

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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DOCKET CONTROL

MAR 11 2014

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

DOCKETED BY
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IN THE MATTER OF THE
APPLICATION OF ABRA WATER
COMPANY, AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE CURRENT
FAIR VALUE OF ITS UTILITY PLANT
AND PROPERTY AND FOR
INCREASES IN ITS RATES AND
CHARGES FOR UTILITY SERVICE.

DOCKET NO. W-01782A-14-0084

APPLICATION

Abra Water Company, Inc. ("AWC" or "Company"), an Arizona corporation, submits this Application for an order establishing the fair value of its plant and property for the provision of public utility service and, based on such fair value, approving permanent rates and charges for utility service provided by the Company designed to produce a fair return thereon. In support of its request, the Company states as follows:

I. INTRODUCTION

1. AWC is a corporation duly organized and existing under the laws of the State of Arizona. Its principal place of business is 25001 N Hwy 89, Paulden, Arizona 86334 and its telephone number is (928) 636-2557.

2. The AWC is a public service corporation engaged in providing water service in Yavapai County, Arizona. The Company's service area is located approximately 25 miles north of the Town of Prescott on Highway 89 in Yavapai County.

3. The Company's present rates and charges were approved in Decision No. 72287 (May 4, 2011).

1 4. The Company served approximately 655 customers in Yavapai County, in
2 the Test Year. Abra's existing water system is comprised of one well, a 500 gallon per
3 minute ("GPM") arsenic treatment plant, two storage tanks, four booster pumps, and a
4 distribution system serving approximately 636 customers during the test year.

5 5. AWC's service area is not located within any Active Management Area
6 ("AMA") therefore is not subject to AMA report and conservation requirements.

7 **II. FAIR VALUE DETERMINATION AND RATE INCREASE**

8 6. In this Application, AWC seeks a determination of the current, fair value of
9 its property devoted to public service and approval of permanent adjustments to its rates
10 and charges for utility service based upon that determination.

11 7. Filed concurrently in support of this Application is the direct testimony of
12 Thomas J. Bourassa, C.P.A.. Mr. Bourassa is the Company's accounting consultant and
13 will be sponsoring the Company's schedules, and has prepared the schedules required for
14 the rate applications of Class C water utilities in accordance with A.A.C. R14-2-103. Mr.
15 Bourassa's testimony and supporting schedules are attached as Exhibit A. The Test Year
16 used by the Company in connection with the preparation of such schedules is the 12-
17 month period ending December 30, 2012.

18 8. AWC is requesting an 8.85 percent return on its fair value rate base
19 ("FVRB"). AWC's proposed FVRB is \$570,159. The increase in revenues to provide for
20 recovery of operating expenses and an 8.85 percent return on rate base is approximately
21 \$43,349, an increase of approximately 16.05 percent over the adjusted and annualized test
22 year revenues.

23 9. AWC is not earning a fair return on the fair value of its water plant devoted
24 to service. While operating expenses are lower by about \$29,000, revenues are lower than
25 anticipated by over \$44,000 since the last test year, which was based on the 12 months
26 ended December 31, 2009. AWC's authorized revenue requirement in the last rate case

1 was \$314,481.¹ In the current test year, adjusted test year revenues are \$270,040;
2 approximately \$44,000 lower. AWC's proposed rate base is higher at approximately
3 \$570,158 than the rate base adopted in the prior case of \$466,276. As a consequence,
4 AWC's current rate of return, based on the adjusted test year data, is 2.88 percent, as
5 contrasted with the 7.5 percent authorized in its last rate case.²

6 10. Consequently, a rate increase is necessary to earn a reasonable return on the
7 fair value of the Company's utility plant and property devoted to public service.
8 Therefore, the Company requests certain increases to its rates and charges for water
9 service as set forth in Mr. Bourassa's testimony.

10 **III. NOTICE**

11 11. All communications, correspondence, and discovery regarding this
12 Application, as well as communications and pleadings filed by any other parties, should
13 be served on the following:

14 Robert J. Metli, Esq.
15 Munger Chadwick, P.L.C.
16 2398 E. Camelback Road, Suite 240
17 Phoenix, AZ 85016
18 Telephone: (602) 358-7348
19 Fax: (602) 441-2779
20 Email: rjmetli@mungerchadwick.com

21 Kevan Larson
22 PRESIDENT/CEO
23 Abra Water Company, Inc.
24 P O BOX 515
25 PAULDEN, AZ 86334
26 Telephone: (928) 636-2557
Fax: (928) 636-2557
Email: kevanlarson@cableone.net

23 **IV. PRAYER FOR RELIEF**

24 For the foregoing reasons, the Company requests the following relief:

25 ¹ See Decision 72287 at 13.

26 ² *Id.* at 12.

1 Gordon Fox
2 Finance, Rates & Accounting
3 Arizona Corporation Commission
4 1200 W. Washington Street
5 Phoenix, Arizona 85007

6 By 

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Exhibit A

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF
ABRA WATER COMPANY, INC., AN ARIZONA
CORPORATION, FOR (i) A DETERMINATION
OF THE FAIR VALUE OF ITS UTILITY PLANT
AND PROPERTY AND (ii) AN INCREASE IN
ITS WATER RATES AND CHARGES FOR
UTILITY SERVICE BASED THEREON.

DOCKET NO: W-01782A-14-_____

DIRECT TESTIMONY

OF

THOMAS J. BOURASSA

COST OF CAPITAL, RATE BASE, INCOME STATEMENT, AND RATE DESIGN

ON BEHALF OF

ABRA WATER COMPANY, INC.

March 11, 2014

**DIRECT TESTIMONY
OF
THOMAS J. BOURASSA
COST OF CAPITAL, RATE BASE, INCOME STATEMENT, AND RATE DESIGN
ON BEHALF OF
ABRA WATER COMPANY, INC.**

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1 **I INTRODUCTION AND QUALIFICATIONS**

2 **Q1. PLEASE STATE YOUR NAME AND ADDRESS.**

3 A1. My name is Thomas J. Bourassa. My business address is 139 W. Wood Drive,
4 Phoenix, Arizona 85029.

5 **Q2. WHAT IS YOUR PROFESSION AND BACKGROUND?**

6 A2. I am a Certified Public Accountant and am self-employed, providing consulting
7 services to utility companies as well as general accounting services. I have a B.S.
8 in Chemistry and Accounting from Northern Arizona University (1980) and an
9 M.B.A. with an emphasis in Finance from the University of Phoenix (1991).

10 **Q3. COULD YOU BRIEFLY SUMMARIZE YOUR PRIOR WORK AND**
11 **REGULATORY EXPERIENCE?**

12 A3. Yes. Prior to becoming a private consultant, I was employed by High-Tech
13 Institute, Inc., and served as controller and chief financial officer. Prior to
14 working for High-Tech Institute, I worked as a division controller for the Apollo
15 Group, Inc. Before joining the Apollo Group, I was employed at Kozoman &
16 Kermode, CPAs. In that position, I prepared compilations and other write-up
17 work for water and wastewater utilities, as well as tax returns.

18 In my private practice, I have prepared and/or assisted in the preparation of
19 numerous water and wastewater utility rate applications before the Arizona
20 Corporation Commission ("Commission"). Attached is a summary of my
21 regulatory work experience.

22 **Q4. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

23 A4. I am testifying in this proceeding on behalf of the applicant, Abra Water
24 Company, Inc. ("AWC" or the "Company"). AWC is seeking changes in its rates
25 and charges for water utility service in its certificated service area, which area is
26 located in Yavapai County.

1 **Q5. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

2 A5. I will testify in support of AWC's proposed adjustments to its rates and charges
3 for water utility service. I am sponsoring the direct schedules, which are filed
4 concurrently herewith in support of AWC's application. I was responsible for the
5 preparation of these schedules based on my investigation and review of AWC's
6 relevant books and records.

7 In my direct testimony, I address the subjects of cost of capital, rate base,
8 income statement (revenue and operating expenses), required increase in revenue,
9 rate design and proposed rates and charges for water service.

10
11 **II. OVERVIEW OF AWC'S REQUEST FOR RATE RELIEF**

12 **Q6. PLEASE SUMMARIZE AWC'S APPLICATION.**

13 A6. The test year used by AWC is the 12-month period ending December 31, 2012.
14 AWC is requesting an 8.85 percent return on its fair value rate base ("FVRB").
15 AWC has also proposed certain pro forma adjustments to its income statement to
16 take into account known and measurable changes to rate base, expenses and
17 revenues. These pro forma adjustments are consistent with normal ratemaking and
18 are contemplated by the Commission's rules and regulations governing rate
19 applications. *See* R14-2-103. These adjustments are necessary to obtain a normal
20 or realistic relationship between revenues, expenses and rate base on a going-
21 forward basis.

22 AWC's proposed fair value rate base is \$570,159. The increase in revenues to
23 provide for recovery of operating expenses and an 8.85 percent return on rate base
24 is approximately \$43,349, an increase of approximately 16.05 percent over the
25 adjusted and annualized test year revenues.

1 **Q7. WHY IS AWC FILING FOR NEW RATES AT THIS TIME?**

2 A7. AWC is not earning a fair return on the fair value of its water plant devoted to
3 service. While operating expenses are lower by about \$29,000, revenues are lower
4 than anticipated by over \$44,000 since the last test year, which was based on the
5 12 months ended December 31, 2009. For example, the Company's authorized
6 revenue requirement in the last rate case was \$314,481.¹ In the current test year,
7 adjusted test year revenues are \$270,040; approximately \$44,000 lower. AWC's
8 proposed rate base is higher at approximately \$570,158 than the rate base adopted
9 in the prior case of \$466,276. As a consequence, AWC's current rate of return,
10 based on the adjusted test year data, is 2.88 percent, as contrasted with the 7.5
11 percent authorized in its last rate case.²

12 **Q8. WHEN WERE AWC'S CURRENT RATE APPROVED?**

13 A8. The Company's current water rates were approved in 2011 in Decision 72287
14 (May 4, 2011).

15
16 **III. SUMMARY OF SCHEDULES**

17 **A. Summary of A, E and F Schedules.**

18 **Q9. MR. BOURASSA, LET'S TURN TO AWC'S SCHEDULES. PLEASE**
19 **DESCRIBE THE SCHEDULES LABELED AS A, E, AND F.**

20 A9. The A-1 Schedule is a summary of the rate base, operating income, current
21 operating margin, required operating margin, operating income deficiency, and the
22 increase in gross revenues. An 8.85 percent return on FVRB of \$570,158 is
23 requested. The increase in the revenue requirement is \$43,349, or 16.05 percent
24 over adjusted test year revenues. Revenues at present and proposed rates and
25 customer classifications are also shown on this schedule.

¹ See Decision 72287 at 13.

² *Id.* at 12.

1 The A-2 Schedule is a summary of results of operations for the test year,
2 prior years, and a projected year at present rates and proposed rates.

3 Schedule A-3 is not required for Class C utilities and is omitted.

4 Schedule A-4 contains plant construction and plant-in-service for the test
5 year and prior years. The projected plant additions are also shown on this
6 schedule.

7 Schedule A-5 is not required for Class C utilities and is omitted.

8 The E Schedules are based on AWC's actual operating results, as reported
9 by AWC in annual reports filed with the Commission. The E-1 Schedule contains
10 the comparative balance sheet data for the years 2010, 2011, and 2012 ending on
11 December 31.

12 Schedule E-2, page 1, contains the income statement for the years 2010,
13 2011, and 2012 ending on December 31.

14 Schedule E-3 is not required for Class C utilities and is omitted.

15 Schedule E-4 is not required for Class C utilities and is omitted.

16 Schedule E-5 contains AWC's plant-in-service at the end of the test year,
17 and one year prior to the end of the test year.

18 Schedule E-7 contains operating statistics for the years ended 2010, 2011,
19 and 2012 ending on December 31.

20 Schedule E-8 contains the taxes charged to operations.

21 The accountant's notes to the financial statements and the financial
22 assumptions used in preparing the rate filing schedules are shown on Schedules
23 E-9 and F-4, respectively, in accordance with the Commission's standard filing
24 requirements. AWC does not prepare audited financial statements.

25 Schedule F-1 contains the results of operations at the present rates (actual
26 and adjusted), and at proposed rates.

1 Schedule F-2 is not required for Class C utilities and is omitted.

2 Schedule F-3 shows AWC's projected construction requirements for 2013,
3 2014, and 2015.

4 Schedule F-4 contains the assumptions used in developing the adjustments
5 and projections contained in the rate filing.

6 **B. Rate Base (B Schedules).**

7 **Q10. WOULD YOU EXPLAIN THE RATE BASE SCHEDULES, WHICH ARE**
8 **LABELED AS THE B SCHEDULES?**

9 A10. Yes. I will start with Schedule B-5, which is the working capital allowance. I
10 used the "formula method" of computing the working capital allowance to reduce
11 costs.

12 **Q11. THANK YOU. PLEASE CONTINUE.**

13 A11. AWC did not file Schedules B-3 and B-4. To limit issues in dispute and further
14 reduce rate case expense, AWC is requesting that its original cost rate base
15 ("OCRB") be used as its FVRB.

16 **Q12. HAVE YOU PREPARED SCHEDULES SHOWING ADJUSTMENTS TO**
17 **AWC'S ORIGINAL COST RATE BASE?**

18 A12. Yes. Schedule B-2 shows adjustments to the OCRB cost rate base proposed by
19 AWC. Schedule B-2, pages 2 through 4, provides the supporting information.
20 These adjustments are, in summary:

21 B-2 adjustment number 1, as shown on Schedule B-2, page 2, adjusts plant-
22 in-service. There two plant-in-service adjustment included in Adjustment 1.
23 These adjustments are shown on Schedule B-2, page 3, and are labeled as
24 adjustment "A" and "B".

25 Adjustment A of B-2 adjustment number 1 reduces plant-in-service to
26 reflect an unrecorded retirement of arsenic media.

1 Adjustment B of B-2 adjustment number 1 reflects the adjustments required
2 to reconcile to the reconstruction of plant-in-service from the end of the last test
3 year to the end of the current test year. The resulting reconstruction of the
4 Company's plant-in-service balance is shown on Schedule B-2, pages 3.2 through
5 3.5.

6 B-2 adjustment 2, as shown on Schedule B-2, page 2, adjusts accumulated
7 depreciation. The details of the accumulated depreciation adjustment are shown
8 on Schedule B-2, page 4. There two plant-in-service adjustment included in
9 Adjustment 2. These adjustments are shown on Schedule B-2, page 4, and are
10 labeled as adjustment "A" and "B".

11 Adjustment A of B-2 adjustment number 2 reduces accumulated
12 depreciation to reflect an unrecorded retirement of arsenic media.

13 Adjustment B of B-2 adjustment 2 reflects the re-computed accumulated
14 depreciation balance. The reconstruction of the Company's accumulated
15 depreciation balance is shown on Schedule B-2, pages 3.3 through 3.5.

16 **Q13. DO THE PLANT AND ACCUMULATED DEPRECIATION SHOWN ON**
17 **B-2 REFLECT THE LAST COMMISSION RATE ORDER?**

18 A13. Yes. The plant shown on Schedule B-2 started with the plant-in-service balances
19 approved in Decision No. 72287, which established the starting values of plant-in-
20 service. Plant additions and retirements have been added to and deducted from
21 total plant shown on Schedule B-2, pages 3.3 to 3.5. Pages 3.3 to 3.5 of the
22 schedule also show the details for the accumulated depreciation through the end of
23 the test year using the half-year convention for depreciation.

24 **Q14. WHAT DEPRECIATION RATES DID YOU EMPLOY?**

1 A14. The same rates used in the last rate case decision.³ These are based on Staff's
2 typical and customary depreciation rates.

3 **Q15. THANK YOU. ARE THERE ANY FURTHER ADJUSTMENTS TO RATE**
4 **BASE?**

5 A15. No.

6 **Q16. HOW WAS THE PROPOSED "FAIR VALUE" RATE BASE SHOWN ON**
7 **SCHEDULE A-1 DETERMINED?**

8 A16. As stated, the FVRB shown on Schedule A-1 is based on OCRB, with no
9 adjustment for the current reconstruction values of AWC's plant and property.

10

11 **C. Income Statement (C Schedules).**

12 **Q17. PLEASE EXPLAIN THE ADJUSTMENTS YOU ARE PROPOSING TO**
13 **THE INCOME STATEMENT AS SHOWN ON SCHEDULES C-1 AND C-2.**

14 A17. The following is a summary of adjustments shown on Schedule C-1:

15 Adjustment 1 annualizes depreciation expense. The proposed depreciation
16 rate for each component of utility plant is shown on Schedule C-2, page 2. The
17 depreciation rates approved in AWC's last rate case were account specific rates.
18 AWC proposes to continue to use these rates.

19 Adjustment 2 increases the property taxes based on proposed revenues.

20 **Q18. HOW DID YOU COMPUTE THE PROPERTY TAXES AT PROPOSED**
21 **RATES?**

22 A18. To determine full cash value, I used the method employed by the Arizona
23 Department of Revenue - Centrally Valued Properties ("ADOR" or "the
24 Department"). This method determines full cash value by using twice the average
25 of three years of revenue, plus an addition for CWIP and a deduction for the book

³ See Decision 72498 at 22.

1 value of transportation equipment. In the instant case, I used two times the
2 adjusted revenues for the year ending December 31, 2012, and one year of
3 revenues at proposed rates. The assessed value (19 percent of full cash value) was
4 then multiplied by the property tax rate to determine adjusted property tax
5 expense.

6 **Q19. IS THIS CONSISTENT WITH PRIOR COMMISSION DECISIONS?**

7 A19. Yes. See *Chaparral City Water Company*, Decision No. 68176 (September 30,
8 2005) at 13, *Rio Rico Utilities Inc.*, Decision No. 67279 (October 5, 2004), *Bella*
9 *Vista Water Co., Inc.*, Decision No. 65350 (November 2, 2001).

