

ORIGINAL



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NEW APPLICATION

Steve Wene, No. 019630
MOYES SELLERS & HENDRICKS LTD.
1850 N. Central Avenue, Suite 1100
Phoenix, Arizona 85004
(602)-604-2189
swene@law-msh.com
Attorneys for Mt. Tipton Water Company, Inc.

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2013 DEC 2 PM 4 31

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, CHAIRMAN
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SUSAN BITTER SMITH
BRENDA BURNS

Arizona Corporation Commission
DOCKETED

DEC 2 2013

DOCKETED BY

IN THE MATTER OF THE APPLICATION
OF MT. TIPTON WATER COMPANY,
INC. FOR A PERMANENT INCREASE IN
ITS WATER RATES AND CHARGES

DOCKET NO: W-02105A-13-0415

RATE APPLICATION

Mt. Tipton Water Company, Inc. ("Company" or "Applicant"), hereby applies for
an increase in its water rates and charges.

SUPPORTING DOCUMENTATION

Pursuant to A.A.R. Rule 14-2-103, the Company submits the following
documentation in support of the proposed increase in rates and charges:

- Direct Testimony of Sonn Rowell (*see* Attachment 1);
- Schedules prepared by Sonn Rowell (*see* Attachment 2);
- Direct Testimony of Michelle Monzillo (*see* Attachment 3);
- Water Use Data Sheets (*see* Attachment 4); and

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- Plant Descriptions (*see* Attachment 5).

RESPECTFULLY SUBMITTED this 2nd day of December, 2013.

MOYES SELLERS & HENDRICKS LTD.



Steve Wene

Original and 13 copies of the foregoing
filed this 2nd day of December, 2013, with:

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



ATTACHMENT 1

1 **Q-4 What is the purpose of your testimony?**

2 **A-4** The purpose of my testimony is to present my analysis and recommendations
3 concerning the development of Mt. Tipton's gross revenue requirement, taking into
4 account rate base, adjusted operating income, rate of return, required operating income,
5 required rate of return for the historic twelve month period, and other relevant factors to
6 sponsor certain exhibits in support of the rate application.

7 **Q-5 Please summarize the Company's proposal.**

8 **A-5** Mt. Tipton is seeking an increase in gross revenue requirement of approximately
9 \$45,947, or a rate increase of approximately 14.69% over actual test year revenue, for its
10 customers to pay for increased operational expenses, and provide conditional cash flow
11 for an aging system that needs many constant replacements and repairs.

12 **Q-6 What is the basis for your recommendation?**

13 **A-6** I analyzed the Company's records to determine the adjusted revenues and
14 expenses during the test year ending June 30, 2013. Next, I calculated a reasonable
15 revenue requirement in order to ensure the Company can earn sufficient revenue to pay
16 ongoing operating expenses, the debt service on the four loans, and ongoing system
17 improvements and upgrades which will enable the Company to continue to provide
18 adequate and reliable water service to its customers. Based upon my analysis, I have
19 prepared the schedules in accordance with A.A.C. Rule 14-2-103 that are set forth in
20 Application Exhibit 2, which I adopt as part of my testimony.

21 **Q-7 Did the Company adjust actual test year amounts for plant and other rate
22 base items?**

23 **A-7** Yes. The Company made one adjustment to reclassify \$1,321 of annual software
24 expenses from account 340.1 – Computers and Software to account 620 – Office
25 expense. The adjustment to plant is delineated on Schedule B-2, Adjustment A, and the
26 corresponding adjustment to expense on Schedule C-2, Adjustment B.

27 **Q-8 Please identify and explain the adjustments made on Schedule C-1 – Adjusted
28 Test Year Income Statement of this application.**

1 **A-8** Adjustment A removes sales tax adjustments in the amount of \$444 from test year
2 metered water revenue and decreases revenue for billing adjustments made in the RVS
3 system but not carried to the general ledger revenue account.

4 **Q-9 Please explain Adjustment B.**

5 **A-9** Adjustment B as delineated on Schedule C-2 increases account 620 for annual fees
6 related to the software programs utilized by the utility.

7 **Q-10 How did you determine the amount of proposed rate case expense?**

8 **A-10** The estimate for Adjustment C includes \$35,000 of total expense amortized over 5
9 years, or \$7,000 per year.

10 **Q-11 Please explain how you calculated Adjustment D to depreciation expense.**

11 **A-11** Schedule C-2a begins with plant in service at the end of the test year, and applies
12 depreciation rates currently in effect, resulting in depreciation expense of \$58,424. This
13 amount must be reduced by \$13,419 to account for CIAC amortization, resulting in
14 adjusted depreciation expense of \$45,005. Since test year depreciation expense was
15 \$125,612, this represents a decrease of \$80,607 over actual test year expense.

16 **Q-12 Please explain Adjustments E1 and E2 to property tax expenses as illustrated
17 on Schedule C-2b.**

18 **A-12** Adjustment E1 increases test year property tax expense by \$4,656 to \$18,279, as a
19 result of the standard ADOR calculation. Adjustment H2 increases proposed property tax
20 expense by \$824, from the adjusted test year calculated amount of \$18,279, to \$19,104 at
21 proposed rates.

22 **Q-13 Is Adjustment F merely to reclassify the interest on security deposit interest
23 from the customer deposit account?**

24 **A-13** Yes.

25 **Q-14 What is the purpose of Adjustment G?**

26 **A-14** Adjustment G removes \$63,058 of below-the-line, non-recurring expense related
27 to the retirement of an old well.

28 **Q-15 How was Adjustment H determined?**

1 **A-15** Adjustment H increases metered water revenue from the adjusted test year amount
2 of \$312,811 by \$45,947 to \$358,758 for Mt. Tipton, per the calculation set forth on
3 Schedule A-1.

4 **Q-15 Please summarize your rate design for Mt. Tipton.**

5 **A-15** The rate design proposed by the Company is consistent with its current rate
6 design. The rate design proposed by Mt. Tipton is intended to spread the impact of the
7 increase over the various classes as equitably as possible to minimize the impact of rate
8 shock on any one class or meter size. In addition, the Company wishes for simplicity to
9 maintain the current tier structure applying to all customers it currently has.

10 **Q-16 Can you explain the impacts of this rate design further on the 5/8 by 3/4 inch**
11 **residential customers?**

12 **A-16** The 5/8 by 3/4 inch residential meters is the largest class of users. The 5/8 by 3/4
13 inch residential meter class will experience an average increase of 14.75% as depicted on
14 Schedule H-1. Based upon average usage of 3,657 gallons per month, the monthly bill
15 for these customers will increase \$5.38, from \$33.40 to \$38.79, or 16.11%. That is an
16 increase of \$64.56 per year for the average user in this meter size.

17 **Q-17 What method did Mt. Tipton use to calculate the revenue requirement?**

18 **A-17** The Company evaluated many different factors in determining an appropriate
19 revenue requirement, and decided to use the typical rate of return method as reflected on
20 lines 1 through 8 of Schedule A-1. Due to the number of loans and the large of amount
21 of monthly debt service, the Company also evaluated the potential cash flow as
22 delineated on lines 10 through 19, as well as the WIFA DSCR on lines 21 through 23.

23 **Q-18 On Schedule D-1 Mt. Tipton is requesting a cost rate of 45% on Common**
24 **equity of \$156,080 resulting in a rate of return percentage of 12.98%. Is it normal**
25 **to request such a high cost rate for common equity?**

26 **A-18** No. That number is there to force the required rate of return amount to be high
27 enough to generate the necessary operating income so the company can meet all of its
28 financial and operational obligations. As this company is a non-profit, no one is

1 benefiting from the return, therefore, theoretically the amount is meaningless as it is just a
2 tool to arrive at a proper operating income amount.

3 **Q-19 A rate of return amount of 12.98% was selected, why is that?**

4 **A-19** As reflected on Schedule E-7, Mt. Tipton continues to lose its customer base, and
5 residential customer demand decreased by 9.58% since the 2011 calendar year. Per
6 Decision 72001, the revenue requirement adopted was \$356,490, of which \$324,920 was
7 metered water revenue. Per Schedule E-2, Mt. Tipton's metered water revenue during
8 2011, 2012 and the test year was \$322,237, \$310,396, and \$312,811,¹ respectively. The
9 Company has not met its metered water revenue target in the two years these rates have
10 been in effect. In fact, as further delineated on Schedule E-2, Mt. Tipton has not even
11 earned total revenue that hits the revenue target of \$356,490 including other revenue and
12 the coin machine. There absolutely must be enough projected cash flow for the company
13 to survive when the revenue requirement established by a Decision is not met, nor is it
14 likely to be met due to tiered rates.

15 **Q-20 Is there a reason why Mt. Tipton would need an additional amount of**
16 **projected cash flow than other companies?**

17 **A-20** Yes. Mt. Tipton is still reeling from the mismanagement of the early 2000's and
18 has a large outstanding amount of property taxes due from that time to Mohave County
19 that continue to accrue interest. Management has stated that the amount due is now so
20 large due to interest that the ability to ever pay the amount off is in question, thus
21 affecting its ability as a going concern. Please see the testimony of Michelle Monzillo for
22 further details of this situation.

23 **Q-21 Does this conclude your testimony?**

24 **A-21** Yes.
25
26
27

28

¹ \$312,811 is the adjusted revenue. Unadjusted revenue was \$313,207.

ATTACHMENT 2

Mt. Tipton Water Company, Inc.

