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1 Steve Wene, No. 019630  
2 MOYES SELLERS & HENDRICKS LTD.  
3 1850 N. Central Avenue, Suite 1100  
4 Phoenix, Arizona 85004  
5 (602)-604-2189  
6 swene@law-msh.com  
7 Attorneys for Naco Water Company, LLC

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ORIGINAL

8 **BEFORE THE ARIZONA CORPORATION COMMISSION**

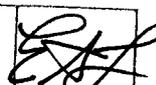
9 **COMMISSIONERS**

10 BOB STUMP, CHAIRMAN  
11 GARY PIERCE  
12 BOB BURNS  
13 SUSAN BITTER SMITH  
14 BRENDA BURNS

Arizona Corporation Commission

DOCKETED

JAN 24 2014

DOCKETED BY 

15 APPLICATION OF NACO WATER  
16 COMPANY, LLC FOR A PERMANENT  
17 INCREASE TO ITS WATER RATES

DOCKET NO: W-02860A-13-0399

**RESPONSE TO STAFF'S  
LETTER OF DEFICIENCY**

18 Naco Water Company, L.L.C. ("Company" or "Naco"), hereby responds to Staff's  
19 letter of deficiency as follows:

20 **I. PRELIMINARY STATEMENT**

21 The application as filed should be deemed sufficient because the reasons justifying  
22 the finding of deficiency either involve compliance matters unrelated to the rate  
23 application or were typographical errors. Three of the five issues identified in the  
24 deficiency finding involve compliance with Decision No. 69393. The Company asserts  
25 that rate applications should not be deemed deficient due to the fact that the Company  
26 may need to file documents in another docket concerning matters that are unrelated to the  
27 rate application.

28 Further, the references to 2011 rather than 2012 were scrivener errors. The  
Company acknowledges that the H Schedules and water use data sheets inadvertently

1 identified data as 2011 rather than 2012. But these were non-substantive errors; the  
2 correct year is 2012 as indicated throughout the application.

3  
4 **II. RESPONSES TO SPECIFIC ISSUES RAISED**

5 1. Test year on Schedule H-1 and H-5 (all pages) is 2011 but test year identified in  
6 the direct testimony is 2012.

7 **Response: The Test Year is 2012. See corrected schedules set forth in**  
8 **Attachment 1. The docket number was also revised to reflect the administrative**  
9 **revisions instituted since the previous rate case.**

10  
11 2. Water use data sheet by month (Exhibit 2) is for calendar year 2011.

12 **Response: The data is for 2012. These sheets were taken from the 2012 Annual**  
13 **Report.**

14  
15 3. Water Loss

16 Well Site 4 System (Bisbee Junction System)

17 Water usage data for the test year suggests a negative 15.08% water loss which is most  
18 unlikely based on natural law. When the issue was brought to Naco's attention, Naco  
19 filed its Water Loss Report on December 12, 2013, including its entire 2013 year water  
20 usage data. In this report, Bisbee Junction System had 11.43% water loss which exceeds  
21 10% water loss limit.

22 **Response: In 2012, the Bisbee Junction system had a meter malfunction, so**  
23 **the data is not accurate. Further, even if the system's water loss exceeds 10%, this**  
24 **is no reason to deny sufficiency of the rate application.**

25  
26 Township System

27 Water usage data for the test year suggests a 12.50% water loss which exceeds 10% water  
28 loss limit. When the issue was brought to Naco's attention, Naco filed its Water Loss

1 Report on December 12, 2013 and included its entire 2013 year water usage data. In this  
2 report, Township System had 15.90% water loss; situation is getting worse than year  
3 2012.

4 **Response: The Company denies that the situation is getting worse. Naco's**  
5 **historic water loss exceeded 20% and the stated water loss in 2012 and 2013 are well**  
6 **below the historic averages. Further, the stated water loss values appear to be**  
7 **calculated based solely on the difference between the metered sales and the metered**  
8 **well pumpage. This approach does not address unmetered water that Naco may be**  
9 **able to explain, such as flushing, fire hydrant tests, fire department use, water main**  
10 **breaks, etc. These types of adjustments have always been explained during the**  
11 **discovery process, typically in response to data requests.**

12 **To be clear, the Company submits the water use sheets from the annual**  
13 **reports because in the past Staff has urged this approach. If the rate application**  
14 **numbers and the annual report numbers did not match, Staff would require**  
15 **detailed explanations. Thus, by now holding up sufficiency based upon unadjusted**  
16 **numbers is inappropriate. This issue should be worked through during the normal**  
17 **course of the rate case as has been done for the past decade.**

18  
19 Well Site 3 System (Naco Highway System)

20 Water usage data for the test year suggests a 15.51% water loss which exceeds 10% water  
21 loss limit. When the issue was brought to Naco's attention, Naco filed its Water Loss  
22 Report on December 12, 2013. Naco included its entire 2013 year water usage data. In  
23 this report, Naco High Way System does not have its complete water usage data, missing  
24 data from April to December.

25 **Response: Staff's assertion that data is missing is incorrect. In April 2013,**  
26 **the Naco Highway System was interconnected with the Township System and Well 3**  
27 **is no longer used. Therefore, the water loss calculations are included in the**  
28 **Township System numbers.**

1  
2 Decision No. 69393

3 In Decision No. 69393, page 19, line 1 through 7, the Commission ordered that Naco  
4 *“filing its next rate application, it shall file a statement whether water loss has been*  
5 *reduced to 10% or less, and if water loss is still greater than 10% for any of its systems,*  
6 *it shall file with such rate case, a plan to reduce its water loss to 10% if not cost-effective,*  
7 *it shall submit, before filing its next rate application, a detailed cost analysis and*  
8 *explanation demonstrating why water loss reduction to 10% or less is not cost effective.”*

9 Naco filed a Compliance Regarding Decision 69393 on December 12, 2013 regarding  
10 “Water Loss Reduction Statement/Plan”. In this compliance filing, Naco did not provide  
11 either a water loss reduction plan or a detailed cost analysis and has not submitted any  
12 detailed explanation demonstration why water loss reduction to 10% or less is not cost  
13 effective.

14 **Response: First, The Bisbee Junction system had a meter malfunction, so the**  
15 **data is not accurate. Second, if the Company’s water loss is greater than 10%, then**  
16 **Decision No. 69393 requires Naco to file a plan to reduce its water loss to 10% or file**  
17 **an explanation and cost analysis demonstrating why reducing water loss to 10% is**  
18 **not cost effective before filing the rate case. Eight days before filing the rate case,**  
19 **Naco filed a water loss reduction statement/plan. Naco explained that it has made**  
20 **more than \$2.3 million in improvements, but the older portion of the systems still**  
21 **leak. Naco then stated it will institute a leak detection program and a meter**  
22 **replacement program. The meter replacement program will cost approximately**  
23 **\$1,400 per month in meter costs to replace 20 meters per month if there is going to**  
24 **be any significant water reduction. Including labor and other costs will add an**  
25 **additional \$400 in expense per month, so the cost will be approximately \$2,000 per**  
26 **month. With approximately 300 customers, it will take 15 months to complete and**  
27 **cost a total of \$30,000.**

1  
2           **To implement the leak detection program would cost approximately \$10,000.**  
3 **This does include repair costs and addresses just the Township System. The leak**  
4 **detection task would likely take seven business days. Obviously, until the leaks are**  
5 **identified, the cost to repair the leaks will be unknown. Thus, at a minimum, the**  
6 **cost to replace the meters and identify the leaks is \$40,000.**

7           **The Company believes this expense can be prorated over four years, meaning**  
8 **Naco would need to generate an additional \$833 per month in revenue for metered**  
9 **water sales. Whether or not this is deemed cost effective is certainly a subjective**  
10 **judgment, and the Company is willing to implement the program. Therefore,**  
11 **provided Staff recommends the revenue adjustment to address the water loss issue,**  
12 **the Company is willing to implement the program.**

13  
14 4. Storage deficiencies in the Bisbee Junction system and the Naco Highway system  
15 In Decision No. 69393, page 19, line 8 through 11, the Commission ordered that Naco  
16 *“shall file with its next rate case, a plan to resolve such storage deficiencies.”* However,  
17 Naco did not provide any plan to resolve the problem.

18 **Response: The storage issues are resolved. The Naco Highway System has been**  
19 **interconnected with the Township System. The Bisbee Junction System has 22,000**  
20 **gallons of storage to meet the demand of 60 customers. This is ample storage to**  
21 **meet demands.**

22  
23 5. Sulfate Problem

24 In Decision No. 69393, the Commission ordered Naco to file a hydrologic study to  
25 determine the extent of the sulfate problem, and to determine if the sulfates can be traced  
26 to Phelps Dodge mining operation. Naco filed its hydrology study regarding sulfate  
27 plume on December 12, 2013, however that report was issued in 2007. An update of  
28 sulfate problem status needs to be provided.

1 **Response: There is no updated hydrology study. The Company anticipates it will**  
2 **address Staff's questions regarding the sulfate plume during the discovery phase of**  
3 **the case.**

4 RESPECTFULLY SUBMITTED this 24<sup>th</sup> day of January, 2014.

5 **MOYES SELLERS & HENDRICKS LTD.**

6  
7   
8 \_\_\_\_\_  
9 Steve Wene

10 Original and 13 copies of the foregoing  
11 Filed this 24<sup>th</sup> day of January, 2014, with:

12 Docket Control  
13 Arizona Corporation Commission  
14 1200 West Washington  
15 Phoenix, Arizona 85007

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17 \_\_\_\_\_  
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28

# **ATTACHMENT 1**

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

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

Line	Original Cost	RCND
1 Adjusted Rate Base	\$ 1,508,251 (a)	(a)
2 Adjusted Operating Income	\$ 25,965 (b)	(b)
3 Current Rate of Return	1.72%	
4 Required Operating Income	\$ 67,363	
5 Required Rate of Return	4.47%	
6 Operating Income Deficiency (4 - 2)	\$ 41,398	
7 Gross Revenue Conversion Factor	1.210 (c)	(c)
8 Increase in Gross Revenue Requirements (6 x 7)	<u>\$ 50,083</u>	<u></u>
<i>9 Cash Flow at Proposed Rates</i>		
10 Operating Income	\$ 67,363	
11 Depreciation Expense	\$ 54,654	
12 Estimated Operating Cash (Line 10 + 11)	\$ 122,017	
13 Total Debt Service	\$ (72,489)	
14 Estimated Conditional Cash Flow (Line 12 + 13)	\$ 49,528	
15 Proposed Revenue	\$ 305,172	
16 Conditional Cash Flow as Percent of Revenue (Line 14/Line 15)	16%	
<i>17 Operating Margin at Proposed Rates</i>		
18 Operating Income	\$ 67,363	
19 Proposed Revenue	\$ 305,172	
20 Operating Margin (Line 18/Line 19)	22%	
<i>21 DSCR Calculation</i>		
22 Proposed Operating Income plus Depreciation Expense	\$ 122,017	
23 Annual Debt Service	\$ (72,489)	
24 Debt Service Coverage Ratio (Line 22/Line 23)	1.68	