10 **Q20. IS THIS SYNCHRONIZATION OF PROPERTY TAX EXPENSE WITH**
11 **REVENUES PROPER RATE MAKING?**

12 A20. Yes. Like income taxes, property taxes must be adjusted to ensure that the new
13 rates are sufficient to produce the allowed revenue requirement. For this reason,
14 the Commission has repeatedly approved the use of proposed revenues to
15 determine an appropriate level of property tax expense to be recovered through
16 rates.

17 **Q21. PLEASE CONTINUE WITH YOUR DESCRIPTION OF THE INCOME**
18 **STATEMENT ADJUSTMENTS.**

19 A21. Adjustment 3 shows estimated rate case expense of \$35,000 amortized over 3
20 years, or \$11,667 annually.

21 **Q22. HOW DID YOU ARRIVE AT THESE AMOUNTS?**

22 A22. I estimated \$35,000 for AWC rate case expense based on my experience with rate
23 cases before the Commission, and that of AWC's rate case counsel.

24 **Q23. PLEASE EXPLAIN WHY YOU REFER TO THESE AMOUNTS AS**
25 **"ESTIMATES"?**

1 A23. Because I can't see the future, I can only make some estimates based on my
2 experience. The specifics of who may intervene, what unique issues may come
3 into dispute, what kind of procedural problems we will encounter, and what else
4 will occur during the proceeding, I cannot predict. I know rate cases are lengthy
5 and expensive, but I still have to start with an estimate. If things turn out more
6 complicated than anticipated, AWC will modify its request to account for that
7 increased expense. Conversely, if the case proceeds and rate case expense is
8 lower than expected, we would make an appropriate adjustment downward.

9 **Q24. WHAT AMORTIZATION PERIOD ARE YOU RECOMMENDING?**

10 A24. AWC proposes that rate case expense be recovered over four years to help
11 minimize the impact on rate payers. It will be approximately three years between
12 the time the rates were established in the last rate case and the time rates will be
13 established in the instant case. This fact would support a three year amortization
14 period. However, as I stated, the Company seeks to minimize the impact on rate
15 payers, and it also believes a four-year cycle for future rate cases is reasonable
16 given this utility's circumstances.

17 **Q25. PLEASE CONTINUE WITH YOUR DISCUSSION OF THE INCOME**
18 **STATEMENT ADJUSTMENTS?**

19 A25. Adjustment 4 annualizes revenues to the average number of customers during the
20 test year. The annualization of revenues is based on the average number of
21 customers during the test year, compared to the actual number of customers during
22 each month of the test year. Average revenues by month were computed for the
23 test year. The average revenues were then multiplied by the increase (or decrease)
24 in number of customers for each month of the test year.

25 Adjustment 5 reflects the Company proposed declining usage adjustment.

1 **Q26. PLEASE EXPLAIN THE COMPANY'S PROPOSED DECLINING USAGE**
2 **ADJUSTMENT?**

3 A26. The declining usage adjustment is based upon the decline in annual metered
4 revenues that have occurred since the last test year which is measured by
5 comparing the revenues from current level of customers at the average revenue per
6 customers from the last rate case and the average revenue per customer during the
7 test year. *See* Schedule H-2, page 3. The estimated decline in revenues is isolated
8 to changes in water usage which is primarily caused by the inverted tier rate
9 design and resulting conservation. The Company's proposed declining usage
10 adjustment of \$3.395 represents only a portion of the total annual revenues decline
11 of nearly \$11,000 and is intended to be conservative.

12 **Q27. CAN THE UTILITY CONTROL DECLINING USAGE?**

13 A27. No, as much as AWC wishes it could, it cannot force customers to use more water
14 so it can increase revenues. In fact, conservation rates and many Best Management
15 Practices ("BMPs") that are imposed upon utilities are geared toward encouraging
16 water conservation which are juxtaposed to selling more water.

17 **Q28. IF A COMPANY CAN'T CONTROL THIS DECLINING USAGE, HOW**
18 **DOES THIS IMPACT THE UTILITY?**

19 A28. I can illustrate with an example. If the Commission authorizes a \$10 revenue
20 requirement but AWC only collects \$9 because customers decrease usage, AWC
21 won't earn its authorized return, assuming expenses stay exactly at Commission
22 approved levels. In the instant case, the approximately \$11,000 decline in annual
23 metered revenues represents about 25 percent of the Company's requested revenue
24 increase. But for the revenue loss, the Company request for a rate increase would
25 be significantly less than the 16.05 percent it is requesting.

1 **Q29. IF THE UTILITY SELLS LESS WATER, WON'T ITS EXPENSES**
2 **DECREASE?**

3 A29. Possibly. For example, purchased power and chemicals, assuming the per unit
4 costs are the same, might cost less. Taxes go down if the utility makes less
5 money. But the plant in the ground does not change, the labor force does not
6 change, and on the whole, selling less water generally means less return. We can
7 debate how much less, but you typically cannot earn your authorized return if
8 there is a significant decline in usage.

9 **Q30. PLEASE CONTINUE WITH YOUR DISCUSSION OF THE INCOME**
10 **STATEMENT ADJUSTMENTS.**

11 A30. Adjustment 6 removes non-recoverable expenses. The non-recoverable expenses
12 include rate case related expenses which are reflected in the Company's proposed
13 rate case expense and regulatory assessment fees from the Arizona Corporation
14 Commission and the Residential Utilities Consumer Office which are intended to
15 be passed-through to customers similar to sales taxes.

16 Adjustment number 7 removes other non-utility income and expense to
17 eliminate their impact on income taxes.

18 Adjustment 8 synchronizes interest expense with rate base.

19 Adjustment 9 reflects income taxes on taxable income based on the
20 adjusted test year revenues and expenses.

21 **D. Cost of Capital (D Schedules).**

22 **Q31. PLEASE SUMMARIZE THE COMPANY'S PROPOSED COST OF**
23 **CAPITAL.**

24 A31. AWC is requesting a return on common equity of 11.0 percent. The cost of debt is
25 6.82 percent. As shown on Schedule D-1, AWC's capital structure for ratemaking
26 purposes consists of 48.51 percent equity and 51.49 percent debt. The weighted

1 average cost of capital ("WACC") is 8.85 percent based upon the aforementioned
2 capital structure, cost of equity, and cost of debt.

3 **Q32. WHAT IS THE BASIS FOR AWC'S PROPOSED COST OF EQUITY OF 11**
4 **PERCENT?**

5 A32. The Company's cost of equity recommendation of 11.0 percent is based upon a
6 risk premium analysis of publicly traded water utilities (proxy group). The proxy
7 group consists of American States Water Company (AWR), Aqua America
8 (WZTR), California Water Company (CWT), Connecticut Water (CTWS),
9 Middlesex Water (MSEX), and SJW Corp. (SJW). The average indicated
10 cost of equity for the water proxy group as shown on Schedule D-4.6 is 11.06
11 percent.

12 **E. Rate Design (H Schedules).**

13 **Q33. WHAT ARE AWC'S PRESENT RATES FOR WATER SERVICE?**

14 A33. AWC's present rates are:

15 **MONTHLY SERVICE CHARGES**

16	5/8" x 3/4" meters	\$14.00
17	3/4" Meters	\$21.00
18	1" Meters	\$35.00
19	1 1/2" Meters	\$70.00
20	2" Meters	\$112.00
21	3" Meters	\$224.00
22	4" Meters	\$350.00
23	6" Meters	\$700.00
24	6" Meters	\$1,655.76
25	Standpipe/Coin-Op	\$0.00

26

1 COMMODITY RATES (per 1,000 gallons)

2	5/8" X 3/4" Meters	1 to 3,000 gals	\$ 2.25
3		3,001 to 10,000 gals	\$ 3.80
4		Over 10,000 gals	\$ 6.00
5	3/4" Meters	1 to 3000 gals	\$ 2.25
6		3,001 to 10,000 gals	\$ 3.80
7		Over 10,000 gals	\$ 6.00
8	1" Meters	1 to 16,000 gals	\$3.80
9		Over 16,000 gals	\$ 6.00
10	1 1/2" Meters	1 to 30,000	\$ 3.80
11		Over 30,000	\$ 6.00
12	2" Meters	1 to 45,000	\$ 3.80
13		Over 45,000	\$ 6.00
14	3" Meters	1 to 90,000	\$ 3.80
15		Over 90,000	\$ 6.00
16	4" Meters	1 to 145,000	\$ 3.80
17		Over 145,000	\$ 6.00
18	6" Meters	1 to 300,000	\$ 3.80
19		Over 300,000	\$ 6.00
20	Standpipe/Coin-Op	All gallons	\$ 6.00

21
22 **Q34. WHAT ARE AWC'S PROPOSED RATES FOR WATER SERVICE?**

23 A34. AWC's proposed rates are:

24 MONTHLY SERVICE CHARGES

25	5/8" x 3/4" meters	\$18.34
26	3/4" Meters	\$27.51

1	1" Meters		\$45.85
2	1 1/2" Meters		\$91.70
3	2" Meters		\$146.72
4	3" Meters		\$293.44
5	4" Meters		\$458.50
6	6" Meters		\$917.00
7	Standpipe/Coin-Op		\$0.00
8			
9	<u>COMMODITY RATES (per 1,000 gallons)</u>		
10	5/8" X 3/4" Meters	1 to 3,000 gals	\$ 2.54
11		3,001 to 10,000 gals	\$ 4.04
12		Over 10,000 gals	\$ 6.14
13	3/4" Meters	1 to 3,000 gals	\$ 2.54
14		3,001 to 10,000 gals	\$ 4.04
15		Over 10,000 gals	\$ 6.14
16	1" Meters	1 to 16,000 gals	\$4.04
17		Over 16,000 gals	\$ 6.14
18	1 1/2" Meters	1 to 30,000	\$ 4.04
19		Over 30,000	\$ 6.14
20	2" Meters	1 to 45,000	\$ 4.04
21		Over 45,000	\$ 6.14
22	3" Meters	1 to 90,000	\$ 4.04
23		Over 90,000	\$ 6.14
24	4" Meters	1 to 145,000	\$ 4.04
25		Over 145,000	\$ 6.14
26	6" Meters	1 to 300,000	\$ 4.04

1		Over 300,000	\$ 6.14
2	Standpipe	All gallons	\$ 6.25

3
4 **Q35. WHAT METER SIZE ARE THE MAJORITY OF CUSTOMERS ON AND**
5 **WHAT WAS THE AVERAGE MONTHLY BILL DURING THE TEST**
6 **YEAR ?**

7 A35. The largest customer class is the 5/8x3/4 inch residential class. As shown on
8 Schedule H-2, page 1, the average monthly bill under present rates for a 5/8x3/4
9 inch residential customer using an average 5,717 gallons is \$31.07.

10 **Q36. WHAT WILL BE THE AVERAGE 5/8X3/4 INCH CUSTOMER AVERAGE**
11 **MONTHLY BILL UNDER THE NEW RATES?**

12 A36. As shown on Schedule H-2, page 2, the average monthly bill under proposed rates
13 for a 5/8x3/4 inch customer using an average 5,717 gallons is \$36.95 – a \$5.88
14 increase over the present monthly bill or a 18.91 percent increase.

15 **Q37. IS THE COMPANY PROPOSING ANY CHANGES TO THE RATE**
16 **DESIGN?**

17 A34. Yes. While the Company is proposing to retain the existing inverted tier rate
18 design and to retain the existing break-over points, the Company is proposing a
19 greater emphasis in revenue recovery from the monthly minimum charges in order
20 to improve revenue stability. In the prior rate case, the adopted rates were intended
21 to recover about 36.6 percent of the metered revenues from the monthly
22 minimums. The Company is proposing to recover about 44.1 percent of metered
23 revenues from the monthly minimums. *See* Schedule H-2, page 4.

24 **Q35. IS AWC PROPOSING A CHANGE IN THE ARSENIC IMPACT HOOK-**
25 **UP FEE?**

26 A35. No.

1 **Q37. IS AWC PROPOSING ANY CHANGES TO ITS METER AND SERVICE**
2 **LINE INSTALLATION CHARGES?**

3 A37. No.

4 **Q38. IS AWC PROPOSING ANY CHANGES TO MISCELLANEOUS SERVICE**
5 **CHARGES?**

6 A38. No.

7 **Q39. DOES THAT COMPLETE YOUR PREPARED DIRECT TESTIMONY ON**
8 **BEHALF OF AWC, AND ITS REQUEST FOR AN INCREASE IN ITS**
9 **RATES AND CHARGES FOR WATER SERVICE, AS THE SAME**
10 **PERTAINS TO THE SUBJECTS OF COST OF CAPITAL, RATE BASE,**
11 **INCOME STATEMENT, REVENUE REQUIREMENT AND RATE**
12 **DESIGN?**

13 A39. Yes, it does.

14

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Computation of Increase in Gross Revenue
 Requirements As Adjusted

Exhibit
 Schedule A-1
 Page 1
 Witness: Bourassa

Line
No.

1	Fair Value Rate Base	\$ 570,570
2		
3	Adjusted Operating Income	16,435
4		
5	Current Rate of Return	2.88%
6		
7	Required Operating Income	\$ 50,482
8		
9	Required Rate of Return on Fair Value Rate Base	8.85%
10		
11	Operating Income Deficiency	\$ 34,046
12		
13	Gross Revenue Conversion Factor	1.2732
14		
15	Increase in Gross Revenue Requirement	\$ 43,349
16		
17		
18	Adjusted Test Year Revenues	\$ 270,040
19	Increase in Gross Revenue Requirement	\$ 43,349
20	Proposed Revenue Requirement	\$ 313,389
21	% Increase	16.05%
22		

Customer Classification	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
25 5/8x3/4 Inch	\$ 245,084	\$ 287,662	\$ 42,577	17.37%
26 2 Inch	11,690	12,428	738	6.31%
27 Standpipe	4,371	4,553	182	4.17%
28 Coin-Op	4,905	5,109	204	4.17%
29		-	-	0.00%
30 Revenue Annualization	125	133	8	6.38%
31 Subtotal	\$ 266,176	\$ 309,885	\$ 43,709	16.42%
32				
33 Other Water Revenues	7,758	7,758	-	0.00%
34 Declining Usage Adjustment	(3,395)	(3,953)	(558)	16.42%
35 Reconciling Amount	(499)	(302)	197	-39.48%
36 Rounding	-	-	-	0.00%
37 Total of Water Revenues	\$ 270,040	\$ 313,389	\$ 43,349	16.05%

40 SUPPORTING SCHEDULES:

- 41 B-1
- 42 C-1
- 43 C-3
- 44 H-1

Abra Water Company, Inc.
Test Year Ended December 31, 2012
Summary of Results of Operations

Exhibit
Schedule A-2
Page 1
Witness: Bourassa

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		12/31/2010	12/31/2011	Actual 12/31/2012	Adjusted 12/31/2012	Present Rates 12/31/2013	Proposed Rates 12/31/2013
1	Gross Revenues	\$ 215,258	\$ 263,562	\$ 268,657	\$ 270,040	\$ 270,040	\$ 313,389
2							
3	Revenue Deductions and	231,111	230,508	240,250	253,604	253,604	262,907
4	Operating Expenses						
5							
6	Operating Income	\$ (15,853)	\$ 33,054	\$ 28,407	\$ 16,435	\$ 16,435	\$ 50,482
7							
8	Other Income and	61	45	37	-	-	-
9	Deductions						
10							
11	Interest Expense	(11,331)	(11,378)	(13,949)	(20,038)	(20,038)	(20,038)
12							
13	Net Income	\$ (27,123)	\$ 21,721	\$ 14,496	\$ (3,602)	\$ (3,602)	\$ 30,444
14							
15	Common Shares	1,000	1,000	1,000	1,000	1,000	1,000
16							
17	Earned Per Average						
18	Common Share	(27.12)	21.72	14.50	(3.60)	(3.60)	30.44
19							
20	Dividends Paid	-	-	-	-	-	-
21							
22	Dividends Per						
23	Common Share	-	-	-	-	-	-
24							
25	Payout Ratio	-	-	-	-	-	-
26							
27	Return on Average						
28	Invested Capital	-0.22%	2.14%	1.44%	-0.35%	-0.33%	2.77%
29							
30	Return on Year End						
31	Capital	-2.71%	2.11%	1.47%	-0.35%	-0.31%	2.64%
32							
33	Return on Average						
34	Common Equity	-20.31%	8.18%	4.97%	-1.38%	-1.14%	9.11%
35							
36	Return on Year End						
37	Common Equity	-10.16%	8.24%	4.54%	-1.38%	-1.14%	8.71%
38							
39	Times Bond Interest Earned						
40	Before Income Taxes	(1.39)	2.91	2.04	0.77	0.77	2.91
41							
42	Times Total Interest and						
43	Preferred Dividends Earned						
44	After Income Taxes	(1.40)	2.91	2.04	1.42	1.42	2.52
45							
46							
47							
48							
49							
50	SUPPORTING SCHEDULES						
51	C-1						
52	E-2						
53	F-1						
54							

Abra Water Company, Inc.
Test Year Ended December 31, 2012
Construction Expenditures
and Gross Utility Plant in Service

Exhibit
Schedule A-4
Page 1
Witness: Bourassa

<u>Line No.</u>		<u>Construction Expenditures</u>	<u>Net Plant Placed in Service</u>	<u>Gross Utility Plant in Service</u>
1				
2				
3				
4	Prior Year Ended 12/31/2010	-	-	1,500,623
5				
6	Prior Year Ended 12/31/2011	61,960	61,960	1,562,583
7				
8	Test Year Ended 12/31/2012	40,730	40,730	1,603,313
9				
10	Projected Year Ended 12/31/2013	163,838	163,838	1,767,151
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
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33				
34	<u>SUPPORTING SCHEDULES:</u>			
35	B-2			
36	E-5			
37	F-3			
38				
39				
40				

