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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONER

7
8 IN THE MATTER OF THE APPLICATION OF
9 CHAPARRAL CITY WATER COMPANY FOR
10 A DETERMINATION OF THE CURRENT
11 FAIR VALUE OF ITS UTILITY PLANT AND
12 PROPERTY AND FOR INCREASE IN ITS
13 RATES AND CHARGES BASED THEREON.

Docket No. W-02113A-13-0118

NOTICE OF FILING

The Residential Utility Consumer Office hereby provides notice of filing the Final Schedules of Jeffrey Michlik, in the above-referenced matter.

RESPECTFULLY SUBMITTED this 7th day of March, 2014.

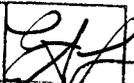

Daniel W. Pozefsky
Chief Counsel

AN ORIGINAL AND THIRTEEN COPIES of the foregoing filed this 7th day of March, 2014 with:

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

Arizona Corporation Commission
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MAR 07 2014

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1 COPIES of the foregoing hand delivered/
2 mailed this 7th day of March, 2014 to:

3 Teena Jibilian
4 Administrative Law Judge
5 Hearing Division
6 Arizona Corporation Commission
7 1200 West Washington
8 Phoenix, Arizona 85007

9 Bridget Humphrey
10 Matthew Laudone
11 Legal Division
12 Arizona Corporation Commission
13 1200 West Washington
14 Phoenix, Arizona 85007

15 Steve Olea
16 Utilities Division
17 Arizona Corporation Commission
18 1200 West Washington
19 Phoenix, Arizona 85007

20 Michael Hallam
21 Lewis and Roca LLP
22 40 N. Central Ave.
23 Phoenix, Arizona 85004-4429

24 Leonora Hebenstreit
16632 E. Ashbrook Drive, Unit A
Fountain Hills, Arizona 85268

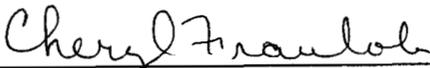
Leigh Oberfeld-Berger
16623 E. Ashbrook Drive, Unit #2
Fountain Hills, Arizona 85268

Tracey Holland
16224 E. Palisades Blvd
Fountain Hills, Arizona 85268

Gale Evans
Patricia Huffman
16218 E. Palisades Blvd
Fountain Hills, Arizona 85268

Lina Bellenir
16301 East Jacklin Drive
Fountain Hills, Arizona 852168

Andrew McGuire
David A. Pennartz
Landon W. Loveland
Gust Rosenfeld PLC
One E. Washington, Suite 1600
Phoenix, Arizona 85004

By 
Cheryl Fraulob

The following additional adjustments have been made to RUCO's final schedules:¹

1. RUCO has removed \$780,673 in working capital associated with the compensating bank balance that is no longer required under the terms of a new debt refinancing that both Staff and the Administrative Law Judge ("ALJ") have approved. This adjustment is shown in Final Schedule JMM-11.
2. RUCO has also removed an estimated \$49,813² in annual audit fee expense that is no longer required under the terms of a new debt refinancing that both Staff and the ALJ have approved. This adjustment is shown in Final Schedule JMM-15.
3. Based on Staff's amended surrebuttal filing which was docketed on February 26, 2014, RUCO has removed \$490,363 in accumulated depreciation from plant account 311 pumping equipment & other pumping plant, and plant account 341 transportation equipment to correct for plant that was over depreciated. This adjustment is shown in Final Schedule JMM-5.
4. Based on Staff's amended surrebuttal filing which was docketed on February 26, 2014, RUCO has removed \$1,539,667 in plant account 311 pumping equipment and other pumping plant, and \$400,253 in plant account 341 transportation equipment; in its calculation of depreciation expense, as these amounts are fully depreciated. This adjustment is shown in Final Schedule JMM-21.

¹ Please note that adjustment 1 and 2 were cited on page 4 of Company witness, Thomas M. Broderick's direct testimony.

² See Recommended Order and Opinion (Docket No. W-02113A-13-0047, dated February 27, 2014), page 3, line 4, the annual external audit costs averaged \$49,813 in 2010 through 2012.

