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BEFORE THE ARIZONA CORPORATION COMMISSION

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

Arizona Corporation Commission

DOCKETED

FEB 13 2014

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IN THE MATTER OF THE APPLICATION OF
CHAPARRAL CITY WATER COMPANY FOR
A DETERMINATION OF THE CURRENT
FAIR VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASE IN ITS
RATES AND CHARGES BASED THEREON.

Docket No. W-02113A-13-0118

ORIGINAL

NOTICE OF ERRATA

The Residential Utility Consumer Office hereby provides Notice of Errata to the Schedules to Jeffrey Michlik's Surrebuttal Testimony, in the above-referenced matter. Attached are the corrected schedules.

RESPECTFULLY SUBMITTED this 13th day of February, 2014.

Daniel W. Pozefsky
Chief Counsel

AN ORIGINAL AND THIRTEEN COPIES
of the foregoing filed this 13th day
of February, 2014 with:

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Phoenix, Arizona 85007

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Chaparral City Water Company
Docket No. W-02113A-13-0118
Test Year Ended: December 31, 2012

Surrebuttal Testimony of Jeffrey M. Michlik

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REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY FAIR VALUE	(B) RUCO FAIR VALUE
1	Adjusted Rate Base	\$ 27,269,321	\$ 24,724,611
2	Adjusted Operating Income (Loss)	\$ 889,596	\$ 1,325,132
3	Current Rate of Return (L2 / L1)	3.26%	5.36%
4	Required Rate of Return	10.21%	7.98%
5	Required Operating Income (L4 * L1)	\$ 2,783,254	\$ 1,973,024
6	Operating Income Deficiency (L5 - L2)	\$ 1,893,658	\$ 647,892
7	Gross Revenue Conversion Factor	1.6587	1.6492
8	Required Revenue Increase (L7 * L6)	\$ 3,141,028	\$ 1,068,501
9	Adjusted Test Year Revenue	\$ 9,014,985	\$ 9,080,945
10	Proposed Annual Revenue (L8 + L9)	\$ 12,156,013	\$ 10,149,446
11	Required Increase in Revenue (%)	34.84%	11.77%

References:

Column (A): Company Schedule A-1

Column (B): Staff Schedules JMM-3 and JMM-12

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
<i>Calculation of Gross Revenue Conversion Factor:</i>					
1	Revenue	100.0000%			
2	Uncollectible Factor (Line 11)	0.5492%			
3	Revenues (L1 - L2)	99.4508%			
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	38.8151%			
5	Subtotal (L3 - L4)	60.6356%			
6	Revenue Conversion Factor (L1 / L5)	1.649195			
<i>Calculation of Uncollectible Factor:</i>					
7	Unity	100.0000%			
8	Combined Federal and State Tax Rate (Line 23)	38.2900%			
9	One Minus Combined Income Tax Rate (L7 - L8)	61.7100%			
10	Uncollectible Rate	0.8900%			
11	Uncollectible Factor (L9 * L10)	0.5492%			
<i>Calculation of Effective Tax Rate:</i>					
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
13	Arizona State Income Tax Rate	6.5000%			
14	Federal Taxable Income (L12 - L13)	93.5000%			
15	Applicable Federal Income Tax Rate (Line 55)	34.0000%			
16	Effective Federal Income Tax Rate (L14 x L15)	31.7900%			
17	Combined Federal and State Income Tax Rate (L13 +L16)		38.2900%		
<i>Calculation of Effective Property Tax Factor</i>					
18	Unity	100.0000%			
19	Combined Federal and State Income Tax Rate (L17)	38.2900%			
20	One Minus Combined Income Tax Rate (L18-L19)	61.7100%			
21	Property Tax Factor	0.8510%			
22	Effective Property Tax Factor (L20*L21)		0.5251%		
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			38.8151%	
24	Required Operating Income	\$ 1,973,024			
25	Adjusted Test Year Operating Income (Loss)	1,325,132			
26	Required Increase in Operating Income (L24 - L25)		\$ 647,892		
27	Income Taxes on Recommended Revenue (Col. [E], L52)	\$ 860,641			
28	Income Taxes on Test Year Revenue (Col. [B], L52)	458,635			
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		402,006		
30	Recommended Revenue Requirement	\$ 1,068,501			
31	Uncollectible Rate (Line 10)	0.8900%			
32	Uncollectible Expense on Recommended Revenue (L30*L31)	\$ 9,510			
33	Adjusted Test Year Uncollectible Expense	\$ -			
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32-L33)		9,510		
35	Property Tax with Recommended Revenue	\$ 242,987			
36	Property Tax on Test Year Revenue	233,894			
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		9,093		
38	Total Required Increase in Revenue (L26 + L29 + L34 + L37)		\$ 1,068,501		
<i>Calculation of Income Tax:</i>					
39	Revenue	\$ 9,080,945	\$ 1,068,501	\$ 10,149,446	
40	Operating Expenses Excluding Income Taxes	\$ 7,297,178		\$ 7,315,780	
41	Synchronized Interest (L56)	\$ 585,973		\$ 585,973	
42	Arizona Taxable Income (L39 - L40 - L41)	\$ 1,197,794		\$ 2,247,692	
43	Arizona State Income Tax Rate	6.5000%		6.5000%	
44	Arizona Income Tax (L42 x L43)	\$ 77,857		\$ 146,100	
45	Federal Taxable Income (L42 - L44)	\$ 1,119,937		\$ 2,101,592	
46	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	\$ 7,500		\$ 7,500	
47	Federal Tax on Second Income Bracket (\$51,001 - \$75,000) @ 25%	\$ 6,250		\$ 6,250	
48	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	\$ 8,500		\$ 8,500	
49	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	\$ 91,650		\$ 91,650	
50	Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34%	\$ 266,879		\$ 600,641	
51	Total Federal Income Tax	\$ 380,779		\$ 714,541	
52	Combined Federal and State Income Tax (L44 + L51)	\$ 458,635		\$ 860,641	
53	Applicable Federal Income Tax Rate [Col. [E], L51 - Col. [B], L51] / [Col. [E], L45 - Col. [B], L45]				34.0000%
<i>Calculation of Interest Synchronization:</i>					
54	Rate Base	\$ 24,724,611			
55	Weighted Average Cost of Debt	2.3700%			
56	Synchronized Interest	\$ 585,973			