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Projected Revenue Increase Due to Rates	% Dollar Increase
25 Residential	\$ 209,453	\$ 251,542	\$ 42,089	20.09%
26 Commercial	38,703	46,725	8,022	20.73%
27 Hydrant	-	-	-	0.00%
28 Other	6,924	6,924	-	0.00%
29 Total	<u>\$ 255,089</u>	<u>\$ 305,172</u>	<u>\$ 50,081</u>	<u>19.63%</u>

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

Supporting Schedules:

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

**Naco Water Company**  
Docket No. W-02860A-13-0399  
Test Year Ended December 31, 2012

**Schedule A-2**  
**Title: Summary Results of Operations**

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

**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.

Line	Description	<u>Prior Years</u>		<u>Test Year</u>		<u>Projected Year</u>	
		Year End	Year End	Actual	Adjusted	Present	Proposed
		31-Dec-10	31-Dec-11	Rates	Rates	Rates	Rates
		(a)	(a)	(a)	(b)	(c)	(c)
1	Gross Revenues	\$ 266,429	\$ 259,807	\$ 242,251	\$ 255,089	\$ 255,089	\$ 305,172
2	Revenue Deductions & Operating Expenses	(202,998)	(218,113)	(209,953)	(229,124)	(229,124)	(237,809)
3	Operating Income	\$ 63,431	\$ 41,694	\$ 32,298	\$ 25,965	\$ 25,965	\$ 67,363
4	Other Income and Deductions	(30,417)	(30,352)	6	6	6	6
5	Interest Expense	(33,385)	(31,270)	(2,023)	(1,717)	(1,717)	(1,717)
6	<b>Net Income</b>	<b>\$ (371)</b>	<b>\$ (19,928)</b>	<b>\$ 30,281</b>	<b>\$ 24,254</b>	<b>\$ 24,254</b>	<b>\$ 65,652</b>
7	Earned Per Average Common Share*	NA†	NA†	NA†	NA†		
8	Dividends Per Common Share*	NA†	NA†	NA†	NA†		
9	Payout Ratio*	NA†	NA†	NA†	NA†		
10	Return on Average Invested Capital	-0.02%	-1.12%	1.80%	1.44%	1.44%	3.90%
11	Return on Year End Capital	-0.02%	-1.18%	1.81%	1.45%	1.45%	3.93%
12	Return on Average Common Equity	-0.08%	-4.43%	6.95%	5.57%	5.57%	15.07%
13	Return on Year End Common Equity	-0.08%	-4.88%	6.55%	5.24%	5.24%	14.19%
14	Times Bond Interest Earned - Before Inc Tax	(0.14)	(0.60)	14.97	14.13	14.13	38.24
15	Times Total Interest and Preferred Dividends						
16	Earned - After Income Taxes	(0.01)	(0.64)	14.97	14.13	14.13	38.24

Supporting Schedules:

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

\*Optional for projected year

†Naco is an LLC and does not have "shares."

**Naco Water Company**  
 Docket No. W-02860A-13-0399  
 Test Year Ended December 31, 2012

**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

Line	Year	Construction Expenditures (a)	Net Plant Placed In Service (b)	Gross Utility Plant In Service
1	Prior Year 1 - 2010	\$ 3,607	(31,976)	\$ 1,555,023
2	Prior Year 2 - 2011	667,353	619,564	2,222,376
3	Test Year - 2012	527	(54,033)	2,222,903
4	Projected Year 1	1,039,047	971,376	3,261,950
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

Naco Water Company  
 Docket No. W-02860A-13-0399  
 Test Year Ended December 31, 2012

**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	X
Class A	
Class B	
Class C	
Class D	
Speci Reqmt	

Line Description	Original Cost Rate Base*	RCND Rate Base*
1 Gross Utility Plant in Service	\$ 2,222,903	
2 Less: Accumulated Depreciation	<u>(670,808)</u>	
3 Net Utility Plant in Service	\$ 1,552,095 (a)	(b)
4 <b>Less:</b>		
5 Advances in Aid of Construction	\$ (20,753) (c)	(c)
6 Contributions in Aid of Construction	(40,133) (c)	(c)
7 Customer Deposits	(8,950)	
8 <b>Add:</b>		
9 Amortization of Contributions	\$ 25,992	
10 Allowance for Working Capital	<u>- (d)</u>	(d)
11 <b>Total Rate Base</b>	<u><u>\$ 1,508,251 (e)</u></u>	(e)

\* Including pro forma adjustments

Naco Water Company  
 Docket No. W-02860A-13-0399  
 Test Year Ended December 31, 2012

**Schedule B-2 AMENDED**  
**Title: Original Cost Rate Base**  
**Proforma Adjustments**

Explanation:  
 Schedule showing pro forma adjustments to gross plant  
 in service and accumulated depreciation for the original  
 cost rate base.

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

<u>Line Description</u>	<u>Actual at End Of Test Year (a)</u>	<u>Pro forma Adjustment</u>	<u>Adjusted at End Of Test Year (b)</u>
1 Gross Utility Plant in Service	\$ 2,222,903		\$ 2,222,903
2 Less: Accumulated Depreciation	(670,808)		(670,808)
3 Net Utility Plant in Service	\$ 1,552,095		\$ 1,552,095
4 Less:			
5 Advances in Aid of Construction	\$ (20,753)		\$ (20,753)
6 Contributions in Aid of Construction	(342,574)	302,441 a	(40,133)
7 Customer Deposits	(8,950)		(8,950)
8 Plus:			
9 Amortization of Contributions	\$ 25,992		\$ 25,992
10 Allowance for Working Capital	-		-
11 <b>Total Rate Base</b>	<b>\$ 1,214,760</b>		<b>\$ 1,508,251</b>

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

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

Supporting Schedules:  
 (a) E-1

Recap Schedules:  
 (b) B-1

**Naco Water Company**  
Docket No. W-02860A-13-0399  
Test Year Ended December 31, 2012

**Schedule B-2a**  
**Calculation of Adjustment to CIAC**

**Calculation of Adjustment a to Test Year Contributions in Aid of Construction**

<b>Line</b>	<b>Description</b>	<b>Amount</b>
1	Test Year Gross CIAC Total	\$ 342,574
2	Test Year Gross CIAC not associated with Freeport Settlement	40,133
3	Adjustment to Test Year Gross CIAC	\$ 302,441
4		
5	Note: The Test Year CIAC amortization balance does not reflect any amortization of the Freeport	
6	Settlement amounts and thus does not need to be adjusted.	

**Naco Water Company**  
 Docket No. W-02860A-13-0399  
 Test Year Ended December 31, 2012

**Schedule B-5**  
**Title: Computation of Working Capital**

Explanation:  
 Schedule showing computation of working capital allowance.

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

<u>Line</u>	<u>Description</u>	<u>Amount</u>
1	Cash working capital	\$ -
2	Materials and Supplies Inventories	- (a)
3	Prepayments	<u>- (a)</u>
4	<b>Total Working Capital Allowance</b>	<b><u><u>\$ - (b)</u></u></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

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

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"/>

Line	Acct	Description	Actual for Test Year Ended (a) 31-Dec-12	Proforma Adjustments (b)	Test Year Results After Pro Forma Adjustments	Proposed Rate Increase	Adjusted Test Year With Rate Increase
<b>Revenues</b>							
1	461	Metered Water Revenue	\$ 235,327	\$ 12,838	\$ 248,165	\$ 50,083	\$ 298,248
2	460	Unmetered Water Revenue	-	-	-	-	-
3	474	Other Water Revenue	6,924	-	6,924	-	6,924
4		<b>Total Revenues</b>	<b>\$ 242,251</b>		<b>\$ 255,089</b>	<b>\$ 50,083</b>	<b>\$ 305,172</b>
5							
<b>Operating Expenses</b>							
6							
7	601	Salaries and Wages	\$ 16,712	\$ -	\$ 16,712	\$ -	\$ 16,712
8	604	Employee Pensions and Benefits	-	-	-	-	-
9	610	Purchased Water	-	-	-	-	-
10	615	Purchased Power	8,999	-	8,999	-	8,999
11	618	Chemicals	684	-	684	-	684
12	620	Materials & Supplies	8,127	-	8,127	-	8,127
13	621	Office Supplies and Expense	33,446	-	33,446	-	33,446
14	630	Outside Services	58,374	-	58,374	-	58,374
15	631	Contractual Services - Professional	-	-	-	-	-
16	635	Contractual Services - Testing	3,596	-	3,596	-	3,596
17	636	Contractual Services - Other	-	-	-	-	-
18	640	Rents	2,200	-	2,200	-	2,200
19	650	Transportation Expenses	6,073	-	6,073	-	6,073
20	567	Insurance - General Liability	5,165	-	5,165	-	5,165
21	659	Insurance - Health and Life	3,170	-	3,170	-	3,170
22	665	Regulatory Commission Expenses	63	-	63	-	63
Regulatory Commission Expense Rate							
23	666	Case	-	9,230	9,230	-	9,230
24	670	Bad Debt Expense	-	-	-	-	-
25	675	Miscellaneous Expenses	-	-	-	-	-
26	403	Depreciation Expenses	54,560	94	54,654	-	54,654
27	408	Taxes Other Than Income	1,229	-	1,229	-	1,229
28	408.11	Property Taxes	7,555	4,931	12,486	818	13,304
29	409	Income Taxes	-	4,610	4,610	7,868	12,477
30	427.4	Interest Expense - Customer Deposits	-	306	306	-	306
31		<b>Total Operating Expenses</b>	<b>\$ 209,953</b>	<b>\$ 19,171</b>	<b>\$ 229,124</b>		<b>\$ 237,809</b>
32							
33		<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 32,298</b>		<b>\$ 25,965</b>		<b>\$ 67,363</b>
34							
Other Income/(Expense)							
35							
36	419	Interest and Dividend Income	\$ 6	\$ -	\$ 6	\$ -	\$ 6
37	421	Non-Utility Income	-	-	-	-	-
38	426	Interest Expense	(2,023)	306	(1,717)	-	(1,717)
39	427	Extraordinary Deductions	(87,582)	87,582	-	-	-
40		<b>Total Other Income/(Expense)</b>	<b>\$ (89,599)</b>	<b>\$ 87,888</b>	<b>\$ (1,711)</b>		<b>\$ (1,711)</b>
41							
42		<b>NET INCOME/(LOSS)</b>	<b>\$ (57,301)</b>		<b>\$ 24,254</b>		<b>\$ 65,652</b>
43							
<b>CASH FLOW</b>							
44							
45		Add Depreciation Expense	54,560	94	54,654	-	54,654
46		Add Working Capital	-	-	-	-	-
47		Less Incremental Capital Expenditure	-	-	-	-	-
48		Add New Debt Principle In	-	-	-	-	-
49		Less Repayment of debt Principle	(70,778)	-	(70,778)	-	(70,778)
50							
51		<b>FREE CASH FLOW</b>	<b>\$ (73,519)</b>		<b>\$ 8,130</b>		<b>\$ 49,528</b>
52							
53		<b>DSCR</b>	<b>-0.01</b>		<b>1.11</b>		<b>1.68</b>
54							
55							
56							

