000. An increase in revenues is
22 necessary to provide a 10 percent operating margin of approximately \$186,158, an
23 increase of approximately 22.68 percent over the adjusted and annualized Test Year
24 revenues. Consequently, a rate increase is necessary to earn a reasonable return on the
25 fair value of the Company's utility plant and property devoted to public service.
26 Therefore, the Company requests certain increases to its rates and charges for water

1 service as set forth in Mr. Bourassa's testimony.

2 **III. NOTICE**

3 7. All communications, correspondence, and discovery regarding this
4 Application, as well as communications and pleadings filed by any other parties, should
5 be served on the following:

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11 Vice President
12 Farmers Water Co.
13 1525 E. Sahuarita Road
14 Sahuarita, AZ 85629
Telephone: (520) 879-7474
Fax: (520) 791-2853
Email: m Bailey@greenvalleypecan.com

15 **IV. PRAYER FOR RELIEF**

16 For the foregoing reasons, the Company requests the following relief:

17 A. That the Commission at the earliest time possible conduct a hearing in
18 accordance with A.R.S. § 40-251 and determine the fair value of the Company's utility
19 plant and property devoted to public service;

20 B. Based upon such determination, that the Commission approve permanent
21 adjustments to the rates and charges for utility service provided by the Company, as
22 proposed in this Application, or approve such other just and reasonable rates and charges
23 based upon the fair value of the Company's utility plant and property; and

24 C. That the Commission authorizes such other and further relief as may be
25 appropriate to ensure that the Company has an opportunity to earn just and reasonable
26 rates and charges and as may otherwise be required under Arizona law.

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RESPECTFULLY SUBMITTED this 2nd day of August, 2013.

MUNGER CHADWICK, P.L.C.



Robert J. Metli
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ORIGINAL and thirteen (13) copies
filed this 2nd day of August, 2013, with:

Docket Control
Arizona Corporation Commission
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COPY of the foregoing mailed/hand-
delivered/emailed this 2nd day of August,
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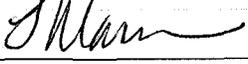
By 

EXHIBIT A

To Farmers Water Rate Application

Testimony of Thomas J. Bourassa

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BEFORE THE ARIZONA CORPORATION COMMISSION

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

IN THE MATTER OF THE APPLICATION
OF FARMERS WATER CO. FOR A
DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANT AND
PROPERTY AND FOR AN INCREASE IN
ITS RATES AND CHARGES BASED
THEREON.

DOCKET NO: W-01654A-13-_____

**DIRECT TESTIMONY OF
THOMAS J. BOURASSA
(RATE BASE, INCOME STATEMENT AND RATE DESIGN)**

August 2, 2013

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1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

3 A. My name is Thomas J. Bourassa. My business address is 139 W. Wood Drive,
4 Phoenix, Arizona 85029.

5 **Q. WHAT IS YOUR PROFESSION AND BACKGROUND?**

6 A. I am a Certified Public Accountant and am self-employed, providing consulting
7 services to utility companies as well as general accounting services. I have a B.S.
8 in Chemistry and Accounting from Northern Arizona University (1980) and an
9 M.B.A. with an emphasis in Finance from the University of Phoenix (1991).

10 **Q. COULD YOU BRIEFLY SUMMARIZE YOUR PRIOR WORK AND
11 REGULATORY EXPERIENCE?**

12 A. Yes. Prior to becoming a private consultant, I was employed by High-Tech
13 Institute, Inc., and served as controller and chief financial officer. Prior to working
14 for High-Tech Institute, I worked as a division controller for the Apollo Group,
15 Inc. Before joining the Apollo Group, I was employed at Kozoman & Kermode,
16 CPAs. In that position, I prepared compilations and other write-up work for water
17 and wastewater utilities, as well as tax returns.

18 In my private practice, I have prepared and/or assisted in the preparation of
19 several water and wastewater utility rate applications before the Arizona
20 Corporation Commission ("Commission"). A copy of my work experience is
21 attached as Exhibit TJB-RB-DT1.

22 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

23 A. I am testifying in this proceeding on behalf of the Farmers Water Co.. ("FWC" or
24 the "Company"). FWC is seeking increases in its rates and charges for water
25 service in its certificated service area.

26

1 **II. OVERVIEW OF THE COMPANY'S REQUEST FOR RATE RELIEF**

2 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

3 A. I will testify in support of the Company's proposed adjustments to its rates and
4 charges for water utility service. I am sponsoring the direct schedules, which are
5 filed concurrently herewith in support of the Company's application. I was
6 responsible for the preparation of these schedules based on my investigation and
7 review of FWC's relevant books and records.

8 For the convenience of the Commission and the parties, the two portions of
9 my direct testimony, each with the relevant schedules attached, are being filed
10 separately in this case. In this volume of my direct testimony, I address the rate
11 base, income statement (revenue and operating expenses), required increase in
12 revenue, and rate design and proposed rates and charges for service. Schedules A
13 through C, D, E-F and H are attached to my direct testimony. The Company has
14 not prepared a cost of service study (G schedules). Consequently, the G Schedules
15 are omitted.

16 **Q. PLEASE SUMMARIZE THE COMPANY'S APPLICATION.**

17 A. The test year used by Farmers is the 12-month period which ended September 30,
18 2012. Since the Company has a negative rate base and a return on rate base is not
19 meaningful, a cost of capital analysis has not been performed. Instead, the revenue
20 requirement is determined based on an operating margin approach.

21 The Company proposes a 10 percent operating margin which will provide
22 revenues necessary to provide sufficient funds for on-going operating expenses,
23 help fund expected capital repairs and improvements, and to maintain financial
24 stability.

25 The Company has proposed certain pro forma adjustments to take into
26 account known and measurable changes to rate base, expenses and revenues.

1 These pro forma adjustments are consistent with normal ratemaking and are
2 contemplated by the Commission's rules and regulations governing rate
3 applications. See R14-2-103. These adjustments are necessary to obtain a normal
4 or realistic relationship between revenues, expenses and rate base on a going-
5 forward basis.

6 The Company's fair value rate base is a negative \$15,143. The increase in
7 revenues to provide a 10 percent operating margin is approximately \$186,158, an
8 increase of approximately 22.68 percent over the adjusted and annualized test year
9 revenues.

10 **Q. HOW DOES THE RATE BASE IN THE INSTANT CASE COMPARE TO**
11 **THE RATE BASE IN THE PRIOR RATE CASE?**

12 A. The authorized rate base in the prior rate case was a negative \$748,646.¹ Rate base
13 has improved by over \$730,000 since the last test year (ending September 30,
14 2007). The improvement stems from the Company investment in plant-in-service
15 of over \$1.9 million. This is net of plant-in-service funded with new advances-in-
16 aid of construction and contributions in-aid of construction.

17 **Q. PLEASE EXPLAIN WHY THERE IS ONLY A \$730,000 IMPROVEMENT**
18 **IN RATE BASE WHILE THE COMPANY HAS ADDED OVER \$1.9**
19 **MILLION OF COMPANY FUNDED PLANT-IN-SERVICE.**

20 A. The primary factor is depreciation which erodes rate base. The Company's
21 accumulated depreciation balance has increased in approximately \$1.2 million
22 since the end of the last test year. Subtracting the approximately \$1.2 million in
23 additional depreciation from the approximately \$1.9 million of new plant
24 investment yields approximately \$700,000.

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26 ¹ See Decision 71510, March 17, 2010 at 16.

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Q. DOES THE COMPANY EXPECT RATE BASE TO IMPROVE IN THE FUTURE?

A. Yes. The improvement will depend on the magnitude of new Company funded plant investment. As shown on Schedule F-3, the capital improvement budget for 2013 is approximately \$370,000. Future plant investment will depend on needed infrastructure to serve new customer growth as well as on future plant replacement and/or capital repairs.

Q. DOES THE COMPANY HAVE A HOOKUP FEE?

A. No. A hook-up fee is not warranted under the circumstances.

Q. WHAT ARE THE PRIMARY DRIVERS FOR THE NEED FOR A RATE INCREASE?

A. Increases in operating expenses. Most notably salaries and wages, purchased power, outside services, transportation expenses, miscellaneous expense, and depreciation. In the last rate case, operating expenses were understated because the parent company (Farmers Investment Co. or FICO) was not properly charging the Company for expenses the parent incurred on the Company's behalf. After the rate case, the Company took steps to identify those costs incurred by the parent that were not properly reflected on the Company's books and implemented procedures to make sure all the costs necessary for providing safe and reliable service to its customers were reflected in expenses.

III. SUMMARY OF A, D, E AND F SCHEDULES.

Q. MR. BOURASSA, LET'S TURN TO THE COMPANY'S SCHEDULES. PLEASE DESCRIBE THE SCHEDULES LABELED AS A, D, E, AND F.

1 A. The A-1 Schedule is a summary of rate base, operating income, current operating
2 margin, required operating margin, operating income deficiency, and the increase
3 in gross revenue. Revenues at present and proposed and customer classifications
4 are also shown on this schedule.

5 The A-2 Schedule is a summary of results of operations for the test year,
6 prior years, and a projected year at present rates and proposed rates.

7 Schedule A-3 contains the Company's capital structure for the test year and
8 the two prior years.

9 Schedule A-4 contains the plant construction, and plant-in-service for the
10 test year and prior years. The projected plant additions are also shown on this
11 schedule.

12 Schedule A-5 is the summary of the Company's changes in financial
13 position (cash flow) for the prior two years, the test year at present rates, and a
14 projected year at present and proposed rates.

15 The D schedules show the details of common equity and long-term debt. As
16 shown on the D-1 Schedules, the capital structure consists of 100 percent equity
17 and 0 percent debt. While the adjusted test year equity is a positive \$125,427, rate
18 base is negative.

19 The E Schedules are based on the Company's actual operating results, as
20 reported by the Company in annual reports filed with the Commission. The E-1
21 Schedule contains the comparative balance sheet data for the years 2010, 2011, and
22 2012 ended on September 30.

23 Schedule E-2, page 1, contains the income statement for the years 2010,
24 2011, and 2012 ended on September 30.

25 Schedule E-3 contains the statements of changes in the Company's financial
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position for the test year and the two prior years.

Schedule E-4 provides the changes in stockholder's equity.

Schedule E-5 contains the Company's plant-in-service at the end of the test year, and one year prior to the end of the test year.

Schedule E-7 contains operating statistics for the years ended 2010, 2011, and 2012 ended on September 30.

Schedule E-8 contains the taxes charged to operations.

The accountant's notes to the financial statements and the financial assumptions used in preparing the rate filing schedules are shown on Schedules E-9 and F-4, respectively, in accordance with the Commission's standard filing requirements.

Schedule F-1 contains the results of operations at the present rates (actual and adjusted), and at proposed rates.

Schedule F-2 contains the summary of changes in financial position (cash flow) for the prior two years, the test year at present rates, and a projected year at present and proposed rates.

Schedule F-3 shows the Company's projected construction requirements for 2013.

Schedule F-4 contains the assumptions used in developing the adjustments and projections contained in the rate filing.

A. Rate Base (B Schedules).

Q. WOULD YOU EXPLAIN THE RATE BASE SCHEDULES, WHICH ARE LABELED AS THE B SCHEDULES?

1 A. Yes. I will start with Schedule B-5, which is the working capital allowance. I used
2 the "formula method" of computing the working capital allowance to reduce costs.
3 However, the Company is not requesting a working capital allowance.

4 **Q. WHY DIDN'T THE COMPANY PREPARE A LEAD-LAG STUDY AND**
5 **USE THE RESULTS OF THAT STUDY TO COMPUTE WORKING**
6 **CAPITAL?**

7 A. Because the Company is not seeking a working capital allowance and the costs to
8 prepare a lead-lag study outweigh the benefits.

9 **Q. THANK YOU. PLEASE CONTINUE.**

10 A. The Company did not file Schedules B-3 and B-4. To limit issues in dispute and
11 reduce rate case expense, FWC is requesting that its original cost rate base
12 ("OCRB") be used as its fair value rate base ("FVRB").

13 **Q. HAVE YOU PREPARED SCHEDULES SHOWING ADJUSTMENTS TO**
14 **THE COMPANY'S ORIGINAL COST RATE BASE?**

15 A. Yes. Schedule B-2 shows adjustments to the Company's OCRB cost rate base
16 proposed by the Company. Schedule B-2, pages 2 through 4, provides the
17 supporting information. These adjustments are, in summary:

18 B-2 adjustment number 1, as shown on Schedule B-2, page 2, adjusts plant-
19 in-service. There is one plant-in-service adjustment included in Adjustment 1.
20 This is shown on Schedule B-2, page 3, and is labeled as Adjustment "A".

21 Adjustment A of B-2 adjustment number 1 adjusts plant-in-service to reflect
22 the re-constructed balance of plant in service. The details of the reconstruction are
23 shown on the Schedule B-2, pages 3.2 to 3.6. The net amount of this adjustment is
24 zero.

25 **Q. PLEASE CONTINUE.**
26

1 A. Adjustment B-2 shown on Schedule B-2, page 2, adjusts accumulated depreciation.
2 The details of the accumulated depreciation adjustment are shown a Schedule B-2,
3 page 4. There is one plant-in-service adjustment included in Adjustment 2. This is
4 shown on Schedule B-2, page 4, and is labeled as Adjustments "A".

5 Adjustment A of B-2 adjustment number 2 adjusts accumulated depreciation
6 reflects the re-computed amounts of accumulated depreciation per the Company's
7 B-2 plant schedule.²

8 **Q. DO THE PLANT IN SERVICE AND ACCUMULATED DEPRECIATION**
9 **BALANCES SHOWN ON B-2 REFLECT THE LAST COMMISSION RATE**
10 **ORDER?**

11 A. Yes. They also reflect the depreciation rates used for depreciation expense in the
12 last rate case.

13 **Q. ARE THERE ANY OTHER ADJUSTMENTS TO THE RATE BASE**
14 **COMPONENTS?**

15 A. No.

16 **Q. HOW WAS THE PROPOSED "FAIR VALUE" RATE BASE SHOWN ON**
17 **A-1 DETERMINED?**

18 A. As stated, the FVRB shown on the Schedule A-1 is based on OCRB, with no
19 adjustment for the current values of the Company's plant and property.

20 **B. INCOME STATEMENT (C SCHEDULES)**

21 **Q. PLEASE EXPLAIN THE ADJUSTMENTS YOU ARE PROPOSING TO**
22 **THE INCOME STATEMENT AS SHOWN ON SCHEDULES C-1 AND C-2.**

23 A. The following is a summary of adjustments shown on Schedule C-1:
24
25

26 ² See Schedule B-2, pages 3.2 to 3.6.

1 Adjustment 1 annualizes depreciation expense. The proposed depreciation
2 rate for each component of utility plant is shown on Schedule C-2, page 2. The
3 depreciation rates approved last rate case were plant account specific. The
4 Company proposes to continue to use account specific rate as authorized in the last
5 rate case. The rates are based upon the typical and customary depreciation rates
6 recommended by Staff Engineering.

7 Adjustment 2 increases the property taxes based on proposed revenues. The
8 details of the computation are shown on Schedule C-2, page 3.

9 **Q. HOW DID YOU COMPUTE THE PROPERTY TAXES AT PROPOSED**
10 **RATES?**

11 A. To determine full cash value, I used the method employed by the Arizona
12 Department of Revenue - Centrally Valued Properties ("ADOR" or "the
13 Department"). This method determines full cash value by using twice the average
14 of three years of revenue, plus an addition for CWIP and a deduction for the book
15 value of transportation equipment. In the instant case, I used two times the
16 adjusted revenues for the year ending September 30, 2012, and one year of
17 revenues at proposed rates. The assessed value (20 percent of full cash value) was
18 then multiplied by the property tax rate to determine adjusted property tax expense.

19 **Q. IS THIS CONSISTENT WITH PRIOR COMMISSION DECISIONS?**

20 A. Yes. *E.g., Chaparral City Water Company*, Decision No. 68176 (September 30,
21 2005) at 13.

22 **Q. IS THIS SYNCHRONIZATION OF PROPERTY TAX EXPENSE WITH**
23 **REVENUES PROPER RATE MAKING?**

24 A. Yes. Like income taxes, property taxes must be adjusted to ensure that the new
25 rates are sufficient to produce the revenue requirement. For this reason, the
26

1 Commission has repeatedly approved the use of proposed revenues to determine an
2 appropriate level of property tax expense to be recovered through rates.

3 **Q. PLEASE CONTINUE WITH YOUR DESCRIPTION OF THE INCOME**
4 **STATEMENT ADJUSTMENTS.**

5 A. Adjustment 3 shows the rate case expense estimated by the Company. The
6 Company estimates rate case expense of \$62,500. The Company proposes that rate
7 case expense be recovered over five years because it believes a four-year cycle for
8 future rate cases is reasonable given this utility's circumstances. Using a five year
9 recovery period, the annual rate case expense is \$12,500.

10 **Q. HOW DID YOU ARRIVE AT THIS AMOUNT?**

11 A. Based on my experience with rate cases before the Commission, and that of the
12 Company's counsel. Given FWC's size and the anticipated nature, length and
13 complexity of the proceedings, I estimate this rate case to cost a total of \$62,500.

14 **Q. PLEASE EXPLAIN WHY YOU REFER TO THIS AMOUNT AS AN**
15 **"ESTIMATE"?**

16 A. Because I can't see the future, I can only make some guesses based on my
17 experience. The specifics of who may intervene, what unique issues may come
18 into dispute, what kind of procedural problems we will encounter, etc. I cannot
19 predict. I know rate cases are lengthy and expensive, but I still have to start with
20 an estimate. If things turn out more complicated than anticipated, the Company
21 will modify its request to account for that increased expense. Conversely, if the
22 case proceeds and rate case expense is lower than expected, we would make an
23 appropriate adjustment downward.

24 **Q. PLEASE CONTINUE WITH YOUR DISCUSSION OF THE INCOME**
25 **STATEMENT ADJUSTMENTS?**

1 A. Adjustment 4 annualizes revenues to the year-end number of customers. The
2 annualization of revenues is based on the number of customers at the end of the test
3 year, compared to the actual number of customers during each month of the test
4 year. Average revenues per customer by month were computed for the test year
5 and then multiplied by the increase (or decrease) in number of customers for each
6 month of the test year. The total of the monthly revenue change comprise the
7 revenue annualization. This was done for each customer class.

8 Adjustment 5 increases purchased power expense to reflect the recent
9 Tucson Electric Power (“TEP”) rate increase which was effective July 1, 2013.³

10 Adjustment 6 annualizes purchased power expense based on the additional
11 gallons sold from annualizing revenues to the year-end number of customers in
12 Adjustment 4, above. This adjustment is intended to match the additional expense
13 associated with the revenue annualization.

14 Adjustment 7 increases wages and salaries and related increases to employer
15 payroll taxes to reflect the expected level of these expenses going forward.

16 Adjustment 8 reduces transportation expense to reflect a known and
17 measureable change to the reimbursement rate to the Company’s parent for fuel,
18 general maintenance, and repairs for the Company’s transportation equipment.

19 Adjustment 9 reflects a reduction to miscellaneous expense for dues and
20 subscriptions expenditures expected to be incurred on a going forward basis.

21 Adjustment 10 reflects an increase to miscellaneous expense for banking
22 transaction fees associated with the Company’s new web based customer payments
23 system. The increases in banking fees are expected to be incurred on a going
24 forward basis.

25
26 ³ See Decision 73912, June 27, 2013.

1 Adjustment 11 reflects income taxes based upon the adjusted test year
2 revenue and expense. FWC is a subchapter S corporation.

3 **Q. PLEASE EXPLAIN THE METHODOLOGY YOU USED FOR THE**
4 **DETERMINATION OF THE INCOME TAX ALLOWANCE IN THE**
5 **INSTANT CASE.**

6 A. The basic methodology is summarized as follows:

- 7 1. Identify all the taxable persons or entities and all non-taxable entities
8 who are owners of the utility. If necessary, drill down through all
9 ownership levels until an individual or taxable or nontaxable entity is
10 reached.
- 11 2. Establish an effective or marginal tax rate for each taxable entity.
12 Rather than using presumptive rates such as 28% for all individual
13 taxpayers and 35% for taxable entities, the effective income tax rate
14 for all taxable entities is determined based on the current statutory
15 federal and state income tax rates and the proportionate share of
16 income passed through to each owner. Only the passed through
17 taxable income is considered in computing the effective tax rate for
18 each owner. Other income and deductions which may be available to
19 the owners are ignored so as to prevent cross-subsidization between
20 utility and non-utility operations.
- 21 3. Calculate a weighted average effective tax rate for the combined
22 ownership.
- 23 4. Compute the effective tax rate assuming the Company is a subchapter
24 C corporation.

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5. Use lessor effective tax rate determined in from Step 3 and Step 4 for calculating income tax allowance.

Q. IS THE APPROACH YOU FOLLOWED CONSISTENT THE COMMISSION'S POLICY ON INCOME TAXES?

A. Yes.⁴

Q. WHAT IS AVERAGE EFFECTIVE INCOME TAX RATE USED TO COMPUTE THE INCOME TAX ALLOWANCE?

A. In the instant case, as a result of using the approach described above, the effective income tax rate (federal and state) is about 12.33 percent. This rate can be found on Schedule C-3, page 1.

Q. HOW DOES THE COMPUTED OVERALL EFFECTIVE TAX RATE COMPARE TO A COMPARABLE C-CORP?

A. The computed overall effective tax rate (federal and state) at proposed revenues for a comparable C-Corp would be approximately 29.54 percent; approximately 17 percent greater than the effective tax rate used to compute income taxes in the instant case.

C. Rate Design (H Schedules).

Q. WHAT ARE THE COMPANY'S PRESENT RATES?

A. The Company's present rates are:

MONTHLY SERVICE CHARGES

5/8" x 3/4" Meter	\$ 8.25
3/4" Meter	\$ 9.28
1" Meter	\$ 10.32
1 1/2" Meter	\$ 20.64

⁴ See Decision 73739, February 22, 2013.

1	2" Meter		\$ 33.02
2	3" Meter		\$ 66.04
3	4" Meter		\$103.19
4	6" Meter		\$206.38
5	2" Construction/Standpipe (Assigned)		\$33.02
6	6" Construction/Standpipe (Assigned)		\$206.38
7	Gallons in minimum		0
8	COMMODITY RATES		
9	5/8"X3/4" –Res.	1 to 4,000	\$ 1.35
10		4,001 to 10,000	\$ 1.90
11		Over 10,000	\$ 2.45
12	5/8"X3/4" Meter – Com. & Ind.	1 to 10,000	\$ 1.90
13		Over 10,000	\$ 2.45
14	3/4" – Res.	1 to 4,000	\$ 1.35
15		4,001 to 10,000	\$ 1.90
16		Over 10,000	\$ 2.45
17	3/4" Meter – Com. & Ind.	1 to 10,000	\$ 1.90
18		Over 10,000	\$ 2.45
19	1" Meter – All Classes	1 to 12,500	\$ 1.90
20		Over 12,500	\$ 2.45
21	1 1/2" Meter – All Classes	1 to 25,000	\$ 1.90
22		Over 25,000	\$ 2.45
23	2" Meter– All Classes	1 to 40,000	\$ 1.90
24		Over 40,000	\$ 2.45
25	3" Meter– All Classes	1 to 80,000	\$ 1.90
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		Over 80,000	\$ 2.45
4" Meter– All Classes		1 to 126,000	\$ 1.90
		Over 126,000	\$ 2.45
6" Meter– All Classes		1 to 250,000	\$ 1.90
		Over 250,000	\$ 2.45
2" Meter Construction/Standpipe:			
Individually Assigned Customer	1 to 40,000		\$ 1.90
	Over 40,000		\$ 2.45
No Assigned Customer	All gallons		\$ 2.45
6" Meter Construction/Standpipe:			
Individually Assigned Customer	1 to 250,000		\$ 1.90
	Over 250,000		\$ 2.45
No Assigned Customer	All gallons		\$ 2.45

Q. WHAT ARE THE COMPANY'S PROPOSED RATES?

A. The Company's proposed rates are:

MONTHLY SERVICE CHARGES

5/8" x 3/4" Meter	\$ 10.07
3/4" Meter	\$ 11.32
1" Meter	\$ 12.59
1 1/2" Meter	\$ 25.18
2" Meter	\$ 40.28
3" Meter	\$ 80.57
4" Meter	\$125.89
6" Meter	\$251.78

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2" Construction/Standpipe (Assigned)	\$40.28
3" Construction/Standpipe (Assigned)	\$80.57
6" Construction/Standpipe (Assigned)	\$251.78

Gallons in minimum 0

COMMODITY RATES

5/8"X3/4" –Res.	1 to 4,000	\$ 1.49
	4,001 to 10,000	\$ 2.34
	Over 10,000	\$ 3.19
5/8"X3/4" Meter – Com., Ind., Irr.	1 to 10,000	\$ 2.34
	Over 10,000	\$ 3.19
3/4" – Res.	1 to 4,000	\$ 1.49
	4,001 to 10,000	\$ 2.34
	Over 10,000	\$ 3.19
3/4" Meter – Com., Ind., Irr.	1 to 10,000	\$ 2.34
	Over 10,000	\$ 3.19
1" Meter – All Classes	1 to 12,500	\$ 2.34
	Over 12,500	\$ 3.19
1 1/2" Meter – All Classes	1 to 25,000	\$ 2.34
	Over 25,000	\$ 3.19
2" Meter– All Classes	1 to 40,000	\$ 2.34
	Over 40,000	\$ 3.19
3" Meter– All Classes	1 to 80,000	\$ 2.34
	Over 80,000	\$ 3.19
4" Meter– All Classes	1 to 126,000	\$ 2.34

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	Over 126,000	\$ 3.19
6" Meter- All Classes	1 to 250,000	\$ 2.34
	Over 250,000	\$ 3.19
2" Meter Construction/Standpipe:		
Individually Assigned Customer	1 to 40,000	\$ 2.34
	Over 40,000	\$ 3.19
No Assigned Customer	All gallons	\$ 3.19
3" Meter Construction/Standpipe:		
Individually Assigned Customer	1 to 80,000	\$ 2.34
	Over 80,000	\$ 3.19
No Assigned Customer	All gallons	\$ 3.19
6" Meter Construction/Standpipe:		
Individually Assigned Customer	1 to 250,000	\$ 2.34
	Over 250,000	\$ 3.19
No Assigned Customer	All gallons	\$ 3.19

Q. WHAT METER SIZE ARE THE MAJORITY OF CUSTOMERS ON AND WHAT WAS THE AVERAGE MONTHLY BILL DURING THE TEST YEAR?

A. The largest customer class is the 5/8x3/4 inch residential class comprising about 84.5 percent of the customer base. As shown on Schedule H-2, page 1, the average monthly bill under present rates for a 5/8x3/4 inch residential customer using an average 5,336 gallons is \$16.19.

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Q. WHAT WILL BE THE 5/8X3/4 INCH RESIDENTIAL CUSTOMER AVERAGE MONTHLY BILL UNDER THE NEW RATES?

A. As shown on Schedule H-2, page 1, the average monthly bill under proposed rates for a 5/8x3/4 inch residential customer using an average 5,334 gallons is \$19.16 – a \$2.97 increase over the present monthly bill or a 18.33 percent increase.

Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE COMPANY'S BASIC RATE DESIGN?

A. The Company has added an irrigation class to the small meter sizes which was not specified under the authorized rates in the prior case. The Company is also proposing a 3 inch construction/standpipe water rate similar to the existing 2 inch and 6 inch construction/standpipe water rates. There are no other substantive changes.

Q. HAS THE COMPANY PROPOSED INCREASES TO THE MONTHLY MINIMUMS AND THE COMMODITY RATES?

A. Yes. The monthly minimums are increased by the same percentage (22.0 percent). The lowest commodity rate, only available to the small residential customers, is increased from \$1.35 per thousand gallons to \$1.49 per thousand gallons; and increase of 10.37 percent. The next highest commodity rate is increased from \$1.90 per thousand to \$2.34 per thousand; an increase of approximately 23.2 percent. The highest commodity rate is increased from \$2.45 per thousand to \$3.19 per thousand; an increase of approximately 30.20 percent. Under the Company's proposed commodity rates, the high water users will see the largest increase in the commodity rates which continues to send a conservation price signal to these customers.

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Q. IS THE REVENUE RECOVERY FROM THE MONTHLY MINIMUMS AND THE COMMODITY RATES SIMILAR UNDER PRESENT AND PROPOSED RATES?

A. Generally speaking, the revenue recovery from the monthly minimums and the commodity rates are similar under present and proposed rates. Referring to Schedule H-2, pages 3 and 4, the revenue recovery from the monthly minimums relative to total revenues is decreased slightly from approximately 37.82 percent under present rates to 37.30 percent under proposed rates. The revenue recovery from the first tier commodity rates is decreased from 26.34 percent under present rates to 25.10 percent under proposed rates. Recovery from the second tier commodity rates is increased from 28.91 percent under present rates to 30.21 percent under proposed rates. Finally, revenue recovery from the third tier commodity rate is increased slightly from 7.17 under present rates to 7.38 percent under proposed rates.

Q. ARE THE TOTAL REVENUES PROVIDED BY EACH CUSTOMER CLASS AND METER SIZE ALSO SIMILAR UNDER PRESENT AND PROPOSED RATES?

A. Yes, generally speaking. As an example, referring to Schedule H-1, the 5/8x3/4 inch residential class provides approximately 57.89 percent of the total revenues under present rates. Under proposed rates, this class provides 56.86 percent of total revenues; a reduction of about 1 percent. The other customer classes generally provide slightly more revenues under proposed rates as a percent of the total revenues to make up for the reduction in revenue recovery from the 5/8x3/4 inch residential class.

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1. Other Tariff Changes.