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Summary of Rate Base

Exhibit
 Schedule B-1
 Page 1
 Witness: Bourassa

Line No.	<u>Original Cost</u> <u>Rate base</u>	<u>Fair Value</u> <u>Rate Base</u>
1		
2	Gross Utility Plant in Service	\$ 1,523,413
3	Less: Accumulated Depreciation	659,371
4		
5	Net Utility Plant in Service	\$ 864,042
6		
7	<u>Less:</u>	
8	Advances in Aid of Construction	196,858
9		
10	Contributions in Aid of Construction	359,028
11		
12	Accumulated Amortization of CIAC	(257,496)
13		
14	Customer Meter Deposits	14,650
15	Customer Security Deposits	3,067
16	Accumulated Deferred Income Tax	-
17		
18		
19	<u>Plus:</u>	
20		
21	Deferred Regulatory Assets TCE Plume	-
22	Deferred Tax Assets	-
23	Allowance for Working Capital	22,634
24		
25		
26	Total Rate Base	\$ 570,570
27		
28		
29		
30		
31		
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41	<u>SUPPORTING SCHEDULES:</u>	
42	B-2	
43	B-3	
44	B-5	
45	E-1	
46		
47		
48		
49		
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Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Original Cost Rate Base Proforma Adjustments

Exhibit
 Schedule B-2
 Page 1
 Witness: Bourassa

Line No.		Actual at End of <u>Test Year</u>	Proforma Adjustment	Adjusted at end of <u>Test Year</u>
1	Gross Utility			
2	Plant in Service	\$ 1,603,313	(79,900)	\$ 1,523,413
3				
4	Less:			
5	Accumulated			
6	Depreciation	753,838	(94,467)	659,371
7				
8				
9	Net Utility Plant			
10	in Service	\$ 849,475		\$ 864,042
11				
12	Less:			
13	Advances in Aid of			
14	Construction	196,858	-	196,858
15				
16	Contributions in Aid of			
17	Construction - Gross	359,028	-	359,028
18				
19	Accumulated Amortization of CIAC	(257,496)	-	(257,496)
20				
21	Customer Meter Deposits	14,650	-	14,650
22	Custmer Security Deposits	3,067	-	3,067
23	Accumulated Deferred Income Tax	-	-	-
24				-
25				-
26				
27	Plus:			
28				
29	Deferred Regulatory Assets TCE Plume	-		-
30	Prepayments	-		-
31	Materials and Supplies	-		-
32	Working capital	22,634	-	22,634
33				-
34				
35	Total	<u>\$ 556,003</u>		<u>\$ 570,570</u>

46 SUPPORTING SCHEDULES:
 47 B-2, pages 2
 48 E-1
 49
 50
 51

RECAP SCHEDULES:
 B-1

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Original Cost Rate Base Proforma Adjustments

Exhibit
 Schedule B-2
 Page 2
 Witness: Bourassa

Line No.	Actual at End of Test Year	Proforma Adjustments			Adjusted at end of Test Year
		1 Plant-in-Service	2 Accumulated Depreciation	3 Working Capital	
1	\$ 1,603,313	(79,900)			\$ 1,523,413
2					
3					
4					
5					
6	753,838		(94,467)		659,371
7					
8					
9					
10	\$ 849,475	(79,900)	94,467		\$ 864,042
11					
12					
13					
14	196,858				196,858
15					
16					
17	359,028				359,028
18					
19	(257,496)				(257,496)
20					
21	14,650				14,650
22	3,067				3,067
23					
24					
25					
26					
27					
28					
29					
30					
31	22,634		22,634		45,269
32					
33	\$ 556,003	(79,900)	94,467	22,634	\$ 593,204
34					
35					
36					
37					
38					
39					
40					
41					

RECAP SCHEDULES:
 B-1

SUPPORTING SCHEDULES:
 B-2, pages 3-4
 B-5
 E-1

Abra Water Company, Inc.
Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1 - A

Exhibit
Schedule B-2
Page 3.1
Witness: Bourassa

Line

No.

1	<u>Retire Arsenic Media</u>	
2		
3		
4	320.3 Media for Arsenic Treatment	\$ (79,900)
5		
6		
7		
8	Total Adjustment to Plant-in-Service	<u>\$ (79,900)</u>

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43 SUPPORTING SCHEDULE

44 Work papers

45

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 1 - C

Exhibit
 Schedule B-2
 Page 3.2
 Witness: Bourassa

Line

No.

1 Reconciliation of Plant to Plant Reconstruction

2

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Acct. No.	Description	Original Cost	B-2 Adjustments	Adjusted Original Cost	Plant Per Reconstruction	Difference
301	Organization Cost	508	-	508	508	-
302	Franchise Cost	787	-	787	787	-
303	Land and Land Rights	15,044	-	15,044	15,044	(0)
304	Structures and Improvements	72,787	-	72,787	72,787	0
305	Collecting and Impounding Res.	-	-	-	-	-
306	Lake River and Other Intakes	-	-	-	-	-
307	Wells and Springs	67,868	-	67,868	67,868	(0)
308	Infiltration Galleries and Tunnels	-	-	-	-	-
309	Supply Mains	-	-	-	-	-
310	Power Generation Equipment	-	-	-	-	-
311	Electric Pumping Equipment	77,467	-	77,467	77,467	0
320	Water Treatment Equipment	(0)	-	(0)	-	0
320.1	Water Treatment Plant	145,002	-	145,002	145,002	-
320.2	Chemical Solution Feeders	4,654	-	4,654	4,654	(0)
320.3	Arsenic Media	145,460	(79,900)	65,560	65,560	-
330	Dist. Reservoirs & Standpipe	-	-	-	-	-
330.1	Storage tanks	197,626	-	197,626	197,626	0
330.2	Pressure Tanks	-	-	-	-	-
331	Trans. and Dist. Mains	659,578	-	659,578	659,578	(0)
333	Services	133,392	-	133,392	133,392	(0)
334	Meters	40,035	-	40,035	40,035	(0)
335	Hydrants	-	-	-	-	-
336	Backflow Prevention Devices	-	-	-	-	-
339	Other Plant and Misc. Equip.	9,890	-	9,890	9,890	(0)
340	Office Furniture and Fixtures	278	-	278	278	1
340.1	Computers and Software	6,098	-	6,098	6,098	0
341	Transportation Equipment	20,280	-	20,280	20,280	0
342	Stores Equipment	-	-	-	-	-
343	Tools and Work Equipment	65	-	65	65	-
344	Laboratory Equipment	-	-	-	-	-
345	Power Operated Equipment	-	-	-	-	-
346	Communications Equipment	1,855	-	1,855	1,855	-
347	Miscellaneous Equipment	95	-	95	95	0
348	Other Tangible Plant	4,545	-	4,545	4,545	-
	Plant Held for Future Use	-	-	-	-	-
	TOTALS	\$ 1,603,313	\$ (79,900)	\$ 1,523,413	\$ 1,523,413	\$ 0

SUPPORTING SCHEDULE

B-2, pages 3.1

B-2, pages 3.3 through 3.5

Abra Water Company, Inc.
Summary of Plant Adds, Retirements, and Accumulated Depreciation

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	Per Decision 72887		2010					Accum. Deprec. 12/31/2009	Plant at 12/31/2009	
				Plant at 12/31/2009	Accum. Deprec. At 12/31/2009	Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Adjusted Plant Retirements			Salvage A/D Only
1	301	Organization Cost	0.00%	508	-	-	-	-	-	-	-	508	-
2	302	Franchise Cost	0.00%	787	-	-	-	-	-	-	-	787	-
3	303	Land and Land Rights	0.00%	15,044	-	-	-	-	-	-	-	15,044	-
4	304	Structures & Improvements	3.33%	72,787	6,420	-	-	-	-	-	-	72,787	6,844
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	63,078	45,272	-	-	-	-	-	-	63,078	47,372
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	50,877	22,182	-	-	-	-	-	-	50,877	26,281
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.33%	65,102	12,700	-	79,900	79,900	-	-	-	145,002	16,198
14	320.2	Solution Chemical Feeders	20.00%	4,654	2,725	-	-	-	-	-	-	4,654	3,297
14	320.3	Arsenic Media	33.00%	79,900	31,968	-	-	-	-	-	-	79,900	79,900
14	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	197,626	35,127	-	-	-	-	-	-	197,626	39,514
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	659,578	264,934	-	-	-	-	-	-	659,578	278,126
19	333	Services	3.33%	133,378	62,483	14	-	14	-	-	-	133,392	66,925
20	334	Meters	8.33%	35,125	21,458	1,014	-	1,014	-	-	-	36,139	24,426
21	335	Hydrants	2.00%	-	-	-	-	-	-	-	-	-	-
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	9,890	4,072	-	-	-	-	-	-	9,890	4,732
24	340	Office Furniture & Equipment	6.67%	278	171	-	-	-	-	-	-	278	190
25	340.1	Computers & Software	20.00%	6,098	6,098	-	-	-	-	-	-	6,098	6,098
26	341	Transportation Equipment	20.00%	20,280	13,380	-	-	-	-	-	-	20,280	17,436
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	65	65	-	-	-	-	-	-	65	65
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	95	9	-	-	-	-	-	-	95	19
33	348	Other Tangible Plant	10.00%	4,545	4,094	-	-	-	-	-	-	4,545	4,545
34		Plant Held for Future Use											
35													
36		TOTALS		1,419,695	533,158	1,028	79,900	80,928	-	-	-	1,500,623	623,967

See Work Papers

Abra Water Company, Inc.
Summary of Plant Adds, Retirements, and Accumulated Depreciation

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2011						Accum. Deprec.	
				Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Adjusted Plant Retirements	Salvage A/D Only		
1	301	Organization Cost	0.00%	-	-	-	-	-	508	-	
2	302	Franchise Cost	0.00%	-	-	-	-	-	787	-	
3	303	Land and Land Rights	0.00%	-	-	-	-	-	15,044	-	
4	304	Structures & Improvements	3.33%	-	-	-	-	2,424	72,787	11,268	
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-	
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	
7	307	Wells & Springs	3.33%	-	-	-	-	2,100	63,078	49,473	
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-	
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	-	
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	-	
11	311	Pumping Equipment	12.50%	1,400	-	1,400	-	-	52,277	30,468	
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-	-	
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	145,002	21,027	
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	572	4,654	
14	320.3	Arsenic Media	33.00%	60,560	-	60,560	79,900	-	60,560	9,992	
14	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	197,626	43,902	
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	
18	331	Transmission & Distribution Mains	2.00%	-	-	-	-	-	13,192	659,578	
19	333	Services	3.33%	-	-	-	-	-	4,442	133,392	
20	334	Meters	8.33%	-	-	-	-	-	3,010	36,139	
21	335	Hydrants	2.00%	-	-	-	-	-	-	-	
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-	660	9,890	
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-	19	278	
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-	6,098	
26	341	Transportation Equipment	20.00%	-	-	-	-	-	2,844	20,280	
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-	
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	65	65	
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-	
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	10	95	
33	348	Other Tangible Plant	10.00%	-	-	-	-	-	-	4,545	
34		Plant Held for Future Use		-	-	-	-	-	-	-	
35				-	-	-	-	-	-	-	
36		TOTALS		61,960	-	61,960	79,900	-	52,667	1,482,683	596,734

See Work Papers

Abra Water Company, Inc.
Summary of Plant Adds, Retirements, and Accumulated Depreciation

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2012					Accum. Deprec.	
				Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Adjusted Plant Retirements		Salvage A/D Only
1	301	Organization Cost	0.00%	-	-	-	-	-	508	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	787	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	15,044	-
4	304	Structures & Improvements	3.33%	-	-	-	-	2,424	72,787	13,681
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	4,790	-	4,790	-	2,180	67,868	51,653
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	25,190	-	25,190	-	5,849	77,467	36,317
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	4,829	145,002	25,855
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	572	4,654	4,441
14	320.3	Arsenic Media	33.00%	5,000	-	5,000	-	20,810	65,560	30,802
14	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	4,387	197,626	48,289
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	-	-	-	-	13,192	689,578	304,509
19	333	Services	3.33%	-	-	-	-	4,442	133,392	75,809
20	334	Meters	8.33%	3,896	-	3,896	-	3,173	40,035	30,609
21	335	Hydrants	2.00%	-	-	-	-	-	-	-
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	660	9,890	6,051
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	19	278	227
25	340.1	Computers & Software	20.00%	-	-	-	-	-	6,098	6,098
26	341	Transportation Equipment	20.00%	-	-	-	-	-	20,280	20,280
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	65	65
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	1,855	-	1,855	-	93	1,855	93
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	10	95	38
33	348	Other Tangible Plant	10.00%	-	-	-	-	-	4,545	4,545
34		Plant Held for Future Use		-	-	-	-	-	-	-
35		TOTALS		40,730	-	40,730	-	62,637	1,523,413	659,371

See Work Papers

Abra Water Company, Inc.
Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2

Accumulated Depreciation

Line No.	Acct. No.	Description	A		B	C		D	E	Adjusted Accum. Depr.
			Per Books Accum. Depr.	Intentionally Left Blank		Intentionally Left Blank	Intentionally Left Blank			
5	301	Organization Cost								
6	302	Franchise Cost								
7	303	Land and Land Rights								
8	304	Structures and Improvements	13,691		0					13,691
9	305	Collecting and Impounding Res.								
10	306	Lake River and Other Intakes			(80)					
11	307	Wells and Springs	51,733							51,653
12	308	Infiltration Galleries and Tunnels								
13	309	Supply Mains								
14	310	Power Generation Equipment								
15	311	Electric Pumping Equipment	37,979		(1,662)					36,317
16	320	Water Treatment Equipment	27,188		(1,332)					25,855
17	320.1	Water Treatment Plant	4,441		0					4,441
18	320.2	Chemical Solution Feeders								
19	320.3	Media for Arsenic Treatment	121,898	(79,900)	(11,196)					30,802
20	330	Dist. Reservoirs & Standpipe								
21	330.1	Storage tanks	48,289		(0)					48,289
22	330.2	Pressure Tanks								
23	331	Trans. and Dist. Mains	304,508		0					304,509
24	333	Services	75,809		(1)					75,809
25	334	Meters	30,814		(205)					30,609
26	335	Hydrants								
27	336	Backflow Prevention Devices								
28	339	Other Plant and Misc. Equip.	6,051		0					6,051
29	340	Office Furniture and Fixtures	226		1					227
30	340.1	Computers and Software	6,098		0					6,098
31	341	Transportation Equipment	20,280		0					20,280
32	342	Stores Equipment								
33	343	Tools and Work Equipment	65							65
34	344	Laboratory Equipment								
35	345	Power Operated Equipment								
36	346	Communications Equipment	186		(93)					93
37	347	Miscellaneous Equipment	38		(0)					38
38	348	Other Tangible Plant	4,545							4,545
39										
40										
41		TOTALS	\$ 753,838	\$ (79,900)	\$ (14,567)	\$ -	\$ -	\$ -	\$ -	\$ 659,371
42										
43		Accumulated Depreciation per Books								\$ 753,838
44										
45		Increase (decrease) in Accumulated Depreciation								\$ (94,467)
46										
47		Adjustment to Accumulated Depreciation								\$ (94,467)
48										

Abra Water Company, Inc.
Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2 - A

Exhibit
Schedule B-2
Page 4.1
Witness: Bourassa

Line

No.

