BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

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

ORIGINAL

IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY FOR AUTHORITY TO IMPLEMENT A SYSTEM IMPROVEMENT BENEFITS SURCHARGE IN ITS COCHISE SYSTEM	DOCKET NO. W-01445A-11-0310 **APPLICATION FOR AUTHORITY TO IMPLEMENT SYSTEM IMPROVEMENT BENEFITS SURCHARGE**

Arizona Water Company ("the Company") hereby requests that the Arizona Corporation Commission ("Commission") approve the Company's implementation of a surcharge under the system improvement benefits ("SIB") mechanism in its Cochise system, pursuant to the provisions of Decision No. 73938 (June 27, 2013) and the settlement agreement attached thereto as Attachment A, as affirmed in Decision No. 74463 (April 22, 2014).

I. BACKGROUND

On August 5, 2011, the Company filed an application seeking adjustments to the rates and charges for utility service furnished by its Eastern Group of water systems (including the Superstition, Cochise, San Manuel, Falcon Valley and Winkelman systems) and, among other things, the approval of a distribution system improvement charge ("DSIC"). On February 20, 2013, the Commission issued Decision No. 73736, which authorized adjustments to the Company's Eastern Group rates. Although the Commission did not authorize a DSIC in Decision No. 73736, it indicated its support for a DSIC-type mechanism and left this docket open to allow the parties the opportunity to enter into settlement discussions regarding the Company's proposed DSIC, thereby creating Phase 2 of this proceeding.

On April 1, 2013, the Commission's Utilities Division ("Staff") filed in this docket a settlement agreement between itself, the Company, and various other intervenors setting forth the details of the SIB mechanism and settling all issues relating to the Company's DSIC proposal. On June 27, 2013, the Commission issued Decision No. 73938 approving the settlement agreement with certain modifications, thereby authorizing a SIB mechanism for the Company's Eastern Group. On April 22, 2014, the Commission issued Decision No. 74463 affirming Decision Nos. 73736 and 73938 in their entireties.

II. THE SIB MECHANISM

The SIB mechanism approved in Decision No. 73938 is a ratemaking device designed to provide for the timely recovery of the capital costs (depreciation expense and pre-tax return on investment) associated with certain distribution system improvement projects that have been completed and placed in service and where costs have not been included for recovery in Decision No. 73736. The major provisions of the SIB mechanism approved in Decision No. 73938 are:

1. Commission Pre-Approval of SIB Eligible Projects – All of the infrastructure replacement projects eligible for SIB recovery must be approved by the Commission prior to the Company filing for recovery. SIB eligible projects must be completed and placed in service prior to the SIB surcharge going into effect. Only those projects completed for the purpose of maintaining or improving existing customer service, reliability, integrity, and safety are eligible for SIB treatment. Projects designed to extend existing facilities or expand capacity to serve new customers are not eligible for SIB treatment. Expenditures eligible for SIB recovery in this proceeding are listed on Attachment A, Exhibit A ("SIB Plant Table I") to Decision No. 73938.

2. Costs Eligible for SIB Recovery – The project costs that are eligible for SIB surcharge recovery are limited to the pre-tax rate of return on investment and depreciation expense associated with SIB-eligible projects. The rate of return,

depreciation rate, and tax multiplier are equal to those approved by the Commission in Decision No. 73736. The calculation of the SIB surcharge also takes into account any related plant retirements.

3. Efficiency Credit – A credit equal to five percent of the SIB surcharge revenues will be given back to customers in the form of a SIB efficiency credit, shown separately on customers' bills.

4. SIB Surcharge Cap – The amount to be collected from each SIB surcharge is capped annually at five percent of the revenue requirement authorized in Decision No. 73736.

5. SIB Surcharge Rate Design – The SIB surcharge is a fixed monthly surcharge presented on customers' bills as a SIB fixed surcharge and a SIB efficiency credit (two separate line-items). The surcharge increases with meter size based on meter flow capacity.

6. Commission Approval of SIB Surcharge – The Commission must approve each SIB surcharge filing prior to the Company implementing the surcharge. To this end, the Company must provide a proposed order for the Commission's consideration with each SIB surcharge filing. When the Company files a SIB surcharge, Staff and RUCO have 30 days to review the filing and, if no objection is raised, the Company may request that the surcharge be placed on an open meeting agenda at the earliest practicable date.

7. Number of SIB Surcharge Filings Allowed Between General Rate Cases – The Company may file up to five SIB surcharges between general rate cases, with the initial filing being no sooner than 12 months after the date of the Commission's decision in its most recent general rate case. The Company may file no more than one SIB surcharge every 12 months. Additionally, the Company must file its next

general rate case no later than five years after its most recent general rate case, at which time any SIB surcharges that are in effect will end and the associated costs will be included in base rates.

8. SIB Project Status Updates – Every six months, the Company is required to file a report with docket control delineating the status of all SIB eligible projects.

9. Annual SIB True-up – For each 12-month period that a SIB surcharge is in effect, the Company is required to reconcile the actual surcharge revenue collected with the SIB revenue authorized for that period. The Company will refund, or collect, any over- or under-collected SIB surcharge revenues over the subsequent 12-month period.

10. Public Notice – At least 30 days prior to a SIB surcharge becoming effective, the Company is required to provide public notice in the form of a billing insert or customer letter summarizing the amount of the SIB surcharge, the SIB efficiency credit, any true-up, and the projects included in the surcharge, including their cost.

Decision No. 73938 requires the Company to file the following information with each SIB surcharge request:

1. SIB Plant Table I, listing SIB eligible projects contemplated for the next twelve-month SIB surcharge period.

2. SIB Plant Table II, listing the SIB-eligible projects that have been completed and placed in service, and for which the Company seeks cost recovery. Such projects must: (1) be projects set forth in the Company's initial SIB Plant Table I approved in Decision No. 73938 or have been added to SIB Plant Table I pursuant to Decision No. 73938, Attachment A, Section 6.0; (2) have been completed by the Company; and (3) be actually serving customers.

3. SIB Schedule A, showing a calculation of the SIB revenue requirement and SIB efficiency credit, as well as the individual SIB fixed surcharge calculation.

4. SIB Schedule B, showing the overall SIB revenue true-up calculation for the prior twelve-month SIB surcharge period, as well as the individual SIB fixed true-up surcharge or credit calculation.

5. SIB Schedule C, showing the effect of the SIB surcharge on a typical residential customer's bill.

6. SIB Schedule D, showing an analysis of the impact of the SIB projects included in the current SIB surcharge on the fair value rate base, revenue, and the fair value rate of return as set forth in Decision No. 73736.

7. A proposed order for the Commission's consideration.

Additionally, Decision No. 73938 requires the Company to include in each of its SIB surcharge filings similar financial information required for arsenic cost recovery mechanism ("ACRM") filings, as described in Decision No. 66400, dated October 14, 2003, including; (1) the most current balance sheet at the time of the filing; (2) the most current income statement: (3) an earnings test schedule; (4) a rate review schedule (including the incremental and pro forma effects of the proposed increase); (5) an adjusted rate base schedule; (6) a construction work in progress ("CWIP") ledger (for each project showing accumulation of charges by month and paid vendor invoices); and (7) a schedule showing the calculation of the Company's three-factor allocation formula.

III. STATUS OF COMPLETED SIB ELIGIBLE PROJECTS

Pursuant to the requirements of Decision No. 73938 and the settlement agreement attached thereto as Attachment A, the Company filed on February 28, 2014, a Status Report of All SIB Eligible Projects ("February 2014 Status Report"). The February 2014 Status Report included SIB Plant Table II for the Cochise system, listing each SIB eligible project completed to date and its cost. The total actual cost of the five SIB eligible projects completed to date in the Cochise system is

$570,300, approximately $117,000 (17%) below the original engineering cost estimate of $687,276 for these projects shown on SIB Plant Table I.[1]

The February 2014 Status Report also included the Arizona Department of Environmental Quality ("ADEQ") Approval of Construction ("AOC") or signed Construction Placed in Service Notice (where an AOC is not applicable), and pictures of each SIB eligible project completed to date. Additionally, on March 4, 2014, the Company provided, under separate cover to Staff and RUCO, a listing of individual general ledger charges and copies of contractor invoices for the completed SIB eligible projects completed to date.

The Company's application for a SIB surcharge in the Cochise system reflects the capital costs associated with its $570,300 investment in completed SIB eligible projects reported in the February 2014 Status Report.

IV. DETAILS OF THIS FILING

The Company's application supports a SIB surcharge to recover the capital costs related to its $570,300 investment in completed SIB eligible projects in its Cochise system, which includes Bisbee and Sierra Vista. The Company requests a SIB surcharge of $0.86 per month for a customer with a 5/8 x 3/4-inch meter to provide total SIB revenues of $79,590.[2] Additionally, the Company's application includes a SIB efficiency credit of $0.04 per month for a customer with a 5/8 x 3/4-inch meter to provide total SIB efficiency credit refunds of $3,979. The net increase (SIB surcharge minus efficiency credit) for a customer with a 5/8 x 3/4-inch meter under the Company's request is $0.82 per month. This equates to a 2.68% increase in the average monthly bill for a residential customer with a 5/8 x 3/4-inch meter in Bisbee (based on average usage of 4,601 gallons), from $30.63 to $31.45,[3] and a 2.78% increase in the average monthly bill for a residential customer with a

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[1] *See* Exhibit B attached hereto (SIB Plant Table II), page 6 (summary page).
[2] The monthly SIB surcharge increases for larger meters. *See* Exhibit C attached hereto, Schedule A, page 2.
[3] *See* Exhibit C, Schedule C, page 1.

5/8 x 3/4-inch meter in Sierra Vista (based on average usage of 7,590 gallons), from $29.47 to $30.29.[4]

As of the date of this filing, the Company will begin providing public notice of its request herein to customers located in its Cochise system. The Company will also provide public notice of the Commission's approval of the SIB surcharge in the form of a billing insert or customer letter at least 30 days prior to the surcharge going into effect, consistent with the requirements of Decision No. 73938.

V. SUPPORTING MATERIAL

In support of its SIB surcharge application for the Cochise system, the Company is including, as Exhibits A through D, the following information required with each SIB surcharge request per Decision No. 73938:

EXHIBIT A: SIB Plant Table I, listing the SIB eligible projects contemplated for the next twelve-month SIB surcharge period. For the SIB eligible projects the Company expects to complete in the next twelve months, a 1.5% inflation factor has been applied to the estimated unit cost.[5]

EXHIBIT B: SIB Plant Table II, listing the completed projects comprising the Company's SIB eligible plant investment of $570,300 in the Cochise system, and for which the Company seeks cost recovery. Also included are the ADEQ AOC or signed Construction Placed in Service Notice (where an AOC is not applicable), and pictures of each SIB eligible project for which the Company seeks cost recovery. This is the same SIB Plant Table II and supporting information attached to the February 2014 Status Report.

EXHIBIT C: The required SIB financial schedules, as well as the information required for ACRM filings per Decision No. 73938, including:

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[4] *See* Exhibit C, Schedule C, page 2.

[5] Based on the 2013 to 2014 change in the Consumer Price Index – All Urban Consumers, per http://data.bls.gov/timeseries/CUUR0000SA0?output_view=pct_12mths.

1. SIB Schedule A: Page 1 of Schedule A shows the calculation of the SIB revenue requirement of $79,590 (line 31) and SIB revenue requirement efficiency credit of $3,979 (line 36). Page 2 of Schedule A shows the individual SIB fixed surcharge calculation by meter size, including the gross SIB surcharge of $0.86 (5/8 x 3/4-inch meter) (line 24) and SIB surcharge efficiency credit of $0.04 (5/8 x 3/4-inch meter) (line 29).

2. SIB Schedule B: Page 1 of Schedule B shows the overall SIB revenue true-up calculation for the prior twelve-month SIB surcharge period of $0 (line 16). Page 2 of Schedule B shows the calculation of the individual SIB true-up adjustment of $0.00 (5/8 x 3/4-inch meter) (line 25).

3. SIB Schedule C: Page 1 of Schedule C shows the effect of the SIB surcharge on a typical bill for a residential customer with a 5/8 x 3/4-inch meter in Bisbee. Page 2 of Schedule C shows the effect of the SIB surcharge on a typical bill for a residential customer with a 5/8 x 3/4-inch meter in Sierra Vista.

4. SIB Schedule D: Page 1 of Schedule D shows an analysis of the impact of the Company's SIB eligible investment completed to date in the Cochise system, as well as the Company's requested SIB surcharge, on the fair value rate base, revenue, and rate of return reflected in Decision No. 73736. Page 2 of Schedule D is a rate review schedule showing the pro forma effect of the SIB eligible investments completed in the Cochise system, as well as the Company's requested SIB surcharge, on the Company's rate of return for the 12 months ending March 31, 2014. Page 3 of Schedule D is the Company's balance sheet as of March 31, 2014. Page 4 of Schedule D is the Company's income statement for the 12 months ending March 31, 2014. Page 5 of

Schedule D is an earnings test schedule for the 12 months ending March 31, 2014. Page 6 of Schedule D is an adjusted rate base schedule as of March 31, 2014. Pages 7 through 15 of Schedule D show the CWIP ledger for each SIB eligible project completed in the Cochise system. The last page of the CWIP ledger (page 15 of Schedule D) shows a summary of the completed SIB eligible projects, related retirements and a calculation of the annual depreciation expense. Page 16 of Schedule D shows a calculation of the Company's three-factor allocation formula.

EXHIBIT D: A proposed order for the Commission's consideration.

Additionally, the Company will again provide, under separate cover to Staff and RUCO, the listing of individual general ledger charges and copies of contractor invoices for the completed SIB eligible projects comprising the Company's $570,300 investment.

VI. COMPANY CONTACT INFORMATION

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

VII. REQUESTED RELIEF

The Company's application for approval to implement a SIB surcharge in its Cochise system complies with all of the requirements of Decision No. 73938 and the provisions of the settlement agreement attached thereto as Attachment A. Pursuant to Section 9.4 of the settlement agreement, "Staff and RUCO shall have thirty (30) days from the date a SIB surcharge filing is made by [the Company] to review the amount of the SIB surcharge or SIB true-up surcharge or credit, and dispute and/or file a request for the Commission to alter the SIB surcharge or SIB true-up surcharge/credit. If no objection is filed to [the Company's] request within the thirty-day timeframe, the request shall

be placed on an open meeting agenda at the earliest practicable date." Accordingly, the Company requests that in the event Staff and RUCO, after reviewing the Company's application do not dispute or file a request for the Commission to alter the Company's requested surcharge within thirty days, Exhibit D be placed on an open meeting agenda at the earliest practicable date.

RESPECTFULLY SUBMITTED this 30th day of May, 2014.

ARIZONA WATER COMPANY

By: _____

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ORIGINAL and thirteen (13) copies of the foregoing filed this 30th day of May, 2014, with:

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EXHIBIT A

SIB PLANT TABLE I

-SUPERSTITION (APACHE JUNCTION) PWSID NO. 11-004

-SUPERSTITION (SUPERIOR) PWSID NO. 11-021

-SUPERSTITION (MIAMI) PWSID NO. 04-002

-FALCON VALLEY (ORACLE) PWSID NO. 11-019

-COCHISE (BISBEE) PWSID NO. 02-001

SUPERSTITION (APACHE JUNCTION)

PWSID NO. 11-004

SUPERSTITION (APACHE JUNCTION) WATER SYSTEM - PWSID NO. 11-004
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 309 Supply Mains	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
2	NA										
3	NA										
27	NA										
32	NA										
						Estimated Total Cost					

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (APACHE JUNCTION) WATER SYSTEM - PWSID NO. 11-004
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 343 T&D Mains	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
2	343	1,350	6-inch	DI	$ 88.81	$ 90.14	$ 121,692	Boise Street	2014; Company changed priority of project. Project expected in-service date accelerated from 2015 to 2014.	Begin Construction 2014	Install approximately 1,350 LF of 6-inch DI replacement pipe with polywrap, replace 88 service connections and replace 88 meters between Boise Street and Avalon Street. This project will replace approximately 800 LF of 4-inch CA water main installed in 1970 in an alley between 113th Way and 114th Street. The existing water main and service connections to be replaced have 22 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
3	343	650	6-inch	DI	$ 88.81	$ 90.14	$ 58,592	114th Street	2014	Begin Construction 2014	Install approximately 650 LF of 6-inch DI replacement pipe with polywrap, replace 102 service connections, replace 102 meters, and replace 1 fire hydrant between 114th Street and Meridian Road. The existing water mains and service connections to be replaced have 22 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
27	343	500	6-inch	DI	$ 89.65	$ 90.99	$ 45,497	Emerald Dr.	2014	Begin Construction 2014	Install approximately 500 LF of 6-inch DI replacement pipe with polywrap, replace 8 service connections and replace 8 meters along South Emerald Drive. This project will replace approximately 500 LF of 2-inch ST water main installed in 1955 along South Emerald Drive. The existing water mains and service connections to be replaced has 10 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (APACHE JUNCTION) WATER SYSTEM - PWSID NO. 11-004
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 343 T&D Mains	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
32	343	600	6-inch	DI	$ 84.90	$ 86.17	$ 51,704	Broadway Ave.	2014	Begin Construction 2014	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 3 service connections, replace 3 meters, and replace 1 fire hydrant along Broadway Avenue from Tomahawk Road to Vista Road. This project will replace approximately 600 LF of 6-inch CA water main installed in 1960 and 1984 along Broadway Avenue. The existing water mains and service connections to be replaced has 7 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
						Estimated Total Cost	$ 277,486				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (APACHE JUNCTION) WATER SYSTEM - PWSID NO. 11-004
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 345 Services	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
2	345	88	1-inch	Copper	$ 4,750.34	$ 4,821.60	$ 424,300	Boise Street	2014; Company changed priority of project. Project expected in-service date accelerated from 2015 to 2014.	Begin Construction 2014	Install approximately 1,350 LF of 6-inch DI replacement pipe with polywrap, replace 88 service connections and replace 88 meters between Boise Street and Avalon Street. This project will replace approximately 800 LF of 4-inch CA water main installed in 1970 in an alley between 113th Way and 114th Street. The existing water main and service connections to be replaced have 22 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
3	345	102	1-inch	Copper	$ 3,570.63	$ 3,624.19	$ 369,667	114th Street	2014	Begin Construction 2014	Install approximately 650 LF of 6-inch DI replacement pipe with polywrap, replace 102 service connections, replace 102 meters, and replace 1 fire hydrant between 114th Street and Meridian Road. The existing water mains and service connections to be replaced have 22 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
27	345	8	1-inch	Copper	$ 4,146.89	$ 4,209.09	$ 33,673	Emerald Drive	2014	Begin Construction 2014	Install approximately 500 LF of 6-inch DI replacement pipe with polywrap, replace 8 service connections and replace 8 meters along South Emerald Drive. This project will replace approximately 500 LF of 2-inch ST water main installed in 1955 along South Emerald Drive. The existing water mains and service connections to be replaced has 10 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (APACHE JUNCTION) WATER SYSTEM - PWSID NO. 11-004
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 345 Services	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
32	345	3	1-inch	Copper	$ 4,491.60	$ 4,558.97	$ 13,677	Broadway Avenue	2014	Begin Construction 2014	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 3 service connections, replace 3 meters, and replace 1 fire hydrant along Broadway Avenue from Tomahawk Road to Vista Road. This project will replace approximately 600 LF of 6-inch CA water main installed in 1960 and 1984 along Broadway Avenue. The existing water mains and service connections to be replaced has 7 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
						Estimated Total Cost	$ 841,317				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (APACHE JUNCTION) WATER SYSTEM - PWSID NO. 11-004
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)										1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 346 Meters	Units (Quantity)	Diameter / Size	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
2	346	88	5/8-inch	$ 80.00	$ 81.20	$ 7,146	Boise Street	2014; Company changed priority of project. Project expected in-service date accelerated from 2015 to 2014.	Begin Construction 2014	Install approximately 1,350 LF of 6-inch DI replacement pipe with polywrap, replace 88 service connections and replace 88 meters between Boise Street and Avalon Street. This project will replace approximately 800 LF of 4-inch CA water main installed in 1970 in an alley between 113th Way and 114th Street. The existing water main and service connections to be replaced have 22 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
3	346	102	5/8-inch	$ 80.00	$ 81.20	$ 8,282	114th Street	2014	Begin Construction 2014	Install approximately 650 LF of 6-inch DI replacement pipe with polywrap, replace 102 service connections, replace 102 meters, and replace 1 fire hydrant between 114th Street and Meridian Road. The existing water mains and service connections to be replaced have 22 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
27	346	8	5/8-inch	$ 80.00	$ 81.20	$ 650	Emerald Drive	2014	Begin Construction 2014	Install approximately 500 LF of 6-inch DI replacement pipe with polywrap, replace 8 service connections and replace 8 meters along South Emerald Drive. This project will replace approximately 500 LF of 2-inch ST water main installed in 1955 along South Emerald Drive. The existing water mains and service connections to be replaced has 10 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (APACHE JUNCTION) WATER SYSTEM - PWSID NO. 11-004
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)										
Project No.	NARUC Acct. No: 346 Meters	Units (Quantity)	Diameter / Size	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
32	346	3	5/8-inch	$ 80.00	$ 81.20	$ 244	Broadway Avenue	2014	Begin Construction 2014	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 3 service connections, replace 3 meters, and replace 1 fire hydrant along Broadway Avenue from Tomahawk Road to Vista Road. This project will replace approximately 600 LF of 6-inch CA water main installed in 1960 and 1984 along Broadway Avenue. The existing water mains and service connections to be replaced has 7 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
					Estimated Total Cost	$ 16,321				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (APACHE JUNCTION) WATER SYSTEM - PWSID NO. 11-004
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)									1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 348 Hydrants	Units (Quantity)	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
2	NA								
3	348	1	$ 2,886.70	$ 2,930	$ 2,930	114th Street	2014	Begin Construction 2014	Install approximately 650 LF of 6-inch DI replacement pipe with polywrap, replace 102 service connections, replace 102 meters, and replace 1 fire hydrant between 114th Street and Meridian Road. The existing water mains and service connections to be replaced have 22 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
27	NA								
32	348	1	$ 2,693.80	$ 2,734	$ 2,734	Broadway Avenue	2014	Begin Construction 2014	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 3 service connections, replace 3 meters, and replace 1 fire hydrant along Broadway Avenue from Tomahawk Road to Vista Road. This project will replace approximately 600 LF of 6-inch CA water main installed in 1960 and 1984 along Broadway Avenue. The existing water mains and service connections to be replaced has 7 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
				Estimated Total Cost	$ 5,664				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (APACHE JUNCTION) WATER SYSTEM - PWSID NO. 11-004
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Project No.	Project Description	Cost Estimate[1]	Cost Estimate[2]
2	Install approximately 1,350 LF of 6-inch DI replacement pipe with polywrap, replace 88 service connections and replace 88 meters between Boise Street and Avalon Street.	$ 544,964	$ 553,138
3	Install approximately 650 LF of 6-inch DI replacement pipe with polywrap, replace 102 service connections, replace 102 meters, and replace 1 fire hydrant between 114th Street and Meridian Road.	$ 432,978	$ 439,472
27	Install approximately 500 LF of 6-inch DI replacement pipe with polywrap, replace 8 service connections and replace 8 meters along South Emerald Drive.	$ 78,640	$ 79,820
32	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 3 service connections, replace 3 meters, and replace 1 fire hydrant along Broadway Avenue from Tomahawk Road to Vista Road.	$ 67,349	$ 68,359
	Estimated Total Cost	**$ 1,123,931**	**$ 1,140,789**