Docket No. W-02105A

Test Year Ended June 30, 2013

Schedule A-1

Title: Computation of Increase in Gross

Revenue Requirements

Explanation:
Schedule showing computation of increase in gross revenue requirements and spread of revenue increase by customer classification.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Special Reqmt	<input type="checkbox"/>

	Original Cost	<u>RCND</u>	
1 Adjusted Rate Base	\$ 753,909 (a)		(a)
2 Adjusted Operating Income	\$ 52,726 (b)		(b)
3 Current Rate of Return	6.99%		
4 Required Operating Income	\$ 97,848		
5 Required Rate of Return	12.98%		
6 Operating Income Deficiency (Line 4 - 2)	\$ 45,122		
7 Gross Revenue Conversion Factor	1.0183 (c)		(c)
8 Increase in Gross Revenue Requirements (Line 6 x 7)	<u>\$ 45,947</u>		
9 <i>Cash Flow calculation</i>			
10 Operating Income	\$ 97,848 (b)		(b)
11 Depreciation Expense	45,005 (b)		(b)
12 Estimated Operating Cash Available (Line 10 + 11)	\$ 142,853		
13 Annual USDA loan 1 payments	(7,848)		
14 Annual USDA loan 2 payments	(7,848)		
15 Annual WIFA loan 1 principal/debt service payments	(83,711)		
16 Annual WIFA loan 2 principal/debt service payments	(1,208)		
17 Estimated Conditional Cash Flow (Line 12+13+14+15+16)	<u>\$ 42,238</u>		
18 Proposed Revenue	\$ 385,541 (b)		(b)
19 Conditional Cash Flow as Percent of Revenue (Line 17 / 18)	10.96%		
20 <i>Operating Margin calculation</i>			
21 Operating Income	\$ 97,848		
22 Proposed Revenue	\$ 385,541		
23 Operating Margin (Line 21 / 22)	<u>25.38%</u>		
24 <i>WIFA DSCR calculation</i>			
25 Proposed Operating Income plus Depreciation	\$ 142,853		
26 Annual Debt Service Amount	100,615		
27 Debt Service Coverage Ratio (Line 25 / 26)	<u>1.42</u>		

	Customer Classification	Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase	
28 Residential		\$ 264,638	\$ 303,656	\$ 39,018	14.74%	(d)
29 Commercial		37,240	42,499	5,259	14.12%	
30 Other Metered		10,933	12,603	1,670	15.27%	
31 Coin Machine		16,341	16,341	-	0.00%	
32 Hook Up Fees		4,450	4,450	-	0.00%	
33 Other Revenue		5,992	5,992	-	0.00%	
34 Total		<u>\$ 339,594</u>	<u>\$ 385,541</u>	<u>\$ 45,947</u>	<u>13.53%</u>	

Note: For combination utilities, the above information should be presented in total and by department.

Supporting Schedules:

(a) B-1 (b) C-1 (c) C-3 (d) H-1

Mt. Tipton Water Company, Inc.

Docket No. W-02105A

Test Year Ended June 30, 2013

Schedule A-2

Title: Summary Results of Operations

Explanation:

Schedule showing comparative operating results for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Specil Reqmt	<input type="checkbox"/>

Description	<u>Prior Years</u>		<u>Test Year</u>		<u>Projected Year</u>	
	Year End	Year End	Actual	Adjusted	Present	Proposed
	31-Dec-11	31-Dec-12	Rates	Rates	Rates	Rates
	(a)	(a)	(a)	(b)	(c)	(c)
1. Gross Revenues	\$ 347,099	\$ 332,534	\$ 339,990	\$ 339,594	\$ 339,594	\$ 385,541
2. Revenue Deductions & Operating Expenses	(272,980)	(331,238)	(354,175)	(286,868)	(286,868)	(287,693)
3. Operating Income	\$ 74,119	\$ 1,296	\$ (14,185)	\$ 52,726	\$ 52,726	\$ 97,848
4. Other Income and Deductions	7,935	7,164	(60,678)	2,380	2,380	2,380
5. Interest Expense	(16,403)	(15,237)	(11,770)	(11,770)	(11,770)	(11,770)
6. Net Income	\$ 65,651	\$ (6,777)	\$ (86,633)	\$ 43,336	\$ 43,336	\$ 88,458
7. Earned Per Average Common Share*						
8. Dividends Per Common Share*				No Shares		
9. Payout Ratio*						
10. Return on Average Invested Capital	9.62%	-0.93%	-11.74%	5.87%	5.87%	11.99%
11. Return on Year End Capital	9.62%	-0.93%	-11.74%	5.87%	5.87%	11.99%
12. Return on Average Common Equity	455.78%	-5.76%	-55.51%	27.77%	27.77%	56.67%
13. Return on Year End Common Equity	455.78%	-5.76%	-55.51%	27.77%	27.77%	56.67%
14. Times Bond Interest Earned - Before Inc Tax	500.24%	55.52%	-636.05%	468.19%	468.19%	851.56%
15. Times Total Interest and Preferred						
Dividends Earned - After Income Taxes	500.24%	55.52%	-636.05%	468.19%	468.19%	851.56%

Supporting Schedules:

- (a) E-2
- (b) C-1
- (c) F-1

*Optional for projected year

Mt. Tipton Water Company, Inc.
 Docket No. W-02105A
 Test Year Ended June 30, 2013

Schedule A-4
Title: Construction Expenditures and
Gross Utility Plant in Service

Explanation:
 Schedule showing construction expenditures, plant placed in service and gross utility plant in service for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

Required for: All Utilities
 Class A
 Class B
 Class C
 Class D
 Specl Reqmt

Year	Construction Expenditures (a)	Net Plant Placed In Service (b)	Gross Utility Plant In Service
1. Prior Year 1 - 2011	\$ 28,816	\$ (43,338)	\$ 2,045,264
2. Prior Year 2 - Jan to June 2012	25,826	25,826	2,071,090
3. Test Year - July 2012 to June 2013	62,791	(135,316)	1,935,774
4. Projected Year - July 2013 to June 2014	30,000	30,000	1,965,774
5. Projected *			
6. Projected *			

*** Required only for Class A and B Utilities**

NOTE: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:

- (a) F-3
- (b) E-5

Mt. Tipton Water Company, Inc.

Docket No. W-02105A

Test Year Ended June 30, 2013

Schedule B-1

**Title: Summary of Original Cost
and RCND**

Explanation:
Schedule showing elements of adjusted original cost
and RCND rate bases.

Required for: All Utilities
Class A
Class B
Class C
Class D
Spec'l Reqmt

	<u>Original Cost</u> <u>Rate Base*</u>	<u>RCND</u> <u>Rate Base*</u>
1 Gross Utility Plant in Service	\$ 1,935,774	
2 Less: Accumulated Depreciation	<u>(1,147,676)</u>	
3 Net Utility Plant in Service	\$ 788,099 (a)	(b)
4 Less:		
5 Advances in Aid of Construction	\$ (16,029) (c)	(c)
6 Contributions in Aid of Construction	(347,002) (c)	(c)
7 Customer Security Deposits	(4,285) (c)	
8 Add:		
9 Amortization of Contributions	\$ 333,126 (c)	
10 Allowance for Working Capital	<u>- (d)</u>	(d)
11 Total Rate Base	<u>\$ 753,909</u> (e)	(e)

* Including pro forma adjustments

NOTE: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:

(a) B-2 (d) B-5

(b) B-3

(c) E-1

Recap Schedules:

(e) A-1

Mt. Tipton Water Company, Inc.

Docket No. W-02105A

Test Year Ended June 30, 2013

Schedule B-2

Title: Original Cost Rate Base

Proforma Adjustments

Explanation:

Schedule showing pro forma adjustments to gross plant in service and accumulated depreciation, and original cost rate base.

Required for: All Utilities

Class A

Class B

Class C

Class D

Spec'l Reqmt

X

	Actual at End Of Test Year (a)	Pro forma Adjustment	Adjusted at End Of Test Year (b)
1 Gross Utility Plant in Service	\$ 1,937,095	(1,321) A	\$ 1,935,774
2 Less: Accumulated Depreciation	(1,147,676)		(1,147,676)
3 Net Utility Plant in Service	\$ 789,420	\$ (1,321)	\$ 788,099
4 Less:			
5 Advances in Aid of Construction	\$ (16,029)		\$ (16,029)
6 Contributions in Aid of Construction	(347,002)		(347,002)
7 Customer Security Deposits	(4,285)		(4,285)
8 Plus:			
9 Amortization of Contributions	\$ 333,126		\$ 333,126
10 Allowance for Working Capital	-		-
11 Total Rate Base	\$ 755,230	\$ (1,321)	\$ 753,909

All pro forma adjustments should be adequately explained on this schedule or on attachments hereto.

A Reclassify annual software renewal costs to expense.

NOTE: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:

(a) E-1

Recap Schedules:

(b) B-1

Mt. Tipton Water Company, Inc.
 Docket No. W-02105A
 Test Year Ended June 30, 2013

Schedule B-5
Title: Computation of Working Capital

Explanation:
 Schedule showing computation of working capital allowance.

Required for: All Utilities	X
Class A	
Class B	
Class C	
Class D	
Spec Reqmt	

	<u>Amount</u>
1. Cash working capital	
1/24th Purchased Power	
1/24th Purchased Water	
1/8th Operation & Maintenance Expense	
2. Materials and Supplies Inventories	(a)
3. Prepayments	(a)
4. Total Working Capital Allowance	\$ - (b)

NOTES:

1. Adequate detail should be provided to determine the bases for the above computations.
2. Adjusted test year operating expenses should be used in computing cash working capital requirements.
3. Combination utilities should compute working capital allowances for each department.

Supporting Schedules:
 (a) E-1

Recap Schedules:
 (b) B-1

Mt. Tipton Water Company, Inc.
Docket No. W-02105A
Test Year Ended June 30, 2013

Schedule C-1
Title: Adjusted Test Year Income Statement

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Specil Reqmt	<input type="checkbox"/>

Explanation:
Schedule showing statement of income for the test year,
including pro forma adjustments.