Q. IS THE COMPANY PROPOSING ANY CHANGES TO MISCELLANEOUS SERVICE CHARGES?

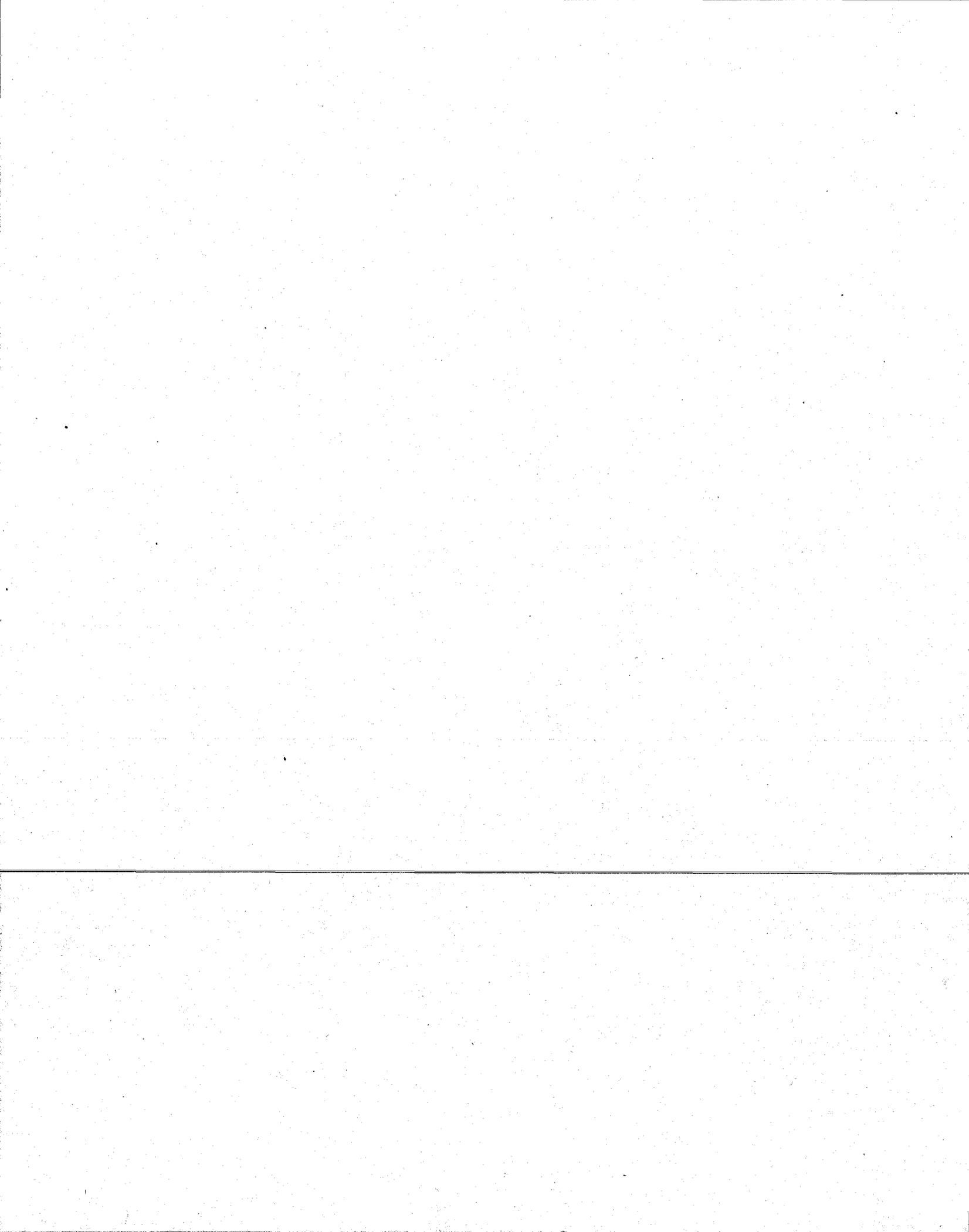
A. Yes. The Company is proposing an after-hours service charge which would apply to all service charges when service is requested after-hours. Accordingly, the Company proposes the current after-hours establishment fee and after-hours reconnection fee be eliminated.

Q. IS THE COMPANY PROPOSING ANY CHANGES TO ITS REFUNDABLE SERVICE LINE AND METER CHARGES?

A. No.

Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.



**Farmers Water Co.
Docket No. W-01654A-13-_____**

**THOMAS J. BOURASSA
DIRECT TESTIMONY**

WORK SUMMARY

August, 2, 2013

EXHIBIT TJB-DT-1

Exhibit A
RESUME OF THOMAS J. BOURASSA, CPA

EDUCATIONAL BACKGROUND

B.S. Northern Arizona University Chemistry/Accounting (1980)
M.B.A. University of Phoenix with Emphasis in Finance (1991)
C.P.A. State of Arizona (1995)
Continuing Professional Education – In areas of tax, accounting, management, economics, finance, ethics (80 hrs every two years)

MEMBERSHIPS

Arizona Society of CPAs
Water Utilities Association of Arizona
American Water Works Association
Society of Regulatory Financial Analysts

EMPLOYMENT EXPERIENCE

1995 – Present	CPA - Self Employed Consultant to utilities on regulatory matters including all aspects of rate applications (rate base, income statement, cost of capital, cost of service, and rate design), rate reviews, certificates of convenience and necessity (CC&N), CC&N extensions, financing applications, accounting order applications, and off-site facilities hook-up fee applications. Provide expert testimony as required. Consult on various aspects of business, financial and accounting matters including best business practices, generally accepted accounting principles, generally accepted ratemaking principles, project analysis, cash flow analysis, regulatory treatment of certain expenditures and investments, business valuations, and rate reviews. Litigation support services.
1992-1995	Employed by High-Tech Institute, Phoenix, Arizona as Controller and C.F.O.
1989-1992	Employed by Alta Technical School, a division of University of Phoenix as Division Controller.
1985-1989	Employed by M.L.R. Builders, Tampa and Pensacola, Florida as Operations/Accounting Manager

1982-1985

Employed by and part owner in Area Sand and Clay Company,
Pensacola, Florida.

1981-1982

Employed by Purdue University, West Lafayette, Indiana as
Teaching Assistant.

**SUMMARY OF REGULATORY WORK EXPERIENCE AS SELF EMPLOYED
CONSULTANT**

COMPANY/CLIENT

FUNCTION

Del Lago Water Company
Docket W-01944A-13-0215

Permanent Rate Application – Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Cost of Service, Rate
Design, and Cost of Capital.

Chaparral City Water Company
Docket W-02113A-13-0118

Cost of Service Study.

Las Quintas Serenas Water Company
Docket W-01583A-13-0117

Permanent Rate Application – Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Litchfield park Service Company
Docket SW-01428A-13-0043
W-01428A-13-0042

Permanent Rate Application – Water and
Sewer. Prepared schedules and testified
on Rate Base, Plant, Income Statement,
Revenue Requirement, Rate Design, Cost
of Service, and Cost of Capital.

Beaver Dam Water Company
Docket WS-03067A-12-0232

Permanent Rate Application. Prepared
schedules on Plant, Income Statement,
Revenue Requirement, and Rate Design.

Rio Rico Utilities
Docket WS-02676A-12-0196

Permanent Rate Application – Water and
Sewer. Prepared schedules and testified
on Rate Base, Plant, Income Statement,
Revenue Requirement, Cost of Service,
Rate Design, and Cost of Capital.

Vail Water Company
Docket No. W-01651B-12-0339

Permanent Rate Application. Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, Cost of Service, Rate
Design, and Cost of Capital.

Avra Water Co-Op.
Docket No. W-02126A-11-0480

Permanent Rate Application. Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, Cost of Service, Rate
Design, and Cost of Capital.

COMPANY/CLIENT

FUNCTION

Pima Utility Company
Docket W-02199A-11-0329
Docket SW-02199A-11-0330

Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Work on financing application.

California Pacific Energy Company

Work on preparation of permanent rate application.

Livco Water Company
Docket SW-02563A-11-0213

Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Orange Grove Water Company
Docket W-02237A-11-0180

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Goodman Water Company
Docket W-02500A-10-0382

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Doney Park Water
Docket W-01416A-10-0450

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Grimmelmann, et. al. v. Pulte Home Corporation, et. al., case no. CV-08-1878-PHX-FJM, the United States District Court for the District of Arizona.

Consultant to defendant and expert witness for defendant on rates and ratemaking.

Southern Arizona Home Builders Association

Consultant on ratemaking aspects to line extension policies (electric).

H2O Water Company

Valuation

Tierra Linda HOA Water Company

Valuation

Las Quintas Serenas Water Company

Permanent Rate Application – Water.

COMPANY/CLIENT

FUNCTION

Docket W-01583A-09-0589

Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Coronado Utilities
Docket SW-04305A-09-0291

Permanent Rate Application – Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Little Park Water Company
Docket W-02192A-09-0531

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Sahuarita Water Company
Docket W-03718A-09-0359

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Bella Vista Water Company
Southern Sunrise Water Company
Northern Sunrise Water Company
Docket W-02465A-09-0414
W-02453A-09-0414
W-02454A-09-0414

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Rio Rico Utilities, Inc
Docket WS-02676A-09-0257

Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Litchfield park Service Company
Docket SW-01428A-09-0103
W-01428A-09-0104

Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

*Town of Thatcher v. City of Safford, CV
2007-240, Superior Court of Arizona*

Consultant to plaintiff on ratemaking and cost of service.

Valencia Water Company

Cost of Capital

COMPANY/CLIENT

Before the California Public Utility
Commission 09-05-002

FUNCTION

Valley Utilities
Docket W-01412A-08-0586

Permanent Rate Application. Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, and Rate Design.

Black Mountain Sewer Company
Docket SW-02361A-08-0609

Permanent Rate Application – Sewer.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Far West Water and Sewer Company
Docket WS-03478A-08-0608

Interim Rate Application (Emergency
Rates)

Farmers Water Company
Docket W-01654A-08-0502

Permanent Rate Application. Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, and Rate Design.

Far West Water and Sewer Company
Docket WS-03478A-08-0454

Permanent Rate Application. Sewer.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Rate Design and Cost of
Capital.

Ridgeline Water Company, LLC
Docket W-20589A-08-0173

Certificate of Convenience and Necessity
– Water. Prepared pro-forma balance
sheets, income statements, plant
schedules, rate base, and financing.

Sacramento Utilities, Inc.
Docket SW-20576A-08-0067

Certificate of Convenience and Necessity
– Wastewater. Prepared pro-forma
balance sheets, income statements, plant
schedules, rate base, and financing.

Johnson Utilities
Docket WS-02987A-08-0180

Permanent Rate Application. Water and
Sewer. Prepared schedules and testified
on Rate Base, Plant, Income Statement,
Revenue Requirement, Rate Design and
Cost of Capital.

COMPANY/CLIENT

FUNCTION

Orange Grove Water Company
Docket W-02237A-08-0455

Participate in 40-252 proceeding.

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Far West Water and Sewer Company
Docket WS-03478A-07-0442

Financing Application. Prepare schedules to support application.

Oak Creek Water No.1
Docket W-01392A-07-0679

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

ICR Water Users Association
Docket W-02824-07-0388

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Johnson Utilities

Valuation consultant in the matter of the sale of Johnson Utilities assets to the Town of Florence.

H2O, Inc
Docket W-02234A-07-0550

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Chaparral City Water Company
Docket W-02113A-07-0551

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Valley Utilities
Docket W-01412A-07-0561

Financing Application. Prepare schedules to support application.

Valley Utilities
Docket W-01412A-07-280

Emergency Rate Application. Prepare schedules to support application.

Valley Utilities
Docket W-01412A-07-0278

Accounting Order. Assist in preparing definition and scope of costs for deferral for future regulatory consideration and

COMPANY/CLIENT

FUNCTION

Litchfield Park Service Company
Docket W-01427A-06-0807

treatment.
Accounting Order. Assist in preparing definition and scope of costs for deferral for future regulatory consideration and treatment.

Golden Shores Water Company
Docket W-01815A-07-0117

Permanent Rate Application. Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Diablo Village Water Company
Docket W-02309A-07-0140

Off-site facilities hook-up fee application. Prepare schedules to support application.

Diablo Village Water Company
Docket W-02309A-07-0399

Permanent Rate Application (Class C). Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Sahuarita Water Company
(Rancho Sahuarita Water Co.)
Docket W-03718A-07-0687

Extension Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Utility Source, L.L.C.
Docket WS-04235A-06-0303

Permanent Rate Application- Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Tierra Buena Water Company

Valuation of Tierra Buena Water Company for estate purposes.

Goodman Water Company
Docket W-02500A-06-0281

Permanent Rate Application (Class C). Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, and Cost of Capital.

Links at Coyote Wash Utilities
Docket SW-04210A-06-0220

Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant

COMPANY/CLIENT

FUNCTION

New River Utilities
Docket W-0173A-06-0171

schedules, rate base, financing, and initial rate design.

Extension Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Johnson Utilities
Docket WS-02987A-04-0501
Docket WS-02987A-04-0177

Extension of Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Bachmann Springs Utility
Docket WS-03953A-07-0073

Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Avra Water Cooperative
Docket W-02126A-06-0234

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Gold Canyon Sewer Company
Docket SW-025191A-06-0015

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

State of Arizona v. Far West Water and Sewer, No. 1 CA-CR 06-0160

Expert witness on behalf of defendant in penalty phase of case.

Far West Water and Sewer Company
Docket WS-03478A-05-0801

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Black Mountain Sewer Company
Docket SW-02361A-05-0657

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

COMPANY/CLIENT

Balterra Sewer Company
Docket SW-02304A-05-0586

Community Water Company of Green
Valley
Docket W-02304A-05-0830

McClain Water Systems
Northern Sunrise Water
Southern Sunrise Water
Docket W-020453A-06-0251

Valley Utilities Water Company
Docket W-01412A-04-0376

Valley Utilities Water Company
Docket W-01412A-04-0376

Beardsley Water Company
Docket W-02074A-04-0358

Pine Water Company, Inc.
Docket W-03512A-03-0279

Chaparral City Water Company
Docket W-02113A-04-0616

Tierra Linda Home Owners Association
Docket W-0423A-04-0075

FUNCTION

Certificate of Convenience and Necessity
– Sewer. Prepared pro-forma balance
sheets, income statements, plant
schedules, rate base, financing, and initial
rate design.

Permanent Rate Application – Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

Certificate of Convenience and Necessity
– Water. Prepared pro-forma balance
sheets, income statements, plant
schedules, rate base, financing, and initial
rate design.

Off-site facilities hook-up fee application.
Prepare schedules to support application.

Permanent Rate Application – Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, and
Revenue Requirement. Assisted in
preparation of Rate Design.

Permanent Rate Application – Water.
Prepared short-form schedules for Rate
Base, Income Statement, Plant, Bill
Counts, and Rate Design.

Interim and Permanent Rate Application,
Financing Application - Water. Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Cost of Capital,
and Rate Design.

Permanent Rate Application. Prepared
schedules and testified on Rate Base,
Plant, and Income Statement. Assisted in
preparation Rate Design.

Certificate of Convenience and Necessity
– Water. Prepared pro-forma balance
sheets, income statements, plant

COMPANY/CLIENT

FUNCTION

Diamond Ventures - Red Rock Utilities
Docket WS-04245A-04-0184

schedules, rate base, financing, and initial rate design.

Certificate of Convenience and Necessity – Water and Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Arizona-American Water Company, Inc.
Docket WS-01303A-02-0867
Docket WS-01303A-02-0868
Docket WS-01303A-02-0869
Docket WS-01303A-02-0870
Docket WS-01303A-02-0908

Permanent Rate Application Water and Sewer (10 divisions). Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Rate Design.

Bella Vista Water Company, Inc.
Docket W-02465A-01-0776

Permanent Rate Application - Water. Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Cost of Capital and Rate Design.

Green Valley Water Company
Docket (2000 Not Filed)

Permanent Rate Application. Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Cost of Capital and Rate Design.

Gold Canyon Sewer Company
Docket SW-02519A-00-0638

Permanent Rate Application - Sewer. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

Rio Verde Utilities, Inc.
Docket WS-02156A-00-0321

Permanent Rate Application – Water and Sewer. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

COMPANY/CLIENT

FUNCTION

Livco Water Company
Livco Sewer Company
Docket SW-02563A-05-0820

Permanent Rate Application – Water.
Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Livco Water Company
Docket SW-02563A-07-0506

Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Cave Creek Sewer Company

Revenue Requirement, Rate Adjustment and Rate Design - Sewer.

Avra Water Cooperative
Docket W-02126A-00-0269

Permanent Rate Application – Water. Assisted in preparation of Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Town of Oro Valley

Revenue Requirements, Water Rate Adjustments and Rate Design.

Far West Water Company
Docket WS-03478A-99-0144

Permanent Rate Application – Water. Assisted in preparation of schedules for Rate Base, Income Statement, Revenue Requirement, Lead-Lag Study, Cost of Capital, and Rate Design.

MHC Operating Limited Partnership
Sedona Venture Wastewater
Docket W-

Permanent Rate Application – Sewer. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Vail Water Company
Docket W-01651B-99-0406

Permanent Rate Application. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

E&T Water Company
Docket W-01409A-95-0440

Permanent Rate Application - Water. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

New River Utility
Docket W-01737A-99-0633

Permanent Rate Application - Water. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and

COMPANY/CLIENT

FUNCTION

Rate Design.

Golden Shores Water
Docket W-01815A-98-0645

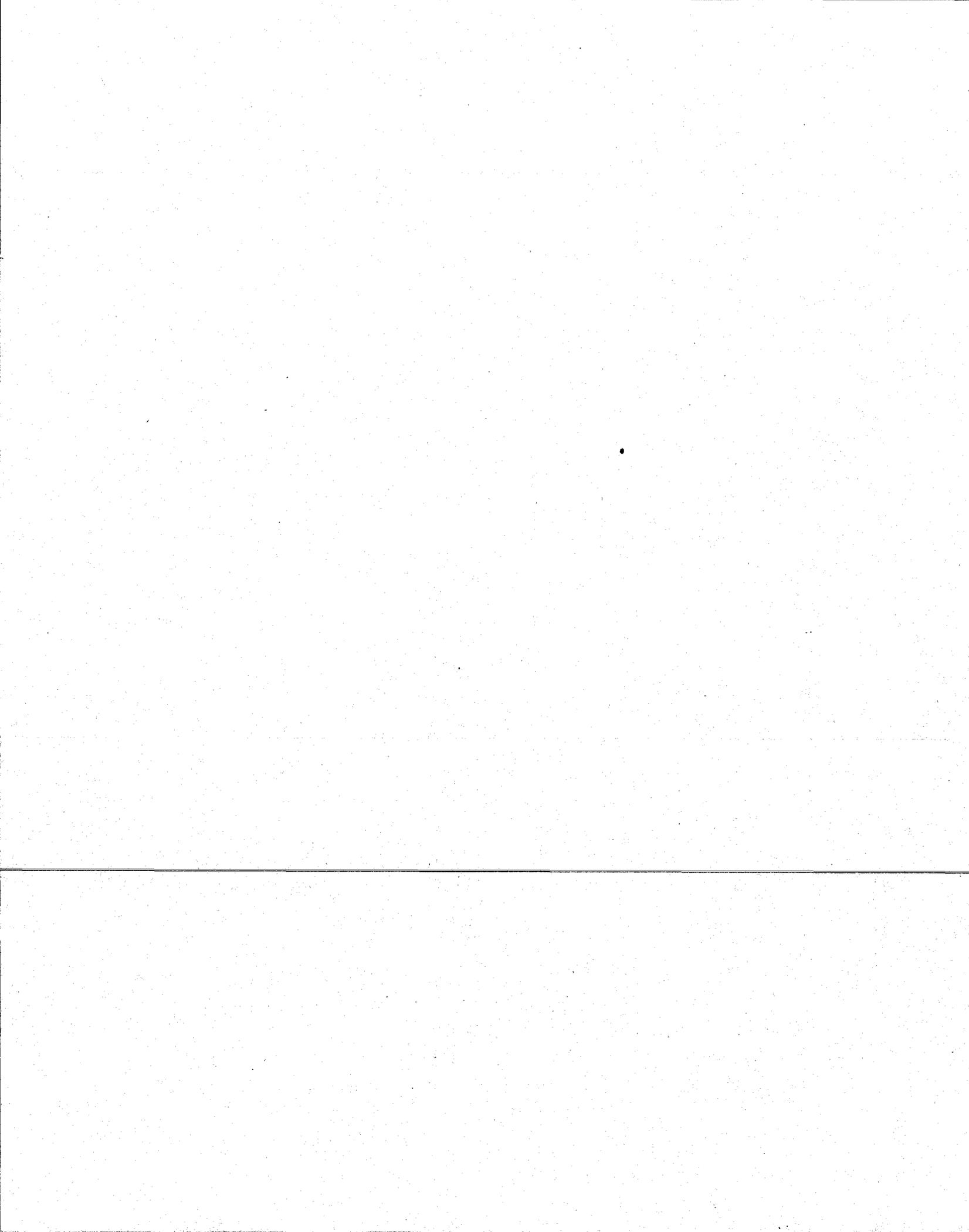
Permanent Rate Application – Water.
Assisted in preparation of schedules for
Rate Base, Plant, Income Statement, and
Rate Design.

Ponderosa Utility Company
Docket W-01717A-99-0572

Permanent Rate Application – Water.
Assisted in preparation of schedules for
Rate Base, Plant, Income Statement, and
Rate Design.

Chaparral City Water Company
Docket (1999 Not Filed)

Permanent Rate Application - Water.
Prepared schedules and testimony on Rate
Base, Plant, Revenue Requirement, and
Income Statement. Assisted in preparation
of Cost of Capital and Rate Design.



Farmers Water Co.
 Test Year Ended September 30, 2012
 Computation of Increase in Gross Revenue
 Requirements As Adjusted

Exhibit
 Schedule A-1
 Page 1
 Witness: Bourassa

Line No.					
1	Fair Value Rate Base		\$	(15,143)	
2					
3	Adjusted Operating Income			(60,295)	
4					
5	Current Rate of Return			N/A	
6					
7	Required Operating Income		\$	100,697	
8					
9	Required Operating Margin			10.00%	
10					
11	Operating Income Deficiency		\$	160,993	
12					
13	Gross Revenue Conversion Factor			1.1563	
14					
15	Increase in Gross Revenue Requirement		\$	186,158	
16					
17					
18	Adjusted Test Year Revenues		\$	820,815	
19	Increase in Gross Revenue Revenue Requirement		\$	186,158	
20	Proposed Revenue Requirement		\$	1,006,973	
21	% Increase			22.68%	
22					
23	Customer	Present	Proposed	Dollar	Percent
24	Classification	Rates	Rates	Increase	Increase
25	5/8x3/4 Inch Residential	\$ 475,171	\$ 572,522	\$ 97,352	20.49%
26	1 Inch Residential	80,520	99,726	19,206	23.85%
27					
28	1 1/2 Inch Multi-Family	6,270	7,908	1,638	26.13%
29	2 Inch Multi-Family	27,394	34,472	7,078	25.84%
30	3 Inch Multi-Family	5,450	6,678	1,229	22.55%
31	4 Inch Multi-Family	11,907	15,199	3,292	27.65%
32	6 Inch Multi-Family	7,431	9,131	1,700	22.87%
33					
34	5/8x3/4 Inch Commercial	2,679	3,338	659	24.60%
35	1 Inch Commercial	5,592	7,114	1,522	27.23%
36	1 1/2 Inch Commercial	3,775	4,649	874	23.16%
37	2 Inch Commercial	26,353	32,977	6,624	25.13%
38	3 Inch Commercial	4,452	5,650	1,198	26.91%
39					
40	5/8x3/4 Inch Industrial	971	1,205	234	24.15%
41	1 Inch Industrial	4,086	5,246	1,160	28.40%
42	2 Inch Industrial	66,212	86,078	19,866	30.00%
43					
44	5/8x3/4 Inch Irrigation	5,300	6,879	1,579	29.79%
45	1 Inch Irrigation	16,922	21,196	4,273	25.25%
46	1 1/2 Inch Irrigation	3,473	4,284	811	23.34%
47	2 Inch Irrigation	50,327	63,932	13,605	27.03%
48					
49	2 Inch Standpipe	388	506	117	30.20%
50	6 Inch Standpipe	4,340	5,651	1,311	30.20%
51					
52	Revenue Annualization	1,840	2,317	477	25.90%
53	Subtotal	\$ 810,853	\$ 996,658	\$ 185,806	22.91%
54					
55	Other Water Revenues	9,975	9,975	-	0.00%
56	Reconciling Amount	(12)	340	352	-2933.33%
57	Rounding	-	-	-	0.00%
58	Total of Water Revenues	\$ 820,816	\$ 1,006,973	\$ 186,158	22.68%
59					
60					
61	<u>SUPPORTING SCHEDULES:</u>				
62	B-1				
63	C-1				
64	C-3				
65	H-1				

Farmers Water Co.
 Test Year Ended September 30, 2012
 Summary of Results of Operations

Exhibit
 Schedule A-2
 Page 1
 Witness: Bourassa

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		9/30/2010	9/30/2011	Actual 9/30/2012	Adjusted 9/30/2012	Present Rates 9/30/2013	Proposed Rates 9/30/2013
1	Gross Revenues	\$ 725,132	\$ 823,859	\$ 818,975	\$ 820,815	\$ 820,815	\$ 1,006,973
2							
3	Revenue Deductions and	780,399	670,158	855,685	881,110	881,110	906,276
4	Operating Expenses						
5							
6	Operating Income	\$ (55,267)	\$ 153,701	\$ (36,710)	\$ (60,295)	\$ (60,295)	\$ 100,697
7							
8	Other Income and	861,695	1,078	8,689	8,689	8,689	8,689
9	Deductions						
10							
11	Interest Expense	-	-	-	-	-	-
12							
13	Net Income	\$ 806,428	\$ 154,779	\$ (28,021)	\$ (51,606)	\$ (51,606)	\$ 109,386
14							
15	Common Shares	25	25	25	25	25	25
16							
17	Earned Per Average						
18	Common Share	32,257.14	6,191.15	(1,120.83)	(2,064.25)	(2,064.25)	4,375.45
19							
20	Dividends Paid	-	-	-	-	-	-
21							
22	Dividends Per						
23	Common Share	-	-	-	-	-	-
24							
25	Payout Ratio	-	-	-	-	-	-
26							
27	Return on Average						
28	Invested Capital	4.97%	1.79%	-0.32%	-0.60%	-0.59%	1.26%
29							
30	Return on Year End						
31	Capital	9.40%	1.78%	-0.31%	-0.60%	-0.59%	1.25%
32							
33	Return on Average						
34	Common Equity	-199.34%	203.50%	-20.10%	-40.43%	-51.80%	60.73%
35							
36	Return on Year End						
37	Common Equity	-60604.09%	100.87%	-22.34%	-50.67%	-69.91%	46.58%
38							
39	Times Bond Interest Earned						
40	Before Income Taxes	-	-	-	-	-	-
41							
42	Times Total Interest and						
43	Preferred Dividends Earned						
44	After Income Taxes	-	-	-	-	-	-
45							
46							
47							
48							
49							
50	SUPPORTING SCHEDULES						
51	C-1						
52	E-2						
53	F-1						
54							

Farmers Water Co.
 Test Year Ended September 30, 2012
 Summary of Capital Structure

Exhibit
 Schedule A-3
 Page 1
 Witness: Bourassa

Line No.	Description:	Prior Years Ended		Test Year	Projected Year
		<u>9/30/2010</u>	<u>9/30/2011</u>	<u>9/30/2012</u>	<u>9/30/2013</u>
1					
2					
3	Short-Term Debt	-	-	-	-
4	Long-Term Debt	-	-	-	-
5					
6	Total Debt	\$ -	\$ -	\$ -	\$ -
7					
8					
9	Preferred Stock	-	-	-	-
10					
11	Common Equity	(1,331)	153,448	125,427	73,821
12					
13					
14	Total Capital & Debt	\$ (1,331)	\$ 153,448	\$ 125,427	\$ 73,821
15					
16					
17	Capitalization Ratios:				
18					
19	Long-Term Debt	0.00%	0.00%	0.00%	0.00%
20					
21	Total Debt	0.00%	0.00%	0.00%	0.00%
22					
23					
24	Preferred Stock	-	-	-	-
25					
26	Common Equity	100.00%	100.00%	100.00%	100.00%
27					
28					
29	Total Capital	100.00%	100.00%	100.00%	100.00%
30					
31					
32	Weighted Cost of				
33	Senior Capital	0.00%	0.00%	0.00%	0.00%
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45	<u>SUPPORTING SCHEDULES:</u>				
46	E-1				
47	D-1				
48					
49					
50					

Farmers Water Co.
Test Year Ended September 30, 2012
Construction Expenditures
and Gross Utility Plant in Service

Exhibit
Schedule A-4
Page 1
Witness: Bourassa

<u>Line No.</u>		<u>Construction Expenditures</u>	<u>Net Plant Placed in Service</u>	<u>Gross Utility Plant in Service</u>
1				
2				
3				
4	Prior Year Ended 09/30/2010	756,265	624,749	10,055,611
5				
6	Prior Year Ended 09/30/2011	1,339,027	1,457,936	11,513,547
7				
8	Test Year Ended 09/30/2012	504,801	478,467	11,992,014
9				
10	Projected Year Ended 09/30/2013	370,498	370,498	12,362,512
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34	<u>SUPPORTING SCHEDULES:</u>			
35	B-2			
36	E-5			
37	F-3			
38				
39				
40				

Farmers Water Co.
Test Year Ended September 30, 2012
Summary Statements of Cash Flows

Exhibit
Schedule A-5
Page 1
Witness: Bourassa

Line No.	Prior Year Ended 9/30/2010	Prior Year Ended 9/30/2011	Test Year Ended 9/30/2012	Projected Year Present Rates 9/30/2013	Projected Year Proposed Rates 9/30/2013
5	Cash Flows from Operating Activities				
6	\$ 806,428	\$ 154,779	\$ (28,021)	\$ (51,606)	\$ 109,386
7	Adjustments to reconcile net income to net cash provided by operating activities:				
9	227,905	196,696	261,611	255,898	255,898
10	(661,670)	(109,531)	(35,913)		
11	Changes in Certain Assets and Liabilities:				
12	(8,357)	(14,794)	14,176		
13	-	-	-		
14	-	-	-		
15	(4,540)	(57,430)	63,313		
16	-	-	-		
17	27,244	1,163,663	(155,646)		
18	(7,749)	2,476	7,904		
19	-	-	-		
20	(2,797)	(2,013)	(8,247)		
21	7,434	3,659	19,443		
22	(1,075)	(15,289)	4,107		
23	3	-	(3)		
24	<u>\$ 382,827</u>	<u>\$ 1,322,216</u>	<u>\$ 142,724</u>	<u>\$ 204,291</u>	<u>\$ 365,284</u>
25	Cash Flow From Investing Activities:				
26	(756,265)	(1,339,027)	(504,801)	(370,498)	(370,498)
27	-	-	-		
28	-	-	-		
29	<u>\$ (756,265)</u>	<u>\$ (1,339,027)</u>	<u>\$ (504,801)</u>	<u>\$ (370,498)</u>	<u>\$ (370,498)</u>
30	Cash Flow From Financing Activities				
31	-	-	-		
32	-	-	-		
33	1,227,219	1,019,065	202,166	202,166	202,166
34	(844,485)	(1,005,162)	163,240	163,240	163,240
35	-	-	-	-	-
36	-	-	-	-	-
37	-	-	-	-	-
38	-	-	-	-	-
39	<u>\$ 382,734</u>	<u>\$ 13,903</u>	<u>\$ 365,406</u>	<u>\$ 365,406</u>	<u>\$ 365,406</u>
40	9,296	(2,908)	3,329	199,199	360,192
41	(9,716)	(420)	(3,329)	(0)	(0)
42	<u>\$ (420)</u>	<u>\$ (3,329)</u>	<u>\$ (0)</u>	<u>\$ 199,199</u>	<u>\$ 360,192</u>
43					
44					
45					
46					
47	<u>SUPPORTING SCHEDULES:</u>				
48	E-3				
49	F-2				
50					
51					