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (SUPERIOR)

PWSID NO. 11-021

SUPERSTITION (SUPERIOR) WATER SYSTEM - PWSID NO. 11-021
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 309 Supply Mains	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
19	NA										
36	NA										
						Estimated Total Cost					

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (SUPERIOR) WATER SYSTEM - PWSID NO. 11-021
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 343 T&D Mains	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
19	343	1,350	6-inch	DI	$ 83.07	$ 83.07	$ 112,145	Stone Avenue	2013	In Service	Install approximately 1,350 LF of 6-inch DI replacement pipe with polywrap, replace 25 service connections, replace 25 meters, and replace 3 fire hydrants along Stone Avenue from Kiser Street to Mofatt Street. This project will replace approximately 950 LF of 4-inch CI water main installed in 1937 along Stone Avenue and approximately 400 LF of 2-inch CA water main installed in 1942 along Kiser Street. The existing water mains to be replaced have 14 recorded leaks and over the past 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
36	343	1,250	6-inch	DI	$ 98.18	$ 99.65	$ 124,566	Garrot Avenue	2014; Company changed priority of project. Project expected in-service date accelerated from 2015 to 2014.	Begin Construction in 2014	Install approximately 1,250 LF of 6-inch DI replacement pipe with polywrap, replace 31 service connections, and replace 31 meters along Garrot Avenue and Stansberry Avenue. This project will replace approximately 650 LF of 2-inch CA water main installed in 1939 in the alley west of Garrot Avenue and approximately 600 LF of 6-inch CA water main installed in 1930 on Stansberry Avenue. The existing water mains to be replaced have 6 recorded leaks over the past 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
						Estimated Total Cost	$ 236,710				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (SUPERIOR) WATER SYSTEM - PWSID NO. 11-021
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 345 Services	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
19	345	25	1-inch	Copper	$ 3,996.17	$ 3,996.17	$ 99,904	Stone Avenue	2013	In Service	Install approximately 1,350 LF of 6-inch DI replacement pipe with polywrap, replace 25 service connections, replace 25 meters, and replace 3 fire hydrants along Stone Avenue from Kiser Street to Mofatt Street. This project will replace approximately 950 LF of 4-inch CI water main installed in 1937 along Stone Avenue and approximately 400 LF of 2-inch CA water main installed in 1942 along Kiser Street. The existing water mains to be replaced have 14 recorded leaks and over the past 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
36	345	31	1-inch	Copper	$ 4,958.40	$ 5,033	$ 156,016	Garrot Avenue	2014; Company changed priority of project. Project expected in-service date accelerated from 2015 to 2014.	Begin Construction in 2014	Install approximately 1,250 LF of 6-inch DI replacement pipe with polywrap, replace 31 service connections, and replace 31 meters along Garrot Avenue and Stansberry Avenue. This project will replace approximately 650 LF of 2-inch CA water main installed in 1939 in the alley west of Garrot Avenue and approximately 600 LF of 6-inch CA water main installed in 1930 on Stansberry Avenue. The existing water mains to be replaced have 6 recorded leaks over the past 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
						Estimated Total Cost	$ 255,920				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (SUPERIOR) WATER SYSTEM - PWSID NO. 11-021
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)										1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 346 Meters	Units (Quantity)	Diameter / Size	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
19	346	25	5/8-inch	$ 80.00	$ 80.00	$ 2,000	Stone Avenue	N/A	Cancelled	Install approximately 1,350 LF of 6-inch DI replacement pipe with polywrap, replace 25 service connections, replace 25 meters, and replace 3 fire hydrants along Stone Avenue from Kiser Street to Mofatt Street. This project will replace approximately 950 LF of 4-inch CI water main installed in 1937 along Stone Avenue and approximately 400 LF of 2-inch CA water main installed in 1942 along Kiser Street. The existing water mains to be replaced have 14 recorded leaks and over the past 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
36	346	31	5/8-inch	$ 80.00	$ 81.20	$ 2,517	Garrot Avenue	2014; Company changed priority of project. Project expected in-service date accelerated from 2015 to 2014.	Begin Construction 2014	Install approximately 1,250 LF of 6-inch DI replacement pipe with polywrap, replace 31 service connections, and replace 31 meters along Garrot Avenue and Stansberry Avenue. This project will replace approximately 650 LF of 2-inch CA water main installed in 1939 in the alley west of Garrot Avenue and approximately 600 LF of 6-inch CA water main installed in 1930 on Stansberry Avenue. The existing water mains to be replaced have 6 recorded leaks over the past 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
					Estimated Total Cost	$ 4,517				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (SUPERIOR) WATER SYSTEM - PWSID NO. 11-021
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)									1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 348 Hydrants	Units (Quantity)	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
19	348	3	$ 2,826.37	$ 2,826.37	$ 8,479	Stone Avenue	2013	In Service	Install approximately 1,350 LF of 6-inch DI replacement pipe with polywrap, replace 25 service connections, replace 25 meters, and replace 3 fire hydrants along Stone Avenue from Kiser Street to Mofatt Street. This project will replace approximately 950 LF of 4-inch CI water main installed in 1937 along Stone Avenue and approximately 400 LF of 2-inch CA water main installed in 1942 along Kiser Street. The existing water mains to be replaced have 14 recorded leaks and over the past 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
36	NA								
				Estimated Total Cost	$ 8,479				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (SUPERIOR) WATER SYSTEM - PWSID NO. 11-021
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Project No.	Project Description	Cost Estimate[1]	Cost Estimate[2]
19	Install approximately 1,350 LF of 6-inch DI replacement pipe with polywrap, replace 25 service connections, replace 25 meters, and replace 3 fire hydrants along Stone Avenue from Kiser Street to Mofatt Street.	$ 222,528	$ 222,528
36	Install approximately 1,250 LF of 6-inch DI replacement pipe with polywrap, replace 31 service connections, and replace 31 meters along Garrot Avenue and Stansberry Avenue.	$ 278,915	$ 283,099
	Estimated Total Cost	**$ 501,443**	**$ 505,627**

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (MIAMI)

PWSID NO. 04-002

SUPERSTITION (MIAMI) WATER SYSTEM - PWSID NO. 04-002
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											
Project No.	NARUC Acct. No: 309 Supply Mains	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
16	NA										
24	NA										
26	NA										
29	NA										
						Estimated Total Cost					

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (MIAMI) WATER SYSTEM - PWSID NO. 04-002
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 343 T&D Mains	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
16	343	250	6-inch	DI	$ 90.57	$ 91.93	$ 22,982	Monroe Street	2014; Company changed priority of project. Project expected in-service date postponed from 2013 to 2014.	Begin Construction 2014	Install approximately 250 LF of 6-inch DI replacement pipe with polywrap, replace 6 service connections and replace 6 meters along Monroe Street from Miami Street to Marion Street. This project will replace approximately 400 LF of 2-inch PVC water main installed in 1976 and 2-inch GS water main installed in 1936 on Monroe Street. The existing water mains and service connections to be replaced have 16 recorded leaks over the last 7 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
24	343	600	6-inch	DI	$ 88.74	$ 90.07	$ 54,043	Story Street	2014	Begin Construction 2014	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 11 service connections and replace 11 meters along Story Street east of Russell Avenue. This project will replace approximately 600 LF of 2-inch GS water main installed in 1956. The existing water mains and service connections to be replaced have 12 recorded leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (MIAMI) WATER SYSTEM - PWSID NO. 04-002
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 343 T&D Mains	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
26	343	800	6-inch	DI	$ 90.03	$ 91.38	$ 73,104	Young Street	2014; Company changed priority of project. Project expected in-service date accelerated from 2015 to 2014.	Begin Construction 2014	Install approximately 800 LF of 6-inch DI replacement pipe with polywrap, replace 17 service connections and replace 17 meters along Young Street, Second Avenue, Hill Street, and Third Avenue. This project will replace approximately 300 LF of 1-inch ST water main installed in 1975, approximately 350 LF of 1-inch PVC water main installed in 1979, and approximately 100 LF of 2-inch PVC water main installed in 1975. The existing water mains and service connections to be replaced have 11 recorded leaks over the last 3 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
29	343	1,600	6-inch	DI	$ 87.70	$ 87.70	$ 140,320	Washborn Road	2013	In Service	Install approximately 1,600 LF of 6-inch DI replacement pipe with polywrap and replace 1 fire hydrant along Washborn Road. This project will replace approximately 1,600 LF of 6-inch HDPE water main along Washborn Road. The existing water main to be replaced has 9 recorded water main leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
						Estimated Total Cost	$ 290,449				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (MIAMI) WATER SYSTEM - PWSID NO. 04-002
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 345 Services	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
16	345	6	1-inch	Copper	$ 3,848.24	$ 3,905.96	$ 23,436	Monroe Street	2014; Company changed priority of project. Project expected in-service date postponed from 2013 to 2014.	Begin Construction 2014	Install approximately 250 LF of 6-inch DI replacement pipe with polywrap, replace 6 service connections and replace 6 meters along Monroe Street from Miami Street to Marion Street. This project will replace approximately 400 LF of 2-inch PVC water main installed in 1976 and 2-inch GS water main installed in 1936 on Monroe Street. The existing water mains and service connections to be replaced have 16 recorded leaks over the last 7 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
24	345	11	1-inch	Copper	$ 4,042.78	$ 4,103.42	$ 45,138	Story Street	2014	Begin Construction 2014	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 11 service connections and replace 11 meters along Story Street east of Russell Avenue. This project will replace approximately 600 LF of 2-inch GS water main installed in 1956. The existing water mains and service connections to be replaced have 12 recorded leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (MIAMI) WATER SYSTEM - PWSID NO. 04-002
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 345 Services	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
26	345	17	1-inch	Copper	$ 3,830.70	$ 3,888.16	$ 66,099	Young Street	2014; Company changed priority of project. Project expected in-service date accelerated from 2015 to 2014.	Begin Construction 2014	Install approximately 800 LF of 6-inch DI replacement pipe with polywrap, replace 17 service connections and replace 17 meters along Young Street, Second Avenue, Hill Street, and Third Avenue. This project will replace approximately 300 LF of 1-inch ST water main installed in 1975, approximately 350 LF of 1-inch PVC water main installed in 1979, and approximately 100 LF of 2-inch PVC water main installed in 1975. The existing water mains and service connections to be replaced have 11 recorded leaks over the last 3 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
29	NA										
						Estimated Total Cost	$ 134,672				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (MIAMI) WATER SYSTEM - PWSID NO. 04-002
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)										1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 346 Meters	Units (Quantity)	Diameter / Size	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
16	346	6	5/8-inch	$ 80.00	$ 81.20	$ 487	Monroe Street	2014; Company changed priority of project. Project expected in-service date postponed from 2013 to 2014.	Begin Construction 2014	Install approximately 250 LF of 6-inch DI replacement pipe with polywrap, replace 6 service connections and replace 6 meters along Monroe Street from Miami Street to Marion Street. This project will replace approximately 400 LF of 2-inch PVC water main installed in 1976 and 2-inch GS water main installed in 1936 on Monroe Street. The existing water mains and service connections to be replaced have 16 recorded leaks over the last 7 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
24	346	11	5/8-inch	$ 80.00	$ 81.20	$ 893	Story Street	2014	Begin Construction 2014	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 11 service connections and replace 11 meters along Story Street east of Russell Avenue. This project will replace approximately 600 LF of 2-inch GS water main installed in 1956. The existing water mains and service connections to be replaced have 12 recorded leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
26	346	17	5/8-inch	$ 80.00	$ 81.20	$ 1,380	Young Street	2014; Company changed priority of project. Project expected in-service date accelerated from 2015 to 2014.	Begin Construction 2014	Install approximately 800 LF of 6-inch DI replacement pipe with polywrap, replace 17 service connections and replace 17 meters along Young Street, Second Avenue, Hill Street, and Third Avenue. This project will replace approximately 300 LF of 1-inch ST water main installed in 1975, approximately 350 LF of 1-inch PVC water main installed in 1979, and approximately 100 LF of 2-inch PVC water main installed in 1975. The existing water mains and service connections to be replaced have 11 recorded leaks over the last 3 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
29	NA									
					Estimated Total Cost	$ 2,761				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (MIAMI) WATER SYSTEM - PWSID NO. 04-002
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)									
Project No.	NARUC Acct. No: 348 Hydrants	Units (Quantity)	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
16	NA								
24	NA								
26	NA								
29	348	1	$ 2,517.50	$ -	$ -	Washborn Road	NA	Cancelled	Install approximately 1,600 LF of 6-inch DI replacement pipe with polywrap and replace 1 fire hydrant along Washborn Road. This project will replace approximately 1,600 LF of 6-inch HDPE water main along Washborn Road. The existing water main to be replaced has 9 recorded water main leaks over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
				Estimated Total Cost	$ -				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

SUPERSTITION (MIAMI) WATER SYSTEM - PWSID NO. 04-002
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Project No.	Project Description	Cost Estimate[1]	Cost Estimate[2]
16	Install approximately 250 LF of 6-inch DI replacement pipe with polywrap, replace 6 service connections and replace 6 meters along Monroe Street from Miami Street to Marion Street.	$ 46,212	$ 46,905
24	Install approximately 600 LF of 6-inch DI replacement pipe with polywrap, replace 11 service connections and replace 11 meters along Story Street east of Russell Avenue.	$ 98,595	$ 100,073
26	Install approximately 800 LF of 6-inch DI replacement pipe with polywrap, replace 17 service connections and replace 17 meters along Young Street, Second Avenue, Hill Street, and Third Avenue.	$ 138,506	$ 140,583
29	Install approximately 1,600 LF of 6-inch DI replacement pipe with polywrap and replace 1 fire hydrant along Washborn Road.	$ 142,838	$ 140,320
	Estimated Total Cost	**$ 426,151**	**$ 427,882**

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

FALCON VALLEY (ORACLE)

PWSID NO. 11-019

FALCON VALLEY (ORACLE) WATER SYSTEM - PWSID NO. 11-019
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 309 Supply Mains	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
37	NA										
38	NA										
39	NA										
40	NA										
41	NA										
						Estimated Total Cost					

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

FALCON VALLEY (ORACLE) WATER SYSTEM - PWSID NO. 11-019
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 343 T&D Mains	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
37	NA										
38	NA										
39	NA										
40	NA										
41	NA										
						Estimated Total Cost					

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

FALCON VALLEY (ORACLE) WATER SYSTEM - PWSID NO. 11-019
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 345 Services	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
37	345	61	1-inch	Copper	$ 2,717.88	$ 2,717.88	$ 165,791	Beverly Cirlce	2013	In Service	Replace 61 service connections and replace 61 meters along Beverly Circle. The existing water mains have 36 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
38	345	35	1-inch	Copper	$ 2,639.48	$ 2,639.48	$ 92,382	Sonberg Drive	2013	In Service	Replace 35 service connections and replace 35 meters along Sonberg Drive, Harold Drive and Rockcliff Boulevard. The existing water mains have 21 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
39	345	19	1-inch	Copper	$ 2,735.75	$ 2,776.79	$ 52,759	Camino Seco	2014	Begin Construction 2014	Replace 19 service connections and replace 19 meters along Camino Seco and Calle Valencia. The existing water mains have 9 recorded service line leaks over the last 5 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
40	345	27	1-inch	Copper	$ 2,837.44	$ 2,880.00	$ 77,760	Adams Street	2014	Begin Construction 2014	Replace 27 service connections and replace 27 meters along Adams Street, Howard Street and Logan Street. The existing water mains have 7 recorded service line leaks and 1 water main leak over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

FALCON VALLEY (ORACLE) WATER SYSTEM - PWSID NO. 11-019
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 345 Services	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
41	345	24	1-inch	Copper	$ 2,668.79	$ 2,708.82	$ 65,012	Two O'Clock Hills Road	2014; Company changed priority of project. Project expected in-service date accelerated from 2015 to 2014.	Begin Construction 2014	Replace 24 service connections and replace 24 meters along North Two O'clock Hills Road and Chaparral Street. The existing water mains have 8 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
						Estimated Total Cost	$ 453,703				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

FALCON VALLEY (ORACLE) WATER SYSTEM - PWSID NO. 11-019
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)										1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 346 Meters	Units (Quantity)	Diameter / Size	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
37	346	61	5/8-inch	$ 80.00	$ -	$ -	Beverly Circle	NA	Cancelled	Replace 61 service connections and replace 61 meters along Beverly Circle. The existing water mains have 36 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
38	346	35	5/8-inch	$ 80.00	$ -	$ -	Sonberg Drive	NA	Cancelled	Replace 35 service connections and replace 35 meters along Sonberg Drive, Harold Drive and Rockcliff Boulevard. The existing water mains have 21 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
39	346	19	5/8-inch	$ 80.00	$ 81.20	$ 1,543	Camino Seco	2014	Begin Construction 2014	Replace 19 service connections and replace 19 meters along Camino Seco and Calle Valencia. The existing water mains have 9 recorded service line leaks over the last 5 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
40	346	27	5/8-inch	$ 80.00	$ 81.20	$ 2,192	Adams Street	2014	Begin Construction 2014	Replace 27 service connections and replace 27 meters along Adams Street, Howard Street and Logan Street. The existing water mains have 7 recorded service line leaks and 1 water main leak over the last 6 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
41	346	24	5/8-inch	$ 80.00	$ 81.20	$ 1,949	Two O'Clock Hills Road	2014; Company changed priority of project. Project expected in-service date accelerated from 2015 to 2014.	Begin Construction 2014	Replace 24 service connections and replace 24 meters along North Two O'clock Hills Road and Chaparral Street. The existing water mains have 8 recorded service line leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
					Estimated Total Cost	$ 5,684				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

FALCON VALLEY (ORACLE) WATER SYSTEM - PWSID NO. 11-019
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)									
Project No.	NARUC Acct. No: 348 Hydrants	Units (Quantity)	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
37	NA								
38	NA								
39	NA								
40	NA								
41	NA								
				Estimated Total Cost					

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

FALCON VALLEY (ORACLE) WATER SYSTEM - PWSID NO. 11-019
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Project No.	Project Description	Cost Estimate[1]	Cost Estimate[2]
37	Replace 61 service connections and replace 61 meters along Beverly Circle.	$ 170,671	$ 165,791
38	Replace 35 service connections and replace 35 meters along Sonberg Drive, Harold Drive and Rockcliff Boulevard.	$ 95,182	$ 92,382
39	Replace 19 service connections and replace 19 meters along Camino Seco and Calle Valencia.	$ 53,499	$ 54,302
40	Replace 27 service connections and replace 27 meters along Adams Street, Howard Street and Logan Street.	$ 78,771	$ 79,952
41	Replace 24 service connections and replace 24 meters along North Two O'clock Hills Road and Chaparral Street.	$ 65,971	$ 66,961
	Estimated Total Cost	**$ 464,094**	**$ 459,387**