Acct	Description	Actual for Test Year Ended (a) 30-Jun-13	Proforma Adjustments (b)	Test Year Results After Pro Forma Adjustments	Proposed Rate Increase	Adjusted Test Year With Rate Increase
Operating Revenues:						
1	461 Metered Water Revenue	\$ 313,207	A (396)	\$ 312,811	H \$ 45,947	\$ 358,758
2	461.1 Coin Revenue	16,341		16,341		16,341
3	474.5 Non-Refundable Hook Up Fees	4,450		4,450		4,450
4	474 Other Water Revenue	5,992		5,992		5,992
5	Total Operating Revenue	\$ 339,990	\$ (396)	\$ 339,594	\$ 45,947	\$ 385,541
Operating Expenses:						
6	601 Salaries & Wages	\$ 103,268		\$ 103,268		\$ 103,268
8	610 Purchased Water	-		-		-
9	615 Purchased Power	22,461		22,461		22,461
10	618 Chemicals	-		-		-
11	620 Repairs & Maintenance	15,086		15,086		15,086
12	621 Office Supplies and Expense	27,965	B 1,321	29,286		29,286
13	630 Outside Services	8,030		8,030		8,030
14	635 Water Testing	3,956		3,956		3,956
15	641 Rental Expense	500		500		500
16	650 Transportation Expense	9,336		9,336		9,336
17	657 Insurance - General Liability	10,691		10,691		10,691
18	659 Insurance - Health and Life	-		-		-
19	666 Rate Case Expense	-	C 7,000	7,000		7,000
20	675 Miscellaneous Expense	3,082		3,082		3,082
21	403 Depreciation & Amortization	125,612	D (80,607)	45,005		45,005
22	408 Taxes Other Than Income	10,565		10,565		10,565
23	408.11 Property Taxes	13,623	E1 4,656	18,279	E2 824	19,104
24	409 Income Taxes	-		-		-
25	427.2 Customer Security Deposit Interest	-	F 324	324		324
26	Total Operating Expenses	\$ 354,175	\$ (67,306)	\$ 286,868	\$ 824	\$ 287,693
27	OPERATING INCOME/(LOSS)	\$ (14,185)	\$ 66,910	\$ 52,726	(c) \$ 45,122	\$ 97,848
Other Income/(Expense):						
29	419 Interest Income	\$ 34		\$ 34	\$ -	\$ 34
30	421 Rental Income	5,721		5,721		5,721
31	427 Interest Expense	(11,770)		(11,770)		(11,770)
32	Rental Expense	(3,375)		(3,375)		(3,375)
33	430 Loss on Disposition of Equipment	(63,058)	G 63,058	-		-
34	Total Other Income/(Expense)	\$ (72,448)	\$ 63,058	\$ (9,390)	\$ -	\$ (9,390)
35	NET INCOME/(LOSS)	\$ (86,633)	\$ 129,968	\$ 43,336	\$ 45,122	\$ 88,458

Note: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:
(a) E-2 (b) C-2

Recap Schedules:
(c) A-1

Mt. Tipton Water Company, Inc.
 Docket No. W-02105A
 Test Year Ended June 30, 2013

Schedule C-2
 Title: **Income Statement Proforma
 Adjustments**

Explanation:
 Schedule itemizing pro forma adjustments to the test year
 income statement.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

Adjustment	Explanation of Adjustment	Adjustment Amount
A	Remove sales tax adjustments from revenue	\$ 444
	Decrease revenue for billing adjustments	(840)
	Total Adjustment A	\$ (396)
B	Reclassify QuickBooks annual fee	\$ 429
	Reclassify RVS annual software fee	892
	Total Adjustment B	\$ 1,321
C	To include recovery of estimated rate case expenses (\$35,000 amortized over 5 years).	\$ 7,000
D	Please refer to Schedule C-2a.	\$ (80,607)
E1	Please refer to Schedule C-2b.	\$ 4,656
E2	Please refer to Schedule C-2b.	824
F	Include interest paid on customer security deposits	\$ 324
G	Remove expenses related to retirement of assets - non-recurring.	\$ 63,058
H	Increase Metered Water Revenue to meet the proposed revenue requirement per calculation on Schedule A-1.	\$ 45,947

Note: All pro forma adjustments should be adequately explained on this schedule or on attachments thereto.

Supporting Schedules:
 C-2a and C-2b

Recap Schedules:
 (a) C-1

Mt. Tipton Water Company, Inc.
Docket No. W-02105A
Test Year Ended June 30, 2013

Schedule C-2a
**Title: Income Statement Proforma
Adjustments**

Explanation:
Schedule detailing the calculations for proforma Adjustment F to depreciation expense for the projected year income statement.

Acct No.	Description	Depreciation Rate	Plant Amount	Proposed Depr Exp
301	Organization	0.00%	\$ 17,450	\$ -
302	Franchises	0.00%	500	-
303	Land & Land Rights	0.00%	9,842	-
304	Structures & Improvements	3.33%	70,621	2,352
307	Wells & Springs	3.33%	407,673	13,576
311	Pumping Equipment	12.50%	113,628	14,204
320	Water Treatment Equipment	0.00%	-	-
320.1	Water Treatment Plants	3.33%	-	-
320.2	Solution Chemical Feeders ³	20.00%	53,075	-
330	Distribution Reservoirs & Standpipes	0.00%	-	-
330.1	Storage Tanks	2.22%	223,341	4,958
330.2	Pressure Tanks.	5.00%	-	-
331	Transmission & Distribution Mains	2.00%	799,500	15,990
333	Services	3.33%	59,750	1,990
334	Meters & Meter Installations ¹	8.33%	130,798	5,098
335	Hydrants	2.00%	1,230	25
339	Other Plant and Misc Equipment	6.67%	1,880	125
340	Office Furniture & Equipment ²	6.67%	18,094	42
340.1	Computers and Software ³	20.00%	7,007	-
341	Transportation Equipment ³	20.00%	11,592	-
343	Tools, Shop, and Garage Equipment	5.00%	1,274	64
345	Power Operated Equipment ³	5.00%	167	-
347	Miscellaneous Equipment ³	10.00%	8,464	-
348	Other Tangible Plant ³	10.00%	1,208	-
Totals			\$ 1,937,095	\$ 58,424
			CIAC Amortization	\$ (13,419)
			Proposed Depreciation Expense	\$ 45,005
			Test Year Depreciation Expense	125,612
			Adjustment D to Depreciation Expense	\$ (80,607)

¹ \$69,595 of the balance in this account is fully depreciated.

² \$17,463 of the balance in this account is fully depreciated.

³ The total amount in these accounts is fully depreciated.

Supporting Schedules:

Recap Schedules:
C-1, C-2

DETAIL OF PROPERTY TAX EXPENSE ADJUSTMENTS H1 AND H2

Line	Test Year as Adjusted	Company at Proposed Rates
1 Adjusted Test Year Revenue	\$ 339,594	\$ 339,594
2 Weight Factor	2	2
3 Subtotal	\$ 679,189	\$ 679,189
4 Company Recommended Revenue	339,594	385,541
5 Subtotal	\$ 1,018,783	\$ 1,064,730
6 Number of Years	3	3
7 Three Year Revenue Average	\$ 339,594	\$ 354,910
8 AZ Department of Revenue Multiplier	2	2
9 Revenue Base Value	\$ 679,189	\$ 709,820
10 Plus 10% of CWIP	-	-
11 Less: Net Book Value of Licensed Vehicles	-	-
12 Full Cash Value	\$ 679,189	\$ 709,820
13 Assessment Ratio	19.50%	19.50%
14 Assessment Value	\$ 132,442	\$ 138,415
15 Composite Property Tax Rate *	13.8017%	13.8017%
16 Adjusted Test Year Property Tax Expense	\$ 18,279	
17 Actual Test Year Property Tax Expense	13,623	
18 Total Adjustment E1	\$ 4,656	
19 Projected Property Tax Expense		\$ 19,104
20 Adjusted Test Year Property Tax Expense		18,279
21 Total Adjustment E2		\$ 824
22 * <i>Property tax composite rate calculation:</i>		
23 Assessed Value per 2013 Property Tax Notices	\$ 119,940	
24 Property Tax due per 2013 Notices	16,554	
25 Composite Property Tax Rate	13.8017%	
26 <i>For Gross Revenue Conversion Factor:</i>		
27 Change in Property Tax Expense	\$ 824	
28 Change in Revenue Requirement	45,947	
29 Change in Property Tax per Dollar Increase in Revenue	1.7942%	

Mt. Tipton Water Company, Inc.
 Docket No. W-02105A
 Test Year Ended June 30, 2013

Schedule C-3
Title: Computation of Gross Revenue
Conversion Factor

Explanation:
 Schedule showing incremental taxes on gross revenues and
 the development of a gross revenue conversion factor.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

<u>Description</u>	<u>Percentage of Incremental Gross Revenues</u>
1 Revenues	1.0000
2 Property Taxes	1.794% (0.0179)
3 Arizona Taxable Income	0.9821
4 Arizona Income Tax	-
5 Federal Taxable Income	0.9821
6 Federal Income Tax	-
7 Operating Income	0.9821
8 Gross Revenue Conversion Factor (Line 1 / Line 7)	1.0183

Note: All tax percentages shall include the effect of other taxes upon the incremental rate. The applicant may use other formulas in developing the conversion factor.

Supporting Schedules:

Recap Schedules:
 (a) A-1

Mt. Tipton Water Company, Inc.

Docket No. W-02105A

Test Year Ended June 30, 2013

Schedule D-1

Title: Summary Cost of Capital

Explanation:

Schedule showing elements of capital structure and the related cost.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

Invested Capital	End of Test Year				End of Projected Year			
	Amount	%	Cost Rate (e)	Composite Cost %	Amount	%	Cost Rate (e)	Composite Cost %
Long-Term Debt (a)	\$ 581,695	78.84%	4.39%	3.46%	\$ 581,695	78.84%	4.39%	3.46%
Short-Term Debt (a)	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%
Common Equity (c)	156,080	21.16%	45.00%	9.52%	156,080	21.16%	45.00%	9.52%
Total	\$ 737,775			12.98%	\$ 737,775			12.98%

Supporting Schedules:

- (a) D-2
- (b) D-3
- (c) D-4
- (d) E-1

Recap Schedules:

- (e) A-3

Mt. Tipton Water Company, Inc.
Docket No. W-02105A
Test Year Ended June 30, 2013

Schedule E-1
Title: Comparative Balance
Sheet

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

Explanation:
Schedule showing comparative balance sheets at the end of the
test year and the 2 fiscal years ended prior to the test year.

