

ORIGINAL

OPEN MEETING AGENDA ITEM



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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

- SUSAN BITTER SMITH - CHAIRMAN
- BOB STUMP
- BOB BURNS
- DOUG LITTLE
- TOM FORESE

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 AZ CORP COMMISSION
 DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
 UTILITY SOURCE, LLC, AN ARIZONA
 CORPORATION, FOR A DETERMINATION
 OF THE FAIR VALUE OF ITS UTILITY
 PLANTS AND PROPERTY AND FOR
 INCREASES IN ITS CHARGES FOR UTILITY
 SERVICE BASED THEREON.

DOCKET NO. WS-04235A-13-0331

**STAFF'S NOTICE OF FILING DIRECT
TESTIMONY IN SUPPORT OF THE
SETTLEMENT AGREEMENT**

Staff of the Arizona Corporation Commission ("Staff") hereby files the Direct Testimony of James R. Armstrong in Support of the Settlement Agreement signed November 5, 2015 in the above docket.

RESPECTFULLY SUBMITTED this 5th day of November, 2015.

Arizona Corporation Commission

DOCKETED

NOV 05 2015

DOCKETED BY

Wesley C. Van Cleve
 Matthew Laudone
 Attorneys, Legal Division
 Arizona Corporation Commission
 1200 West Washington Street
 Phoenix, Arizona 85007
 (602) 542-3402

Original and thirteen (13) copies of the foregoing filed this 5th day of November, 2015, with:

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

1 Copy of the foregoing mailed this
5th day of November, 2015, to:

2
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BEFORE THE ARIZONA CORPORATION COMMISSION

SUSAN BITTER SMITH
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
DOUG LITTLE
Commissioner
TOM FORESE
Commissioner

IN THE MATTER OF THE APPLICATION OF)
UTILITY SOURCE, L.L.C. FOR APPROVAL)
OF A RATE INCREASE)
_____)

DOCKET NO. WS-04235A-13-0331

DIRECT
TESTIMONY
OF
JAMES R. ARMSTRONG
IN SUPPORT OF A SETTLEMENT AGREEMENT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

NOVEMBER 5, 2015

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**EXECUTIVE SUMMARY
UTILITY SOURCE, L.L.C.
DOCKET NO. WS-04235A-13-0331**

The parties of record to the Utility Source, L.L.C. (the "Company") rate case filing, Docket No. 13-0331, have entered into a Settlement Agreement (the "Agreement") to resolve all issues in this docket.

Staff believes the terms and conditions of this Agreement are just and reasonable, and in the public interest. On behalf of Staff, Mr. Armstrong recommends that the Commission approve the Settlement Agreement in its entirety.

The major provisions contained in the Agreement include:

1. Establishment of the revenue requirement for the Utility Source Water Division and the phase-in of this revenue requirement with a three year phase-in of rates;
2. Establishment of the revenue requirement for the Utility Source Wastewater Division and the phase-in of this revenue requirement with a three year phase-in of rates;
3. The establishment of a billing rate for sales from the Company's standpipe distribution facility of \$18.86 per 1,000 gallons, with no phase-in required for this billing rate; and
4. An Agreement regarding eight post-decision duties that will be required of the Company.

1 **INTRODUCTION**

2 **Q. Please state your name, occupation, and business address.**

3 A. My name is James R. Armstrong. I am employed as the Chief Accountant of the Finance &
4 Regulatory Analysis Section of the Utilities Division ("Staff"), of the Arizona Corporation
5 Commission ("ACC"). My business address is 1200 West Washington Street, Phoenix,
6 Arizona 85007.

7
8 **Q. Are you the same James R. Armstrong that previously filed testimony in this docket
9 on behalf of Staff?**

10 A. Yes, I am.

11

12 **SCOPE OF TESTIMONY**

13 **Q. Mr. Armstrong, what is the purpose of your current testimony?**

14 A. I am filing testimony, on behalf of Staff, supporting the Settlement Agreement that has been
15 reached by the parties of record to this docket, and to recommend that the Commission
16 approve this Settlement Agreement, in its entirety, as the complete resolution of issues in this
17 rate case.

18

19 **Q. Mr. Armstrong, did you personally participate in the settlement discussions that took
20 place?**

21 A. Yes. I participated along with the Utilities Division Director, Mr. Broderick, and other
22 members of the Division's Legal, Engineering, and Finance & Regulatory Analysis Sections.

23

1 **Q. Mr. Armstrong, did all parties of record to Docket No. WS-04235A-013-0331**
2 **participate in the settlement discussion that were held?**

3 A. Yes, and all parties provided valuable input, and such input was given fair consideration in
4 defining the specific provisions of the Settlement Agreement. However, as with all settlement
5 agreements, the ultimate results represent position compromises accepted only for purposes
6 of resolving the complex matters associated with the pending rate case.

7

8 **Q. Mr. Armstrong on behalf of Staff do you believe that the settlement discussions were**
9 **undertaken in good faith by all parties?**

10 A. Yes.

11

12 **Q. Mr. Armstrong, does Staff believe the provisions of the Settlement Agreement**
13 **represent a fair and reasonable resolution of all issues in this case?**

14 A. Yes. Staff believes that the terms and conditions of this Agreement are just and reasonable,
15 and in the public interest. Further, Staff believes that the first phase of the rates contained
16 herein, for both the Water and Wastewater Divisions, should become effective with the first
17 billing cycle beginning after the effective date of the Commission Order approving the
18 Agreement.

19

20 **Q. Does Staff recommend that the Commission accept and approve all elements of the**
21 **Settlement Agreement?**

22 A. Yes.

23

1 **Q. Mr. Armstrong, please summarize the provisions of the Settlement Agreement (the**
2 **“Agreement”).**

3 A. The Settlement Agreement terms related specifically to the Utility Source, L.L.C.
4 (“Company”) Water Division are shown in paragraphs 2.1 through 2.7, and the terms related
5 specifically to the Wastewater Division are shown in paragraphs 3.1 through 3.7. There are
6 also revenue requirement and rate design Schedules applicable to each of the Divisions
7 accompanying the Agreement.

8
9 For the Water Division, the most valuable provisions from the ratepayer perspective include
10 the imputation of \$127,763 in standpipe facility revenues, forgoing recovery of income tax
11 recoveries (for this case only), and a total rate increase for non-standpipe service customers
12 limited to \$94,774 to be phased in over three-years with no recovery of lost revenues
13 attributable to this three year phase-in of the total rate increase. The most valuable provision
14 from the Company’ perspective are a 9.95 percent ROR, the recovery of rate case expense
15 over a three year period, approval of a standpipe facility rate of \$18.86 per 1,000 gallons sold,
16 and a first year rate increase for non-standpipe customers that should position the Company
17 to exceed its operational breakeven point the first year.

18
19 For the Wastewater Division, the most valuable provisions from the ratepayer perspective
20 include forgoing recovery of income tax recoveries (for this case only), and a total rate
21 increase limited to \$177,255 to be phased in over three-years with no recovery of lost
22 revenues attributable to this three year phase-in of the total rate increase. The most valuable
23 provision from the Company’ perspective are a 9.95 percent ROR, the recovery of rate case
24 expense over a three year period, and a first year rate increase that should position the
25 Company to exceed its operational breakeven point the first year.

26

1 **STANDPIPE ISSUES AND CONSIDERATIONS**

2 **Q. Mr. Armstrong, what billing rate have the parties agreed to for water deliveries from**
3 **the Company's standpipe facility?**

4 A. The rate would be \$18.86 per 1,000 gallons. This is the rate supported within Page 1 of 4 of
5 Attachment A to Staff's response to the Administrative Law Judge's Procedural Order
6 directives. I co-sponsored Staff's response. This Staff response was filed on February 11,
7 2015.

8
9 I would also note that the Water Division revenue requirement Schedules also reflect the
10 imputation of the level of standpipe-related revenues, expenses, and rate base components
11 agreed to by the parties.

12
13 **Q. How will non-standpipe customers benefit from Commission approval of this \$18.86**
14 **per 1,000 gallon standpipe rate?**

15 A. As just noted, the additional revenues expected to be generated from the standpipe facility
16 have been imputed in developing the annual revenue requirement that non-standpipe
17 customers must bear, so even after adding the rate base investment, assumed by the parties to
18 be needed to support the standpipe operation, to the Water Division's total cost-of-service;
19 the annual revenue funding required from the non-standpipe customers drops significantly.

20
21 **Q. Mr. Armstrong, can you explain the purpose of the eight post-decision duties the**
22 **Company is committing to?**

23 A. Yes. The eight duties listed represent recommendations that were advocated by various
24 parties during the processing of this rate case. But for the prospective use of the depreciation
25 and amortization rates that are the subject of paragraph 4.1, none of these recommendations
26 directly impacted the general ratemaking considerations covered in other paragraphs of the

1 Agreement. However the parties deemed these to be important, and perhaps most
2 importantly, these duties represent actions that the Company has agreed to take. So the
3 parties to the Agreement are recommending that these duties be made a part of the
4 Commission's Decision in this docket.

5
6 These eight duties are noted with paragraphs 4.1 through 4.8 of the Settlement Agreement.