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

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

Recap Schedules:  
(c) A-1

**Schedule C-2**  
**Title: Adjusted Test Year Income Statement**

**Naco Water Company**  
 Docket No. W-02860A-13-0399  
 Test Year Ended December 31, 2012

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 Requirt	<input type="checkbox"/>

Required for:

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

Line	Acct #	Description	Actual for Test Year Revenue and Expense					Test Year Results After Pro Forma Adjustments
			31-Dec-12 Year Ended (e)	Adj a.1	Adj a.2	Adj b	Adj c	
		<b>Revenues</b>						
1	461	Metered Water Revenue	\$ 235,327	\$ 13,223	\$ (386)			\$ 248,165
2	460	Unmetered Water Revenue	-	-	-			-
3	474	Other Water Revenue	6,924					6,924
4		Total Revenues	\$ 242,251					\$ 255,089
5								
		<b>Operating Expenses</b>						
6	601	Salaries and Wages	\$ 16,712					\$ 16,712
8	604	Employee Pensions and Benefits	-					-
9	610	Purchased Water	-					-
10	615	Purchased Power	8,999					8,999
11	618	Chemicals	684					684
12	620	Materials & Supplies	8,127					8,127
13	621	Office Supplies and Expense	33,446					33,446
14	630	Outside Services	58,374					58,374
15	631	Contractual Services - Professional	-					-
16	635	Contractual Services - Testing	3,596					3,596
17	636	Contractual Services - Other	-					-
18	640	Rents	2,200					2,200
19	650	Transportation Expenses	6,073					6,073
20	567	Insurance - General Liability	5,165					5,165
21	659	Insurance - Health and Life	3,170					3,170
22	665	Regulatory Commission Expenses	63				9,230	63
23	670	Bad Debt Expense	-					-
24	675	Miscellaneous Expenses	-					-
25	403	Depreciation Expenses	54,560			94		54,654
26	408	Taxes Other Than Income	1,229					1,229
27	408.11	Property Taxes	7,555			4,931		12,486
28	409	Income Taxes	-				4,610	4,610
29	427.4	Interest Expense - Customer Deposits	-			306		306
30		Total Operating Expenses	\$ 209,953					\$ 229,124
31								
32		<b>OPERATING INCOME/(LOSS)</b>	\$ 32,298					\$ 25,965
33								
34		<b>Other Income/(Expense)</b>						
35	419	Interest and Dividend Income	\$ 6					\$ 6
36	421	Non-Utility Income	-					-
37	427	Interest Expense	(2,023)			306		(1,717)
38	437	Extraordinary Deductions	(87,582)				87,582	-
39		Total Other Income/(Expense)	\$ (89,599)					\$ (1,711)
40								
41		<b>NET INCOME/(LOSS)</b>	\$ (57,301)					\$ 24,254

Naco Water Company  
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Test Year Ended December 31, 2012

Schedule C-2a  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF ADJUSTMENTS a.1 AND a.2 TO TEST YEAR REVENUE**

<b>Line</b>	<b>Description</b>	<b>Amount</b>
1	End of year balance sheet corrections.	\$ 11,345
2	Plant adjustments and retirements from previous rate case.	1,879
3	<b>Total Adjustment a.1 to Metered Water Revenue</b>	<b>\$ 13,223</b>
4		
5	Removing amount billed to Naco Water's office.	(387)
6	<b>Total Adjustment a.2 to Metered Water Revenue</b>	<b>\$ (387)</b>

Naco Water Company  
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Schedule C-2b  
Title: Income Statement Proforma  
Adjustments

**OPERATING INCOME ADJUSTMENT #8 - PROPERTY TAX EXPENSE GRCF COMPONENT**

LINE NO.	DESCRIPTION	[A] Test Year Adjusted	[B] At Required Revenue
1	Adjusted Test Year Revenues	\$ 255,089	\$ 255,089
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	510,177	510,177
4	Adjusted Test Year Revenues	255,089	
5	Required Revenue		305,172
6	Subtotal (Line 4 + Line 5)	765,266	815,349
7	Number of Years	3	3
8	Three Year Average (Line 5 / Line 6)	255,089	271,783
9	Department of Revenue Multiplier	2	2
10	Revenue Base Value (Line 7 * Line 8)	510,177	543,566
11	Plus: 10% of CWIP	47	47
12	Less: Net Book Value of Licensed Vehicles	340	340
13	Full Cash Value (Line 10 + Line 11 - Line 12)	509,884	543,273
14	Assessment Ratio	20.0%	20.0%
15	Assessment Value (Line 13 * Line 14)	101,977	108,655
16	Composite Property Tax Rate	12.2439%	12.2439%
17	Test Year Adjusted Property Tax Expense (Line 15 * Line 16)	\$ 12,486	
18	Actual Property Tax Paid	\$ 7,555	
19	Test Year Adjustment (Line 17 - Line 18)	\$ 4,931	
20	Property Tax on Required Revenue (Line 15 * Line 16)		\$ 13,304
21	Test Year Adjusted Property Tax Expense (Line 17)		\$ 12,486
22	Increase in Property Tax Due to Increase in Revenue Requirement		\$ 818
23	Increase in Property Tax Due to Increase in Revenue Requirement (Line 22)		\$ 818
24	Increase in Revenue Requirement		\$ 50,083
25	Increase in Property Tax Per Dollar Increase in Revenue (Line 23 / Line 24)		1.63253%

Naco Water Company  
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Test Year Ended December 31, 2012

Schedule C-2c  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF ADJUSTMENT c TO TEST YEAR EXPENSES**

Reclassifies Interest on Customer Deposits as an Operating Expense

Line	Description	Amount
1	Test Year Interest Paid on Customer Deposits	\$ 306

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Test Year Ended December 31, 2012

Schedule C-2d  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF ADJUSTMENT d TO RATE CASE EXPENSES**

<u>Line</u>	<u>Description</u>	<u>Amount</u>
1	Estimated Rate Case Expenses	\$ 27,690
2	Amortization Period in years	<u>3</u>
3	Annual expense recovery	\$ 9,230
4	Subtract Actual Test Year Rate Case Expenses	<u>-</u>
5	<b>Total Adjustment d</b>	<b>\$ <u>9,230</u></b>

**CALCULATION OF ADJUSTMENT e TO INCOME TAX EXPENSES**

<b>Line</b>	<b>Description</b>			
1	<b>Test Year</b>			
2	Operating Income/(Loss) Before Taxes	\$	30,574	
3	Add Interest Income		6	
4	Less Estimated Interest Expense		<u>(1,717)</u>	
5	Taxable Income	\$	28,864	
6	Effective Combined Federal and State Income Tax Rate		<u>15.97%</u>	
7	Total Income Tax Expense			\$ 4,610
8	Test Year income Tax Expense			<u>\$ -</u>
9	<b>Total Adjustment e to Test Year Income Taxes</b>			<b><u>\$ 4,610</u></b>
10				
11	<b>At Proposed Rates</b>			
12	Operating Income/(Loss) Before Taxes	\$	79,840	
13	Add Interest Income		6	
14	Less Estimated Interest Expense		<u>(1,717)</u>	
15	Taxable Income	\$	78,129	
16	Effective Combined Federal and State Income Tax Rate		<u>15.97%</u>	
17	Total Income Tax Expense			\$ 12,477
18	Adjusted Test Year income Tax Expense			<u>\$ 4,610</u>
19	<b>Total Adjustment to Income Taxes at Proposed Rates</b>			<b><u>\$ 7,868</u></b>

**CALCULATION OF ALTERNATIVE INCOME TAX EXPENSE BASED ON  
ASSUMPTION THAT NACO IS A C CORPORATION**

This calculation is required by the February 8, 2013 Policy Statement approved in Decision 73739

Line

1	Operating Income Before Income Taxes (Schedule C-1 line 33 + 29)	\$ 79,840.13
2	Arizona Corporate Income Tax Rate	<u>6.97%</u>
3	Arizona Corporate Income Tax (Line 2 X Line 3)	\$ 5,563
4		
5	Federal Taxable Income (Line 1 - Line 3)	\$ 74,277
6	Federal Corporate Income Tax Rate	<u>\$7,500 + 25% of income above \$50,000</u>
7	Federal Corporate Income Tax (Apply formula on Line 6 to Line 5)	\$ 26,069
8		
9	Total Income Tax (State and Federal) (Line 3 + Line 7)	\$ 31,632

The amount calculated here is greater than the amount calculated on page 1 of Schedule C-2e (\$12,477) so the \$12,477 amount will be used.

**DETAIL OF PROPOSED ADJSUTMENT f to DEPRECIATION EXPENSE**

This adjustment eliminates the half year convention for plant added during the test year.

Line	Account Number	Description	Plant @ End of Test Year 31-Dec-12	Proposed Depreciation Rate	Ref	Proposed Depreciation Expense
1	301	Organization	\$ 198	0.00%		\$ -
2	303	Land & Land Rights	4,345	0.00%		\$ -
3	304	Structures & Improvements	5,918	3.33%		\$ 197.07
4	307	Wells & Springs	128,561	3.33%		\$ 4,281.08
5	311	Pumping Equipment 1	194,487	12.50%	1	\$ 7,741.00
6	320	Water Treatment Equipment	1,824	3.33%		\$ 60.74
7	330	Distribution Reservoirs & Standpipes	137,771	2.22%		\$ 3,058.52
8	331	Transmission & Distribution Mains	1,498,997	2.00%		29,980
9	333	Services	136,839	3.33%		4,557
10	334	Meters & Meter Installations 2	46,800	8.33%	2	1,561
11	335	Hydrants	34,717	2.00%		694
12	339	Other Plant and Misc Equipment	-	6.67%		-
13	340	Office Furniture & Equipment	9,202	6.67%		-
14	340.1	Computers and Software	-	33.33%		-
15	341	Transportation Equipment	20,298	20.00%		4,060
16	343	Tools, Shop, and Garage Equipment	128	5.00%		6
17	345	Power Operated Equipment	2,818	5.00%		-
18	346	Communication Equipment	-	10.00%		-
19	347	Miscellaneous Equipment	-	10.00%		-
20	348	Other Tangible Plant	-	10.00%		-
21		<b>Totals</b>	<b>\$ 2,222,903</b>			<b>\$ 56,196</b>
22						Amortization of CIAC \$ (1,541)
23						Adjusted Depreciation Expense \$ 54,655
24						Test Year Depreciation Expense <u>54,561</u>
25	<u>Ref</u>					<b>Total Adjustment f \$ 94</b>
26	1	\$132,559 of the total is fully depreciated.				
27	2	\$28,060 of the total is fully depreciated.				

Naco Water Company  
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Test Year Ended December 31, 2012

Schedule C-2g  
Title: Income Statement Proforma  
Adjustments

**DETAIL OF ADJUSTMENT g TO NET INCOME**

<u>Line</u>	<u>Description</u>	<u>Amount</u>
1	Adjustment for prior year accounting issues including balance sheet items and depreciaiton.	<u>87,582</u>

Naco Water Company  
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Test Year Ended December 31, 2012

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	X
Class A	
Class B	
Class C	
Class D	
Spec'l Reqmt	

**GROSS REVENUE CONVERSION FACTOR**

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
<u>Calculation of Gross Revenue Conversion Factor:</u>					
1	Revenue	100.0000%			
2	Uncollectible Factor (Line 11)	0.0000%			
3	Revenues (L1 - L2)	100.0000%			
4	Combined Federal and State Tax Rate (Line 17) + Property Tax Factor (Line 22)	17.3418%			
5	Subtotal (L3 - L4)	82.6582%			
6	Revenue Conversion Factor (L1 / L5)	1.209801			
<u>Calculation of Uncollectible Factor:</u>					
7	Unity	100.0000%			
8	Combined Federal and State Tax Rate (Line 17)	15.9700%			
9	One Minus Combined Income Tax Rate (L7 - L8)	84.0300%			
10	Uncollectible Rate	0.0000%			
11	Uncollectible Factor (L9 * L10)	0.0000%			
<u>Effective Combined Tax Rate of LLC's Owner:</u>					
12					
13					
14					
15					
16					
17	Combined Federal and State Income Tax Rate (See Testimony)	15.9700%			
<u>Calculation of Effective Property Tax Factor</u>					
18	Unity	100.0000%			
19	Combined Federal and State Tax Rate (Line 17)	15.9700%			
20	One Minus Combined Income Tax Rate (L18 - L19)	84.0300%			
21	Property Tax Factor (Schedule C-2b)	1.6325%			
22	Effective Property Tax Factor (L 21 * L 22)	1.3718%			
23	Combined Federal and State Tax and Property Tax Rate (L17+L22)		17.3418%		
24	Required Operating Income (Schedule A-1)	\$ 67,363			
25	Adjusted Test Year Operating Income (Loss) (Schedule C-1)	\$ 25,965			
26	Required Increase in Operating Income (L24 - L25)		\$ 41,398		
27	Income Taxes on Recommended Revenue (Schedule C2e)	\$ 12,477			
28	Income Taxes on Test Year Revenue (Schedule C2e)	\$ 4,610			
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		\$ 7,868		
30	Recommended Revenue Requirement	\$ 305,172			
31	Uncollectible Rate (Line 10)	0.0000%			
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$ -			
33	Adjusted Test Year Uncollectible Expense	\$ -			
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32 - L33)		\$ -		
35	Property Tax with Recommended Revenue (Schedule C-2b)	\$ 13,304			
36	Property Tax on Test Year Revenue (Schedule C-2b)	\$ 12,486			
37	Increase in Property Tax Due to Increase in Revenue (Schedule C-2b)		\$ 818		
38	Total Required Increase in Revenue (L26 + L29 + L34+L37)		\$ 50,083		

**Naco Water Company**  
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**Test Year Ended December 31, 2012**

**Schedule D-1**  
**Title: Summary Cost of Capital**

Explanation:  
 Schedule showing elements of capital structure  
 and the related cost.

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

Line	Invested Capital	End of Test Year				End of Projected Year			
		Amount	%	Cost Rate (e)	Composite Cost %	Amount	%	Cost Rate (e)	Composite Cost %
1	Long-Term Debt (a)	\$ 1,208,258	72.31%	0.13%	0.09%	\$ 1,208,258	72.31%	0.13%	0.09%
2	Common Equity (c)	462,570	27.69%	15.80%	4.37%	462,570	27.69%	15.80%	4.37%
3	Totals	\$ 1,670,828	100.00%		4.47%	\$ 1,670,828	100.00%		4.47%

Supporting Schedules:

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

Recap Schedules:

- (e) A-3

**Naco Water Company**  
Docket No. W-02860A-13-0399  
Test Year Ended December 31, 2012

**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.

Line	Acct #	ASSETS	Test Year At 31-Dec-12	Prior Year 31-Dec-11	Prior Year 31-Dec-10
1		Property, Plant & Equipment: (a)			
2	101	Utility Plant In Service	\$ 2,222,903	\$ 2,222,376	\$ 1,555,023
3	103	Property Held for Future Use			689,026
4	105	Construction Work in Process	378,346	-	-
5	108	Accumulated Depreciation	(670,808)	(614,707)	(559,308)
6		<b>Total Property Plant &amp; Equipment</b>	<b>\$ 1,930,441</b>	<b>\$ 1,607,669</b>	<b>\$ 1,684,741</b>
7		Current Assts:			
8	131	Cash	\$ 209,941	\$ 9,165	\$ 5,116
9	134	Working Funds	\$ -	\$ 166,943	\$ 152,055
10	135	Temporary Cash Investments	-	-	-
11	141	Customer Accounts Receivable	20,179	35,194	91,226
12	146	Notes/Receivables from Associated Companies	-	-	-
13	151	Plant Material and Supplies	-	-	-
14	162	Prepayments	-	-	-
15	174	Miscellaneous Current and Accrued Assets	-	(1,663)	2,414
16		<b>Total Current Assets</b>	<b>\$ 230,120</b>	<b>\$ 209,639</b>	<b>\$ 250,811</b>
17		<b>TOTAL ASSETS</b>	<b>\$ 2,160,561</b>	<b>\$ 1,817,308</b>	<b>\$ 1,935,552</b>
18		<b>LIABILITIES and CAPITAL</b>			
19		Capitalization: (b)			
20	201	Common Stock Issued	\$ -	\$ -	\$ -
21	211	Paid in Capital in Excess of Par Value	-	-	-
22	215	Retained Earnings	302,746	-	-
23	218	Proprietary Capital	159,824	408,464	491,528
24		<b>Total Capital</b>	<b>\$ 462,570</b>	<b>\$ 408,464</b>	<b>\$ 491,528</b>
25		Current Liabilities:			
26	231	Accounts Payable	\$ 141,197	\$ 57,007	\$ 85,023
27	232	Notes Payable (Current Portion)	-	-	-
28	234	Notes/Accounts Payable to Associated Companies	-	-	-
29	235	Customer Deposits	8,950	17,893	17,517
30	236	Accrued Taxes	1,474	3,884	3,472
31	237	Accrued Interest	-	-	-
32	241	Miscellaneous Current and Accrued Liabilities	779	19,000	19,000
33		<b>Total Current Liabilities</b>	<b>\$ 152,400</b>	<b>\$ 97,784</b>	<b>\$ 125,012</b>
34	224	Long-Term Debt (Over 12 Months)	\$ 1,208,258	\$ 1,287,375	\$ 1,383,673
35		Deferred Credits:			
36	252	Advances In Aid Of Construction	\$ 20,753	\$ 4,050	\$ 2,500
37	255	Accumulated Deferred Investment Tax Credits	-	-	-
38	271	Contributions In Aid Of Construction	342,574	40,133	40,133
39	272	Less: Amortization of Contributions	(25,992)	(20,498)	(19,465)
40	281	Accumulated Deferred Income Tax	-	-	-
41		<b>Total Deferred Credits</b>	<b>\$ 337,335</b>	<b>\$ 23,685</b>	<b>\$ 23,168</b>
42		<b>Total Liabilities</b>	<b>\$ 1,697,993</b>	<b>\$ 1,408,844</b>	<b>\$ 1,531,853</b>
43		<b>TOTAL LIABILITIES and CAPITAL</b>	<b>\$ 2,160,563</b>	<b>\$ 1,817,308</b>	<b>\$ 2,023,381</b>

Supporting Schedules:  
(a) E-5

Recap Schedules:  
(b) A-3

**Naco Water Company**  
Docket No. W-02860A-13-0399  
Test Year Ended December 31, 2012

**Schedule E-2**  
**Title: Comparative Income**  
**Statements**

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"/>

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

Line	Acct #		Test Year Ended 31-Dec-12	Prior Year Ended 31-Dec-11	Prior Year Ended 31-Dec-10
		Revenues: (a)			
1	461	Metered Water Revenue	\$ 235,327	\$ 256,357	\$ 260,939
2	460	Unmetered Water Revenue		-	-
3	474	Other Water Revenue	6,924	3,450	5,490
4		Total Revenues	\$ 242,251	\$ 259,807	\$ 266,429
		Operating Expenses (a)			
5		Operating Expenses (a)			
6	601	Salaries and Wages	\$ 16,712	\$ 17,118	\$ 18,616
7	604	Employee Pensions and Benefits	-	-	-
8	610	Purchased Water	-	-	-
9	615	Purchased Power	8,999	10,062	10,610
10	618	Chemicals	684	1,180	1,132
11	620	Materials & Supplies	8,127	4,911	4,629
12	621	Office Supplies and Expense	33,446	6,772	6,654
13	630	Outside Services	58,374	51,453	84,069
14	631	Contractual Services - Professional		-	-
15	635	Contractual Services - Testing	3,596	3,617	5,673
16	636	Contractual Services - Other		-	-
17	640	Rents	2,200	2,600	2,000
18	650	Transportation Expenses	6,073	8,245	7,329
19	567	Insurance - General Liability	5,165	4,587	2,646
	659	Insurance - Health and Life	3,170	2,602	1,944
20	665	Regulatory Commission Expenses	63	-	-
21	670	Bad Debt Expense	-	-	-
22	675	Miscellaneous Expenses	-	39,304	-
23	403	Depreciation Expenses	54,560	47,789	35,583
24	408	Taxes Other Than Income	1,229	2,490	2,741
25	408.11	Property Taxes	7,555	16,657	15,167
26	409	Income Taxes	-	(1,274)	4,205
27	427.4	Interest Expense - Customer Deposits	-	-	-
28		Total Operating Expenses	\$ 209,953	\$ 218,113	\$ 202,998
28		<b>OPERATING INCOME/(LOSS)</b>	\$ 32,298	\$ 41,694	\$ 63,431
29		Other Income/(Expense)			
30	419	Interest and Dividend Income	\$ 6	\$ 6	\$ 8
31	421	Non-Utility Income	-	912	2,960
32	426	Interest Expense	(2,023)	(31,270)	(33,385)
33	427	Extraordinary Deductions	(87,582)	-	-
34		Total Other Income/(Expense)	\$ (89,599)	\$ (30,352)	\$ (30,417)
35		<b>NET INCOME/(LOSS)</b>	\$ (57,301)	\$ 11,342	\$ 33,014

Supporting Schedules:  
(a) E-6

Recap Schedules:  
A-2

**Naco Water Company**  
 Docket No. W-02860A-13-0399  
 Test Year Ended December 31, 2012

**Schedule E-5**  
**Title: Detail of Utility Plant**

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

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.

Line	Account Number	Description	End of Prior Year at 31-Dec-11	Net Additions	End of Test Year at 31-Dec-12
1	302	Franchises	\$ 198	\$ -	\$ 198
2	303	Land & Land Rights	4,345	-	4,345
3	304	Structures & Improvements	5,918	-	5,918
4	307	Wells & Springs	128,561	-	128,561
5	311	Pumping Equipment	194,087	400	194,487
6	320	Water Treatment Equipment	1,824	-	1,824
7	320.1	Water Treatment Plants	-	-	-
8	320.2	Solution Chemical Feeders	-	-	-
9	330	Distribution Reservoirs & Standpipes	137,771	-	137,771
10	330.1	Storage Tanks	-	-	-
11	330.2	Pressure Tanks.	-	-	-
12	331	Transmission & Distribution Mains	1,501,072	(2,075)	1,498,997
13	333	Services	136,839	-	136,839
14	334	Meters & Meter Installations	44,598	2,202	46,800
15	335	Hydrants	34,717	-	34,717
16	339	Other Plant and Misc Equipment	-	-	-
17	340	Office Furniture & Equipment	9,202	-	9,202
18	340.1	Computers and Software	-	-	-
19	341	Transportation Equipment	20,298	-	20,298
20	343	Tools, Shop, and Garage Equipment	128	-	128
21	345	Power Operated Equipment	2,818	-	2,818
22	348	Other Tangible Plant	-	-	-
23		<b>Total Plant In Service</b>	<b>\$ 2,222,376</b>	<b>\$ 527</b>	<b>\$ 2,222,903</b>
24	108	Accumulated Depreciation	(614,707)	(56,101)	(670,808)
25		Net Plant In Service	\$ 1,607,669	\$ (55,574)	\$ 1,552,095
26	103	Property Held for Future Use	-	-	-
27	105	Construction Work in Process	-	378,346	378,346
28		<b>Total Net Plant</b>	<b>\$ 1,607,669</b>	<b>\$ 322,772</b>	<b>\$ 1,930,441</b>

Supporting Schedules:

Recap Schedules:  
 E-1 A-4

**Naco Water Company**  
 Docket No. W-02860A-13-0399  
 Test Year Ended December 31, 2012

**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	<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"/>

Line	Water Statistics:	Test Year Ended 31-Dec-12	Prior Year Ended 31-Dec-11	Prior Year Ended 31-Dec-10
1	Gallons Sold - By Class of Service:			
2	Residential	16,705,751	17,891,193	18,303,212
3	Commercial	2,837,460	3,038,807	3,108,788
4	Average Number of Customers - By Class of Service:			
5	Residential	294	289	295
6	Commercial	24	24	24
7	Average Annual Gallons Per Residential Customer	56,822	61,885	62,119
8	Average Annual Revenue Per Residential Customer	\$ 718	\$ 725.89	\$ 727.49
9	Pumping Cost Per 1,000 Gallons	\$ 0.46	\$ 0.48	\$ 0.50

**Naco Water Company**  
 Docket No. W-02860A-13-0399  
 Test Year Ended December 31, 2012

**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	<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"/>

Line	Description	Test Year Ended 31-Dec-12	Prior Year Ended 31-Dec-11	Prior Year Ended 31-Dec-10
1	Federal Taxes:			
2	Income	\$ -	\$ -	\$ -
3	Payroll	1,166	1,235	1,381
4	Total Federal Taxes	\$ 1,166	\$ 1,235	\$ 1,381
5	State Taxes:			
6	Income	\$ -	\$ -	\$ -
7	Payroll	63	1	1
8	Total State Taxes	\$ 63	\$ 1	\$ 1
9	Local Taxes:			
10	Property	\$ 7,555	\$ 16,657	\$ 15,167
11	Total Local Taxes	7,555	16,657	15,167
12	<b>Total Taxes</b>	<b>\$ 8,784</b>	<b>\$ 17,894</b>	<b>\$ 16,549</b>

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

Supporting Schedules:

Recap Schedules:

**Naco Water Company**  
Docket No. W-02860A-13-0399  
Test Year Ended December 31, 2012

**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	<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"/>

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

- 1 Accounting Method.  
**Accrual basis using the NARUC USoA.**
- 2 Depreciation lives and methods employed by major classification of utility property.

**Proposed depreciation rates are depicted on Schedule C-2f and were taken from ACC Engineering Staff Memo regarding their recommended rates for depreciation.**

- 3 Income tax treatment - normalization or flow through.  
**Normilization per the February 8, 2013 Policy Statement approved in Decision 73739.**
- 4 Interest rate used to charge interest during construction, if applicable.  
**Not Applicable.**

Supporting Schedules:

Recap Schedules:

**Naco Water Company**  
Docket No. W-02860A-13-0399  
Test Year Ended December 31, 2012

**Schedule F-1 AMENDED**  
**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"/>

Line		Actual Test Year Ended (a) 31-Dec-12	Projected Year	
			At Present Rates Year Ended (b) 31-Dec-13	At Proposed Rates Year Ended (b) 31-Dec-13
<b>Operating Revenues:</b>				
1	461 Metered Water Revenue	\$ 235,327	\$ 248,165	\$ 298,248
2	460 Unmetered Water Revenue	-	-	-
3	474 Other Water Revenue	6,924	6,924	6,924
4	Total Revenues	\$ 242,251	\$ 255,089	\$ 305,172
<b>Operating Expenses (a)</b>				
5	601 Salaries and Wages	\$ 16,712	\$ 16,712	\$ 16,712
6	604 Employee Pensions and Benefits	-	-	-
7	610 Purchased Water	-	-	-
8	615 Purchased Power	8,999	8,999	8,999
9	618 Chemicals	684	684	684
10	620 Materials & Supplies	8,127	8,127	8,127
11	621 Office Supplies and Expense	33,446	33,446	33,446
12	630 Outside Services	58,374	58,374	58,374
13	631 Contractual Services - Professional	-	-	-
14	635 Contractual Services - Testing	3,596	3,596	3,596
15	636 Contractual Services - Other	-	-	-
16	640 Rents	2,200	2,200	2,200
17	650 Transportation Expenses	6,073	6,073	6,073
18	567 Insurance - General Liability	5,165	5,165	5,165
19	659 Insurance - Health and Life	3,170	3,170	3,170
20	665 Regulatory Commission Expenses	63	63	63
21	666 Regulatory Commission Expense Rate Case	-	-	9,230
22	670 Bad Debt Expense	-	-	-
23	675 Miscellaneous Expenses	-	-	-
24	403 Depreciation Expenses	54,560	54,654	54,654
25	408 Taxes Other Than Income	1,229	1,229	1,229
26	408.1 Property Taxes	7,555	12,486	13,304
27	409 Income Taxes	-	4,610	12,477
28	427.4 Interest Expense - Customer Deposits	-	-	306
29	Total Operating Expenses	\$ 209,953	\$ 219,587	\$ 237,809
30	OPERATING INCOME/(LOSS)	\$ 32,298	\$ 35,501	\$ 67,363
31	Other Income/(Expense)	\$ -	\$ -	\$ -
32	419 Interest and Dividend Income	6	6	6
33	421 Non-Utility Income	-	-	-
34	426 Interest Expense	(2,023)	(1,717)	(1,717)
35	427 Extraordinary Deductions	(87,582)	(1,711)	(1,711)
36	Total Other Income/(Expense)	\$ (89,599)	\$ (3,421)	\$ (3,421)
37	NET INCOME/(LOSS)	\$ (57,301)	\$ 32,080	\$ 63,942
38	Earnings per share of average Common Stock Outstanding*	NA	NA	NA
39	% Return on Common Equity	-12.4%	6.9%	13.8%

\* Naco is an LLC and thus does not have Commons Stock Outstanding.

Supporting Schedules:  
(a) E-2

Recap Schedules:  
(b) A-2

**Naco Water Company**  
 Docket No. W-02860A-13-0399  
 Test Year Ended December 31, 2012

**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  
 Class A  
 Class B  
 Class C  
 Class D  
 Specl Reqmt

X
X
X
X

3 yrs projected  
 1 yrs projected

Line	Property Classification	Actual Test Year Ended 12/31/2012	End of Projected Year 1
1	Production Plant	\$ 400	\$ 352,240
2	Transmission Plant	(2,075)	686,807
3	Other Plant	2,202	-
4	<b>Total Plant</b>	<b>\$ 527</b>	<b>\$ 1,039,047</b>

Naco Water Company  
Docket No. W-02860A-13-0399  
Test Year Ended December 31, 2012

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

**Projections were prepared under the assumption of zero customer growth.**

- 2 Growth in consumption and customer demand

**Consumer demand has declined each year for the past three years. However, for purposes of preparing projections consumption is assumed to be stable. This is a simplifying assumption meant to reduce the complexity of the application.**

- 3 Changes in expenses

**The Company believes the 2012 Test Year, with the proforma adjustments included in this application, accurately depict expense levels for the utility going forward (other than general inflationary effects.)**

- 4 Construction requirements including production reserves and changes in plant capacity

**Significant plant additions as detailed in Schedule F-3 will come on line in the upcoming months. These plant additions are the result of Freeport-McMoRan's agreement to replace a contaminated well. Replacement of the well necessitates building transmission plant in order to access the new well.**

- 5 Capital structure changes

**The amount of debt and equity is not expected to change significantly. The plant additions associated with the Freeport settlement will be funded with CIAC.**

- 6 Financing costs, interest rates

**Naco has two loans with WIFA: Loan Number 920124-08 with a balance of \$993,990 at year end 2012 and interest rate of 0% and WIFA Administrative Fees of \$20,266 in 2012 and \$26,560 in 2013. Loan Number 922022-99 with a balance of 208,956 at year end 2012 and an interest rate of 7.35% and WIFA Administrative fees of \$7,046 in 2012 and \$5,816 in 2013.**

Supporting Schedules:

Recap Schedules:

**Naco Water Company**  
 Docket No. W-02860A-13-0399  
 Test Year Ended December 31, 2012

**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	X
Class A	
Class B	
Class C	
Class D	
Spec'l Reqmt	

Line	Customer Classification	Adjusted Present Rates	Proposed Rates	Proposed Increase (b)	
				Amount	%
	<i>Residential</i>				
1	5/8 by 3/4-inch	\$ 208,074	\$ 249,933	\$ 41,859	20.12%
2	3/4-inch	629	750	121	19.27%
3	1-inch	750	858	108	14.46%
4	<i>Total Residential</i>	\$ 209,453	\$ 251,542	\$ 42,089	20.09%
	<i>Commercial</i>				
6	5/8 by 3/4-inch	\$ 10,544	\$ 12,417	\$ 1,874	17.77%
7	1-inch	5,939	7,021	1,082	18.23%
8	1 1/2-inch	1,351	1,589	238	17.61%
9	2-inch	20,335	24,848	4,512	22.19%
10	3-inch	534	850	316	59.22%
11	<i>Total Commercial</i>	\$ 38,703	\$ 46,725	\$ 8,022	20.73%
12	Hydrant Sales	-	-	-	0.00%
13	Total Metered Water Revenue	\$ 248,156	\$ 298,267	\$ 50,111	20.19%
14	Other Revenue	6,924	6,924	-	0.00%
15	<i>Total Revenue</i>	<u>\$ 255,080</u>	<u>\$ 305,191</u>	<u>\$ 50,111</u>	<u>19.65%</u>
16					
17					

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

Explanation:  
Schedule comparing present rate schedule to proposed  
rate schedule.

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"/>

**Monthly Usage Charge**

	Present Rate	Proposed Rate	% Change
5/8th by 3/4" Meters	32.16	36.81	14%
3/4" Meters	32.16	36.81	14%
1" Meters	62.50	71.54	14%
1.5" Meters	82.50	94.43	14%
2" Meters	96.20	110.11	14%
3" Meters	180.00	206.03	14%
4" Meters	285.00	326.21	14%
6" Meters	600.00	686.75	14%

**Commodity Charges**

	Present Rates		Proposed Rates		% Change
	Tier Breaks	Rate	Tier Breaks	Rate	
5/8th by 3/4" Meters (Residential)	1 to 3,000	4.54	1 to 3,000	5.72	26%
	3001 to 9,000	6.82	3001 to 9,000	8.59	26%
	over 9,000	8.19	over 9,000	10.32	26%
3/4" Meters (Residential)	1 to 3,000	4.54	1 to 3,000	5.72	26%
	3001 to 9,000	6.82	3001 to 9,000	8.59	26%
	over 9,000	8.19	over 9,000	10.32	26%
5/8th by 3/4" Meters (Commercial)	1 to 9,000	6.82	1 to 3,000	5.72	-16% *
	over 9,000	8.19	3001 to 9,000	8.59	5% *
			over 9,000	10.32	26% *
3/4" Meters (Commercial)	1 to 9,000	6.82	1 to 3,000	5.72	-16% *
	over 9,000	8.19	3001 to 9,000	8.59	5% *
			over 9,000	10.32	26% *
1" Meters (Residential & Commercial)	1 to 18,000	6.82	1 to 30,000	8.59	26% *
	over 18,000	8.19	over 30,000	10.32	26% *
1.5" Meters (Residential & Commercial)	1 to 30,000	6.82	1 to 30,000	8.59	26%
	over 30,000	8.19	over 30,000	10.32	26%
2" Meters (Residential & Commercial)	1 to 35,000	6.82	1 to 30,000	8.59	26% *
	over 35,000	8.19	over 30,000	10.32	26% *
3" Meters (Residential & Commercial)	1 to 93,000	6.82	1 to 30,000	8.59	26% *
	over 93,000	8.19	over 30,000	10.32	26% *
4" Meters (Residential & Commercial)	1 to 150,000	6.82	1 to 30,000	8.59	26% *
	over 150,000	8.19	over 30,000	10.32	26% *
6" Meters (Residential & Commercial)	1 to 300,000	6.82	1 to 30,000	8.59	26% *
	over 300,000	8.19	over 30,000	10.32	26% *

\*Note: For meter sizes where the proposed Tier Breaks are changing the percent change does not reflect the % change across all usage levels. It is simply the percent change in the rate.

<b>Service Line and Meter Installation Charges</b>					
	<b>Present Rate</b>	<b>Proposed Rate</b>		<b>Total</b>	<b>% Change</b>
		<b>Service Line</b>	<b>Meter Installation</b>		
5/8th by 3/4" Meters	450.00	490.00	131.50	621.50	38%
3/4" Meters	475.00	490.00	232.50	722.50	52%
1" Meters	550.00	547.00	293.00	840.00	53%
1.5" Meters	775.00	609.50	505.50	1,115.00	44%
2" Meters	1,375.00	927.00	1,030.50	1,957.50	42%
3" Meters	1,975.00	1,171.00	1,661.50	2,832.50	43%
4" Meters	3,040.00	1,661.00	2,646.50	4,307.50	42%
6" Meters	5,635.00	2,478.50	5,025.50	7,504.00	33%

<b>Service Charges</b>			
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>% Change</b>
Establishment	\$ 30.00	\$ 30.00	0%
Establishment (After Hours)	40.00	Eliminate	NA
Reconnection (Delinquent)	30.00	30.00	0%
Reconnection (After Hours)	40.00	Eliminate	NA
After Hours Service Charge	NA	35.00	NA
Meter Test (If Correct)	30.00	30.00	0%
Deposit	*	*	0%
Deposit Interest	*	*	0%
Reestablishment (Within 12 months)	**	**	0%
Reestablishment (After Hours)	**	Eliminate	NA
NSF Check	20.00	20.00	0%
Deferred Payment per month	1.5% of	1.5% of	
	Outstanding Balance	Outstanding Balar	0%
Meter Reread (if correct)	15.0	15.0	0%
Moving Customer Meter at Customer request per rule R14-2-405B	Cost	Cost	0%

\*Per Commission Rule AAC R-14-2-403(B)

\*\*Months off system times the monthly minimum per Commission rule AAC R14-2-403(D).

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, use, and franchise tax. Per Commission Rules 14-2-409(D)(5).

Explanation:  
 Schedule(s) comparing typical customer bills at  
 varying consumption levels at present and proposed rates.  
**5/8" by 3/4" Meters**

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

	<b>Gallons</b>	<b>Present Bill</b>	<b>Proposed Bill</b>	<b>Percent Increase</b>
Median Usage	4000	52.60	62.56	19%

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	32.16	36.81	14%
1,000	36.70	42.53	16%
2,000	41.24	48.25	17%
3,000	45.78	53.97	18%
4,000	52.60	62.56	19%
5,000	59.42	71.16	20%
6,000	66.24	79.75	20%
7,000	73.06	88.34	21%
8,000	79.88	96.93	21%
9,000	86.70	105.53	22%
10,000	94.89	115.84	22%
15,000	135.84	167.44	23%
20,000	176.79	219.03	24%
25,000	217.74	270.62	24%
50,000	422.49	528.59	25%
75,000	627.24	786.56	25%
100,000	831.99	1,044.53	26%

Explanation:  
 Schedule(s) comparing typical customer bills at  
 varying consumption levels at present and proposed rates.  
**3/4" Meters**

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

	Gallons	Present Bill	Proposed Bill	Percent Increase
Median Usage	3030.00	45.98	54.23	19%

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	32.16	36.81	14%
1,000	36.70	42.53	16%
2,000	41.24	48.25	17%
3,000	45.78	53.97	18%
4,000	52.60	62.56	19%
5,000	59.42	71.16	20%
6,000	66.24	79.75	20%
7,000	73.06	88.34	21%
8,000	79.88	96.93	21%
9,000	86.70	105.53	22%
10,000	94.89	115.84	22%
15,000	135.84	167.44	23%
20,000	176.79	219.03	24%
25,000	217.74	270.62	24%
50,000	422.49	528.59	25%
75,000	627.24	786.56	25%
100,000	831.99	1,044.53	26%

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

Explanation:  
 Schedule(s) comparing typical customer bills at  
 varying consumption levels at present and proposed rates.  
**1" Meters**

	Gallons	Present Bill	Proposed Bill	Percent Increase
Median Usage	4290.00	91.76	108.40	18%

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	62.50	71.54	14%
1,000	69.32	80.13	16%
2,000	76.14	88.72	17%
3,000	82.96	97.31	17%
4,000	89.78	105.91	18%
5,000	96.60	114.50	19%
6,000	103.42	123.09	19%
7,000	110.24	131.69	19%
8,000	117.06	140.28	20%
9,000	123.88	148.87	20%
10,000	130.70	157.46	20%
15,000	164.80	200.43	22%
20,000	201.64	243.39	21%
25,000	242.59	286.35	18%
50,000	447.34	449.76	1%
75,000	652.09	707.73	9%
100,000	856.84	965.70	13%

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

Explanation:  
 Schedule(s) comparing typical customer bills at  
 varying consumption levels at present and proposed rates.

**1.5" Meters**

	Gallons	Present Bill	Proposed Bill	Percent Increase
Median Usage	4100.00	110.46	129.66	17%

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	82.50	94.43	14%
1,000	89.32	103.02	15%
2,000	96.14	111.61	16%
3,000	102.96	120.21	17%
4,000	109.78	128.80	17%
5,000	116.60	137.39	18%
6,000	123.42	145.98	18%
7,000	130.24	154.58	19%
8,000	137.06	163.17	19%
9,000	143.88	171.76	19%
10,000	150.70	180.35	20%
15,000	184.80	223.32	21%
20,000	218.90	266.28	22%
25,000	253.00	309.24	22%
50,000	450.90	472.65	5%
75,000	655.65	730.62	11%
100,000	860.40	988.59	15%

Explanation:  
 Schedule(s) comparing typical customer bills at  
 varying consumption levels at present and proposed rates.  
**2" Meters**

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

	Gallons	Present Bill	Proposed Bill	Percent Increase
Median Usage	4100.00	124.16	145.34	17%

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	96.20	110.11	14%
1,000	103.02	118.70	15%
2,000	109.84	127.29	16%
3,000	116.66	135.89	16%
4,000	123.48	144.48	17%
5,000	130.30	153.07	17%
6,000	137.12	161.67	18%
7,000	143.94	170.26	18%
8,000	150.76	178.85	19%
9,000	157.58	187.44	19%
10,000	164.40	196.04	19%
15,000	198.50	239.00	20%
20,000	232.60	281.96	21%
25,000	266.70	324.92	22%
50,000	457.75	488.34	7%
75,000	662.50	746.30	13%
100,000	867.25	1,004.27	16%

Explanation:  
 Schedule(s) comparing typical customer bills at  
 varying consumption levels at present and proposed rates.  
**2" Meters**

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"/>

	<b>Gallons</b>	<b>Present Bill</b>	<b>Proposed Bill</b>	<b>Percent Increase</b>
Median Usage	4100.00	207.96	241.26	16%

Monthly Consumption	Present Bill	Proposed Bill	Percent Increase
-	180.00	206.03	14%
1,000	186.82	214.62	15%
2,000	193.64	223.21	15%
3,000	200.46	231.80	16%
4,000	207.28	240.40	16%
5,000	214.10	248.99	16%
6,000	220.92	257.58	17%
7,000	227.74	266.17	17%
8,000	234.56	274.77	17%
9,000	241.38	283.36	17%
10,000	248.20	291.95	18%
15,000	282.30	334.92	19%
20,000	316.40	377.88	19%
25,000	350.50	420.84	20%
50,000	521.00	584.25	12%
75,000	691.50	842.22	22%
100,000	871.59	1,100.19	26%

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

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 Reqm	<input type="checkbox"/>

**5/8 x 3/4-Inch Meter - RESIDENTIAL**

Line Number	Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
				No.	% of Total	Amount	% of Total
1	0 0	170	0	170	4.92%	0	0.00%
2	1 1000	432	216,216	602	17.42%	216,216	1.30%
3	1001 2000	369	553,685	971	28.10%	769,901	4.64%
4	2001 3000	354	885,177	1,325	38.34%	1,655,078	9.98%
5	3001 4000	407	1,424,704	1,732	50.12%	3,079,781	18.57%
6	4001 5000	410	1,845,205	2,142	61.98%	4,924,986	29.69%
7	5001 6000	308	1,694,154	2,450	70.89%	6,619,140	39.91%
8	6001 7000	251	1,631,626	2,701	78.15%	8,250,766	49.74%
9	7001 8000	201	1,507,601	2,902	83.97%	9,758,366	58.83%
10	8001 9000	162	1,377,081	3,064	88.66%	11,135,447	67.14%
11	9001 10000	100	950,050	3,164	91.55%	12,085,497	72.87%
12	10001 12000	106	1,166,053	3,270	94.62%	13,251,550	79.90%
13	12001 14000	60	780,030	3,330	96.35%	14,031,580	84.60%
14	14001 16000	45	675,023	3,375	97.66%	14,706,603	88.67%
15	16001 18000	25	425,013	3,400	98.38%	15,131,615	91.23%
16	18001 20000	18	342,009	3,418	98.90%	15,473,624	93.29%
17	20001 25000	18	405,009	3,436	99.42%	15,878,633	95.73%
18	25001 30000	7	192,504	3,443	99.62%	16,071,137	96.89%
19	30001 35000	5	162,503	3,448	99.77%	16,233,639	97.87%
20	35001 40000	2	75,001	3,450	99.83%	16,308,640	98.33%
21	40001 45000	3	127,502	3,453	99.91%	16,436,142	99.10%
22	45001 50000	2	95,001	3,455	99.97%	16,531,143	99.67%
23	50001 60000	1	55,001	3,456	100.00%	16,586,143	100.00%
24	60001 70000	0	0	3,456	100.00%	16,586,143	100.00%
25	70001 80000	0	0	3,456	100.00%	16,586,143	100.00%
26	80001 90000	0	0	3,456	100.00%	16,586,143	100.00%
27	90001 100000	0	0	3,456	100.00%	16,586,143	100.00%
28	<b>TOTALS</b>	<b>3456</b>	<b>16,586,143</b>	<b>3456</b>		<b>16,586,143</b>	
29							
30	Average Number of Customers:			288			
31							
32	Average Consumption:			4,785			
33							
34	Median Consumption:			4,000			

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

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

**3/4-Inch Meter -RESIDENTIAL**

Line Number	Block		Number of Bills by Block	Consumption by Blocks	Cummulative Bills		Cummulative Consumption	
					No.	% of Total	Amount	% of Total
1	0	0	0	0	0	0.00%	0	0.00%
2	1	1000	0	0	0	0.00%	0	0.00%
3	1001	2000	3	4,502	3	25.00%	4,502	9.89%
4	2001	3000	3	7,502	6	50.00%	12,003	26.38%
5	3001	4000	2	7,001	8	66.67%	19,004	41.76%
6	4001	5000	1	4,501	9	75.00%	23,505	51.65%
7	5001	6000	2	11,001	11	91.67%	34,506	75.83%
8	6001	7000	0	0	11	91.67%	34,506	75.83%
9	7001	8000	0	0	11	91.67%	34,506	75.83%
10	8001	9000	0	0	11	91.67%	34,506	75.83%
11	9001	10000	0	0	11	91.67%	34,506	75.83%
12	10001	12000	1	11,001	12	100.00%	45,506	100.00%
13	12001	14000	0	0	12	100.00%	45,506	100.00%
14	14001	16000	0	0	12	100.00%	45,506	100.00%
15	16001	18000	0	0	12	100.00%	45,506	100.00%
16	18001	20000	0	0	12	100.00%	45,506	100.00%
17	20001	25000	0	0	12	100.00%	45,506	100.00%
18	25001	30000	0	0	12	100.00%	45,506	100.00%
19	30001	35000	0	0	12	100.00%	45,506	100.00%
20	35001	40000	0	0	12	100.00%	45,506	100.00%
21	40001	45000	0	0	12	100.00%	45,506	100.00%
22	45001	50000	0	0	12	100.00%	45,506	100.00%
23	50001	60000	0	0	12	100.00%	45,506	100.00%
24	60001	70000	0	0	12	100.00%	45,506	100.00%
25	70001	80000	0	0	12	100.00%	45,506	100.00%
26	80001	90000	0	0	12	100.00%	45,506	100.00%
27	90001	100000	0	0	12	100.00%	45,506	100.00%
28	<b>TOTALS</b>		12	45,506	12		45,506	
29								
30	Average Number of Customers:				1			
31								
32	Average Consumption:				3,785			
33								
34	Median Consumption:				3,030			

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

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"/>
Specd Reqmt	<input type="checkbox"/>

**1-Inch Meter -RESIDENTIAL:**

Line Number	Block		Number of Bills by Block	Consumption by Blocks	Cummulative Bills		Cummulative Consumption	
					No.	% of Total	Amount	% of Total
1	0	0	12	0	12	100.00%	0	100.00%
2	1	1000	0	0	12	100.00%	0	100.00%
3	1001	2000	0	0	12	100.00%	0	100.00%
4	2001	3000	0	0	12	100.00%	0	100.00%
5	3001	4000	0	0	12	100.00%	0	100.00%
6	4001	5000	0	0	12	100.00%	0	100.00%
7	5001	6000	0	0	12	100.00%	0	100.00%
8	6001	7000	0	0	12	100.00%	0	100.00%
9	7001	8000	0	0	12	100.00%	0	100.00%
10	8001	9000	0	0	12	100.00%	0	100.00%
11	9001	10000	0	0	12	100.00%	0	100.00%
12	10001	12000	0	0	12	100.00%	0	100.00%
13	12001	14000	0	0	12	100.00%	0	100.00%
14	14001	16000	0	0	12	100.00%	0	100.00%
15	16001	18000	0	0	12	100.00%	0	100.00%
16	18001	20000	0	0	12	100.00%	0	100.00%
17	20001	25000	0	0	12	100.00%	0	100.00%
18	25001	30000	0	0	12	100.00%	0	100.00%
19	30001	35000	0	0	12	100.00%	0	100.00%
20	35001	40000	0	0	12	100.00%	0	100.00%
21	40001	45000	0	0	12	100.00%	0	100.00%
22	45001	50000	0	0	12	100.00%	0	100.00%
23	50001	60000	0	0	12	100.00%	0	100.00%
24	60001	70000	0	0	12	100.00%	0	100.00%
25	70001	80000	0	0	12	100.00%	0	100.00%
26	80001	90000	0	0	12	100.00%	0	100.00%
27	90001	100000	0	0	12	100.00%	0	100.00%
28	<b>TOTALS</b>		12	0	12		0	
29								
30	Average Number of Customers:				1			
31								
32	Average Consumption:				0			
33								
34	Median Consumption:				0			

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

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"/>
Specd Reqmt	<input type="checkbox"/>

**5/8 x 3/4-Inch Meter - COMMERCIAL**

Line Number	Block		Number of Bills by Block	Consumption by Blocks	Cummulative Bills		Cummulative Consumption	
					No.	% of Total	Amount	% of Total
1	0	0	13	0	13	9.85%	0	0.00%
2	1	1000	48	24,024	61	46.21%	24,024	2.80%
3	1001	2000	17	25,509	78	59.09%	49,533	5.77%
4	2001	3000	8	20,004	86	65.15%	69,537	8.09%
5	3001	4000	4	14,002	90	68.18%	83,539	9.72%
6	4001	5000	1	4,501	91	68.94%	88,039	10.25%
7	5001	6000	2	11,001	93	70.45%	99,040	11.53%
8	6001	7000	2	13,001	95	71.97%	112,041	13.04%
9	7001	8000	1	7,501	96	72.73%	119,542	13.92%
10	8001	9000	1	8,501	97	73.48%	128,042	14.90%
11	9001	10000	4	38,002	101	76.52%	166,044	19.33%
12	10001	12000	4	44,002	105	79.55%	210,046	24.45%
13	12001	14000	6	78,003	111	84.09%	288,049	33.53%
14	14001	16000	5	75,003	116	87.88%	363,052	42.26%
15	16001	18000	2	34,001	118	89.39%	397,053	46.22%
16	18001	20000	3	57,002	121	91.67%	454,054	52.85%
17	20001	25000	3	67,502	124	93.94%	521,556	60.71%
18	25001	30000	2	55,001	126	95.45%	576,557	67.11%
19	30001	35000	1	32,501	127	96.21%	609,057	70.90%
20	35001	40000	1	37,501	128	96.97%	646,558	75.26%
21	40001	45000	0	0	128	96.97%	646,558	75.26%
22	45001	50000	1	47,501	129	97.73%	694,058	80.79%
23	50001	60000	3	165,002	132	100.00%	859,060	100.00%
24	60001	70000	0	0	132	100.00%	859,060	100.00%
25	70001	80000	0	0	132	100.00%	859,060	100.00%
26	80001	90000	0	0	132	100.00%	859,060	100.00%
27	90001	100000	0	0	132	100.00%	859,060	100.00%
28	<b>TOTALS</b>		132	859,060	132		859,060	
29								
30	Average Number of Customers:				11			
31								
32	Average Consumption:				6,482			
33								
34	Median Consumption:				1,365			

