ORIGINAL

NEW APPLICATION

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BEFORE THE ARIZONA CORPORATION COMMISSION

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2016 JUN 24 A 10: 30

AZ CORP COMMISSION
DOCKET CONTROL

COMMISSIONERS

DOUG LITTLE, Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

IN THE MATTER OF THE APPLICATION OF RIO VERDE UTILITIES, INC., FOR APPROVAL OF A RATE INCREASE FOR AN INCREASE IN ITS WATER AND WASTEWATER RATES FOR CUSTOMERS WITHIN MARICOPA COUNTY, ARIZONA	DOCKET NO. WS-02156A-16-0201 **APPLICATION**

Rio Verde Utilities, Inc. ("RVU") hereby files for an Order determining the fair value of its property dedicated to providing water and wastewater service to its customers in Maricopa County and, based thereon, setting just and reasonable rates for the provision of such service. In support of its application, RVU submits the following information.

1. RVU is a water and sewer utility providing service to customers in the area of Rio Verde, in Maricopa County. RVU's water and sewer utilities are each Class C companies as defined by the Commission's rules. As of year-end 2015, RVU served approximately 1,772 water connections and 1,659 sewer connections. RVU has added nearly 525 customers and increased its investment in plant facilities since its last rate case.[1] The impact of this investment on rate base, together with the impact of steadily increasing expenses and regulatory requirements, has caused RVU to need a rate increase in order to earn a fair return on its investment in plant facilities.

2. RVU's business address is 25609 N Danny Lane, Rio Verde, AZ 85263, and its telephone number is (480) 471-1671. Its President is **Jim Thomson**.

[1] Decision No. 63585, dated April 24, 2001.

Arizona Corporation Commission
DOCKETED
JUN 24 2016
DOCKETED BY

3. RVU's case is being presented through the prefiled testimony of two witnesses:

- RVU's General Manager, **Michael Kleminski**, discusses the plant dedicated by RVU to serving water and wastewater customers, summarizes RVU's water conservation and public education programs, provides RVU's low water-loss percentages, and states that RVU fully complies with applicable Arizona water and wastewater regulations.

- **Ray L. Jones**, of ARICOR Water Solutions, is RVU's principal rate consultant. Mr. Jones investigated and reviewed RVU's books and records. Based on this, Mr. Jones prepares and sponsors required rate schedules "A" through "H" for RVU's water and sewer utilities.[2] The test year is the 12-month period ending on December 31, 2015. RVU current test-year rate of return for its water utility is just 2.19% and (0.18%) for its sewer utility. RVU accordingly requests a revenue increase of $589,348, or 42.82% for the water division and an increase of $652,818 or 68.00% for the wastewater division. RVU requests a 9.36% return on its original-cost rate base for the water division and a 9.28% return on its original-cost rate base for the wastewater division. RVU also proposes certain pro forma adjustments to account for known and measurable changes to rate base, expenses and revenues, and to present a normalized and more realistic relationship between revenues, expenses and rate base.

4. Mr. Jones also discusses RVU's two proposed new adjustor mechanisms. The first is a Purchased Power Adjustment Mechanism ("PPAM"), which would allow RVU to pass-through increases or decreases in purchased power costs that are due to changes in the rates for electric utility service received from Salt River Project. The second adjustor is a Sustainable Water Surcharge ("SWS"), which would allow RVU to recover all costs related to the purchase

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[2] "G" schedules were not prepared.

and exchange of sustainable water supplies with Salt River Project ("SRP"). The included sustainable water supplies would be RVU's Central Arizona Project ("CAP") water and stored sustainable water supplies acquired from third parties (CAP, effluent or other surface water) or other sustainable water supplies acquired by RVU in the future. Recoverable costs include contracting, delivery, legal and administrative costs paid to CAP, SRP and others, as necessary to allow RVU to deliver the renewable water supplies to RVU's customers via exchange with SRP and thereby reduce RVU's pumping of groundwater.

5. Mr. Jones also discusses RVU's proposed shift to a three-tier rate design for its water customers, consistent with typical Arizona water company rate designs.

6. Finally, Mr. Jones discusses other RVU proposals, including, but not limited to:

- revising water and wastewater hook-up fees,
- increasing construction and irrigation water rates,
- updating miscellaneous service charges,
- separating service line and meter installation charges,
- increasing effluent rates, and
- increasing restaurant wastewater treatment rates.

7. All discovery, data requests and other requests for information concerning this Application should be directed to:

Craig A. Marks
Craig A. Marks, PLC
10645 N. Tatum Blvd.
Suite 200-676
Phoenix, AZ 85028
Craig.Marks@azbar.org

with a copy by email to:

Ray L. Jones
ARICOR Water Solutions LC
Ray.Jones@aricor.com

8. For this case, RVU accepts its original cost rate base as its fair-value rate base.

9. RVU's application is organized as follows:

- **Application**.
- **Attachment 1** - Water and wastewater plant descriptions, a completed water use data sheet for the 2015 calendar year, and wastewater flows for January 2015 – December 2015.
- **Attachment 2** - RVU's 2015 ADEQ annual sampling fee invoice for its Monitoring Assistance Program.
- **Attachment 3** - Testimony of Michael Kleminski.
- **Attachment 4** - Testimony of Ray L. Jones, including all required schedules.

Respectfully submitted on June 24, 2016, by:

Craig A. Marks

Craig A. Marks
Craig A. Marks, PLC
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Suite 200-676
Phoenix, AZ 85028
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Attorney for Rio Verde Utilities, Inc.

Original and 13 copies **filed**
on June 24, 2016, with:

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

Attachment 1

- **Water and wastewater plant descriptions.**
- **Water use data sheet for the 2015 calendar year.**
- **Wastewater flows for January 2015 – December 2015.**

COMPANY NAME	Rio Verde Utilities, Inc.		
Name of System:		ADEQ Public Water System Number:	07121

WATER UTILITY PLANT DESCRIPTION

WELLS

ADWR ID Number *	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-606073	25	310	145	12	6	1962
55-606071	75	750	697	20-16	6	1971
55-561190	200	1000	1050	18	12	1997
55-506808	10	110	117	16-12	3	1984
55-510881	200	950	1075	16	8	1986
55-511320	40	380	665	16	6	1986
55-519287	200	500	950	16	8 & 6	1987
55-561226	400	2000	1160	16	12	1997
55-578746	20	510	200	12	6	2000

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Water Exchange CAP/SRP	-	125,008

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
30	2	266	
50	1		
300	2		
100	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
300,000	1	500	1
740,000	1		

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

COMPANY NAME	Rio Verde Utilities, Inc.		
Name of System:		ADEQ Public Water System Number:	07121

WATER UTILITY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	1585
3	PVC	6186
4	PVC	57343
5		
6	PVC	71719
8	PVC	106512
10		
12	PVC	22405
8	DIP	553
12	DIP	3471
16	DIP	1844
8	Transite	29084
10	Transite	700
12	Transite	1700

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	380
1	1272
1 1/2	9
2	5
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	1
Turbo 6	
8	2
12	5

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

TREATMENT EQUIPMENT:

Hypochlorinators @ Wells 1 & 2

STRUCTURES:

Lab / Office @ Wastewater Treatment Plant
Fenced Areas @ Storage Tanks & Wells 2, 3, 4, 7, 9
Walled Areas @ Wells 1, 5, 6, 8

OTHER:

150 KW Generator @ 300,00 gallon storage tank
75 KW Generator @ Well 2
Vista Verde Booster Pump Generator 150 KW

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

COMPANY NAME	Rio Verde Utilities, Inc.		
Name of System:		ADEQ Public Water System Number:	07121

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2014

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1715	25,977	30,046	
FEBRUARY	1718	34,051	35,987	
MARCH	1720	59,964	64,470	
APRIL	1720	73,383	79,577	
MAY	1724	76,420	83,087	
JUNE	1735	111,331	114,413	
JULY	1740	112,949	122,495	
AUGUST	1743	111,599	120,234	
SEPTEMBER	1745	94,823	100,148	
OCTOBER	1748	81,245	88,705	
NOVEMBER	1753	52,745	57,536	
DECEMBER	1772	33,864	35,362	
	TOTALS →	868,351	932,060	

What is the level of arsenic for each well on your system?
(If more than one well, please list each separately.)

W1 - 0.010 mg/l W6 - 0.023 mg/l
W2 - 0.007 mg/l W9 - 0.007 mg/l
W4 - 0.007 mg/l _____ mg/l

If system has fire hydrants, what is the fire flow requirement? 1,000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

( ) Yes (X) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(X) Yes ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCP) requirement?

Yes x No

If yes, provide the GPCPD amount: _____

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

COMPANY NAME Rio Verde Utilities, Inc.	
Name of System:	**Wastewater Inventory Number (if applicable)** 07121

WASTEWATER UTILITY PLANT DESCRIPTION
TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration,Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anacrobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.	Extended Aeration, Tertiary Treatment w/ Pressure Filtration & Effluent Disinfection
DESIGN CAPACITY OF PLANT (Gallons Per Day)	700,000 gpd

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
25202 N Forest Road	3	10	530	2400
	3	5	390	5100
Tonto Verde East	2	3	160	1340
	1	1	60	1340
Box Bar Ranch	2	1	13	146
Vista Verde #1	2	2	15	188
Vista Verde #2	2	2	15	188

FORCE MAINS

Size	Material	Length (Feet)
2-inch	HDPE	4464
4-inch	PVC	400
6-inch	PVC	14441

MANHOLES

Type	Quantity
Standard	642
Drop	118

CLEANOUTS

Quantity
104

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

COMPANY NAME	Rio Verde Utilities, Inc.		
Name of System:		Wastewater Inventory Number (if applicable):	07-121

WASTEWATER UTILITY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

Size (in inches)	Material	Length (in feet)
4		
6	PVC	5,951
8	PVC	155,739
10	PVC	1,312
12	PVC	12,586
15	PVC	5,200
18		
21		
24		
30		
8	DIP	380

SERVICES

Size (in inches)	Material	Quantity
4	PVC	1,866
6		
8		
12		
15		

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY PER WASTEWATER SYSTEM

SOLIDS PROCESSING AND HANDLING FACILITIES	Vacuum & Plate Press w/ 25 yd. Container
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Hypochlorination w/ 12.5% Bleach (1500 gals. Storage)
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	7 Dual Media Pressure Filters
STRUCTURES (Buildings, Fences, Etc.)	Lab / Office, WWTP Wall Enclosure 3 Blower / Maintenance Buldings
OTHER (Laboratory Equipment, tools, Vehicles, Standby Power Generators, Etc.)	75 kw, 130 kw, 230 kw Generators Spectrophotometer, Nephelometer, Autoclave Oven, Incubators

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

COMPANY NAME	Rio Verde Utilities, Inc.		
Name of System:		Wastewater Inventory Number (if applicable):	07-121

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January	1638	5,306,000	263,000
February	1638	5,201,000	222,000
March	1639	6,148,000	295,000
April	1639	5,097,000	216,000
May	1639	3,810,000	200,000
June	1639	2,627,000	127,000
July	1640	2,934,000	175,000
August	1640	2,624,000	136,000
September	1648	2,939,000	131,000
October	1648	3,545,000	180,000
November	1653	4,356,000	214,000
December	1674	4,403,000	190,000

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE PER WASTEWATER SYSTEM

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc .)	Reuse
Groundwater Permit Number	-
ADEQ Aquifer Protetion Permit Number	P100197
ADEQ Reuse Permit Number	R100197
EPA NPDES Permit Number	-

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

Attachment 2

2015 ADEQ annual sampling fee invoice for its Monitoring Assistance Program.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

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

Douglas A. Ducey
Governor

Misael Cabrera
Director

Customer ID: 7658S

RIO VERDE UTILITIES INC
25609 DANNY LN
STE 1
RIO VERDE, AZ 85263

Billing Period: November 21, 2015 - December 20, 2015
Payment Due Date: January 31, 2016

ACCOUNT SUMMARY

Account ID	Fee Code	Balance Carried Forward	Current Amount	Payments / Credits	Total Amount
B2012877	MAP Monitoring Assistance Program	$4,567.60	$0.00	$0.00	$4,567.60
	TOTAL:	$4,567.60	$0.00	$0.00	$4,567.60

AGING SUMMARY

Current Charges	(1-30 days)	(31-60 days)	(61-90 days)	(91-120 days)	(Over 120 days)	Balance
$4,567.60	$0.00	$0.00	$0.00	$0.00	$0.00	$4,567.60

* All payments received and not specifically allocated on the REMITTANCE ADVICE will be applied to the oldest amount due until fees are paid and then applied to interest.

Retain for your record

If you have submitted your payment after the 20th of the month and before the due date, please disregard this Bill.

To pay your bill by credit card please visit www.azdeq.gov and go to 'QuickPay'.

608810

3576092400164403010 0164

Account Details for Account ID: B2012877

Customer ID: 7658S

Fee Code	MAP Monitoring Assistance Program
PWS ID	07121 - RIO VERDE UTILITIES
Charges Since 11/21/2015	$0.00
Interest Charges Since 11/21/2015	$0.00
Balance Carried Forward	$4,567.60
Payments	$0.00
Other Credits	$0.00
TOTAL:	$4,567.60

Program Contact:
Name: Monica Hubbard
Phone: (602) 771-4419 or (800) 234-5677
E-mail: mh12@azdeq.gov

AGING SUMMARY

Current Charges	(1-30 days)	(31-60 days)	(61-90 days)	(91-120 days)	(Over 120 days)	Balance
$4,567.60	$0.00	$0.00	$0.00	$0.00	$0.00	$4,567.60

INVOICE DETAIL

Invoice Period 2016 **Invoice Number** 0000221628X
LTF No.
Date 11/18/2015

Item Code	Description	
MAP	MAP - Annual Fee Per Connection	$4,317.60
MAP	MAP - Base Charge	$250.00
	Original Invoice Total Carried Forward:	**$4,567.60**

Retain for your record

If you have submitted your payment after the 20th of the month and before the due date, please disregard this Bill.

To pay your bill by credit card please visit www.azdeq.gov and go to 'QuickPay'.

3576092400164403020016 4

Attachment 3

Testimony of Michael Kleminski.

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

DOUG LITTLE, Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

IN THE MATTER OF THE APPLICATION OF RIO VERDE UTILITIES, INC., FOR APPROVAL OF A RATE INCREASE FOR AN INCREASE IN ITS WATER AND WASTEWATER RATES FOR CUSTOMERS WITHIN MARICOPA COUNTY, ARIZONA	DOCKET NO. WS-02156A-16-

DIRECT TESTIMONY
OF
MICHAEL KLEMINSKI
ON BEHALF OF
RIO VERDE UTILITIES, INC.
JUNE 24, 2016

EXECUTIVE SUMMARY

Mr. Kleminski:

- Summarizes his responsibilities, experience, and education;
- Provides an overview of Rio Verde Utilities, Inc. ("RVU") and why a rate increase is needed for its water and wastewater customers;
- Discusses the plant dedicated by RVU to serving water and wastewater customers;
- Summarizes RVU's water conservation and public education programs;
- Provides RVU's low water-loss percentages; and
- States that RVU fully complies with applicable Arizona water and wastewater regulations.

I INTRODUCTION, PURPOSE AND SUMMARY OF TESTIMONY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Michael Kleminski. My business address is 25609 N Danny Lane, Rio Verde, AZ 85263.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of the Applicant Rio Verde Utilities, Inc. ("RVU" or "Company").

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed as the General Manager of RVU.

Q. WHAT ARE YOUR RESPONSIBILITIES FOR RVU?

A. I oversee RVU's operations to meet the daily demands of the customer and maintain compliance with all federal, state and county regulations. I am responsible for RVU's daily operations and administration, financial and operating results, capital and operating cost budgeting, rate-case planning and oversight, and rate-setting policies and procedures.

Q. WHAT WAS YOUR EDUCATIONAL, EMPLOYMENT BACKGROUND?

A. Before joining RVU in 1995, I worked as an environmental specialist with ADEQ. My previous experience has included positions as an environmental planner, engineering inspector, water-treatment plant operator, and water/wastewater technology instructor. In 1976, I received my B.S. degree in Wildlife Science from Purdue University. I have attended numerous water and sewer management and operational training courses/seminars over the course of my employment. I have also served since 1992 as a member of the Adjunct Faculty in the Water Technology Program at Gateway Community College.

Q. WHAT ARE YOUR PROFESSIONAL QUALIFICATIONS?

A. I am an Arizona Grade 4 Certified Operator for water distribution and water treatment and a Grade 3 Certified Operator for sewer collection and sewer treatment. I also hold memberships in the American Water Works Association, the Water Environment Federation, and the Arizona Water Association.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?

A. No.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS DOCKET?

A. I support RVU's application for a determination of fair value and the setting of new rates. Specifically, I will provide an overview of Rio Verde Utilities, Inc., discuss the Company's water and sewer systems, and provide information on the Company's compliance status.

II <u>OVERVIEW OF RIO VERDE UTILITIES, INC.</u>

Q. PLEASE PROVIDE AN OVERVIEW OF RVU.

A. RVU is a water and sewer utility providing service to customers in the area of Rio Verde, in Maricopa County. As of year-end 2015, RVU served approximately 1,772 water connections and 1,659 sewer connections.

Q. WHY IS RVU FILING FOR NEW RATES AT THIS TIME?

A. Since RVU's last case, we have added nearly 525 customers and increased our investment in plant facilities. The impact of this investment on rate base, together with the impact of steadily increasing expenses and regulatory requirements, has caused RVU to need a rate increase in order to earn a fair return on its investment in plant facilities.

Q. HAVE THERE BEEN MAJOR CHANGES TO RVU'S OPERATIONS SINCE THE LAST RATE CASE THAT YOU WOULD LIKE TO ADDRESS?

A. Yes. Historically, RVU has served developments that were owned by an affiliate, Rio Verde Services. Since the Company's last rate case, Rio Verde Services has completed development of Rio Verde and Tonto Verde and is no longer actively developing within the Company's certificated area. Currently development is limited to Trilogy, a development owned by Shea Homes. RVU still continues to receive certain administrative and accounting services from Rio Verde Services, and enjoys economies of scale that a stand-alone utility would not have.

Q. DO YOU EXPECT RVU TO CONTINUE TO EXPAND ITS WATER FACILITIES?

A. Yes. RVU expects to continue expanding its plant facilities as new customers are added in the Trilogy development and within future undeveloped properties with the CC&N.

Q. DO YOU EXPECT RVU TO CONTINUE TO EXPAND ITS SEWER FACILITIES?

A. Yes. We expect to continue expanding our plant facilities as new customers are added in the Trilogy development and in undeveloped areas within our CC&N. To serve these new customers, we anticipate that we will need to upgrade our treatment plant.

III <u>RVU'S WATER AND SEWER SYSTEM AND OPERATIONS</u>

Q. WOULD YOU DESCRIBE RVU'S WATER SYSTEM?

A. RVU's water system is supplied by five potable wells capable of producing a combined flow exceeding 1,900 GPM. The wells deliver water to a 300,000-gallon storage tank, which acts as a reservoir for a booster pump system. The wells and booster are located east of Tonto Verde, while the 300,000-gallon tank is located on the northeast corner of

Rio Verde. The maximum output of the booster pump is 1,850 GPM. The booster water goes to a 740,000-gallon storage tank located on Asher Hill (elevation 1,907 ft.), west of the Tonto Verde subdivision. From there, water is delivered to each of the subdivisions (Rio Verde, Tonto Verde, and Trilogy) through a piping network having several pressure zones controlled by pressure-reducing valves. The Trilogy subdivision has a supplemental booster pump, located at the southwest corner of Trilogy, to pressurize the western portion of the subdivision. The combined potable water system supplies 1,659 residential customers with an estimated population of 3,100 people. The system also supplies all fire-flow demand as required by the Rio Verde Fire District.

RVU also delivers non-potable irrigation water for five golf courses, which supplements treated effluent provided from RVU's wastewater treatment plant. The irrigation water is provided from four non-potable wells with a total water production of 4,400 GPM.

RVU's water facilities are well designed, well maintained, and provide reliable service to the community. RVU's operations staff consists of five people, highly knowledgeable regarding water system operations. The system is SCADA-controlled and operated in an effective and efficient manner.

Q. WOULD YOU DESCRIBE RVU'S SEWER SYSTEM?

A. RVU sewer system consists of a 700,000-GPD, activated-sludge wastewater treatment plant, last expanded in 1995 to its current capacity. Wastewater is predominately domestic, currently collected from approximately 1,659 homes. The collection system consists of over 34 miles of pipe varying in size from eight to 15 inches and includes four lift stations. We estimate average daily sewer flows as 140 gallons per dwelling unit. Wastewater is treated at the plant to Class B Reclaimed Water Quality Standards, and all

treated effluent is delivered to the Rio Verde and Tonto Verde golf clubs for turf irrigation. Solids are dewatered utilizing a plate press and then disposed of at a landfill.

Q. WOULD YOU SUMMARIZE RVU'S WATER CONSERVATION PROGRAM?

A. RVU is located in the Phoenix Active Management Area and is enrolled as a regulated Tier 1 municipal provider in ADWR's Modified Non-Per Capita Conservation Program ("NPCCP"). As a part of the program, RVU reviewed its water system and proposed Best Management Practices ("BMPs") for implementation in the RVU service area. ADWR approved *New Homeowner Landscape Information* as RVU's required BMP.

In addition to the BMPs required by ADWR, RVU has voluntarily implemented the following additional BMPs:

- Customer High Water Use Inquiry Resolution
- Customer High Water Use Notification
- Water Waste Investigation and Information

RVU also has implemented a Public Education Program as required by the Modified Non-Per Capita Conservation Program.

Q. WHAT ARE THE COMPONENTS OF RVU'S PUBLIC EDUCATION PROGRAM?

A. RVU provides water-conservation education through two primary communication channels. RVU provides water-wise tips to each of its customers through a water bill stuffer twice a year to coincide with when the residents leave and return from their primary residences. In addition, we include a water-conservation information sheet with the annual water quality report mailed to our customers. All of the information is available for pick up at the respective homeowner association offices and utility office.

Information packets are provided to every new homeowner upon registering for service. RVU also participates in the annual community 'Living Green in the Verdes' conference.

Q. DOES RVU HAVE A PROGRAM TO ADDRESS WATER LOSSES?

A. Yes. All water providers in the Phoenix Active Management Area are required to track and report water losses to ADWR. RVU closely monitors this data and implements corrective action as warranted.

Q. HAS RVU DONE A GOOD JOB CONTROLLING WATER LOSS?

A. Yes, RVU's water loss remains well below 10 percent. For the past three years, we reported the following lost-and-unaccounted-for-water percentages to ADWR.

- 2013 – 4.43%
- 2014 – 5.85%
- 2015 – 5.38%

IV <u>MISCELLANEOUS ISSUES</u>

Q. WHAT IS RVU's COMPLIANCE STATUS?

A. To the best of my knowledge, RVU currently complies with the rules and regulations of Maricopa County, ADEQ, ADWR, and the Commission. We have no customer complaints pending at the Commission.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

Attachment 4

Testimony of Ray L. Jones, including all required schedules

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

DOUG LITTLE, Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

IN THE MATTER OF THE APPLICATION OF RIO VERDE UTILITIES, INC., FOR APPROVAL OF A RATE INCREASE FOR AN INCREASE IN ITS WATER AND WASTEWATER RATES FOR CUSTOMERS WITHIN MARICOPA COUNTY, ARIZONA	DOCKET NO. WS-02156A-16-

DIRECT TESTIMONY
OF
RAY L. JONES
ON BEHALF OF
RIO VERDE UTILITIES, INC.
JUNE 24, 2016

DIRECT TESTIMONY
OF
RAY L. JONES
ON BEHALF OF
RIO VERDE UTILITIES, INC.
JUNE 24, 2016

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EXECUTIVE SUMMARY

Mr. Jones investigated and reviewed RVU's books and records. Based on this, Mr. Jones prepares and sponsors required rate schedules "A" through "H" for RVU's water and sewer utilities. The test year is the 12-month period ending on December 31, 2015. RVU current test-year rate of return for its water utility is just 2.19% and (0.18%) for its sewer utility. RVU accordingly requests a revenue increase of $589,348, or 42.82% for the water division and an increase of $652,818 or 68.00% for the wastewater division. RVU requests a 9.36% return on its original-cost rate base for the water division and a 9.28% return on its original-cost rate base for the wastewater division. RVU also proposes certain pro forma adjustments to account for known and measurable changes to rate base, expenses and revenues, and to present a normalized and more realistic relationship between revenues, expenses and rate base.

Mr. Jones also discusses RVU's two proposed new adjustor mechanisms. The first is a Purchased Power Adjustment Mechanism ("PPAM"), which would allow RVU to pass-through increases or decreases in purchased power costs that are due to changes in the rates for electric utility service received from Salt River Project. The second adjustor is a Sustainable Water Surcharge ("SWS"), which would allow RVU to recover all costs related to the purchase and exchange of sustainable water supplies with Salt River Project ("SRP"). The included sustainable water supplies would be RVU's Central Arizona Project ("CAP") water and stored sustainable water supplies acquired from third parties (CAP, effluent or other surface water) or other sustainable water supplies acquired by RVU in the future. Recoverable costs include contracting, delivery, legal and administrative costs paid to CAP, SRP and others, as necessary to allow RVU to deliver the renewable water supplies to RVU's customers via exchange with SRP and thereby reduce RVU's pumping of groundwater.

Mr. Jones also discusses RVU's proposed shift to a three-tier rate design for its water customers, consistent with typical Arizona water company rate designs.

Finally, Mr. Jones discusses other RVU proposals, including, but not limited to:

- revising water and wastewater hook-up fees,
- increasing construction and irrigation water rates,
- updating miscellaneous service charges,
- separating service line and meter installation charges,
- increasing effluent rates, and
- increasing restaurant wastewater treatment rates.

I INTRODUCTION, PURPOSE AND SUMMARY OF TESTIMONY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Ray L. Jones. My business address is 18835 North Thompson Peak Parkway, Suite 215, Scottsdale, AZ 85255.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of the Applicant, Rio Verde Utilities, Inc. ("RVU" or "Company").

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am the owner and principal of ARICOR Water Solutions LC ("ARICOR"), a consulting firm providing services to the water and wastewater utility industry.

Q. WHAT WAS YOUR EDUCATIONAL, EMPLOYMENT BACKGROUND?

A. I began my working career with Citizens Utilities Company ("Citizens") in 1985 as a Staff Engineer for the Maricopa County water and wastewater division. I was employed at Citizens for 17 years, ascending to Vice President and General Manager for the Arizona water and wastewater operations. In 2002, American Water ("American") purchased the water and wastewater assets of Citizens, and I joined American as the President of Arizona-American Water Company. I left American in 2004 to start ARICOR.

I received a Bachelor of Science in Civil Engineering degree in 1985 from the University of Kansas, and a Master of Business Administration degree in 1991 from Arizona State University. I am a Registered Professional Engineer in Arizona and California and a Grade 3 Certified Operator in Arizona for all four water and wastewater classifications. I specialize in water resource issues, regulatory strategies, rate case filings, and water and wastewater utility management and operations.

In addition to my consulting practice, I am the Executive Director of the Water Utilities Association of Arizona ("WUAA"). Founded in 1961, WUAA is a non-profit association representing Arizona's private, regulated water and wastewater utilities.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?

A. In my time with Citizens and American, I prepared or assisted in the preparation of multiple filings before the Commission, including rate applications and certificate of convenience and necessity ("CC&N") filings. Since starting ARICOR, I have prepared several filings and assisted in the preparation of several more filings before the Commission, including rate applications and CC&N filings. I have also provided testimony in all of these cases before the Commission. A summary of my regulatory work experience is included in my resume attached hereto as **Exhibit RLJ-DT1**.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS DOCKET?

A. My testimony supports RVU's application for rate relief. I am sponsoring Schedules "A" through "H" (as required for a Class C utility), which are also being filed concurrently herewith in support of the Company's application. I was responsible for and/or supervised the preparation of these schedules based on my investigation and review of the Company's relevant books and records. The Applicants have not prepared cost of service studies (G schedules) for either division. Consequently, the G Schedules are omitted.

II OVERVIEW OF THE COMPANY'S APPLICATION AND REGULATORY HISTORY.

Q. PLEASE SUMMARIZE THE COMPANY'S APPLICATION.

A. The test year is the 12-month period ending on December 31, 2015. RVU requests a revenue increase of $589,348, or 42.82% for the water division and an increase of $652,818 or 68.00% for the wastewater division. The Company requests a 9.36% return on its original-cost rate base for the water division and a 9.28% return on its original-cost rate base for the wastewater division. RVU also proposes certain pro forma adjustments to account for known and measurable changes to rate base, expenses and revenues, and to present a normalized and more realistic relationship between revenues, expenses and rate base.

Q. WHY IS THE COMPANY FILING FOR RATE INCREASES AT THIS TIME?

A. The Company's last rate increase, based on a test year ending December 31, 1999, was approved on April 24, 2001, in Decision No. 63585. Rates went into effect on May 1, 2001. Since that time, the Company has added nearly 525 customers and increased its investment in plant facilities. The impact of this investment on rate base, together with the impact of steadily increasing expenses and regulatory requirements, has caused RVU to need a rate increase in order to earn a fair return on its investment in plant facilities.

Q. DID DECISION NO. 63585 PLACE ANY REQUIREMENTS ON THE COMPAY WITH RESPECT TO THIS RATE CASE?

A. Yes. Decision No. 63585 contains two requirements pertinent to this filing. RVU was required to consider requesting tiered rates for its water division in its next rate application, and RVU was required to remove all hook-up from revenue at the next rate case and treat all hook-up fees as CIAC. The Company has complied with both of the requirements in this filing. In addition to the requirements detailed in Decision No.

63585, during the settlement process the Company committed to discontinue use of composite depreciation in its next rate case, and the parties agreed to treat all disallowed plant as plant held for future use for ratemaking purposes. The Company has satisfied these requirements.

III RVU'S WATER DIVISION

Q. PLEASE IDENTIFY THE RATE CASE SCHEDULES PROVIDED WITH YOUR TESTIMONY FOR THE WATER DIVISION.

A. I have prepared the following schedules, which are attached as **Exhibit RLJ-DT2** to my direct testimony:

- Schedules A-1 through A-5 – Summary Information.
- Schedules B-1, B-2 and B-5 – Rate Base Information and Adjustments.
- Schedules C-1 through C-3 – Income Statements and Adjustments.
- Schedules D-1 through D-4 – Cost of Capital Information.
- Schedules E-1 through E-9 – Financial Statements and Statistical Data.
- Schedules F-1 through F-4 – Projections and Forecasts.
- Schedules H-1 through H-5 – Effect of Proposed Rate Schedules.

I prepared these schedules based on my investigation and review of the relevant books and records of RVU's water division. Schedule E-9 references the Company's audited financial statements, which are attached as **Exhibit RLJ-DT4** to my direct testimony.

A RATE BASE AND RATE BASE ADJUSTMENTS

1 Plant In Service Review

Q. DID YOU REVIEW RVU'S WATER DIVISION PLANT IN SERVICE FOR THIS FILING?

A. Yes, in cooperation with RVU management, I reviewed RVU's fixed asset records to determine whether costs were properly recorded in accordance with the National

Association of Regulatory Commissioners ("NARUC") Uniform System of Accounts ("USOA").

Q. WHAT CONCLUSIONS DID YOU REACH AFTER YOUR FIXED ASSET RECORD REVIEW?

A. I found RVU's plant records to be in good order and in compliance with the USOA. The asset entries were generally complete with descriptions and suitable backup documentation. I discovered that a few assets were classified to the wrong NARUC account and that vehicle retirements were not up to date. I have made adjustments to reclassify costs to the appropriate NARUC accounts.

2 Rate Base and Rate Base Adjustments

Q. HOW DID RVU WATER DIVISION ARRIVE AT ITS TEST YEAR ORIGINAL COST RATE BASE SHOWN ON SCHEDULE B-1, LINE 22?

A. The original cost rate base was calculated by establishing the balance of utility plant in service at the end of the test year. Deductions were made for accumulated depreciation, advances in aid of construction, and net contributions in aid of construction, customer security deposits and deferred income taxes. Working capital, consisting only of the projected 2016 debt service reserve with Co-Bank, was added. The Company made various pro forma adjustments [OC-1, OC-2 & OC-3] to the actual test-year-end plant in service, accumulated depreciation and Contributions in aid of Construction to arrive at the adjusted test-year-end original cost rate base of $4,919,403.

Q. PLEASE EXPLAIN RATE BASE ADJUSTMENT OC-1?

A. Rate base adjustment OC-1, detailed on page 2 of Schedule B-2, increases the plant in service balance by a net of $214,601 after considering several separate plant in service adjustments labeled [OC-1.1] through [OC-1.7].

Adjustment [OC-1.1] properly reclassifies the cost of pumping equipment and distribution reservoirs from NARUC Account 331 to NARUC Account 311 and Account 330. Adjustment [OC-1.1] has no net impact to plant in service and is detailed on Page 3 of Schedule B-2 and on the referenced workpaper.

Adjustment [OC-1.2] removes an entry of $803 made in error to NARUC Account 341, Transportation Equipment from plant in service. Adjustment [OC-1.2] is detailed on Page 4 of Schedule B-2 and on the referenced workpaper.

Adjustment [OC-1.3] reduces plant in service by $37,495 to record the retirement of several vehicles. Adjustment [OC-1.3] is detailed on Page 5 of Schedule B-2 and on the referenced workpaper.

Adjustment [OC-1.4] increases plant in service by $84,220 to reflect the reclassification of several items from Repairs and Maintenance Expense to various plant accounts. Adjustment [OC-1.4] is detailed on Page 6 of Schedule B-2 and on the referenced workpapers.

Adjustment [OC-1.5] decreases plant in service by $18,681 to reflect the plant retirements associated with the items of plant reclassified in Adjustment [OC-1.4]. Adjustment [OC-1.5] is detailed on Page 7 of Schedule B-2 and on the referenced workpapers.

Adjustment [OC-1.6] increase plant in service by $191,359 to record several items of revenue-neutral post-test-year plant for projects that are complete or expected to completed by year-end 2016. Adjustment [OC-1.6] is detailed on Page 8 of Schedule B-2.

Adjustment [OC-1.7] decreases plant in service by $4,000 to record the retirement related to a post-test year replacement of a vehicle included in Adjustment [OC-1.6]. Adjustment [OC-1.7] is detailed on Page 9 of Schedule B-2.

Q. PLEASE EXPLAIN RATE BASE ADJUSTMENT OC-2?

A. Rate base adjustment OC-2 decreases the accumulated depreciation balance by a net of $54,555, after considering separate accumulated depreciation adjustments labeled [OC-2.1] through [OC-2.5].

Adjustment [OC-2.1] increases accumulated depreciation by $6,132 to record salvage value received from insurance claims related to retired vehicles. Adjustment [OC-2.1] is detailed on Page 11 of Schedule B-2.

Adjustment [OC-2.2] reduces accumulated depreciation by $37,495 to record the retirement of several vehicles. This adjustment is a corresponding adjustment to Adjustment [OC-1.3]. Adjustment [OC-2.2] is detailed on Page 12 of Schedule B-2 and on the referenced workpaper.

Adjustment [OC-2.3] reduces accumulated depreciation by $16,881 to reflect the plant retirements associated with the items of plant reclassified in Adjustment [OC-1.4]. This adjustment is a corresponding adjustment to Adjustment [OC-1.5]. Adjustment [OC-2.3] is detailed on Page 13 of Schedule B-2 and on the referenced workpapers.

Adjustment [OC-2.4] adjusts accumulated depreciation to the amounts calculated on Schedule B-2.1. As detailed on Schedule B-2.1, accumulated depreciation was calculated from the balances approved in Decision 63585, considering recorded plant additions and retirements, plant in service reclassifications and adjustments and adjustments related to retirements. Adjustment [OC-2.4] reduces accumulated depreciation by $562.

Adjustment [OC-2.5] reduces accumulated depreciation by $3,750 to record the retirement related to a post-test year replacement, net of salvage value received, of a vehicle included in Adjustment [OC-1.6]. This adjustment is a corresponding adjustment to Adjustment [OC-1.7]. Adjustment [OC-2.5] is detailed on Page 14 of Schedule B-2.

Q. PLEASE EXPLAIN RATE BASE ADJUSTMENT OC-3.

A. Rate base adjustment [OC-3] adjusts CIAC and accumulated amortization of CIAC balances to the amounts calculated on Schedule B-2, Pages 15.1 and 15.2. The CIAC balance is decreased by $9,239 and the accumulated amortization of CIAC balance is decreased by $3,027.

B INCOME STATEMENT AND INCOME STATEMENT ADJUSTMENTS

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-1?

A. Income Statement Adjustment IS-1 is an adjustment to normalize hook-up fee revenue by removing all hook-up fee revenue from test year revenues. This adjustment is required by Decision No. 63585. Income Statement Adjustment IS-1 decreases revenue by $35,000 and is detailed on Page 3 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-2?

A. Income Statement Adjustment IS-2 is an adjustment to normalize salaries and wage expense and related taxes to reflect a pay increase of 3.0% effective in 2016. Income Statement Adjustment IS-2 increases expenses by $4,477 and is detailed on Page 4 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-3?

A. Income Statement Adjustment IS-3 is an adjustment to normalize employee pension and benefit expense to reflect an increase in the Company's health insurance premium.

Income Statement Adjustment IS-3 increases expenses by $5,775 and is detailed on Page 5 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-4?

A. Income Statement Adjustment IS-4 is an adjustment to normalize purchased water and related expenses to reflect the Company's proposed implementation of a Sustainable Water Surcharge. Income Statement Adjustment IS-4 decreases expenses by $101,286 and is detailed on Page 6 of Schedule C-2 and on the referenced workpaper.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-5?

A. Income Statement Adjustment IS-5 is an adjustment to remove costs from repairs and maintenance expense that should be capitalized. This adjustment is a corresponding adjustment to Rate Base Adjustment [OC-1.4]. Income Statement Adjustment IS-5 decreases expenses by $84,220 and is detailed on Page 7 of Schedule C-2 and on the referenced workpaper.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-6?

A. Income Statement Adjustment IS-6 reclassifies costs for electricity from repairs and maintenance expense to purchased power expense. Income Statement Adjustment IS-6 has no impact on overall expenses and is detailed on Page 8 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-7?

A. Income Statement Adjustment IS-7 is an adjustment to normalize purchased power expense to reflect a rate increase implemented by Salt River Project in May of the test year. Income Statement Adjustment IS-7 increases expenses by $3,339 and is detailed on Page 9 of Schedule C-2 and on the referenced workpaper.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-8?

A. Income Statement Adjustment IS-8 is an adjustment to general liability insurance expense to reflect an increase effective for 2016. Income Statement Adjustment IS-8 increases expenses by $15,000 and is detailed on Page 10 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-9?

A. Income Statement Adjustment IS-9 is an adjustment to remove costs from property tax expense that are properly charged to other NARUC expense accounts. Income Statement Adjustment IS-8 has no impact on overall expenses and is detailed on Page 11 of Schedule C-2 and on the referenced workpaper.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-10?

A. Income Statement Adjustment IS-10 increases the test year rate case expense to $25,000. This is based on RVU's water division estimated rate case expense at $100,000, which it proposes to collect over a four-year amortization period. Income Statement Adjustment IS-10 increases expenses by $25,000 and is detailed on Page 12 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-11?

A. Income Statement Adjustment IS-11 synchronizes interest expense with the Company's adjusted rate base. The adjustment utilizes the projected cost of long-term debt at year-end 2016, which is reflective of the cost of debt during the period that rates are expected to be in effect. Income Statement Adjustment IS-11 decreases interest expense by $8,803 and is detailed on Page 13 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-12?

A. Income statement adjustment IS-12 annualizes depreciation expense using adjusted test-year-end plant balances, CIAC balance and proposed depreciation rates. The Company has used Staff's standard recommended depreciation rates for all accounts except

NARUC Plant Account 311 for Pumping Equipment and NARUC Plant Account 334 for Meters. RVU proposes a depreciation rate of 5.00% for Account 311 and 6.67% for Account 334. RVU's review of its plant balances indicates that an average service life of 20 years is appropriate for its pumping equipment. In regard to meters, the Company purchases meters with a guarantee of 15 years, so a 15-year service life is appropriate. Income statement adjustment IS-12 increases depreciation expense by $33,998 and is detailed on Page 14 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-13?

A. Income statement adjustment IS-13 restates property taxes consistent with the method supported by Commission Staff and approved in numerous recent Commission decisions. Specifically, following the Arizona Department of Revenue - Centrally Valued Properties method, full cash value was determined by using twice the average of three years of revenue, plus an addition for CWIP and a deduction for the book value of transportation equipment (as calculated by ADOR). Consistent with Commission practice, three times the adjusted revenues for 2015 was used to determine the average revenue. The assessed value (18% of full cash value) was then multiplied by the tax year 2015 property tax rate to determine adjusted property tax expense. Income statement adjustment IS-13 decreases property tax expense by $2,122 for the test year, and after considering the effect of the proposed rate increase, property tax expense is increased by $6,384 from the test year adjusted amount. Income statement adjustment IS-13 is detailed on Page 15 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-14?

A. Income statement adjustment IS-14 calculates the test year income tax expense for RVU's water division, considering all other adjustments. The income tax expense is calculated using statutory income tax rates as if the RVU water division was a stand-

alone company filing a separate tax return. Since the Company is in the 34.0% federal tax bracket, the income tax calculated on a stand-alone basis is the same as if it were calculated on a combined basis with the wastewater division. Income statement adjustment IS-14 increases the test year income tax expense by $34,787, and after considering the effect of the proposed rate increase, income tax expense is increased by $229,897 from the test year adjusted amount.

C COST OF CAPITAL

Q. WHAT IS THE RECOMMENDED CAPITAL STRUCTURE FOR RVU'S WATER DIVISION?

A. RVU proposes to use a capital structure of 90.20% equity and 9.80% debt, as shown on Schedule D-1. This capital structure is the adjusted capital structure of the Company projected for year-end 2016. The Company proposes to use the projected capital structure because, as shown on Schedule D-2, two of its outstanding loans will be fully repaid in 2016.

Q. WHY IS THE COMPANY UTILIZING SEPARATE CAPITAL STRUCTURES FOR THE WATER AND WASTEWATER DIVISION?

A. In Decision No. 63585 the Commission authorized specific levels of debt for the water and wastewater divisions and the Company maintains the debt separately on its divisional balance sheets. Accordingly, the Company has utilized separate capital structures for its water and wastewater divisions. From a practical standpoint, the use of separate capital structures has little impact since the weighted average cost of debt for the two divisions differs by only 8.00 basis points.

Q. WHAT IS THE RECOMMENDED COST OF EQUITY?

A. RVU believes that the appropriate cost of equity, considering the small size of the Company, is no less than 10.8% based on an informal review of recent rate orders, rate filings and pending settlements. However, in recognition of the magnitude of the requested increase and as a mitigating measure, the Company has reduced the cost of equity by 80 basis points and is requesting a return on equity of 10.00%.

Q. WHAT IS THE COST OF DEBT UTILIZED?

A. As shown on Schedule D-1, the cost of debt utilized is 3.5%. This cost represents the current variable rate of interest applicable on the loan outstanding from Co-Bank.

Q. WHAT IS THE WEIGHTED AVERAGE COST OF CAPITAL FOR THE WATER DIVISON?

A. RVU's Water Division's weighted cost of capital is 9.36%.

D <u>RATE DESIGN AND REVENUE PROOF</u>

Q. PLEASE DESCRIBE THE H SCHEDULES.

A. Schedule H-1 summarizes the revenue by source as billed under present rates and the amount that would be generated by the proposed increase in water rates. Schedule H-2 analyzes revenue at present and proposed rates by source, and meter size in dollar amount and percentage. The average number of customers derived from the bill count is also shown by meter size and in total. Lastly, Schedule H-2 contains supplemental schedules that provide a breakdown of revenue at the existing and proposed rates by the components of the proposed rate design. Schedule H-3 compares present and proposed rates and shows the changes in each rate. Schedule H-4 compares present and proposed rates and the percentage increase at various consumption levels for each meter size. Schedule H-5 is the bill count of the bills issued during the test year.

Q. HAS RVU PROPOSED ANY CHANGES TO ITS RATE DESIGN?

A. As required by Decision No. 63585, RVU has considered a tiered rate design and proposes to implement a three-tier rate design consistent with typical Arizona water company rate designs. RVU's proposed rate design[1] slightly increases the revenue from base charges from 34.7% of revenue to 35.5% of revenue. The new 3rd tier rate is structured to collect 10.0% of revenue in the 3rd rate tier. The new rate design provides a reasonable distribution of the rate increase with 37.7% of the increase being collected in the base charge, 36.5% in the 3rd rate tier, with the remaining 25.9% collected in the 1st and 2nd rate tiers.

The rate design was achieved by increasing base charges and Tier 2 rates by roughly the same percentage, approximately equal to the overall increase. The Tier 1 rate was set at 25% of the increase to the Tier 2 rate with the Tier 3 rate being set at 1.25% of the increase to the Tier 2 rate. The break-over point between the 2nd rate tier and the 3rd rate tier were set after consideration of the percentage of usage that would be captured in the 3rd rate tier, with the goal of limiting usage billed in the 3rd rate tier to reasonable percentages that resulted in an overall 10.0% of revenue in the 3rd rate tier.

In constructing the rate design, RVU's goals were to implement a conservation-oriented rate design and provide a measure of revenue stability considering the magnitude of the requested increase and change in rate design. RVU expects water sales to drop, perhaps significantly, due to the magnitude of the overall increase and the change in rate design.

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[1] Rate Design percentages are for the residential and commercial classes (excludes construction and irrigation classes).

Q. HOW WERE THE CONSTRUCTION AND IRRIGATION RATE DETERMINED?

A. Revenues from construction and irrigation sales are primarily collected from volumetric charges rather than base charges. The Company established the appropriate rate by increasing the current volumetric rate by a percentage that would cause the overall increase for each of the classes to slightly exceed the overall increase percentage for the residential class with the construction class increasing slightly more. Since the golf club members, who are also residential customers of the Company, are the ultimate customers of the irrigation water, the Company believes it is important to keep the overall increases approximately equal.

Q. WHAT IS THE IMPACT OF RVU'S PROPOSED RATES ON TYPICAL RESIDENTIAL CUSTOMERS?

A. The vast majority of RVU's residential customers are served by 1" meters. For residential customers with median usage of 9,500 gallons per month the increase is a modest $9.43 per month, equating to a 39.11% increase of the currently low rates. At average usage 10,647 gallons per month, the impact increases to $10.27 per month or 39.61%.

Q. ARE THERE ANY OTHER CHANGES TO THE PROPOSED RATE DESIGN YOU WOULD LIKE TO DISCUSS?

A. Yes. Most of the Company's residential customers have 1" meters with a small minority having ¾" meters. Historically, the Company's rate design and rates for the ¾" meter and 1" meter have been the same. The Company proposes to continue that practice in this case. The Company believes that the customers desire this approach to rates for the residential class. Further, since the vast majority of customer have 1" meters, any change in the practice would likely result in undesirable customer reaction, including the

possibility of numerous customers requesting downsizing of their meter to ¾" meters. On balance, the Company believes that any benefit to be gained by differentiating residential rates for ¾" and 1" meters would be negligible as compared to the significant detrimental impacts of making such differentiation.

With respect to commercial customers and larger meters, the Company's base charge multipliers are lower that the AWWA meter multipliers typically used to set base charges. The Company has increased meter multipliers by 10% to gradually move the base charges toward the AWWA multipliers.

Lastly, since the Company does not have any 5/8" x 3/4" meters and does not desire to offer this meter size, the Company proposes to eliminate the 5/8" x 3/4" meter rate and meter installation charge from its tariff.

Q. IS RVU PROPOSING ANY CHANGES TO MISCELLANEOUS SERVICE CHARGES?

A. Yes. As detailed in Schedule H-3, RVU is proposing minor adjustments to its miscellaneous charges to better reflect the costs of providing the services and to be consistent with those recommend by Staff in recent cases. The Company is also proposing to add a Service Line or Meter Upsizing charge.

Q. ARE THERE ANY CHANGES TO METER AND SERVICE LINE INSTALLATION CHARGES?

A. Yes. As detailed in Schedule H-3, RVU is proposing to separate the service line and meter portion of the charges consistent with those recommend by Staff in recent cases.

Q. ARE THERE ANY CHANGES TO RVU's OFF-SITE FACILITIES HOOK-UP FEE?

A. Yes. As detailed in Schedule H-3, RVU is proposing to increase the hook-up fee from $1,000 to $1,500 to reflect increased off-site costs.

Q DID RVU VERIFY AND PROVE THE WATER DIVISION TEST YEAR REVENUES?

A. Yes. Schedule H-5 lists the number of bills by thousand-gallon block and the cumulative consumption by rate block for each class of customer and meter size.

As shown on Schedule H-1, line 17, total calculated revenues at present rates for the test year were $1,379,000 compared to total per-book adjusted revenues of $1,376,227 shown on Schedule H-1, line 24. The unreconciled difference of $2,773 amounts to 0.20% of per-book adjusted revenues.

IV <u>RVU'S WASTEWATER DIVISION</u>

Q. PLEASE IDENTIFY THE RATE CASE SCHEDULES PROVIDED WITH YOUR TESTIMONY FOR THE WASTEWATER DIVISION.

A. I have prepared the following schedules, which are attached as **Exhibit RLJ-DT3** to my direct testimony:

- Schedules A-1 through A-5 – Summary Information.
- Schedules B-1, B-2 and B-5 – Rate Base Information and Adjustments.
- Schedules C-1 through C-3 – Income Statements and Adjustments.
- Schedules D-1 through D-4 – Cost of Capital Information.
- Schedules E-1 through E-9 – Financial Statements and Statistical Data.
- Schedules F-1 through F-4 – Projections and Forecasts.
- Schedules H-1 through H-5 – Effect of Proposed Rate Schedules.

I prepared these schedules based on my investigation and review of the relevant books and records of RVU's wastewater division. Schedule E-9 references the Company's audited financial statements, which are attached as **Exhibit RLJ-DT4** to my direct testimony.

A RATE BASE AND RATE BASE ADJUSTMENTS

1 Plant In Service Review

Q. DID YOU REVIEW RVU'S WASTEWATER DIVISION PLANT IN SERVICE FOR THIS FILING?

A. Yes, in cooperation with RVU management, I reviewed RVU's fixed asset records to determine that costs were properly recorded in accordance with the National Association of Regulatory Commissioners ("NARUC") Uniform System of Accounts ("USOA").

Q. WHAT CONCLUSIONS DID YOU REACH AFTER YOUR FIXED ASSET RECORD REVIEW?

A. I found RVU's plant records to be in good order and in compliance with the USOA. The asset entries were generally complete with descriptions and suitable backup documentation. I discovered that a few assets were classified to the wrong NARUC account and that vehicle retirements were not up to date. I have made adjustments to reclassify costs to the appropriate NARUC accounts.

2 Rate Base and Rate Base Adjustments

Q. HOW DID RVU WASTEWATER DIVISION ARRIVE AT ITS TEST YEAR ORIGINAL COST RATE BASE SHOWN ON SCHEDULE B-1, LINE 22?

A. The original cost rate base was calculated by establishing the balance of utility plant in service at the end of the test year. Deductions were made for accumulated depreciation, net contributions in aid of construction, customer security deposits and deferred income

taxes. Working capital, consisting only of the projected 2016 debt service reserve with Co-Bank, was added. The Company made various pro forma adjustments [OC-1, OC-2 & OC-3] to the actual test-year-end plant in service, accumulated depreciation and Contributions in aid of Construction to arrive at the adjusted test-year-end original cost rate base of $4,316,764.

Q. PLEASE EXPLAIN RATE BASE ADJUSTMENT OC-1?

A. Rate base adjustment OC-1, detailed on page 2 of Schedule B-2, increases the plant in service balance by a net of $320,071 after considering several separate plant in service adjustments labeled [OC-1.1] through [OC-1.6].

Adjustment [OC-1.1] removes an entry of $803 made in error to NARUC Account 391, Transportation Equipment from plant in service. Adjustment [OC-1.1] is detailed on Page 3 of Schedule B-2 and on the referenced workpaper.

Adjustment [OC-1.2] reduces plant in service by $25,333 to record the retirement of several vehicles. Adjustment [OC-1.2] is detailed on Page 4 of Schedule B-2 and on the referenced workpaper.

Adjustment [OC-1.3] increases plant in service by $11,848 to reflect the reclassification of several items from Materials and Supplies Expense to various plant accounts. Adjustment [OC-1.3] is detailed on Page 5 of Schedule B-2 and on the referenced workpapers.

Adjustment [OC-1.4] decreases plant in service by $8,000 to reflect the plant retirements associated with the items of plant reclassified in Adjustment [OC-1.3]. Adjustment [OC-1.4] is detailed on Page 6 of Schedule B-2 and on the referenced workpapers.

Adjustment [OC-1.5] increases plant in service by $396,359 to record several items of revenue neutral post-test year plant. The items of post-test year plant for projects that are complete or expected to completed by year-end 2016. Adjustment [OC-1.5] is detailed on Page 7 of Schedule B-2.

Adjustment [OC-1.6] decreases plant in service by $54,000 to record the retirements related to post-test year plant included in Adjustment [OC-1.5]. Adjustment [OC-1.6] is detailed on Page 8 of Schedule B-2.

Q. PLEASE EXPLAIN RATE BASE ADJUSTMENT OC-2?

A. Rate base adjustment OC-2 decreases the accumulated depreciation balance by a net of $97,825 after considering separate accumulated depreciation adjustments labeled [OC-2.1] through [OC-2.5].

Adjustment [OC-2.1] increases accumulated depreciation by $6,132 to record salvage value received from insurance claims related to retired vehicles. Adjustment [OC-2.1] is detailed on Page 10 of Schedule B-2.

Adjustment [OC-2.2] reduces accumulated depreciation by $25,333 to record the retirement of several vehicles. This adjustment is a corresponding adjustment to Adjustment [OC-1.2]. Adjustment [OC-2.2] is detailed on Page 11 of Schedule B-2 and on the referenced workpaper.

Adjustment [OC-2.3] reduces accumulated depreciation by $8,000 to reflect the plant retirements associated with the items of plant reclassified in Adjustment [OC-1.3]. This adjustment is a corresponding adjustment to Adjustment [OC-1.4]. Adjustment [OC-2.3] is detailed on Page 12 of Schedule B-2 and on the referenced workpapers.

Adjustment [OC-2.4] adjusts accumulated depreciation to the amounts calculated on Schedule B-2.1. As detailed on Schedule B-2.1, accumulated depreciation was calculated from the balances approved in Decision 63585, considering recorded plant additions and retirements, plant in service reclassifications and adjustments and adjustments related to retirements. Adjustment [OC-2.4] reduces accumulated depreciation by $16,875.

Adjustment [OC-2.5] reduces accumulated depreciation by $53,750 to record the retirement related to post-test year replacements, net of salvage value received, of post-test year plant included in Adjustment [OC-1.5]. This adjustment is a corresponding adjustment to Adjustment [OC-1.6]. Adjustment [OC-2.5] is detailed on Page 13 of Schedule B-2.

Q. PLEASE EXPLAIN RATE BASE ADJUSTMENT OC-3.

A. Rate base adjustment [OC-3] adjusts the accumulated amortization of CIAC balance to the amount calculated on Schedule B-2, Pages 14.1 and 14.2. The accumulated amortization of CIAC balance is decreased by $429.

B <u>INCOME STATEMENT AND INCOME STATEMENT ADJUSTMENTS</u>

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-1?

A. Income Statement Adjustment IS-1 is an adjustment to normalize hook-up fee revenue by removing all hook-up fee revenue from test year revenues. This adjustment is required by Decision No. 63585. Income Statement Adjustment IS-1 decreases revenue by $52,500 and is detailed on Page 3 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-2?

A. Income Statement Adjustment IS-2 is an adjustment to normalize salaries and wage expense and related taxes to reflect a pay increase of 3.0% effective in 2016. Income

Statement Adjustment IS-2 increases expenses by $4,477 and is detailed on Page 4 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-3?

A. Income Statement Adjustment IS-3 is an adjustment to normalize employee pension and benefit expense to reflect an increase in the Company's health insurance premium. Income Statement Adjustment IS-3 increases expenses by $5,775 and is detailed on Page 5 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-4?

A. Income Statement Adjustment IS-4 is an adjustment to remove costs that are properly capitalized from materials and supplies expense. This adjustment is a corresponding adjustment to Rate Base Adjustment [OC-1.3]. Income Statement Adjustment IS-4 decreases expenses by $11,848 and is detailed on Page 6 of Schedule C-2 and on the referenced workpaper.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-5?

A. Income Statement Adjustment IS-5 is an adjustment to normalize purchased power expense to reflect a rate increase implemented by Salt River Project in May of the test year. Income Statement Adjustment IS-5 increases expenses by $2,005 and is detailed on Page 7 of Schedule C-2 and on the referenced workpaper.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-6?

A. Income Statement Adjustment IS-6 is an adjustment to general liability insurance expense to reflect an increase effective for 2016. Income Statement Adjustment IS-6 increases expenses by $15,000 and is detailed on Page 8 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-7?

A. Income Statement Adjustment IS-7 is an adjustment to remove costs from property tax expense that a properly charged to other NARUC expense accounts. Income Statement Adjustment IS-7 has no impact on overall expenses and is detailed on Page 9 of Schedule C-2 and on the referenced workpaper.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-8?

A. Income Statement Adjustment IS-8 increases the test year rate case expense to $25,000. This is based on RVU's wastewater division estimated rate case expense at $100,000, which it proposes to collect over a four-year amortization period. Income Statement Adjustment IS-8 increases expenses by $25,000 and is detailed on Page 10 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-9?

A. Income Statement Adjustment IS-9 synchronizes interest expense with the Company's adjusted rate base. The adjustment utilizes the projected cost of long-term debt at year-end 2016, which is reflective of the cost of debt during the period that rates are expected to be in effect. Income Statement Adjustment IS-91 decreases interest expense by $5,657 and is detailed on Page 11 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-10?

A. Income statement adjustment IS-10 annualizes depreciation expense using adjusted test-year-end plant balances, CIAC balance and proposed depreciation rates. The Company has used Staff's standard recommended depreciation rates for all accounts except NARUC Plant Account 371 for Pumping Equipment. RVU proposes a depreciation rate of 8.00% for Account 371. RVU's review of its plant balances indicates that an average service life of 12.5 years is appropriate for its pumping equipment. Income statement

adjustment IS-10 increases depreciation expense by $82,212 and is detailed on Page 12 of Schedule C-2.

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-11?

A. Income statement adjustment IS-11 restates property taxes consistent with the method supported by Commission Staff and approved in numerous recent Commission decisions. Specifically, following the Arizona Department of Revenue - Centrally Valued Properties method, full cash value was determined by using twice the average of three years of revenue, plus an addition for CWIP and a deduction for the book value of transportation equipment (as calculated by ADOR). Consistent with Commission practice, three times the adjusted revenues for 2015 was used to determine the average revenue. The assessed value (18% of full cash value) was then multiplied by the tax year 2015 property tax rate to determine adjusted property tax expense. Income statement adjustment IS-11 increases property tax expense by $865 for the test year, and after considering the effect of the proposed rate increase, property tax expense is increased by $6,755 from the test year adjusted amount. Income statement adjustment IS-11 is detailed on Page 13 of Schedule C-2.

B. WHAT IS INCOME STATEMENT ADJUSTMENT IS-12?

A. Income statement adjustment IS-12 calculates the test year income tax expense for RVU's wastewater division, considering all other adjustments. The income tax expense is calculated using statutory income tax rates as if the RVU wastewater division was a stand-alone company filing a separate tax return. Since the Company is in the 34.0% federal tax bracket, the income tax calculated on a stand-alone basis is the same as if it was calculated on a combined basis with the water division. Income statement adjustment IS-12 decreases the test year income tax expense by $8,600, and after

considering the effect of the proposed rate increase, income tax expense is increased by $237,630 from the test year adjusted amount.

C COST OF CAPITAL

Q. WHAT IS THE RECOMMENDED CAPITAL STRUCTURE FOR RVU'S WASTEWATER DIVISION?

A. RVU proposes to use a capital structure of 88.93% equity and 11.07% debt, as shown on Schedule D-1. This capital structure is the adjusted capital structure of the Company projected for year-end 2016. The Company proposes to use the projected capital structure because, as shown on Schedule D-2, two of its loans will be fully repaid in 2016.

Q. WHY IS THE COMPANY UTILIZING SEPARATE CAPITAL STRUCTURES FOR THE WATER AND WASTEWATER DIVISION?

A. In Decision No. 63585 the Commission authorized specific levels of debt for the water and wastewater divisions and the Company maintains the debt separately on its divisional balance sheets. Accordingly, the Company has utilized separate capital structures for its water and wastewater divisions. From a practical standpoint, the use of separate capital structures has little impact since the weighted average cost of debt for the two divisions differs by only 8.00 basis points.

Q. WHAT IS THE RECOMMENDED COST OF EQUITY?

A. RVU believes that the appropriate cost of equity, considering the small size of the Company, is no less than 10.8% based on an informal review of recent rate orders, rate filings and pending settlements. However, in recognition of the magnitude of the requested increase and as a mitigating measure, the Company has reduced the cost of equity by 80 basis points and is requesting a return on equity of 10.00%.

Q. WHAT IS THE COST OF DEBT UTILIZED?

A. As shown on Schedule D-1, the cost of debt utilized is 3.5%. This cost represents the current variable rate of interest applicable on the loan outstanding from Co-Bank.

Q. WHAT IS THE WEIGHTED AVERAGE COST OF CAPITAL FOR THE WASTEWATER DIVISON?

A. RVU's Wastewater Division's weighted cost of capital is 9.28%.

D RATE DESIGN AND REVENUE PROOF

Q. PLEASE DESCRIBE THE H SCHEDULES.

A. Schedule H-1 summarizes the revenue by source as billed under present rates and the amount that would be generated by the proposed increase in wastewater rates. Schedule H-2 analyzes revenue at present and proposed rates by source in dollar amount and percentage. The average number of customers derived from the bill count is also shown. Schedule H-3 compares present and proposed rates and shows the changes in each rate. Schedule H-4 compares present and proposed rates and the percentage increase and for effluent sales incudes the data at various consumption levels for each meter size. Schedule H-5 is the bill count of the bills issued during the test year.

Q. HAS RVU PROPOSED ANY CHANGES TO ITS RATE DESIGN?

A. No. RVU proposes to continue using a flat rate design with the current classifications for sewer service. RVU proposes to continue using a volumetric charge for effluent sales.

Q. HOW WAS THE EFFLUENT RATE DETERMINED?

A. The effluent rate was set based on the water division's non-potable irrigation rate. The effluent rate was set so that the water division's non-potable irrigation rate would be 10% higher than the effluent rate. The Company believes it is important to keep the effluent

rate below the non-potable irrigation rate to encourage use of effluent in preference to groundwater.

Q. WHAT IS THE IMPACT OF RVU'S PROPOSED RATES ON TYPICAL RESIDENTIAL CUSTOMERS?

A. For residential customers the sewer charge increases from $44.00 per month to $74.25 per month. The increase is $30.25 per month or 68.75%.