7
8 **Q. Mr. Armstrong, does this conclude your testimony in support of the Settlement**
9 **Agreement?**

10 A. Yes, it does.

Utility Source, LLC - Water Division
Test Year Ended December 31, 2012
Computation of Increase in Gross Revenue
Requirements As Adjusted

Exhibit
Settlement Schedule A-1
Page 1
Witness: Bourassa

Line No.		
1	Fair Value Rate Base	\$ 1,979,887
2		
3	Adjusted Operating Income	103,282
4		
5	Current Rate of Return	5.22%
6		
7	Required Operating Income	\$ 196,999
8		
9	Required Rate of Return	9.95%
10		
11	Operating Income Deficiency	\$ 93,716
12		
13	Gross Revenue Conversion Factor	1.0113
14		
15	Increase in Gross Revenue	
16	Requirement	\$ 94,774
17		
18	Adjusted Test Year Revenues	\$ 333,949
19	Increase in Gross Revenue Revenue Requirement	\$ 94,774
20	Proposed Revenue Requirement	\$ 428,723
21	% Increase	28.38%

Utility Source. LLC - Water Division
 Test Year Ended December 31, 2012
 Summary of Rate Base

Exhibit
 Settlement Schedule B-1
 Page 1
 Witness: Bourassa

Line No.		Original Cost Rate base	Fair Value Rate Base
1			
2	Gross Utility Plant in Service	\$ 2,965,387	\$ 2,965,387
3	Less: Accumulated Depreciation	<u>781,808</u>	<u>781,808</u>
4			
5	Net Utility Plant in Service	\$ 2,183,579	\$ 2,183,579
6			
7	<u>Less:</u>		
8	Advances in Aid of Construction	-	-
9			
10	Contributions in Aid of Construction	294,745	294,745
11			
12	Accumulated Amortization of CIAC	(96,938)	(96,938)
13			
14	Customer Meter Deposits	5,885	5,885
15	Deferred Income Taxes & Credits	-	-
16			
17			
18			
19	<u>Plus:</u>		
20	Unamortized Finance		
21	Charges	-	-
22	Prepayments	-	-
23	Materials and Supplies	-	-
24	Allowance for Working Capital	-	-
25			
26			
27			
28	Total Rate Base	<u>\$ 1,979,887</u>	<u>\$ 1,979,887</u>

SUPPORTING SCHEDULES:

- B-2
- B-3
- B-5
- E-1

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Utility Source. LLC - Water Division
 Test Year Ended December 31, 2012
 Original Cost Rate Base Proforma Adjustments

Exhibit
 Settlement Schedule B-2
 Page 1
 Witness: Bourassa

Line No.		Adjusted at end of Test Year	Proforma Adjustment	Settlement Adjusted at end of Test Year
1	Gross Utility			
2	Plant in Service	\$ 2,496,640	468,747	\$ 2,965,387
3				
4	Less:			
5	Accumulated			
6	Depreciation	726,406	55,402	781,808
7				
8				
9	Net Utility Plant			
10	in Service	\$ 1,770,234		\$ 2,183,579
11				
12	Less:			
13	Advances in Aid of			
14	Construction	-	-	-
15				
16	Contributions in Aid of			
17	Construction - Gross	294,745	-	294,745
18				
19	Accumulated Amortization of CIAC	(96,938)	-	(96,938)
20				
21	Customer Meter Deposits	5,885	0	5,885
22	Accumulated Deferred Income Tax	-	-	-
23				
24				
25				
26	Plus:			
27	Unamortized Finance			
28	Charges	-	-	-
29	Prepayments	-	-	-
30	Materials and Supplies	-	-	-
31	Working capital	-	-	-
32				
33				
34	Total	<u>\$ 1,566,542</u>		<u>\$ 1,979,887</u>

45 SUPPORTING SCHEDULES:
 46 B-2, pages 2
 47
 48
 49
 50

RECAP SCHEDULES:
 B-1

Utility Source. LLC - Water Division
 Test Year Ended December 31, 2012
 Original Cost Rate Base Proforma Adjustments

Exhibit
 Settlement Schedule B-2
 Page 2
 Witness: Bourassa

Line No.	Adjusted at end of Test Year	1 Plant-in-Service	Proforma Adjustments			5 Intentionally Left Blank	Settlement Adjusted at end of Test Year
			2 Accumulated Depreciation	3 CIAC	4 Customer Security Deposits		
1	\$ 2,496,640	468,747					\$ 2,965,387
2							
3							
4	Less:						
5	726,406		55,402				781,808
6							
7							
8							
9							
10	\$ 1,770,234	\$ 468,747	\$ (55,402)	\$ -	\$ -	\$ -	\$ 2,183,579
11							
12	Less:						
13							
14	-						-
15							
16	294,745						294,745
17							
18	(96,938)						(96,938)
19							
20	5,885						5,885
21							
22	-						-
23							
24							
25	Plus:						
26							
27	-						-
28	-						-
29	-						-
30	-						-
31							
32	\$ 1,566,542	\$ 468,747	\$ (55,402)	\$ -	\$ -	\$ -	\$ 1,979,887
33							
34							
35							

SUPPORTING SCHEDULES:
 B-2, pages 3-5

RECAP SCHEDULES:
 B-1

Utility Source, LLC - Water Division
 Test Year Ended December 31, 2012
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 1

Exhibit
 Settlement Schedule B-2
 Page 3
 Witness: Bourassa

		<u>Plant-in-Service</u>					
<u>Line No.</u>		<u>A</u>	<u>B</u>	<u>Adjustments C</u>	<u>D</u>	<u>E</u>	<u>Settlement Adjusted Original Cost</u>
	<u>Acct. No. Description</u>	<u>Adjusted Original Cost</u>	<u>Remove Cost of Shallow Wells</u>	<u>Standpipe Allocation Per Settlement</u>	<u>Standpipe Allocation Per Settlement</u>	<u>Intentionally Left Blank</u>	<u>Intentionally Left Blank</u>
1							
2							
3							
4							
5							
6	301						
7	302						
8	303	210,000					210,000
9	304	72,997					72,997
10	305						
11	306						
12	307	1,353,539	(92,000)	446,670			1,708,209
13	308						
14	309						
15	310	89,125					89,125
16	311	158,711					158,711
17	320	5,487					5,487
18	320.1						
19	320.2						
20	330	321,452		114,077			435,529
21	330.1						
22	330.2						
23	331	161,632					161,632
24	333	86,250					86,250
25	334						
26	335	34,500					34,500
27	336						
28	339						
29	340	2,947					2,947
30	340.1						
31	341						
32	342						
33	343						
34	344						
35	345						
36	346						
37	347						
38	348						
39							
40	TOTALS	\$ 2,496,640	\$ (92,000)	\$ 560,747	\$ -	\$ -	\$ 2,965,387
41							
42	Plant-in-Service per Books						\$ 2,496,640
43							
44	Increase (decrease) in Plant-in-Service						\$ 468,747
45							
46	Adjustment to Plant-in-Service						\$ 468,747
47							
48	<u>SUPPORTING SCHEDULES</u>						
49	B-2, pages 3.1 to 3.3						
50							

Utility Source, LLC - Water Division
 Test Year Ended December 31, 2012
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 2

Exhibit
 Settlement Schedule B-2
 Page 4
 Witness: Bourassa

Accumulated Depreciation

Line No.	Acct. No.	Description	Adjusted Accum. Depr.	Removal of A/D on Shallow Wells	Statndpipe Adj. Per Settlement	Adjustments C Statndpipe Adj. Per Settlement	D Intentionally Left Blank	E Intentionally Left Blank	Settlement Adjusted Accum. Depr.
1									
2									
3									
4									
5	301	Organization Cost	-						-
6	302	Franchise Cost	-						-
7	303	Land and Land Rights	-						-
8	304	Structures and Improvements	20,662						20,662
9	305	Collecting and Impounding Res.	-						-
10	306	Lake River and Other Intakes	-						-
11	307	Wells and Springs	381,185	(39,401)	88,446	(7)			430,223
12	308	Infiltration Galleries and Tunnels	-						-
13	309	Supply Mains	-						-
14	310	Power Generation Equipment	37,145						37,145
15	311	Electric Pumping Equipment	168,630						168,630
16	320	Water Treatment Equipment	1,553						1,553
17	320.1	Water Treatment Plant	-						-
18	320.2	Chemical Solution Feeders	-						-
19	330	Dist. Reservoirs & Standpipe	60,658		6,364				67,022
20	330.1	Storage tanks	-						-
21	330.2	Pressure Tanks	-						-
22	331	Trans. and Dist. Mains	25,457						25,457
23	333	Services	24,413						24,413
24	334	Meters	-						-
25	335	Hydrants	5,865						5,865
26	336	Backflow Prevention Devices	-						-
27	339	Other Plant and Misc. Equip.	-						-
28	340	Office Furniture and Fixtures	837						837
29	340.1	Computers and Software	-						-
30	341	Transportation Equipment	-						-
31	342	Stores Equipment	-						-
32	343	Tools and Work Equipment	-						-
33	344	Laboratory Equipment	-						-
34	345	Power Operated Equipment	-						-
35	346	Communications Equipment	-						-
36	347	Miscellaneous Equipment	-						-
37	348	Other Tangible Plant	-						-
38									
39									
40		TOTALS	\$ 726,406	\$ (39,401)	\$ 94,810	\$ (7)	\$ -	\$ -	\$ 781,808
41		Accumulated Depreciation per Books							\$ 726,406
42		Increase (decrease) in Accumulated Depreciation							\$ 55,402
43		Adjustment to Accumulated Depreciation							\$ 55,402
44									
45									
46									
47									
48		<u>SUPPORTING SCHEDULES</u>							
49		B-2, pages 4.1							
50		B-2, pages 4.2							

Utility Source, LLC - Water Division
 Test Year Ended December 31, 2012
 Income Statement