1

Retire Arsenic Media

3

4

5

320.3 Media for Arsenic Treatment

\$ (79,900)

6

7

8

9

Total Adjustment to Accumulated Depreciation

\$ (79,900)

10

11

12

13

14

15

16

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SUPPORTING SCHEDULE

44

Work papers

45

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 2 - B

Exhibit
 Schedule B-2
 Page 4.2
 Witness: Bourassa

Line No.	<u>Reconciliation of A/D to A/D Reconstruction</u>					
4	Acct.	Original	B-2	Adjusted	Plant	
5	No. Description	Cost	Adjustments	Original	Per	Difference
6	301 Organization Cost	-	-	-	-	-
7	302 Franchise Cost	-	-	-	-	-
8	303 Land and Land Rights	-	-	-	-	-
9	304 Structures and Improvements	13,691	-	13,691	13,691	0
10	305 Collecting and Impounding Res.	-	-	-	-	-
11	306 Lake River and Other Intakes	-	-	-	-	-
12	307 Wells and Springs	51,733	-	51,733	51,653	(80)
13	308 Infiltration Galleries and Tunnels	-	-	-	-	-
14	309 Supply Mains	-	-	-	-	-
15	310 Power Generation Equipment	-	-	-	-	-
16	311 Electric Pumping Equipment	37,979	-	37,979	36,317	(1,662)
17	320 Water Treatment Equipment	-	-	-	-	-
18	320.1 Water Treatment Plant	27,188	-	27,188	25,855	(1,332)
19	320.2 Chemical Solution Feeders	4,441	-	4,441	4,441	0
20	320.3 Arsenic Media	121,898	(79,900)	41,998	30,802	(11,196)
21	330 Dist. Reservoirs & Standpipe	-	-	-	-	-
22	330.1 Storage tanks	48,289	-	48,289	48,289	(0)
23	330.2 Pressure Tanks	-	-	-	-	-
24	331 Trans. and Dist. Mains	304,508	-	304,508	304,509	0
25	333 Services	75,809	-	75,809	75,809	(1)
26	334 Meters	30,814	-	30,814	30,609	(205)
27	335 Hydrants	-	-	-	-	-
28	336 Backflow Prevention Devices	-	-	-	-	-
29	339 Other Plant and Misc. Equip.	6,051	-	6,051	6,051	0
30	340 Office Furniture and Fixtures	226	-	226	227	1
31	340.1 Computers and Software	6,098	-	6,098	6,098	0
32	341 Transportation Equipment	20,280	-	20,280	20,280	0
33	342 Stores Equipment	-	-	-	-	-
34	343 Tools and Work Equipment	65	-	65	65	-
35	344 Laboratory Equipment	-	-	-	-	-
36	345 Power Operated Equipment	-	-	-	-	-
37	346 Communications Equipment	186	-	186	93	(93)
38	347 Miscellaneous Equipment	38	-	38	38	(0)
39	348 Other Tangible Plant	4,545	-	4,545	4,545	-
40	Plant Held for Future Use	-	-	-	-	-
41	TOTALS	\$ 753,838	\$ (79,900)	\$ 673,938	\$ 659,371	\$ (14,567)
42						
43						
44	<u>SUPPORTING SCHEDULE</u>					
45	B-2, pages 4.1					
46	B-2, pages 3.3 through 3.5					

Abra Water Company, Inc.
Test Year Ended December 31, 2012
Computation of Working Capital

Exhibit
Schedule B-5
Page 1
Witness: Bourassa

Line No.			
1	Cash Working Capital (1/8 of Allowance		
2	Operation and Maintenance Expense)	\$	21,906
3	Pumping Power (1/24 of Pumping Power)		720
4	Purchased Water (1/24 of Purchased Water)		8
5			
6			
7			
8			
9	Total Working Capital Allowance	<u>\$</u>	<u>22,634</u>
10			
11			
12	Working Capital Requested	<u>\$</u>	<u>22,634</u>
13			
14			
15			
16			
17		<u>Adjusted Test Year</u>	
18	Total Operating Expense	\$	253,604
19	Less:		
20	Income Tax	\$	(930)
21	Property Tax		10,224
22	Depreciation		51,585
23	Purchased Water		191
24	Pumping Power		17,285
25	Allowable Expenses	<u>\$</u>	<u>175,251</u>
26	1/8 of allowable expenses	<u>\$</u>	<u>21,906</u>
27			
28			
29	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>	
30	E-1	B-1	
31			
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Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Income Statement

Exhibit
 Schedule C-1
 Page 1
 Witness: Bourassa

Line No.		Test Year Book Results	Adjustment	Test Year Adjusted Results	Proposed Rate Increase	Adjusted with Rate Increase
1	Revenues					
2	Metered Water Revenues	\$ 260,898	\$ 1,383	\$ 262,282	\$ 43,349	\$ 305,631
3	Unmetered Water Revenues	-	-	-		-
4	Other Water Revenues	7,758	-	7,758		7,758
5		<u>\$ 268,657</u>	<u>\$ 1,383</u>	<u>\$ 270,040</u>	<u>\$ 43,349</u>	<u>\$ 313,389</u>
6	Operating Expenses					
7	Salaries and Wages	\$ -	-	\$ -		\$ -
8	Purchased Water	-	-	-		-
9	Purchased Power	17,285	-	17,285		17,285
10	Chemicals	191	-	191		191
11	Materials and Supplies	5,588	-	5,588		5,588
12	Office Supplies and Expense	10,243	-	10,243		10,243
13	Outside Services	107,983	-	107,983		107,983
14	Water Testing	6,123	-	6,123		6,123
15	Rents	10,307	-	10,307		10,307
16	Transportation Expenses	7,017	-	7,017		7,017
17	Insurance - General Liability	3,926	-	3,926		3,926
18	Insurance - Health and Life	2,988	-	2,988		2,988
19	Reg. Comm. Exp. - Other	-	-	-		-
20	Reg. Comm. Exp. - Rate Case	2,500	9,167	11,667		11,667
21	Miscellaneous Expense	-	-	-		-
22	Bad Debt Expense	9,367	-	9,367		9,367
23	Depreciation and Amortization Expense	48,083	3,502	51,585		51,585
24	Taxes Other Than Income	554	-	554		554
25	Property Taxes	8,097	1,617	9,714	510	10,224
26	Income Tax	-	(930)	(930)	8,793	7,862
27		-	-	-		-
28	Total Operating Expenses	<u>\$ 240,250</u>	<u>\$ 13,355</u>	<u>\$ 253,604</u>	<u>\$ 9,303</u>	<u>\$ 262,907</u>
29	Operating Income	<u>\$ 28,407</u>	<u>\$ (11,972)</u>	<u>\$ 16,435</u>	<u>\$ 34,046</u>	<u>\$ 50,482</u>
30	Other Income (Expense)					
31	Interest Income	37	(37)	-		-
32	Other income	-	-	-		-
33	Interest Expense	(13,949)	(6,089)	(20,038)		(20,038)
34	Other Expense	-	-	-		-
35		-	-	-		-
36	Total Other Income (Expense)	<u>\$ (13,911)</u>	<u>\$ (6,126)</u>	<u>\$ (20,038)</u>	<u>\$ -</u>	<u>\$ (20,038)</u>
37	Net Profit (Loss)	<u>\$ 14,496</u>	<u>\$ (18,098)</u>	<u>\$ (3,602)</u>	<u>\$ 34,046</u>	<u>\$ 30,444</u>

38
 39 SUPPORTING SCHEDULES:
 40 C-1, page 2
 41 E-2
 42

RECAP SCHEDULES:
 A-1

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Income Statement

Exhibit
 Schedule C-1
 Page 2.1
 Witness: Bourassa

Line No.	Test Year Book Results	1	2	3	4	5	6	7	8	9
		Depreciation	Property Taxes	Rate Case Expense	Revenue Annualization	Billing Correction	Declining Usage Adj.	Remove Other Income Expense	Interest Synch.	Income Taxes
1	Revenues									
2	Metered Water Revenues	\$ 260,898			\$ 125	4,654	\$ (3,395)			
3	Unmetered Water Revenues	-								
4	Other Water Revenues	7,758			125	4,654	\$ (3,395)			
5		\$ 268,657	\$ -	\$ -	\$ 125	\$ 4,654	\$ (3,395)	\$ -	\$ -	\$ -
6	Operating Expenses									
7	Salaries and Wages	-								
8	Purchased Water	-								
9	Purchased Power	17,285								
10	Chemicals	191								
11	Materials and Supplies	5,588								
12	Office Supplies and Expense	10,243								
13	Outside Services	107,983								
14	Water Testing	6,123								
15	Rents	10,307								
16	Transportation Expenses	7,017								
17	Insurance - General Liability	3,926								
18	Insurance - Health and Life	2,988								
19	Reg. Comm. Exp. - Other	-								
20	Reg. Comm. Exp. - Rate Case	2,500		9,167						
21	Miscellaneous Expense	-								
22	Bad Debt Expense	9,367								
23	Depreciation and Amortization Expense	48,083	3,502							
24	Taxes Other Than Income	554								
25	Property Taxes	8,097	1,617							
26	Income Tax	-								(930)
27										
28	Total Operating Expenses	\$ 240,250	\$ 3,502	\$ 1,617	\$ 9,167	\$ -	\$ -	\$ -	\$ -	\$ (930)
29	Operating Income	\$ 28,407	\$ (3,502)	\$ (1,617)	\$ (9,167)	\$ 4,654	\$ (3,395)	\$ -	\$ -	\$ 930
30	Other Income (Expense)									
31	Interest Income	37						(37)		
32	Other Income	-								
33	Interest Expense	(13,949)							(6,089)	
34	Other Expense	-								
35										
36	Total Other Income (Expense)	\$ (13,911)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (37)	\$ (6,089)	\$ -
37	Net Profit (Loss)	\$ 14,496	\$ (3,502)	\$ (1,617)	\$ (9,167)	\$ 4,654	\$ (3,395)	\$ (37)	\$ (6,089)	\$ 930

38 SUPPORTING SCHEDULES:
 39 C-2
 40
 41 E-2

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Income Statement

Exhibit
 Schedule C-1
 Page 2.2
 Witness: Bourassa

Line No.		10	11	12	13	14	15	16	17	Test Year Adjusted Results	Proposed Rate Increase	Adjusted with Rate Increase
	Intentionally Left Blank											
1	Revenues									\$ 262,282	\$ 43,349	\$ 305,631
2	Metered Water Revenues											
3	Unmetered Water Revenues											
4	Other Water Revenues											
5										7,758		7,758
6	Operating Expenses									\$ 270,040	\$ 43,349	\$ 313,389
7	Salaries and Wages											
8	Purchased Water											
9	Purchased Power											
10	Chemicals									17,285		17,285
11	Materials and Supplies									191		191
12	Office Supplies and Expense									5,588		5,588
13	Outside Services									10,243		10,243
14	Water Testing									107,983		107,983
15	Rents									6,123		6,123
16	Transportation Expenses									10,307		10,307
17	Insurance - General Liability									7,017		7,017
18	Insurance - Health and Life									3,926		3,926
19	Reg. Comm. Exp. - Other									2,988		2,988
20	Reg. Comm. Exp. - Rate Case											
21	Miscellaneous Expense									11,667		11,667
22	Bad Debt Expense											
23	Depreciation and Amortization Expense									9,367		9,367
24	Taxes Other Than Income									51,585		51,585
25	Property Taxes									554		554
26	Income Tax									9,714	510	10,224
27										(930)	8,793	7,862
28	Total Operating Expenses									\$ 253,604	\$ 9,303	\$ 262,907
29	Operating Income									\$ 16,435	\$ 34,046	\$ 50,482
30	Other Income (Expense)											
31	Interest Income											
32	Other Income											
33	Interest Expense											
34	Other Expense									(20,038)		(20,038)
35												
36	Total Other Income (Expense)											
37	Net Profit (Loss)									\$ (20,038)	\$ -	\$ (20,038)
38												
39												
40												
41												

SUPPORTING SCHEDULES:
 C-2
 E-2

RECAP SCHEDULES:
 C-1, page 1

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Adjustments to Revenues and Expenses

Exhibit
 Schedule C-2
 Page 1
 Witness: Bourassa

Line No.	<u>Adjustments to Revenues and Expenses</u>						<u>Subtotal</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u> Declining Usage Adjustment	
1							
2	Depreciation Expense	Property Taxes	Rate Case Expense	Revenue Annualization	Billing Correction		
3							
4	Revenues			125	4,654	(3,395)	1,383
5							
6	Expenses	3,502	1,617	9,167			14,285
7							
8	Operating Income	(3,502)	(1,617)	(9,167)	125	4,654	(3,395)
9							
10	Interest Expense						-
11	Other Income / Expense						-
12							
13	Net Income	(3,502)	(1,617)	(9,167)	125	4,654	(3,395)
14							(12,902)
15							
16							
17							
18							
19							
20							
21		<u>Adjustments to Revenues and Expenses</u>					
22		<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>
23		Remove Other Income/ Expense	Interest Synchronization	Income Taxes	Intentionally Left Blank	Intentionally Left Blank	Intentionally Left Blank
24							
25	Revenues						1,383
26							
27	Expenses	-	-	(930)	-	-	13,355
28							
29	Operating Income	-	-	930	-	-	(11,972)
30							
31	Interest Expense		(6,089)				(6,089)
32	Other Income / Expense	(37)					(37)
33							
34	Net Income	(37)	(6,089)	930	-	-	(18,098)
35							
36							
37							
38							
39							
40							
41							
42		<u>Adjustments to Revenues and Expenses</u>					
43		<u>13</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>
44		Intentionally Left Blank	Remove Other Income/ Expense	Interest Synchronization	Income Taxes		
45							
46	Revenues						1,383
47							
48	Expenses	-	-	-	-	-	13,355
49							
50	Operating Income	-	-	-	-	-	(11,972)
51							
52	Interest Expense			-			(6,089)
53	Other Income / Expense						(37)
54							
55	Net Income	-	-	-	-	-	(18,098)
56							
57							
58							
59							

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Adjustments to Revenues and Expenses
 Adjustment Number 1

Exhibit
 Schedule C-2
 Page 2
 Witness: Bourassa

Depreciation Expense

Line No.	Acct.	Description	Adjusted Original Cost	Fully Depr or Non-Depr Plant	Adjusted Original Cost	Proposed Rates	Depreciation Expense
1							
2							
3							
4							
5	301	Organization Cost	508	(508)	-	0.00%	-
6	302	Franchise Cost	787	(787)	-	0.00%	-
7	303	Land and Land Rights	15,044	(15,044)	-	0.00%	-
8	304	Structures and Improvements	72,787		72,787	3.33%	2,424
9	305	Collecting and Impounding Res	-		-	2.50%	-
10	306	Lake River and Other Intakes	-		-	2.50%	-
11	307	Wells and Springs	67,868		67,868	3.33%	2,260
12	308	Infiltration Galleries and Tunnel	-		-	6.67%	-
13	309	Supply Mains	-		-	2.00%	-
14	310	Power Generation Equipment	-		-	5.00%	-
15	311	Electric Pumping Equipment	77,467		77,467	12.50%	9,683
16	320	Water Treatment Equipment	-		-	3.33%	-
17	320.1	Water Treatment Plant	145,002		145,002	3.33%	4,829
18	320.2	Chemical Solution Feeders	4,654		4,654	20.00%	931
19	320.3	Media for Arsenic Treatment	65,560		65,560	33.30%	21,831
20	330	Dist. Reservoirs & Standpipe	-		-	2.22%	-
21	330.1	Storage tanks	197,626		197,626	2.22%	4,387
22	330.2	Pressure Tanks	-		-	5.00%	-
23	331	Trans. and Dist. Mains	659,578		659,578	2.00%	13,192
24	333	Services	133,392		133,392	3.33%	4,442
25	334	Meters	40,035		40,035	8.33%	3,335
26	335	Hydrants	-		-	2.00%	-
27	336	Backflow Prevention Devices	-		-	6.67%	-
28	339	Other Plant and Misc. Equip.	9,890		9,890	6.67%	660
29	340	Office Furniture and Fixtures	278	(278)	-	6.67%	-
30	340.1	Computers and Software	6,098	(6,098)	-	20.00%	-
31	341	Transportation Equipment	20,280	(20,280)	-	20.00%	-
32	342	Stores Equipment	-	-	-	4.00%	-
33	343	Tools and Work Equipment	65	(65)	-	5.00%	-
34	344	Laboratory Equipment	-		-	10.00%	-
35	345	Power Operated Equipment	-		-	5.00%	-
36	346	Communications Equipment	1,855		1,855	10.00%	186
37	347	Miscellaneous Equipment	95		95	10.00%	10
38	348	Other Tangible Plant	4,545	(4,545)	-	10.00%	-
39		TOTALS	\$ 1,523,413	\$ (47,605)	\$ 1,475,808		\$ 68,168
40							
41							
42		Less: Amortization of Contributions			\$ 359,028	4.6191%	\$ (16,584)
43							
44							
45							
46							
47							
48							
49		Total Depreciation Expense					\$ (16,584)
50							\$ 51,585
51		Adjusted Test Year Depreciation Expense					48,083
52							
53		Increase (decrease) in Depreciation Expense					3,502
54							
55		Adjustment to Revenues and/or Expenses					\$ 3,502
56							
57		<u>SUPPORTING SCHEDULE</u>					
58		B-2, page 3					

*Fully Depreciated/Amortized

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Adjustment to Revenues and Expenses
 Adjustment Number 2

Exhibit
 Schedule C-2
 Page 3
 Witness: Bourassa

Property Taxes

Line No.	DESCRIPTION	Test Year as adjusted	Company Recommended
1	Company Adjusted Test Year Revenues	\$ 270,040	\$ 270,040
2	Weight Factor	<u>2</u>	<u>2</u>
3	Subtotal (Line 1 * Line 2)	540,080	540,080
4	Company Recommended Revenue	270,040	313,389
5	Subtotal (Line 4 + Line 5)	810,119	853,468
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	270,040	284,489
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	540,080	568,979
10	Plus: 10% of CWIP (intentionally excluded)	-	-
11	Less: Net Book Value of Licensed Vehicles	-	-
12	Full Cash Value (Line 9 + Line 10 - Line 11)	540,080	568,979
13	Assessment Ratio	19.0%	19.0%
14	Assessment Value (Line 12 * Line 13)	102,615	108,106
15	Composite Property Tax Rate - Obtained from ADOR	9.2877%	9.2877%
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$ 9,531	\$ 10,041
17	Tax on Parcels	<u>184</u>	<u>184</u>
18	Total Property Taxes (Line 16 + Line 17)	\$ 9,714	
19	Test Year Property Taxes	\$ 8,097	
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	<u>\$ 1,617</u>	
21			
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)		\$ 10,224
23	Company Test Year Adjusted Property Tax Expense (Line 18)		\$ 9,714
24	Increase in Property Tax Due to Increase in Revenue Requirement		<u>\$ 510</u>
25			
26	Increase in Property Tax Due to Increase in Revenue Requirement (Line 24)		\$ 510
27	Increase in Revenue Requirement		\$ 43,349
28	Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27)		1.17644%
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			

Abra Water Company, Inc.
Test Year Ended December 31, 2012
Adjustment to Revenues and Expenses
Adjustment Number 3

Exhibit
Schedule C-2
Page 4
Witness: Bourassa

Rate Case Expense

Line
No.