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

COCHISE (BISBEE)

PWSID NO. 02-001

COCHISE (BISBEE) WATER SYSTEM - PWSID NO. 02-001
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											
Project No.	NARUC Acct. No: 309 Supply Mains	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
48	NA										
49	NA										
						Estimated Total Cost					

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

COCHISE (BISBEE) WATER SYSTEM - PWSID NO. 02-001
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 343 T&D Mains	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
48	343	2,900	6-inch	DI	$ 91.66	$ 93.03	$ 269,801	Teran Street	2014; Company changed priority of project. Project expected in-service date postponed from 2013 to 2014.	Begin Construction in 2014	Install approximately 2,900 LF of 6-inch DI replacement pipe with polywrap, replace 22 service connections, and replace 22 meters along Teran Street, Aruizu Street, Carbajal Street, and Vargas Street. This project will replace approximately 700 LF of 1-inch GS water main installed in 1938, approximately 800 LF of 2-inch GS water main installed in 1938, and approximately 1,300 LF of 6-inch ST water main installed in 1908 and 1976. The existing water mains and service connections to be replaced have 20 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
49	343	700	6-inch	DI	$ 88.73	$ 90.06	$ 63,043	Park Avenue	2014; Company changed priority of project. Project expected in-service date postponed from 2013 to 2014.	Construction Began in 2013	Install approximately 700 LF of 6-inch DI replacement pipe with polywrap, replace 12 service connections, replace 12 meters, and replace 1 fire hydrant along Park Avenue. This project will replace approximately 650 LF of 2-inch GS water main installed in 1920 and 1967; approximately 300 LF of 4-inch GS water main installed in 1922; and approximately 250 LF of 6-inch ST water main installed in 1922 on Second Street. The existing water mains and service connections to be replaced have 16 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
						Estimated Total Cost	$ 332,844				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

COCHISE (BISBEE) WATER SYSTEM - PWSID NO. 02-001
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)											1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 345 Services	Units (Quantity)	Diameter / Size	Material	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
48	345	22	1-inch	Copper	$ 2,052.15	$ 2,082.93	$ 45,825	Teran Street	2014; Company changed priority of project. Project expected in-service date postponed from 2013 to 2014.	Begin Construction in 2014	Install approximately 2,900 LF of 6-inch DI replacement pipe with polywrap, replace 22 service connections, and replace 22 meters along Teran Street, Aruizu Street, Carbajal Street, and Vargas Street. This project will replace approximately 700 LF of 1-inch GS water main installed in 1938, approximately 800 LF of 2-inch GS water main installed in 1938, and approximately 1,300 LF of 6-inch ST water main installed in 1908 and 1976. The existing water mains and service connections to be replaced have 20 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
49	345	12	1-inch	Copper	$ 2,698.67	$ 2,739.15	$ 32,870	Park Avenue	2014; Company changed priority of project. Project expected in-service date postponed from 2013 to 2014.	Construction Began in 2013	Install approximately 700 LF of 6-inch DI replacement pipe with polywrap, replace 12 service connections, replace 12 meters, and replace 1 fire hydrant along Park Avenue. This project will replace approximately 650 LF of 2-inch GS water main installed in 1920 and 1967; approximately 300 LF of 4-inch GS water main installed in 1922; and approximately 250 LF of 6-inch ST water main installed in 1922 on Second Street. The existing water mains and service connections to be replaced have 16 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
						Estimated Total Cost	$ 78,694				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

COCHISE (BISBEE) WATER SYSTEM - PWSID NO. 02-001
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)										1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 346 Meters	Units (Quantity)	Diameter / Size	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
48	346	22	5/8-inch	$ 80.00	$ 81.20	$ 1,786	Teran Street	2014; Company changed priority of project. Project expected in-service date postponed from 2013 to 2014.	Begin Construction in 2014	Install approximately 2,900 LF of 6-inch DI replacement pipe with polywrap, replace 22 service connections, and replace 22 meters along Teran Street, Aruizu Street, Carbajal Street, and Vargas Street. This project will replace approximately 700 LF of 1-inch GS water main installed in 1938, approximately 800 LF of 2-inch GS water main installed in 1938, and approximately 1,300 LF of 6-inch ST water main installed in 1908 and 1976. The existing water mains and service connections to be replaced have 20 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
49	346	12	5/8-inch	$ 80.00	$ 81.20	$ 974	Park Avenue	2014; Company changed priority of project. Project expected in-service date postponed from 2013 to 2014.	Construction Began in 2013	Install approximately 700 LF of 6-inch DI replacement pipe with polywrap, replace 12 service connections, replace 12 meters, and replace 1 fire hydrant along Park Avenue. This project will replace approximately 650 LF of 2-inch GS water main installed in 1920 and 1967; approximately 300 LF of 4-inch GS water main installed in 1922; and approximately 250 LF of 6-inch ST water main installed in 1922 on Second Street. The existing water mains and service connections to be replaced have 16 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
					Estimated Total Cost	$ 2,761				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

COCHISE (BISBEE) WATER SYSTEM - PWSID NO. 02-001
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Replacement Plant Description (new plant) (SIB-eligible plant)									1. Provide narrative why Replacement Plant is necessary. - Replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility. - Replacement of existing plant to address excessive water loss (10% or more). - Replacement of existing plant for other reasons supported by persuasive showing by utility. 2. Provide narrative explaining why this segment of plant is a priority. 3. Provide narrative explaining how replacing this plant will benefit existing customers. 4. Provide affirmation that Replacement Plant does not include costs for extending or expanding facilities to serve new customers. 5. Provide reference to related page no. in the submitted detailed engineering analysis supporting the need for SIB. Engineering analysis shall also include narrative explaining the utility's systematic assessment,
Project No.	NARUC Acct. No: 348 Hydrants	Units (Quantity)	Cost / Unit (estimated)[1]	Cost / Unit (estimated)[2]	Subtotal Cost (estimated)	Site (location description)	Expected In-Service Date	Project Status	
48	NA								
49	348	1	$ 2,615.10	$ 2,654.33	$ 2,654	Park Avenue	2014; Company changed priority of project. Project expected in-service date postponed from 2013 to 2014.	Construction Began in 2013	Install approximately 700 LF of 6-inch DI replacement pipe with polywrap, replace 12 service connections, replace 12 meters, and replace 1 fire hydrant along Park Avenue. This project will replace approximately 650 LF of 2-inch GS water main installed in 1920 and 1967; approximately 300 LF of 4-inch GS water main installed in 1922; and approximately 250 LF of 6-inch ST water main installed in 1922 on Second Street. The existing water mains and service connections to be replaced have 16 recorded leaks over the last 10 years. This replacement project is not being constructed to serve new customers. Project further described and documented in Exhibit FKS-13.
				Estimated Total Cost	$ 2,654				

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

COCHISE (BISBEE) WATER SYSTEM - PWSID NO. 02-001
SIB PLANT TABLE I

Information to be included with SIB-Eligible Project Filings

Project No.	Project Description	Cost Estimate[1]	Cost Estimate[2]
48	Install approximately 2,900 LF of 6-inch DI replacement pipe with polywrap, replace 22 service connections, and replace 22 meters along Teran Street, Aruizu Street, Carbajal Street, and Vargas Street.	$ 312,721	$ 317,412
49	Install approximately 700 LF of 6-inch DI replacement pipe with polywrap, replace 12 service connections, replace 12 meters, and replace 1 fire hydrant along Park Avenue.	$ 98,070	$ 99,541
	Estimated Total Cost	**$ 410,791**	**$ 416,953**

[1]Per the Commission-approved initial SIB Table I.

[2]Beginning with its SIB surcharge filing for year two, the Company may request a change from the estimated cost/unit due to inflation using the latest calendar year Consumer Price Index.

EXHIBIT B

SIB PLANT TABLE II

-COCHISE (BISBEE) PWSID NO. 02-001

COCHISE (BISBEE)

PWSID NO. 02-001

BISBEE WATER SYSTEM - PWSID NO. 02-001
SIB PLANT TABLE II (Page 1)

Information to be included with SIB-Eligible Completed Project Filings

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (new plant) (SIB-eligible plant)							Original Plant (Plant Being Retired)				
	309 Supply Mains	Description	Installed Pipe Length	Diameter/ Size	Material	Installed Cost/Unit (actual cost)	Actual Cost (by NARUC Acct No)	In-Service Date (provide ADEQ AOC and other related approvals by state and/or federal agencies when applicable; pictures of installed plant)	Actual Retirement Date	Original In-Service Date	Original Cost	Accumulated Depreciation Reserve (as of the actual retirement date)	Net Value of Retired Plant
43	NA												
44	NA												
47	NA												
51	NA												
52	NA												
Totals							$ -				$ -	$ -	$ -

BISBEE WATER SYSTEM - PWSID NO. 02-001
SIB PLANT TABLE II (Page 2)

Information to be included with SIB-Eligible Completed Project Filings

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (new plant) (SIB-eligible plant)							Original Plant (Plant Being Retired)				
	343 T&D Mains	Description	Installed Pipe Length	Diameter/ Size	Material	Installed Cost/Unit (actual cost)	Actual Cost (by NARUC Acct No)	In-Service Date (provide ADEQ AOC and other related approvals by state and/or federal agencies when applicable; pictures of installed plant)	Actual Retirement Date	Original In-Service Date	Original Cost	Accumulated Depreciation Reserve (as of the actual retirement date)	Net Value of Retired Plant
43	343	Installed 1,778 LF of 6-inch DI replacement pipe with polywrap, replaced 23 service connection, and replaced 1 fire hydrant along Bowers Street. This project replaced 1,250 LF of 4-inch ST water main installed in 1958 and approximately 150 LF of 1-inch GS water main installed in 1961 on Bowers Street; and 500 LF of 2-inch GS water main installed in 1958 on Marie Street.	1,778; Actual tie-in locations reduced the length of water main installed from 1,900 LF to 1,778 LF.	6-Inch	DI	$ 51.6001	$ 91,745	6/11/2012	6/11/2012	1958	$ 2,546	$ 2,546	$ -
44	343	Installed 770 LF of 6-inch replacement pipe with polywrap and replaced 11 service connections along Ocotillo Street. This project replaced 600 LF of 1-inch GS water main installed in 1945, 1947, and 1950, 250 LF of 1-inch PVC water main installed in 1980, 150 LF of 4-inch ST water main installed in 1960, and 100 LF of 2-inch CU water main installed in 2007 on Ocotillo Street.	770; Actual tie-in locations increased the length of water main installed from 700 LF to 770 LF.	6-Inch	DI	$ 76.2286	$ 58,696	11/7/2012	11/7/2012	1945	$ 1,566	$ 1,566	$ -

BISBEE WATER SYSTEM - PWSID NO. 02-001
SIB PLANT TABLE II (Page 2 - Continued)

Information to be included with SIB-Eligible Completed Project Filings

47	343	Installed 1,459 LF of 4-inch DI replacement pipe with polywrap and replaced 17 service connections along Ledge Avenue, Quality Road, and Alleys. This project replaced 150 LF of 1-inch GS water main installed in 1939, 100 LF of 1-inch PVC water main installed in 1976, 750 LF of 2-inch GS water main installed in 1939 and 1947, and 350 LF of 3-inch GS water main installed in 1932 and 1952.	1,459; Actual tie-in locations reduced the length of water main installed from 1,650 LF to 1,459 LF.	4-inch; 4-inch replacement pipe was installed instead of 6-inch DI to reduce rock excavation construction costs. No fire hydrants are installed on this water main.	DI	$ 77.0754	$ 112,453	9/14/2011	9/14/2011	1939	$ 416	$ 416	$ -
51	343	Installed 850 LF of 8-inch DI and 75 LF of 6-inch DI replacement pipe with polywrap, replaced 11 service connections, and replaced 2 fire hydrants along Cole Avenue. This project replaced 800 LF of 8-inch ST water main installed in 1908 and 150 LF of 6-inch ST water main installed in 1908 on Cole Avenue.	850 LF of 8-inch, 75 LF of 6-inch; Actual tie-in locations reduced the length of water main installed from 1,000 LF to 925 LF.	8-inch, 6-inch; Existing 8-inch ST was replaced with 8-inch DI instead of 6-inch DI to match size.	DI	$ 149.6162	$ 138,395	3/22/2013	3/22/2013	1908	$ 2,398	$ 2,398	$ -
52	343	Installed 287 LF of 6-inch DI replacement pipe with polywrap and replaced 3 service connections along Church Street from Clawson Avenue to Sowels Avenue. This project replaced 300 LF of 4-inch ST water main installed in 1930, 1975, and 1978 and 100 LF of 6-inch ST water main installed in 1908 on Church Street.	287; Actual tie-in locations reduced the length of water main installed from 400 LF to 287 LF.	6-Inch	DI	$ 164.7213	$ 47,275	8/17/2012	8/17/2012	1930	$ 395	$ 395	$ -
Totals							$ 448,564				$ 7,321	$ 7,321	$ -

BISBEE WATER SYSTEM - PWSID NO. 02-001
SIB PLANT TABLE II (Page 3)

Information to be included with SIB-Eligible Completed Project Filings

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (new plant) (SIB-eligible plant)							Original Plant (Plant Being Retired)				
	345 Services	Description	Installed Quantity	Diameter/ Size	Material	Installed Cost/Unit (actual cost)	Actual Cost (by NARUC Acct No)	In-Service Date (provide ADEQ AOC and other related approvals by state and/or federal agencies when applicable; pictures of installed plant)	Actual Retirement Date	Original In-Service Date	Original Cost	Accumulated Depreciation Reserve (as of the actual retirement date)	Net Value of Retired Plant
43	345	Installed 1,778 LF of 6-inch DI replacement pipe with polywrap, replaced 23 service connection, and replaced 1 fire hydrant along Bowers Street. This project replaced 1,250 LF of 4-inch ST water main installed in 1958 and approximately 150 LF of 1-inch GS water main installed in 1961 on Bowers Street; and 500 LF of 2-inch GS water main installed in 1958 on Marie Street.	23; During design and construction Company determined 1 additional service connection required replacement increasing the quantity of service replacements from 22 to 23.	1-inch	Copper	$ 1,072.7400	$ 24,673	6/11/2012	6/11/2012	1958	$ 1,275	$ 1,275	$ -
44	345	Installed 770 LF of 6-inch replacement pipe with polywrap and replaced 11 service connections along Ocotillo Street. This project replaced 600 LF of 1-inch GS water main installed in 1945, 1947, and 1950, 250 LF of 1-inch PVC water main installed in 1980, 150 LF of 4-inch ST water main installed in 1960, and 100 LF of 2-inch CU water main installed in 2007 on Ocotillo Street.	11	1-inch	Copper	$ 2,252.1800	$ 24,774	11/7/2012	11/7/2012	1945	$ 1,559	$ 1,559	$ -

BISBEE WATER SYSTEM - PWSID NO. 02-001
SIB PLANT TABLE II (Page 3 - Continued)

Information to be included with SIB-Eligible Completed Project Filings

47	345	Installed 1,459 LF of 4-inch DI replacement pipe with polywrap and replaced 17 service connections along Ledge Avenue, Quality Road, and Alleys. This project replaced 150 LF of 1-inch GS water main installed in 1939, 100 LF of 1-inch PVC water main installed in 1976, 750 LF of 2-inch GS water main installed in 1939 and 1947, and 350 LF of 3-inch GS water main installed in 1932 and 1952.	17; Actual tie-in locations reduced the length of water main installed and reduced the quantity of service replacements from 20 to 17.	1-inch	Copper	$ 1,283.2400	$ 21,815	9/14/2011	9/14/2011	1939	$ 898	$ 898	$ -
51	345	Installed 850 LF of 8-inch DI and 75 LF of 6-inch DI replacement pipe with polywrap, replaced 11 service connections, and replaced 2 fire hydrants along Cole Avenue. This project replaced 800 LF of 8-inch ST water main installed in 1908 and 150 LF of 6-inch ST water main installed in 1908 on Cole Avenue.	11; During design and construction Company determined 4 additional service connections required replacement increasing the quantity of service replacements from 7 to 11.	1-inch	Copper	$ 2,103.5500	$ 23,139	3/22/2013	3/22/2013	1908	$ 331	$ 331	$ -
52	345	Installed 287 LF of 6-inch DI replacement pipe with polywrap and replaced 3 service connections along Church Street from Clawson Avenue to Sowels Avenue. This project replaced 300 LF of 4-inch ST water main installed in 1930, 1975, and 1978 and 100 LF of 6-inch ST water main installed in 1908 on Church Street.	3; Actual tie-in locations reduced the length of water main installed and reduced the quantity of service replacements from 7 to 3.	1-inch, 2-inch; During design Company determined 1 existing service connection was 2-inch and required replacement.	Copper	$ 2,613.3300	$ 7,840	8/17/2012	8/17/2012	1930	$ 395	$ 395	$ -
Totals							$ 102,241				$ 4,458	$ 4,458	$ -

BISBEE WATER SYSTEM - PWSID NO. 02-001
SIB PLANT TABLE II (Page 4)

Information to be included with SIB-Eligible Completed Project Filings

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (new plant) (SIB-eligible plant)							Original Plant (Plant Being Retired)				
	346 Meters	Description	Installed Quantity	Diameter/ Size	Material	Installed Cost/Unit (actual cost)	Actual Cost (by NARUC Acct No)	In-Service Date (provide ADEQ AOC and other related approvals by state and/or federal agencies when applicable; pictures of installed plant)	Actual Retirement Date	Original In-Service Date	Original Cost	Accumulated Depreciation Reserve (as of the actual retirement date)	Net Value of Retired Plant
43	NA	NA	0; Company determined the existing meters had remaining service life and did not require replacement.										
44	NA	NA	0; Company determined the existing meters had remaining service life and did not require replacement.										
47	NA	NA	0; Company determined the existing meters had remaining service life and did not require replacement.										
51	NA	NA	0; Company determined the existing meters had remaining service life and did not require replacement.										
52	NA	NA	0; Company determined the existing meters had remaining service life and did not require replacement.										
Totals							$ -				$ -	$ -	$ -

BISBEE WATER SYSTEM - PWSID NO. 02-001
SIB PLANT TABLE II (Page 5)

Information to be included with SIB-Eligible Completed Project Filings

Project No.	NARUC Acct No. (SIB-eligible plant)	Replacement Plant Description (new plant) (SIB-eligible plant)					Original Plant (Plant Being Retired)				
	348 Hydrants	Description	Installed Quantity	Installed Cost/Unit (actual cost)	Actual Cost (by NARUC Acct No)	In-Service Date (provide ADEQ AOC and other related approvals by state and/or federal agencies when applicable; pictures of installed plant)	Actual Retirement Date	Original In-Service Date	Original Cost	Accumulated Depreciation Reserve (as of the actual retirement date)	Net Value of Retired Plant
43	348	Installed 1,778 LF of 6-inch DI replacement pipe with polywrap, replaced 23 service connection, and replaced 1 fire hydrant along Bowers Street. This project replaced 1,250 LF of 4-inch ST water main installed in 1958 and approximately 150 LF of 1-inch GS water main installed in 1961 on Bowers Street; and 500 LF of 2-inch GS water main installed in 1958 on Marie Street.	1	$ 6,684.0000	$ 6,684	6/11/2012	6/11/2012	1986	$ 1,352	$ 1,352	$ -
44	NA	NA	0; Actual tie-in locations did not require fire hydrant replacement.								
47	NA										
51	348	Installed 850 LF of 8-inch DI and 75 LF of 6-inch DI replacement pipe with polywrap, replaced 11 service connections, and replaced 2 fire hydrants along Cole Avenue. This project replaced 800 LF of 8-inch ST water main installed in 1908 and 150 LF of 6-inch ST water main installed in 1908 on Cole Avenue.	2	$ 6,405.5000	$ 12,811	3/22/2013	3/22/2013	1974	$ 1,478	$ 1,478	$ -
52	NA	NA	0; Actual tie-in locations did not require fire hydrant replacement.								
Totals					$ 19,495				$ 2,830	$ 2,830	$ -

BISBEE WATER SYSTEM - PWSID NO. 02-001
SIB PLANT TABLE II - SUMMARY (PAGE 6)

Information to be included with SIB-Eligible Completed Project Filings

Project No.	Project Description	Estimated Cost (from Table I)	Actual Cost	Detailed explanation of why actual costs have exceeded estimated costs by more than 10% for the project.
43	Installed 1,778 LF of 6-inch DI replacement pipe with polywrap, replaced 23 service connection, and replaced 1 fire hydrant along Bowers Street. This project replaced 1,250 LF of 4-inch ST water main installed in 1958 and approximately 150 LF of 1-inch GS water main installed in 1961 on Bowers Street; and 500 LF of 2-inch GS water main installed in 1958 on Marie Street.	$ 232,374	$ 123,102	NA
44	Installed 770 LF of 6-inch replacement pipe with polywrap and replaced 11 service connections along Ocotillo Street. This project replaced 600 LF of 1-inch GS water main installed in 1945, 1947, and 1950, 250 LF of 1-inch PVC water main installed in 1980, 150 LF of 4-inch ST water main installed in 1960, and 100 LF of 2-inch CU water main installed in 2007 on Ocotillo Street.	$ 94,656	$ 83,470	NA
47	Installed 1,459 LF of 4-inch DI replacement pipe with polywrap and replaced 17 service connections along Ledge Avenue, Quality Road, and Alleys. This project replaced 150 LF of 1-inch GS water main installed in 1939, 100 LF of 1-inch PVC water main installed in 1976, 750 LF of 2-inch GS water main installed in 1939 and 1947, and 350 LF of 3-inch GS water main installed in 1932 and 1952.	$ 192,464	$ 134,268	NA
51	Installed 850 LF of 8-inch DI and 75 LF of 6-inch DI replacement pipe with polywrap, replaced 11 service connections, and replaced 2 fire hydrants along Cole Avenue. This project replaced 800 LF of 8-inch ST water main installed in 1908 and 150 LF of 6-inch ST water main installed in 1908 on Cole Avenue.	$ 112,905	$ 174,345	Project was released to construct for $185,263 in November 2012 based on actual competitive contractor bids. Final project cost is below budgeted amount.
52	Installed 287 LF of 6-inch DI replacement pipe with polywrap and replaced 3 service connections along Church Street from Clawson Avenue to Sowels Avenue. This project replaced 300 LF of 4-inch ST water main installed in 1930, 1975, and 1978 and 100 LF of 6-inch ST water main installed in 1908 on Church Street.	$ 54,877	$ 55,115	NA
Total Cost		$ 687,276	$ 570,300	

SIB PLANT TABLE II
SUPPORTING DOCUMENTATION

COCHISE (BISBEE)

PROJECT 43 (WA 1-4901)

- ADEQ Approval of Construction (AOC) or signed Construction Placed in Service Notice where AOC not applicable (e.g. services)
- Project pictures

Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov

Henry R. Darwin
Director

APPROVAL OF CONSTRUCTION

Project Description: Installation of approximately 1,800 lf of 6-inch DIP waterline to replace existing 2-inch GS waterline on Bowers St. and Marie St. Existing fire hydrant on southeast corner of Bowers St. and Marie St. was replaced and relocated to the NE corner. Line shifted on south end of Bowers St. north of McDonald St. to the East to reduce the length of pavement replacement.