Q. ARE THERE ANY OTHER CHANGES TO THE PROPOSED RATE DESIGN YOU WOULD LIKE TO DISCUSS?

A. Yes. The Company proposes to increase the commercial rate for restaurants to $600.00 per month to reflect the higher cost associated with treating restaurant wastewater. This is a 100% increase for the restaurant class.

Q. IS RVU PROPOSING ANY CHANGES TO MISCELLANEOUS SERVICE CHARGES?

A. Yes. As detailed in Schedule H-3, RVU is proposing minor adjustments to its miscellaneous charges to better reflect the costs of providing the services and to be consistent with those recommend by Staff in recent cases.

Q. ARE THERE ANY CHANGES TO RVU's OFF-SITE FACILITIES HOOK-UP FEE?

A. Yes. As detailed in Schedule H-3, RVU is proposing to increase the hook-up fee from $1,500 to $3,000 to reflect increased off-site costs.

Q DID RVU VERIFY AND PROVE THE WASTEWATER DIVISION TEST YEAR REVENUES?

A. Yes. Schedule H-5 lists the number of bills for each class of customer. As shown on Schedule H-1, line 15, total calculated revenues at present rates for the test year were $964,030 compared to total per-book adjusted revenues of $960,057 shown on Schedule H-1, line 22. The unreconciled difference of $3,972 amounts to 0.41% of per-book adjusted revenues.

V MISCELLANEOUS ISSUES

Q. IS THE COMPANY PROPOSING ANY NEW ADJUSTOR MECHANISMS IN THIS RATE CASE APPLICATION?

A. Yes. Based upon the uncertainties facing power supply and purchased water costs, RVU is seeking to add a Purchased Power Adjustment Mechanism ("PPAM") and recover its purchased water and related costs using a Sustainable Water Surcharge ("SWS").

Q. WHAT IS THE PURPOSE OF THE PPAM AND HOW WOULD THE PPAM WORK?

A. The proposed PPAM would allow the Company to pass-through increases or decreases in purchased power costs that are due to changes in the rates for electric utility service received from Salt River Project. The intent of the PPAM is to isolate changes in purchased power cost that is due exclusively to a rate change that is beyond the control of Company. The increases/decreases in power costs will be allocated on a per 1,000-gallon basis and passed-through to customers as a separate line item on the customers' bill. The Company proposes to develop a Plan of Administration, to be approved by Commission Staff, that outlines the implementation and filing requirements as well as how the surcharge will be computed.

Q, WHAT IS THE PURPOSE OF THE SWS AND HOW WOULD THE SWS WORK?

A. The purpose of the SWS is to recover all costs related to the purchase and exchange of sustainable water supplies with Salt River Project ("SRP") (or other Verde River water right holders). The sustainable water supplies include the Company's Central Arizona Project ("CAP") water and stored sustainable water supplies (CAP, effluent or other surface water) acquired from third parties in the form of long-term storage credits and other sustainable water supplies acquired by the Company in the future. Recoverable costs include contracting, delivery, legal and administrative costs paid to CAP, SRP and others, as necessary to allow the Company to deliver the renewable water supplies to the Company's customers via exchange with SRP or others and thereby reduce the Company's pumping of groundwater. The SWS will include costs for groundwater withdrawal fees paid to ADWR, since these costs will be reduced as the Company increases its use of sustainable water supplies and reduces its use of groundwater.

The Company proposes to develop a Plan of Administration for the SWS, to be approved by Commission Staff that will more fully define the terms of the SWS as well as the procedures for making annual adjustments to the SWS to reflect actual costs incurred in the prior year, actual surcharge collections in the prior year, and projected costs for the next year.

Except as noted below, the SWS would be applicable to water sales by the Company's water division, including residential, commercial, construction, potable irrigation and non-potable irrigation sales. Since effluent is a renewable non-groundwater supply, effluent sales by the Company's wastewater division would not be subject to the SWS. Additionally, the SWS will not apply to water deliveries made to any customer that owns stored sustainable water supplies (CAP, effluent or other surface water) or other

sustainable water supplies, acquires the necessary permits, enters into an exchange agreement with SRP or others, and enters into a wheeling agreement with the Company ("Wheeled Water Customer"), to allow the Company to legally deliver the Wheeled Water Customer's renewable water supply to the Wheeled Water Customer. The Wheeled Water Customer's sustainable water supply must be independently acquired and separate from the Company's water supplies.

Q. WHY IS THE SWS NEEDED AT THIS TIME?

A. RVU's primary physical source of water supply is groundwater pumped from the Company's wells located near the Verde River. Like all groundwater users within the Phoenix AMA, the Company and its customers have an obligation to conserve limited groundwater supplies and utilize renewable water supplies when available. The Company takes this obligation very seriously. The Company holds a subcontract for CAP water but does not have the infrastructure to deliver CAP water directly to its customers. Instead, the Company has entered into an exchange agreement with SRP that allows the delivery of the Company's CAP water to its customers without incurring the costs of expensive treatment and delivery facilities. The Company is increasing its use of CAP water under the exchange agreement and is experiencing rapidly increasing costs due both to the increased use of CAP water and the escalating cost of CAP water. In addition, the cost of CAP water is projected to increase substantially in coming years, further increasing the Company's water supply costs.

Furthermore, many of the Company's customers are members in the Central Arizona Groundwater Replenishment District ("CAGRD"). CAGRD charges its members for the replenishment of groundwater used by its members. The cost of groundwater replenishment by the CAGRD has increased dramatically in recent years and significantly exceeds the cost of using CAP water. The cost of groundwater

replenishment is expected to continue to substantially increase in the future. The increasing cost of groundwater replenishment can be off-set by the Company's increased use of its CAP water and other sustainable water supplies, but only if the Company can recover in a timely manner through the SWS the costs of increasing its use of sustainable water supplies.

Q. WHAT OTHER CONCERNS DOES THE COMPANY HAVE REGARDING THE LONG-TERM SUSTAINABILITY OF ITS WATER SUPPLY?

A. As with all claimants to the use of water in the Salt River Valley, the Company is subject to the Gila River System and Source General Stream Adjudication pending in Maricopa County Superior Court (the "Adjudication Proceeding"). The Company's groundwater wells are located close to the Verde River. Due to several rulings previously made in the Adjudication Proceeding, the Company faces a *significant risk* that a portion of its groundwater pumping will be found to be detrimental to the appropriated flows of the Verde River. In that event, because the Company does not have any appropriated rights to use Verde River water other than through its exchange agreement with SRP, the Company's groundwater pumping is potentially subject to legal action by SRP and other Verde River and Salt River water right holders. It is in the Company's and its customers' best interest to proactively reduce reliance on groundwater by increasing its use of sustainable water supplies via a cooperative exchange of long-term storage credits with SRP. By doing so, the Company can acquire renewable water supplies and phase-in their use in an orderly and affordable manner while avoiding the threat of expensive litigation and the prohibitive cost of a sudden, court mandated, transition to renewable water supplies in the future. The implementation of the SWS is essential to allowing the Company to take beneficial proactive actions to increase its usage of renewable water supplies.

In summary, due to increasing cost of water supplies and the need to acquire and increase the use of renewable water supplies to reduce its impact on the available groundwater supply and to avoid potential claims and litigation, it is essential that the Company be allowed to implement a SWS to allow the cost of purchasing sustainable water supplies and related costs to be separated from general rates and recovered in a timely manner.

Q. HAVE YOU ESTIMATED THE INITIAL LEVEL OF THE SWS?

Based on test year purchased CAP water and related costs of $101,285.59 and total water sales of 868,453,664 gallons, the initial surcharge would be $0.1166 per 1,000 gallons sold. The Company proposes to update the surcharge amount using year-end 2016 data to set the initial surcharge rate to be implemented upon issuance of an Order in this case. The Company proposes to develop a plan of administration for the surcharge, to be approved by Staff that will more fully define the terms of the surcharge as well as the procedures for making annual adjustments to the surcharge to reflect actual costs incurred in the prior year, actual surcharge collections in the prior year, and projected costs for the next year.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

Exhibit RLJ-DT1

Resume of Ray L. Jones, P.E.

ARICOR
Water Solutions
Ray L. Jones P.E.
Principal

18835 North Thompson Peak Parkway, Suite 215
Scottsdale, Arizona 85255

EXPERTISE

Mr. Jones founded ARICOR Water Solutions in 2004. Through ARICOR Water Solutions, Mr. Jones offers a wide range of engineering and financial analysis services to the private and public sectors. Projects include development of regulatory strategies and preparing rate cases, including preparation of rate studies, cost of service studies, financial schedules and testimony for filings before the Arizona Corporation Commission. Services also include consultation on water and wastewater utility formation, management and operations, and valuation, including due diligence analysis, water resources strategy development and water rights valuation. ARICOR Water Solutions provides water, wastewater and water resource master planning, water and wastewater facilities design, and owner representation; including value engineering, program management and construction oversight. Lastly, ARICOR Water Solutions supports water solutions with contract operations and expert witness testimony and litigation support.

EMPLOYMENT HISTORY

2002 to 2004

Arizona-American Water Company
President
Responsible for leadership of the Arizona business activities of Arizona-American Water Company. Key responsibilities include developing and evaluation new business opportunities, developing strategic plans, establishing effective government and community relations, insuring compliance with all regulatory requirements, and providing management and guidance to key operations and support personnel.

1998 to 2002

Citizens Water Resources, Arizona Operations
Vice President and General Manager
Responsible for leadership of the Arizona regulated and unregulated business activities of Citizens Water Resources. Key responsibilities included developing and evaluation new business opportunities, developing strategic plans, establishing effective government and community relations, insuring compliance with all regulatory requirements, and providing management and guidance to key operations and support personnel.

1990 to 1998

Citizens Water Resources, Arizona Operations
Engineering and Development Services Manager
Responsible for management of a diverse group of business growth related activities. Responsibilities include: marketing of operation and maintenance services (unregulated business growth), management of new development activity (regulated business growth), management of engineering functions (infrastructure planning and construction), management of water resources planning and compliance, management of growth-related regulatory functions (CC&N's and Franchises), and management of capital budgeting functions and capital accounting functions.

1985 to 1990

Citizens Water Resources, Arizona Operations
Civil Engineer
Responsible for the planning, coordination and supervision of capital expansion and major maintenance and rehabilitation projects as assigned. Responsible for development of capital program for Maricopa County Operations.

EDUCATION

Arizona State University – Master of Business Administration (1991)
University of Kansas – Bachelor of Science in Civil Engineering (1985)

ARICOR Water Solutions

PROFESSIONAL CERTIFICATION

Registered Professional Engineer – Civil Engineering – Arizona
Professional Engineer – Civil Engineering – California
Certified Operator – Wastewater Treatment, Wastewater Collection, Water Treatment, Water Distribution – Arizona

PROFESSIONAL AFFILIATIONS

- Executive Director – Water Utilities Association of Arizona
- Member - American Society of Professional Engineers
- Member – American Society of Civil Engineers
- Member - American Water Works Association
- Member - Arizona Water Association
- Member - Water Environment Federation

CIVIC AND COMMUNITY INVOLVEMENT

- Member – Arizona Water Banking Authority
- Board of Directors – Greater Maricopa Foreign Trade Zone (2009 – Present)
- Advisory Member - Water Resources Development Commission (2010 – 2012)
- Chairman WESTMARC (2008)
- Director and Member of the Executive Committee- WESTMARC (1998 – 2010)
- Co-Chairman, WESTMARC Water Committee (2006 – 2007)
- Chairman-Elect WESTMARC (2007)
- Member – Corporate Contributions Committee, West Valley Fine Arts Council Diamond Ball (Chairman 2005)
- Member – Technical Advisory Committee – Governor's Water Management Commission (2001)
- Board Member, Manager & Past Chairman – North Valley Little League Softball

REGULATORY EXPERIENCE

Testimony has been provided before the Arizona Corporation Commission in the dockets listed below. Unless otherwise indicated testimony was provided on behalf of the utility.

Filing Year	Utility(ies)	Filing Type(s)	Docket(s)
1992	Sun City West Utilities Company	CC&N Extension (Expansion of Sun City West)	U-2334-92-244
1993	Sun City Water Company Sun City Sewer Company	CC&N Extension (Addition of Coyote Lakes)	U-1656-93-060 U-2276-93-060
1993	Tubac Valley Water Co., Inc.	CC&N Extension (Various Subdivisions on western border)	U-1595-93-241
1993	Sun City West Utilities Company	CC&N Extension (Expansion of Sun City West)	U-2334-93-293
1995	Citizens Utilities Company Sun City Water Company Sun City Sewer Company Sun City West Utilities Company Tubac Valley Water Company	Ratemaking	E-1032-95-417 U-1656-95-417 U-2276-95-417 U-2334-95-417 U-1595-95-417
1996	City Water Company Sun City Sewer Company	CC&N Extension (Acquisition of Youngtown)	U-1656-96-282 U-2276-96-282
1996	Citizens Utilities Company	CC&N Extension and Deletion (Realignment of Surprise Bdry.)	E-1032-96-518

ARICOR Water Solutions

Filing Year	Utility(ies)	Filing Type(s)	Docket(s)
1998	Sun City Water Company Sun City West Utilities Company	CAP Water Plan and Accounting Order (Sun Cities CAP plan)	W-01656A-98-0577 SW-02334A-98-0577
2000	Citizens Water Resources Company of Arizona Citizens Water Services Company of Arizona	CC&N Extension and Accounting Order (Anthen Jacka Property and Phoenix Treatment Agreement)	SW-3455-00-1022 SW-3454-00-1022
2000	Citizens Communications Company Citizens Water Services Company of Arizona	CC&N Extension and Approval of Hook-Up Fee (Verrado)	W-0132B-00-1043 SW-0354A-00-1043
2002	Arizona-American Water Company	Ratemaking	WS-01303A-02-0867 WS-01303A-02-0868 WS-01303A-02-0869 WS-01303A-02-0870 WS-01303A-02-0908
2004	Arizona-American Water Company Rancho Cabrillo Water Company Rancho Cabrillo Sewer Company	CC&N Transfer	WS-01303A-04-0089 W-01303A-04-0089 SW-03898A-04-0089
2004	Johnson Utilities Company, LLC (Representing Pulte Home Corporation)	CC&N Extension	WS-02987A-04-0288
2005	Perkins Mountain Utility Company Perkins Mountain Water Company	New CC&N & Initial Rates	WS-20379A-05-0489 W-20380A-05-0490
2005	West End Water Company	CC&N Extension	W-01157A-05-706
2005	Arizona-American Water Company	Approvals Associated with Construction of Surface Water Treatment Facility	W-01303A-05-0718
2006	Arizona-American Water Company	Ratemaking	WS-01303A-06-0403
2008	Sunrise Water Company	Ratemaking	W-02069A-08-0406
2009	Baca Float Water Company	Ratemaking	WS-01678A-09-0376
2009	Aubrey Water Company	Lost Water Evaluation (Rate Case Compliance)	W-03476A-06-0425
2009	White Horse Ranch Owner's Assn.	Ratemaking	W-04161A-09-0471
2010	Litchfield Park Service Company	Ratemaking	W-01427A-09-0104
2010	Chino Meadows II Water Company	Ratemaking	W-02370A-10-0519
2011	Pima Utility Company	Ratemaking	W-021999A-11-0329 WS-02199A-11-0330
2011	Tusayan Water Development Association, Inc. (Representing the Town of Tusayan)	Ratemaking	W-02350A-10-0163

ARICOR Water Solutions

Filing Year	Utility(ies)	Filing Type(s)	Docket(s)
2012	Valley Utilities Water Company, Inc.	Ratemaking	W-01412A-12-0195
2012	Far West Water & Sewer, Inc.	Ratemaking	WS-03478A-12-0307
2012	Sahuarita Water Company, LLC	Amend Off-Site Facilities Hook-Up Fee	W-03718A-09-0359
2012	New River Utility Company	Ratemaking	W-01737A-12-0478
2013	Far West Water & Sewer, Inc.	New Off-Site Facilities Hook-Up Fees	WS-03478A-13-0200
2012	Adman Mutual Water Company	Ratemaking	W-01997A-12-0501
2013	Far West Water & Sewer, Inc.	CC&N Extension	WS-03478A-13-0250
2013	Lago Del Oro Water Company	Ratemaking	W-01944A-13-0215
2013	Lago Del Oro Water Company	Financing	W-01944A-13-0242
2012	Sunrise Water Company	Financing	W-02069A-12-0261
2010	Far West Water & Sewer, Inc.	CC&N Extension	WS-03478A-10-0523
2014	Granite Mountain Water Co., Inc.	Ratemaking	W-02467A-14-0230
2014	Chino Meadows II Water Co., Inc.	Ratemaking	W-02370A-14-0231
2014	Quail Creek Water Company	Ratemaking	W-02514A-14-0343
2015	Cordes Lakes Water Company	Ratemaking	W-02060A-15-0245
2015	BN Leasing Corporation d.b.a. Aubrey Water Company	Ratemaking	W-03476A-15-0286

Exhibit RLJ-DT2

Water Division Schedules

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Index of Standard Filing Schedules

Exhibit: RLJ-DT2
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Page 1
Witness: Jones

Schedule Number	Title
Schedule A-1	Computation of Increase in Gross Revenue Requirement
Schedule A-2	Summary of Results of Operations
Schedule A-3	Summary of Capital Structure
Schedule A-4	Construction Expenditures and Gross Utility Plant in Service
Schedule A-5	Summary Changes in Financial Position
Schedule B-1	Summary of Original Cost Rate Base Elements
Schedule B-2	Original Cost Rate Base Pro forma Adjustments
Schedule B-2.1	Reconciliation of Plant Additions, Retirements and Accumulated Depreciation
Schedule B-5	Computation of Working Capital
Schedule C-1	Adjusted Test Year Income Statement
Schedule C-2	Income Statement Pro forma Adjustments
Schedule C-3	Computation of Gross Revenue Conversion Factor
Schedule D-1	Summary of Cost of Capital
Schedule D-2	Cost of Long-Term and Short-Term Debt
Schedule D-3	Cost of Preferred Stock
Schedule D-4	Cost of Common Equity
Schedule E-1	Comparative Balance Sheet
Schedule E-2	Comparative Income Statements
Schedule E-3	Comparative Statement of Changes in Financial Position
Schedule E-4	Statement of Changes in Stockholder's Equity
Schedule E-5	Detail of Utility Plant
Schedule E-7	Operating Statistics
Schedule E-8	Taxes Charged to Operations
Schedule E-9	Notes To Financial Statements
Schedule F-1	Projected Income Statements - Present and Proposed Rates
Schedule F-2	Projected Changes in Financial Position - Present and Proposed Rates
Schedule F-3	Projected Construction Requirements
Schedule F-4	Assumptions Used in Developing Projection
Schedule H-1	Summary of Revenues by Customer Classification - Present and Proposed Rates
Schedule H-2	Analysis of Revenues by Detailed Class
Schedule H-3	Changes In Representative Rate Schedules
Schedule H-4	Typical Bill Analysis
Schedule H-5	Bill Count

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Computation of Increase in Gross Revenue Requirements

Exhibit: RLJ-DT2
Schedule A-1
Page 1
Witness: Jones

Line No.		OCRB
1	Adjusted Rate Base	$ 4,919,403
2		
3	Adjusted Operating Income	107,890
4		
5	Current Rate of Return	2.19%
6		
7	Required Rate of Return	9.36%
8		
9	Required Operating Income	$ 460,598
10		
11	Operating Income Deficiency	$ 352,708
12		
13	Gross Revenue Conversion Factor	1.6709
14		
15	Increase in Gross Revenue	$ 589,348
16		
17	Adjusted Test Year Revenue	$ 1,376,227
18		
19	Proposed Annual Revenue	$ 1,965,575
20		
21	Percent Increase in Gross Revenue	42.82%
22		
23		
24		

25		Projected Revenue Increase Due To Rates	% Dollar Increase
26			
27			
28	Customer Classification		
29			
30	Fire Lines	$ -	
31	Residential	220,749	41.67%
32	Commercial	19,458	49.74%
33	Construction	30,212	47.01%
34	Irrigation	318,712	43.00%
35	Miscellaneous Service Revenue	-	0.00%
36			
37	Total Revenue Increase	$ 589,131	42.72%
38			

39 Supporting Schedules:
40 B-1 C-1
41 C-3 H-1
42

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Summary Results of Operations

Exhibit: RLJ-DT2
Schedule A-2
Page 1
Witness: Jones

Line No.	Description	Prior Years Ended 12/31/2013	Prior Years Ended 12/31/2014	Test Year Actual 12/31/2015	Test Year Adjusted 12/31/2015	Projected Year Present Rates 12/31/2016	Projected Year Proposed Rates 12/31/2016
1	Gross Revenues	$ 1,364,986	$ 1,364,370	$ 1,411,227	$ 1,376,227	$ 1,380,894	$ 1,970,242
2	Revenue Deductions and						
3	Operating Expenses	1,076,056	1,130,739	1,333,588	1,268,337	1,357,709	1,594,350
4	Operating Income	288,930	233,630	77,639	107,890	23,185	375,893
5							
6	Other Income and						
7	Deductions	(7,190)	(450)	(523)	(523)	(523)	(523)
8	Interest Expense	(38,869)	(32,562)	(25,680)	(16,877)	(16,877)	(16,877)
9	Net Income	$ 242,871	$ 200,619	$ 51,435	$ 90,490	$ 5,785	$ 358,493
10							
11	Earned Per Average						
12	Common Share	0.16	0.13	0.03	0.06	0.00	0.23
13							
14	Dividends Per						
15	Common Share	0.29	-	-	-	-	-
16							
17	Payout Ratio	185.28%	0.00%	0.00%	0.00%	0.00%	0.00%
18							
19	Return on Average						
20	Invested Capital	3.6%	3.0%	0.8%	1.3%	0.1%	5.0%
21							
22	Return on Year End						
23	Capital	3.7%	3.0%	0.8%	1.3%	0.1%	4.7%
24							
25	Return on Average						
26	Common Equity	5.5%	4.6%	1.1%	2.0%	0.1%	7.8%
27							
28	Return on Year End						
29	Common Equity	5.6%	4.5%	1.1%	2.0%	0.1%	7.8%
30							
31	Times Bond Interest Earned						
32	Before Income Taxes	7.58	8.24	3.14	8.63	8.63	43.15
33							
34	Times Total Interest and						
35	Preferred Dividends Earned						
36	After Income Taxes	7.43	7.17	3.02	6.39	6.39	27.29
37							
38							
39	Supporting Schedules:						
40	E-2 F-1						
41	C-1						
42							

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Summary of Capital Structure

Exhibit: RLJ-DT2
Schedule A-3
Page 1
Witness: Jones

Line No.	Description:	Prior Years Ended 12/31/2013	Prior Years Ended 12/31/2014	Test Year 12/31/2015	Projected Year 12/31/2016
1					
2					
3	Short-Term Debt	-	-	-	-
4	Long-Term Debt	787,125	655,371	484,310	498,329
5	Total Debt	$ 787,125	$ 655,371	$ 484,310	$ 498,329
6					
7	Preferred Stock	-	-	-	-
8	Common Equity	4,318,781	4,482,716	4,579,902	4,585,687
9	Total Capital & Debt	$ 5,105,906	$ 5,138,087	$ 5,064,213	$ 5,084,016
10					
11					
12	Capitalization Ratios:				
13					
14	Short-Term Debt	0.00%	0.00%	0.00%	0.00%
15	Long-Term Debt	15.42%	12.76%	9.56%	9.80%
16	Total Debt	15.42%	12.76%	9.56%	9.80%
17					
18	Preferred Stock	0.00%	0.00%	0.00%	0.00%
19	Common Equity	84.58%	87.24%	90.44%	90.20%
20	Total Capital	100.00%	100.00%	100.00%	100.00%
21					
22	Weighted Cost of				
23	Short-term Debt	0.0000%	0.0000%	0.0000%	0.0000%
24					
25	Weighted Cost of				
26	Long-term Debt	0.6277%	0.5194%	0.3894%	0.3431%
27					
28	Weighted Cost of				
29	Senior Capital	0.6277%	0.5194%	0.3894%	0.3431%
30					
31					
32					
33					
34					
35	Supporting Schedules:				
36	E-1 D-1				
37					

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Construction Expenditures and Gross Utility Plant In Service

Exhibit: RLJ-DT2
Schedule A-4
Page 1
Witness: Jones

Line No.	Year		Construction Expenditures	Net Plant Placed In Service	Gross Utility Plant In Service
1					
2	Prior Year Ended	12/31/2013	$ 15,453	$ 2,191	$ 10,088,290
3					
4	Prior Year Ended	12/31/2014	252,781	535,369	10,623,659
5					
6	Test Year Ended	12/31/2015	220,177	171,211	10,794,870
7					
8	Projected Year Ending	12/31/2016	978,562	978,562	11,773,432
9					
10	Projected Year Ending	12/31/2017	1,065,200	1,065,200	12,838,632
11					
12	Projected Year Ending	12/31/2018	790,050	790,050	13,628,682
13					
14	Supporting Schedules:				
15	F-3				
16	B-2.1				
17					

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Summary Changes In Financial Position

Exhibit: RLJ-DT2
Schedule A-5
Page 1
Witness: Jones

Line No.		Prior Year Ended 12/31/2013	Prior Year Ended 12/31/2014	Test Year Ended 12/31/2015	Projected Year Present Rates 12/31/2016	Projected Year Proposed Rates 12/31/2017
1	Source of Funds					
2	Operations	$ 527,447	$ 500,705	$ 312,863	$ 314,441	$ 667,149
3						
4	Outside Financing	(134,360)	(140,077)	(127,904)	306,283	306,283
5						
6	Total Funds Provided	$ 393,087	$ 360,627	$ 184,959	$ 620,724	$ 973,432
7						
8	Application of Funds					
9	Constriction Expenditures	$ (15,453)	$ (252,781)	$ (135,957)	$ (978,562)	$ (978,562)
10						
11	Dividends/Distributions	(450,000)	-	-	-	-
12						
13	Other	-	-	-	-	-
14						
15	Total Funds Applied	$ (465,453)	$ (252,781)	$ (135,957)	$ (978,562)	$ (978,562)
16						
17	Change in Allocation between Departments	$ 66,021	$ (36,683)	$ (38,308)	$ -	$ -
18						
19	Net Increase/(Decrease) in Cash	$ (6,345)	$ 71,164	$ 10,694	$ (357,838)	$ (5,130)
20						
21						
22						
23	Supporting Schedules:					
24	E-3					
25	F-2					
26						

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Summary of Original Cost Rate Base Elements

Exhibit: RLJ-DT2
Schedule B-1
Page 1
Witness: Jones

Line No.		Original Cost Rate Base*
1		
2	Gross Utility Plant in Service	$ 10,982,229
3		
4	Less: Accumulated Depreciation	(4,807,828)
5		
6	Net Utility Plant in Service	6,174,401
7		
8	Less:	
9	Advances in Aid of Construction	47,635
10		
11	Contributions in Aid of Construction	1,553,924
12	Accumulated Amortization of CIAC	(884,620)
13	Contributions in Aid of Construction - Net	669,305
14		
15	Customer Security Deposits	-
16	Deferred Income Taxes	630,541
17		
18	Plus:	
19	Working Capital	92,483
20	Net Regulatory Asset / (Liability)	-
21		
22	Rate Base	$ 4,919,403
23		
24	* including pro forma adjustments	
25		
26		
27	Supporting Schedules:	Recap Schedules:
28	B-2 B-5	A-1
29	B-3 E-1	
30		

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Original Cost Rate Base Pro forma Adjustments

Exhibit: RLJ-DT2
Schedule B-2
Page 1
Witness: Jones

Line No.		Actual End of Test Year	ADJ OC-1	ADJ OC-2	ADJ OC-3	Total Pro Forma Adjustments	Adjusted End of Test Year
1							
2	Gross Utility Plant in Service	$ 10,767,627	$ 214,601			$ 214,601	$ 10,982,229
3							
4	Less: Accumulated Depreciation	(4,862,383)		54,555		54,555	(4,807,828)
5							
6	Net Utility Plant in Service	5,905,244	214,601	54,555	-	269,156	6,174,401
7							
8	Less:						
9	Advances in Aid of Construction	47,635				-	47,635
10							
11	Contributions in Aid of Construction	1,563,163			(9,239)	(9,239)	1,553,924
12	Accumulated Amortization of CIAC	(887,647)			3,027	3,027	(884,620)
13	Contributions in Aid of Construction - Net	675,516	-	-	(6,211)	(6,211)	669,305
14							
15	Customer Security Deposits	-				-	-
16	Deferred Income Taxes	630,541				-	630,541
17							
18	Plus:						
19	Working Capital	92,483				-	92,483
20	Net Regulatory Asset / (Liability)					-	-
21							
22	Rate Base	$ 4,644,035	$ 214,601	$ 54,555	$ 6,211	$ 275,368	$ 4,919,403
23							
24							
25							
26							
27							
28	Supporting Schedules:					Recap Schedules:	
29	E-1					B-1	
30							

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1
Plant In Service Adjustments

Exhibit: RLJ-DT2
Schedule B-2
Page 2
Witness: Jones

Line No.	Acct No.	Description	Actual End of Test Year	Book Adjustments - (Included on Schedule B.2.1) [OC-1.1] Reclass Plant	[OC-1.2] Remove Error	[OC-1.3] Trans. Retirements	[OC-1.4] Reclass R&M	[OC-1.5] R&M Retirements	Adjusted Book End of Test Year[1]	Rate Making Adjustments [OC-1.6] Post-Test Year Plant	[OC-1.7] Post-Test Year Retirement	Adjusted End of Test Year	
4	301	Organization Cost	$ 1,380	$ -					$ 1,380			$ 1,380	
5	302	Franchise Cost	-	-					-			-	
6	303	Land and Land Rights	186,074	-					186,074			186,074	
7	304	Structures & Improvements	77,407	-			1,647		79,055			79,055	
8	305	Collecting & Impounding Reservoirs	-	-					-			-	
9	306	Lake, River, Canal Intakes	-	-					-			-	
10	307	Wells & Springs	2,583,586	-					2,583,586			2,583,586	
11	308	Infiltration Galleries	-	-					-			-	
12	309	Raw Water Supply Mains	-	-					-			-	
13	310	Power Generation Equipment	55,241	-					55,241			55,241	
14	311	Pumping Equipment	1,518,225	65,755			69,670	(16,000)	1,637,650			1,637,650	
15	320	Water Treatment Equipment	-	-					-			-	
16	320.1	Water Treatment Plants	-	-					-			-	
17	320.2	Solution Chemical Feeders	35,641	-					35,641			35,641	
18	330	Distribution Reservoirs & Standpipes	-	70,059					70,059			70,059	
19	330.1	Storage Tanks	362,575	-					362,575	75,000		437,575	
20	330.2	Pressure Tanks	-	-					-			-	
21	331	Transmission & Distribution Mains	4,500,335	(135,814)			782	(100)	4,365,203			4,365,203	
22	333	Services	421,065	-			2,253	(300)	423,018			423,018	
23	334	Meters	186,995	-			962	(481)	187,476			187,476	
24	335	Hydrants	500,473	-			6,827	(1,250)	506,050			506,050	
25	336	Backflow Prevention Devices	-	-					-			-	
26	339	Other Plant & Misc. Equipment	105,744	-					105,744			105,744	
27	340	Office Furniture & Equipment	17,870	-					17,870			17,870	
28	340.1	Computers & Software	-	-					-			-	
29	341	Transportation Equipment	97,667	-	(803)	(37,495)			59,370	26,359	(4,000)	81,729	
30	342	Stores Equipment	-	-					-			-	
31	343	Tools, Shop & Garage Equipment	11,964	-			1,103	(200)	12,867			12,867	
32	344	Laboratory Equipment	13,409	-					13,409			13,409	
33	345	Power Operated Equipment	-	-					-			-	
34	346	Communication Equipment	64,497	-			976	(350)	65,123	90,000		155,123	
35	347	Miscellaneous Equipment	-	-					-			-	
36	348	Other Tangible Plant	27,480	-					27,480			27,480	Total
37		TOTALS	$ 10,767,627	$ -	$ (803)	$ (37,495)	$ 84,220	$ (18,681)	$ 10,794,870	$ 191,359	$ (4,000)	$ 10,982,229	Equity Adj.
38		Equity Adjustments (Schedule D-1)		$ -	$ (803)		$ 84,220						$ 83,418
39													
40		Plant In Service per Books										$ 10,767,627	
41													
42		Increase / (Decrease) in Plant in Service										$ 214,601	

43 [1] Adjusted plant in service balance including all book adjustments. Agrees with 2015 plant in service balance on Schedule B2.1.

44

45 Supporting Schedules: Workpapers:

46 B-2.1 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant

47

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1.1

Exhibit: RLJ-DT2
Schedule B-2
Page 3
Witness: Jones

Reclass Plant to Correct NARUC Plant Accounts

This adjustment reclassifies items of plant to the correct NARUC Plant Account.

Line No.	Plant Acct	Description	Original Cost	
1				
2				
3	301	Organization Cost	-	
4	302	Franchise Cost	-	
5	303	Land and Land Rights	-	
6	304	Structures & Improvements	-	
7	305	Collecting & Impounding Reservoirs	-	
8	306	Lake, River, Canal Intakes	-	
9	307	Wells & Springs	-	
10	308	Infiltration Galleries	-	
11	309	Raw Water Supply Mains	-	
12	310	Power Generation Equipment	-	
13	311	Pumping Equipment	65,755.00	
14	320	Water Treatment Equipment	-	
15	320.1	Water Treatment Plants	-	
16	320.2	Solution Chemical Feeders	-	
17	330	Distribution Reservoirs & Standpipes	70,059.00	
18	330.1	Storage Tanks	-	
19	330.2	Pressure Tanks	-	
20	331	Transmission & Distribution Mains	(135,814.00)	
21	333	Services	-	
22	334	Meters	-	
23	335	Hydrants	-	
24	336	Backflow Prevention Devices	-	
25	339	Other Plant & Misc. Equipment	-	
26	340	Office Furniture & Equipment	-	
27	340.1	Computers & Software	-	
28	341	Transportation Equipment	-	
29	342	Stores Equipment	-	
30	343	Tools, Shop & Garage Equipment	-	
31	344	Laboratory Equipment	-	
32	345	Power Operated Equipment	-	
33	346	Communication Equipment	-	
34	347	Miscellaneous Equipment	-	
35	348	Other Tangible Plant	-	
36				
37		TOTAL	$ -	
38				
39				
40				
41		Total Increase/(Decrease) in Plant In Service		$ -
42				
43				
44	Workpapers:			
45	RV Plant Workpaper.xlsx. Tabs:Wtr Summary; Water Plant			
46				

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1.2

Exhibit: RLJ-DT2
Schedule B-2
Page 4
Witness: Jones

Remove Plant Booked in Error

This adjustment removes a plant entry made in error.

Line No.	Plant Acct	Description	Adjustment Amount	
1				
2				
3	341	Transportation Equipment	$ (802.50)	
4				
5				
6		Total Increase/(Decrease) in Plant In Service		$ (802.50)
7				
8	Workpapers:			
9	RV Plant Workpaper.xlsx. Tabs:Wtr Summary; Water Plant			
10				
11				
12				

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1.3

Exhibit: RLJ-DT2
Schedule B-2
Page 5
Witness: Jones

Properly Record Transportation Retirements

This adjustment properly records the retirement of several items of transportation equipment that were either not retired or retired improperly.

Line No.	Plant Acct	Description	Adjustment Amount	
1				
2				
3	341	Retire 1995 Ford Ranger	$ (5,636.00)	
4	341	Retire 1999 Ford Ranger	(8,494.00)	
5	341	Retire Dodge Caravan	(2,695.45)	
6	341	Correct Retirement 1999 F150 Pickup	802.50	
7	341	Correct Retirement 2003 F150 Pickup	(0.08)	
8	341	Retire Dodge Ram	(1,250.00)	
9	341	Retire Nissan Frontier	(12,742.27)	
10	341	Retire Golf Cart	(7,479.28)	
11			$ (37,494.58)	
12				
13		Total Increase/(Decrease) in Plant In Service		$ (37,494.58)
14				
15	Workpapers:			
16	RV Plant Workpaper.xlsx. Tabs:Wtr Summary; Water Plant			
17				
18				

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1.4

Exhibit: RLJ-DT2
Schedule B-2
Page 6
Witness: Jones

Reclassify Repairs and Maintenance Expense to Capital
This adjustment properly capitalizes costs that were charged to Repairs and Maintenance Expenses.

Line No.	Plant Acct	Description	Plant Amount	
1				
2	304	Structures & Improvements	$ 1,647.36	
3	311	Pumping Equipment	69,669.73	
4	331	Transmission & Distribution Mains	782.21	
5	333	Services	2,253.37	
6	334	Meters	961.50	
7	335	Hydrants	6,827.23	
8	343	Tools, Shop & Garage Equipment	1,103.09	
9	346	Communication Equipment	975.62	
10			$ 84,220.11	
11				
12		Total Increase/(Decrease) in Plant In Service		$ 84,220.11
13				
14	Workpapers:			
15	RV Rate Case Data.xlsx. Tab: Cap R&M			
16	RV Plant Workpaper.xlsx. Tabs:Wtr Summary; Water Plant			
17				

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1.5

Exhibit: RLJ-DT2
Schedule B-2
Page 7
Witness: Jones

Record Plant Retirements Associated with Reclassified Repairs and Maintenance Expense to Capital
This adjustment records retirements associated with recapitalized Repairs and Maintenance Expenses.

Line No.	Plant Acct	Description	Plant Amount	
1				
2	311	Pumping Equipment	$ (16,000.00)	
3	331	Transmission & Distribution Mains	(100.00)	
4	333	Services	(300.00)	
5	334	Meters	(480.75)	
6	335	Hydrants	(1,250.00)	
7	343	Tools, Shop & Garage Equipment	(200.00)	
8	346	Communication Equipment	(350.00)	
9			$ (18,680.75)	
10				
11		Total Increase/(Decrease) in Plant In Service		$ (18,680.75)
12				
13	Workpapers:			
14	RV Rate Case Data.xlsx. Tab: Cap R&M			
15	RV Plant Workpaper.xlsx. Tabs:Wtr Summary; Water Plant			
16				

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1.6

Exhibit: RLJ-DT2
Schedule B-2
Page 8
Witness: Jones

Post Test-Year Plant

This adjustment is to record major items of post-test year plant completed in 2016.

Line No.	Plant Acct	Description	Adjustment Amount	
1				
2				
3				
4	330.1	Cathodic Protection	$ 75,000.00	Primary Storage Tank
5	341	Transportation Equipment	26,359.00	Purchase two F-150 Trucks - 1/2 of cost water & 1/2 of cost sewer
6	345	SCADA System Upgrade	90,000.00	Water Production System
7			$ 191,359.00	
8				
9				
10		Total Increase/(Decrease) in Plant In Service		$ 191,359.00
11				
12				
13				
14				

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1.7

Exhibit: RLJ-DT2
Schedule B-2
Page 9
Witness: Jones

Post-Test Year Retirement

This adjustment records the retirement of a 2005 GMC Truck that water replaced in 2016. The adjustment is necessary because the new F-150 Truck is included as a post-test year plant adjustment.

Line No.	Plant Acct	Description	Adjustment Amount	
1				
2				
3				
4	341	Retire 2005 GMC Truck	$ (4,000.00)	
5				
6				
7		Total Increase/(Decrease) in Plant In Service		$ (4,000.00)
8				
9				
10				
11				
12				

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-2
Accumulated Depreciation Adjustments

Exhibit: RLJ-DT2
Schedule B-2
Page 10
Witness: Jones

Line No.	Acct No.	Description	Actual End of Test Year	Book Adjustments - (Included on Schedule B.2.1) [OC-2.1] Record Salvage	[OC-2.2] Trans. Retirements	[OC-2.3] R&M Retirements	[OC-2.4] Difference From Calc'd on B-2.1	Adjusted Book End of Test Year[1]	Rate Making Adjustments [OC-2.5] Post-Test Year Retirement	NOT USED	NOT USED	Adjusted End of Test Year	
3													
4	301	Organization Cost					$ -	$ -				$ -	
5	302	Franchise Cost					-	-				-	
6	303	Land and Land Rights					-	-				-	
7	304	Structures & Improvements					31,046	31,046				31,046	
8	305	Collecting & Impounding Reservoirs					-	-				-	
9	306	Lake, River, Canal Intakes					-	-				-	
10	307	Wells & Springs					1,357,785	1,357,785				1,357,785	
11	308	Infiltration Galleries					-	-				-	
12	309	Raw Water Supply Mains					-	-				-	
13	310	Power Generation Equipment					28,686	28,686				28,686	
14	311	Pumping Equipment				(16,000)	668,008	652,008				652,008	
15	320	Water Treatment Equipment					-	-				-	
16	320.1	Water Treatment Plants					-	-				-	
17	320.2	Solution Chemical Feeders					15,362	15,362				15,362	
18	330	Distribution Reservoirs & Standpipes					3,220	3,220				3,220	
19	330.1	Storage Tanks					219,174	219,174				219,174	
20	330.2	Pressure Tanks					-	-				-	
21	331	Transmission & Distribution Mains				(100)	1,909,988	1,909,888				1,909,888	
22	333	Services				(300)	240,432	240,132				240,132	
23	334	Meters				(481)	84,531	84,050				84,050	
24	335	Hydrants				(1,250)	163,102	161,852				161,852	
25	336	Backflow Prevention Devices				(200)	200	-				-	
26	339	Other Plant & Misc. Equipment					68,952	68,952				68,952	
27	340	Office Furniture & Equipment					2,445	2,445				2,445	
28	340.1	Computers & Software					-	-				-	
29	341	Transportation Equipment		6,132	(37,495)		4,404	(26,958)	(3,750)			(30,708)	
30	342	Stores Equipment					-	-				-	
31	343	Tools, Shop & Garage Equipment				(200)	7,515	7,315				7,315	
32	344	Laboratory Equipment					5,187	5,187				5,187	
33	345	Power Operated Equipment					-	-				-	
34	346	Communication Equipment				(350)	41,136	40,786				40,786	
35	347	Miscellaneous Equipment					-	-				-	
36	348	Other Tangible Plant					10,649	10,649				10,649	Total
37		TOTALS	$ 4,862,383	$ 6,132	$ (37,495)	$ (18,881)	$ (562)	$ 4,811,578	$ (3,750)	$ -	$ -	$ 4,807,828	Equity Adj.
38		Equity Adjustments (Schedule D-1)		$ (6,132)			$ 562						$ (5,570)
39													
40		Accumulated Depreciation per Books										$ 4,862,383	
41													
42		Increase / (Decrease) in Accumulated Depreciation										$ (54,555)	
43													

44 [1] Adjusted accumulated depreciation balance including all book adjustments. Agrees with 2015 accumulated depreciation balance on Schedule B2.1.

45 Supporting Schedules: Workpapers:

46 B-2.1

47

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-2.1

Exhibit: RLJ-DT2
Schedule B-2
Page 11
Witness: Jones

Properly Record Salvage Received

This adjustment properly records amounts received for salvage of items of plant as a credit to accumulated depreciation as required by NARUC USOC accounting instructions.

Line No.	Description	Year	Plant Acct	Adjustment Amount	
1					
2	Insurance Claim 1999 F-150	2006	341	$ 4,153.82	
3	Insurance Claim 2003 F-150	2013	341	1,978.52	
4				$ 6,132.34	
5					
6	Total Increase/(Decrease) in Accumulated Depreciation				$ 6,132.34
7					
8	Workpapers:				
9	RV Plant Workpaper.xlsx. Tabs:Wtr Summary; Water Plant				
10					

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-2.2

Exhibit: RLJ-DT2
Schedule B-2
Page 12
Witness: Jones

Properly Record Transportation Retirements

This adjustment properly records the retirement of several items of transportation equipment that were either not retired or retired improperly.

Line No.	Plant Acct	Description	Adjustment Amount
1			
2			
3	341	Retire 1995 Ford Ranger	$ (5,636.00)
4	341	Retire 1999 Ford Ranger	(8,494.00)
5	341	Retire Dodge Caravan	(2,695.45)
6	341	Correct Retirement 1999 F150 Pickup	802.50
7	341	Correct Retirement 2003 F150 Pickup	(0.08)
8	341	Retire Dodge Ram	(1,250.00)
9	341	Retire Nissan Frontier	(12,742.27)
10	341	Retire Golf Cart	(7,479.28)
11			$ (37,494.58)
12			
13			
14			
15		Total Increase/(Decrease) in Accumulated Depreciation	$ (37,494.58)
16			
17	Workpapers:		
18	RV Plant Workpaper.xlsx. Tabs:Wtr Summary; Water Plant		
19			

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-2.3

Exhibit: RLJ-DT2
Schedule B-2
Page 13
Witness: Jones

Record Plant Retirements Associated with Reclassified Repairs and Maintenance Expense to Capital
This adjustment records retirements associated with capitalized Repairs and Maintenance Expenses.

Line No.	Plant Acct	Description	Retirement Amount
1			
2	311	Pumping Equipment	$ (16,000.00)
3	331	Transmission & Distribution Mains	(100.00)
4	333	Services	(300.00)
5	334	Meters	(480.75)
6	335	Hydrants	(1,250.00)
7	343	Tools, Shop & Garage Equipment	(200.00)
8	346	Communication Equipment	(350.00)
9			$ (18,680.75)
10			
11		Total Increase/(Decrease) in Accumulated Depreciation	$ (18,680.75)
12			
13	Workpapers:		
14	RV Rate Case Data.xlsx. Tab: Cap R&M		
15	RV Plant Workpaper.xlsx. Tabs:Wtr Summary; Water Plant		
16			

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-2.5

Exhibit: RLJ-DT2
Schedule B-2
Page 14
Witness: Jones

Post-Test Year Retirement

This adjustment records the retirement of a 2005 GMC Truck that water replaced in 2016. The adjustment is necessary because the new F-150 Truck is included as a post-test year plant adjustment.

Line No.	Plant Acct	Description	Adjustment Amount
1			
2			
3	341	Retire 2005 GMC Truck	$ (4,000.00)
4	341	Salvage Received 2005 GMC Truck	250.00
5			(3,750.00)
6			
7			
8			
9		Total Increase/(Decrease) in Accumulated Depreciation	$ (3,750.00)
10			
11			
12			

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-3

Exhibit: RLJ-DT2
Schedule B-2
Page 15
Witness: Jones

Contributions-In-Aid of Construction (CIAC) and Accumulated Amortization of CIAC

Line No.		CIAC	Accumulated Amortization
1			
2	Calculated Balance at 12/31/2014	$ 1,553,924.25	$ 884,619.70
3			
4	Book Balance at 12/31/2014	$ 1,563,162.75	$ 887,646.83
5			
6	Increase / (Decrease) in CIAC or AA CIAC	$ (9,238.50)	$ (3,027.13)
7			
8	Equity Adjustments (Schedule D-1)	$ 9,238.50	$ (3,027.13)
9			
10			
11			
12			
13			
14			
15	Supporting Schedules:	Workpaper:	
16	Schedule B-2, Page 8.1 and 8.2		
17			

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-3

Exhibit: RLJ-DT2
Schedule B-2
Page 15.1
Witness: Jones

Calculation of CIAC Balances

Line No.		Decision No. 63585 Balance 12/31/1999	2000 Additions	2000 Balance	2001 Additions	2001 Balance	2002 Additions	2002 Balance	2003 Additions	2003 Balance
1										
2	CIAC	1,417,924	29,000	1,446,924		1,446,924		1,446,924		1,446,924
3										
4	Total CIAC	1,417,924		1,446,924		1,446,924		1,446,924		1,446,924
5										
6	Amortization Rate			3.0641%		3.0641%		3.0641%		3.0641%
7										
8	Amortization CIAC (half-yr convention)			43,891		44,335		44,335		44,335
9										
10	Accumulated Amortization of CIAC	148,012		191,903		236,239		280,574		324,910
11										
12	Net CIAC	1,269,912		1,255,021		1,210,686		1,166,350		1,122,015
13										

		2004 Additions	2004 Balance	2005 Additions	2005 Balance	2006 Additions	2006 Balance	2007 Additions	2007 Balance
14									
15									
16									
17									
18	CIAC	24,000	1,470,924	46,000	1,516,924	14,000	1,530,924	-	1,530,924
19									
20	Total CIAC		1,470,924		1,516,924		1,530,924		1,530,924
21									
22	Amortization Rate		3.0641%		3.0641%		3.0641%		3.0641%
23									
24	Amortization CIAC (half-yr convention)		44,703		45,776		46,695		46,909
25									
26	Accumulated Amortization of CIAC		369,613		415,388		462,083		508,993
27									
28	Net CIAC		1,101,311		1,101,536		1,068,841		1,021,932
29									

		2008 Additions	2008 Balance	2009 Additions	2009 Balance	2010 Additions	2010 Balance	2011 Additions	2011 Balance
30									
31									
32									
33									
34	CIAC	-	1,530,924	-	1,530,924	-	1,530,924	-	1,530,924
35									
36	Total CIAC		1,530,924		1,530,924		1,530,924		1,530,924
37									
38	Amortization Rate		3.0641%		3.0641%		3.0641%		3.0641%
39									
40	Amortization CIAC (half-yr convention)		46,909		46,909		46,909		46,909
41									
42	Accumulated Amortization of CIAC		555,902		602,811		649,721		696,630
43									
44	Net CIAC		975,022		928,113		881,204		834,294
45									
46									
47									

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-3

Exhibit: RLJ-DT2
Schedule B-2
Page 15.2
Witness: Jones

Line No.		2012		2013		2014		2015	
1									
2									
3		Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance
4									
5	CIAC	-	1,530,924	-	1,530,924	-	1,530,924	23,000	1,553,924
6									
7	Total CIAC		1,530,924		1,530,924		1,530,924		1,553,924
8									
9	Amortization Rate		3.0641%		3.0641%		3.0641%		3.0641%
10									
11	Amortization CIAC (half-yr convention)		46,909		46,909		46,909		47,262
12									
13	Accumulated Amortization of CIAC		743,539		790,449		837,358		884,620
14									
15	Net CIAC		787,385		740,476		693,566		669,305
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32									

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT2
Schedule B-2.1
Page 1
Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	Data from Last Rate Case: [1] Pre Setlmt PIS at 12/31/1999	[2] Settlement PHFU	[3] Dec. 63585 PIS at 12/31/1999 [1]+[2]	[4] Dec. 63585 Accum Depr 12/31/1999	Conform and Adjust Current Books[1]: [5] Book Plant at 12/31/1999	[6] Difference From Decision [3]-[5]	[7] Book Plant at 12/31/1999 [5]	[8] Allocate Accumulated Depreciation	[9] Adjusted Net Plant 12/31/1999 [7]-[8]
1	301	Organization Cost	0.00%		1,380	-	1,380		1,380	-	1,380		1,380
2	302	Franchise Cost	0.00%		-	-	-		-	-	-		-
3	303	Land and Land Rights	0.00%		41,512	-	41,512		41,512	-	41,512		41,512
4	304	Structures & Improvements	3.06%	3.06%	33,133	-	33,133		33,133	-	33,133	5,361	27,771
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-		-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-		-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	1,546,958	-	1,546,958		1,546,958	-	1,546,958	250,312	1,296,646
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-		-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-		-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	35,398	-	35,398		35,398	-	35,398	5,728	29,670
11	311	Pumping Equipment	3.06%	3.06%	957,185	(65,755)	891,430		891,430	-	891,430	144,242	747,189
12	320	Water Treatment Equipment	3.06%	3.06%	12,184	-	12,184		-	12,184	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-		-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-		12,184	(12,184)	12,184	1,971	10,212
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	360,282	(70,059)	290,223		-	290,223	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-		290,223	(290,223)	290,223	46,961	243,262
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-		-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	2,699,641	(157,699)	2,541,942		2,541,942	-	2,541,942	411,309	2,130,632
19	333	Services	3.06%	3.06%	327,002	-	327,002		327,002	-	327,002	52,912	274,090
20	334	Meters	3.06%	3.06%	81,523	-	81,523		81,523	-	81,523	13,191	68,332
21	335	Hydrants	3.06%	3.06%	183,259	-	183,259		183,259	-	183,259	29,653	153,606
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-		-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	105,744	-	105,744		105,744	-	105,744	17,110	88,634
24	340	Office Furniture & Equipment	3.06%	3.06%	-	-	-		-	-	-	-	-
25	340.1	Computers & Software	3.06%	3.06%	-	-	-		-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	18,278	-	18,278		18,278	-	18,278	2,958	15,321
27	342	Stores Equipment	3.06%	3.06%	-	-	-		-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	10,269	-	10,269		10,269	-	10,269	1,662	8,607
29	344	Laboratory Equipment	3.06%	3.06%	6,136	-	6,136		6,136	-	6,136	993	5,143
30	345	Power Operated Equipment	3.06%	3.06%	60,799	-	60,799		-	60,799	-	-	-
31	346	Communication Equipment	3.06%	3.06%	-	-	-		60,799	(60,799)	60,799	9,838	50,961
32	347	Miscellaneous Equipment	3.06%	3.06%	1,083	-	1,083		-	1,083	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	10,127	-	10,127		10,127	-	10,127	1,639	8,489
34													
35		TOTAL			6,491,893	(293,513)	6,198,380	995,839	6,197,296	1,083	6,197,296	995,839	5,201,457
36													
37													
38													
39													

[1] Since the Company has no record of the $1,083 in Miscellaneous Equipment from Decision No. 63585, the Company has not adjusted the PIS Balance to include this amount.

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
39

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT2
Schedule B-2.1
Page 2
Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2000 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		-	-	-	-	-	-	-	-	41,512	-	41,512
4	304	Structures & Improvements	3.06%	3.06%	-	-	-	-	-	-	-	1,015	33,133	6,376	26,756
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	1,739	-	1,739	-	-	-	-	47,427	1,548,697	297,739	1,250,958
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	3,066	-	3,066	-	-	-	-	1,132	38,463	6,859	31,604
11	311	Pumping Equipment	3.06%	3.06%	-	-	-	350	-	350	-	27,309	891,080	171,201	719,879
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-	-	-	-	-	373	12,184	2,345	9,839
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	8,893	290,223	55,854	234,369
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	6,364	-	6,364	-	-	-	-	77,986	2,548,306	489,295	2,059,011
19	333	Services	3.06%	3.06%	48,979	-	48,979	8,800	-	8,800	-	10,635	367,181	54,747	312,434
20	334	Meters	3.06%	3.06%	16,800	-	16,800	-	-	-	-	2,755	98,323	15,947	82,377
21	335	Hydrants	3.06%	3.06%	-	-	-	-	-	-	-	5,615	183,259	35,268	147,991
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	20,350	85,394
24	340	Office Furniture & Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	560	18,278	3,518	14,761
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	1,696	-	1,696	-	-	-	-	341	11,964	2,002	9,962
29	344	Laboratory Equipment	3.06%	3.06%	-	-	-	-	-	-	-	188	6,136	1,181	4,955
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	708	-	708	-	-	-	-	1,874	61,507	11,712	49,795
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	4,869	-	4,869	-	-	-	-	385	14,997	2,024	12,973
34															
35		TOTAL			84,221	-	84,221	9,150	-	9,150	-	189,728	6,272,367	1,176,417	5,095,950
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
39

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT2
Schedule B-2.1
Page 3
Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2001 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		135,000	-	135,000	-	-	-	-	-	176,512	-	176,512
4	304	Structures & Improvements	3.06%	3.06%	-	-	-	-	-	-	-	1,015	33,133	7,392	25,741
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	596,499	-	596,499	-	-	-	-	56,593	2,145,196	354,332	1,790,864
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,179	38,463	8,038	30,426
11	311	Pumping Equipment	3.06%	3.06%	9,103	-	9,103	-	-	-	-	27,443	900,183	198,644	701,539
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-	-	-	-	-	373	12,184	2,718	9,465
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	8,893	290,223	64,746	225,477
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	-	-	-	-	-	-	-	78,083	2,548,306	567,378	1,980,928
19	333	Services	3.06%	3.06%	5,704	-	5,704	-	-	-	-	11,338	372,885	66,086	306,800
20	334	Meters	3.06%	3.06%	5,562	-	5,562	-	-	-	-	3,098	103,886	19,045	84,841
21	335	Hydrants	3.06%	3.06%	-	-	-	-	-	-	-	5,615	183,259	40,884	142,375
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	23,591	82,153
24	340	Office Furniture & Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	560	18,278	4,078	14,201
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	-	-	-	-	-	-	367	11,964	2,369	9,595
29	344	Laboratory Equipment	3.06%	3.06%	-	-	-	-	-	-	-	188	6,136	1,369	4,767
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,885	61,507	13,596	47,911
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	303	-	303	-	-	-	-	464	15,300	2,488	12,812
34															
35		TOTAL			752,172	-	752,172	-	-	-	-	200,334	7,024,539	1,376,751	5,647,787
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
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Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT2
Schedule B-2.1
Page 4
Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2002 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		-	-	-	-	-	-	-	-	176,512	-	176,512
4	304	Structures & Improvements	3.06%	3.06%	-	-	-	-	-	-	-	1,015	33,133	8,407	24,726
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	-	-	-	-	-	-	-	65,731	2,145,196	420,063	1,725,133
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,179	38,463	9,216	29,247
11	311	Pumping Equipment	3.06%	3.06%	-	-	-	-	-	-	-	27,583	900,183	226,227	673,956
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-	-	-	-	-	373	12,184	3,091	9,092
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	72,352	-	72,352	-	-	-	-	10,001	362,575	74,748	287,827
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	-	-	-	-	-	-	-	78,083	2,548,306	645,461	1,902,845
19	333	Services	3.06%	3.06%	2,716	-	2,716	-	-	-	-	11,467	375,601	77,553	298,048
20	334	Meters	3.06%	3.06%	5,293	-	5,293	-	-	-	-	3,264	109,179	22,309	86,870
21	335	Hydrants	3.06%	3.06%	-	-	-	-	-	-	-	5,615	183,259	46,499	136,760
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	26,831	78,913
24	340	Office Furniture & Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	5,803	(803)	5,000	-	-	-	-	637	23,278	4,714	18,564
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	-	-	-	-	-	-	367	11,964	2,735	9,229
29	344	Laboratory Equipment	3.06%	3.06%	-	-	-	-	-	-	-	188	6,136	1,557	4,579
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	1,189	-	1,189	-	-	-	-	1,903	62,696	15,499	47,197
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	1,272	-	1,272	-	-	-	-	488	16,572	2,976	13,596
34															
35		TOTAL			88,624	(803)	87,822	-	-	-	-	211,135	7,112,361	1,587,886	5,524,475
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
39

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT2
Schedule B-2.1
Page 5
Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2003 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		-	-	-	-	-	-	-	-	176,512	-	176,512
4	304	Structures & Improvements	3.06%	3.06%	-	-	-	-	-	-	-	1,015	33,133	9,422	23,711
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	-	-	-	-	-	-	-	65,731	2,145,196	485,795	1,659,402
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,179	38,463	10,395	28,068
11	311	Pumping Equipment	3.06%	3.06%	-	-	-	-	-	-	-	27,583	900,183	253,809	646,374
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-	-	-	-	-	373	12,184	3,465	8,719
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	11,110	362,575	85,857	276,718
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	-	-	-	-	-	-	-	78,083	2,548,306	723,545	1,824,762
19	333	Services	3.06%	3.06%	-	-	-	-	-	-	-	11,509	375,601	89,062	286,539
20	334	Meters	3.06%	3.06%	7,761	-	7,761	-	-	-	-	3,464	116,940	25,773	91,166
21	335	Hydrants	3.06%	3.06%	-	-	-	-	-	-	-	5,615	183,259	52,114	131,145
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	30,071	75,673
24	340	Office Furniture & Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	13,262	-	13,262	-	-	-	-	916	36,541	5,631	30,910
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	-	-	-	-	-	-	367	11,964	3,102	8,862
29	344	Laboratory Equipment	3.06%	3.06%	1,781	-	1,781	-	-	-	-	215	7,917	1,772	6,145
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	601	-	601	-	-	-	-	1,930	63,297	17,429	45,867
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	-	-	-	-	-	-	-	508	16,572	3,484	13,088
34															
35		TOTAL			23,404	-	23,404	-	-	-	-	212,839	7,135,765	1,800,725	5,335,040
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
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Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT2
Schedule B-2.1
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Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2004 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		-	-	-	-	-	-	-	-	176,512	-	176,512
4	304	Structures & Improvements	3.06%	3.06%	-	-	-	-	-	-	-	1,015	33,133	10,437	22,695
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	-	-	-	-	-	-	-	65,731	2,145,196	551,526	1,593,670
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,179	38,463	11,573	26,890
11	311	Pumping Equipment	3.06%	3.06%	13,997	-	13,997	-	-	-	-	27,797	914,180	281,606	632,574
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-	-	-	-	-	373	12,184	3,838	8,346
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	11,110	362,575	96,967	265,608
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	-	-	-	-	-	-	-	78,083	2,548,306	801,628	1,746,678
19	333	Services	3.06%	3.06%	-	-	-	-	-	-	-	11,509	375,601	100,570	275,030
20	334	Meters	3.06%	3.06%	11,377	-	11,377	-	-	-	-	3,757	128,317	29,531	98,786
21	335	Hydrants	3.06%	3.06%	-	-	-	-	-	-	-	5,615	183,259	57,729	125,530
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	33,311	72,433
24	340	Office Furniture & Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,120	36,541	6,751	29,790
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	-	-	-	-	-	-	367	11,964	3,469	8,496
29	344	Laboratory Equipment	3.06%	3.06%	-	-	-	-	-	-	-	243	7,917	2,015	5,902
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	1,200	-	1,200	-	-	-	-	1,958	64,497	19,387	45,110
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	-	-	-	-	-	-	-	508	16,572	3,992	12,580
34															
35		TOTAL			26,574	-	26,574	-	-	-	-	213,605	7,162,340	2,014,330	5,148,010
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
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Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT2
Schedule B-2.1
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Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2005 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		-	-	-	-	-	-	-	-	176,512	-	176,512
4	304	Structures & Improvements	3.06%	3.06%	-	-	-	-	-	-	-	1,015	33,133	11,452	21,680
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	26,452	-	26,452	-	-	-	-	66,137	2,171,648	617,663	1,553,985
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,179	38,463	12,752	25,711
11	311	Pumping Equipment	3.06%	3.06%	-	-	-	-	-	-	-	28,012	914,180	309,618	604,562
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	19,220	-	19,220	-	-	-	-	668	31,404	4,506	26,898
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	11,110	362,575	108,077	254,498
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	-	-	-	-	-	-	-	78,083	2,548,306	879,711	1,668,595
19	333	Services	3.06%	3.06%	-	-	-	-	-	-	-	11,509	375,601	112,079	263,522
20	334	Meters	3.06%	3.06%	18,208	-	18,208	-	-	-	-	4,211	146,524	33,741	112,783
21	335	Hydrants	3.06%	3.06%	-	-	-	-	-	-	-	5,615	183,259	63,345	119,914
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	36,551	69,193
24	340	Office Furniture & Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	13,992	-	13,992	-	-	-	-	1,334	50,533	8,085	42,448
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	-	-	-	-	-	-	367	11,964	3,835	8,129
29	344	Laboratory Equipment	3.06%	3.06%	-	-	-	-	-	-	-	243	7,917	2,257	5,659
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,976	64,497	21,364	43,133
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	-	-	-	-	-	-	-	508	16,572	4,499	12,073
34															
35		TOTAL			77,872	-	77,872	-	-	-	-	215,205	7,240,211	2,229,535	5,010,677
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
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Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT2
Schedule B-2.1
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Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2006 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		-	-	-	-	-	-	-	-	176,512	-	176,512
4	304	Structures & Improvements	3.06%	3.06%	-	-	-	-	-	-	-	1,015	33,133	12,468	20,665
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	88,721	-	88,721	-	-	-	-	67,901	2,260,369	685,564	1,574,805
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	12,777	-	12,777	-	-	-	-	1,374	51,241	14,126	37,114
11	311	Pumping Equipment	3.06%	3.06%	9,599	-	9,599	-	-	-	-	28,159	923,779	337,777	586,002
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	4,237	-	4,237	-	-	-	-	1,027	35,641	5,533	30,108
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	11,110	362,575	119,186	243,388
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	-	-	-	-	-	-	-	78,083	2,548,306	957,794	1,590,512
19	333	Services	3.06%	3.06%	45,464	-	45,464	-	-	-	-	12,205	421,065	124,285	296,780
20	334	Meters	3.06%	3.06%	10,020	-	10,020	-	-	-	-	4,643	156,545	38,384	118,160
21	335	Hydrants	3.06%	3.06%	-	-	-	-	-	-	-	5,615	183,259	68,960	114,299
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	39,791	65,953
24	340	Office Furniture & Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	7,479	-	7,479	7,256	(803)	6,453	4,154	1,564	51,559	7,350	44,210
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	-	-	-	-	-	-	367	11,964	4,202	7,762
29	344	Laboratory Equipment	3.06%	3.06%	-	-	-	-	-	-	-	243	7,917	2,500	5,417
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,976	64,497	23,340	41,157
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	-	-	-	-	-	-	-	508	16,572	5,007	11,565
34															
35		TOTAL			178,298	-	178,298	7,256	(803)	6,453	4,154	219,031	7,412,056	2,446,266	4,965,790
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
39