Exhibit
 Settlement Schedule C-1
 Page 1
 Witness: Bourassa

Line No.		Test Year Adjusted Results	Adjustment	Settlement Test Year Adjusted Results	Proposed Rate Increase	Settlement Adjusted with Rate Increase
1	Revenues					
2	Metered Water Revenues	\$ 202,743	\$ 127,765	\$ 330,508	\$ 94,774	\$ 425,282
3	Unmetered Water Revenues	-	-	-	-	-
4	Other Water Revenues	5,261	(1,820)	3,441	-	3,441
5		<u>\$ 208,004</u>	<u>\$ 125,945</u>	<u>\$ 333,949</u>	<u>\$ 94,774</u>	<u>\$ 428,723</u>
6	Operating Expenses					
7	Salaries and Wages	\$ -	-	\$ -	-	\$ -
8	Purchased Water	-	-	-	-	-
9	Purchased Power	66,787	(526)	66,261	-	66,261
10	Fuel For Power Production	-	-	-	-	-
11	Chemicals	1,460	-	1,460	-	1,460
12	Materials and Supplies	12,257	-	12,257	-	12,257
13	Office Supplies and Expense	2,399	-	2,399	-	2,399
14	Contractual Services - Accounting	20,253	-	20,253	-	20,253
15	Contractual Services - Professional	9,651	-	9,651	-	9,651
16	Contractual Services - Maintenance	-	-	-	-	-
17	Contractual Services - Other	-	-	-	-	-
18	Water Testing	8,107	(7,733)	374	-	374
19	Rents	-	3,007	3,007	-	3,007
20	Transportation Expenses	-	-	-	-	-
21	Insurance - General Liability	2,186	-	2,186	-	2,186
22	Insurance - Health and Life	-	-	-	-	-
23	Reg. Comm. Exp. - Other	-	-	-	-	-
24	Reg. Comm. Exp. - Rate Case	10,000	6,667	16,667	-	16,667
25	Miscellaneous Expense	19,976	(6,469)	13,507	-	13,507
26	Bad Debt Expense	-	-	-	-	-
27	Depreciation and Amortization Expense	57,728	13,735	71,463	-	71,463
28	Taxes Other Than Income	-	-	-	-	-
29	Property Taxes	7,530	3,653	11,183	1,058	12,241
30	Income Tax	(2,064)	2,064	-	-	-
31	Total Operating Expenses	<u>\$ 216,269</u>	<u>\$ 14,398</u>	<u>\$ 230,667</u>	<u>\$ 1,058</u>	<u>\$ 231,725</u>
32	Operating Income	<u>\$ (8,265)</u>	<u>\$ 111,547</u>	<u>\$ 103,282</u>	<u>\$ 93,716</u>	<u>\$ 196,999</u>
33	Other Income (Expense)					
34	Interest Income	-	-	-	-	-
35	Other income	-	-	-	-	-
36	Interest Expense	-	-	-	-	-
37	Other Expense	-	-	-	-	-
38		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
39	Total Other Income (Expense)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
40	Net Profit (Loss)	<u>\$ (8,265)</u>	<u>\$ 111,547</u>	<u>\$ 103,282</u>	<u>\$ 93,716</u>	<u>\$ 196,999</u>

41
 42 SUPPORTING SCHEDULES:
 43 C-1, page 2
 44 E-2
 45

RECAP SCHEDULES:
 A-1

Utility Source, LLC - Water Division
 Test Year Ended December 31, 2012
 Income Statement

Exhibit
 Settlement Schedule C-1
 Page 2.1
 Witness: Bourassa

Line No.	LABEL>>>>	1	2	3	4	5	6	7
	Test Year		Property	Rate	Revenue	Water	Auto	Telephone
	Adjusted	Depreciation	Taxes	Case Expense	Adjustment	Testing	Expense	Expense
	Results							
1	Revenues							
2	Metered Water Revenues	\$ 202,743			\$ 127,765			
3	Unmetered Water Revenues							
4	Other Water Revenues	5,261			(1,820)			
5		\$ 208,004	\$ -	\$ -	\$ -	\$ 125,945	\$ -	\$ -
6	Operating Expenses							
7	Salaries and Wages	\$ -						
8	Purchased Water	-						
9	Purchased Power	66,787						
10	Fuel For Power Production	-						
11	Chemicals	1,460						
12	Materials and Supplies	12,257						
13	Office Supplies and Expense	2,399						
14	Contractual Services - Accounting	20,253						
15	Contractual Services - Professional	9,651						
16	Contractual Services - Maintenance	-						
17	Contractual Services - Other	-						
18	Water Testing	8,107				(7,733)		
19	Rents	-						
20	Transportation Expenses	-						
21	Insurance - General Liability	2,186						
22	Insurance - Health and Life	-						
23	Reg. Comm. Exp. - Other	-						
24	Reg. Comm. Exp. - Rate Case	10,000		6,667				
25	Miscellaneous Expense	19,976					(1,750)	(2,366)
26	Bad Debt Expense	-						
27	Deprec. and Amort. Exp.	57,728	13,735					
28	Taxes Other Than Income	-						
29	Property Taxes	7,530	3,653					
30	Income Tax	(2,064)						
31	Total Operating Expenses	\$ 216,269	\$ 13,735	\$ 3,653	\$ 6,667	\$ -	\$ (7,733)	\$ (1,750)
32	Operating Income	\$ (8,265)	\$ (13,735)	\$ (3,653)	\$ (6,667)	\$ 125,945	\$ 7,733	\$ 1,750
33	Other Income (Expense)							
34	Interest Income	-						
35	Other Income	-						
36	Interest Expense	-						
37	Other Expense	-						
38		-						
39	Total Other Income (Expense)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	Net Profit (Loss)	\$ (8,265)	\$ (13,735)	\$ (3,653)	\$ (6,667)	\$ 125,945	\$ 7,733	\$ 1,750
41								
42	SUPPORTING SCHEDULES:							
43	C-2							
44	E-2							

Line No.	8 Utility Expense	9 Office Rent Exp	10 Late Fees	11 Income Taxes	Settlement Test Year Adjusted Results	Proposed Rate Increase	Settlement Adjusted with Rate Increase
1	Revenues						
2					\$ 330,508	\$ 94,774	\$ 425,282
3					-	-	-
4					3,441	-	3,441
5	\$ -	\$ -	\$ -	\$ -	\$ 333,949	\$ 94,774	\$ 428,723
6	Operating Expenses						
7					\$ -	\$ -	\$ -
8					-	-	-
9			(526)		66,261	-	66,261
10					-	-	-
11					1,460	-	1,460
12					12,257	-	12,257
13					2,399	-	2,399
14					20,253	-	20,253
15					9,651	-	9,651
16					-	-	-
17					-	-	-
18					374	-	374
19		3,007			3,007	-	3,007
20					-	-	-
21					2,186	-	2,186
22					-	-	-
23					-	-	-
24					16,667	-	16,667
25	(2,353)				13,507	-	13,507
26					-	-	-
27					71,463	-	71,463
28					-	-	-
29					11,183	1,058	12,241
30				2,064	-	-	-
31	\$ (2,353)	\$ 3,007	\$ (526)	\$ 2,064	\$ 230,667	\$ 1,058	\$ 231,725
32	\$ 2,353	\$ (3,007)	\$ 526	\$ (2,064)	\$ 103,282	\$ 93,716	\$ 196,999
33	Other Income (Expense)						
34					-	-	-
35					-	-	-
36					-	-	-
37					-	-	-
38					-	-	-
39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	\$ 2,353	\$ (3,007)	\$ 526	\$ (2,064)	\$ 103,282	\$ 93,716	\$ 196,999

41
 42 SUPPORTING SCHEDULES:
 43 C-2
 44 E-2

RECAP SCHEDULES:
 C-1, page 1

Utility Source. LLC - Water Division
 Test Year Ended December 31, 2012
 Adjustments to Revenues and Expenses
 Adjustment Number 1

Exhibit
 Settlement Schedule C-2
 Page 2
 Witness: Bourassa

Depreciation Expense

Line

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Acct. No.	Description	Adjusted Original Cost	Non-depreciable/ Fully Depreciated	Adjusted Original Cost	Proposed Rates	Depreciation Expense
301	Organization Cost	-		-	0.00%	-
302	Franchise Cost	-		-	0.00%	-
303	Land and Land Rights	210,000	(210,000)	-	0.00%	-
304	Structures and Improvements	72,997		72,997	3.33%	2,431
305	Collecting and Impounding Res.	-		-	2.50%	-
306	Lake River and Other Intakes	-		-	2.50%	-
307	Wells and Springs	1,708,209		1,708,209	3.33%	56,883
308	Infiltration Galleries and Tunnels	-		-	6.67%	-
309	Supply Mains	-		-	2.00%	-
310	Power Generation Equipment	89,125		89,125	5.00%	4,456
311	Electric Pumping Equipment	158,711	(158,711)	-	12.50%	-
320	Water Treatment Equipment	5,487		5,487	3.33%	183
320.1	Water Treatment Plant	-		-	3.33%	-
320.2	Chemical Solution Feeders	-		-	20.00%	-
330	Dist. Reservoirs & Standpipe	435,529		435,529	2.22%	9,669
330.1	Storage tanks	-		-	2.22%	-
330.2	Pressure Tanks	-		-	5.00%	-
331	Trans. and Dist. Mains	161,632		161,632	2.00%	3,233
333	Services	86,250		86,250	3.33%	2,872
334	Meters	-		-	8.33%	-
335	Hydrants	34,500		34,500	2.00%	690
336	Backflow Prevention Devices	-		-	6.67%	-
339	Other Plant and Misc. Equip.	-		-	6.67%	-
340	Office Furniture and Fixtures	2,947		2,947	6.67%	197
340.1	Computers and Software	-		-	20.00%	-
341	Transportation Equipment	-		-	20.00%	-
342	Stores Equipment	-		-	4.00%	-
343	Tools and Work Equipment	-		-	5.00%	-
344	Laboratory Equipment	-		-	10.00%	-
345	Power Operated Equipment	-		-	5.00%	-
346	Communications Equipment	-		-	10.00%	-
347	Miscellaneous Equipment	-		-	10.00%	-
348	Other Tangible Plant	-		-	10.00%	-
TOTALS		\$ 2,965,387	\$ (368,711)	\$ 2,596,676		\$ 80,613