Project Location: Bisbee County: Cochise

Project Owner: Arizona Water Company, P O Box 29006, Phoenix, AZ 85038

Approval to operate the above-described facilities as represented in the approved plan documents on file with the Arizona Department of Environmental Quality is hereby given subject to the following provisions:

NONE

This approval is based upon the Engineer's Certificate of Completion signed by your Registered Professional Engineer, Frederick K. Schneider, dated June 5, 2012.

Arizona Revised Statues require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

Date Approved: June 11, 2012

John T. Tyne, P.E. for
Raymond D. Morgan, P.E.
Regional Engineering Coordinator
Southern Regional Office

System Number: 02-001
LTF Number: 56188
File No.: 20120015

cc: Engineering Review Desk
County Health Department
Project Owner
Project File
Reading File

JEE: mdr

ADEQ/WQD/FO-001 (REV. 09-04)

1-4901

Surface Contracting @ # 2240 Bowles Street

SURFACE CONTRACTING @ # 2255 DAVIS STREET

SURFACE CONTRACTING - #2104 "DAVIS"

4-1-74

FIRE HYDRANT AT N.E. CORNER OF BOWERS ST. & MARIE ST. INTERSECTION


X-ING, POWERS CT. FROM 6"CV. WEST ACROSS MARIE ST. TO TIE IN TO 4"CA
N

SIB PLANT TABLE II
SUPPORTING DOCUMENTATION

COCHISE (BISBEE)

PROJECT 44 (WA 1-4902)

- ADEQ Approval of Construction (AOC) or signed Construction Placed in Service Notice where AOC not applicable (e.g. services)
- Project pictures

Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov

Henry R. Darwin
Director

APPROVAL OF CONSTRUCTION

Project Description: Installation of approximately 769 lf of 6-inch DIP waterline to replace existing 1-inch GS waterline, 1-inch PVC waterline and 4-inch Steel waterline on Ocotillo St.

Project Location: Bisbee County: Cochise

Project Owner: Arizona Water Company, P O Box 29006, Phoenix, AZ 85038

Approval to operate the above-described facilities as represented in the approved plan documents on file with the Arizona Department of Environmental Quality is hereby given subject to the following provisions:

NONE

This approval is based upon the Engineer's Certificate of Completion signed by your Registered Professional Engineer, Andrew J. Haas, dated October 16, 2012.

Arizona Revised Statues require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

Date Approved: October 30, 2012

Raymond D. Morgan, P.E.
Regional Engineering Coordinator
Southern Regional Office

System Number: 02-001
LTF Number: 57032
File No.: 20120014

cc: Engineering Review Desk
County Health Department
Project Owner
Project File
Reading File

JEE: mdr

Southern Regional Office
400 West Congress Street, Suite 433, Tucson, AZ 85701
(520) 628-6733

1-4902

#21 ocstillo

4-19-12

#23 Bocatillo

4-19-12


OCOTILLO STREET PROJECT @ NACO HWY 1-6" GV RW IN J
9-27-12
← NACO HWY →


OCOTILLO STREET TREET 1-1 LOUC SINGLE SEWICE & 1-1 SHED SINGLE SEWICE
#110 OCOTILLO ST.
#25 OCOTILLO ST.

Ocotillo Street Project 1-1" long single service for #110 ocotillo

SIB PLANT TABLE II
SUPPORTING DOCUMENTATION

COCHISE (BISBEE)

PROJECT 47 (WA 1-4866)

- ADEQ Approval of Construction (AOC) or signed Construction Placed in Service Notice where AOC not applicable (e.g. services)
- Project pictures

Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov

Henry R. Darwin
Director

APPROVAL OF CONSTRUCTION

Project Description: Replaced approximately 80 LF of 2" steel, 620 LF of 1" , 990 LF of 2" and 210 LF of 3" galvanized steel waterline with 2,100 LF of 4" DIP with polywrap and appurtenances on Ledge Avenue, Cross Street, and Quality Hill Road.

Project Location: Bisbee County: Cochise

Project Owner: Arizona Water Company, P O Box 29006, Phoenix, AZ 85038

Approval to operate the above-described facilities as represented in the approved plan documents on file with the Arizona Department of Environmental Quality is hereby given subject to the following provisions:

NONE

This approval is based upon the Engineer's Certificate of Completion signed by your Registered Professional Engineer, James T. Wilson, dated December 8, 2011.

Arizona Revised Statues require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

Date Approved: December 14, 2011

Raymond D. Morgan, P.E.
Regional Engineering Coordinator
Southern Regional Office

System Number: 02-001
LTF Number: 55291
File No.: 20110182

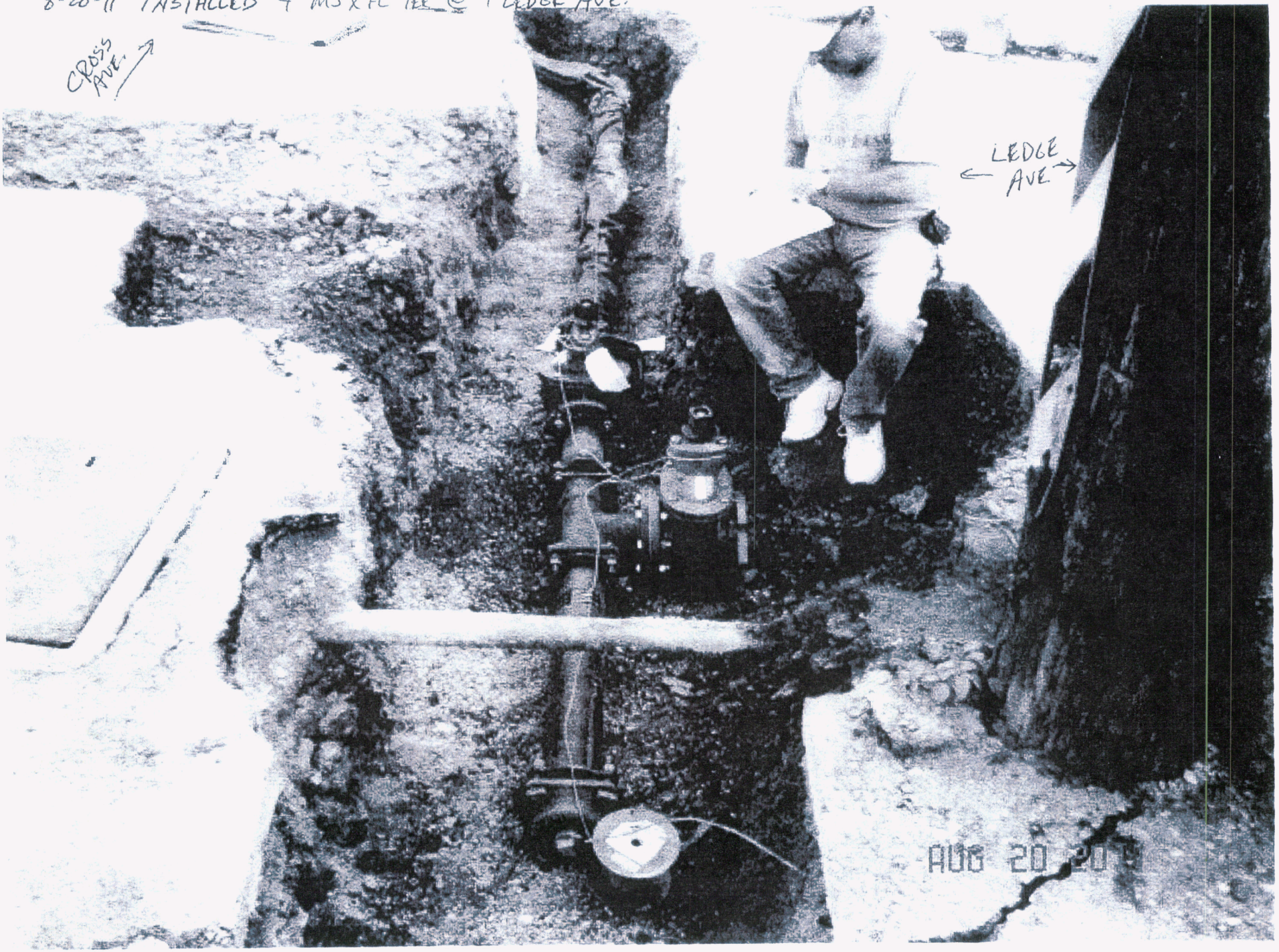
cc: Engineering Review Desk
County Health Department
Project Owner
Project File
Reading File

JEE: mdr

ADEQ/WQD/FO-001 (REV. 09-04)

1-48006

8-20-11 INSTALLING MAIN AT 7 LEDGE AVE.


8-20-11 INSTALLED 4" MJ x FL TEE @ 7 LEDGE AVE.
CROSS AVE.
LEDGE AVE
AUG 20

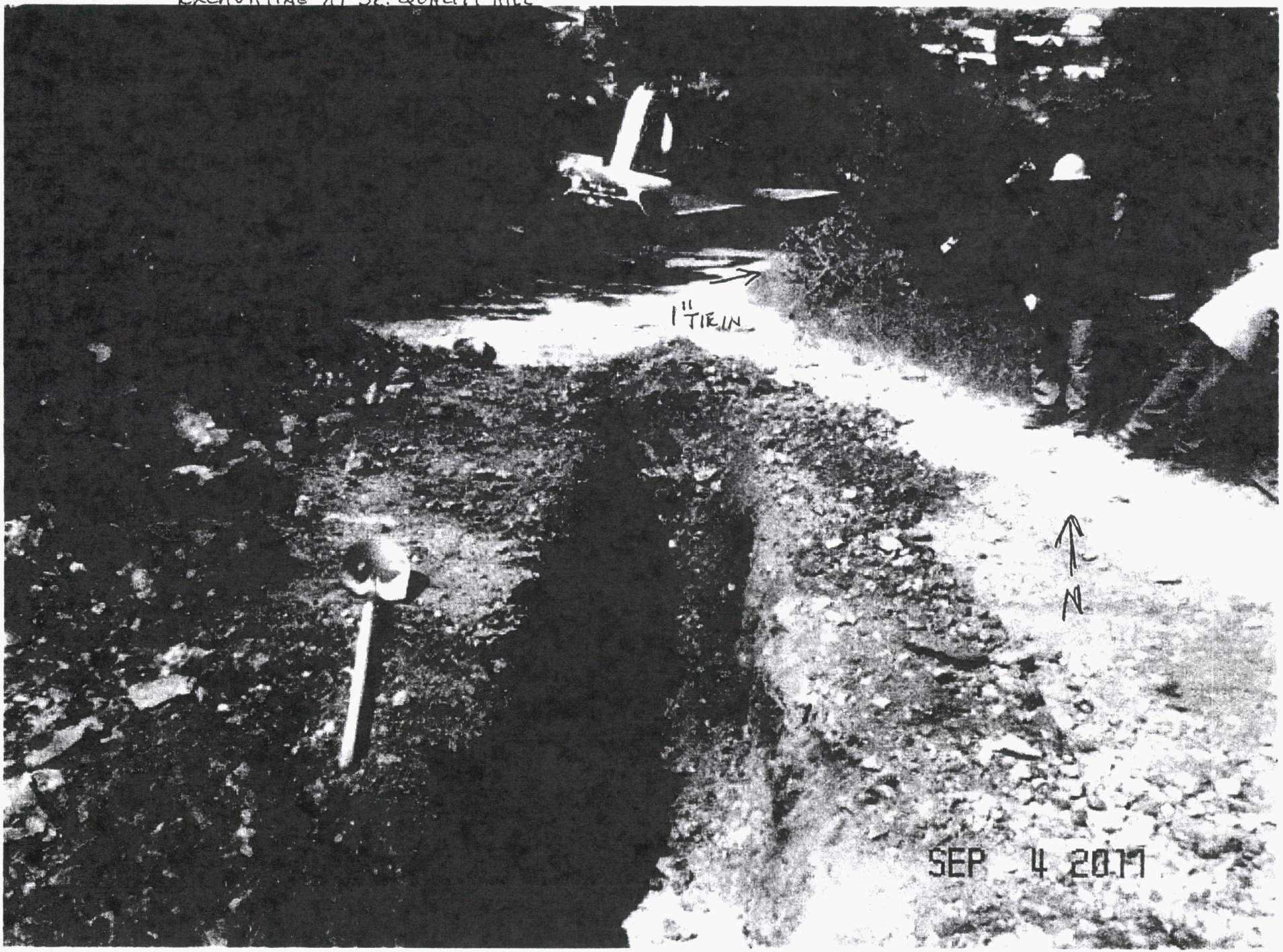
INSTALLED 4" FLX FL TEE AT 160Z QUALITY HILL

GAS LINE

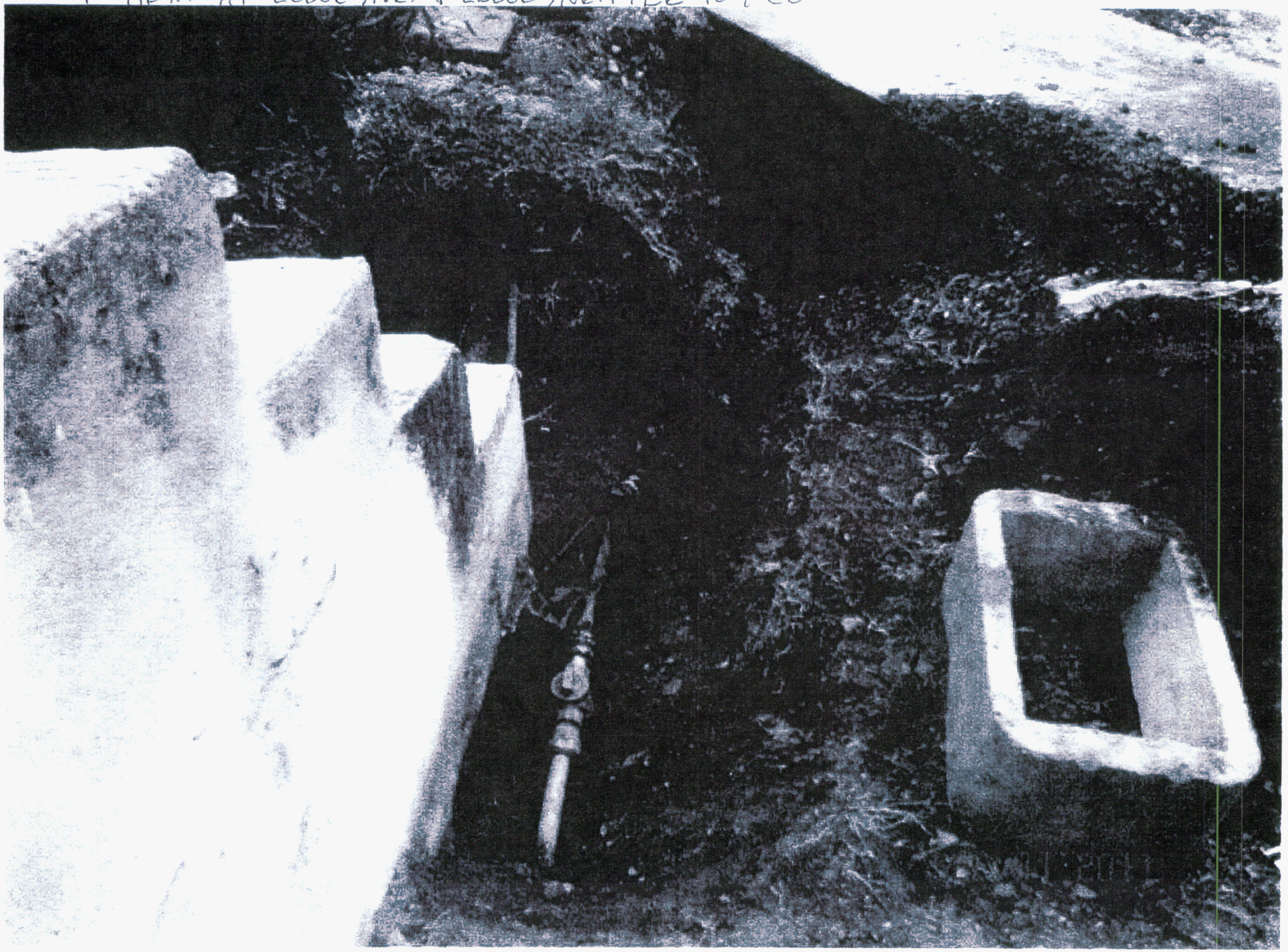
2" STEEL WATER MAIN

COMPACTING TRENCH IN FRONT OF #4 LEDGE AVE.

EXCAVATING AT SE. QUALITY HILL



1" TIE IN AT LEDGE AVE. + LEDGE AVE. 4" TEE TO 1" CU



SIB PLANT TABLE II
SUPPORTING DOCUMENTATION

COCHISE (BISBEE)

PROJECT 51 (WA 1-4899)

- **ADEQ Approval of Construction (AOC) or signed Construction Placed in Service Notice where AOC not applicable (e.g. services)**
- **Project pictures**

Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov

Henry R. Darwin
Director

APPROVAL OF CONSTRUCTION

Project Description: Installation of approximately 850 LF (AB) of 8-inch DIP water line, approximately 75 LF (AB) of 6-inch DIP water line, 2 fire hydrants and related appurtenances to serve Arizona Water Co. – Cole Avenue and Shattuck Street.

Project Location: Bisbee County: Cochise

Project Owner: Arizona Water Company, P O Box 29006, Phoenix, AZ 85038

Approval to operate the above-described facilities as represented in the approved plan documents on file with the Arizona Department of Environmental Quality is hereby given subject to the following provisions:

NONE

This approval is based upon the Engineer's Certificate of Completion signed by your Registered Professional Engineer, Andrew J. Haas, dated March 14, 2013.