Farmers Water Co.
 Test Year Ended September 30, 2012
 Summary of Rate Base

Exhibit
 Schedule B-1
 Page 1
 Witness: Bourassa

Line No.	<u>Original Cost</u> <u>Rate base</u>	<u>Fair Value</u> <u>Rate Base</u>
1		
2	\$ 11,992,012	\$ 11,992,012
3	Less: Accumulated Depreciation	
4	3,246,181	3,246,181
5	Net Utility Plant in Service	
6	\$ 8,745,832	\$ 8,745,832
7	<u>Less:</u>	
8	Advances in Aid of Construction	
9	5,650,367	5,650,367
10	Contributions in Aid of Construction	
11	3,012,974	3,012,974
12	Accumulated Amortization of CIAC	
13	(322,660)	(322,660)
14	Customer Meter Deposits	
15	420,294	420,294
16	Deferred Income Taxes & Credits	
17	-	-
18		
19	<u>Plus:</u>	
20	Unamortized Finance	
21	Charges	
22	-	-
23	Prepayments	
24	-	-
25	Materials and Supplies	
26	-	-
27	Allowance for Working Capital	
28	-	-
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		
48		
49		
50		
51		
52		
	Total Rate Base	Total Rate Base
	\$ (15,143)	\$ (15,143)

SUPPORTING SCHEDULES:

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

Farmers Water Co.
 Test Year Ended September 30, 2012
 Original Cost Rate Base Proforma Adjustments

Exhibit
 Schedule B-2
 Page 1
 Witness: Bourassa

Line No.		Actual at End of <u>Test Year</u>	Proforma <u>Adjustment</u>	Adjusted at end of <u>Test Year</u>
1	Gross Utility			
2	Plant in Service	\$ 11,992,014	(2)	\$ 11,992,012
3				
4	Less:			
5	Accumulated			
6	Depreciation	3,226,858	19,323	3,246,181
7				
8				
9	Net Utility Plant			
10	in Service	\$ 8,765,157		\$ 8,745,832
11				
12	Less:			
13	Advances in Aid of			
14	Construction	5,650,367	-	5,650,367
15				
16	Contributions in Aid of			
17	Construction - Gross	3,012,974	-	3,012,974
18				
19	Accumulated Amortization of CIAC	(322,660)	-	(322,660)
20				
21	Customer Meter Deposits	420,294	-	420,294
22	Accumulated Deferred Income Tax	-	-	-
23				
24				
25				
26	Plus:			
27	Unamortized Finance			
28	Charges	-	-	-
29	Prepayments	-	-	-
30	Materials and Supplies	-	-	-
31	Working capital	-	-	-
32				
33				
34	Total	<u><u>\$ 4,182</u></u>		<u><u>\$ (15,143)</u></u>
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45	<u>SUPPORTING SCHEDULES:</u>			<u>RECAP SCHEDULES:</u>
46	B-2, pages 2			B-1
47	E-1			
48				
49				
50				

Farmers Water Co.
 Test Year Ended September 30, 2012
 Original Cost Rate Base Proforma Adjustments

Exhibit
 Schedule B-2
 Page 2
 Witness: Bourassa

Line No.	Actual at End of Test Year	<u>Proforma Adjustments</u>					Adjusted at end of Test Year
		1 Plant-in-Service	2 Accumulated Depreciation	3 Intentionally Left Blank	4 Intentionally Left Blank	5 Intentionally Left Blank	
1	\$ 11,992,014	(2)				\$ 11,992,012	
2							
3							
4							
5							
6	3,226,858		19,323			3,246,181	
7							
8							
9							
10	\$ 8,765,157	(2)	(19,323)	\$ -	\$ -	\$ 8,745,832	
11							
12							
13							
14	5,650,367					5,650,367	
15							
16							
17	3,012,974					3,012,974	
18							
19	(322,660)					(322,660)	
20							
21	420,294					420,294	
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32	\$ 4,182	(2)	(19,323)	\$ -	\$ -	\$ (15,143)	
33							
34							
35							
36							
37							
38							
39							
40							

RECAP SCHEDULES:
 B-1

SUPPORTING SCHEDULES:
 B-2, pages 3-5
 E-1

Farmers Water Co.
 Test Year Ended September 30, 2012
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 1 -A

Exhibit
 Schedule B-2
 Page 3.1
 Witness: Bourassa

Line No.	Acct. No.	Description	Recorded Original Cost	B-2 Adjustments	Adjusted Original Cost	Plant Per Reconstruction	Difference
1							
2							
3							
4							
5							
6	301	Organization Cost	6,893	-	6,893	6,893	-
7	302	Franchise Cost	-	-	-	-	-
8	303	Land and Land Rights	-	-	-	-	-
9	304	Structures and Improvements	173,667	-	173,667	173,667	-
10	305	Collecting and Impounding Res.	-	-	-	-	-
11	306	Lake River and Other Intakes	-	-	-	-	-
12	307	Wells and Springs	695,019	-	695,019	695,019	-
13	308	Infiltration Galleries and Tunnels	-	-	-	-	-
14	309	Supply Mains	-	-	-	-	-
15	310	Power Generation Equipment	-	-	-	-	-
16	311	Electric Pumping Equipment	578,087	-	578,087	578,087	-
17	320	Water Treatment Equipment	-	-	-	-	-
18	320.1	Water Treatment Plant	-	-	-	-	-
19	320.2	Chemical Solution Feeders	1,060	-	1,060	1,060	-
20	330	Dist. Reservoirs & Standpipe	-	-	-	-	-
21	330.1	Storage tanks	892,565	-	892,565	892,565	-
22	330.2	Pressure Tanks	51,164	-	51,164	51,164	-
23	331	Trans. and Dist. Mains	7,563,919	-	7,563,919	7,563,919	-
24	333	Services	912,023	-	912,023	912,023	-
25	334	Meters	639,567	-	639,567	639,567	(0)
26	335	Hydrants	318,441	-	318,441	318,441	-
27	336	Backflow Prevention Devices	-	-	-	-	-
28	339	Other Plant and Misc. Equip.	-	-	-	-	-
29	340	Office Furniture and Fixtures	1,170	-	1,170	1,170	-
30	340.1	Computers and Software	108,718	-	108,718	108,718	-
31	341	Transportation Equipment	49,719	-	49,719	49,719	-
32	342	Stores Equipment	-	-	-	-	-
33	343	Tools and Work Equipment	-	-	-	-	-
34	344	Laboratory Equipment	-	-	-	-	-
35	345	Power Operated Equipment	-	-	-	-	-
36	346	Communications Equipment	-	-	-	-	-
37	347	Miscellaneous Equipment	-	-	-	-	-
38	348	Other Tangible Plant	-	-	-	-	-
39		Rounding	2	-	2	-	(2)
40		TOTALS	\$ 11,992,014	\$ -	\$ 11,992,014	\$ 11,992,012	\$ (2)

41
 42
 43 SUPPORTING SCHEDULE
 44 B-2, pages 3.2 - 3.6
 45

Farmers Water Co.
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.2
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	Decision 71510		2008								
				Plant at 9/30/2007	Accum. Deprec. At 9/30/2007	Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Adjusted Plant Retirements	Salvage A/D Only	Depreciation ¹ (Calculated)	Plant Balance	Accum. Deprec.
1	301	Organization Cost	0.00%	6,893	-	-	-	-	-	-	-	-	6,893	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	-	-	-	-
4	304	Structures & Improvements	3.33%	14,565	6,312	-	-	-	-	-	-	485	14,565	6,797
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	694,075	323,736	-	-	-	-	-	-	23,113	694,075	346,849
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	269,905	269,905	-	-	-	-	-	-	-	269,905	269,905
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	10,482	10,482	-	-	-	-	-	-	-	10,482	10,482
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	467,978	180,443	-	-	-	-	-	-	10,389	467,978	190,832
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	5,821,757	873,694	-	-	-	-	-	-	116,027	5,821,757	989,721
19	333	Services	3.33%	806,566	166,418	-	-	-	-	-	-	26,859	806,566	193,277
20	334	Meters	8.33%	198,942	89,401	72,206	-	72,206	-	-	-	19,579	271,148	108,980
21	335	Hydrants	2.00%	233,265	61,271	-	-	-	-	-	-	4,665	233,265	65,937
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	6.67%	-	-	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software	20.00%	54,488	41,805	16,946	-	16,946	-	-	-	9,704	71,435	51,509
26	341	Transportation Equipment	20.00%	52,060	16,127	-	-	-	-	-	-	10,412	52,060	26,539
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	10.00%	-	-	-	-	-	-	-	-	-	-	-
34		Plant Held for Future Use		-	-	-	-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-	-	-	-
36		TOTALS		8,630,976	2,039,595	89,152	-	89,152	-	-	-	221,233	8,720,129	2,260,828

¹ See Worksheets

Farmers Water Co.
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.3
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Adjusted Plant Retirements	Salvage A/D Only	Depreciation' (Calculated)	Plant Balance	Accum. Deprac.
1	301	Organization Cost	0.00%	-	-	-	-	-	-	-	6,893	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	-	-
4	304	Structures & Improvements	3.33%	-	-	-	-	-	-	485	14,565	7,282
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	-	-	-	-	23,113	694,075	369,961
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	-	-	-	-	-	-	-	269,905	269,905
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	12,446	-	12,446	-	-	-	10,527	480,424	201,359
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	1,030,534	-	1,030,534	-	-	-	126,332	6,852,291	1,116,053
19	333	Services	3.33%	95,554	-	95,554	-	-	-	28,450	902,120	221,727
20	334	Meters	8.33%	57,325	-	57,325	-	-	-	24,974	328,473	133,954
21	335	Hydrants	2.00%	82,680	-	82,680	-	-	-	5,482	315,945	71,429
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software	20.00%	31,767	-	31,767	-	-	-	10,827	103,202	62,337
26	341	Transportation Equipment	20.00%	-	-	-	-	-	-	10,412	52,060	36,951
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	10.00%	-	-	-	-	-	-	-	-	-
34		Plant Held for Future Use		-	-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-	-
36		TOTALS		1,310,307	-	1,310,307	-	-	-	240,612	10,030,455	2,501,440

See Workpapers

Farmers Water Co.
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.4
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2010						Accum. Deprec.	
				Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Adjusted Plant Retirements	Salvage A/D Only		Depreciation (Calculated)
1	301	Organization Cost	0.00%	-	-	-	-	-	-	-	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-	6,893	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	-
4	304	Structures & Improvements	3.33%	-	-	-	-	-	485	14,565	7,767
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	-	-	-	23,113	694,075	393,074
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	-	-	-	-	-	-	269,905	269,905
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-	10,482	10,482
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	10,665	480,424	212,025
18	331	Transmission & Distribution Mains	2.00%	-	-	-	-	-	-	-	-
19	333	Services	3.33%	-	-	-	-	-	136,637	6,852,291	1,252,691
20	334	Meters	8.33%	-	25,175	25,175	-	-	30,041	902,120	251,767
21	335	Hydrants	2.00%	-	-	-	-	-	28,410	353,647	162,365
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	6,319	315,945	77,748
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	-	-
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	-	-	10,018	103,202	72,354
27	342	Stores Equipment	4.00%	-	-	-	-	-	10,412	52,060	47,363
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	10.00%	-	-	-	-	-	-	-	-
34		Plant Held for Future Use		-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-
36		TOTALS		25,175	25,175	25,175	-	-	256,100	10,055,610	2,757,540

See Workpapers

Farmers Water Co.
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.5
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2011												
				Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation ¹ (Calculated)	Plant Balance	Accum. Deprec.			
1	301	Organization Cost	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
4	304	Structures & Improvements	3.33%	98,599	59,369	157,968	469	328	797	3,102	171,736	10,072	-	-	-	-
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	-	-	-	-	-	-	-	-	-	-	-
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	229,734	89,954	319,689	12,557	-	12,557	19,981	577,037	277,329	-	-	-	-
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	9,422	-	9,422	-	1,060	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	240,830	163,708	404,538	-	-	-	-	884,962	227,181	-	-	-	-
17	330.2	Pressure Tanks	5.00%	36,770	14,395	51,164	-	-	-	-	51,164	1,279	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	670,806	52,831	723,636	12,009	-	12,009	143,754	7,563,919	1,364,436	-	-	-	-
19	333	Services	3.33%	10,093	-	10,093	189	-	189	30,205	912,023	281,783	-	-	-	-
20	334	Meters	8.33%	268,820	-	268,820	71,844	3,395	75,239	37,521	547,229	124,648	-	-	-	-
21	335	Hydrants	2.00%	3,346	-	3,346	389	461	850	6,344	318,441	83,241	-	-	-	-
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software	20.00%	2,076	-	2,076	2,652	-	2,652	10,088	102,626	79,790	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	-	-	-	-	52,060	52,060	-	-	-	-
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
34		Plant Held for Future Use		-	-	-	-	-	-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-	-	-	-	-	-
36		TOTALS		1,561,073	380,256	1,941,329	109,530	4,184	113,715	295,239	11,883,224	2,939,065	-	-	-	-

See Worksheets

Farmers Water Co.
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.6
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2012										
				Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation ¹ (Calculated)	Plant Balance	Accum. Deprec.	
1	301	Organization Cost	0.00%	-	-	-	-	-	-	-	-	-	6,893	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	-	-	-	-
4	304	Structures & Improvements	3.33%	1,931	-	1,931	-	-	-	-	5,751	173,667	15,823	-
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	944	-	944	-	-	-	-	23,128	695,019	439,315	-
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	1,051	-	1,051	-	-	-	-	40,027	578,087	317,355	-
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-	1,060	1,060	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	7,603	-	7,603	-	-	-	-	19,731	892,565	246,911	-
18	331	Transmission & Distribution Mains	2.00%	-	-	-	-	-	-	-	2,558	51,164	3,837	-
19	333	Services	3.33%	-	-	-	-	-	-	-	150,870	7,563,919	1,535,306	-
20	334	Meters	8.33%	115,737	-	115,737	23,399	-	-	23,399	30,370	912,023	312,154	-
21	335	Hydrants	2.00%	-	-	-	-	-	-	-	53,738	639,567	154,987	-
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	6,369	318,441	89,610	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.67%	1,170	-	1,170	-	-	-	-	39	1,170	39	-
25	340.1	Computers & Software	20.00%	6,092	-	6,092	-	-	-	-	10,767	108,718	90,557	-
26	341	Transportation Equipment	20.00%	11,659	-	11,659	14,000	-	-	14,000	1,166	49,719	39,226	-
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	10.00%	-	-	-	-	-	-	-	-	-	-	-
34		Plant Held for Future Use	10.00%	-	-	-	-	-	-	-	-	-	-	-
35														
36		TOTALS		146,187	-	146,187	37,399	-	-	37,399	344,514	11,992,012	3,246,181	-

See Worksheets

Accumulated Depreciation

Line No.	Acct. No.	Description	Per Books Accum. Depr.	A		B		C		D		E	
				Adjustments To Reconcile Plant To Reconstruction	Intentionally Left Blank	Adjusted Accum. Depr.							
1		Organization Cost	-	-	-	-	-	-	-	-	-	-	-
2		Franchise Cost	-	-	-	-	-	-	-	-	-	-	-
3		Land and Land Rights	-	-	-	-	-	-	-	-	-	-	-
4		Structures and Improvements	16,151	(328)	-	-	-	-	-	-	-	-	15,823
5		Collecting and Impounding Res.	-	-	-	-	-	-	-	-	-	-	-
6		Lake River and Other Intakes	-	-	-	-	-	-	-	-	-	-	-
7		Wells and Springs	439,313	2	-	-	-	-	-	-	-	-	439,315
8		Infiltration Galleries and Tunnels	-	-	-	-	-	-	-	-	-	-	-
9		Supply Mains	-	-	-	-	-	-	-	-	-	-	-
10		Power Generation Equipment	-	-	-	-	-	-	-	-	-	-	-
11		Electric Pumping Equipment	317,359	(4)	-	-	-	-	-	-	-	-	317,355
12		Water Treatment Equipment	-	-	-	-	-	-	-	-	-	-	-
13		Water Treatment Plant	-	-	-	-	-	-	-	-	-	-	-
14		Chemical Solution Feeders	1,060	(0)	-	-	-	-	-	-	-	-	1,060
15		Dist. Reservoirs & Standpipe	-	-	-	-	-	-	-	-	-	-	-
16		Storage tanks	247,146	(235)	-	-	-	-	-	-	-	-	246,911
17		Pressure Tanks	3,837	0	-	-	-	-	-	-	-	-	3,837
18		Trans. and Dist. Mains	1,514,203	21,103	-	-	-	-	-	-	-	-	1,535,306
19		Services	312,160	(7)	-	-	-	-	-	-	-	-	312,154
20		Meters	149,528	5,459	-	-	-	-	-	-	-	-	154,987
21		Hydrants	83,609	6,002	-	-	-	-	-	-	-	-	89,610
22		Backflow Prevention Devices	-	-	-	-	-	-	-	-	-	-	-
23		Other Plant and Misc. Equip.	-	-	-	-	-	-	-	-	-	-	-
24		Office Furniture and Fixtures	39	-	-	-	-	-	-	-	-	-	39
25		Computers and Software	103,235	(12,678)	-	-	-	-	-	-	-	-	90,557
26		Transportation Equipment	39,224	1	-	-	-	-	-	-	-	-	39,226
27		Stores Equipment	-	-	-	-	-	-	-	-	-	-	-
28		Tools and Work Equipment	-	-	-	-	-	-	-	-	-	-	-
29		Laboratory Equipment	-	-	-	-	-	-	-	-	-	-	-
30		Power Operated Equipment	-	-	-	-	-	-	-	-	-	-	-
31		Communications Equipment	-	-	-	-	-	-	-	-	-	-	-
32		Miscellaneous Equipment	-	-	-	-	-	-	-	-	-	-	-
33		Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	-
34		Rounding	-	(8)	-	-	-	-	-	-	-	-	-
35		TOTALS	\$ 3,226,858	\$ 19,323	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,246,181
36		Accumulated Depreciation per Books											\$ 3,226,858
37		Increase (decrease) in Accumulated Depreciation											\$ 19,323
38		Adjustment to Accumulated Depreciation											\$ 19,323

Farmers Water Co.
 Test Year Ended September 30, 2012
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 2 -A

Exhibit
 Schedule B-2
 Page 4.1
 Witness: Bourassa

Line

No.

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Acct. No.	Description	Recorded Accumulated Depreciation	B-2 Adjustments	Adjusted Accumulated Depreciation	Accumulated Depreciation Per Plant Reconstruction	Difference
301	Organization Cost	-	-	-	-	-
302	Franchise Cost	-	-	-	-	-
303	Land and Land Rights	-	-	-	-	-
304	Structures and Improvements	16,151	-	16,151	15,823	(328)
305	Collecting and Impounding Res.	-	-	-	-	-
306	Lake River and Other Intakes	-	-	-	-	-
307	Wells and Springs	439,313	-	439,313	439,315	2
308	Infiltration Galleries and Tunnels	-	-	-	-	-
309	Supply Mains	-	-	-	-	-
310	Power Generation Equipment	-	-	-	-	-
311	Electric Pumping Equipment	317,359	-	317,359	317,355	(4)
320	Water Treatment Equipment	-	-	-	-	-
320.1	Water Treatment Plant	-	-	-	-	-
320.2	Chemical Solution Feeders	1,060	-	1,060	1,060	(0)
330	Dist. Reservoirs & Standpipe	-	-	-	-	-
330.1	Storage tanks	247,146	-	247,146	246,911	(235)
330.2	Pressure Tanks	3,837	-	3,837	3,837	0
331	Trans. and Dist. Mains	1,514,203	-	1,514,203	1,535,306	21,103
333	Services	312,160	-	312,160	312,154	(7)
334	Meters	149,528	-	149,528	154,987	5,459
335	Hydrants	83,609	-	83,609	89,610	6,002
336	Backflow Prevention Devices	-	-	-	-	-
339	Other Plant and Misc. Equip.	-	-	-	-	-
340	Office Furniture and Fixtures	39	-	39	39	-
340.1	Computers and Software	103,235	-	103,235	90,557	(12,678)
341	Transportation Equipment	39,224	-	39,224	39,226	1
342	Stores Equipment	-	-	-	-	-
343	Tools and Work Equipment	-	-	-	-	-
344	Laboratory Equipment	-	-	-	-	-
345	Power Operated Equipment	-	-	-	-	-
346	Communications Equipment	-	-	-	-	-
347	Miscellaneous Equipment	-	-	-	-	-
348	Other Tangible Plant	-	-	-	-	-
	Rounding	(8)	-	(8)	-	8
	TOTALS	\$ 3,226,858	\$ -	\$ 3,226,858	\$ 3,246,181	\$ 19,323

SUPPORTING SCHEDULE

B-2, pages 3.2 - 3.6

Farmers Water Co.
 Test Year Ended September 30, 2012
 Computation of Working Capital

Exhibit
 Schedule B-5
 Page 1
 Witness: Bourassa

Line
No.

1	Cash Working Capital (1/8 of Allowance		
2	Operation and Maintenance Expense)	\$	64,959
3	Pumping Power (1/24 of Pumping Power)		3,370
4	Purchased Water (1/24 of Purchased Water)		-
5	Prepaid Expenses		(2,095)
6			
7			
8			
9	Total Working Capital Allowance	<u>\$</u>	<u>66,234</u>
10			
11			
12	Working Capital Requested	<u>\$</u>	<u>-</u>
13			
14			
15			
16			
17		<u>Adjusted Test Year</u>	
18	Total Operating Expense	\$	881,110
19	Less:		
20	Income Tax	\$	(8,481)
21	Property Tax		33,136
22	Depreciation		255,898
23	Purchased Water		-
24	Pumping Power		80,882
25	Allowable Expenses	<u>\$</u>	<u>519,675</u>
26	1/8 of allowable expenses	<u>\$</u>	<u>64,959</u>
27			

28
 29 SUPPORTING SCHEDULES:
 30 E-1

RECAP SCHEDULES:
 B-1

31
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Farmers Water Co.
 Test Year Ended September 30, 2012
 Income Statement

Exhibit
 Schedule C-1
 Page 1
 Witness: Bourassa

Line No.		Test Year Book Results	Adjustment	Test Year Adjusted Results	Proposed Rate Increase	Adjusted with Rate Increase
1	Revenues					
2	Metered Water Revenues	\$ 809,000	\$ 1,840	\$ 810,840	\$ 186,158	\$ 996,998
3	Unmetered Water Revenues	-	-	-		-
4	Other Water Revenues	9,975	-	9,975		9,975
5		<u>\$ 818,975</u>	<u>\$ 1,840</u>	<u>\$ 820,815</u>	<u>\$ 186,158</u>	<u>\$ 1,006,973</u>
6	Operating Expenses					
7	Salaries and Wages	\$ 223,212	32,675	\$ 255,887		\$ 255,887
8	Purchased Water	-	-	-		-
9	Purchased Power	78,516	2,366	80,882		80,882
10	Fuel For Power Production	-	-	-		-
11	Chemicals	-	-	-		-
12	Repairs and Maintenance	8,836	-	8,836		8,836
13	Office Supplies and Expense	8,007	-	8,007		8,007
14	Outside Services	83,317	-	83,317		83,317
15	Water Testing	5,432	-	5,432		5,432
16	Rents	-	-	-		-
17	Transportation Expenses	45,535	(16,828)	28,707		28,707
18	Insurance - General Liability	5,848	-	5,848		5,848
19	Insurance - Health and Life	30,261	-	30,261		30,261
20	Reg. Comm. Exp. - Other	-	-	-		-
21	Reg. Comm. Exp. - Rate Case	-	12,500	12,500		12,500
22	Miscellaneous Expense	49,427	11,958	61,385		61,385
23	Bad Debt Expense	-	-	-		-
24	Depreciation and Amortization Expense	261,611	(5,713)	255,898		255,898
25	Taxes Other Than Income	16,424	3,071	19,495		19,495
26	Property Taxes	39,259	(6,123)	33,136	2,521	35,657
27	Income Tax	-	(8,481)	(8,481)	22,644	14,163
28	Total Operating Expenses	<u>\$ 855,685</u>	<u>\$ 25,426</u>	<u>\$ 881,110</u>	<u>\$ 25,165</u>	<u>\$ 906,276</u>
29	Operating Income	<u>\$ (36,710)</u>	<u>\$ (23,586)</u>	<u>\$ (60,295)</u>	<u>\$ 160,993</u>	<u>\$ 100,697</u>
30	Other Income (Expense)					
31	Interest Income	-	-	-		-
32	Other income	8,689	-	8,689		8,689
33	Interest Expense	-	-	-		-
34	Other Expense	-	-	-		-
35		-	-	-		-
36	Total Other Income (Expense)	<u>\$ 8,689</u>	<u>\$ -</u>	<u>\$ 8,689</u>	<u>\$ -</u>	<u>\$ 8,689</u>
37	Net Profit (Loss)	<u>\$ (28,021)</u>	<u>\$ (23,586)</u>	<u>\$ (51,606)</u>	<u>\$ 160,993</u>	<u>\$ 109,386</u>

38
 39 SUPPORTING SCHEDULES:
 40 C-1, page 2.1 and 2.2
 41 E-2
 42

RECAP SCHEDULES:
 A-1

Line No.	Revenues	1 Test Year Book Results	2 Depreciation	3 Property Taxes	4 Rate Case Expense	5 Revenue Annualization	6 TEP Increase Purchased Power	7 Annualize Purchased Power
1	Metered Water Revenues	\$ 809,000			\$ 1,840			
2	Unmetered Water Revenues	-						
3	Other Water Revenues	9,975						
4		\$ 818,975	\$ -	\$ -	\$ 1,840			\$ -
5								
6	Operating Expenses							
7	Salaries and Wages	223,212						
8	Purchased Water	-					2,217	149
9	Fuel For Power Production	78,516						
10	Chemicals	-						
11	Repairs and Maintenance	8,836						
12	Office Supplies and Expense	8,007						
13	Outside Services	83,317						
14	Water Testing	5,432						
15	Rents	-						
16	Transportation Expenses	45,535						
17	Insurance - General Liability	5,848						
18	Insurance - Health and Life	30,261						
19	Reg. Comm. Exp. - Other	-			12,500			
20	Reg. Comm. Exp. - Rate Case	-						
21	Miscellaneous Expense	49,427						
22	Bad Debt Expense	-						
23	Deprec. and Amort. Exp.	261,611	(5,713)					
24	Taxes Other Than Income	16,424						
25	Property Taxes	39,259		(6,123)				
26	Income Tax	-						
27								
28	Total Operating Expenses	\$ 855,685	\$ (5,713)	\$ (6,123)	\$ 12,500	\$ -	\$ 2,217	\$ 149
29	Operating Income	\$ (36,710)	\$ 5,713	\$ 6,123	\$ (12,500)	\$ 1,840	\$ (2,217)	\$ (149)
30	Other Income (Expense)							
31	Interest Income	-						
32	Other Income	8,689						
33	Interest Expense	-						
34	Other Expense	-						
35								
36	Total Other Income (Expense)	\$ 8,689	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	Net Profit (Loss)	\$ (28,021)	\$ 5,713	\$ 6,123	\$ (12,500)	\$ 1,840	\$ (2,217)	\$ (149)
38								
39	SUPPORTING SCHEDULES:							
40	C-2							
41	E-2							

Line No.	7	8	9	10	11	Test Year Adjusted Results	Proposed Rate Increase	Adjusted with Rate Increase
	Wages & Salaries	Transportation Expense	Dues/Subscrip Misc. Expense	Banking Fees Misc. Expense	Income Taxes			
1	Revenues							
2						\$ 810,840	\$ 186,158	\$ 996,998
3						-	-	-
4						9,975		9,975
5						\$ 820,815	\$ 186,158	\$ 1,006,973
6	Operating Expenses							
7	32,675					\$ 255,887		\$ 255,887
8						-		-
9						80,882		80,882
10						-		-
11						-		-
12						8,836		8,836
13						8,007		8,007
14						83,317		83,317
15						5,432		5,432
16						-		-
17		(16,828)				28,707		28,707
18						5,848		5,848
19						30,261		30,261
20						-		-
21						12,500		12,500
22			(6,250)	18,208		61,385		61,385
23						-		-
24						255,898		255,898
25	3,071					19,495		19,495
26						33,136	2,521	35,657
27					(8,481)	(8,481)	22,644	14,163
28	\$ 35,746	\$ (16,828)	\$ (6,250)	\$ 18,208	\$ (8,481)	\$ 881,110	\$ 25,165	\$ 906,276
29	\$ (35,746)	\$ 16,828	\$ 6,250	\$ (18,208)	\$ 8,481	\$ (60,295)	\$ 160,993	\$ 100,697
30	Other Income (Expense)							
31						-		-
32						8,689		8,689
33						-		-
34						-		-
35						-		-
36						\$ 8,689		\$ 8,689
37	\$ (35,746)	\$ 16,828	\$ 6,250	\$ (18,208)	\$ 8,481	\$ (51,606)	\$ 160,993	\$ 109,386
38								

SUPPORTING SCHEDULES:
 C-2
 E-2

RECAP SCHEDULES:
 C-1, page 1

Farmers Water Co.
 Test Year Ended September 30, 2012
 Adjustments to Revenues and Expenses

Exhibit
 Schedule C-2
 Page 1
 Witness: Bourassa

Line No.	<u>Adjustments to Revenues and Expenses</u>						<u>Subtotal</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	
1							
2							
3	<u>Depreciation</u>	<u>Property Taxes</u>	<u>Rate Case Expense</u>	<u>Revenue Annualization</u>	<u>TEP Increase Purchased Power</u>	<u>Annualize Purchased Power</u>	
4	Revenues			1,840			1,840
5							
6	Expenses	(5,713)	(6,123)	12,500	2,217	149	3,031
7							
8	Operating						
9	Income	5,713	6,123	(12,500)	1,840	(2,217)	(149)
10							
11	Interest						
12	Expense					-	-
13	Other						
14	Income /						
15	Expense						-
16							
17	Net Income	5,713	6,123	(12,500)	1,840	(2,217)	(149)
18							
19							
20							
21		<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>
22							
23		<u>Wages & Salaries</u>	<u>Transportation Expense</u>	<u>Dues/Subscrip. Misc. Expense</u>	<u>Banking Fees Misc. Expense</u>	<u>Income Taxes</u>	
24							
25	Revenues						1,840
26							
27	Expenses	35,746	(16,828)	(6,250)	18,208	(8,481)	25,426
28							
29	Operating						
30	Income	(35,746)	16,828	6,250	(18,208)	8,481	-
31							
32	Interest						
33	Expense						-
34	Other						
35	Income /						
36	Expense						-
37							
38	Net Income	(35,746)	16,828	6,250	(18,208)	8,481	-
39							
40							

Farmers Water Co.
 Test Year Ended September 30, 2012
 Adjustments to Revenues and Expenses
 Adjustment Number 1