\$ 44,713
\$ 44,714

	Test Year At 30-Jun-13	Prior Year 31-Dec-12	Prior Year 31-Dec-11
ASSETS			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 1,937,095	\$ 1,926,094	\$ 2,045,264
103 Property Held for Future Use			
105 Construction Work in Process	-	-	-
108 Accumulated Depreciation	(1,147,676)	(1,118,663)	(1,258,984)
121 Non - Utility Property			
Total Property Plant & Equipment	\$ 789,419	\$ 807,431	\$ 786,280
Current Assets:			
131 Cash	\$ 38,359	\$ 42,094	\$ 35,253
135 Prepays/Deposits			
141 Customer Accounts Receivable	39,257	28,782	31,641
174 Miscellaneous Current and Accrued Assets	71,679	58,705	50,449
Total Current Assets	\$ 149,295	\$ 129,581	\$ 117,343
TOTAL ASSETS	\$ 938,714	\$ 937,012	\$ 903,623
LIABILITIES and STOCKHOLDERS' EQUITY			
Capitalization: (b)			
215 Retained Earnings	\$ 156,080	\$ 117,658	\$ 14,404
Current Liabilities:			
231 Accounts Payable	\$ 9,826	\$ 13,850	\$ 59,937
235 Customer Deposits	4,285	3,946	2,860
236 Accrued Taxes	156,923	151,225	105,483
241 Misc Current and Accrued Liabilities			
Total Current Liabilities	\$ 171,034	\$ 169,021	\$ 168,280
224 Long-Term Debt (Over 12 Months)	\$ 581,695	\$ 611,600	\$ 667,724
Deferred Credits:			
252.1 Meter Deposits	\$ 16,029	\$ 18,197	\$ 19,261
252.2 Advances In Aid Of Construction			
271 Contributions In Aid Of Construction	347,002	347,002	347,002
272 Less: Amortization of Contributions	(333,126)	(326,466)	(313,048)
Total Deferred Credits	\$ 29,905	\$ 38,733	\$ 53,215
Total Liabilities	\$ 782,634	\$ 819,354	\$ 889,219
TOTAL LIABILITIES and STOCKHOLDERS' EQUITY	\$ 938,714	\$ 937,012	\$ 903,623

Supporting Schedules:
(a) E-5

Recap Schedules:
(b) A-3

Mt. Tipton Water Company, Inc.
Docket No. W-02105A
Test Year Ended June 30, 2013

Schedule E-2
Title: Comparative Income Statements

Required for: All Utilities
Class A
Class B
Class C
Class D
Spec'l Reqmt

Explanation:
Schedule showing comparative income statements for the test year and the 2 fiscal years ended prior to the test year.

	Test Year Ended 30-Jun-13	Prior Year Ended 31-Dec-12	Prior Year Ended 31-Dec-11
Revenues: (a)			
461 Metered Water Revenue	\$ 313,207	\$ 310,396	\$ 322,237
461.1 Coin Revenue	16,341	16,568	19,751
474.5 Non-Refundable Hook Up Fees	4,450		
474 Other Water Revenue	5,992	5,570	5,111
Total Revenues	<u>\$ 339,990</u>	<u>\$ 332,534</u>	<u>\$ 347,099</u>
Operating Expenses (a)			
601 Salaries & Wages	\$ 103,268	\$ 97,836	\$ 78,040
610 Purchased Water	-		
615 Purchased Power	22,461	18,251	21,900
618 Chemicals	-		
620 Repairs and Maintenance	15,086	13,285	6,311
621 Office Supplies and Expense	27,965	12,656	6,318
630 Outside Services	8,030	10,666	10,346
635 Water Testing	3,956	3,996	4,233
641 Rents	500		
650 Transportation Expense	9,336	8,386	10,930
657 Insurance - General liability	10,691	8,688	9,154
659 Insurance - Health and Life	-		
666 Regulatory Commission Expense - Rate Case	-		
675 Miscellaneous Expense	3,082	13,308	3,834
403 Depreciation Expense	125,612	117,483	78,590
408 Taxes Other Than Income	10,565	12,842	12,319
408.11 Property Taxes	13,623	13,841	31,005
409 Income Tax	-		
427.2 Customer Security Deposit Interest	-		
Total Operating Expenses	<u>\$ 354,175</u>	<u>\$ 331,238</u>	<u>\$ 272,980</u>
OPERATING INCOME/(LOSS)	\$ (14,185)	\$ 1,296	\$ 74,119
Other Income/(Expense)			
419 Interest Income	\$ 34	\$ 12	25
421 Rental Income	5,721	7,152	\$ 7,910
427 Interest Expense	(11,770)	(15,237)	(16,403)
Rental Expense	(3,375)		
430 Loss on Disposition of Equipment	(63,058)		
Total Other Income/(Expense)	<u>\$ (72,448)</u>	<u>\$ (8,073)</u>	<u>\$ (8,468)</u>
NET INCOME/(LOSS)	\$ (86,633)	\$ (6,777)	\$ 65,651

Supporting Schedules:
(a) E-6

Recap Schedules:
A-2

Mt. Tipton Water Company, Inc.
Docket No. W-02105A
Test Year Ended June 30, 2013

Schedule E-5
Title: Detail of Utility Plant

Explanation:
Schedule showing utility plant balance, by detailed account number, at the end of the test year and the end of the prior fiscal year.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

Account Number	Description	End of Prior Year at 30-Jun-12	Net Additions	End of Test Year at 30-Jun-13
301	Organization	\$ 17,450		\$ 17,450
302	Franchises	500		500
303	Land & Land Rights	9,842		9,842
304	Structures & Improvements	70,108	513	70,621
307	Wells & Springs	605,431	(197,758)	407,673
311	Pumping Equipment	65,778	47,850	113,628
320	Water Treatment Equipment	-		-
320.1	Water Treatment Plants	-		-
320.2	Solution Chemical Feeders	53,075		53,075
330	Distribution Reservoirs & Standpipes	-		-
330.1	Storage Tanks	223,341		223,341
330.2	Pressure Tanks.	-		-
331	Transmission & Distribution Mains	796,660	2,840	799,500
333	Services	59,750		59,750
334	Meters & Meter Installations	120,821	9,977	130,798
335	Hydrants	1,230		1,230
339	Other Plant and Misc Equipment	998	882	1,880
340	Office Furniture & Equipment	18,094		18,094
340.1	Computers and Software	5,686	1,321	7,007
341	Transportation Equipment	11,592		11,592
343	Tools, Shop, and Garage Equipment	895	379	1,274
345	Power Operated Equipment	167		167
347	Miscellaneous Equipment	8,464		8,464
348	Other Tangible Plant	1,208		1,208
Total Plant In Service		\$ 2,071,090	\$ (133,995)	\$ 1,937,095
Accumulated Depreciation		1,287,536	(139,860)	1,147,676
Net Plant In Service		\$ 783,554	\$ 5,865	\$ 789,419
Construction Work in Process		-	-	-
Total Net Plant		\$ 783,554	\$ 5,865	\$ 789,419

Supporting Schedules:

Recap Schedules:
E-1 A-4

Mt. Tipton Water Company, Inc.
 Docket No. W-02105A
 Test Year Ended June 30, 2013

Schedule E-8
Title: Taxes Charged to Operations

Explanation:
 Schedule showing all significant taxes charged to operations for the test year and the 2 fiscal years ended prior to the test year.

Required for: All Utilities
 Class A
 Class B
 Class C
 Class D
 Specl Reqmt

Description	Test Year Ended 30-Jun-13	Prior Year Ended 31-Dec-12	Prior Year Ended 31-Dec-11
Federal Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	8,206	9,976	9,569
Total Federal Taxes	\$ 8,206	\$ 9,976	\$ 9,569
State Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	2,359	2,866	2,750
Total State Taxes	\$ 2,359	\$ 2,866	\$ 2,750
Local Taxes:			
Property	\$ 13,623	\$ 13,841	\$ 31,005
Total Taxes	\$ 24,188	\$ 26,683	\$ 43,324

NOTE: For combination utilities, the above should be presented in total and by department.

Supporting Schedules:

Recap Schedules:

Mt. Tipton Water Company, Inc.

Docket No. W-02105A

Test Year Ended June 30, 2013

Schedule E-7

Title: Operating Statistics

Explanation:

Schedule showing key operating statistics in comparative format, for the test year and the 2 fiscal years ended prior to the test year.

Required for: All Utilities
 Class A
 Class B
 Class C
 Class D
 Specl Reqmt

X

	Test Year Ended 30-Jun-13	Prior Year Ended 31-Dec-12	Prior Year Ended 31-Dec-11
--	--	---	---

Gallons Sold - By Class of Service:

Residential	29,075,015	30,601,842	32,154,937
Commercial	3,071,786	2,924,158	3,072,563

Average Number of Customers - By Class of Service:

Residential	610	610	625
Commercial	52	52	49

Average Annual Gallons Per Residential Customer	47,664	50,167	51,448
Average Annual Revenue Per Residential Customer	\$ 412.38	\$ 423.37	\$ 429.26
Pumping Cost Per 1,000 Gallons	\$ 0.70	\$ 0.54	\$ 0.62

Mt. Tipton Water Company, Inc.

Docket No. W-02105A

Test Year Ended June 30, 2013

Schedule E-9

**Title: Notes to Financial
Statements**

Explanation:

Disclosure of important facts pertaining to the understanding of the financial statements.

Required for: All Utilities
Class A
Class B
Class C
Class D
Speci Reqmt

X

Disclosures should include, but not be limited to the following:

1 Accounting Method.

The books of Mt. Tipton Water Company are kept as accrual basis, and follow NARUC rules, including the USoA.

2 Depreciation lives and methods employed by major classification of utility property.

Mt. Tipton is using the depreciation rates as authorized in Decision 72001, which became effective on December 1, 2010.

3 Income tax treatment - normalization or flow through.

Mount Tipton Water is a member/customer owned non-profit, and therefore does not pay income taxes.

4 Interest rate used to charge interest during construction, if applicable.

Not Applicable.

Supporting Schedules:

Recap Schedules:

Mt. Tipton Water Company, Inc.
Docket No. W-02105A
Test Year Ended June 30, 2013

Schedule F-1
Title: Projected Income Statements
Present and Proposed Rates

Explanation:
Schedule showing an income statement for the projected year,
compared with actual test year results, at present and proposed
rates.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

	Actual Test Year Ended (a) 30-Jun-13	Projected Year	
		At Present Rates Year Ended (b) 30-Jun-13	At Proposed Rates Year Ended (b) 30-Jun-13
Operating Revenues:			
461 Metered Water Revenue	\$ 313,207	\$ 312,811	\$ 358,758
461.1 Coin Revenue	16,341	16,341	16,341
474.5 Non-Refundable Hook Up Fees	4,450	4,450	4,450
474 Other Water Revenue	5,992	5,992	5,992
Total Operating Revenue	\$ 339,990	\$ 339,594	\$ 385,541
Operating Expenses:			
601 Salaries & Wages	\$ 103,268	\$ 103,268	\$ 103,268
610 Purchased Water	-	-	-
615 Purchased Power	22,461	22,461	22,461
618 Chemicals	-	-	-
620 Repairs & Maintenance	15,086	15,086	15,086
621 Office Supplies and Expense	27,965	29,286	29,286
630 Outside Services	8,030	8,030	8,030
635 Water Testing	3,956	3,956	3,956
641 Rental Expense	500	500	500
650 Transportation Expense	9,336	9,336	9,336
657 Insurance - General Liability	10,691	10,691	10,691
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	-	7,000	7,000
675 Miscellaneous Expense	3,082	3,082	3,082
403 Depreciation & Amortization	125,612	45,005	45,005
408 Taxes Other Than Income	10,565	10,565	10,565
408.11 Property Taxes	13,623	18,279	19,104
409 Income Taxes	-	-	-
427 Customer Security Deposits	-	324	324
Total Operating Expenses	\$ 354,175	\$ 286,868	\$ 287,693
OPERATING INCOME/(LOSS)	\$ (14,185)	\$ 52,726	\$ 97,848
Other Income/(Expense):			
419 Interest Income	\$ 34	\$ 34	\$ 34
421 Rental Income	5,721	5,721	5,721
427 Interest Expense	(11,770)	(11,770)	(11,770)
Rental Expense	(3,375)	(3,375)	(3,375)
430 Loss on Disposition of Equipment	(63,058)	-	-
Total Other Income/(Expense)	\$ (72,448)	\$ (9,390)	\$ (9,390)
NET INCOME/(LOSS)	\$ (86,633)	\$ 43,336	\$ 88,458
Earnings per share of average Common Stock Outstanding	N/A	N/A	N/A
% Return on Common Equity	-55.51%	27.77%	56.67%