RATE BASE - ORIGINAL COST

LINE NO.	(A) COMPANY AS FILED	(B) RUCO ADJUSTMENTS	(C) RUCO AS ADJUSTED
1	Plant in Service	\$ 69,502,064	\$ 67,726,056
2	Less: Accumulated Depreciation	25,734,123	25,691,020
3	Net Plant in Service	<u>\$ 43,767,940</u>	<u>\$ 42,035,036</u>
4			
5	<u>LESS:</u>		
6			
7	Contributions in Aid of Construction (CIAC)	\$ 14,991,871	\$ 14,991,871
8	Less: Accumulated Amortization	2,529,950	2,529,950
9	Net CIAC	<u>12,461,921</u>	<u>\$ 12,461,921</u>
10			
11	Advances in Aid of Construction (AIAC)	4,008,916	4,008,916
12			
13	Customer Meter Deposits	1,950	1,950
14	Customer Deposits	-	-
15	Deferred Income Taxes & Credits	1,271,696	1,271,696
17	FHSD Settlement	449,580	449,580
18			
19	<u>ADD:</u>		
20			
21			
22	Deferred Debits	686,104	-
23			
24	Working Capital Allowance	1,009,341	883,638
25			
26			
27	Original Cost Rate Base	<u>\$ 27,269,321</u>	<u>\$ 24,724,611</u>

References:

Column [A]: Company as Filed

Column [B]: Schedule JMM-4

Column (C): Column (A) + Column (B)

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	ACCT. NO.	PLANT IN SERVICE	DESCRIPTION	(A) COMPANY ASSESSED	(B) ADJ.#1 Post-Test Year Plant Ref. Sch JMM-5	(C) ADJ.#2 Retirement of Transportation Vehicles Ref. Sch JMM-6	(D) ADJ.#3 Asset Retirement obligation Ref. Sch JMM-7	(E) ADJ.#4 Customer Deposits Ref. Sch JMM-8	(F) ADJ.#5 Removal of CAP Deferral Ref. Sch JMM-9	(G) ADJ.#6 Removal of 24 Months AFDC and Dep. Expense Ref. Sch JMM-10	(H) ADJ.#7 Cash Working Capital Allowance Ref. Sch JMM-11	(I) RUCO ADJUSTED
1	301	Organization Cost										
2	302	Franchise Cost										1,554,591
3	303	Land and Land Rights		1,554,591								1,778,391
4	304	Structures and Improvements		1,778,391								1,019,211
5	305	Collecting and Impounding Res.		1,019,211			(5,252)					1,013,959
6	306	Lake River and Other Intakes										159,627
7	307	Wells and Springs										2,201,526
8	308	Infiltration Galleries and Tunnels										5,926,668
9	309	Supply Mains		2,201,526								6,551,094
10	310	Power Generation Equipment		5,926,668								4,989,253
11	311	Electric Pumping Equipment		6,551,094								24,390,732
12	312	Water Treatment Plant		4,989,253								10,890,767
13	320.1	Water Treatment Equipment		24,390,732								2,916,068
14	330.1	Distribution Reservoirs and Standpipes		10,890,767								2,019,913
15	331	Transmission and Distribution Mains		2,916,068								143,521
16	333	Services		2,019,913								305,068
17	334	Meters										417,314
18	335	Hydrants										190,662
19	336	Backflow Prevention Devices										43,326
20	339	Other Plant and Miscellaneous Equipment		143,521								41,221
21	340	Office Furniture and Fixtures		305,068								65,534,701
22	340.1	Computer and Software										
23	341	Transportation Equipment		494,662	(77,348)							
24	341	Stores Equipment										
25	342	Tools and Work Equipment										
26	343	Laboratory Equipment		190,662								
27	344	Power Operated Equipment										
28	345	Communications Equipment		43,326								
29	346	Miscellaneous Equipment										
30	347	Other Tangible Plant										
31	348	Other Tangible Plant										
32		Total Plant in Service - Sub Total		65,617,301	(77,348)		(5,252)					65,534,701
33		Post Test Year Plant										
34	307	Wells and Springs		783,374								1,069,580
35	311	Electric Pumping Equipment		130,000								73,035
36	320.2	Water Treatment Equipment		409,369								670,421
37	330.1	Distribution Reservoirs and Standpipes		1,245,860								66,964
38	331	Transmission and Distribution Mains		353,577								
39	333	Services		410,000								
40	334	Meters		300,000								
41	335	Hydrants		10,000								
42	336	Backflow Prevention Devices		86,874								
43	339	Other Plant and Miscellaneous Equipment		132,558								219,432
44	341	Transportation Equipment		9,248								9,637
45	343	Tools and Work Equipment		31,777								36,935
46	346	Communications Equipment		59,000								45,351
47		Total Post Test Year Plant		3,884,763	(1,693,408)							2,191,355
34		Total Plant in Service		69,502,064	(1,693,408)	(77,348)	(5,252)					67,728,066
35		Less: Accumulated Depreciation		25,794,123	38,609	(77,348)	(4,364)					25,691,020
36		Net Plant in Service		\$ 43,707,940	\$ (1,732,017)	\$ (77,348)	\$ (889)					\$ 42,036,006
37		LESS:										
38		Contributions in Aid of Construction (CIAC)										
39		Less: Accumulated Amortization		14,981,871								14,981,871
40		Net CIAC (L25 - L26)		2,529,850								2,529,850
41		Advances in Aid of Construction (AIAC)		12,481,921								12,481,921
42		Customer Meter Deposits		4,008,916								4,008,916
43		Customer Deposits		1,950								1,950
44		Deferred Income Taxes & Credits		1,271,696								1,271,696
45		FFSD Settlement		449,580								449,580
46		ADD:										
47		Deferred Debits		686,104		(78,206)				(607,896)	(125,703)	883,638
48		Working Capital Allowance		1,009,341								
49		Original Cost Rate Base		\$ 27,289,321	\$ (1,732,017)	\$ (78,206)	\$ (889)			\$ (607,896)	\$ (125,703)	\$ 24,724,611