Arizona Revised Statues require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

Date Approved: March 22, 2013

Raymond D. Morgan, P.E.
Regional Engineering Coordinator
Southern Regional Office

System Number: 02-001
LTF Number: 57823
File No.: 20120202

cc: Engineering Review Desk
County Health Department
Project Owner
Project File
Reading File

JEE:mdr

1-4899-BE

Southern Regional Office
400 West Congress Street, Suite 433, Tucson, AZ 85701
(520) 628-6733

FILE COPY

711 COLE AVE.

"711 COLE AVE. FIRST SHOT FROM 45° ELL

DEC 28 2012

DEC 28 2012

SIB PLANT TABLE II
SUPPORTING DOCUMENTATION

COCHISE (BISBEE)

PROJECT 52 (WA 1-4900)

- **ADEQ Approval of Construction (AOC) or signed Construction Placed in Service Notice where AOC not applicable (e.g. services)**
- **Project pictures**

Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov

Henry R. Darwin
Director

APPROVAL OF CONSTRUCTION

Project Description: Installation of approximately 300 LF of 6-inch DIP waterline and related appurtenances, to replace existing 6-inch steel waterline, along Howell Avenue in Bisbee.

Project Location: Bisbee County: Cochise

Project Owner: Arizona Water Company, P O Box 29006, Phoenix, AZ 85038

Approval to operate the above-described facilities as represented in the approved plan documents on file with the Arizona Department of Environmental Quality is hereby given subject to the following provisions:

NONE

This approval is based upon the Engineer's Certificate of Completion signed by your Registered Professional Engineer, Fredrick K. Schneider, dated August 7, 2012.

Arizona Revised Statues require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

Date Approved: August 16, 2012

Raymond D. Morgan, P.E.
Regional Engineering Coordinator
Southern Regional Office

System Number: 02-001
LTF Number: 56551
File No.: 20120020

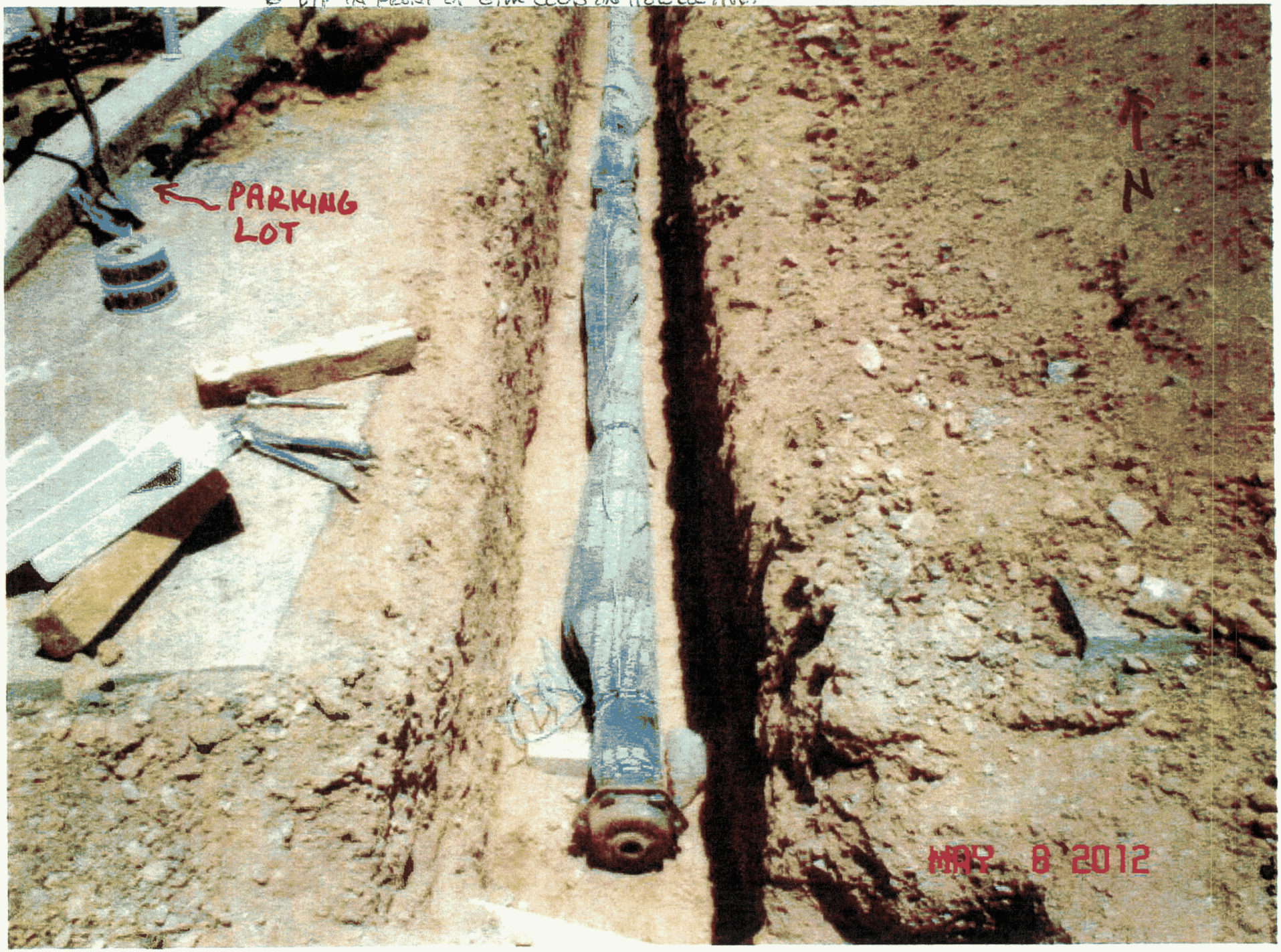
cc: Engineering Review Desk
County Health Department
Project Owner
Project File
Reading File

RDM: mdr

ADEQ/WQD/FO-001 (REV. 09-04)

14900

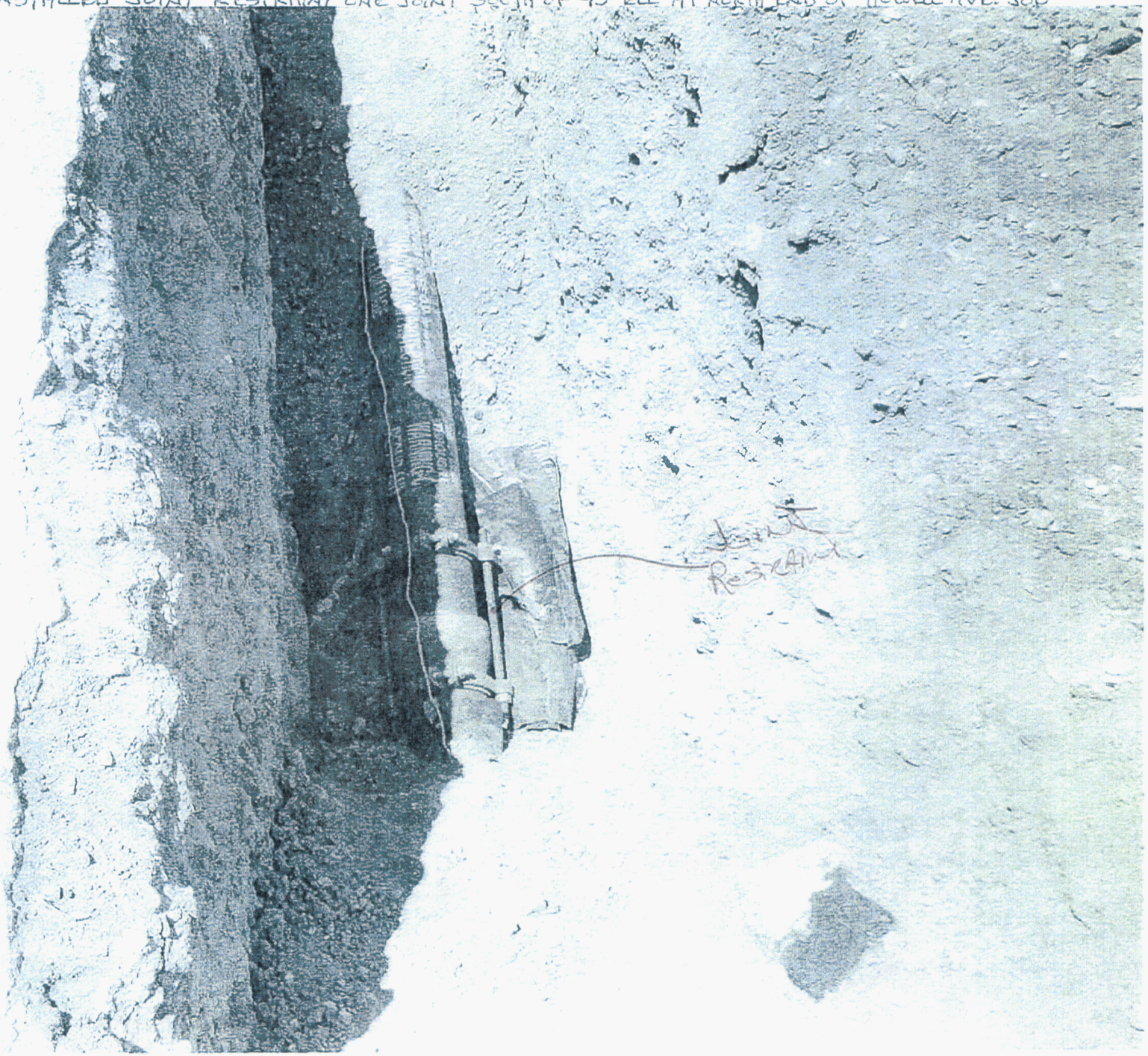
6" DIP IN FRONT OF GYM CLUB ON HOWELL AVE.

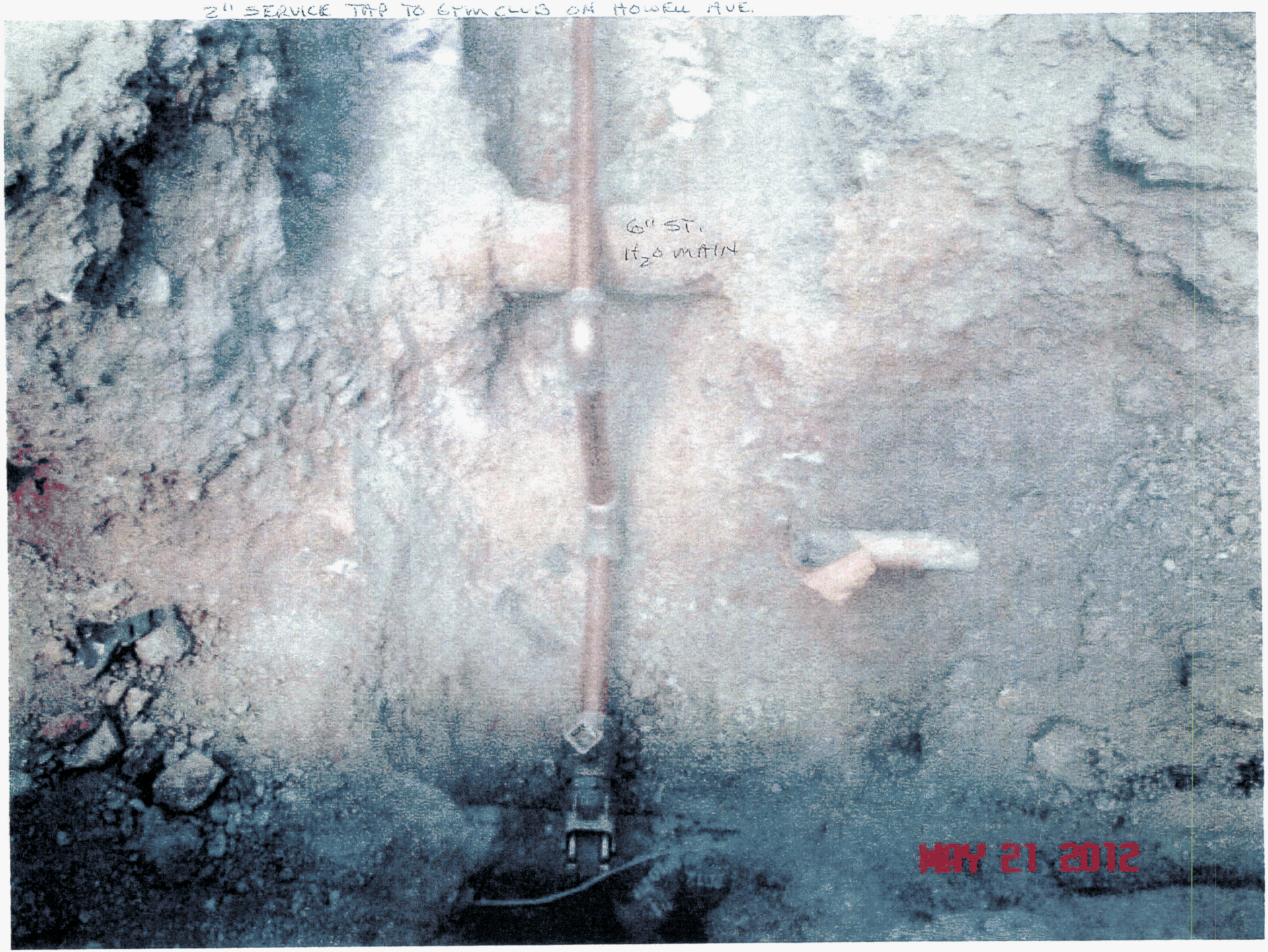



44 HOWELL


6" TEE FLXFL W/ 2 MJ X FL GV 6" ON SOUTH END OF HOWELL AVE. - LOOKING AT FUTURE TIE IN WEST OF HOWE
GV 6"
EXISTING 6" STEEL MAIN
MAY 22 2012

INSTALLED JOINT RESTRAINT ONE JOINT SOUTH OF 45° ELL AT NORTH END OF HOWELL AVE. JOB




2" SERVICE TAP TO GYM CLUB ON HOWELL AVE.
6" ST.
H_2O MAIN
MAY 21 2012

Howell Pedestal Tie over service @ #44 Howell 6-26-12

Howell Project Tie over service @ #46 Howell 6-26-14

EXHIBIT C
SIB SURCHARGE
FINANCIAL SCHEDULES

-SCHEDULE A: CALCULATION OF REVENUE REQUIREMENT & EFFICIENCY CREDIT

-SCHEDULE B: CALCULATION OF ANNUAL TRUE-UP

-SCHEDULE C: TYPICAL BILL ANALYSIS - RESIDENTIAL 5/8" X 3/4" METER

-SCHEDULE D: FAIR VALUE RATE BASE, REVENUE & RATE OF RETURN
- RATE REVIEW
- BALANCE SHEET
- INCOME STATEMENT
- EARNINGS TEST
- RATE BASE
- CONSTRUCTION WORK IN PROGRESS (CWIP) LEDGER
- CALCULATION OF THREE-FACTOR ALLOCATION

-SCHEDULE A: CALCULATION OF REVENUE REQUIREMENT & EFFICIENCY CREDIT

ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Calculation of Revenue Requirement & Efficiency Credit
As of March 31, 2014

Line No.		[A] Cochise
1		
2	Total Authorized Revenue Requirement - Decision No. 73736	$ 3,784,781
3	SIB Revenue Cap %	5.00%
4	Annual SIB Revenue Cap	$ 189,239
5	[Ln. 2 x Ln. 3]	
6		
7		
8	Net SIB Rate Base	$ 564,891
9	[Schedule D (CWIP Ledger Summary), p. 15, Col. E, Ln. 23]	
10		
11		
12	Weighted Average Cost of Equity - Decision No. 73736	5.38%
13	Gross Revenue Conversion Factor - Decision No. 73736	1.6516
14	Pre-Tax Weighted Cost of Equity	8.89%
15	[Ln. 12 x Ln. 13]	
16	Weighted Average Cost of Debt - Decision No. 73736	3.34%
17	Pre-Tax Cost of Capital/Required Return on Rate Base	12.23%
18	[Ln. 14 + Ln. 16]	
19	Required Operating Income/After-Tax Return on Rate Base	$ 49,259
20	[Ln. 8 x (Ln. 12 + Ln. 16)]	
21		
22		
23	Required Revenue/Pre-Tax Return on Rate Base	$ 69,061
24	[Ln. 8 x Ln. 17]	
25	Depreciation Expense on SIB Plant (Net of Retirements)	$ 10,529
26	[Sch. D (CWIP Ledger Summary), p. 15, Col. E, Ln. 32]	
27	Total SIB Capital Costs (Pre-Tax Return & Depreciation)	$ 79,590
28	[Ln. 23 + Ln. 25]	
29		
30		
31	**SIB Revenue Requirement**	**$ 79,590**
32	[Lesser of Ln. 4 or Ln. 27]	
33		
34		
35	SIB Efficiency Credit %	-5%
36	**SIB Revenue Requirement Efficiency Credit**	**$ (3,979)**
37	[Ln. 31 x Ln. 35]	
38		
39		
40	**SIB True-Up Adjustment**	**$ -**
41	[Sch. B, p. 1, Col. A, Ln. 16]	
42		
43		
44	**SIB Authorized Revenue - Proposed**	**$ 75,610**
45	[Ln. 31 + Ln. 36 + Ln. 40]	
46		
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ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Calculation of Annual Surcharge
As of March 31, 2014

Line No.		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
		Cochise								
	Customer Meter Size	Number of Customers - 3/31/2014	Meter Capacity Multiplier	5/8 x 3/4-inch Equivalent Meters [A x B]	**Gross SIB Surcharge** by Meter Size [Ln. 24 x Col. B]	Total Annual Revenue by Meter Size [(A x D) x 12]	**SIB Surcharge Efficiency Credit** by Meter Size [Ln. 29 x Col. B]	Total Annual Credit by Meter Size [(A x F) x 12]	**SIB Surcharge** (net of Efficiency Credit) by Meter Size [Ln. 32 x Col. B]	Total Net Revenue by Meter Size [(A x H) x 12]
8	5/8 x 3/4-inch	6,180	1	6,180	$ 0.86	$ 63,778	$ (0.04)	$ (2,966)	$ 0.82	$ 60,811
9	1-inch	183	2.5	458	$ 2.15	$ 4,721	$ (0.10)	$ (220)	$ 2.05	$ 4,502
10	1 1/2-inch	-	5	-	$ 4.30	$ -	$ (0.20)	$ -	$ 4.10	$ -
11	2-inch	97	8	776	$ 6.88	$ 8,008	$ (0.32)	$ (372)	$ 6.56	$ 7,636
12	3-inch	7	16	112	$ 13.76	$ 1,156	$ (0.64)	$ (54)	$ 13.12	$ 1,102
13	4-inch	6	25	150	$ 21.50	$ 1,548	$ (1.00)	$ (72)	$ 20.50	$ 1,476
14	6-inch	1	50	50	$ 43.00	$ 516	$ (2.00)	$ (24)	$ 41.00	$ 492
15	8-inch	-	80	-	$ 68.80	$ -	$ (3.20)	$ -	$ 65.60	$ -
16	10-inch	-	115	-	$ 98.90	$ -	$ (4.60)	$ -	$ 94.30	$ -
17										
18	Totals	6,474		7,726		$ 79,727		$ (3,708)		$ 76,019
19										
20										
21										
22	SIB Revenue Requirement					$ 79,590				
23	[Sch. A, p. 1, Ln. 31]									
24	**Gross SIB Surcharge** (Per 5/8 x 3/4-inch Equivalent Meter)				**$ 0.86**					
25	[(Col. E, Ln. 22 ÷ Col. C, Ln. 18) ÷ 12, rounded to nearest $0.01]									
26										
27	SIB Revenue Requirement Efficiency Credit							$ (3,979)		
28	[Sch. A, p. 1, Ln. 36]									
29	**SIB Surcharge Efficiency Credit** (Per 5/8 x 3/4-inch Equivalent Meter)						**$ (0.04)**			
30	[(Col. G, Ln. 27 ÷ Col. C, Ln. 18) ÷ 12, rounded to nearest $0.01]									
31										
32	**SIB Surcharge** (Gross SIB Surcharge less SIB Surcharge Efficiency Credit)								**$ 0.82**	
33	[Col. D, Ln. 24 + Col. F, Ln. 29]									
34										
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-SCHEDULE B: CALCULATION OF ANNUAL TRUE-UP

ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Calculation of Annual True-Up
As of March 31, 2014

Line No.		[A] Cochise
1		
2	SIB Revenue Requirement from Prior 12-Month Surcharge Period	$ -
3		
4	SIB Revenue Requirement Efficiency Credit from Prior 12-Month Surcharge Period	$ -
5		
6	SIB True-up Adjustment from Prior 12-Month Surcharge Period	$ -
7		
8	SIB Authorized Revenue from Prior 12-Month Surcharge Period	$ -
9	[Ln. 2 + Ln. 4 + Ln. 6]	
10		
11		
12	Total Actual SIB Surcharge Revenues from Prior 12-Month Surcharge Period	$ -
13	[Includes Surcharge, Efficiency Credit & True-up]	
14		
15		
16	**SIB True-up Adjustment**	$ -
17	[Ln. 8 - Ln. 12]	
18		
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ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Calculation of True-Up Surcharge/(Credit)
As of March 31, 2014