Supporting Schedules:
(a) E-2

Recap Schedules:
(b) A-2

Mt. Tipton Water Company, Inc.
 Docket No. W-02105A
 Test Year Ended June 30, 2013

Schedule F-3
Title: Projected Construction
Requirements

Explanation:
 Schedule showing projected annual construction requirements, by property classification, for 1 to 3 years subsequent to the test year compared with the test year.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

Property Classification	Actual Test Year Ended 6/30/2013	Projected Year Ended 6/30/2014
Production Plant	\$ 47,850	\$ 20,000
Transmission Plant	12,817	10,000
Other Plant	1,775	-
Total Plant	\$ 62,442	\$ 30,000

NOTE: For combination utilities, the above should be presented by department.

Supporting Schedules:

Recap Schedules:
 (a) F-2 & A-4

Mt. Tipton Water Company, Inc.
Docket No. W-02105A
Test Year Ended June 30, 2013

Schedule F-4
Title: Assumptions Used in
Developing Projection

Explanation:
Documentation of important assumptions used in preparing
forecasts and projections

Required for: All Utilities
Class A
Class B
Class C
Class D
Spec'l Reqmt

X

Important assumptions used in preparing projections should be explained.

Areas covered should include:

1 Customer growth

Customer growth has either been declining or stagnant. The area is economically depressed.

2 Growth in consumption and customer demand

Customer demand and consumption continues to decline along with the number of customers as noted above.

3 Changes in expenses

The Company believes the test year ended 06/30/2013, with the limited proforma adjustments included in this application, accurately depict the revenue required to effectively operate the utility and manage debt service and payables going forward.

4 Construction requirements including production reserves and changes in plant capacity

No further construction is anticipated.

5 Capital structure changes

None anticipated.

6 Financing costs, interest rates

Mount Tipton current has four approved loans, two from USDA (both at 4.5% interest), and two loans from WIFA, a large loan at 4.725% and a small loan at 3.675%.

Supporting Schedules:

Recap Schedules:

Mount Tipton Water Company, Inc.
Docket No. W-02105A
Test Year Ended June 30, 2013

Schedule: H-1
Title: Summary of Revenues by Customer
Classification - Present and Proposed Rates

Explanation:
Schedule comparing revenues by customer classification for
the Test Year, at present and proposed rates.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Specl Reqmt	<input type="checkbox"/>

Customer Classification	Revenues in the Test Year (a)		Proposed Increase (b)		
	Present Rates	Proposed Rates	Amount	%	
Residential					
5/8 x 3/4 inch	\$ 263,423	\$ 302,267	\$ 38,844	14.75%	
1 inch	1,215	1,389	174	14.32%	
Total Residential Revenue	\$ 264,638	\$ 303,656	\$ 39,018	14.74%	
Commercial					
5/8 x 3/4 inch	\$ 21,929	\$ 25,155	\$ 3,226	14.71%	
1 inch	1,216	1,403	187	15.38%	
1.5 inch	1,222	1,377	155	12.68%	
2 inch	6,198	7,064	866	13.97%	
4 inch	6,675	7,500	825	12.36%	
Total Commercial Revenue	\$ 37,240	\$ 42,499	\$ 5,259	14.12%	
Other					
Bulk	\$ 10,546	\$ 12,171	\$ 1,625	15.41%	
Sprinkler	120	132	12	10.00%	
Fire Department Non-Potable	267	300	33	12.36%	
Total Other Metered Revenue	\$ 10,933	\$ 12,603	\$ 1,670	15.27%	
Total Metered Water Revenues	\$ 312,811	\$ 358,758	\$ 45,947	14.69%	
Coin Machine	\$ 16,341	\$ 16,341	\$ -	0.00%	
Non Refundable Hook Up Fees	4,450	4,450	-	0.00%	
Other Water Revenues	5,992	5,992	-	0.00%	
Total Revenues	\$ 339,594	\$ 385,541	\$ 45,947	13.53%	

Note: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:
(a) H-2

Recap Schedules:
(b) A-1

Mount Tipton Water Company, Inc.
 Docket No. W-02105A
 Test Year Ended June 30, 2013

Schedule: H-3
 Title: Changes in Representative Rate
 Schedules - Page 1 of 2

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Spec'l Reqmt	<input type="checkbox"/>

Explanation:
 Schedule comparing present rate schedules with proposed
 rate schedule.

(Note: Rates apply to both residential and commercial usage)

Description	Present Rate	Proposed Rate	% change
MONTHLY USAGE CHARGE:			
5/8" x 3/4" Meter	\$ 22.25	\$ 25.00	12.36%
3/4" Meter	33.38	37.50	12.34%
1" Meter	55.63	62.50	12.35%
1-1/2" Meter	111.25	125.00	12.36%
2" Meter	178.00	200.00	12.36%
3" Meter	356.00	400.00	12.36%
4" Meter	556.25	625.00	12.36%
6" Meter	1,112.50	1,250.00	12.36%
8" Meter	1,780.00	1,875.00	5.34%

Commodity Rates (Per 1,000 Gallons):

All Meter Sizes

0 - 4,000 Gallons	\$ 3.05
4,001 to 9,000 Gallons	4.60
Over 9,000 Gallons	5.50

All Meter Sizes

0 - 3,000 Gallons	\$ 3.50	14.75%
3,001 to 8,000 Gallons	5.00	6.52%
Over 8,000 Gallons	6.35	10.91%

Description	Present Rate	Proposed Rate	% change
Bulk Sales per 1,000 Gallons ≈	\$ 5.50	\$ 6.35	15.45%
Vending rate for 40 gallons	\$ 0.25	\$ 0.25	0.00%

SERVICE LINE AND METER INSTALLATION CHARGES:

(Refundable Pursuant to AAC R14-2-405)

Description	Present Rate			Proposed Rate	% change
	Service Line	Meter Charge	Total Charge		
5/8" x 3/4" Meter	\$ 445.00	\$ 155.00	\$ 600.00	No change	0.00%
3/4" Meter	445.00	255.00	700.00	No change	0.00%
1" Meter	495.00	315.00	810.00	No change	0.00%
1-1/2" Meter	550.00	525.00	1,075.00	No change	0.00%
2" Meter - Turbine	830.00	1,045.00	1,875.00	No change	0.00%
2" Meter - Compound	830.00	1,890.00	2,720.00	No change	0.00%
3" Meter - Turbine	1,045.00	1,670.00	2,715.00	No change	0.00%
3" Meter - Compound	1,165.00	2,545.00	3,710.00	No change	0.00%
4" Meter - Turbine	1,490.00	2,670.00	4,160.00	No change	0.00%
4" Meter - Compound	1,670.00	3,645.00	5,315.00	No change	0.00%
6" Meter - Turbine	2,210.00	5,025.00	7,235.00	No change	0.00%
6" Meter - Compound	2,330.00	6,920.00	9,250.00	No change	0.00%
8" Meter - Turbine	3,000.00	7,500.00	10,500.00	No change	0.00%
8" Meter - Compound	3,200.00	8,000.00	11,200.00	No change	0.00%

SERVICE CHARGES:

	Present Rate	Proposed Rate	% change
Establishment	\$ 25.00	\$ 30.00	20.00%
Establishment (After Hours)	40.00	N/A	
Reconnection (Delinquent)	40.00	40.00	0.00%
Reconnection (After Hours)	40.00	N/A	
Meter Test (If Correct)	40.00	40.00	0.00%
NSF Check	25.00	25.00	0.00%
Meter Reread (If Correct)	15.00	15.00	0.00%
Deposit	*	*	
Deposit Interest (Per month)	**	**	
Deferred Payment (Per Month)	***	***	
Late Charge (Per Month)	***	***	
Re-establishment (Within 12 Months)	****	****	
Main Extension	Cost	N/A	
After Hours Service Charge	\$ -	\$ 50.00	

Monthly Service Charge for Fire Sprinkler

All Sizes *****

* Per Commission Rule A.A.C. R-14-2-403(B)(7).

** Per Commission Rule A.A.C. R-14-2-403(B)(3).

*** 1.50% of unpaid monthly balance.

**** Month off system times the monthly minimum A.A.C. R14-2-403(D).

***** 2% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$10.00 per month. The Service Charge for Fire Sprinklers is only applicable to service lines separate and distinct from the primary water service line.

***** 2% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$11.00 per month. The Service Charge for Fire Sprinklers is only applicable to service lines separate and distinct from the primary water service line.