RATE BASE ADJUSTMENT NO. 4 - POST-TEST YEAR PLANT AND ACCUMULATED DEPRECIATION

LINE NO.	ACCT NO.	DESCRIPTION	[A]	[B]	[C]
			COMPANY PROPOSED	RUCO ADJUSTMENTS	RUCO ¹ RECOMMENDED
1	307	Wells and Springs	\$ 793,374	\$ 276,206	\$ 1,069,580
2	311	Electric Pumping Equipment	130,000	(130,000)	-
3	320.2	Water Treatment Equipment	409,369	(336,334)	73,035
4	330.1	Distribution Reservoirs and Standpipes	1,245,860	(575,439)	670,421
5	331	Transmission and Distribution Mains	353,577	(286,613)	66,964
6	333	Services	410,000	(410,000)	-
7	334	Meters	300,000	(300,000)	-
8	335	Hydrants	10,000	(10,000)	-
9	339	Other Plant and Miscellaneous Equipment	132,558	86,874	219,432
10	341	Transportation Equipment	9,248	389	9,637
11	343	Tools and Work Equipment	31,777	5,158	36,935
12	346	Communications Equipment	59,000	(13,649)	45,351
13	Total Test Year Plant		<u>\$ 3,884,763</u>	<u>\$ (1,693,408)</u>	<u>\$ 2,191,355</u>
14					
15	Accumulated Depreciation 1/2 Convention on Post-Test Year Plant		<u>\$ -</u>	<u>\$ 38,609</u>	<u>\$ 38,609</u>
16					
17					
18	RUCO's Calculation of Post-Test Year Accumulated Depreciation		RUCO Recommended	1/2 Year Depreciation Rate	Accumulated Depreciation
19	307	Wells and Springs	\$ 1,069,580	1.67%	17,809
20	311	Electric Pumping Equipment	-	6.25%	-
21	320.2	Water Treatment Equipment	73,035	1.67%	1,216
22	330.1	Distribution Reservoirs and Standpipes	670,421	1.11%	7,442
23	331	Transmission and Distribution Mains	66,964	1.00%	670
24	333	Services	-	1.67%	-
25	334	Meters	-	1.67%	-
26	335	Hydrants	-	1.00%	-
27	339	Other Plant and Miscellaneous Equipment	219,432	3.34%	7,318
28	341	Transportation Equipment	9,637	10.00%	964
29	343	Tools and Work Equipment	36,935	2.50%	923
30	346	Communications Equipment	45,351	5.00%	2,268
			<u>\$ 2,191,355</u>		<u>\$ 38,609</u>

¹ Amounts may not reflect other adjustments.

REFERENCES:

Column [A]: Company Filing
Column [B]: Testimony JMM
Column [C]: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 2 - RETIREMENT OF TRANSPORTATION EQUIPMENT

LINE NO.	ACCT NO.	DESCRIPTION	[A]	[B]	[C]
			COMPANY PROPOSED	RUCO ADJUSTMENTS	RUCO ¹ RECOMMENDED
1	341	Transportation Equipment	\$ 494,662	\$ (77,348)	\$ 417,314
2		Accumulated Depreciation	25,734,123	(77,348)	25,656,775

¹ Amounts may not reflect other adjustments.

REFERENCES:

- Column [A]: Company Filing
- Column [B]: Testimony JMM
- Column [C]: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 3 - ASSET RETIREMENT OBLIGATION

LINE NO.	ACCT NO.	DESCRIPTION	[A]	[B]	[C]
			COMPANY PROPOSED	RUCO ADJUSTMENTS	RUCO ¹ RECOMMENDED
1	305	Collecting and Impounding Res.	\$ 1,019,211	\$ (5,252)	\$ 1,013,959
2					
3		Accumulated Depreciation	25,734,123	(4,364)	25,729,759

¹ Amounts may not reflect other adjustments.

REFERENCES:

- Column [A]: Company Filing
- Column [B]: Testimony JMM
- Column [C]: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 4 - CUSTOMER DEPOSITS

LINE NO.	ACCT NO.	DESCRIPTION	[A]	[B]	[C]
			COMPANY PROPOSED	RUCO ADJUSTMENTS	RUCO ¹ RECOMMENDED
1		Customer Deposits	\$ 1,950	\$ -	\$ 1,950
2					

¹ Amounts may not reflect other adjustments.

REFERENCES:

- Column [A]: Company Filing
- Column [B]: Testimony JMM
- Column [C]: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 5 - REMOVAL OF DEFERRED CENTRAL ARIZONA PROJECT ("CAP") MAINTENANCE AND INDUSTRIAL ("M&I") CHARGES

LINE NO.	ACCT NO.	DESCRIPTION	[A]	[B]	[C]
			COMPANY PROPOSED	RUCO ADJUSTMENTS	RUCO ¹ RECOMMENDED
1		Deferred Debits	\$ 686,104	\$ (78,206)	607,898

¹ Amounts may not reflect other adjustments.

REFERENCES:

- Column [A]: Company Filing
- Column [B]: Testimony JMM
- Column [C]: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 6 - REMOVAL OF 24 MONTH DEFERRAL OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION ("AFUDC") AND DEPRECIATION EXPENSE

LINE NO.	ACCT NO.	DESCRIPTION	[A]	[B]	[C]
			COMPANY PROPOSED	RUCO ADJUSTMENTS	RUCO ¹ RECOMMENDED
		Deferred Debits	\$ 686,104	\$ (607,898)	\$ 78,206

¹ Amounts may not reflect other adjustments.

REFERENCES:

- Column [A]: Company Filing
- Column [B]: Testimony JMM
- Column [C]: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 7 - CASH WORKING CAPITAL

LINE NO.	ACCT NO.	DESCRIPTION	[A]	[B]	[C]
			COMPANY PROPOSED	RUCO ADJUSTMENTS	RUCO ¹ RECOMMENDED
1		Working Capital Allowance	\$ 1,009,341	\$ (125,703)	883,638

RUCO's Calculation

(A)	(B)	(C)	(D)	(E)	(F)	(G)
DESCRIPTION	Profoma Test Year Amount	Revenue Lag (Lead) Days	Expense Lag (Lead) Days	Net Lag (Lead) Days Col. C - Col. D	Lead/Lag Factor Col. E/365	Cash Working Capital Required Col. B * Col. F
OPERATING EXPENSES						
Labor	1,010,022	34.93	13.09	21.84	0.06	60,432
Purchased Water	1,127,229	34.93	43.67	(8.74)	(0.02)	(26,995)
Fuel & Power	611,340	34.93	27.86	7.07	0.02	11,840
Chemicals	116,658	34.93	(79.22)	114.15	0.31	36,483
Waste Disposal & Other Utilities	7,113	34.93	41.90	(6.97)	(0.02)	(136)
Intercompany Support Services	94,150	34.93	29.99	4.94	0.01	1,274
Corporate Allocation	359,073	34.93	30.00	4.93	0.01	4,849
Outside Services	508,106	34.93	88.00	(53.07)	(0.15)	(73,879)
Group Insurance	178,067	34.93	12.00	22.93	0.06	11,186
Pensions	85,086	34.93	67.98	(33.05)	(0.09)	(7,705)
Regulatory Expense	-	-	-	-	-	-
Insurance Other Than Group	73,025	34.93	(26.14)	61.07	0.17	12,218
Customer Accounting (Less Bad Debt Expense)	292,213	34.93	26.53	8.40	0.02	6,724
Rents	1,504	34.93	-	34.93	0.10	144
General Office Expense	164,179	34.93	39.69	(4.76)	(0.01)	(2,142)
Miscellaneous	151,474	34.93	(3.22)	38.15	0.10	15,832
Maintenance Expense	186,430	34.93	17.28	17.65	0.05	9,014
TAXES						
General Taxes-Property	242,987	34.93	213.96	(179.03)	(0.49)	(119,183)
General Taxes-Other	86,320	34.93	3.03	31.90	0.09	7,544
Income Tax	458,635	34.93	37.00	(2.07)	(0.01)	(2,602)
Interest Expense	585,973	34.93	91.25	(56.32)	(0.15)	(90,418)
TOTAL	5,753,612					CASH WORKING CAPITAL REQUIREMENT (145,519)
						Company Recommended (19,817)
						RUCO Adjustment (125,703)