	Gross CIAC	Amort. Rate	
Less: Amortization of Contributions	\$ 294,745	3.1045%	\$ (9,150)
Total Depreciation Expense			\$ 71,463
Adjusted Test Year Depreciation Expense			57,728
Increase (decrease) in Depreciation Expense			13,735
Adjustment to Revenues and/or Expenses			\$ 13,735

SUPPORTING SCHEDULE
 B-2, page 3

*Fully Depreciated

Utility Source. LLC - Water Division
 Test Year Ended December 31, 2012
 Adjustment to Revenues and Expenses
 Adjustment Number 2

Exhibit
 Settlement Schedule C-2
 Page 3
 Witness: Bourassa

Property Taxes

Line No.	DESCRIPTION	Test Year as adjusted	Company Recommended
1	Company Adjusted Test Year Revenues	\$ 333,949	\$ 333,949
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	667,898	667,898
4	Company Recommended Revenue	333,949	428,723
5	Subtotal (Line 4 + Line 5)	1,001,847	1,096,622
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	333,949	365,541
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	667,898	731,081
10	Plus: 10% of CWIP (intentionally excluded)	-	-
11	Less: Net Book Value of Licensed Vehicles	-	-
12	Full Cash Value (Line 9 + Line 10 - Line 11)	667,898	731,081
13	Assessment Ratio	18.5%	18.5%
14	Assessment Value (Line 12 * Line 13)	123,561	135,250
15	Composite Property Tax Rate - Obtained from ADOR	9.0503%	9.0503%
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$ 11,183	\$ 12,241
17	Tax on Parcels	-	-
18	Total Property Taxes (Line 16 + Line 17)	\$ 11,183	
19	Test Year Property Taxes	\$ 7,530	
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	\$ 3,653	
21			
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)		\$ 12,241
23	Company Test Year Adjusted Property Tax Expense (Line 18)		\$ 11,183
24	Increase in Property Tax Due to Increase in Revenue Requirement		\$ 1,058
25			
26	Increase in Property Tax Due to Increase in Revenue Requirement (Line 24)		\$ 1,058
27	Increase in Revenue Requirement		\$ 94,774
28	Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27)		1.11620%
29			
30			
31			
32			
33			
34			
35			

Utility Source. LLC - Water Division
Test Year Ended December 31, 2012
Adjustment to Revenues and Expenses
Adjustment Number 3

Exhibit
Settlement Schedule C-2
Page 4
Witness: Bourassa

Rate Case Expense

Line
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Estimated Rate Case Expense	\$	50,000
Estimated Amortization Period in Years		3
Annual Rate Case Expense	\$	<u>16,667</u>
Adjusted Test Year Rate Case Expense	\$	10,000
Increase(decrease) Rate Case Expense	\$	<u><u>6,667</u></u>
Adjustment to Revenue and/or Expense	\$	<u><u>6,667</u></u>

Reference
Testimony

Utility Source. LLC - Water Division
Test Year Ended December 31, 2012
Adjustment to Revenues and Expenses
Adjustment Number 4

Exhibit
Settlement Schedule C-2
Page 5
Witness: Bourassa

Revenue Adjustment

Line
No.

1	Metered Revenue Adjustment from Standpipe	\$	127,765
2	Misc Revenue Adjustment	\$	(1,820)
3			
4			
5			
6	Total Revenue from Annualization	<u>\$</u>	<u>125,945</u>
7			
8			
9	Adjustment to Revenue and/or Expense	<u>\$</u>	<u>125,945</u>
10			
11	<u>Reference</u>		
12	Staff Adjustment # 1		
13			
14			
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19			
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Utility Source. LLC - Water Division
Test Year Ended December 31, 2012
Adjustment to Revenues and Expenses
Adjustment Number 5

Exhibit
Settlement Schedule C-2
Page 6
Witness: Bourassa

Water Testing

Line
No.

1		
2	RUCO Recommended Water Testing Expense	\$ 374
3		
4	Adjuste Test Year Water Testing Expense	\$ 8,107
5		
6	Adjustment to purchased power expense (rounded)	<u>\$ (7,733)</u>
7		
8		
9	Adjustment to Revenue and/or Expense	<u>(7,733)</u>
10		
11	<u>Reference</u>	
12	RUCO Adjustment #2	
13		
14		
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Utility Source. LLC - Water Division
Test Year Ended December 31, 2012
Adjustment to Revenues and Expenses
Adjustment Number 6

Exhibit
Settlement Schedule C-2
Page 7
Witness: Bourassa

Auto Expense

Line
No.

1			
2	Test Year Auto Expense	\$	1,500
3			
4	Staff Recommended Auto Expense		3,250
5			
6	Adjustment to Revenues	\$	<u>(1,750)</u>
7			
8			
9	Adjustment to Revenue and/or Expense		<u>(1,750)</u>
10			
11	<u>Reference</u>		
12	Staff Adjustment #4		
13			
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Utility Source. LLC - Water Division
Test Year Ended December 31, 2001
Adjustment to Revenues and Expenses
Adjustment Number 7

Exhibit
Settlement Schedule C-2
Page 8
Witness: Bourassa

Telephone Expense

Line
No.

1			
2	Staff Recommended Telephone Expense	\$	2,366
3			
4	Adjusted Test Year Telephone Expense		4,732
5			
6	Adjustment to Misc. Expense	<u>\$</u>	<u>(2,366)</u>
7			
8			
9	Adjustment to Revenue and/or Expense	<u>\$</u>	<u>(2,366)</u>
10			
11	<u>Reference</u>		
12	Staff Adjustment #5		
13			
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Utility Source. LLC - Water Division
Test Year Ended December 31, 2012
Computation of Gross Revenue Conversion Factor

Exhibit
Settlement Schedule C-3
Page 1
Witness: Bourassa

Line No.	Description	Percentage of Incremental Gross Revenues
1	Combined Federal and State Effective Income Tax Rate	0.000%
2		
3	Property Taxes	<u>1.116%</u>
4		
5		
6	Total Tax Percentage	1.116%
7		
8	Operating Income % = 100% - Tax Percentage	98.884%
9		
10		
11		
12		
13	<u>1</u> = Gross Revenue Conversion Factor	
14	Operating Income %	1.0113
15		
16		
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24		
25	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
26	C-3, page 2	A-1
27		
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Utility Source, LLC - Water Division
 Test Year Ended December 31, 2012
 Present and Proposed Rates

Exhibit
 Settlement Schedule H-3
 Page 1

Line No.	Monthly Usage Charge for:	Present Rates	Phase 1 Proposed Rates	Phase 2 Proposed Rates	Phase 3 Proposed Rates	
1	<u>Meter Size (All Classes):</u>					
2	5/8x3/4 Inch	\$ 18.50	\$ 34.23	\$ 37.37	\$ 41.35	
3	3/4 Inch	18.50	34.23	37.37	41.35	
4	1 Inch	46.50	85.56	93.43	103.37	
5	1 1/2 Inch	92.50	171.13	186.85	206.74	
6	2 Inch	148.00	273.80	298.96	330.78	
7	3 Inch	296.00	547.60	597.92	661.56	
8	4 Inch	462.50	855.63	934.25	1,033.69	
9	6 Inch	925.00	1,711.25	1,868.50	2,067.38	
10						
11						
12	<u>Gallons In Minimum (All Classes)</u>	-	-			
13						
14						
15			(Per 1,000 gallons)			
16	<u>Commodity Rates</u>		<u>Present Rate</u>	<u>Phase 1 Proposed Rate</u>	<u>Phase 2 Proposed Rate</u>	<u>Phase 3 Proposed Rate</u>
17	<u>Block</u>					
18	5/8x3/4 Inch (Residential, Commercial)		\$ 4.80	\$ 3.25	\$ 4.00	\$ 4.55
19			\$ 7.16	\$ 5.50	\$ 6.25	\$ 6.80
20			\$ 8.60	\$ 6.75	\$ 7.50	\$ 8.05
21						
22	3/4 Inch Meter (Residential, Commercial)		\$ 4.80	\$ 3.25	\$ 4.00	\$ 4.55
23			\$ 7.16	\$ 5.50	\$ 6.25	\$ 6.80
24			\$ 8.60	\$ 6.75	\$ 7.50	\$ 8.05
25						
26	1 Inch Meter (Residential, Commercial)		\$ 4.80	\$ 5.50	\$ 6.25	\$ 6.80
27			\$ 7.16	\$ 6.75	\$ 7.50	\$ 8.05
28						
29	1.5 Inch Meter (Residential, Commercial)		\$ 4.80	\$ 5.50	\$ 6.25	\$ 6.80
30			\$ 7.16	\$ 6.75	\$ 7.50	\$ 8.05
31						
32	2 Inch Meter (Residential, Commercial)		\$ 4.80	\$ 5.50	\$ 6.25	\$ 6.80
33			\$ 7.16	\$ 6.75	\$ 7.50	\$ 8.05
34						
35	3 Inch Meter (Residential, Commercial)		\$ 4.80	\$ 5.50	\$ 6.25	\$ 6.80
36			\$ 7.16	\$ 6.75	\$ 7.50	\$ 8.05
37						
38						
39						
40	NT = No Tariff					
41						

Utility Source, LLC - Water Division
 Test Year Ended December 31, 2012
 Present and Proposed Rates

Exhibit
 Settlement Schedule H-3
 Page 2

Line
No.
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(Per 1,000 gallons)

	Present Rate	Phase 1 Proposed Rate	Phase 2 Proposed Rate	Phase 3 Proposed Rate
4 Inch Meter (Residential, Commercial)	\$ 4.80	\$ 5.50	\$ 6.25	\$ 6.80
4 Inch Meter (Residential, Commercial)	\$ 7.16	\$ 6.75	\$ 7.50	\$ 8.05
6 Inch Meter (Residential, Commercial)	\$ 4.80	\$ 5.50	\$ 6.25	\$ 6.80
6 Inch Meter (Residential, Commercial)	\$ 7.16	\$ 6.75	\$ 7.50	\$ 8.05
Irrigation Meters	\$ 9.26	\$ 5.50	\$ 6.25	\$ 6.80
Standpipe or Bulk	\$ 10.35	\$ 18.86	\$ 18.86	\$ 18.86
Construction	\$ 10.35	\$ 18.86	\$ 18.86	\$ 18.86

Utility Source, LLC - Water Division
Present and Proposed Rates
Test Year Ended December 31, 2012

Exhibit
Settlement Schedule H-3
Page 3
Witness: Bourassa

Line
No.