1		
2		
3	Estimated Rate Case Expense	\$ 35,000
4		
5	Estimated Amortization Period in Years	3
6		
7	Annual Rate Case Expense	<u>\$ 11,667</u>
8		
9	Test Year Rate Case Expense	\$ 2,500
10		
11	Increase(decrease) Rate Case Expense	<u>\$ 9,167</u>
12		
13	Adjustment to Revenue and/or Expense	<u>\$ 9,167</u>
14		
15		
16	<u>Reference</u>	
17	Testimony	
18		
19		
20		

Abra Water Company, Inc.
Test Year Ended December 31, 2012
Adjustment to Revenues and Expenses
Adjustment Number 4

Exhibit
Schedule C-2
Page 5
Witness: Bourassa

Revenue Annualization

Line
No.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

Revenue Annualization

\$ 125

Total Revenue from Annualization

\$ 125

Adjustment to Revenue and/or Expense

\$ 125

SUPPORTING SCHEDULES

C-2 pages 5.1 to 5.2

H-1

Abra Water Company

5/8x3/4 Inch

Normalization of Revenues

Test Year Ended December 31, 2012

Exhibit

Schedule C-2

Page 5.1

Witness: Bourassa

Line No.	Month of							
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	
1	613	613	613	613	613	613	613	613
2	617	611	611	612	612	607	613	613
3	(4)	2	2	1	8	6	0	
4	\$ 27.30	\$ 25.09	\$ 29.54	\$ 28.24	\$ 34.69	\$ 41.85	\$ 37.25	
5	\$ (100)	\$ 59	\$ 69	\$ 38	\$ 289	\$ 265	\$ 12	
6								
7	(4)	2	2	1	8	6	0	
8	\$ 32.93	\$ 30.58	\$ 35.32	\$ 33.94	\$ 40.80	\$ 48.41	\$ 43.52	
9	\$ (121)	\$ 71	\$ 82	\$ 45	\$ 340	\$ 307	\$ 15	
10	(17,316)	9,663	12,399	6,628	55,569	54,165	2,447	

Line No.	Month of	Total Year						
	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12			
11	613	613	613	613	613			
12	615	615	619	615	620			
13	(2)	(2)	(6)	(2)	(7)			0
14	\$ 33.56	\$ 31.27	\$ 32.53	\$ 26.13	\$ 25.64			
15	\$ (56)	\$ (52)	\$ (184)	\$ (44)	\$ (171)			\$ 125
16								
17	(2)	(2)	(6)	(2)	(7)			0
18	\$ 39.60	\$ 37.16	\$ 38.50	\$ 31.69	\$ 31.17			
19	\$ (56)	\$ (52)	\$ (184)	\$ (44)	\$ (171)			\$ 133
20	(10,620)	(9,615)	(34,570)	(7,361)	(28,584)			32,805

Average Number of Customers
 Actual Customers
 Increase in Number of Customers/Bills
 Average Revenue / Present Rates
 Revenue Annualization / Present Rates

Increase in Number of Customers
 Average Revenue / Proposed Rates
 Revenue Annualization / Proposed Rates
 Additional Gallons to be Produced

Average Number of Customers
 Actual Customers
 Increase in Number of Customers/Bills
 Average Revenue / Present Rates
 Revenue Annualization / Present Rates

Increase in Number of Customers
 Average Revenue / Proposed Rates
 Revenue Annualization / Proposed Rates
 Additional Gallons to be Produced

Line No.	Month of Jan-12	Month of Feb-12	Month of Mar-12	Month of Apr-12	Month of May-12	Month of Jun-12	Month of Jul-12
1	1	1	1	1	1	1	1
2	1	1	1	1	1	1	1
3	197.50	523.00	583.00	847.60	1,926.40	2,122.00	1,548.40
4	\$	\$	\$	\$	\$	\$	\$
5	\$	\$	\$	\$	\$	\$	\$
6							
7							
8	237.68	574.34	635.76	906.64	2,011.06	2,211.31	1,624.09
9	\$	\$	\$	\$	\$	\$	\$
10	\$	\$	\$	\$	\$	\$	\$
11							
12							
13							
14							
15	1	1	1	1	1	1	1
16	1	1	1	1	1	1	1
17							
18	2,134.60	298.00	403.00	197.50	909.40		
19	\$	\$	\$	\$	\$	\$	\$
20	\$	\$	\$	\$	\$	\$	\$
21							
22	2,224.21	343.99	451.49	237.68	969.91		
23	\$	\$	\$	\$	\$	\$	\$
24	\$	\$	\$	\$	\$	\$	\$

Abra Water Company, Inc.
Test Year Ended December 31, 2012
Adjustment to Revenues and Expenses
Adjustment Number 5

Exhibit
Schedule C-2
Page 6
Witness: Bourassa

Billing Correction

Line
No.

1		
2	Correction to Metered Revenues for Billing Errors	\$ 4,654
3		
4		
5		
6	Adjustment to Revenues	<u>\$ 4,654</u>
7		
8		
9	Adjustment to Revenue and/or Expense	<u>4,654</u>
10		
11	<u>Reference</u>	
12	Testimony	
13	Work Papers	
14		
15		
16		
17		
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Abra Water Company, Inc.
Test Year Ended December 31, 2012
Adjustment to Revenues and Expenses
Adjustment Number 6

Exhibit
Schedule C-2
Page 7
Witness: Bourassa

Declining Usage Adjustment

Line		
<u>No.</u>		
1		
2	Declining Usage Adjustment	\$ (3,395)
3		
4		
5		
6	Adjustment to Revenues	<u>\$ (3,395)</u>
7		
8		
9	Adjustment to Revenue and/or Expense	<u>(3,395)</u>
10		
11	<u>Reference</u>	
12	H-1, page 2	
13	Testimony	
14		
15		
16		
17		
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19		
20		
21		
22		
23		

Abra Water Company, Inc.
Test Year Ended December 31, 2001
Adjustment to Revenues and Expenses
Adjustment Number 7

Exhibit
Schedule C-2
Page 8
Witness: Bourassa

Remove Other Revenue and Expense

Line			
<u>No.</u>			
1			
2	Interest Income	\$	(37)
3			
4			
5			
6	Adjustment to Interest Income	<u>\$</u>	<u>(37)</u>
7			
8			
9	Adjustment to Revenue and/or Expense	<u></u>	<u>(37)</u>
10			
11	<u>Reference</u>		
12	Testimony		
13			
14			
15			
16			
17			
18			
19			
20			

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Adjustment to Revenues and Expenses
 Adjustment Number 8

Exhibit
 Schedule C-2
 Page 9
 Witness: Bourassa

Interest Synchronization

Line
No.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30

Fair Value Rate Base	\$	570,570			
Weighted Cost of Debt		3.51%			
Interest Expense			\$	20,038	
Test Year Interest Expense			\$	<u>13,949</u>	
Increase (decrease) in Interest Expense				6,089	
Adjustment to Revenue and/or Expense			\$	<u>(6,089)</u>	

Weighted Cost of Debt Computation

	<u>Percent</u>	<u>Cost</u>	<u>Weighted</u> <u>Cost</u>
Debt	51.49%	6.82%	3.51%
Equity	<u>48.51%</u>	11.00%	<u>5.34%</u>
Total	100.00%		8.85%

Abra Water Company, Inc.
Test Year Ended December 31, 2012
Adjustment to Revenues and/or Expenses
Adjustment Number 9

Exhibit
Schedule C-2
Page 10
Witness: Bourassa

Line

No.

1 Income Taxes

2

3

4 Computed Income Tax

5 Test Year Income tax Expense

6 Adjustment to Income Tax Expense

7

8

9

10

11

12

13 SUPPORTING SCHEDULE

14 C-3, page 2

15

16

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	<u>Test Year</u> <u>at Present Rates</u>	<u>Test Year</u> <u>at Proposed Rates</u>
	\$ (930)	\$ 7,862
	-	(930)
	<u>\$ (930)</u>	<u>\$ 8,793</u>

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Computation of Gross Revenue Conversion Factor

Exhibit
 Schedule C-3
 Page 1
 Witness: Bourassa

Line No.	<u>Description</u>	Percentage of Incremental Gross <u>Revenues</u>
1	Combined Federal and State Effective Income Tax Rate	20.525%
2		
3	Property Taxes	<u>0.935%</u>
4		
5		
6	Total Tax Percentage	21.460%
7		
8	Operating Income % = 100% - Tax Percentage	78.540%
9		
10		
11		
12		
13	1 _____ = Gross Revenue Conversion Factor	
14	Operating Income %	1.2732
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
26	C-3, page 2	A-1
27		
28		
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Abra Water Company, Inc.
 Test Year Ended December 31, 2012

Exhibit
 Schedule C-3
 Page 2
 Witness: Bourassa

GROSS REVENUE CONVERSION FACTOR

Line No.	Description	(A)	(B)	(C)	(D)	(E)	(F)
<i>Calculation of Gross Revenue Conversion Factor:</i>							
1	Revenue			100.0000%			
2	Uncollectible Factor (Line 11)			0.0000%			
3	Revenues (L1 - L2)			100.0000%			
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)			21.4600%			
5	Subtotal (L3 - L4)			78.5400%			
6	Revenue Conversion Factor (L1 / L5)			1.273236			
<i>Calculation of Uncollectible Factor:</i>							
7	Unity			100.0000%			
8	Combined Federal and State Tax Rate (L17)			20.5250%			
9	One Minus Combined Income Tax Rate (L7 - L8)			79.4750%			
10	Uncollectible Rate			0.0000%			
11	Uncollectible Factor (L9 * L10)			0.0000%			
<i>Calculation of Effective Tax Rate:</i>							
12	Operating Income Before Taxes (Arizona Taxable Income)			100.0000%			
13	Arizona State Income Tax Rate			6.5000%			
14	Federal Taxable Income (L12 - L13)			93.5000%			
15	Applicable Federal Income Tax Rate (L55 Col F)			15.0000%			
16	Effective Federal Income Tax Rate (L14 x L15)			14.0250%			
17	Combined Federal and State Income Tax Rate (L13 +L16)			20.5250%			
<i>Calculation of Effective Property Tax Factor</i>							
18	Unity			100.0000%			
19	Combined Federal and State Income Tax Rate (L17)			20.5250%			
20	One Minus Combined Income Tax Rate (L18-L19)			79.4750%			
21	Property Tax Factor			1.1764%			
22	Effective Property Tax Factor (L20*L21)			0.9350%			
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			21.4600%			
24	Required Operating Income	\$	50,482				
25	Adjusted Test Year Operating Income (Loss)	\$	16,435				
26	Required Increase in Operating Income (L24 - L25)			\$	34,046		
27	Income Taxes on Recommended Revenue (Col. (F), L52)	\$	7,862				
28	Income Taxes on Test Year Revenue (Col. (C), L52)	\$	(930)				
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)			\$	8,793		
30	Recommended Revenue Requirement	\$	313,389				
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.			\$	-		
35	Property Tax with Recommended Revenue	\$	10,224				
36	Property Tax on Test Year Revenue	\$	9,714				
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)			\$	510		
38	Total Required Increase in Revenue (L26 + L29 + L37)			\$	43,349		

	(A) Test Year			(B) Water			(C) Company Recommended			(D) Water		
	Total	(A)	(B)	Total	(A)	(B)	Total	(A)	(B)	Total	(A)	(B)
<i>Calculation of Income Tax:</i>												
39	Revenue	\$	270,040		\$	270,040		\$	313,389		\$	313,389
40	Operating Expenses Excluding Income Taxes		254,535			254,535			255,045			255,045
41	Synchronized Interest (L47)		20,038			20,038			20,038			20,038
42	Arizona Taxable Income (L39 - L40 - L41)	\$	(4,533)		\$	(4,533)		\$	38,307		\$	38,306
43	Arizona State Effective Income Tax Rate (see work papers)		6.5000%			6.5000%			6.5000%			6.5000%
44	Arizona Income Tax (L42 x L43)	\$	(295)		\$	(295)		\$	2,490		\$	2,490
45	Federal Taxable Income (L42-L44)	\$	(4,238)		\$	(4,238)		\$	35,817		\$	35,817
46												
47	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	\$	(636)		\$	(636)		\$	5,373		\$	5,372
48	Federal Tax on Second Income Bracket (\$50,001 - \$75,000) @ 25%	\$	-		\$	-		\$	-		\$	-
49	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	\$	-		\$	-		\$	-		\$	-
50	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	\$	-		\$	-		\$	-		\$	-
51	Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34%	\$	-		\$	-		\$	-		\$	-
52												
53	Total Federal Income Tax	\$	(636)		\$	(636)		\$	5,373		\$	5,372
54	Combined Federal and State Income Tax (L35 + L42)	\$	(930)		\$	(930)		\$	7,863		\$	7,862

55 **COMBINED** Applicable Federal Income Tax Rate [Col. (D), L53 - Col. (A), L53 / [Col. (D), L45 - Col. (A), L45] 15.0000%

56 **WASTEWATER** Applicable Federal Income Tax Rate [Col. (E), L53 - Col. (B), L53] / [Col. (E), L45 - Col. (B), L45] 0.0000%

57 **WATER** Applicable Federal Income Tax Rate [Col. (F), L53 - Col. (C), L53] / [Col. (F), L45 - Col. (C), L45] 15.0000%

Calculation of Interest Synchronization:

58	Rate Base						
59	Weighted Average Cost of Debt						
60	Synchronized Interest (L59 X L60)						

	Water
\$	570,570
	3.5118%
\$	20,038

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Summary of Cost of Capital

Exhibit
 Schedule D-1
 Page 1
 Witness: Bourassa

		<u>Adjusted End of Test Year</u>				<u>Projected Capital Structure</u>			
Line No.	Item of Capital	Dollar Amount	Percent of Total	Cost Rate	Weighted Cost	Dollar Amount	Percent of Total	Cost Rate	Weighted Cost
1	Long-Term Debt	338,663	51.49%	6.82%	3.51%	315,487	50.01%	6.82%	3.41%
2									
3	Stockholder's Equity	319,020	48.51%	11.00%	5.34%	315,417	49.99%	11.00%	5.50%
4									
5	Totals	657,683	100.00%		8.85%	630,904	100.00%		8.91%
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									

RECAP SCHEDULES:
 A-3

SUPPORTING SCHEDULES:
 D-1
 D-3
 D-4
 E-1
 Testimony

Line No. 22 23 24 25 26 27 28 29 30

Abra Water Company, Inc.

Test Year Ended December 31, 2012

Cost of Long Term Debt

Exhibit

Schedule D-2

Page 1

Witness: Bourassa

Line No.	Description of Debt	End of Test Year			End of Projected Year				
		Amount Outstanding	Annual Interest	Effective Interest Rate	Weighted Cost	Amount Outstanding	Annual Interest	Effective Interest Rate	Weighted Cost
1									
2	Big Chino	8,221	822	10.00%	0.24%	7,049	716	10.00%	0.22%
3	WIFA #04	101,237	6,880	6.80%	2.03%	94,313	6,439	6.80%	2.03%
4	WIFA #06	196,874	13,884	7.05%	4.10%	183,558	13,007	7.05%	4.10%
5	Chase (LOC)	32,330	1,520	4.70%	0.45%	30,567	1,440	4.70%	0.46%
6		-	-	10.00%	0.00%	-	-	10.00%	0.00%
7		-	-	0.00%	0.00%	-	-	0.00%	0.00%
8		-	-	0.00%	0.00%	-	-	0.00%	0.00%
9		-	-	0.00%	0.00%	-	-	0.00%	0.00%
10		-	-	0.00%	0.00%	-	-	0.00%	0.00%
11									
12									
13	Totals	\$ 338,663	23,105		6.82%	\$ 315,487	21,602		6.81%
14									
15									

Supporting Schedules:

E-1

E-2

Work papers

20
21
22
23
24
25
26
27
28
29
30

Abra Water Company, Inc.
Test Year Ended December 31, 2012
Cost of Preferred Stock

Exhibit
Schedule D-3
Page 1
Witness: Bourassa

Line
No.

	<u>End of Test Year</u>			<u>End of Projected Year</u>		
	Description of Issue	Shares Outstanding	Dividend Amount Requirement	Shares Outstanding	Dividend Amount Requirement	Dividend Requirement
1						
2						
3						
4						
5						
6						
7	NOT APPLICABLE, NO PREFERRED STOCK ISSUED OR OUTSTANDING					
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21	<u>SUPPORTING SCHEDULES:</u>			<u>RECAP SCHEDULES:</u>		
22	E-1			D-1		
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Abra Water Company, Inc.
Test Year Ended December 31, 2012
Cost of Common Equity

Exhibit
Schedule D-4
Page 1
Witness: Bouras

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The Company is proposing a cost of common equity of

11.00% .

SUPPORTING SCHEDULES:

E-1
D-4.1 to D-4.6
Testimony

RECAP SCHEDULES:

D-1

Abra Water Company, Inc.
COST OF EQUITY (COE) USING RISK PREMIUM BUILD-UP METHOD
 Based on *Duff and Phelps Risk Premium Study Data*

Exhibit
 Schedule D-4.1
 Witness: Bourassa

Company	Symbol	Measures of size (Millions)						
		MV Equity ¹	Book Equity ¹	MVIC ¹	5 Yr Avg. Net Income	Total Assets ²	5 Yr Avg. EBITDA ³	
1. American States	AWR	\$ 1,084	\$ 454	\$ 1,417	\$ 37	\$ 1,281	\$ 130	
2. Aqua America	WTR	\$ 4,150	\$ 1,386	\$ 5,694	\$ 133	\$ 4,859	\$ 422	
3. California Water	CWT	\$ 939	\$ 474	\$ 1,373	\$ 41	\$ 1,996	\$ 140	
4. Connecticut Water	CTWS	\$ 371	\$ 185	\$ 550	\$ 11	\$ 579	\$ 24	
5. Middlesex	MSEX	\$ 328	\$ 181	\$ 459	\$ 13	\$ 562	\$ 38	
6. SJW Corp.	SJW	\$ 526	\$ 275	\$ 862	\$ 21	\$ 1,087	\$ 89	

¹ From Value Line Analyzer Data and/or Zacks Investment Research

² From Value Line Analyzer Data and/or Zacks Investment Research. From E-1 for subject utility.