¹ Amounts may not reflect other adjustments.

REFERENCES:

Column [A]: Company Filing
Column [B]: Testimony JMM
Column [C]: Column [A] + Column [B]

OPERATING INCOME STATEMENT - ADJUSTED TEST YEAR AND RUCO RECOMMENDED

LINE NO.	DESCRIPTION	[A] COMPANY ADJUSTED TEST YEAR AS FILED	[B] RUCO TEST YEAR ADJUSTMENTS	[C] RUCO TEST YEAR AS ADJUSTED	[D] RUCO PROPOSED CHANGES	[E] RUCO RECOMMENDED
1	REVENUES:					
2	Metered Water Sales	\$ 8,915,656	\$ 65,960	\$ 8,981,616	\$ 1,068,501	\$ 10,050,117
3	Water Sales-Unmetered	-	-	-	-	-
4	Other Operating Revenue	99,329	-	99,329	-	99,329
5	Intentionally Left Blank	-	-	-	-	-
6	Total Operating Revenues	<u>\$ 9,014,985</u>	<u>\$ 65,960</u>	<u>\$ 9,080,945</u>	<u>\$ 1,068,501</u>	<u>\$ 10,149,446</u>
7						
8	OPERATING EXPENSES:					
9	Salaries and Wages	\$ 1,024,112	\$ (14,090)	\$ 1,010,022	\$ -	\$ 1,010,022
10	Purchased Water	1,065,953	61,276	1,127,229	-	1,127,229
11	Fuel & Power	605,885	5,455	611,340	-	611,340
12	Fuel for Power Production	-	-	-	-	-
13	Chemicals	119,266	(2,608)	116,658	-	116,658
14	Waste Disposal	7,113	-	7,113	-	7,113
15	Intercompany Support Services	94,150	-	94,150	-	94,150
16	Corporate Allocation	500,330	(141,257)	359,073	-	359,073
17	Outside Services	508,106	-	508,106	-	508,106
18	Group Insurance	178,067	-	178,067	-	178,067
19	Pensions	85,086	-	85,086	-	85,086
20	Regulatory Expense	91,668	-	91,668	-	91,668
21	Insurance Other Than Group	73,025	-	73,025	-	73,025
22	Customer Accounting	318,959	-	318,959	9,510	328,469
23	Rents	1,504	-	1,504	-	1,504
24	General Office Expense	164,179	-	164,179	-	164,179
25	Miscellaneous Expenses	158,553	(7,079)	151,474	-	151,474
26	Maintenance Expense	388,614	(202,184)	186,430	-	186,430
27	Depreciation and Amortization Expense	2,014,048	(121,167)	1,892,881	-	1,892,881
28	General Taxes - Property Taxes	251,038	(17,144)	233,894	9,093	242,987
29	General Taxes-Other	86,320	-	86,320	-	86,320
30	Income Taxes	389,412	69,223	458,635	402,006	860,641
31	Interest on Customer Deposits	-	-	-	-	-
32	Total Operating Expenses	<u>\$ 8,125,389</u>	<u>\$ (369,575)</u>	<u>\$ 7,755,813</u>	<u>\$ 420,609</u>	<u>\$ 8,176,422</u>
33	Operating Income (Loss)	<u>\$ 889,596</u>	<u>\$ 435,535</u>	<u>\$ 1,325,132</u>	<u>\$ 647,892</u>	<u>\$ 1,973,024</u>

References:

- Column (A): Company Schedule C-1
- Column (B): Schedule JMM-13
- Column (C): Column (A) + Column (B)
- Column (D): Schedules JMM-22 and JMM-23
- Column (E): Column (C) + Column (D)

SUMMARY OF OPERATING INCOME STATEMENT ADJUSTMENTS - TEST YEAR

LINE NO.	DESCRIPTION	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]
	COMPANY AS FILED	Reverse Declining Usage Expense ADJ #1	Excessive Water Loss ADJ #2	Incentive Pay ADJ #3	Increase Purchase Water Expense ADJ #4	Expense Allocation ADJ #5	Conservation Expense ADJ #6	Maintenance Expense ADJ #7	Tank Expense ADJ #8	Depreciation Expense ADJ #9	Property Tax Expense ADJ #9	Income Tax Expense ADJ #10	RUCO ADJUSTED
	Ref. Sch. JMM-13	Ref. Sch. JMM-14	Ref. Sch. JMM-15	Ref. Sch. JMM-16	Ref. Sch. JMM-17	Ref. Sch. JMM-18	Ref. Sch. JMM-19	Ref. Sch. JMM-20	Ref. Sch. JMM-21	Ref. Sch. JMM-21	Ref. Sch. JMM-21	Ref. Sch. JMM-21	Ref. Sch. JMM-21
1	REVENUES:												
2	Metered Water Sales	8,915,656											8,981,616
3	Water Sales-Unmetered												
4	Other Operating Revenue	99,329											
5	Intentionally Left Blank												
6	Total Operating Revenues	9,014,985											9,080,945
7	OPERATING EXPENSES:												
8	Salaries and Wages	1,024,112											1,010,022
9	Purchased Water	1,065,953	(39,568)	(14,090)	87,678								1,127,229
10	Fuel & Power	805,885	(2,046)										811,340
11	Fuel for Power Production												
12	Chemicals	119,266	(4,084)										116,658
13	Waste Disposal	7,113											7,113
14	Intercompany Support Services	94,150											94,150
15	Corporate Allocation	500,330											359,073
16	Outside Services	508,106				(141,257)							508,106
17	Group Insurance	178,067											178,067
18	Pensions	85,086											85,086
19	Regulatory Expense	91,668											91,668
20	Insurance-Other Than Group	73,025											73,025
21	Customer Accounting	318,859											318,859
22	Rents	1,504											1,504
23	General Office Expense	164,179											164,179
24	Miscellaneous Expenses	158,553											151,474
25	Maintenance Expense	389,614											186,430
26	Depreciation and Amortization Expense	2,014,048						(202,184)					1,892,881
27	General Taxes - Property Taxes	251,038								(121,167)	(17,144)		233,894
28	General Taxes - Other	86,320											86,320
29	Income Taxes	389,412										89,223	458,635
30	Interest on Customer Deposits												
31	Total Operating Expenses	8,125,389	(45,728)	(14,090)	87,678	(141,257)	(7,079)	(202,184)	(202,184)	(121,167)	(17,144)	69,223	7,755,813
32	Operating Income (Loss)	889,596	45,728	14,090	(87,678)	141,257	7,079	202,184	202,184	121,167	17,144	(69,223)	1,325,132