Supporting Schedules:

Mount Tipton Water Company, Inc.
 Docket No. W-02105A
 Test Year Ended June 30, 2013

Schedule: H-4
 Title: Typical Bill
 Analysis
 Page 1 of 5

Explanation: Schedule(s) comparing typical customer bills at varying consumption levels at present and proposed rates. 5/8" x 3/4" meter - residential and commercial	Required for: All Utilities Class A Class B Class C Class D Specl Reqmt	<table border="1" style="border-collapse: collapse; width: 40px;"> <tr><td style="text-align: center;">X</td></tr> <tr><td style="text-align: center;"> </td></tr> </table>	X					
X								

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 22.25	\$ 25.00	12.36%
1,000	25.30	28.50	12.65%
2,000	28.35	32.00	12.87%
3,000	31.40	35.50	13.06%
4,000	34.45	40.50	17.56%
5,000	39.05	45.50	16.52%
6,000	43.65	50.50	15.69%
7,000	48.25	55.50	15.03%
8,000	52.85	60.50	14.47%
9,000	57.45	66.85	16.36%
10,000	62.95	73.20	16.28%
15,000	90.45	104.95	16.03%
20,000	117.95	136.70	15.90%
25,000	145.45	168.45	15.81%
50,000	282.95	327.20	15.64%
75,000	420.45	485.95	15.58%
100,000	557.95	644.70	15.55%
125,000	695.45	803.45	15.53%
150,000	832.95	962.20	15.52%
175,000	970.45	1,120.95	15.51%
200,000	1,107.95	1,279.70	15.50%

Supporting Schedules:

Mount Tipton Water Company, Inc.
 Docket No. W-02105A
 Test Year Ended June 30, 2013

Schedule: H-4
 Title: Typical Bill
 Analysis
 Page 2 of 5

Explanation: Schedule(s) comparing typical customer bills at varying consumption levels at present and proposed rates. 1 inch meter - commercial	Required for: All Utilities <input checked="" type="checkbox"/> Class A <input type="checkbox"/> Class B <input type="checkbox"/> Class C <input type="checkbox"/> Class D <input type="checkbox"/> Specl Reqmt <input type="checkbox"/>
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Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 55.63	\$ 62.50	12.35%
1,000	58.68	66.00	12.47%
2,000	61.73	69.50	12.59%
3,000	64.78	73.00	12.69%
4,000	67.83	78.00	14.99%
5,000	72.43	83.00	14.59%
6,000	77.03	88.00	14.24%
7,000	81.63	93.00	13.93%
8,000	86.23	98.00	13.65%
9,000	90.83	104.35	14.88%
10,000	96.33	110.70	14.92%
15,000	123.83	142.45	15.04%
20,000	151.33	174.20	15.11%
25,000	178.83	205.95	15.17%
50,000	316.33	364.70	15.29%
75,000	453.83	523.45	15.34%
100,000	591.33	682.20	15.37%
125,000	728.83	840.95	15.38%
150,000	866.33	999.70	15.39%
175,000	1,003.83	1,158.45	15.40%
200,000	1,141.33	1,317.20	15.41%

Supporting Schedules:

Mount Tipton Water Company, Inc.
 Docket No. W-02105A
 Test Year Ended June 30, 2013

Schedule: H-4
Title: Typical Bill
Analysis
Page 3 of 5

Explanation: Schedule(s) comparing typical customer bills at varying consumption levels at present and proposed rates. 1.5 inch meter - commercial	Required for: All Utilities Class A Class B Class C Class D Specl Reqmt	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr><td>X</td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> </table>	X					
X								

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 111.25	\$ 125.00	12.36%
1,000	114.30	128.50	12.42%
2,000	117.35	132.00	12.48%
3,000	120.40	135.50	12.54%
4,000	123.45	140.50	13.81%
5,000	128.05	145.50	13.63%
6,000	132.65	150.50	13.46%
7,000	137.25	155.50	13.30%
8,000	141.85	160.50	13.15%
9,000	146.45	166.85	13.93%
10,000	151.95	173.20	13.98%
15,000	179.45	204.95	14.21%
20,000	206.95	236.70	14.38%
25,000	234.45	268.45	14.50%
50,000	371.95	427.20	14.85%
75,000	509.45	585.95	15.02%
100,000	646.95	744.70	15.11%
125,000	784.45	903.45	15.17%
150,000	921.95	1,062.20	15.21%
175,000	1,059.45	1,220.95	15.24%
200,000	1,196.95	1,379.70	15.27%

Supporting Schedules:

Mount Tipton Water Company, Inc.
 Docket No. W-02105A
 Test Year Ended June 30, 2013

Schedule: H-4
Title: Typical Bill
Analysis
Page 4 of 5

Explanation: Schedule(s) comparing typical customer bills at varying consumption levels at present and proposed rates. 2 inch meter - commercial	Required for: All Utilities Class A Class B Class C Class D Specl Reqmt	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr><td>X</td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> </table>	X					
X								

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 178.00	\$ 200.00	12.36%
1,000	181.05	203.50	12.40%
2,000	184.10	207.00	12.44%
3,000	187.15	210.50	12.48%
4,000	190.20	215.50	13.30%
5,000	194.80	220.50	13.19%
6,000	199.40	225.50	13.09%
7,000	204.00	230.50	12.99%
8,000	208.60	235.50	12.90%
9,000	213.20	241.85	13.44%
10,000	218.70	248.20	13.49%
15,000	246.20	279.95	13.71%
20,000	273.70	311.70	13.88%
25,000	301.20	343.45	14.03%
50,000	438.70	502.20	14.47%
75,000	576.20	660.95	14.71%
100,000	713.70	819.70	14.85%
125,000	851.20	978.45	14.95%
150,000	988.70	1,137.20	15.02%
175,000	1,126.20	1,295.95	15.07%
200,000	1,263.70	1,454.70	15.11%

Supporting Schedules:

Mount Tipton Water Company, Inc.
 Docket No. W-02105A
 Test Year Ended June 30, 2013

Schedule: H-4
Title: Typical Bill
Analysis
Page 5 of 5

Explanation: Schedule(s) comparing typical customer bills at varying consumption levels at present and proposed rates. 4 inch meter - commercial	Required for: All Utilities Class A Class B Class C Class D Specl Reqmt	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr><td>X</td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> </table>	X					
X								

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	\$ 556.25	\$ 625.00	12.36%
1,000	559.30	628.50	12.37%
2,000	562.35	632.00	12.39%
3,000	565.40	635.50	12.40%
4,000	568.45	640.50	12.67%
5,000	573.05	645.50	12.64%
6,000	577.65	650.50	12.61%
7,000	582.25	655.50	12.58%
8,000	586.85	660.50	12.55%
9,000	591.45	666.85	12.75%
10,000	596.95	673.20	12.77%
15,000	624.45	704.95	12.89%
20,000	651.95	736.70	13.00%
25,000	679.45	768.45	13.10%
50,000	816.95	927.20	13.50%
75,000	954.45	1,085.95	13.78%
100,000	1,091.95	1,244.70	13.99%
125,000	1,229.45	1,403.45	14.15%
150,000	1,366.95	1,562.20	14.28%
175,000	1,504.45	1,720.95	14.39%
200,000	1,641.95	1,879.70	14.48%

Supporting Schedules:

Explanation:
Schedule(s) showing billing activity by block for each rate schedule.

Required for: All Utilities
Class A
Class B
Class C
Class D
Spec'l Reqmt

X

5/8 x 3/4 inch meter - Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
-	989	-	989	13.52%	-	0.00%
1 to 1,000	1,231	615,500	2,220	30.36%	615,500	2.30%
1,001 to 2,000	1,067	1,600,500	3,287	44.95%	2,216,000	8.29%
2,001 to 3,000	1,015	2,537,500	4,302	58.83%	4,753,500	17.78%
3,001 to 4,000	749	2,621,500	5,051	69.07%	7,375,000	27.58%
4,001 to 5,000	543	2,443,500	5,594	76.49%	9,818,500	36.72%
5,001 to 6,000	409	2,249,500	6,003	82.09%	12,068,000	45.13%
6,001 to 7,000	302	1,963,000	6,305	86.22%	14,031,000	52.47%
7,001 to 8,000	211	1,582,500	6,516	89.10%	15,613,500	58.39%
8,001 to 9,000	159	1,351,500	6,675	91.28%	16,965,000	63.44%
9,001 to 10,000	131	1,244,500	6,806	93.07%	18,209,500	68.09%
10,001 to 12,000	191	2,101,000	6,997	95.68%	20,310,500	75.95%
12,001 to 14,000	92	1,196,000	7,089	96.94%	21,506,500	80.42%
14,001 to 16,000	60	900,000	7,149	97.76%	22,406,500	83.79%
16,001 to 18,000	42	714,000	7,191	98.33%	23,120,500	86.46%
18,001 to 20,000	29	551,000	7,220	98.73%	23,671,500	88.52%
20,001 to 25,000	37	832,500	7,257	99.23%	24,504,000	91.63%
25,001 to 30,000	23	632,500	7,280	99.55%	25,136,500	94.00%
30,001 to 35,000	13	422,500	7,293	99.73%	25,559,000	95.58%
35,001 to 40,000	8	300,000	7,301	99.84%	25,859,000	96.70%
40,001 to 50,000	5	225,000	7,306	99.90%	26,084,000	97.54%
50,001 to 60,000	2	110,000	7,308	99.93%	26,194,000	97.95%
60,001 to 70,000	2	130,000	7,310	99.96%	26,324,000	98.44%
70,001 to 80,000	1	75,000	7,311	99.97%	26,399,000	98.72%
80,001 to 90,000		-	7,311	99.97%	26,399,000	98.72%
90,001 to 100,000		-	7,311	99.97%	26,399,000	98.72%
133,140	1	133,140	7,312	99.99%	26,532,140	99.21%
209,940	1	209,940	7,313	100.00%	26,742,080	100.00%
	7,313	26,742,080				

Average Number of Customers 609
Average Consumption 3,657
Median Consumption 2,364

Supporting Schedules:

Recap Schedules:

Explanation:
Schedule(s) showing billing activity by block for each rate schedule.

Required for: All Utilities
Class A
Class B
Class C
Class D
Spec'l Reqmt

X

5/8 x 3/4 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
-	22	-	22	4.17%	-	0.00%
1 to 1,000	174	87,000	196	37.12%	87,000	3.56%
1,001 to 2,000	95	142,500	291	55.11%	229,500	9.38%
2,001 to 3,000	33	82,500	324	61.36%	312,000	12.75%
3,001 to 4,000	25	87,500	349	66.10%	399,500	16.33%
4,001 to 5,000	27	121,500	376	71.21%	521,000	21.30%
5,001 to 6,000	30	165,000	406	76.89%	686,000	28.04%
6,001 to 7,000	19	123,500	425	80.49%	809,500	33.09%
7,001 to 8,000	18	135,000	443	83.90%	944,500	38.61%
8,001 to 9,000	9	76,500	452	85.61%	1,021,000	41.73%
9,001 to 10,000	8	76,000	460	87.12%	1,097,000	44.84%
10,001 to 12,000	23	253,000	483	91.48%	1,350,000	55.18%
12,001 to 14,000	11	143,000	494	93.56%	1,493,000	61.03%
14,001 to 16,000	9	135,000	503	95.27%	1,628,000	66.54%
16,001 to 18,000	4	68,000	507	96.02%	1,696,000	69.32%
18,001 to 20,000	7	133,000	514	97.35%	1,829,000	74.76%
20,001 to 25,000	6	135,000	520	98.48%	1,964,000	80.28%
25,001 to 30,000	-	-	520	98.48%	1,964,000	80.28%
30,001 to 35,000	-	-	520	98.48%	1,964,000	80.28%
35,001 to 40,000	1	37,500	521	98.67%	2,001,500	81.81%
40,001 to 50,000	3	135,000	524	99.24%	2,136,500	87.33%
50,001 to 60,000	1	55,000	525	99.43%	2,191,500	89.58%
60,001 to 70,000	-	-	525	99.43%	2,191,500	89.58%
70,001 to 80,000	1	75,000	526	99.62%	2,266,500	92.64%
80,001 to 90,000	1	85,000	527	99.81%	2,351,500	96.12%
90,001 to 100,000	1	95,000	528	100.00%	2,446,500	100.00%
		-	528	100.00%	2,446,500	100.00%
	528	2,446,500				

Average Number of Customers 44
Average Consumption 4,634
Median Consumption 1,716

Supporting Schedules:

Recap Schedules:

Explanation:
Schedule(s) showing billing activity by block for each rate schedule.