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

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

1-Inch Meter - COMMERCIAL

Line Number	Block		Number of Bills by Block	Consumption by Blocks	Cummulative Bills		Cummulative Consumption	
					No.	% of Total	Amount	% of Total
1	0	0	6	0	6	12.50%	0	0.00%
2	1	1000	4	2,002	10	20.83%	2,002	0.48%
3	1001	2000	6	9,003	16	33.33%	11,005	2.65%
4	2001	3000	8	20,004	24	50.00%	31,009	7.48%
5	3001	4000	0	0	24	50.00%	31,009	7.48%
6	4001	5000	0	0	24	50.00%	31,009	7.48%
7	5001	6000	1	5,501	25	52.08%	36,510	8.81%
8	6001	7000	0	0	25	52.08%	36,510	8.81%
9	7001	8000	1	7,501	26	54.17%	44,010	10.62%
10	8001	9000	5	42,503	31	64.58%	86,513	20.87%
11	9001	10000	2	19,001	33	68.75%	105,514	25.45%
12	10001	12000	4	44,002	37	77.08%	149,516	36.07%
13	12001	14000	1	13,001	38	79.17%	162,516	39.21%
14	14001	16000	1	15,001	39	81.25%	177,517	42.82%
15	16001	18000	1	17,001	40	83.33%	194,517	46.93%
16	18001	20000	0	0	40	83.33%	194,517	46.93%
17	20001	25000	4	90,002	44	91.67%	284,519	68.64%
18	25001	30000	2	55,001	46	95.83%	339,520	81.91%
19	30001	35000	1	32,501	47	97.92%	372,021	89.75%
20	35001	40000	0	0	47	97.92%	372,021	89.75%
21	40001	45000	1	42,501	48	100.00%	414,521	100.00%
22	45001	50000	0	0	48	100.00%	414,521	100.00%
23	50001	60000	0	0	48	100.00%	414,521	100.00%
24	60001	70000	0	0	48	100.00%	414,521	100.00%
25	70001	80000	0	0	48	100.00%	414,521	100.00%
26	80001	90000	0	0	48	100.00%	414,521	100.00%
27	90001	100000	0	0	48	100.00%	414,521	100.00%
28	<b>TOTALS</b>		48	414,521	48		414,521	
29								
30	Average Number of Customers:				4			
31								
32	Average Consumption:				8,652			
33								
34	Median Consumption:				4,290			

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

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"/>
Specd Reqmt	<input type="checkbox"/>

**1.5-Inch Meter - COMMERCIAL**

Line Number	Block		Number of Bills by Block	Consumption by Blocks	Cummulative Bills		Cummulative Consumption	
					No.	% of Total	Amount	% of Total
1	0	0	0	0	0	0.00%	0	0.00%
2	1	1000	1	501	1	8.33%	501	0.94%
3	1001	2000	1	1,501	2	16.67%	2,001	3.78%
4	2001	3000	2	5,001	4	33.33%	7,002	13.21%
5	3001	4000	2	7,001	6	50.00%	14,003	26.42%
6	4001	5000	2	9,001	8	66.67%	23,004	43.40%
7	5001	6000	0	0	8	66.67%	23,004	43.40%
8	6001	7000	1	6,501	9	75.00%	29,505	55.66%
9	7001	8000	2	15,001	11	91.67%	44,506	83.96%
10	8001	9000	1	8,501	12	100.00%	53,006	100.00%
11	9001	10000	0	0	12	100.00%	53,006	100.00%
12	10001	12000	0	0	12	100.00%	53,006	100.00%
13	12001	14000	0	0	12	100.00%	53,006	100.00%
14	14001	16000	0	0	12	100.00%	53,006	100.00%
15	16001	18000	0	0	12	100.00%	53,006	100.00%
16	18001	20000	0	0	12	100.00%	53,006	100.00%
17	20001	25000	0	0	12	100.00%	53,006	100.00%
18	25001	30000	0	0	12	100.00%	53,006	100.00%
19	30001	35000	0	0	12	100.00%	53,006	100.00%
20	35001	40000	0	0	12	100.00%	53,006	100.00%
21	40001	45000	0	0	12	100.00%	53,006	100.00%
22	45001	50000	0	0	12	100.00%	53,006	100.00%
23	50001	60000	0	0	12	100.00%	53,006	100.00%
24	60001	70000	0	0	12	100.00%	53,006	100.00%
25	70001	80000	0	0	12	100.00%	53,006	100.00%
26	80001	90000	0	0	12	100.00%	53,006	100.00%
27	90001	100000	0	0	12	100.00%	53,006	100.00%
28	<b>TOTALS</b>		12	53,006	12		53,006	
29								
30	Average Number of Customers:				1			
31								
32	Average Consumption:				4,408			
33								
34	Median Consumption:				4,100			

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

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

**1-Inch Meter - COMMERCIAL**

Line Number	Block		Number of Bills by Block	Consumption by Blocks	Cummulative Bills		Cummulative Consumption	
					No.	% of Total	Amount	% of Total
1	0	0	7	0	7	6.93%	0	0.00%
2	1	1000	16	8,008	23	22.77%	8,008	0.53%
3	1001	2000	6	9,003	29	28.71%	17,011	1.13%
4	2001	3000	2	5,001	31	30.69%	22,012	1.47%
5	3001	4000	8	28,004	39	38.61%	50,016	3.33%
6	4001	5000	7	31,504	46	45.54%	81,520	5.43%
7	5001	6000	3	16,502	49	48.51%	98,021	6.53%
8	6001	7000	5	32,503	54	53.47%	130,524	8.70%
9	7001	8000	3	22,502	57	56.44%	153,025	10.20%
10	8001	9000	2	17,001	59	58.42%	170,026	11.33%
11	9001	10000	5	47,503	64	63.37%	217,529	14.50%
12	10001	12000	4	44,002	68	67.33%	261,531	17.43%
13	12001	14000	9	117,005	77	76.24%	378,535	25.23%
14	14001	16000	4	60,002	81	80.20%	438,537	29.23%
15	16001	18000	1	17,001	82	81.19%	455,538	30.36%
16	18001	20000	0	0	82	81.19%	455,538	30.36%
17	20001	25000	1	22,501	83	82.18%	478,038	31.86%
18	25001	30000	0	0	83	82.18%	478,038	31.86%
19	30001	35000	1	32,501	84	83.17%	510,539	34.02%
20	35001	40000	0	0	84	83.17%	510,539	34.02%
21	40001	45000	4	170,002	88	87.13%	680,541	45.35%
22	45001	50000	2	95,001	90	89.11%	775,542	51.68%
23	50001	60000	4	220,002	94	93.07%	995,544	66.35%
24	60001	70000	3	195,002	97	96.04%	1,190,545	79.34%
25	70001	80000	3	225,002	100	99.01%	1,415,547	94.34%
26	80001	90000	1	85,001	101	100.00%	1,500,547	100.00%
27	90001	100000	0	0	101	100.00%	1,500,547	100.00%
28	<b>TOTALS</b>		101	1,500,547	101		1,500,547	

29		
30	Average Number of Customers:	8
31		
32	Average Consumption:	14,734
33		
34	Median Consumption:	6,700

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

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

**3-Inch Meter - COMMERCIAL**

Line Number	Block		Number of Bills by Block	Consumption by Blocks	Cummulative Bills		Cummulative Consumption	
					No.	% of Total	Amount	% of Total
1	0	0	1	0	1	33.33%	0	0.00%
2	1	1000	0	0	1	33.33%	0	0.00%
3	1001	2000	0	0	1	33.33%	0	0.00%
4	2001	3000	0	0	1	33.33%	0	0.00%
5	3001	4000	0	0	1	33.33%	0	0.00%
6	4001	5000	1	4,501	2	66.67%	4,501	16.67%
7	5001	6000	0	0	2	66.67%	4,501	16.67%
8	6001	7000	0	0	2	66.67%	4,501	16.67%
9	7001	8000	0	0	2	66.67%	4,501	16.67%
10	8001	9000	0	0	2	66.67%	4,501	16.67%
11	9001	10000	0	0	2	66.67%	4,501	16.67%
12	10001	12000	0	0	2	66.67%	4,501	16.67%
13	12001	14000	0	0	2	66.67%	4,501	16.67%
14	14001	16000	0	0	2	66.67%	4,501	16.67%
15	16001	18000	0	0	2	66.67%	4,501	16.67%
16	18001	20000	0	0	2	66.67%	4,501	16.67%
17	20001	25000	1	22,501	3	100.00%	27,001	100.00%
18	25001	30000	0	0	3	100.00%	27,001	100.00%
19	30001	35000	0	0	3	100.00%	27,001	100.00%
20	35001	40000	0	0	3	100.00%	27,001	100.00%
21	40001	45000	0	0	3	100.00%	27,001	100.00%
22	45001	50000	0	0	3	100.00%	27,001	100.00%
23	50001	60000	0	0	3	100.00%	27,001	100.00%
24	60001	70000	0	0	3	100.00%	27,001	100.00%
25	70001	80000	0	0	3	100.00%	27,001	100.00%
26	80001	90000	0	0	3	100.00%	27,001	100.00%
27	90001	100000	0	0	3	100.00%	27,001	100.00%
28	<b>TOTALS</b>		<b>3</b>	<b>27,001</b>	<b>3</b>		<b>27,001</b>	

29		
30	Average Number of Customers:	0.3
31		
32	Average Consumption:	8,500
33		
34	Median Consumption:	4,900