OPERATING INCOME ADJUSTMENT NO. 1 - REVERSE DECLINING USAGE ADJUSTMENT

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY PROPOSED	RUCO ADJUSTMENTS	RUCO ¹ RECOMMENDED
1	Metered Water Sales	\$ 8,915,656	\$ 65,960	\$ 8,981,616
2				
3	Purchased Water	\$ 1,065,953	\$ 13,196	\$ 1,079,149
4				
5	Fuel and Power	\$ 605,885	\$ 7,501	\$ 613,386
6				
7	Chemicals	\$ 119,266	\$ 1,476	\$ 120,742
8				

¹ Amounts may not reflect other adjustments.

REFERENCES:

- Column [A]: Company Filing
- Column [B]: Testimony JMM
- Column [C]: Column [A] + Column [B]

OPERATING INCOME ADJUSTMENT NO. 2 - EXCESS WATER LOSS

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY PROPOSED	RUCO ADJUSTMENTS	RUCO ¹ RECOMMENDED
1	Purchased Water	\$ 1,065,953	\$ (39,598)	\$ 1,026,355
2				
3	Fuel and Power	\$ 605,885	\$ (2,046)	\$ 603,839
4				
5	Chemicals	\$ 119,266	\$ (4,084)	\$ 115,182
6				

¹ Amounts may not reflect other adjustments.

REFERENCES:

- Column [A]: Company Filing
- Column [B]: Testimony JMM
- Column [C]: Column [A] + Column [B]

OPERATING INCOME ADJUSTMENT NO. 3 - INCENTIVE PAY

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY PROPOSED	RUCO ADJUSTMENTS	RUCO RECOMMENDED
1	Salaries and Wages	\$ 1,024,112	\$ (14,090)	\$ 1,010,022

RUCO's Calculation of Incentive Pay

Incentive pay included in labor expense	\$ 28,180
Sharing between ratepayers and shareholders	50.00%
Incentive pay	<u>\$ 14,090</u>

REFERENCES:

Column [A]: Company Filing
Column [B]: Testimony JMM
Column [C]: Column [A] + Column [B]

OPERATING INCOME ADJUSTMENT NO. 4 - PURCHASED WATER EXPENSE

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY PROPOSED	RUCO ADJUSTMENTS	RUCO ¹ RECOMMENDED
1	Purchased Water	\$ 1,065,953	\$ 87,678	\$ 1,153,631
<u>RUCO's Calculation to Increase CAP M&I Charges</u>				
	Future CAP Charge 7,943.5 (a.f.) x \$20.80 (average of five years 20 + 21 + 21 + 21 + 21)		\$	165,225
	Schedule CAP Allocation 6,861 (a.f.) x \$146.20 (average of five years 129 + 138 + 149 + 155 + 160)			1,003,078
	Storage at MWD 917 (a.f.) *(\$16)			(14,672)
	Projected CAP Costs		\$	<u>1,153,631</u>
	Adjusted Test Year		\$	<u>1,065,953</u>
	Recommended Adjustment		\$	<u>87,678</u>

¹ Amounts may not reflect other adjustments.

REFERENCES:

- Column [A]: Company Filing
- Column [B]: Testimony JMM
- Column [C]: Column [A] + Column [B]

OPERATING INCOME ADJUSTMENT NO. 5 - CORPORATE ALLOCATION EXPENSE

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY PROPOSED	RUCO ADJUSTMENTS	RUCO ¹ RECOMMENDED
1	Corporate Allocation	\$ 500,330	\$ (141,257)	\$ 359,073
2				
3	<u>RUCO's Summary of Corporate Allocation Disallowances</u>			
4	At-Risk Compensation	\$ 86,489		
5	Corporate Communications	\$ 6,687		
6	Operational Communications	\$ 2,532		
7	EPCOR Community Essentials Council	\$ 5,595		
8	Community Relations	\$ 23,222		
9	Corporate Communications Additional Disallowance for (meal/entertainment, donations, promotions etc.)	\$ 2,102		
10	Total	\$ 141,257		

¹ Amounts may not reflect other adjustments.

REFERENCES:

Column [A]: Company Filing
Column [B]: Testimony JMM
Column [C]: Column [A] + Column [B]

Chaparral City Water Company
Docket No. W-02113A-13-0118
Test Year Ended: December 31, 2012

Surrebuttal Schedule JMM-19

OPERATING INCOME ADJUSTMENT NO. 6 - REMOVE CONSERVATION EXPENSE

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY PROPOSED	RUCO ADJUSTMENTS	RUCO ¹ RECOMMENDED
1	Miscellaneous Expenses	\$ 158,553	\$ (7,079)	\$ 151,474

¹ Amounts may not reflect other adjustments.

REFERENCES:

Column [A]: Company Filing
Column [B]: Testimony JMM
Column [C]: Column [A] + Column [B]

Chaparral City Water Company
Docket No. W-02113A-13-0118
Test Year Ended: December 31, 2012

Surrebuttal Schedule JMM-20

OPERATING INCOME ADJUSTMENT NO. 7 - REMOVE TANK MAINTENANCE EXPENSE

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY PROPOSED	RUCO ADJUSTMENTS	RUCO ¹ RECOMMENDED
1	Maintenance Expense	\$ 388,614	\$ (202,184)	\$ 186,430

¹ Amounts may not reflect other adjustments.