³ Net Income. From Zacks Investment Research and Company ACC reports

Company	2012	2011	2010	2009	2008	Average
American States	\$ 54.0	\$ 45.9	\$ 33.2	\$ 29.5	\$ 22.0	\$ 36.9
Aqua America	\$ 197.0	\$ 143.1	\$ 124.0	\$ 104.4	\$ 97.9	\$ 133.3
California Water	\$ 49.0	\$ 37.7	\$ 37.7	\$ 40.6	\$ 39.8	\$ 40.9
Connecticut Water	\$ 14.0	\$ 11.3	\$ 9.8	\$ 10.2	\$ 9.4	\$ 10.9
Middlesex	\$ 14.0	\$ 13.4	\$ 14.3	\$ 10.0	\$ 12.2	\$ 12.8
SJW Corp.	\$ 22.0	\$ 20.9	\$ 24.4	\$ 15.2	\$ 21.5	\$ 20.8

Net Income data for publicly traded water utilities from Zacks Investment Research and/or Yahoo Finance

⁴ Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA).

Company	2012	2011	2010	2009	2008	Average
American States	\$ 154.0	\$ 133.3	\$ 134.4	\$ 122.6	\$ 105.9	\$ 130.0
Aqua America	\$ 439.0	\$ 397.8	\$ 473.2	\$ 415.2	\$ 384.7	\$ 422.0
California Water	\$ 151.0	\$ 143.3	\$ 155.7	\$ 125.5	\$ 122.1	\$ 139.5
Connecticut Water	\$ 30.0	\$ 24.2	\$ 22.5	\$ 20.3	\$ 21.1	\$ 23.6
Middlesex	\$ 39.0	\$ 34.6	\$ 43.3	\$ 34.6	\$ 38.6	\$ 38.0
SJW Corp.	\$ 90.0	\$ 87.1	\$ 75.4	\$ 93.5	\$ 99.7	\$ 89.1

EBITDA data for publicly traded water utilities from Zacks Investment Research and/or Yahoo Finance

Abra Water Company, Inc.
COST OF EQUITY (COE) USING RISK PREMIUM BUILD-UP METHOD
 Based on *Duff and Phelps Risk Premium Study Data*

MRP_{mr+s} Estimates Using Duff & Phelps Study (Unlevered)

Assumes 100% Equity and 0% debt

Data Smoothing with Regression Analysis

Smoothed Premium (RP_{mr+s}) = Constant + X Coefficients * Log(Relevant Metric)

$$RP_{unlevered} = RP_{levered} - W_d/W_e * (\beta_u - \beta_d) * RF_{market}$$

Where β_u = unlevered portfolio beta

β_d = debt beta, assumed to be 0.1

W_d = percentage of debt in capital structure

W_e = percentage of equity in capital structure

RP_{levered} = levered realized risk premium

Exhibit
 Schedule D-4.2
 Witness: Bourassa

	MV Equity (Table C-1)	Book Equity (Table C-2)	MVIC (Table C-4)	5 Yr Avg. Net Income (Table C-3)	Total Assets (Table C-5)	5 Yr Avg. EBITDA (Table C-6)
Constant	18.448%	15.453%	18.701%	13.312%	17.363%	14.836%
X Coefficient(s)	-3.193%	-2.533%	-3.173%	-2.600%	-2.793%	-2.717%

	MRP _{mr+s} (unlevered)						Average
	MV Equity	Book Equity	MVIC	5 Yr Avg. Net Income	Total Assets	5 Yr Avg. EBITDA	
1. American States	8.76%	8.72%	8.70%	9.24%	8.68%	9.09%	8.87%
2. Aqua America	6.90%	7.50%	6.79%	7.79%	7.07%	7.70%	7.29%
3. California Water	8.96%	8.68%	8.74%	9.12%	8.15%	9.01%	8.78%
4. Connecticut Water	10.24%	9.71%	10.01%	10.61%	9.65%	11.11%	10.22%
5. Middlesex	10.42%	9.73%	10.25%	10.43%	9.68%	10.54%	10.18%
6. SJW Corp.	9.76%	9.27%	9.39%	9.89%	8.88%	9.54%	9.45%
Average (unlevered)	9.17%	8.94%	8.98%	9.51%	8.68%	9.50%	9.13%

Symbol
 AWR
 WTR
 CWT
 CTWS
 MSEX
 SJW

Company

- American States
- Aqua America
- California Water
- Connecticut Water
- Middlesex
- SJW Corp.

Abra Water Company, Inc.
COST OF EQUITY (COE) USING RISK PREMIUM BUILD-UP METHOD
 Based on *Duff and Phelps Risk Premium Study Data*

Exhibit
Schedule D-4.3
 Witness: Bourassa

Unlevered Portfolio Beta
 (from *Duff & Phelps RP Study - Table C*)

		Unlevered Portfolio Beta (β_u)						Average
	Company	(Table C-1)	(Table C-2)	(Table C-4)	(Table C-3)	(Table C-5)	(Table C-6)	
1.	American States	0.94	0.96	0.95	0.95	0.97	0.95	0.95
2.	Aqua America	0.87	0.89	0.86	0.88	0.83	0.82	0.86
3.	California Water	0.98	0.96	0.95	0.95	0.94	0.96	0.96
4.	Connecticut Water	0.96	0.98	0.97	0.97	0.99	1.03	0.98
5.	Middlesex	0.96	1.00	0.98	0.97	0.99	0.99	0.98
6.	SJW Corp.	0.98	0.98	0.98	0.99	0.97	0.95	0.98
	Average	0.95	0.96	0.95	0.95	0.95	0.95	0.95

Symbol
 AWR
 WTR
 CWT
 CTWS
 MSEX
 SJW

Abra Water Company, Inc.
COST OF EQUITY (COE) USING RISK PREMIUM BUILD-UP METHOD
Based on Duff and Phelps Risk Premium Study Data

Exhibit
Schedule D-4.4
Witness: Bourassa

MRP Estimates Using Duff & Phelps Study (Relevered)

Relevered Realized Risk Premium

$$RP_{\text{relevered}} = RP_{\text{unlevered}} + W_d/W_e \cdot (\beta_u - \beta_d) \cdot RP_{\text{market}}$$

Where β_u = unlevered portfolio beta

β_d = debt beta, assumed to be 0.1

W_d = percentage of debt in capital structure

W_e = percentage of equity in capital structure

$RP_{\text{unlevered}}$ = unlevered realized risk premium from Schedule D-4.3

RP_{market} = general equity risk premium for the market since 1963 through 2012

	Company	Symbol	W _d /W _e	MV		Book		MRP _{mrts} (Relevered)		5 Yr Avg. Net Income	Total Assets	5 Yr Avg. EBITDA	Average
				Equity	Equity	Equity	Equity	MVIC	Assets				
1.	American States	AMR	30.7%	9.92%	9.91%	9.88%	9.88%	10.41%	9.88%	9.88%	10.27%	10.04%	
2.	Aqua America	WTR	37.2%	8.18%	8.82%	8.06%	8.29%	9.09%	8.06%	8.29%	8.91%	8.56%	
3.	California Water	CWT	46.3%	10.79%	10.47%	10.51%	9.89%	10.89%	10.51%	9.89%	10.80%	10.56%	
4.	Connecticut Water	CTWS	48.1%	12.10%	11.62%	11.89%	11.57%	12.49%	11.89%	11.57%	13.12%	12.13%	
5.	Middlesex	MSEX	40.1%	11.97%	11.36%	11.84%	11.29%	12.00%	11.84%	11.29%	12.15%	11.77%	
6.	SJW Corp.	SJW	63.7%	12.28%	11.80%	11.91%	11.38%	12.44%	11.91%	11.38%	11.98%	11.96%	
	Average MRP (Relevered)		44.35%	10.87%	10.66%	10.68%	10.38%	11.22%	10.68%	10.38%	11.20%	10.84%	

Abra Water Company, Inc.
COST OF EQUITY (COE) USING RISK PREMIUM BUILD-UP METHOD
 Based on *Duff and Phelps Risk Premium Study Data*

Exhibit
Schedule D.4.5
 Witness: Bourassa

Equity Risk Premium Adjustment and Other metrics used in Build-up Method

[1] Estimate of Current Market Risk Premium (RP_{market})	5.00%	<<<<< Current Duff and Phelps recommendation
[2] Risk Premium Assumed in Duff & Phelps Study (1963-2012) ¹	4.50%	
[3] Equity Risk Premium Adjustment ([1] - [2])	0.50%	
[4] Average MRP (relevered) for publicly traded water companies (from Schedule D-4.5)	10.84%	
[5] MRP (relevered) for publicly traded water companies (RP_{mrs}) ([3] + [4])	11.34%	
[6] Equity Risk Premium Adjustment ([3])	0.50%	
[7] Average MRP (relevered) for subject utility company (from Table 4)	0.00%	
[8] MRP (relevered) for subject utility company (RP_{mrs}) ([6] + [7])	0.50%	
[9] Industry Risk Premium (From <i>Ibbotson</i> for SIC 494 Water Supply Industry Table 3-5)	-4.92%	
[10] Adjustment Factor to Industry Risk Premium ([2] / 6.7%) ¹	0.7463	
[11] Adjusted Industry Risk Premium (R_i) ([9] x [10])	-3.67%	
[12] Risk Free Rate (R_f) ²	3.42%	

¹ From Duff and Phelps Risk Premium Report 2013.

² Yield on 20 Yr U.S. Treasury Feb 6, 2014 (Federal Reserve)

Abra Water Company, Inc.
COST OF EQUITY (COE) USING RISK PREMIUM BUILD-UP METHOD
Based on Duff and Phelps Risk Premium Study Data

Exhibit
Schedule D-4.6
 Witness: Bourassa

Cost of Equity (COE) Estimate using Build-up Method

$$E(R_i) = R_f + RP_{m+s} + RP_i + RP_u$$

Where:

$E(R_i)$ = Expected (indicated) rate of return

R_f = Risk-free rate of return. See Rebuttal Schedule D-4.17.

RP_{m+s} = Market risk premium including size premium. See Rebuttal Schedule D-4.16.

RP_i = Industry risk premium (adjusted). See Schedule D-4-17.

RP_u = Company-specific risk premium

Sample
 Publicly Traded

Water

Utilities Abra Water Company, Inc.

R_f = 3.42% 3.42%

RP_{m+s} = See Sched. D-4.16

RP_i = -3.67% -3.67%

RP_u = 0.00% 0.00%

Indicated COE $E(R_i)$

	Symbol	Company	MV Equity	Book Equity	5 Yr Avg. Net Income	Total Assets	5 Yr Avg. EBITDA	Average
1.	AWR	American States	10.16%	10.16%	10.66%	10.13%	10.51%	10.29%
2.	WTR	Aqua America	8.43%	9.07%	9.34%	8.54%	9.16%	8.81%
3.	CWT	California Water	11.04%	10.72%	11.14%	10.14%	11.05%	10.81%
4.	CTWS	Connecticut Water	12.35%	11.86%	12.14%	11.82%	13.37%	12.38%
5.	MSEX	Middlesex	12.22%	11.60%	12.25%	11.54%	12.40%	12.02%
6.	SJW	SJW Corp.	12.53%	12.05%	12.69%	11.63%	12.22%	12.21%
		Average COE estimate	11.12%	10.91%	11.47%	10.63%	11.45%	11.09%
		Median COE Estimate	11.63%	11.16%	11.70%	10.84%	11.64%	11.41%

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Comparative Balance Sheets

Exhibit
 Schedule E-1
 Page 1
 Witness: Bourassa

Line No.	Test Year Ended <u>12/31/2012</u>	Year Ended <u>12/31/2011</u>	Year Ended <u>12/31/2010</u>
1	ASSETS		
2	\$ 1,603,313	\$ 1,562,583	\$ 1,500,623
3	-	-	-
4	-	-	-
5	(753,838)	(688,270)	(625,340)
6	<u>\$ 849,475</u>	<u>\$ 874,313</u>	<u>\$ 875,283</u>
7			
8	\$ -	\$ -	\$ -
9			
10	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
11			
12	CURRENT ASSETS		
13	\$ 42,375	\$ 59,962	\$ 51,032
14	-	-	-
15	26,227	29,441	20,240
16	38,804	36,402	31,378
17	-	-	-
18	-	-	-
19	-	-	-
20	-	-	-
21	<u>\$ 107,406</u>	<u>\$ 125,806</u>	<u>\$ 102,650</u>
22			
23	\$ 29,644	\$ 24,415	\$ 17,750
24	-	2,500	5,000
25	<u>\$ 29,644</u>	<u>\$ 26,915</u>	<u>\$ 22,750</u>
26			
27	\$ -	\$ -	\$ -
28			
29	<u>\$ 986,524</u>	<u>\$ 1,027,034</u>	<u>\$ 1,000,683</u>
30			
31			
32	LIABILITIES AND STOCKHOLDER EQUITY		
33			
34	\$ 319,020	\$ 263,731	\$ 267,029
35			
36	\$ 346,163	\$ 382,719	\$ 350,636
37			
38	CURRENT LIABILITIES		
39	\$ -	\$ -	\$ -
40	572	11,000	-
41	-	21,721	-
42	3,067	-	8,370
43	14,650	13,525	12,093
44	-	-	-
45	4,663	4,725	5,415
46	-	3,202	-
47	-	-	-
48	<u>\$ 22,952</u>	<u>\$ 54,173</u>	<u>\$ 25,879</u>
49	DEFERRED CREDITS		
50	\$ -	\$ -	\$ -
51	196,858	221,142	253,466
52	-	-	-
53	359,028	345,280	327,546
54	(257,496)	(240,012)	(223,873)
55	<u>\$ 298,390</u>	<u>\$ 326,410</u>	<u>\$ 357,139</u>
56			
57	<u>\$ 986,524</u>	<u>\$ 1,027,034</u>	<u>\$ 1,000,683</u>
58			
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61	SUPPORTING SCHEDULES:		
62	Work papers		
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64			
65			

RECAP SCHEDULES:
 A-3

Abra Water Company, Inc.
Test Year Ended December 31, 2012
Comparative Income Statements

Exhibit
Schedule E-2
Page 1
Witness: Bourassa

Line No.		Test Year Ended <u>12/31/2012</u>	Prior Year Ended <u>12/31/2011</u>	Prior Year Ended <u>12/31/2010</u>
1	Revenues			
2	Metered Water Revenues	\$ 260,898	\$ 252,712	\$ 205,973
3	Unmetered Water Revenues	-	-	-
4	Other Water Revenues	7,758	10,850	9,285
5	Total Revenues	<u>\$ 268,657</u>	<u>\$ 263,562</u>	<u>\$ 215,258</u>
6	Operating Expenses			
7	Salaries and Wages	\$ -	\$ 23,711	\$ 26,888
8	Purchased Water	-	-	-
9	Purchased Power	17,285	17,124	17,853
10	Chemicals	191	191	174
11	Materials and Supplies	5,588	5,167	2,034
12	Office Supplies and Expense	10,243	9,410	9,775
13	Outside Services	107,983	84,381	83,125
14	Water Testing	6,123	1,507	2,567
15	Rents	10,307	11,416	15,956
16	Transportation Expenses	7,017	4,978	4,317
17	Insurance - General Liability	3,926	1,785	1,262
18	Insurance - Health and Life	2,988	1,494	-
19	Reg. Comm. Exp. - Other	-	-	-
20	Reg. Comm. Exp. - Rate Case	2,500	2,500	2,500
21	Miscellaneous Expense	-	-	-
22	Bad Debt Expense	9,367	5,181	1,523
23	Depreciation and Amortization Expense	48,083	46,113	41,674
24	Taxes Other Than Income	554	8,085	13,480
25	Property Taxes	8,097	7,465	7,933
26	Income Tax	-	-	50
27		-	-	-
28	Total Operating Expenses	<u>\$ 240,250</u>	<u>\$ 230,508</u>	<u>\$ 231,111</u>
29	Operating Income	<u>\$ 28,407</u>	<u>\$ 33,054</u>	<u>\$ (15,853)</u>
30	Other Income (Expense)			
31	Interest Income	37	45	61
32	Amortization of Debt Discount & Expense	-	-	-
33	Interest Expense	(13,949)	(11,378)	(11,331)
34	Other Expense	-	-	-
35	Gain (loss) on Disposal of Equip	-	-	-
36	Total Other Income (Expense)	<u>\$ (13,911)</u>	<u>\$ (11,333)</u>	<u>\$ (11,270)</u>
37	Net Profit (Loss)	<u><u>\$ 14,496</u></u>	<u><u>\$ 21,721</u></u>	<u><u>\$ (27,123)</u></u>

41 SUPPORTING SCHEDULES:

42 Work papers

43

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Detail of Plant in Service

Exhibit
 Schedule E-5
 Page 1
 Witness: Bourassa

Line No.	Acct. No.	Plant Description	Plant Balance at 12/31/2011	Plant Additions, Reclass- ifications or or Retirements	Plant Balance at 12/31/2012
1					
2	301	Organization Cost	\$ 508	\$ -	\$ 508
3	302	Franchise Cost	787	-	787
4	303	Land and Land Rights	15,044	-	15,044
5	304	Structures & Improvements	72,787	-	72,787
6	305	Collecting & Impounding Reservoirs	-	-	-
7	306	Lake, River, Canal Intakes	-	-	-
8	307	Wells & Springs	63,078	4,790	67,868
9	308	Infiltration Galleries	-	-	-
10	309	Raw Water Supply Mains	-	-	-
11	310	Power Generation Equipment	-	-	-
12	311	Pumping Equipment	52,277	25,190	77,467
13	320	Water Treatment Equipment	-	-	-
14	320	Water Treatment Plants	145,002	-	145,002
15	320.2	Solution Chemical Feeders	4,654	-	4,654
16	330.0	Distribution Reservoirs & Standpipes	60,560	5,000	65,560
17	330	Storage Tanks	-	-	-
18	330.2	Pressure Tanks	197,626	-	197,626
19	331	Transmission & Distribution Mains	-	-	-
20	333	Services	659,578	-	659,578
21	334	Meters	133,392	-	133,392
22	335	Hydrants	36,139	3,896	40,035
23	336	Backflow Prevention Devices	-	-	-
24	339	Other Plant & Misc Equipment	-	-	-
25	340	Office Furniture & Equipment	9,890	-	9,890
26	340.1	Computers & Software	278	-	278
27	341	Transportation Equipment	6,098	-	6,098
28	342	Stores Equipment	20,280	-	20,280
29	343	Tools, Shop & Garage Equipment	-	-	-
30	344	Laboratory Equipment	65	-	65
31	345	Power Operated Equipment	-	-	-
32	346	Communication Equipment	-	-	-
33	347	Miscellaneous Equipment	-	1,855	1,855
34	348	Other Tangible Plant	95	-	95
35					
36					
37					
38		Rounding			
39		TOTAL WATER PLANT	<u>\$ 1,478,138</u>	<u>\$ 40,730</u>	<u>\$ 1,518,868</u>