<u>Meter and Service Line Charges¹</u>						
	Present Service Line Charge	Present Meter Install- ation Charge	Total Present Charge	Proposed Service Line Charge	Proposed Meter Install- ation Charge	Total Proposed Charge
7	5/8 x 3/4 Inch		\$ 520.00	\$ 385.00	\$ 135.00	\$ 520.00
8	3/4 Inch		575.00	415.00	205.00	620.00
9	1 Inch		660.00	465.00	265.00	730.00
10	1 1/2 Inch		900.00	520.00	475.00	995.00
11	2 Inch Turbo		1,525.00	800.00	995.00	1,795.00
12	2 Inch, Compound		2,320.00	800.00	1,840.00	2,640.00
13	3 Inch Turbo		2,275.00	1,015.00	1,620.00	2,635.00
14	3 Inch, compound		3,110.00	1,135.00	2,495.00	3,630.00
15	4 Inch Turbo		3,360.00	1,430.00	2,570.00	4,000.00
16	4 Inch, compound		4,475.00	1,610.00	3,545.00	5,155.00
17	6 Inch Turbo		6,035.00	2,150.00	4,925.00	7,075.00
18	6 Inch, compound		8,050.00	2,270.00	6,820.00	9,090.00

¹ Based on ACC Staff Engineering Memo dated February 21, 2008

Other Charges:

26	Establishment	\$ 20.00
27	Establishment (After Hours)	\$ 40.00
28	Reconnection (Delinquent)	\$ 50.00
29	Reconnection (After hours)	\$ 40.00
30	Meter Test	\$ 20.00
31	Minimum Deposit Requirement	PER RULE
32	Deposit Interest	PER RULE
33	Re-establishment (Within 12 months)	PER RULE
34	NSF Check	\$ 20.00
35	Deferred Payment, per month	1.5%
36	Meter Re-read	\$ 10.00
37	Late Charge	1.5%
38	Customer requested Meter Test	\$ 20.00
39	After hours service charge	\$ 40.00
40	Moving Customer Meter (at customer request)	Cost

\$ 20.00
*Removed
\$ 50.00
*Removed
\$ 20.00
PER RULE
PER RULE
PER RULE
\$ 20.00
1.5%
\$ 10.00
1.5%
\$ 20.00
\$ 40.00
Cost

(a) \$ 5.00 minimum or 1.5% of unpaid balance whichever is greater.

* After hours service charge will apply when service requested by customer after hours.

Utility Source, LLC - Water Division - Phase 1
 Analysis of Revenue by Detailed Class
 Test Year Ended December 31, 2012

Exhibit
 Settlement Schedule H-2
 Page 1
 Witness: Bourassa

Line No.	Customer Classification and/or Meter Size	(a) Average Number of Customers at 12/31/2012	Average Bill		Proposed Rates	Proposed Dollar Amount	Proposed Increase Percent Amount	Percent of Customers
			Present Rates	Proposed Rates				
1	3/4 Inch Residential	320	\$ 38.58	\$ 47.90	9.32	24.16%	98.16%	
2	3/4 Inch Commercial	1	26.50	43.39	16.89	63.74%	0.31%	
3	2 Inch Commercial	3	1,004.10	934.48	(69.62)	-6.93%	0.92%	
4	2 Inch Irrigation	1	148.00	273.80	125.80	85.00%	0.31%	
5								
6	Construction/Bulk	1	290.19	529.31	239.12	82.40%	0.31%	
7								
8								
9								
10								
11								
12	Totals	326					100.00%	
13								
14	Actual Year End Number of Customers:	327						
15								
16								
17								
18								
19								

Utility Source, LLC - Water Division - Phase 1
 Analysis of Revenue by Detailed Class
 Test Year Ended December 31, 2012

Exhibit
 Settlement Schedule H-2
 Page 2
 Witness: Bourassa

Line No.	Customer Classification and/or Meter Size	(a) Average Number of Customers at 12/31/2012	Median Bill		Proposed Increase		Percent of Customers
			Present Rates	Proposed Rates	Dollar Amount	Percent Amount	
1	3/4 Inch Residential	320	35.30 \$	45.60 \$	10.30 \$	29.18%	98.16%
2	3/4 Inch Commercial	1	25.70 \$	42.48 \$	16.78	65.27%	0.31%
3	2 Inch Commercial	3	613.40	631.30	17.90	2.92%	0.92%
4	2 Inch Irrigation	1	148.00 \$	273.80 \$	125.80 \$	85.00%	0.31%
5							
6	Construction/Bulk	1	437.69	798.07	360.39	82.34%	0.31%
7							
8							
9							
10							
11	Totals	326					100.00%
12							
13	Actual Year End Number of Customers:	327					
14							
15							
16							
17							
18							

Utility Source, LLC - Water Division - Phase 2
 Analysis of Revenue by Detailed Class
 Test Year Ended December 31, 2012

Exhibit
 Settlement Schedule H-2
 Page 1
 Witness: Bourassa

Line No.	Customer Classification and/or Meter Size	(a) Average Number of Customers at 12/31/2012	Average Bill		Proposed Increase		Percent of Customers
			Present Rates	Proposed Rates	Dollar Amount	Percent Amount	
1	3/4 inch Residential	320	38.58 \$	54.14 \$	15.56	40.33%	98.16%
2	3/4 inch Commercial	1	26.50	47.79	21.29	80.32%	0.31%
3	2 inch Commercial	3	1,004.10	1,046.11	42.00	4.18%	0.92%
4	2 inch Irrigation	1	148.00 \$	298.96 \$	150.96	102.00%	0.31%
5							
6	Construction/Bulk	1	290.19	532.45	242.26	83.48%	0.31%
7							
8							
9							
10							
11							
12	Totals	<u>326</u>					<u>100.00%</u>
13							
14	Actual Year End Number of Customers:	<u>327</u>					
15							
16							
17							
18							
19							

Utility Source, LLC - Water Division - Phase 2
 Analysis of Revenue by Detailed Class
 Test Year Ended December 31, 2012

Exhibit
 Settlement Schedule H-2
 Page 2
 Witness: Bourassa

Line No.	Customer Classification and/or Meter Size	(a) Average Number of Customers at 12/31/2012	Median Bill		Proposed Increase		Percent of Customers
			Present Rates	Proposed Rates	Dollar Amount	Percent Amount	
1	3/4 Inch Residential	320	\$ 35.30	\$ 51.37	\$ 16.07	45.52%	98.16%
2	3/4 Inch Commercial	1	\$ 25.70	\$ 46.75	21.05	81.89%	0.31%
3	2 Inch Commercial	3	613.40	705.21	91.81	14.97%	0.92%
4	2 Inch Irrigation	1	\$ 148.00	\$ 298.96	\$ 150.96	102.00%	0.31%
5							
6	Construction/Bulk	1	437.69	801.22	363.53	83.06%	0.31%
7							
8							
9							
10							
11	Totals	326					100.00%
12							
13	Actual Year End Number of Customers:	327					
14							
15							
16							
17							
18							

Utility Source, LLC - Water Division
 Analysis of Revenue by Detailed Class
 Test Year Ended December 31, 2012

Exhibit
 Settlement Schedule H-2
 Page 1
 Witness: Bourassa

Line No.	Customer Classification and/or Meter Size	(a) Average Number of Customers at 12/31/2012	Average Bill		Proposed Rates	Proposed Dollar Amount	Proposed Increase Percent Amount	Percent of Customers
			Present Rates	Proposed Rates				
1	3/4 Inch Residential	320	38.58 \$	60.38 \$	21.80	56.52%	98.16%	
2	3/4 Inch Commercial	1	26.50	52.68	26.18	98.79%	0.31%	
3	2 Inch Commercial	3	1,004.10	1,141.34	137.23	13.67%	0.92%	
4	2 Inch Irrigation	1	148.00 \$	330.78 \$	182.78	123.50%	0.31%	
5								
6	Construction/Bulk	1	290.19	536.43	246.24	84.85%	0.31%	
7								
8								
9								
10								
11								
12	Totals	326					100.00%	
13								
14	Actual Year End Number of Customers:	327						
15								
16								
17								
18								
19								

Utility Source. LLC - Wastewater Division
Test Year Ended December 31, 2012
Computation of Increase in Gross Revenue
Requirements As Adjusted

Exhibit
Settlement Schedule A-1
Page 1
Witness: Bourassa

Line No.			
1	Fair Value Rate Base	\$	825,880
2			
3	Adjusted Operating Income		(93,063)
4			
5	Current Rate of Return		-11.27%
6			
7	Required Operating Income	\$	82,175
8			
9	Required Rate of Return		9.95%
10			
11	Operating Income Deficiency	\$	175,238
12			
13	Gross Revenue Conversion Factor		1.0115
14			
15	Increase in Gross Revenue		
16	Requirement	\$	177,255
17			
18	Adjusted Test Year Revenues	\$	119,464
19	Increase in Gross Revenue Revenue Requirement	\$	177,255
20	Proposed Revenue Requirement	\$	296,719
21	% Increase		148.38%

Utility Source. LLC - Wastewater Division
 Test Year Ended December 31, 2012
 Summary of Rate Base

Exhibit
 Settlement Schedule B-1
 Page 1
 Witness: Bourassa

Line No.		Original Cost Rate base	Fair Value Rate Base
1			
2	Gross Utility Plant in Service	\$ 1,397,271	\$ 1,397,271
3	Less: Accumulated Depreciation	<u>455,064</u>	<u>455,064</u>
4			
5	Net Utility Plant in Service	\$ 942,207	\$ 942,207
6			
7	<u>Less:</u>		
8	Advances in Aid of Construction	-	-
9			
10	Contributions in Aid of Construction	197,973	197,973
11			
12	Accumulated Amortization of CIAC	(86,711)	(86,711)
13			
14	Customer Meter Deposits	5,065	5,065
15	Deferred Income Taxes & Credits	-	-
16			
17			
18			
19	<u>Plus:</u>		
20	Unamortized Finance		
21	Charges	-	-
22	Prepayments	-	-
23	Materials and Supplies	-	-
24	Allowance for Working Capital	-	-
25			
26			
27			
28	Total Rate Base	<u>\$ 825,880</u>	<u>\$ 825,880</u>

43 SUPPORTING SCHEDULES:

- 44 B-2
- 45 B-3
- 46 B-5

47
 48
 49
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Utility Source, LLC - Wastewater Division
 Test Year Ended December 31, 2012
 Original Cost Rate Base Proforma Adjustments

Exhibit
 Settlement Schedule B-2
 Page 1
 Witness: Bourassa

Line No.		Adjusted at end of Test Year	Proforma Adjustment	Settlement Adjusted at end of Test Year
1	Gross Utility			
2	Plant in Service	\$ 1,397,271	-	\$ 1,397,271
3				
4	Less:			
5	Accumulated			
6	Depreciation	455,064	0	455,064
7		<hr/>		<hr/>
8				
9	Net Utility Plant			
10	in Service	\$ 942,207		\$ 942,207
11				
12	Less:			
13	Advances in Aid of			
14	Construction	-	-	-
15				
16	Contributions in Aid of			
17	Construction - Gross	197,973	-	197,973
18				
19	Accumulated Amortization of CIAC	(86,711)	-	(86,711)
20				
21	Customer Meter Deposits	-	5,065	5,065
22	Accumulated Deferred Income Tax	-	-	-
23				
24				
25				
26	Plus:			
27	Unamortized Finance			
28	Charges	-	-	-
29	Prepayments	-	-	-
30	Materials and Supplies	-	-	-
31	Working capital	-	-	-
32				
33				
34	Total	<u>\$ 830,945</u>		<u>\$ 825,880</u>

45 SUPPORTING SCHEDULES:
 46 B-2, pages 2
 47 E-1
 48
 49
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RECAP SCHEDULES:
 B-1

Utility Source, LLC - Wastewater Division
 Test Year Ended December 31, 2012
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 1 -A

Exhibit
 Settlement Schedule B-2
 Page 3.1
 Witness: Bourassa

Line
No.

		Adjusted	Plant	
		Original	Per	Adjustment
Acct.	Description	<u>Cost</u>	<u>Reconstruction</u>	<u>Required</u>
1	<u>Reconciliation to Reconstructed Plant-in-Service</u>			
2				
3				
4				
5	351	-	-	-
6	352	-	-	-
7	353	105,000	105,000	-
8	354	56,350	56,350	-
9	355	2,879	2,879	-
10	360	-	-	-
11	361	260,553	260,553	-
12	362	-	-	-
13	363	60,375	60,375	-
14	364	-	-	-
15	365	-	-	-
16	366	3,450	3,450	-
17	367	-	-	-
18	370	-	-	-
19	371	-	-	-
20	374	-	-	-
21	375	-	-	-
22	380	903,992	903,992	-
23	381	-	-	-
24	382	-	-	-
25	389	-	-	-
26	390	4,672	4,251	(421)
27	390.1	-	421	421
28	391	-	-	-
29	392	-	-	-
30	393	-	-	-
31	394	-	-	-
32	395	-	-	-
33	396	-	-	-
34	397	-	-	-
35	398	-	-	-
36		-	-	-
37	TOTALS	\$ 1,397,271	\$ 1,397,271	\$ (0)

40 SUPPORTING SCHEDULE

41 B-2, pages 3.2 - 3.8

42

Utility Source, LLC - Wastewater Division
 Test Year Ended December 31, 2012
 Income Statement

Exhibit
 Settlement Schedule C-1
 Page 1
 Witness: Bourassa

Line No.		Test Year Adjusted Results	Adjustment	Settlement Test Year Adjusted Results	Proposed Rate Increase	Settlement Adjusted with Rate Increase
1	Revenues					
2	Flat Rate Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
3	Unmetered Water Revenues	116,023	-	116,023	177,255	293,278
4	Other Water Revenues	5,261	(1,820)	3,441	-	3,441
5		<u>\$ 121,284</u>	<u>\$ (1,820)</u>	<u>\$ 119,464</u>	<u>\$ 177,255</u>	<u>\$ 296,719</u>
6	Operating Expenses					
7	Salaries and Wages	\$ -	-	\$ -	-	\$ -
8	Purchased Water	-	-	-	-	-
9	Purchased Power	26,213	(207)	26,006	-	26,006
10	Sludge Removal	12,659	-	12,659	-	12,659
11	Chemicals	5,400	-	5,400	-	5,400
12	Materials and Supplies	7,187	-	7,187	-	7,187
13	Office Supplies and Expense	2,446	-	2,446	-	2,446
14	Contractual Services - Accounting	20,135	-	20,135	-	20,135
15	Contractual Services - Professional	1,920	-	1,920	-	1,920
16	Contractual Services - Maintenance	-	-	-	-	-
17	Contractual Services - Other	46,650	-	46,650	-	46,650
18	Water Testing	5,669	8,858	14,527	-	14,527
19	Rents	-	1,742	1,742	-	1,742
20	Transportation Expenses	3,250	(1,750)	1,500	-	1,500
21	Insurance - General Liability	2,186	-	2,186	-	2,186
22	Insurance - Health and Life	-	-	-	-	-
23	Reg. Comm. Exp. - Other	-	-	-	-	-
24	Reg. Comm. Exp. - Rate Case	10,000	6,667	16,667	-	16,667
25	Miscellaneous Expense	13,152	(9,511)	3,641	-	3,641
26	Bad Debt Expense	-	-	-	-	-
27	Depreciation and Amortization Expense	45,744	48	45,791	-	45,791
28	Taxes Other Than Income	-	-	-	-	-
29	Property Taxes	4,476	(405)	4,071	2,017	6,088
30	Income Tax	(13,545)	13,545	-	-	-
31						
32	Total Operating Expenses	<u>\$ 193,541</u>	<u>\$ 18,986</u>	<u>\$ 212,527</u>	<u>\$ 2,017</u>	<u>\$ 214,544</u>
33	Operating Income	<u>\$ (72,257)</u>	<u>\$ (20,806)</u>	<u>\$ (93,063)</u>	<u>\$ 175,238</u>	<u>\$ 82,175</u>
34	Other Income (Expense)					
35	Interest Income	-	-	-	-	-
36	Other income	-	-	-	-	-
37	Interest Expense	-	-	-	-	-
38	Other Expense	-	-	-	-	-
39						
40	Total Other Income (Expense)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
41	Net Profit (Loss)	<u>\$ (72,257)</u>	<u>\$ (20,806)</u>	<u>\$ (93,063)</u>	<u>\$ 175,238</u>	<u>\$ 82,175</u>

42
 43 SUPPORTING SCHEDULES:
 44 C-1, page 2
 45
 46

RECAP SCHEDULES:
 A-1

Line No.	LABEL>>>>>	1	2	3	4	5	6	7
	Test Year Adjusted Results	Depreciation	Property Taxes	Rate Case Expense	Revenue Adjustment	Water Testing	Misc (Auto) Expense	Telephone Expense
1	Revenues							
2	Flat Rate Revenues	\$ -						
3	Measured Revenues	116,023						
4	Other Water Revenues	5,261			(1,820)			
5		\$ 121,284	\$ -	\$ -	\$ -	\$ (1,820)	\$ -	\$ -
6	Operating Expenses							
7	Salaries and Wages	\$ -						
8	Purchased Water	-						
9	Purchased Power	26,213						
10	Sludge Removal	12,659						
11	Chemicals	5,400						
12	Materials and Supplies	7,187						
13	Office Supplies and Expense	2,446						
14	Contractual Services - Accounting	20,135						
15	Contractual Services - Professional	1,920						
16	Contractual Services - Maintenance	-						
17	Contractual Services - Other	46,650						
18	Water Testing	5,669				8,858		
19	Rents	-					(1,750)	
20	Transportation Expenses	3,250						
21	Insurance - General Liability	2,186						
22	Insurance - Health and Life	-						
23	Reg. Comm. Exp. - Other	-						
24	Reg. Comm. Exp. - Rate Case	10,000		6,667				
25	Miscellaneous Expense	13,152						(2,366)
26	Bad Debt Expense	-						
27	Deprec. and Amort. Exp.	45,744	48					
28	Taxes Other Than Income	-						
29	Property Taxes	4,476	(405)					
30	Income Tax	(13,545)						
31								
32	Total Operating Expenses	\$ 193,541	\$ 48	\$ (405)	\$ 6,667	\$ -	\$ 8,858	\$ (1,750)
33	Operating Income	\$ (72,257)	\$ (48)	\$ 405	\$ (6,667)	\$ (1,820)	\$ (8,858)	\$ 1,750
34	Other Income (Expense)							
35	Interest Income	-						
36	Other Income	-						
37	Interest Expense	-						
38	Other Expense	-						
39								
40	Total Other Income (Expense)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	Net Profit (Loss)	\$ (72,257)	\$ (48)	\$ 405	\$ (6,667)	\$ (1,820)	\$ (8,858)	\$ 1,750

SUPPORTING SCHEDULES:

C-2
 E-2

Line No.	8 Purchased Power	9 Rent Expense	10 Removal of Misc Expense	11 Income Taxes	Settlement Test Year Adjusted Results	Proposed Rate Increase	Settlement Adjusted with Rate Increase
1	Revenues						
2					\$ -	\$ -	\$ -
3					116,023	177,255	293,278
4					3,441		3,441
5					119,464	177,255	296,719
6	Operating Expenses						
7					\$ -	\$ -	\$ -
8							
9	(207)				26,006		26,006
10					12,659		12,659
11					5,400		5,400
12					7,167		7,167
13					2,446		2,446
14					20,135		20,135
15					1,920		1,920
16							
17					46,650		46,650
18					14,527		14,527
19		1,742			1,742		1,742
20					1,500		1,500
21					2,186		2,186
22					-		-
23					-		-
24					16,667		16,667
25			(7,145)		3,641		3,641
26					-		-
27					45,791		45,791
28					-		-
29					4,071	2,017	6,088
30				13,545	-	-	-
31							
32					212,527	2,017	214,544
33	(207)	1,742	(7,145)	13,545	(93,063)	175,238	82,175
34	Other Income (Expense)						
35					-	-	-
36					-	-	-
37					-	-	-
38					-	-	-
39					-	-	-
40					-	-	-
41	207	(1,742)	7,145	(13,545)	(93,063)	175,238	82,175
42	Net Profit (Loss)						

SUPPORTING SCHEDULES:
 C-2
 E-2

RECAP SCHEDULES:
 C-1, page 1

Utility Source. LLC - Wastewater Division
 Test Year Ended December 31, 2012
 Adjustments to Revenues and Expenses
 Adjustment Number 1

Exhibit
 Settlement Schedule C-2
 Page 2
 Witness: Bourassa

Depreciation Expense

Line

No.

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Acct.

No.

Description

Original

Cost

Non-depreciable/

Fully Depreciated

Adjusted

Original

Cost

Proposed

Rates

Depreciation

Expense

Acct. No.	Description	Original Cost	Non-depreciable/ Fully Depreciated	Adjusted Original Cost	Proposed Rates	Depreciation Expense
351	Organization Cost	-	-	-	0.00%	-
352	Franchise Cost	-	-	-	0.00%	-
353	Land and Land Rights	105,000	(105,000)	-	0.00%	-
354	Structures & Improvements	56,350	-	56,350	3.33%	1,876
355	Power Generation Equipment	2,879	-	2,879	5.00%	144
360	Collection Sewers - Force	-	-	-	2.00%	-
361	Collection Sewers - Gravity	260,553	-	260,553	2.00%	5,211
362	Special Collecting Structures	-	-	-	2.00%	-
363	Services to Customers	60,375	-	60,375	2.00%	1,208
364	Flow Measuring Devices	-	-	-	10.00%	-
365	Flow Measuring Installations	-	-	-	10.00%	-
366	Reuse Services	3,450	-	3,450	2.00%	69
367	Reuse Meters and Meter Installations	-	-	-	8.33%	-
370	Receiving Wells	-	-	-	3.57%	-
371	Pumping Equipment	-	-	-	10.00%	-
374	Reuse Distribution Reservoirs	-	-	-	2.50%	-
375	Reuse Transmission and Distribution	-	-	-	2.00%	-
380	Treatment & Disposal Equipment	903,992	-	903,992	5.00%	45,200
381	Plant Sewers	-	-	-	5.00%	-
382	Outfall Sewer Lines	-	-	-	3.33%	-
389	Other Plant & Misc Equipment	-	-	-	6.67%	-
390	Office Furniture & Equipment	4,251	-	4,251	6.67%	284
390.1	Computers & Software	421	-	421	20.00%	84
391	Transportation Equipment	-	-	-	20.00%	-
392	Stores Equipment	-	-	-	4.00%	-
393	Tools, Shop & Garage Equipment	-	-	-	10.00%	-
394	Laboratory Equipment	-	-	-	10.00%	-
395	Power Operated Equipment	-	-	-	5.00%	-
396	Communication Equipment	-	-	-	10.00%	-
397	Miscellaneous Equipment	-	-	-	10.00%	-
398	Other Tangible Plant	-	-	-	10.00%	-

TOTALS

\$ 1,397,271 \$ (105,000) \$ 1,292,271 10.00% \$ 54,075

Less: Amortization of Contributions

Gross CIAC Amort. Rate
 \$ 197,973 4.1845% \$ (8,284)

Total Depreciation Expense

\$ 45,791

Adjusted Test Year Depreciation Expense

45,744

Increase (decrease) in Depreciation Expense

48

Adjustment to Revenues and/or Expenses

\$ 48

SUPPORTING SCHEDULE

B-2, page 3

*Fully Depreciated

Utility Source, LLC - Wastewater Division
 Test Year Ended December 31, 2012
 Adjustment to Revenues and Expenses
 Adjustment Number 2

Exhibit
 Settlement Schedule C-2
 Page 3
 Witness: Bourassa

Property Taxes

Line No.	DESCRIPTION	Test Year as adjusted	Company Recommended
1	Company Adjusted Test Year Revenues	\$ 119,464	\$ 119,464
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	238,928	238,928
4	Company Recommended Revenue	119,464	296,719
5	Subtotal (Line 4 + Line 5)	358,391	535,646
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	119,464	178,549
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	238,928	357,098
10	Plus: 10% of CWIP (intentionally excluded)	-	-
11	Less: Net Book Value of Licensed Vehicles	421	421
12	Full Cash Value (Line 9 + Line 10 - Line 11)	238,507	356,677
13	Assessment Ratio	18.5%	18.5%
14	Assessment Value (Line 12 * Line 13)	44,124	65,985
15	Composite Property Tax Rate - Obtained from ADOR	9.2262%	9.2262%
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$ 4,071	\$ 6,088
17	Tax on Parcels	-	-
18	Total Property Taxes (Line 16 + Line 17)	\$ 4,071	
19	Adjusted Test Year Property Taxes	\$ 4,476	
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	\$ (405)	
21			
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)		\$ 6,088
23	Company Test Year Adjusted Property Tax Expense (Line 18)		\$ 4,071
24	Increase in Property Tax Due to Increase in Revenue Requirement		\$ 2,017
25			
26	Increase in Property Tax Due to Increase in Revenue Requirement (Line 24)		\$ 2,017
27	Increase in Revenue Requirement		\$ 177,255
28	Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27)		1.13789%
29			
30			
31			
32			
33			
34			
35			

Utility Source. LLC - Wastewater Division
Test Year Ended December 31, 2012
Adjustment to Revenues and Expenses
Adjustment Number 3

Exhibit
Settlement Schedule C-2
Page 4
Witness: Bourassa

Rate Case Expense

Line
No.

1		
2		
3	Estimated Rate Case Expense	\$ 50,000
4		
5	Estimated Amortization Period in Years	3
6		
7	Annual Rate Case Expense	<u>\$ 16,667</u>
8		
9	Adjusted Test Year Rate Case Expense	\$ 10,000
10		
11	Increase(decrease) Rate Case Expense	<u>\$ 6,667</u>
12		
13	Adjustment to Revenue and/or Expense	<u>\$ 6,667</u>
14		
15		
16	<u>Reference</u>	
17	Testimony	
18		
19		
20		

Utility Source, LLC - Wastewater Division
Test Year Ended December 31, 2012
Adjustment to Revenues and Expenses
Adjustment Number 4

Exhibit
Settlement Schedule C-2
Page 5
Witness: Bourassa

Revenue Adjustment

Line
No.

1		
2	Revenue Adjustment	\$ (1,820)
3		
4		
5		
6	Total Revenue from Annualization	<u>\$ (1,820)</u>
7		
8		
9	Adjustment to Revenue and/or Expense	<u>\$ (1,820)</u>
10		
11	<u>Reference</u>	
12	Staff Adjustment # 1	
13		
14		
15		
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17		
18		
19		
20		

Utility Source. LLC - Wastewater Division
Test Year Ended December 31, 2012
Adjustment to Revenues and Expenses
Adjustment Number 5

Exhibit
Settlement Schedule C-2
Page 6
Witness: Bourassa

Water Testing

Line

No.