REFERENCES:

Column [A]: Company Filing

Column [B]: Testimony JMM

Column [C]: Column [A] + Column [B]

OPERATING INCOME ADJUSTMENT NO. 7 - DEPRECIATION EXPENSE ON TEST YEAR PLANT

LINE NO.	ACCT NO.	DESCRIPTION	[A] PLANT In SERVICE Per Staff	[B] NonDepreciable or Fully Depreciated PLANT	[C] DEPRECIABLE PLANT (Col A - Col B)	[D] DEPRECIATION RATE	[E] DEPRECIATION EXPENSE (Col C x Col D)
1	301	Organization Cost	\$ -	\$ -	\$ -	0.00%	\$ -
2	302	Franchise Cost	\$ -	\$ -	\$ -	0.00%	\$ -
3	303	Land and Land Rights	\$ 1,554,591	\$ 1,554,591	\$ -	0.00%	\$ -
4	304	Structures and Improvements	\$ 1,779,391	\$ -	\$ 1,779,391	3.33%	\$ 59,254
5	305	Collecting and Impounding Res.	\$ 1,013,959	\$ -	\$ 1,013,959	2.50%	\$ 25,349
6	306	Lake River and Other Intakes	\$ -	\$ -	\$ -	2.50%	\$ -
7	307	Wells and Springs	\$ 159,627	\$ -	\$ 159,627	3.33%	\$ 5,316
8	308	Infiltration Galleries and Tunnels	\$ -	\$ -	\$ -	6.67%	\$ -
9	309	Supply Mains	\$ 2,201,526	\$ -	\$ 2,201,526	2.00%	\$ 44,031
10	310	Power Generation Equipment	\$ -	\$ -	\$ -	5.00%	\$ -
11	311	Electric Pumping Equipment	\$ 5,926,668	\$ -	\$ 5,926,668	12.50%	\$ 740,834
12	320	Water Treatment Plant	\$ -	\$ -	\$ -	3.33%	\$ -
13	320	Water Treatment Equipment	\$ 6,551,094	\$ -	\$ 6,551,094	3.33%	\$ 218,151
14	330	Distribution Reservoirs and Standpipes	\$ 4,989,253	\$ -	\$ 4,989,253	2.22%	\$ 110,761
15	331	Transmission and Distribution Mains	\$ 24,390,732	\$ -	\$ 24,390,732	2.00%	\$ 487,815
16	333	Services	\$ 10,890,767	\$ -	\$ 10,890,767	3.33%	\$ 362,663
17	334	Meters	\$ 2,916,068	\$ -	\$ 2,916,068	8.33%	\$ 242,908
18	335	Hydrants	\$ 2,019,913	\$ -	\$ 2,019,913	2.00%	\$ 40,398
19	336	Backflow Prevention Devices	\$ -	\$ -	\$ -	6.67%	\$ -
20	339	Other Plant and Miscellaneous Equipment	\$ 143,521	\$ -	\$ 143,521	6.67%	\$ 9,573
21	340	Office Furniture and Fixtures	\$ 305,068	\$ -	\$ 305,068	6.67%	\$ 20,348
22	340.1	Computer and Software	\$ -	\$ -	\$ -	20.00%	\$ -
23	341	Transportation Equipment	\$ 417,314	\$ -	\$ 417,314	20.00%	\$ 83,463
24	342	Stores Equipment	\$ -	\$ -	\$ -	4.00%	\$ -
25	343	Tools and Work Equipment	\$ 190,662	\$ -	\$ 190,662	5.00%	\$ 9,533
26	344	Laboratory Equipment	\$ -	\$ -	\$ -	10.00%	\$ -
27	345	Power Operated Equipment	\$ -	\$ -	\$ -	5.00%	\$ -
28	346	Communications Equipment	\$ 43,326	\$ -	\$ 43,326	10.00%	\$ 4,333
29	347	Miscellaneous Equipment	\$ -	\$ -	\$ -	10.00%	\$ -
30	348	Other Tangible Plant	\$ 41,221	\$ -	\$ 41,221	10.00%	\$ 4,122
31		Total Plant	\$ 65,534,701	\$ 1,554,591	\$ 63,980,110		\$ 2,468,851
32							
33		Post Test Year Plant					
34	307	Wells and Springs	\$ 1,069,580	\$ -	\$ 1,069,580	3.33%	\$ 35,617
35	311	Electric Pumping Equipment	\$ -	\$ -	\$ -	12.50%	\$ -
36	320.2	Water Treatment Equipment	\$ 73,035	\$ -	\$ 73,035	3.33%	\$ 2,432
37	330.1	Distribution Reservoirs and Standpipes	\$ 670,421	\$ -	\$ 670,421	2.22%	\$ 14,883
38	331	Transmission and Distribution Mains	\$ 66,964	\$ -	\$ 66,964	2.00%	\$ 1,339
39	333	Services	\$ -	\$ -	\$ -	3.33%	\$ -
40	334	Meters	\$ -	\$ -	\$ -	3.33%	\$ -
41	335	Hydrants	\$ -	\$ -	\$ -	2.00%	\$ -
42	339	Other Plant and Miscellaneous Equipment	\$ 219,432	\$ -	\$ 219,432	6.67%	\$ 14,636
43	341	Transportation Equipment	\$ 9,637	\$ -	\$ 9,637	20.00%	\$ 1,927
44	343	Tools and Work Equipment	\$ 36,935	\$ -	\$ 36,935	5.00%	\$ 1,847
45	346	Communications Equipment	\$ 45,351	\$ -	\$ 45,351	10.00%	\$ 4,535
46		Total Post Test Year Plant	\$ 2,191,355	\$ -	\$ 2,191,355		\$ 77,217
47							
48		Total	\$ 67,726,056	\$ 1,554,591	\$ 66,171,465		\$ 2,546,068
49							
50		Composite Depreciation Rate:					3.85%
51		Contributions in Aid of Construction ("CIAC"):					\$ 14,991,871
52		Amortization of CIAC:					\$ 577,187
53							
54		Depreciation Expense before Amortization of CIAC:					\$ 2,546,068
55		Less Amortization of CIAC:					\$ 577,187
56		Less FHSD Adjustment Amortization:					\$ 76,000
57		Test Year Depreciation Expense - RUCO					\$ 1,892,881
58							
59		Depreciation Expense - Company					\$ 2,014,048
60							
61		RUCO's Removal of Deferred CAP Charges					\$ (15,641)
62							
63		RUCO's Removal of 24 month AFUDC and Depreciation Expense					\$ (23,586)
64							
65		Adjusted Depreciation Expense					\$ 1,974,821
66							
67		RUCO's Adjustment to Depreciation Expense					\$ (81,940)
68							
69		Total Adjustment (lines 61 + 63 + 69)					\$ (121,167)
70							