40
 41 SUPPORTING SCHEDULES
 42 Work Papers
 43 B-2 pages 3.5 to 3.6
 44

RECAP SCHEDULES:

Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Operating Statistics

Exhibit
 Schedule E-7
 Page 1
 Witness: Bourassa

Line No.		Test Year Ended <u>12/31/2012</u>	Prior Year Ended <u>12/31/2011</u>	Prior Year Ended <u>12/31/2010</u>
1	<u>WATER STATISTICS:</u>			
2				
3				
4				
5	Total Gallons Sold (in Thousands)	45,577	45,811	47,590
6				
7				
8				
9	Water Revenues from Customers:	\$ 263,562	\$ 215,258	\$ 231,584
10				
11				
12				
13				
14	Year End Number of Customers	623	621	610
15				
16				
17	Annual Gallons (in Thousands)			
18	Sold Per Year End Customer	73	74	78
19				
20				
21				
22	Annual Revenue per Year End Customer	\$ 423.05	\$ 346.63	\$ 379.65
23				
24	Pumping Cost Per 1,000 Gallons	\$ 0.3792	\$ 0.3738	\$ 0.3751
25	Purchased Water Cost per 1,000 Gallons	\$ -	\$ -	\$ -

Abra Water Company, Inc.
Test Year Ended December 31, 2012
Taxes Charged to Operations

Exhibit
Schedule E-8
Page 1
Witness: Bourassa

Line No.	Description	Test Year Ended 12/31/2012	Prior Year Ended 12/31/2011	Prior Year Ended 12/31/2010
1	<u>Description</u>			
2	Sales Taxes	20457.18	24694.24	19449.93
3	State Income Taxes	\$ 50	\$ 50	\$ 50
4	Federal Income Taxes	-	-	-
5	Payroll Taxes	-	1,803	2,874
6	Property Taxes	8,097	7,465	7,933
7	Other			5,864.51
8	Totals	<u>\$ 28,604</u>	<u>\$ 34,012</u>	<u>\$ 36,171</u>
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Line
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The Company does not conduct independent audits, reviews and/or compilations. Accordingly, there are no notes which are typically associated with these financial statements. Management makes the following notations to the financial statements contained herein:

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Significant Accounting Policies - The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America and the accounting records of the are maintained in accordance with the uniform system of accounts as prescribed by the National Association of Regulatory Utility Commissioners (USOA 1996). Significant accounting policies are as follows:

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Utility Plant - Property, plant and equipment is stated at cost less accumulated depreciation provided on a straight-line basis.

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Depreciation rates for asset classes of utility property, plant and equipment are established by the Commission. The cost of additions, including betterments and replacements of units of utility fixed assets are charged to utility property, plant and equipment. When units of utility property are replaced, renewed or retired, their cost plus removal or disposal costs, less salvage proceeds, is charged to accumulated depreciation.

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Revenue Recognition - Revenues are recognized on the accrual method. Under this method, revenue is recognized when earned rather than when collected, and expenses are recognized when incurred rather than when paid.

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Contributions in Aid of Construction - Contributions in aid of construction (CIAC) are nonrefundable contributions by developers and customers for plant expansion. In addition, this amount includes the remaining balance, if any, of advances in aid of construction at the end of the repayment period. The contributions in aid of construction are being amortized at a rate equal to the rate allowed for depreciation, as a reduction of depreciation expense

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Advances in Aid of Construction - Customer advances for construction are subject to refund in accordance with agreements approved by the Arizona Corporation Commission. Agreements provide for refunds which are typically equal to 10 percent of annual water revenue generated from the expansion. The repayments are for a maximum agreed upon period or until repaid in full. Any balance remaining at the end of the agreed-upon period for repayment becomes a contribution in aid of construction.

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Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Projected Income Statements - Present & Proposed Rates

Exhibit
 Schedule F-1
 Page 1
 Witness: Bourassa

Line No.		Test Year Actual Results	At Present Rates Year Ended 12/31/2013	At Proposed Rates Year Ended 12/31/2013
1	Revenues			
2	Metered Water Revenues	\$ 260,898	\$ 262,282	\$ 305,631
3	Unmetered Water Revenues	-	-	-
4	Other Water Revenues	7,758	7,758	7,758
5		<u>\$ 268,657</u>	<u>\$ 270,040</u>	<u>\$ 313,389</u>
6	Operating Expenses			
7	Salaries and Wages	-	-	-
8	Purchased Water	-	-	-
9	Purchased Power	17,285	17,285	17,285
10	Chemicals	191	191	191
11	Materials and Supplies	5,588	5,588	5,588
12	Office Supplies and Expense	10,243	10,243	10,243
13	Outside Services	107,983	107,983	107,983
14	Water Testing	6,123	6,123	6,123
15	Rents	10,307	10,307	10,307
16	Transportation Expenses	7,017	7,017	7,017
17	Insurance - General Liability	3,926	3,926	3,926
18	Insurance - Health and Life	2,988	2,988	2,988
19	Reg. Comm. Exp. - Other	-	-	-
20	Reg. Comm. Exp. - Rate Case	2,500	11,667	11,667
21	Miscellaneous Expense	-	-	-
22	Bad Debt Expense	9,367	9,367	9,367
23	Depreciation and Amortization Expense	48,083	51,585	51,585
24	Taxes Other Than Income	554	554	554
25	Property Taxes	8,097	9,714	10,224
26	Income Tax	-	(930)	7,862
27				
28	Total Operating Expenses	<u>\$ 240,250</u>	<u>\$ 253,604</u>	<u>\$ 262,907</u>
29	Operating Income	<u>\$ 28,407</u>	<u>\$ 16,435</u>	<u>\$ 50,482</u>
30	Other Income (Expense)			
31	Interest Income	37	-	-
32	Other income	-	-	-
33	Interest Expense	(13,949)	(20,038)	(20,038)
34	Other Expense	-	-	-
35	Gain/Loss Sale of Fixed Assets	-	-	-
36	Total Other Income (Expense)	<u>\$ (13,911)</u>	<u>\$ (20,038)</u>	<u>\$ (20,038)</u>
37	Net Profit (Loss)	<u>\$ 14,496</u>	<u>\$ (3,602)</u>	<u>\$ 30,444</u>

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 40 SUPPORTING SCHEDULES:
 41 C-1
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Abra Water Company, Inc.
 Test Year Ended December 31, 2012
 Projected Construction Requirements

Exhibit
 Schedule F-3
 Page 1
 Witness: Bourassa

Line No.	Account Number	Plant Asset:	<u>Test Year</u>	<u>2013</u>
1				
2				
3				
4	301	Organization Cost	\$ -	
5	302	Franchise Cost	-	
6	303	Land and Land Rights	-	
7	304	Structures and Improvements	-	3,600
8	305	Collecting and Impounding Res.	-	2,800
9	306	Lake River and Other Intakes	-	
10	307	Wells and Springs	4,790	4,250
11	308	Infiltration Galleries and Tunnels	-	
12	309	Supply Mains	-	
13	310	Power Generation Equipment	-	30,000
14	311	Electric Pumping Equipment	25,190	32,296
15	320	Water Treatment Equipment	-	
16	320.1	Water Treatment Plant	-	
17	320.2	Chemical Solution Feeders	-	
18	330	Dist. Reservoirs & Standpipe	5,000	
19	330.1	Storage tanks	-	
20	330.2	Pressure Tanks	-	
21	331	Trans. and Dist. Mains	-	80,500
22	333	Services	-	
23	334	Meters	-	
24	335	Hydrants	3,896	
25	336	Backflow Prevention Devices	-	
26	339	Other Plant and Misc. Equip.	-	
27	340	Office Furniture and Fixtures	-	
28	340.1	Computers and Software	-	
29	341	Transportation Equipment	-	
30	342	Stores Equipment	-	
31	343	Tools and Work Equipment	-	
32	344	Laboratory Equipment	-	
33	345	Power Operated Equipment	-	
34	346	Communications Equipment	-	10,392
35	347	Miscellaneous Equipment	1,855	
36	348	Other Tangible Plant	-	
37	Total		<u>\$ 40,730</u>	<u>\$ 163,838</u>
38				
39				
40				

Abra Water Company, Inc.
Test Year Ended December 31, 2012
Assumptions Used in Rate Filing

Exhibit
Schedule F-4
Page 1
Witness: Bourassa

Line

No.

- 1 Property Taxes were computed using the method used by the Arizona Department
- 2 of Revenue modified for ratemaking.
- 3
- 4 Projected construction expenditures are shown on Schedule A-4.
- 5
- 6 Expense adjustments are shown on Schedule C2, and are explained in the testimony.
- 7
- 8 Income taxes were computed using statutory state and federal income tax rates.
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Abra Water Company
Estimate of Metered Revenue Loss Assuming Customer Growth
Prior Test Year vs Current Test Year

Line No.	Meter Size, Class	[1] Current TY Average No. Customers	[2] Prior Rate Case Average Bill	[3] Current rate case Average Bill	[4] Expected Revenues Revenues Based On Prior Rate Case Avg Bill	[5] Test Year Revenues Based On TY Average Bill	[6] Revenue Loss Prior TY Vs Current Test Year
1	5/8x3/4 Inch	613	\$ 36.78	\$ 33.91	\$ 270,703	\$ 249,604	\$(21,098)
2	2 Inch	1	203.10	985.28	2,437	11,823	9,386
3	Standpipe	2	209.48	242.84	3,771	4,371	600
4	Coin-Op	1	381.25	408.75	4,575	4,905	330
5							
6							
7							
8	Total	617			\$ 281,486	\$ 270,704	\$(10,782)
9	Revenue Loss as Percent						-3.83%
10	Revenue Loss as Percent of Requested Rate Increase						24.87%
11							
12							
13							
14	Current Metered Revenues (including annualization)					\$ 266,176	\$ 309,885
15	Proposed Metered Revenues (including annualization)						\$
16	Expected Revenue Loss, as percent (33.3% of actual percentage of revenue loss)					-1.28%	-1.28%
17	Expected Revenue Decline					\$(3,395)	\$(3,953)
18							
19							
20							

Abra Water Company
 Test Year Ended December 31, 2012
 Analysis of Revenue by Detailed Class

Exhibit
 Schedule H-2
 Page 1
 Witness: Bourassa

Line No.	Meter Size	(a)	Average Consumption	Revenues		Proposed Increase	
		Average Number of Customers at 12/31/2012		Present Rates	Proposed Rates	Dollar Amount	Percent Amount
1	5/8x3/4 Inch	613	5,717	\$ 31.07	\$ 36.95	\$ 5.88	18.91%
2	2 Inch	1	158,825	965.95	1,027.80	61.85	6.40%
3	Standpipe	2	57,806	346.84	361.29	14.45	4.17%
4	Coin-Op	1	68,126	408.75	425.78	17.03	4.17%
5							
6							
7							
8							
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10							
11							
12							
13							
14							
15							
16	Totals	<u>617</u>					

(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

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Abra Water Company
 Test Year Ended December 31, 2012
 Analysis of Median Bill by Detailed Class

Exhibit
 Schedule H-2
 Page 2
 Witness: Bourassa

Line No.	Meter Size and Class	(a) Average Number of Customers at 12/31/2012	Median Consumption	Median Bill		Proposed Increase	
				Present Rates	Proposed Rates	Dollar Amount	Percent Amount
1	5/8x3/4 Inch	613	-	\$ 14.00	\$ 18.34	\$ 4.34	31.00%
2	2 Inch	1	-	112.00	146.72	34.72	31.00%
3	Standpipe	2	-	-	-	-	0.00%
4	Coin-Op	1	-	-	-	-	0.00%
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16	Totals	-					

(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

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Abra Water Company
 Revenue Breakdown Summary
 Company Proposed Rates

Exhibit
 Schedule H-2
 Page 3
 Witness: Bouras

	Monthly <u>Mins</u>	Commodity <u>First Tier</u>	Commodity <u>Second Tier</u>	Commodity <u>Third Tier</u>	<u>Total</u>
5/8x3/4 Inch	\$ 134,982	\$ 47,257	\$ 74,949	\$ 30,605	\$ 287,794
2 Inch	1,761	2,001	8,666	-	12,428
Standpipe	-	4,553	-	-	4,553
Coin-Op	-	5,109	-	-	5,109

TOTALS	<u>\$ 136,743</u>	<u>\$ 58,921</u>	<u>\$ 83,616</u>	<u>\$ 30,605</u>	<u>\$ 309,885</u>
Percent of Total	44.13%	19.01%	26.98%	9.88%	100.00%
Cummulative %	44.13%	63.14%	90.12%	100.00%	

Abra Water Company
 Test Year Ended December 31, 2012
 Present and Proposed Rates

Exhibit
 Schedule H-3
 Page 1
 Witness: Bourassa

Line No.	Monthly Service Charge for:	Present Rates	Proposed Rates
1	Meter Size:		
2	5/8 Inch	\$ 14.00	\$ 18.34
3	3/4 Inch	21.00	27.51
4	1 Inch	35.00	45.85
5	1 1/2 Inch	70.00	91.70
6	2 Inch	112.00	146.72
7	3 Inch	224.00	293.44
8	4 Inch	350.00	458.50
9	6 Inch	700.00	917.00
10	Standpipe	-	-
11	Coin-Op	-	-
12			
13	<u>Gallons In Minimum</u>		
14			
15			
16			
17			
18	<u>Commodity Rates (per 1,000 gallons)</u>		
19	5/8x3/4 Inch		
20	Block		
21	0 gallons to 3,000 gallons	\$ 2.25	\$ 2.54
22	3,001 gallons to 10,000 gallons	\$ 3.80	\$ 4.04
23	over 10,000 gallons	\$ 6.00	\$ 6.14
24			
25	0 gallons to 3,000 gallons	\$ 2.25	\$ 2.54
26	3,001 gallons to 10,000 gallons	\$ 3.80	\$ 4.04
27	over 10,000 gallons	\$ 6.00	\$ 6.14
28			
29	0 gallons to 16,000 gallons	\$ 3.80	\$ 4.04
30	over 16,000 gallons	\$ 6.00	\$ 6.14
31			
32	0 gallons to 30,000 gallons	\$ 3.80	\$ 4.04
33	over 30,000 gallons	\$ 6.00	\$ 6.14
34			
35	0 gallons to 45,000 gallons	\$ 3.80	\$ 4.04
36	over 45,000 gallons	\$ 6.00	\$ 6.14

Abra Water Company
 Test Year Ended December 31, 2012
 Present and Proposed Rates

Exhibit
 Schedule H-3
 Page 2
 Witness: Bourassa

Line No.	Commodity Rates (per 1,000 gallons)	Block	Present Rate	Proposed Rate
1				
2	3 Inch	0 gallons to 90,000 gallons	\$ 3.80	\$ 4.04
3		over 90,000 gallons	\$ 6.00	\$ 6.14
4	4 Inch	0 gallons to 145,000 gallons	\$ 3.80	\$ 4.04
5		over 145,000 gallons	\$ 6.00	\$ 6.14
6				
7	6 Inch	0 gallons to 300,000 gallons	\$ 3.80	\$ 4.04
8		over 300,000 gallons	\$ 6.00	\$ 6.14
9				
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35				

Abra Water Company
 Changes in Representative Rate Schedules
 Test Year Ended December 31, 2012

Exhibit
 Schedule H- 3
 Page 3
 Witness: Bourassa

Line
No.

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Other Service Charges

<u>Present</u>	<u>Proposed</u>
<u>Rates</u>	<u>Rates</u>
\$ 30.00	\$ 30.00
40.00	40.00
50.00	50.00
50.00	50.00
50.00	50.00
(a)	(a)
6.00%	6.00%
(b)	**
(b)	**
\$ 25.00	\$ 10.00
1.50%	1.50%
\$ 20.00	\$ 10.00
1.50%	1.50%
(c)	

(a) Residential - two times the average bill. Non-residential - two and one-half times the average bill . R14-2-403(B)(7)

(b) Months off system times the minimum. PER COMMISSION RULE (R14-2-403.D)

© 2 percent of the monthly minimum for a comparable size meter connection but not less than \$10 per month.

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE (14-2-409.D 5).

ALL ADVANCES AND/OR CONTRIBUTIONS ARE TO INCLUDE LABOR, MATERIALS, OVERHEADS, AND ALL APPLICABLE TAXES.