Required for: All Utilities
Class A
Class B
Class C
Class D
Spec Reqmt

X

1 inch meter - Residential

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	2	1,000	2	16.67%	1,000	0.84%
1,001 to 2,000	3	4,500	5	41.67%	5,500	4.62%
2,001 to 3,000		-	5	41.67%	5,500	4.62%
3,001 to 4,000	1	3,500	6	50.00%	9,000	7.56%
4,001 to 5,000		-	6	50.00%	9,000	7.56%
5,001 to 6,000		-	6	50.00%	9,000	7.56%
6,001 to 7,000		-	6	50.00%	9,000	7.56%
7,001 to 8,000		-	6	50.00%	9,000	7.56%
8,001 to 9,000		-	6	50.00%	9,000	7.56%
9,001 to 10,000		-	6	50.00%	9,000	7.56%
10,001 to 12,000	1	11,000	7	58.33%	20,000	16.81%
12,001 to 14,000	3	39,000	10	83.33%	59,000	49.58%
14,001 to 16,000		-	10	83.33%	59,000	49.58%
16,001 to 18,000		-	10	83.33%	59,000	49.58%
18,001 to 20,000		-	10	83.33%	59,000	49.58%
20,001 to 25,000		-	10	83.33%	59,000	49.58%
25,001 to 30,000	1	27,500	11	91.67%	86,500	72.69%
30,001 to 35,000	1	32,500	12	100.00%	119,000	100.00%
35,001 to 40,000		-	12	100.00%	119,000	100.00%
40,001 to 50,000		-	12	100.00%	119,000	100.00%
50,001 to 60,000		-	12	100.00%	119,000	100.00%
60,001 to 70,000		-	12	100.00%	119,000	100.00%
70,001 to 80,000		-	12	100.00%	119,000	100.00%
80,001 to 90,000		-	12	100.00%	119,000	100.00%
90,001 to 100,000		-	12	100.00%	119,000	100.00%
		-	12	100.00%	119,000	100.00%
	12	119,000				

Average Number of Customers 1
Average Consumption 9,917
Median Consumption 7,250

Supporting Schedules:

Recap Schedules:

Explanation:
Schedule(s) showing billing activity by block for each rate schedule.

Required for: All Utilities
Class A
Class B
Class C
Class D
Spec'l Reqmt

X

1 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
-		-	-	0.00%	-	0.00%
1 to 1,000		-	-	0.00%	-	0.00%
1,001 to 2,000		-	-	0.00%	-	0.00%
2,001 to 3,000		-	-	0.00%	-	0.00%
3,001 to 4,000		-	-	0.00%	-	0.00%
4,001 to 5,000	3	13,500	3	25.00%	13,500	10.42%
5,001 to 6,000		-	3	25.00%	13,500	10.42%
6,001 to 7,000		-	3	25.00%	13,500	10.42%
7,001 to 8,000		-	3	25.00%	13,500	10.42%
8,001 to 9,000	2	17,000	5	41.67%	30,500	23.55%
9,001 to 10,000		-	5	41.67%	30,500	23.55%
10,001 to 12,000	1	11,000	6	50.00%	41,500	32.05%
12,001 to 14,000	3	39,000	9	75.00%	80,500	62.16%
14,001 to 16,000	2	30,000	11	91.67%	110,500	85.33%
16,001 to 18,000		-	11	91.67%	110,500	85.33%
18,001 to 20,000	1	19,000	12	100.00%	129,500	100.00%
20,001 to 25,000		-	12	100.00%	129,500	100.00%
25,001 to 30,000		-	12	100.00%	129,500	100.00%
30,001 to 35,000		-	12	100.00%	129,500	100.00%
35,001 to 40,000		-	12	100.00%	129,500	100.00%
40,001 to 50,000		-	12	100.00%	129,500	100.00%
50,001 to 60,000		-	12	100.00%	129,500	100.00%
60,001 to 70,000		-	12	100.00%	129,500	100.00%
70,001 to 80,000		-	12	100.00%	129,500	100.00%
80,001 to 90,000		-	12	100.00%	129,500	100.00%
90,001 to 100,000		-	12	100.00%	129,500	100.00%
		-	12	100.00%	129,500	100.00%
	12	129,500				

Average Number of Customers 1
Average Consumption 10,792
Median Consumption 12,000

Supporting Schedules:

Recap Schedules:

Explanation:
Schedule(s) showing billing activity by block for each rate schedule.

Required for: All Utilities
Class A
Class B
Class C
Class D
Spec'l Reqmt

1.5 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
-	-	-	-	0.00%	-	0.00%
1 to 1,000	-	-	-	0.00%	-	0.00%
1,001 to 2,000	-	-	-	0.00%	-	0.00%
2,001 to 3,000	-	-	-	0.00%	-	0.00%
3,001 to 4,000	-	-	-	0.00%	-	0.00%
4,001 to 5,000	-	-	-	0.00%	-	0.00%
5,001 to 6,000	-	-	-	0.00%	-	0.00%
6,001 to 7,000	-	-	-	0.00%	-	0.00%
7,001 to 8,000	-	-	-	0.00%	-	0.00%
8,001 to 9,000	-	-	-	0.00%	-	0.00%
9,001 to 10,000	-	-	-	0.00%	-	0.00%
10,001 to 12,000	-	-	-	0.00%	-	0.00%
12,001 to 14,000	-	-	-	0.00%	-	0.00%
14,001 to 16,000	-	-	-	0.00%	-	0.00%
16,001 to 18,000	-	-	-	0.00%	-	0.00%
18,001 to 20,000	-	-	-	0.00%	-	0.00%
20,001 to 25,000	-	-	-	0.00%	-	0.00%
25,001 to 30,000	-	-	-	0.00%	-	0.00%
30,001 to 35,000	-	-	-	0.00%	-	0.00%
35,001 to 40,000	-	-	-	0.00%	-	0.00%
40,001 to 50,000	1	45,000	1	33.33%	45,000	27.27%
50,001 to 60,000	1	55,000	2	66.67%	100,000	60.61%
60,001 to 70,000	1	65,000	3	100.00%	165,000	100.00%
70,001 to 80,000	-	-	3	100.00%	165,000	100.00%
80,001 to 90,000	-	-	3	100.00%	165,000	100.00%
90,001 to 100,000	-	-	3	100.00%	165,000	100.00%
	<u>3</u>	<u>165,000</u>	<u>3</u>	<u>100.00%</u>	<u>165,000</u>	<u>100.00%</u>

Average Number of Customers 0
Average Consumption 55,000
Median Consumption 50,500

Supporting Schedules:

Recap Schedules:

Mount Tipton Water Company, Inc.

Docket No. W-02105A

Test Year Ended June 30, 2013

Schedule: H-5

Title: Bill Count

Page 6 of 10

Explanation:

Schedule(s) showing billing activity by block for each rate schedule.

2 inch meter - Commercial

Required for: All Utilities

Class A

Class B

Class C

Class D

Specl Reqmt

X

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
-		-	-	0.00%	-	0.00%
1 to 1,000	4	2,000	4	16.67%	2,000	0.51%
1,001 to 2,000	5	7,500	9	37.50%	9,500	2.41%
2,001 to 3,000		-	9	37.50%	9,500	2.41%
3,001 to 4,000	1	3,500	10	41.67%	13,000	3.30%
4,001 to 5,000	2	9,000	12	50.00%	22,000	5.58%
5,001 to 6,000		-	12	50.00%	22,000	5.58%
6,001 to 7,000		-	12	50.00%	22,000	5.58%
7,001 to 8,000		-	12	50.00%	22,000	5.58%
8,001 to 9,000	1	8,500	13	54.17%	30,500	7.73%
9,001 to 10,000		-	13	54.17%	30,500	7.73%
10,001 to 12,000		-	13	54.17%	30,500	7.73%
12,001 to 14,000		-	13	54.17%	30,500	7.73%
14,001 to 16,000		-	13	54.17%	30,500	7.73%
16,001 to 18,000		-	13	54.17%	30,500	7.73%
18,001 to 20,000	1	19,000	14	58.33%	49,500	12.55%
20,001 to 25,000	1	22,500	15	62.50%	72,000	18.25%
25,001 to 30,000		-	15	62.50%	72,000	18.25%
30,001 to 35,000	6	195,000	21	87.50%	267,000	67.68%
35,001 to 40,000	1	37,500	22	91.67%	304,500	77.19%
40,001 to 50,000	2	90,000	24	100.00%	394,500	100.00%
50,001 to 60,000		-	24	100.00%	394,500	100.00%
60,001 to 70,000		-	24	100.00%	394,500	100.00%
70,001 to 80,000		-	24	100.00%	394,500	100.00%
80,001 to 90,000		-	24	100.00%	394,500	100.00%
90,001 to 100,000		-	24	100.00%	394,500	100.00%
	<u>24</u>	<u>394,500</u>				

Average Number of Customers 2
 Average Consumption 16,438
 Median Consumption 8,000

Supporting Schedules:

Recap Schedules:

Explanation:
 Schedule(s) showing billing activity by block for each rate schedule.