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

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Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2007 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		-	-	-	-	-	-	-	-	176,512	-	176,512
4	304	Structures & Improvements	3.06%	3.06%	-	-	-	-	-	-	-	1,015	33,133	13,483	19,650
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	44,695	-	44,695	-	-	-	-	69,945	2,305,064	755,509	1,549,555
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,570	51,241	15,696	35,544
11	311	Pumping Equipment	3.06%	3.06%	-	-	-	-	-	-	-	28,306	923,779	366,082	557,697
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-	-	-	-	-	1,092	35,641	6,625	29,016
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	11,110	362,575	130,296	232,279
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	-	-	-	-	-	-	-	78,083	2,548,306	1,035,877	1,512,429
19	333	Services	3.06%	3.06%	-	-	-	-	-	-	-	12,902	421,065	137,187	283,878
20	334	Meters	3.06%	3.06%	2,626	-	2,626	-	-	-	-	4,837	159,171	43,221	115,949
21	335	Hydrants	3.06%	3.06%	-	-	-	-	-	-	-	5,615	183,259	74,575	108,684
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	43,031	62,713
24	340	Office Furniture & Equipment	3.06%	3.06%	7,702	-	7,702	-	-	-	-	118	7,702	118	7,584
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,580	51,559	8,929	42,630
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	-	-	-	-	-	-	367	11,964	4,568	7,396
29	344	Laboratory Equipment	3.06%	3.06%	-	-	-	-	-	-	-	243	7,917	2,742	5,174
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,976	64,497	25,316	39,181
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	-	-	-	-	-	-	-	508	16,572	5,515	11,057
34															
35		TOTAL			55,023	-	55,023	-	-	-	-	222,506	7,467,079	2,668,772	4,798,307
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
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Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

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Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2008 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		-	-	-	-	-	-	-	-	176,512	-	176,512
4	304	Structures & Improvements	3.06%	3.06%	40,147	-	40,147	-	-	-	-	1,630	73,280	15,113	58,166
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	-	-	-	-	-	-	-	70,630	2,305,064	826,139	1,478,925
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,570	51,241	17,267	33,974
11	311	Pumping Equipment	3.06%	3.06%	29,600	-	29,600	-	-	-	-	28,759	953,379	394,841	558,537
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-	-	-	-	-	1,092	35,641	7,717	27,924
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	11,110	362,575	141,406	221,169
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	-	-	-	-	-	-	-	78,083	2,548,306	1,113,960	1,434,346
19	333	Services	3.06%	3.06%	-	-	-	-	-	-	-	12,902	421,065	150,089	270,976
20	334	Meters	3.06%	3.06%	6,158	-	6,158	-	-	-	-	4,972	165,329	48,193	117,136
21	335	Hydrants	3.06%	3.06%	-	-	-	-	-	-	-	5,615	183,259	80,190	103,068
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	46,271	59,473
24	340	Office Furniture & Equipment	3.06%	3.06%	-	-	-	-	-	-	-	236	7,702	354	7,348
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,580	51,559	10,509	41,050
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	-	-	-	-	-	-	367	11,964	4,935	7,029
29	344	Laboratory Equipment	3.06%	3.06%	-	-	-	-	-	-	-	243	7,917	2,985	4,932
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,976	64,497	27,292	37,205
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	-	-	-	-	-	-	-	508	16,572	6,023	10,549
34															
35		TOTAL			75,905	-	75,905	-	-	-	-	224,512	7,542,984	2,893,285	4,649,700
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
39

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

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Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2009 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		-	-	-	-	-	-	-	-	176,512	-	176,512
4	304	Structures & Improvements	3.06%	3.06%	-	-	-	-	-	-	-	2,245	73,280	17,359	55,921
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	159,496	-	159,496	-	-	-	-	73,073	2,464,560	899,212	1,565,348
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,570	51,241	18,837	32,404
11	311	Pumping Equipment	3.06%	3.06%	101,607	-	101,607	-	-	-	-	30,769	1,054,986	425,611	629,375
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-	-	-	-	-	1,092	35,641	8,809	26,832
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	11,110	362,575	152,516	210,059
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	-	-	-	-	-	-	-	78,083	2,548,306	1,192,043	1,356,263
19	333	Services	3.06%	3.06%	-	-	-	-	-	-	-	12,902	421,065	162,991	258,074
20	334	Meters	3.06%	3.06%	1,215	-	1,215	-	-	-	-	5,084	166,544	53,277	113,266
21	335	Hydrants	3.06%	3.06%	-	-	-	-	-	-	-	5,615	183,259	85,806	97,453
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	49,512	56,232
24	340	Office Furniture & Equipment	3.06%	3.06%	-	-	-	-	-	-	-	236	7,702	590	7,112
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	13,100	-	13,100	-	-	-	-	1,781	64,659	12,290	52,369
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	-	-	-	-	-	-	367	11,964	5,302	6,663
29	344	Laboratory Equipment	3.06%	3.06%	-	-	-	-	-	-	-	243	7,917	3,228	4,689
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,976	64,497	29,269	35,228
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	-	-	-	-	-	-	-	508	16,572	6,531	10,041
34															
35		TOTAL			275,418	-	275,418	-	-	-	-	229,895	7,818,402	3,123,179	4,695,223
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
39

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT2
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Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2010 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		-	-	-	-	-	-	-	-	176,512	-	176,512
4	304	Structures & Improvements	3.06%	3.06%	-	-	-	-	-	-	-	2,245	73,280	19,604	53,676
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	-	-	-	-	-	-	-	75,517	2,464,560	974,729	1,489,831
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,570	51,241	20,407	30,834
11	311	Pumping Equipment	3.06%	3.06%	2,960	-	2,960	-	-	-	-	32,371	1,057,946	457,982	599,964
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-	-	-	-	-	1,092	35,641	9,901	25,740
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	11,110	362,575	163,625	198,950
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	440,655	-	440,655	-	-	-	-	84,834	2,988,961	1,276,878	1,712,084
19	333	Services	3.06%	3.06%	-	-	-	-	-	-	-	12,902	421,065	175,892	245,172
20	334	Meters	3.06%	3.06%	868	-	868	-	-	-	-	5,116	167,412	58,394	109,018
21	335	Hydrants	3.06%	3.06%	-	-	-	-	-	-	-	5,615	183,259	91,421	91,838
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	52,752	52,992
24	340	Office Furniture & Equipment	3.06%	3.06%	-	-	-	-	-	-	-	236	7,702	826	6,876
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	5,294	-	5,294	-	7,479	7,479	-	1,948	62,473	6,758	55,715
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	-	-	-	-	-	-	367	11,964	5,668	6,296
29	344	Laboratory Equipment	3.06%	3.06%	2,738	-	2,738	-	-	-	-	285	10,654	3,512	7,142
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,976	64,497	31,245	33,252
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	3,802	-	3,802	-	-	-	-	566	20,374	7,097	13,278
34															
35		TOTAL			456,317	-	456,317	-	7,479	7,479	-	240,991	8,267,240	3,356,691	4,910,549
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
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Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT2
Schedule B-2.1
Page 13
Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2011 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		-	-	-	-	-	-	-	-	176,512	-	176,512
4	304	Structures & Improvements	3.06%	3.06%	-	-	-	-	-	-	-	2,245	73,280	21,849	51,430
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	-	-	-	-	-	-	-	75,517	2,464,560	1,050,246	1,414,314
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,570	51,241	21,977	29,264
11	311	Pumping Equipment	3.06%	3.06%	251,879	-	251,879	-	-	-	-	36,276	1,309,825	494,258	815,567
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-	-	-	-	-	1,092	35,641	10,993	24,647
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	11,110	362,575	174,735	187,840
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	1,217,860	-	1,217,860	-	-	-	-	110,244	4,206,822	1,387,121	2,819,700
19	333	Services	3.06%	3.06%	-	-	-	-	-	-	-	12,902	421,065	188,794	232,271
20	334	Meters	3.06%	3.06%	-	-	-	-	-	-	-	5,130	167,412	63,524	103,888
21	335	Hydrants	3.06%	3.06%	313,622	-	313,622	-	-	-	-	10,420	496,881	101,841	395,040
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	55,992	49,752
24	340	Office Furniture & Equipment	3.06%	3.06%	-	-	-	-	-	-	-	236	7,702	1,062	6,640
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	-	-	-	-	1,250	1,250	-	1,895	61,223	7,403	53,820
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	-	-	-	-	-	-	367	11,964	6,035	5,929
29	344	Laboratory Equipment	3.06%	3.06%	-	-	-	-	-	-	-	326	10,654	3,839	6,816
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,976	64,497	33,221	31,276
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	-	-	-	-	-	-	-	624	20,374	7,721	12,653
34															
35		TOTAL			1,783,361	-	1,783,361	-	1,250	1,250	-	275,170	10,049,351	3,630,611	6,418,740
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
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Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT2
Schedule B-2.1
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Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2012 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		-	-	-	-	-	-	-	-	176,512	-	176,512
4	304	Structures & Improvements	3.06%	3.06%	-	-	-	-	-	-	-	2,245	73,280	24,095	49,185
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	-	-	-	-	-	-	-	75,517	2,464,560	1,125,763	1,338,797
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	4,000	-	4,000	-	-	-	-	1,631	55,241	23,608	31,633
11	311	Pumping Equipment	3.06%	3.06%	29,071	-	29,071	-	-	-	-	40,580	1,338,896	534,838	804,059
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-	-	-	-	-	1,092	35,641	12,085	23,555
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	11,110	362,575	185,845	176,730
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	-	-	-	-	-	-	-	128,902	4,206,822	1,516,023	2,690,798
19	333	Services	3.06%	3.06%	-	-	-	-	-	-	-	12,902	421,065	201,696	219,369
20	334	Meters	3.06%	3.06%	177	-	177	-	-	-	-	5,132	167,588	68,656	98,932
21	335	Hydrants	3.06%	3.06%	-	-	-	-	-	-	-	15,225	496,881	117,066	379,815
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	59,232	46,512
24	340	Office Furniture & Equipment	3.06%	3.06%	-	-	-	-	-	-	-	236	7,702	1,298	6,404
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,876	61,223	9,279	51,944
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	-	-	-	-	-	-	367	11,964	6,401	5,563
29	344	Laboratory Equipment	3.06%	3.06%	-	-	-	-	-	-	-	326	10,654	4,165	6,489
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,976	64,497	35,197	29,300
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	3,500	-	3,500	-	-	-	-	678	23,874	8,399	15,475
34															
35		TOTAL			36,748	-	36,748	-	-	-	-	303,036	10,086,099	3,933,647	6,152,451
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
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Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT2
Schedule B-2.1
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Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2013 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		9,562	-	9,562	-	-	-	-	-	186,074	-	186,074
4	304	Structures & Improvements	3.06%	3.06%	-	-	-	-	-	-	-	2,245	73,280	26,340	46,939
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	-	-	-	-	-	-	-	75,517	2,464,560	1,201,280	1,263,280
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,693	55,241	25,301	29,940
11	311	Pumping Equipment	3.06%	3.06%	2,123	-	2,123	-	-	-	-	41,058	1,341,019	575,896	765,123
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-	-	-	-	-	1,092	35,641	13,178	22,463
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	11,110	362,575	196,954	165,620
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	-	-	-	-	-	-	-	128,902	4,206,822	1,644,925	2,561,896
19	333	Services	3.06%	3.06%	-	-	-	-	-	-	-	12,902	421,065	214,598	206,467
20	334	Meters	3.06%	3.06%	177	-	177	-	-	-	-	5,138	167,765	73,794	93,972
21	335	Hydrants	3.06%	3.06%	3,592	-	3,592	-	-	-	-	15,280	500,473	132,346	368,126
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	62,472	43,272
24	340	Office Furniture & Equipment	3.06%	3.06%	-	-	-	-	-	-	-	236	7,702	1,534	6,168
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	-	-	-	13,262	0	13,262	1,979	1,673	47,961	(332)	48,293
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	-	-	-	-	-	-	367	11,964	6,768	5,196
29	344	Laboratory Equipment	3.06%	3.06%	-	-	-	-	-	-	-	326	10,654	4,492	6,163
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,976	64,497	37,174	27,323
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	-	-	-	-	-	-	-	732	23,874	9,130	14,744
34															
35		TOTAL			15,453	-	15,453	13,262	0	13,262	1,979	303,486	10,088,290	4,225,850	5,862,440
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
39

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT2
Schedule B-2.1
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Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2014 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		-	-	-	-	-	-	-	-	186,074	-	186,074
4	304	Structures & Improvements	3.06%	3.06%	4,128	-	4,128	-	-	-	-	2,309	77,407	28,649	48,759
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	119,026	-	119,026	-	-	-	-	77,341	2,583,586	1,278,621	1,304,965
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,693	55,241	26,993	28,247
11	311	Pumping Equipment	3.06%	3.06%	110,058	65,755	175,813	-	-	-	-	43,784	1,516,832	619,680	897,153
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-	-	-	-	-	1,092	35,641	14,270	21,371
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	70,059	70,059	-	-	-	-	1,073	70,059	1,073	68,986
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	11,110	362,575	208,064	154,511
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	293,513	(135,814)	157,699	-	-	-	-	131,318	4,364,521	1,776,243	2,588,277
19	333	Services	3.06%	3.06%	-	-	-	-	-	-	-	12,902	421,065	227,500	193,565
20	334	Meters	3.06%	3.06%	5,028	-	5,028	-	-	-	-	5,218	172,793	79,011	93,782
21	335	Hydrants	3.06%	3.06%	-	-	-	-	-	-	-	15,335	500,473	147,681	352,791
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	65,712	40,032
24	340	Office Furniture & Equipment	3.06%	3.06%	9,252	-	9,252	-	-	-	-	378	16,954	1,912	15,042
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	-	-	-	-	5,636	5,636	-	1,383	42,325	(4,584)	46,910
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	-	-	-	-	-	-	367	11,964	7,135	4,830
29	344	Laboratory Equipment	3.06%	3.06%	-	-	-	-	-	-	-	326	10,654	4,818	5,836
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,976	64,497	39,150	25,347
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	-	-	-	-	-	-	-	732	23,874	9,862	14,012
34															
35		TOTAL			541,005	-	541,005	-	5,636	5,636	-	311,576	10,623,659	4,531,790	6,091,869
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
39

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT2
Schedule B-2.1
Page 17
Witness: Jones

Line No.	NARUC Account No.	Description	Deprec. Before LO Date	Allowed Deprec. Rate	2015 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	301	Organization Cost	0.00%		-	-	-	-	-	-	-	-	1,380	-	1,380
2	302	Franchise Cost	0.00%		-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%		-	-	-	-	-	-	-	-	186,074	-	186,074
4	304	Structures & Improvements	3.06%	3.06%	-	1,647	1,647	-	-	-	-	2,397	79,055	31,046	48,009
5	305	Collecting & Impounding Reservoirs	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.06%	3.06%	-	-	-	-	-	-	-	79,164	2,583,586	1,357,785	1,225,801
8	308	Infiltration Galleries	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	3.06%	3.06%	-	-	-	-	-	-	-	1,693	55,241	28,686	26,555
11	311	Pumping Equipment	3.06%	3.06%	67,147	69,670	136,817	-	16,000	16,000	-	48,329	1,637,650	652,008	985,641
12	320	Water Treatment Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	3.06%	3.06%	-	-	-	-	-	-	-	1,092	35,641	15,362	20,279
15	330	Distribution Reservoirs & Standpipes	3.06%	3.06%	-	-	-	-	-	-	-	2,147	70,059	3,220	66,839
16	330.1	Storage Tanks	3.06%	3.06%	-	-	-	-	-	-	-	11,110	362,575	219,174	143,401
17	330.2	Pressure Tanks	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	3.06%	3.06%	-	782	782	-	100	100	-	133,745	4,365,203	1,909,888	2,455,315
19	333	Services	3.06%	3.06%	-	2,253	2,253	-	300	300	-	12,932	423,018	240,132	182,886
20	334	Meters	3.06%	3.06%	14,202	962	15,163	-	481	481	-	5,520	187,476	84,050	103,426
21	335	Hydrants	3.06%	3.06%	-	6,827	6,827	-	1,250	1,250	-	15,421	506,050	161,852	344,198
22	336	Backflow Prevention Devices	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc. Equipment	3.06%	3.06%	-	-	-	-	-	-	-	3,240	105,744	68,952	36,792
24	340	Office Furniture & Equipment	3.06%	3.06%	916	-	916	-	-	-	-	534	17,870	2,445	15,424
25	340.1	Computers & Software	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	3.06%	3.06%	40,977	-	40,977	-	23,932	23,932	-	1,558	59,370	(26,958)	86,328
27	342	Stores Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	3.06%	3.06%	-	1,103	1,103	-	200	200	-	380	12,867	7,315	5,552
29	344	Laboratory Equipment	3.06%	3.06%	2,755	-	2,755	-	-	-	-	369	13,409	5,187	8,223
30	345	Power Operated Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	3.06%	3.06%	-	976	976	-	350	350	-	1,986	65,123	40,786	24,337
32	347	Miscellaneous Equipment	3.06%	3.06%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	3.06%	3.06%	3,606	-	3,606	-	-	-	-	787	27,480	10,649	16,832
34															
35		TOTAL			129,603	84,220	213,823	-	42,612	42,612	-	322,401	10,794,870	4,811,578	5,983,292
36															
37															
38															
39															

37 Workpaper:
38 RV Plant Workpaper.xlsx; Tabs:Wtr Summary, Water Plant
39

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Computation of Working Capital

Exhibit: RLJ-DT2
Schedule B-5
Page 1
Witness: Jones

Line No.		Working Capital
1		
2	Cash Working Capital	$ -
3		
4		
5	Material and Supplies Inventories	-
6		
7	Working Funds and Special Deposits	92,483
8		
9	Prepayments	-
10		
11	Total Working Capital Allowance	$ 92,483
12		
13	Supporting Schedules:	
14	E-1	
15		

Reconciliation of 2016 DSR to B/S

Current Balance Per B/S	170,149
Less DSR for 1996 Co-Bank	(77,667)
	92,483

Recap Schedules:
B-1

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Adjusted Test Year Income Statement

Exhibit: RLJ-DT2
Schedule C-1
Page 1
Witness: Jones

Line No.			Actual for Test Year Ended 12/31/2015	Total Pro forma Adjustments	Test Year Results After Pro forma Adjustments	Proposed Rate Increase	Adjusted With Rate Increase
1	**Revenues**						
2	460	Unmetered Water Revenue	$ -	$ -	$ -	-	$ -
3	461	Metered Water Revenues	1,371,546	-	1,371,546	589,348	1,960,895
4	471	Miscellaneous Service Revenue	4,680	-	4,680	-	4,680
5	474	Other Water Revenues	35,000	(35,000)	-	-	-
6	**Total Revenues**		$ 1,411,227	$ (35,000)	$ 1,376,227	$ 589,348	$ 1,965,575
7	**Operating Expenses**						
8	601	Salaries and Wages	$ 130,280	$ 4,477	$ 134,757		$ 134,757
9	603	Salaries and Wages - Officers and Directors	-	-	-		-
10	604	Employee Pension and Benefits	17,501	5,775	23,276		23,276
11	610	Purchased Water	101,286	(101,286)	-		-
12	615	Purchased Power	258,475	9,097	267,572		267,572
13	618	Chemicals	17,561	-	17,561		17,561
14	620	Repairs and Maintenance	263,912	(89,978)	173,934		173,934
15	621	Office Supplies Expense	14,527	-	14,527		14,527
16	630	Outside Services	106,275	30	106,305		106,305
17	635	Contractual Services - Testing	5,082	(1,365)	3,717		3,717
18	641	Rent - Buildings	24,273				
19	642	Rent - Equipment	4,363	-	4,363		4,363
20	650	Transportation Expense	9,559	-	9,559		9,559
21	656	Insurance - Vehicle	-	-	-		-
22	657	Insurance - General Liability	16,873	15,000	31,873		31,873
23	658	Insurance - Workman's Compensation	-	-	-		-
24	659	Insurance - Other	-	-	-		-
25	660	Advertising Expense	-	-	-		-
26	666	Regulatory Commission Expense - Rate Case	-	25,000	25,000		25,000
27	667	Regulatory Expense - Other	-	-	-		-
28	670	Bad Debt Expense	839	-	839	359	1,199
29	675	Miscellaneous Expense	8,432	12,730	21,162		21,162
30	403	Depreciation Expense	274,659	33,998	308,657		308,657
31	408	Taxes Other Than Income	18,942	-	18,942		18,942
32	408.11	Property Taxes	57,721	(13,516)	44,205	6,384	50,589
33	409	Income Tax	3,028	34,787	37,815	229,897	267,712
34	**Total Operating Expenses**		$ 1,333,588	$ (65,251)	$ 1,268,337	$ 236,641	$ 1,504,977
35	**Operating Income**		$ 77,639	$ 30,251	$ 107,890	$ 352,708	$ 460,598
36	**Other Income (Expense)**						
37	419	Interest and Dividend Income	102	-	102		102
38	421	Non-Utility Income	-	-	-		-
39	426	Miscellaneous Non-Utility Expenses	-	-	-		-
40	427	Interest Expense	(25,680)	8,803	(16,877)		(16,877)
41	428	Amortization of Finance Fees	(626)	-	(626)		(626)
42	**Total Other Income (Expense)**		$ (26,203)	$ 8,803	$ (17,400)	$ -	$ (17,400)
43	**Net Income (Loss)**		$ 51,435	$ 39,055	$ 90,490	$ 352,708	$ 443,198
44							
45	Supporting Schedules:				Recap Schedules:		
46	E-2				A-1		
47	C-2						
48							

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Pro forma Adjustments

Exhibit: RLJ-DT2
Schedule C-2
Page 1
Witness: Jones

Line No.			Actual for Test Year Ended 12/31/2015	ADJ IS-1	ADJ IS-2	ADJ IS-3	ADJ IS-4	ADJ IS-5	ADJ IS-6	ADJ IS-7
1		**Revenues**								
2	460	Unmetered Water Revenue	$ -							
3	461	Metered Water Revenues	1,371,546							
4	471	Miscellaneous Service Revenue	4,680							
5	474	Other Water Revenues	35,000	(35,000)						
6		**Total Revenues**	$ 1,411,227	$ (35,000)	$ -	$ -	$ -	$ -	$ -	$ -
7		**Operating Expenses**								
8	601	Salaries and Wages	$ 130,280		$ 4,477					
9	603	Salaries and Wages - Officers and Directors	-							
10	604	Employee Pension and Benefits	17,501			$5,775				
11	610	Purchased Water	101,286				(101,286)			
12	615	Purchased Power	258,475						5,758	3,339
13	618	Chemicals	17,561							
14	620	Repairs and Maintenance	263,912					(84,220)	(5,758)	
15	621	Office Supplies Expense	14,527							
16	630	Outside Services	106,275							
17	635	Contractual Services - Testing	5,082							
18	641	Rent - Buildings	24,273							
19	642	Rent - Equipment	4,363							
20	650	Transportation Expense	9,559							
21	656	Insurance - Vehicle	-							
22	657	Insurance - General Liability	16,873							
23	658	Insurance - Workman's Compensation	-							
24	659	Insurance - Other	-							
25	660	Advertising Expense	-							
26	666	Regulatory Commission Expense - Rate Case	-							
27	667	Regulatory Expense - Other	-							
28	670	Bad Debt Expense	839							
29	675	Miscellaneous Expense	8,432							
30	403	Depreciation Expense	274,659							
31	408	Taxes Other Than Income	18,942							
32	408	Property Taxes	57,721							
33	409	Income Tax	3,028							
34		**Total Operating Expenses**	$ 1,333,588	$ -	$ 4,477	$ 5,775	$ (101,286)	$ (84,220)	$ -	$ 3,339
35		**Operating Income**	$ 77,639	$ (35,000)	$ (4,477)	$ (5,775)	$ 101,286	$ 84,220	$ -	$ (3,339)
36		**Other Income (Expense)**								
37	419	Interest and Dividend Income	102							
38	421	Non-Utility Income	-							
39	426	Miscellaneous Non-Utility Expenses	-							
40	427	Interest Expense	(25,680)							
41	428	Amortization of Finance Fees	(626)							
42		**Total Other Income (Expense)**	$ (26,203)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
43		**Net Income (Loss)**	$ 51,435	$ (35,000)	$ (4,477)	$ (5,775)	$ 101,286	$ 84,220	$ -	$ (3,339)
44										
45		Supporting Schedules:								
46										
47										

Recap Schedules:
C-1

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Pro forma Adjustments

Exhibit: RLJ-DT2
Schedule C-2
Page 2
Witness: Jones

Line No.		ADJ IS-8	ADJ IS-9	ADJ IS-10	ADJ IS-11	ADJ IS-12	ADJ IS-13	ADJ IS-14	Total Adjustments	Test Year Adjusted Results
1	**Revenues**									
2	460 Unmetered Water Revenue								$ -	$ -
3	461 Metered Water Revenues								-	1,371,546
4	471 Miscellaneous Service Revenue								-	4,680
5	474 Other Water Revenues								(35,000)	-
6	**Total Revenues**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (35,000)	$ 1,376,227
7	**Operating Expenses**									
8	601 Salaries and Wages								$ 4,477	$ 134,757
9	603 Salaries and Wages - Officers and Directors								-	-
10	604 Employee Pension and Benefits								5,775	23,276
11	610 Purchased Water								(101,286)	-
12	615 Purchased Power								9,097	267,572
13	618 Chemicals								-	17,561
14	620 Repairs and Maintenance								(89,978)	173,934
15	621 Office Supplies Expense								-	14,527
16	630 Outside Services		30						30	106,305
17	635 Contractual Services - Testing		(1,365)						(1,365)	3,717
18	641 Rent - Buildings								-	24,273
19	642 Rent - Equipment								-	4,363
20	650 Transportation Expense									
21	656 Insurance - Vehicle								-	-
22	657 Insurance - General Liability	15,000							15,000	31,873
23	658 Insurance - Workman's Compensation								-	-
24	659 Insurance - Other								-	-
25	660 Advertising Expense								-	-
26	666 Regulatory Commission Expense - Rate Case			25,000					25,000	25,000
27	667 Regulatory Expense - Other								-	-
28	670 Bad Debt Expense								-	839
29	675 Miscellaneous Expense		12,730						12,730	21,162
30	403 Depreciation Expense					33,998			33,998	308,657
31	408 Taxes Other Than Income								-	18,942
32	408 Property Taxes		(11,394)				(2,122)		(13,516)	44,205
33	409 Income Tax							34,787	34,787	37,815
34	**Total Operating Expenses**	$ 15,000	$ -	$ 25,000	$ -	$ 33,998	$ (2,122)	$ 34,787	$ (65,251)	$ 1,268,337
35	**Operating Income**	$ (15,000)	$ -	$ (25,000)	$ -	$ (33,998)	$ 2,122	$ (34,787)	$ 30,251	$ 107,890
36	**Other Income (Expense)**									
37	419 Interest and Dividend Income								-	102
38	421 Non-Utility Income								-	-
39	426 Miscellaneous Non-Utility Expenses								-	-
40	427 Interest Expense				8,803				8,803	(16,877)
41	428 Amortization of Finance Fees								-	(626)
42	**Total Other Income (Expense)**	$ -	$ -	$ -	$ 8,803	$ -	$ -	$ -	$ 8,803	$ (17,400)
43	**Net Income (Loss)**	$ (15,000)	$ -	$ (25,000)	$ 8,803	$ (33,998)	$ 2,122	$ (34,787)	$ 39,055	$ 90,490
44										
45	Supporting Schedules:									
46										
47										

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-1

Exhibit: RLJ-DT2
Schedule C-2
Page 3
Witness: Jones

Line No.				
1	Normalize Hook Up Fee Revenue			
2				
3	This adjustment removes Hook Up Fee revenues from test year revenue to reflect			
4	the discontinuance of recording Hook Up Fees as revenue.			
5				
6			Test Year	
7	NARUC	Account	Amount	
8	474	Other Water Revenues	35,000.00	
9				
10	Increase/(Decrease) in Other Water Revenues			$ (35,000.00)
11				
12				

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-2

Exhibit: RLJ-DT2
Schedule C-2
Page 4
Witness: Jones

Line No.

1 Normalize Salaries and Wages Expense

2

3 This adjustment increases Salaries and Wages Expense (and related taxes)
4 to reflect changes in pay rates.

5

	NARUC	Account	Test Year Amount	Normalized Amount	Adjustment	
6						
7						
8	601	Salaries and Wages - Employees	$ 130,280.11	$ 134,188.51	$ 3,908.40	3% Wage Increase
9	408	Taxes Other than Income	18,942.05	19,510.31	568.26	3% Wage Increase
10			$ 149,222.16	$ 153,698.82	$ 4,476.66	
11						
12	Increase/(Decrease) in Salaries and Wages				$ 4,476.66	

13

14

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-3

Exhibit: RLJ-DT2
Schedule C-2
Page 5
Witness: Jones

Line No.				
1	Normalize Employee Pension and Benefits Expense			
2				
3	This adjustment increases Employee Benefits Expense to reflect an increase in Health			
4	Insurance Premium effective June 1, 2016.			
5				
6		Total Increase in Health Insurance Premium	$ 11,550.00	
7		Allocation to Water Division	50.00%	
8			$ 5,775.00	
9				
10	NARUC	Account	Adjustment	
11	604	Employee Pension and Benefits	$ 5,775.00	
12				
13				
14	Increase/(Decrease) in Employee Pension and Benefits			$ 5,775.00
15				
16				

Line No.

1 Normalize Purchased Water Expense

2

3 This adjustment removes Purchased Water Expense and related costs from test year expenses to reflect future
4 recovery of Purchased Water Expense and related costs through a Sustainable Water Surcharge.

5

	Item	Test Year Amount
6		
7	Item	Amount
8	SRP Groundwater Charge	$ 15,450.80
9	CAP Purchased Water	78,273.92
10	DWR Surcharge	7,560.87
11		$ 101,285.59

12

13

14 Increase/(Decrease) in Purchase Water Expense $ (101,285.59)

15

16

17 Workpaper:
18 RV Plant Workpaper.xlsx. Tab: Pur Wat
19

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-5

Exhibit: RLJ-DT2
Schedule C-2
Page 7
Witness: Jones

Line No.

1 Reclassify Repairs and Maintenance Expense to Capital

2

3 This adjustment removes costs that are properly capitalized from Repairs and Maintenance
4 Expenses.

7

8

9 Date	Trans. Description	Test Year Amount	Notes
10 3/17/2015	HD Supply Waterworks, LTD	961.50	Meters
11 3/25/2015	HD Supply Waterworks, LTD	782.21	Air Valve
12 4/16/2015	Grainger	1,647.36	Skylight Fall Protection
13 6/30/2015	W/O Layne Christensen repair Well #6	48,844.25	Bearing Replacement
14 7/2/2015	USA Blue Book	1,103.09	Water Service Line Puller
15 7/7/2015	HD Supply Waterworks, LTD	1,116.81	Copper Tubing
16 7/21/2015	HD Supply Waterworks, LTD	591.53	Water Meter Boxes
17 7/28/2015	USA Blue Book	975.62	Data Logger
18 7/31/2015	HD Supply Waterworks, LTD	1,187.26	Fire Hydrant
19 8/6/2015	HD Supply Waterworks, LTD	545.03	Water Meter Boxes
20 8/11/2015	Rio Verde Landscape, Inc.	3,298.21	Labor Replace FH
21 10/19/2015	Rio Verde Landscape, Inc.	2,341.76	Replace Fire Hydrant
22 7/29/2015	Pump, Valve & Control Svc, INC	1,146.28	Tax New Well 8 VFD
23 8/24/2015	Pump, Valve & Control Svc, INC	4,411.39	Well 5 Contactor Replacement
24 8/25/2015	Pump, Valve & Control Svc, INC	15,267.81	Labor to Install New Well 8 VFD
25			
26	Total Reclassified Repairs and Maintenance Expense	84,220.11	

27

28 Increase / (Decrease) in Repairs and Maintenance Expense $ (84,220.11)

29

30 Workpaper:
31 RV Rate Case Data.xlsx. Tab: Cap R&M
32

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-6

Exhibit: RLJ-DT2
Schedule C-2
Page 8
Witness: Jones

Line No.			
1	Reclassify Repairs and Maintenance Expense to Purchased Power		
2			
3	This adjustment reclassifies costs for electicity from Repairs and Maintenance Expenses		
4	to Purchased Power Expenses.		
5			
6			
7		Test Year	
8	Item	Amount	
9	Booster Pump Vista	$ 5,757.83	
10			
11			
12	Increase/(Decrease) in Repairs and Maintenance Expense		$ (5,757.83)
13			
14	Increase/(Decrease) in Purchased Power Expense		$ 5,757.83
15			
16	Workpaper:		
17			
18			

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-7

Exhibit: RLJ-DT2
Schedule C-2
Page 9
Witness: Jones

Line No.

1 Normalize Purchased Power Expense

2

3 SRP implemented a 5.9% rate increase effective with April 2015 Billing cycle (payable in May). This adjustment
4 increase billings prior to the April billing cycle by 5.9% to normalize purchased power costs.

5

	NARUC	Account	Adjusted Test Year Amount	Jan - April Amount	Adjustment	
6						
7						
8						
9	615	Purchased Power	$ 264,232.87	$ 56,600.07	$ 3,339.40	5.9% Rate Increase
10						
11						
12	Increase/(Decrease) in Purchased Power				$ 3,339.40	

13

14 Workpaper:
15 RV Rate Case Data.xlsx. Tab: Pwr Wat

16

17

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-8

Exhibit: RLJ-DT2
Schedule C-2
Page 10
Witness: Jones

Line No.				
1	Normalize Insurance - General Liability Expense			
2				
3	This adjustment increases Insurance - General Liability Expense to reflect an increase			
4	in general Liability and property insurance Premium effective for 2016.			
5				
6		Total Increase in Insurance Premium	$ 30,000.00	
7		Allocation to Water Division	50.00%	
8			$ 15,000.00	
9				
10	NARUC	Account	Adjustment	
11	657	Insurance - General Liability	$ 15,000.00	
12				
13				
14	Increase/(Decrease) in Insurance - General Liability			$ 15,000.00
15				
17				
18				

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-9

Exhibit: RLJ-DT2
Schedule C-2
Page 11
Witness: Jones

Line No.

1 Reclassify Property Tax Expense to Correct NARUC Accounts

2

3 This adjustment removes costs from Property Tax Expense that are properly
4 charged to other NARUC expense accounts.

5

	NARUC	Item	Test Year Amount	Adjustment Amount	Adjusted TY Amount
6					
7					
8	408.11	Amount Per Books	57,720.56	(11,394.32)	46,326.24
9	635	MAP Refund	-	(1,365.40)	(1,365.40)
10	630	AZ Blue Stake	-	29.87	29.87
11	675	Permitting Fees (various agencies)	-	12,729.85	12,729.85
12			57,720.56	-	57,720.56

13

14

15 Increase/(Decrease) in Property Tax Expense $ (11,394.32)

16

17 Increase/(Decrease) in Contractual Services - Testing Expense $ (1,365.40)

18

19 Increase/(Decrease) in Outside Services Expense $ 29.87

20

21 Increase/(Decrease) in Miscellaneous Expenses $ 12,729.85

22

23 Workpaper:
24 RV Rate Case Data.xlsx. Tab: Tax & License
25

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-10

Exhibit: RLJ-DT2
Schedule C-2
Page 12
Witness: Jones

Rate Case Expense

Line No.			
1	Estimated Rate Case Expense	$	100,000
2			
3	Amortization Period (Years)		4
4			
5	Annualized Rate Case Expense	$	25,000
6			
7	Test Year Rate Case Expense		-
8			
9	Increase / (Decrease) in Rate Case Expense	$	25,000
10			

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-11

Exhibit: RLJ-DT2
Schedule C-2
Page 13
Witness: Jones

Synchronize Interest Expense with Rate Base

Line No.				
1	Adjusted Rate Base	$	4,919,403	Sch. B-1
2				
3	Weighted Cost of Long-Term Debt		0.3431%	Sch. D-1
4	Weighted Cost of Short-Term Debt		0.0000%	Sch. D-1
5				
6	Synchronized Long-Term Interest	$	16,877	
7	Synchronized Short-Term Interest		-	
8	Synchronized Interest Expense		16,877	
9				
10	Test Year Interest Expense		25,680	
11				
12	Increase / (Decrease) In Interest Expense		(8,803)	
13				

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-12

Exhibit: RLJ-DT2
Schedule C-2
Page 14
Witness: Jones

Normalize Depreciation Expense

Line No.	Acct	Description	Adjusted Test Year Balance 12/31/2015	Depreciable Plant	Proposed Depreciation Rate	Depreciation Expense
1						
2	301	Organization Cost	$ 1,380	$ -		$ -
3	302	Franchise Cost	-	-		-
4	303	Land and Land Rights	186,074	-		-
5	304	Structures & Improvements	79,055	79,055	3.33%	2,633
6	305	Collecting & Impounding Reservoirs	-	-	2.50%	-
7	306	Lake, River, Canal Intakes	-	-	2.50%	-
8	307	Wells & Springs	2,583,586	2,583,586	3.33%	86,033
9	308	Infiltration Galleries	-	-	6.67%	-
10	309	Raw Water Supply Mains	-	-	2.00%	-
11	310	Power Generation Equipment	55,241	55,241	5.00%	2,762
12	311	Pumping Equipment	1,637,650	1,637,650	5.00%	81,882
13	320	Water Treatment Equipment	-	-	3.33%	-
14	320.1	Water Treatment Plants	-	-	3.33%	-
15	320.2	Solution Chemical Feeders	35,641	35,641	20.00%	7,128
16	330	Distribution Reservoirs & Standpipes	70,059	70,059	2.22%	1,555
17	330.1	Storage Tanks	437,575	437,575	2.22%	9,714
18	330.2	Pressure Tanks	-	-	5.00%	-
19	331	Transmission & Distribution Mains	4,365,203	4,365,203	2.00%	87,304
20	333	Services	423,018	423,018	3.33%	14,087
21	334	Meters	187,476	187,476	6.67%	12,505
22	335	Hydrants	506,050	506,050	2.00%	10,121
23	336	Backflow Prevention Devices	-	-	6.67%	-
24	339	Other Plant & Misc. Equipment	105,744	105,744	6.67%	7,053
25	340	Office Furniture & Equipment	17,870	17,870	6.67%	1,192
26	340.1	Computers & Software	-	-	20.00%	-
27	341	Transportation Equipment	81,729	81,729	20.00%	16,346
28	342	Stores Equipment	-	-	4.00%	-
29	343	Tools, Shop & Garage Equipment	12,867	12,867	5.00%	643
30	344	Laboratory Equipment	13,409	13,409	10.00%	1,341
31	345	Power Operated Equipment	-	-	5.00%	-
32	346	Communication Equipment	155,123	155,123	10.00%	15,512
33	347	Miscellaneous Equipment	-	-	10.00%	-
34	348	Other Tangible Plant	27,480	27,480	10.00%	2,748
35		TOTALS	$ 10,982,229	$ 10,794,775		$ 360,560
36						
37		Less: Amortization of CIAC	$ 1,553,924		3.3401%	$ 51,903
38						
39		Adjusted Test Year Depreciation Expense				$ 308,657
40						
41		Test Year Depreciation Expense				$ 274,659
42						
43		Increase / (Decrease) in Depreciation Expense				$ 33,998
44						
49						

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-13

Exhibit: RLJ-DT2
Schedule C-2
Page 15
Witness: Jones

Property Tax Expense

Line No.	Description	Company As Adjusted	Company Proposed
1	Adjusted Test Year Revenue	$ 1,376,227	$ 1,376,227
2	Adjusted Test Year Revenue	1,376,227	1,376,227
3	Adjusted Test Year Revenue	1,376,227	
4	Proposed Revenues after Increase		1,965,575
5	Average of three year's of revenue	1,376,227	1,572,676
6	Average of three year's of revenue, times 2	2,752,453	3,145,352
7	Add:		
8	Construction Work In Progress at 10%	1,164	1,164
9	Deduct:		
10	Net Book Value of Transportation Equipment	33,131	33,131
11			
12	Full Cash Value	2,720,487	3,113,386
13	Assessment Ratio	18.0%	18.0%
14	Assessed Value	489,688	560,409
15	Property Tax Rate (2014 Tax Year)	9.0271%	9.0271%
16			
17	Adjusted Test Year Property Tax	$ 44,205	
18	Recorded Test Year Property Tax	46,326	
19	Test Year Adjustment	$ (2,122)	
20			
21	Property Tax at Proposed Rates		$ 50,589
22	Adjusted Test Year Property Tax		44,205
23	Increase in Property Tax due to Rate Increase		$ 6,384
24			
25	Calculation of Property Tax Factor		
26	Increase to Property Tax Expense		$ 6,384
27	Increase in Revenue Requirement		$ 589,348
28	Property Tax Factor (L25 / L26)		1.0833%
29			

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-14

Exhibit: RLJ-DT2
Schedule C-2
Page 16
Witness: Jones

Income Tax Expense

Line No.	Description		Adjusted Test Year	Proposed with Increase
1				
2	Calculation of Income Tax:			
3	Revenue		$ 1,376,227	$ 1,965,575
4	Less: Operating Expenses (Excluding Income Taxes)		1,230,522	1,237,265
5	Less: Synchronized Interest		16,877	16,877
6	Arizona Taxable Income		$ 128,828	$ 711,433
7				
8	All Income at 5.5000%		$ 7,086	$ 39,129
9				
10	Arizona Income Tax		$ 7,086	$ 39,129
11				
12	Federal Taxable Income		$ 121,743	$ 672,304
13				
14	Federal Tax on First Income Bracket ($1 - $50,000) @ 15%		$ 7,500	$ 7,500
19	Federal Tax on Second Income Bracket ($50,001 - 75,000) @ 25%		6,250.00	6,250.00
20	Federal Tax on Third Income Bracket ($75,001 - 100,000) @ 34%		8,500.00	8,500.00
21	Federal Tax on Fourth Income Bracket ($100,001 - 335,000) @ 39%		8,479.71	91,650.00
22	Federal Tax on Fifth Income Bracket ($335,001 - 10,000,000) @ 34%		-	114,683.50
23	Federal Tax on Sixth Income Bracket ($10,000,001 - 15,000,000) @ 35%		-	-
24	Federal Tax on Seventh Income Bracket ($15,000,001 - 18,333,333) @ 38%		-	-
25	Federal Tax on Eighth Income Bracket ($18,333,334 - .....) @ 35%		-	-
15				
16	Total Federal Income Tax		$ 30,730	$ 228,583
17				
18	Combined Federal and State Income Tax		$ 37,815	$ 267,712
19				
20	Effective State Tax Rate		5.5000%	5.5000%
21	Effective Federal Tax Rate		25.2415%	34.0000%
22	Effective Combined Tax Rate		29.3532%	37.6300%
23				
24	Applicable Arizona State Income Tax Rate (Rate Applicable to Revenue Increase)			5.5000%
25	Applicable Federal Income Tax Rate (Rate Applicable to Revenue Increase)			35.9367%
26				
27	Calculation of Interest Synchronization			
28	Rate Base	$ 4,919,403		
29	Weighted Average Cost of Debt	0.3431%		
30	Synchronized Interest	$ 16,877		
31				
32	Income Tax Adjustments			
33	Test Year Income Taxes - Booked		$ 3,028	
34	Increase / (decrease) in Income Taxes (L21 - L32)		34,787	
35				
36	Test Year Income Taxes - Adjusted			$ 37,815
37	Increase / (decrease) in Federal Income Taxes (L21 - L35)			229,897
38				
39	Note: Income Tax calculated on stand-alone basis because result is same as on a combined basis			

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Computation of Gross Revenue Conversion Factor

Exhibit: RLJ-DT2
Schedule C-3
Page 1
Witness: Jones

Line No.	Calculation of Gross Revenue Conversion Factor		
1	Revenue	100.0000%	
2	Uncollectable Factor (Line 11)	0.0369%	
3	Revenue (L1 - L2)	99.9631%	
4	Combined Income Tax and Property Tax Rate (Line 23)	40.1160%	
5	Operating Income Percentage (L3 -L4)	59.8471%	
6	Gross Revenue Conversion Factor (L1 / L5)	1.670925	
	Calculation of Uncollectable Factor		
7	Unity	100.0000%	
8	Combined Federal and State Tax Rate (Line 17)	39.4602%	
9	One Minus Combined Federal and State Tax Rate (L7 - L8)	60.5398%	
10	Uncollectable Rate (Line 26)	0.0610%	
11	Uncollectable Factor (L9 * L10)	0.0369%	
	Calculation of Effective Tax Rate		
12	Operating Income Before Taxes	100.0000%	
13	Applicable Arizona State Tax Rate (from Schedule C-2)	5.5000%	
14	Federal Taxable Income (L12 - L13)	94.5000%	
15	Applicable Federal Tax Rate (from Schedule C-2)	35.9367%	
16	Effective Federal Tax Rate (L14 * L15)	33.9602%	
17	Combined Federal and State Tax Rate (L13 + L16)		39.4602%
	Calculation of Effective Property Tax Rate		
18	Unity	100.0000%	
19	Combined Federal and State Tax Rate (Line 17)	39.4602%	
20	One Minus Combined Income Tax Rate (L18 - L19)	60.5398%	
21	Property Tax Factor (from Schedule C-2)	1.0833%	
22	Effective Property Tax Factor (L20 * L21)		0.6558%
23	Combined Federal and State Income Tax Rate and Property Tax Rate (L17 + L22)		40.1160%

	Calculation of Uncollectable Rate		
24	Bad Debt Expense (from Schedule C-1)	$	839
25	Total Revenues (from Schedule C-1)		1,376,227
26	Uncollectable Rate (L24 / L25)		0.0610%
27	Revenue Increase (from Schedule C-1)	$	589,348
28	Uncollectable Rate (Line 26)		0.0610%
29	Bad Debt Expense due to Increase	$	359

30	Supporting Schedules:	Recap Schedules:
31		A-1

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Summary Cost of Capital

Exhibit: RLJ-DT2
Schedule D-1
Page 1
Witness: Jones

Line No.	Invested Capital	End of Test Year (Adjusted) Amount	Percent of Total	Cost Rate	Weighted Cost	End of Projected Year (Current Rates) Amount	Percent of Total	Cost Rate	Weighted Cost	End of Projected Year (Proposed Rates) Amount	Percent of Total	Cost Rate	Weighted Cost
1													
2	Long-Term Debt	$ 484,310	9.56%	4.0720%	0.3894%	$ 498,329	9.80%	3.5000%	0.3431%	$ 498,329	9.17%	3.5000%	0.3208%
3													
4	Short-Term Debt	$ -	0.00%		0.0000%	$ -	0.00%		0.0000%	$ -	0.00%		0.0000%
5													
6	Adjusted Common Equity	$ 4,579,902	90.44%	10.0000%	9.0437%	$ 4,585,687	90.20%	10.0000%	9.0198%	$ 4,938,395	90.83%	10.0000%	9.0834%
7													
8	Totals	$ 5,064,213	100.00%		9.4331%	$ 5,084,016	100.00%		9.3629%	$ 5,436,724	100.00%		9.4042%
9													
10													
11	Required Rate of Return				9.3629%								
12													
13													
14	Equity Adjustments												
15	Common Equity per Sch. E-1	$ 4,495,844											
16													
17	PIS Equity Adjustments	$ 83,418											
18	A/D Equity Adjustments	(5,570)											
19	AIAC Equity Adjustment	-											
20	CIAC Equity Adjustment	9,239											
21	AA CIAC Equity Adjustment	(3,027)											
22													
23													
24	Adjusted Common Equity	$ 4,579,902											
25													
26													
27	Supporting Schedules:												
28	D-2 D-3												
29	D-4 E-1												
30													

Projected Debt 12/31/16		
2001 Co-Bank Loan	953,739	
Water Percentage	52.25%	Per Decision No. 63585
Sewer Percentage	47.75%	Per Decision No. 63585
Water Balance	498,329	
Sewer Balance	455,411	

Recap Schedules:
A-3

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Cost of Long-Term and Short-Term Debt

Exhibit: RLJ-DT2
Schedule D-2
Page 1
Witness: Jones

Line No.		End of Test Year			End of Projected Year		
1							
2		Amount Outstanding	Annual Interest	Interest Rate	Amount Outstanding	Annual Interest	Interest Rate
3							
4	Total Company Long-Term Debt						
5	1996 Co-Bank (Fixed)	$ 50,804.00	$ 4,979	9.80%	$ -	$ -	
6	1996 Co-Bank (Variable)	50,804.00	1,778	3.50%	-	-	
7	1996 Second AZ	65,027.00	6,373	9.80%	-	-	
8	2001 Co-Bank (Variable)	1,109,168	38,821	3.50%	953,739	33,381	3.50%
9							
10	Total Long-Term Debt	$ 1,275,803	$ 51,950	4.072%	$ 953,739	$ 33,381	3.500%
11							
12	Short-Term Debt						
13	None Outstanding						
14							
15							
16	Total Short-Term Debt	$ -	$ -	0.000%	$ -	$ -	0.000%
17							
18	Total All Debt	$ 1,275,803	$ 51,950	4.072%	$ 953,739	$ 33,381	3.50%
19							
20							
21	Water Division Allocation	$ 484,310	25,680	4.07%	$ 498,329	17,442	3.50%
22							
23							
24	Supporting Schedules:						Recap Schedules:
25	E-1						D-1
26							

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Cost of Preferred Stock

Exhibit: RLJ-DT2
Schedule D-3
Page 1
Witness: Jones

Line No.		
1		
2	Not Applicable - No preferred stock issued or outstanding	
3		
4	Supporting Schedules:	Recap Schedules:
5		D-1
6		

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Cost of Common Equity

Exhibit: RLJ-DT2
Schedule D-4
Page 1
Witness: Jones

Line No.		
1		
2	Rio Verde Utilities, Inc. - Water Division is proposing an 10.0% cost of common equity per its filed testimony	
3		
4	Supporting Schedules:	Recap Schedules:
5		D-1
6		

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Comparative Balance Sheet

Exhibit: RLJ-DT2
Schedule E-1
Page 1
Witness: Jones

Line No.		Test Year Ended 12/31/2015	Prior Year Ended 12/31/2014	Prior Year Ended 12/31/2013
1	**ASSETS**			
2	**PROPERTY PLANT AND EQUIPMENT**			
3	101 Utility Plant In Service	$ 10,767,627	$ 10,638,024	$ 10,097,020
4	103 Property Held for Future Use	-	-	293,513
5	105 Construction Work in Progress	11,643	5,289	-
6	108 Less: Accumulated Depreciation	(4,862,383)	(4,540,180)	(4,228,250)
7	**Net Plant**	$ 5,916,887	$ 6,103,134	$ 6,162,282
8				
9	**CURRENT ASSETS**			
10	131 Cash and Equivalents	$ 107,875	$ 97,181	$ 26,017
11	132 Special Deposits	170,149	171,776	171,689
12	141 Customer Accounts Receivable	92,091	66,224	56,685
13	142 Other Accounts Receivable	-	1,364	19,836
14	145 Accounts Receivable from Associated Companies	-	-	50
15	151 Plant Materials and Supplies	1,425	2,440	1,185
16	162 Prepayments	32,951	74,191	69,566
17	174 Miscellaneous Current and Accrued Assets	106,690	115,023	113,638
18	**Total Current Assets**	$ 511,181	$ 528,198	$ 458,666
19				
20	**DEFERRED DEBITS**			
21	181 Unamortized Debt and Discount Expense	3,286	3,883	4,446
22	186 Miscellaneous Deferred Debits	6,536	1,008	-
23	190 Accumulated Deferred Income Taxes	5,451	$ 7,689	$ 10,733
24	**Total Deferred Debits**	$ 15,274	$ 12,580	$ 15,179
25				
26	**TOTAL ASSETS**	$ 6,443,342	$ 6,643,911	$ 6,636,128
27				
28	**LIABILITIES AND STOCKHOLDERS' EQUITY**			
29	**CAPITAL ACCOUNTS**			
30	201 Common Stock Issued	$ 1,533,989	$ 1,533,989	$ 1,533,989
31	211 Paid in Capital	-	-	-
32	215 Retained Earnings	2,961,855	2,948,727	2,784,791
33	**Total Capital**	$ 4,495,844	$ 4,482,716	$ 4,318,781
34				
35	**LONG-TERM DEBT**			
36	224 Other Long-Term Debt	484,310	655,371	787,125
37	**Total long-Term Debt**	$ 484,310	$ 655,371	$ 787,125
38				
39	**CURRENT LIABILITIES**			
40	231 Accounts Payable	$ 46,351	$ 50,103	$ 61,606
41	232 Notes Payable	-	-	-
42	233 Accounts Payable to Associated Companies	50,045	56,686	44,516
43	235 Customer Deposits	-	-	-
44	236 Accrued Taxes	7,649	3,733	3,384
45	241 Miscellaneous Current Liabilities	-	18	788
46	**Total Current Liabilities**	$ 104,044	$ 110,539	$ 110,294
47				
48	**DEFERRED CREDITS**			
49	252 Advances in Aid of Construction	$ 47,635	$ 27,478	$ 35,801
50	255 Accumulated Deferred Income Tax Credits	-	6	145
51	271 Contributions in Aid of Construction	1,563,163	1,540,163	1,540,163
52	272 Accumulated Amortization CIAC	(887,647)	(840,102)	(792,910)
53	282 Accumulated Deferred Income Tax	635,993	667,740	636,729
54	**Total Deferred Credits**	$ 1,359,143	$ 1,395,285	$ 1,419,928
55				
56	**Total Liabilities & Common Equity**	$ 6,443,342	$ 6,643,911	$ 6,636,128
57				
58	Supporting Schedules:	Workpapers:		Recap Schedules:
59	E-5	RV Rate Case Data.xlsx, Tab:Bal Sht		A-3

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Comparative Income Statements

Exhibit: RLJ-DT2
Schedule E-2
Page 1
Witness: Jones

Line No.			Test Year Ended 12/31/2015	Prior Year Ended 12/31/2014	Prior Year Ended 12/31/2013
1	**Revenues**				
2	460	Unmetered Water Revenue	$ -	$ -	$ -
3	461	Metered Water Revenues	1,371,546	1,353,972	1,360,396
4	471	Miscellaneous Service Revenue	4,680	2,397	2,590
5	474	Other Water Revenues	35,000	8,000	2,000
6	**Total Revenues**		$ 1,411,227	$ 1,364,370	$ 1,364,986
7	**Operating Expenses**				
8	601	Salaries and Wages	$ 130,280	$ 110,761	$ 110,623
9	603	Salaries and Wages - Officers and Directors	-	-	-
10	604	Employee Pension and Benefits	17,501	13,776	16,052
11	610	Purchased Water	101,286	93,191	86,963
12	615	Purchased Power	258,475	238,917	250,101
13	618	Chemicals	17,561	21,636	20,889
14	620	Repairs and Maintenance	263,912	97,133	88,415
15	621	Office Supplies Expense	14,527	13,798	11,930
16	630	Outside Services	106,275	89,511	84,851
17	635	Contractual Services - Testing	5,082	9,419	5,696
18	641	Rent - Buildings	24,273	24,525	24,000
19	642	Rent - Equipment	4,363	3,119	3,108
20	650	Transportation Expense	9,559	10,715	14,112
21	656	Insurance - Vehicle	-	-	-
22	657	Insurance - General Liability	16,873	23,285	16,873
23	658	Insurance - Workman's Compensation	-	-	-
24	659	Insurance - Other	-	-	-
25	660	Advertising Expense	-	-	-
26	666	Regulatory Commission Expense - Rate Case	-	-	-
27	667	Regulatory Expense - Other	-	-	-
28	670	Bad Debt Expense	839	316	1,336
29	675	Miscellaneous Expense	8,432	9,641	5,649
30	403	Depreciation Expense	274,659	264,737	256,561
31	408	Taxes Other Than Income	18,942	16,217	15,944
32	408.11	Property Taxes	57,721	55,524	57,119
33	409	Income Tax	3,028	34,517	5,833
34	**Total Operating Expenses**		$ 1,333,588	$ 1,130,739	$ 1,076,056
35	**Operating Income**		$ 77,639	$ 233,630	$ 288,930
36	**Other Income (Expense)**				
37	419	Interest and Dividend Income	102	176	30
38	421	Non-Utility Income	-	-	-
39	426	Miscellaneous Non-Utility Expenses	-	-	(7,220)
40	427	Interest Expense	(25,680)	(32,562)	(38,869)
41	428	Amortization of Finance Fees	(626)	(626)	-
42	**Total Other Income (Expense)**		$ (26,203)	$ (33,012)	$ (46,059)
43	**Net Income (Loss)**		$ 51,435	$ 200,619	$ 242,871
44					
45	Workpapers:				Recap Schedules:
46	RV Rate Case Data.xlsx, Tab:Inc Stat Wtr				A-2
47					

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Comparative Statement of Changes in Financial Position

Exhibit: RLJ-DT2
Schedule E-3
Page 1
Witness: Jones

Line No.		Test Year Ended 12/31/2015	Prior Year Ended 12/31/2014	Prior Year Ended 12/31/2013
1	Source of Funds			
2	Cash Flow from Operations:			
3	Net Income	$ 51,435	$ 200,619	$ 242,871
4	Adjustments to reconcile net income to net cash			
5	403 Depreciation and Amortization	274,659	264,737	256,561
6	Other Adjustments	-	-	-
7	Changes in Assets & Liabilities			
8	132 Special Deposits	1,626	(87)	(87)
9	141 Customer Accounts Receivable	(25,867)	(9,539)	(4,596)
10	142 Other Accounts Receivable	1,364	18,472	1,782
11	145 Accounts Receivable from Associated Companies	-	50	(50)
12	151 Plant Materials and Supplies	1,015	(1,255)	1,585
13	162 Prepayments	41,239	(4,624)	23,896
14	174 Miscellaneous Current and Accrued Assets	8,333	(1,385)	(665)
15	181 Unamortized Debt and Discount Expense	597	563	563
16	186 Miscellaneous Deferred Debits	(5,529)	(1,008)	-
17	190 Accumulated Deferred Income Tax (Asset)	2,238	3,044	5,329
18	231 Accounts Payable	(3,752)	(11,504)	(8,612)
19	232 Notes Payable	-	-	-
20	233 Accounts Payable to Associated Companies	(6,641)	12,170	33,438
21	235 Customer Deposits	-	-	-
22	236 Accrued Taxes	3,916	348	(835)
23	237 Accrued Interest	-	-	-
24	241 Miscellaneous Current Liabilities	(18)	(770)	(363)
25	255 Accumulated Deferred Income Tax Credits	(6)	(139)	(2,369)
26	282 Accumulated Deferred Income Tax (Liability)	(31,748)	31,012	(21,001)
27	Total From Operations	$ 312,863	$ 500,705	$ 527,447
28				
29	Cash Flow from Financing:			
30	221 Bonds	-	-	-
31	224 Long-Term Debt	(171,061)	(131,754)	(121,981)
32	252 Advances in Aid of Construction	20,157	(8,323)	(12,379)
33	271 Contributions in Aid of Construction	23,000	-	-
34	211 Paid in Capital	-	-	-
35	Total From Financing	$ (127,904)	$ (140,077)	$ (134,360)
36				
37	Application of Funds			
38	Cash Flow from Investing Activities			
39	Capital Expenditures	(135,957)	(252,781)	(15,453)
40	Dividends Paid			(450,000)
41	Other			
42	Total From Investing Activities	$ (135,957)	$ (252,781)	$ (465,453)
43				
44	Change in Allocation between Departments & Other	$ (38,308)	$ (36,683)	$ 66,021
45				
46	Net Increase/(Decrease) in Cash	$ 10,694	$ 71,164	$ (6,345)
47				
48	Cash, Beginning of Year	$ 97,181	$ 26,017	$ 32,362
49	Cash, End of Year	$ 107,875	$ 97,181	$ 26,017
50				
51				
52				
53	Workpapers:			Recap Schedules:
54				A-5
55				

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Statement of Changes in Stockholder's Equity

Exhibit: RLJ-DT2
Schedule E-4
Page 1
Witness: Jones

Line No.		Common Shares	Common Stock	Additional Paid In Capital	Retained Earnings	Total
1						
2						
3						
4	Balance, December 31, 2012	1,533,989	$ 1,533,989	$ -	$ 2,935,098	$ 4,469,087
5	Additional Paid In Capital					-
6	Dividends				(450,000)	(450,000)
7	Adjustments/Other				56,823	56,823
8	Net Income				242,871	242,871
9						
10	Balance, December 31, 2013	1,533,989	$ 1,533,989	$ -	$ 2,784,792	$ 4,318,781
11	Additional Paid In Capital					-
12	Dividends					-
13	Adjustments/Other				(36,683)	(36,683)
14	Net Income				200,619	200,619
15						
16	Balance, December 31, 2014	1,533,989	$ 1,533,989	$ -	$ 2,948,728	$ 4,482,717
17	Additional Paid In Capital					-
18	Dividends					-
19	Adjustments/Other				(38,302)	(38,302)
20	Net Income				51,435	51,435
21						
22	Balance, December 31, 2015	1,533,989	$ 1,533,989	$ -	$ 2,961,861	$ 4,495,850
23						
24						
25	Supporting Schedules:				Recap Schedules:	
26						
27						