Abra Water Company
 Test Year Ended December 31, 2012
Service Charges
Meter and Service Line Charges

Exhibit
 Schedule H-3
 Page 4
 Witness: Bourassa

Line No.		Proposed Service Line Charge	Proposed Meter Installation Charge	Total Proposed Charge	Proposed Service Line Charge	Proposed Meter Installation Charge	Total Proposed Charge
1							
2							
3							
4							
5							
6	5/8 x 3/4 Inch	\$ 380.00	\$ 95.00	\$ 475.00	\$ 380.00	\$ 95.00	\$ 475.00
7	3/4 Inch	335.00	165.00	500.00	335.00	165.00	500.00
8	1 Inch	350.00	200.00	550.00	350.00	200.00	550.00
9	1 1/2 Inch	470.00	430.00	900.00	470.00	430.00	900.00
10	2 Inch	590.00	735.00	1,325.00	590.00	735.00	1,325.00
11	3 Inch	660.00	1,045.00	1,705.00	660.00	1,045.00	1,705.00
12	4 Inch	910.00	1,630.00	2,540.00	910.00	1,630.00	2,540.00
13	6 Inch	1,410.00	3,235.00	4,645.00	1,410.00	3,235.00	4,645.00
14							
15							
16							
17							
18							
19							
20							
21							
22							

Abra Water Company
Changes in Representative Rate Schedules
Test Year Ended December 31, 2012

Exhibit
Schedule H- 3
Page 4
Witness: Bourassa

Line
No.

1
2 **Arsenic Impact Hook-up Fee**

	<u>Meter</u>	<u>Present</u>	<u>Proposed</u>
	<u>Factor</u>	<u>Charge</u>	<u>Charge</u>
6	5/8 x 3/4 Inch	1.00 \$ 400	\$ 400
7	3/4 Inch	1.50 600	600
8	1 Inch	2.50 1,000	1,000
9	1 1/2 Inch	5.00 2,000	2,000
10	2 Inch	8.00 3,200	3,200
11	3 Inch	16.00 6,400	6,400
12	4 Inch	25.00 10,000	10,000
13	6 Inch	50.00 20,000	20,000

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Abra Water Company
 Bill Comparison Present and Proposed Rates
 5/8x3/4 Inch

Meter Size:

Line No.	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase	Present Rates: Monthly Minimum: Gallons in Minimum Charge Per 1,000 Gallons	Proposed Rates: Monthly Minimum: Gallons in Minimum Charge Per 1,000 Gallons
1	-	\$ 14.00	\$ 18.34	\$ 4.34	31.00%		
2	1,000	16.25	20.88	4.63	28.51%		
3	2,000	18.50	23.43	4.93	26.62%		
4	3,000	20.75	25.97	5.22	25.14%		
5	4,000	24.55	30.01	5.46	22.24%		
6	5,000	28.35	34.05	5.70	20.11%	Up to 3,000	2.25
7	6,000	32.15	38.10	5.95	18.49%	Up to 10,000	3.80
8	7,000	35.95	42.14	6.19	17.21%	Over 10,000	6.00
9	8,000	39.75	46.18	6.43	16.18%		
10	9,000	43.55	50.22	6.67	15.32%		
11	10,000	47.35	54.27	6.92	14.60%		
12	12,000	59.35	66.55	7.20	12.13%		
13	14,000	71.35	78.84	7.49	10.49%		
14	16,000	83.35	91.12	7.77	9.32%		
15	18,000	95.35	103.41	8.06	8.45%		
16	20,000	107.35	115.69	8.34	7.77%		
17	25,000	137.35	146.40	9.05	6.59%		
18	30,000	167.35	177.12	9.76	5.84%		
19	35,000	197.35	207.83	10.48	5.31%		
20	40,000	227.35	238.54	11.19	4.92%		
21	50,000	287.35	299.97	12.62	4.39%		
22	60,000	347.35	361.39	14.04	4.04%		
23	70,000	407.35	422.82	15.47	3.80%		
24	80,000	467.35	484.24	16.89	3.61%		
25	90,000	527.35	545.67	18.31	3.47%		
26	100,000	587.35	607.09	19.74	3.36%		
27							
28							
29							
30							
31	Average Usage	31.07	36.95	5.88	18.91%		
32	5,717	\$	\$				
33	Median Usage	30.25	36.07	5.82	19.25%		
34	5,500	\$	\$				

Abra Water Company
Bill Comparison Present and Proposed Rates
 Meter Size: 2 Inch

Exhibit Schedule H-4
 Page 2
 Witness: Bourassa

Line No.	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1		\$ 112.00	\$ 146.72	\$ 34.72	31.00%
2	-				
3	1,000	115.80	150.76	34.96	30.19%
4	2,000	119.60	154.81	35.21	29.44%
5	3,000	123.40	158.85	35.45	28.73%
6	4,000	127.20	162.89	35.69	28.06%
7	5,000	131.00	166.93	35.93	27.43%
8	6,000	134.80	170.98	36.18	26.84%
9	7,000	138.60	175.02	36.42	26.28%
10	8,000	142.40	179.06	36.66	25.74%
11	9,000	146.20	183.10	36.90	25.24%
12	10,000	150.00	187.15	37.15	24.76%
13	12,000	157.60	195.23	37.63	23.88%
14	14,000	165.20	203.32	38.12	23.07%
15	16,000	172.80	211.40	38.60	22.34%
16	18,000	180.40	219.49	39.09	21.67%
17	20,000	188.00	227.57	39.57	21.05%
18	25,000	207.00	247.78	40.78	19.70%
19	30,000	226.00	268.00	42.00	18.58%
20	35,000	245.00	288.21	43.21	17.64%
21	40,000	264.00	308.42	44.42	16.83%
22	50,000	313.00	359.35	46.35	14.81%
23	60,000	373.00	420.77	47.77	12.81%
24	70,000	433.00	482.20	49.20	11.36%
25	80,000	493.00	543.62	50.62	10.27%
26	90,000	553.00	605.05	52.05	9.41%
27	100,000	613.00	666.47	53.47	8.72%
28					
29					
30					
31	Average Usage	965.95	1,027.80	61.85	6.40%
32	158,825	\$	\$	\$	
33	Median Usage	715.30	771.20	\$ 55.90	7.81%
34	117,050	\$	\$	\$	

Present Rates:
 Monthly Minimum:
 Gallons in Minimum
 Charge Per 1,000 Gallons
 Up to 45,000 \$ 3.80
 Over 45,000 \$ 6.00

Proposed Rates:
 Monthly Minimum:
 Gallons in Minimum
 Charge Per 1,000 Gallons
 Up to 45,000 \$ 4.04
 Over 45,000 \$ 6.14

Abra Water Company
 Bill Comparison Present and Proposed Rates
 Meter Size: Standpipe

Line No.	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase #DIV/0!
1	1,000	6.00	6.25	0.25	4.17%
2	2,000	12.00	12.50	0.50	4.17%
3	3,000	18.00	18.75	0.75	4.17%
4	4,000	24.00	25.00	1.00	4.17%
5	5,000	30.00	31.25	1.25	4.17%
6	6,000	36.00	37.50	1.50	4.17%
7	7,000	42.00	43.75	1.75	4.17%
8	8,000	48.00	50.00	2.00	4.17%
9	9,000	54.00	56.25	2.25	4.17%
10	10,000	60.00	62.50	2.50	4.17%
11	12,000	72.00	75.00	3.00	4.17%
12	14,000	84.00	87.50	3.50	4.17%
13	16,000	96.00	100.00	4.00	4.17%
14	18,000	108.00	112.50	4.50	4.17%
15	20,000	120.00	125.00	5.00	4.17%
16	25,000	150.00	156.25	6.25	4.17%
17	30,000	180.00	187.50	7.50	4.17%
18	35,000	210.00	218.75	8.75	4.17%
19	40,000	240.00	250.00	10.00	4.17%
20	50,000	300.00	312.50	12.50	4.17%
21	60,000	360.00	375.00	15.00	4.17%
22	70,000	420.00	437.50	17.50	4.17%
23	80,000	480.00	500.00	20.00	4.17%
24	90,000	540.00	562.50	22.50	4.17%
25	100,000	600.00	625.00	25.00	4.17%
31	Average Usage	242.84	252.95	10.12	4.17%
32	40,473				
33	Median Usage	45.00	46.88	1.88	4.17%
34	7,500				

Present Rates:
 Monthly Minimum:
 Gallons in Minimum
 Charge Per 1,000 Gallons
 All gallons

Proposed Rates:
 Monthly Minimum:
 Gallons in Minimum
 Charge Per 1,000 Gallons
 All gallons

Abra Water Company
 Bill Comparison Present and Proposed Rates
 Coin-Op

Line No.	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
		\$	\$	\$	#DIV/0!
1					
2					
3					
4	1,000	6.00	6.25	0.25	4.17%
5	2,000	12.00	12.50	0.50	4.17%
6	3,000	18.00	18.75	0.75	4.17%
7	4,000	24.00	25.00	1.00	4.17%
8	5,000	30.00	31.25	1.25	4.17%
9	6,000	36.00	37.50	1.50	4.17%
10	7,000	42.00	43.75	1.75	4.17%
11	8,000	48.00	50.00	2.00	4.17%
12	9,000	54.00	56.25	2.25	4.17%
13	10,000	60.00	62.50	2.50	4.17%
14	12,000	72.00	75.00	3.00	4.17%
15	14,000	84.00	87.50	3.50	4.17%
16	16,000	96.00	100.00	4.00	4.17%
17	18,000	108.00	112.50	4.50	4.17%
18	20,000	120.00	125.00	5.00	4.17%
19	25,000	150.00	156.25	6.25	4.17%
20	30,000	180.00	187.50	7.50	4.17%
21	35,000	210.00	218.75	8.75	4.17%
22	40,000	240.00	250.00	10.00	4.17%
23	50,000	300.00	312.50	12.50	4.17%
24	60,000	360.00	375.00	15.00	4.17%
25	70,000	420.00	437.50	17.50	4.17%
26	80,000	480.00	500.00	20.00	4.17%
27	90,000	540.00	562.50	22.50	4.17%
28	100,000	600.00	625.00	25.00	4.17%
29					
30					
31	Average Usage	\$ 408.75	\$ 425.78	\$ 17.03	4.17%
32	68,126				
33	Median Usage	\$ 330.00	\$ 343.75	\$ 13.75	4.17%
34	55,000				

Present Rates:
 Monthly Minimum:
 Gallons in Minimum
 Charge Per 1,000 Gallons
 All gallons

Proposed Rates:
 Monthly Minimum:
 Gallons in Minimum
 Charge Per 1,000 Gallons
 All gallons

Abra Water Company
Test Year Ended December 31, 2012
5/8x3/4 Inch

Meter Size:

Usage From:	Usage To:	Month of Jan-12	Month of Feb-12	Month of Mar-12	Month of Apr-12	Month of May-12	Month of Jun-12	Month of Jul-12	Month of Aug-12	Month of Sep-12	Month of Oct-12	Month of Nov-12	Month of Dec-12	Total Year	Cumulative Billing	Cumulative Gallons (1,000s)
1	1,000	30	22	25	28	21	19	20	22	23	18	18	24	270	270	-
1,001	2,000	45	49	34	43	39	39	39	40	42	44	44	53	524	794	262
2,001	3,000	53	68	52	56	47	32	46	48	54	42	62	83	643	1,437	1,227
3,001	4,000	68	101	67	82	47	47	49	59	54	52	85	88	819	2,256	3,275
4,001	5,000	89	89	60	87	66	39	53	50	60	56	93	99	841	3,097	6,219
5,001	6,000	81	76	86	57	50	46	39	63	74	70	72	68	782	3,879	9,738
6,001	7,000	59	78	58	79	61	45	53	56	59	64	76	65	753	4,632	13,880
7,001	8,000	57	49	54	51	44	44	46	49	48	62	60	54	618	5,250	17,897
8,001	9,000	50	39	51	31	38	38	41	41	48	44	33	28	482	5,732	21,513
9,001	10,000	30	14	36	20	31	38	38	43	43	37	24	15	369	6,101	24,649
10,001	12,000	25	8	30	17	26	23	31	38	35	38	9	10	290	6,391	27,405
12,001	14,000	13	7	35	29	36	62	55	39	38	38	13	15	380	6,771	31,585
14,001	16,000	10	6	11	14	27	35	34	28	11	21	7	6	210	6,981	34,315
16,001	18,000	2	1	5	6	11	24	19	12	8	12	2	4	108	7,087	35,905
18,001	20,000	1	1	4	4	10	16	10	5	9	10	1	2	73	7,160	37,146
20,001	25,000	2	2	-	1	1	14	14	8	1	4	1	1	49	7,209	38,077
25,001	30,000	2	-	2	6	19	23	17	7	4	5	1	3	89	7,298	40,080
30,001	35,000	-	-	1	1	5	10	6	7	1	1	-	1	33	7,331	40,987
35,001	40,000	-	-	-	-	4	10	3	-	2	1	-	-	20	7,351	41,637
40,001	45,000	-	1	-	-	-	2	-	-	1	-	-	-	4	7,355	41,787
45,001	50,000	-	-	-	-	1	-	-	-	-	-	-	1	2	7,357	41,872
50,001	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	7,357	41,872
60,001	70,000	-	-	-	-	1	-	-	-	-	-	1	-	2	7,359	42,002
70,001	80,000	-	-	-	-	-	1	-	-	-	-	-	-	1	7,360	42,077
80,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	7,360	42,077
90,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	7,360	42,077

Totals	617	611	611	612	605	607	613	615	615	615	619	615	620	7,360	5,717	5,500	613	3
Average Usage																		
Median Usage																		
Average # Customers																		
Change in Number of Customer																		

Abra Water Company
 Test Year Ended December 31, 2012
 2 Inch

Exhibit
 Schedule H-5
 Page 2
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Jan-12	Month of Feb-12	Month of Mar-12	Month of Apr-12	Month of May-12	Month of Jun-12	Month of Jul-12	Month of Aug-12	Month of Sep-12	Month of Oct-12	Month of Nov-12	Month of Dec-12	Total Year	Cumulative Billing	Cumulative Gallons (1,000s)													
1	1,000																												
1,001	2,000																												
2,001	3,000																												
3,001	4,000																												
4,001	5,000																												
5,001	6,000																												
6,001	7,000																												
7,001	8,000																												
8,001	9,000																												
9,001	10,000																												
10,001	12,000																												
12,001	14,000																												
14,001	16,000																												
16,001	18,000																												
18,001	20,000																												
20,001	25,000	1												2	2	45													
25,001	30,000														2	45													
30,001	35,000														2	45													
35,001	40,000														2	45													
40,001	45,000														2	45													
45,001	50,000									1				3	93	93													
50,001	60,000													3	3	93													
60,001	70,000										1			4	4	158													
70,001	80,000													4	4	158													
80,001	90,000		1											5	5	243													
90,001	100,000			1										6	6	338													
100,001	139,100				1									7	7	477													
150,001	150,001													8	8	733													
255,900	255,900					1								9	9	1,051													
318,900	318,900						1							10	10	1,403													
351,500	351,500													11	11	1,757													
353,600	353,600													12	12	1,906													
149,400	149,400												1	1	1	1,906													
Totals																													
														1	1	1	1	1	1	1	1	1	1	1	1	1	12	158,825	117,050
																	Average Usage		158,825										
																	Median Usage		117,050										
																	Average # Customers		1										
																	Change in Number of Customers		-										

Abra Water Company
 Test Year Ended December 31, 2012
 Standpipe

Exhibit
 Schedule H-5
 Page 3
 Witness: Bourassa

Meter Size:

Usage From:	Usage To:	Month of Jan-12	Month of Feb-12	Month of Mar-12	Month of Apr-12	Month of May-12	Month of Jun-12	Month of Jul-12	Month of Aug-12	Month of Sep-12	Month of Oct-12	Month of Nov-12	Month of Dec-12	Total Year	Cumulative Billing	Cumulative Gallons (1,000s)
1	1,000	1												1	1	1
1,001	2,000	1	1	1										3	4	5
2,001	3,000													-	4	5
3,001	4,000									1				1	5	9
4,001	5,000													-	5	9
5,001	6,000							1						1	6	14
6,001	7,000					1								1	7	21
7,001	8,000					1	1							3	10	43
8,001	9,000					1								1	11	52
9,001	10,000													-	11	52
10,001	12,000	1												-	12	63
12,001	14,000													1	13	76
14,001	16,000											1		1	14	91
16,001	18,000													1	14	91
18,001	20,000													-	14	91
20,001	25,000													-	14	91
25,001	30,000													-	14	91
30,001	35,000													-	14	91
35,001	40,000													-	14	91
40,001	45,000													-	14	91
45,001	50,000													-	14	91
50,001	60,000													-	14	91
60,001	70,000													-	14	91
70,001	80,000													-	15	156
80,001	90,000						1							1	15	156
90,001	100,000													-	16	241
101,000	101,000													-	16	241
176,000	176,000											1		1	17	417
312,000	312,000										1			1	18	729
														-	18	729
Totals																
		3	2	1	1	2	1	1	1	1	2	2	2	18		
														Average Usage	40,473	
														Median Usage	7,500	
														Average # Customers	2	
														Change in Number of Customers	(1)	

COMPANY NAME ABRA WATER COMPANY, INC.

Name of System: ABRA WATER COMPANY, INC. **ADEQ Public Water System Number:** 13-001

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-61978 (abandoned)	2 X 10	180'	900'	24"	4"	1901
55-561786	40	305	380'	12"	4"	1997

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	2	2	
1.5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
250,000	1	350	4
24,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME ABRA WATER COMPANY, INC.

Name of System: ABRA WATER COMPANY, INC. **ADEQ Public Water System Number:** 13-001

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	10,635
4	TRANSITE	7,495
4	SDR-PVC	1,395
4	PVC-C900	13,115
6	TRANSITE	15,110
6	SDR-PVC	8,395
6	PVC-C900	36,270

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	628
3/4	
1	
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

CHLORINE GAS INJECTOR SYSTEM

ARSENIC TREATMENT PLANT

STRUCTURES:

PUMPHOUSE

COIN-OPERATED DISPENSER WITH PUMPHOUSE AND STANDPIPE

BOOSTER STATION WITH PUMPHOUSE, PRESSURE TANKS, AND BOOSTER PUMPS

ARSENIC TREATMENT PLANT BUILDING

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