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

Final Schedules of Jeffrey M. Michlik

TABLE OF CONTENTS TO FINAL SCHEDULES

<u>SCH #</u>	<u>TITLE</u>
JMM-1	REVENUE REQUIREMENT
JMM-2	GROSS REVENUE CONVERSION FACTOR
JMM-3	RATE BASE - ORIGINAL COSTS
JMM-4	SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS
JMM-5	ORIGINAL COST RATE BASE ADJUSTMENT # 1 - POST-TEST YEAR PLANT AND ACCUMULATED DEPRECIATION
JMM-6	ORIGINAL COST RATE BASE ADJUSTMENT # 2 - RETIREMENT OF TRANSPORTATION VEHICLES
JMM-7	ORIGINAL COST RATE BASE ADJUSTMENT # 3 - ASSET RETIREMENT OBLIGATION
JMM-8	ORIGINAL COST RATE BASE ADJUSTMENT # 4 - CUSTOMER DEPOSITS
JMM-9	ORIGINAL COST RATE BASE ADJUSTMENT # 5 - REMOVAL OF DEFERRED CENTRAL ARIZONA PROJECT ("CAP") MAINTENANCE AND INDUSTRIAL ("M&I") CHARGES
JMM-10	ORIGINAL COST RATE BASE ADJUSTMENT # 6 - REMOVAL OF 24 MONTH DEFERRAL OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION ("AFUDC") AND DEPRECIATION EXPENSE
JMM-11	ORIGINAL COST RATE BASE ADJUSTMENT # 7 - CASH WORKING CAPITAL
JMM-12	OPERATING INCOME STATEMENT - ADJUSTED TEST YEAR AND RUCO RECOMMENDED
JMM-13	SUMMARY OF OPERATING INCOME STATEMENT ADJUSTMENTS - TEST YEAR
JMM-14	OPERATING INCOME ADJUSTMENT # 1 - REVERSE DECLINING USAGE ADJUSTMENT
JMM-15	OPERATING INCOME ADJUSTMENT # 2 - EXCESSIVE WATER LOSS AND EXTERNAL AUDIT COST
JMM-16	OPERATING INCOME ADJUSTMENT # 3 - INCENTIVE PAY
JMM-17	OPERATING INCOME ADJUSTMENT # 4 - PURCHASED WATER EXPENSE
JMM-18	OPERATING INCOME ADJUSTMENT # 5 - CORPORATE ALLOCATION EXPENSE
JMM-19	OPERATING INCOME ADJUSTMENT # 6 - REMOVE CONSERVATION EXPENSE
JMM-20	OPERATING INCOME ADJUSTMENT # 7 - REMOVE TANK MAINTENANCE EXPENSE
JMM-21	OPERATING INCOME ADJUSTMENT # 8 - DEPRECIATION EXPENSE
JMM-22	OPERATING INCOME ADJUSTMENT # 9 - PROPERTY TAX EXPENSE
JMM-23	OPERATING INCOME ADJUSTMENT # 10 - TEST YEAR INCOME TAXES
JMM-24	RATE DESIGN
JMM-25	TYPICAL BILL

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) COMPANY FAIR VALUE	(B) RUCO FAIR VALUE
1	Adjusted Rate Base	\$ 27,269,321	\$ 24,443,178
2	Adjusted Operating Income (Loss)	\$ 889,596	\$ 1,492,803
3	Current Rate of Return (L2 / L1)	3.26%	6.11%
4	Required Rate of Return	10.21%	7.98%
5	Required Operating Income (L4 * L1)	\$ 2,783,254	\$ 1,950,566
6	Operating Income Deficiency (L5 - L2)	\$ 1,893,658	\$ 457,762
7	Gross Revenue Conversion Factor	1.6587	1.6492
8	Required Revenue Increase (L7 * L6)	\$ 3,141,028	\$ 754,940
9	Adjusted Test Year Revenue	\$ 9,014,985	\$ 9,080,945
10	Proposed Annual Revenue (L8 + L9)	\$ 12,156,013	\$ 9,835,885
11	Required Increase in Revenue (%)	34.84%	8.31%

References:

Column (A): Company Schedule A-1

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

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)	0.5492%			
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			
<u>Calculation of Uncollectible Factor:</u>					
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%			
<u>Calculation of Effective Tax Rate:</u>					
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%		
<u>Calculation of Effective Property Tax Factor</u>					
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	\$ 1,950,566			
25	Adjusted Test Year Operating Income (Loss)	1,492,803			
26	Required Increase in Operating Income (L24 - L25)		\$ 457,762		
27	Income Taxes on Recommended Revenue (Col. [E], L52)	\$ 850,845			
28	Income Taxes on Test Year Revenue (Col. [B], L52)	566,811			
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		284,034		
30	Recommended Revenue Requirement	\$ 754,940			
31	Uncollectible Rate (Line 10)	0.8900%			
32	Uncollectible Expense on Recommended Revenue (L30*L31)	\$ 6,719			
33	Adjusted Test Year Uncollectible Expense	\$ -			
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32-L33)		6,719		
35	Property Tax with Recommended Revenue	\$ 240,319			
36	Property Tax on Test Year Revenue	233,894			
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		6,425		
38	Total Required Increase in Revenue (L26 + L29 + L34 + L37)		\$ 754,940		
<u>Calculation of Income Tax:</u>					
39	Revenue	\$ 9,080,945	\$ 754,940	\$ 9,835,885	
40	Operating Expenses Excluding Income Taxes	\$ 7,021,331		\$ 7,034,474	
41	Synchronized Interest (L56)	\$ 579,303		\$ 579,303	
42	Arizona Taxable Income (L39 - L40 - L41)	\$ 1,480,311		\$ 2,222,107	
43	Arizona State Income Tax Rate	6.5000%		6.5000%	
44	Arizona Income Tax (L42 x L43)	\$ 96,220		\$ 144,437	
45	Federal Taxable Income (L42 - L44)	\$ 1,384,091		\$ 2,077,670	
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%	\$ 356,691		\$ 592,508	
51	Total Federal Income Tax	\$ 470,591		\$ 706,408	
52	Combined Federal and State Income Tax (L44 + L51)	\$ 566,811		\$ 850,845	
53	Applicable Federal Income Tax Rate [Col. [E], L51 - Col. [B], L51] / [Col. [E], L45 - Col. [B], L45]				34.0000%
<u>Calculation of Interest Synchronization:</u>					
54	Rate Base	\$ 24,443,178			
55	Weighted Average Cost of Debt	2.3700%			
56	Synchronized Interest	\$ 579,303			

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	25,200,657
3	Net Plant in Service	<u>\$ 43,767,940</u>	<u>\$ 42,525,399</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	(686,104)
23			
24	Working Capital Allowance	1,009,341	(897,499)
25			
26			
27	Original Cost Rate Base	<u>\$ 27,269,321</u>	<u>\$ 24,443,178</u>

References:

Column [A]: Company as Filed
Column [B]: Schedule JMM-4
Column (C): Column (A) + Column (B)

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		\$ -	\$ 38,609	\$ 38,609
16					
17					
18	RUCO's Calculation of Post-Test Year Accumulated Depreciation		RUCO Recommended	1/2 Year Depreciation Rate	Accumulated Depreciaton
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
31			<u>\$ 2,191,355</u>		<u>\$ 38,609</u>
32					
33	Adoption of Staff's Accumulated Depreciation (Amended Surrebuttal Schedule)				<u>\$ (490,363)</u>
34					
35	Total Accumulated Depreciation Expense line 15 plus line 33.				<u>\$ (451,754)</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	\$ (897,499)	111,842

RUCO's Calculation

(A)	(B)	(C)	(D)	(E)	(F)	(G)
DESCRIPTION	Proforma 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	458,293	34.93	88.00	(53.07)	(0.15)	(66,636)
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	240,319	34.93	213.96	(179.03)	(0.49)	(117,874)
General Taxes-Other	86,320	34.93	3.03	31.90	0.09	7,544
Income Tax	566,811	34.93	37.00	(2.07)	(0.01)	(3,216)
Interest Expense	579,303	34.93	91.25	(56.32)	(0.15)	(89,389)
TOTAL	5,809,306					Cash Working Capital Requirement (136,552)
¹ Amounts may not reflect other adjustments.						
						Company Working Capital Requirement (19,817)
						RUCO Cash Working Capital Adjustment (116,736)
						Bank Compensating Balance (780,763)
						RUCO Total Adjustment (897,499)