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Detail of Utility Plant

Exhibit: RLJ-DT2
Schedule E-5
Page 1
Witness: Jones

Line No.	Acct. No.	Plant Description	Plant Balance at 12/31/2014	Plant Additions, Reclassifications or Retirements	Plant Balance at 12/31/2015
1					
2	301	Organization Cost	$ 1,380	$ -	$ 1,380
3	302	Franchise Cost	-	-	-
4	303	Land and Land Rights	186,074	-	186,074
5	304	Structures & Improvements	77,407	-	77,407
6	305	Collecting & Impounding Reservoirs	-	-	-
7	306	Lake, River, Canal Intakes	-	-	-
8	307	Wells & Springs	2,583,586	-	2,583,586
9	308	Infiltration Galleries	-	-	-
10	309	Raw Water Supply Mains	-	-	-
11	310	Power Generation Equipment	55,241	-	55,241
12	311	Pumping Equipment	1,451,077	67,147	1,518,225
13	320	Water Treatment Equipment	-	-	-
14	320.1	Water Treatment Plants	-	-	-
15	320.2	Solution Chemical Feeders	35,641	-	35,641
16	330	Distribution Reservoirs & Standpipes	-	-	-
17	330.1	Storage Tanks	362,575	-	362,575
18	330.2	Pressure Tanks	-	-	-
19	331	Transmission & Distribution Mains	4,500,335	-	4,500,335
20	333	Services	421,065	-	421,065
21	334	Meters	172,793	14,202	186,995
22	335	Hydrants	500,473	-	500,473
23	336	Backflow Prevention Devices	-	-	-
24	339	Other Plant & Misc. Equipment	105,744	-	105,744
25	340	Office Furniture & Equipment	16,954	916	17,870
26	340.1	Computers & Software	-	-	-
27	341	Transportation Equipment	56,691	40,977	97,667
28	342	Stores Equipment	-	-	-
29	343	Tools, Shop & Garage Equipment	11,964	-	11,964
30	344	Laboratory Equipment	10,654	2,755	13,409
31	345	Power Operated Equipment	-	-	-
32	346	Communication Equipment	64,497	-	64,497
33	347	Miscellaneous Equipment	-	-	-
34	348	Other Tangible Plant	23,874	3,606	27,480
35					
36		TOTAL WATER PLANT	$ 10,638,024	$ 129,603	$ 10,767,627
37					
38	Workpapers:				Recap Schedules:
39					E-1
40					A-4
41					

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Operating Statistics

Exhibit: RLJ-DT2
Schedule E-7
Page 1
Witness: Jones

Line No.		Test Year Ended 12/31/2015	Prior Year Ended 12/31/2014	Prior Year Ended 12/31/2013
1				
2	Gallons Sold - By Class of Service (Thousands)			
3	Residential	216,111	214,790	215,558
4	Commercial	17,511	17,314	18,123
5	Construction	26,893	2,507	916
6	Irrigation	607,939	656,243	658,928
7				
8	Total Gallons Sold	868,454	890,853	893,525
9				
10	Average Number of Customers			
11	Fire Service	-	1,712	1705
12	Residential	1,681	1,653	1,646
13	Commercial	50	50	50
14	Construction	9	-	-
15	Irrigation	9	9	9
16	Total Average Number of Customers	1,749	1,712	1,705
17				
18	Gallons Per Residential Customer	128,561	129,939	130,959
19				
20	Revenue Per Residential Customer	$ 315	$ 314	$ 316
21				
22	Pumping Cost Per 1,000 Gallons	$ 0.3081	$ 0.2682	$ 0.2799
23				

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Taxes Charged to Operations

Exhibit: RLJ-DT2
Schedule E-8
Page 1
Witness: Jones

Line No.	Description	Test Year Ended 12/31/2015	Prior Year Ended 12/31/2014	Prior Year Ended 12/31/2013
1	Description			
2				
3	Federal Income Tax	9,981	37,402	(8,509)
4	State Income Tax	(6,953)	(2,885)	14,342
5	Payroll Tax	18,942	16,217	15,944
6	Property Tax	46,326	44,129	45,725
7				
8	Totals	$ 68,297	$ 94,863	$ 67,501
9				
10	Workpapers:			Recap Schedules:
11				
12				

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Notes to Financial Statements

Exhibit: RLJ-DT2
Schedule E-9
Page 1
Witness: Jones

Line No.	
1	
2	
3	See Company's Audited Financial Statements.
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	Supporting Schedules: Recap Schedules:
19	
20	

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Projected Income Statements - Present and Proposed Rates

Exhibit: RLJ-DT2
Schedule F-1
Page 1
Witness: Jones

Line No.			Actual Test Year Ended 12/31/2015	Projected Year At Present Rates Year Ended Ended 12/31/2016	Projected Year At Proposed Rates Year Ended Ended 12/31/2016
1	**Revenues**				
2	460	Unmetered Water Revenue	$ -	$ -	$ -
3	461	Metered Water Revenues	1,371,546	1,376,214	1,965,562
4	471	Miscellaneous Service Revenue	4,680	4,680	4,680
5	474	Other Water Revenues	35,000	-	-
6	**Total Revenues**		$ 1,411,227	$ 1,380,894	$ 1,970,242
7	**Operating Expenses**				
8	601	Salaries and Wages	$ 130,280	$ 134,757	$ 134,757
9	603	Salaries and Wages - Officers and Directors	-	-	-
10	604	Employee Pension and Benefits	17,501	23,276	23,276
11	610	Purchased Water	101,286	-	-
12	615	Purchased Power	258,475	267,572	267,572
13	618	Chemicals	17,561	17,824	17,824
14	620	Repairs and Maintenance	263,912	176,543	176,543
15	621	Office Supplies Expense	14,527	14,745	14,745
16	630	Outside Services	106,275	107,900	107,900
17	635	Contractual Services - Testing	5,082	-	-
18	641	Rent - Buildings	24,273	-	-
19	642	Rent - Equipment	4,363	4,429	4,429
20	650	Transportation Expense	9,559	9,702	9,702
21	656	Insurance - Vehicle	-	-	-
22	657	Insurance - General Liability	16,873	32,351	32,351
23	658	Insurance - Workman's Compensation	-	-	-
24	659	Insurance - Other	-	-	-
25	660	Advertising Expense	-	-	-
26	666	Regulatory Commission Expense - Rate Case	-	25,000	25,000
27	667	Regulatory Expense - Other	-	-	-
28	670	Bad Debt Expense	839	839	1,199
29	675	Miscellaneous Expense	8,432	21,479	21,479
30	403	Depreciation Expense	274,659	308,657	308,657
31	408	Taxes Other Than Income	18,942	18,942	18,942
32	408.11	Property Taxes	57,721	44,205	50,589
33	409	Income Tax	3,028	37,815	267,712
34	**Total Operating Expenses**		$ 1,333,588	$ 1,357,709	$ 1,594,350
35	**Operating Income**		$ 77,639	$ 23,185	$ 375,893
36	**Other Income (Expense)**				
37	419	Interest and Dividend Income	102	102	102
38	421	Non-Utility Income	-	-	-
39	426	Miscellaneous Non-Utility Expenses	-	-	-
40	427	Interest Expense	(25,680)	(16,877)	(16,877)
41	428	Amortization of Finance Fees	(626)	(626)	(626)
42	**Total Other Income (Expense)**		$ (26,203)	$ (17,400)	$ (17,400)
43	**Net Income (Loss)**		$ 51,435	$ 5,785	$ 358,493
44					
45	Supporting Schedules:				Recap Schedules:
46	E-2				A-2
47					

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Projected Changes In Financial Position - Present and Proposed Rates

Exhibit: RLJ-DT2
Schedule F-2
Page 1
Witness: Jones

Line No.		Test Year Ended 12/31/2015	At Present Rates Year Ended 12/31/2016	At Proposed Rates Year Ended 12/31/2016
1	Source of Funds			
2	Cash Flow from Operations:			
3	Net Income	$ 51,435	$ 5,785	$ 358,493
4	Adjustments to reconcile net income to net cash			
5	403 Depreciation and Amortization	274,659	308,657	308,657
6	Other Adjustments	-		
7	Changes in Assets & Liabilities			
8	132 Special Deposits	1,626		
9	141 Customer Accounts Receivable	(25,867)		
10	142 Other Accounts Receivable	1,364		
11	145 Accounts Receivable from Associated Companies	-		
12	151 Plant Materials and Supplies	1,015		
13	162 Prepayments	41,239		
14	174 Miscellaneous Current and Accrued Assets	8,333		
15	181 Unamortized Debt and Discount Expense	597		
16	186 Miscellaneous Deferred Debits	(5,529)		
17	190 Accumulated Deferred Income Tax (Asset)	2,238		
18	231 Accounts Payable	(3,752)		
19	232 Notes Payable	-		
20	233 Accounts Payable to Associated Companies	(6,641)		
21	235 Customer Deposits	-		
22	236 Accrued Taxes	3,916		
23	237 Accrued Interest	-		
24	241 Miscellaneous Current Liabilities	(18)		
25	255 Accumulated Deferred Income Tax Credits	(6)		
26	282 Accumulated Deferred Income Tax (Liability)	(31,748)		
27	Total From Operations	$ 312,863	$ 314,441	$ 667,149
28				
29	Cash Flow from Financing:			
30	221 Bonds	-		
31	224 Long-Term Debt	(171,061)	(322,064)	(322,064)
32	252 Advances in Aid of Construction	20,157	558,346	558,346
33	271 Contributions in Aid of Construction	23,000	70,000	70,000
34	211 Paid in Capital	-	-	-
35	Total From Financing	$ (127,904)	$ 306,283	$ 306,283
36				
37	Application of Funds			
38	Cash Flow from Investing Activities			
39	Capital Expenditures	(135,957)	(978,562)	(978,562)
40	Dividends Paid	-	-	-
41	Other	-	-	-
42	Total From Investing Activities	$ (135,957)	$ (978,562)	$ (978,562)
43				
44	Change in Allocation between Departments	$ (38,308)	$ -	$ -
45				
46	Net Increase/(Decrease) in Cash	$ 10,694	$ (357,838)	$ (5,130)
47				
48	Cash, Beginning of Year	$ 97,181	$ 107,875	$ 107,875
49	Cash, End of Year	$ 107,875	$ (249,963)	$ 102,745
50				
51				
52	Supporting Schedules:			Recap Schedules:
53	E-3			A-5
54	F-3			
55				

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Projected Construction Requirements

Exhibit: RLJ-DT2
Schedule F-3
Page 1
Witness: Jones

Line No.	Property Classification	Adjusted Test Year 12/31/2015	Projected Thru 12/31/2016	Projected Thru 12/31/2017	Projected Thru 12/31/2018
5	Intangible Plant	$ -	$ -	$ -	$ -
7	Source of Supply and Pumping Plant	144,818	150,000	150,000	150,000
9	Water Treatment Plant	-	5,000	5,000	5,000
11	Transmission and Distribution Plant	25,026	687,203	835,200	560,050
13	General Plant	50,332	136,359	75,000	75,000
15	Total Plant	$ 220,177	$ 978,562	$ 1,065,200	$ 790,050

18 Workpapers:

Recap Schedules:
F-2 A-4

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Assumptions Used in Developing Projection

Exhibit: RLJ-DT2
Schedule F-4
Page 1
Witness: Jones

Line No.	
1	
2	70 Additional Residential Customer in 2016
3	
4	No Change in Per Customer Consumption
5	
6	Per Test Year Adjustments
7	
8	Salaries and Pensions increase by 3.0%
9	
10	All other expenses increased by 1.5%
11	
12	Supporting Schedules:
13	
14	

Recap Schedules:

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Summary of Revenues by Customer Classification - Present and Proposed Rates

Exhibit: RLJ-DT2
Schedule H-1
Page 1
Witness: Jones

Line No.	Customer Classification	Revenues in the Test Year: Present Rates	Revenues in the Test Year: Proposed Rates	Proposed Increase: Amount	Proposed Increase: %
1					
2	Unmetered Water Revenue				
3	Fire Lines	$ -	$ -	$ -	0.00%
4					
5	Metered Water Revenue				
6	Residential	529,747	750,496	220,749	41.67%
7	Commercial	39,124	58,582	19,458	49.74%
8	Construction	64,274	94,486	30,212	47.01%
9	Irrigation	741,174	1,059,886	318,712	43.00%
10					
11	Miscellaneous Service Revenue	4,680	4,680	-	0.00%
12	Other Water Revenues	-	-	-	0.00%
13					
14	Total Water Revenues	$ 1,379,000	$ 1,968,131	$ 589,131	42.72%
15					
16	Reconciliation				
17	Bill Count Revenue	$ 1,379,000			
18					
19	Water Revenues per G.L.	1,411,227			
20	Revenue Adjustments				
21	Adjustment IS-1	(35,000)			
22	Adjustment IS-2				
23	Adjustment IS-5				
24	Adjusted G.L. Revenue	$ 1,376,227			
25					
26	Unreconciled Difference	$ 2,773			
27	Percentage Difference	0.20%			
28					
29					
30	Supporting Schedules:				Recap Schedules:
31	H-2				A-1
32					

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Analysis of Revenue by Detailed Class

Exhibit: RLJ-DT2
Schedule H-2
Page 1
Witness: Jones

Line No.	Description	Average Number Customers	Monthly Average Consumption	Revenues Present Rates	Revenues Proposed Rates	Proposed Increase Amount	Proposed Increase %
1							
2	Unmetered Water Revenue						
3	Fire Lines						
4							
5	Metered Water Revenue						
6	Residential						
7	3/4" Meter	384	7,173	93,927	131,794	37,868	40.32%
8	1" Meter	1,292	11,570	424,856	601,836	176,980	41.66%
9	1 1/2" Meter	4	35,880	4,363	6,661	2,297	52.65%
10	6" Meter	1	157,325	6,602	10,205	3,603	54.58%
11							
12	Commercial						
13	3/4" Meter	8	7,460	2,003	2,935	932	46.56%
14	1" Meter	32	13,213	11,358	16,833	5,475	48.20%
15	1 1/2" Meter	4	17,385	3,128	4,819	1,691	54.06%
16	2" Meter	6	115,885	22,635	33,995	11,360	50.19%
17							
18	Construction						
19	3/4" Meter	1	256,215	7,348	10,335	2,986	40.64%
20	1" Meter	6	257,793	41,897	58,918	17,022	40.63%
21	3" Meter	2	251,536	15,029	25,233	10,204	67.89%
22							
23	Irrigation						
24	6" Meter	2	259,713	13,932	20,159	6,227	44.70%
25	8" Meter	2	9,647,000	264,450	377,553	113,103	42.77%
26	12" Meter	5	6,169,633	462,792	662,174	199,382	43.08%
27							
28	**Totals:**						
29	Unmetered Water Revenue						
30	Fire Lines	-		$ -	$ -	$ -	#DIV/0!
31							
32	Metered Water Revenue						
33	Residential	1,681		529,747	750,496	220,749	41.67%
34	Commercial	50		39,124	58,582	19,458	49.74%
35	Construction	9		64,274	94,486	30,212	47.01%
36	Irrigation	9		741,174	1,059,886	318,712	43.00%
37	Subtotal Metered	1,749		$ 1,374,320	$ 1,963,451	$ 589,131	42.87%
38							
39	Miscellaneous Service Revenue			$ 4,680	$ 4,680	$ -	0.00%
40	Other Water Revenues			$ -	$ -	$ -	
41							
42	Total	1,749		$ 1,379,000	$ 1,968,131	$ 589,131	42.72%
43							
44	Supporting Schedules:					Recap Schedules:	
45						H-1	
46							

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Analysis of Revenue by Detailed Class

Exhibit: RLJ-DT2
Schedule H-2
Page 2
Witness: Jones

Supplemental Schedule
Breakdown of Metered Water Revenue at Current Rates
By Rate Components

Line No.	Description	Revenue at Current Rates: Base Charge	1st Tier	2nd Tier	3rd Tier	Base + 1st Tier	Total Revenue
1	Residential						
2	3/4" Meter	$ 41,427	$ -	$ 52,500	$ -	$ 41,427	$ 93,927
3	1" Meter	139,536	-	285,320	-	139,536	424,856
4	1 1/2" Meter	1,568	-	2,795	-	1,568	4,363
5	6" Meter	3,600	-	3,002	-	3,600	6,602
6							
7	Commercial						
8	3/4" Meter	$ 864	$ -	$ 1,139	$ -	$ 864	$ 2,003
9	1" Meter	3,402	-	7,956	-	3,402	11,358
10	1 1/2" Meter	1,696	-	1,432	-	1,696	3,128
11	2" Meter	5,320	-	17,315	-	5,320	22,635
12							
13	Total Res. & Comm. Revenue	$ 197,413	$ -	$ 371,458	$ -	$ 197,413	$ 568,871
14							
15	Percentage of Res & Comm Rev	34.7%	0.0%	65.3%	0.0%	34.7%	100.0%
16							
17							
18	Construction						
19	3/4" Meter	-	-	-	7,348	$ -	7,348
20	1" Meter	-	-	-	41,897	-	41,897
21	3" Meter	-	-	-	15,029	-	15,029
22							
23	Irrigation						
24	6" Meter	$ 7,200	$ -	$ 6,732	$ -	$ 7,200	$ 13,932
25	8" Meter	14,400	-	250,050	-	14,400	$ 264,450
26	12" Meter	63,000	-	399,792	-	63,000	$ 462,792
27							
28	Total Revenue	$ 282,013	$ -	$ 1,028,033	$ 64,274	$ 282,013	$ 1,374,320
29							
30	Percentage of Total	20.5%	0.0%	74.8%	4.7%	20.5%	100.0%
31							

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Analysis of Revenue by Detailed Class

Exhibit: RLJ-DT2
Schedule H-2
Page 3
Witness: Jones

Supplemental Schedule
Breakdown of Metered Water Revenue at Proposed Rates
By Rate Components

Line No.	Description	Revenue at Proposed Rates: Base Charge	1st Tier	2nd Tier	3rd Tier	Base + 1st Tier	Total Revenue
1	Residential						
2	3/4" Meter	$ 60,529	$ 19,086	$ 43,950	$ 8,229	$ 79,615	$ 131,794
3	1" Meter	203,878	72,135	269,472	56,351	276,012	601,836
4	1 1/2" Meter	2,519	-	3,264	878	2,519	6,661
5	6" Meter	5,786	-	3,878	541	5,786	10,205
6							
7	Commercial						
8	3/4" Meter	$ 316	$ -	$ 149	$ -	$ 316	$ 465
9	1" Meter	1,880	-	4,145	1,984	1,880	8,010
10	1 1/2" Meter	257	-	153	-	257	410
11	2" Meter	3,051	-	10,599	10,178	3,051	23,828
12							
13	Total Res. & Comm. Revenue	$ 278,216	$ 91,221	$ 335,611	$ 78,161	$ 369,437	$ 783,208
14							
15	Percentage of Res & Comm Rev	35.5%	11.6%	42.9%	10.0%	47.2%	100.0%
16							
17							
18	Construction						
19	3/4" Meter	$ 158	$ -	$ -	$ 10,177	$ 158	10,335
20	1" Meter	894	-	-	58,024	894	58,918
21	3" Meter	4,419	-	-	20,815	4,419	25,233
22							
23	Irrigation						
24	6" Meter	$ 10,560	$ -	$ 9,599	$ -	$ 10,560	$ 20,159
25	8" Meter	21,000	-	356,553	-	21,000	$ 377,553
26	12" Meter	92,100	-	570,074	-	92,100	$ 662,174
27							
28	Total Revenue	$ 407,347	$ 91,221	$ 1,271,837	$ 167,177	$ 498,567	$ 1,937,581
29							
30	Percentage of Total	21.0%	4.7%	65.6%	8.6%	25.7%	100.0%
31							

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Analysis of Revenue by Detailed Class

Exhibit: RLJ-DT2
Schedule H-2
Page 4
Witness: Jones

Supplemental Schedule
Metered Water Revenue at Proposed Rates (Residential and Commercial Only)
Analysis of Increases by Rate Tier

Line No.		Base Charge	1st Tier	2nd Tier	3rd Tier	Base + 1st Tier	Total Revenue
1	Current Rate	$ 197,413	$ -	$ 371,458	$ -	$ 197,413	$ 568,871
2	Company's Proposed Rates	278,216	91,221	335,611	78,161	369,437	783,208
3	Increase in Rates	$ 80,803	$ 91,221	$ (35,848)	$ 78,161	$ 172,024	$ 214,337
4							
5	Percentage Increase by Tier	40.9%	#DIV/0!	-9.7%	#DIV/0!	87.1%	37.7%
6	Percentage of Increase within Tier	37.7%	42.6%	-16.7%	36.5%	80.3%	100.0%
7							
8							
9							
10		Base Charge	1st Tier	2nd Tier	3rd Tier	Base + 1st Tier	Total Revenue
11							
12	Revenue at Current Rates	$ 197,413	$ -	$ 371,458	$ -	$ 197,413	$ 568,871
13	evenue at Company's Proposed Rates	$ 278,216	$ 91,221	$ 335,611	$ 78,161	$ 369,437	$ 783,208
14							
20	Percentage of Total Revenue						
21	Current Rates	34.7%	0.0%	65.3%	0.0%	34.7%	100.0%
22	Company's Proposed Rates	35.5%	11.6%	42.9%	10.0%	47.2%	100.0%
23	Change	0.8%	11.6%	-22.4%	10.0%	12.5%	0.0%
24							
25							

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Changes in Representative Rate Schedules

Exhibit: RLJ-DT2
Schedule H-3
Page 1
Witness: Jones

Line No.	Description		Present Rate Tiers Upper Limits (gallons)	Proposed Rate Tiers Upper Limits (gallons)	Base Charge Present Rate	Base Charge Proposed Rate	Base Charge Change	Volume Charge (per 1,000 gallons) Present Rate	Volume Charge Proposed Rate	Volume Charge Change
1	**Residential & Commercial Service**									
5	R1 - 5/8" x 3/4" Meter	Tier 1	-	3,000	$ 9.00		n/a			n/a
6		Tier 2	999,999,000	-				$ 1.59		n/a
7		Tier 3	-	999,999,000						n/a
9	R2 - 3/4" Meter	Tier 1	-	3,000	$ 9.00	$ 13.15	$ 4.15		$ 1.77	n/a
10	(Residential)	Tier 2	999,999,000	24,000				$ 1.59	$ 2.32	$ 0.73
11		Tier 3	-	999,999,000					$ 2.50	n/a
13	R3 - 1" Meter	Tier 1	-	3,000					$ 1.77	n/a
14	(Residential)	Tier 2	999,999,000	24,000	$ 9.00	$ 13.15	$ 4.15	$ 1.59	$ 2.32	$ 0.73
15		Tier 3	-	999,999,000					$ 2.50	n/a
17	R2C - 3/4" Meter	Tier 2	-	20,000		$ 13.15	$ 13.15		$ 2.32	n/a
18	(Commercial)	Tier 3	-	999,999,000					$ 2.50	n/a
20	R3C - 1" Meter	Tier 2	-	30,000		$ 13.15	$ 13.15		$ 2.32	n/a
21	(Commercial)	Tier 3	-	999,999,000					$ 2.50	n/a
23	R4 - 1.5" Meter	Tier 2	999,999,000	70,000	$ 32.00	$ 51.40	$ 19.40	$ 1.59	$ 2.32	$ 0.73
24	(All)	Tier 3	-	999,999,000					$ 2.50	n/a
26	R5 - 2" Meter	Tier 2	999,999,000	160,000	$ 70.00	$ 105.20	$ 35.20	$ 1.59	$ 2.32	$ 0.73
27	(All)	Tier 3	-	999,999,000					$ 2.50	n/a
29	R6 - 3" Meter	Tier 2	999,999,000	160,000	$ 110.00	$ 176.75	$ 66.75	$ 1.59	$ 2.32	$ 0.73
30	(All)	Tier 3	-	999,999,000					$ 2.50	n/a
32	R7 - 4" Meter	Tier 2	999,999,000	180,000	$ 175.00	$ 281.30	$ 106.30	$ 1.59	$ 2.32	$ 0.73
33	(All)	Tier 3	-	999,999,000					$ 2.50	n/a
35	R8 - 6" Meter	Tier 2	999,999,000	200,000	$ 300.00	$ 482.20	$ 182.20	$ 1.59	$ 2.32	$ 0.73
36	(All)	Tier 3	-	999,999,000					$ 2.50	n/a
39	**Standpipe and Construction Service**									
41	All Meter Sizes		999,999,000	999,999,000	None	Same as Comm. Meter		$ 2.39	$ 3.31	$ 0.92
44						Indicates No Tariff			Indicates No Tariff	

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Changes in Representative Rate Schedules

Exhibit: RLJ-DT2
Schedule H-3
Page 2
Witness: Jones

Line No.	**Irrigation Service** Description		Present Rate Tiers Upper Limits (gallons)	Proposed Rate Tiers Upper Limits (gallons)	Base Charge Present Rate	Base Charge Proposed Rate	Base Charge Change	Volume Charge (per 1,000 gallons) Present Rate	Volume Charge (per 1,000 gallons) Proposed Rate	Volume Charge (per 1,000 gallons) Change
5	R12 - 5/8" x 3/4" Meter	Tier 2	999,999,000	999,999,000	$ 9.00		n/a	$ 1.08		n/a
7	R13 - 3/4" Meter	Tier 2	999,999,000	999,999,000	$ 9.00	$ 15.00	$ 6.00	$ 1.08	$ 1.54	$ 0.46
9	R14 - 1" Meter	Tier 2	999,999,000	999,999,000	$ 9.00	$ 15.00	$ 6.00	$ 1.08	$ 1.54	$ 0.46
11	R15 - 1.5" Meter	Tier 2	999,999,000	999,999,000	$ 32.00	$ 45.00	$ 13.00	$ 1.08	$ 1.54	$ 0.46
13	R16 - 2" Meter	Tier 2	999,999,000	999,999,000	$ 70.00	$ 100.00	$ 30.00	$ 1.08	$ 1.54	$ 0.46
15	R17 - 3" Meter	Tier 2	999,999,000	999,999,000	$ 110.00	$ 160.00	$ 50.00	$ 1.08	$ 1.54	$ 0.46
17	R18 - 4" Meter	Tier 2	999,999,000	999,999,000	$ 175.00	$ 255.00	$ 80.00	$ 1.08	$ 1.54	$ 0.46
19	R19 - 6" Meter	Tier 2	999,999,000	999,999,000	$ 300.00	$ 440.00	$ 140.00	$ 1.08	$ 1.54	$ 0.46
21	R20 - 6" Meter - Potable	Tier 2	999,999,000	999,999,000	$ 300.00	$ 440.00	$ 140.00	$ 1.59	$ 2.50	$ 0.91
23	R21 - 8" Meter	Tier 2	999,999,000	999,999,000	$ 600.00	$ 875.00	$ 275.00	$ 1.08	$ 1.54	$ 0.46
25	R22-12" Meter	Tier 2	999,999,000	999,999,000	$ 1,050.00	$ 1,535.00	$ 485.00	$ 1.08	$ 1.54	$ 0.46

27 Note for Current Irrigation Service Rate
28 The rate for use in addition to the minimum stated above shall be the same for all sizes of meters. All additional usage shall be at the rate of
29 $1.08 per 1,000 gallons. If only potable water is used for irrigation there shall be an irrigation surcharge of $0.51, making the combined charge
30 $1.59 per 1,000 gallons.
31
32 Note for Proposed Irrigation Service Rate
33 The rate for use in addition to the minimum stated above shall be the same for all sizes of meters. All additional usage shall be at the rate of
34 $1.54 per 1,000 gallons. If only potable water is used for irrigation there shall be an irrigation surcharge of $0.96, making the combined charge
35 $2.50 per 1,000 gallons.
36

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Changes in Representative Rate Schedules

Exhibit: RLJ-DT2
Schedule H-3
Page 3
Witness: Jones

Line No.				
1	**Monthly Service Charge for Fire Sprinkler**			
2		Present	Proposed	
3		Rates	Rates	
4	All Sizes	*	**	Applies to service lines separate and distinct from the primary service line.
5	* Greater of $5.00 or 1 percent of the general service rate for a similar size meter			
6	** Greater of $10.00 or 2 percent of the general service rate for a similar size meter			
7				
8		Present	Proposed	
9	**Service Charges**	Rates	Rates	
10	Establishment	$ 25.00	$ 25.00	
11	Establishment (After Hours)	$ 50.00	n/t	
12	Reconnection (Delinquent)	Cost	$ 25.00	
13	Reconnection (Delinquent-After Hours - additional charge)	$ 30.00	n/t	
14	After Hours Charge	n/t	$ 25.00	
15	Meter Test (If correct)	$ 45.00	$ 45.00	
16	Deposit	*	*	
17	Deposit Interest	*	*	
18	Re-Establishment (Within 12 Months)	**	**	
19	Re-Establishment (After Hours - additional charge)	$ 40.00	n/t	
20	NSF Check	$ 25.00	$ 25.00	
21	Deferred Payment (Per Month)	1.5%	1.5%	
22	Meter Re-Read (If correct)	$ 5.00	$ 20.00	
23	Moving Customer Meter (at Customer's Request)	Cost	Cost	
24	Service Line or Meter Upsizing (at Customer's Request)	n/t	Cost	
25	Late Payment Penalty (Per Month)	1.50%	1.50%	
26	* Per Commission Rule A.A.C. R-14-2-403(B).			
27	** Number of months off system times the monthly minimum, per Commission Rule A.A.C. R14-2-403(D).			
28				
29	All items billed at cost shall include labor, materials and parts, overheads and all applicable taxes.			
30	n/t - no tariff			
31				

Line No.	**Service Line and Meter Installation Charges**	Present Rates			Proposed Rates		
33		Srv. Line	Meter	Total	Srv. Line	Meter*	Total
34	5/8" x 3/4" Meter			$ 410	n/t	n/t	n/t
35	3/4" Meter			$ 455	$ 500	$ 260	$ 760
36	1" Meter			$ 520	$ 550	$ 320	$ 870
37	1 1/2" Meter			$ 740	$ 610	$ 535	$ 1,145
38	2" Meter Turbo			$ 1,235	$ 925	$ 1,065	$ 1,990
39	2" Meter Compound			$ 1,800	$ 925	$ 1,925	$ 2,850
40	3" Meter Turbo			$ 1,705	$ 1,170	$ 1,700	$ 2,870
41	3" Compound Meter			$ 2,340	$ 1,310	$ 2,595	$ 3,905
42	4" Meter Turbo			$ 2,700	$ 1,660	$ 2,720	$ 4,380
43	4" Compound Meter			$ 3,405	$ 1,870	$ 2,715	$ 4,585
44	6" Meter Turbo			$ 5,035	$ 2,480	$ 5,125	$ 7,605
45	6" Compound Meter			$ 6,510	$ 2,615	$ 7,055	$ 9,670
46	Larger Meters			Cost	Cost	Cost	Cost
47	* Meter charge includes meter box or vault						
48	All items billed at cost shall include labor, materials and parts, overheads and all applicable taxes.						
49							
50	n/t - no tariff						
51	n/a - not applicable						

Off-Site Facilities Hook-Up Fee (Current)

All Meter Sizes - $1,000 ; Applicable to Residential, Commercial and Irrigation customers. Hook-up fees included in revenues are to be $35,000 for water revenue and $52,500 for sewer revenue. Any money collected above these figures will be considered contributions in aid of construction ("CIAC").

Off-Site Facilities Hook-Up Fee (Proposed)

All Meter Sizes - $1,500 ; Applicable to Residential, Commercial and Irrigation customers. All Hook-up fees will be considered contributions in aid of construction ("CIAC").

Purchased Power Adjustor Mechanism (PPAM)

The purpose of the Purchased Power Adjustor is to pass-through increases or decreases in purchased power costs that are due to changes in the rates for electric utility service received from Salt River Project. The intent of the PPAM is to isolate changes in purchased power cost that is due exclusively to a rate change that is beyond the control of Company. The increases/decreases in power costs will be allocated on a per 1,000-gallon basis and passed-through to customers as a separate line item on the customers' bill. The Company will develop a Plan of Administration, to be approved by Commission Staff, that outlines the implementation and filing requirements as well as how the surcharge will be computed.

The PPAM will be applicable to residential, commercial, construction and irrigation sales.

Sustainable Water Surcharge (SWS) (Proposed)

The purpose of the Sustainable Water Surcharge is to recover all costs related to the purchase and exchange of sustainable water supplies with Salt River Project ("SRP") (or other Verde River water right holders). The sustainable water supplies include the Company's Central Arizona Project ("CAP") water and stored sustainable water supplies (CAP, effluent or other surface water) acquired from third parties in the form of long-term storage credits and other sustainable water supplies acquired by the Company in the future. Recoverable costs include contracting, delivery, legal and administrative costs paid to CAP, SRP and others, as necessary to allow the Company to deliver the renewable water supplies to the Company's customers via exchange with SRP or others and thereby reduce the Company's pumping of groundwater. The SWS will include costs for groundwater withdrawal fees paid to ADWR, since these costs will be reduced as the Company increases its use of sustainable water supplies and reduces its use of groundwater. The Company proposes to develop a Plan of Administration for the SWS, to be approved by Commission Staff that will more fully define the terms of the SWS as well as the procedures for making annual adjustments to the SWS to reflect actual costs incurred in the prior year, actual surcharge collections in the prior year, and projected costs for the next year.

Except as noted below, the SWS would be applicable to water sales by the Company's water division, including residential, commercial, construction, potable irrigation and non-potable irrigation sales. Since effluent is a renewable non-groundwater supply, effluent sales by the Company's wastewater division would not be subject to the SWS. Additionally, the SWS will not apply to water deliveries made to any customer that owns stored sustainable water supplies (CAP, effluent or other surface water) or other sustainable water supplies, acquires the necessary permits, enters into an exchange agreement with SRP or others, and enters into a wheeling agreement with the Company ("Wheeled Water Customer"), to allow the Company to legally deliver the Wheeled Water Customer's renewable water supply to the Wheeled Water Customer. The Wheeled Water Customer's sustainable water supply must be independently acquired and separate from the Company's water supplies.

Wheeled Water Service (Proposed)

The Company may, upon the request of a customer that has acquired it own renewable water supply, wheel the customer's renewable water supply through the Company's water system for delivery to the customer ("Wheeled Water Customer"). The customer is required to acquire the necessary permits, enter into an exchange agreement with SRP or others as may be required, and enter into a wheeling agreement with the Company and take all other action that is required to allow the Company to legally deliver the Wheeled Water Customer's renewable water supply to the Wheeled Water Customer.

Service to Wheeled Water Customers will be provided under the Company's residentail, commercial, construction and irrigation rates, as applicable to the class of customer being served.

Privilege, Sales or Use Tax

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule RI4-2-409(D)(5).

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Residential
Meter Size: 3/4"
Sub Class:

Line No.	Rate Schedules		
1	**Present Rates:**		
2	Base Charge:	$	9.00
3			
4			
5	Tier One Rate:	$	-
6	Tier Two Rate:	$	1.59
7	Tier Three Rate:	$	-
8			
9	Tier One Breakover (M gal):		-
10	Tier Two Breakover (M gal):		999,999
11	Tier Three Breakover (M gal):		-
12			
13			
14	**Proposed Rates:**		
15	Base Charge:	$	13.15
16			
17			
18	Tier One Rate:	$	1.77
19	Tier Two Rate:	$	2.32
20	Tier Three Rate:	$	2.50
21			
22	Tier One Breakover (M gal):		3
23	Tier Two Breakover (M gal):		24
24	Tier Three Breakover (M gal):		999,999
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	$ 9.00	$ 13.15	$ 4.15	46.11%
1,000	$ 10.59	$ 14.92	$ 4.33	40.89%
2,000	$ 12.18	$ 16.69	$ 4.51	37.03%
3,000	$ 13.77	$ 18.46	$ 4.69	34.06%
4,000	$ 15.36	$ 20.78	$ 5.42	35.29%
5,000	$ 16.95	$ 23.10	$ 6.15	36.28%
6,000	$ 18.54	$ 25.42	$ 6.88	37.11%
7,000	$ 20.13	$ 27.74	$ 7.61	37.80%
8,000	$ 21.72	$ 30.06	$ 8.34	38.40%
9,000	$ 23.31	$ 32.38	$ 9.07	38.91%
10,000	$ 24.90	$ 34.70	$ 9.80	39.36%
12,000	$ 28.08	$ 39.34	$ 11.26	40.10%
14,000	$ 31.26	$ 43.98	$ 12.72	40.69%
16,000	$ 34.44	$ 48.62	$ 14.18	41.17%
18,000	$ 37.62	$ 53.26	$ 15.64	41.57%
20,000	$ 40.80	$ 57.90	$ 17.10	41.91%
25,000	$ 48.75	$ 69.68	$ 20.93	42.93%
30,000	$ 56.70	$ 82.18	$ 25.48	44.94%
35,000	$ 64.65	$ 94.68	$ 30.03	46.45%
40,000	$ 72.60	$ 107.18	$ 34.58	47.63%
45,000	$ 80.55	$ 119.68	$ 39.13	48.58%
50,000	$ 88.50	$ 132.18	$ 43.68	49.36%
60,000	$ 104.40	$ 157.18	$ 52.78	50.56%
70,000	$ 120.30	$ 182.18	$ 61.88	51.44%
80,000	$ 136.20	$ 207.18	$ 70.98	52.11%
90,000	$ 152.10	$ 232.18	$ 80.08	52.65%
100,000	$ 168.00	$ 257.18	$ 89.18	53.08%
Average Usage				
6,849	$ 19.89	$ 27.39	$ 7.50	37.71%
Median Usage				
4,515	$ 16.18	$ 21.97	$ 5.79	35.78%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Residential
Meter Size: 1"
Sub Class:

Line No.	Rate Schedules	
1	**Present Rates:**	
2	Base Charge:	$ 9.00
3		
4		
5	Tier One Rate:	$ -
6	Tier Two Rate:	$ 1.59
7	Tier Three Rate:	$ -
8		
9	Tier One Breakover (M gal):	-
10	Tier Two Breakover (M gal):	999,999
11	Tier Three Breakover (M gal):	-
12		
13		
14	**Proposed Rates:**	
15	Base Charge:	$ 13.15
16		
17		
18	Tier One Rate:	$ 1.77
19	Tier Two Rate:	$ 2.32
20	Tier Three Rate:	$ 2.50
21		
22	Tier One Breakover (M gal):	3
23	Tier Two Breakover (M gal):	24
24	Tier Three Breakover (M gal):	999,999
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	$ 9.00	$ 13.15	$ 4.15	46.11%
1,000	$ 10.59	$ 14.92	$ 4.33	40.89%
2,000	$ 12.18	$ 16.69	$ 4.51	37.03%
3,000	$ 13.77	$ 18.46	$ 4.69	34.06%
4,000	$ 15.36	$ 20.78	$ 5.42	35.29%
5,000	$ 16.95	$ 23.10	$ 6.15	36.28%
6,000	$ 18.54	$ 25.42	$ 6.88	37.11%
7,000	$ 20.13	$ 27.74	$ 7.61	37.80%
8,000	$ 21.72	$ 30.06	$ 8.34	38.40%
9,000	$ 23.31	$ 32.38	$ 9.07	38.91%
10,000	$ 24.90	$ 34.70	$ 9.80	39.36%
12,000	$ 28.08	$ 39.34	$ 11.26	40.10%
14,000	$ 31.26	$ 43.98	$ 12.72	40.69%
16,000	$ 34.44	$ 48.62	$ 14.18	41.17%
18,000	$ 37.62	$ 53.26	$ 15.64	41.57%
20,000	$ 40.80	$ 57.90	$ 17.10	41.91%
25,000	$ 48.75	$ 69.68	$ 20.93	42.93%
30,000	$ 56.70	$ 82.18	$ 25.48	44.94%
35,000	$ 64.65	$ 94.68	$ 30.03	46.45%
40,000	$ 72.60	$ 107.18	$ 34.58	47.63%
45,000	$ 80.55	$ 119.68	$ 39.13	48.58%
50,000	$ 88.50	$ 132.18	$ 43.68	49.36%
60,000	$ 104.40	$ 157.18	$ 52.78	50.56%
70,000	$ 120.30	$ 182.18	$ 61.88	51.44%
80,000	$ 136.20	$ 207.18	$ 70.98	52.11%
90,000	$ 152.10	$ 232.18	$ 80.08	52.65%
100,000	$ 168.00	$ 257.18	$ 89.18	53.08%
Average Usage				
10,647	$ 25.93	$ 36.20	$ 10.27	39.61%
Median Usage				
9,500	$ 24.11	$ 33.54	$ 9.43	39.11%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Residential
Meter Size: 1 1/2"
Sub Class:

Line No.	Rate Schedules			Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**			-	$ 32.00	$ 51.40	$ 19.40	60.63%
2	Base Charge:	$	32.00	1,000	$ 33.59	$ 53.72	$ 20.13	59.93%
3				2,000	$ 35.18	$ 56.04	$ 20.86	59.30%
4				3,000	$ 36.77	$ 58.36	$ 21.59	58.72%
5	Tier One Rate:	$	-	4,000	$ 38.36	$ 60.68	$ 22.32	58.19%
6	Tier Two Rate:	$	1.59	5,000	$ 39.95	$ 63.00	$ 23.05	57.70%
7	Tier Three Rate:	$	-	6,000	$ 41.54	$ 65.32	$ 23.78	57.25%
8				7,000	$ 43.13	$ 67.64	$ 24.51	56.83%
9	Tier One Breakover (M gal):		-	8,000	$ 44.72	$ 69.96	$ 25.24	56.44%
10	Tier Two Breakover (M gal):		999,999	9,000	$ 46.31	$ 72.28	$ 25.97	56.08%
11	Tier Three Breakover (M gal):		-	10,000	$ 47.90	$ 74.60	$ 26.70	55.74%
12				12,000	$ 51.08	$ 79.24	$ 28.16	55.13%
13				14,000	$ 54.26	$ 83.88	$ 29.62	54.59%
14	**Proposed Rates:**			16,000	$ 57.44	$ 88.52	$ 31.08	54.11%
15	Base Charge:	$	51.40	18,000	$ 60.62	$ 93.16	$ 32.54	53.68%
16				20,000	$ 63.80	$ 97.80	$ 34.00	53.29%
17				25,000	$ 71.75	$ 109.40	$ 37.65	52.47%
18	Tier One Rate:	$	1.77	30,000	$ 79.70	$ 121.00	$ 41.30	51.82%
19	Tier Two Rate:	$	2.32	35,000	$ 87.65	$ 132.60	$ 44.95	51.28%
20	Tier Three Rate:	$	2.50	40,000	$ 95.60	$ 144.20	$ 48.60	50.84%
21				45,000	$ 103.55	$ 155.80	$ 52.25	50.46%
22	Tier One Breakover (M gal):		-	50,000	$ 111.50	$ 167.40	$ 55.90	50.13%
23	Tier Two Breakover (M gal):		70	60,000	$ 127.40	$ 190.60	$ 63.20	49.61%
24	Tier Three Breakover (M gal):		999,999	70,000	$ 143.30	$ 213.80	$ 70.50	49.20%
25				80,000	$ 159.20	$ 238.80	$ 79.60	50.00%
26				90,000	$ 175.10	$ 263.80	$ 88.70	50.66%
27				100,000	$ 191.00	$ 288.80	$ 97.80	51.20%
28								
29				Average Usage				
30				35,880	$ 89.05	$ 134.64	$ 45.59	51.20%
31				Median Usage				
32				22,850	$ 68.33	$ 104.41	$ 36.08	52.80%
33								
34								

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Residential
Meter Size: 6"
Sub Class:

Line No.	Rate Schedules		
1	**Present Rates:**		
2	Base Charge:	$	300.00
3			
4			
5	Tier One Rate:	$	-
6	Tier Two Rate:	$	1.59
7	Tier Three Rate:	$	-
8			
9	Tier One Breakover (M gal):		-
10	Tier Two Breakover (M gal):		999,999
11	Tier Three Breakover (M gal):		-
12			
13			
14	**Proposed Rates:**		
15	Base Charge:	$	482.20
16			
17			
18	Tier One Rate:	$	1.77
19	Tier Two Rate:	$	2.32
20	Tier Three Rate:	$	2.50
21			
22	Tier One Breakover (M gal):		-
23	Tier Two Breakover (M gal):		200
24	Tier Three Breakover (M gal):		999,999
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	$ 300.00	$ 482.20	$ 182.20	60.73%
1,000	$ 301.59	$ 484.52	$ 182.93	60.66%
2,000	$ 303.18	$ 486.84	$ 183.66	60.58%
3,000	$ 304.77	$ 489.16	$ 184.39	60.50%
4,000	$ 306.36	$ 491.48	$ 185.12	60.43%
5,000	$ 307.95	$ 493.80	$ 185.85	60.35%
6,000	$ 309.54	$ 496.12	$ 186.58	60.28%
7,000	$ 311.13	$ 498.44	$ 187.31	60.20%
8,000	$ 312.72	$ 500.76	$ 188.04	60.13%
9,000	$ 314.31	$ 503.08	$ 188.77	60.06%
10,000	$ 315.90	$ 505.40	$ 189.50	59.99%
12,000	$ 319.08	$ 510.04	$ 190.96	59.85%
14,000	$ 322.26	$ 514.68	$ 192.42	59.71%
16,000	$ 325.44	$ 519.32	$ 193.88	59.57%
18,000	$ 328.62	$ 523.96	$ 195.34	59.44%
20,000	$ 331.80	$ 528.60	$ 196.80	59.31%
25,000	$ 339.75	$ 540.20	$ 200.45	59.00%
30,000	$ 347.70	$ 551.80	$ 204.10	58.70%
35,000	$ 355.65	$ 563.40	$ 207.75	58.41%
40,000	$ 363.60	$ 575.00	$ 211.40	58.14%
45,000	$ 371.55	$ 586.60	$ 215.05	57.88%
50,000	$ 379.50	$ 598.20	$ 218.70	57.63%
60,000	$ 395.40	$ 621.40	$ 226.00	57.16%
70,000	$ 411.30	$ 644.60	$ 233.30	56.72%
80,000	$ 427.20	$ 667.80	$ 240.60	56.32%
90,000	$ 443.10	$ 691.00	$ 247.90	55.95%
100,000	$ 459.00	$ 714.20	$ 255.20	55.60%
Average Usage				
157,325	$ 550.15	$ 847.19	$ 297.04	53.99%
Median Usage				
124,850	$ 498.51	$ 771.85	$ 273.34	54.83%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Residential
Meter Size: 3/4"
Sub Class: Irrigation

Line No.	Rate Schedules		
1	**Present Rates:**		
2	Base Charge:	$	9.00
3			
4			
5	Tier One Rate:	$	-
6	Tier Two Rate:	$	1.59
7	Tier Three Rate:	$	-
8			
9	Tier One Breakover (M gal):		-
10	Tier Two Breakover (M gal):		999,999
11	Tier Three Breakover (M gal):		-
12			
13			
14	**Proposed Rates:**		
15	Base Charge:	$	13.15
16			
17			
18	Tier One Rate:	$	1.77
19	Tier Two Rate:	$	2.32
20	Tier Three Rate:	$	2.50
21			
22	Tier One Breakover (M gal):		3
23	Tier Two Breakover (M gal):		24
24	Tier Three Breakover (M gal):		999,999
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	$ 9.00	$ 13.15	$ 4.15	46.11%
1,000	$ 10.59	$ 14.92	$ 4.33	40.89%
2,000	$ 12.18	$ 16.69	$ 4.51	37.03%
3,000	$ 13.77	$ 18.46	$ 4.69	34.06%
4,000	$ 15.36	$ 20.78	$ 5.42	35.29%
5,000	$ 16.95	$ 23.10	$ 6.15	36.28%
6,000	$ 18.54	$ 25.42	$ 6.88	37.11%
7,000	$ 20.13	$ 27.74	$ 7.61	37.80%
8,000	$ 21.72	$ 30.06	$ 8.34	38.40%
9,000	$ 23.31	$ 32.38	$ 9.07	38.91%
10,000	$ 24.90	$ 34.70	$ 9.80	39.36%
12,000	$ 28.08	$ 39.34	$ 11.26	40.10%
14,000	$ 31.26	$ 43.98	$ 12.72	40.69%
16,000	$ 34.44	$ 48.62	$ 14.18	41.17%
18,000	$ 37.62	$ 53.26	$ 15.64	41.57%
20,000	$ 40.80	$ 57.90	$ 17.10	41.91%
25,000	$ 48.75	$ 69.68	$ 20.93	42.93%
30,000	$ 56.70	$ 82.18	$ 25.48	44.94%
35,000	$ 64.65	$ 94.68	$ 30.03	46.45%
40,000	$ 72.60	$ 107.18	$ 34.58	47.63%
45,000	$ 80.55	$ 119.68	$ 39.13	48.58%
50,000	$ 88.50	$ 132.18	$ 43.68	49.36%
60,000	$ 104.40	$ 157.18	$ 52.78	50.56%
70,000	$ 120.30	$ 182.18	$ 61.88	51.44%
80,000	$ 136.20	$ 207.18	$ 70.98	52.11%
90,000	$ 152.10	$ 232.18	$ 80.08	52.65%
100,000	$ 168.00	$ 257.18	$ 89.18	53.08%
Average Usage				
48,299	$ 85.80	$ 127.93	$ 42.13	49.10%
Median Usage				
58,190	$ 101.52	$ 152.66	$ 51.14	50.37%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Residential
Meter Size: 1"
Sub Class: Irrigation

Line No.	Rate Schedules		
1	**Present Rates:**		
2	Base Charge:	$	9.00
3			
4			
5	Tier One Rate:	$	-
6	Tier Two Rate:	$	1.59
7	Tier Three Rate:	$	-
8			
9	Tier One Breakover (M gal):		-
10	Tier Two Breakover (M gal):		999,999
11	Tier Three Breakover (M gal):		-
12			
13			
14	**Proposed Rates:**		
15	Base Charge:	$	13.15
16			
17			
18	Tier One Rate:	$	1.77
19	Tier Two Rate:	$	2.32
20	Tier Three Rate:	$	2.50
21			
22	Tier One Breakover (M gal):		3
23	Tier Two Breakover (M gal):		24
24	Tier Three Breakover (M gal):		999,999
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	$ 9.00	$ 13.15	$ 4.15	46.11%
1,000	$ 10.59	$ 14.92	$ 4.33	40.89%
2,000	$ 12.18	$ 16.69	$ 4.51	37.03%
3,000	$ 13.77	$ 18.46	$ 4.69	34.06%
4,000	$ 15.36	$ 20.78	$ 5.42	35.29%
5,000	$ 16.95	$ 23.10	$ 6.15	36.28%
6,000	$ 18.54	$ 25.42	$ 6.88	37.11%
7,000	$ 20.13	$ 27.74	$ 7.61	37.80%
8,000	$ 21.72	$ 30.06	$ 8.34	38.40%
9,000	$ 23.31	$ 32.38	$ 9.07	38.91%
10,000	$ 24.90	$ 34.70	$ 9.80	39.36%
12,000	$ 28.08	$ 39.34	$ 11.26	40.10%
14,000	$ 31.26	$ 43.98	$ 12.72	40.69%
16,000	$ 34.44	$ 48.62	$ 14.18	41.17%
18,000	$ 37.62	$ 53.26	$ 15.64	41.57%
20,000	$ 40.80	$ 57.90	$ 17.10	41.91%
25,000	$ 48.75	$ 69.68	$ 20.93	42.93%
30,000	$ 56.70	$ 82.18	$ 25.48	44.94%
35,000	$ 64.65	$ 94.68	$ 30.03	46.45%
40,000	$ 72.60	$ 107.18	$ 34.58	47.63%
45,000	$ 80.55	$ 119.68	$ 39.13	48.58%
50,000	$ 88.50	$ 132.18	$ 43.68	49.36%
60,000	$ 104.40	$ 157.18	$ 52.78	50.56%
70,000	$ 120.30	$ 182.18	$ 61.88	51.44%
80,000	$ 136.20	$ 207.18	$ 70.98	52.11%
90,000	$ 152.10	$ 232.18	$ 80.08	52.65%
100,000	$ 168.00	$ 257.18	$ 89.18	53.08%
Average Usage				
70,265	$ 120.72	$ 182.84	$ 62.12	51.46%
Median Usage				
52,590	$ 92.62	$ 138.66	$ 46.04	49.71%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Commercial
Meter Size: 3/4"
Sub Class:

Line No.	Rate Schedules		
1	**Present Rates:**		
2	Base Charge:	$	9.00
3			
4			
5	Tier One Rate:	$	-
6	Tier Two Rate:	$	1.59
7	Tier Three Rate:	$	-
8			
9	Tier One Breakover (M gal):		-
10	Tier Two Breakover (M gal):		999,999
11	Tier Three Breakover (M gal):		-
12			
13			
14	**Proposed Rates:**		
15	Base Charge:	$	13.15
16			
17			
18	Tier One Rate:	$	-
19	Tier Two Rate:	$	2.32
20	Tier Three Rate:	$	2.50
21			
22	Tier One Breakover (M gal):		-
23	Tier Two Breakover (M gal):		20
24	Tier Three Breakover (M gal):		999,999
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	$ 9.00	$ 13.15	$ 4.15	46.11%
1,000	$ 10.59	$ 15.47	$ 4.88	46.08%
2,000	$ 12.18	$ 17.79	$ 5.61	46.06%
3,000	$ 13.77	$ 20.11	$ 6.34	46.04%
4,000	$ 15.36	$ 22.43	$ 7.07	46.03%
5,000	$ 16.95	$ 24.75	$ 7.80	46.02%
6,000	$ 18.54	$ 27.07	$ 8.53	46.01%
7,000	$ 20.13	$ 29.39	$ 9.26	46.00%
8,000	$ 21.72	$ 31.71	$ 9.99	45.99%
9,000	$ 23.31	$ 34.03	$ 10.72	45.99%
10,000	$ 24.90	$ 36.35	$ 11.45	45.98%
12,000	$ 28.08	$ 40.99	$ 12.91	45.98%
14,000	$ 31.26	$ 45.63	$ 14.37	45.97%
16,000	$ 34.44	$ 50.27	$ 15.83	45.96%
18,000	$ 37.62	$ 54.91	$ 17.29	45.96%
20,000	$ 40.80	$ 59.55	$ 18.75	45.96%
25,000	$ 48.75	$ 72.05	$ 23.30	47.79%
30,000	$ 56.70	$ 84.55	$ 27.85	49.12%
35,000	$ 64.65	$ 97.05	$ 32.40	50.12%
40,000	$ 72.60	$ 109.55	$ 36.95	50.90%
45,000	$ 80.55	$ 122.05	$ 41.50	51.52%
50,000	$ 88.50	$ 134.55	$ 46.05	52.03%
60,000	$ 104.40	$ 159.55	$ 55.15	52.83%
70,000	$ 120.30	$ 184.55	$ 64.25	53.41%
80,000	$ 136.20	$ 209.55	$ 73.35	53.85%
90,000	$ 152.10	$ 234.55	$ 82.45	54.21%
100,000	$ 168.00	$ 259.55	$ 91.55	54.49%
Average Usage				
9,055	$ 23.40	$ 34.16	$ 10.76	45.98%
Median Usage				
6,242	$ 18.92	$ 27.63	$ 8.71	46.04%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Commercial
Meter Size: 1"
Sub Class:

Line No.	Rate Schedules			Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**			-	$ 9.00	$ 13.15	$ 4.15	46.11%
2	Base Charge:	$	9.00	1,000	$ 10.59	$ 15.47	$ 4.88	46.08%
3				2,000	$ 12.18	$ 17.79	$ 5.61	46.06%
4				3,000	$ 13.77	$ 20.11	$ 6.34	46.04%
5	Tier One Rate:	$	-	4,000	$ 15.36	$ 22.43	$ 7.07	46.03%
6	Tier Two Rate:	$	1.59	5,000	$ 16.95	$ 24.75	$ 7.80	46.02%
7	Tier Three Rate:	$	-	6,000	$ 18.54	$ 27.07	$ 8.53	46.01%
8				7,000	$ 20.13	$ 29.39	$ 9.26	46.00%
9	Tier One Breakover (M gal):		-	8,000	$ 21.72	$ 31.71	$ 9.99	45.99%
10	Tier Two Breakover (M gal):		999,999	9,000	$ 23.31	$ 34.03	$ 10.72	45.99%
11	Tier Three Breakover (M gal):		-	10,000	$ 24.90	$ 36.35	$ 11.45	45.98%
12				12,000	$ 28.08	$ 40.99	$ 12.91	45.98%
13				14,000	$ 31.26	$ 45.63	$ 14.37	45.97%
14	**Proposed Rates:**			16,000	$ 34.44	$ 50.27	$ 15.83	45.96%
15	Base Charge:	$	13.15	18,000	$ 37.62	$ 54.91	$ 17.29	45.96%
16				20,000	$ 40.80	$ 59.55	$ 18.75	45.96%
17				25,000	$ 48.75	$ 71.15	$ 22.40	45.95%
18	Tier One Rate:	$	-	30,000	$ 56.70	$ 82.75	$ 26.05	45.94%
19	Tier Two Rate:	$	2.32	35,000	$ 64.65	$ 95.25	$ 30.60	47.33%
20	Tier Three Rate:	$	2.50	40,000	$ 72.60	$ 107.75	$ 35.15	48.42%
21				45,000	$ 80.55	$ 120.25	$ 39.70	49.29%
22	Tier One Breakover (M gal):		-	50,000	$ 88.50	$ 132.75	$ 44.25	50.00%
23	Tier Two Breakover (M gal):		30	60,000	$ 104.40	$ 157.75	$ 53.35	51.10%
24	Tier Three Breakover (M gal):		999,999	70,000	$ 120.30	$ 182.75	$ 62.45	51.91%
25				80,000	$ 136.20	$ 207.75	$ 71.55	52.53%
26				90,000	$ 152.10	$ 232.75	$ 80.65	53.02%
27				100,000	$ 168.00	$ 257.75	$ 89.75	53.42%
28								
29				Average Usage				
30				10,313	$ 25.40	$ 37.08	$ 11.68	45.98%
31				Median Usage				
32				4,302	$ 15.84	$ 23.13	$ 7.29	46.02%
33								
34								

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Commercial
Meter Size: 1.5"
Sub Class:

Line No.	Rate Schedules		
1	**Present Rates:**		
2	Base Charge:	$	32.00
3			
4			
5	Tier One Rate:	$	-
6	Tier Two Rate:	$	1.59
7	Tier Three Rate:	$	-
8			
9	Tier One Breakover (M gal):		-
10	Tier Two Breakover (M gal):		999,999
11	Tier Three Breakover (M gal):		-
12			
13			
14	**Proposed Rates:**		
15	Base Charge:	$	51.40
16			
17			
18	Tier One Rate:	$	1.77
19	Tier Two Rate:	$	2.32
20	Tier Three Rate:	$	2.50
21			
22	Tier One Breakover (M gal):		-
23	Tier Two Breakover (M gal):		70
24	Tier Three Breakover (M gal):		999,999
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	$ 32.00	$ 51.40	$ 19.40	60.63%
1,000	$ 33.59	$ 53.72	$ 20.13	59.93%
2,000	$ 35.18	$ 56.04	$ 20.86	59.30%
3,000	$ 36.77	$ 58.36	$ 21.59	58.72%
4,000	$ 38.36	$ 60.68	$ 22.32	58.19%
5,000	$ 39.95	$ 63.00	$ 23.05	57.70%
6,000	$ 41.54	$ 65.32	$ 23.78	57.25%
7,000	$ 43.13	$ 67.64	$ 24.51	56.83%
8,000	$ 44.72	$ 69.96	$ 25.24	56.44%
9,000	$ 46.31	$ 72.28	$ 25.97	56.08%
10,000	$ 47.90	$ 74.60	$ 26.70	55.74%
12,000	$ 51.08	$ 79.24	$ 28.16	55.13%
14,000	$ 54.26	$ 83.88	$ 29.62	54.59%
16,000	$ 57.44	$ 88.52	$ 31.08	54.11%
18,000	$ 60.62	$ 93.16	$ 32.54	53.68%
20,000	$ 63.80	$ 97.80	$ 34.00	53.29%
25,000	$ 71.75	$ 109.40	$ 37.65	52.47%
30,000	$ 79.70	$ 121.00	$ 41.30	51.82%
35,000	$ 87.65	$ 132.60	$ 44.95	51.28%
40,000	$ 95.60	$ 144.20	$ 48.60	50.84%
45,000	$ 103.55	$ 155.80	$ 52.25	50.46%
50,000	$ 111.50	$ 167.40	$ 55.90	50.13%
60,000	$ 127.40	$ 190.60	$ 63.20	49.61%
70,000	$ 143.30	$ 213.80	$ 70.50	49.20%
80,000	$ 159.20	$ 238.80	$ 79.60	50.00%
90,000	$ 175.10	$ 263.80	$ 88.70	50.66%
100,000	$ 191.00	$ 288.80	$ 97.80	51.20%
Average Usage				
17,385	$ 59.64	$ 91.73	$ 32.09	53.81%
Median Usage				
3,600	$ 37.72	$ 59.75	$ 22.03	58.40%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Commercial
Meter Size: 2"
Sub Class:

Line No.	Rate Schedules			Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**			-	$ 70.00	$ 105.20	$ 35.20	50.29%
2	Base Charge:	$	70.00	1,000	$ 71.59	$ 107.52	$ 35.93	50.19%
3				2,000	$ 73.18	$ 109.84	$ 36.66	50.10%
4				3,000	$ 74.77	$ 112.16	$ 37.39	50.01%
5	Tier One Rate:	$	-	4,000	$ 76.36	$ 114.48	$ 38.12	49.92%
6	Tier Two Rate:	$	1.59	5,000	$ 77.95	$ 116.80	$ 38.85	49.84%
7	Tier Three Rate:	$	-	6,000	$ 79.54	$ 119.12	$ 39.58	49.76%
8				7,000	$ 81.13	$ 121.44	$ 40.31	49.69%
9	Tier One Breakover (M gal):		-	8,000	$ 82.72	$ 123.76	$ 41.04	49.61%
10	Tier Two Breakover (M gal):		999,999	9,000	$ 84.31	$ 126.08	$ 41.77	49.54%
11	Tier Three Breakover (M gal):		-	10,000	$ 85.90	$ 128.40	$ 42.50	49.48%
12				12,000	$ 89.08	$ 133.04	$ 43.96	49.35%
13				14,000	$ 92.26	$ 137.68	$ 45.42	49.23%
14	**Proposed Rates:**			16,000	$ 95.44	$ 142.32	$ 46.88	49.12%
15	Base Charge:	$	105.20	18,000	$ 98.62	$ 146.96	$ 48.34	49.02%
16				20,000	$ 101.80	$ 151.60	$ 49.80	48.92%
17				25,000	$ 109.75	$ 163.20	$ 53.45	48.70%
18	Tier One Rate:	$	1.77	30,000	$ 117.70	$ 174.80	$ 57.10	48.51%
19	Tier Two Rate:	$	2.32	35,000	$ 125.65	$ 186.40	$ 60.75	48.35%
20	Tier Three Rate:	$	2.50	40,000	$ 133.60	$ 198.00	$ 64.40	48.20%
21				45,000	$ 141.55	$ 209.60	$ 68.05	48.07%
22	Tier One Breakover (M gal):		-	50,000	$ 149.50	$ 221.20	$ 71.70	47.96%
23	Tier Two Breakover (M gal):		160	60,000	$ 165.40	$ 244.40	$ 79.00	47.76%
24	Tier Three Breakover (M gal):		999,999	70,000	$ 181.30	$ 267.60	$ 86.30	47.60%
25				80,000	$ 197.20	$ 290.80	$ 93.60	47.46%
26				90,000	$ 213.10	$ 314.00	$ 100.90	47.35%
27				100,000	$ 229.00	$ 337.20	$ 108.20	47.25%
28								
29				Average Usage				
30				47,879	$ 146.13	$ 216.28	$ 70.15	48.01%
31				Median Usage				
32				42,223	$ 137.13	$ 203.16	$ 66.03	48.15%
33								
34								