1			
2	Staff Recommended Water Testing Expense	\$	14,527
3			
4	Adjuste Test Year Water Testing Expense	\$	5,669
5			
6	Adjustment to purchased power expense (rounded)	<u>\$</u>	<u>8,858</u>
7			
8			
9	Adjustment to Revenue and/or Expense	<u></u>	<u>8,858</u>
10			
11	<u>Reference</u>		
12	Staff Adjustment #3		
13			
14			
15			
16			
17			
18			
19			
20			

Utility Source. LLC - Wastewater Division
Test Year Ended December 31, 2012
Adjustment to Revenues and Expenses
Adjustment Number 6

Exhibit
Settlement Schedule C-2
Page 7
Witness: Bourassa

Auto Expense

Line
No.
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23

Test Year Auto Expense	\$	1,500
Staff Recommended Auto Expense		3,250
Adjustment to Revenues	<u>\$</u>	<u>(1,750)</u>
Adjustment to Revenue and/or Expense		<u>(1,750)</u>

Reference
Staff Adjustment #3

Utility Source. LLC - Wastewater Division
Test Year Ended December 31, 2001
Adjustment to Revenues and Expenses
Adjustment Number 7

Exhibit
Settlement Schedule C-2
Page 8
Witness: Bourassa

Telephone Expense

Line

No.

1			
2	Staff Recommended Telephone Expense	\$	2,366
3			
4	Adjusted Test Year Telephone Expense		4,732
5			
6	Adjustment to Revenues	<u>\$</u>	<u>(2,366)</u>
7			
8			
9	Adjustment to Revenue and/or Expense	<u>\$</u>	<u>(2,366)</u>
10			
11	<u>Reference</u>		
12	Staff Adjustment #4		
13			
14			
15			
16			
17			
18			
19			
20			

Utility Source. LLC - Wastewater Division
 Test Year Ended December 31, 2012
 Computation of Gross Revenue Conversion Factor

Exhibit
 Settlement Schedule C-3
 Page 1
 Witness: Bourassa

Line No.	<u>Description</u>	Percentage of Incremental Gross <u>Revenues</u>
1	Combined Federal and State Effective Income Tax Rate	0.000%
2		
3	Property Taxes	<u>1.138%</u>
4		
5		
6	Total Tax Percentage	1.138%
7		
8	Operating Income % = 100% - Tax Percentage	98.862%
9		
10		
11		
12		
13	<u>1</u> = Gross Revenue Conversion Factor	
14	Operating Income %	1.0115
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
26	C-3, page 2	A-1
27		
28		
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Utility Source, LLC - Wastewater Division
 Present and Proposed Rates
 Test Year Ended December 31, 2012

Exhibit
 Settlement Schedule H-3
 Page 1
 Witness: Bourassa

Line No.	Customer Classification and Meter Size (Residential, Commercial)	Present Rates	Phase 1 Proposed Rates	Phase 2 Proposed Rates	Phase 3 Proposed Rates
1	Monthly Usage Charge for:				
2	5/8 x 3/4 Inch	\$ -	\$ 37.00	\$ 42.00	\$ 47.00
3	3/4 Inch	-	37.00	42.00	47.00
4	1 Inch	-	92.50	105.00	117.50
5	1 1/2 Inch	-	185.00	210.00	235.00
6	2 Inch	-	296.00	336.00	376.00
7	3 Inch	-	592.00	672.00	752.00
8	4 Inch	-	925.00	1,050.00	1,175.00
9	6 Inch	-	1,850.00	2,100.00	2,350.00
10					
11	<u>Gallons In Minimum</u>				
12	All Meter Sizes	-	-	-	-
13					
14	<u>Rate per 1,000 Gallons of Water Usage</u>				
15	Residential	\$ 5.84	\$ 3.87	\$ 4.38	\$ 4.91
16	Commercial and Industrial				
17	Car washes, laundromats, Commercial, Manufacturing	5.71	3.79	4.28	4.80
18	Hotels, Motels	7.66	5.08	5.75	6.43
19	Restaurants	9.46	6.27	7.10	7.95
20	Industrial Laundries	8.39	5.56	6.29	7.05
21	Waste haulers	171.20	113.51	128.40	143.81
22	Restuarant Grease	149.80	99.32	112.35	125.83
23	Treatment Plant Sludge	171.20	113.51	128.40	143.81
24	Mud Sump Waste	535.00	354.71	401.25	449.40
25					
26					
27					
28					
29					
30					

Utility Source, LLC - Wastewater Division
Present and Proposed Rates
Test Year Ended December 31, 2012

Exhibit
Settlement Schedule H-3
Page 3
Witness: Bourassa

Line
No.

1
2 Other Charges:
3
4

5	Establishment	\$ 20.00
6	Establishment (After Hours)	\$ 40.00
7	Reconnection (Delinquent)	\$ 50.00
8	Reconnection (Delinquent and After hours)	\$ 40.00
9	Minimum Deposit Requirement	PER RULE
10	Deposit Interest	PER RULE
11	Re-establishment (Within 12 months)	PER RULE
12	NSF Check	\$ 20.00
13	Deferred Payment, per month	PER RULE
14	Late Charge	PER RULE
15	After hours service charge	\$ 40.00
16		
17		
18		
19		
20		

\$ 20.00
*Removed
\$ 50.00
*Removed
PER RULE
PER RULE
PER RULE
\$ 20.00
PER RULE
PER RULE
\$ 40.00

21
22
23
24 * After hours service charge will apply when service requested by customer after hours.

Utility Source, LLC - Wastewater Division - Phase 1
 Analysis of Revenue by Detailed Class
 Test Year Ended December 31, 2012

Exhibit
 Proposed Settlement Schedule H-2
 Page 1
 Witness: Bourassa

Line No.	Customer Classification and/or Meter Size	(a) Average Number of Customers at 12/31/2012	Average Bill		Proposed Increase		Percent of Customers
			Average Consumption	Present Rates	Dollar Amount	Percent Amount	
1	3/4 Inch Residential	320	4,123 \$	24.08	28.89	119.98%	98.77%
2	3/4 Inch Commercial	1	1,667	9.52	33.79	355.01%	0.31%
3	2 Inch Commercial	3	115,286	658.29	74.16	11.27%	0.93%
4							
5							
6							
7							
8							
9							
10							
11							
12	Totals	324					
13							
14	Actual Year End Number of Customers:	325					
15							
16							
17							
18							
19							

100.00%

Utility Source, LLC - Wastewater Division - Phase 1
 Analysis of Revenue by Detailed Class
 Test Year Ended December 31, 2012

Exhibit
 Proposed Settlement Schedule H-2
 Page 2
 Witness: Bourassa

Line No.	Customer Classification and/or Meter Size	(a) Average Number of Customers at 12/31/2012	Median Bill		Proposed Increase		Percent of Customers
			Present Rates	Proposed Rates	Dollar Amount	Percent Amount	
1	3/4 Inch Residential	320	20.44 \$	50.55	30.11 \$	147.32%	98.77%
2	3/4 Inch Commercial	1	8.57 \$	42.68	34.11	398.29%	0.31%
3	2 Inch Commercial	3	371.15	542.07	170.92	46.05%	0.93%
4							
5							
6							
7							
8							
9							
10							
11	Totals	<u>324</u>					<u>100.00%</u>
12							
13	Actual Year End Number of Customers:	<u>325</u>					
14							
15							
16							
17							
18							

Utility Source, LLC - Wastewater Division - Phase 2

Exhibit
Proposed Settlement Schedule H-2
Page 1
Witness: Bourassa

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

Line No.	Customer Classification and/or Meter Size	(a) Average Number of Customers at 12/31/2012	Average Bill		Proposed Rates	Proposed Dollar Amount	Proposed Increase Amount	Percent of Customers
			Present Rates	Proposed Rates				
1	3/4 Inch Residential	320	24.08 \$	60.06 \$	35.98	149.44%	98.77%	
2	3/4 Inch Commercial	1	9.52	49.14	39.62	416.24%	0.31%	
3	2 Inch Commercial	3	658.29	829.71	171.43	26.04%	0.93%	
4								
5								
6								
7								
8								
9								
10								
11								
12	Totals	<u>324</u>					<u>100.00%</u>	
13								
14	Actual Year End Number of Customers:	<u>325</u>						
15								
16								
17								
18								
19								

Utility Source, LLC - Wastewater Division - Phase 3
 Analysis of Revenue by Detailed Class
 Test Year Ended December 31, 2012

Exhibit
 Settlement Schedule H-2
 Page 1
 Witness: Bourassa

Line No.	Customer Classification and/or Meter Size	(a) Average Number of Customers at 12/31/2012	Average Bill		Proposed Increase		Percent of Customers
			Present Rates	Proposed Rates	Dollar Amount	Percent Amount	
1	3/4 Inch Residential	320	24.08 \$	67.22 \$	43.15	179.21%	98.77%
2	3/4 Inch Commercial	1	9.52	55.00	45.48	477.77%	0.31%
3	2 Inch Commercial	3	658.29	928.96	270.67	41.12%	0.93%
12	Totals	<u>324</u>					<u>100.00%</u>
15	Actual Year End Number of Customers:	<u>325</u>					

Utility Source, LLC - Wastewater Division - Phase 3
 Analysis of Revenue by Detailed Class
 Test Year Ended December 31, 2012

Exhibit
 Settlement Schedule H-2
 Page 2
 Witness: Bourassa

Line No.	Customer Classification and/or Meter Size	(a) Average Number of Customers at 12/31/2012	Median Bill		Proposed Increase		Percent of Customers
			Present Rates	Proposed Rates	Dollar Amount	Percent Amount	
1	3/4 Inch Residential	320	\$ 20.44	\$ 64.17	\$ 43.73	213.94%	98.77%
2	3/4 Inch Commercial	1	\$ 8.57	\$ 54.19	45.63	532.74%	0.31%
3	2 Inch Commercial	3	371.15	687.77	316.62	85.31%	0.93%
4							
5							
6							
7							
8							
9							
10							
11	Totals	<u>324</u>					<u>100.00%</u>
12							
13	Actual Year End Number of Customers:	<u>325</u>					
14							
15							
16							
17							
18							