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	\$ 754,940	\$ 9,736,556
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>\$ 754,940</u>	<u>\$ 9,835,885</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	(49,813)	458,293	-	458,293
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	6,719	325,678
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	(347,202)	1,666,846	-	1,666,846
28	General Taxes - Property Taxes	251,038	(17,144)	233,894	6,425	240,319
29	General Taxes-Other	86,320	-	86,320	-	86,320
30	Income Taxes	389,412	177,399	566,811	284,034	850,845
31	Interest on Customer Deposits	-	-	-	-	-
32	Total Operating Expenses	<u>\$ 8,125,389</u>	<u>\$ (537,246)</u>	<u>\$ 7,588,142</u>	<u>\$ 297,177</u>	<u>\$ 7,885,319</u>
33	Operating Income (Loss)	<u>\$ 889,596</u>	<u>\$ 603,206</u>	<u>\$ 1,492,803</u>	<u>\$ 457,762</u>	<u>\$ 1,950,566</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) COMPANY AS FILED	(B) Reverse Declining Usage Expense ADJ #1	(C) Excessive Water Loss and External Audit Costs ADJ #2	(D) Incentive Pay ADJ #3	(E) Increase Purchase Water Expense ADJ #4	(F) Expense Allocation ADJ #5	(G) Conservation Expense ADJ #6	(H) Tank Maintenance Expense ADJ #7	(I) Depreciation Expense ADJ #8	(J) Property Tax Expense ADJ #9	(K) Income Tax Expense ADJ #10	(L) RUCO ADJUSTED
1	REVENUES:												
2	Metered Water Sales	\$ 8,915,656	\$ 65,980										\$ 8,981,616
3	Water Sales-Unmetered	99,329											99,329
4	Other Operating Revenue												
5	Intentionally Left Blank												
6	Total Operating Revenues	\$ 9,014,985	\$ 65,980										\$ 9,080,945
7	OPERATING EXPENSES:												
8	Salaries and Wages	\$ 1,024,112	\$ -	\$ (39,598)	\$ (14,090)	\$ 87,678							\$ 1,010,022
9	Purchased Water	1,065,953	13,196	(2,046)									1,127,229
10	Fuel & Power	605,885	7,501										611,340
11	Chemicals	119,266	1,476	(4,084)									116,658
12	Waste Disposal	7,113											7,113
13	Intercompany Support Services	94,150											94,150
14	Corporate Allocation	500,330											359,073
15	Outside Services	508,106		(49,813)			(141,257)						459,293
16	Group Insurance	178,067											178,067
17	Pensions	85,086											85,086
18	Regulatory Expense	91,668											91,668
19	Insurance Other Than Group	73,025											73,025
20	Customer Accounting	318,959											318,959
21	Rents	1,504											1,504
22	General Office Expense	164,179											164,179
23	Miscellaneous Expenses	158,553											151,474
24	Maintenance Expense	388,614						(7,079)	(202,184)				186,430
25	Depreciation and Amortization Expense	2,014,048								(347,202)	(17,144)		1,669,846
26	General Taxes - Property Taxes	251,038											233,894
27	General Taxes - Other	86,320											86,320
28	Income Taxes	389,412									177,399		566,811
29	Interest on Customer Deposits												
30	Total Operating Expenses	\$ 8,125,369	\$ 22,173	\$ (95,541)	\$ (14,090)	\$ 87,678	\$ (141,257)	\$ (7,079)	\$ (202,184)	\$ (347,202)	\$ (17,144)	\$ 177,399	\$ 7,586,142
31	Operating Income (Loss)	\$ 889,616	\$ 43,787	\$ 95,541	\$ 14,090	\$ (87,678)	\$ 141,257	\$ 7,079	\$ 202,184	\$ 347,202	\$ 17,144	\$ (177,399)	\$ 1,492,803

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 AND EXTERNAL AUDIT COSTS

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				
7	Outside Services	\$ 508,106	\$ (49,813)	\$ 458,293

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] COMPANY PROPOSED	[B] RUCO ADJUSTMENTS	[C] 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]

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

Final 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 RUCO	[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	\$ 1,539,667	\$ 4,387,001	12.50%	\$ 548,375
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	\$ 400,253	\$ 17,061	20.00%	\$ 3,412
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	\$ 3,494,511	\$ 62,040,190		\$ 2,196,342
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	\$ 3,494,511	\$ 64,231,545		\$ 2,273,559
49							
50		Composite Depreciation Rate:					3.54%
51		Contributions in Aid of Construction ("CIAC"):					\$ 14,991,871
52		Amortization of CIAC:					\$ 530,712
53							
54		Depreciation Expense before Amortization of CIAC:					\$ 2,273,559
55		Less Amortization of CIAC:					\$ 530,712
56		Less FHSD Adjustment Amortization:					\$ 76,000
57		Test Year Depreciation Expense - RUCO					\$ 1,666,846
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					\$ (307,975)
68							
69		Total Adjustment (lines 61 + 63 + 69)					\$ (347,202)
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	<u>2</u>	<u>2</u>
3	Subtotal (Line 1 * Line 2)	18,161,890	\$ 18,161,890
4	RUCO Recommended Revenue, Per Schedule JMM-1	9,080,945	\$ 9,835,885
5	Subtotal (Line 4 + Line 5)	27,242,835	27,997,775
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	9,080,945	\$ 9,332,592
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	18,161,890	\$ 18,665,183
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	\$ 18,826,477
13	Assessment Ratio	18.5%	18.5%
14	Assessment Value (Line 12 * Line 13)	3,389,789	\$ 3,482,898
15	Composite Property Tax Rate (Per Company Schedule)	<u>6.9000%</u>	<u>6.9000%</u>
16			\$ -
17	RUCO Test Year Adjusted Property Tax (Line 14 * Line 15)	\$ 233,894	
18	Company Proposed Property Tax	<u>251,038</u>	
19			
20	RUCO Test Year Adjustment (Line 16-Line 17)	<u>\$ (17,144)</u>	
21	Property Tax - RUCO Recommended Revenue (Line 14 * Line 15)		\$ 240,319
22	RUCO Test Year Adjusted Property Tax Expense (Line 16)		\$ 233,894
23	Increase in Property Tax Expense Due to Increase in Revenue Requirement		<u>\$ 6,425</u>
24			
25	Increase to Property Tax Expense		\$ 6,425
26	Increase in Revenue Requirement		754,940
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	<i>Calculation of Income Tax:</i>	
5	Revenue (Schedule JMM-1)	\$ 9,080,945
6	Operating Expenses Excluding Income Taxes	\$ 7,021,331
7	Synchronized Interest	\$ 579,303
8	Arizona Taxable Income	\$ 1,480,311
9	Arizona State Income Tax Rate	6.5000%
10	Arizona Income Tax	\$ 96,220
11	Federal Taxable Income	\$ 1,384,091
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%	\$ 356,691
17	Total Federal Income Tax	\$ 470,591
18	Combined Federal and State Income Tax	\$ 566,811
19		
20		
21	<i>Calculation of Interest Synchronization:</i>	
22	Rate Base (Schedule JMM-4)	\$ 24,443,178
23	Weighted Average Cost of Debt	2.37%
24	Synchronized Interest	\$ 579,303
25		
26		
27	Income Tax - Per RUCO	\$ 566,811
28	Income Tax - Per Company	\$ 389,412
29	RUCO Adjustment	\$ 177,399

REFERENCES:

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

Rate Design

Monthly Usage Charge	Present	Company Proposed Rates	RUCO Recommended Rates
Meter Size (All Classes):			
Chaparral Residential 3/4 Inch	\$ 16.50	\$ 22.20	\$ 17.78
Chaparral Residential 1 Inch	27.50	37.03	29.80
Chaparral Residential 1-1/2 Inch	55.00	74.06	59.62
Chaparral Residential 2 Inch	88.00	118.49	95.38
Chaparral Residentail 3 Inch	176.00	236.98	190.76
Chaparral Residentail 4 Inch	275.00	370.29	298.06
Chaparral Residentail 6 Inch	550.00	740.58	596.13
Chaparral Residentail 8 Inch	880.00	1,184.92	953.80
Chaparral Residentail 10 Inch	1,265.00	1,703.32	1,371.09
Chaparral Residentail 12 Inch	2,365.00	3,184.47	2,563.35
Chaparral Commercial 3/4 Inch	16.50	22.22	17.78
Chaparral Commercial 1 Inch	27.50	37.03	29.80
Chaparral Commercial 1.5 Inch	55.00	74.06	59.62
Chaparral Commercial 2 Inch	88.00	118.49	95.38
Chaparral Commercial 3 Inch	176.00	236.98	190.76
Chaparral Commercial 4 Inch	275.00	370.29	298.06
Chaparral Commercial 6 Inch	550.00	740.58	596.13
Chaparral Commercial 8 Inch	880.00	1,184.92	953.80
Chaparral Commercial 10 Inch	1,265.00	1,703.32	1,371.09
Chaparral Commercial 12 Inch	2,365.00	3,184.47	2,563.35
Chaparral Irrigation 3/4 Inch	16.50	22.22	17.78
Chaparral Irrigation 1 Inch	27.50	37.03	29.80
Chaparral Irrigation 1.5 Inch	55.00	74.06	59.62
Chaparral Irrigation 2 Inch	88.00	118.49	95.38
Chaparral Irrigation 3 Inch	176.00	236.98	190.76
Chaparral Irrigation 4 Inch	275.00	370.29	298.06
Chaparral Irrigation 6 Inch	550.00	740.58	596.13
Chaparral Irrigation 8 Inch	880.00	1,184.92	953.80
Chaparral Irrigation 10 Inch	1,265.00	1,703.32	1,371.09
Chaparral Irrigation 12 Inch	2,365.00	3,184.47	2,563.35
Chaparral Hydrant 3/4 Inch	16.50	22.22	17.78
Chaparral Hydrant 1 Inch	27.50	37.03	29.80
Chaparral Hydrant 1.5 Inch	55.00	74.06	59.62
Chaparral Hydrant 2 Inch	88.00	118.49	95.38
Chaparral Hydrant 3 Inch	176.00	236.98	190.76
Chaparral Hydrant 4 Inch	275.00	370.29	298.06
Chaparral Hydrant 6 Inch	550.00	740.58	596.13
Chaparral Hydrant 8 Inch	880.00	1,184.92	953.80
Chaparral Hydrant 10 Inch	1,265.00	1,703.32	1,371.09
Chaparral Hydrant 12 Inch	2,365.00	3,184.47	2,563.35
Chaparral Fire Sprinklers (All Meter Sizes)	10.0000	13.47	13.47
Chaparral Low Income 3/4 Inch	N/A	14.70	10.28
Chaparral Low Income 1 Inch	N/A	29.53	22.30
Commodity Charge - Per 1,000 Gallons			
3/4" Meter (Residential)			
First 3,000 gallons	\$ 2.3100	\$ 3.0926	\$ 2.4900
3,001 to 9,000 gallons	2.9600	3.9678	3.2000
All gallons over 9,000	3.6100	4.8431	3.9200
3/4" Meter (Commerical)			
First 9,000 gallons	2.9600	3.9678	3.2000
Over 9,000 gallons	3.6100	4.8431	3.9200
1" Meter (Residential and Commercial)			
First 24,000 gallons	2.9600	3.9678	3.2000
Over 24,000 gallons	3.6100	4.8431	3.9200
1.5" Meter (Residential and Commercial)			
First 60,000 gallons	2.9600	3.9678	3.2000
Over 60,000 gallons	3.6100	4.8431	3.9200
2" Meter (Residential and Commercial)			
First 100,000 gallons	2.9600	3.9678	3.2000
Over 100,000 gallons	3.6100	4.8431	3.9200
3" Meter (Residential and Commercial)			
First 225,000 gallons	2.9600	3.9678	3.2000
Over 225,000 gallons	3.6100	4.8431	3.9200

Rate Design

<u>4" Meter (Residential and Commercial)</u>			
First 350,000 gallons	2.9600	3.9678	3.2000
Over 350,000 gallons	3.6100	4.8431	3.9200
<u>6" Meter (Residential and Commercial)</u>			
First 725,000 gallons	2.9600	3.9678	3.2000
Over 725,000 gallons	3.6100	4.8431	3.9200
<u>8" Meter (Residential and Commercial)</u>			
First 1,125,000 gallons	2.9600	3.9678	3.2000
Over 1,125,000 gallons	3.6100	4.8431	3.9200
<u>10" Meter (Residential and Commercial)</u>			
First 1,500,000 gallons	2.9600	3.9678	3.2000
Over 1,500,000 gallons	3.6100	4.8431	3.9200
<u>12" Meter (Residential and Commercial)</u>			
First 2,250,000 gallons	2.9600	3.9678	3.2000
Over 2,250,000 gallons	3.6100	4.8431	3.9200
<u>3/4" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.2000
<u>1" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.2000
<u>1.5" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.2000
<u>2" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.2000
<u>3" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.2000
<u>4" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.2000
<u>6" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.2000
<u>8" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.2000
<u>10" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.2000
<u>12" Meter (Irrigation and Hydrant)</u>			
All Usage	2.9600	3.9678	3.2000
Fire Sprinklers (All Meter Sizes)	2.9600	3.9678	3.2000
Standpipe Water Service - 2 Inch	2.9600	3.9678	3.2000
Low Income 3/4 Inch			
First 3,000 gallons	N/A	3.0926	2.4900
3,001 to 9,000 gallons	N/A	3.9678	3.2000
All gallons over 9,000	N/A	4.8431	3.9200
Low Income 3/4 Inch			
First 3,000 gallons	N/A	3.0926	2.4900
3,001 to 9,000 gallons	N/A	3.9678	3.2000
All gallons over 9,000	N/A	4.8431	3.9200

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	\$ 40.83	\$ 2.99	7.90%
Median Usage	4,892	\$ 29.03	\$ 31.30	\$ 2.27	7.83%

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%	\$ 17.78	7.76%
1,000	18.81	25.29	34.46%	20.27	7.76%
2,000	21.12	28.39	34.40%	22.76	7.77%
3,000	23.43	31.48	34.35%	25.25	7.77%
4,000	26.39	35.45	34.31%	28.45	7.81%
5,000	29.35	39.41	34.29%	31.65	7.84%
6,000	32.31	43.38	34.27%	34.85	7.86%
7,000	35.27	47.35	34.25%	38.05	7.88%
8,000	38.23	51.32	34.23%	41.25	7.90%
9,000	41.19	55.28	34.22%	44.45	7.91%
10,000	44.80	60.13	34.21%	48.37	7.97%
11,000	48.41	64.97	34.21%	52.29	8.01%
12,000	52.02	69.81	34.21%	56.21	8.05%
13,000	55.63	74.66	34.20%	60.13	8.09%
14,000	59.24	79.50	34.20%	64.05	8.12%
15,000	62.85	84.34	34.20%	67.97	8.15%
16,000	66.46	89.19	34.20%	71.89	8.17%
17,000	70.07	94.03	34.19%	75.81	8.19%
18,000	73.68	98.87	34.19%	79.73	8.21%
19,000	77.29	103.72	34.19%	83.65	8.23%
20,000	80.90	108.56	34.19%	87.57	8.24%
25,000	98.95	132.77	34.18%	107.17	8.31%
30,000	117.00	156.99	34.18%	126.77	8.35%
35,000	135.05	181.21	34.18%	146.37	8.38%
40,000	153.10	205.42	34.17%	165.97	8.41%
45,000	171.15	229.64	34.17%	185.57	8.43%
50,000	189.20	253.85	34.17%	205.17	8.44%
75,000	279.45	374.93	34.17%	303.17	8.49%
100,000	369.70	496.01	34.16%	401.17	8.51%