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Commercial
Meter Size: 3/4"
Sub Class: Irrigation

Line No.	Rate Schedules		
1	**Present Rates:**		
2	Base Charge:	$	9.00
3			
4			
5	Tier One Rate:	$	-
6	Tier Two Rate:	$	1.59
7	Tier Three Rate:	$	-
8			
9	Tier One Breakover (M gal):		-
10	Tier Two Breakover (M gal):		999,999
11	Tier Three Breakover (M gal):		-
12			
13			
14	**Proposed Rates:**		
15	Base Charge:	$	13.15
16			
17			
18	Tier One Rate:	$	-
19	Tier Two Rate:	$	2.32
20	Tier Three Rate:	$	2.50
21			
22	Tier One Breakover (M gal):		-
23	Tier Two Breakover (M gal):		20
24	Tier Three Breakover (M gal):		999,999
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	$ 9.00	$ 13.15	$ 4.15	46.11%
1,000	$ 10.59	$ 15.47	$ 4.88	46.08%
2,000	$ 12.18	$ 17.79	$ 5.61	46.06%
3,000	$ 13.77	$ 20.11	$ 6.34	46.04%
4,000	$ 15.36	$ 22.43	$ 7.07	46.03%
5,000	$ 16.95	$ 24.75	$ 7.80	46.02%
6,000	$ 18.54	$ 27.07	$ 8.53	46.01%
7,000	$ 20.13	$ 29.39	$ 9.26	46.00%
8,000	$ 21.72	$ 31.71	$ 9.99	45.99%
9,000	$ 23.31	$ 34.03	$ 10.72	45.99%
10,000	$ 24.90	$ 36.35	$ 11.45	45.98%
12,000	$ 28.08	$ 40.99	$ 12.91	45.98%
14,000	$ 31.26	$ 45.63	$ 14.37	45.97%
16,000	$ 34.44	$ 50.27	$ 15.83	45.96%
18,000	$ 37.62	$ 54.91	$ 17.29	45.96%
20,000	$ 40.80	$ 59.55	$ 18.75	45.96%
25,000	$ 48.75	$ 72.05	$ 23.30	47.79%
30,000	$ 56.70	$ 84.55	$ 27.85	49.12%
35,000	$ 64.65	$ 97.05	$ 32.40	50.12%
40,000	$ 72.60	$ 109.55	$ 36.95	50.90%
45,000	$ 80.55	$ 122.05	$ 41.50	51.52%
50,000	$ 88.50	$ 134.55	$ 46.05	52.03%
60,000	$ 104.40	$ 159.55	$ 55.15	52.83%
70,000	$ 120.30	$ 184.55	$ 64.25	53.41%
80,000	$ 136.20	$ 209.55	$ 73.35	53.85%
90,000	$ 152.10	$ 234.55	$ 82.45	54.21%
100,000	$ 168.00	$ 259.55	$ 91.55	54.49%
Average Usage				
2,676	$ 13.25	$ 19.36	$ 6.11	46.11%
Median Usage				
350	$ 9.56	$ 13.96	$ 4.40	46.03%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Commercial
Meter Size: 1"
Sub Class: Irrigation

Line No.	Rate Schedules			Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**			-	$ 9.00	$ 13.15	$ 4.15	46.11%
2	Base Charge:	$	9.00	1,000	$ 10.59	$ 15.47	$ 4.88	46.08%
3				2,000	$ 12.18	$ 17.79	$ 5.61	46.06%
4				3,000	$ 13.77	$ 20.11	$ 6.34	46.04%
5	Tier One Rate:	$	-	4,000	$ 15.36	$ 22.43	$ 7.07	46.03%
6	Tier Two Rate:	$	1.59	5,000	$ 16.95	$ 24.75	$ 7.80	46.02%
7	Tier Three Rate:	$	-	6,000	$ 18.54	$ 27.07	$ 8.53	46.01%
8				7,000	$ 20.13	$ 29.39	$ 9.26	46.00%
9	Tier One Breakover (M gal):		-	8,000	$ 21.72	$ 31.71	$ 9.99	45.99%
10	Tier Two Breakover (M gal):		999,999	9,000	$ 23.31	$ 34.03	$ 10.72	45.99%
11	Tier Three Breakover (M gal):		-	10,000	$ 24.90	$ 36.35	$ 11.45	45.98%
12				12,000	$ 28.08	$ 40.99	$ 12.91	45.98%
13				14,000	$ 31.26	$ 45.63	$ 14.37	45.97%
14	**Proposed Rates:**			16,000	$ 34.44	$ 50.27	$ 15.83	45.96%
15	Base Charge:	$	13.15	18,000	$ 37.62	$ 54.91	$ 17.29	45.96%
16				20,000	$ 40.80	$ 59.55	$ 18.75	45.96%
17				25,000	$ 48.75	$ 71.15	$ 22.40	45.95%
18	Tier One Rate:	$	-	30,000	$ 56.70	$ 82.75	$ 26.05	45.94%
19	Tier Two Rate:	$	2.32	35,000	$ 64.65	$ 95.25	$ 30.60	47.33%
20	Tier Three Rate:	$	2.50	40,000	$ 72.60	$ 107.75	$ 35.15	48.42%
21				45,000	$ 80.55	$ 120.25	$ 39.70	49.29%
22	Tier One Breakover (M gal):		-	50,000	$ 88.50	$ 132.75	$ 44.25	50.00%
23	Tier Two Breakover (M gal):		30	60,000	$ 104.40	$ 157.75	$ 53.35	51.10%
24	Tier Three Breakover (M gal):		999,999	70,000	$ 120.30	$ 182.75	$ 62.45	51.91%
25				80,000	$ 136.20	$ 207.75	$ 71.55	52.53%
26				90,000	$ 152.10	$ 232.75	$ 80.65	53.02%
27				100,000	$ 168.00	$ 257.75	$ 89.75	53.42%
28								
29				Average Usage				
30				18,045	$ 37.69	$ 55.01	$ 17.32	45.95%
31				Median Usage				
32				9,688	$ 24.40	$ 35.63	$ 11.23	46.02%
33								
34								

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Commercial
Meter Size: 1 1/2"
Sub Class: Irrigation

Line No.	Rate Schedules		
1	**Present Rates:**		
2	Base Charge:	$	32.00
3			
4			
5	Tier One Rate:	$	-
6	Tier Two Rate:	$	1.59
7	Tier Three Rate:	$	-
8			
9	Tier One Breakover (M gal):		-
10	Tier Two Breakover (M gal):		999,999
11	Tier Three Breakover (M gal):		-
12			
13			
14	**Proposed Rates:**		
15	Base Charge:	$	51.40
16			
17			
18	Tier One Rate:	$	1.77
19	Tier Two Rate:	$	2.32
20	Tier Three Rate:	$	2.50
21			
22	Tier One Breakover (M gal):		-
23	Tier Two Breakover (M gal):		70
24	Tier Three Breakover (M gal):		999,999
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	$ 32.00	$ 51.40	$ 19.40	60.63%
1,000	$ 33.59	$ 53.72	$ 20.13	59.93%
2,000	$ 35.18	$ 56.04	$ 20.86	59.30%
3,000	$ 36.77	$ 58.36	$ 21.59	58.72%
4,000	$ 38.36	$ 60.68	$ 22.32	58.19%
5,000	$ 39.95	$ 63.00	$ 23.05	57.70%
6,000	$ 41.54	$ 65.32	$ 23.78	57.25%
7,000	$ 43.13	$ 67.64	$ 24.51	56.83%
8,000	$ 44.72	$ 69.96	$ 25.24	56.44%
9,000	$ 46.31	$ 72.28	$ 25.97	56.08%
10,000	$ 47.90	$ 74.60	$ 26.70	55.74%
12,000	$ 51.08	$ 79.24	$ 28.16	55.13%
14,000	$ 54.26	$ 83.88	$ 29.62	54.59%
16,000	$ 57.44	$ 88.52	$ 31.08	54.11%
18,000	$ 60.62	$ 93.16	$ 32.54	53.68%
20,000	$ 63.80	$ 97.80	$ 34.00	53.29%
25,000	$ 71.75	$ 109.40	$ 37.65	52.47%
30,000	$ 79.70	$ 121.00	$ 41.30	51.82%
35,000	$ 87.65	$ 132.60	$ 44.95	51.28%
40,000	$ 95.60	$ 144.20	$ 48.60	50.84%
45,000	$ 103.55	$ 155.80	$ 52.25	50.46%
50,000	$ 111.50	$ 167.40	$ 55.90	50.13%
60,000	$ 127.40	$ 190.60	$ 63.20	49.61%
70,000	$ 143.30	$ 213.80	$ 70.50	49.20%
80,000	$ 159.20	$ 238.80	$ 79.60	50.00%
90,000	$ 175.10	$ 263.80	$ 88.70	50.66%
100,000	$ 191.00	$ 288.80	$ 97.80	51.20%
Average Usage				
13,195	$ 52.98	$ 82.01	$ 29.03	54.79%
Median Usage				
6,074	$ 41.66	$ 65.49	$ 23.83	57.20%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Commercial
Meter Size: 2"
Sub Class: Irrigation

Line No.	Rate Schedules			Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**			-	$ 70.00	$ 105.20	$ 35.20	50.29%
2	Base Charge:	$	70.00	100,000	$ 229.00	$ 337.20	$ 108.20	47.25%
3				125,000	$ 268.75	$ 395.20	$ 126.45	47.05%
4				150,000	$ 308.50	$ 453.20	$ 144.70	46.90%
5	Tier One Rate:	$	-	175,000	$ 348.25	$ 513.90	$ 165.65	47.57%
6	Tier Two Rate:	$	1.59	200,000	$ 388.00	$ 576.40	$ 188.40	48.56%
7	Tier Three Rate:	$	-	225,000	$ 427.75	$ 638.90	$ 211.15	49.36%
8				250,000	$ 467.50	$ 701.40	$ 233.90	50.03%
9	Tier One Breakover (M gal):		-	275,000	$ 507.25	$ 763.90	$ 256.65	50.60%
10	Tier Two Breakover (M gal):		999,999	300,000	$ 547.00	$ 826.40	$ 279.40	51.08%
11	Tier Three Breakover (M gal):		-	325,000	$ 586.75	$ 888.90	$ 302.15	51.50%
12				350,000	$ 626.50	$ 951.40	$ 324.90	51.86%
13				375,000	$ 666.25	$ 1,013.90	$ 347.65	52.18%
14	**Proposed Rates:**			400,000	$ 706.00	$ 1,076.40	$ 370.40	52.46%
15	Base Charge:	$	105.20	425,000	$ 745.75	$ 1,138.90	$ 393.15	52.72%
16				450,000	$ 785.50	$ 1,201.40	$ 415.90	52.95%
17				475,000	$ 825.25	$ 1,263.90	$ 438.65	53.15%
18	Tier One Rate:	$	1.77	500,000	$ 865.00	$ 1,326.40	$ 461.40	53.34%
19	Tier Two Rate:	$	2.32	525,000	$ 904.75	$ 1,388.90	$ 484.15	53.51%
20	Tier Three Rate:	$	2.50	550,000	$ 944.50	$ 1,451.40	$ 506.90	53.67%
21				575,000	$ 984.25	$ 1,513.90	$ 529.65	53.81%
22	Tier One Breakover (M gal):		-	600,000	$ 1,024.00	$ 1,576.40	$ 552.40	53.95%
23	Tier Two Breakover (M gal):		160	625,000	$ 1,063.75	$ 1,638.90	$ 575.15	54.07%
24	Tier Three Breakover (M gal):		999,999	650,000	$ 1,103.50	$ 1,701.40	$ 597.90	54.18%
25				675,000	$ 1,143.25	$ 1,763.90	$ 620.65	54.29%
26				700,000	$ 1,183.00	$ 1,826.40	$ 643.40	54.39%
27				725,000	$ 1,222.75	$ 1,888.90	$ 666.15	54.48%
28								
29				Average Usage				
30				518,835	$ 894.95	$ 1,373.49	$ 478.54	53.47%
31				Median Usage				
32				425,986	$ 747.32	$ 1,141.37	$ 394.05	52.73%
33								
34								

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Commercial
Meter Size: 2"
Sub Class: Restaurant

Line No.	Rate Schedules		
1	**Present Rates:**		
2	Base Charge:	$	70.00
3			
4			
5	Tier One Rate:	$	-
6	Tier Two Rate:	$	1.59
7	Tier Three Rate:	$	-
8			
9	Tier One Breakover (M gal):		-
10	Tier Two Breakover (M gal):		999,999
11	Tier Three Breakover (M gal):		-
12			
13			
14	**Proposed Rates:**		
15	Base Charge:	$	105.20
16			
17			
18	Tier One Rate:	$	1.77
19	Tier Two Rate:	$	2.32
20	Tier Three Rate:	$	2.50
21			
22	Tier One Breakover (M gal):		-
23	Tier Two Breakover (M gal):		160
24	Tier Three Breakover (M gal):		999,999
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	$ 70.00	$ 105.20	$ 35.20	50.29%
100,000	$ 229.00	$ 337.20	$ 108.20	47.25%
110,000	$ 244.90	$ 360.40	$ 115.50	47.16%
120,000	$ 260.80	$ 383.60	$ 122.80	47.09%
130,000	$ 276.70	$ 406.80	$ 130.10	47.02%
140,000	$ 292.60	$ 430.00	$ 137.40	46.96%
150,000	$ 308.50	$ 453.20	$ 144.70	46.90%
160,000	$ 324.40	$ 476.40	$ 152.00	46.86%
170,000	$ 340.30	$ 501.40	$ 161.10	47.34%
180,000	$ 356.20	$ 526.40	$ 170.20	47.78%
190,000	$ 372.10	$ 551.40	$ 179.30	48.19%
200,000	$ 388.00	$ 576.40	$ 188.40	48.56%
210,000	$ 403.90	$ 601.40	$ 197.50	48.90%
220,000	$ 419.80	$ 626.40	$ 206.60	49.21%
230,000	$ 435.70	$ 651.40	$ 215.70	49.51%
240,000	$ 451.60	$ 676.40	$ 224.80	49.78%
250,000	$ 467.50	$ 701.40	$ 233.90	50.03%
260,000	$ 483.40	$ 726.40	$ 243.00	50.27%
270,000	$ 499.30	$ 751.40	$ 252.10	50.49%
280,000	$ 515.20	$ 776.40	$ 261.20	50.70%
290,000	$ 531.10	$ 801.40	$ 270.30	50.89%
300,000	$ 547.00	$ 826.40	$ 279.40	51.08%
310,000	$ 562.90	$ 851.40	$ 288.50	51.25%
320,000	$ 578.80	$ 876.40	$ 297.60	51.42%
330,000	$ 594.70	$ 901.40	$ 306.70	51.57%
340,000	$ 610.60	$ 926.40	$ 315.80	51.72%
350,000	$ 626.50	$ 951.40	$ 324.90	51.86%
Average Usage				
251,896	$ 470.51	$ 706.14	$ 235.63	50.08%
Median Usage				
236,800	$ 446.51	$ 668.40	$ 221.89	49.69%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Irrigation
Meter Size: 6"
Sub Class:

Line No.	Rate Schedules			Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**			-	$ 300.00	$ 440.00	$ 140.00	46.67%
2	Base Charge:	$	300.00	50,000	$ 354.00	$ 517.00	$ 163.00	46.05%
3				60,000	$ 364.80	$ 532.40	$ 167.60	45.94%
4				70,000	$ 375.60	$ 547.80	$ 172.20	45.85%
5	Tier One Rate:	$	-	80,000	$ 386.40	$ 563.20	$ 176.80	45.76%
6	Tier Two Rate:	$	1.08	90,000	$ 397.20	$ 578.60	$ 181.40	45.67%
7	Tier Three Rate:	$	-	100,000	$ 408.00	$ 594.00	$ 186.00	45.59%
8				110,000	$ 418.80	$ 609.40	$ 190.60	45.51%
9	Tier One Breakover (M gal):		-	120,000	$ 429.60	$ 624.80	$ 195.20	45.44%
10	Tier Two Breakover (M gal):		#########	130,000	$ 440.40	$ 640.20	$ 199.80	45.37%
11	Tier Three Breakover (M gal):		-	140,000	$ 451.20	$ 655.60	$ 204.40	45.30%
12				150,000	$ 462.00	$ 671.00	$ 209.00	45.24%
13				160,000	$ 472.80	$ 686.40	$ 213.60	45.18%
14	**Proposed Rates:**			170,000	$ 483.60	$ 701.80	$ 218.20	45.12%
15	Base Charge:	$	440.00	180,000	$ 494.40	$ 717.20	$ 222.80	45.06%
16				190,000	$ 505.20	$ 732.60	$ 227.40	45.01%
17				200,000	$ 516.00	$ 748.00	$ 232.00	44.96%
18	Tier One Rate:	$	-	210,000	$ 526.80	$ 763.40	$ 236.60	44.91%
19	Tier Two Rate:	$	1.54	220,000	$ 537.60	$ 778.80	$ 241.20	44.87%
20	Tier Three Rate:	$	-	230,000	$ 548.40	$ 794.20	$ 245.80	44.82%
21				240,000	$ 559.20	$ 809.60	$ 250.40	44.78%
22	Tier One Breakover (M gal):		-	250,000	$ 570.00	$ 825.00	$ 255.00	44.74%
23	Tier Two Breakover (M gal):		#########	260,000	$ 580.80	$ 840.40	$ 259.60	44.70%
24	Tier Three Breakover (M gal):		-	270,000	$ 591.60	$ 855.80	$ 264.20	44.66%
25				280,000	$ 602.40	$ 871.20	$ 268.80	44.62%
26				290,000	$ 613.20	$ 886.60	$ 273.40	44.59%
27				300,000	$ 624.00	$ 902.00	$ 278.00	44.55%
28								
29				Average Usage				
30				259,713	$ 580.49	$ 839.96	$ 259.47	44.70%
31				Median Usage				
32				106,800	$ 415.34	$ 604.47	$ 189.13	45.54%
33								
34								

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Irrigation
Meter Size: 8"
Sub Class:

Line No.	Rate Schedules			Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**			-	$ 600.00	$ 875.00	$ 275.00	45.83%
2	Base Charge:	$	600.00	1,000,000	$ 1,680.00	$ 2,415.00	$ 735.00	43.75%
3				1,500,000	$ 2,220.00	$ 3,185.00	$ 965.00	43.47%
4				2,000,000	$ 2,760.00	$ 3,955.00	$ 1,195.00	43.30%
5	Tier One Rate:	$	-	2,500,000	$ 3,300.00	$ 4,725.00	$ 1,425.00	43.18%
6	Tier Two Rate:	$	1.08	3,000,000	$ 3,840.00	$ 5,495.00	$ 1,655.00	43.10%
7	Tier Three Rate:	$	-	3,500,000	$ 4,380.00	$ 6,265.00	$ 1,885.00	43.04%
8				4,000,000	$ 4,920.00	$ 7,035.00	$ 2,115.00	42.99%
9	Tier One Breakover (M gal):		-	4,500,000	$ 5,460.00	$ 7,805.00	$ 2,345.00	42.95%
10	Tier Two Breakover (M gal):		#########	5,000,000	$ 6,000.00	$ 8,575.00	$ 2,575.00	42.92%
11	Tier Three Breakover (M gal):		-	5,500,000	$ 6,540.00	$ 9,345.00	$ 2,805.00	42.89%
12				6,000,000	$ 7,080.00	$ 10,115.00	$ 3,035.00	42.87%
13				6,500,000	$ 7,620.00	$ 10,885.00	$ 3,265.00	42.85%
14	**Proposed Rates:**			7,000,000	$ 8,160.00	$ 11,655.00	$ 3,495.00	42.83%
15	Base Charge:	$	875.00	7,500,000	$ 8,700.00	$ 12,425.00	$ 3,725.00	42.82%
16				8,000,000	$ 9,240.00	$ 13,195.00	$ 3,955.00	42.80%
17				8,500,000	$ 9,780.00	$ 13,965.00	$ 4,185.00	42.79%
18	Tier One Rate:	$	-	9,000,000	$ 10,320.00	$ 14,735.00	$ 4,415.00	42.78%
19	Tier Two Rate:	$	1.54	9,500,000	$ 10,860.00	$ 15,505.00	$ 4,645.00	42.77%
20	Tier Three Rate:	$	-	10,000,000	$ 11,400.00	$ 16,275.00	$ 4,875.00	42.76%
21				10,500,000	$ 11,940.00	$ 17,045.00	$ 5,105.00	42.76%
22	Tier One Breakover (M gal):		-	11,000,000	$ 12,480.00	$ 17,815.00	$ 5,335.00	42.75%
23	Tier Two Breakover (M gal):		#########	11,500,000	$ 13,020.00	$ 18,585.00	$ 5,565.00	42.74%
24	Tier Three Breakover (M gal):		-	12,000,000	$ 13,560.00	$ 19,355.00	$ 5,795.00	42.74%
25				12,500,000	$ 14,100.00	$ 20,125.00	$ 6,025.00	42.73%
26				13,000,000	$ 14,640.00	$ 20,895.00	$ 6,255.00	42.73%
27				13,500,000	$ 15,180.00	$ 21,665.00	$ 6,485.00	42.72%
28								
29				Average Usage				
30				9,647,000	$ 11,018.76	$ 15,731.38	$ 4,712.62	42.77%
31				Median Usage				
32				9,139,000	$ 10,470.12	$ 14,949.06	$ 4,478.94	42.78%
33								
34								

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Irrigation
Meter Size: 12"
Sub Class:

Line No.	Rate Schedules		Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**		-	$ 1,050.00	$ 1,535.00	$ 485.00	46.19%
2	Base Charge:	$ 1,050.00	1,000,000	$ 2,130.00	$ 3,075.00	$ 945.00	44.37%
3			1,500,000	$ 2,670.00	$ 3,845.00	$ 1,175.00	44.01%
4			2,000,000	$ 3,210.00	$ 4,615.00	$ 1,405.00	43.77%
5	Tier One Rate:	$ -	2,500,000	$ 3,750.00	$ 5,385.00	$ 1,635.00	43.60%
6	Tier Two Rate:	$ 1.08	3,000,000	$ 4,290.00	$ 6,155.00	$ 1,865.00	43.47%
7	Tier Three Rate:	$ -	3,500,000	$ 4,830.00	$ 6,925.00	$ 2,095.00	43.37%
8			4,000,000	$ 5,370.00	$ 7,695.00	$ 2,325.00	43.30%
9	Tier One Breakover (M gal):	-	4,500,000	$ 5,910.00	$ 8,465.00	$ 2,555.00	43.23%
10	Tier Two Breakover (M gal):	#########	5,000,000	$ 6,450.00	$ 9,235.00	$ 2,785.00	43.18%
11	Tier Three Breakover (M gal):	-	5,500,000	$ 6,990.00	$ 10,005.00	$ 3,015.00	43.13%
12			6,000,000	$ 7,530.00	$ 10,775.00	$ 3,245.00	43.09%
13			6,500,000	$ 8,070.00	$ 11,545.00	$ 3,475.00	43.06%
14	**Proposed Rates:**		7,000,000	$ 8,610.00	$ 12,315.00	$ 3,705.00	43.03%
15	Base Charge:	$ 1,535.00	7,500,000	$ 9,150.00	$ 13,085.00	$ 3,935.00	43.01%
16			8,000,000	$ 9,690.00	$ 13,855.00	$ 4,165.00	42.98%
17			8,500,000	$ 10,230.00	$ 14,625.00	$ 4,395.00	42.96%
18	Tier One Rate:	$ -	9,000,000	$ 10,770.00	$ 15,395.00	$ 4,625.00	42.94%
19	Tier Two Rate:	$ 1.54	9,500,000	$ 11,310.00	$ 16,165.00	$ 4,855.00	42.93%
20	Tier Three Rate:	$ -	10,000,000	$ 11,850.00	$ 16,935.00	$ 5,085.00	42.91%
21			10,500,000	$ 12,390.00	$ 17,705.00	$ 5,315.00	42.90%
22	Tier One Breakover (M gal):	-	11,000,000	$ 12,930.00	$ 18,475.00	$ 5,545.00	42.88%
23	Tier Two Breakover (M gal):	#########	11,500,000	$ 13,470.00	$ 19,245.00	$ 5,775.00	42.87%
24	Tier Three Breakover (M gal):	-	12,000,000	$ 14,010.00	$ 20,015.00	$ 6,005.00	42.86%
25			12,500,000	$ 14,550.00	$ 20,785.00	$ 6,235.00	42.85%
26			13,000,000	$ 15,090.00	$ 21,555.00	$ 6,465.00	42.84%
27			13,500,000	$ 15,630.00	$ 22,325.00	$ 6,695.00	42.83%
28							
29			Average Usage				
30			6,169,633	$ 7,713.20	$ 11,036.23	$ 3,323.03	43.08%
31			Median Usage				
32			3,597,000	$ 4,934.76	$ 7,074.38	$ 2,139.62	43.36%
33							
34							

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Construction
Meter Size: 3/4"
Sub Class:

Line No.	Rate Schedules			Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**			-	$ -	$ 13.15	$ 13.15	#DIV/0!
2	Base Charge:	$	-	10,000	$ 23.90	$ 46.25	$ 22.35	93.51%
3				25,000	$ 59.75	$ 95.90	$ 36.15	60.50%
4				40,000	$ 95.60	$ 145.55	$ 49.95	52.25%
5	Tier One Rate:	$	-	55,000	$ 131.45	$ 195.20	$ 63.75	48.50%
6	Tier Two Rate:	$	-	70,000	$ 167.30	$ 244.85	$ 77.55	46.35%
7	Tier Three Rate:	$	2.39	85,000	$ 203.15	$ 294.50	$ 91.35	44.97%
8				100,000	$ 239.00	$ 344.15	$ 105.15	44.00%
9	Tier One Breakover (M gal):		-	115,000	$ 274.85	$ 393.80	$ 118.95	43.28%
10	Tier Two Breakover (M gal):		-	130,000	$ 310.70	$ 443.45	$ 132.75	42.73%
11	Tier Three Breakover (M gal):		999,999	145,000	$ 346.55	$ 493.10	$ 146.55	42.29%
12				160,000	$ 382.40	$ 542.75	$ 160.35	41.93%
13				175,000	$ 418.25	$ 592.40	$ 174.15	41.64%
14	**Proposed Rates:**			190,000	$ 454.10	$ 642.05	$ 187.95	41.39%
15	Base Charge:	$	13.15	205,000	$ 489.95	$ 691.70	$ 201.75	41.18%
16				220,000	$ 525.80	$ 741.35	$ 215.55	40.99%
17				235,000	$ 561.65	$ 791.00	$ 229.35	40.84%
18	Tier One Rate:	$	-	250,000	$ 597.50	$ 840.65	$ 243.15	40.69%
19	Tier Two Rate:	$	-	265,000	$ 633.35	$ 890.30	$ 256.95	40.57%
20	Tier Three Rate:	$	3.31	280,000	$ 669.20	$ 939.95	$ 270.75	40.46%
21				295,000	$ 705.05	$ 989.60	$ 284.55	40.36%
22	Tier One Breakover (M gal):		-	310,000	$ 740.90	$ 1,039.25	$ 298.35	40.27%
23	Tier Two Breakover (M gal):		-	325,000	$ 776.75	$ 1,088.90	$ 312.15	40.19%
24	Tier Three Breakover (M gal):		999,999	340,000	$ 812.60	$ 1,138.55	$ 325.95	40.11%
25				355,000	$ 848.45	$ 1,188.20	$ 339.75	40.04%
26				370,000	$ 884.30	$ 1,237.85	$ 353.55	39.98%
27				385,000	$ 920.15	$ 1,287.50	$ 367.35	39.92%
28								
29				Average Usage				
30				256,215	$ 612.35	$ 861.22	$ 248.87	40.64%
31				Median Usage				
32				46,131	$ 110.25	$ 165.84	$ 55.59	50.42%
33								
34								

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Construction
Meter Size: 1"
Sub Class:

Line No.	Rate Schedules		
1	**Present Rates:**		
2	Base Charge:	$	-
3			
4			
5	Tier One Rate:	$	-
6	Tier Two Rate:	$	-
7	Tier Three Rate:	$	2.39
8			
9	Tier One Breakover (M gal):		-
10	Tier Two Breakover (M gal):		-
11	Tier Three Breakover (M gal):		999,999
12			
13			
14	**Proposed Rates:**		
15	Base Charge:	$	13.15
16			
17			
18	Tier One Rate:	$	-
19	Tier Two Rate:	$	-
20	Tier Three Rate:	$	3.31
21			
22	Tier One Breakover (M gal):		-
23	Tier Two Breakover (M gal):		-
24	Tier Three Breakover (M gal):		999,999
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	$ -	$ 13.15	$ 13.15	#DIV/0!
10,000	$ 23.90	$ 46.25	$ 22.35	93.51%
25,000	$ 59.75	$ 95.90	$ 36.15	60.50%
40,000	$ 95.60	$ 145.55	$ 49.95	52.25%
55,000	$ 131.45	$ 195.20	$ 63.75	48.50%
70,000	$ 167.30	$ 244.85	$ 77.55	46.35%
85,000	$ 203.15	$ 294.50	$ 91.35	44.97%
100,000	$ 239.00	$ 344.15	$ 105.15	44.00%
115,000	$ 274.85	$ 393.80	$ 118.95	43.28%
130,000	$ 310.70	$ 443.45	$ 132.75	42.73%
145,000	$ 346.55	$ 493.10	$ 146.55	42.29%
160,000	$ 382.40	$ 542.75	$ 160.35	41.93%
175,000	$ 418.25	$ 592.40	$ 174.15	41.64%
190,000	$ 454.10	$ 642.05	$ 187.95	41.39%
205,000	$ 489.95	$ 691.70	$ 201.75	41.18%
220,000	$ 525.80	$ 741.35	$ 215.55	40.99%
235,000	$ 561.65	$ 791.00	$ 229.35	40.84%
250,000	$ 597.50	$ 840.65	$ 243.15	40.69%
265,000	$ 633.35	$ 890.30	$ 256.95	40.57%
280,000	$ 669.20	$ 939.95	$ 270.75	40.46%
295,000	$ 705.05	$ 989.60	$ 284.55	40.36%
310,000	$ 740.90	$ 1,039.25	$ 298.35	40.27%
325,000	$ 776.75	$ 1,088.90	$ 312.15	40.19%
340,000	$ 812.60	$ 1,138.55	$ 325.95	40.11%
355,000	$ 848.45	$ 1,188.20	$ 339.75	40.04%
370,000	$ 884.30	$ 1,237.85	$ 353.55	39.98%
385,000	$ 920.15	$ 1,287.50	$ 367.35	39.92%
Average Usage				
257,793	$ 616.13	$ 866.44	$ 250.31	40.63%
Median Usage				
23,000	$ 54.97	$ 89.28	$ 34.31	62.42%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT2
Schedule H-4
Witness: Jones

Class: Construction
Meter Size: 3"
Sub Class:

Line No.	Rate Schedules			Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**			-	$ -	$ 176.75	$ 176.75	#DIV/0!
2	Base Charge:	$	-	10,000	$ 23.90	$ 209.85	$ 185.95	778.03%
3				25,000	$ 59.75	$ 259.50	$ 199.75	334.31%
4				40,000	$ 95.60	$ 309.15	$ 213.55	223.38%
5	Tier One Rate:	$	-	55,000	$ 131.45	$ 358.80	$ 227.35	172.96%
6	Tier Two Rate:	$	-	70,000	$ 167.30	$ 408.45	$ 241.15	144.14%
7	Tier Three Rate:	$	2.39	85,000	$ 203.15	$ 458.10	$ 254.95	125.50%
8				100,000	$ 239.00	$ 507.75	$ 268.75	112.45%
9	Tier One Breakover (M gal):		-	115,000	$ 274.85	$ 557.40	$ 282.55	102.80%
10	Tier Two Breakover (M gal):		-	130,000	$ 310.70	$ 607.05	$ 296.35	95.38%
11	Tier Three Breakover (M gal):		999,999	145,000	$ 346.55	$ 656.70	$ 310.15	89.50%
12				160,000	$ 382.40	$ 706.35	$ 323.95	84.71%
13				175,000	$ 418.25	$ 756.00	$ 337.75	80.75%
14	**Proposed Rates:**			190,000	$ 454.10	$ 805.65	$ 351.55	77.42%
15	Base Charge:	$	176.75	205,000	$ 489.95	$ 855.30	$ 365.35	74.57%
16				220,000	$ 525.80	$ 904.95	$ 379.15	72.11%
17				235,000	$ 561.65	$ 954.60	$ 392.95	69.96%
18	Tier One Rate:	$	-	250,000	$ 597.50	$ 1,004.25	$ 406.75	68.08%
19	Tier Two Rate:	$	-	265,000	$ 633.35	$ 1,053.90	$ 420.55	66.40%
20	Tier Three Rate:	$	3.31	280,000	$ 669.20	$ 1,103.55	$ 434.35	64.91%
21				295,000	$ 705.05	$ 1,153.20	$ 448.15	63.56%
22	Tier One Breakover (M gal):		-	310,000	$ 740.90	$ 1,202.85	$ 461.95	62.35%
23	Tier Two Breakover (M gal):		-	325,000	$ 776.75	$ 1,252.50	$ 475.75	61.25%
24	Tier Three Breakover (M gal):		999,999	340,000	$ 812.60	$ 1,302.15	$ 489.55	60.24%
25				355,000	$ 848.45	$ 1,351.80	$ 503.35	59.33%
26				370,000	$ 884.30	$ 1,401.45	$ 517.15	58.48%
27				385,000	$ 920.15	$ 1,451.10	$ 530.95	57.70%
28								
29				Average Usage				
30				251,536	$ 601.17	$ 1,009.33	$ 408.16	67.89%
31				Median Usage				
32				16,900	$ 40.39	$ 232.69	$ 192.30	476.11%
33								
34								

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 3/4"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	3
Tier Two Breakover (M gal):	999,999	24
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block			Number of Bills in Block	Average Consumption in Block	Consumption in Block	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	210	-	-	210	4.60%	-	0.00%
2	1	-	1,000	547	322	176,344	757	16.58%	176,344	0.56%
3	1,001	-	2,000	459	1,508	692,140	1,216	26.63%	868,484	2.78%
4	2,001	-	3,000	430	2,503	1,076,440	1,646	36.04%	1,944,924	6.22%
5	3,001	-	4,000	381	3,506	1,335,630	2,027	44.38%	3,280,554	10.49%
6	4,001	-	5,000	375	4,515	1,693,000	2,402	52.59%	4,973,554	15.90%
7	5,001	-	6,000	303	5,475	1,658,990	2,705	59.23%	6,632,544	21.20%
8	6,001	-	7,000	268	6,480	1,736,530	2,973	65.10%	8,369,074	26.76%
9	7,001	-	8,000	239	7,480	1,787,660	3,212	70.33%	10,156,734	32.47%
10	8,001	-	9,000	185	8,520	1,576,110	3,397	74.38%	11,732,844	37.51%
11	9,001	-	10,000	162	9,481	1,535,920	3,559	77.93%	13,268,764	42.42%
12	10,001	-	11,000	143	10,524	1,504,870	3,702	81.06%	14,773,634	47.23%
13	11,001	-	12,000	132	11,477	1,514,938	3,834	83.95%	16,288,572	52.07%
14	12,001	-	13,000	97	12,492	1,211,690	3,931	86.07%	17,500,262	55.95%
15	13,001	-	14,000	80	13,509	1,080,750	4,011	87.83%	18,581,012	59.40%
16	14,001	-	15,000	82	14,526	1,191,170	4,093	89.62%	19,772,182	63.21%
17	15,001	-	16,000	91	15,507	1,411,180	4,184	91.61%	21,183,362	67.72%
18	16,001	-	17,000	51	16,555	844,330	4,235	92.73%	22,027,692	70.42%
19	17,001	-	18,000	50	17,514	875,690	4,285	93.83%	22,903,382	73.22%
20	18,001	-	19,000	33	18,490	610,160	4,318	94.55%	23,513,542	75.17%
21	19,001	-	20,000	36	19,471	700,960	4,354	95.34%	24,214,502	77.41%
22	20,001	-	21,000	26	20,537	533,950	4,380	95.91%	24,748,452	79.12%
23	21,001	-	22,000	23	21,371	491,530	4,403	96.41%	25,239,982	80.69%
24	22,001	-	23,000	15	22,471	337,060	4,418	96.74%	25,577,042	81.77%
25	23,001	-	24,000	17	23,483	399,210	4,435	97.11%	25,976,252	83.04%
26	24,001	-	25,000	20	24,495	489,890	4,455	97.55%	26,466,142	84.61%
27	25,001	-	26,000	14	25,447	356,260	4,469	97.85%	26,822,402	85.75%
28	26,001	-	27,000	6	26,465	158,790	4,475	97.99%	26,981,192	86.26%
29	27,001	-	28,000	6	27,345	164,070	4,481	98.12%	27,145,262	86.78%
30	28,001	-	29,000	1	28,550	28,550	4,482	98.14%	27,173,812	86.87%
31	29,001	-	30,000	7	29,293	205,050	4,489	98.29%	27,378,862	87.53%
32	30,001	-	31,000	8	30,553	244,420	4,497	98.47%	27,623,282	88.31%
33	31,001	-	32,000	7	31,456	220,190	4,504	98.62%	27,843,472	89.01%
34	32,001	-	33,000	4	32,355	129,420	4,508	98.71%	27,972,892	89.43%
35	33,001	-	34,000	2	33,500	67,000	4,510	98.75%	28,039,892	89.64%
36	34,001	-	35,000	3	34,613	103,840	4,513	98.82%	28,143,732	89.97%
37	35,001	-	36,000	6	35,797	214,780	4,519	98.95%	28,358,512	90.66%
38	36,001	-	37,000	3	36,323	108,970	4,522	99.01%	28,467,482	91.01%
39	37,001	-	38,000	2	37,665	75,330	4,524	99.06%	28,542,812	91.25%
40	38,001	-	39,000	1	38,820	38,820	4,525	99.08%	28,581,632	91.37%
41	39,001	-	40,000	5	39,694	198,470	4,530	99.19%	28,780,102	92.01%
42	40,001	-	41,000	3	40,510	121,530	4,533	99.26%	28,901,632	92.40%
43	41,001	-	42,000	1	41,230	41,230	4,534	99.28%	28,942,862	92.53%
44	42,001	-	43,000	3	42,513	127,540	4,537	99.34%	29,070,402	92.94%
45	43,001	-	44,000	1	43,310	43,310	4,538	99.37%	29,113,712	93.08%
46	44,001	-	45,000	-	-	-	4,538	99.37%	29,113,712	93.08%
47	45,001	-	46,000	3	45,590	136,770	4,541	99.43%	29,250,482	93.51%
48	46,001	-	47,000	2	46,270	92,540	4,543	99.47%	29,343,022	93.81%
49	47,001	-	48,000	-	-	-	4,543	99.47%	29,343,022	93.81%
50	48,001	-	49,000	2	48,430	96,860	4,545	99.52%	29,439,882	94.12%
51	49,001	-	50,000	3	49,430	148,290	4,548	99.58%	29,588,172	94.59%
52	50,001	-	51,000	1	50,190	50,190	4,549	99.61%	29,638,362	94.75%
53	51,001	-	52,000	1	51,930	51,930	4,550	99.63%	29,690,292	94.92%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 3/4"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	3
Tier Two Breakover (M gal):	999,999	24
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills in Block	Average Consumption in Block	Consumption in Block	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-	-	-	4,550	99.63%	29,690,292	94.92%
55	53,001 - 54,000	-	-	-	4,550	99.63%	29,690,292	94.92%
56	54,001 - 55,000	2	54,575	109,150	4,552	99.67%	29,799,442	95.27%
57	55,001 - 56,000	-	-	-	4,552	99.67%	29,799,442	95.27%
58	56,001 - 57,000	2	56,660	113,320	4,554	99.72%	29,912,762	95.63%
59	57,001 - 58,000	-	-	-	4,554	99.72%	29,912,762	95.63%
60	58,001 - 59,000	-	-	-	4,554	99.72%	29,912,762	95.63%
61	59,001 - 60,000	2	59,425	118,850	4,556	99.76%	30,031,612	96.01%
62	60,001 - 61,000	-	-	-	4,556	99.76%	30,031,612	96.01%
63	61,001 - 62,000	1	61,940	61,940	4,557	99.78%	30,093,552	96.21%
64	62,001 - 63,000	-	-	-	4,557	99.78%	30,093,552	96.21%
65	63,001 - 64,000	-	-	-	4,557	99.78%	30,093,552	96.21%
66	64,001 - 65,000	-	-	-	4,557	99.78%	30,093,552	96.21%
67	65,001 - 66,000	-	-	-	4,557	99.78%	30,093,552	96.21%
68	66,001 - 67,000	-	-	-	4,557	99.78%	30,093,552	96.21%
69	67,001 - 68,000	-	-	-	4,557	99.78%	30,093,552	96.21%
70	68,001 - 69,000	-	-	-	4,557	99.78%	30,093,552	96.21%
71	69,001 - 70,000	1	69,600	69,600	4,558	99.80%	30,163,152	96.43%
72	70,001 - 71,000	-	-	-	4,558	99.80%	30,163,152	96.43%
73	71,001 - 72,000	-	-	-	4,558	99.80%	30,163,152	96.43%
74	72,001 - 73,000	-	-	-	4,558	99.80%	30,163,152	96.43%
75	73,001 - 74,000	-	-	-	4,558	99.80%	30,163,152	96.43%
76	74,001 - 75,000	1	74,030	74,030	4,559	99.82%	30,237,182	96.67%
77	75,001 - 76,000	-	-	-	4,559	99.82%	30,237,182	96.67%
78	76,001 - 77,000	-	-	-	4,559	99.82%	30,237,182	96.67%
79	77,001 - 78,000	1	77,030	77,030	4,560	99.85%	30,314,212	96.91%
80	78,001 - 79,000	-	-	-	4,560	99.85%	30,314,212	96.91%
81	79,001 - 80,000	1	79,330	79,330	4,561	99.87%	30,393,542	97.17%
82	80,001 - 81,000	-	-	-	4,561	99.87%	30,393,542	97.17%
83	81,001 - 82,000	-	-	-	4,561	99.87%	30,393,542	97.17%
84	82,001 - 83,000	-	-	-	4,561	99.87%	30,393,542	97.17%
85	83,001 - 84,000	-	-	-	4,561	99.87%	30,393,542	97.17%
86	84,001 - 85,000	-	-	-	4,561	99.87%	30,393,542	97.17%
87	85,001 - 86,000	1	85,880	85,880	4,562	99.89%	30,479,422	97.44%
88	86,001 - 87,000	-	-	-	4,562	99.89%	30,479,422	97.44%
89	87,001 - 88,000	-	-	-	4,562	99.89%	30,479,422	97.44%
90	88,001 - 89,000	-	-	-	4,562	99.89%	30,479,422	97.44%
91	89,001 - 90,000	-	-	-	4,562	99.89%	30,479,422	97.44%
92	90,001 - 91,000	-	-	-	4,562	99.89%	30,479,422	97.44%
93	91,001 - 92,000	-	-	-	4,562	99.89%	30,479,422	97.44%
94	92,001 - 93,000	-	-	-	4,562	99.89%	30,479,422	97.44%
95	93,001 - 94,000	-	-	-	4,562	99.89%	30,479,422	97.44%
96	94,001 - 95,000	-	-	-	4,562	99.89%	30,479,422	97.44%
97	95,001 - 96,000	-	-	-	4,562	99.89%	30,479,422	97.44%
98	96,001 - 97,000	1	96,080	96,080	4,563	99.91%	30,575,502	97.75%
99	97,001 - 98,000	-	-	-	4,563	99.91%	30,575,502	97.75%
100	98,001 - 99,000	-	-	-	4,563	99.91%	30,575,502	97.75%
101	99,001 - 100,000	1	99,320	99,320	4,564	99.93%	30,674,822	98.07%
102	107,560 - 107,560	1	107,560	107,560	4,565	99.96%	30,782,382	98.41%
103	241,590 - 241,590	1	241,590	241,590	4,566	99.98%	31,023,972	99.18%
104	255,800 - 255,800	1	255,800	255,800	4,567	100.00%	31,279,772	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 3/4"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	3
Tier Two Breakover (M gal):	999,999	24
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills in Block	Average Consumption in Block	Consumption in Block	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
105								
106	Totals	4,567		31,279,772	4,567		31,279,772	
107								
108	Total Bills	4,567						
109								
110								
111	Average Number of Customers		381					
112								
113	Average Consumption (gallons)		6,849					
114								
115	Median Consumption (gallons)		4,515					
116								
117								
118								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	4,567	$ 41,103	4,567	$ 60,056
Usage (gallons)				
Tier One	-	$ -	10,707,924	$ 18,953
Tier Two	31,279,772	49,735	18,436,328	42,772
Tier Three	-	-	2,135,520	5,339
Usage Totals	31,279,772		31,279,772	
Revenue Totals		$ 90,838		$ 127,120

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 1"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	3
Tier Two Breakover (M gal):	999,999	24
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	315	-	-	315	2.06%	-	0.00%
2	1	-	1,000	1,315	235	309,616	1,630	10.68%	309,616	0.19%
3	1,001	-	2,000	566	1,539	871,116	2,196	14.39%	1,180,732	0.73%
4	2,001	-	3,000	714	2,517	1,797,403	2,910	19.07%	2,978,135	1.83%
5	3,001	-	4,000	750	3,507	2,629,995	3,660	23.98%	5,608,130	3.45%
6	4,001	-	5,000	713	4,506	3,212,662	4,373	28.65%	8,820,792	5.43%
7	5,001	-	6,000	753	5,523	4,158,465	5,126	33.58%	12,979,257	7.99%
8	6,001	-	7,000	753	6,518	4,907,920	5,879	38.52%	17,887,177	11.01%
9	7,001	-	8,000	795	7,505	5,966,764	6,674	43.73%	23,853,941	14.68%
10	8,001	-	9,000	869	8,503	7,389,371	7,543	49.42%	31,243,312	19.23%
11	9,001	-	10,000	825	9,500	7,837,204	8,368	54.83%	39,080,516	24.05%
12	10,001	-	11,000	770	10,483	8,072,152	9,138	59.87%	47,152,668	29.01%
13	11,001	-	12,000	760	11,497	8,737,481	9,898	64.85%	55,890,149	34.39%
14	12,001	-	13,000	701	12,511	8,770,534	10,599	69.44%	64,660,683	39.79%
15	13,001	-	14,000	580	13,508	7,834,543	11,179	73.24%	72,495,226	44.61%
16	14,001	-	15,000	557	14,513	8,083,649	11,736	76.89%	80,578,875	49.58%
17	15,001	-	16,000	499	15,524	7,746,525	12,235	80.16%	88,325,400	54.35%
18	16,001	-	17,000	394	16,495	6,499,141	12,629	82.74%	94,824,541	58.35%
19	17,001	-	18,000	337	17,520	5,904,229	12,966	84.95%	100,728,770	61.98%
20	18,001	-	19,000	315	18,494	5,825,482	13,281	87.01%	106,554,252	65.57%
21	19,001	-	20,000	258	19,469	5,023,050	13,539	88.70%	111,577,302	68.66%
22	20,001	-	21,000	212	20,497	4,345,350	13,751	90.09%	115,922,652	71.33%
23	21,001	-	22,000	197	21,561	4,247,478	13,948	91.38%	120,170,130	73.95%
24	22,001	-	23,000	177	22,485	3,979,910	14,125	92.54%	124,150,040	76.39%
25	23,001	-	24,000	134	23,482	3,146,610	14,259	93.42%	127,296,650	78.33%
26	24,001	-	25,000	118	24,449	2,885,030	14,377	94.20%	130,181,680	80.11%
27	25,001	-	26,000	97	25,536	2,476,978	14,474	94.83%	132,658,658	81.63%
28	26,001	-	27,000	99	26,529	2,626,375	14,573	95.48%	135,285,033	83.25%
29	27,001	-	28,000	67	27,438	1,838,370	14,640	95.92%	137,123,403	84.38%
30	28,001	-	29,000	64	28,477	1,822,510	14,704	96.34%	138,945,913	85.50%
31	29,001	-	30,000	56	29,475	1,650,582	14,760	96.70%	140,596,495	86.51%
32	30,001	-	31,000	61	30,516	1,861,455	14,821	97.10%	142,457,950	87.66%
33	31,001	-	32,000	32	31,447	1,006,292	14,853	97.31%	143,464,242	88.28%
34	32,001	-	33,000	38	32,526	1,235,989	14,891	97.56%	144,700,231	89.04%
35	33,001	-	34,000	33	33,430	1,103,203	14,924	97.78%	145,803,434	89.72%
36	34,001	-	35,000	41	34,460	1,412,870	14,965	98.05%	147,216,304	90.59%
37	35,001	-	36,000	27	35,475	957,820	14,992	98.22%	148,174,124	91.18%
38	36,001	-	37,000	17	36,433	619,360	15,009	98.34%	148,793,484	91.56%
39	37,001	-	38,000	20	37,490	749,804	15,029	98.47%	149,543,288	92.02%
40	38,001	-	39,000	31	38,540	1,194,750	15,060	98.67%	150,738,038	92.75%
41	39,001	-	40,000	14	39,487	552,820	15,074	98.76%	151,290,858	93.09%
42	40,001	-	41,000	13	40,443	525,762	15,087	98.85%	151,816,620	93.42%
43	41,001	-	42,000	9	41,462	373,159	15,096	98.91%	152,189,779	93.65%
44	42,001	-	43,000	11	42,396	466,360	15,107	98.98%	152,656,139	93.94%
45	43,001	-	44,000	15	43,513	652,698	15,122	99.08%	153,308,837	94.34%
46	44,001	-	45,000	8	44,551	356,410	15,130	99.13%	153,665,247	94.56%
47	45,001	-	46,000	11	45,368	499,050	15,141	99.20%	154,164,297	94.86%
48	46,001	-	47,000	11	46,440	510,841	15,152	99.27%	154,675,138	95.18%
49	47,001	-	48,000	5	47,460	237,300	15,157	99.31%	154,912,438	95.32%
50	48,001	-	49,000	6	48,445	290,670	15,163	99.34%	155,203,108	95.50%
51	49,001	-	50,000	8	49,478	395,820	15,171	99.40%	155,598,928	95.75%
52	50,001	-	51,000	6	50,588	303,530	15,177	99.44%	155,902,458	95.93%
53	51,001	-	52,000	5	51,594	257,970	15,182	99.47%	156,160,428	96.09%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 1"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	3
Tier Two Breakover (M gal):	999,999	24
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	6	52,379	314,274	15,188	99.51%	156,474,702	96.28%
55	53,001 - 54,000	5	53,587	267,937	15,193	99.54%	156,742,639	96.45%
56	54,001 - 55,000	3	54,797	164,390	15,196	99.56%	156,907,029	96.55%
57	55,001 - 56,000	6	55,312	331,870	15,202	99.60%	157,238,899	96.75%
58	56,001 - 57,000	3	56,493	169,480	15,205	99.62%	157,408,379	96.86%
59	57,001 - 58,000	2	57,530	115,060	15,207	99.63%	157,523,439	96.93%
60	58,001 - 59,000	4	58,375	233,500	15,211	99.66%	157,756,939	97.07%
61	59,001 - 60,000	2	59,380	118,760	15,213	99.67%	157,875,699	97.15%
62	60,001 - 61,000	2	60,265	120,530	15,215	99.69%	157,996,229	97.22%
63	61,001 - 62,000	2	61,635	123,270	15,217	99.70%	158,119,499	97.30%
64	62,001 - 63,000	-	-	-	15,217	99.70%	158,119,499	97.30%
65	63,001 - 64,000	2	63,275	126,550	15,219	99.71%	158,246,049	97.37%
66	64,001 - 65,000	3	64,607	193,820	15,222	99.73%	158,439,869	97.49%
67	65,001 - 66,000	-	-	-	15,222	99.73%	158,439,869	97.49%
68	66,001 - 67,000	3	66,383	199,150	15,225	99.75%	158,639,019	97.62%
69	67,001 - 68,000	1	67,670	67,670	15,226	99.76%	158,706,689	97.66%
70	68,001 - 69,000	-	-	-	15,226	99.76%	158,706,689	97.66%
71	69,001 - 70,000	3	69,607	208,820	15,229	99.78%	158,915,509	97.79%
72	70,001 - 71,000	2	70,245	140,490	15,231	99.79%	159,055,999	97.87%
73	71,001 - 72,000	3	71,440	214,320	15,234	99.81%	159,270,319	98.00%
74	72,001 - 73,000	2	72,570	145,140	15,236	99.82%	159,415,459	98.09%
75	73,001 - 74,000	-	-	-	15,236	99.82%	159,415,459	98.09%
76	74,001 - 75,000	1	74,050	74,050	15,237	99.83%	159,489,509	98.14%
77	75,001 - 76,000	2	75,305	150,610	15,239	99.84%	159,640,119	98.23%
78	76,001 - 77,000	1	76,690	76,690	15,240	99.85%	159,716,809	98.28%
79	77,001 - 78,000	1	77,290	77,290	15,241	99.86%	159,794,099	98.33%
80	78,001 - 79,000	1	78,800	78,800	15,242	99.86%	159,872,899	98.38%
81	79,001 - 80,000	1	79,440	79,440	15,243	99.87%	159,952,339	98.42%
82	80,001 - 81,000	1	81,000	81,000	15,244	99.88%	160,033,339	98.47%
83	81,001 - 82,000	2	81,340	162,680	15,246	99.89%	160,196,019	98.57%
84	82,001 - 83,000	2	82,292	164,584	15,248	99.90%	160,360,603	98.68%
85	83,001 - 84,000	1	83,930	83,930	15,249	99.91%	160,444,533	98.73%
86	84,001 - 85,000	-	-	-	15,249	99.91%	160,444,533	98.73%
87	85,001 - 86,000	1	85,040	85,040	15,250	99.91%	160,529,573	98.78%
88	86,001 - 87,000	-	-	-	15,250	99.91%	160,529,573	98.78%
89	87,001 - 88,000	-	-	-	15,250	99.91%	160,529,573	98.78%
90	88,001 - 89,000	-	-	-	15,250	99.91%	160,529,573	98.78%
91	89,001 - 90,000	-	-	-	15,250	99.91%	160,529,573	98.78%
92	90,001 - 91,000	-	-	-	15,250	99.91%	160,529,573	98.78%
93	91,001 - 92,000	1	91,470	91,470	15,251	99.92%	160,621,043	98.84%
94	92,001 - 93,000	-	-	-	15,251	99.92%	160,621,043	98.84%
95	93,001 - 94,000	-	-	-	15,251	99.92%	160,621,043	98.84%
96	94,001 - 95,000	-	-	-	15,251	99.92%	160,621,043	98.84%
97	95,001 - 96,000	1	95,250	95,250	15,252	99.93%	160,716,293	98.89%
98	96,001 - 97,000	-	-	-	15,252	99.93%	160,716,293	98.89%
99	97,001 - 98,000	-	-	-	15,252	99.93%	160,716,293	98.89%
100	98,001 - 99,000	-	-	-	15,252	99.93%	160,716,293	98.89%
101	99,001 - 100,000	-	-	-	15,252	99.93%	160,716,293	98.89%
102	102,180 - 102,180	1	102,180	102,180	15,253	99.93%	160,818,473	98.96%
103	109,890 - 109,890	1	109,890	109,890	15,254	99.94%	160,928,363	99.03%
104	116,600 - 116,600	1	116,600	116,600	15,255	99.95%	161,044,963	99.10%
105	118,040 - 118,040	1	118,040	118,040	15,256	99.95%	161,163,003	99.17%
106	135,100 - 135,100	1	135,100	135,100	15,257	99.96%	161,298,103	99.25%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 1"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	3
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Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
107	146,200 - 146,200	1	146,200	146,200	15,258	99.97%	161,444,303	99.34%
108	159,200 - 159,200	1	159,200	159,200	15,259	99.97%	161,603,503	99.44%
109	160,650 - 160,650	1	160,650	160,650	15,260	99.98%	161,764,153	99.54%
110	171,900 - 171,900	1	171,900	171,900	15,261	99.99%	161,936,053	99.65%
111	185,400 - 185,400	1	185,400	185,400	15,262	99.99%	162,121,453	99.76%
112	391,000 - 391,000	1	391,000	391,000	15,263	100.00%	162,512,453	100.00%
113								
114	Totals	15,263		162,512,453	15,263		162,512,453	
115								
116	Total Bills	15,263						
117								
118								
119	Average Number of Customers		1,272					
120								
121	Average Consumption (gallons)		10,647					
122								
123	Median Consumption (gallons)		9,500					
124								
125								
126								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	15,263	$ 137,367	15,263	$ 200,708
Usage (gallons)				
Tier One	-	$ -	40,037,135	$ 70,866
Tier Two	162,512,453	258,395	111,355,515	258,345
Tier Three	-	-	11,119,803	27,800
Usage Totals	162,512,453		162,512,453	
Revenue Totals		$ 395,762		$ 557,718

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 1 1/2"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	70
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 32.00	$ 51.40
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	-	-	-	-	0.00%	-	0.00%
2	1	-	1,000	-	-	-	-	0.00%	-	0.00%
3	1,001	-	2,000	-	-	-	-	0.00%	-	0.00%
4	2,001	-	3,000	1	2,800	2,800	1	2.04%	2,800	0.16%
5	3,001	-	4,000	4	3,375	13,500	5	10.20%	16,300	0.93%
6	4,001	-	5,000	4	4,400	17,600	9	18.37%	33,900	1.93%
7	5,001	-	6,000	3	5,600	16,800	12	24.49%	50,700	2.88%
8	6,001	-	7,000	-	-	-	12	24.49%	50,700	2.88%
9	7,001	-	8,000	-	-	-	12	24.49%	50,700	2.88%
10	8,001	-	9,000	-	-	-	12	24.49%	50,700	2.88%
11	9,001	-	10,000	-	-	-	12	24.49%	50,700	2.88%
12	10,001	-	11,000	-	-	-	12	24.49%	50,700	2.88%
13	11,001	-	12,000	-	-	-	12	24.49%	50,700	2.88%
14	12,001	-	13,000	-	-	-	12	24.49%	50,700	2.88%
15	13,001	-	14,000	-	-	-	12	24.49%	50,700	2.88%
16	14,001	-	15,000	-	-	-	12	24.49%	50,700	2.88%
17	15,001	-	16,000	-	-	-	12	24.49%	50,700	2.88%
18	16,001	-	17,000	1	16,400	16,400	13	26.53%	67,100	3.82%
19	17,001	-	18,000	7	17,743	124,200	20	40.82%	191,300	10.88%
20	18,001	-	19,000	-	-	-	20	40.82%	191,300	10.88%
21	19,001	-	20,000	2	19,450	38,900	22	44.90%	230,200	13.09%
22	20,001	-	21,000	-	-	-	22	44.90%	230,200	13.09%
23	21,001	-	22,000	1	21,100	21,100	23	46.94%	251,300	14.29%
24	22,001	-	23,000	2	22,850	45,700	25	51.02%	297,000	16.89%
25	23,001	-	24,000	1	23,800	23,800	26	53.06%	320,800	18.25%
26	24,001	-	25,000	4	24,350	97,400	30	61.22%	418,200	23.79%
27	25,001	-	26,000	3	25,467	76,400	33	67.35%	494,600	28.13%
28	26,001	-	27,000	-	-	-	33	67.35%	494,600	28.13%
29	27,001	-	28,000	-	-	-	33	67.35%	494,600	28.13%
30	28,001	-	29,000	1	28,400	28,400	34	69.39%	523,000	29.75%
31	29,001	-	30,000	2	29,400	58,800	36	73.47%	581,800	33.09%
32	30,001	-	31,000	-	-	-	36	73.47%	581,800	33.09%
33	31,001	-	32,000	-	-	-	36	73.47%	581,800	33.09%
34	32,001	-	33,000	-	-	-	36	73.47%	581,800	33.09%
35	33,001	-	34,000	-	-	-	36	73.47%	581,800	33.09%
36	34,001	-	35,000	-	-	-	36	73.47%	581,800	33.09%
37	35,001	-	36,000	-	-	-	36	73.47%	581,800	33.09%
38	36,001	-	37,000	-	-	-	36	73.47%	581,800	33.09%
39	37,001	-	38,000	1	37,900	37,900	37	75.51%	619,700	35.25%
40	38,001	-	39,000	-	-	-	37	75.51%	619,700	35.25%
41	39,001	-	40,000	-	-	-	37	75.51%	619,700	35.25%
42	40,001	-	41,000	-	-	-	37	75.51%	619,700	35.25%
43	41,001	-	42,000	-	-	-	37	75.51%	619,700	35.25%
44	42,001	-	43,000	-	-	-	37	75.51%	619,700	35.25%
45	43,001	-	44,000	-	-	-	37	75.51%	619,700	35.25%
46	44,001	-	45,000	-	-	-	37	75.51%	619,700	35.25%
47	45,001	-	46,000	-	-	-	37	75.51%	619,700	35.25%
48	46,001	-	47,000	-	-	-	37	75.51%	619,700	35.25%
49	47,001	-	48,000	-	-	-	37	75.51%	619,700	35.25%
50	48,001	-	49,000	-	-	-	37	75.51%	619,700	35.25%
51	49,001	-	50,000	-	-	-	37	75.51%	619,700	35.25%
52	50,001	-	51,000	-	-	-	37	75.51%	619,700	35.25%
53	51,001	-	52,000	-	-	-	37	75.51%	619,700	35.25%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 1 1/2"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	70
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 32.00	$ 51.40
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	1	52,300	52,300	38	77.55%	672,000	38.22%
55	53,001 - 54,000	1	53,700	53,700	39	79.59%	725,700	41.28%
56	54,001 - 55,000	-	-	-	39	79.59%	725,700	41.28%
57	55,001 - 56,000	-	-	-	39	79.59%	725,700	41.28%
58	56,001 - 57,000	1	56,700	56,700	40	81.63%	782,400	44.50%
59	57,001 - 58,000	-	-	-	40	81.63%	782,400	44.50%
60	58,001 - 59,000	-	-	-	40	81.63%	782,400	44.50%
61	59,001 - 60,000	-	-	-	40	81.63%	782,400	44.50%
62	60,001 - 61,000	-	-	-	40	81.63%	782,400	44.50%
63	61,001 - 62,000	-	-	-	40	81.63%	782,400	44.50%
64	62,001 - 63,000	-	-	-	40	81.63%	782,400	44.50%
65	63,001 - 64,000	-	-	-	40	81.63%	782,400	44.50%
66	64,001 - 65,000	1	64,700	64,700	41	83.67%	847,100	48.18%
67	65,001 - 66,000	-	-	-	41	83.67%	847,100	48.18%
68	66,001 - 67,000	-	-	-	41	83.67%	847,100	48.18%
69	67,001 - 68,000	-	-	-	41	83.67%	847,100	48.18%
70	68,001 - 69,000	-	-	-	41	83.67%	847,100	48.18%
71	69,001 - 70,000	-	-	-	41	83.67%	847,100	48.18%
72	70,001 - 71,000	-	-	-	41	83.67%	847,100	48.18%
73	71,001 - 72,000	1	71,300	71,300	42	85.71%	918,400	52.24%
74	72,001 - 73,000	-	-	-	42	85.71%	918,400	52.24%
75	73,001 - 74,000	-	-	-	42	85.71%	918,400	52.24%
76	74,001 - 75,000	-	-	-	42	85.71%	918,400	52.24%
77	75,001 - 76,000	-	-	-	42	85.71%	918,400	52.24%
78	76,001 - 77,000	-	-	-	42	85.71%	918,400	52.24%
79	77,001 - 78,000	-	-	-	42	85.71%	918,400	52.24%
80	78,001 - 79,000	-	-	-	42	85.71%	918,400	52.24%
81	79,001 - 80,000	-	-	-	42	85.71%	918,400	52.24%
82	80,001 - 81,000	-	-	-	42	85.71%	918,400	52.24%
83	81,001 - 82,000	-	-	-	42	85.71%	918,400	52.24%
84	82,001 - 83,000	1	82,300	82,300	43	87.76%	1,000,700	56.92%
85	83,001 - 84,000	-	-	-	43	87.76%	1,000,700	56.92%
86	84,001 - 85,000	-	-	-	43	87.76%	1,000,700	56.92%
87	85,001 - 86,000	-	-	-	43	87.76%	1,000,700	56.92%
88	86,001 - 87,000	-	-	-	43	87.76%	1,000,700	56.92%
89	87,001 - 88,000	1	87,800	87,800	44	89.80%	1,088,500	61.91%
90	88,001 - 89,000	-	-	-	44	89.80%	1,088,500	61.91%
91	89,001 - 90,000	1	89,300	89,300	45	91.84%	1,177,800	66.99%
92	90,001 - 91,000	-	-	-	45	91.84%	1,177,800	66.99%
93	91,001 - 92,000	1	91,200	91,200	46	93.88%	1,269,000	72.18%
94	92,001 - 93,000	-	-	-	46	93.88%	1,269,000	72.18%
95	93,001 - 94,000	1	93,600	93,600	47	95.92%	1,362,600	77.50%
96	94,001 - 95,000	-	-	-	47	95.92%	1,362,600	77.50%
97	95,001 - 96,000	-	-	-	47	95.92%	1,362,600	77.50%
98	96,001 - 97,000	-	-	-	47	95.92%	1,362,600	77.50%
99	97,001 - 98,000	-	-	-	47	95.92%	1,362,600	77.50%
100	98,001 - 99,000	-	-	-	47	95.92%	1,362,600	77.50%
101	99,001 - 100,000	-	-	-	47	95.92%	1,362,600	77.50%
102	141,400 - 141,400	1	141,400	141,400	48	97.96%	1,504,000	85.55%
103	254,100 - 254,100	1	254,100	254,100	49	100.00%	1,758,100	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 1 1/2"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	70
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 32.00	$ 51.40
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
104								
105	Totals	49		1,758,100	49		1,758,100	
106								
107	Total Bills	49						
108								
109								
110	Average Number of Customers		4					
111								
112	Average Consumption (gallons)		35,880					
113								
114	Median Consumption (gallons)		22,850					
115								
116								
117								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	49	$ 1,568	49	$ 2,519
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	1,758,100	2,795	1,407,100	3,264
Tier Three	-	-	351,000	878
Usage Totals	1,758,100		1,758,100	
Revenue Totals		$ 4,363		$ 6,661