Line No.		[A]	[B]	[C]	[D]	[E]
		Cochise				
	Customer Meter Size	Number of Customers - 3/31/2014	Meter Capacity Multiplier	5/8 x 3/4-inch Equivalent Meters [A x B]	**Individual SIB True-up Adjustment** by Meter Size [Ln. 25 x Col. B]	Total Annual Surcharge/(Credit) by Meter Size [(A x D) x 12]
8	5/8 x 3/4-inch	6,180	1	6,180	$ -	$ -
9	1-inch	183	2.5	458	$ -	$ -
10	1 1/2-inch	-	5	-	$ -	$ -
11	2-inch	97	8	776	$ -	$ -
12	3-inch	7	16	112	$ -	$ -
13	4-inch	6	25	150	$ -	$ -
14	6-inch	1	50	50	$ -	$ -
15	8-inch	-	80	-	$ -	$ -
16	10-inch	-	115	-	$ -	$ -
18	Totals	6,474		7,726		$ -
22	SIB True-up Adjustment					$ -
23	[Sch. B, p. 1, Col. A, Ln. 16]					
25	**Individual SIB True-up Adjustment (Per 5/8 x 3/4-inch Equivalent Meter)**				$ -	
26	[(Col. E, Ln. 22 ÷ Col. C, Ln. 18) ÷ 12]					

-SCHEDULE C: TYPICAL BILL ANALYSIS - RESIDENTIAL 5/8" X 3/4" METER

ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Typical Bill Analysis - Residential 5/8" x 3/4" Meter
As of March 31, 2014

Line No.		[A]	[B]	[C]	[D]	[E]	[F]
		Cochise (Bisbee)					
			SIB Mechanism				
	Gallons Used Per Month	Present Rates	Gross SIB Surcharge [Sch. A, p. 2]	SIB Surcharge Efficiency Credit [Sch. A, p. 2]	Present Rates Plus SIB [A + B + C]	Net SIB Increase [D - A]	Percent Increase [E ÷ A]
	0	$ 17.00	$ 0.86	$ (0.04)	$ 17.82	$ 0.82	4.82%
	1,000	$ 18.66	$ 0.86	$ (0.04)	$ 19.48	$ 0.82	4.39%
	2,000	$ 20.32	$ 0.86	$ (0.04)	$ 21.14	$ 0.82	4.04%
	3,000	$ 21.98	$ 0.86	$ (0.04)	$ 22.80	$ 0.82	3.73%
	4,000	$ 27.39	$ 0.86	$ (0.04)	$ 28.21	$ 0.82	2.99%
	5,000	$ 32.79	$ 0.86	$ (0.04)	$ 33.61	$ 0.82	2.50%
	6,000	$ 38.20	$ 0.86	$ (0.04)	$ 39.02	$ 0.82	2.15%
	7,000	$ 43.60	$ 0.86	$ (0.04)	$ 44.42	$ 0.82	1.88%
	8,000	$ 49.01	$ 0.86	$ (0.04)	$ 49.83	$ 0.82	1.67%
	9,000	$ 54.41	$ 0.86	$ (0.04)	$ 55.23	$ 0.82	1.51%
	10,000	$ 59.82	$ 0.86	$ (0.04)	$ 60.64	$ 0.82	1.37%
	11,000	$ 66.34	$ 0.86	$ (0.04)	$ 67.16	$ 0.82	1.24%
	12,000	$ 72.87	$ 0.86	$ (0.04)	$ 73.69	$ 0.82	1.13%
	13,000	$ 79.40	$ 0.86	$ (0.04)	$ 80.22	$ 0.82	1.03%
	14,000	$ 85.93	$ 0.86	$ (0.04)	$ 86.75	$ 0.82	0.95%
	15,000	$ 92.46	$ 0.86	$ (0.04)	$ 93.28	$ 0.82	0.89%
	20,000	$ 125.10	$ 0.86	$ (0.04)	$ 125.92	$ 0.82	0.66%
	25,000	$ 157.74	$ 0.86	$ (0.04)	$ 158.56	$ 0.82	0.52%
	Average Monthly Usage in Gallons	4,601	4,601	4,601	4,601	4,601	4,601
	Monthly Bill at Average Usage	$ 30.63	$ 0.86	$ (0.04)	$ 31.45	$ 0.82	2.68%
	Median Monthly Usage in Gallons	3,078	3,078	3,078	3,078	3,078	3,078
	Monthly Bill at Median Usage	$ 22.40	$ 0.86	$ (0.04)	$ 23.22	$ 0.82	3.66%
	Monthly Basic Service Charge	$ 17.00	$ 0.86	$ (0.04)	$ 17.82	$ 0.82	4.82%
	Commodity Charge (per M Gallon)						
	0 to 3,000 Gallons	$ 1.6600	$ -	$ -	$ 1.6600	$ -	0.00%
	3,001 to 10,000 Gallons	$ 5.4050	$ -	$ -	$ 5.4050	$ -	0.00%
	Gallons over 10,000	$ 6.5280	$ -	$ -	$ 6.5280	$ -	0.00%

ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Typical Bill Analysis - Residential 5/8" x 3/4" Meter
As of March 31, 2014

Line No.		[A]	[B]	[C]	[D]	[E]	[F]
		Cochise (Sierra Vista)					
			SIB Mechanism				
	Gallons Used Per Month	Present Rates	Gross SIB Surcharge [Sch. A, p. 2]	SIB Surcharge Efficiency Credit [Sch. A, p. 2]	Present Rates Plus SIB [A + B + C]	Net SIB Increase [D - A]	Percent Increase [E ÷ A]
	0	$ 17.00	$ 0.86	$ (0.04)	$ 17.82	$ 0.82	4.82%
	1,000	$ 18.20	$ 0.86	$ (0.04)	$ 19.02	$ 0.82	4.51%
	2,000	$ 19.40	$ 0.86	$ (0.04)	$ 20.22	$ 0.82	4.23%
	3,000	$ 20.60	$ 0.86	$ (0.04)	$ 21.42	$ 0.82	3.98%
	4,000	$ 22.53	$ 0.86	$ (0.04)	$ 23.35	$ 0.82	3.64%
	5,000	$ 24.46	$ 0.86	$ (0.04)	$ 25.28	$ 0.82	3.35%
	6,000	$ 26.40	$ 0.86	$ (0.04)	$ 27.22	$ 0.82	3.11%
	7,000	$ 28.33	$ 0.86	$ (0.04)	$ 29.15	$ 0.82	2.89%
	8,000	$ 30.26	$ 0.86	$ (0.04)	$ 31.08	$ 0.82	2.71%
	9,000	$ 32.19	$ 0.86	$ (0.04)	$ 33.01	$ 0.82	2.55%
	10,000	$ 34.12	$ 0.86	$ (0.04)	$ 34.94	$ 0.82	2.40%
	11,000	$ 37.18	$ 0.86	$ (0.04)	$ 38.00	$ 0.82	2.21%
	12,000	$ 40.23	$ 0.86	$ (0.04)	$ 41.05	$ 0.82	2.04%
	13,000	$ 43.29	$ 0.86	$ (0.04)	$ 44.11	$ 0.82	1.89%
	14,000	$ 46.34	$ 0.86	$ (0.04)	$ 47.16	$ 0.82	1.77%
	15,000	$ 49.40	$ 0.86	$ (0.04)	$ 50.22	$ 0.82	1.66%
	20,000	$ 64.67	$ 0.86	$ (0.04)	$ 65.49	$ 0.82	1.27%
	25,000	$ 79.95	$ 0.86	$ (0.04)	$ 80.77	$ 0.82	1.03%
	Average Monthly Usage in Gallons	7,590	7,590	7,590	7,590	7,590	7,590
	Monthly Bill at Average Usage	$ 29.47	$ 0.86	$ (0.04)	$ 30.29	$ 0.82	2.78%
	Median Monthly Usage in Gallons	5,262	5,262	5,262	5,262	5,262	5,262
	Monthly Bill at Median Usage	$ 24.97	$ 0.86	$ (0.04)	$ 25.79	$ 0.82	3.28%
	Monthly Basic Service Charge	$ 17.00	$ 0.86	$ (0.04)	$ 17.82	$ 0.82	4.82%
	Commodity Charge (per M Gallon)						
	0 to 3,000 Gallons	$ 1.2000	$ -	$ -	$ 1.2000	$ -	0.00%
	3,001 to 10,000 Gallons	$ 1.9320	$ -	$ -	$ 1.9320	$ -	0.00%
	Gallons over 10,000	$ 3.0550	$ -	$ -	$ 3.0550	$ -	0.00%

-SCHEDULE D: FAIR VALUE RATE BASE, REVENUE & RATE OF RETURN

RATE REVIEW

BALANCE SHEET

INCOME STATEMENT

EARNINGS TEST

RATE BASE

CONSTRUCTION WORK IN PROGRESS (CWIP) LEDGER

CALCULATION OF THREE-FACTOR ALLOCATION

ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Fair Value Rate Base, Revenue & Rate of Return - Decision No. 73736
As of March 31, 2014

Line No.		[A]	[B]	[C]	[D]	[E]	[F]	[G]
		Cochise						
			SIB Mechanism					Decision No. 73736
		Decision No. 73736	SIB Step-1	SIB Step-2	SIB Step-3	SIB Step-4	SIB Step-5	Plus SIB [A+B+C+D+E+F]
7	Operating Revenue	$ 3,784,781	$ 75,610	$ -	$ -	$ -	$ -	$ 3,860,391
9	Operating Expenses							
10	Operations & Maintenance	$ 2,073,210	$ -	$ -	$ -	$ -	$ -	$ 2,073,210
11	Depreciation & Amortization	496,103	10,529	-	-	-	-	506,632
12	Taxes Other than Income	201,964	-	-	-	-	-	201,964
13	Income Taxes	283,006	18,232	-	-	-	-	301,239
14	Total Operating Expenses	$ 3,054,285	$ 28,761	$ -	$ -	$ -	$ -	$ 3,083,046
16	Operating Income	$ 730,496	$ 46,849	$ -	$ -	$ -	$ -	$ 777,345
18	Interest Expense							
19	Weighted Avg. Cost of Debt - Decision No. 73736	3.34%	3.34%	3.34%	3.34%	3.34%	3.34%	3.34%
20	Interest Expense	$ 279,801	$ 18,867	$ -	$ -	$ -	$ -	$ 298,668
21	[Ln. 19 x Ln. 26]							
23	Net Income	$ 450,695	$ 27,982	$ -	$ -	$ -	$ -	$ 478,677
26	Original Cost Rate Base	$ 8,377,277	$ 564,891	$ -	$ -	$ -	$ -	$ 8,942,168
27	[Schedule D (Rate Base), p. 6, Ln. 17]							
29	Return on Rate Base	8.72%	8.29%	0.00%	0.00%	0.00%	0.00%	8.69%
30	[Ln. 16 ÷ Ln. 26]							
32	Authorized Return on Rate Base - Decision No. 73736	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%
34	Capital Structure - Decision No. 73736							
35	Debt %	49.03%	49.03%	49.03%	49.03%	49.03%	49.03%	49.03%
36	Equity %	50.97%	50.97%	50.97%	50.97%	50.97%	50.97%	50.97%
38	Portion of Rate Base Financed with Equity	$ 4,270,107	$ 287,939	$ -	$ -	$ -	$ -	$ 4,558,046
39	[Ln. 26 x Ln. 36]							
41	Return on Equity	10.55%	9.72%	0.00%	0.00%	0.00%	0.00%	10.50%
42	[Ln. 23 ÷ Ln. 38]							
44	Authorized Return on Equity - Decision No. 73736	10.55%	10.55%	10.55%	10.55%	10.55%	10.55%	10.55%

ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Fair Value Rate Base, Revenue & Rate of Return - Actual (Rate Review)
Twelve Months Ending March 31, 2014

Line No.		[A]	[B]	[C]	[D]	[E]	[F]	[G]
		Cochise						
		Actual - 12-Months Ending 3/31/2014	SIB Mechanism SIB Step-1	SIB Step-2	SIB Step-3	SIB Step-4	SIB Step-5	Actual Results Plus SIB [A+B+C+D+E+F]
7	Operating Revenue	$ 4,052,375	$ 75,610	$ -	$ -	$ -	$ -	$ 4,127,985
9	Operating Expenses							
10	Operations & Maintenance	$ 2,158,691	$ -	$ -	$ -	$ -	$ -	$ 2,158,691
11	Depreciation & Amortization	525,702	10,529	-	-	-	-	536,231
12	Taxes Other than Income	563,110	-	-	-	-	-	563,110
13	Income Taxes	238,006	18,232	-	-	-	-	256,238
14	Total Operating Expenses	$ 3,485,510	$ 28,761	$ -	$ -	$ -	$ -	$ 3,514,271
16	Operating Income	$ 566,865	$ 46,849	$ -	$ -	$ -	$ -	$ 613,714
18	Interest Expense							
19	Weighted Avg. Cost of Debt - Decision No. 73736	3.34%	3.34%	3.34%	3.34%	3.34%	3.34%	3.34%
20	Interest Expense	$ 281,355	$ -	$ -	$ -	$ -	$ -	$ 281,355
21	[Ln. 19 x Ln. 26]							
23	Net Income	$ 285,511	$ 46,849	$ -	$ -	$ -	$ -	$ 332,360
26	Original Cost Rate Base	$ 8,423,791 [1]	$ -	$ -	$ -	$ -	$ -	$ 8,423,791
27	[Schedule D (Rate Base), p. 6, Ln. 17]							
29	Return on Rate Base	6.73%	0.00%	0.00%	0.00%	0.00%	0.00%	7.29%
30	[Ln. 16 ÷ Ln. 26]							
32	Authorized Return on Rate Base - Decision No. 73736	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%
34	Capital Structure - Decision No. 73736							
35	Debt %	49.03%	49.03%	49.03%	49.03%	49.03%	49.03%	49.03%
36	Equity %	50.97%	50.97%	50.97%	50.97%	50.97%	50.97%	50.97%
38	Portion of Rate Base Financed with Equity	$ 4,293,816	$ -	$ -	$ -	$ -	$ -	$ 4,293,816
39	[Ln. 26 x Ln. 36]							
41	Return on Equity	6.65%	0.00%	0.00%	0.00%	0.00%	0.00%	7.74%
42	[Ln. 23 ÷ Ln. 38]							
44	Authorized Return on Equity - Decision No. 73736	10.55%	10.55%	10.55%	10.55%	10.55%	10.55%	10.55%

[1] Includes SIB plant.

ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Balance Sheet
As of March 31, 2014

Line No.		[A] Arizona Water Company	[B] Cochise[1]
1	Assets		
2			
3	Utility Plant		
4	Gross Utility Plant	$ 445,755,593	
5	Accumulated Depreciation	(126,893,871)	
6	Net Utility Plant	$ 318,861,722	
7			
8	Current &Assets		
9	Cash	$ 3,951,878	
10	Accounts Receivable	3,697,235	
11	Materials & Supplies	486,619	
12	Other	9,547,565	
13	Total Current Assets	$ 17,683,297	
14			
15	Deferred Debits	$ 8,444,096	
16			
17	Total Assets	$ 344,989,115	
18			
19	Liabilities		
20			
21	Capitalization		
22	Common Stock	$ 2,700,000	
23	Capital Surplus	19,309,347	
24	Retained Earnings	60,973,937	
25	Common Stock Equity	$ 82,983,284	$ 4,424,733
26			
27	Long-Term Debt	$ 75,000,000	$ 3,999,058
28			
29	Total Capitalization	$ 157,983,284	$ 8,423,791
30			
31	Current Liabilities		
32	Accounts Payable	$ 3,453,077	
33	Accrued Expenses	3,308,920	
34	Other	963,706	
35	Total Current Liabilities	$ 7,725,703	
36			
37	Deferred Credits		
38	Advances for Construction	$ 78,107,337	
39	Contributions in Aid of Construction	62,279,376	
40	Deferred Income Tax	33,986,759	
41	Other	4,906,656	
42	Total Deferred Credits	$ 179,280,128	
43			
44	Total Liabilities	$ 344,989,115	
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55	[1]Allocated based on ratio of system rate base to total company capitalization.		

ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Income Statement
Twelve Months Ending March 31, 2014

Line No.		[A] Arizona Water Company	[B] Cochise
1			
2	Operating Revenue	$ 62,755,068	$ 4,052,375
3			
4	Operating Expenses		
5	Operations & Maintenance	$ 26,574,085	$ 2,158,691
6	Depreciation & Amortization	9,857,443	525,702
7	Taxes Other than Income	8,620,186	563,110
8	Income Taxes	5,229,679	238,006
9	Total Operating Expenses	$ 50,281,393	$ 3,485,510
10			
11	Operating Income	$ 12,473,675	$ 566,865
12			
13	Other (Income) & Deductions	$ (1,088,318)	$ -
14			
15	Interest on Long-Term Debt	$ 5,115,500	$ 281,355
16	Other Interest & Amortization	(462,018)	-
17	Total Interest	$ 4,653,482	$ 281,355
18			
19	Total Other (Income) & Deductions	$ 3,565,164	$ 281,355
20			
21	Net Income	$ 8,908,511	$ 285,511
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ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Earnings Test
Twelve Months Ending March 31, 2014

Line No.		[A] Cochise
1		
2	Operating Revenue	$ 4,052,375
3		
4	Operating Expenses	
5	Operations & Maintenance	$ 2,158,691
6	Depreciation & Amortization	525,702
7	Taxes Other than Income	563,110
8	Income Taxes	238,006
9	Total Operating Expenses	$ 3,485,510
10		
11	Operating Income	$ 566,865
12		
13	Interest Expense	$ 281,355
14		
15	Net Income	$ 285,511
16		
17		
18	Original Cost Rate Base	$ 8,423,791
19	[Schedule D (Rate Base), p. 6, Ln. 17]	
20		
21	Return on Rate Base	6.73%
22	[Ln. 11 ÷ Ln. 18]	
23		
24	Authorized Return on Rate Base - Decision No. 73736	8.72%
25		
26	Capital Structure - Decision No. 73736	
27	Debt %	49.03%
28	Equity %	50.97%
29		
30	Portion of Rate Base Financed with Equity	$ 4,293,816
31	[Ln. 18 x Ln. 28]	
32		
33	Return on Equity	6.65%
34	[Ln. 15 ÷ Ln. 30]	
35		
36	Authorized Return on Equity - Decision No. 73736	10.55%
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ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Rate Base
As of March 31, 2014

Cochise

Line No.		[A] Decision No. 73736	[B] SIB Plant Increase [Sch. D, p. 15]	[C] Decision 73736 Plus SIB Increase [A + B]	[D] Actual Balance Less SIB Increase - 3/31/2014	[E] SIB Plant Increase	[F] Actual Balance as of 3/31/2014 [D + E]
1							
2	Utility Plant in Service	$ 20,870,704	$ -	$ 20,870,704	$ 23,453,306	$ -	$ 23,453,306
3	New SIB Plant	-	570,300	570,300	(570,300)	570,300	-
4	Total Utility Plant in Service	$ 20,870,704	$ 570,300	$ 21,441,004	$ 22,883,006	$ 570,300	$ 23,453,306
5							
6	Accumulated Depreciation	(7,506,983)	(5,409)	(7,512,392)	(8,996,480)	(5,409)	(9,001,889)
7	Net Utility Plant in Service	$ 13,363,721	$ 564,891	$ 13,928,612	$ 13,886,526	$ 564,891	$ 14,451,417
8							
9	Advances in Aid of Construction	$ (1,632,190)	$ -	$ (1,632,190)	$ (1,402,339)	$ -	$ (1,402,339)
10	Contributions in Aid of Construction	(1,759,413)	-	(1,759,413)	(2,310,496)	-	(2,310,496)
11	Deferred Income Taxes	(1,823,964)	-	(1,823,964)	(2,542,210)	-	(2,542,210)
12	Customer Deposits	(38,290)	-	(38,290)	(39,995)	-	(39,995)
13							
14	Working Capital	267,413	-	267,413	267,414	-	267,414
15	Net Regulatory Asset/(Liability)	-	-	-	-	-	-
16							
17	Total Rate Base	$ 8,377,277	$ 564,891	$ 8,942,168	$ 7,858,900	$ 564,891	$ 8,423,791
18							
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ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Construction Work in Progress (CWIP) Ledger
As of March 31, 2014

Line No.	[A] Month/Year	[B] Date	[C] Description	[D] Vendor Name	[E] Invoice No. (Hyperlinked)	[F] NARUC Acct. 34301	[G] NARUC Acct. 34501	[H] NARUC Acct. 34601	[I] NARUC Acct. 34801	[J] Total
					SIB Project No. 43/Work Authorization 1-4901					
1										
2	Jan. 2012	1/31/2012	Payables Trx Entry	PETTY CASH REIMBURSEMENT - BE	132708	$ 3.28				$ 3.28
3		1/31/2012	JV-20 CWIP OH			0.36				0.36
4						$ 3.64	$ -	$ -	$ -	$ 3.64
5										
6	Feb. 2012	2/29/2012	Payables Trx Entry	COCHISE COUNTY HWY & FLOOD PLAIN DEPT	132837	$ 156.90				$ 156.90
7		2/29/2012	JV-01 PAYROLL			146.52				146.52
8		2/29/2012	JV-02 PAYROLL TAXES			60.63				60.63
9		2/29/2012	JV-09 VEHICLE			3.34				3.34
10		2/29/2012	JV-11 AFUDC CWIP			0.01				0.01
11		2/29/2012	JV-11 AFUDC CWIP			0.01				0.01
12		2/29/2012	JV-20 CWIP OH			40.42				40.42
13		3/31/2012	JV-02 PAYROLL TAXES			429.61				429.61
14						$ 837.44	$ -	$ -	$ -	$ 837.44
15										
16	Mar. 2012	3/31/2012	JV-01 PAYROLL			$ 1,067.92				$ 1,067.92
17		3/31/2012	JV-09 VEHICLE			151.38				151.38
18		3/31/2012	JV-11 AFUDC CWIP			1.50				1.50
19		3/31/2012	JV-11 AFUDC CWIP			1.20				1.20
20		3/31/2012	JV-20 CWIP OH			181.68				181.68
21		3/31/2012	JV-02 PAYROLL TAXES				9.02			9.02
22		3/31/2012	JV-01 PAYROLL				22.43			22.43
23		3/31/2012	JV-20 CWIP OH				3.46			3.46
24						$ 1,403.68	$ 34.91	$ -	$ -	$ 1,438.59
25										
26	Apr. 2012	4/20/2012	Payables Trx Entry	WESTERN TECHNOLOGIES INC	29520072	$ 120.00				$ 120.00
27		4/30/2012	JV-01 PAYROLL			682.38				682.38
28		4/30/2012	JV-02 PAYROLL TAXES			275.57				275.57
29		4/30/2012	JV-09 VEHICLE			110.17				110.17
30		4/30/2012	JV-11 AFUDC CWIP			8.16				8.16
31		4/30/2012	JV-11 AFUDC CWIP			6.57				6.57
32		4/30/2012	JV-20 CWIP OH			132.31				132.31
33		4/30/2012	JV-11 AFUDC CWIP				0.13			0.13
34		4/30/2012	JV-11 AFUDC CWIP				0.10			0.10
35		4/30/2012	JV-20 CWIP OH				0.03			0.03
36						$ 1,335.16	$ 0.26	$ -	$ -	$ 1,335.42
37										
38	May 2012	5/18/2012	Payables Trx Entry	WESTERN TECHNOLOGIES INC	29520091	$ 50.00				$ 50.00
39		5/23/2012	Payables Trx Entry	LEGEND TECHNICAL SERVICES	133274	24.00				24.00
40		5/31/2012	JV-11 AFUDC CWIP			13.01				13.01
41		5/31/2012	JV-11 AFUDC CWIP			10.47				10.47
42		5/31/2012	JV-01 PAYROLL			799.42				799.42
43		5/31/2012	JV-02 PAYROLL TAXES			240.39				240.39
44		5/31/2012	JV-09 VEHICLE			83.93				83.93
45		5/31/2012	JV-20 CWIP OH			134.33				134.33
46		5/31/2012	JV-11 AFUDC CWIP				0.13			0.13
47		5/31/2012	JV-11 AFUDC CWIP				0.10			0.10
48		5/31/2012	JV-20 CWIP OH				0.03			0.03
49						$ 1,355.55	$ 0.26	$ -	$ -	$ 1,355.81
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ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Construction Work in Progress (CWIP) Ledger
As of March 31, 2014

Line No.	[A] Month/Year	[B] Date	[C] Description	[D] Vendor Name	[E] Invoice No. (Hyperlinked)	[F] NARUC Acct. 34301	[G] NARUC Acct. 34501	[H] NARUC Acct. 34601	[I] NARUC Acct. 34801	[J] Total
1										
2						**SIB Project No. 43/Work Authorization 1-4901 (continued)**				
3	Jun. 2012	6/30/2012	JV-11 AFUDC CWIP			$ 17.93				$ 17.93
4		6/30/2012	JV-11 AFUDC CWIP			14.44				14.44
5		6/30/2012	JV-01 PAYROLL			149.17				149.17
6		6/30/2012	JV-02 PAYROLL TAXES			58.35				58.35
7		6/30/2012	Payables Trx Entry	SURFACE CONTRACTING IN	3335	61,542.85				61,542.85
8		6/30/2012	JV-09 VEHICLE			12.40				12.40
9		6/30/2012	JV-20 CWIP OH			6,797.47				6,797.47
10		6/30/2012	JV-11 AFUDC CWIP				0.13			0.13
11		6/30/2012	JV-11 AFUDC CWIP				0.10			0.10
12		6/30/2012	JV-01 PAYROLL				22.43			22.43
13		6/30/2012	JV-02 PAYROLL TAXES				8.77			8.77
14		6/30/2012	Payables Trx Entry	SURFACE CONTRACTING IN	3335		17,585.16			17,585.16
15		6/30/2012	JV-20 CWIP OH				1,937.82			1,937.82
16		6/30/2012	Payables Trx Entry	SURFACE CONTRACTING IN	3335				4,799.22	4,799.22
17		6/30/2012	JV-20 CWIP OH						527.91	527.91
18						$ 68,592.61	$ 19,554.41	$ -	$ 5,327.13	$ 93,474.15
19	Jul. 2012	7/31/2012	JV-11 AFUDC CWIP			$ 267.15				$ 267.15
20		7/31/2012	JV-11 AFUDC CWIP			215.07				215.07
21		7/31/2012	Payables Trx Entry	SURFACE CONTRACTING IN	3351-FINAL	15,897.66				15,897.66
22		7/31/2012	JV-20 CWIP OH			1,801.79				1,801.79
23		7/31/2012	JV-11 AFUDC CWIP				71.18			71.18
24		7/31/2012	JV-11 AFUDC CWIP				57.30			57.30
25		7/31/2012	Payables Trx Entry	SURFACE CONTRACTING IN	3351-FINAL		4,419.59			4,419.59
26		7/31/2012	JV-20 CWIP OH				500.29			500.29
27		7/31/2012	JV-11 AFUDC CWIP						19.36	19.36
28		7/31/2012	JV-11 AFUDC CWIP						15.58	15.58
29		7/31/2012	Payables Trx Entry	SURFACE CONTRACTING IN	3351-FINAL				1,187.19	1,187.19
30		7/31/2012	JV-20 CWIP OH						134.43	134.43
31						$ 18,181.67	$ 5,048.36	$ -	$ 1,356.56	$ 24,586.59
32										
33	Sep. 2012	9/30/2012	JV-01 PAYROLL			$ 22.43				$ 22.43
34		9/30/2012	JV-02 PAYROLL TAXES			8.92				8.92
35		9/30/2012	JV-20 CWIP OH			3.45				3.45
36		9/30/2012	JV-01 PAYROLL				22.43			22.43
37		9/30/2012	JV-02 PAYROLL TAXES				8.92			8.92
38		9/30/2012	JV-20 CWIP OH				3.45			3.45
39						$ 34.80	$ 34.80	$ -	$ -	$ 69.60
40										
41				**Total for SIB Project No. 43/Work Authorization 1-4901:**		**$ 91,744.55**	**$ 24,673.00**	**$ -**	**$ 6,683.69**	**$ 123,101.24**
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ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Construction Work in Progress (CWIP) Ledger
As of March 31, 2014

Line No.	[A] Month/Year	[B] Date	[C] Description	[D] Vendor Name	[E] Invoice No. (Hyperlinked)	[F] NARUC Acct. 34301	[G] NARUC Acct. 34501	[H] NARUC Acct. 34601	[I] NARUC Acct. 34801	[J] Total
					SIB Project No. 44/Work Authorization 1-4902					
1										
2	Sep. 2012	9/30/2012	JV-01 PAYROLL			$ 492.27				$ 492.27
3		9/30/2012	JV-02 PAYROLL TAXES			195.70				195.70
4		9/30/2012	JV-09 VEHICLE			55.33				55.33
5		9/30/2012	JV-20 CWIP OH			81.76				81.76
6						$ 825.06	$ -	$ -	$ -	$ 825.06
7										
8	Oct. 2012	10/31/2012	JV-01 PAYROLL			$ 598.41				$ 598.41
9		10/31/2012	JV-02 PAYROLL TAXES			175.62				175.62
10		10/31/2012	JV-11 AFUDC CWIP			3.00				3.00
11		10/31/2012	JV-11 AFUDC CWIP			2.41				2.41
12		10/31/2012	Payables Trx Entry	SURFACE CONTRACTING IN	3381	43,426.33				43,426.33
13		10/31/2012	JV-09 VEHICLE			46.08				46.08
14		10/31/2012	JV-20 CWIP OH			4,867.70				4,867.70
15		10/31/2012	JV-01 PAYROLL				103.11			103.11
16		10/31/2012	JV-02 PAYROLL TAXES				30.26			30.26
17		10/31/2012	Payables Trx Entry	SURFACE CONTRACTING IN	3381		21,735.58			21,735.58
18		10/31/2012	JV-09 VEHICLE				8.46			8.46
19		10/31/2012	JV-20 CWIP OH				2,406.52			2,406.52
20						$ 49,119.55	$ 24,283.93	$ -	$ -	$ 73,403.48
21										
22	Nov. 2012	11/30/2012	JV-01 PAYROLL			$ 355.93				$ 355.93
23		11/30/2012	JV-02 PAYROLL TAXES			138.70				138.70
24		11/30/2012	JV-11 AFUDC CWIP			181.47				181.47
25		11/30/2012	JV-11 AFUDC CWIP			146.09				146.09
26		11/30/2012	JV-09 VEHICLE			47.24				47.24
27		11/30/2012	JV-20 CWIP OH			95.64				95.64
28		11/30/2012	JV-01 PAYROLL				68.74			68.74
29		11/30/2012	JV-02 PAYROLL TAXES				26.79			26.79
30		11/30/2012	JV-11 AFUDC CWIP				88.23			88.23
31		11/30/2012	JV-11 AFUDC CWIP				71.03			71.03
32		11/30/2012	JV-09 VEHICLE				5.55			5.55
33		11/30/2012	JV-20 CWIP OH				28.64			28.64
34						$ 965.07	$ 288.98	$ -	$ -	$ 1,254.05
35										
36	Dec. 2012	12/18/2012	Payables Trx Entry	WESTERN TECHNOLOGIES INC	29520228	$ 89.00				$ 89.00
37		12/18/2012	Payables Trx Entry	WESTERN TECHNOLOGIES INC	29520228		89.00			89.00
38		12/31/2012	JV-02 PAYROLL TAXES			74.59				74.59
39		12/31/2012	JV-01 PAYROLL			194.28				194.28
40		12/31/2012	Payables Trx Entry	SURFACE CONTRACTING IN	3411	6,981.72				6,981.72
41		12/31/2012	JV-09 VEHICLE			14.12				14.12
42		12/31/2012	JV-20 CWIP OH			433.03				433.03
43		12/31/2012	JV-02 PAYROLL TAXES				26.39			26.39
44		12/31/2012	JV-01 PAYROLL				68.74			68.74
45		12/31/2012	JV-09 VEHICLE				5.64			5.64
46		12/31/2012	JV-20 CWIP OH				11.17			11.17
47						$ 7,786.74	$ 200.94	$ -	$ -	$ 7,987.68
48										
49				**Total for SIB Project No. 44/Work Authorization 1-4902:**		**$ 58,696.42**	**$ 24,773.85**	**$ -**	**$ -**	**$ 83,470.27**
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SIB Project No. 47/Work Authorization 1-4866

Line No.	[A] Month/Year	[B] Date	[C] Description	[D] Vendor Name	[E] Invoice No. (Hyperlinked)	[F] NARUC Acct. 34301	[G] NARUC Acct. 34501	[H] NARUC Acct. 34601	[I] NARUC Acct. 34801	[J] Total
1										
2	Aug. 2011	8/31/2011	JV-01 PAYROLL			$ 87.96				$ 87.96
3		8/31/2011	JV-02 PAYROLL TAXES			25.97				25.97
4						$ 113.93	$ -	$ -	$ -	$ 113.93
5										
6	Sep. 2011	9/28/2011	Payables Trx Entry	LEGEND TECHNICAL SERVICES	131969	$ 24.00				$ 24.00
7		9/30/2011	JV-01 PAYROLL			1,305.46				1,305.46
8		9/30/2011	JV-11 AFUDC			0.41				0.41
9		9/30/2011	JV-11 AFUDC			0.33				0.33
10		9/30/2011	JV-02 PAYROLL TAXES			380.05				380.05
11		9/30/2011	JV-09 VEHICLE			175.15				175.15
12		9/30/2011	JV-01 PAYROLL				232.96			232.96
13		9/30/2011	JV-02 PAYROLL TAXES				67.82			67.82
14		9/30/2011	JV-09 VEHICLE				25.83			25.83
15						$ 1,885.40	$ 326.61	$ -	$ -	$ 2,212.01
16										
17	Oct. 2011	10/19/2011	Payables Trx Entry	WESTERN TECHNOLOGIES INC	29510249	$ 63.75				$ 63.75
18		10/19/2011	Payables Trx Entry	WESTERN TECHNOLOGIES INC	29510249		63.95			63.95
19		10/31/2011	Payables Trx Entry	EAGLE ASPHALT LLC	2011426	69,565.45				69,565.45
20		10/31/2011	JV-01 PAYROLL			143.64				143.64
21		10/31/2011	JV-02 PAYROLL TAXES			33.37				33.37
22		10/31/2011	MA-01 Adjust Aug 2011 PR Taxes			1.64				1.64
23		10/31/2011	MA-02 Adjust Sep 2011 PR Taxes			23.57				23.57
24		10/31/2011	JV-09 VEHICLE			7.75				7.75
25		10/31/2011	Payables Trx Entry	EAGLE ASPHALT LLC	2011426		18,549.50			18,549.50
26		10/31/2011	MA-02 Adjust Sep 2011 PR Taxes				4.21			4.21
27						$ 69,839.17	$ 18,617.66	$ -	$ -	$ 88,456.83
28										
29	Nov. 2011	11/30/2011	JV-01 PAYROLL			$ 136.36				$ 136.36
30		11/30/2011	JV-02 PAYROLL TAXES			41.83				41.83
31		11/30/2011	Payables Trx Entry	EAGLE ASPHALT LLC	2011431	25,471.76				25,471.76
32		11/30/2011	JV-09 VEHICLE			16.23				16.23
33						$ 25,666.18	$ -	$ -	$ -	$ 25,666.18
34										
35	Dec. 2011	12/31/2011	JV-01 PAYROLL			$ 112.16				$ 112.16
36		12/31/2011	JV-02 PAYROLL TAXES			34.63				34.63
37		12/31/2011	JV-09 VEHICLE			5.07				5.07
38		12/31/2011	JV-20 CWIP OH			14,796.46				14,796.46
39		12/31/2011	JV-20 CWIP OH				2,870.35			2,870.35
40						$ 14,948.32	$ 2,870.35	$ -	$ -	$ 17,818.67
41										
42				**Total for SIB Project No. 47/Work Authorization 1-4866:**		**$ 112,453.00**	**$ 21,814.62**	**$ -**	**$ -**	**$ 134,267.62**
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As of March 31, 2014

Line No.	[A] Month/Year	[B] Date	[C] Description	[D] Vendor Name	[E] Invoice No. (Hyperlinked)	[F] NARUC Acct. 34301	[G] NARUC Acct. 34501	[H] NARUC Acct. 34601	[I] NARUC Acct. 34801	[J] Total
					SIB Project No. 51/Work Authorization 1-4899					
1										
2	Jun. 2012	6/30/2012	JV-01 PAYROLL			$ 22.43				$ 22.43
3		6/30/2012	JV-02 PAYROLL TAXES			8.77				8.77
4		6/30/2012	JV-20 CWIP OH			3.43				3.43
5						$ 34.63	$ -	$ -	$ -	$ 34.63
6										
7	Jul. 2012	7/31/2012	JV-11 AFUDC CWIP			$ 0.13				$ 0.13
8		7/31/2012	JV-11 AFUDC CWIP			0.10				0.10
9		7/31/2012	Payables Trx Entry	HANSEN LAND SURVEYING INC	4139c	10,800.00				10,800.00
10		7/31/2012	JV-20 CWIP OH			1,188.03				1,188.03
11						$ 11,988.26	$ -	$ -	$ -	$ 11,988.26
12										
13	Aug. 2012	8/31/2012	JV-01 PAYROLL			$ 173.85				$ 173.85
14		8/31/2012	JV-02 PAYROLL TAXES			69.29				69.29
15		8/31/2012	JV-11 AFUDC CWIP			43.68				43.68
16		8/31/2012	JV-11 AFUDC CWIP			35.17				35.17
17		8/31/2012	JV-09 VEHICLE			20.24				20.24
18		8/31/2012	JV-20 CWIP OH			37.65				37.65
19						$ 379.88	$ -	$ -	$ -	$ 379.88
20										
21	Sep. 2012	9/30/2012	JV-11 AFUDC CWIP			$ 45.06				$ 45.06
22		9/30/2012	JV-11 AFUDC CWIP			36.28				36.28
23		9/30/2012	JV-20 CWIP OH			8.95				8.95
24						$ 90.29	$ -	$ -	$ -	$ 90.29
25										
26	Oct. 2012	10/11/2012	Payables Trx Entry	ARIZONA DEPT ENVIROMENTAL QUALITY	133862	$ 1,800.00				$ 1,800.00
27		10/11/2012	Payables Trx Entry	ARIZONA DEPT ENVIROMENTAL QUALITY	133863	1,800.00				1,800.00
28		10/11/2012	Payables Trx Entry	ARIZONA DEPT ENVIROMENTAL QUALITY	(charge later reversed)	1,800.00				1,800.00
29		10/11/2012	Payables Trx Entry	ARIZONA DEPT ENVIROMENTAL QUALITY	133881	1,800.00				1,800.00
30		10/31/2012	JV-01 PAYROLL			1,266.13				1,266.13
31		10/31/2012	JV-02 PAYROLL TAXES			371.57				371.57
32		10/31/2012	JV-11 AFUDC CWIP			45.39				45.39
33		10/31/2012	JV-11 AFUDC CWIP			36.54				36.54
34		10/31/2012	JV-09 VEHICLE			52.34				52.34
35		10/31/2012	JV-20 CWIP OH			986.92				986.92
36						$ 9,958.89	$ -	$ -	$ -	$ 9,958.89
37										
38	Nov. 2012	11/30/2012	JV-01 PAYROLL			$ 289.03				$ 289.03
39		11/30/2012	JV-02 PAYROLL TAXES			112.63				112.63
40		11/30/2012	JV-11 AFUDC CWIP			81.58				81.58
41		11/30/2012	JV-11 AFUDC CWIP			65.67				65.67
42		11/30/2012	JV-09 VEHICLE			17.05				17.05
43		11/30/2012	JV-20 CWIP OH			62.26				62.26
44						$ 628.22	$ -	$ -	$ -	$ 628.22
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Line No.	[A] Month/Year	[B] Date	[C] Description	[D] Vendor Name	[E] Invoice No. (Hyperlinked)	[F] NARUC Acct. 34301	[G] NARUC Acct. 34501	[H] NARUC Acct. 34601	[I] NARUC Acct. 34801	[J] Total
			SIB Project No. 51/Work Authorization 1-4899 (continued)							
1										
2	Dec. 2012	12/31/2012	JV-02 PAYROLL TAXES			$ 205.05				$ 205.05
3		12/31/2012	JV-11 AFUDC CWIP			83.86				83.86
4		12/31/2012	JV-11 AFUDC CWIP			67.51				67.51
5		12/31/2012	JV-01 PAYROLL			534.10				534.10
6		12/31/2012	Payables Trx Entry	EAGLE ASPHALT LLC	2011649	74,504.00				74,504.00
7		12/31/2012	Payables Trx Entry	EAGLE ASPHALT LLC	2011653	35,417.14				35,417.14
8		12/31/2012	JV-09 VEHICLE			69.94				69.94
9		12/31/2012	JV-20 CWIP OH			6,529.32				6,529.32
10		12/31/2012	Payables Trx Entry	EAGLE ASPHALT LLC	2011649		16,345.00			16,345.00
11		12/31/2012	Payables Trx Entry	EAGLE ASPHALT LLC	2011653		5,507.24			5,507.24
12		12/31/2012	JV-20 CWIP OH				1,286.78			1,286.78
13		12/31/2012	Payables Trx Entry	EAGLE ASPHALT LLC	2011649				3,850.00	3,850.00
14		12/31/2012	Payables Trx Entry	EAGLE ASPHALT LLC	2011653				8,248.61	8,248.61
15		12/31/2012	JV-20 CWIP OH						712.43	712.43
16						$ 117,410.92	$ 23,139.02	$ -	$ 12,811.04	$ 153,360.98
17										
18	Jan. 2013	1/31/2013	JV-11 AFUDC CWIP			$ 510.40				$ 510.40
19		1/31/2013	JV-11 AFUDC CWIP			410.94				410.94
20		1/31/2013	MA-01 AFUDC ADJUSTMENT			(921.34)				(921.34)
21		1/31/2013	JV-11 AFUDC CWIP				84.06			84.06
22		1/31/2013	JV-11 AFUDC CWIP				67.68			67.68
23		1/31/2013	MA-01 AFUDC ADJUSTMENT				(151.74)			(151.74)
24		1/31/2013	JV-11 AFUDC CWIP						46.54	46.54
25		1/31/2013	JV-11 AFUDC CWIP						37.47	37.47
26		1/31/2013	MA-01 AFUDC ADJUSTMENT						(84.01)	(84.01)
27						$ -	$ -	$ -	$ -	$ (0.00)
28										
29	Mar. 2013	3/25/2013	Payables Trx Entry	LEGEND TECHNICAL SERVICES	403628	$ 12.00				$ 12.00
30		3/31/2013	JV-20 CWIP OH			1.32				1.32
31						$ 13.32	$ -	$ -	$ -	$ 13.32
32										
33	Dec. 2013	12/31/2013	Void Open Trx	ARIZONA DEPT ENVIROMENTAL QUALITY	(reversal of prior charge)	$ (1,800.00)				$ (1,800.00)
34		12/31/2013	JV-20 CWIP OH			(309.41)				(309.41)
35						$ (2,109.41)	$ -	$ -	$ -	$ (2,109.41)
36										
37				**Total for SIB Project No. 51/Work Authorization 1-4899:**		**$ 138,395.00**	**$ 23,139.02**	**$ -**	**$ 12,811.04**	**$ 174,345.06**
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SIB Project No. 52/Work Authorization 1-4900

Line No.	[A] Month/Year	[B] Date	[C] Description	[D] Vendor Name	[E] Invoice No. (Hyperlinked)	[F] NARUC Acct. 34301	[G] NARUC Acct. 34501	[H] NARUC Acct. 34601	[I] NARUC Acct. 34801	[J] Total
1										
2	Mar. 2012	3/31/2012	JV-02 PAYROLL TAXES			$ 64.07				$ 64.07
3		3/31/2012	JV-01 PAYROLL			159.26				159.26
4		3/31/2012	JV-09 VEHICLE			10.21				10.21
5		3/31/2012	JV-20 CWIP OH			25.69				25.69
6						$ 259.23	$ -	$ -	$ -	$ 259.23
7										
8	Apr. 2012	4/30/2012	JV-01 PAYROLL			$ 22.43				$ 22.43
9		4/30/2012	JV-02 PAYROLL TAXES			9.06				9.06
10		4/30/2012	JV-11 AFUDC CWIP			0.94				0.94
11		4/30/2012	JV-11 AFUDC CWIP			0.76				0.76
12		4/30/2012	JV-20 CWIP OH			3.65				3.65
13						$ 36.84	$ -	$ -	$ -	$ 36.84
14										
15	May-12	5/31/2012	JV-11 AFUDC CWIP			$ 1.08				$ 1.08
16		5/31/2012	JV-11 AFUDC CWIP			0.87				0.87
17		5/31/2012	JV-01 PAYROLL			589.14				589.14
18		5/31/2012	JV-02 PAYROLL TAXES			177.15				177.15
19		5/31/2012	JV-09 VEHICLE			61.69				61.69
20		5/31/2012	JV-20 CWIP OH			91.29				91.29
21						$ 921.22	$ -	$ -	$ -	$ 921.22
22										
23	Jun. 2012	6/27/2012	Payables Trx Entry	LEGEND TECHNICAL SERVICES	133452	$ 12.00				$ 12.00
24		6/30/2012	JV-11 AFUDC CWIP			4.42				4.42
25		6/30/2012	JV-11 AFUDC CWIP			3.56				3.56
26		6/30/2012	JV-01 PAYROLL			306.90				306.90
27		6/30/2012	JV-02 PAYROLL TAXES			120.04				120.04
28		6/30/2012	JV-09 VEHICLE			38.89				38.89
29		6/30/2012	JV-20 CWIP OH			53.44				53.44
30		6/30/2012	JV-01 PAYROLL				79.23			79.23
31		6/30/2012	JV-02 PAYROLL TAXES				30.99			30.99
32		6/30/2012	JV-09 VEHICLE				3.57			3.57
33		6/30/2012	JV-20 CWIP OH				12.52			12.52
34						$ 539.25	$ 126.31	$ -	$ -	$ 665.56
35										
36	Jul. 2012	7/31/2012	JV-11 AFUDC CWIP			$ 6.38				$ 6.38
37		7/31/2012	JV-11 AFUDC CWIP			5.14				5.14
38		7/31/2012	JV-02 PAYROLL TAXES			125.50				125.50
39		7/31/2012	JV-01 PAYROLL			318.53				318.53
40		7/31/2012	JV-09 VEHICLE			82.04				82.04
41		7/31/2012	JV-20 CWIP OH			59.13				59.13
42		7/31/2012	JV-11 AFUDC CWIP				0.46			0.46
43		7/31/2012	JV-11 AFUDC CWIP				0.37			0.37
44		7/31/2012	JV-02 PAYROLL TAXES				13.26			13.26
45		7/31/2012	JV-01 PAYROLL				33.65			33.65
46		7/31/2012	JV-20 CWIP OH				5.25			5.25
47						$ 596.72	$ 52.99	$ -	$ -	$ 649.71
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ARIZONA WATER COMPANY
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As of March 31, 2014

Line No.	[A] Month/Year	[B] Date	[C] Description	[D] Vendor Name	[E] Invoice No. (Hyperlinked)	[F] NARUC Acct. 34301	[G] NARUC Acct. 34501	[H] NARUC Acct. 34601	[I] NARUC Acct. 34801	[J] Total
			SIB Project No. 52/Work Authorization 1-4900 (continued)							
1										
2	Aug. 2012	8/31/2012	JV-01 PAYROLL			$ 228.80				$ 228.80
3		8/31/2012	JV-02 PAYROLL TAXES			91.19				91.19
4		8/31/2012	JV-11 AFUDC CWIP			8.55				8.55
5		8/31/2012	JV-11 AFUDC CWIP			6.88				6.88
6		8/31/2012	JV-09 VEHICLE			16.16				16.16
7		8/31/2012	JV-20 CWIP OH			38.67				38.67
8		8/31/2012	JV-11 AFUDC CWIP				0.65			0.65
9		8/31/2012	JV-11 AFUDC CWIP				0.52			0.52
10		8/31/2012	JV-20 CWIP OH				0.13			0.13
11	Sep. 2012	9/26/2012	Payables Trx Entry	KE&G CONSTRUCTION INC	120155-1	40,086.83				40,086.83
12		9/26/2012	Payables Trx Entry	KE&G CONSTRUCTION INC	120155-1		6,900.00			6,900.00
13		9/30/2012	JV-01 PAYROLL			22.43				22.43
14		9/30/2012	JV-02 PAYROLL TAXES			8.92				8.92
15		9/30/2012	JV-20 CWIP OH			4,413.00				4,413.00
16		9/30/2012	JV-20 CWIP OH				759.00			759.00
17						$ 44,921.43	$ 7,660.30	$ -	$ -	$ 52,581.73
18										
19				**Total for SIB Project No. 52/Work Authorization 1-4900:**		**$ 47,274.69**	**$ 7,839.60**	**$ -**	**$ -**	**$ 55,114.29**
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Construction Work in Progress (CWIP) Ledger - Summary
As of March 31, 2014

Line No.		[A]	[B]	[C]	[D]	[E]
				Cochise		
		NARUC Acct. 34301	NARUC Acct. 34501	NARUC Acct. 34601	NARUC Acct. 34801	Totals
6	SIB Project No. 43/Work Authorization 1-4901 - Totals	$ 91,745	$ 24,673	$ -	$ 6,684	$ 123,102
7	SIB Project No. 44/Work Authorization 1-4902 - Totals	58,696	24,774	-	-	83,470
8	SIB Project No. 47/Work Authorization 1-4866 - Totals	112,453	21,815	-	-	134,268
9	SIB Project No. 51/Work Authorization 1-4899 - Totals	138,395	23,139	-	12,811	174,345
10	SIB Project No. 52/Work Authorization 1-4900 - Totals	47,275	7,840	-	-	55,115
11	Total SIB Eligible Plant in Service	$ 448,564	$ 102,241	$ -	$ 19,495	$ 570,300
12						
13	Depreciation Rate - Decision No. 73736	1.79%	2.38%	4.55%	1.82%	
14						
15	Accumulated Depreciation on SIB Plant (1/2-Year Convention)	$ (4,015)	$ (1,217)	$ -	$ (177)	$ (5,409)
16	-[50% x (Ln. 11 x Ln. 13)]					
17						
18	Plant Retirements - Per SIB Plant Table II					
19	Original Cost	$ 7,321	$ 4,458	$ -	$ 2,830	$ 14,609
20	Accumulated Depreciation	(7,321)	(4,458)	-	(2,830)	(14,609)
21	Net Value of Retired Plant	$ -	$ -	$ -	$ -	$ -
22						
23	Net SIB Rate Base	$ 444,549	$ 101,024	$ -	$ 19,318	$ 564,891
24	[Ln. 11 + Ln. 15 - Ln. 21]					
25						
26						
27	Annual Depreciation Expense on SIB Plant	$ 8,029	$ 2,433	$ -	$ 355	$ 10,817
28	[Ln. 11 x Ln. 13]					
29	Annual Depreciation Expense on Retired Plant	$ 131	$ 106	$ -	$ 52	$ 289
30	[Ln. 13 x Ln. 19]					
31						
32	Net SIB Depreciation Expense	$ 7,898	$ 2,327	$ -	$ 303	$ 10,529
33	[Ln. 27 - Ln. 29]					
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ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Calculation of Three-Factor Allocation Methodology
Fiscal Year 2014

Line No.	System	[A] 2013 Actual No. of Customers	[B] 2013 Actual Gross Plant Less Intangibles	[C] 2013 Actual Gross Payroll	[D] Ratio Customer	[E] Ratio Gross Plant Less Intangibles	[F] Ratio Gross Payroll	[G] Ratio Total	[H] 2014 Three Factor Ratio
1									
2	Superstition	24,376	$ 117,432,837	$ 2,065,878	0.2842	0.2738	0.2761	0.8341	0.2780
3	Cochise	6,455	22,820,846	717,392	0.0753	0.0532	0.0959	0.2243	0.0748
4	San Manuel	1,436	4,806,640	148,271	0.0167	0.0112	0.0198	0.0478	0.0159
5	Falcon Valley	1,845	13,023,427	190,501	0.0215	0.0304	0.0255	0.0773	0.0258
6	Winkelman	152	585,279	15,695	0.0018	0.0014	0.0021	0.0052	0.0017
7	Pinal Valley	28,661	153,036,476	2,276,859	0.3342	0.3569	0.3043	0.9953	0.3318
8	White Tank	2,269	29,433,436	176,245	0.0265	0.0686	0.0236	0.1186	0.0395
9	Ajo	664	2,304,688	63,758	0.0077	0.0054	0.0085	0.0216	0.0072
10	Navajo	9,248	30,159,081	763,657	0.1078	0.0703	0.1020	0.2802	0.0934
11	Verde Valley	10,661	55,223,706	1,065,210	0.1243	0.1288	0.1423	0.3954	0.1318
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13	Totals	85,767	$ 428,826,416	$ 7,483,466	1.0000	1.0000	1.0000	3.0000	1.0000
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EXHIBIT D

PROPOSED ORDER
APPROVING SIB SURCHARGE

COMMISSIONERS

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

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY FOR AUTHORITY TO IMPLEMENT A SYSTEM IMPROVEMENT BENEFITS SURCHARGE IN ITS COCHISE SYSTEM	DOCKET NO. W-01445A-11-0310 DECISION NO. **ORDER**

Open Meeting
Date:
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

Background

1. On August 5, 2011, Arizona Water Company ("AWC") filed with the Arizona Corporation Commission ("Commission") an application requesting adjustments to its rates and charges for utility service provided by its Eastern Group of water systems, including its Superstition, Cochise, San Manuel, Falcon Valley and Winkelman water systems. The Company also requested, among other things, approval of a distribution system improvement charge ("DSIC").

2. On February 20, 2013, the Commission issued Decision No. 73736, granting AWC a rate increase for its Eastern Group, and keeping the docket open for the purpose of further consideration of AWC's proposed DSIC, thereby creating Phase 2 of this docket.

3. On June 27, 2013, the Commission issued Decision No. 73938 approving, with certain modifications described therein, a Settlement Agreement between AWC, the

Commission's Utilities Division Staff ("Staff") and various other intervenors setting forth the details of a system improvement benefits ("SIB") mechanism, which is a DSIC-like mechanism.

4. On April 22, 2014, the Commission issued Decision No. 74463 affirming Decision No. Decision Nos. 73736 and 73938 on rehearing.

5. The SIB mechanism is a ratemaking device designed to provide for the timely recovery of the capital costs (depreciation expense and pre-tax return on investment) associated with certain distribution system improvement projects that have been completed and placed in service and where costs have not been included for recovery in Decision No. 73736.

6. To be eligible for SIB recovery, an asset must be utility plant investment that represents expenditures made by the Company to maintain or improve existing customer service and system reliability, integrity and safety. Plant additions eligible for SIB recovery are limited to replacement projects. The costs of extending facilities or capacity to serve new customers are not recoverable through the SIB mechanism. Expenditures eligible for SIB recovery are limited to those projects listed on Attachment A, Exhibit A ("SIB Table I") to Decision No. 73938.

7. Cost recovery under the SIB mechanism is allowed for projects meeting the SIB eligibility criteria. The rate of return, depreciation rates and gross revenue conversion factor/tax multiplier are to be the same as those approved in Decision No. 73736.

8. The SIB surcharge includes an "efficiency credit" equal to five percent of the SIB revenue requirement.

9. The amount permitted to be collected annually through each SIB surcharge is capped at five percent of the revenue requirement authorized in Decision No. 73736.

10. AWC may file up to five SIB surcharge requests between rate case decisions; may make no more than one SIB surcharge filing every 12 months; may not make its initial surcharge filing for the Eastern Group prior to 12 months following the effective date of Decision No. 73736 (*i.e.* February 20, 2014); must make an annual SIB surcharge filing to true-up its surcharge collections; and must file a rate case application for its Eastern Group no later than August 31, 2016, with a test year ending no later than December 31, 2015, at which time any SIB surcharges

then in effect will be included in base rates in that proceeding and the surcharge will be reset to zero.

11. The SIB surcharge is a fixed monthly charge on customers' bills, with the surcharge and the efficiency credit listed as separate items. The surcharge increases proportionately based on customer meter size.

12. The SIB surcharge shall apply to all of AWC's metered general service customers, including private fire service customers.

13. At least 30 days prior to a SIB surcharge becoming effective, AWC is required to provide public notice to customers in the form of a bill insert or customer letter. The notice must include: the individual surcharge amount by meter size; the individual efficiency credit by meter size; and a summary of the projects included in the current surcharge filing, including a description of each project and its cost.

14. Decision No. 73938 requires the AWC to file the following information with each SIB surcharge request:

a. SIB Plant Table I, listing SIB eligible projects contemplated for the next twelve-month SIB surcharge period.

b. SIB Plant Table II, listing the SIB-eligible projects that have been completed and placed in service, and for which the Company seeks cost recovery. Such projects must; (1) be projects set forth in the Company's initial SIB Plant Table I approved in Decision No. 73938 or have been added to SIB Plant Table I pursuant to Decision No. 73938, Attachment A, Section 6.0; (2) have been completed by the Company; and (3) be actually serving customers.

c. SIB Schedule A, showing a calculation of the SIB revenue requirement and SIB efficiency credit, as well as the individual SIB fixed surcharge calculation.

d. SIB Schedule B, showing the overall SIB revenue true-up calculation for the prior twelve-month SIB surcharge period, as well as the individual SIB fixed true-up surcharge or credit calculation.

e. SIB Schedule C, showing the effect of the SIB surcharge on a typical residential customer bill.

f. SIB Schedule D, showing an analysis of the impact of the SIB projects included in the current SIB surcharge on the fair value rate base, revenue and the fair value rate of return as set forth in Decision No. 73736.

g. A proposed order for the Commission's consideration.

Additionally, AWC is required to include in each of its SIB surcharge filings similar financial information required for arsenic cost recovery mechanism ("ACRM") filings, as described in Decision No. 66400, dated October 14, 2003, including; (1) the most current balance sheet at the time of the filing; (2) the most current income statement; (3) an earnings test schedule; (4) a rate review schedule (including the incremental and pro forma effects of the proposed increase); (5) an adjusted rate base schedule; (6) a construction work in progress ("CWIP") ledger (for each project showing accumulation of charges by month and paid vendor invoices); and (7) a schedule showing the calculation of AWC's three-factor allocation formula.

AWC's Current Request

15. Pursuant to Decision No. 73938, AWC filed an application on May 30, 2014 with the Commission requesting authorization to implement a SIB surcharge in its Cochise system.

16. AWC seeks a SIB surcharge to recover the capital costs (i.e. pre-tax return on investment and depreciation expense, net of associated retirements) related to SIB-eligible projects in its Cochise system, which includes Bisbee and Sierra Vista. AWC requests a SIB surcharge of $0.86 per month for a customer with a 5/8 x 3/4-inch meter to provide total SIB revenues of $79,590.[1] Additionally, AWC requests a SIB efficiency credit of ($0.04) per month

[1] The monthly SIB surcharge increases for larger meters.

for a customer with a 5/8 x 3/4-inch meter to provide total SIB efficiency credit refunds of ($3,979). The net increase (SIB surcharge and efficiency credit) for a customer with a 5/8 x 3/4-inch meter under the Company's request is $0.82 per month. This equates to a 2.68% increase in the average monthly bill for a residential customer with a 5/8 x 3/4-inch meter in Bisbee (based on average usage of 4,601 gallons), from $30.63 to $31.45, and a 2.78% increase in the average monthly bill for a residential customer with a 5/8 x 3/4-inch meter in Sierra Vista, from $29.47 to $30.29.

17. The total original cost of the SIB eligible projects included in AWC's application is $570,300. Taking into account one-half year of depreciation and retirements related to AWC's SIB eligible projects, or $5,409, results in a net increase in rate base of $564,891 related to SIB eligible plant.

18. In Decision No. 73736, we found the Cochise system's fair value rate base ("FVRB") is $8,377,277. Adding the SIB eligible rate base of $564,891 to the Cochise system's FVRB of $8,377,277 results in a FVRB for the Cochise system of $8,942,168.

19. Pursuant to Decision No. 73938, AWC's application includes the schedules and information the Commission requires as a condition for approval of a SIB surcharge.

20. The total revenues produced by AWC's proposed SIB surcharge will not result in a rate of return for the Cochise system that exceeds that authorized in Decision No. 73736.

21. All of the proposed SIB eligible projects included in AWC's application satisfy the criteria set forth in paragraphs Decision No. 73938

CONCLUSIONS OF LAW

1. AWC is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-250, 40-251 and 40-367.

2. The Commission has jurisdiction over AWC and of the subject matter of its application.

3. The SIB mechanism approved in Decision No. 73938 is compliant with the Commission's constitutional requirements, as well as the case law interpreting the Commission's authority and discretion in setting rates.

4. The Commission, having reviewed AWC's application dated May, 30 2014, concludes that the AWC's request to implement a SIB surcharge in its Cochise system is lawful and in the public interest.

ORDER

IT IS THEREFORE ORDERED that the application by Arizona Water Company for the implementation of a SIB surcharge in its Cochise system is approved as discussed herein.

IT IS FURTHER ORDERED that the SIB surcharge for Arizona Water Company's Cochise system shall be in accordance with the rates shown on the attached SIB Schedule-1.

IT IS FURTHER ORDERED that Arizona Water Company shall notify its customers of the SIB surcharge approved herein in the form of a bill insert or customer letter at least 30 days prior to the surcharge becoming effective.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN COMMISSIONER

COMMISSIONER COMMISSIONER COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2014.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT:

SERVICE LIST FOR: Arizona Water Company
DOCKET NO. W-01445A-11-0310

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ARIZONA WATER COMPANY
Docket No. W-01445A-11-0310
Cochise System

All Metered General Service Customers, Including Private Fire Service Customers

Line No.	Customer Meter Size	[A] Gross SIB Surcharge	[B] SIB Surcharge Efficiency Credit	[C] Net SIB Surcharge
10	5/8 x 3/4-inch	$ 0.86	$ (0.04)	$ 0.82
11	1-inch	$ 2.15	$ (0.10)	$ 2.05
12	1 1/2-inch	$ 4.30	$ (0.20)	$ 4.10
13	2-inch	$ 6.88	$ (0.32)	$ 6.56
14	3-inch	$ 13.76	$ (0.64)	$ 13.12
15	4-inch	$ 21.50	$ (1.00)	$ 20.50
16	6-inch	$ 43.00	$ (2.00)	$ 41.00
17	8-inch	$ 68.80	$ (3.20)	$ 65.60
18	10-inch	$ 98.90	$ (4.60)	$ 94.30