References:
Column [A]: Schedule JMM-11
Column [B]: From Column [A]
Column [C]: Column [A] - Column [B]
Column [D]: Staff's Typical Engineering Depreciation Rates
Column [E]: Column [C] x Column [D]

OPERATING INCOME ADJUSTMENT NO. 9 - PROPERTY TAX EXPENSE

LINE NO.	Property Tax Calculation	[A] RUCO AS ADJUSTED	[B] RUCO RECOMMENDED
1	RUCO Adjusted Test Year Revenues	\$ 9,080,945	\$ 9,080,945
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	18,161,890	\$ 18,161,890
4	RUCO Recommended Revenue, Per Schedule JMM-1	9,080,945	\$ 10,149,446
5	Subtotal (Line 4 + Line 5)	27,242,835	28,311,336
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	9,080,945	\$ 9,437,112
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	18,161,890	\$ 18,874,224
10	Plus: 10% of CWIP -	161,294	161,294
11	Less: Net Book Value of Licensed Vehicles	-	\$ -
12	Full Cash Value (Line 9 + Line 10 - Line 11)	18,323,184	\$ 19,035,518
13	Assessment Ratio	18.5%	18.5%
14	Assessment Value (Line 12 * Line 13)	3,389,789	\$ 3,521,571
15	Composite Property Tax Rate (Per Company Schedule)	6.9000%	6.9000%
16			\$ -
17	RUCO Test Year Adjusted Property Tax (Line 14 * Line 15)	\$ 233,894	
18	Company Proposed Property Tax	251,038	
19			
20	RUCO Test Year Adjustment (Line 16-Line 17)	\$ (17,144)	
21	Property Tax - RUCO Recommended Revenue (Line 14 * Line 15)		\$ 242,987
22	RUCO Test Year Adjusted Property Tax Expense (Line 16)		\$ 233,894
23	Increase in Property Tax Expense Due to Increase in Revenue Requirement		\$ 9,093
24			
25	Increase to Property Tax Expense		\$ 9,093
26	Increase in Revenue Requirement		1,068,501
27	Increase to Property Tax per Dollar Increase in Revenue (Line 19/Line 20)		0.850996%

REFERENCES:

- Column [A]: Company Filing
- Column [B]: Testimony JMM
- Column [C]: Column [A] + Column [B]

OPERATING INCOME ADJUSTMENT NO. 10 - TEST YEAR INCOME TAXES

LINE NO.	<u>DESCRIPTION</u>	Test Year
1		
2		
3		
4	<u>Calculation of Income Tax:</u>	
5	Revenue (Schedule JMM-1)	\$ 9,080,945
6	Operating Expenses Excluding Income Taxes	\$ 7,297,178
7	Synchronized Interest	\$ 585,973
8	Arizona Taxable Income	\$ 1,197,794
9	Arizona State Income Tax Rate	6.5000%
10	Arizona Income Tax	\$ 77,857
11	Federal Taxable Income	\$ 1,119,937
12	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	\$ 7,500
13	Federal Tax on Second Income Bracket (\$51,001 - \$75,000) @ 25%	\$ 6,250
14	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	\$ 8,500
15	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	\$ 91,650
16	Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34%	\$ 266,879
17	Total Federal Income Tax	\$ 380,779
18	Combined Federal and State Income Tax	\$ 458,635
19		
20		
21	<u>Calculation of Interest Synchronization:</u>	
22	Rate Base (Schedule JMM-4)	\$ 24,724,611
23	Weighted Average Cost of Debt	2.37%
24	Synchronized Interest	\$ 585,973
25		
26		
27	Income Tax - Per RUCO	\$ 458,635
28	Income Tax - Per Company	\$ 389,412
29	RUCO Adjustment	\$ 69,223

REFERENCES:

Column [A]: Company Filing
Column [B]: Testimony JMM
Column [C]: Column [A] + Column [B]

Monthly Usage Charge	Present	Company Proposed Rates	RUCO Recommended Rates
Meter Size (All Classes):			
Chaparral Residential 3/4 Inch	\$ 16.50	\$ 22.20	\$ 18.20
Chaparral Residential 1 Inch	27.50	37.03	30.56
Chaparral Residential 1-1/2 Inch	55.00	74.06	61.13
Chaparral Residential 2 Inch	88.00	118.49	97.80
Chaparral Residential 3 Inch	176.00	236.98	195.60
Chaparral Residential 4 Inch	275.00	370.29	305.62
Chaparral Residential 6 Inch	550.00	740.58	611.25
Chaparral Residential 8 Inch	880.00	1,184.92	978.00
Chaparral Residential 10 Inch	1,265.00	1,703.32	1,405.87
Chaparral Residential 12 Inch	2,365.00	3,184.47	2,628.36
Chaparral Commercial 3/4 Inch	16.50	22.22	18.20
Chaparral Commercial 1 Inch	27.50	37.03	30.56
Chaparral Commercial 1.5 Inch	55.00	74.06	61.13
Chaparral Commercial 2 Inch	88.00	118.49	97.80
Chaparral Commercial 3 Inch	176.00	236.98	195.60
Chaparral Commercial 4 Inch	275.00	370.29	305.62
Chaparral Commercial 6 Inch	550.00	740.58	611.25
Chaparral Commercial 8 Inch	880.00	1,184.92	978.00
Chaparral Commercial 10 Inch	1,265.00	1,703.32	1,405.87
Chaparral Commercial 12 Inch	2,365.00	3,184.47	2,628.36
Chaparral Irrigation 3/4 Inch	16.50	22.22	18.20
Chaparral Irrigation 1 Inch	27.50	37.03	30.56
Chaparral Irrigation 1.5 Inch	55.00	74.06	61.13
Chaparral Irrigation 2 Inch	88.00	118.49	97.80
Chaparral Irrigation 3 Inch	176.00	236.98	195.60
Chaparral Irrigation 4 Inch	275.00	370.29	305.62
Chaparral Irrigation 6 Inch	550.00	740.58	611.25
Chaparral Irrigation 8 Inch	880.00	1,184.92	978.00
Chaparral Irrigation 10 Inch	1,265.00	1,703.32	1,405.87
Chaparral Irrigation 12 Inch	2,365.00	3,184.47	2,628.36
Chaparral Hydrant 3/4 Inch	16.50	22.22	18.20
Chaparral Hydrant 1 Inch	27.50	37.03	30.56
Chaparral Hydrant 1.5 Inch	55.00	74.06	61.13
Chaparral Hydrant 2 Inch	88.00	118.49	97.80
Chaparral Hydrant 3 Inch	176.00	236.98	195.60
Chaparral Hydrant 4 Inch	275.00	370.29	305.62
Chaparral Hydrant 6 Inch	550.00	740.58	611.25
Chaparral Hydrant 8 Inch	880.00	1,184.92	978.00
Chaparral Hydrant 10 Inch	1,265.00	1,703.32	1,405.87
Chaparral Hydrant 12 Inch	2,365.00	3,184.47	2,628.36
Chaparral Fire Sprinklers (All Meter Sizes)	10.0000	13.47	13.47
Chaparral Low Income 3/4 Inch	N/A	14.70	10.70
Chaparral Low Income 1 Inch	N/A	29.53	23.06
Commodity Charge - Per 1,000 Gallons			
<u>3/4" Meter (Residential)</u>			
First 3,000 gallons	\$ 2.3100	\$ 3.0926	\$ 2.5900
3,001 to 9,000 gallons	2.9600	3.9678	3.3200
All gallons over 9,000	3.6100	4.8431	4.0600
<u>3/4" Meter (Commercial)</u>			
First 9,000 gallons	2.9600	3.9678	3.3200
Over 9,000 gallons	3.6100	4.8431	4.0600
<u>1" Meter (Residential and Commercial)</u>			
First 24,000 gallons	2.9600	3.9678	3.3200
Over 24,000 gallons	3.6100	4.8431	4.0600
<u>1.5" Meter (Residential and Commercial)</u>			
First 60,000 gallons	2.9600	3.9678	3.3200
Over 60,000 gallons	3.6100	4.8431	4.0600
<u>2" Meter (Residential and Commercial)</u>			
First 100,000 gallons	2.9600	3.9678	3.3200
Over 100,000 gallons	3.6100	4.8431	4.0600
<u>3" Meter (Residential and Commercial)</u>			
First 225,000 gallons	2.9600	3.9678	3.3200
Over 225,000 gallons	3.6100	4.8431	4.0600