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 6"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	200
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 300.00	$ 482.20
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	-	-	-	-	0.00%	-	0.00%
2	1	-	1,000	-	-	-	-	0.00%	-	0.00%
3	1,001	-	2,000	-	-	-	-	0.00%	-	0.00%
4	2,001	-	3,000	-	-	-	-	0.00%	-	0.00%
5	3,001	-	4,000	-	-	-	-	0.00%	-	0.00%
6	4,001	-	5,000	-	-	-	-	0.00%	-	0.00%
7	5,001	-	6,000	-	-	-	-	0.00%	-	0.00%
8	6,001	-	7,000	-	-	-	-	0.00%	-	0.00%
9	7,001	-	8,000	-	-	-	-	0.00%	-	0.00%
10	8,001	-	9,000	-	-	-	-	0.00%	-	0.00%
11	9,001	-	10,000	-	-	-	-	0.00%	-	0.00%
12	10,001	-	11,000	-	-	-	-	0.00%	-	0.00%
13	11,001	-	12,000	-	-	-	-	0.00%	-	0.00%
14	12,001	-	13,000	-	-	-	-	0.00%	-	0.00%
15	13,001	-	14,000	-	-	-	-	0.00%	-	0.00%
16	14,001	-	15,000	-	-	-	-	0.00%	-	0.00%
17	15,001	-	16,000	-	-	-	-	0.00%	-	0.00%
18	16,001	-	17,000	-	-	-	-	0.00%	-	0.00%
19	17,001	-	18,000	-	-	-	-	0.00%	-	0.00%
20	18,001	-	19,000	-	-	-	-	0.00%	-	0.00%
21	19,001	-	20,000	-	-	-	-	0.00%	-	0.00%
22	20,001	-	21,000	-	-	-	-	0.00%	-	0.00%
23	21,001	-	22,000	-	-	-	-	0.00%	-	0.00%
24	22,001	-	23,000	-	-	-	-	0.00%	-	0.00%
25	23,001	-	24,000	-	-	-	-	0.00%	-	0.00%
26	24,001	-	25,000	-	-	-	-	0.00%	-	0.00%
27	25,001	-	26,000	-	-	-	-	0.00%	-	0.00%
28	26,001	-	27,000	-	-	-	-	0.00%	-	0.00%
29	27,001	-	28,000	-	-	-	-	0.00%	-	0.00%
30	28,001	-	29,000	-	-	-	-	0.00%	-	0.00%
31	29,001	-	30,000	-	-	-	-	0.00%	-	0.00%
32	30,001	-	31,000	-	-	-	-	0.00%	-	0.00%
33	31,001	-	32,000	-	-	-	-	0.00%	-	0.00%
34	32,001	-	33,000	-	-	-	-	0.00%	-	0.00%
35	33,001	-	34,000	-	-	-	-	0.00%	-	0.00%
36	34,001	-	35,000	-	-	-	-	0.00%	-	0.00%
37	35,001	-	36,000	-	-	-	-	0.00%	-	0.00%
38	36,001	-	37,000	-	-	-	-	0.00%	-	0.00%
39	37,001	-	38,000	-	-	-	-	0.00%	-	0.00%
40	38,001	-	39,000	-	-	-	-	0.00%	-	0.00%
41	39,001	-	40,000	-	-	-	-	0.00%	-	0.00%
42	40,001	-	41,000	-	-	-	-	0.00%	-	0.00%
43	41,001	-	42,000	-	-	-	-	0.00%	-	0.00%
44	42,001	-	43,000	-	-	-	-	0.00%	-	0.00%
45	43,001	-	44,000	-	-	-	-	0.00%	-	0.00%
46	44,001	-	45,000	-	-	-	-	0.00%	-	0.00%
47	45,001	-	46,000	-	-	-	-	0.00%	-	0.00%
48	46,001	-	47,000	-	-	-	-	0.00%	-	0.00%
49	47,001	-	48,000	-	-	-	-	0.00%	-	0.00%
50	48,001	-	49,000	-	-	-	-	0.00%	-	0.00%
51	49,001	-	50,000	-	-	-	-	0.00%	-	0.00%
52	50,001	-	51,000	-	-	-	-	0.00%	-	0.00%
53	51,001	-	52,000	-	-	-	-	0.00%	-	0.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 6"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	200
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 300.00	$ 482.20
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-	-	-	-	0.00%	-	0.00%
55	53,001 - 54,000	-	-	-	-	0.00%	-	0.00%
56	54,001 - 55,000	-	-	-	-	0.00%	-	0.00%
57	55,001 - 56,000	-	-	-	-	0.00%	-	0.00%
58	56,001 - 57,000	-	-	-	-	0.00%	-	0.00%
59	57,001 - 58,000	-	-	-	-	0.00%	-	0.00%
60	58,001 - 59,000	-	-	-	-	0.00%	-	0.00%
61	59,001 - 60,000	-	-	-	-	0.00%	-	0.00%
62	60,001 - 61,000	-	-	-	-	0.00%	-	0.00%
63	61,001 - 62,000	-	-	-	-	0.00%	-	0.00%
64	62,001 - 63,000	-	-	-	-	0.00%	-	0.00%
65	63,001 - 64,000	-	-	-	-	0.00%	-	0.00%
66	64,001 - 65,000	-	-	-	-	0.00%	-	0.00%
67	65,001 - 66,000	-	-	-	-	0.00%	-	0.00%
68	66,001 - 67,000	-	-	-	-	0.00%	-	0.00%
69	67,001 - 68,000	-	-	-	-	0.00%	-	0.00%
70	68,001 - 69,000	-	-	-	-	0.00%	-	0.00%
71	69,001 - 70,000	-	-	-	-	0.00%	-	0.00%
72	70,001 - 71,000	-	-	-	-	0.00%	-	0.00%
73	71,001 - 72,000	-	-	-	-	0.00%	-	0.00%
74	72,001 - 73,000	1	73,000	73,000	1	8.33%	73,000	3.87%
75	73,001 - 74,000	-	-	-	1	8.33%	73,000	3.87%
76	74,001 - 75,000	-	-	-	1	8.33%	73,000	3.87%
77	75,001 - 76,000	-	-	-	1	8.33%	73,000	3.87%
78	76,001 - 77,000	-	-	-	1	8.33%	73,000	3.87%
79	77,001 - 78,000	-	-	-	1	8.33%	73,000	3.87%
80	78,001 - 79,000	-	-	-	1	8.33%	73,000	3.87%
81	79,001 - 80,000	-	-	-	1	8.33%	73,000	3.87%
82	80,001 - 81,000	-	-	-	1	8.33%	73,000	3.87%
83	81,001 - 82,000	-	-	-	1	8.33%	73,000	3.87%
84	82,001 - 83,000	-	-	-	1	8.33%	73,000	3.87%
85	83,001 - 84,000	-	-	-	1	8.33%	73,000	3.87%
86	84,001 - 85,000	-	-	-	1	8.33%	73,000	3.87%
87	85,001 - 86,000	-	-	-	1	8.33%	73,000	3.87%
88	86,001 - 87,000	1	86,700	86,700	2	16.67%	159,700	8.46%
89	87,001 - 88,000	1	87,900	87,900	3	25.00%	247,600	13.12%
90	88,001 - 89,000	-	-	-	3	25.00%	247,600	13.12%
91	89,001 - 90,000	-	-	-	3	25.00%	247,600	13.12%
92	90,001 - 91,000	-	-	-	3	25.00%	247,600	13.12%
93	91,001 - 92,000	-	-	-	3	25.00%	247,600	13.12%
94	92,001 - 93,000	-	-	-	3	25.00%	247,600	13.12%
95	93,001 - 94,000	-	-	-	3	25.00%	247,600	13.12%
96	94,001 - 95,000	-	-	-	3	25.00%	247,600	13.12%
97	95,001 - 96,000	-	-	-	3	25.00%	247,600	13.12%
98	96,001 - 97,000	-	-	-	3	25.00%	247,600	13.12%
99	97,001 - 98,000	-	-	-	3	25.00%	247,600	13.12%
100	98,001 - 99,000	-	-	-	3	25.00%	247,600	13.12%
101	99,001 - 100,000	-	-	-	3	25.00%	247,600	13.12%
102	110,000 - 110,000	1	110,000	110,000	4	33.33%	357,600	18.94%
103	114,120 - 114,120	1	114,120	114,120	5	41.67%	471,720	24.99%
104	124,850 - 124,850	1	124,850	124,850	6	50.00%	596,570	31.60%
105	136,700 - 136,700	1	136,700	136,700	7	58.33%	733,270	38.84%
106	164,530 - 164,530	1	164,530	164,530	8	66.67%	897,800	47.56%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 6"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	200
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 300.00	$ 482.20
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
107	173,900 - 173,900	1	173,900	173,900	9	75.00%	1,071,700	56.77%
108	214,500 - 214,500	1	214,500	214,500	10	83.33%	1,286,200	68.13%
109	228,500 - 228,500	1	228,500	228,500	11	91.67%	1,514,700	80.23%
110	373,200 - 373,200	1	373,200	373,200	12	100.00%	1,887,900	100.00%
111								
112	Totals	12		1,887,900	12		1,887,900	
113								
114	Total Bills	12						
115								
116								
117	Average Number of Customers		1					
118								
119	Average Consumption (gallons)		157,325					
120								
121	Median Consumption (gallons)		124,850					
122								
123								
124								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	12	$ 3,600	12	$ 5,786
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	1,887,900	3,002	1,671,700	3,878
Tier Three	-	-	216,200	541
Usage Totals	1,887,900		1,887,900	
Revenue Totals		$ 6,602		$ 10,205

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 3/4"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	3
Tier Two Breakover (M gal):	999,999	24
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	9	-	-	9	25.00%	-	0.00%
2	1	-	1,000	2	15	30	11	30.56%	30	0.00%
3	1,001	-	2,000	-	-	-	11	30.56%	30	0.00%
4	2,001	-	3,000	-	-	-	11	30.56%	30	0.00%
5	3,001	-	4,000	-	-	-	11	30.56%	30	0.00%
6	4,001	-	5,000	-	-	-	11	30.56%	30	0.00%
7	5,001	-	6,000	-	-	-	11	30.56%	30	0.00%
8	6,001	-	7,000	1	6,520	6,520	12	33.33%	6,550	0.38%
9	7,001	-	8,000	-	-	-	12	33.33%	6,550	0.38%
10	8,001	-	9,000	-	-	-	12	33.33%	6,550	0.38%
11	9,001	-	10,000	-	-	-	12	33.33%	6,550	0.38%
12	10,001	-	11,000	-	-	-	12	33.33%	6,550	0.38%
13	11,001	-	12,000	-	-	-	12	33.33%	6,550	0.38%
14	12,001	-	13,000	-	-	-	12	33.33%	6,550	0.38%
15	13,001	-	14,000	-	-	-	12	33.33%	6,550	0.38%
16	14,001	-	15,000	-	-	-	12	33.33%	6,550	0.38%
17	15,001	-	16,000	-	-	-	12	33.33%	6,550	0.38%
18	16,001	-	17,000	-	-	-	12	33.33%	6,550	0.38%
19	17,001	-	18,000	-	-	-	12	33.33%	6,550	0.38%
20	18,001	-	19,000	-	-	-	12	33.33%	6,550	0.38%
21	19,001	-	20,000	-	-	-	12	33.33%	6,550	0.38%
22	20,001	-	21,000	-	-	-	12	33.33%	6,550	0.38%
23	21,001	-	22,000	-	-	-	12	33.33%	6,550	0.38%
24	22,001	-	23,000	-	-	-	12	33.33%	6,550	0.38%
25	23,001	-	24,000	-	-	-	12	33.33%	6,550	0.38%
26	24,001	-	25,000	-	-	-	12	33.33%	6,550	0.38%
27	25,001	-	26,000	-	-	-	12	33.33%	6,550	0.38%
28	26,001	-	27,000	-	-	-	12	33.33%	6,550	0.38%
29	27,001	-	28,000	-	-	-	12	33.33%	6,550	0.38%
30	28,001	-	29,000	-	-	-	12	33.33%	6,550	0.38%
31	29,001	-	30,000	-	-	-	12	33.33%	6,550	0.38%
32	30,001	-	31,000	-	-	-	12	33.33%	6,550	0.38%
33	31,001	-	32,000	-	-	-	12	33.33%	6,550	0.38%
34	32,001	-	33,000	-	-	-	12	33.33%	6,550	0.38%
35	33,001	-	34,000	-	-	-	12	33.33%	6,550	0.38%
36	34,001	-	35,000	-	-	-	12	33.33%	6,550	0.38%
37	35,001	-	36,000	1	35,890	35,890	13	36.11%	42,440	2.44%
38	36,001	-	37,000	-	-	-	13	36.11%	42,440	2.44%
39	37,001	-	38,000	-	-	-	13	36.11%	42,440	2.44%
40	38,001	-	39,000	-	-	-	13	36.11%	42,440	2.44%
41	39,001	-	40,000	-	-	-	13	36.11%	42,440	2.44%
42	40,001	-	41,000	-	-	-	13	36.11%	42,440	2.44%
43	41,001	-	42,000	-	-	-	13	36.11%	42,440	2.44%
44	42,001	-	43,000	-	-	-	13	36.11%	42,440	2.44%
45	43,001	-	44,000	-	-	-	13	36.11%	42,440	2.44%
46	44,001	-	45,000	-	-	-	13	36.11%	42,440	2.44%
47	45,001	-	46,000	-	-	-	13	36.11%	42,440	2.44%
48	46,001	-	47,000	-	-	-	13	36.11%	42,440	2.44%
49	47,001	-	48,000	-	-	-	13	36.11%	42,440	2.44%
50	48,001	-	49,000	-	-	-	13	36.11%	42,440	2.44%
51	49,001	-	50,000	-	-	-	13	36.11%	42,440	2.44%
52	50,001	-	51,000	-	-	-	13	36.11%	42,440	2.44%
53	51,001	-	52,000	-	-	-	13	36.11%	42,440	2.44%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 3/4"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	3
Tier Two Breakover (M gal):	999,999	24
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-	-	-	13	36.11%	42,440	2.44%
55	53,001 - 54,000	1	53,640	53,640	14	38.89%	96,080	5.53%
56	54,001 - 55,000	-	-	-	14	38.89%	96,080	5.53%
57	55,001 - 56,000	2	55,600	111,200	16	44.44%	207,280	11.92%
58	56,001 - 57,000	-	-	-	16	44.44%	207,280	11.92%
59	57,001 - 58,000	1	57,430	57,430	17	47.22%	264,710	15.22%
60	58,001 - 59,000	1	58,190	58,190	18	50.00%	322,900	18.57%
61	59,001 - 60,000	1	59,190	59,190	19	52.78%	382,090	21.97%
62	60,001 - 61,000	1	60,880	60,880	20	55.56%	442,970	25.48%
63	61,001 - 62,000	-	-	-	20	55.56%	442,970	25.48%
64	62,001 - 63,000	2	62,995	125,990	22	61.11%	568,960	32.72%
65	63,001 - 64,000	1	63,620	63,620	23	63.89%	632,580	36.38%
66	64,001 - 65,000	-	-	-	23	63.89%	632,580	36.38%
67	65,001 - 66,000	1	65,940	65,940	24	66.67%	698,520	40.17%
68	66,001 - 67,000	1	66,950	66,950	25	69.44%	765,470	44.02%
69	67,001 - 68,000	2	67,735	135,470	27	75.00%	900,940	51.81%
70	68,001 - 69,000	-	-	-	27	75.00%	900,940	51.81%
71	69,001 - 70,000	-	-	-	27	75.00%	900,940	51.81%
72	70,001 - 71,000	-	-	-	27	75.00%	900,940	51.81%
73	71,001 - 72,000	-	-	-	27	75.00%	900,940	51.81%
74	72,001 - 73,000	1	72,080	72,080	28	77.78%	973,020	55.96%
75	73,001 - 74,000	-	-	-	28	77.78%	973,020	55.96%
76	74,001 - 75,000	1	74,600	74,600	29	80.56%	1,047,620	60.25%
77	75,001 - 76,000	-	-	-	29	80.56%	1,047,620	60.25%
78	76,001 - 77,000	-	-	-	29	80.56%	1,047,620	60.25%
79	77,001 - 78,000	1	77,710	77,710	30	83.33%	1,125,330	64.72%
80	78,001 - 79,000	-	-	-	30	83.33%	1,125,330	64.72%
81	79,001 - 80,000	1	79,470	79,470	31	86.11%	1,204,800	69.29%
82	80,001 - 81,000	-	-	-	31	86.11%	1,204,800	69.29%
83	81,001 - 82,000	-	-	-	31	86.11%	1,204,800	69.29%
84	82,001 - 83,000	-	-	-	31	86.11%	1,204,800	69.29%
85	83,001 - 84,000	-	-	-	31	86.11%	1,204,800	69.29%
86	84,001 - 85,000	-	-	-	31	86.11%	1,204,800	69.29%
87	85,001 - 86,000	-	-	-	31	86.11%	1,204,800	69.29%
88	86,001 - 87,000	-	-	-	31	86.11%	1,204,800	69.29%
89	87,001 - 88,000	-	-	-	31	86.11%	1,204,800	69.29%
90	88,001 - 89,000	-	-	-	31	86.11%	1,204,800	69.29%
91	89,001 - 90,000	-	-	-	31	86.11%	1,204,800	69.29%
92	90,001 - 91,000	1	90,230	90,230	32	88.89%	1,295,030	74.48%
93	91,001 - 92,000	-	-	-	32	88.89%	1,295,030	74.48%
94	92,001 - 93,000	1	92,570	92,570	33	91.67%	1,387,600	79.80%
95	93,001 - 94,000	1	93,440	93,440	34	94.44%	1,481,040	85.18%
96	94,001 - 95,000	-	-	-	34	94.44%	1,481,040	85.18%
97	95,001 - 96,000	-	-	-	34	94.44%	1,481,040	85.18%
98	96,001 - 97,000	-	-	-	34	94.44%	1,481,040	85.18%
99	97,001 - 98,000	-	-	-	34	94.44%	1,481,040	85.18%
100	98,001 - 99,000	-	-	-	34	94.44%	1,481,040	85.18%
101	99,001 - 100,000	-	-	-	34	94.44%	1,481,040	85.18%
102	103,680 - 103,680	1	103,680	103,680	35	97.22%	1,584,720	91.14%
103	154,060 - 154,060	1	154,060	154,060	36	100.00%	1,738,780	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 3/4"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	3
Tier Two Breakover (M gal):	999,999	24
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
104								
105	Totals	36		1,738,780	36		1,738,780	
106								
107	Total Bills	36						
108								
109								
110	Average Number of Customers		3					
111								
112	Average Consumption (gallons)		48,299					
113								
114	Median Consumption (gallons)		58,190					
115								
116								
117								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	36	$ 324	36	$ 473
Usage (gallons)				
Tier One	-	$ -	75,030	$ 133
Tier Two	1,738,780	2,765	507,520	1,177
Tier Three	-	-	1,156,230	2,891
Usage Totals	1,738,780		1,738,780	
Revenue Totals		$ 3,089		$ 4,674

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 1"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	3
Tier Two Breakover (M gal):	999,999	24
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	2	-	-	2	0.83%	-	0.00%
2	1	-	1,000	-	-	-	2	0.83%	-	0.00%
3	1,001	-	2,000	-	-	-	2	0.83%	-	0.00%
4	2,001	-	3,000	-	-	-	2	0.83%	-	0.00%
5	3,001	-	4,000	-	-	-	2	0.83%	-	0.00%
6	4,001	-	5,000	1	4,400	4,400	3	1.24%	4,400	0.03%
7	5,001	-	6,000	-	-	-	3	1.24%	4,400	0.03%
8	6,001	-	7,000	-	-	-	3	1.24%	4,400	0.03%
9	7,001	-	8,000	1	7,410	7,410	4	1.66%	11,810	0.07%
10	8,001	-	9,000	-	-	-	4	1.66%	11,810	0.07%
11	9,001	-	10,000	2	9,750	19,500	6	2.49%	31,310	0.18%
12	10,001	-	11,000	-	-	-	6	2.49%	31,310	0.18%
13	11,001	-	12,000	1	11,800	11,800	7	2.90%	43,110	0.25%
14	12,001	-	13,000	2	12,485	24,970	9	3.73%	68,080	0.40%
15	13,001	-	14,000	-	-	-	9	3.73%	68,080	0.40%
16	14,001	-	15,000	1	14,420	14,420	10	4.15%	82,500	0.49%
17	15,001	-	16,000	6	15,415	92,490	16	6.64%	174,990	1.03%
18	16,001	-	17,000	3	16,837	50,510	19	7.88%	225,500	1.33%
19	17,001	-	18,000	1	17,100	17,100	20	8.30%	242,600	1.43%
20	18,001	-	19,000	-	-	-	20	8.30%	242,600	1.43%
21	19,001	-	20,000	4	19,385	77,540	24	9.96%	320,140	1.89%
22	20,001	-	21,000	2	20,705	41,410	26	10.79%	361,550	2.14%
23	21,001	-	22,000	2	21,765	43,530	28	11.62%	405,080	2.39%
24	22,001	-	23,000	2	22,250	44,500	30	12.45%	449,580	2.65%
25	23,001	-	24,000	1	23,620	23,620	31	12.86%	473,200	2.79%
26	24,001	-	25,000	2	24,750	49,500	33	13.69%	522,700	3.09%
27	25,001	-	26,000	4	25,463	101,850	37	15.35%	624,550	3.69%
28	26,001	-	27,000	1	26,100	26,100	38	15.77%	650,650	3.84%
29	27,001	-	28,000	5	27,568	137,840	43	17.84%	788,490	4.66%
30	28,001	-	29,000	1	28,580	28,580	44	18.26%	817,070	4.83%
31	29,001	-	30,000	4	29,105	116,420	48	19.92%	933,490	5.51%
32	30,001	-	31,000	3	30,570	91,710	51	21.16%	1,025,200	6.05%
33	31,001	-	32,000	5	31,522	157,610	56	23.24%	1,182,810	6.98%
34	32,001	-	33,000	2	32,735	65,470	58	24.07%	1,248,280	7.37%
35	33,001	-	34,000	2	33,535	67,070	60	24.90%	1,315,350	7.77%
36	34,001	-	35,000	4	34,573	138,290	64	26.56%	1,453,640	8.58%
37	35,001	-	36,000	4	35,608	142,430	68	28.22%	1,596,070	9.43%
38	36,001	-	37,000	4	36,410	145,640	72	29.88%	1,741,710	10.29%
39	37,001	-	38,000	1	37,630	37,630	73	30.29%	1,779,340	10.51%
40	38,001	-	39,000	5	38,670	193,350	78	32.37%	1,972,690	11.65%
41	39,001	-	40,000	5	39,606	198,030	83	34.44%	2,170,720	12.82%
42	40,001	-	41,000	4	40,440	161,760	87	36.10%	2,332,480	13.77%
43	41,001	-	42,000	4	41,813	167,250	91	37.76%	2,499,730	14.76%
44	42,001	-	43,000	3	42,823	128,470	94	39.00%	2,628,200	15.52%
45	43,001	-	44,000	1	43,920	43,920	95	39.42%	2,672,120	15.78%
46	44,001	-	45,000	3	44,570	133,710	98	40.66%	2,805,830	16.57%
47	45,001	-	46,000	2	45,505	91,010	100	41.49%	2,896,840	17.11%
48	46,001	-	47,000	2	46,405	92,810	102	42.32%	2,989,650	17.65%
49	47,001	-	48,000	4	47,510	190,040	106	43.98%	3,179,690	18.78%
50	48,001	-	49,000	1	48,610	48,610	107	44.40%	3,228,300	19.06%
51	49,001	-	50,000	5	49,310	246,550	112	46.47%	3,474,850	20.52%
52	50,001	-	51,000	7	50,371	352,600	119	49.38%	3,827,450	22.60%
53	51,001	-	52,000	1	51,050	51,050	120	49.79%	3,878,500	22.90%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 1"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	3
Tier Two Breakover (M gal):	999,999	24
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	2	52,590	105,180	122	50.62%	3,983,680	23.52%
55	53,001 - 54,000	5	53,416	267,080	127	52.70%	4,250,760	25.10%
56	54,001 - 55,000	3	54,670	164,010	130	53.94%	4,414,770	26.07%
57	55,001 - 56,000	4	55,200	220,800	134	55.60%	4,635,570	27.37%
58	56,001 - 57,000	2	56,465	112,930	136	56.43%	4,748,500	28.04%
59	57,001 - 58,000	2	57,755	115,510	138	57.26%	4,864,010	28.72%
60	58,001 - 59,000	1	58,040	58,040	139	57.68%	4,922,050	29.07%
61	59,001 - 60,000	2	59,555	119,110	141	58.51%	5,041,160	29.77%
62	60,001 - 61,000	4	60,268	241,070	145	60.17%	5,282,230	31.19%
63	61,001 - 62,000	1	61,860	61,860	146	60.58%	5,344,090	31.56%
64	62,001 - 63,000	2	62,205	124,410	148	61.41%	5,468,500	32.29%
65	63,001 - 64,000	2	63,640	127,280	150	62.24%	5,595,780	33.04%
66	64,001 - 65,000	1	64,980	64,980	151	62.66%	5,660,760	33.43%
67	65,001 - 66,000	6	65,487	392,920	157	65.15%	6,053,680	35.75%
68	66,001 - 67,000	5	66,444	332,220	162	67.22%	6,385,900	37.71%
69	67,001 - 68,000	3	67,817	203,450	165	68.46%	6,589,350	38.91%
70	68,001 - 69,000	3	68,427	205,280	168	69.71%	6,794,630	40.12%
71	69,001 - 70,000	3	69,373	208,120	171	70.95%	7,002,750	41.35%
72	70,001 - 71,000	1	70,970	70,970	172	71.37%	7,073,720	41.77%
73	71,001 - 72,000	1	71,380	71,380	173	71.78%	7,145,100	42.19%
74	72,001 - 73,000	-	-	-	173	71.78%	7,145,100	42.19%
75	73,001 - 74,000	1	73,040	73,040	174	72.20%	7,218,140	42.63%
76	74,001 - 75,000	-	-	-	174	72.20%	7,218,140	42.63%
77	75,001 - 76,000	1	75,260	75,260	175	72.61%	7,293,400	43.07%
78	76,001 - 77,000	1	76,220	76,220	176	73.03%	7,369,620	43.52%
79	77,001 - 78,000	-	-	-	176	73.03%	7,369,620	43.52%
80	78,001 - 79,000	1	78,260	78,260	177	73.44%	7,447,880	43.98%
81	79,001 - 80,000	2	79,315	158,630	179	74.27%	7,606,510	44.92%
82	80,001 - 81,000	-	-	-	179	74.27%	7,606,510	44.92%
83	81,001 - 82,000	1	81,870	81,870	180	74.69%	7,688,380	45.40%
84	82,001 - 83,000	1	82,250	82,250	181	75.10%	7,770,630	45.89%
85	83,001 - 84,000	1	83,990	83,990	182	75.52%	7,854,620	46.38%
86	84,001 - 85,000	1	84,210	84,210	183	75.93%	7,938,830	46.88%
87	85,001 - 86,000	1	85,320	85,320	184	76.35%	8,024,150	47.38%
88	86,001 - 87,000	2	86,565	173,130	186	77.18%	8,197,280	48.41%
89	87,001 - 88,000	1	87,370	87,370	187	77.59%	8,284,650	48.92%
90	88,001 - 89,000	-	-	-	187	77.59%	8,284,650	48.92%
91	89,001 - 90,000	2	89,380	178,760	189	78.42%	8,463,410	49.98%
92	90,001 - 91,000	-	-	-	189	78.42%	8,463,410	49.98%
93	91,001 - 92,000	1	91,930	91,930	190	78.84%	8,555,340	50.52%
94	92,001 - 93,000	1	92,790	92,790	191	79.25%	8,648,130	51.07%
95	93,001 - 94,000	-	-	-	191	79.25%	8,648,130	51.07%
96	94,001 - 95,000	-	-	-	191	79.25%	8,648,130	51.07%
97	95,001 - 96,000	2	95,420	190,840	193	80.08%	8,838,970	52.20%
98	96,001 - 97,000	2	96,300	192,600	195	80.91%	9,031,570	53.33%
99	97,001 - 98,000	-	-	-	195	80.91%	9,031,570	53.33%
100	98,001 - 99,000	-	-	-	195	80.91%	9,031,570	53.33%
101	99,001 - 100,000	-	-	-	195	80.91%	9,031,570	53.33%
102	101,650 - 101,650	1	101,650	101,650	196	81.33%	9,133,220	53.93%
103	103,110 - 103,110	1	103,110	103,110	197	81.74%	9,236,330	54.54%
104	103,130 - 103,130	1	103,130	103,130	198	82.16%	9,339,460	55.15%
105	104,250 - 104,250	1	104,250	104,250	199	82.57%	9,443,710	55.77%
106	104,470 - 104,470	1	104,470	104,470	200	82.99%	9,443,710	55.77%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 1"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	3
Tier Two Breakover (M gal):	999,999	24
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
107	105,190 - 105,190	1	105,190	105,190	201	83.40%	9,443,710	55.77%
108	105,700 - 105,700	1	105,700	105,700	202	83.82%	9,443,710	55.77%
109	105,900 - 105,900	1	105,900	105,900	203	84.23%	9,443,710	55.77%
110	106,220 - 106,220	1	106,220	106,220	204	84.65%	9,443,710	55.77%
111	106,810 - 106,810	1	106,810	106,810	205	85.06%	9,443,710	55.77%
112	106,930 - 106,930	1	106,930	106,930	206	85.48%	9,443,710	55.77%
113	107,260 - 107,260	1	107,260	107,260	207	85.89%	9,443,710	55.77%
114	107,450 - 107,450	1	107,450	107,450	208	86.31%	9,443,710	55.77%
115	108,410 - 108,410	1	108,410	108,410	209	86.72%	9,443,710	55.77%
116	110,060 - 110,060	1	110,060	110,060	210	87.14%	9,443,710	55.77%
117	111,390 - 111,390	1	111,390	111,390	211	87.55%	9,443,710	55.77%
118	112,380 - 112,380	1	112,380	112,380	212	87.97%	10,841,880	64.02%
119	113,210 - 113,210	1	113,210	113,210	213	88.38%	10,955,090	64.69%
120	114,660 - 114,660	1	114,660	114,660	214	88.80%	11,069,750	65.37%
121	115,750 - 115,750	1	115,750	115,750	215	89.21%	11,185,500	66.05%
122	116,820 - 116,820	1	116,820	116,820	216	89.63%	11,302,320	66.74%
123	120,850 - 120,850	1	120,850	120,850	217	90.04%	11,423,170	67.46%
124	132,360 - 132,360	1	132,360	132,360	218	90.46%	11,555,530	68.24%
125	144,820 - 144,820	1	144,820	144,820	219	90.87%	11,700,350	69.09%
126	150,400 - 150,400	1	150,400	150,400	220	91.29%	11,850,750	69.98%
127	153,730 - 153,730	1	153,730	153,730	221	91.70%	12,004,480	70.89%
128	160,590 - 160,590	1	160,590	160,590	222	92.12%	12,165,070	71.84%
129	172,400 - 172,400	1	172,400	172,400	223	92.53%	12,337,470	72.86%
130	172,710 - 172,710	1	172,710	172,710	224	92.95%	12,510,180	73.88%
131	179,440 - 179,440	1	179,440	179,440	225	93.36%	12,689,620	74.94%
132	183,700 - 183,700	1	183,700	183,700	226	93.78%	12,873,320	76.02%
133	185,710 - 185,710	1	185,710	185,710	227	94.19%	13,059,030	77.12%
134	186,180 - 186,180	1	186,180	186,180	228	94.61%	13,245,210	78.22%
135	195,800 - 195,800	1	195,800	195,800	229	95.02%	13,441,010	79.37%
136	203,410 - 203,410	1	203,410	203,410	230	95.44%	13,644,420	80.57%
137	203,780 - 203,780	1	203,780	203,780	231	95.85%	13,848,200	81.78%
138	207,780 - 207,780	1	207,780	207,780	232	96.27%	14,055,980	83.00%
139	208,520 - 208,520	1	208,520	208,520	233	96.68%	14,264,500	84.24%
140	221,560 - 221,560	1	221,560	221,560	234	97.10%	14,486,060	85.54%
141	232,140 - 232,140	1	232,140	232,140	235	97.51%	14,718,200	86.92%
142	278,700 - 278,700	1	278,700	278,700	236	97.93%	14,996,900	88.56%
143	293,500 - 293,500	1	293,500	293,500	237	98.34%	15,290,400	90.29%
144	326,140 - 326,140	1	326,140	326,140	238	98.76%	15,616,540	92.22%
145	435,000 - 435,000	1	435,000	435,000	239	99.17%	16,051,540	94.79%
146	440,050 - 440,050	1	440,050	440,050	240	99.59%	16,491,590	97.39%
147	442,390 - 442,390	1	442,390	442,390	241	100.00%	16,933,980	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 1"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	3
Tier Two Breakover (M gal):	999,999	24
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
148								
149	Totals	241		16,933,980	241		16,933,980	
150								
151	Total Bills	241						
152								
153								
154	Average Number of Customers		20					
155								
156	Average Consumption (gallons)		70,265					
157								
158	Median Consumption (gallons)		52,590					
159								
160								
161								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	241	$ 2,169	241	$ 3,169
Usage (gallons)				
Tier One	-	$ -	717,000	$ 1,269
Tier Two	16,933,980	26,925	4,796,200	11,127
Tier Three	-	-	11,420,780	28,552
Usage Totals	16,933,980		16,933,980	
Revenue Totals		$ 29,094		$ 44,117

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 3/4"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	20
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ -
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	4	-	-	4	5.56%	-	0.00%
2	1	-	1,000	1	860	860	5	6.94%	860	0.13%
3	1,001	-	2,000	6	1,483	8,900	11	15.28%	9,760	1.50%
4	2,001	-	3,000	7	2,467	17,270	18	25.00%	27,030	4.15%
5	3,001	-	4,000	7	3,369	23,580	25	34.72%	50,610	7.76%
6	4,001	-	5,000	3	4,753	14,260	28	38.89%	64,870	9.95%
7	5,001	-	6,000	5	5,508	27,540	33	45.83%	92,410	14.17%
8	6,001	-	7,000	5	6,242	31,210	38	52.78%	123,620	18.96%
9	7,001	-	8,000	3	7,207	21,620	41	56.94%	145,240	22.28%
10	8,001	-	9,000	2	8,435	16,870	43	59.72%	162,110	24.86%
11	9,001	-	10,000	2	9,570	19,140	45	62.50%	181,250	27.80%
12	10,001	-	11,000	4	10,650	42,600	49	68.06%	223,850	34.33%
13	11,001	-	12,000	3	11,747	35,240	52	72.22%	259,090	39.74%
14	12,001	-	13,000	7	12,451	87,160	59	81.94%	346,250	53.11%
15	13,001	-	14,000	1	13,140	13,140	60	83.33%	359,390	55.12%
16	14,001	-	15,000	1	14,890	14,890	61	84.72%	374,280	57.41%
17	15,001	-	16,000	-		-	61	84.72%	374,280	57.41%
18	16,001	-	17,000	1	16,290	16,290	62	86.11%	390,570	59.90%
19	17,001	-	18,000	-		-	62	86.11%	390,570	59.90%
20	18,001	-	19,000	1	18,950	18,950	63	87.50%	409,520	62.81%
21	19,001	-	20,000	-		-	63	87.50%	409,520	62.81%
22	20,001	-	21,000	-		-	63	87.50%	409,520	62.81%
23	21,001	-	22,000	2	21,730	43,460	65	90.28%	452,980	69.48%
24	22,001	-	23,000	1	22,520	22,520	66	91.67%	475,500	72.93%
25	23,001	-	24,000	-		-	66	91.67%	475,500	72.93%
26	24,001	-	25,000	1	24,030	24,030	67	93.06%	499,530	76.62%
27	25,001	-	26,000	-		-	67	93.06%	499,530	76.62%
28	26,001	-	27,000	-		-	67	93.06%	499,530	76.62%
29	27,001	-	28,000	-		-	67	93.06%	499,530	76.62%
30	28,001	-	29,000	1	28,780	28,780	68	94.44%	528,310	81.03%
31	29,001	-	30,000	2	29,190	58,380	70	97.22%	586,690	89.98%
32	30,001	-	31,000	-		-	70	97.22%	586,690	89.98%
33	31,001	-	32,000	1	31,650	31,650	71	98.61%	618,340	94.84%
34	32,001	-	33,000	-		-	71	98.61%	618,340	94.84%
35	33,001	-	34,000	1	33,650	33,650	72	100.00%	651,990	100.00%
36	34,001	-	35,000	-		-	72	100.00%	651,990	100.00%
37	35,001	-	36,000	-		-	72	100.00%	651,990	100.00%
38	36,001	-	37,000	-		-	72	100.00%	651,990	100.00%
39	37,001	-	38,000	-		-	72	100.00%	651,990	100.00%
40	38,001	-	39,000	-		-	72	100.00%	651,990	100.00%
41	39,001	-	40,000	-		-	72	100.00%	651,990	100.00%
42	40,001	-	41,000	-		-	72	100.00%	651,990	100.00%
43	41,001	-	42,000	-		-	72	100.00%	651,990	100.00%
44	42,001	-	43,000	-		-	72	100.00%	651,990	100.00%
45	43,001	-	44,000	-		-	72	100.00%	651,990	100.00%
46	44,001	-	45,000	-		-	72	100.00%	651,990	100.00%
47	45,001	-	46,000	-		-	72	100.00%	651,990	100.00%
48	46,001	-	47,000	-		-	72	100.00%	651,990	100.00%
49	47,001	-	48,000	-		-	72	100.00%	651,990	100.00%
50	48,001	-	49,000	-		-	72	100.00%	651,990	100.00%
51	49,001	-	50,000	-		-	72	100.00%	651,990	100.00%
52	50,001	-	51,000	-		-	72	100.00%	651,990	100.00%
53	51,001	-	52,000	-		-	72	100.00%	651,990	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 3/4"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	20
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ -
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-		-	72	100.00%	651,990	100.00%
55	53,001 - 54,000	-		-	72	100.00%	651,990	100.00%
56	54,001 - 55,000	-		-	72	100.00%	651,990	100.00%
57	55,001 - 56,000	-		-	72	100.00%	651,990	100.00%
58	56,001 - 57,000	-		-	72	100.00%	651,990	100.00%
59	57,001 - 58,000	-		-	72	100.00%	651,990	100.00%
60	58,001 - 59,000	-		-	72	100.00%	651,990	100.00%
61	59,001 - 60,000	-		-	72	100.00%	651,990	100.00%
62	60,001 - 61,000	-		-	72	100.00%	651,990	100.00%
63	61,001 - 62,000	-		-	72	100.00%	651,990	100.00%
64	62,001 - 63,000	-		-	72	100.00%	651,990	100.00%
65	63,001 - 64,000	-		-	72	100.00%	651,990	100.00%
66	64,001 - 65,000	-		-	72	100.00%	651,990	100.00%
67	65,001 - 66,000	-		-	72	100.00%	651,990	100.00%
68	66,001 - 67,000	-		-	72	100.00%	651,990	100.00%
69	67,001 - 68,000	-		-	72	100.00%	651,990	100.00%
70	68,001 - 69,000	-		-	72	100.00%	651,990	100.00%
71	69,001 - 70,000	-		-	72	100.00%	651,990	100.00%
72	70,001 - 71,000	-		-	72	100.00%	651,990	100.00%
73	71,001 - 72,000	-		-	72	100.00%	651,990	100.00%
74	72,001 - 73,000	-		-	72	100.00%	651,990	100.00%
75	73,001 - 74,000	-		-	72	100.00%	651,990	100.00%
76	74,001 - 75,000	-		-	72	100.00%	651,990	100.00%
77	75,001 - 76,000	-		-	72	100.00%	651,990	100.00%
78	76,001 - 77,000	-		-	72	100.00%	651,990	100.00%
79	77,001 - 78,000	-		-	72	100.00%	651,990	100.00%
80	78,001 - 79,000	-		-	72	100.00%	651,990	100.00%
81	79,001 - 80,000	-		-	72	100.00%	651,990	100.00%
82	80,001 - 81,000	-		-	72	100.00%	651,990	100.00%
83	81,001 - 82,000	-		-	72	100.00%	651,990	100.00%
84	82,001 - 83,000	-		-	72	100.00%	651,990	100.00%
85	83,001 - 84,000	-		-	72	100.00%	651,990	100.00%
86	84,001 - 85,000	-		-	72	100.00%	651,990	100.00%
87	85,001 - 86,000	-		-	72	100.00%	651,990	100.00%
88	86,001 - 87,000	-		-	72	100.00%	651,990	100.00%
89	87,001 - 88,000	-		-	72	100.00%	651,990	100.00%
90	88,001 - 89,000	-		-	72	100.00%	651,990	100.00%
91	89,001 - 90,000	-		-	72	100.00%	651,990	100.00%
92	90,001 - 91,000	-		-	72	100.00%	651,990	100.00%
93	91,001 - 92,000	-		-	72	100.00%	651,990	100.00%
94	92,001 - 93,000	-		-	72	100.00%	651,990	100.00%
95	93,001 - 94,000	-		-	72	100.00%	651,990	100.00%
96	94,001 - 95,000	-		-	72	100.00%	651,990	100.00%
97	95,001 - 96,000	-		-	72	100.00%	651,990	100.00%
98	96,001 - 97,000	-		-	72	100.00%	651,990	100.00%
99	97,001 - 98,000	-		-	72	100.00%	651,990	100.00%
100	98,001 - 99,000	-		-	72	100.00%	651,990	100.00%
101	99,001 - 100,000	-		-	72	100.00%	651,990	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 3/4"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	20
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ -
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
102								
103	Totals	72		651,990	72		651,990	
104								
105	Total Bills	72						
106								
107								
108	Average Number of Customers		6					
109								
110	Average Consumption (gallons)		9,055					
111								
112	Median Consumption (gallons)		6,242					
113								
114								
115								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	72	$ 648	72	$ 947
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	651,990	1,037	589,520	1,368
Tier Three	-	-	62,470	156
Usage Totals	651,990		651,990	
Revenue Totals		$ 1,685		$ 2,471

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 1"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	30
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ -
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	- - -	26	-	-	26	11.06%	-	0.00%
2	1 - 1,000	26	690	17,952	52	22.13%	17,952	0.74%
3	1,001 - 2,000	19	1,662	31,584	71	30.21%	49,536	2.04%
4	2,001 - 3,000	22	2,599	57,180	93	39.57%	106,716	4.40%
5	3,001 - 4,000	22	3,350	73,695	115	48.94%	180,411	7.44%
6	4,001 - 5,000	14	4,302	60,226	129	54.89%	240,637	9.93%
7	5,001 - 6,000	15	5,545	83,170	144	61.28%	323,807	13.36%
8	6,001 - 7,000	9	6,606	59,450	153	65.11%	383,257	15.81%
9	7,001 - 8,000	6	7,288	43,730	159	67.66%	426,987	17.62%
10	8,001 - 9,000	7	8,660	60,620	166	70.64%	487,607	20.12%
11	9,001 - 10,000	7	9,267	64,870	173	73.62%	552,477	22.80%
12	10,001 - 11,000	6	10,418	62,510	179	76.17%	614,987	25.38%
13	11,001 - 12,000	1	11,442	11,442	180	76.60%	626,429	25.85%
14	12,001 - 13,000	7	12,391	86,740	187	79.57%	713,169	29.43%
15	13,001 - 14,000	3	13,417	40,250	190	80.85%	753,419	31.09%
16	14,001 - 15,000	2	14,130	28,260	192	81.70%	781,679	32.25%
17	15,001 - 16,000	3	15,770	47,310	195	82.98%	828,989	34.21%
18	16,001 - 17,000	3	16,543	49,630	198	84.26%	878,619	36.25%
19	17,001 - 18,000	3	17,643	52,930	201	85.53%	931,549	38.44%
20	18,001 - 19,000	4	18,718	74,870	205	87.23%	1,006,419	41.53%
21	19,001 - 20,000	5	19,390	96,950	210	89.36%	1,103,369	45.53%
22	20,001 - 21,000	3	20,237	60,710	213	90.64%	1,164,079	48.03%
23	21,001 - 22,000	1	21,400	21,400	214	91.06%	1,185,479	48.91%
24	22,001 - 23,000	-	-	-	214	91.06%	1,185,479	48.91%
25	23,001 - 24,000	-	-	-	214	91.06%	1,185,479	48.91%
26	24,001 - 25,000	-	-	-	214	91.06%	1,185,479	48.91%
27	25,001 - 26,000	-	-	-	214	91.06%	1,185,479	48.91%
28	26,001 - 27,000	1	26,710	26,710	215	91.49%	1,212,189	50.02%
29	27,001 - 28,000	1	27,836	27,836	216	91.91%	1,240,025	51.17%
30	28,001 - 29,000	-	-	-	216	91.91%	1,240,025	51.17%
31	29,001 - 30,000	-	-	-	216	91.91%	1,240,025	51.17%
32	30,001 - 31,000	-	-	-	216	91.91%	1,240,025	51.17%
33	31,001 - 32,000	1	31,040	31,040	217	92.34%	1,271,065	52.45%
34	32,001 - 33,000	1	32,440	32,440	218	92.77%	1,303,505	53.78%
35	33,001 - 34,000	1	33,930	33,930	219	93.19%	1,337,435	55.18%
36	34,001 - 35,000	-	-	-	219	93.19%	1,337,435	55.18%
37	35,001 - 36,000	1	35,080	35,080	220	93.62%	1,372,515	56.63%
38	36,001 - 37,000	3	36,457	109,370	223	94.89%	1,481,885	61.14%
39	37,001 - 38,000	-	-	-	223	94.89%	1,481,885	61.14%
40	38,001 - 39,000	-	-	-	223	94.89%	1,481,885	61.14%
41	39,001 - 40,000	-	-	-	223	94.89%	1,481,885	61.14%
42	40,001 - 41,000	1	40,069	40,069	224	95.32%	1,521,954	62.80%
43	41,001 - 42,000	-	-	-	224	95.32%	1,521,954	62.80%
44	42,001 - 43,000	1	42,750	42,750	225	95.74%	1,564,704	64.56%
45	43,001 - 44,000	-	-	-	225	95.74%	1,564,704	64.56%
46	44,001 - 45,000	-	-	-	225	95.74%	1,564,704	64.56%
47	45,001 - 46,000	-	-	-	225	95.74%	1,564,704	64.56%
48	46,001 - 47,000	-	-	-	225	95.74%	1,564,704	64.56%
49	47,001 - 48,000	-	-	-	225	95.74%	1,564,704	64.56%
50	48,001 - 49,000	-	-	-	225	95.74%	1,564,704	64.56%
51	49,001 - 50,000	-	-	-	225	95.74%	1,564,704	64.56%
52	50,001 - 51,000	-	-	-	225	95.74%	1,564,704	64.56%
53	51,001 - 52,000	-	-	-	225	95.74%	1,564,704	64.56%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 1"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	30
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ -
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-	-	-	225	95.74%	1,564,704	64.56%
55	53,001 - 54,000	-	-	-	225	95.74%	1,564,704	64.56%
56	54,001 - 55,000	-	-	-	225	95.74%	1,564,704	64.56%
57	55,001 - 56,000	-	-	-	225	95.74%	1,564,704	64.56%
58	56,001 - 57,000	1	56,187	56,187	226	96.17%	1,620,891	66.88%
59	57,001 - 58,000	-	-	-	226	96.17%	1,620,891	66.88%
60	58,001 - 59,000	-	-	-	226	96.17%	1,620,891	66.88%
61	59,001 - 60,000	-	-	-	226	96.17%	1,620,891	66.88%
62	60,001 - 61,000	-	-	-	226	96.17%	1,620,891	66.88%
63	61,001 - 62,000	1	61,720	61,720	227	96.60%	1,682,611	69.43%
64	62,001 - 63,000	-	-	-	227	96.60%	1,682,611	69.43%
65	63,001 - 64,000	-	-	-	227	96.60%	1,682,611	69.43%
66	64,001 - 65,000	-	-	-	227	96.60%	1,682,611	69.43%
67	65,001 - 66,000	-	-	-	227	96.60%	1,682,611	69.43%
68	66,001 - 67,000	-	-	-	227	96.60%	1,682,611	69.43%
69	67,001 - 68,000	1	67,251	67,251	228	97.02%	1,749,862	72.20%
70	68,001 - 69,000	-	-	-	228	97.02%	1,749,862	72.20%
71	69,001 - 70,000	-	-	-	228	97.02%	1,749,862	72.20%
72	70,001 - 71,000	2	70,644	141,287	230	97.87%	1,891,149	78.03%
73	71,001 - 72,000	-	-	-	230	97.87%	1,891,149	78.03%
74	72,001 - 73,000	-	-	-	230	97.87%	1,891,149	78.03%
75	73,001 - 74,000	-	-	-	230	97.87%	1,891,149	78.03%
76	74,001 - 75,000	-	-	-	230	97.87%	1,891,149	78.03%
77	75,001 - 76,000	-	-	-	230	97.87%	1,891,149	78.03%
78	76,001 - 77,000	-	-	-	230	97.87%	1,891,149	78.03%
79	77,001 - 78,000	-	-	-	230	97.87%	1,891,149	78.03%
80	78,001 - 79,000	-	-	-	230	97.87%	1,891,149	78.03%
81	79,001 - 80,000	-	-	-	230	97.87%	1,891,149	78.03%
82	80,001 - 81,000	-	-	-	230	97.87%	1,891,149	78.03%
83	81,001 - 82,000	-	-	-	230	97.87%	1,891,149	78.03%
84	82,001 - 83,000	-	-	-	230	97.87%	1,891,149	78.03%
85	83,001 - 84,000	-	-	-	230	97.87%	1,891,149	78.03%
86	84,001 - 85,000	-	-	-	230	97.87%	1,891,149	78.03%
87	85,001 - 86,000	1	85,481	85,481	231	98.30%	1,976,630	81.56%
88	86,001 - 87,000	-	-	-	231	98.30%	1,976,630	81.56%
89	87,001 - 88,000	-	-	-	231	98.30%	1,976,630	81.56%
90	88,001 - 89,000	-	-	-	231	98.30%	1,976,630	81.56%
91	89,001 - 90,000	-	-	-	231	98.30%	1,976,630	81.56%
92	90,001 - 91,000	1	90,270	90,270	232	98.72%	2,066,900	85.28%
93	91,001 - 92,000	-	-	-	232	98.72%	2,066,900	85.28%
94	92,001 - 93,000	-	-	-	232	98.72%	2,066,900	85.28%
95	93,001 - 94,000	-	-	-	232	98.72%	2,066,900	85.28%
96	94,001 - 95,000	-	-	-	232	98.72%	2,066,900	85.28%
97	95,001 - 96,000	-	-	-	232	98.72%	2,066,900	85.28%
98	96,001 - 97,000	-	-	-	232	98.72%	2,066,900	85.28%
99	97,001 - 98,000	-	-	-	232	98.72%	2,066,900	85.28%
100	98,001 - 99,000	-	-	-	232	98.72%	2,066,900	85.28%
101	99,001 - 100,000	-	-	-	232	98.72%	2,066,900	85.28%
102	109,193 - 109,193	1	109,193	109,193	233	99.15%	2,066,900	85.28%
103	119,848 - 119,848	1	119,848	119,848	234	99.57%	2,066,900	85.28%
104	127,635 - 127,635	1	127,635	127,635	235	100.00%	2,066,900	85.28%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 1"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	30
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ -
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
105								
106	Totals	235		2,423,576	235		2,423,576	
107								
108	Total Bills	235						
109								
110								
111	Average Number of Customers		20					
112								
113	Average Consumption (gallons)		10,313					
114								
115	Median Consumption (gallons)		4,302					
116								
117								
118								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	235	$ 2,115	235	$ 3,090
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	2,423,576	3,853	1,810,025	4,199
Tier Three	-	-	613,551	1,534
Usage Totals	2,423,576		2,423,576	
Revenue Totals		$ 5,968		$ 8,823

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 1.5"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	70
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 32.00	$ 51.40
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	1	-	-	1	2.08%	-	0.00%
2	1	-	1,000	15	413	6,200	16	33.33%	6,200	0.74%
3	1,001	-	2,000	7	1,657	11,600	23	47.92%	17,800	2.13%
4	2,001	-	3,000	-	-	-	23	47.92%	17,800	2.13%
5	3,001	-	4,000	1	3,600	3,600	24	50.00%	21,400	2.56%
6	4,001	-	5,000	3	4,533	13,600	27	56.25%	35,000	4.19%
7	5,001	-	6,000	-	-	-	27	56.25%	35,000	4.19%
8	6,001	-	7,000	-	-	-	27	56.25%	35,000	4.19%
9	7,001	-	8,000	-	-	-	27	56.25%	35,000	4.19%
10	8,001	-	9,000	-	-	-	27	56.25%	35,000	4.19%
11	9,001	-	10,000	1	9,800	9,800	28	58.33%	44,800	5.37%
12	10,001	-	11,000	-	-	-	28	58.33%	44,800	5.37%
13	11,001	-	12,000	-	-	-	28	58.33%	44,800	5.37%
14	12,001	-	13,000	-	-	-	28	58.33%	44,800	5.37%
15	13,001	-	14,000	-	-	-	28	58.33%	44,800	5.37%
16	14,001	-	15,000	-	-	-	28	58.33%	44,800	5.37%
17	15,001	-	16,000	-	-	-	28	58.33%	44,800	5.37%
18	16,001	-	17,000	-	-	-	28	58.33%	44,800	5.37%
19	17,001	-	18,000	2	17,850	35,700	30	62.50%	80,500	9.65%
20	18,001	-	19,000	-	-	-	30	62.50%	80,500	9.65%
21	19,001	-	20,000	1	19,600	19,600	31	64.58%	100,100	12.00%
22	20,001	-	21,000	1	20,700	20,700	32	66.67%	120,800	14.48%
23	21,001	-	22,000	1	22,000	22,000	33	68.75%	142,800	17.11%
24	22,001	-	23,000	-	-	-	33	68.75%	142,800	17.11%
25	23,001	-	24,000	-	-	-	33	68.75%	142,800	17.11%
26	24,001	-	25,000	-	-	-	33	68.75%	142,800	17.11%
27	25,001	-	26,000	1	25,100	25,100	34	70.83%	167,900	20.12%
28	26,001	-	27,000	1	26,400	26,400	35	72.92%	194,300	23.28%
29	27,001	-	28,000	1	27,300	27,300	36	75.00%	221,600	26.55%
30	28,001	-	29,000	-	-	-	36	75.00%	221,600	26.55%
31	29,001	-	30,000	-	-	-	36	75.00%	221,600	26.55%
32	30,001	-	31,000	-	-	-	36	75.00%	221,600	26.55%
33	31,001	-	32,000	-	-	-	36	75.00%	221,600	26.55%
34	32,001	-	33,000	-	-	-	36	75.00%	221,600	26.55%
35	33,001	-	34,000	-	-	-	36	75.00%	221,600	26.55%
36	34,001	-	35,000	1	34,900	34,900	37	77.08%	256,500	30.74%
37	35,001	-	36,000	1	35,400	35,400	38	79.17%	291,900	34.98%
38	36,001	-	37,000	-	-	-	38	79.17%	291,900	34.98%
39	37,001	-	38,000	-	-	-	38	79.17%	291,900	34.98%
40	38,001	-	39,000	1	38,400	38,400	39	81.25%	330,300	39.58%
41	39,001	-	40,000	-	-	-	39	81.25%	330,300	39.58%
42	40,001	-	41,000	2	40,250	80,500	41	85.42%	410,800	49.23%
43	41,001	-	42,000	-	-	-	41	85.42%	410,800	49.23%
44	42,001	-	43,000	-	-	-	41	85.42%	410,800	49.23%
45	43,001	-	44,000	1	43,400	43,400	42	87.50%	454,200	54.43%
46	44,001	-	45,000	-	-	-	42	87.50%	454,200	54.43%
47	45,001	-	46,000	-	-	-	42	87.50%	454,200	54.43%
48	46,001	-	47,000	-	-	-	42	87.50%	454,200	54.43%
49	47,001	-	48,000	-	-	-	42	87.50%	454,200	54.43%
50	48,001	-	49,000	-	-	-	42	87.50%	454,200	54.43%
51	49,001	-	50,000	-	-	-	42	87.50%	454,200	54.43%
52	50,001	-	51,000	1	50,100	50,100	43	89.58%	504,300	60.43%
53	51,001	-	52,000	2	51,500	103,000	45	93.75%	607,300	72.77%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 1.5"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	70
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 32.00	$ 51.40
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-	-	-	45	93.75%	607,300	72.77%
55	53,001 - 54,000	-	-	-	45	93.75%	607,300	72.77%
56	54,001 - 55,000	-	-	-	45	93.75%	607,300	72.77%
57	55,001 - 56,000	-	-	-	45	93.75%	607,300	72.77%
58	56,001 - 57,000	-	-	-	45	93.75%	607,300	72.77%
59	57,001 - 58,000	1	57,400	57,400	46	95.83%	664,700	79.65%
60	58,001 - 59,000	-	-	-	46	95.83%	664,700	79.65%
61	59,001 - 60,000	-	-	-	46	95.83%	664,700	79.65%
62	60,001 - 61,000	-	-	-	46	95.83%	664,700	79.65%
63	61,001 - 62,000	-	-	-	46	95.83%	664,700	79.65%
64	62,001 - 63,000	-	-	-	46	95.83%	664,700	79.65%
65	63,001 - 64,000	-	-	-	46	95.83%	664,700	79.65%
66	64,001 - 65,000	-	-	-	46	95.83%	664,700	79.65%
67	65,001 - 66,000	-	-	-	46	95.83%	664,700	79.65%
68	66,001 - 67,000	-	-	-	46	95.83%	664,700	79.65%
69	67,001 - 68,000	-	-	-	46	95.83%	664,700	79.65%
70	68,001 - 69,000	-	-	-	46	95.83%	664,700	79.65%
71	69,001 - 70,000	1	70,000	70,000	47	97.92%	734,700	88.04%
72	70,001 - 71,000	-	-	-	47	97.92%	734,700	88.04%
73	71,001 - 72,000	-	-	-	47	97.92%	734,700	88.04%
74	72,001 - 73,000	-	-	-	47	97.92%	734,700	88.04%
75	73,001 - 74,000	-	-	-	47	97.92%	734,700	88.04%
76	74,001 - 75,000	-	-	-	47	97.92%	734,700	88.04%
77	75,001 - 76,000	-	-	-	47	97.92%	734,700	88.04%
78	76,001 - 77,000	-	-	-	47	97.92%	734,700	88.04%
79	77,001 - 78,000	-	-	-	47	97.92%	734,700	88.04%
80	78,001 - 79,000	-	-	-	47	97.92%	734,700	88.04%
81	79,001 - 80,000	-	-	-	47	97.92%	734,700	88.04%
82	80,001 - 81,000	-	-	-	47	97.92%	734,700	88.04%
83	81,001 - 82,000	-	-	-	47	97.92%	734,700	88.04%
84	82,001 - 83,000	-	-	-	47	97.92%	734,700	88.04%
85	83,001 - 84,000	-	-	-	47	97.92%	734,700	88.04%
86	84,001 - 85,000	-	-	-	47	97.92%	734,700	88.04%
87	85,001 - 86,000	-	-	-	47	97.92%	734,700	88.04%
88	86,001 - 87,000	-	-	-	47	97.92%	734,700	88.04%
89	87,001 - 88,000	-	-	-	47	97.92%	734,700	88.04%
90	88,001 - 89,000	-	-	-	47	97.92%	734,700	88.04%
91	89,001 - 90,000	-	-	-	47	97.92%	734,700	88.04%
92	90,001 - 91,000	-	-	-	47	97.92%	734,700	88.04%
93	91,001 - 92,000	-	-	-	47	97.92%	734,700	88.04%
94	92,001 - 93,000	-	-	-	47	97.92%	734,700	88.04%
95	93,001 - 94,000	-	-	-	47	97.92%	734,700	88.04%
96	94,001 - 95,000	-	-	-	47	97.92%	734,700	88.04%
97	95,001 - 96,000	-	-	-	47	97.92%	734,700	88.04%
98	96,001 - 97,000	-	-	-	47	97.92%	734,700	88.04%
99	97,001 - 98,000	-	-	-	47	97.92%	734,700	88.04%
100	98,001 - 99,000	-	-	-	47	97.92%	734,700	88.04%
101	99,001 - 100,000	1	99,800	99,800	48	100.00%	834,500	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 1.5"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	70
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 32.00	$ 51.40
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
102								
103	Totals	48		834,500	48		834,500	
104								
105	Total Bills	48						
106								
107								
108	Average Number of Customers		4					
109								
110	Average Consumption (gallons)		17,385					
111								
112	Median Consumption (gallons)		3,600					
113								
114								
115								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	48	$ 1,536	48	$ 2,467
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	834,500	1,327	804,700	1,867
Tier Three	-	-	29,800	75
Usage Totals	834,500		834,500	
Revenue Totals		$ 2,863		$ 4,409

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 2"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	160
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 70.00	$ 105.20
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	-		-	-	0.00%	-	0.00%
2	1	-	1,000	4	349	1,394	4	8.51%	1,394	0.06%
3	1,001	-	2,000	2	1,087	2,173	6	12.77%	3,567	0.16%
4	2,001	-	3,000	-		-	6	12.77%	3,567	0.16%
5	3,001	-	4,000	-		-	6	12.77%	3,567	0.16%
6	4,001	-	5,000	-		-	6	12.77%	3,567	0.16%
7	5,001	-	6,000	-		-	6	12.77%	3,567	0.16%
8	6,001	-	7,000	1	7,000	7,000	7	14.89%	10,567	0.47%
9	7,001	-	8,000	1	7,283	7,283	8	17.02%	17,850	0.79%
10	8,001	-	9,000	-		-	8	17.02%	17,850	0.79%
11	9,001	-	10,000	2	9,150	18,300	10	21.28%	36,150	1.61%
12	10,001	-	11,000	-		-	10	21.28%	36,150	1.61%
13	11,001	-	12,000	-		-	10	21.28%	36,150	1.61%
14	12,001	-	13,000	1	12,600	12,600	11	23.40%	48,750	2.17%
15	13,001	-	14,000	2	13,800	27,600	13	27.66%	76,350	3.39%
16	14,001	-	15,000	-		-	13	27.66%	76,350	3.39%
17	15,001	-	16,000	-		-	13	27.66%	76,350	3.39%
18	16,001	-	17,000	1	16,300	16,300	14	29.79%	92,650	4.12%
19	17,001	-	18,000	2	17,350	34,700	16	34.04%	127,350	5.66%
20	18,001	-	19,000	-		-	16	34.04%	127,350	5.66%
21	19,001	-	20,000	-		-	16	34.04%	127,350	5.66%
22	20,001	-	21,000	-		-	16	34.04%	127,350	5.66%
23	21,001	-	22,000	-		-	16	34.04%	127,350	5.66%
24	22,001	-	23,000	-		-	16	34.04%	127,350	5.66%
25	23,001	-	24,000	-		-	16	34.04%	127,350	5.66%
26	24,001	-	25,000	-		-	16	34.04%	127,350	5.66%
27	25,001	-	26,000	-		-	16	34.04%	127,350	5.66%
28	26,001	-	27,000	-		-	16	34.04%	127,350	5.66%
29	27,001	-	28,000	-		-	16	34.04%	127,350	5.66%
30	28,001	-	29,000	1	28,900	28,900	17	36.17%	156,250	6.94%
31	29,001	-	30,000	-		-	17	36.17%	156,250	6.94%
32	30,001	-	31,000	-		-	17	36.17%	156,250	6.94%
33	31,001	-	32,000	-		-	17	36.17%	156,250	6.94%
34	32,001	-	33,000	1	32,261	32,261	18	38.30%	188,511	8.38%
35	33,001	-	34,000	-		-	18	38.30%	188,511	8.38%
36	34,001	-	35,000	-		-	18	38.30%	188,511	8.38%
37	35,001	-	36,000	1	35,766	35,766	19	40.43%	224,277	9.97%
38	36,001	-	37,000	1	36,700	36,700	20	42.55%	260,977	11.60%
39	37,001	-	38,000	-		-	20	42.55%	260,977	11.60%
40	38,001	-	39,000	-		-	20	42.55%	260,977	11.60%
41	39,001	-	40,000	-		-	20	42.55%	260,977	11.60%
42	40,001	-	41,000	2	40,200	80,400	22	46.81%	341,377	15.17%
43	41,001	-	42,000	-		-	22	46.81%	341,377	15.17%
44	42,001	-	43,000	2	42,223	84,445	24	51.06%	425,822	18.92%
45	43,001	-	44,000	1	43,800	43,800	25	53.19%	469,622	20.87%
46	44,001	-	45,000	-		-	25	53.19%	469,622	20.87%
47	45,001	-	46,000	1	45,241	45,241	26	55.32%	514,863	22.88%
48	46,001	-	47,000	-		-	26	55.32%	514,863	22.88%
49	47,001	-	48,000	-		-	26	55.32%	514,863	22.88%
50	48,001	-	49,000	-		-	26	55.32%	514,863	22.88%
51	49,001	-	50,000	-		-	26	55.32%	514,863	22.88%
52	50,001	-	51,000	1	51,000	51,000	27	57.45%	565,863	25.15%
53	51,001	-	52,000	1	51,100	51,100	28	59.57%	616,963	27.42%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 2"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	160
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 70.00	$ 105.20
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-		-	28	59.57%	616,963	27.42%
55	53,001 - 54,000	-		-	28	59.57%	616,963	27.42%
56	54,001 - 55,000	1	54,708	54,708	29	61.70%	671,671	29.85%
57	55,001 - 56,000	-		-	29	61.70%	671,671	29.85%
58	56,001 - 57,000	-		-	29	61.70%	671,671	29.85%
59	57,001 - 58,000	-		-	29	61.70%	671,671	29.85%
60	58,001 - 59,000	-		-	29	61.70%	671,671	29.85%
61	59,001 - 60,000	2	59,300	118,600	31	65.96%	790,271	35.12%
62	60,001 - 61,000	1	60,324	60,324	32	68.09%	850,595	37.80%
63	61,001 - 62,000	-		-	32	68.09%	850,595	37.80%
64	62,001 - 63,000	-		-	32	68.09%	850,595	37.80%
65	63,001 - 64,000	1	63,300	63,300	33	70.21%	913,895	40.61%
66	64,001 - 65,000	-		-	33	70.21%	913,895	40.61%
67	65,001 - 66,000	1	65,500	65,500	34	72.34%	979,395	43.52%
68	66,001 - 67,000	-		-	34	72.34%	979,395	43.52%
69	67,001 - 68,000	-		-	34	72.34%	979,395	43.52%
70	68,001 - 69,000	1	68,400	68,400	35	74.47%	1,047,795	46.56%
71	69,001 - 70,000	-		-	35	74.47%	1,047,795	46.56%
72	70,001 - 71,000	-		-	35	74.47%	1,047,795	46.56%
73	71,001 - 72,000	-		-	35	74.47%	1,047,795	46.56%
74	72,001 - 73,000	-		-	35	74.47%	1,047,795	46.56%
75	73,001 - 74,000	-		-	35	74.47%	1,047,795	46.56%
76	74,001 - 75,000	-		-	35	74.47%	1,047,795	46.56%
77	75,001 - 76,000	-		-	35	74.47%	1,047,795	46.56%
78	76,001 - 77,000	-		-	35	74.47%	1,047,795	46.56%
79	77,001 - 78,000	1	77,400	77,400	36	76.60%	1,125,195	50.00%
80	78,001 - 79,000	1	78,800	78,800	37	78.72%	1,203,995	53.50%
81	79,001 - 80,000	-		-	37	78.72%	1,203,995	53.50%
82	80,001 - 81,000	1	80,800	80,800	38	80.85%	1,284,795	57.09%
83	81,001 - 82,000	-		-	38	80.85%	1,284,795	57.09%
84	82,001 - 83,000	1	82,700	82,700	39	82.98%	1,367,495	60.77%
85	83,001 - 84,000	-		-	39	82.98%	1,367,495	60.77%
86	84,001 - 85,000	-		-	39	82.98%	1,367,495	60.77%
87	85,001 - 86,000	1	85,200	85,200	40	85.11%	1,452,695	64.56%
88	86,001 - 87,000	-		-	40	85.11%	1,452,695	64.56%
89	87,001 - 88,000	-		-	40	85.11%	1,452,695	64.56%
90	88,001 - 89,000	-		-	40	85.11%	1,452,695	64.56%
91	89,001 - 90,000	-		-	40	85.11%	1,452,695	64.56%
92	90,001 - 91,000	-		-	40	85.11%	1,452,695	64.56%
93	91,001 - 92,000	-		-	40	85.11%	1,452,695	64.56%
94	92,001 - 93,000	-		-	40	85.11%	1,452,695	64.56%
95	93,001 - 94,000	-		-	40	85.11%	1,452,695	64.56%
96	94,001 - 95,000	-		-	40	85.11%	1,452,695	64.56%
97	95,001 - 96,000	1	95,400	95,400	41	87.23%	1,548,095	68.79%
98	96,001 - 97,000	1	96,400	96,400	42	89.36%	1,644,495	73.08%
99	97,001 - 98,000	-		-	42	89.36%	1,644,495	73.08%
100	98,001 - 99,000	-		-	42	89.36%	1,644,495	73.08%
101	99,001 - 100,000	-		-	42	89.36%	1,644,495	73.08%
102	102,100 - 102,100	1	102,100	102,100	43	91.49%	1,746,595	77.62%
103	109,100 - 109,100	1	109,100	109,100	44	93.62%	1,855,695	82.46%
104	110,115 - 110,115	1	110,115	110,115	45	95.74%	1,965,810	87.36%
105	110,800 - 110,800	1	110,800	110,800	46	97.87%	2,076,610	92.28%
106	173,700 - 173,700	1	173,700	173,700	47	100.00%	2,250,310	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 2"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	160
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 70.00	$ 105.20
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
107								
108	Totals	47		2,250,310	47		2,250,310	
109								
110	Total Bills	47						
111								
112								
113	Average Number of Customers		4					
114								
115	Average Consumption (gallons)		47,879					
116								
117	Median Consumption (gallons)		42,223					
118								
119								
120								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	47	$ 3,290	47	$ 4,944
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	2,250,310	3,578	2,236,610	5,189
Tier Three	-	-	13,700	34
Usage Totals	2,250,310		2,250,310	
Revenue Totals		$ 6,868		$ 10,168

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 3/4"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	20
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ -
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	7	-	-	7	29.17%	-	0.00%
2	1	-	1,000	5	350	1,750	12	50.00%	1,750	2.73%
3	1,001	-	2,000	-		-	12	50.00%	1,750	2.73%
4	2,001	-	3,000	1	2,400	2,400	13	54.17%	4,150	6.46%
5	3,001	-	4,000	1	3,420	3,420	14	58.33%	7,570	11.79%
6	4,001	-	5,000	1	4,220	4,220	15	62.50%	11,790	18.36%
7	5,001	-	6,000	7	5,684	39,790	22	91.67%	51,580	80.32%
8	6,001	-	7,000	2	6,320	12,640	24	100.00%	64,220	100.00%
9	7,001	-	8,000	-		-	24	100.00%	64,220	100.00%
10	8,001	-	9,000	-		-	24	100.00%	64,220	100.00%
11	9,001	-	10,000	-		-	24	100.00%	64,220	100.00%
12	10,001	-	11,000	-		-	24	100.00%	64,220	100.00%
13	11,001	-	12,000	-		-	24	100.00%	64,220	100.00%
14	12,001	-	13,000	-		-	24	100.00%	64,220	100.00%
15	13,001	-	14,000	-		-	24	100.00%	64,220	100.00%
16	14,001	-	15,000	-		-	24	100.00%	64,220	100.00%
17	15,001	-	16,000	-		-	24	100.00%	64,220	100.00%
18	16,001	-	17,000	-		-	24	100.00%	64,220	100.00%
19	17,001	-	18,000	-		-	24	100.00%	64,220	100.00%
20	18,001	-	19,000	-		-	24	100.00%	64,220	100.00%
21	19,001	-	20,000	-		-	24	100.00%	64,220	100.00%
22	20,001	-	21,000	-		-	24	100.00%	64,220	100.00%
23	21,001	-	22,000	-		-	24	100.00%	64,220	100.00%
24	22,001	-	23,000	-		-	24	100.00%	64,220	100.00%
25	23,001	-	24,000	-		-	24	100.00%	64,220	100.00%
26	24,001	-	25,000	-		-	24	100.00%	64,220	100.00%
27	25,001	-	26,000	-		-	24	100.00%	64,220	100.00%
28	26,001	-	27,000	-		-	24	100.00%	64,220	100.00%
29	27,001	-	28,000	-		-	24	100.00%	64,220	100.00%
30	28,001	-	29,000	-		-	24	100.00%	64,220	100.00%
31	29,001	-	30,000	-		-	24	100.00%	64,220	100.00%
32	30,001	-	31,000	-		-	24	100.00%	64,220	100.00%
33	31,001	-	32,000	-		-	24	100.00%	64,220	100.00%
34	32,001	-	33,000	-		-	24	100.00%	64,220	100.00%
35	33,001	-	34,000	-		-	24	100.00%	64,220	100.00%
36	34,001	-	35,000	-		-	24	100.00%	64,220	100.00%
37	35,001	-	36,000	-		-	24	100.00%	64,220	100.00%
38	36,001	-	37,000	-		-	24	100.00%	64,220	100.00%
39	37,001	-	38,000	-		-	24	100.00%	64,220	100.00%
40	38,001	-	39,000	-		-	24	100.00%	64,220	100.00%
41	39,001	-	40,000	-		-	24	100.00%	64,220	100.00%
42	40,001	-	41,000	-		-	24	100.00%	64,220	100.00%
43	41,001	-	42,000	-		-	24	100.00%	64,220	100.00%
44	42,001	-	43,000	-		-	24	100.00%	64,220	100.00%
45	43,001	-	44,000	-		-	24	100.00%	64,220	100.00%
46	44,001	-	45,000	-		-	24	100.00%	64,220	100.00%
47	45,001	-	46,000	-		-	24	100.00%	64,220	100.00%
48	46,001	-	47,000	-		-	24	100.00%	64,220	100.00%
49	47,001	-	48,000	-		-	24	100.00%	64,220	100.00%
50	48,001	-	49,000	-		-	24	100.00%	64,220	100.00%
51	49,001	-	50,000	-		-	24	100.00%	64,220	100.00%
52	50,001	-	51,000	-		-	24	100.00%	64,220	100.00%
53	51,001	-	52,000	-		-	24	100.00%	64,220	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 3/4"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	20
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ -
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-		-	24	100.00%	64,220	100.00%
55	53,001 - 54,000	-		-	24	100.00%	64,220	100.00%
56	54,001 - 55,000	-		-	24	100.00%	64,220	100.00%
57	55,001 - 56,000	-		-	24	100.00%	64,220	100.00%
58	56,001 - 57,000	-		-	24	100.00%	64,220	100.00%
59	57,001 - 58,000	-		-	24	100.00%	64,220	100.00%
60	58,001 - 59,000	-		-	24	100.00%	64,220	100.00%
61	59,001 - 60,000	-		-	24	100.00%	64,220	100.00%
62	60,001 - 61,000	-		-	24	100.00%	64,220	100.00%
63	61,001 - 62,000	-		-	24	100.00%	64,220	100.00%
64	62,001 - 63,000	-		-	24	100.00%	64,220	100.00%
65	63,001 - 64,000	-		-	24	100.00%	64,220	100.00%
66	64,001 - 65,000	-		-	24	100.00%	64,220	100.00%
67	65,001 - 66,000	-		-	24	100.00%	64,220	100.00%
68	66,001 - 67,000	-		-	24	100.00%	64,220	100.00%
69	67,001 - 68,000	-		-	24	100.00%	64,220	100.00%
70	68,001 - 69,000	-		-	24	100.00%	64,220	100.00%
71	69,001 - 70,000	-		-	24	100.00%	64,220	100.00%
72	70,001 - 71,000	-		-	24	100.00%	64,220	100.00%
73	71,001 - 72,000	-		-	24	100.00%	64,220	100.00%
74	72,001 - 73,000	-		-	24	100.00%	64,220	100.00%
75	73,001 - 74,000	-		-	24	100.00%	64,220	100.00%
76	74,001 - 75,000	-		-	24	100.00%	64,220	100.00%
77	75,001 - 76,000	-		-	24	100.00%	64,220	100.00%
78	76,001 - 77,000	-		-	24	100.00%	64,220	100.00%
79	77,001 - 78,000	-		-	24	100.00%	64,220	100.00%
80	78,001 - 79,000	-		-	24	100.00%	64,220	100.00%
81	79,001 - 80,000	-		-	24	100.00%	64,220	100.00%
82	80,001 - 81,000	-		-	24	100.00%	64,220	100.00%
83	81,001 - 82,000	-		-	24	100.00%	64,220	100.00%
84	82,001 - 83,000	-		-	24	100.00%	64,220	100.00%
85	83,001 - 84,000	-		-	24	100.00%	64,220	100.00%
86	84,001 - 85,000	-		-	24	100.00%	64,220	100.00%
87	85,001 - 86,000	-		-	24	100.00%	64,220	100.00%
88	86,001 - 87,000	-		-	24	100.00%	64,220	100.00%
89	87,001 - 88,000	-		-	24	100.00%	64,220	100.00%
90	88,001 - 89,000	-		-	24	100.00%	64,220	100.00%
91	89,001 - 90,000	-		-	24	100.00%	64,220	100.00%
92	90,001 - 91,000	-		-	24	100.00%	64,220	100.00%
93	91,001 - 92,000	-		-	24	100.00%	64,220	100.00%
94	92,001 - 93,000	-		-	24	100.00%	64,220	100.00%
95	93,001 - 94,000	-		-	24	100.00%	64,220	100.00%
96	94,001 - 95,000	-		-	24	100.00%	64,220	100.00%
97	95,001 - 96,000	-		-	24	100.00%	64,220	100.00%
98	96,001 - 97,000	-		-	24	100.00%	64,220	100.00%
99	97,001 - 98,000	-		-	24	100.00%	64,220	100.00%
100	98,001 - 99,000	-		-	24	100.00%	64,220	100.00%
101	99,001 - 100,000	-		-	24	100.00%	64,220	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 3/4"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	20
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ -
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
102								
103	Totals	24		64,220	24		64,220	
104								
105	Total Bills	24						
106								
107								
108	Average Number of Customers		2					
109								
110	Average Consumption (gallons)		2,676					
111								
112	Median Consumption (gallons)		350					
113								
114								
115								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	24	$ 216	24	$ 316
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	64,220	102	64,220	149
Tier Three	-	-	-	-
Usage Totals	64,220		64,220	
Revenue Totals		$ 318		$ 465

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 1"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	30
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ -
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	29	-	-	29	20.28%	-	0.00%
2	1	-	1,000	7	183	1,280	36	25.17%	1,280	0.05%
3	1,001	-	2,000	7	1,316	9,213	43	30.07%	10,493	0.41%
4	2,001	-	3,000	7	2,599	18,196	50	34.97%	28,689	1.11%
5	3,001	-	4,000	4	3,359	13,436	54	37.76%	42,125	1.63%
6	4,001	-	5,000	2	4,690	9,380	56	39.16%	51,505	2.00%
7	5,001	-	6,000	3	5,397	16,190	59	41.26%	67,695	2.62%
8	6,001	-	7,000	3	6,647	19,940	62	43.36%	87,635	3.40%
9	7,001	-	8,000	4	7,245	28,980	66	46.15%	116,615	4.52%
10	8,001	-	9,000	4	8,420	33,680	70	48.95%	150,295	5.82%
11	9,001	-	10,000	4	9,688	38,750	74	51.75%	189,045	7.33%
12	10,001	-	11,000	5	10,502	52,511	79	55.24%	241,556	9.36%
13	11,001	-	12,000	3	11,471	34,412	82	57.34%	275,968	10.69%
14	12,001	-	13,000	4	12,503	50,010	86	60.14%	325,978	12.63%
15	13,001	-	14,000	2	13,335	26,670	88	61.54%	352,648	13.67%
16	14,001	-	15,000	1	14,500	14,500	89	62.24%	367,148	14.23%
17	15,001	-	16,000	2	15,525	31,050	91	63.64%	398,198	15.43%
18	16,001	-	17,000	2	16,595	33,190	93	65.03%	431,388	16.72%
19	17,001	-	18,000	3	17,413	52,240	96	67.13%	483,628	18.74%
20	18,001	-	19,000	3	18,337	55,010	99	69.23%	538,638	20.87%
21	19,001	-	20,000	1	19,450	19,450	100	69.93%	558,088	21.63%
22	20,001	-	21,000	2	20,825	41,650	102	71.33%	599,738	23.24%
23	21,001	-	22,000	1	21,830	21,830	103	72.03%	621,568	24.09%
24	22,001	-	23,000	1	22,600	22,600	104	72.73%	644,168	24.96%
25	23,001	-	24,000	1	23,260	23,260	105	73.43%	667,428	25.87%
26	24,001	-	25,000	1	24,050	24,050	106	74.13%	691,478	26.80%
27	25,001	-	26,000	2	25,590	51,180	108	75.52%	742,658	28.78%
28	26,001	-	27,000	-		-	108	75.52%	742,658	28.78%
29	27,001	-	28,000	2	27,735	55,470	110	76.92%	798,128	30.93%
30	28,001	-	29,000	1	28,720	28,720	111	77.62%	826,848	32.04%
31	29,001	-	30,000	-		-	111	77.62%	826,848	32.04%
32	30,001	-	31,000	1	30,181	30,181	112	78.32%	857,029	33.21%
33	31,001	-	32,000	2	31,440	62,880	114	79.72%	919,909	35.65%
34	32,001	-	33,000	2	32,635	65,270	116	81.12%	985,179	38.18%
35	33,001	-	34,000	4	33,478	133,910	120	83.92%	1,119,089	43.37%
36	34,001	-	35,000	2	34,715	69,430	122	85.31%	1,188,519	46.06%
37	35,001	-	36,000	2	35,765	71,530	124	86.71%	1,260,049	48.83%
38	36,001	-	37,000	-		-	124	86.71%	1,260,049	48.83%
39	37,001	-	38,000	-		-	124	86.71%	1,260,049	48.83%
40	38,001	-	39,000	-		-	124	86.71%	1,260,049	48.83%
41	39,001	-	40,000	3	39,737	119,211	127	88.81%	1,379,260	53.45%
42	40,001	-	41,000	2	40,060	80,120	129	90.21%	1,459,380	56.56%
43	41,001	-	42,000	2	41,545	83,090	131	91.61%	1,542,470	59.78%
44	42,001	-	43,000	1	42,583	42,583	132	92.31%	1,585,053	61.43%
45	43,001	-	44,000	-		-	132	92.31%	1,585,053	61.43%
46	44,001	-	45,000	-		-	132	92.31%	1,585,053	61.43%
47	45,001	-	46,000	-		-	132	92.31%	1,585,053	61.43%
48	46,001	-	47,000	-		-	132	92.31%	1,585,053	61.43%
49	47,001	-	48,000	-		-	132	92.31%	1,585,053	61.43%
50	48,001	-	49,000	1	48,981	48,981	133	93.01%	1,634,034	63.32%
51	49,001	-	50,000	-		-	133	93.01%	1,634,034	63.32%
52	50,001	-	51,000	-		-	133	93.01%	1,634,034	63.32%
53	51,001	-	52,000	1	51,597	51,597	134	93.71%	1,685,631	65.32%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 1"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	30
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ -
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	1	52,899	52,899	135	94.41%	1,738,530	67.37%
55	53,001 - 54,000	-		-	135	94.41%	1,738,530	67.37%
56	54,001 - 55,000	-		-	135	94.41%	1,738,530	67.37%
57	55,001 - 56,000	-		-	135	94.41%	1,738,530	67.37%
58	56,001 - 57,000	-		-	135	94.41%	1,738,530	67.37%
59	57,001 - 58,000	1	57,500	57,500	136	95.10%	1,796,030	69.60%
60	58,001 - 59,000	-		-	136	95.10%	1,796,030	69.60%
61	59,001 - 60,000	-		-	136	95.10%	1,796,030	69.60%
62	60,001 - 61,000	1	60,260	60,260	137	95.80%	1,856,290	71.94%
63	61,001 - 62,000	-		-	137	95.80%	1,856,290	71.94%
64	62,001 - 63,000	-		-	137	95.80%	1,856,290	71.94%
65	63,001 - 64,000	-		-	137	95.80%	1,856,290	71.94%
66	64,001 - 65,000	-		-	137	95.80%	1,856,290	71.94%
67	65,001 - 66,000	-		-	137	95.80%	1,856,290	71.94%
68	66,001 - 67,000	1	66,990	66,990	138	96.50%	1,923,280	74.53%
69	67,001 - 68,000	-		-	138	96.50%	1,923,280	74.53%
70	68,001 - 69,000	-		-	138	96.50%	1,923,280	74.53%
71	69,001 - 70,000	-		-	138	96.50%	1,923,280	74.53%
72	70,001 - 71,000	-		-	138	96.50%	1,923,280	74.53%
73	71,001 - 72,000	-		-	138	96.50%	1,923,280	74.53%
74	72,001 - 73,000	-		-	138	96.50%	1,923,280	74.53%
75	73,001 - 74,000	-		-	138	96.50%	1,923,280	74.53%
76	74,001 - 75,000	-		-	138	96.50%	1,923,280	74.53%
77	75,001 - 76,000	-		-	138	96.50%	1,923,280	74.53%
78	76,001 - 77,000	-		-	138	96.50%	1,923,280	74.53%
79	77,001 - 78,000	-		-	138	96.50%	1,923,280	74.53%
80	78,001 - 79,000	-		-	138	96.50%	1,923,280	74.53%
81	79,001 - 80,000	1	79,060	79,060	139	97.20%	2,002,340	77.60%
82	80,001 - 81,000	-		-	139	97.20%	2,002,340	77.60%
83	81,001 - 82,000	-		-	139	97.20%	2,002,340	77.60%
84	82,001 - 83,000	-		-	139	97.20%	2,002,340	77.60%
85	83,001 - 84,000	-		-	139	97.20%	2,002,340	77.60%
86	84,001 - 85,000	-		-	139	97.20%	2,002,340	77.60%
87	85,001 - 86,000	-		-	139	97.20%	2,002,340	77.60%
88	86,001 - 87,000	-		-	139	97.20%	2,002,340	77.60%
89	87,001 - 88,000	-		-	139	97.20%	2,002,340	77.60%
90	88,001 - 89,000	-		-	139	97.20%	2,002,340	77.60%
91	89,001 - 90,000	-		-	139	97.20%	2,002,340	77.60%
92	90,001 - 91,000	-		-	139	97.20%	2,002,340	77.60%
93	91,001 - 92,000	-		-	139	97.20%	2,002,340	77.60%
94	92,001 - 93,000	-		-	139	97.20%	2,002,340	77.60%
95	93,001 - 94,000	-		-	139	97.20%	2,002,340	77.60%
96	94,001 - 95,000	-		-	139	97.20%	2,002,340	77.60%
97	95,001 - 96,000	-		-	139	97.20%	2,002,340	77.60%
98	96,001 - 97,000	-		-	139	97.20%	2,002,340	77.60%
99	97,001 - 98,000	1	97,042	97,042	140	97.90%	2,099,382	81.36%
100	98,001 - 99,000	-		-	140	97.90%	2,099,382	81.36%
101	99,001 - 100,000	-		-	140	97.90%	2,099,382	81.36%
102	118,310 - 118,310	1	118,310	118,310	141	98.60%	2,217,692	85.94%
103	171,900 - 171,900	1	171,900	171,900	142	99.30%	2,389,592	92.61%
104	190,820 - 190,820	1	190,820	190,820	143	100.00%	2,580,412	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 1"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	30
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 9.00	$ 13.15
Tier One Rate:	$ -	$ -
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
105								
106	Totals	143		2,580,412	143		2,580,412	
107								
108	Total Bills	143						
109								
110								
111	Average Number of Customers		12					
112								
113	Average Consumption (gallons)		18,045					
114								
115	Median Consumption (gallons)		9,688					
116								
117								
118								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	143	$ 1,287	143	$ 1,880
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	2,580,412	4,103	1,786,848	4,145
Tier Three	-	-	793,564	1,984
Usage Totals	2,580,412		2,580,412	
Revenue Totals		$ 5,390		$ 8,010

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 1 1/2"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	70
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 32.00	$ 51.40
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	- - -	2	-	-	2	40.00%	-	0.00%
2	1 - 1,000	-		-	2	40.00%	-	0.00%
3	1,001 - 2,000	-		-	2	40.00%	-	0.00%
4	2,001 - 3,000	-		-	2	40.00%	-	0.00%
5	3,001 - 4,000	-		-	2	40.00%	-	0.00%
6	4,001 - 5,000	-		-	2	40.00%	-	0.00%
7	5,001 - 6,000	-		-	2	40.00%	-	0.00%
8	6,001 - 7,000	1	6,074	6,074	3	60.00%	6,074	9.21%
9	7,001 - 8,000	-		-	3	60.00%	6,074	9.21%
10	8,001 - 9,000	-		-	3	60.00%	6,074	9.21%
11	9,001 - 10,000	-		-	3	60.00%	6,074	9.21%
12	10,001 - 11,000	-		-	3	60.00%	6,074	9.21%
13	11,001 - 12,000	-		-	3	60.00%	6,074	9.21%
14	12,001 - 13,000	-		-	3	60.00%	6,074	9.21%
15	13,001 - 14,000	-		-	3	60.00%	6,074	9.21%
16	14,001 - 15,000	1	14,361	14,361	4	80.00%	20,435	30.97%
17	15,001 - 16,000	-		-	4	80.00%	20,435	30.97%
18	16,001 - 17,000	-		-	4	80.00%	20,435	30.97%
19	17,001 - 18,000	-		-	4	80.00%	20,435	30.97%
20	18,001 - 19,000	-		-	4	80.00%	20,435	30.97%
21	19,001 - 20,000	-		-	4	80.00%	20,435	30.97%
22	20,001 - 21,000	-		-	4	80.00%	20,435	30.97%
23	21,001 - 22,000	-		-	4	80.00%	20,435	30.97%
24	22,001 - 23,000	-		-	4	80.00%	20,435	30.97%
25	23,001 - 24,000	-		-	4	80.00%	20,435	30.97%
26	24,001 - 25,000	-		-	4	80.00%	20,435	30.97%
27	25,001 - 26,000	-		-	4	80.00%	20,435	30.97%
28	26,001 - 27,000	-		-	4	80.00%	20,435	30.97%
29	27,001 - 28,000	-		-	4	80.00%	20,435	30.97%
30	28,001 - 29,000	-		-	4	80.00%	20,435	30.97%
31	29,001 - 30,000	-		-	4	80.00%	20,435	30.97%
32	30,001 - 31,000	-		-	4	80.00%	20,435	30.97%
33	31,001 - 32,000	-		-	4	80.00%	20,435	30.97%
34	32,001 - 33,000	-		-	4	80.00%	20,435	30.97%
35	33,001 - 34,000	-		-	4	80.00%	20,435	30.97%
36	34,001 - 35,000	-		-	4	80.00%	20,435	30.97%
37	35,001 - 36,000	-		-	4	80.00%	20,435	30.97%
38	36,001 - 37,000	-		-	4	80.00%	20,435	30.97%
39	37,001 - 38,000	-		-	4	80.00%	20,435	30.97%
40	38,001 - 39,000	-		-	4	80.00%	20,435	30.97%
41	39,001 - 40,000	-		-	4	80.00%	20,435	30.97%
42	40,001 - 41,000	-		-	4	80.00%	20,435	30.97%
43	41,001 - 42,000	-		-	4	80.00%	20,435	30.97%
44	42,001 - 43,000	-		-	4	80.00%	20,435	30.97%
45	43,001 - 44,000	-		-	4	80.00%	20,435	30.97%
46	44,001 - 45,000	-		-	4	80.00%	20,435	30.97%
47	45,001 - 46,000	1	45,540	45,540	5	100.00%	65,975	100.00%
48	46,001 - 47,000	-		-	5	100.00%	65,975	100.00%
49	47,001 - 48,000	-		-	5	100.00%	65,975	100.00%
50	48,001 - 49,000	-		-	5	100.00%	65,975	100.00%
51	49,001 - 50,000	-		-	5	100.00%	65,975	100.00%
52	50,001 - 51,000	-		-	5	100.00%	65,975	100.00%
53	51,001 - 52,000	-		-	5	100.00%	65,975	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 1 1/2"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	70
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 32.00	$ 51.40
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-		-	5	100.00%	65,975	100.00%
55	53,001 - 54,000	-		-	5	100.00%	65,975	100.00%
56	54,001 - 55,000	-		-	5	100.00%	65,975	100.00%
57	55,001 - 56,000	-		-	5	100.00%	65,975	100.00%
58	56,001 - 57,000	-		-	5	100.00%	65,975	100.00%
59	57,001 - 58,000	-		-	5	100.00%	65,975	100.00%
60	58,001 - 59,000	-		-	5	100.00%	65,975	100.00%
61	59,001 - 60,000	-		-	5	100.00%	65,975	100.00%
62	60,001 - 61,000	-		-	5	100.00%	65,975	100.00%
63	61,001 - 62,000	-		-	5	100.00%	65,975	100.00%
64	62,001 - 63,000	-		-	5	100.00%	65,975	100.00%
65	63,001 - 64,000	-		-	5	100.00%	65,975	100.00%
66	64,001 - 65,000	-		-	5	100.00%	65,975	100.00%
67	65,001 - 66,000	-		-	5	100.00%	65,975	100.00%
68	66,001 - 67,000	-		-	5	100.00%	65,975	100.00%
69	67,001 - 68,000	-		-	5	100.00%	65,975	100.00%
70	68,001 - 69,000	-		-	5	100.00%	65,975	100.00%
71	69,001 - 70,000	-		-	5	100.00%	65,975	100.00%
72	70,001 - 71,000	-		-	5	100.00%	65,975	100.00%
73	71,001 - 72,000	-		-	5	100.00%	65,975	100.00%
74	72,001 - 73,000	-		-	5	100.00%	65,975	100.00%
75	73,001 - 74,000	-		-	5	100.00%	65,975	100.00%
76	74,001 - 75,000	-		-	5	100.00%	65,975	100.00%
77	75,001 - 76,000	-		-	5	100.00%	65,975	100.00%
78	76,001 - 77,000	-		-	5	100.00%	65,975	100.00%
79	77,001 - 78,000	-		-	5	100.00%	65,975	100.00%
80	78,001 - 79,000	-		-	5	100.00%	65,975	100.00%
81	79,001 - 80,000	-		-	5	100.00%	65,975	100.00%
82	80,001 - 81,000	-		-	5	100.00%	65,975	100.00%
83	81,001 - 82,000	-		-	5	100.00%	65,975	100.00%
84	82,001 - 83,000	-		-	5	100.00%	65,975	100.00%
85	83,001 - 84,000	-		-	5	100.00%	65,975	100.00%
86	84,001 - 85,000	-		-	5	100.00%	65,975	100.00%
87	85,001 - 86,000	-		-	5	100.00%	65,975	100.00%
88	86,001 - 87,000	-		-	5	100.00%	65,975	100.00%
89	87,001 - 88,000	-		-	5	100.00%	65,975	100.00%
90	88,001 - 89,000	-		-	5	100.00%	65,975	100.00%
91	89,001 - 90,000	-		-	5	100.00%	65,975	100.00%
92	90,001 - 91,000	-		-	5	100.00%	65,975	100.00%
93	91,001 - 92,000	-		-	5	100.00%	65,975	100.00%
94	92,001 - 93,000	-		-	5	100.00%	65,975	100.00%
95	93,001 - 94,000	-		-	5	100.00%	65,975	100.00%
96	94,001 - 95,000	-		-	5	100.00%	65,975	100.00%
97	95,001 - 96,000	-		-	5	100.00%	65,975	100.00%
98	96,001 - 97,000	-		-	5	100.00%	65,975	100.00%
99	97,001 - 98,000	-		-	5	100.00%	65,975	100.00%
100	98,001 - 99,000	-		-	5	100.00%	65,975	100.00%
101	99,001 - 100,000	-		-	5	100.00%	65,975	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 1 1/2"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	70
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 32.00	$ 51.40
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
102								
103	Totals	5		65,975	5		65,975	
104								
105	Total Bills	5						
106								
107								
108	Average Number of Customers		-					
109								
110	Average Consumption (gallons)		13,195					
111								
112	Median Consumption (gallons)		6,074					
113								
114								
115								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	5	$ 160	5	$ 257
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	65,975	105	65,975	153
Tier Three	-	-	-	-
Usage Totals	65,975		65,975	
Revenue Totals		$ 265		$ 410

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 2"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	160
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 70.00	$ 105.20
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	-		-	-	0.00%	-	0.00%
2	1	-	1,000	-		-	-	0.00%	-	0.00%
3	1,001	-	2,000	-		-	-	0.00%	-	0.00%
4	2,001	-	3,000	-		-	-	0.00%	-	0.00%
5	3,001	-	4,000	-		-	-	0.00%	-	0.00%
6	4,001	-	5,000	-		-	-	0.00%	-	0.00%
7	5,001	-	6,000	-		-	-	0.00%	-	0.00%
8	6,001	-	7,000	-		-	-	0.00%	-	0.00%
9	7,001	-	8,000	-		-	-	0.00%	-	0.00%
10	8,001	-	9,000	-		-	-	0.00%	-	0.00%
11	9,001	-	10,000	-		-	-	0.00%	-	0.00%
12	10,001	-	11,000	-		-	-	0.00%	-	0.00%
13	11,001	-	12,000	-		-	-	0.00%	-	0.00%
14	12,001	-	13,000	-		-	-	0.00%	-	0.00%
15	13,001	-	14,000	-		-	-	0.00%	-	0.00%
16	14,001	-	15,000	-		-	-	0.00%	-	0.00%
17	15,001	-	16,000	-		-	-	0.00%	-	0.00%
18	16,001	-	17,000	-		-	-	0.00%	-	0.00%
19	17,001	-	18,000	-		-	-	0.00%	-	0.00%
20	18,001	-	19,000	-		-	-	0.00%	-	0.00%
21	19,001	-	20,000	-		-	-	0.00%	-	0.00%
22	20,001	-	21,000	-		-	-	0.00%	-	0.00%
23	21,001	-	22,000	-		-	-	0.00%	-	0.00%
24	22,001	-	23,000	-		-	-	0.00%	-	0.00%
25	23,001	-	24,000	-		-	-	0.00%	-	0.00%
26	24,001	-	25,000	-		-	-	0.00%	-	0.00%
27	25,001	-	26,000	-		-	-	0.00%	-	0.00%
28	26,001	-	27,000	-		-	-	0.00%	-	0.00%
29	27,001	-	28,000	-		-	-	0.00%	-	0.00%
30	28,001	-	29,000	-		-	-	0.00%	-	0.00%
31	29,001	-	30,000	-		-	-	0.00%	-	0.00%
32	30,001	-	31,000	-		-	-	0.00%	-	0.00%
33	31,001	-	32,000	-		-	-	0.00%	-	0.00%
34	32,001	-	33,000	-		-	-	0.00%	-	0.00%
35	33,001	-	34,000	-		-	-	0.00%	-	0.00%
36	34,001	-	35,000	-		-	-	0.00%	-	0.00%
37	35,001	-	36,000	-		-	-	0.00%	-	0.00%
38	36,001	-	37,000	-		-	-	0.00%	-	0.00%
39	37,001	-	38,000	-		-	-	0.00%	-	0.00%
40	38,001	-	39,000	-		-	-	0.00%	-	0.00%
41	39,001	-	40,000	-		-	-	0.00%	-	0.00%
42	40,001	-	41,000	-		-	-	0.00%	-	0.00%
43	41,001	-	42,000	-		-	-	0.00%	-	0.00%
44	42,001	-	43,000	-		-	-	0.00%	-	0.00%
45	43,001	-	44,000	-		-	-	0.00%	-	0.00%
46	44,001	-	45,000	-		-	-	0.00%	-	0.00%
47	45,001	-	46,000	-		-	-	0.00%	-	0.00%
48	46,001	-	47,000	-		-	-	0.00%	-	0.00%
49	47,001	-	48,000	-		-	-	0.00%	-	0.00%
50	48,001	-	49,000	-		-	-	0.00%	-	0.00%
51	49,001	-	50,000	-		-	-	0.00%	-	0.00%
52	50,001	-	51,000	-		-	-	0.00%	-	0.00%
53	51,001	-	52,000	-		-	-	0.00%	-	0.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 2"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	160
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 70.00	$ 105.20
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-		-	-	0.00%	-	0.00%
55	53,001 - 54,000	-		-	-	0.00%	-	0.00%
56	54,001 - 55,000	-		-	-	0.00%	-	0.00%
57	55,001 - 56,000	-		-	-	0.00%	-	0.00%
58	56,001 - 57,000	-		-	-	0.00%	-	0.00%
59	57,001 - 58,000	-		-	-	0.00%	-	0.00%
60	58,001 - 59,000	-		-	-	0.00%	-	0.00%
61	59,001 - 60,000	-		-	-	0.00%	-	0.00%
62	60,001 - 61,000	-		-	-	0.00%	-	0.00%
63	61,001 - 62,000	-		-	-	0.00%	-	0.00%
64	62,001 - 63,000	-		-	-	0.00%	-	0.00%
65	63,001 - 64,000	-		-	-	0.00%	-	0.00%
66	64,001 - 65,000	-		-	-	0.00%	-	0.00%
67	65,001 - 66,000	-		-	-	0.00%	-	0.00%
68	66,001 - 67,000	-		-	-	0.00%	-	0.00%
69	67,001 - 68,000	-		-	-	0.00%	-	0.00%
70	68,001 - 69,000	-		-	-	0.00%	-	0.00%
71	69,001 - 70,000	-		-	-	0.00%	-	0.00%
72	70,001 - 71,000	-		-	-	0.00%	-	0.00%
73	71,001 - 72,000	-		-	-	0.00%	-	0.00%
74	72,001 - 73,000	-		-	-	0.00%	-	0.00%
75	73,001 - 74,000	-		-	-	0.00%	-	0.00%
76	74,001 - 75,000	-		-	-	0.00%	-	0.00%
77	75,001 - 76,000	-		-	-	0.00%	-	0.00%
78	76,001 - 77,000	-		-	-	0.00%	-	0.00%
79	77,001 - 78,000	-		-	-	0.00%	-	0.00%
80	78,001 - 79,000	-		-	-	0.00%	-	0.00%
81	79,001 - 80,000	-		-	-	0.00%	-	0.00%
82	80,001 - 81,000	-		-	-	0.00%	-	0.00%
83	81,001 - 82,000	-		-	-	0.00%	-	0.00%
84	82,001 - 83,000	-		-	-	0.00%	-	0.00%
85	83,001 - 84,000	-		-	-	0.00%	-	0.00%
86	84,001 - 85,000	-		-	-	0.00%	-	0.00%
87	85,001 - 86,000	-		-	-	0.00%	-	0.00%
88	86,001 - 87,000	-		-	-	0.00%	-	0.00%
89	87,001 - 88,000	-		-	-	0.00%	-	0.00%
90	88,001 - 89,000	-		-	-	0.00%	-	0.00%
91	89,001 - 90,000	-		-	-	0.00%	-	0.00%
92	90,001 - 91,000	-		-	-	0.00%	-	0.00%
93	91,001 - 92,000	-		-	-	0.00%	-	0.00%
94	92,001 - 93,000	-		-	-	0.00%	-	0.00%
95	93,001 - 94,000	-		-	-	0.00%	-	0.00%
96	94,001 - 95,000	-		-	-	0.00%	-	0.00%
97	95,001 - 96,000	-		-	-	0.00%	-	0.00%
98	96,001 - 97,000	-		-	-	0.00%	-	0.00%
99	97,001 - 98,000	-		-	-	0.00%	-	0.00%
100	98,001 - 99,000	-		-	-	0.00%	-	0.00%
101	99,001 - 100,000	-		-	-	0.00%	-	0.00%
102	243,699 - 243,699	1	243,699	243,699	1	20.00%	243,699	9.39%
103	327,954 - 327,954	1	327,954	327,954	2	40.00%	571,653	22.04%
104	425,986 - 425,986	1	425,986	425,986	3	60.00%	997,639	38.46%
105	636,014 - 636,014	1	636,014	636,014	4	80.00%	1,633,653	62.97%
106	960,521 - 960,521	1	960,521	960,521	5	100.00%	2,594,174	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 2"
Sub Class: Irrigation

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	160
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 70.00	$ 105.20
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
107								
108	Totals	5		2,594,174	5		2,594,174	
109								
110	Total Bills	5						

Line No.		Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
111					
112	Base Charge	5	$ 350	5	$ 526
113	Average Number of Customers	-			
114	Usage (gallons)				
115	Average Consumption (gallons) 518,835	Tier One -	$ -	-	$ -
116	Tier Two	2,594,174	4,125	800,000	1,856
117	Median Consumption (gallons) 425,986	Tier Three -	-	1,794,174	4,485
118	Usage Totals	2,594,174		2,594,174	
119	Revenue Totals		$ 4,475		$ 6,867
120					

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 2"
Sub Class: Restaurant

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	160
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 70.00	$ 105.20
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	-		-	-	0.00%	-	0.00%
2	1	-	1,000	-		-	-	0.00%	-	0.00%
3	1,001	-	2,000	-		-	-	0.00%	-	0.00%
4	2,001	-	3,000	-		-	-	0.00%	-	0.00%
5	3,001	-	4,000	-		-	-	0.00%	-	0.00%
6	4,001	-	5,000	-		-	-	0.00%	-	0.00%
7	5,001	-	6,000	-		-	-	0.00%	-	0.00%
8	6,001	-	7,000	-		-	-	0.00%	-	0.00%
9	7,001	-	8,000	-		-	-	0.00%	-	0.00%
10	8,001	-	9,000	-		-	-	0.00%	-	0.00%
11	9,001	-	10,000	-		-	-	0.00%	-	0.00%
12	10,001	-	11,000	-		-	-	0.00%	-	0.00%
13	11,001	-	12,000	-		-	-	0.00%	-	0.00%
14	12,001	-	13,000	-		-	-	0.00%	-	0.00%
15	13,001	-	14,000	-		-	-	0.00%	-	0.00%
16	14,001	-	15,000	-		-	-	0.00%	-	0.00%
17	15,001	-	16,000	-		-	-	0.00%	-	0.00%
18	16,001	-	17,000	-		-	-	0.00%	-	0.00%
19	17,001	-	18,000	-		-	-	0.00%	-	0.00%
20	18,001	-	19,000	-		-	-	0.00%	-	0.00%
21	19,001	-	20,000	-		-	-	0.00%	-	0.00%
22	20,001	-	21,000	-		-	-	0.00%	-	0.00%
23	21,001	-	22,000	-		-	-	0.00%	-	0.00%
24	22,001	-	23,000	-		-	-	0.00%	-	0.00%
25	23,001	-	24,000	-		-	-	0.00%	-	0.00%
26	24,001	-	25,000	-		-	-	0.00%	-	0.00%
27	25,001	-	26,000	-		-	-	0.00%	-	0.00%
28	26,001	-	27,000	-		-	-	0.00%	-	0.00%
29	27,001	-	28,000	-		-	-	0.00%	-	0.00%
30	28,001	-	29,000	-		-	-	0.00%	-	0.00%
31	29,001	-	30,000	-		-	-	0.00%	-	0.00%
32	30,001	-	31,000	-		-	-	0.00%	-	0.00%
33	31,001	-	32,000	-		-	-	0.00%	-	0.00%
34	32,001	-	33,000	-		-	-	0.00%	-	0.00%
35	33,001	-	34,000	-		-	-	0.00%	-	0.00%
36	34,001	-	35,000	-		-	-	0.00%	-	0.00%
37	35,001	-	36,000	-		-	-	0.00%	-	0.00%
38	36,001	-	37,000	-		-	-	0.00%	-	0.00%
39	37,001	-	38,000	-		-	-	0.00%	-	0.00%
40	38,001	-	39,000	-		-	-	0.00%	-	0.00%
41	39,001	-	40,000	-		-	-	0.00%	-	0.00%
42	40,001	-	41,000	-		-	-	0.00%	-	0.00%
43	41,001	-	42,000	-		-	-	0.00%	-	0.00%
44	42,001	-	43,000	-		-	-	0.00%	-	0.00%
45	43,001	-	44,000	-		-	-	0.00%	-	0.00%
46	44,001	-	45,000	-		-	-	0.00%	-	0.00%
47	45,001	-	46,000	-		-	-	0.00%	-	0.00%
48	46,001	-	47,000	-		-	-	0.00%	-	0.00%
49	47,001	-	48,000	-		-	-	0.00%	-	0.00%
50	48,001	-	49,000	-		-	-	0.00%	-	0.00%
51	49,001	-	50,000	-		-	-	0.00%	-	0.00%
52	50,001	-	51,000	-		-	-	0.00%	-	0.00%
53	51,001	-	52,000	-		-	-	0.00%	-	0.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 2"
Sub Class: Restaurant

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	160
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 70.00	$ 105.20
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-		-	-	0.00%	-	0.00%
55	53,001 - 54,000	-		-	-	0.00%	-	0.00%
56	54,001 - 55,000	-		-	-	0.00%	-	0.00%
57	55,001 - 56,000	-		-	-	0.00%	-	0.00%
58	56,001 - 57,000	-		-	-	0.00%	-	0.00%
59	57,001 - 58,000	-		-	-	0.00%	-	0.00%
60	58,001 - 59,000	-		-	-	0.00%	-	0.00%
61	59,001 - 60,000	-		-	-	0.00%	-	0.00%
62	60,001 - 61,000	-		-	-	0.00%	-	0.00%
63	61,001 - 62,000	-		-	-	0.00%	-	0.00%
64	62,001 - 63,000	-		-	-	0.00%	-	0.00%
65	63,001 - 64,000	-		-	-	0.00%	-	0.00%
66	64,001 - 65,000	-		-	-	0.00%	-	0.00%
67	65,001 - 66,000	-		-	-	0.00%	-	0.00%
68	66,001 - 67,000	-		-	-	0.00%	-	0.00%
69	67,001 - 68,000	-		-	-	0.00%	-	0.00%
70	68,001 - 69,000	-		-	-	0.00%	-	0.00%
71	69,001 - 70,000	-		-	-	0.00%	-	0.00%
72	70,001 - 71,000	-		-	-	0.00%	-	0.00%
73	71,001 - 72,000	-		-	-	0.00%	-	0.00%
74	72,001 - 73,000	-		-	-	0.00%	-	0.00%
75	73,001 - 74,000	-		-	-	0.00%	-	0.00%
76	74,001 - 75,000	-		-	-	0.00%	-	0.00%
77	75,001 - 76,000	-		-	-	0.00%	-	0.00%
78	76,001 - 77,000	-		-	-	0.00%	-	0.00%
79	77,001 - 78,000	-		-	-	0.00%	-	0.00%
80	78,001 - 79,000	-		-	-	0.00%	-	0.00%
81	79,001 - 80,000	-		-	-	0.00%	-	0.00%
82	80,001 - 81,000	-		-	-	0.00%	-	0.00%
83	81,001 - 82,000	-		-	-	0.00%	-	0.00%
84	82,001 - 83,000	-		-	-	0.00%	-	0.00%
85	83,001 - 84,000	-		-	-	0.00%	-	0.00%
86	84,001 - 85,000	-		-	-	0.00%	-	0.00%
87	85,001 - 86,000	-		-	-	0.00%	-	0.00%
88	86,001 - 87,000	-		-	-	0.00%	-	0.00%
89	87,001 - 88,000	-		-	-	0.00%	-	0.00%
90	88,001 - 89,000	-		-	-	0.00%	-	0.00%
91	89,001 - 90,000	-		-	-	0.00%	-	0.00%
92	90,001 - 91,000	-		-	-	0.00%	-	0.00%
93	91,001 - 92,000	-		-	-	0.00%	-	0.00%
94	92,001 - 93,000	-		-	-	0.00%	-	0.00%
95	93,001 - 94,000	-		-	-	0.00%	-	0.00%
96	94,001 - 95,000	-		-	-	0.00%	-	0.00%
97	95,001 - 96,000	-		-	-	0.00%	-	0.00%
98	96,001 - 97,000	-		-	-	0.00%	-	0.00%
99	97,001 - 98,000	-		-	-	0.00%	-	0.00%
100	98,001 - 99,000	-		-	-	0.00%	-	0.00%
101	99,001 - 100,000	-		-	-	0.00%	-	0.00%
102	118,700 - 118,700	1	118,700	118,700	1	4.17%	118,700	1.96%
103	136,000 - 136,000	1	136,000	136,000	2	8.33%	254,700	4.21%
104	155,900 - 155,900	1	155,900	155,900	3	12.50%	410,600	6.79%
105	158,600 - 158,600	1	158,600	158,600	4	16.67%	569,200	9.42%
106	159,200 - 159,200	1	159,200	159,200	5	20.83%	728,400	12.05%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 2"
Sub Class: Restaurant

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-
Tier Two Breakover (M gal):	999,999	160
Tier Three Breakover (M gal):	-	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	$ 70.00	$ 105.20
Tier One Rate:	$ -	$ 1.77
Tier Two Rate:	$ 1.59	$ 2.32
Tier Three Rate:	$ -	$ 2.50

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
107	160,000 - 160,000	1	160,000	160,000	6	25.00%	888,400	14.70%
108	169,700 - 169,700	1	169,700	169,700	7	29.17%	1,058,100	17.50%
109	170,100 - 170,100	1	170,100	170,100	8	33.33%	1,228,200	20.32%
110	184,000 - 184,000	1	184,000	184,000	9	37.50%	1,412,200	23.36%
111	196,900 - 196,900	1	196,900	196,900	10	41.67%	1,609,100	26.62%
112	215,600 - 215,600	1	215,600	215,600	11	45.83%	1,824,700	30.18%
113	236,800 - 236,800	1	236,800	236,800	12	50.00%	2,061,500	34.10%
114	269,100 - 269,100	1	269,100	269,100	13	54.17%	2,330,600	38.55%
115	275,900 - 275,900	1	275,900	275,900	14	58.33%	2,606,500	43.11%
116	280,100 - 280,100	1	280,100	280,100	15	62.50%	2,886,600	47.75%
117	287,100 - 287,100	1	287,100	287,100	16	66.67%	3,173,700	52.50%
118	301,000 - 301,000	1	301,000	301,000	17	70.83%	3,474,700	57.48%
119	313,300 - 313,300	1	313,300	313,300	18	75.00%	3,788,000	62.66%
120	329,200 - 329,200	1	329,200	329,200	19	79.17%	4,117,200	68.10%
121	333,100 - 333,100	1	333,100	333,100	20	83.33%	4,450,300	73.61%
122	377,000 - 377,000	1	377,000	377,000	21	87.50%	4,827,300	79.85%
123	389,900 - 389,900	1	389,900	389,900	22	91.67%	5,217,200	86.30%
124	393,800 - 393,800	1	393,800	393,800	23	95.83%	5,611,000	92.81%
125	434,500 - 434,500	1	434,500	434,500	24	100.00%	6,045,500	100.00%
126								
127	Totals	24		6,045,500	24		6,045,500	
128								
129	Total Bills	24						

Average Number of Customers	2
Average Consumption (gallons)	251,896
Median Consumption (gallons)	236,800

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	24	$ 1,680	24	$ 2,525
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	6,045,500	9,612	3,768,400	8,743
Tier Three	-	-	2,277,100	5,693
Usage Totals	6,045,500		6,045,500	
Revenue Totals		$ 11,292		$ 16,960

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Irrigation
Meter Size: 6"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):	999,999,000	999,999,000
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ 300.00	$ 440.00
Tier One Rate:		
Tier Two Rate:	$ 1.08	$ 1.54
Tier Three Rate:		

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	7	-	-	7	29.17%	-	0.00%
2	1	-	1,000	1	100	100	8	33.33%	100	0.00%
3	1,001	-	2,000	-		-	8	33.33%	100	0.00%
4	2,001	-	3,000	-		-	8	33.33%	100	0.00%
5	3,001	-	4,000	1	3,100	3,100	9	37.50%	3,200	0.05%
6	4,001	-	5,000	-		-	9	37.50%	3,200	0.05%
7	5,001	-	6,000	-		-	9	37.50%	3,200	0.05%
8	6,001	-	7,000	-		-	9	37.50%	3,200	0.05%
9	7,001	-	8,000	-		-	9	37.50%	3,200	0.05%
10	8,001	-	9,000	-		-	9	37.50%	3,200	0.05%
11	9,001	-	10,000	-		-	9	37.50%	3,200	0.05%
12	10,001	-	11,000	-		-	9	37.50%	3,200	0.05%
13	11,001	-	12,000	-		-	9	37.50%	3,200	0.05%
14	12,001	-	13,000	-		-	9	37.50%	3,200	0.05%
15	13,001	-	14,000	-		-	9	37.50%	3,200	0.05%
16	14,001	-	15,000	-		-	9	37.50%	3,200	0.05%
17	15,001	-	16,000	-		-	9	37.50%	3,200	0.05%
18	16,001	-	17,000	-		-	9	37.50%	3,200	0.05%
19	17,001	-	18,000	-		-	9	37.50%	3,200	0.05%
20	18,001	-	19,000	-		-	9	37.50%	3,200	0.05%
21	19,001	-	20,000	-		-	9	37.50%	3,200	0.05%
22	20,001	-	21,000	-		-	9	37.50%	3,200	0.05%
23	21,001	-	22,000	-		-	9	37.50%	3,200	0.05%
24	22,001	-	23,000	-		-	9	37.50%	3,200	0.05%
25	23,001	-	24,000	1	24,000	24,000	10	41.67%	27,200	0.44%
26	24,001	-	25,000	-		-	10	41.67%	27,200	0.44%
27	25,001	-	26,000	-		-	10	41.67%	27,200	0.44%
28	26,001	-	27,000	-		-	10	41.67%	27,200	0.44%
29	27,001	-	28,000	-		-	10	41.67%	27,200	0.44%
30	28,001	-	29,000	-		-	10	41.67%	27,200	0.44%
31	29,001	-	30,000	-		-	10	41.67%	27,200	0.44%
32	30,001	-	31,000	-		-	10	41.67%	27,200	0.44%
33	31,001	-	32,000	-		-	10	41.67%	27,200	0.44%
34	32,001	-	33,000	-		-	10	41.67%	27,200	0.44%
35	33,001	-	34,000	-		-	10	41.67%	27,200	0.44%
36	34,001	-	35,000	-		-	10	41.67%	27,200	0.44%
37	35,001	-	36,000	-		-	10	41.67%	27,200	0.44%
38	36,001	-	37,000	-		-	10	41.67%	27,200	0.44%
39	37,001	-	38,000	-		-	10	41.67%	27,200	0.44%
40	38,001	-	39,000	-		-	10	41.67%	27,200	0.44%
41	39,001	-	40,000	-		-	10	41.67%	27,200	0.44%
42	40,001	-	41,000	-		-	10	41.67%	27,200	0.44%
43	41,001	-	42,000	-		-	10	41.67%	27,200	0.44%
44	42,001	-	43,000	-		-	10	41.67%	27,200	0.44%
45	43,001	-	44,000	-		-	10	41.67%	27,200	0.44%
46	44,001	-	45,000	-		-	10	41.67%	27,200	0.44%
47	45,001	-	46,000	-		-	10	41.67%	27,200	0.44%
48	46,001	-	47,000	-		-	10	41.67%	27,200	0.44%
49	47,001	-	48,000	-		-	10	41.67%	27,200	0.44%
50	48,001	-	49,000	-		-	10	41.67%	27,200	0.44%
51	49,001	-	50,000	-		-	10	41.67%	27,200	0.44%
52	50,001	-	51,000	-		-	10	41.67%	27,200	0.44%
53	51,001	-	52,000	-		-	10	41.67%	27,200	0.44%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Irrigation
Meter Size: 6"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):	999,999,000	999,999,000
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ 300.00	$ 440.00
Tier One Rate:		
Tier Two Rate:	$ 1.08	$ 1.54
Tier Three Rate:		

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001	-	53,000	-		-	10	41.67%	27,200	0.44%
55	53,001	-	54,000	-		-	10	41.67%	27,200	0.44%
56	54,001	-	55,000	-		-	10	41.67%	27,200	0.44%
57	55,001	-	56,000	-		-	10	41.67%	27,200	0.44%
58	56,001	-	57,000	-		-	10	41.67%	27,200	0.44%
59	57,001	-	58,000	-		-	10	41.67%	27,200	0.44%
60	58,001	-	59,000	-		-	10	41.67%	27,200	0.44%
61	59,001	-	60,000	-		-	10	41.67%	27,200	0.44%
62	60,001	-	61,000	-		-	10	41.67%	27,200	0.44%
63	61,001	-	62,000	-		-	10	41.67%	27,200	0.44%
64	62,001	-	63,000	-		-	10	41.67%	27,200	0.44%
65	63,001	-	64,000	-		-	10	41.67%	27,200	0.44%
66	64,001	-	65,000	-		-	10	41.67%	27,200	0.44%
67	65,001	-	66,000	-		-	10	41.67%	27,200	0.44%
68	66,001	-	67,000	-		-	10	41.67%	27,200	0.44%
69	67,001	-	68,000	-		-	10	41.67%	27,200	0.44%
70	68,001	-	69,000	-		-	10	41.67%	27,200	0.44%
71	69,001	-	70,000	-		-	10	41.67%	27,200	0.44%
72	70,001	-	71,000	1	70,100	70,100	11	45.83%	97,300	1.56%
73	71,001	-	72,000	-		-	11	45.83%	97,300	1.56%
74	72,001	-	73,000	-		-	11	45.83%	97,300	1.56%
75	73,001	-	74,000	-		-	11	45.83%	97,300	1.56%
76	74,001	-	75,000	-		-	11	45.83%	97,300	1.56%
77	75,001	-	76,000	-		-	11	45.83%	97,300	1.56%
78	76,001	-	77,000	-		-	11	45.83%	97,300	1.56%
79	77,001	-	78,000	-		-	11	45.83%	97,300	1.56%
80	78,001	-	79,000	-		-	11	45.83%	97,300	1.56%
81	79,001	-	80,000	-		-	11	45.83%	97,300	1.56%
82	80,001	-	81,000	-		-	11	45.83%	97,300	1.56%
83	81,001	-	82,000	-		-	11	45.83%	97,300	1.56%
84	82,001	-	83,000	-		-	11	45.83%	97,300	1.56%
85	83,001	-	84,000	-		-	11	45.83%	97,300	1.56%
86	84,001	-	85,000	-		-	11	45.83%	97,300	1.56%
87	85,001	-	86,000	-		-	11	45.83%	97,300	1.56%
88	86,001	-	87,000	-		-	11	45.83%	97,300	1.56%
89	87,001	-	88,000	-		-	11	45.83%	97,300	1.56%
90	88,001	-	89,000	-		-	11	45.83%	97,300	1.56%
91	89,001	-	90,000	-		-	11	45.83%	97,300	1.56%
92	90,001	-	91,000	-		-	11	45.83%	97,300	1.56%
93	91,001	-	92,000	-		-	11	45.83%	97,300	1.56%
94	92,001	-	93,000	-		-	11	45.83%	97,300	1.56%
95	93,001	-	94,000	-		-	11	45.83%	97,300	1.56%
96	94,001	-	95,000	-		-	11	45.83%	97,300	1.56%
97	95,001	-	96,000	-		-	11	45.83%	97,300	1.56%
98	96,001	-	97,000	-		-	11	45.83%	97,300	1.56%
99	97,001	-	98,000	-		-	11	45.83%	97,300	1.56%
100	98,001	-	99,000	-		-	11	45.83%	97,300	1.56%
101	99,001	-	100,000	-		-	11	45.83%	97,300	1.56%
102	106,800	-	106,800	1	106,800	106,800	12	50.00%	204,100	3.27%
103	134,000	-	134,000	1	134,000	134,000	13	54.17%	338,100	5.42%
104	200,000	-	200,000	1	200,000	200,000	14	58.33%	538,100	8.63%
105	277,000	-	277,000	1	277,000	277,000	15	62.50%	815,100	13.08%
106	283,000	-	283,000	1	283,000	283,000	16	66.67%	1,098,100	17.62%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Irrigation
Meter Size: 6"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):	999,999,000	999,999,000
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ 300.00	$ 440.00
Tier One Rate:		
Tier Two Rate:	$ 1.08	$ 1.54
Tier Three Rate:		