Exhibit
 Schedule C-2
 Page 2
 Witness: Bourassa

Depreciation Expense

Line No.	Acct. No.	Description	Original Cost	Non-depreciable/ Fully Depreciated	Adjusted Original Cost	Proposed Rates	Depreciation Expense
1							
2							
3							
4							
5	301	Organization Cost	6,893	(6,893)	-	0.00%	-
6	302	Franchise Cost	-	-	-	0.00%	-
7	303	Land and Land Rights	-	-	-	0.00%	-
8	304	Structures and Improvements	173,667	-	173,667	3.33%	5,783
9	305	Collecting and Impounding Res.	-	-	-	2.50%	-
10	306	Lake River and Other Intakes	-	-	-	2.50%	-
11	307	Wells and Springs	695,019	-	695,019	3.33%	23,144
12	308	Infiltration Galleries and Tunnels	-	-	-	6.67%	-
13	309	Supply Mains	-	-	-	2.00%	-
14	310	Power Generation Equipment	-	-	-	5.00%	-
15	311	Electric Pumping Equipment	578,087	(257,348)	320,739	12.50%	40,092
16	320	Water Treatment Equipment	-	-	-	3.33%	-
17	320.1	Water Treatment Plant	-	-	-	3.33%	-
18	320.2	Chemical Solution Feeders	1,060	(1,060)	-	20.00%	-
19	330	Dist. Reservoirs & Standpipe	-	-	-	2.22%	-
20	330.1	Storage tanks	892,565	-	892,565	2.22%	19,815
21	330.2	Pressure Tanks	51,164	-	51,164	5.00%	2,558
22	331	Trans. and Dist. Mains	7,563,919	-	7,563,919	2.00%	151,278
23	333	Services	912,023	-	912,023	3.33%	30,370
24	334	Meters	639,567	(12,487)	627,080	8.33%	52,236
25	335	Hydrants	318,441	-	318,441	2.00%	6,369
26	336	Backflow Prevention Devices	-	-	-	6.67%	-
27	339	Other Plant and Misc. Equip.	-	-	-	6.67%	-
28	340	Office Furniture and Fixtures	1,170	-	1,170	6.67%	78
29	340.1	Computers and Software	108,718	(51,836)	56,881	20.00%	11,376
30	341	Transportation Equipment	49,719	(38,060)	11,659	20.00%	2,332
31	342	Stores Equipment	-	-	-	4.00%	-
32	343	Tools and Work Equipment	-	-	-	5.00%	-
33	344	Laboratory Equipment	-	-	-	10.00%	-
34	345	Power Operated Equipment	-	-	-	5.00%	-
35	346	Communications Equipment	-	-	-	10.00%	-
36	347	Miscellaneous Equipment	-	-	-	10.00%	-
37	348	Other Tangible Plant	-	-	-	10.00%	-
38		TOTALS	\$ 11,992,012	\$ (367,684)	\$ 11,624,328		\$ 345,432
39							
40							
41		Less: Amortization of Contributions			\$ 3,012,974	2.9716%	\$ (89,534)
42		Total Depreciation Expense					\$ 255,898
43							
44		Adjusted Test Year Depreciation Expense					261,611
45							
46		Increase (decrease) in Depreciation Expense					(5,713)
47							
48		Adjustment to Revenues and/or Expenses					\$ (5,713)
49							
50		<u>SUPPORTING SCHEDULE</u>					
51		B-2, page 3					
52		Workpapers					

Farmers Water Co.
 Test Year Ended September 30, 2012
 Adjustment to Revenues and Expenses
 Adjustment Number 2

Exhibit
 Schedule C-2
 Page 3
 Witness: Bourassa

Property Taxes

Line No.	DESCRIPTION	Test Year as adjusted	Company Recommended
1	Company Adjusted Test Year Revenues	\$ 820,815	\$ 820,815
2	Weight Factor	<u>2</u>	<u>2</u>
3	Subtotal (Line 1 * Line 2)	1,641,630	1,641,630
4	Company Recommended Revenue	820,815	1,006,973
5	Subtotal (Line 4 + Line 5)	2,462,446	2,648,604
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	820,815	882,868
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	1,641,630	1,765,736
10	Plus: 10% of CWIP (intentionally excluded)	-	-
11	Less: Net Book Value of Licensed Vehicles	10,493	10,493
12	Full Cash Value (Line 9 + Line 10 - Line 11)	1,631,138	1,755,243
13	Assessment Ratio	20.0%	20.0%
14	Assessment Value (Line 12 * Line 13)	326,228	351,049
15	Composite Property Tax Rate - Obtained from ADOR	10.1574%	10.1574%
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$ 33,136	\$ 35,657
17	Tax on Parcels	-	-
18	Total Property Taxes (Line 16 + Line 17)	<u>\$ 33,136</u>	
19	Test Year Property Taxes	<u>\$ 39,259</u>	
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	<u>\$ (6,123)</u>	
21			
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)		<u>\$ 35,657</u>
23	Company Test Year Adjusted Property Tax Expense (Line 18)		<u>\$ 33,136</u>
24	Increase in Property Tax Due to Increase in Revenue Requirement		<u>\$ 2,521</u>
25			
26	Increase in Property Tax Due to Increase in Revenue Requirement (Line 24)		\$ 2,521
27	Increase in Revenue Requirement		\$ 186,158
28	Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27)		1.35432%
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			

Farmers Water Co.
Test Year Ended September 30, 2012
Adjustment to Revenues and Expenses
Adjustment Number 3

Exhibit
Schedule C-2
Page 4
Witness: Bourassa

Rate Case Expense

Line			
<u>No.</u>			
1			
2			
3	Estimated Rate Case Expense	\$	62,500
4			
5	Estimated Amortization Period in Years		5
6			
7	Annual Rate Case Expense	<u>\$</u>	<u>12,500</u>
8			
9	Test Year Rate Case Expense	\$	-
10			
11	Increase(decrease) Rate Case Expense	<u>\$</u>	<u>12,500</u>
12			
13	Adjustment to Revenue and/or Expense	<u>\$</u>	<u>12,500</u>
14			
15			
16	<u>Reference</u>		
17	Testimony		
18			
19			
20			

Farmers Water Co.
Test Year Ended September 30, 2012
Adjustment to Revenues and Expenses
Adjustment Number 4

Exhibit
Schedule C-2
Page 5
Witness: Bourassa

Revenue Annualization

Line
No.
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

Revenue Annualization

\$ 1,840

Total Revenue from Annualization

\$ 1,840

Adjustment to Revenue and/or Expense

\$ 1,840

SUPPORTING SCHEDULES

C-2 pages 5.1 to 5.19

H-1

Farmers Water Co.
 Revenue Annualization to Year End Customers: Residential 5/8x3/4 Inch Meter
 Test Year Ended September 30, 2012

Exhibit
 Schedule C-2
 Page 5.1
 Witness: Bourassa

Line No.	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr
1	2,294	2,294	2,294	2,294	2,294	2,294	2,294
2	2,296	2,293	2,305	2,292	2,323	2,325	2,318
3	(2)	1	(11)	2	(29)	(31)	(24)
4	\$ 15.79	\$ 15.36	\$ 15.89	\$ 14.07	\$ 16.21	\$ 15.37	\$ 15.96
5	\$ (32)	\$ 15	\$ (175)	\$ 28	\$ (470)	\$ (477)	\$ (383)
6							
7	(2)	1	(11)	2	(29)	(31)	(24)
8	\$ 18.67	\$ 18.14	\$ 18.79	\$ 16.54	\$ 19.18	\$ 18.15	\$ 18.87
9	\$ (37)	\$ 18	\$ (207)	\$ 33	\$ (556)	\$ (563)	\$ (453)
10	\$ (10,257)	\$ 4,902	\$ (56,986)	\$ 8,440	\$ (155,076)	\$ (152,104)	\$ (125,126)
11							
12							
13							
14							
15	2,294	2,294	2,294	2,294	2,294	2,294	2,294
16	2,292	2,283	2,287	2,299	2,294	2,294	2,294
17	2	11	7	(5)	-	-	(79)
18	\$ 18.94	\$ 17.75	\$ 16.22	\$ 17.00	\$ 15.70	\$ -	\$ -
19	\$ 38	\$ 195	\$ 114	\$ (85)	\$ -	\$ -	\$ (1,231)
20							
21	2	11	7	(5)	-	-	-
22	\$ 22.55	\$ 21.08	\$ 19.20	\$ 20.16	\$ 18.56	\$ -	\$ -
23	\$ 38	\$ 195	\$ 114	\$ (85)	\$ -	\$ -	\$ (1,454)
24	\$ 13,571	\$ 67,726	\$ 37,474	\$ (28,821)	\$ -	\$ -	\$ (396,257)

Farmers Water Co.
 Revenue Annualization to Year End Customers: 2 Inch Meter Multi-Family
 Test Year Ended September 30, 2012

Exhibit
 Schedule C-2
 Page 5.4
 Witness: Bourassa

Line No.		Month of Oct 16	Month of Nov 16	Month of Dec 16	Month of Jan 16	Month of Feb 16	Month of Mar 16	Month of Apr 16
1	Year End Number of Customers							
2	Actual Customers	128.14	133.42	155.12	125.95	139.12	127.34	118.74
3	Increase in Number of Customers/Bills							
4	Average Revenue / Present Rates	\$	\$	\$	\$	\$	\$	\$
5	Revenue Annualization / Present Rates							
6								
7	Increase in Number of Customers							
8	Average Revenue / Proposed Rates	\$	158.77	\$	193.90	\$	155.92	\$
9	Revenue Annualization / Proposed Rates							
10	Additional Gallons to be Produced							
11								
12								
13								
14								
15	Year End Number of Customers							
16	Actual Customers	136.24	129.94	121.43	155.11	150.95		
17	Increase in Number of Customers/Bills							
18	Average Revenue / Present Rates	\$	\$	\$	\$	\$	\$	\$
19	Revenue Annualization / Present Rates							
20								
21	Increase in Number of Customers							
22	Average Revenue / Proposed Rates	\$	169.32	\$	161.12	\$	193.90	\$
23	Revenue Annualization / Proposed Rates							
24	Additional Gallons to be Produced							

Farmers Water Co.
 Revenue Annualization to Year End Customers: 3 Inch Meter Multi-Family
 Test Year Ended September 30, 2012

Exhibit
 Schedule C-2
 Page 5.5
 Witness: Bourassa

Line No.		Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr
1	Year End Number of Customers	4	4	4	4	4	4	4
2	Actual Customers	4	4	4	4	4	4	4
3	Increase in Number of Customers/Bills							
4	Average Revenue / Present Rates	\$ 128.27	\$ 127.32	\$ 135.15	\$ 130.88	\$ 116.39	\$ 101.67	\$ 101.43
5	Revenue Annualization / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6								
7	Increase in Number of Customers							
8	Average Revenue / Proposed Rates	\$ 157.21	\$ 156.04	\$ 165.69	\$ 160.42	\$ 142.58	\$ 124.45	\$ 124.15
9	Revenue Annualization / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Additional Gallons to be Produced							
11								
12								
13								
14								
15	Year End Number of Customers	4	4	4	4	4	4	4
16	Actual Customers	4	4	4	4	4	4	4
17	Increase in Number of Customers/Bills							
18	Average Revenue / Present Rates	\$ 108.08	\$ 104.75	\$ 101.90	\$ 103.33	\$ 100.48		
19	Revenue Annualization / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20								
21	Increase in Number of Customers							
22	Average Revenue / Proposed Rates	\$ 132.34	\$ 128.25	\$ 124.74	\$ 126.49	\$ 122.98		
23	Revenue Annualization / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Additional Gallons to be Produced							

Farmers Water Co.
 Revenue Annualization to Year End Customers: 4 Inch Meter Multi-Family
 Test Year Ended September 30, 2012

Exhibit
 Schedule C-2
 Page 5.6
 Witness: Bourassa

Line No.		Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr
1	Year End Number of Customers	1	1	1	1	1	1	1
2	Actual Customers	-	-	-	-	-	-	-
3	Increase in Number of Customers/Bills	875.24	877.16	1,086.17	883.11	1,094.45	993.56	936.47
4	Average Revenue / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Revenue Annualization / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6								
7	Increase in Number of Customers	1,114.27	1,116.76	1,388.90	1,124.51	1,399.68	1,268.31	1,193.99
8	Average Revenue / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Revenue Annualization / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Additional Gallons to be Produced	-	-	-	-	-	-	-
11								
12								
13								
14								
15	Year End Number of Customers	1	1	1	1	1	1	1
16	Actual Customers	-	-	-	-	-	-	-
17	Increase in Number of Customers/Bills	1,106.13	977.88	949.99	1,112.99	1,013.55	-	-
18	Average Revenue / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Revenue Annualization / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20								
21	Increase in Number of Customers	1,414.89	1,247.90	1,211.59	1,423.83	1,294.34	-	-
22	Average Revenue / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Revenue Annualization / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Additional Gallons to be Produced	-	-	-	-	-	-	-

Farmers Water Co.
 Revenue Annualization to Year End Customers: Commercial 5/8x3/4 Inch Meter
 Test Year Ended September 30, 2012

Exhibit
 Schedule C-2
 Page 5.8
 Witness: Bourassa

Line No.		Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Total Year
1	Year End Number of Customers	11	11	11	11	11	11	11	
2	Actual Customers	11	11	11	11	11	11	11	
3	Increase in Number of Customers/Bills	-	-	-	-	-	-	-	
4	Average Revenue / Present Rates	\$ 18.36	\$ 16.54	\$ 15.68	\$ 12.31	\$ 14.64	\$ 17.58	\$ 18.53	
5	Revenue Annualization / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
6									
7	Increase in Number of Customers	-	-	-	-	-	-	-	
8	Average Revenue / Proposed Rates	\$ 22.52	\$ 20.28	\$ 19.22	\$ 15.07	\$ 17.94	\$ 21.56	\$ 22.73	
9	Revenue Annualization / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
10	Additional Gallons to be Produced	-	-	-	-	-	-	-	
11									
12									
13									
14									
15	Year End Number of Customers	11	11	11	11	11	11	11	
16	Actual Customers	11	11	11	11	11	11	11	
17	Increase in Number of Customers/Bills	-	-	-	-	-	-	-	
18	Average Revenue / Present Rates	\$ 22.24	\$ 23.28	\$ 23.80	\$ 22.59	\$ 23.36			
19	Revenue Annualization / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -			
20									
21	Increase in Number of Customers	-	-	-	-	-	-	-	
22	Average Revenue / Proposed Rates	\$ 27.30	\$ 28.58	\$ 29.22	\$ 27.73	\$ 28.68			
23	Revenue Annualization / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -			
24	Additional Gallons to be Produced	-	-	-	-	-			

Farmers Water Co.
 Revenue Annualization to Year End Customers: Commercial 1 Inch Meter
 Test Year Ended September 30, 2012

Exhibit
 Schedule C-2
 Page 5.9
 Witness: Bourassa

Line No.		Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr
1	Year End Number of Customers	11	11	11	11	11	11	11
2	Actual Customers	8	8	8	8	8	10	10
3	Increase in Number of Customers/Bills	3	3	3	3	3	1	1
4	Average Revenue / Present Rates	\$ 56.73	\$ 47.09	\$ 42.80	\$ 36.67	\$ 37.90	\$ 35.54	\$ 69.72
5	Revenue Annualization / Present Rates	\$ 170	\$ 141	\$ 128	\$ 110	\$ 114	\$ 36	\$ 70
6								
7	Increase in Number of Customers	3	3	3	3	3	1	1
8	Average Revenue / Proposed Rates	\$ 71.35	\$ 58.79	\$ 53.21	\$ 45.23	\$ 46.83	\$ 43.76	\$ 88.26
9	Revenue Annualization / Proposed Rates	\$ 214	\$ 176	\$ 160	\$ 136	\$ 140	\$ 44	\$ 88
10	Additional Gallons to be Produced	65,251	53,439	48,189	40,689	42,189	13,100	27,050
11								
12								
13								
14								
15	Year End Number of Customers	11	11	11	11	11	11	11
16	Actual Customers	10	10	11	11	11	11	11
17	Increase in Number of Customers/Bills	1	1	-	-	-	-	19
18	Average Revenue / Present Rates	\$ 56.20	\$ 38.36	\$ 39.64	\$ 47.04	\$ 34.96		
19	Revenue Annualization / Present Rates	\$ 56	\$ 38	\$ -	\$ -	\$ -		\$ 863
20								
21	Increase in Number of Customers	1	1	-	-	-	-	
22	Average Revenue / Proposed Rates	\$ 70.66	\$ 47.42	\$ 49.09	\$ 58.73	\$ 43.00		\$ 1,076
23	Revenue Annualization / Proposed Rates	\$ 56	\$ 38	\$ -	\$ -	\$ -		\$ 325,691
24	Additional Gallons to be Produced	21,533	14,250	-	-	-		

Farmers Water Co.
 Revenue Annualization to Year End Customers: Commercial 1 1/2 Inch Meter
 Test Year Ended September 30, 2012

Exhibit
 Schedule C-2
 Page 5.10
 Witness: Bourassa

Line No.		Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr
1	Year End Number of Customers	6	6	6	6	6	6	6
2	Actual Customers	6	6	6	6	6	6	6
3	Increase in Number of Customers/Bills	-	-	-	-	-	-	-
4	Average Revenue / Present Rates	\$ 43.12	\$ 47.87	\$ 52.94	\$ 50.72	\$ 55.95	\$ 50.41	\$ 53.26
5	Revenue Annualization / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6		-	-	-	-	-	-	-
7	Increase in Number of Customers	-	-	-	-	-	-	-
8	Average Revenue / Proposed Rates	\$ 52.87	\$ 58.72	\$ 64.96	\$ 62.23	\$ 68.67	\$ 61.84	\$ 65.35
9	Revenue Annualization / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Additional Gallons to be Produced	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-
12		-	-	-	-	-	-	-
13		-	-	-	-	-	-	-
14		-	-	-	-	-	-	-
15	Year End Number of Customers	6	6	6	6	6	6	6
16	Actual Customers	6	6	6	6	6	6	6
17	Increase in Number of Customers/Bills	-	-	-	-	-	-	-
18	Average Revenue / Present Rates	\$ 58.01	\$ 51.04	\$ 51.52	\$ 54.68	\$ 50.41		
19	Revenue Annualization / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20		-	-	-	-	-	-	-
21	Increase in Number of Customers	-	-	-	-	-	-	-
22	Average Revenue / Proposed Rates	\$ 71.20	\$ 62.62	\$ 63.21	\$ 67.11	\$ 61.84		
23	Revenue Annualization / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Additional Gallons to be Produced	-	-	-	-	-	-	-

Farmers Water Co.
 Revenue Annualization to Year End Customers: 1 Inch Industrial
 Test Year Ended September 30, 2012

Exhibit
 Schedule
 Page 5.14
 Witness: Bourassa

Line No.		Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr
1	Year End Number of Customers	3	3	3	3	3	3	3
2	Actual Customers	4	4	4	4	4	4	4
3	Increase in Number of Customers/Bills	(1)	(1)	(1)	(1)	(1)	(1)	(1)
4	Average Revenue / Present Rates	\$ 68.06	\$ 54.59	\$ 59.49	\$ 65.61	\$ 107.58	\$ 87.11	\$ 73.68
5	Revenue Annualization / Present Rates	\$ (68)	\$ (55)	\$ (59)	\$ (66)	\$ (108)	\$ (87)	\$ (74)
6								
7	Increase in Number of Customers	(1)	(1)	(1)	(1)	(1)	(1)	(1)
8	Average Revenue / Proposed Rates	\$ 86.10	\$ 68.56	\$ 74.94	\$ 82.91	\$ 137.55	\$ 110.90	\$ 93.42
9	Revenue Annualization / Proposed Rates	\$ (86)	\$ (69)	\$ (75)	\$ (83)	\$ (138)	\$ (111)	\$ (93)
10	Additional Gallons to be Produced	(26,376)	(20,876)	(22,876)	(25,376)	(42,505)	(34,148)	(28,668)
11								
12								
13								
14								
15	Year End Number of Customers	3	3	3	3	3	3	3
16	Actual Customers	3	3	3	3	3	3	3
17	Increase in Number of Customers/Bills	-	-	-	-	-	-	(7)
18	Average Revenue / Present Rates	\$ 142.08	\$ 113.02	\$ 109.82	\$ 139.24	\$ 122.27	\$	\$
19	Revenue Annualization / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (516)
20								
21	Increase in Number of Customers	-	-	-	-	-	-	-
22	Average Revenue / Proposed Rates	\$ 182.47	\$ 144.64	\$ 140.47	\$ 178.78	\$ 156.69	\$	\$ (654)
23	Revenue Annualization / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200,823)
24	Additional Gallons to be Produced	-	-	-	-	-	-	-

Farmers Water Co.
 Revenue Annualization to Year End Customers: 2 Inch Industrial
 Test Year Ended September 30, 2012

Exhibit
 Schedule
 Page 5.15
 Witness: Bourassa

Line No.		Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr
1	Year End Number of Customers	2	2	2	2	2	2	2
2	Actual Customers	-	-	-	-	-	-	-
3	Increase in Number of Customers/Bills	\$ 2,216.86	\$ 2,467.80	\$ 3,562.61	\$ 1,740.46	\$ 3,836.26	\$ 3,098.28	\$ 2,778.75
4	Average Revenue / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Revenue Annualization / Present Rates	-	-	-	-	-	-	-
6		-	-	-	-	-	-	-
7	Increase in Number of Customers	\$ 2,878.38	\$ 3,205.11	\$ 4,630.59	\$ 2,258.08	\$ 4,986.89	\$ 4,026.02	\$ 3,609.98
8	Average Revenue / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Revenue Annualization / Proposed Rates	-	-	-	-	-	-	-
10	Additional Gallons to be Produced	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-
12		-	-	-	-	-	-	-
13		-	-	-	-	-	-	-
14		-	-	-	-	-	-	-
15	Year End Number of Customers	2	2	2	2	2	2	2
16	Actual Customers	2	2	2	2	2	2	2
17	Increase in Number of Customers/Bills	-	-	-	-	-	-	-
18	Average Revenue / Present Rates	\$ 2,989.72	\$ 2,628.10	\$ 1,611.55	\$ 3,496.24	\$ 2,553.75	\$ -	\$ -
19	Revenue Annualization / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20		-	-	-	-	-	-	-
21	Increase in Number of Customers	\$ 3,884.66	\$ 3,413.83	\$ 2,090.23	\$ 4,544.18	\$ 3,317.02	\$ -	\$ -
22	Average Revenue / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Revenue Annualization / Proposed Rates	-	-	-	-	-	-	-
24	Additional Gallons to be Produced	-	-	-	-	-	-	-

Farmers Water Co.
 Revenue Annualization to Year End Customers: 5/8x3/4 Inch Residential Irrigation
 Test Year Ended September 30, 2012

Exhibit
 Schedule
 Page 5.16
 Witness: Bourassa

Line No.		Month of Oct 25	Month of Nov 25	Month of Dec 25	Month of Jan 25	Month of Feb 25	Month of Mar 25	Month of Apr 25
1	Year End Number of Customers	-	-	-	-	-	-	-
2	Actual Customers	14.71	17.91	13.35	11.36	12.92	12.98	15.02
3	Increase in Number of Customers/Bills	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Average Revenue / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Revenue Annualization / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6								
7	Increase in Number of Customers	-	-	-	-	-	-	-
8	Average Revenue / Proposed Rates	20.74	24.67	18.92	15.45	18.17	18.26	21.12
9	Revenue Annualization / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Additional Gallons to be Produced	-	-	-	-	-	-	-
11								
12								
13								
14								
15	Year End Number of Customers	-	-	-	-	-	-	-
16	Actual Customers	18.25	17.07	17.22	15.47	13.49	-	-
17	Increase in Number of Customers/Bills	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Average Revenue / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Revenue Annualization / Present Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20								
21	Increase in Number of Customers	-	-	-	-	-	-	-
22	Average Revenue / Proposed Rates	25.09	23.64	23.83	21.68	19.15	-	-
23	Revenue Annualization / Proposed Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Additional Gallons to be Produced	-	-	-	-	-	-	-

Farmers Water Co.
 Revenue Annualization to Year End Customers: 2 Inch Irrigation
 Test Year Ended September 30, 2012

Exhibit
 Schedule
 Page 5.19
 Witness: Bourassa

Line No.		Month of Oct 20	Month of Nov 20	Month of Dec 20	Month of Jan 20	Month of Feb 20	Month of Mar 20	Month of Apr 20
1	Year End Number of Customers	-	-	-	-	-	-	-
2	Actual Customers	149.98	212.93	174.28	133.33	148.44	155.16	168.32
3	Increase in Number of Customers/Bills	\$	\$	\$	\$	\$	\$	\$
4	Average Revenue / Present Rates	-	-	-	-	-	-	-
5	Revenue Annualization / Present Rates	-	-	-	-	-	-	-
6								
7	Increase in Number of Customers	-	-	-	-	-	-	-
8	Average Revenue / Proposed Rates	187.22	269.17	218.85	165.53	185.21	193.95	211.09
9	Revenue Annualization / Proposed Rates	\$	\$	\$	\$	\$	\$	\$
10	Additional Gallons to be Produced	-	-	-	-	-	-	-
11								
12								
13								
14								
15	Year End Number of Customers	275.29	311.51	261.09	265.93	190.22	-	-
16	Actual Customers	\$	\$	\$	\$	\$	\$	\$
17	Increase in Number of Customers/Bills	-	-	-	-	-	-	-
18	Average Revenue / Present Rates	350.37	397.53	331.88	338.19	239.60	-	-
19	Revenue Annualization / Present Rates	\$	\$	\$	\$	\$	\$	\$
20								
21	Increase in Number of Customers	-	-	-	-	-	-	-
22	Average Revenue / Proposed Rates	275.29	311.51	261.09	265.93	190.22	-	-
23	Revenue Annualization / Proposed Rates	\$	\$	\$	\$	\$	\$	\$
24	Additional Gallons to be Produced	-	-	-	-	-	-	-

Farmers Water Co.
Test Year Ended September 30, 2012
Adjustment to Revenues and Expenses
Adjustment Number 5

Exhibit
Schedule C-2
Page 6
Witness: Bourassa

Purchased Power - TEP Increase

Line

No.

1

2

Recomputed power bills based upon new TEP rates

\$ 76,914

3

Test year TEP purchased power expense

74,697

4

Increase (decrease) to purchased power expense

\$ 2,217

5

6

7

8

9

10

11

12

13

Adjustment to Revenue and/or Expense

\$ 2,217

14

15

Reference

16

Testimony

17

Work papers

18

19

20

Farmers Water Co.
Test Year Ended September 30, 2012
Adjustment to Revenues and Expenses
Adjustment Number 6

Exhibit
Schedule C-2
Page 7
Witness: Bourassa

Annualize Purchased Power

Line			
<u>No.</u>			
1			
2	Test year purchased power expense including TEP Increase	\$	80,733
3	Gallons sold in test year (in 1,000's)		263,957
4	Cost per 1,000 gallons	\$	0.31
5			
6	Additional gallons sold from annualization (in 1,000's)		487
7	Additional purchased power cost	\$	149
8			
9			
10	Adjustment to purchased power expense (rounded)	<u>\$</u>	<u>149</u>
11			
12			
13	Adjustment to Revenue and/or Expense		<u>149</u>
14			
15	<u>Reference</u>		
16	Testimony		
17	Work papers		
18			
19			
20			

Farmers Water Co.
Test Year Ended September 30, 2012
Adjustment to Revenues and Expenses
Adjustment Number 7

Exhibit
Schedule C-2
Page 8
Witness: Bourassa

Salaries and Wages

Line No.			
1			
2	Annualized Salaries and Wages	\$ 255,887	
3	Test Year Salaries and Wages	223,212	
4	Adjustment to Salaries and Wages Expense	<u>\$ 32,675</u>	Adjustment 6a
5			
6	Annualized Payroll Taxes	\$ 19,064	
7	Test Year Payroll Taxes	15,993	
8	Adjustment to Taxes Other Than Income	<u>\$ 3,071</u>	Adjustment 6b
9			
10			
11			
12			
13	Adjustment to Revenue and/or Expense	<u>\$ 35,746</u>	
14			
15			
16			
17			
18			
19			
20			
21	<u>Reference</u>		
22	Testimony		
23	Work papers		
24			
25			
26			

Farmers Water Co.
Test Year Ended December 31, 2001
Adjustment to Revenues and Expenses
Adjustment Number 8

Exhibit
Schedule C-2
Page 9
Witness: Bourassa

Transportation Expense

Line			
<u>No.</u>			
1			
2	Transportation Expense at revised reimbursement rate	\$	25,624
3	Test Year Transportation Expense at old reimbursement rate		<u>42,451</u>
4	Increase (decrease) in Transportation Expense	\$	(16,828)
5			
6			
7			
8			
9			
10	Adjustment to Revenue and/or Expense	\$	<u>(16,828)</u>
11			
12			
13			
14			
15	<u>SUPPORTING SCHEDULES</u>		
16	Testimony		
17	Work papers		
18			
19			
20			
21			
22			

Farmers Water Co.
Test Year Ended December 31, 2001
Adjustment to Revenues and Expenses
Adjustment Number 9

Exhibit
Schedule C-2
Page 10
Witness: Bourassa

Miscellaneous Expenses - Dues and Subscriptions

Line			
<u>No.</u>			
1			
2	Annualized Dues and Subscriptions	\$	3,833
3	Test Year Dues and Subscriptions		<u>10,083</u>
4	Increase (decrease) in Dues and Subscriptions	\$	(6,250)
5			
6			
7			
8			
9			
10	Adjustment to Revenue and/or Expense	\$	<u>(6,250)</u>
11			
12			
13			
14			
15	<u>SUPPORTING SCHEDULES</u>		
16	Testimony		
17	Work papers		
18			
19			
20			

Farmers Water Co.
Test Year Ended September 30, 2012
Adjustment to Revenues and Expenses
Adjustment Number 10

Exhibit
Schedule C-2
Page 11
Witness: Bourassa

Miscellaneous Expenses - Banking Fees

Line			
<u>No.</u>			
1			
2	Annualized banking fees for web based transactions	\$	22,881
3	Test Year banking fees		4,674
4	Increase (decrease) in Dues and Subscriptions	\$	18,208
5			
6			
7			
8			
9			
10	Adjustment to Revenue and/or Expense	\$	18,208
11			
12			
13			
14			
15	<u>SUPPORTING SCHEDULES</u>		
16	Testimony		
17	Work papers		
18			
19			
20			

Farmers Water Co.
Test Year Ended September 30, 2012
Adjustment to Revenues and/or Expenses
Adjustment Number 11

Exhibit
Schedule C-2
Page 12
Witness: Bourassa

Line
No.