Required for: All Utilities
 Class A
 Class B
 Class C
 Class D
 Specl Reqmt

X

4 inch meter - Commercial

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
-	12	-	12	100.00%	-	0.00%
1 to 1,000		-	12	100.00%	-	0.00%
1,001 to 2,000		-	12	100.00%	-	0.00%
2,001 to 3,000		-	12	100.00%	-	0.00%
3,001 to 4,000		-	12	100.00%	-	0.00%
4,001 to 5,000		-	12	100.00%	-	0.00%
5,001 to 6,000		-	12	100.00%	-	0.00%
6,001 to 7,000		-	12	100.00%	-	0.00%
7,001 to 8,000		-	12	100.00%	-	0.00%
8,001 to 9,000		-	12	100.00%	-	0.00%
9,001 to 10,000		-	12	100.00%	-	0.00%
10,001 to 12,000		-	12	100.00%	-	0.00%
12,001 to 14,000		-	12	100.00%	-	0.00%
14,001 to 16,000		-	12	100.00%	-	0.00%
16,001 to 18,000		-	12	100.00%	-	0.00%
18,001 to 20,000		-	12	100.00%	-	0.00%
20,001 to 25,000		-	12	100.00%	-	0.00%
25,001 to 30,000		-	12	100.00%	-	0.00%
30,001 to 35,000		-	12	100.00%	-	0.00%
35,001 to 40,000		-	12	100.00%	-	0.00%
40,001 to 50,000		-	12	100.00%	-	0.00%
50,001 to 60,000		-	12	100.00%	-	0.00%
60,001 to 70,000		-	12	100.00%	-	0.00%
70,001 to 80,000		-	12	100.00%	-	0.00%
80,001 to 90,000		-	12	100.00%	-	0.00%
90,001 to 100,000		-	12	100.00%	-	0.00%
	<u>12</u>	<u>-</u>	12	100.00%	-	0.00%

Average Number of Customers 1
 Average Consumption -
 Median Consumption -

Supporting Schedules:

Recap Schedules:

Required for: All Utilities	X
Class A	
Class B	
Class C	
Class D	
Spec'l Reqmt	

Explanation:
Schedule(s) showing billing activity by block for each rate schedule.

Bulk Water Sales

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
-		-	-	0.00%	-	0.00%
1 to 1,000	2	1,000	2	8.70%	1,000	0.05%
1,001 to 2,000	6	9,000	8	34.78%	10,000	0.52%
2,001 to 3,000		-	8	34.78%	10,000	0.52%
3,001 to 4,000	1	3,500	9	39.13%	13,500	0.70%
4,001 to 5,000	1	4,500	10	43.48%	18,000	0.94%
5,001 to 6,000		-	10	43.48%	18,000	0.94%
6,001 to 7,000		-	10	43.48%	18,000	0.94%
7,001 to 8,000		-	10	43.48%	18,000	0.94%
8,001 to 9,000		-	10	43.48%	18,000	0.94%
9,001 to 10,000	1	9,500	11	47.83%	27,500	1.43%
10,001 to 12,000		-	11	47.83%	27,500	1.43%
12,001 to 14,000		-	11	47.83%	27,500	1.43%
14,001 to 16,000	1	15,000	12	52.17%	42,500	2.22%
16,001 to 18,000		-	12	52.17%	42,500	2.22%
18,001 to 20,000		-	12	52.17%	42,500	2.22%
20,001 to 25,000	1	22,500	13	56.52%	65,000	3.39%
25,001 to 30,000		-	13	56.52%	65,000	3.39%
30,001 to 35,000	1	32,500	14	60.87%	97,500	5.09%
35,001 to 40,000		-	14	60.87%	97,500	5.09%
40,001 to 50,000		-	14	60.87%	97,500	5.09%
50,001 to 60,000		-	14	60.87%	97,500	5.09%
60,001 to 70,000		-	14	60.87%	97,500	5.09%
70,001 to 80,000		-	14	60.87%	97,500	5.09%
80,001 to 90,000		-	14	60.87%	97,500	5.09%
90,001 to 100,000	1	95,000	15	65.22%	192,500	10.04%
140,400	1	140,400	16	69.57%	332,900	17.37%
158,400	1	158,400	17	73.91%	491,300	25.63%
176,400	1	176,400	18	78.26%	667,700	34.83%
198,000	1	198,000	19	82.61%	865,700	45.16%
212,400	1	212,400	20	86.96%	1,078,100	56.24%
219,600	1	219,600	21	91.30%	1,297,700	67.70%
259,200	1	259,200	22	95.65%	1,556,900	81.22%
360,000	1	360,000	23	100.00%	1,916,900	100.00%
		-	23	100.00%	1,916,900	100.00%
	23	1,916,900				

Average Number of Customers 2
Average Consumption 83,343
Median Consumption 8,000

Supporting Schedules:

Recap Schedules:

Explanation:
 Schedule(s) showing billing activity by block for each rate schedule.

Required for: All Utilities
 Class A
 Class B
 Class C
 Class D
 Specl Reqmt

X

Block	Number of Bills by Block	Consumption By Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total	
Sprinkler	-	12	-	12	100.00%	-	100.00%
		Average Number of Customers		1			
		Average Consumption		-			
		Median Consumption		-			
Fire Department Non-Potable	-	12	-	12	100.00%	-	100.00%
		Average Number of Customers		1			
		Average Consumption		-			
		Median Consumption		-			

Supporting Schedules:

Recap Schedules:

Mount Tipton Water Company, Inc.
Docket No. W-02105A
Test Year Ended June 30, 2013

Schedule: H-5
Title: Bill Count
Page 10 of 10

Explanation:
Schedule(s) showing billing activity by block for each rate
schedule.

Coin Machine

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Spec'l Reqmt	<input type="checkbox"/>

Test Year Coin Revenue	\$ 16,340.50
Vending Price	\$ 0.25
Number of Coins	<u>65,362</u>
Gallons Vend per Coin	<u>40</u>
Gallons Sold	2,614,480
Gallons Vended	2,559,300
	55,180
	2.16%

Supporting Schedules:

Recap Schedules:

ATTACHMENT 3

1 Ferry Road in Dolan Springs to pay its property tax debt. *See* Decision No. 70836.

2 However, the Company has not been able to sell the building. In the last test year
3 (ending June 2009), the accrued taxes amounted to \$88,324. The Company now
4 estimates the accrued taxes are \$191,912.04. While the Company has paid the current
5 taxes, there has been no revenue stream to pay for the back taxes.
6

7 **Q-4 Does Mrs. Rowell address payment of the accrued taxes in her testimony or**
8 **rates.**

9
10 **A-4** No she does not.

11 **Q-5 Is the Company offering a proposal to address the accrued taxes?**

12 **A-5** The Company believes that the accrued taxes need to be paid, and it discussed
13 several alternatives with Staff previously. Those suggestions included increasing
14 Company revenues through either higher rates or a surcharge. But Staff would not
15 support either of these proposals in light of the fact that the Company was authorized to
16 sell the office building to pay the back taxes.
17
18

19 Unfortunately, the Company has not been able to sell the office building over the
20 past four years and it is unlikely that the building will be sold anytime soon. Therefore,
21 the Company believes there needs to be a dedicated revenue stream to pay the accrued
22 taxes and interest. Knowing that Staff is aware of the issue, the Company would like to
23 receive input from Staff. The Company believes a surcharge should be put in place to
24 pay the accrued taxes over some period of time. Unless Staff is willing to help address
25 this issue, and agree to this proposed approach, negotiating a payment plan is not going to
26 have any chance of being successful.
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Q-6 Does this conclude your testimony?

A-6 Yes.

ATTACHMENT 4

NAME OF COMPANY	Mt. Tipton Water Company, Inc.
ADEQ Public Water System Number:	08-059

WATER USE DATA SHEET
NON-POTABLE

MONTH/YEAR (12 Months of Test Year)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
July-12	1	176	704
August-12	2	98	718
September-12	1	259	641
October-12	2	200	686
November-12	3	389	692
December-12	2	16	744
January-13	2	236	811
February-13	-	-	729
March-13	1	158	903
April-13	1	2	772
May-13	2	221	813
June-13	2	141	755
TOTALS		1,898	8,968

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, please provide the GPCPD amount: _____

*Note: If you are filing for more than one system, please provide separate data sheets for each system
For explanation of any of the above, please contact the Engineering Supervisor at 602-542-7277.*

** Gallons pumped cannot equal or be less than the gallons sold.*

NAME OF COMPANY	Mt. Tipton Water Company, Inc.
ADEQ Public Water System Number:	08-059

WATER USE DATA SHEET
POTABLE WATER SYSTEM

MONTH/YEAR (12 Months of Test Year)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
July-12	672	3,975	4,929
August-12	674	3,232	4,339
September-12	673	2,803	4,312
October-12	673	2,673	3,669
November-12	672	2,864	3,306
December-12	662	1,828	3,267
January-13	664	3,586	4,546
February-13	659	1,669	2,967
March-13	662	2,363	3,462
April-13	653	2,603	3,767
May-13	664	3,385	4,183
June-13	663	3,785	5,021
TOTALS		34,766	47,768

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, please provide the GPCPD amount: _____

*Note: If you are filing for more than one system, please provide separate data sheets for each system.
For explanation of any of the above, please contact the Engineering Supervisor at 602-542-7277.*

** Gallons pumped cannot equal or be less than the gallons sold.*

ATTACHMENT 5

Company Name: Mt. Tipton Water Company, Inc.

Test Year Ended: 06/30/2013

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-911950	40	140	806	8	3	2010
55-508835	15	35	700	8	3	1984
55-510178	15	36	900	8	2	1985
55-601846	N/A	Not in service	465	8	2	1966
55-601847	15	45	500	6	2	1978
55-601848	No pump	21	147	2	3	1972
55-601849	N/A	Not in service	350	8	2	1962

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS

Horsepower	Quantity
5.0	5
7.5	1
10.0	2

FIRE HYDRANTS

Quantity Standard	Quantity Other
1	3

STORAGE TANKS

200,000	1
110,000	1
55,000	2
50,000	1
25,000	1
9,000	4

PRESSURE TANKS

Capacity	Quantity

Company Name: Mt. Tipton Water Company, Inc.	Test Year Ended: 06/30/2013
--	-----------------------------

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Various	70,093
3	Various	1,975
4	Various	31,484
5		
6	Various	80,157
8	Various	12,255
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	654
3/4	
1	2
1 1/2	1
2	2
Comp. 3	
Turbo 3	
Comp. 4	1
Turbo 4	
Comp. 6	
Turbo 6	
Bulk Non-Potable	3

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

TREATMENT EQUIPMENT:

STRUCTURES:

Office building, garage, rental building and pump houses.

OTHER:
