



0000151879

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

2014 MAR 19 P 4:05

Arizona Corporation Commission

DOCKETED

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

AZ CORP COMMISSION
DOCKET CONTROL

MAR 19 2014

DOCKETED BY

ORIGINAL

IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN
ARIZONA CORPORATION, FOR
AUTHORITY TO IMPLEMENT STEP-1
SURCHARGE OF AN ARSENIC COST
RECOVERY MECHANISM FOR IN ITS SAN
MANUEL SYSTEM

Docket No. W01445A-11-0310

ARIZONA WATER COMPANY'S
APPLICATION FOR AUTHORITY TO
IMPLEMENT STEP-1 ARSENIC COST
RECOVERY MECHANISM SURCHARGE

Arizona Water Company ("the Company") hereby files this application to implement certain surcharges under the Arsenic Cost Recovery Mechanism ("ACRM") in its San Manuel system, pursuant to the provisions of Decisions Nos. 73736 (February 20, 2013) and 66400 (October 14, 2003).

BACKGROUND

On February 20, 2013, the Commission issued Decision No. 73736 in a general rate case proceeding for the Company's Eastern Group, which includes the San Manuel system. In that decision, the Commission authorized the Company to apply for ACRM surcharges for the Company's Eastern Group, subject to compliance with the requirements established in Decision No. 66400. The purpose of the ACRM is to permit the Company to recover costs incurred to comply with the Maximum Contaminant Level ("MCL") for arsenic imposed by the U.S. Environmental Protection Agency ("EPA") under the Safe Drinking Water Act.

DETAILS OF THIS FILING

The Company serves approximately 1,436 customers in its San Manuel system. The Company purchases 100% of the water it provides to its San Manuel customers from BHP Copper, Inc. ("BHP"). The untreated water the Company purchases from BHP exceeds the EPA's MCL for

1 arsenic. In 2007, the Company constructed an arsenic removal facility to reduce the level of arsenic
2 in water it purchases from BHP in order to comply with the MCL. In 2010, BHP drilled two new
3 wells to deliver water to the Company for its San Manuel system. The water quality of the new
4 wells is such that the existing arsenic removal facility will not produce treated water that complies
5 with the MCL for arsenic without additional modifications. The Company determined that with
6 certain modifications, including pre-treatment pH adjustment, the existing facility can be modified to
7 treat the new supply to comply with the MCL, thereby avoiding the significant cost of constructing a
8 new arsenic removal facility. The Company commenced construction of the modifications in 2012
9 and placed the modifications in service in November 2013. A copy of the Arizona Department of
10 Environmental Quality Approval of Construction is included with this Application as Attachment 1.

11 The Company's Application supports an ACRM fixed monthly surcharge of \$1.45 and an
12 ACRM volumetric surcharge of \$0.2346 per 1,000 gallons. The Company estimates that the average
13 monthly bill for customers in the San Manuel system (based on 6,844 gallons used and a 5/8-inch
14 meter) will increase by \$3.05, or 6.03%, from \$50.62 to \$53.67.

15 Pursuant to the guidelines established in Decision No. 66400, the Step-1 ACRM surcharge
16 includes only capital-related costs associated with arsenic treatment facilities. As of December 31,
17 2013, the Company's actual rate of return on original cost rate base was 6.72% for the San Manuel
18 system (see Attachment 2, Schedule 3).

19 **SUPPORTING MATERIAL**

20 In support of this Step-1 ACRM surcharge application for the San Manuel system, the
21 Company includes the schedules required by Decision No. 66400 as Attachment 2, hereto. The
22 Company will also provide Staff with electronic copies of all work papers and supporting
23 documents, including contractor invoices.

24 ...

25 ...

1 COMPANY CONTACT INFORMATION

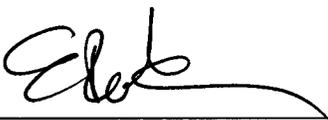
2 The person responsible for overseeing all ACRM filings, including responding to all formal
3 data requests, is Joel M. Reiker, the Company's Vice President, Rates and Revenue. Mr. Reiker's
4 office and mailing address is 3805 North Black Canyon Highway, Phoenix, AZ 85015. Mr.
5 Reiker's telephone number is (602) 240-6860, Ext. 108, and his email address is
6 jreiker@azwater.com.

7 CONCLUSION

8 This Application for a Step-1 ACRM surcharge for the Company's San Manuel system
9 complies with all of the requirements of Decision No. 66400. As the Commission found, adopting
10 the ACRM mechanism "... properly balances the need for the Company to remain financially sound
11 with the avoidance of significant rate shock to customers who are affected by the arsenic
12 requirements." (Decision No. 66400, page 20, lines 21-22). For these reasons, the Company
13 requests that the Step-1 ACRM surcharge for the San Manuel system be approved by the
14 Commission at the earliest possible time.

15 RESPECTFULLY SUBMITTED this 19th day of March, 2014.

16 ARIZONA WATER COMPANY

17
18 By: 

19 E. Robert Spear
20 General Counsel
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22 Post Office Box 29006
23 Phoenix, Arizona 85038-9006

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Arizona Water Company

1 **ORIGINAL** and thirteen (13) copies of the foregoing filed this 19th day of March, 2014, with:

2 Docket Control Division
3 Arizona Corporation Commission
4 1200 West Washington Street
5 Phoenix, Arizona 85007

6 **COPY** of the foregoing was mailed this 19th day of March, 2014, to:

7 Lyn Farmer, Chief Administrative Law Judge
8 Hearing Division
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10 1200 West Washington Street
11 Phoenix, Arizona 85007

12 Steven M. Olea, Director
13 Utilities Division
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

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1940 N. Monterey Drive
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ATTACHMENT 1



Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85003
(602) 771-2300 • www.azdeq.gov



Henry R. Darwin
Director

APPROVAL OF CONSTRUCTION

Project Description:

pH Adjustment for Arsenic Removal.

Project involved the installation of a pH adjustment facility consisting of one 1,100 gallon sulfuric storage tank, one 1,550 gallon sodium hypochlorite, one 1,100 gallon ferric chloride tank, and related piping at an existing arsenic removal facility.

The treatment facility demonstrated arsenic removal below the MCL during startup monitoring.

Location:

San Manuel, AZ

Project Owner:

Arizona Water Company – San Manuel

Address:

PO Box 29006
Phoenix, AZ 85038

The Arizona Department of Environmental Quality (ADEQ) hereby issues an Approval of Construction for the above-described facility based on the following provisions of Arizona Administrative Code (A.A.C.) R18-5-507 et seq.

On September 24th, 2012, ADEQ issued a Certificate of Approval to Construct for the referenced project.

On February 18th, 2014, Richard Hacker, P.E., certified the following:

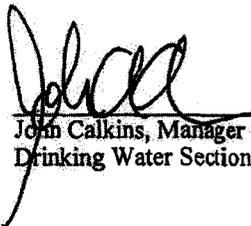
- A final construction inspection was conducted on November 19th, 2013;
- The referenced project was constructed according to the as-built plans and specifications and ADEQ's Certificate of Approval to Construct;
- The water distribution system was disinfected according to an ADEQ-approved method; and
- The applicant has the right to appeal this AOC Permit.

This Approval of Construction authorizes the owner to begin operating the above-described facilities as represented in the approved plan on file with the ADEQ. Be advised that A.A.C. R18-5-124 requires the owner of a public water system to maintain and operate all water production, treatment and distribution facilities in accordance with ADEQ Safe Drinking Water Rules.

RDR

PWS No.: 11-020

LTF No.: 59670


John Calkins, Manager
Drinking Water Section


Date Approved

c: TEU File No.: 20120172
CRO Approval of Construction File
Pinal County Health Department
Pinal County Planning & Zoning Department
AZ Corporation Commission
Richard Hacker, PE

RECEIVED
MAR - 4 2014

Southern Regional Office
400 West Congress Street • Suite 433 • Tucson, AZ 85701
(520) 628-6333

**FILE COPY ARIZONA WATER COMPANY
PHOENIX - ENGINEERING**

Printed on recycled paper

RIGHT TO APPEAL INFORMATION

The Arizona Department of Environmental Quality's review of this application was subject to the requirements of the licensing time frames ("LTF") statute under Arizona Revised Statutes ("A.R.S.") § 41-1072 through § 41-1079 and the LTF rules under Arizona Administrative Code ("A.A.C.") R18-1-501 through R18-1-525. This Notice is being issued within the overall time frame for your application.

ADEQ hereby approves your application for Approval of Construction Drinking Water Facility under A.R.S. § 49-351. Your copy of the Approval of Construction Permit is on the reverse side of this Right to Appeal Information sheet.

This decision is an appealable agency action under A.R.S. § 41-1092. You have a right to request a hearing and file an appeal under A.R.S. § 41-1092.03(B). You must file a written Request for Hearing or Notice of Appeal within **30 days** of your receipt of this Notice. A Request for Hearing or Notice of Appeal is filed when it is received by ADEQ's Hearing Administrator as follows:

Judith Fought, Hearing Administrator
Office of Administrative Counsel
Arizona Department of Environmental Quality
1110 W. Washington Street
Phoenix, AZ 85007

The Request for Hearing or Notice of Appeal shall identify the party, the party's address, the agency and the action being appealed and shall contain a concise statement of the reasons for the appeal. Upon proper filing of a Request for Hearing or Notice of Appeal, ADEQ will serve a Notice of Hearing on all parties to the appeal. If you file a timely Request for Hearing or Notice of Appeal you have a right to request an informal settlement conference with ADEQ under A.R.S. § 41-1092.06. This request must be made in writing no later than **20 days** before a scheduled hearing and must be filed with the Hearing Administrator at the above address.

ATTACHMENT 2

ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Balance Sheet
As of December 31, 2013

Line No.	[A] Arizona Water Company	[B] San Manuel ¹
1	Assets	
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¹ Allocated based on ratio of system rate base to total company rate base.

ARIZONA WATER COMPANY

Docket No. W-01445A-11-0310

Income Statement

Twelve Months Ending December 31, 2013

Line No.	[A] Arizona Water Company	[B] San Manuel
1		
2	Operating Revenue	\$ 61,524,729 \$ 1,133,007
3		
4	Operating Expenses	
5	Operations & Maintenance	\$ 26,354,358 \$ 672,178
6	Depreciation & Amortization	9,788,819 122,539
7	Taxes Other than Income	8,556,225 133,105
8	Income Taxes	4,912,120 59,903
9	Total Operating Expenses	\$ 49,611,522 \$ 987,725
10		
11	Operating Income	\$ 11,913,207 \$ 145,282
12		
13	Other (Income) & Deductions	\$ (1,003,806) \$ -
14		
15	Interest on Long-Term Debt	\$ 5,115,500 \$ 78,432
16	Other Interest & Amortization	(437,641) (10,744)
17	Total Interest	\$ 4,677,859 \$ 67,687
18		
19	Total Other (Income) & Deductions	\$ 3,674,053 \$ 67,687
20		
21	Net Income	\$ 8,239,154 \$ 77,595
22		
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ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Earnings Test
Twelve Months Ending December 31, 2013

[A]

Line No.	Description	San Manuel
1	Operating Revenue	\$ 1,133,007
2		
3	Operating Expenses	
4	Operations & Maintenance	\$ 672,178
5	Depreciation & Amortization	122,539
6	Taxes Other than Income	133,105
7	Income Taxes	59,903
8	Total Operating Expenses	\$ 987,725
9		
10	Operating Income	\$ 145,282
11		
12	Other (Income) & Deductions	\$ -
13		
14	Interest on Long-Term Debt	\$ 78,432
15	Other Interest & Amortization	(10,744)
16	Total Interest	\$ 67,687
17		
18	Total Other (Income) & Deductions	\$ 67,687
19		
20	Net Income	\$ 77,595
21		
22		
23	Original Cost Rate Base	\$ 2,160,697
24	[Schedule 7, Col. F, Ln. 17]	
25		
26	Equity Ratio - Decision No. 73736	50.97%
27		
28	Portion of Rate Base Financed by Equity	\$ 1,101,307
29	[Ln. 24 x Ln. 27]	
30		
31	Authorized Return on Rate Base - Decision No. 73736	8.72%
32		
33	Authorized Return on Equity - Decision No. 73736	10.55%
34		
35	Actual Return on Original Cost Rate Base	6.72%
36	[Ln. 11 ÷ Ln. 24]	
37		
38	Actual Return on Equity	7.05%
39	[Ln. 21 ÷ Ln. 29]	
40		
41	Operating Margin	12.82%
42	[Ln. 11 ÷ Ln. 2]	
43		
44	Interest Coverage	3.0
45	[(Ln. 11 + Ln. 8) ÷ Ln. 17]	
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Line No.	[A]	[B]	[C]	[D]
1	Decision No. 73736	12 Months Ending 12/31/2013	ACRM Increase	
2	\$ 1,178,119	\$ 1,133,007	\$ 59,964	\$ 1,192,971
3	Operating Revenue			
4	Operating Expenses			
5	Operations & Maintenance	\$ 672,178	\$ -	\$ 672,178
6	Depreciation & Amortization	122,539	11,481	134,020
7	Taxes Other than Income	133,105	-	133,105
8	Income Taxes	59,903	13,980	73,883
9	Total Operating Expenses	987,725	25,461	1,013,186
10	Operating Income	145,282	34,503	179,785
11	Interest Expense	67,687	13,216	80,904
12	Original Cost Rate Base	1,765,006 ¹	395,691	2,160,697
13	[Sch. 7, Ln. 17]			
14	Equity Ratio - Decision No. 73736	50.97%	50.97%	50.97%
15	Allocated Equity	899,623	201,684	1,101,307
16	[Ln. 15 x Ln. 18]			
17	Authorized Return on Rate Base - Decision No. 73736	8.72%	8.72%	8.72%
18	Authorized Return on Equity - Decision No. 73736	10.55%	10.55%	10.55%
19	Return on Original Cost Rate Base	8.23%	8.72%	8.32%
20	[Ln. 11 + Ln. 15]			
21	Return on Equity	8.63%	10.55%	8.98%
22	[(Ln. 11 - Ln. 13) ÷ Ln. 20]			
23	Operating Margin	15.02%	57.54%	15.07%
24	[Ln. 11 + Ln. 2]			
25	Interest Coverage	3.6	3.7	3.1
26	[(Ln. 11 + Ln. 8) ÷ Ln. 13]			

¹Actual 12/31/2013 balance less arsenic plant increase.

Line No.	[A]	[B]	[C]	[D]
		San Manuel		
1				
2	\$ 401,432			
3				
4				
5	\$ (5,740)			
6				
7				
8	\$ 395,691			
9				
10				
11	5.38%			
12				
13	1.6566			
14				
15	8.91%			
16				
17				
18	3.34%			
19				
20	12.25%			
21				
22				
23	\$ 34,504			
24				
25				
26	\$ 48,483			
27				
28				
29	\$ 11,481			
30				
31				
32	\$ 59,964			
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35	\$ -			
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	Current Rate Dec. No. 73736	ACRM Capital & Ongoing Surcharge	ACRM Deferred O&M (12 Month) Surcharge	Total [A + B + C]
Residential 5/8" x 3/4" General Service Rates	\$ 27.00	\$ 1.45	\$ -	\$ 28.45
Monthly Basic Service Charge	\$ 2.1700	\$ 0.2346	\$ -	\$ 2.4046
Commodity Charge (per M Gallon) 0 to 3,000 Gallons	\$ 4.4520	\$ 0.2346	\$ -	\$ 4.6866
3,001 to 10,000 Gallons	\$ 6.2370	\$ 0.2346	\$ -	\$ 6.4716
Gallons over 10,000				

[A] [B] [C] [D] [E] [F] [G] [H]

Line No.	San Manuel									
	No. of Customers	Growth M Gallons Sold	M Gallons Sold Per Cust.							
1										
2										
3										
4										
5										
6	1,430	130,729.8	91.4							
7	1,436	124,921.7	87.0							
8	6	(5,808)	(4)							
9	0.42%	-4.44%	-4.84%							
10										
11		127,825.8								
12										
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Incremental Fixed Costs to be Recovered Per Bill

Meter Size	Number of Customers	Estimated Avg. Cust.	Meter Capacity Multiplier	Equivalent 5/8" Meters [C x E]	Calculated Fixed Surcharge	Annual Rev. Fixed Surcharge
5/8"	1,402	1,408	1	1,405	\$ 1.45	\$ 24,396
1"	20	20	2.5	50	\$ 3.62	\$ 870
1 1/2"	-	-	5	-	\$ 7.24	\$ -
2"	8	8	8	64	\$ 11.58	\$ 1,114
3"	2	2	16	32	\$ 23.15	\$ 557
4"	1	1	25	25	\$ 36.18	\$ 435
6"	3	3	50	150	\$ 72.35	\$ 2,610
8"	-	-	80	-	\$ 115.76	\$ -
10"	-	-	115	-	\$ 166.41	\$ -
Totals	1,436	1,442		1,727	\$	\$ 29,982

Capital & Ongoing O&M

Allocation of Surcharge Revenue:	Capital & Ongoing O&M Fixed Surcharge	Deferred O&M (12 Month) Commodity Surcharge
Total Arsenic Treatment Revenue Requirement (Sch. 5, Ln. 32)	\$ 59,964	\$ -
50% Recoverable Through Fixed Surcharge	\$ 29,982	\$ 29,982
50% Recoverable Through Commodity Surcharge	\$ -	\$ -
Total Arsenic Recoverable Deferred O&M Costs (Sch. 5, Ln. 35)	\$ -	\$ -
50% Recoverable Through Fixed Surcharge	\$ -	\$ -
50% Recoverable Through Commodity Surcharge	\$ -	\$ -

Calculation of Fixed Surcharge

Total Equivalent 5/8" Bills (Col. F Ln. 28 x 12 Months)	20,719	\$
Monthly Fixed Surcharge Per Equiv. 5/8" Meter (Allocated Rev. ÷ Ln. 43)	\$ 1.45	\$
Calculation of Commodity Surcharge		
Average M Gallons (Col. B, Ln. 11)	127,825.8	\$
Commodity Surcharge Per M Gallon (Allocated Rev. ÷ Ln. 47)	\$ 0.2346	\$

Line No.	[A]	[B]	[C]	San Manuel		[E]	[F]
				Dec. 73736 Plus Arsenic Increase [A + B]	Actual Balance Less Arsenic Increase 12/31/2013		
1							
2	\$ 4,414,635	\$ -	\$ 4,414,635	\$ 4,925,020	\$ -	\$ 4,925,020	
3		401,432	401,432	(401,432)	401,432		
4	\$ 4,414,635	\$ 401,432	\$ 4,816,067	\$ 4,523,588	\$ 401,432	\$ 4,925,020	
5							
6	(1,313,983)	(5,740)	(1,319,723)	(1,638,563)	(5,740)	(1,644,303)	
7	\$ 3,100,652	\$ 395,691	\$ 3,496,343	\$ 2,885,026	\$ 395,691	\$ 3,280,717	
8							
9	\$ (61,297)	\$ -	\$ (61,297)	\$ (50,749)	\$ -	\$ (50,749)	
10	(690,109)	-	(690,109)	(648,577)	-	(648,577)	
11	(416,036)	-	(416,036)	(508,916)	-	(508,916)	
12	(11,769)	-	(11,769)	(19,399)	-	(19,399)	
13							
14	107,621	-	107,621	107,621	-	107,621	
15							
16							
17	\$ 2,029,062	\$ 395,691	\$ 2,424,753	\$ 1,765,006	\$ 395,691	\$ 2,160,697	
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ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Construction Work in Progress (CWIP) Ledger
As of December 31, 2013

Line No.	Month/Year	Date	Description	Vendor Name	Invoice No. (Hyperlinked)	NARUC Acct. 33201	Total
1	Apr-12	5/31/2012	Payables Trx Entry	RICKER ATKINSON MCBEE	45589	\$ 2,600.00	\$ 2,600.00
2		5/31/2012	JV-20 CWIP OH			286.00	286.00
3						\$ 2,886.00	\$ 2,886.00
4							
5	Jun-12	6/30/2012	JV-11 AFUDC CWIP			\$ 8.44	\$ 8.44
6		6/30/2012	JV-11 AFUDC CWIP			10.49	10.49
7		6/30/2012	JV-09 VEHICLE CLEARING			144.50	144.50
8		6/30/2012	JV-02 PAYROLL TAXES			748.89	748.89
9		6/30/2012	JV-20 CWIP OH			1,445.78	1,445.78
10		6/30/2012	JV-01 PAYROLL			1,914.64	1,914.64
11		6/30/2012	Payables Trx Entry	CAROLLO ENGINEERS	0122436	10,316.46	10,316.46
12						\$ 14,589.20	\$ 14,589.20
13							
14	Jul-12	7/18/2012	Payables Trx Entry	CAROLLO ENGINEERS	0123027	\$ 13,130.04	\$ 13,130.04
15		7/31/2012	JV-02 PAYROLL TAXES			17.68	17.68
16		7/31/2012	JV-01 PAYROLL			44.86	44.86
17		7/31/2012	JV-11 AFUDC CWIP			51.11	51.11
18		7/31/2012	JV-11 AFUDC CWIP			63.49	63.49
19		7/31/2012	JV-11 AFUDC CWIP			1,463.79	1,463.79
20		7/31/2012	JV-20 CWIP OH				
21						\$ 14,770.97	\$ 14,770.97
22							
23	Aug-12	8/29/2012	Payables Trx Entry	ARIZONA DEPT ENVIROMENTAL QUALITY	403175	\$ 5,000.00	\$ 5,000.00
24		8/31/2012	JV-09 VEHICLE CLEARING			(12.60)	(12.60)
25		8/31/2012	JV-11 AFUDC CWIP			94.32	94.32
26		8/31/2012	JV-02 PAYROLL TAXES			99.43	99.43
27		8/31/2012	JV-11 AFUDC CWIP			117.16	117.16
28		8/31/2012	JV-01 PAYROLL			249.47	249.47
29		8/31/2012	JV-20 CWIP OH			610.26	610.26
30						\$ 6,158.04	\$ 6,158.04
31							
32	Sep-12	9/30/2012	JV-09 VEHICLE CLEARING			\$ 33.98	\$ 33.98
33		9/30/2012	JV-11 AFUDC CWIP			112.33	112.33
34		9/30/2012	JV-11 AFUDC CWIP			139.54	139.54
35		9/30/2012	JV-02 PAYROLL TAXES			165.36	165.36
36		9/30/2012	JV-01 PAYROLL			415.95	415.95
37		9/30/2012	Payables Trx Entry	CAROLLO ENGINEERS	0124512	441.90	441.90
38		9/30/2012	JV-20 CWIP OH			2,523.00	2,523.00
39		9/30/2012	Payables Trx Entry	CAROLLO ENGINEERS	0124070	3,438.82	3,438.82
40		9/30/2012	Payables Trx Entry	CAROLLO ENGINEERS	0123954	6,628.50	6,628.50
41		9/30/2012	MA-05 WA#101-4907 ADJUSTMENT			11,560.00	11,560.00
42						\$ 25,459.38	\$ 25,459.38
43							
44	Oct-12	10/17/2012	Payables Trx Entry	CAROLLO ENGINEERS	0124856	\$ 4,376.68	\$ 4,376.68
45		10/31/2012	JV-09 VEHICLE CLEARING			47.01	47.01
46		10/31/2012	JV-02 PAYROLL TAXES			154.08	154.08
47		10/31/2012	JV-11 AFUDC CWIP			186.80	186.80
48		10/31/2012	JV-11 AFUDC CWIP			232.04	232.04
49		10/31/2012	JV-01 PAYROLL			525.03	525.03
50		10/31/2012	JV-20 CWIP OH			607.38	607.38
51						\$ 6,129.02	\$ 6,129.02
52							
53	Nov-12	11/27/2012	Payables Trx Entry	CAROLLO ENGINEERS	0125020	\$ 1,767.60	\$ 1,767.60
54		11/30/2012	JV-02 PAYROLL TAXES			157.77	157.77
55		11/30/2012	JV-11 AFUDC CWIP			204.73	204.73

ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Construction Work in Progress (CWIP) Ledger
As of December 31, 2013

Line No.	Month/Year	Date	Description	Vendor Name	Invoice No.	NARUC Acct. 33201	Total
1						\$ 254.31	\$ 254.31
2	Nov-12	11/30/2012	JV-11 AFUDC CWIP			306.82	306.82
3		11/30/2012	JV-20 CWIP OH			404.86	404.86
4		11/30/2012	JV-01 PAYROLL			3,096.09	3,096.09
5							
6	Dec-12	12/18/2012	Payables Trx Entry	CAROLLO ENGINEERS	0125575	17,033.00	17,033.00
7		12/31/2012	JV-09 VEHICLE CLEARING			194.55	194.55
8		12/31/2012	JV-11 AFUDC CWIP			213.78	213.78
9		12/31/2012	JV-11 AFUDC CWIP			265.56	265.56
10		12/31/2012	JV-02 PAYROLL TAXES			315.45	315.45
11		12/31/2012	JV-01 PAYROLL			821.66	821.66
12		12/31/2012	MA-41 ADJUST INVOICE CODING			1,237.00	1,237.00
13		12/31/2012	JV-20 CWIP OH			2,362.57	2,362.57
14		12/31/2012	Payables Trx Entry	HACH COMPANY	8074855	7,499.70	7,499.70
15		12/31/2012	Payables Trx Entry	RYAN HERCO PRODUCTS	0730788	12,540.72	12,540.72
16		12/31/2012	Payables Trx Entry			42,483.99	42,483.99
17							
18	Jan-13	1/31/2013	JV-20 CWIP OH			83.38	83.38
19		1/31/2013	JV-11 AFUDC CWIP			338.05	338.05
20		1/31/2013	JV-11 AFUDC CWIP			419.88	419.88
21						841.31	841.31
22							
23	Feb-13	2/19/2013	Payables Trx Entry	PHOENIX PUMPS INC	0118004-IN	16,758.97	16,758.97
24		2/28/2013	JV-11 AFUDC CWIP			340.51	340.51
25		2/28/2013	JV-11 AFUDC CWIP			422.93	422.93
26		2/28/2013	JV-20 CWIP OH			1,927.47	1,927.47
27		2/28/2013	JV-20 CWIP OH			19,449.88	19,449.88
28							
29	Mar-13	3/31/2013	JV-09A EQUIPMENT CLEARING			97.13	97.13
30		3/31/2013	JV-09 VEHICLE CLEARING			262.64	262.64
31		3/31/2013	JV-11 AFUDC CWIP			378.11	378.11
32		3/31/2013	JV-20 CWIP OH			406.56	406.56
33		3/31/2013	JV-11 AFUDC CWIP			609.08	609.08
34		3/31/2013	JV-02 PAYROLL TAXES			644.52	644.52
35		3/31/2013	JV-01 PAYROLL			1,704.53	1,704.53
36		3/31/2013	JV-20 CWIP OH			4,102.57	4,102.57
37							
38	Apr-13	4/30/2013	JV-09A EQUIPMENT CLEARING	SUNWESTERN CONTRACTORS INC	4038339	132.40	132.40
39		4/30/2013	JV-11 AFUDC CWIP			389.53	389.53
40		4/30/2013	JV-09 VEHICLE CLEARING			471.02	471.02
41		4/30/2013	JV-11 AFUDC CWIP			627.47	627.47
42		4/30/2013	JV-02 PAYROLL TAXES			817.39	817.39
43		4/30/2013	JV-01 PAYROLL			2,113.48	2,113.48
44		4/30/2013	JV-20 CWIP OH			2,281.62	2,281.62
45		4/30/2013	Payables Trx Entry			16,190.80	16,190.80
46		4/30/2013	Payables Trx Entry			23,023.71	23,023.71
47							
48	May-13	5/14/2013	Payables Trx Entry	SIMPLE SPACE RITE INC	367476	109.03	109.03
49		5/28/2013	Payables Trx Entry	SUNWESTERN CONTRACTORS INC	4039339	66,379.31	66,379.31
50		5/31/2013	JV-09 VEHICLE CLEARING			165.36	165.36
51		5/31/2013	Payables Trx Entry	PHOENIX PUMPS INC	0123975-IN	262.26	262.26
52		5/31/2013	JV-11 AFUDC CWIP			453.60	453.60
53		5/31/2013	JV-02 PAYROLL TAXES			460.55	460.55
54		5/31/2013	JV-11 AFUDC CWIP			730.68	730.68
55							

ARIZONA WATER COMPANY

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Construction Work in Progress (CWIP) Ledger
As of December 31, 2013

Line No.	Month/Year	Date	Description	Vendor Name	Invoice No.	NARUC Acct. 33201	Total
1							
2	May-13	5/31/2013	JV-01 PAYROLL			\$ 1,578.67	\$ 1,578.67
3		5/31/2013	JV-20 CWIP OH			7,715.33	7,715.33
4						\$ 77,854.79	\$ 77,854.79
5							
6	Jun-13	6/30/2013	JV-09A EQUIPMENT CLEARING			\$ 50.19	\$ 50.19
7		6/30/2013	JV-09 VEHICLE CLEARING			321.46	321.46
8		6/30/2013	JV-20 CWIP OH			605.50	605.50
9		6/30/2013	JV-11 AFUDC CWIP			670.27	670.27
10		6/30/2013	JV-02 PAYROLL TAXES			940.73	940.73
11		6/30/2013	JV-11 AFUDC CWIP			1,079.71	1,079.71
12		6/30/2013	JV-01 PAYROLL			2,442.18	2,442.18
13						\$ 6,110.04	\$ 6,110.04
14							
15	Jul-13	7/16/2013	Payables Trx Entry	SAN MANUEL DO IT BEST HARDWARE	404149	\$ 135.55	\$ 135.55
16		7/23/2013	Payables Trx Entry	SUNWESTERN CONTRACTORS INC	404185	42,952.00	42,952.00
17		7/31/2013	JV-09 VEHICLE CLEARING			16.68	16.68
18		7/31/2013	JV-02 PAYROLL TAXES			35.21	35.21
19		7/31/2013	JV-01 PAYROLL			90.39	90.39
20		7/31/2013	JV-11 AFUDC CWIP			687.28	687.28
21		7/31/2013	JV-11 AFUDC CWIP			1,107.10	1,107.10
22		7/31/2013	JV-20 CWIP OH			4,952.66	4,952.66
23		7/31/2013	JV-01 PAYROLL			128.75	128.75
24		7/31/2013	JV-02 PAYROLL TAXES			50.15	50.15
25		7/31/2013	Payables Trx Entry	FEDERAL SCREEN PRODUCTS INC	17655	5,467.10	5,467.10
26		7/31/2013	JV-20 CWIP OH			622.17	622.17
27		7/31/2013	JV-09 VEHICLE CLEARING			10.08	10.08
28						\$ 56,255.12	\$ 56,255.12
29							
30	Aug-13	8/31/2013	JV-09 VEHICLE CLEARING			\$ 3.65	\$ 3.65
31		8/31/2013	JV-02 PAYROLL TAXES			9.80	9.80
32		8/31/2013	JV-01 PAYROLL			25.29	25.29
33		8/31/2013	JV-09A EQUIPMENT CLEARING			64.12	64.12
34		8/31/2013	JV-20 CWIP OH			248.64	248.64
35		8/31/2013	JV-11 AFUDC CWIP			826.36	826.36
36		8/31/2013	JV-11 AFUDC CWIP			1,331.15	1,331.15
37		8/31/2013	JV-01 PAYROLL			2,020.42	2,020.42
38		8/31/2013	JV-02 PAYROLL TAXES			782.91	782.91
39		8/31/2013	JV-11 AFUDC CWIP			28.15	28.15
40		8/31/2013	JV-11 AFUDC CWIP			17.47	17.47
41		8/31/2013	Payables Trx Entry	SUNWESTERN CONTRACTORS INC	404378	25,811.14	25,811.14
42		8/31/2013	Payables Trx Entry	INDUSTRIAL INSPECTION & CONSULTING	404424	550.00	550.00
43		8/31/2013	JV-09 VEHICLE CLEARING			328.93	328.93
44		8/31/2013	JV-20 CWIP OH			3,249.29	3,249.29
45						\$ 35,297.32	\$ 35,297.32
46							
47	Sep-13	9/30/2013	JV-09 VEHICLE CLEARING			\$ 19.04	\$ 19.04
48		9/30/2013	JV-02 PAYROLL TAXES			41.46	41.46
49		9/30/2013	JV-01 PAYROLL			106.51	106.51
50		9/30/2013	JV-20 CWIP OH			294.44	294.44
51		9/30/2013	Payables Trx Entry	HARRINGTON INDUSTRIAL PLASTICS INC	01685417	333.96	333.96
52		9/30/2013	JV-11 AFUDC CWIP			833.34	833.34
53		9/30/2013	JV-11 AFUDC CWIP			1,342.39	1,342.39
54		9/30/2013	JV-01 PAYROLL			140.25	140.25
55		9/30/2013	JV-02 PAYROLL TAXES			54.59	54.59

ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Construction Work in Progress (CWIP) Ledger
As of December 31, 2013

Line No.	Month/Year	Date	Description	Vendor Name	Invoice No.	NARUC Acct	Total
1	Sep-13	9/30/2013	JV-11 AFUDC CWIP			33201	175.14
2		9/30/2013	JV-11 AFUDC CWIP				108.72
3		9/30/2013	JV-09 VEHICLE CLEARING				11.98
4		9/30/2013	JV-20 CWIP OH				53.97
5							<u>3,515.79</u>
6							\$ 3,515.79
7	Oct-13	10/31/2013	JV-09 VEHICLE CLEARING	SUNWESTERN CONTRACTORS INC	404565		37.48
8		10/31/2013	JV-02 PAYROLL TAXES				133.76
9		10/31/2013	JV-01 PAYROLL				464.38
10		10/31/2013	JV-11 AFUDC CWIP				841.61
11		10/31/2013	JV-11 AFUDC CWIP				1,355.71
12		10/31/2013	JV-20 CWIP OH				1,856.12
13		10/31/2013	Payables Trx Entry				14,040.85
14		10/31/2013	JV-11 AFUDC CWIP				177.58
15		10/31/2013	JV-11 AFUDC CWIP				110.24
16		10/31/2013	JV-01 PAYROLL				820.96
17		10/31/2013	JV-02 PAYROLL TAXES				236.47
18		10/31/2013	JV-09 VEHICLE CLEARING				120.67
19		10/31/2013	JV-09A EQUIPMENT CLEARING				153.06
20		10/31/2013	JV-20 CWIP OH				178.09
21							<u>20,526.98</u>
22							\$ 20,526.98
23	Nov-13	11/22/2013	Payables Trx Entry	SUNWESTERN CONTRACTORS INC	404700		10,834.80
24		11/30/2013	JV-09 VEHICLE CLEARING				490.80
25		11/30/2013	JV-11 AFUDC CWIP				893.74
26		11/30/2013	JV-02 PAYROLL TAXES				1,024.59
27		11/30/2013	JV-20 CWIP OH				1,425.57
28		11/30/2013	JV-11 AFUDC CWIP				1,439.68
29		11/30/2013	JV-01 PAYROLL				2,632.49
30		11/30/2013	Payables Trx Entry				6,478.44
31		11/30/2013	JV-01 PAYROLL				35.23
32		11/30/2013	JV-02 PAYROLL TAXES				13.71
33		11/30/2013	JV-09 VEHICLE CLEARING				9.38
34		11/30/2013	JV-20 CWIP OH				1,198.24
35							<u>26,476.67</u>
36							\$ 26,476.67
37	Dec-13	12/16/2013	Payables Trx Entry	ORACLE ELECTRIC LLC	13912-2		245.00
38		12/31/2013	JV-02 PAYROLL TAXES				243.24
39		12/31/2013	JV-01 PAYROLL				627.19
40		12/31/2013	JV-11 AFUDC CWIP				933.77
41		12/31/2013	JV-11 AFUDC CWIP				1,504.17
42		12/31/2013	Payables Trx Entry	CAROLLO ENGINEERS	0132442		1,163.00
43		12/31/2013	Payables Trx Entry	SUNWESTERN CONTRACTORS INC	405087		5863.38
44		12/31/2013	JV-20 CWIP OH				1625.4
45		12/31/2013	JV-20 CWIP OH				199.92
46							<u>12,405.07</u>
47							\$ 12,405.07
48							<u>Total Charges \$ 401,431.94</u>
49							\$ 401,431.94
50							Applicable Depreciation Rate - Dec. 73736 2.86%
51							Annual Depreciation \$ 11,481 \$ 11,481
52							1/2-Year Convention \$ 5,740 \$ 5,740
53							
54							
55							