Rate Design

<u>4" Meter (Residential and Commercial)</u>			
First 350,000 gallons	2.9600	3.9678	3.3200
Over 350,000 gallons	3.6100	4.8431	4.0600
<u>6" Meter (Residential and Commercial)</u>			
First 725,000 gallons	2.9600	3.9678	3.3200
Over 725,000 gallons	3.6100	4.8431	4.0600
<u>8" Meter (Residential and Commercial)</u>			
First 1,125,000 gallons	2.9600	3.9678	3.3200
Over 1,125,000 gallons	3.6100	4.8431	4.0600
<u>10" Meter (Residential and Commercial)</u>			
First 1,500,000 gallons	2.9600	3.9678	3.3200
Over 1,500,000 gallons	3.6100	4.8431	4.0600
<u>12" Meter (Residential and Commercial)</u>			
First 2,250,000 gallons	2.9600	3.9678	3.3200
Over 2,250,000 gallons	3.6100	4.8431	4.0600
<u>3/4" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.3200
<u>1" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.3200
<u>1.5" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.3200
<u>2" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.3200
<u>3" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.3200
<u>4" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.3200
<u>6" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.3200
<u>8" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.3200
<u>10" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.3200
<u>12" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.3200
Fire Sprinklers (All Meter Sizes)	2.9600	3.9678	3.3200
Standpipe Water Service - 2 Inch	2.9600	3.9678	3.3200
Low Income 3/4 Inch			
First 3,000 gallons	N/A	3.0926	2.5900
3,001 to 9,000 gallons	N/A	3.9678	3.3200
All gallons over 9,000	N/A	4.8431	4.0600
Low Income 3/4 Inch			
First 3,000 gallons	N/A	3.0926	2.5900
3,001 to 9,000 gallons	N/A	3.9678	3.3200
All gallons over 9,000	N/A	4.8431	4.0600

Typical Bill Analysis
General Service 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	7,870	\$ 37.85	\$ 50.80	\$ 12.96	34.23%
Median Usage	4,892	\$ 29.03	\$ 38.98	\$ 9.95	34.29%
RUCO Recommended					
Average Usage	7,870	\$ 37.85	\$ 42.14	\$ 4.29	11.34%
Median Usage	4,892	\$ 29.03	\$ 32.25	\$ 3.22	11.10%

Present & Proposed Rates (Without Taxes)
General Service 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	RUCO Recommended Rates	% Increase
-	\$ 16.50	\$ 22.20	34.55%	\$ 18.20	10.30%
1,000	18.81	25.29	34.46%	20.79	10.53%
2,000	21.12	28.39	34.40%	23.38	10.70%
3,000	23.43	31.48	34.35%	25.97	10.84%
4,000	26.39	35.45	34.31%	29.29	10.99%
5,000	29.35	39.41	34.29%	32.61	11.11%
6,000	32.31	43.38	34.27%	35.93	11.20%
7,000	35.27	47.35	34.25%	39.25	11.28%
8,000	38.23	51.32	34.23%	42.57	11.35%
9,000	41.19	55.28	34.22%	45.89	11.41%
10,000	44.80	60.13	34.21%	49.95	11.50%
11,000	48.41	64.97	34.21%	54.01	11.57%
12,000	52.02	69.81	34.21%	58.07	11.63%
13,000	55.63	74.66	34.20%	62.13	11.68%
14,000	59.24	79.50	34.20%	66.19	11.73%
15,000	62.85	84.34	34.20%	70.25	11.77%
16,000	66.46	89.19	34.20%	74.31	11.81%
17,000	70.07	94.03	34.19%	78.37	11.85%
18,000	73.68	98.87	34.19%	82.43	11.88%
19,000	77.29	103.72	34.19%	86.49	11.90%
20,000	80.90	108.56	34.19%	90.55	11.93%
25,000	98.95	132.77	34.18%	110.85	12.03%
30,000	117.00	156.99	34.18%	131.15	12.09%
35,000	135.05	181.21	34.18%	151.45	12.14%
40,000	153.10	205.42	34.17%	171.75	12.18%
45,000	171.15	229.64	34.17%	192.05	12.21%
50,000	189.20	253.85	34.17%	212.35	12.24%
75,000	279.45	374.93	34.17%	313.85	12.31%
100,000	369.70	496.01	34.16%	415.35	12.35%