	<u>Test Year</u> <u>at Present Rates</u>	<u>Test Year</u> <u>at Proposed Rates</u>
1 <u>Income Taxes</u>		
2		
3		
4 Computed Income Tax	\$ (8,481)	\$ 14,163
5 Test Year Income tax Expense	-	(8,481)
6 Adjustment to Income Tax Expense	<u>\$ (8,481)</u>	<u>\$ 22,644</u>

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SUPPORTING SCHEDULE
C-3, page 2

Farmers Water Co.
 Test Year Ended September 30, 2012
 Computation of Gross Revenue Conversion Factor

Exhibit
 Schedule C-3
 Page 1
 Witness: Bourassa

Line No.	<u>Description</u>	Percentage of Incremental Gross <u>Revenues</u>
1	Combined Federal and State Effective Income Tax Rate	12.331%
2		
3	Property Taxes	1.187%
4		
5		
6	Total Tax Percentage	13.518%
7		
8	Operating Income % = 100% - Tax Percentage	86.482%
9		
10		
11		
12		
13	1 = Gross Revenue Conversion Factor	
14	Operating Income %	1.1563
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
26	C-3, page 2	A-1
27		
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Farmers Water Co.
 Test Year Ended September 30, 2012

Exhibit
 Schedule C-3
 Page 2
 Witness: Bourassa

GROSS REVENUE CONVERSION FACTOR

Line No.	Description	(A)	(B)	(C)	(D)	(E)	(F)
Calculation of Gross Revenue Conversion Factor:							
1	Revenue	100.0000%					
2	Uncollectible Factor (Line 11)	0.0000%					
3	Revenues (L1 - L2)	100.0000%					
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	13.5183%					
5	Subtotal (L3 - L4)	86.4817%					
6	Revenue Conversion Factor (L1 / L5)	1.156314					
Calculation of Uncollectible Factor:							
7	Unity	100.0000%					
8	Combined Federal and State Tax Rate (L17)	12.3310%					
9	One Minus Combined Income Tax Rate (L7 - L8)	87.6690%					
10	Uncollectible Rate	0.0000%					
11	Uncollectible Factor (L9 * L10)		0.0000%				
Calculation of Effective Tax Rate:							
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%					
13	Arizona State Income Tax Rate	2.5900%					
14	Federal Taxable Income (L12 - L13)	97.4100%					
15	Applicable Federal Income Tax Rate (L55 Col F)	10.0000%					
16	Effective Federal Income Tax Rate (L14 x L15)	9.7410%					
17	Combined Federal and State Income Tax Rate (L13 + L16)		12.3310%				
Calculation of Effective Property Tax Factor							
18	Unity	100.0000%					
19	Combined Federal and State Income Tax Rate (L17)	12.3310%					
20	One Minus Combined Income Tax Rate (L18-L19)	87.6690%					
21	Property Tax Factor	1.3543%					
22	Effective Property Tax Factor (L20*L21)		1.1873%				
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			13.5183%			
24	Required Operating Income	\$ 100,697					
25	Adjusted Test Year Operating Income (Loss)	\$ (60,295)					
26	Required Increase in Operating Income (L24 - L25)		\$ 160,993				
27	Income Taxes on Recommended Revenue (Col. (F), L52)	\$ 14,163					
28	Income Taxes on Test Year Revenue (Col. (C), L52)	\$ (8,481)					
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		\$ 22,644				
30	Recommended Revenue Requirement	\$ 1,006,973					
31	Uncollectible Rate (Line 10)	0.0000%					
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$ -					
33	Adjusted Test Year Uncollectible Expense	\$ -					
34	Required Increase in Revenue to Provide for Uncollectible Exp.		\$ -				
35	Property Tax with Recommended Revenue	\$ 35,657					
36	Property Tax on Test Year Revenue	\$ 33,136					
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		\$ 2,521				
38	Total Required Increase in Revenue (L26 + L29 + L37)		\$ 186,158				

	(A) (B) (C)			(D) (E) (F)		
	Test Year			Company Recommended		
	Total		Water	Total		Water
39 Revenue	\$ 820,815		\$ 820,815	\$ 1,006,973		\$ 1,006,973
40 Operating Expenses Excluding Income Taxes	889,591		889,591	892,112		892,112
41 Synchronized Interest (L47)	-		-	-		-
42 Arizona Taxable Income (L39 - L40 - L41)	\$(68,776)		\$(68,776)	\$ 114,861		\$ 114,861
43 Arizona State Effective Income Tax Rate (see work papers)	2.5900%		2.5900%	2.5900%		2.5900%
44 Arizona Income Tax (L42 x L43)	\$(1,781)		\$(1,781)	\$ 2,975		\$ 2,975
45 Federal Taxable Income (L42- L44)	\$(66,995)		\$(66,995)	\$ 111,886		\$ 111,886
46 Federal Tax Rate (see work papers)	10.0000%		10.0000%	10.0000%		10.0000%
47 Federal Tax	\$(6,699)		\$(6,699)	\$ 11,189		\$ 11,189
48						
49						
50						
51						
52						
53 Total Federal Income Tax	\$(6,699)		\$(6,699)	\$ 11,189		\$ 11,189
54 Combined Federal and State Income Tax (L35 + L42)	\$(8,481)		\$(8,481)	\$ 14,163		\$ 14,163

55 **COMBINED** Applicable Federal Income Tax Rate [Col. (D), L53 - Col. (A), L53 / [Col. (D), L45 - Col. (A), L45] 10.0000%

56 **WASTEWATER** Applicable Federal Income Tax Rate [Col. (E), L53 - Col. (B), L53] / [Col. (E), L45 - Col. (B), L45] 0.0000%

57 **WATER** Applicable Federal Income Tax Rate [Col. (F), L53 - Col. (C), L53] / [Col. (F), L45 - Col. (C), L45] 10.0000%

Calculation of Interest Synchronization:

58 Rate Base

59 Weighted Average Cost of Debt

60 Synchronized Interest (L59 X L60)

	Wastewater	Water
\$	-	\$ (15,143)
	0.0000%	0.0000%
\$	-	\$ -

Farmers Water Co.
Test Year Ended September 30, 2012
Summary of Cost of Capital

Exhibit
 Schedule D-1
 Page 1
 Witness: Bourassa

Consolidated Capital Structure

Adjusted End of Test Year

Projected Capital Structure

Line No.	Item of Capital	Dollar Amount	Percent of Total	Cost Rate	Weighted Cost	Dollar Amount	Percent of Total	Cost Rate	Weighted Cost
1	Long-Term Debt	-	0.00%	0.00%	NMF	-	0.00%	0.00%	NMF
3	Stockholder's Equity	125,427	100.00%	NMF	NMF	73,821	100.00%	NMF	NMF
5	Totals	125,427	100.00%		NMF	73,821	100.00%		NMF

SUPPORTING SCHEDULES:

- D-1
- D-3
- D-4
- E-1
- Testimony

RECAP SCHEDULES:
 A-3

Line No. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

Farmers Water Co.
Test Year Ended September 30, 2012
Cost of Preferred Stock

Exhibit
Schedule D-3
Page 1
Witness: Bourassa

Line

No.

1

End of Test Year

End of Projected Year

2

3

Description
of Issue

Shares

Dividend

Shares

Dividend

4

Outstanding Amount Requirement

Outstanding Amount Requirement

5

6

7

NOT APPLICABLE, NO PREFERRED STOCK ISSUED OR OUTSTANDING

8

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SUPPORTING SCHEDULES:

RECAP SCHEDULES:

22

E-1

D-1

23

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Farmers Water Co.
Test Year Ended September 30, 2012
Cost of Common Equity

Exhibit
Schedule D-4
Page 1
Witness: Bourassa

Line

No.

1

2

The Company is proposing an operating margin of 10.00% .

3

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5

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17 SUPPORTING SCHEDULES:

RECAP SCHEDULES:

18 E-1

D-1

19 D-4.1 to D-4.16

20

Farmers Water Co.
 Test Year Ended September 30, 2012
 Comparative Balance Sheets

Exhibit
 Schedule E-1
 Page 1
 Witness: Bourassa

Line No.	Test Year Ended 9/30/2012	Year Ended 9/30/2011	Year Ended 9/30/2010
1	<u>ASSETS</u>		
2	\$ 11,992,014	\$ 11,513,547	\$ 10,055,611
3	-	-	-
4	38,941	12,607	131,516
5	<u>(3,226,858)</u>	<u>(2,923,868)</u>	<u>(2,778,911)</u>
6	<u>\$ 8,804,097</u>	<u>\$ 8,602,285</u>	<u>\$ 7,408,215</u>
7			
8	\$ -	\$ -	\$ -
9			
10	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
11			
12	CURRENT ASSETS		
13	\$ (0)	\$ (3,329)	\$ (421)
14	-	-	-
15	62,984	77,160	62,366
16	95,023	(60,623)	1,103,040
17	-	-	-
18	-	-	-
19	(2,095)	61,218	3,788
20	-	1,300	-
21	<u>\$ 155,912</u>	<u>\$ 75,726</u>	<u>\$ 1,168,772</u>
22			
23	\$ -	\$ -	\$ -
24	-	-	-
25	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
26			
27	\$ -	\$ -	\$ -
28			
29	<u>\$ 8,960,009</u>	<u>\$ 8,678,011</u>	<u>\$ 8,576,988</u>
30			
31			
32	<u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>		
33			
34	\$ 125,427	\$ 153,448	\$ (1,331)
35			
36	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
37			
38	CURRENT LIABILITIES		
39	\$ 22,671	\$ 14,767	\$ 12,291
40	-	-	-
41	-	-	-
42	-	-	-
43	-	-	-
44	44,030	24,587	20,928
45	-	-	-
46	6,907	4,100	18,089
47	<u>\$ 73,608</u>	<u>\$ 43,454</u>	<u>\$ 51,308</u>
48	DEFERRED CREDITS		
49	\$ 420,294	\$ 428,541	\$ 430,554
50	5,650,367	5,487,127	6,492,289
51	-	-	-
52	3,012,974	2,810,808	1,791,743
53	<u>(322,660)</u>	<u>(245,368)</u>	<u>(187,576)</u>
54	<u>\$ 8,760,975</u>	<u>\$ 8,481,108</u>	<u>\$ 8,527,010</u>
55			
56	<u>\$ 8,960,009</u>	<u>\$ 8,678,011</u>	<u>\$ 8,576,988</u>
57			
58			
59			
60	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>	
61		A-3	

Farmers Water Co.
 Test Year Ended September 30, 2012
 Comparative Income Statements

Exhibit
 Schedule E-2
 Page 1
 Witness: Bourassa

Line No.		Test Year Ended <u>9/30/2012</u>	Prior Year Ended <u>9/30/2011</u>	Prior Year Ended <u>9/30/2010</u>
1	Revenues			
2	Metered Water Revenues	\$ 809,000	\$ 815,153	\$ 714,312
3	Unmetered Water Revenues	-	-	-
4	Other Water Revenues	9,975	8,706	10,820
5	Total Revenues	<u>\$ 818,975</u>	<u>\$ 823,859</u>	<u>\$ 725,132</u>
6	Operating Expenses			
7	Salaries and Wages	\$ 223,212	\$ 241,509	\$ 198,948
8	Purchased Water	-	-	-
9	Purchased Power	78,516	72,311	74,178
10	Fuel For Power Production	-	-	-
11	Chemicals	-	-	-
12	Repairs and Maintenance	8,836	4,592	107,162
13	Office Supplies and Expense	8,007	7,743	13,341
14	Outside Services	83,317	18,039	21,402
15	Water Testing	5,432	12,076	11,341
16	Rents	-	-	-
17	Transportation Expenses	45,535	105	5
18	Insurance - General Liability	5,848	3,155	3,068
19	Insurance - Health and Life	30,261	31,791	29,222
20	Reg. Comm. Exp. - Other	-	-	-
21	Reg. Comm. Exp. - Rate Case	-	1,142	33,265
22	Miscellaneous Expense	49,427	40,445	14,693
23	Bad Debt Expense	-	-	1,700
24	Depreciation and Amortization Expense	261,611	196,696	227,905
25	Taxes Other Than Income	16,424	18,682	22,782
26	Property Taxes	39,259	21,873	21,387
27	Income Tax	-	-	-
28				
29				
30	Total Operating Expenses	<u>\$ 855,685</u>	<u>\$ 670,158</u>	<u>\$ 780,399</u>
31	Operating Income	<u>\$ (36,710)</u>	<u>\$ 153,701</u>	<u>\$ (55,267)</u>
32	Other Income (Expense)			
33	Interest Income	-	-	-
34	Other Income	8,689	5,262	861,695
35	Interest Expense	-	-	-
36	Other Expense	-	(4,184)	-
37	Gain (loss) on Disposal of Equip			
38	Total Other Income (Expense)	<u>\$ 8,689</u>	<u>\$ 1,078</u>	<u>\$ 861,695</u>
39	Net Profit (Loss)	<u>\$ (28,021)</u>	<u>\$ 154,779</u>	<u>\$ 806,428</u>
40				
41				
42				
43	<u>SUPPORTING SCHEDULES:</u>			
44				
45				

Farmers Water Co.
 Test Year Ended September 30, 2012
 Comparative Statements of Cash Flows

Exhibit
 Schedule E-3
 Page 1
 Witness: Bourassa

Line No.	Test Year Ended <u>9/30/2012</u>	Prior Year Ended <u>9/30/2011</u>	Prior Year Ended <u>9/30/2010</u>
1			
2			
3	Cash Flows from Operating Activities		
4	\$ (28,021)	\$ 154,779	\$ 806,428
5	Adjustments to reconcile net income to net cash		
6	provided by operating activities:		
7	261,611	196,696	227,905
8	(35,913)	(109,531)	(661,670)
9	Changes in Certain Assets and Liabilities:		
10	14,176	(14,794)	(8,357)
11	Accounts Receivable		
12	Unbilled Revenues		
13	63,313	(57,430)	(4,540)
14	Materials and Supplies Inventory		
15	(155,646)	1,163,663	27,244
16	7,904	2,476	(7,749)
17	Prepaid Expenses		
18	Deferred Charges		
19	(8,247)	(2,013)	(2,797)
20	19,443	3,659	7,434
21	4,107	(15,289)	(1,075)
22	(3)		3
23	\$ 142,724	\$ 1,322,216	\$ 382,827
24	Net Cash Flow provided by Operating Activities		
25	Cash Flow From Investing Activities:		
26	(504,801)	(1,339,027)	(756,265)
27	Capital Expenditures		
28	Plant Held for Future Use		
29	Changes in Special Funds		
30	\$ (504,801)	\$ (1,339,027)	\$ (756,265)
31	Net Cash Flows from Investing Activities		
32	Cash Flow From Financing Activities		
33	Change in Restricted Cash		
34	Proceeds from Long-Term Debt		
35	202,166	1,019,065	1,227,219
36	163,240	(1,005,162)	(844,485)
37	Net receipt of contributions in aid of construction		
38	Net receipts of advances in aid of construction		
39	Repayments of Long-Term Debt		
40	Distributions		
41	Deferred Financing Costs		
42	Paid in Capital		
43	\$ 365,406	\$ 13,903	\$ 382,734
44	Net Cash Flows Provided by Financing Activities		
45	3,329	(2,908)	9,296
46	Increase(decrease) in Cash and Cash Equivalents		
47	(3,329)	(420)	(9,716)
48	Cash and Cash Equivalents at Beginning of Year		
49	\$ (0)	\$ (3,329)	\$ (420)
50	Cash and Cash Equivalents at End of Year		

43 SUPPORTING SCHEDULES:
 44 Workpapers/cashflow water.xls
 45

RECAP SCHEDULES:
 A-5

Farmers Water Co.
 Test Year Ended September 30, 2012
 Statement of Changes in Stockholder's Equity

Exhibit
 Schedule E-4
 Page 1
 Witness: Bourassa

Line No.		Common Stock Equity	Paid-in-Capital	Retained Earnings	Total
1					
2					
3					
4	Balance, September 30, 2009	\$ 2,500	\$ 497,500	\$ (1,307,758)	\$ (807,758)
5	Addnl Paid In Capital Adjustment	-			-
6	Distributions			-	-
7	Rounding	(1)		-	(1)
8	Net Income			806,428	806,428
9					
10	Balance, September 30, 2010	\$ 2,499	\$ 497,500	\$ (501,330)	\$ (1,331)
11	Addnl Paid In Capital Adjustment	-	-		-
12	Distributions			-	-
13	Rounding			-	-
14	Net Income			154,779	154,779
15					
16	Balance, September 30, 2011	\$ 2,499	\$ 497,500	\$ (346,551)	\$ 153,448
17	Addnl Paid In Capital Adjustment	-			-
18	Distributions			-	-
19	Rounding	-		-	-
20	Net Income			(28,021)	(28,021)
21					
22	Balance, September 30, 2012	<u>\$ 2,499</u>	<u>\$ 497,500</u>	<u>\$ (374,572)</u>	<u>\$ 125,427</u>

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SUPPORTING SCHEDULES:

RECAP SCHEDULES:
 E-1

Farmers Water Co.
 Test Year Ended September 30, 2012
 Detail of Plant in Service

Exhibit
 Schedule E-5
 Page 1
 Witness: Bourassa

Line No.	Acct. No.	Plant Description	Plant Balance at 9/30/2011	Plant Additions, Reclassifications or Retirements	Plant Balance at 9/30/2012
1					
2	301	Organization Cost	\$ 6,893	\$ -	\$ 6,893
3	302	Franchise Cost		-	-
4	303	Land and Land Rights		-	-
5	304	Structures & Improvements	112,367	61,300	173,667
6	305	Collecting & Impounding Reservoirs		-	-
7	306	Lake, River, Canal Intakes		-	-
8	307	Wells & Springs	694,072	947	695,019
9	308	Infiltration Galleries		-	-
10	309	Raw Water Supply Mains		-	-
11	310	Power Generation Equipment		-	-
12	311	Pumping Equipment	487,086	91,001	578,087
13	320	Water Treatment Equipment		-	-
14	320	Water Treatment Plants		-	-
15	320.2	Solution Chemical Feeders	1,060	(0)	1,060
16	330.0	Distribution Reservoirs & Standpipes		-	-
17	330	Storage Tanks	731,830	160,735	892,565
18	330.2	Pressure Tanks	36,770	14,395	51,164
19	331	Transmission & Distribution Mains	7,511,090	52,829	7,563,919
20	333	Services	912,023	-	912,023
21	334	Meters	547,229	92,338	639,567
22	335	Hydrants	318,441	(0)	318,441
23	336	Backflow Prevention Devices		-	-
24	339	Other Plant & Misc Equipment		-	-
25	340	Office Furniture & Equipment	-	1,170	1,170
26	340.1	Computers & Software	102,625	6,092	108,718
27	341	Transportation Equipment	52,059	(2,340)	49,719
28	342	Stores Equipment		-	-
29	343	Tools, Shop & Garage Equipment		-	-
30	344	Laboratory Equipment		-	-
31	345	Power Operated Equipment		-	-
32	346	Communication Equipment		-	-
33	347	Miscellaneous Equipment		-	-
34	348	Other Tangible Plant		-	-
35		Plant Held for Future Use		-	-
36		Rounding	1	1	2
37					
38		Rounding			
39		TOTAL WATER PLANT	\$ 11,513,547	\$ 478,468	\$ 11,992,014

40
 41 SUPPORTING SCHEDULES
 42 Work Papers
 43 B-2 pages 3.1 to 3.4
 44

RECAP SCHEDULES:
 A-4
 E-1

Farmers Water Co.
 Test Year Ended September 30, 2012
 Operating Statistics

Exhibit
 Schedule E-7
 Page 1
 Witness: Bourassa

Line No.		Test Year Ended <u>9/30/2012</u>	Prior Year Ended <u>9/30/2011</u>	Prior Year Ended <u>9/30/2010</u>
1	<u>WATER STATISTICS:</u>			
2				
3				
4				
5	Total Gallons Sold (in Thousands)	279,013	287,051	281,778
6				
7				
8				
9	Water Revenues from Customers:	\$ 809,000	\$ 815,153	\$ 714,312
10				
11				
12	Year End Number of Customers ¹	2,725	2,646	2,573
13				
14				
15	Annual Gallons (in Thousands)			
16	Sold Per Year End Customer	102	108	110
17				
18				
19				
20	Annual Revenue per Year End Customer	\$ 296.88	\$ 308.07	\$ 277.62
21				
22	Pumping Cost Per 1,000 Gallons	\$ 0.2814	\$ 0.2519	\$ 0.2633
23	Purchased Water Cost per 1,000 Gallons	\$ -	\$ -	\$ -
24				
25	¹ Active connections.			

Farmers Water Co.
Test Year Ended September 30, 2012
Taxes Charged to Operations

Exhibit
Schedule E-8
Page 1
Witness: Bourassa

Line No.		Test Year Ended <u>9/30/2012</u>	Prior Year Ended <u>9/30/2011</u>	Prior Year Ended <u>9/30/2010</u>
1	<u>Description</u>			
2				
3	State Income Taxes	\$ -	\$ -	\$ -
4	Federal Income Taxes	-	-	-
5	Payroll Taxes	16,424	18,682	22,782
6	Property Taxes	39,259	21,873	21,387
7				
8	Totals	<u>\$ 55,683</u>	<u>\$ 40,554</u>	<u>\$ 44,169</u>
9				
10				
11				
12				
13				
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16				
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Farmers Water Co.
Test Year Ended September 30, 2012
Notes To Financial Statements

Exhibit
Schedule E-9
Page 1
Witness: Bourassa

Line
No.

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The Company does not conduct independent audits

Farmers Water Co.
 Test Year Ended September 30, 2012
 Projected Income Statements - Present & Proposed Rates

Exhibit
 Schedule F-1
 Page 1
 Witness: Bourassa

Line No.	Test Year Actual Results	At Present Rates Year Ended 9/30/2013	At Proposed Rates Year Ended 9/30/2013
1	Revenues		
2	\$ 809,000	\$ 810,840	\$ 996,998
3	-	-	-
4	9,975	9,975	9,975
5	<u>\$ 818,975</u>	<u>\$ 820,815</u>	<u>\$ 1,006,973</u>
6	Operating Expenses		
7	\$ 223,212	\$ 255,887	\$ 255,887
8	-	-	-
9	78,516	80,882	80,882
10	-	-	-
11	-	-	-
12	8,836	8,836	8,836
13	8,007	8,007	8,007
14	83,317	83,317	83,317
15	5,432	5,432	5,432
16	-	-	-
17	45,535	28,707	28,707
18	5,848	5,848	5,848
19	30,261	30,261	30,261
20	-	-	-
21	-	12,500	12,500
22	49,427	61,385	61,385
23	-	-	-
24	261,611	255,898	255,898
25	16,424	19,495	19,495
26	39,259	33,136	35,657
27	-	(8,481)	14,163
28			
29	<u>\$ 855,685</u>	<u>\$ 881,110</u>	<u>\$ 906,276</u>
30	<u>\$ (36,710)</u>	<u>\$ (60,295)</u>	<u>\$ 100,697</u>
31	Other Income (Expense)		
32	-	-	-
33	8,689	8,689	8,689
34	-	-	-
35	-	-	-
36	-	-	-
37	<u>\$ 8,689</u>	<u>\$ 8,689</u>	<u>\$ 8,689</u>
38	<u>\$ (28,021)</u>	<u>\$ (51,606)</u>	<u>\$ 109,386</u>

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 41 SUPPORTING SCHEDULES:
 42 C-1
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Farmers Water Co.
 Test Year Ended September 30, 2012
 Projected Statements of Changes in Financial Position
 Present and Proposed Rates

Exhibit
 Schedule F-2
 Page 1
 Witness: Bourassa

Line No.	Actual Test Year Ended <u>9/30/2012</u>	At Present Rates Year Ended <u>9/30/2013</u>	At Proposed Rates Year Ended <u>9/30/2013</u>
5	Cash Flows from Operating Activities		
6	\$ (28,021)	\$ (51,606)	\$ 109,386
7	Adjustments to reconcile net income to net cash		
8	provided by operating activities:		
9	261,611	255,898	255,898
10	(35,913)		
11	Changes in Certain Assets and Liabilities:		
12	14,176		
13	-		
14	-		
15	63,313		
16	-		
17	(155,646)		
18	7,904		
19	-		
20	(8,247)		
21	19,443		
22	4,107		
23	(3)		
24	<u>\$ 142,724</u>	<u>\$ 204,291</u>	<u>\$ 365,284</u>
25	Cash Flow From Investing Activities:		
26	(504,801)	(370,498)	(370,498)
27	-		
28	-		
29	<u>\$ (504,801)</u>	<u>\$ (370,498)</u>	<u>\$ (370,498)</u>
30	Cash Flow From Financing Activities		
31	-		
32	-		
33	202,166	202,166	202,166
34	163,240	163,240	163,240
35	-		
36	-		
37	-		
38	-		
39	<u>\$ 365,406</u>	<u>\$ 365,406</u>	<u>\$ 365,406</u>
40	3,329	199,199	360,192
41	(3,329)	(0)	(0)
42	<u>\$ (0)</u>	<u>\$ 199,199</u>	<u>\$ 360,192</u>

SUPPORTING SCHEDULES:

E-3

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Farmers Water Co.
 Test Year Ended September 30, 2012
 Projected Construction Requirements

Exhibit
 Schedule F-3
 Page 1
 Witness: Bourassa

Line No.	Account	<u>Test Year</u>	<u>2013</u>
1			
2			
3	<u>Number</u> <u>Plant Asset:</u>		
4	301 Organization Cost	\$ -	
5	302 Franchise Cost	-	
6	303 Land and Land Rights	-	
7	304 Structures and Improvements	61,300	
8	305 Collecting and Impounding Res.	-	
9	306 Lake River and Other Intakes	-	
10	307 Wells and Springs	947	88,835
11	308 Infiltration Galleries and Tunnels	-	
12	309 Supply Mains	-	
13	310 Power Generation Equipment	-	
14	311 Electric Pumping Equipment	91,001	
15	320 Water Treatment Equipment	-	
16	320.1 Water Treatment Plant	-	
17	320.2 Chemical Solution Feeders	(0)	
18	330 Dist. Reservoirs & Standpipe	-	
19	330.1 Storage tanks	160,735	
20	330.2 Pressure Tanks	14,395	
21	331 Trans. and Dist. Mains	52,829	221,574
22	333 Services	-	
23	334 Meters	92,338	9,984
24	335 Hydrants	(0)	
25	336 Backflow Prevention Devices	-	
26	339 Other Plant and Misc. Equip.	-	
27	340 Office Furniture and Fixtures	1,170	
28	340.1 Computers and Software	6,092	15,358
29	341 Transportation Equipment	(2,340)	15,000
30	342 Stores Equipment	-	
31	343 Tools and Work Equipment	-	
32	344 Laboratory Equipment	-	
33	345 Power Operated Equipment	-	
34	346 Communications Equipment	-	
35	347 Miscellaneous Equipment	-	
36	348 Other Tangible Plant	-	19,747
37	Total	<u>\$ 478,467</u>	<u>\$ 370,498</u>

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Farmers Water Co.
Test Year Ended September 30, 2012
Assumptions Used in Rate Filing

Exhibit
Schedule F-4
Page 1
Witness: Bourassa

Line
No.

- 1 Property Taxes were computed using the method used by the Arizona Department
- 2 of Revenue modified for ratemaking.
- 3
- 4 Projected construction expenditures are shown on Schedule A-4.
- 5
- 6 Expense adjustments are shown on Schedule C2, and are explained in the testimony.
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Farmers Water Co.
 Metered Revenue Breakdown Summary
 Present Rates

Exhibit
 Schedule H-2
 Page 3
 Witness: Bourassa

		Present	Commodity	Commodity	Commodity	Total
		Monthly	Commodity	Commodity	Commodity	
		Mins	First Tier	Second Tier	Third Tier	
5/8x3/4 Inch	Residential	\$ 227,106	\$ 110,386	\$ 79,940	\$ 56,508	\$ 473,940
1 Inch	Residential	29,969	39,298	12,775	-	82,042
Subtotal		\$ 257,075	\$ 149,684	\$ 92,715	\$ 56,508	\$ 555,982
		31.70%	18.46%	11.43%	6.97%	68.57%
1 1/2 Inch	Multi-Family	\$ 1,486	\$ 2,178	\$ 2,964	\$ -	\$ 6,629
2 Inch	Multi-Family	6,340	9,583	11,471	-	27,394
3 Inch	Multi-Family	3,170	2,231	49	-	5,450
4 Inch	Multi-Family	1,238	2,873	7,796	-	11,907
6 Inch	Multi-Family	2,477	4,845	109	-	7,431
		\$ 14,711	\$ 21,710	\$ 22,390	\$ -	\$ 58,810
		1.81%	2.68%	2.76%	0.00%	7.25%
5/8x3/4 Inch	Commercial	\$ 1,089	\$ 872	\$ 718	\$ -	\$ 2,679
1 Inch	Commercial	1,362	1,456	3,636	-	6,455
1 1/2 Inch	Commercial	1,486	2,043	245	-	3,775
2 Inch	Commercial	9,114	9,201	8,857	-	27,172
3 Inch	Commercial	792	1,159	2,501	-	4,452
Subtotal		\$ 13,843	\$ 14,732	\$ 15,958	\$ -	\$ 44,533
		1.71%	1.82%	1.97%	0.00%	5.49%
5/8x3/4 Inch	Industrial	\$ 495	\$ 261	\$ 214	\$ -	\$ 971
1 Inch	Industrial	372	365	2,833	-	3,570
2 Inch	Industrial	792	957	64,463	-	66,212
		\$ 1,659	\$ 1,583	\$ 67,510	\$ -	\$ 70,752
		0.20%	0.20%	8.33%	0.00%	8.73%
5/8x3/4 Inch	Irrigation	\$ 2,475	\$ 508	\$ 556	\$ 1,762	\$ 5,300
1 Inch	Irrigation	5,449	5,569	5,929	-	16,946
1 1/2 Inch	Irrigation	1,486	1,650	337	-	3,473
2 Inch	Irrigation	7,925	13,411	28,991	-	50,327
Subtotal		\$ 17,335	\$ 21,138	\$ 35,813	\$ 1,762	\$ 76,047
		2.14%	2.61%	4.42%	0.22%	9.38%
2 Inch	Standpipe	\$ -	\$ 388	\$ -	\$ -	\$ 388
6 Inch	Standpipe	-	4,340	-	-	4,340
		\$ -	\$ 4,729	\$ -	\$ -	\$ 4,729
		0.00%	0.58%	0.00%	0.00%	0.58%
TOTALS		\$ 304,623	\$ 213,575	\$ 234,385	\$ 58,270	\$ 810,853
Percent of Total		37.57%	26.34%	28.91%	7.19%	100.00%
Cummulative %		37.57%	63.91%	92.81%	100.00%	

Farmers Water Co.
 Metered Revenue Breakdown Summary
 Company Proposed Rates

Exhibit
 Schedule H-2
 Page 4
 Witness: Bourassa

		Present Monthly Mins	Commodity First Tier	Commodity Second Tier	Commodity Third Tier	Total
5/8x3/4 Inch	Residential	\$ 277,207	\$ 121,833	\$ 98,452	\$ 73,576	\$ 571,068
1 Inch	Residential	36,561	48,398	16,634	-	101,594
Subtotal		\$ 313,768 31.48%	\$ 170,232 17.08%	\$ 115,086 11.55%	\$ 73,576 7.38%	\$ 672,662 67.49%
1 1/2 Inch	Multi-Family	\$ 1,813	\$ 2,683	\$ 3,860	\$ -	\$ 8,356
2 Inch	Multi-Family	7,734	11,802	14,936	-	34,472
3 Inch	Multi-Family	3,867	2,747	64	-	6,678
4 Inch	Multi-Family	1,511	3,538	10,150	-	15,199
6 Inch	Multi-Family	3,021	5,967	142	-	9,131
Subtotal		\$ 17,946 1.80%	\$ 26,737 2.68%	\$ 29,152 2.92%	\$ - 0.00%	\$ 73,836 7.41%
5/8x3/4 Inch	Commercial	\$ 1,329	\$ 1,074	\$ 935	\$ -	\$ 3,338
1 Inch	Commercial	1,662	1,794	4,735	-	8,190
1 1/2 Inch	Commercial	1,813	2,517	319	-	4,649
2 Inch	Commercial	11,117	11,332	11,533	-	33,982
3 Inch	Commercial	967	1,427	3,256	-	5,650
Subtotal		\$ 16,888 1.69%	\$ 18,144 1.82%	\$ 20,778 2.08%	\$ - 0.00%	\$ 55,810 5.60%
5/8x3/4 Inch	Industrial	\$ 604	\$ 322	\$ 279	\$ -	\$ 1,205
1 Inch	Industrial	453	449	3,689	-	4,592
2 Inch	Industrial	967	1,178	83,933	-	86,078
Subtotal		\$ 2,024 0.20%	\$ 1,949 0.20%	\$ 87,901 8.82%	\$ - 0.00%	\$ 91,875 9.22%
5/8x3/4 Inch	Irrigation	\$ 3,021	\$ 1,564	\$ 2,294	\$ -	\$ 6,879
1 Inch	Irrigation	6,648	6,858	7,719	-	21,225
1 1/2 Inch	Irrigation	1,813	2,032	439	-	4,284
2 Inch	Irrigation	9,667	16,517	37,748	-	63,932
Subtotal		\$ 21,149 2.12%	\$ 26,972 2.71%	\$ 48,200 4.84%	\$ - 0.00%	\$ 96,320 9.66%
2 Inch	Standpipe	-	506	-	-	506
6 Inch	Standpipe	-	5,651	-	-	5,651
Subtotal		\$ - 0.00%	\$ 6,157 0.62%	\$ - 0.00%	\$ - 0.00%	\$ 6,157 0.62%
TOTALS		\$ 371,775	\$ 250,191	\$ 301,116	\$ 73,576	\$ 996,658
Percent of Total		37.30%	25.10%	30.21%	7.38%	100.00%
Cummulative %		37.30%	62.41%	92.62%	100.00%	

Line No.	Monthly Usage Charge for: Meter Size (All Classes):	Present Rates	Proposed Rates	Change	Percent Change
1	5/8x3/4 Inch	\$ 8.25	\$ 10.07	\$ 1.82	22.06%
2	3/4 Inch	9.28	11.32	2.04	21.98%
3	1 Inch	10.32	12.59	2.27	22.00%
4	1 1/2 Inch	20.64	25.18	4.54	22.00%
5	2 Inch	33.02	40.28	7.26	21.99%
6	3 Inch	66.04	80.57	14.53	22.00%
7	4 Inch	103.19	125.89	22.70	22.00%
8	6 Inch	206.38	251.78	45.40	22.00%
9	2 Inch Construction/Standpipe (Assigned)	33.02	40.28	7.26	21.99%
10	3 Inch Construction/Standpipe (Assigned)	NT	80.57		
11	6 Inch Construction/Standpipe (Assigned)	206.38	251.78	45.40	22.00%
12					
13					
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42					

Block	Present Rate	Proposed Rate
1 gallons to 4,000 gallons	\$ 1.35	\$ 1.49
4,001 gallons to 10,000 gallons	\$ 1.90	\$ 2.34
over 10,000 gallons	\$ 2.45	\$ 3.19
1 gallons to 10,000 gallons	\$ 1.90	\$ 2.45
over 10,000 gallons	\$ 2.45	\$ 3.19
1 gallons to 10,000 gallons	\$ 1.35	\$ 1.49
4,001 gallons to 10,000 gallons	\$ 1.90	\$ 2.34
over 10,000 gallons	\$ 2.45	\$ 3.19
1 gallons to 10,000 gallons	\$ 1.90	\$ 2.45
over 10,000 gallons	\$ 2.45	\$ 3.19
1 gallons to 10,000 gallons	\$ 2.34	\$ 3.19
over 10,000 gallons	\$ 3.19	\$ 3.19

Farmers Water Co.
Test Year Ended September 30, 2012
Present and Proposed Rates

Line No.	Block	Present Rate	Proposed Rate
1			
2			
3	Commodity Rates (per 1,000 gallons)		
4	1 Inch Meter (all classes, except construction/standpipe)	\$ 1.90	\$ 2.34
5		\$ 2.45	\$ 3.19
6			
7	1.5 Inch Meter (all classes, except construction/standpipe)	\$ 1.90	\$ 2.34
8		\$ 2.45	\$ 3.19
9			
10	2 Inch Meter (all classes, except construction/standpipe)	\$ 1.90	\$ 2.34
11		\$ 2.45	\$ 3.19
12			
13	3 Inch Meter (all classes, except construction/standpipe)	\$ 1.90	\$ 2.34
14		\$ 2.45	\$ 3.19
15			
16	4 Inch Meter (all classes, except construction/standpipe)	\$ 1.90	\$ 2.34
17		\$ 2.45	\$ 3.19
18			
19	6 Inch Meter (all classes, except construction/standpipe)	\$ 1.90	\$ 2.34
20		\$ 2.45	\$ 3.19
21			
22	2 Inch Construction or Standpipe (Individually Assigned Customer)	\$ 1.90	\$ 2.34
23		\$ 2.45	\$ 3.19
24			
25	2 Inch Construction or Standpipe (No Assigned Customer)	\$ 2.45	\$ 3.19
26			
27	3 Inch Construction or Standpipe (Individually Assigned Customer)	\$ 1.90	\$ 2.34
28		\$ 2.45	\$ 3.19
29			
30	3 Inch Construction or Standpipe (No Assigned Customer)	\$ 2.45	\$ 3.19
31			
32	6 Inch Construction or Standpipe (Individually Assigned Customer)	\$ 1.90	\$ 2.34
33		\$ 2.45	\$ 3.19
34			
35	6 Inch Construction or Standpipe (No Assigned Customer)	\$ 2.45	\$ 3.19
36			
37			
38			
39			
40			
41			

Farmers Water Co.
Present and Proposed Rates
Test Year Ended September 30, 2012

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Line
No.

Meter and Service Line Charges

	Present Service Line Charge	Present Meter Install- ation Charge	Total Present Charge	Proposed Service Line Charge ¹	Proposed Meter Install- ation Charge ¹	Total Proposed Charge ¹	
7	5/8 x 3/4 Inch	\$ 385.00	\$ 135.00	\$ 520.00	\$ 385.00	\$ 135.00	\$ 520.00
8	3/4 Inch	415.00	205.00	620.00	415.00	205.00	620.00
9	1 Inch	465.00	265.00	730.00	465.00	265.00	730.00
10	1 1/2 Inch	520.00	475.00	995.00	520.00	475.00	995.00
11	2 Inch Turbo	800.00	995.00	1,795.00	800.00	995.00	1,795.00
12	2 Inch, Compound	800.00	1,840.00	2,640.00	800.00	1,840.00	2,640.00
13	3 Inch Turbo	1,015.00	1,620.00	2,635.00	1,015.00	1,620.00	2,635.00
14	3 Inch, compound	1,135.00	2,495.00	3,630.00	1,135.00	2,495.00	3,630.00
15	4 Inch Turbo	1,430.00	2,570.00	4,000.00	1,430.00	2,570.00	4,000.00
16	4 Inch, compound	1,610.00	3,545.00	5,155.00	1,610.00	3,545.00	5,155.00
17	6 Inch Turbo	2,150.00	4,925.00	7,075.00	2,150.00	4,925.00	7,075.00
18	6 Inch, compound	2,270.00	6,820.00	9,090.00	2,270.00	6,820.00	9,090.00
19	8 Inch	Cost	Cost	Cost	Cost	Cost	Cost
20	10 Inch	Cost	Cost	Cost	Cost	Cost	Cost
21	12 Inch	Cost	Cost	Cost	Cost	Cost	Cost

¹ Based on ACC Staff Engineering Memo dated February 21, 2008

NT = No Tariff

Other Charges:

	<u>Present</u>	<u>Proposed</u>
29	Establishment	\$ 35.00
30	Reestablishment (After Hours)	\$ 50.00
31	Reestablishment within 12 months	*
32	Reconnection (Delinquent)	\$ 40.00
33	Reconnection (Delinquent - After Hours)	\$ 55.00
34	Meter Test (if correct)	\$ 25.00
35	Meter Re-read (if correct)	\$ 20.00
36	Deposit	**
37	Deposit Interest	6%**
38	NSF Check	\$ 20.00
39	Deferred Payment, per month	1.5% per month
40	Late Payment Fee (per month)	1.5% per month
41	After hours service charge (at customer request)	Cost
42	Meter Tampering Charge	Cost
43	Meter Box "Cut Lock" Charge	Cost

* Number of months off the system times the monthly minimum.

** Per Rule R14-2-403.B

*** See After Hours Service Charge

NT = No Tariff

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification Residential 5/8x3/4 Inch Meter
 Test Year Ended September 30, 2012
 (Excludes all Revenue Related Taxes)

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 8.25	\$ 10.07	\$ 1.82	22.06%
1,000	9.60	11.56	1.96	20.42%
2,000	10.95	13.05	2.10	19.18%
3,000	12.30	14.54	2.24	18.21%
4,000	13.65	16.03	2.38	17.44%
5,000	15.55	18.37	2.82	18.14%
6,000	17.45	20.71	3.26	18.68%
7,000	19.35	23.05	3.70	19.12%
8,000	21.25	25.39	4.14	19.48%
9,000	23.15	27.73	4.58	19.78%
10,000	25.05	30.07	5.02	20.04%
12,000	29.95	36.45	6.50	21.70%
14,000	34.85	42.83	7.98	22.90%
16,000	39.75	49.21	9.46	23.80%
18,000	44.65	55.59	10.94	24.50%
20,000	49.55	61.97	12.42	25.07%
25,000	61.80	77.92	16.12	26.08%
30,000	74.05	93.87	19.82	26.77%
35,000	86.30	109.82	23.52	27.25%
40,000	98.55	125.77	27.22	27.62%
45,000	110.80	141.72	30.92	27.91%
50,000	123.05	157.67	34.62	28.13%
60,000	147.55	189.57	42.02	28.48%
70,000	172.05	221.47	49.42	28.72%
80,000	196.55	253.37	56.82	28.91%
90,000	221.05	285.27	64.22	29.05%
100,000	245.55	317.17	71.62	29.17%
Average Usage	16.19	19.16	2.97	18.33%
Median Usage	12.98	15.29	2.31	17.80%

Present Rates:
 Monthly Minimum: \$ 8.25
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 4,000 \$ 1.35
 Up to 10,000 \$ 1.90
 Over 10,000 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 10.07
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 4,000 \$ 1.49
 Up to 10,000 \$ 2.34
 Over 10,000 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification Residential 1 Inch Meter
 Test Year Ended September 30, 2012
 (Excludes all Revenue Related Taxes)

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 10.32	\$ 12.59	\$ 2.27	22.00%
1,000	12.22	14.93	2.71	22.18%
2,000	14.12	17.27	3.15	22.31%
3,000	16.02	19.61	3.59	22.41%
4,000	17.92	21.95	4.03	22.49%
5,000	19.82	24.29	4.47	22.55%
6,000	21.72	26.63	4.91	22.61%
7,000	23.62	28.97	5.35	22.65%
8,000	25.52	31.31	5.79	22.69%
9,000	27.42	33.65	6.23	22.72%
10,000	29.32	35.99	6.67	22.75%
12,000	33.12	40.67	7.55	22.80%
14,000	37.75	46.63	8.88	23.53%
16,000	42.65	53.01	10.36	24.29%
18,000	47.55	59.39	11.84	24.90%
20,000	52.45	65.77	13.32	25.40%
25,000	64.70	81.72	17.02	26.31%
30,000	76.95	97.67	20.72	26.93%
35,000	89.20	113.62	24.42	27.38%
40,000	101.45	129.57	28.12	27.72%
45,000	113.70	145.52	31.82	27.99%
50,000	125.95	161.47	35.52	28.20%
60,000	150.45	193.37	42.92	28.53%
70,000	174.95	225.27	50.32	28.76%
80,000	199.45	257.17	57.72	28.94%
90,000	223.95	289.07	65.12	29.08%
100,000	248.45	320.97	72.52	29.19%
Average Usage 8,929	\$ 27.28	\$ 33.48	\$ 6.20	22.72%
Median Usage 6,500	\$ 22.67	\$ 27.80	\$ 5.13	22.63%

Present Rates:
 Monthly Minimum: \$ 10.32
 Gallons in Minimum Charge Per 1,000 Gallons -
 Up to 12,500 \$ 1.90
 Over 12,500 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 12.59
 Gallons in Minimum Charge Per 1,000 Gallons -
 Up to 12,500 \$ 2.34
 Over 12,500 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification 1 1/2 Inch Meter Multi-Family
 Test Year Ended September 30, 2012

Exhibit
 Schedule H-4
 Page 3
 Witness: Bourassa

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 20.64	\$ 25.18	\$ 4.54	22.00%
1,000	22.54	27.52	4.98	22.09%
2,000	24.44	29.86	5.42	22.18%
3,000	26.34	32.20	5.86	22.25%
4,000	28.24	34.54	6.30	22.31%
5,000	30.14	36.88	6.74	22.36%
6,000	32.04	39.22	7.18	22.41%
7,000	33.94	41.56	7.62	22.45%
8,000	35.84	43.90	8.06	22.49%
9,000	37.74	46.24	8.50	22.52%
10,000	39.64	48.58	8.94	22.55%
12,000	43.44	53.26	9.82	22.61%
14,000	47.24	57.94	10.70	22.65%
16,000	51.04	62.62	11.58	22.69%
18,000	54.84	67.30	12.46	22.72%
20,000	58.64	71.98	13.34	22.75%
25,000	68.14	83.68	15.54	22.81%
30,000	80.39	99.63	19.24	23.93%
35,000	92.64	115.58	22.94	24.76%
40,000	104.89	131.53	26.64	25.40%
45,000	117.14	147.48	30.34	25.90%
50,000	129.39	163.43	34.04	26.31%
60,000	153.89	195.33	41.44	26.93%
70,000	178.39	227.23	48.84	27.38%
80,000	202.89	259.13	56.24	27.72%
90,000	227.39	291.03	63.64	27.99%
100,000	251.89	322.93	71.04	28.20%
Average Usage	32,664	108.13	21.21	24.40%
Median Usage	22,500	77.83	14.44	22.78%

Present Rates:
 Monthly Minimum: \$ 20.64
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 25,000 \$ 1.90
 Over 25,000 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 25.18
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 25,000 \$ 2.34
 Over 25,000 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification 2 Inch Meter Multi-Family
 Test Year Ended September 30, 2012

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 33.02	\$ 40.28	\$ 7.26	21.99%
1,000	34.92	42.62	7.70	22.05%
2,000	36.82	44.96	8.14	22.11%
3,000	38.72	47.30	8.58	22.16%
4,000	40.62	49.64	9.02	22.21%
5,000	42.52	51.98	9.46	22.25%
6,000	44.42	54.32	9.90	22.29%
7,000	46.32	56.66	10.34	22.32%
8,000	48.22	59.00	10.78	22.36%
9,000	50.12	61.34	11.22	22.39%
10,000	52.02	63.68	11.66	22.41%
12,000	55.82	68.36	12.54	22.47%
14,000	59.62	73.04	13.42	22.51%
16,000	63.42	77.72	14.30	22.55%
18,000	67.22	82.40	15.18	22.58%
20,000	71.02	87.08	16.06	22.61%
25,000	80.52	98.78	18.26	22.68%
30,000	90.02	110.48	20.46	22.73%
35,000	99.52	122.18	22.66	22.77%
40,000	109.02	133.88	24.86	22.80%
45,000	121.27	149.83	28.56	23.55%
50,000	133.52	165.78	32.26	24.16%
60,000	158.02	197.68	39.66	25.10%
70,000	182.52	229.58	47.06	25.78%
80,000	207.02	261.48	54.46	26.31%
90,000	231.52	293.38	61.86	26.72%
100,000	256.02	325.28	69.26	27.05%
Average Usage	\$ 135.12	\$ 167.87	\$ 32.74	24.23%
50,655	\$	\$	\$	
Median Usage	\$ 99.52	\$ 122.18	\$ 22.66	22.77%
35,000	\$	\$	\$	

Present Rates:
 Monthly Minimum: \$ 33.02
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 40,000 \$ 1.90
 Over 40,000 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 40.28
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 40,000 \$ 2.34
 Over 40,000 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification 3 Inch Meter Multi-Family
 Test Year Ended September 30, 2012

Exhibit
 Schedule H-4
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 Witness: Bourassa

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 66.04	\$ 80.57	\$ 14.53	22.00%
1,000	67.94	82.91	14.97	22.03%
2,000	69.84	85.25	15.41	22.06%
3,000	71.74	87.59	15.85	22.09%
4,000	73.64	89.93	16.29	22.12%
5,000	75.54	92.27	16.73	22.15%
6,000	77.44	94.61	17.17	22.17%
7,000	79.34	96.95	17.61	22.20%
8,000	81.24	99.29	18.05	22.22%
9,000	83.14	101.63	18.49	22.24%
10,000	85.04	103.97	18.93	22.26%
12,000	88.84	108.65	19.81	22.30%
14,000	92.64	113.33	20.69	22.33%
16,000	96.44	118.01	21.57	22.37%
18,000	100.24	122.69	22.45	22.40%
20,000	104.04	127.37	23.33	22.42%
25,000	113.54	139.07	25.53	22.49%
30,000	123.04	150.77	27.73	22.54%
35,000	132.54	162.47	29.93	22.58%
40,000	142.04	174.17	32.13	22.62%
45,000	151.54	185.87	34.33	22.65%
50,000	161.04	197.57	36.53	22.68%
60,000	180.04	220.97	40.93	22.73%
70,000	199.04	244.37	45.33	22.77%
80,000	218.04	267.77	49.73	22.81%
90,000	242.54	299.67	57.13	23.55%
100,000	267.04	331.57	64.53	24.16%
Average Usage	\$ 113.30	\$ 138.78	\$ 25.48	22.48%
Median Usage	\$ 108.79	\$ 133.22	\$ 24.43	22.46%

Present Rates:
 Monthly Minimum: \$ 66.04
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 80,000 \$ 1.90
 Over 80,000 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 80.57
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 80,000 \$ 2.34
 Over 80,000 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification 4 Inch Meter Multi-Family
 Test Year Ended September 30, 2012

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 Schedule H-4
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 Witness: Bourassa

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 103.19	\$ 125.89	\$ 22.70	22.00%
1,000	105.09	128.23	23.14	22.02%
2,000	106.99	130.57	23.58	22.04%
3,000	108.89	132.91	24.02	22.06%
4,000	110.79	135.25	24.46	22.08%
5,000	112.69	137.59	24.90	22.10%
6,000	114.59	139.93	25.34	22.11%
7,000	116.49	142.27	25.78	22.13%
8,000	118.39	144.61	26.22	22.15%
9,000	120.29	146.95	26.66	22.16%
10,000	122.19	149.29	27.10	22.18%
12,000	125.99	153.97	27.98	22.21%
14,000	129.79	158.65	28.86	22.24%
16,000	133.59	163.33	29.74	22.26%
18,000	137.39	168.01	30.62	22.29%
20,000	141.19	172.69	31.50	22.31%
25,000	150.69	184.39	33.70	22.36%
30,000	160.19	196.09	35.90	22.41%
35,000	169.69	207.79	38.10	22.45%
40,000	179.19	219.49	40.30	22.49%
45,000	188.69	231.19	42.50	22.52%
50,000	198.19	242.89	44.70	22.55%
60,000	217.19	266.29	49.10	22.61%
70,000	236.19	289.69	53.50	22.65%
80,000	255.19	313.09	57.90	22.69%
90,000	274.19	336.49	62.30	22.72%
100,000	293.19	359.89	66.70	22.75%
Average Usage				
391,157	\$ 992.22	\$ 1,266.58	\$ 274.36	27.65%
Median Usage				
388,500	\$ 985.72	\$ 1,258.11	\$ 272.39	27.63%

Present Rates:
 Monthly Minimum: \$ 103.19
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 126,000 \$ 1.90
 Over 126,000 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 125.89
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 126,000 \$ 2.34
 Over 126,000 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification 6 Inch Meter Multi-Family
 Test Year Ended September 30, 2012

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 Schedule H-4
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 Witness: Bourassa

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 206.38	\$ 251.78	\$ 45.40	22.00%
1,000	208.28	254.12	45.84	22.01%
2,000	210.18	256.46	46.28	22.02%
3,000	212.08	258.80	46.72	22.03%
4,000	213.98	261.14	47.16	22.04%
5,000	215.88	263.48	47.60	22.05%
6,000	217.78	265.82	48.04	22.06%
7,000	219.68	268.16	48.48	22.07%
8,000	221.58	270.50	48.92	22.08%
9,000	223.48	272.84	49.36	22.09%
10,000	225.38	275.18	49.80	22.10%
12,000	229.18	279.86	50.68	22.11%
14,000	232.98	284.54	51.56	22.13%
16,000	236.78	289.22	52.44	22.15%
18,000	240.58	293.90	53.32	22.16%
20,000	244.38	298.58	54.20	22.18%
25,000	253.88	310.28	56.40	22.22%
30,000	263.38	321.98	58.60	22.25%
35,000	272.88	333.68	60.80	22.28%
40,000	282.38	345.38	63.00	22.31%
45,000	291.88	357.08	65.20	22.34%
50,000	301.38	368.78	67.40	22.36%
60,000	320.38	392.18	71.80	22.41%
70,000	339.38	415.58	76.20	22.45%
80,000	358.38	438.98	80.60	22.49%
90,000	377.38	462.38	85.00	22.52%
100,000	396.38	485.78	89.40	22.55%
Average Usage	\$ 617.21	\$ 757.75	\$ 140.54	22.77%
Median Usage	\$ 594.05	\$ 729.22	\$ 135.18	22.76%

Present Rates:
 Monthly Minimum: \$ 206.38
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 250,000 \$ 1.90
 Over 250,000 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 251.78
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 250,000 \$ 2.34
 Over 250,000 \$ 3.19

Farmers Water Co.
Bill Comparison of Present and Proposed Rates
Customer Classification Commercial 5/8x3/4 Inch Meter
Test Year Ended September 30, 2012
(Excludes all Revenue Related Taxes)

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 8.25	\$ 10.07	\$ 1.82	22.06%
1,000	10.15	12.41	2.26	22.27%
2,000	12.05	14.75	2.70	22.41%
3,000	13.95	17.09	3.14	22.51%
4,000	15.85	19.43	3.58	22.59%
5,000	17.75	21.77	4.02	22.65%
6,000	19.65	24.11	4.46	22.70%
7,000	21.55	26.45	4.90	22.74%
8,000	23.45	28.79	5.34	22.77%
9,000	25.35	31.13	5.78	22.80%
10,000	27.25	33.47	6.22	22.83%
12,000	32.15	39.85	7.70	23.95%
14,000	37.05	46.23	9.18	24.78%
16,000	41.95	52.61	10.66	25.41%
18,000	46.85	58.99	12.14	25.91%
20,000	51.75	65.37	13.62	26.32%
25,000	64.00	81.32	17.32	27.06%
30,000	76.25	97.27	21.02	27.57%
35,000	88.50	113.22	24.72	27.93%
40,000	100.75	129.17	28.42	28.21%
45,000	113.00	145.12	32.12	28.42%
50,000	125.25	161.07	35.82	28.60%
60,000	149.75	192.97	43.22	28.86%
70,000	174.25	224.87	50.62	29.05%
80,000	198.75	256.77	58.02	29.19%
90,000	223.25	288.67	65.42	29.30%
100,000	247.75	320.57	72.82	29.39%
Average Usage 5,697	\$ 19.07	\$ 23.40	\$ 4.33	22.68%
Median Usage 5,500	\$ 18.70	\$ 22.94	\$ 4.24	22.67%

Present Rates:
Monthly Minimum: \$ 8.25
Gallons in Minimum -
Charge Per 1,000 Gallons
Up to 10,000 \$ 1.90
Over 10,000 \$ 2.45

Proposed Rates:
Monthly Minimum: \$ 10.07
Gallons in Minimum -
Charge Per 1,000 Gallons
Up to 10,000 \$ 2.34
Over 10,000 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification Commercial 1 Inch Meter
 Test Year Ended September 30, 2012

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 10.32	\$ 12.59	\$ 2.27	22.00%
1,000	12.22	14.93	2.71	22.18%
2,000	14.12	17.27	3.15	22.31%
3,000	16.02	19.61	3.59	22.41%
4,000	17.92	21.95	4.03	22.49%
5,000	19.82	24.29	4.47	22.55%
6,000	21.72	26.63	4.91	22.61%
7,000	23.62	28.97	5.35	22.65%
8,000	25.52	31.31	5.79	22.69%
9,000	27.42	33.65	6.23	22.72%
10,000	29.32	35.99	6.67	22.75%
12,000	33.12	40.67	7.55	22.80%
14,000	37.75	46.63	8.88	23.53%
16,000	42.65	53.01	10.36	24.29%
18,000	47.55	59.39	11.84	24.90%
20,000	52.45	65.77	13.32	25.40%
25,000	64.70	81.72	17.02	26.31%
30,000	76.95	97.67	20.72	26.93%
35,000	89.20	113.62	24.42	27.38%
40,000	101.45	129.57	28.12	27.72%
45,000	113.70	145.52	31.82	27.99%
50,000	125.95	161.47	35.52	28.20%
60,000	150.45	193.37	42.92	28.53%
70,000	174.95	225.27	50.32	28.76%
80,000	199.45	257.17	57.72	28.94%
90,000	223.95	289.07	65.12	29.08%
100,000	248.45	320.97	72.52	29.19%
Average Usage	45.18	56.31	11.13	24.63%
Median Usage	15.07	18.44	3.37	22.36%

Present Rates:
 Monthly Minimum: \$ 10.32
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 12,500 \$ 1.90
 Over 12,500 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 12.59
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 12,500 \$ 2.34
 Over 12,500 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification Commercial 1 1/2 Inch Meter
 Test Year Ended September 30, 2012

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 20.64	\$ 25.18	\$ 4.54	22.00%
1,000	22.54	27.52	4.98	22.09%
2,000	24.44	29.86	5.42	22.18%
3,000	26.34	32.20	5.86	22.25%
4,000	28.24	34.54	6.30	22.31%
5,000	30.14	36.88	6.74	22.36%
6,000	32.04	39.22	7.18	22.41%
7,000	33.94	41.56	7.62	22.45%
8,000	35.84	43.90	8.06	22.49%
9,000	37.74	46.24	8.50	22.52%
10,000	39.64	48.58	8.94	22.55%
12,000	43.44	53.26	9.82	22.61%
14,000	47.24	57.94	10.70	22.65%
16,000	51.04	62.62	11.58	22.69%
18,000	54.84	67.30	12.46	22.72%
20,000	58.64	71.98	13.34	22.75%
25,000	68.14	83.68	15.54	22.81%
30,000	80.39	99.63	19.24	23.93%
35,000	92.64	115.58	22.94	24.76%
40,000	104.89	131.53	26.64	25.40%
45,000	117.14	147.48	30.34	25.90%
50,000	129.39	163.43	34.04	26.31%
60,000	153.89	195.33	41.44	26.93%
70,000	178.39	227.23	48.84	27.38%
80,000	202.89	259.13	56.24	27.72%
90,000	227.39	291.03	63.64	27.99%
100,000	251.89	322.93	71.04	28.20%
Average Usage 16,327	\$ 51.66	\$ 63.38	\$ 11.72	22.69%
Median Usage 15,000	\$ 49.14	\$ 60.28	\$ 11.14	22.67%

Present Rates:
 Monthly Minimum: \$ 20.64
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 25,000 \$ 1.90
 Over 25,000 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 25.18
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 25,000 \$ 2.34
 Over 25,000 \$ 3.19

Farmers Water Co.

Bill Comparison of Present and Proposed Rates
 Customer Classification Commercial 2 Inch Meter
 Test Year Ended September 30, 2012

Exhibit
 Schedule H-4
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 Witness: Bourassa

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 33.02	\$ 40.28	\$ 7.26	21.99%
1,000	34.92	42.62	7.70	22.05%
2,000	36.82	44.96	8.14	22.11%
3,000	38.72	47.30	8.58	22.16%
4,000	40.62	49.64	9.02	22.21%
5,000	42.52	51.98	9.46	22.25%
6,000	44.42	54.32	9.90	22.29%
7,000	46.32	56.66	10.34	22.32%
8,000	48.22	59.00	10.78	22.36%
9,000	50.12	61.34	11.22	22.39%
10,000	52.02	63.68	11.66	22.41%
12,000	55.82	68.36	12.54	22.47%
14,000	59.62	73.04	13.42	22.51%
16,000	63.42	77.72	14.30	22.55%
18,000	67.22	82.40	15.18	22.58%
20,000	71.02	87.08	16.06	22.61%
25,000	80.52	98.78	18.26	22.68%
30,000	90.02	110.48	20.46	22.73%
35,000	99.52	122.18	22.66	22.77%
40,000	109.02	133.88	24.86	22.80%
45,000	121.27	149.83	28.56	23.55%
50,000	133.52	165.78	32.26	24.16%
60,000	158.02	197.68	39.66	25.10%
70,000	182.52	229.58	47.06	25.78%
80,000	207.02	261.48	54.46	26.31%
90,000	231.52	293.38	61.86	26.72%
100,000	256.02	325.28	69.26	27.05%
Average Usage	\$ 91.25	\$ 112.00	\$ 20.75	22.73%
Median Usage	\$ 57.72	\$ 70.70	\$ 12.98	22.49%

Present Rates:
 Monthly Minimum: \$ 33.02
 Gallons in Minimum Charge Per 1,000 Gallons -
 Up to 40,000 \$ 1.90
 Over 40,000 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 40.28
 Gallons in Minimum Charge Per 1,000 Gallons -
 Up to 40,000 \$ 2.34
 Over 40,000 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification Commercial 3 Inch Meter
 Test Year Ended September 30, 2012

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 66.04	\$ 80.57	\$ 14.53	22.00%
1,000	67.94	82.91	14.97	22.03%
2,000	69.84	85.25	15.41	22.06%
3,000	71.74	87.59	15.85	22.09%
4,000	73.64	89.93	16.29	22.12%
5,000	75.54	92.27	16.73	22.15%
6,000	77.44	94.61	17.17	22.17%
7,000	79.34	96.95	17.61	22.20%
8,000	81.24	99.29	18.05	22.22%
9,000	83.14	101.63	18.49	22.24%
10,000	85.04	103.97	18.93	22.26%
12,000	88.84	108.65	19.81	22.30%
14,000	92.64	113.33	20.69	22.33%
16,000	96.44	118.01	21.57	22.37%
18,000	100.24	122.69	22.45	22.40%
20,000	104.04	127.37	23.33	22.42%
25,000	113.54	139.07	25.53	22.49%
30,000	123.04	150.77	27.73	22.54%
35,000	132.54	162.47	29.93	22.58%
40,000	142.04	174.17	32.13	22.62%
45,000	151.54	185.87	34.33	22.65%
50,000	161.04	197.57	36.53	22.68%
60,000	180.04	220.97	40.93	22.73%
70,000	199.04	244.37	45.33	22.77%
80,000	218.04	267.77	49.73	22.81%
90,000	242.54	299.67	57.13	23.55%
100,000	267.04	331.57	64.53	24.16%
Average Usage	135,898	\$ 446.08	\$ 91.09	25.66%
Median Usage	130,828	\$ 429.91	\$ 87.34	25.50%

Present Rates:
 Monthly Minimum: \$ 66.04
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 80,000 \$ 1.90
 Over 80,000 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 80.57
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 80,000 \$ 2.34
 Over 80,000 \$ 3.19

Farmers Water Co.

Bill Comparison of Present and Proposed Rates

Customer Classification 5/8x3/4 Inch Industrial
 Test Year Ended September 30, 2012

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Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 8.25	\$ 10.07	\$ 1.82	22.06%
1,000	10.15	12.41	2.26	22.27%
2,000	12.05	14.75	2.70	22.41%
3,000	13.95	17.09	3.14	22.51%
4,000	15.85	19.43	3.58	22.59%
5,000	17.75	21.77	4.02	22.65%
6,000	19.65	24.11	4.46	22.70%
7,000	21.55	26.45	4.90	22.74%
8,000	23.45	28.79	5.34	22.77%
9,000	25.35	31.13	5.78	22.80%
10,000	27.25	33.47	6.22	22.83%
12,000	32.15	39.85	7.70	23.95%
14,000	37.05	46.23	9.18	24.78%
16,000	41.95	52.61	10.66	25.41%
18,000	46.85	58.99	12.14	25.91%
20,000	51.75	65.37	13.62	26.32%
25,000	64.00	81.32	17.32	27.06%
30,000	76.25	97.27	21.02	27.57%
35,000	88.50	113.22	24.72	27.93%
40,000	100.75	129.17	28.42	28.21%
45,000	113.00	145.12	32.12	28.42%
50,000	125.25	161.07	35.82	28.60%
60,000	149.75	192.97	43.22	28.86%
70,000	174.25	224.87	50.62	29.05%
80,000	198.75	256.77	58.02	29.19%
90,000	223.25	288.67	65.42	29.30%
100,000	247.75	320.57	72.82	29.39%
Average Usage 3,750	\$ 15.38	\$ 18.85	\$ 3.47	22.57%
Median Usage 500	\$ 9.20	\$ 11.24	\$ 2.04	22.17%

Present Rates:
 Monthly Minimum: \$ 8.25
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 10,000 \$ 1.90
 Over 10,000 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 10.07
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 10,000 \$ 2.34
 Over 10,000 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification 1 Inch Industrial
 Test Year Ended September 30, 2012

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 10.32	\$ 12.59	\$ 2.27	22.00%
1,000	12.22	14.93	2.71	22.18%
2,000	14.12	17.27	3.15	22.31%
3,000	16.02	19.61	3.59	22.41%
4,000	17.92	21.95	4.03	22.49%
5,000	19.82	24.29	4.47	22.55%
6,000	21.72	26.63	4.91	22.61%
7,000	23.62	28.97	5.35	22.65%
8,000	25.52	31.31	5.79	22.69%
9,000	27.42	33.65	6.23	22.72%
10,000	29.32	35.99	6.67	22.75%
12,000	33.12	40.67	7.55	22.80%
14,000	37.75	46.63	8.88	23.53%
16,000	42.65	53.01	10.36	24.29%
18,000	47.55	59.39	11.84	24.90%
20,000	52.45	65.77	13.32	25.40%
25,000	64.70	81.72	17.02	26.31%
30,000	76.95	97.67	20.72	26.93%
35,000	89.20	113.62	24.42	27.38%
40,000	101.45	129.57	28.12	27.72%
45,000	113.70	145.52	31.82	27.99%
50,000	125.95	161.47	35.52	28.20%
60,000	150.45	193.37	42.92	28.53%
70,000	174.95	225.27	50.32	28.76%
80,000	199.45	257.17	57.72	28.94%
90,000	223.95	289.07	65.12	29.08%
100,000	248.45	320.97	72.52	29.19%
Average Usage	91.72	116.90	25.18	27.46%
36,029	\$	\$	\$	
Median Usage	18.87	23.12	4.25	22.52%
4,500	\$	\$	\$	

Present Rates:
 Monthly Minimum: \$ 10.32
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 12,500 \$ 1.90
 Over 12,500 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 12.59
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 12,500 \$ 2.34
 Over 12,500 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification 2 Inch Industrial
 Test Year Ended September 30, 2012

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 33.02	\$ 40.28	\$ 7.26	21.99%
1,000	34.92	42.62	7.70	22.05%
2,000	36.82	44.96	8.14	22.11%
3,000	38.72	47.30	8.58	22.16%
4,000	40.62	49.64	9.02	22.21%
5,000	42.52	51.98	9.46	22.25%
6,000	44.42	54.32	9.90	22.29%
7,000	46.32	56.66	10.34	22.32%
8,000	48.22	59.00	10.78	22.36%
9,000	50.12	61.34	11.22	22.39%
10,000	52.02	63.68	11.66	22.41%
12,000	55.82	68.36	12.54	22.47%
14,000	59.62	73.04	13.42	22.51%
16,000	63.42	77.72	14.30	22.55%
18,000	67.22	82.40	15.18	22.58%
20,000	71.02	87.08	16.06	22.61%
25,000	80.52	98.78	18.26	22.68%
30,000	90.02	110.48	20.46	22.73%
35,000	99.52	122.18	22.66	22.77%
40,000	109.02	133.88	24.86	22.80%
45,000	121.27	149.83	28.56	23.55%
50,000	133.52	165.78	32.26	24.16%
60,000	158.02	197.68	39.66	25.10%
70,000	182.52	229.58	47.06	25.78%
80,000	207.02	261.48	54.46	26.31%
90,000	231.52	293.38	61.86	26.72%
100,000	256.02	325.28	69.26	27.05%
Average Usage	\$ 2,748.36	\$ 3,570.41	\$ 822.05	29.91%
1,117,283				
Median Usage	\$ 1,727.92	\$ 2,241.76	\$ 513.83	29.74%
700,777				

Present Rates:
 Monthly Minimum: \$ 33.02
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 40,000 \$ 1.90
 Over 40,000 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 40.28
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 40,000 \$ 2.34
 Over 40,000 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification 5/8x3/4 Inch Residential Irrigation
 Test Year Ended September 30, 2012

Exhibit
 Schedule H-4
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 Witness: Bourassa

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 8.25	\$ 10.07	\$ 1.82	22.06%
1,000	9.60	12.41	2.81	29.27%
2,000	10.95	14.75	3.80	34.70%
3,000	12.30	17.09	4.79	38.94%
4,000	13.65	19.43	5.78	42.34%
5,000	15.55	21.77	6.22	40.00%
6,000	17.45	24.11	6.66	38.17%
7,000	19.35	26.45	7.10	36.69%
8,000	21.25	28.79	7.54	35.48%
9,000	23.15	31.13	7.98	34.47%
10,000	25.05	33.47	8.42	33.61%
12,000	29.95	39.85	9.90	33.06%
14,000	34.85	46.23	11.38	32.65%
16,000	39.75	52.61	12.86	32.35%
18,000	44.65	58.99	14.34	32.12%
20,000	49.55	65.37	15.82	31.93%
25,000	61.80	81.32	19.52	31.59%
30,000	74.05	97.27	23.22	31.36%
35,000	86.30	113.22	26.92	31.19%
40,000	98.55	129.17	30.62	31.07%
45,000	110.80	145.12	34.32	30.97%
50,000	123.05	161.07	38.02	30.90%
60,000	147.55	192.97	45.42	30.78%
70,000	172.05	224.87	52.82	30.70%
80,000	196.55	256.77	60.22	30.64%
90,000	221.05	288.67	67.62	30.59%
100,000	245.55	320.57	75.02	30.55%
Average Usage	4,625	\$ 20.89	\$ 6.06	40.81%
Median Usage	1,500	\$ 13.58	\$ 3.31	32.17%

Present Rates:
 Monthly Minimum: \$ 8.25
 Gallons in Minimum -
 Charge Per 1,000 Gallons 1.35
 Up to 4,000 \$ 1.90
 Up to 10,000 \$ 2.45
 Over 10,000 \$

Proposed Rates:
 Monthly Minimum: \$ 10.07
 Gallons in Minimum -
 Charge Per 1,000 Gallons 2.34
 Up to 10,000 \$ 3.19
 Over 10,000 \$

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification 1 Inch Irrigation
 Test Year Ended September 30, 2012

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 10.32	\$ 12.59	\$ 2.27	22.00%
1,000	12.22	14.93	2.71	22.18%
2,000	14.12	17.27	3.15	22.31%
3,000	16.02	19.61	3.59	22.41%
4,000	17.92	21.95	4.03	22.49%
5,000	19.82	24.29	4.47	22.55%
6,000	21.72	26.63	4.91	22.61%
7,000	23.62	28.97	5.35	22.65%
8,000	25.52	31.31	5.79	22.69%
9,000	27.42	33.65	6.23	22.72%
10,000	29.32	35.99	6.67	22.75%
12,000	33.12	40.67	7.55	22.80%
14,000	37.75	46.63	8.88	23.53%
16,000	42.65	53.01	10.36	24.29%
18,000	47.55	59.39	11.84	24.90%
20,000	52.45	65.77	13.32	25.40%
25,000	64.70	81.72	17.02	26.31%
30,000	76.95	97.67	20.72	26.93%
35,000	89.20	113.62	24.42	27.38%
40,000	101.45	129.57	28.12	27.72%
45,000	113.70	145.52	31.82	27.99%
50,000	125.95	161.47	35.52	28.20%
60,000	150.45	193.37	42.92	28.53%
70,000	174.95	225.27	50.32	28.76%
80,000	199.45	257.17	57.72	28.94%
90,000	223.95	289.07	65.12	29.08%
100,000	248.45	320.97	72.52	29.19%
Average Usage				
10,139	\$ 29.58	\$ 36.32	\$ 6.73	22.75%
Median Usage				
5,000	\$ 19.82	\$ 24.29	\$ 4.47	22.55%

Present Rates:
 Monthly Minimum: \$ 10.32
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 12,500 \$ 1.90
 Over 12,500 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 12.59
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 12,500 \$ 2.34
 Over 12,500 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification 1.5 Inch Irrigation
 Test Year Ended September 30, 2012

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 20.64	\$ 25.18	\$ 4.54	22.00%
1,000	22.54	27.52	4.98	22.09%
2,000	24.44	29.86	5.42	22.18%
3,000	26.34	32.20	5.86	22.25%
4,000	28.24	34.54	6.30	22.31%
5,000	30.14	36.88	6.74	22.36%
6,000	32.04	39.22	7.18	22.41%
7,000	33.94	41.56	7.62	22.45%
8,000	35.84	43.90	8.06	22.49%
9,000	37.74	46.24	8.50	22.52%
10,000	39.64	48.58	8.94	22.55%
12,000	43.44	53.26	9.82	22.61%
14,000	47.24	57.94	10.70	22.65%
16,000	51.04	62.62	11.58	22.69%
18,000	54.84	67.30	12.46	22.72%
20,000	58.64	71.98	13.34	22.75%
25,000	68.14	83.68	15.54	22.81%
30,000	80.39	99.63	19.24	23.93%
35,000	92.64	115.58	22.94	24.76%
40,000	104.89	131.53	26.64	25.40%
45,000	117.14	147.48	30.34	25.90%
50,000	129.39	163.43	34.04	26.31%
60,000	153.89	195.33	41.44	26.93%
70,000	178.39	227.23	48.84	27.38%
80,000	202.89	259.13	56.24	27.72%
90,000	227.39	291.03	63.64	27.99%
100,000	251.89	322.93	71.04	28.20%
Average Usage 13,973	\$ 47.19	\$ 57.88	\$ 10.69	22.65%
Median Usage 12,000	\$ 43.44	\$ 53.26	\$ 9.82	22.61%

Present Rates:
 Monthly Minimum: \$ 20.64
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 25,000 \$ 1.90
 Over 25,000 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 25.18
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 25,000 \$ 2.34
 Over 25,000 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 Customer Classification 2 Inch Irrigation
 Test Year Ended September 30, 2012

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 33.02	\$ 40.28	\$ 7.26	21.99%
1,000	34.92	42.62	7.70	22.05%
2,000	36.82	44.96	8.14	22.11%
3,000	38.72	47.30	8.58	22.16%
4,000	40.62	49.64	9.02	22.21%
5,000	42.52	51.98	9.46	22.25%
6,000	44.42	54.32	9.90	22.29%
7,000	46.32	56.66	10.34	22.32%
8,000	48.22	59.00	10.78	22.36%
9,000	50.12	61.34	11.22	22.39%
10,000	52.02	63.68	11.66	22.41%
12,000	55.82	68.36	12.54	22.47%
14,000	59.62	73.04	13.42	22.51%
16,000	63.42	77.72	14.30	22.55%
18,000	67.22	82.40	15.18	22.58%
20,000	71.02	87.08	16.06	22.61%
25,000	80.52	98.78	18.26	22.68%
30,000	90.02	110.48	20.46	22.73%
35,000	99.52	122.18	22.66	22.77%
40,000	109.02	133.88	24.86	22.80%
45,000	121.27	149.83	28.56	23.55%
50,000	133.52	165.78	32.26	24.16%
60,000	158.02	197.68	39.66	25.10%
70,000	182.52	229.58	47.06	25.78%
80,000	207.02	261.48	54.46	26.31%
90,000	231.52	293.38	61.86	26.72%
100,000	256.02	325.28	69.26	27.05%
Average Usage	\$ 203.87	\$ 257.38	\$ 53.51	26.25%
Median Usage	\$ 115.15	\$ 141.86	\$ 26.71	23.20%

Present Rates:
 Monthly Minimum: \$ 33.02
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 40,000 \$ 1.90
 Over 40,000 \$ 2.45

Proposed Rates:
 Monthly Minimum: \$ 40.28
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 40,000 \$ 2.34
 Over 40,000 \$ 3.19

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 2 Inch Standpipe (no assigned customer)
 Test Year Ended September 30, 2012
 (Excludes all Revenue Related Taxes)

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ -	\$ -	\$ -	0.00%
1,000	2.45	3.19	0.74	30.20%
2,000	4.90	6.38	1.48	30.20%
3,000	7.35	9.57	2.22	30.20%
4,000	9.80	12.76	2.96	30.20%
5,000	12.25	15.95	3.70	30.20%
6,000	14.70	19.14	4.44	30.20%
7,000	17.15	22.33	5.18	30.20%
8,000	19.60	25.52	5.92	30.20%
9,000	22.05	28.71	6.66	30.20%
10,000	24.50	31.90	7.40	30.20%
12,000	29.40	38.28	8.88	30.20%
14,000	34.30	44.66	10.36	30.20%
16,000	39.20	51.04	11.84	30.20%
18,000	44.10	57.42	13.32	30.20%
20,000	49.00	63.80	14.80	30.20%
25,000	61.25	79.75	18.50	30.20%
30,000	73.50	95.70	22.20	30.20%
35,000	85.75	111.65	25.90	30.20%
40,000	98.00	127.60	29.60	30.20%
45,000	110.25	143.55	33.30	30.20%
50,000	122.50	159.50	37.00	30.20%
60,000	147.00	191.40	44.40	30.20%
70,000	171.50	223.30	51.80	30.20%
80,000	196.00	255.20	59.20	30.20%
90,000	220.50	287.10	66.60	30.20%
100,000	245.00	319.00	74.00	30.20%
Average Usage	64.72	84.27	19.55	30.20%
26,417	\$	\$	\$	
Median Usage	24.50	31.90	7.40	30.20%
10,000	\$	\$	\$	

Present Rates:
 Monthly Minimum: \$ -
 Gallons in Minimum: -
 Charge Per 1,000 Gallons \$ 2.45
 All gallons

Proposed Rates:
 Monthly Minimum: \$ -
 Gallons in Minimum: -
 Charge Per 1,000 Gallons \$ 3.19
 All gallons

Farmers Water Co.
 Bill Comparison of Present and Proposed Rates
 6 Inch Standpipe (no assigned customer)
 Test Year Ended September 30, 2012
 (Excludes all Revenue Related Taxes)

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1,000	2.45	3.19	0.74	30.20%
2,000	4.90	6.38	1.48	30.20%
3,000	7.35	9.57	2.22	30.20%
4,000	9.80	12.76	2.96	30.20%
5,000	12.25	15.95	3.70	30.20%
6,000	14.70	19.14	4.44	30.20%
7,000	17.15	22.33	5.18	30.20%
8,000	19.60	25.52	5.92	30.20%
9,000	22.05	28.71	6.66	30.20%
10,000	24.50	31.90	7.40	30.20%
12,000	29.40	38.28	8.88	30.20%
14,000	34.30	44.66	10.36	30.20%
16,000	39.20	51.04	11.84	30.20%
18,000	44.10	57.42	13.32	30.20%
20,000	49.00	63.80	14.80	30.20%
25,000	61.25	79.75	18.50	30.20%
30,000	73.50	95.70	22.20	30.20%
35,000	85.75	111.65	25.90	30.20%
40,000	98.00	127.60	29.60	30.20%
45,000	110.25	143.55	33.30	30.20%
50,000	122.50	159.50	37.00	30.20%
60,000	147.00	191.40	44.40	30.20%
70,000	171.50	223.30	51.80	30.20%
80,000	196.00	255.20	59.20	30.20%
90,000	220.50	287.10	66.60	30.20%
100,000	245.00	319.00	74.00	30.20%
Average Usage	361.68	470.92	109.24	30.20%
Median Usage	303.19	394.76	91.58	30.20%

Present Rates:
 Monthly Minimum: \$ -
 Gallons in Minimum: -
 Charge Per 1,000 Gallons: \$ 2.45
 All gallons

Proposed Rates:
 Monthly Minimum: \$ -
 Gallons in Minimum: -
 Charge Per 1,000 Gallons: \$ 3.19
 All gallons

Farmers Water Co.
 Test Year Ended September 30, 2012
 Customer Classification 2 Inch Meter Multi-Family

Exhibit
 Schedule H-5
 Page 4
 Witness: Bourassa

Usage From:	Usage To:	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Month of Jul	Month of Aug	Month of Sep	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
1	1,000	-	1	2	1	2	2	2	2	1	2	1	1	17	17	2
1,001	2,000	1	-	-	-	-	1	1	1	1	1	-	-	4	21	10
2,001	3,000	-	1	1	1	1	1	1	-	-	-	-	1	5	26	22
3,001	4,000	1	-	1	1	1	-	-	1	-	-	-	-	5	31	40
4,001	5,000	-	1	1	1	1	-	-	-	-	-	-	-	3	36	53
5,001	6,000	1	2	-	-	1	-	-	-	1	-	-	-	5	44	81
6,001	7,000	1	-	-	-	-	-	-	-	-	1	1	1	4	48	107
7,001	8,000	-	-	-	-	-	-	-	-	-	-	-	-	-	48	107
8,001	9,000	-	-	-	-	-	1	-	-	-	-	-	-	1	49	115
9,001	10,000	-	-	-	-	-	-	1	1	-	-	-	-	3	52	144
10,001	12,000	1	-	-	-	-	-	1	-	-	-	-	1	5	57	199
12,001	14,000	-	-	-	-	-	-	-	1	-	-	-	-	2	58	212
14,001	16,000	-	-	-	1	-	-	-	-	-	1	-	-	2	60	242
16,001	18,000	-	-	-	1	-	-	-	-	-	-	-	-	2	62	276
18,001	20,000	1	-	-	-	-	-	-	-	-	-	-	-	2	64	314
20,001	25,000	1	1	1	-	1	2	-	1	-	-	-	-	7	71	471
25,001	30,000	1	2	-	1	1	-	2	1	-	2	1	2	12	83	801
30,001	35,000	-	2	-	2	1	1	1	1	1	1	2	1	13	96	1,224
35,001	40,000	1	-	2	-	1	1	1	1	1	-	-	-	8	104	1,524
40,001	45,000	1	2	-	1	1	-	1	1	1	-	-	-	10	114	1,949
45,001	50,000	-	1	1	-	2	1	-	-	-	-	-	-	6	120	2,234
50,001	60,000	1	1	-	1	-	1	2	-	2	-	-	-	11	131	2,839
60,001	70,000	2	-	1	-	1	1	-	2	-	-	-	-	9	140	3,424
70,001	80,000	-	-	-	1	-	-	-	-	-	1	-	-	4	144	3,724
80,001	90,000	-	-	-	2	-	1	1	-	-	-	-	-	6	150	4,234
90,001	100,000	-	-	-	-	-	-	1	-	-	-	-	-	4	154	4,614
131,656	131,656	1	-	-	-	-	-	-	-	-	-	-	-	1	155	4,745
126,693	126,693	-	1	-	-	-	-	-	-	-	-	-	-	1	156	4,872
149,319	149,319	-	-	1	-	-	-	-	-	-	-	-	-	1	157	5,021
116,371	116,371	-	-	-	1	-	-	-	-	-	-	-	-	1	158	5,138
123,598	123,598	-	-	-	-	1	-	-	-	-	-	-	-	1	159	5,261
111,449	111,449	-	-	-	-	-	1	-	-	-	-	-	-	1	160	5,373
111,094	111,094	-	-	-	-	-	-	-	-	-	-	-	-	1	161	5,484
135,414	135,414	-	-	-	-	-	-	1	1	-	-	-	-	1	162	5,619
105,417	105,417	-	-	-	-	-	-	-	-	1	-	-	-	1	163	5,725
100,781	100,781	-	-	-	-	-	-	-	-	-	1	-	-	1	164	5,825
103,968	103,968	-	-	-	-	-	-	-	-	-	-	-	-	1	165	5,929
165,871	165,871	1	-	-	-	-	-	-	-	-	-	-	-	1	166	6,095
167,486	167,486	-	1	-	-	-	-	-	-	-	-	-	-	1	167	6,263
190,066	190,066	-	-	1	-	-	-	-	-	-	-	-	-	1	168	6,453
156,668	156,668	-	-	-	1	-	-	-	-	-	-	-	-	1	169	6,609
199,775	199,775	-	-	-	-	1	-	-	-	-	-	-	-	1	170	6,809
167,748	167,748	-	-	-	-	-	1	-	-	-	-	-	-	1	171	6,977
152,904	152,904	-	-	-	-	-	-	1	-	-	-	-	-	1	172	7,130
165,517	165,517	-	-	-	-	-	-	-	1	-	-	-	-	1	173	7,295
152,824	152,824	-	-	-	-	-	-	-	-	-	-	-	-	1	174	7,448
139,075	139,075	-	-	-	-	-	-	-	-	1	-	-	-	1	175	7,587
163,052	163,052	-	-	-	-	-	-	-	-	-	-	-	-	1	176	7,750
159,687	159,687	-	-	-	-	-	-	-	-	-	-	-	-	1	177	7,910
103,119	103,119	-	1	-	-	-	-	-	-	-	-	-	1	1	178	8,013
109,264	109,264	-	-	1	-	-	-	-	-	-	-	-	-	1	179	8,122

Farmers Water Co.
 Test Year Ended September 30, 2012
 Customer Classification 2 Inch Meter Multi-Family

Exhibit
 Schedule H-5
 Page 4
 Witness: Bourassa

Usage From:	Usage To:	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Month of Jul	Month of Aug	Month of Sep	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
102,863	102,863	-	-	-	-	1	-	-	-	-	-	-	-	1	180	8,225
105,300	105,300	1	-	-	-	-	-	-	-	-	-	-	-	1	181	8,331
106,037	106,037	-	1	-	-	-	-	-	-	-	-	-	-	1	182	8,437
122,431	122,431	-	-	1	-	-	-	-	-	-	-	-	-	1	183	8,559
111,829	111,829	-	-	-	-	1	-	-	-	-	-	-	-	1	184	8,671
100,424	100,424	-	-	-	-	-	1	-	-	-	-	-	-	1	185	8,771
130,321	130,321	-	-	-	-	-	-	1	-	-	-	-	-	1	186	8,902
143,888	143,888	-	-	-	-	-	-	-	-	1	-	-	-	1	187	9,045
132,708	132,708	-	-	-	-	-	-	-	-	-	1	-	-	1	188	9,178
149,497	149,497	-	-	-	-	-	-	-	-	-	-	1	-	1	189	9,328
121,025	121,025	-	-	-	-	-	-	-	-	-	-	-	1	1	190	9,449
130,454	130,454	-	-	1	-	-	-	-	-	-	-	-	-	1	191	9,579
146,604	146,604	-	-	-	-	-	-	-	-	-	-	-	1	1	192	9,726
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	192	9,726
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	192	9,726
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	192	9,726
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	192	9,726
Totals		16	16	16	16	16	16	16	16	16	16	16	16	192		

Average Usage 50,655
 Median Usage 35,000
 Average # Customers 16
 Change in Number of Customers -

Farmers Water Co.
 Test Year Ended September 30, 2012
 Customer Classification Commercial 2 Inch Meter

Exhibit
 Schedule H-5
 Page 11
 Witness: Bourassa

Usage From:	Usage To:	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Month of Jul	Month of Aug	Month of Sep	Total Year	Cumulative Billing	Cumulative Gals.(1,000s)
1	-	1	1	-	2	-	1	1	-	-	-	-	2	6	6	-
1,001	1,000	1	1	2	2	1	1	1	2	4	5	3	2	26	32	13
2,001	2,000	1	1	-	1	1	1	1	1	1	3	1	2	11	43	30
3,001	3,000	1	2	-	1	1	-	2	-	1	-	-	-	8	51	50
4,001	4,000	1	-	-	-	-	1	-	-	2	1	-	1	6	57	71
5,001	5,000	1	1	1	2	-	2	1	1	-	1	1	11	68	120	120
6,001	6,000	-	-	2	2	1	-	2	2	1	-	2	-	10	78	175
7,001	7,000	-	1	1	-	1	3	2	-	-	-	-	-	8	86	227
8,001	8,000	-	3	2	2	3	-	-	4	-	-	1	1	6	92	272
9,001	9,000	2	1	1	2	1	-	1	1	-	-	1	1	17	109	417
10,001	10,000	1	1	1	-	1	1	1	-	-	-	1	2	8	117	493
12,001	12,000	1	1	1	1	3	2	2	-	1	3	1	2	16	133	669
14,001	14,000	2	1	1	1	1	-	1	2	1	1	1	3	15	148	864
16,001	16,000	1	1	-	2	2	2	-	1	1	-	-	1	10	158	1,014
18,001	18,000	2	1	-	1	-	1	1	-	1	-	-	-	7	165	1,133
20,001	20,000	-	-	1	-	1	1	-	-	-	2	1	1	7	172	1,266
25,001	25,000	1	2	3	-	-	-	2	-	2	-	-	-	11	183	1,513
30,001	30,000	3	-	1	-	2	-	1	3	-	3	1	2	20	200	1,981
35,001	35,000	-	2	-	2	-	-	-	-	3	-	2	1	10	210	2,306
40,001	40,000	1	-	1	-	-	-	1	2	-	-	-	-	7	217	2,568
45,001	45,000	-	-	-	1	-	1	-	1	-	-	-	-	3	220	2,696
50,001	50,000	-	-	1	1	-	-	-	-	-	-	-	-	4	224	2,886
60,001	60,000	-	-	-	-	2	-	-	-	-	-	1	-	4	228	3,106
70,001	70,000	1	1	1	1	-	-	-	-	-	1	-	-	4	232	3,366
80,001	80,000	1	-	-	-	1	-	1	-	-	-	-	-	6	238	3,816
90,001	100,000	-	1	-	-	-	-	1	-	-	-	-	-	3	241	4,071
106,187	106,187	-	-	-	-	-	-	-	1	2	-	-	-	4	245	4,451
155,043	155,043	-	-	-	-	-	-	-	1	-	-	-	-	1	246	4,557
215,475	215,475	1	-	-	-	-	-	-	-	-	-	-	1	1	247	4,712
218,529	218,529	-	1	-	-	-	-	-	-	-	-	-	-	1	248	4,927
260,107	260,107	-	-	1	-	-	-	-	-	-	-	-	-	1	249	5,146
211,588	211,588	-	-	-	-	-	-	-	-	-	-	-	-	1	250	5,406
254,591	254,591	-	-	-	1	-	-	-	-	-	-	-	-	1	251	5,618
206,219	206,219	-	-	-	-	1	1	-	-	-	-	-	-	1	252	5,872
182,844	182,844	-	-	-	-	-	-	1	-	-	-	-	-	1	253	6,078
221,439	221,439	-	-	-	-	-	-	-	1	-	-	-	-	1	254	6,261
183,098	183,098	1	-	-	-	-	-	-	-	1	-	-	-	1	255	6,483
192,278	192,278	-	-	-	-	-	-	-	-	-	-	-	-	1	256	6,666
230,106	230,106	-	-	-	-	-	-	-	-	-	1	-	-	1	257	6,858
223,928	223,928	-	-	-	-	-	-	-	-	-	-	-	-	1	258	7,088
114,191	114,191	-	1	-	-	-	-	-	-	-	-	-	1	1	259	7,312
104,347	104,347	-	-	1	-	-	-	-	-	-	-	-	-	1	260	7,426
107,886	107,886	-	-	-	-	1	-	-	-	-	-	-	-	1	261	7,531
116,101	116,101	-	-	-	-	-	-	-	-	-	-	-	-	1	262	7,638
101,948	101,948	-	-	-	-	-	-	-	-	-	1	-	-	1	263	7,755
109,546	109,546	-	-	-	-	-	-	-	-	-	-	-	1	1	264	7,857
112,963	112,963	-	-	-	-	-	-	-	1	-	-	-	-	1	265	7,966
104,365	104,365	-	-	-	-	-	-	-	-	1	-	-	-	1	266	8,079
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	267	8,183
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	267	8,183
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	267	8,183

Farmers Water Co.
 Test Year Ended September 30, 2012
 Customer Classification Commercial 2 Inch Meter

Exhibit
 Schedule H-5
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 Witness: Bourassa

Usage From:	Usage To:	Month of Oct 22	Month of Nov 22	Month of Dec 22	Month of Jan 22	Month of Feb 22	Month of Mar 22	Month of Apr 22	Month of May 22	Month of Jun 22	Month of Jul 23	Month of Aug 23	Month of Sep 23	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
	Totals													267	30,649	13,000
																22
																1

Average Usage
 Median Usage
 Average # Customers
 Change in Number of Customers

Farmers Water Co.
 Test Year Ended September 30, 2012
 Customer Classification 5/8x3/4 Inch Industrial

Exhibit
 Schedule H-5
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 Witness: Bourassa

Usage From:	Usage To:	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Month of Jul	Month of Aug	Month of Sep	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
1	1,000	1	3	1	3	1	3	2	2	1	3	1	3	13	13	18
1,001	2,000	-	-	-	-	-	-	-	-	-	-	-	-	35	48	18
2,001	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	48	18
3,001	4,000	-	-	-	-	-	-	-	-	-	-	-	-	-	48	18
4,001	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	48	18
5,001	6,000	-	-	-	-	-	-	-	-	-	-	-	-	-	48	18
6,001	7,000	-	-	-	-	-	-	-	-	-	-	-	-	-	48	18
7,001	8,000	-	-	-	-	-	-	-	-	-	-	-	-	-	48	18
8,001	9,000	-	-	-	-	-	-	-	-	-	-	-	-	-	48	18
9,001	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	48	18
10,001	12,000	-	1	-	-	-	-	-	-	-	-	-	-	2	50	40
12,001	14,000	-	-	-	-	-	-	1	-	-	-	-	1	2	52	66
14,001	16,000	-	-	-	1	-	-	-	-	-	-	-	-	1	53	81
16,001	18,000	-	-	-	-	-	-	-	-	-	-	-	-	2	55	115
18,001	20,000	-	-	-	-	1	-	-	-	-	-	-	-	2	57	153
20,001	25,000	-	-	1	-	-	-	-	1	-	-	-	-	2	59	198
25,001	30,000	-	-	-	-	-	1	-	-	-	-	-	-	1	60	225
30,001	35,000	-	-	-	-	-	-	-	-	-	-	-	-	-	60	225
35,001	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	60	225
40,001	45,000	-	-	-	-	-	-	-	-	-	-	-	-	-	60	225
45,001	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	60	225
50,001	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	60	225
60,001	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	60	225
70,001	80,000	-	-	-	-	-	-	-	-	-	-	-	-	-	60	225
80,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	60	225
90,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	60	225
Totals		5	5	5	5	5	5	5	5	5	5	5	5	60	60	225
														3,750		
														500		
														5		
														-		

Average Usage
 Median Usage
 Average # Customers
 Change in Number of Customers

Farmers Water Co.
 Test Year Ended September 30, 2012
 Customer Classification 1 Inch Irrigation

Exhibit
 Schedule H-5
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 Witness: Bourassa

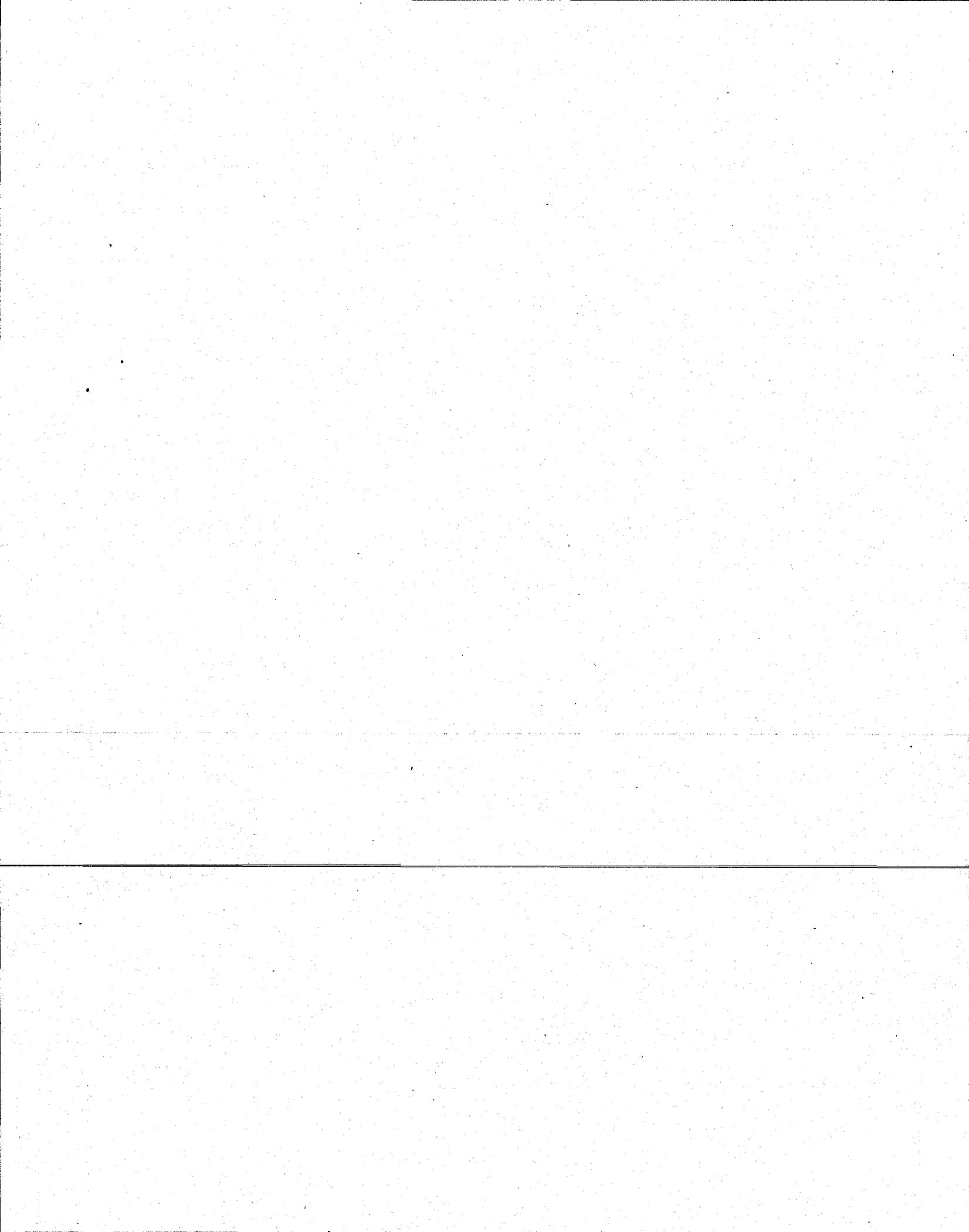
Usage From:	Usage To:	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Month of Jul	Month of Aug	Month of Sep	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
1	1,000	3	1	6	3	4	3	4	5	2	7	8	9	53	53	-
1,001	2,000	11	12	8	13	11	13	11	8	8	4	5	4	107	160	54
2,001	3,000	2	3	6	7	5	3	5	5	3	3	2	2	46	206	123
3,001	4,000	5	3	3	1	2	2	2	2	4	2	2	3	32	238	203
4,001	5,000	2	1	2	3	2	5	2	2	1	1	1	2	26	264	294
5,001	6,000	1	4	1	1	2	1	1	1	3	3	5	2	22	286	393
6,001	7,000	-	2	2	-	2	2	4	3	-	2	1	3	20	306	503
7,001	8,000	3	1	4	2	1	2	1	2	2	2	1	-	23	329	652
8,001	9,000	2	-	1	3	1	1	3	1	2	-	1	3	23	352	825
9,001	10,000	1	1	-	1	2	-	-	-	-	1	1	-	12	364	927
10,001	12,000	1	1	1	2	2	-	1	2	-	-	1	1	6	370	984
12,001	14,000	-	3	4	2	2	2	1	2	2	1	-	-	15	385	1,149
14,001	16,000	-	1	2	-	2	2	1	-	2	-	-	1	19	404	1,396
16,001	18,000	-	1	1	-	2	2	-	2	1	5	-	3	17	421	1,651
18,001	20,000	-	-	-	-	-	-	2	1	2	1	1	2	10	431	1,821
20,001	25,000	2	1	-	1	1	-	1	1	-	-	2	2	12	443	2,049
25,001	30,000	3	5	-	2	1	-	3	2	4	4	2	1	25	468	2,611
30,001	35,000	1	1	1	-	1	2	-	1	2	3	2	3	17	485	3,079
35,001	40,000	-	-	2	-	2	1	-	3	2	1	1	1	12	497	3,469
40,001	45,000	3	-	-	-	-	-	1	1	2	2	1	1	11	508	3,881
45,001	50,000	-	1	-	-	-	-	-	-	-	-	1	-	3	511	4,009
50,001	60,000	-	-	-	-	-	-	1	-	-	-	-	-	1	512	4,056
60,001	70,000	-	-	-	-	-	-	-	-	-	-	-	-	1	513	4,111
70,001	80,000	1	1	-	-	-	-	-	-	1	1	-	1	4	517	4,371
80,001	90,000	1	-	-	-	-	-	-	1	1	-	1	-	5	522	4,746
90,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	2	524	4,916
160,486	160,486	-	-	-	-	-	-	-	-	-	-	-	-	1	525	5,011
171,768	171,768	-	-	-	-	-	-	-	1	-	1	-	-	1	526	5,172
Totals		44	44	43	43	44	44	44	44	44	44	44	44	527	5,343	5,343
														10,139		
														5,000		
														44		

Average Usage
 Median Usage
 Average # Customers
 Change in Number of Customers

Farmers Water Co.
 Test Year Ended September 30, 2012
 Customer Classification 2 Inch Irrigation

Exhibit
 Schedule H-5
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 Witness: Bourassa

Usage From:	Usage To:	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Month of Jul	Month of Aug	Month of Sep	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
1	1,000	-	1	1	-	1	-	-	-	-	-	1	-	2	2	3
1,001	2,000	1	-	-	-	-	-	1	-	-	-	-	-	3	7	7
2,001	3,000	-	-	-	-	-	-	-	-	-	-	-	1	3	10	12
3,001	4,000	1	-	-	-	-	-	-	1	-	-	-	-	2	12	12
4,001	5,000	-	-	-	-	-	-	-	-	-	-	-	-	2	14	19
5,001	6,000	-	-	-	-	-	-	-	-	-	-	-	-	1	15	24
6,001	7,000	-	-	-	-	3	2	1	-	-	-	-	1	7	22	62
7,001	8,000	-	-	-	2	1	1	-	1	-	-	-	-	4	26	88
8,001	9,000	-	2	-	1	1	-	-	-	-	-	-	-	5	31	126
9,001	10,000	-	1	2	-	1	-	1	-	-	-	-	-	5	36	168
10,001	12,000	1	-	1	-	1	-	1	-	-	-	-	-	6	42	225
12,001	14,000	-	-	-	-	-	-	1	-	-	-	-	-	7	49	302
14,001	16,000	1	-	-	-	-	1	-	1	-	-	-	-	8	55	380
16,001	18,000	-	-	-	-	1	-	-	-	-	-	-	-	9	62	493
18,001	20,000	1	1	1	1	-	-	-	-	-	-	-	-	13	69	626
20,001	25,000	2	2	3	2	-	-	-	-	2	-	-	-	13	82	919
25,001	30,000	-	-	-	1	-	-	-	1	-	-	-	-	6	88	1,084
30,001	35,000	1	-	-	1	-	-	-	2	-	-	-	-	9	97	1,376
35,001	40,000	-	1	1	3	4	-	-	-	1	-	-	-	15	112	1,939
40,001	45,000	2	-	1	-	1	2	-	-	1	-	-	-	10	122	2,364
45,001	50,000	-	-	-	1	2	3	1	-	-	-	-	-	7	129	2,696
50,001	60,000	2	1	1	-	2	-	2	-	1	-	-	-	12	141	3,356
60,001	70,000	4	2	1	1	-	2	1	-	-	-	-	-	15	153	4,136
70,001	80,000	-	2	3	-	-	1	2	-	-	-	-	3	12	165	5,036
80,001	90,000	-	2	1	-	-	-	1	1	-	-	-	-	9	174	5,801
90,001	100,000	1	2	1	-	-	1	-	1	1	-	-	-	13	187	7,036
117,238	117,238	-	-	-	-	-	-	-	1	-	-	-	-	1	188	7,153
118,482	118,482	-	-	-	-	-	-	-	-	1	-	-	-	1	189	7,272
106,991	106,991	-	-	-	-	-	-	-	-	-	1	-	-	1	190	7,379
123,635	123,635	-	-	-	-	-	-	-	-	-	-	1	-	1	191	7,502
113,636	113,636	-	-	-	-	-	-	-	1	-	-	-	-	1	192	7,616
118,106	118,106	-	-	-	-	-	-	-	-	-	-	-	-	1	193	7,734
126,952	126,952	-	-	-	-	-	-	-	-	-	-	-	-	1	194	7,861
105,148	105,148	-	-	-	-	-	-	-	-	-	-	-	-	1	195	7,966
114,766	114,766	-	-	-	-	-	-	-	-	-	-	-	-	1	196	8,081
101,515	101,515	1	-	-	-	-	-	-	-	-	-	-	-	1	197	8,183
112,900	112,900	-	-	-	-	-	-	-	1	-	-	-	-	1	198	8,295
152,191	152,191	-	-	-	-	-	-	-	-	-	-	-	-	1	199	8,448
120,091	120,091	-	-	-	-	-	-	-	-	-	-	-	-	1	200	8,568
113,859	113,859	-	-	-	-	-	-	-	-	-	-	-	-	1	201	8,682
120,817	120,817	-	-	-	-	-	-	-	-	-	-	-	-	1	202	8,802
234,197	234,197	-	1	-	-	-	-	1	-	-	-	-	-	1	203	9,037
100,451	100,451	-	-	-	-	-	-	-	-	-	-	-	-	1	204	9,137
183,949	183,949	-	-	-	-	-	-	-	1	-	-	-	-	1	205	9,321
187,931	187,931	-	-	-	-	-	-	-	-	-	-	-	-	1	206	9,509
146,195	146,195	-	-	-	-	-	-	-	-	-	-	-	-	1	207	9,655
163,814	163,814	-	-	-	-	-	-	-	-	-	1	-	-	1	208	9,819
109,703	109,703	1	-	-	-	-	-	-	-	-	-	-	-	1	209	9,929
211,988	211,988	-	1	-	-	-	-	-	-	-	-	-	-	1	210	10,141
206,301	206,301	-	-	-	-	-	-	-	-	-	-	-	-	1	211	10,347
218,583	218,583	-	-	-	1	-	-	-	-	-	-	-	-	1	212	10,566



COMPANY NAME: Farmers Water Co.	9/30/12
Name of System: Sahuarita	ADEQ Public Water System Number: PWS-10-048

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-534922	30	210	1,520	8	4	1993
55-624001	60	625	1,200	14/12	8	1974

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	1	14	
20	2		
40	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
479,000 gallons	1	5,000 gallons	1

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

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Iron	2,971
3	Iron	1,627
4	Iron	1,722
5		
6	DIP	483
8		118
10		10
12	DIP	716
16		263
4	PVC	3,827
6	PVC	2,829
8	PVC	5,974
12		11,841
16		2,272

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	72
3/4	
1	8
1 1/2	1
2	10
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

One (1) Chlorine tablet injection system.

STRUCTURES:

55-624012 Well Site: 6' chain link fence 96 LF perimeter.
 55-534922 Well Site: 6' chain link fence 90 LF perimeter.
 Sahuarita Storage & Pumping Station: 6' chain link fence 260 LF perimeter.

OTHER:

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

COMPANY NAME: Farmers Water Co.	9/30/12
Name of System: Sahuarita	ADEQ Public Water System Number: PWS 10-048

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 11	88	2,703	2,686	
NOVEMBER 11	88	2,719	2,669	
DECEMBER 11	87	3,591	3,454	
JANUARY 12	87	1,980	2,033	
FEBRUARY 12	87	3,918	3,939	
MARCH 12	90	3,296	3,171	
APRIL 12	91	3,305	3,212	
MAY 12	91	3,945	4,070	
JUNE 12	91	3,335	3,070	
JULY 12	91	2,298	1,955	
AUGUST 12	91	4,056	3,913	
SEPTEMBER 12	91	2,949	2,792	
TOTALS →		38,095	36,964	

What is the level of arsenic for each well on your system? 3.5 (ppb) mg/l EPDS #1
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1500 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 Yes No

If yes, provide the GPCPD amount: _____

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

COMPANY NAME: Farmers Water Co.

9/30/12

Name of System: Sahuarita

ADEQ Public Water System Number: PWS 10-048

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
OCTOBER 11	0	0	0
NOVEMBER 11	0	0	0
DECEMBER 11	0	0	0
JANUARY 12	0	0	0
FEBRUARY 12	0	0	0
MARCH 12	0	0	0
APRIL 12	0	0	0
MAY 12	0	0	0
JUNE 12	0	0	0
JULY 12	0	0	0
AUGUST 12	0	0	0
SEPTEMBER 12	0	0	0
TOTALS →	0	0	0

OTHER (description):

COMPANY NAME: Farmers Water Co.

9/30/12

Name of System: Continental

ADEQ Public Water System Number: PWS-10-049

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-624012	75	525	520	16	8	1959
55-624020	60	575	1,100	18	8	1953
55-624028	10	25	375	16	1	1977
55-210420 (Not in use to date)	N/A	N/A	800	12 3/4	N/A	2006

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
60	4	242	
30	3		
20	2		
15	4		
10	1		
3	1		
3/4	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1,000,000 gallons	1	5,000 gallons	5
500,000 gallons	2		
75,000 gallons	1		
8,000 gallons	1		

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Iron	1,386
3	Iron	1,755
4	Iron	1,955
6	DIP	1,405
8	DIP	1,115
12	DIP	3,954
16	DIP	3,390
4	PVC	12,169
6	PVC	23,873
8	PVC	80,982
12	PVC	9,803
16	PVC	600

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	926
3/4	
1	218
1 1/2	14
2	37
Comp. 3	
Turbo 3	1
Comp. 4	
Turbo 4	1
Comp. 6	1
Turbo 6	1

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

TREATMENT EQUIPMENT:

Four (4) Chlorine tablet injection systems.

STRUCTURES:

55-624012 Well Site and Pump Station: 6' chain link fence 188 LF perimeter, 128 sq ft wood storage building.
 55-624012 Well Site and Pump Station: 6' chain link fence 598 LF perimeter, 60 sq ft wood storage building.
 55-624028 Well Site: 108 LF perimeter 6' chain link fence.
 55-624020 Well Site: 6' chain link fence 195 LF.
 55-624020 Pump Station: 6' chain link fence 542 LF of block wall (tiered: height varies with terrain).
 Colonia Real Pump Station: 6' chain link fence 451 LF perimeter.

OTHER:

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

COMPANY NAME: Farmers Water Co.	9/30/12
Name of System: Continental	ADEQ Public Water System Number: PWS 10-049

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 11	1,276	13,048	14,559	
NOVEMBER 11	1,276	12,609	14,223	
DECEMBER 11	1,178	11,120	12,708	
JANUARY 12	1,181	8,671	10,004	
FEBUARY 12	1,182	10,697	13,014	
MARCH 12	1,184	11,009	12,595	
APRIL 12	1,187	12,955	14,171	
MAY 12	1,198	17,522	19,009	
JUNE 12	1,200	16,901	18,471	
JULY 12	1,200	14,979	16,521	
AUGUST 12	1,200	15,873	17,051	
SEPTEMBER 12	1,199	14,027	15,211	
TOTALS →		159,411	177,537	

What is the level of arsenic for each well on your system? mg/l
(If more than one well, please list each separately.) 5.7 (ppb) EPDS #1
 4.5 (ppb) EPDS #2
 4.4 (ppb) EPDS #3

If system has fire hydrants, what is the fire flow requirement? 1500 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 Yes No

If yes, provide the GPCPD amount: _____

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

COMPANY NAME: Farmers Water Co.	9/30/12
Name of System: Continental	ADEQ Public Water System Number: PWS 10-049

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
OCTOBER 11	0	0	0
NOVEMBER 11	0	0	0
DECEMBER 11	0	0	0
JANUARY 12	0	0	0
FEBRUARY 12	0	0	0
MARCH 12	0	0	0
APRIL 12	0	0	0
MAY 12	0	0	0
JUNE 12	0	0	0
JULY 12	0	0	0
AUGUST 12	0	0	0
SEPTEMBER 12	0	0	0
TOTALS →	0	0	0

OTHER (description):

COMPANY NAME: Farmers Water Co.	9/30/12
Name of System: Santa Rita Springs	ADEQ Public Water System Number: PWS-10-213

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-624025	200	1,875	1,186	18/16	12	1974

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
50	2	122	
25	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1,000,000 gallons	1	5,000 gallons	1
		10,000 gallons	1

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

COMPANY NAME: Farmers Water Co.

9/30/12

Name of System: Santa Rita Springs

ADEQ Public Water System Number: PWS 10-213

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	ACP	2,727
6	ACP	2,835
12	ACP	2,723
6	DIP	217
8	DIP	90
12	DIP	1,120
16		
4	PVC	6,184
6	PVC	18,608
8	PVC	18,181
12	PVC	13,249

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1,277
3/4	
1	39
1 1/2	3
2	15
Comp. 3	
Turbo 3	4
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

One (1) Chlorine tablet injection system.

STRUCTURES:

Storage building 60 sq ft with 6' chain link fence 224 LF of perimeter.
55-624025 Well Site: 8' block wall 143 LF.

OTHER:

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

COMPANY NAME: Farmers Water Co.	9/30/12
Name of System: Santa Rita Springs	ADEQ Public Water System Number: PWS 10-213

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 11	1,341	6,073	6,691	
NOVEMBER 11	1,341	6,482	6,467	
DECEMBER 11	1,339	6,838	7,189	
JANUARY 12	1,340	5,655	6,055	
FEBRUARY 12	1,339	7,293	7,404	
MARCH 12	1,339	6,673	7,212	
APRIL 12	1,340	6,618	6,881	
MAY 12	1,339	7,799	7,971	
JUNE 12	1,339	6,826	6,963	
JULY 12	1,339	5,944	6,450	
AUGUST 12	1,339	6,321	6,620	
SEPTEMBER 12	1,338	5,619	6,909	
TOTALS →		78,141	82,812	

What is the level of arsenic for each well on your system? 7.8 (ppb) mg/l EPDS #1
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1500 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 Yes No

If yes, provide the GPCPD amount: _____

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

COMPANY NAME: Farmers Water Co.

9/30/12

Name of System: Santa Rita Springs

ADEQ Public Water System Number: PWS 10-213

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
OCTOBER 11	0	0	0
NOVEMBER 11	0	0	0
DECEMBER 11	0	0	0
JANUARY 12	0	0	0
FEBRUARY 12	0	0	0
MARCH 12	0	0	0
APRIL 12	0	0	0
MAY 12	0	0	0
JUNE 12	0	0	0
JULY 12	0	0	0
AUGUST 12	0	0	0
SEPTEMBER 12	0	0	0
TOTALS →	0	0	0

OTHER (description):

COMPANY NAME: Farmers Water Co.

9/30/12

Name of System: Sahuarita Highlands

ADEQ Public Water System Number: PWS-10-414

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-201058	30	200	600	12 ¾	4	2004

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	1	38	
25	1		
50	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
200,500 gallons	1	5,000 gallons	1

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

COMPANY NAME: Farmers Water Co.	9/30/12
Name of System: Sahuarita Highlands	ADEQ Public Water System Number: PWS 10-414

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	945
5		
6	PVC	2,115
8	PVC	21,850
10		
12	PVC	498

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	44
3/4	
1	33
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

One (1) Chlorine tablet injection system.

STRUCTURES:

Well and Pump Station Site: 8' block wall 606 LF perimeter.

OTHER:

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

COMPANY NAME: Farmers Water Co.	9/30/12
Name of System: Sahuarita Highlands	ADEQ Public Water System Number: PWS 10-414

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 11	48	205	232	
NOVEMBER 11	48	204	422	
DECEMBER 11	52	243	300	
JANUARY 12	55	216	248	
FEBRUARY 12	59	267	324	
MARCH 12	59	282	286	
APRIL 12	60	291	386	
MAY 12	62	370	449	
JUNE 12	69	333	299	
JULY 12	70	299	445	
AUGUST 12	77	349	411	
SEPTEMBER 12	77	307	521	
TOTALS →		3,366	4,323	

What is the level of arsenic for each well on your system? 2.6 (ppb) mg/l EPDS #1
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1500 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 Yes No

If yes, provide the GPCPD amount: _____

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

EXHIBIT B

To Farmers Water Rate Application

Testimony of Heather Triana

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

IN THE MATTER OF THE
APPLICATION OF FARMERS
WATER CO., AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE
CURRENT FAIR VALUE OF ITS
UTILITY PLANT AND PROPERTY
AND FOR INCREASES IN ITS RATES
AND CHARGES FOR UTILITY
SERVICE.

DOCKET NO: W-01654A-13-_____

**TESTIMONY OF
HEATHER TRIANA
ON BEHALF OF
FARMERS WATER CO.**

August 2, 2012

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II. SUMMARY OF TESTIMONY 2
III. EQUITY IMPROVEMENT PLAN 2
IV. OPERATIONAL CONSIDERATIONS 4

1 **I. INTRODUCTION AND QUALIFICATIONS**

2
3 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

4 A. My name is Heather Triana. My business address is 1525 East Sahuarita Road,
5 Sahuarita, AZ 85629-0007.

6
7 **Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?**

8 A. I am the Vice President of Finance, Treasurer, and Secretary for Farmers
9 Investment Co. Farmers Investment Co. is the parent of Farmers Water Co.

10 **Q. WOULD YOU DISCUSS YOUR EDUCATIONAL BACKGROUND AND**
11 **BUSINESS EXPERIENCE?**

12 A. I am a Certified Public Accountant. I received my MBA in 1998 in Production
13 Operations at Oakland University. I received my BS/BA in 1992 in Accounting at Central
14 Michigan University. My work experience is as follows:

- 15 • December 2001 to present – CFO, VP Finance, Treasurer, and Secretary of
16 Farmers Investment Co. and Farmers Water Co. (Responsible for all financial
17 activity for Farmers Investment Co. and Farmers Water Co.).
- 18 • March 2000 to December 2001 – Controller of Walbro de Mexico, Nogales,
19 Sonora, Mexico (Oversaw both US and Mexican entity accounting departments –
20 Small Engines Supplier).
- 21 • November 1999 to March 2000 – Accounting Consultant for Walbro Engine
22 Management Auburn Hills, MI and Nogales, Sonora, Mexico (Troubleshoot
23 Accounting problems and inventory losses in Mexican facility – Small Engines
24 Supplier).
- 25 • March 1999 to November 1999 – Special Projects Accountant, Remedy
26 Corporation, Mt. View, CA (Oversaw restructure of AR Department and the

1 department's conversion of a new ERP system, and wrote company's accounting
2 policies and procedures – Software Developer).

- 3 • August 1997 to March 1999 – Supervisor Corporate Accounting, Walbro
4 Automotive, Auburn Hills, Michigan. (Responsible for corporate accounting
5 department which handled worldwide consolidation of financials – Automotive
6 Supplier).
- 7 • June 1995 to August 1997 – Staff Accountant, Folmer, Rudzewicz & Co.,
8 Southfield, Michigan. (In charge of audits of manufacturers and HUD clients as
9 well as prepared tax return both individual and business – CPA Firm).
- 10 • December 1992 to June 1995 – Walbro Automotive, Caro, MI. (General Ledger
11 account – Automotive Supplier).

12
13 **II. SUMMARY OF TESTIMONY**

14 **Q. WOULD YOU SUMMARIZE YOUR TESTIMONY?**

15 A. Yes. In support of the Direct Testimony filed by our regulatory consultant Thomas
16 Bourassa, in which Mr. Bourassa is requesting an operating margin in this case, I would
17 like to explain the Company's Equity Improvement Plan that was filed as a compliance
18 item from Decision No. 71510. In addition, my testimony addresses relevant operational
19 considerations as described below.

20
21 **III. EQUITY IMPROVEMENT PLAN**

22 **Q. PLEASE DESCRIBE THE COMPANY'S EQUITY IMPROVEMENT PLAN.**

23 A. In our last rate case, Farmers Water Co. had a negative rate base. In an effort to
24 obtain a more balanced capital structure, Decision No. 71510, ordered Farmers Water Co.
25 to file an Equity Improvement Plan by March 31, 2011.
26

1 **Q. DID THE COMPANY COMPLY WITH DECISION NO. 71510?**

2 A. Yes. On March 4, 2011, Farmers Water Co. filed an Equity Improvement Plan
3 (“Plan”).

4 **Q. CAN YOU BRIEFLY DESCRIBE THE EQUITY IMPROVEMENT PLAN?**

5 A. Yes. We informed the Commission that as of filing of the Plan, adjustments to
6 plant-in-service, accumulated depreciation, contributions-in-aid of construction, and
7 accumulated amortization adopted by the Commission in Decision 71510 had contributed
8 significantly to the improvement in the Company's equity despite the Company suffering
9 operating losses of \$(128,099) and \$(239,460) in fiscal years 2008, 2009, respectively, as
10 well an operating loss for fiscal year 2010 (exclusive of rate case adjustments) of
11 approximately \$(48,000). Specifically, we advised the Commission that the Company's
12 equity balance had improved by \$438,871 since the end of the test year in the Company's
13 last rate case. Given this, the Company proposed the following plan:

- 14 1. Because all equity growth will come from internally generated
15 Retained Earnings derived from Operating Income, the Company will
16 attempt to maintain the operating margin authorized by the Commission by
17 filing new rate applications as often as practical and necessary.
- 18 2. File emergency rate applications as necessary when the Company
19 incurs significant, prudent and necessary expenses but does not have the
20 ability to pay, while maintaining the authorized operating margin.
- 21 3. Reinvest available Operating Income in new plant and equipment.
22 This has the equally important benefit of increasing Rate Base.
- 23 4. The Company will limit reliance on developer funded plant
24 contributions and advances) and invest its own capital where feasible.
- 25 5. Apply for Accounting Order(s) as necessary, to defer prudent and
26 necessary expenses for consideration of recovery in subsequent rate cases.

1 6. While the Company has typically not paid cash dividends above the
2 amount necessary to reimburse shareholders for income taxes on the
3 distributive share of the income from the Company, the Company will
continue to suspend cash dividends beyond that amount.

4 **Q. WHAT STEPS HAS THE COMPANY TAKEN TO MEET THE GOALS OF**
5 **ITS EQUITY IMPROVEMENT PLAN?**

6 A. The most noticeable step, and in conformance with goal number 4, is that the
7 Company has limited its reliance on developer funded plant and invested its own capital in
8 the amount of \$1.9 million since the last rate case. Along these same lines, the Company
9 continues to invest, as explained by Mr. Bourassa in Schedule A-4. Last, in conformance
10 with goal number one, the Company is proactively coming before the Commission with
11 this current rate filing.

12 **Q. DESPITE THE COMPANY'S IMPROVED EQUITY POSITION, SHOULD**
13 **THE COMMISSION STILL AUTHORIZE AN OPERATING MARGIN?**

14 A. As explained more fully by Mr. Bourassa, despite improving equity, the rate base is
15 still too low to set rates based on fair value and an operating margin is necessary to
16 provide the Company with sufficient funds to meet its on-going operating expenses, help
17 fund expected capital repairs and improvements and maintain the Company's financial
18 stability. The Company is hopeful that as its equity position improves, the Company will
19 be able to achieve a more balanced capital structure.

20 **IV. OPERATIONAL CONSIDERATIONS**

21 **Q. ARE THERE ANY OPERATIONAL CONSIDERATIONS THAT YOU**
22 **WISH TO DISCUSS?**

23 A. Yes, I would like to comment that the Company always strives to provide safe and
24 reliable water service to our customers, and we feel that the Company is accomplishing
25 that mission. To our knowledge, the Company has no outstanding or unresolved customer
26

1 complaints with the Commission and is fully compliant with all other regulatory bodies
2 that have jurisdictional authority, including the Arizona Department of Environmental
3 Quality and Arizona Department of Water Resources. Moreover, we continue to evaluate
4 our operations for improvements and take proactive steps to address any issue that the
5 Company confronts. For example, the Company's slippage showed signs of increasing
6 from between fiscal years 2010 and 2012. As a result, the Company's operations
7 personnel identified and remedied a faulty meter as well as a broken pipe, which in large
8 measure helped reduce the lost water to its current level of 4.7 % thus far into fiscal year
9 2013.

10 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

11 **A. Yes it does.**
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