Line No.	System	2012 Actual			San Manuel			Ratio			2013 Three Factor Ratio
		No. of Customers	Gross Plant Less Intangibles	Gross Payroll	Customer	Gross Plant Less Intangibles	Gross Payroll	Total			
1											
2	Superstition	24,167	\$ 113,460,128	\$ 2,026,981	0.2843	0.2715	0.2869	0.8427	0.2809		
3	Cochise	6,478	21,902,544	676,404	0.0762	0.0524	0.0957	0.2244	0.0748		
4	San Manuel	1,430	4,381,507	132,049	0.0168	0.0105	0.0187	0.0460	0.0153		
5	Falcon Valley	1,749	12,626,456	161,506	0.0206	0.0302	0.0229	0.0736	0.0245		
6	Winkelman	157	586,756	14,498	0.0018	0.0014	0.0021	0.0053	0.0018		
7	Pinal Valley	28,373	149,830,644	2,170,668	0.3338	0.3586	0.3072	0.9996	0.3332		
8	White Tank	2,173	29,121,077	162,502	0.0256	0.0697	0.0230	0.1183	0.0394		
9	Ajo	667	2,286,509	62,212	0.0078	0.0055	0.0088	0.0221	0.0074		
10	Navejo	9,188	29,895,330	699,430	0.1081	0.0715	0.0990	0.2786	0.0929		
11	Verde Valley	10,624	53,760,432	959,630	0.1250	0.1287	0.1358	0.3895	0.1298		
12											
13	Totals	85,006	\$ 417,851,383	\$ 7,065,880	1.0000	1.0000	1.0000	3.0000	1.0000		
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16											
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ARIZONA WATER COMPANY
 Docket No. W-01445A-11-0310
 Typical Bill Analysis - Residential 5/8" x 3/4" Meter
 As of December 31, 2013

Line No.	Gallons Used Per Month	San Manuel			
		[A] Present Rates	[B] ACRM Increase	[C] Plus ACRM Increase	[D] Percent Increase
1					
2	0	\$ 27.00	\$ 1.45	\$ 28.45	5.36%
3	1,000	\$ 29.17	\$ 1.68	\$ 30.85	5.76%
4	2,000	\$ 31.34	\$ 1.92	\$ 33.26	6.11%
5	3,000	\$ 33.51	\$ 2.15	\$ 35.66	6.42%
6	4,000	\$ 37.96	\$ 2.39	\$ 40.35	6.28%
7	5,000	\$ 42.41	\$ 2.62	\$ 45.03	6.18%
8	6,000	\$ 46.87	\$ 2.85	\$ 49.72	6.09%
9	7,000	\$ 51.32	\$ 3.09	\$ 54.41	6.02%
10	8,000	\$ 55.77	\$ 3.32	\$ 59.09	5.96%
11	9,000	\$ 60.22	\$ 3.56	\$ 63.78	5.91%
12	10,000	\$ 64.67	\$ 3.79	\$ 68.47	5.86%
13	11,000	\$ 70.91	\$ 4.03	\$ 74.94	5.68%
14	12,000	\$ 77.15	\$ 4.26	\$ 81.41	5.52%
15	13,000	\$ 83.39	\$ 4.50	\$ 87.88	5.39%
16	14,000	\$ 89.62	\$ 4.73	\$ 94.35	5.28%
17	15,000	\$ 95.86	\$ 4.97	\$ 100.82	5.18%
18	20,000	\$ 127.04	\$ 6.14	\$ 133.18	4.83%
19	25,000	\$ 158.23	\$ 7.31	\$ 165.54	4.62%
20					
21	Average Monthly Usage	6,844	6,844	6,844	
22					
23	Average Monthly Bill	\$ 50.62	\$ 3.05	\$ 53.67	6.03%
24					
25	Monthly Basic Service Charge	\$ 27.00	\$ 1.45	\$ 28.45	
26	Commodity Charge (per M Gallon)				
27	0 to 3,000 Gallons	\$ 2,170	\$ 0.2346	\$ 2,404	
28	3,001 to 10,000 Gallons	\$ 4,452	\$ 0.2346	\$ 4,686	
29	Gallons over 10,000	\$ 6,237	\$ 0.2346	\$ 6,471	
30					
31					
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