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
107	452,000 - 452,000	1	452,000	452,000	17	70.83%	1,550,100	24.87%
108	541,000 - 541,000	1	541,000	541,000	18	75.00%	2,091,100	33.55%
109	606,000 - 606,000	1	606,000	606,000	19	79.17%	2,697,100	43.27%
110	619,000 - 619,000	1	619,000	619,000	20	83.33%	3,316,100	53.20%
111	650,000 - 650,000	1	650,000	650,000	21	87.50%	3,966,100	63.63%
112	692,000 - 692,000	1	692,000	692,000	22	91.67%	4,658,100	74.73%
113	756,000 - 756,000	1	756,000	756,000	23	95.83%	5,414,100	86.86%
114	819,000 - 819,000	1	819,000	819,000	24	100.00%	6,233,100	100.00%
115								
116	Totals	24		6,233,100	24		6,233,100	
117								
118	Total Bills	24						
119								
120								
121	Average Number of Customers		2					
122								
123	Average Consumption (gallons)		259,713					
124								
125	Median Consumption (gallons)		106,800					
126								
127								
128								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	24	$ 7,200	24	$ 10,560
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	6,233,100	6,732	6,233,100	9,599
Tier Three	-	-	-	-
Usage Totals	6,233,100		6,233,100	
Revenue Totals		$ 13,932		$ 20,159

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Irrigation
Meter Size: 8"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):	999,999,000	999,999,000
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ 600.00	$ 875.00
Tier One Rate:		
Tier Two Rate:	$ 1.08	$ 1.54
Tier Three Rate:		

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	- - -	-		-	-	0.00%	-	
2	1 - 1,000	-		-	-	0.00%	-	
3	1,001 - 2,000	-		-	-	0.00%	-	
4	2,001 - 3,000	-		-	-	0.00%	-	
5	3,001 - 4,000	-		-	-	0.00%	-	
6	4,001 - 5,000	-		-	-	0.00%	-	
7	5,001 - 6,000	-		-	-	0.00%	-	
8	6,001 - 7,000	-		-	-	0.00%	-	
9	7,001 - 8,000	-		-	-	0.00%	-	
10	8,001 - 9,000	-		-	-	0.00%	-	
11	9,001 - 10,000	-		-	-	0.00%	-	
12	10,001 - 11,000	-		-	-	0.00%	-	
13	11,001 - 12,000	-		-	-	0.00%	-	
14	12,001 - 13,000	-		-	-	0.00%	-	
15	13,001 - 14,000	-		-	-	0.00%	-	
16	14,001 - 15,000	-		-	-	0.00%	-	
17	15,001 - 16,000	-		-	-	0.00%	-	
18	16,001 - 17,000	-		-	-	0.00%	-	
19	17,001 - 18,000	-		-	-	0.00%	-	
20	18,001 - 19,000	-		-	-	0.00%	-	
21	19,001 - 20,000	-		-	-	0.00%	-	
22	20,001 - 21,000	-		-	-	0.00%	-	
23	21,001 - 22,000	-		-	-	0.00%	-	
24	22,001 - 23,000	-		-	-	0.00%	-	
25	23,001 - 24,000	-		-	-	0.00%	-	
26	24,001 - 25,000	-		-	-	0.00%	-	
27	25,001 - 26,000	-		-	-	0.00%	-	
28	26,001 - 27,000	-		-	-	0.00%	-	
29	27,001 - 28,000	-		-	-	0.00%	-	
30	28,001 - 29,000	-		-	-	0.00%	-	
31	29,001 - 30,000	-		-	-	0.00%	-	
32	30,001 - 31,000	-		-	-	0.00%	-	
33	31,001 - 32,000	-		-	-	0.00%	-	
34	32,001 - 33,000	-		-	-	0.00%	-	
35	33,001 - 34,000	-		-	-	0.00%	-	
36	34,001 - 35,000	-		-	-	0.00%	-	
37	35,001 - 36,000	-		-	-	0.00%	-	
38	36,001 - 37,000	-		-	-	0.00%	-	
39	37,001 - 38,000	-		-	-	0.00%	-	
40	38,001 - 39,000	-		-	-	0.00%	-	
41	39,001 - 40,000	-		-	-	0.00%	-	
42	40,001 - 41,000	-		-	-	0.00%	-	
43	41,001 - 42,000	-		-	-	0.00%	-	
44	42,001 - 43,000	-		-	-	0.00%	-	
45	43,001 - 44,000	-		-	-	0.00%	-	
46	44,001 - 45,000	-		-	-	0.00%	-	
47	45,001 - 46,000	-		-	-	0.00%	-	
48	46,001 - 47,000	-		-	-	0.00%	-	
49	47,001 - 48,000	-		-	-	0.00%	-	
50	48,001 - 49,000	-		-	-	0.00%	-	
51	49,001 - 50,000	-		-	-	0.00%	-	
52	50,001 - 51,000	-		-	-	0.00%	-	
53	51,001 - 52,000	-		-	-	0.00%	-	

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Irrigation
Meter Size: 8"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):	999,999,000	999,999,000
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ 600.00	$ 875.00
Tier One Rate:		
Tier Two Rate:	$ 1.08	$ 1.54
Tier Three Rate:		

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001	-	53,000	-		-	-	0.00%	-	
55	53,001	-	54,000	-		-	-	0.00%	-	
56	54,001	-	55,000	-		-	-	0.00%	-	
57	55,001	-	56,000	-		-	-	0.00%	-	
58	56,001	-	57,000	-		-	-	0.00%	-	
59	57,001	-	58,000	-		-	-	0.00%	-	
60	58,001	-	59,000	-		-	-	0.00%	-	
61	59,001	-	60,000	-		-	-	0.00%	-	
62	60,001	-	61,000	-		-	-	0.00%	-	
63	61,001	-	62,000	-		-	-	0.00%	-	
64	62,001	-	63,000	-		-	-	0.00%	-	
65	63,001	-	64,000	-		-	-	0.00%	-	
66	64,001	-	65,000	-		-	-	0.00%	-	
67	65,001	-	66,000	-		-	-	0.00%	-	
68	66,001	-	67,000	-		-	-	0.00%	-	
69	67,001	-	68,000	-		-	-	0.00%	-	
70	68,001	-	69,000	-		-	-	0.00%	-	
71	69,001	-	70,000	-		-	-	0.00%	-	
72	70,001	-	71,000	-		-	-	0.00%	-	
73	71,001	-	72,000	-		-	-	0.00%	-	
74	72,001	-	73,000	-		-	-	0.00%	-	
75	73,001	-	74,000	-		-	-	0.00%	-	
76	74,001	-	75,000	-		-	-	0.00%	-	
77	75,001	-	76,000	-		-	-	0.00%	-	
78	76,001	-	77,000	-		-	-	0.00%	-	
79	77,001	-	78,000	-		-	-	0.00%	-	
80	78,001	-	79,000	-		-	-	0.00%	-	
81	79,001	-	80,000	-		-	-	0.00%	-	
82	80,001	-	81,000	-		-	-	0.00%	-	
83	81,001	-	82,000	-		-	-	0.00%	-	
84	82,001	-	83,000	-		-	-	0.00%	-	
85	83,001	-	84,000	-		-	-	0.00%	-	
86	84,001	-	85,000	-		-	-	0.00%	-	
87	85,001	-	86,000	-		-	-	0.00%	-	
88	86,001	-	87,000	-		-	-	0.00%	-	
89	87,001	-	88,000	-		-	-	0.00%	-	
90	88,001	-	89,000	-		-	-	0.00%	-	
91	89,001	-	90,000	-		-	-	0.00%	-	
92	90,001	-	91,000	-		-	-	0.00%	-	
93	91,001	-	92,000	-		-	-	0.00%	-	
94	92,001	-	93,000	-		-	-	0.00%	-	
95	93,001	-	94,000	-		-	-	0.00%	-	
96	94,001	-	95,000	-		-	-	0.00%	-	
97	95,001	-	96,000	-		-	-	0.00%	-	
98	96,001	-	97,000	-		-	-	0.00%	-	
99	97,001	-	98,000	-		-	-	0.00%	-	
100	98,001	-	99,000	-		-	-	0.00%	-	
101	99,001	-	100,000	-		-	-	0.00%	-	
102	207,000	-	207,000	1	207,000	207,000	1	4.17%	207,000	
103	1,171,000	-	1,171,000	1	1,171,000	1,171,000	2	8.33%	1,378,000	
104	1,175,000	-	1,175,000	1	1,175,000	1,175,000	3	12.50%	2,553,000	
105	1,250,000	-	1,250,000	1	1,250,000	1,250,000	4	16.67%	3,803,000	
106	2,649,000	-	2,649,000	1	2,649,000	2,649,000	5	20.83%	6,452,000	

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Irrigation
Meter Size: 8"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):	999,999,000	999,999,000
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ 600.00	$ 875.00
Tier One Rate:		
Tier Two Rate:	$ 1.08	$ 1.54
Tier Three Rate:		

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
107	2,727,000 - 2,727,000	1	2,727,000	2,727,000	6	25.00%	9,179,000	
108	3,333,000 - 3,333,000	1	3,333,000	3,333,000	7	29.17%	12,512,000	
109	3,340,000 - 3,340,000	1	3,340,000	3,340,000	8	33.33%	15,852,000	
110	6,211,000 - 6,211,000	1	6,211,000	6,211,000	9	37.50%	22,063,000	
111	8,079,000 - 8,079,000	1	8,079,000	8,079,000	10	41.67%	30,142,000	
112	8,678,000 - 8,678,000	1	8,678,000	8,678,000	11	45.83%	38,820,000	
113	9,139,000 - 9,139,000	1	9,139,000	9,139,000	12	50.00%	47,959,000	
114	10,461,000 - 10,461,000	1	10,461,000	10,461,000	13	54.17%	58,420,000	
115	10,470,000 - 10,470,000	1	10,470,000	10,470,000	14	58.33%	68,890,000	
116	10,719,000 - 10,719,000	1	10,719,000	10,719,000	15	62.50%	79,609,000	
117	11,596,000 - 11,596,000	1	11,596,000	11,596,000	16	66.67%	91,205,000	
118	13,350,000 - 13,350,000	1	13,350,000	13,350,000	17	70.83%	104,555,000	
119	15,348,000 - 15,348,000	1	15,348,000	15,348,000	18	75.00%	119,903,000	
120	16,569,000 - 16,569,000	1	16,569,000	16,569,000	19	79.17%	136,472,000	
121	17,001,000 - 17,001,000	1	17,001,000	17,001,000	20	83.33%	153,473,000	
122	17,924,000 - 17,924,000	1	17,924,000	17,924,000	21	87.50%	171,397,000	
123	19,755,000 - 19,755,000	1	19,755,000	19,755,000	22	91.67%	191,152,000	
124	19,996,000 - 19,996,000	1	19,996,000	19,996,000	23	95.83%	211,148,000	
125	20,380,000 - 20,380,000	1	20,380,000	20,380,000	24	100.00%	231,528,000	
126								
127	Totals	24		231,528,000	24		231,528,000	
128								
129	Total Bills	24						
130								
131								
132	Average Number of Customers		2					
133								
134	Average Consumption (gallons)		9,647,000					
135								
136	Median Consumption (gallons)		9,139,000					
137								
138								
139								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	24	$ 14,400	24	$ 21,000
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	231,528,000	250,050	231,528,000	356,553
Tier Three	-	-	-	-
Usage Totals	231,528,000		231,528,000	
Revenue Totals		$ 264,450		$ 377,553

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Irrigation
Meter Size: 12"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):	999,999,000	999,999,000
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ 1,050.00	$ 1,535.00
Tier One Rate:		
Tier Two Rate:	$ 1.08	$ 1.54
Tier Three Rate:		

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	- - -	6	-	-	6	10.00%	-	0.00%
2	1 - 1,000	-		-	6	10.00%	-	0.00%
3	1,001 - 2,000	-		-	6	10.00%	-	0.00%
4	2,001 - 3,000	-		-	6	10.00%	-	0.00%
5	3,001 - 4,000	-		-	6	10.00%	-	0.00%
6	4,001 - 5,000	-		-	6	10.00%	-	0.00%
7	5,001 - 6,000	-		-	6	10.00%	-	0.00%
8	6,001 - 7,000	-		-	6	10.00%	-	0.00%
9	7,001 - 8,000	-		-	6	10.00%	-	0.00%
10	8,001 - 9,000	-		-	6	10.00%	-	0.00%
11	9,001 - 10,000	-		-	6	10.00%	-	0.00%
12	10,001 - 11,000	-		-	6	10.00%	-	0.00%
13	11,001 - 12,000	-		-	6	10.00%	-	0.00%
14	12,001 - 13,000	-		-	6	10.00%	-	0.00%
15	13,001 - 14,000	-		-	6	10.00%	-	0.00%
16	14,001 - 15,000	-		-	6	10.00%	-	0.00%
17	15,001 - 16,000	-		-	6	10.00%	-	0.00%
18	16,001 - 17,000	-		-	6	10.00%	-	0.00%
19	17,001 - 18,000	-		-	6	10.00%	-	0.00%
20	18,001 - 19,000	-		-	6	10.00%	-	0.00%
21	19,001 - 20,000	-		-	6	10.00%	-	0.00%
22	20,001 - 21,000	-		-	6	10.00%	-	0.00%
23	21,001 - 22,000	1	22,000	22,000	7	11.67%	22,000	0.01%
24	22,001 - 23,000	-		-	7	11.67%	22,000	0.01%
25	23,001 - 24,000	-		-	7	11.67%	22,000	0.01%
26	24,001 - 25,000	-		-	7	11.67%	22,000	0.01%
27	25,001 - 26,000	-		-	7	11.67%	22,000	0.01%
28	26,001 - 27,000	-		-	7	11.67%	22,000	0.01%
29	27,001 - 28,000	-		-	7	11.67%	22,000	0.01%
30	28,001 - 29,000	-		-	7	11.67%	22,000	0.01%
31	29,001 - 30,000	-		-	7	11.67%	22,000	0.01%
32	30,001 - 31,000	-		-	7	11.67%	22,000	0.01%
33	31,001 - 32,000	-		-	7	11.67%	22,000	0.01%
34	32,001 - 33,000	-		-	7	11.67%	22,000	0.01%
35	33,001 - 34,000	-		-	7	11.67%	22,000	0.01%
36	34,001 - 35,000	-		-	7	11.67%	22,000	0.01%
37	35,001 - 36,000	-		-	7	11.67%	22,000	0.01%
38	36,001 - 37,000	-		-	7	11.67%	22,000	0.01%
39	37,001 - 38,000	-		-	7	11.67%	22,000	0.01%
40	38,001 - 39,000	-		-	7	11.67%	22,000	0.01%
41	39,001 - 40,000	-		-	7	11.67%	22,000	0.01%
42	40,001 - 41,000	-		-	7	11.67%	22,000	0.01%
43	41,001 - 42,000	-		-	7	11.67%	22,000	0.01%
44	42,001 - 43,000	-		-	7	11.67%	22,000	0.01%
45	43,001 - 44,000	-		-	7	11.67%	22,000	0.01%
46	44,001 - 45,000	-		-	7	11.67%	22,000	0.01%
47	45,001 - 46,000	-		-	7	11.67%	22,000	0.01%
48	46,001 - 47,000	-		-	7	11.67%	22,000	0.01%
49	47,001 - 48,000	-		-	7	11.67%	22,000	0.01%
50	48,001 - 49,000	-		-	7	11.67%	22,000	0.01%
51	49,001 - 50,000	-		-	7	11.67%	22,000	0.01%
52	50,001 - 51,000	-		-	7	11.67%	22,000	0.01%
53	51,001 - 52,000	-		-	7	11.67%	22,000	0.01%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Irrigation
Meter Size: 12"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):	999,999,000	999,999,000
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ 1,050.00	$ 1,535.00
Tier One Rate:		
Tier Two Rate:	$ 1.08	$ 1.54
Tier Three Rate:		

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001	-	53,000	-		-	7	11.67%	22,000	0.01%
55	53,001	-	54,000	-		-	7	11.67%	22,000	0.01%
56	54,001	-	55,000	-		-	7	11.67%	22,000	0.01%
57	55,001	-	56,000	-		-	7	11.67%	22,000	0.01%
58	56,001	-	57,000	-		-	7	11.67%	22,000	0.01%
59	57,001	-	58,000	-		-	7	11.67%	22,000	0.01%
60	58,001	-	59,000	-		-	7	11.67%	22,000	0.01%
61	59,001	-	60,000	-		-	7	11.67%	22,000	0.01%
62	60,001	-	61,000	-		-	7	11.67%	22,000	0.01%
63	61,001	-	62,000	-		-	7	11.67%	22,000	0.01%
64	62,001	-	63,000	-		-	7	11.67%	22,000	0.01%
65	63,001	-	64,000	-		-	7	11.67%	22,000	0.01%
66	64,001	-	65,000	-		-	7	11.67%	22,000	0.01%
67	65,001	-	66,000	-		-	7	11.67%	22,000	0.01%
68	66,001	-	67,000	-		-	7	11.67%	22,000	0.01%
69	67,001	-	68,000	-		-	7	11.67%	22,000	0.01%
70	68,001	-	69,000	-		-	7	11.67%	22,000	0.01%
71	69,001	-	70,000	-		-	7	11.67%	22,000	0.01%
72	70,001	-	71,000	-		-	7	11.67%	22,000	0.01%
73	71,001	-	72,000	-		-	7	11.67%	22,000	0.01%
74	72,001	-	73,000	-		-	7	11.67%	22,000	0.01%
75	73,001	-	74,000	-		-	7	11.67%	22,000	0.01%
76	74,001	-	75,000	-		-	7	11.67%	22,000	0.01%
77	75,001	-	76,000	-		-	7	11.67%	22,000	0.01%
78	76,001	-	77,000	-		-	7	11.67%	22,000	0.01%
79	77,001	-	78,000	-		-	7	11.67%	22,000	0.01%
80	78,001	-	79,000	-		-	7	11.67%	22,000	0.01%
81	79,001	-	80,000	-		-	7	11.67%	22,000	0.01%
82	80,001	-	81,000	-		-	7	11.67%	22,000	0.01%
83	81,001	-	82,000	-		-	7	11.67%	22,000	0.01%
84	82,001	-	83,000	-		-	7	11.67%	22,000	0.01%
85	83,001	-	84,000	1	84,000	84,000	8	13.33%	106,000	0.03%
86	84,001	-	85,000	-		-	8	13.33%	106,000	0.03%
87	85,001	-	86,000	-		-	8	13.33%	106,000	0.03%
88	86,001	-	87,000	-		-	8	13.33%	106,000	0.03%
89	87,001	-	88,000	-		-	8	13.33%	106,000	0.03%
90	88,001	-	89,000	-		-	8	13.33%	106,000	0.03%
91	89,001	-	90,000	-		-	8	13.33%	106,000	0.03%
92	90,001	-	91,000	-		-	8	13.33%	106,000	0.03%
93	91,001	-	92,000	-		-	8	13.33%	106,000	0.03%
94	92,001	-	93,000	-		-	8	13.33%	106,000	0.03%
95	93,001	-	94,000	-		-	8	13.33%	106,000	0.03%
96	94,001	-	95,000	-		-	8	13.33%	106,000	0.03%
97	95,001	-	96,000	-		-	8	13.33%	106,000	0.03%
98	96,001	-	97,000	-		-	8	13.33%	106,000	0.03%
99	97,001	-	98,000	-		-	8	13.33%	106,000	0.03%
100	98,001	-	99,000	-		-	8	13.33%	106,000	0.03%
101	99,001	-	100,000	-		-	8	13.33%	106,000	0.03%
102	209,000	-	209,000	1	209,000	209,000	9	15.00%	315,000	0.09%
103	320,000	-	320,000	1	320,000	320,000	10	16.67%	635,000	0.17%
104	350,000	-	350,000	1	350,000	350,000	11	18.33%	985,000	0.27%
105	400,000	-	400,000	1	400,000	400,000	12	20.00%	1,385,000	0.37%
106	430,000	-	430,000	1	430,000	430,000	13	21.67%	1,815,000	0.49%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Irrigation
Meter Size: 12"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):	999,999,000	999,999,000
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ 1,050.00	$ 1,535.00
Tier One Rate:		
Tier Two Rate:	$ 1.08	$ 1.54
Tier Three Rate:		

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
107	759,000 - 759,000	1	759,000	759,000	14	23.33%	2,574,000	0.70%
108	779,000 - 779,000	1	779,000	779,000	15	25.00%	3,353,000	0.91%
109	800,000 - 800,000	1	800,000	800,000	16	26.67%	4,153,000	1.12%
110	891,000 - 891,000	1	891,000	891,000	17	28.33%	5,044,000	1.36%
111	1,022,000 - 1,022,000	1	1,022,000	1,022,000	18	30.00%	6,066,000	1.64%
112	1,061,000 - 1,061,000	1	1,061,000	1,061,000	19	31.67%	7,127,000	1.93%
113	1,090,000 - 1,090,000	1	1,090,000	1,090,000	20	33.33%	8,217,000	2.22%
114	1,414,000 - 1,414,000	1	1,414,000	1,414,000	21	35.00%	9,631,000	2.60%
115	1,767,000 - 1,767,000	1	1,767,000	1,767,000	22	36.67%	11,398,000	3.08%
116	1,789,000 - 1,789,000	1	1,789,000	1,789,000	23	38.33%	13,187,000	3.56%
117	1,889,000 - 1,889,000	1	1,889,000	1,889,000	24	40.00%	15,076,000	4.07%
118	2,460,000 - 2,460,000	1	2,460,000	2,460,000	25	41.67%	17,536,000	4.74%
119	2,553,000 - 2,553,000	1	2,553,000	2,553,000	26	43.33%	20,089,000	5.43%
120	2,579,000 - 2,579,000	1	2,579,000	2,579,000	27	45.00%	22,668,000	6.12%
121	2,802,000 - 2,802,000	1	2,802,000	2,802,000	28	46.67%	25,470,000	6.88%
122	3,165,000 - 3,165,000	1	3,165,000	3,165,000	29	48.33%	28,635,000	7.74%
123	3,597,000 - 3,597,000	1	3,597,000	3,597,000	30	50.00%	32,232,000	8.71%
124	3,748,000 - 3,748,000	1	3,748,000	3,748,000	31	51.67%	35,980,000	9.72%
125	3,978,000 - 3,978,000	1	3,978,000	3,978,000	32	53.33%	39,958,000	10.79%
126	4,441,000 - 4,441,000	1	4,441,000	4,441,000	33	55.00%	44,399,000	11.99%
127	4,850,000 - 4,850,000	1	4,850,000	4,850,000	34	56.67%	49,249,000	13.30%
128	4,851,000 - 4,851,000	1	4,851,000	4,851,000	35	58.33%	54,100,000	14.61%
129	5,797,000 - 5,797,000	1	5,797,000	5,797,000	36	60.00%	59,897,000	16.18%
130	7,027,000 - 7,027,000	1	7,027,000	7,027,000	37	61.67%	66,924,000	18.08%
131	7,295,000 - 7,295,000	1	7,295,000	7,295,000	38	63.33%	74,219,000	20.05%
132	7,755,000 - 7,755,000	1	7,755,000	7,755,000	39	65.00%	81,974,000	22.14%
133	8,355,000 - 8,355,000	1	8,355,000	8,355,000	40	66.67%	90,329,000	24.40%
134	9,273,000 - 9,273,000	1	9,273,000	9,273,000	41	68.33%	99,602,000	26.91%
135	10,251,000 - 10,251,000	1	10,251,000	10,251,000	42	70.00%	109,853,000	29.68%
136	10,458,000 - 10,458,000	1	10,458,000	10,458,000	43	71.67%	120,311,000	32.50%
137	11,255,000 - 11,255,000	1	11,255,000	11,255,000	44	73.33%	131,566,000	35.54%
138	12,263,000 - 12,263,000	1	12,263,000	12,263,000	45	75.00%	143,829,000	38.85%
139	12,398,000 - 12,398,000	1	12,398,000	12,398,000	46	76.67%	156,227,000	42.20%
140	12,559,000 - 12,559,000	1	12,559,000	12,559,000	47	78.33%	168,786,000	45.60%
141	12,677,000 - 12,677,000	1	12,677,000	12,677,000	48	80.00%	181,463,000	49.02%
142	13,540,000 - 13,540,000	1	13,540,000	13,540,000	49	81.67%	195,003,000	52.68%
143	13,756,000 - 13,756,000	1	13,756,000	13,756,000	50	83.33%	208,759,000	56.39%
144	14,145,000 - 14,145,000	1	14,145,000	14,145,000	51	85.00%	222,904,000	60.22%
145	14,187,000 - 14,187,000	1	14,187,000	14,187,000	52	86.67%	237,091,000	64.05%
146	14,215,000 - 14,215,000	1	14,215,000	14,215,000	53	88.33%	251,306,000	67.89%
147	15,166,000 - 15,166,000	1	15,166,000	15,166,000	54	90.00%	266,472,000	71.98%
148	15,396,000 - 15,396,000	1	15,396,000	15,396,000	55	91.67%	281,868,000	76.14%
149	15,872,000 - 15,872,000	1	15,872,000	15,872,000	56	93.33%	297,740,000	80.43%
150	16,452,000 - 16,452,000	1	16,452,000	16,452,000	57	95.00%	314,192,000	84.88%
151	17,417,000 - 17,417,000	1	17,417,000	17,417,000	58	96.67%	331,609,000	89.58%
152	18,792,000 - 18,792,000	1	18,792,000	18,792,000	59	98.33%	350,401,000	94.66%
153	19,777,000 - 19,777,000	1	19,777,000	19,777,000	60	100.00%	370,178,000	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Irrigation
Meter Size: 12"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):	999,999,000	999,999,000
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ 1,050.00	$ 1,535.00
Tier One Rate:		
Tier Two Rate:	$ 1.08	$ 1.54
Tier Three Rate:		

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
154								
155	Totals	60		370,178,000	60		370,178,000	
156								
157	Total Bills	60						
158								
159								
160	Average Number of Customers		5					
161								
162	Average Consumption (gallons)		6,169,633					
163								
164	Median Consumption (gallons)		3,597,000					
165								
166								
167								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	60	$ 63,000	60	$ 92,100
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	370,178,000	399,792	370,178,000	570,074
Tier Three	-	-	-	-
Usage Totals	370,178,000		370,178,000	
Revenue Totals		$ 462,792		$ 662,174

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Construction
Meter Size: 3/4"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):	999,999	999,999

Charges	Present Rates	Proposed Rates
Base Charge:		$ 13.15
Tier One Rate:		
Tier Two Rate:		
Tier Three Rate:	$ 2.39	$ 3.31

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	- - -	2	-	-	2	16.67%	-	0.00%
2	1 - 1,000	-		-	2	16.67%	-	0.00%
3	1,001 - 2,000	-		-	2	16.67%	-	0.00%
4	2,001 - 3,000	-		-	2	16.67%	-	0.00%
5	3,001 - 4,000	-		-	2	16.67%	-	0.00%
6	4,001 - 5,000	-		-	2	16.67%	-	0.00%
7	5,001 - 6,000	-		-	2	16.67%	-	0.00%
8	6,001 - 7,000	-		-	2	16.67%	-	0.00%
9	7,001 - 8,000	-		-	2	16.67%	-	0.00%
10	8,001 - 9,000	-		-	2	16.67%	-	0.00%
11	9,001 - 10,000	-		-	2	16.67%	-	0.00%
12	10,001 - 11,000	-		-	2	16.67%	-	0.00%
13	11,001 - 12,000	1	11,539	11,539	3	25.00%	11,539	0.38%
14	12,001 - 13,000	-		-	3	25.00%	11,539	0.38%
15	13,001 - 14,000	-		-	3	25.00%	11,539	0.38%
16	14,001 - 15,000	-		-	3	25.00%	11,539	0.38%
17	15,001 - 16,000	-		-	3	25.00%	11,539	0.38%
18	16,001 - 17,000	-		-	3	25.00%	11,539	0.38%
19	17,001 - 18,000	-		-	3	25.00%	11,539	0.38%
20	18,001 - 19,000	-		-	3	25.00%	11,539	0.38%
21	19,001 - 20,000	1	19,128	19,128	4	33.33%	30,667	1.00%
22	20,001 - 21,000	-		-	4	33.33%	30,667	1.00%
23	21,001 - 22,000	-		-	4	33.33%	30,667	1.00%
24	22,001 - 23,000	-		-	4	33.33%	30,667	1.00%
25	23,001 - 24,000	-		-	4	33.33%	30,667	1.00%
26	24,001 - 25,000	-		-	4	33.33%	30,667	1.00%
27	25,001 - 26,000	-		-	4	33.33%	30,667	1.00%
28	26,001 - 27,000	-		-	4	33.33%	30,667	1.00%
29	27,001 - 28,000	-		-	4	33.33%	30,667	1.00%
30	28,001 - 29,000	-		-	4	33.33%	30,667	1.00%
31	29,001 - 30,000	-		-	4	33.33%	30,667	1.00%
32	30,001 - 31,000	1	30,152	30,152	5	41.67%	60,819	1.98%
33	31,001 - 32,000	-		-	5	41.67%	60,819	1.98%
34	32,001 - 33,000	-		-	5	41.67%	60,819	1.98%
35	33,001 - 34,000	-		-	5	41.67%	60,819	1.98%
36	34,001 - 35,000	-		-	5	41.67%	60,819	1.98%
37	35,001 - 36,000	-		-	5	41.67%	60,819	1.98%
38	36,001 - 37,000	-		-	5	41.67%	60,819	1.98%
39	37,001 - 38,000	-		-	5	41.67%	60,819	1.98%
40	38,001 - 39,000	-		-	5	41.67%	60,819	1.98%
41	39,001 - 40,000	-		-	5	41.67%	60,819	1.98%
42	40,001 - 41,000	-		-	5	41.67%	60,819	1.98%
43	41,001 - 42,000	-		-	5	41.67%	60,819	1.98%
44	42,001 - 43,000	-		-	5	41.67%	60,819	1.98%
45	43,001 - 44,000	-		-	5	41.67%	60,819	1.98%
46	44,001 - 45,000	-		-	5	41.67%	60,819	1.98%
47	45,001 - 46,000	-		-	5	41.67%	60,819	1.98%
48	46,001 - 47,000	1	46,131	46,131	6	50.00%	106,950	3.48%
49	47,001 - 48,000	-		-	6	50.00%	106,950	3.48%
50	48,001 - 49,000	-		-	6	50.00%	106,950	3.48%
51	49,001 - 50,000	-		-	6	50.00%	106,950	3.48%
52	50,001 - 51,000	-		-	6	50.00%	106,950	3.48%
53	51,001 - 52,000	-		-	6	50.00%	106,950	3.48%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Construction
Meter Size: 3/4"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):	999,999	999,999

Charges	Present Rates	Proposed Rates
Base Charge:		$ 13.15
Tier One Rate:		
Tier Two Rate:		
Tier Three Rate:	$ 2.39	$ 3.31

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-		-	6	50.00%	106,950	3.48%
55	53,001 - 54,000	-		-	6	50.00%	106,950	3.48%
56	54,001 - 55,000	-		-	6	50.00%	106,950	3.48%
57	55,001 - 56,000	-		-	6	50.00%	106,950	3.48%
58	56,001 - 57,000	-		-	6	50.00%	106,950	3.48%
59	57,001 - 58,000	-		-	6	50.00%	106,950	3.48%
60	58,001 - 59,000	-		-	6	50.00%	106,950	3.48%
61	59,001 - 60,000	-		-	6	50.00%	106,950	3.48%
62	60,001 - 61,000	-		-	6	50.00%	106,950	3.48%
63	61,001 - 62,000	-		-	6	50.00%	106,950	3.48%
64	62,001 - 63,000	-		-	6	50.00%	106,950	3.48%
65	63,001 - 64,000	-		-	6	50.00%	106,950	3.48%
66	64,001 - 65,000	-		-	6	50.00%	106,950	3.48%
67	65,001 - 66,000	-		-	6	50.00%	106,950	3.48%
68	66,001 - 67,000	-		-	6	50.00%	106,950	3.48%
69	67,001 - 68,000	-		-	6	50.00%	106,950	3.48%
70	68,001 - 69,000	-		-	6	50.00%	106,950	3.48%
71	69,001 - 70,000	-		-	6	50.00%	106,950	3.48%
72	70,001 - 71,000	1	70,378	70,378	7	58.33%	177,328	5.77%
73	71,001 - 72,000	-		-	7	58.33%	177,328	5.77%
74	72,001 - 73,000	-		-	7	58.33%	177,328	5.77%
75	73,001 - 74,000	-		-	7	58.33%	177,328	5.77%
76	74,001 - 75,000	-		-	7	58.33%	177,328	5.77%
77	75,001 - 76,000	-		-	7	58.33%	177,328	5.77%
78	76,001 - 77,000	-		-	7	58.33%	177,328	5.77%
79	77,001 - 78,000	-		-	7	58.33%	177,328	5.77%
80	78,001 - 79,000	-		-	7	58.33%	177,328	5.77%
81	79,001 - 80,000	-		-	7	58.33%	177,328	5.77%
82	80,001 - 81,000	-		-	7	58.33%	177,328	5.77%
83	81,001 - 82,000	-		-	7	58.33%	177,328	5.77%
84	82,001 - 83,000	-		-	7	58.33%	177,328	5.77%
85	83,001 - 84,000	-		-	7	58.33%	177,328	5.77%
86	84,001 - 85,000	-		-	7	58.33%	177,328	5.77%
87	85,001 - 86,000	-		-	7	58.33%	177,328	5.77%
88	86,001 - 87,000	-		-	7	58.33%	177,328	5.77%
89	87,001 - 88,000	-		-	7	58.33%	177,328	5.77%
90	88,001 - 89,000	-		-	7	58.33%	177,328	5.77%
91	89,001 - 90,000	-		-	7	58.33%	177,328	5.77%
92	90,001 - 91,000	-		-	7	58.33%	177,328	5.77%
93	91,001 - 92,000	-		-	7	58.33%	177,328	5.77%
94	92,001 - 93,000	-		-	7	58.33%	177,328	5.77%
95	93,001 - 94,000	-		-	7	58.33%	177,328	5.77%
96	94,001 - 95,000	-		-	7	58.33%	177,328	5.77%
97	95,001 - 96,000	-		-	7	58.33%	177,328	5.77%
98	96,001 - 97,000	-		-	7	58.33%	177,328	5.77%
99	97,001 - 98,000	-		-	7	58.33%	177,328	5.77%
100	98,001 - 99,000	-		-	7	58.33%	177,328	5.77%
101	99,001 - 100,000	-		-	7	58.33%	177,328	5.77%
102	188,271 - 188,271	1	188,271	188,271	8	66.67%	365,599	11.89%
103	208,088 - 208,088	1	208,088	208,088	9	75.00%	573,687	18.66%
104	297,392 - 297,392	1	297,392	297,392	10	83.33%	871,079	28.33%
105	946,478 - 946,478	1	946,478	946,478	11	91.67%	1,817,557	59.12%
106	1,257,026 - 1,257,026	1	1,257,026	1,257,026	12	100.00%	3,074,583	100.00%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Construction
Meter Size: 3/4"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):	999,999	999,999

Charges	Present Rates	Proposed Rates
Base Charge:		$ 13.15
Tier One Rate:		
Tier Two Rate:		
Tier Three Rate:	$ 2.39	$ 3.31

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
107								
108	Totals	12		3,074,583	12		3,074,583	
109								
110	Total Bills	12						
111								
112								
113	Average Number of Customers		1					
114								
115	Average Consumption (gallons)		256,215					
116								
117	Median Consumption (gallons)		46,131					
118								
119								
120								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	12	$ -	12	$ 158
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	-	-	-	-
Tier Three	3,074,583	7,348	3,074,583	10,177
Usage Totals	3,074,583		3,074,583	
Revenue Totals		$ 7,348		$ 10,335

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Construction
Meter Size: 1"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):	999,999	999,999

Charges	Present Rates	Proposed Rates
Base Charge:		$ 13.15
Tier One Rate:		
Tier Two Rate:		
Tier Three Rate:	$ 2.39	$ 3.31

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	24	-	-	24	35.29%	-	0.00%
2	1	-	1,000	2	350	700	26	38.24%	700	0.00%
3	1,001	-	2,000	-		-	26	38.24%	700	0.00%
4	2,001	-	3,000	-		-	26	38.24%	700	0.00%
5	3,001	-	4,000	-		-	26	38.24%	700	0.00%
6	4,001	-	5,000	-		-	26	38.24%	700	0.00%
7	5,001	-	6,000	-		-	26	38.24%	700	0.00%
8	6,001	-	7,000	-		-	26	38.24%	700	0.00%
9	7,001	-	8,000	1	7,600	7,600	27	39.71%	8,300	0.05%
10	8,001	-	9,000	-		-	27	39.71%	8,300	0.05%
11	9,001	-	10,000	1	9,400	9,400	28	41.18%	17,700	0.10%
12	10,001	-	11,000	-		-	28	41.18%	17,700	0.10%
13	11,001	-	12,000	1	11,600	11,600	29	42.65%	29,300	0.17%
14	12,001	-	13,000	-		-	29	42.65%	29,300	0.17%
15	13,001	-	14,000	-		-	29	42.65%	29,300	0.17%
16	14,001	-	15,000	1	14,800	14,800	30	44.12%	44,100	0.25%
17	15,001	-	16,000	1	16,000	16,000	31	45.59%	60,100	0.34%
18	16,001	-	17,000	-		-	31	45.59%	60,100	0.34%
19	17,001	-	18,000	-		-	31	45.59%	60,100	0.34%
20	18,001	-	19,000	-		-	31	45.59%	60,100	0.34%
21	19,001	-	20,000	1	19,700	19,700	32	47.06%	79,800	0.46%
22	20,001	-	21,000	1	20,300	20,300	33	48.53%	100,100	0.57%
23	21,001	-	22,000	-		-	33	48.53%	100,100	0.57%
24	22,001	-	23,000	1	23,000	23,000	34	50.00%	123,100	0.70%
25	23,001	-	24,000	1	23,800	23,800	35	51.47%	146,900	0.84%
26	24,001	-	25,000	-		-	35	51.47%	146,900	0.84%
27	25,001	-	26,000	-		-	35	51.47%	146,900	0.84%
28	26,001	-	27,000	-		-	35	51.47%	146,900	0.84%
29	27,001	-	28,000	-		-	35	51.47%	146,900	0.84%
30	28,001	-	29,000	1	28,400	28,400	36	52.94%	175,300	1.00%
31	29,001	-	30,000	1	29,600	29,600	37	54.41%	204,900	1.17%
32	30,001	-	31,000	-		-	37	54.41%	204,900	1.17%
33	31,001	-	32,000	-		-	37	54.41%	204,900	1.17%
34	32,001	-	33,000	-		-	37	54.41%	204,900	1.17%
35	33,001	-	34,000	-		-	37	54.41%	204,900	1.17%
36	34,001	-	35,000	-		-	37	54.41%	204,900	1.17%
37	35,001	-	36,000	-		-	37	54.41%	204,900	1.17%
38	36,001	-	37,000	-		-	37	54.41%	204,900	1.17%
39	37,001	-	38,000	-		-	37	54.41%	204,900	1.17%
40	38,001	-	39,000	-		-	37	54.41%	204,900	1.17%
41	39,001	-	40,000	-		-	37	54.41%	204,900	1.17%
42	40,001	-	41,000	-		-	37	54.41%	204,900	1.17%
43	41,001	-	42,000	-		-	37	54.41%	204,900	1.17%
44	42,001	-	43,000	-		-	37	54.41%	204,900	1.17%
45	43,001	-	44,000	-		-	37	54.41%	204,900	1.17%
46	44,001	-	45,000	-		-	37	54.41%	204,900	1.17%
47	45,001	-	46,000	-		-	37	54.41%	204,900	1.17%
48	46,001	-	47,000	-		-	37	54.41%	204,900	1.17%
49	47,001	-	48,000	-		-	37	54.41%	204,900	1.17%
50	48,001	-	49,000	2	48,600	97,200	39	57.35%	302,100	1.72%
51	49,001	-	50,000	-		-	39	57.35%	302,100	1.72%
52	50,001	-	51,000	-		-	39	57.35%	302,100	1.72%
53	51,001	-	52,000	1	52,000	52,000	40	58.82%	354,100	2.02%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Construction
Meter Size: 1"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):	999,999	999,999

Charges	Present Rates	Proposed Rates
Base Charge:		$ 13.15
Tier One Rate:		
Tier Two Rate:		
Tier Three Rate:	$ 2.39	$ 3.31

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001	-	53,000	-		-	40	58.82%	354,100	2.02%
55	53,001	-	54,000	-		-	40	58.82%	354,100	2.02%
56	54,001	-	55,000	-		-	40	58.82%	354,100	2.02%
57	55,001	-	56,000	-		-	40	58.82%	354,100	2.02%
58	56,001	-	57,000	-		-	40	58.82%	354,100	2.02%
59	57,001	-	58,000	1	57,053	57,053	41	60.29%	411,153	2.35%
60	58,001	-	59,000	-		-	41	60.29%	411,153	2.35%
61	59,001	-	60,000	-		-	41	60.29%	411,153	2.35%
62	60,001	-	61,000	-		-	41	60.29%	411,153	2.35%
63	61,001	-	62,000	-		-	41	60.29%	411,153	2.35%
64	62,001	-	63,000	-		-	41	60.29%	411,153	2.35%
65	63,001	-	64,000	-		-	41	60.29%	411,153	2.35%
66	64,001	-	65,000	1	65,000	65,000	42	61.76%	476,153	2.72%
67	65,001	-	66,000	-		-	42	61.76%	476,153	2.72%
68	66,001	-	67,000	1	66,634	66,634	43	63.24%	542,787	3.10%
69	67,001	-	68,000	-		-	43	63.24%	542,787	3.10%
70	68,001	-	69,000	-		-	43	63.24%	542,787	3.10%
71	69,001	-	70,000	-		-	43	63.24%	542,787	3.10%
72	70,001	-	71,000	-		-	43	63.24%	542,787	3.10%
73	71,001	-	72,000	-		-	43	63.24%	542,787	3.10%
74	72,001	-	73,000	-		-	43	63.24%	542,787	3.10%
75	73,001	-	74,000	-		-	43	63.24%	542,787	3.10%
76	74,001	-	75,000	-		-	43	63.24%	542,787	3.10%
77	75,001	-	76,000	-		-	43	63.24%	542,787	3.10%
78	76,001	-	77,000	-		-	43	63.24%	542,787	3.10%
79	77,001	-	78,000	-		-	43	63.24%	542,787	3.10%
80	78,001	-	79,000	-		-	43	63.24%	542,787	3.10%
81	79,001	-	80,000	1	79,582	79,582	44	64.71%	622,369	3.55%
82	80,001	-	81,000	-		-	44	64.71%	622,369	3.55%
83	81,001	-	82,000	-		-	44	64.71%	622,369	3.55%
84	82,001	-	83,000	-		-	44	64.71%	622,369	3.55%
85	83,001	-	84,000	-		-	44	64.71%	622,369	3.55%
86	84,001	-	85,000	-		-	44	64.71%	622,369	3.55%
87	85,001	-	86,000	1	85,835	85,835	45	66.18%	708,204	4.04%
88	86,001	-	87,000	-		-	45	66.18%	708,204	4.04%
89	87,001	-	88,000	-		-	45	66.18%	708,204	4.04%
90	88,001	-	89,000	-		-	45	66.18%	708,204	4.04%
91	89,001	-	90,000	-		-	45	66.18%	708,204	4.04%
92	90,001	-	91,000	-		-	45	66.18%	708,204	4.04%
93	91,001	-	92,000	-		-	45	66.18%	708,204	4.04%
94	92,001	-	93,000	-		-	45	66.18%	708,204	4.04%
95	93,001	-	94,000	-		-	45	66.18%	708,204	4.04%
96	94,001	-	95,000	-		-	45	66.18%	708,204	4.04%
97	95,001	-	96,000	-		-	45	66.18%	708,204	4.04%
98	96,001	-	97,000	-		-	45	66.18%	708,204	4.04%
99	97,001	-	98,000	-		-	45	66.18%	708,204	4.04%
100	98,001	-	99,000	-		-	45	66.18%	708,204	4.04%
101	99,001	-	100,000	-		-	45	66.18%	708,204	4.04%
102	124,200	-	124,200	1	124,200	124,200	46	67.65%	832,404	4.75%
103	148,131	-	148,131	1	148,131	148,131	47	69.12%	980,535	5.59%
104	159,300	-	159,300	1	159,300	159,300	48	70.59%	1,139,835	6.50%
105	161,199	-	161,199	1	161,199	161,199	49	72.06%	1,301,034	7.42%
106	188,962	-	188,962	1	188,962	188,962	50	73.53%	1,489,996	8.50%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Construction
Meter Size: 1"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):	999,999	999,999

Charges	Present Rates	Proposed Rates
Base Charge:		$ 13.15
Tier One Rate:		
Tier Two Rate:		
Tier Three Rate:	$ 2.39	$ 3.31

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
107	199,100 - 199,100	1	199,100	199,100	51	75.00%	1,689,096	9.64%
108	261,610 - 261,610	1	261,610	261,610	52	76.47%	1,950,706	11.13%
109	278,200 - 278,200	1	278,200	278,200	53	77.94%	2,228,906	12.71%
110	280,418 - 280,418	1	280,418	280,418	54	79.41%	2,509,324	14.31%
111	304,752 - 304,752	1	304,752	304,752	55	80.88%	2,814,076	16.05%
112	345,300 - 345,300	1	345,300	345,300	56	82.35%	3,159,376	18.02%
113	347,256 - 347,256	1	347,256	347,256	57	83.82%	3,506,632	20.00%
114	350,607 - 350,607	1	350,607	350,607	58	85.29%	3,857,239	22.00%
115	431,300 - 431,300	1	431,300	431,300	59	86.76%	4,288,539	24.46%
116	465,100 - 465,100	1	465,100	465,100	60	88.24%	4,753,639	27.12%
117	563,600 - 563,600	1	563,600	563,600	61	89.71%	5,317,239	30.33%
118	631,600 - 631,600	1	631,600	631,600	62	91.18%	5,948,839	33.94%
119	676,500 - 676,500	1	676,500	676,500	63	92.65%	6,625,339	37.79%
120	747,100 - 747,100	1	747,100	747,100	64	94.12%	7,372,439	42.06%
121	1,542,200 - 1,542,200	1	1,542,200	1,542,200	65	95.59%	8,914,639	50.85%
122	1,613,200 - 1,613,200	1	1,613,200	1,613,200	66	97.06%	10,527,839	60.06%
123	2,191,500 - 2,191,500	1	2,191,500	2,191,500	67	98.53%	12,719,339	72.56%
124	4,810,600 - 4,810,600	1	4,810,600	4,810,600	68	100.00%	17,529,939	100.00%
125								
126	Totals	68		17,529,939	68		17,529,939	
127								
128	Total Bills	68						

Average Number of Customers	6
Average Consumption (gallons)	257,793
Median Consumption (gallons)	23,000

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	68	$ -	68	$ 894
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	-	-	-	-
Tier Three	17,529,939	41,897	17,529,939	58,024
Usage Totals	17,529,939		17,529,939	
Revenue Totals		$ 41,897		$ 58,918

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Construction
Meter Size: 3"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):	999,999	999,999

Charges	Present Rates	Proposed Rates
Base Charge:		$ 176.75
Tier One Rate:		
Tier Two Rate:		
Tier Three Rate:	$ 2.39	$ 3.31

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	9	-	-	9	36.00%	-	0.00%
2	1	-	1,000	1	700	700	10	40.00%	700	0.01%
3	1,001	-	2,000	-		-	10	40.00%	700	0.01%
4	2,001	-	3,000	-		-	10	40.00%	700	0.01%
5	3,001	-	4,000	-		-	10	40.00%	700	0.01%
6	4,001	-	5,000	-		-	10	40.00%	700	0.01%
7	5,001	-	6,000	-		-	10	40.00%	700	0.01%
8	6,001	-	7,000	-		-	10	40.00%	700	0.01%
9	7,001	-	8,000	-		-	10	40.00%	700	0.01%
10	8,001	-	9,000	-		-	10	40.00%	700	0.01%
11	9,001	-	10,000	1	9,600	9,600	11	44.00%	10,300	0.16%
12	10,001	-	11,000	-		-	11	44.00%	10,300	0.16%
13	11,001	-	12,000	-		-	11	44.00%	10,300	0.16%
14	12,001	-	13,000	-		-	11	44.00%	10,300	0.16%
15	13,001	-	14,000	-		-	11	44.00%	10,300	0.16%
16	14,001	-	15,000	-		-	11	44.00%	10,300	0.16%
17	15,001	-	16,000	-		-	11	44.00%	10,300	0.16%
18	16,001	-	17,000	2	16,900	33,800	13	52.00%	44,100	0.70%
19	17,001	-	18,000	-		-	13	52.00%	44,100	0.70%
20	18,001	-	19,000	-		-	13	52.00%	44,100	0.70%
21	19,001	-	20,000	-		-	13	52.00%	44,100	0.70%
22	20,001	-	21,000	-		-	13	52.00%	44,100	0.70%
23	21,001	-	22,000	-		-	13	52.00%	44,100	0.70%
24	22,001	-	23,000	-		-	13	52.00%	44,100	0.70%
25	23,001	-	24,000	1	23,400	23,400	14	56.00%	67,500	1.07%
26	24,001	-	25,000	-		-	14	56.00%	67,500	1.07%
27	25,001	-	26,000	-		-	14	56.00%	67,500	1.07%
28	26,001	-	27,000	-		-	14	56.00%	67,500	1.07%
29	27,001	-	28,000	-		-	14	56.00%	67,500	1.07%
30	28,001	-	29,000	-		-	14	56.00%	67,500	1.07%
31	29,001	-	30,000	-		-	14	56.00%	67,500	1.07%
32	30,001	-	31,000	-		-	14	56.00%	67,500	1.07%
33	31,001	-	32,000	-		-	14	56.00%	67,500	1.07%
34	32,001	-	33,000	-		-	14	56.00%	67,500	1.07%
35	33,001	-	34,000	-		-	14	56.00%	67,500	1.07%
36	34,001	-	35,000	-		-	14	56.00%	67,500	1.07%
37	35,001	-	36,000	-		-	14	56.00%	67,500	1.07%
38	36,001	-	37,000	-		-	14	56.00%	67,500	1.07%
39	37,001	-	38,000	-		-	14	56.00%	67,500	1.07%
40	38,001	-	39,000	-		-	14	56.00%	67,500	1.07%
41	39,001	-	40,000	-		-	14	56.00%	67,500	1.07%
42	40,001	-	41,000	-		-	14	56.00%	67,500	1.07%
43	41,001	-	42,000	-		-	14	56.00%	67,500	1.07%
44	42,001	-	43,000	-		-	14	56.00%	67,500	1.07%
45	43,001	-	44,000	-		-	14	56.00%	67,500	1.07%
46	44,001	-	45,000	-		-	14	56.00%	67,500	1.07%
47	45,001	-	46,000	-		-	14	56.00%	67,500	1.07%
48	46,001	-	47,000	-		-	14	56.00%	67,500	1.07%
49	47,001	-	48,000	-		-	14	56.00%	67,500	1.07%
50	48,001	-	49,000	-		-	14	56.00%	67,500	1.07%
51	49,001	-	50,000	1	49,300	49,300	15	60.00%	116,800	1.86%
52	50,001	-	51,000	-		-	15	60.00%	116,800	1.86%
53	51,001	-	52,000	-		-	15	60.00%	116,800	1.86%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Construction
Meter Size: 3"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):	999,999	999,999

Charges	Present Rates	Proposed Rates
Base Charge:		$ 176.75
Tier One Rate:		
Tier Two Rate:		
Tier Three Rate:	$ 2.39	$ 3.31

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-		-	15	60.00%	116,800	1.86%
55	53,001 - 54,000	-		-	15	60.00%	116,800	1.86%
56	54,001 - 55,000	-		-	15	60.00%	116,800	1.86%
57	55,001 - 56,000	-		-	15	60.00%	116,800	1.86%
58	56,001 - 57,000	-		-	15	60.00%	116,800	1.86%
59	57,001 - 58,000	-		-	15	60.00%	116,800	1.86%
60	58,001 - 59,000	-		-	15	60.00%	116,800	1.86%
61	59,001 - 60,000	-		-	15	60.00%	116,800	1.86%
62	60,001 - 61,000	-		-	15	60.00%	116,800	1.86%
63	61,001 - 62,000	-		-	15	60.00%	116,800	1.86%
64	62,001 - 63,000	-		-	15	60.00%	116,800	1.86%
65	63,001 - 64,000	-		-	15	60.00%	116,800	1.86%
66	64,001 - 65,000	-		-	15	60.00%	116,800	1.86%
67	65,001 - 66,000	-		-	15	60.00%	116,800	1.86%
68	66,001 - 67,000	-		-	15	60.00%	116,800	1.86%
69	67,001 - 68,000	-		-	15	60.00%	116,800	1.86%
70	68,001 - 69,000	-		-	15	60.00%	116,800	1.86%
71	69,001 - 70,000	-		-	15	60.00%	116,800	1.86%
72	70,001 - 71,000	-		-	15	60.00%	116,800	1.86%
73	71,001 - 72,000	-		-	15	60.00%	116,800	1.86%
74	72,001 - 73,000	-		-	15	60.00%	116,800	1.86%
75	73,001 - 74,000	-		-	15	60.00%	116,800	1.86%
76	74,001 - 75,000	-		-	15	60.00%	116,800	1.86%
77	75,001 - 76,000	-		-	15	60.00%	116,800	1.86%
78	76,001 - 77,000	-		-	15	60.00%	116,800	1.86%
79	77,001 - 78,000	-		-	15	60.00%	116,800	1.86%
80	78,001 - 79,000	-		-	15	60.00%	116,800	1.86%
81	79,001 - 80,000	-		-	15	60.00%	116,800	1.86%
82	80,001 - 81,000	-		-	15	60.00%	116,800	1.86%
83	81,001 - 82,000	-		-	15	60.00%	116,800	1.86%
84	82,001 - 83,000	-		-	15	60.00%	116,800	1.86%
85	83,001 - 84,000	-		-	15	60.00%	116,800	1.86%
86	84,001 - 85,000	-		-	15	60.00%	116,800	1.86%
87	85,001 - 86,000	-		-	15	60.00%	116,800	1.86%
88	86,001 - 87,000	-		-	15	60.00%	116,800	1.86%
89	87,001 - 88,000	-		-	15	60.00%	116,800	1.86%
90	88,001 - 89,000	-		-	15	60.00%	116,800	1.86%
91	89,001 - 90,000	1	89,200	89,200	16	64.00%	206,000	3.28%
92	90,001 - 91,000	-		-	16	64.00%	206,000	3.28%
93	91,001 - 92,000	-		-	16	64.00%	206,000	3.28%
94	92,001 - 93,000	-		-	16	64.00%	206,000	3.28%
95	93,001 - 94,000	-		-	16	64.00%	206,000	3.28%
96	94,001 - 95,000	-		-	16	64.00%	206,000	3.28%
97	95,001 - 96,000	-		-	16	64.00%	206,000	3.28%
98	96,001 - 97,000	-		-	16	64.00%	206,000	3.28%
99	97,001 - 98,000	-		-	16	64.00%	206,000	3.28%
100	98,001 - 99,000	1	98,900	98,900	17	68.00%	304,900	4.85%
101	99,001 - 100,000	-		-	17	68.00%	304,900	4.85%
102	111,700 - 111,700	1	111,700	111,700	18	72.00%	416,600	6.62%
103	206,300 - 206,300	1	206,300	206,300	19	76.00%	622,900	9.91%
104	209,000 - 209,000	1	209,000	209,000	20	80.00%	831,900	13.23%
105	216,900 - 216,900	1	216,900	216,900	21	84.00%	1,048,800	16.68%
106	245,200 - 245,200	1	245,200	245,200	22	88.00%	1,294,000	20.58%

Rio Verde Utilities, Inc. - Water Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT2
Schedule H-5
Witness: Jones

Class: Construction
Meter Size: 3"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):		
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):	999,999	999,999

Charges	Present Rates	Proposed Rates
Base Charge:		$ 176.75
Tier One Rate:		
Tier Two Rate:		
Tier Three Rate:	$ 2.39	$ 3.31

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
107	506,200 - 506,200	1	506,200	506,200	23	92.00%	1,800,200	28.63%
108	1,905,800 - 1,905,800	1	1,905,800	1,905,800	24	96.00%	3,706,000	58.93%
109	2,582,400 - 2,582,400	1	2,582,400	2,582,400	25	100.00%	6,288,400	100.00%
110								
111	Totals	25		6,288,400	25		6,288,400	
112								
113	Total Bills	25						
114								
115								
116	Average Number of Customers		2					
117								
118	Average Consumption (gallons)		251,536					
119								
120	Median Consumption (gallons)		16,900					
121								
122								
123								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	25	$ -	25	$ 4,419
Usage (gallons)				
Tier One	-	$ -	-	$ -
Tier Two	-	-	-	-
Tier Three	6,288,400	15,029	6,288,400	20,815
Usage Totals	6,288,400		6,288,400	
Revenue Totals		$ 15,029		$ 25,233

Exhibit RLJ-DT3

Wastewater Division Schedules

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Index of Standard Filing Schedules

Exhibit: RLJ-DT3
Index
Page 1
Witness: Jones

Schedule Number	Title
Schedule A-1	Computation of Increase in Gross Revenue Requirement
Schedule A-2	Summary of Results of Operations
Schedule A-3	Summary of Capital Structure
Schedule A-4	Construction Expenditures and Gross Utility Plant in Service
Schedule A-5	Summary Changes in Financial Position
Schedule B-1	Summary of Original Cost Rate Base Elements
Schedule B-2	Original Cost Rate Base Pro forma Adjustments
Schedule B-2.1	Reconciliation of Plant Additions, Retirements and Accumulated Depreciation
Schedule B-5	Computation of Working Capital
Schedule C-1	Adjusted Test Year Income Statement
Schedule C-2	Income Statement Pro forma Adjustments
Schedule C-3	Computation of Gross Revenue Conversion Factor
Schedule D-1	Summary of Cost of Capital
Schedule D-2	Cost of Long-Term and Short-Term Debt
Schedule D-3	Cost of Preferred Stock
Schedule D-4	Cost of Common Equity
Schedule E-1	Comparative Balance Sheet
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Schedule E-3	Comparative Statement of Changes in Financial Position
Schedule E-4	Statement of Changes in Stockholder's Equity
Schedule E-5	Detail of Utility Plant
Schedule E-7	Operating Statistics
Schedule E-8	Taxes Charged to Operations
Schedule E-9	Notes To Financial Statements
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Schedule F-2	Projected Changes in Financial Position - Present and Proposed Rates
Schedule F-3	Projected Construction Requirements
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Schedule H-1	Summary of Revenues by Customer Classification - Present and Proposed Rates
Schedule H-2	Analysis of Revenues by Detailed Class
Schedule H-3	Changes In Representative Rate Schedules
Schedule H-4	Typical Bill Analysis
Schedule H-5	Bill Count

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Computation of Increase in Gross Revenue Requirements

Exhibit: RLJ-DT3
Schedule A-1
Page 1
Witness: Jones

Line No.			OCRB
1	Adjusted Rate Base	$	4,316,764
2			
3	Adjusted Operating Income		(7,812)
4			
5	Current Rate of Return		-0.18%
6			
7	Required Rate of Return		9.28%
8			
9	Required Operating Income	$	400,622
10			
11	Operating Income Deficiency	$	408,433
12			
13	Gross Revenue Conversion Factor		1.5983
14			
15	Increase in Gross Revenue	$	652,818
16			
17	Adjusted Test Year Revenue	$	960,057
18			
19	Proposed Annual Revenue	$	1,612,876
20			
21	Percent Increase in Gross Revenue		68.00%
22			
23			
24			

	Customer Classification	Projected Revenue Increase Due To Rates	% Dollar Increase
30	Residential	$ 592,356	68.75%
31	Commercial - Typical	32,061	68.80%
32	Commercial - Restaurant	7,200	100.00%
33	Effluent	20,261	44.33%
34			
35			
36	Total Revenue Increase	$ 651,877	67.62%

38 Supporting Schedules:
39 B-1 C-1
40 C-3 H-1
41

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Summary Results of Operations

Exhibit: RLJ-DT3
Schedule A-2
Page 1
Witness: Jones

Line No.	Description	Prior Years Ended 12/31/2013	Prior Years Ended 12/31/2014	Test Year Actual 12/31/2015	Test Year Adjusted 12/31/2015	Projected Year Present Rates 12/31/2016	Projected Year Proposed Rates 12/31/2016
1	Gross Revenues	$ 961,458	$ 967,661	$ 1,012,557	$ 960,057	$ 967,977	$ 1,620,796
2	Revenue Deductions and						
3	Operating Expenses	782,299	838,004	852,983	967,869	974,659	1,219,044
4	Operating Income	179,160	129,657	159,574	(7,812)	(6,682)	401,752
5							
6	Other Income and						
7	Deductions	(8,667)	(609)	(523)	(523)	(523)	(523)
8	Interest Expense	(45,489)	(34,612)	(22,379)	(16,722)	(16,722)	(16,722)
9	Net Income	$ 125,004	$ 94,436	$ 136,672	$ (25,057)	$ (23,927)	$ 384,507
10							
11	Earned Per Average						
12	Common Share	0.10	0.07	0.10	(0.02)	(0.02)	0.29
13							
14	Dividends Per						
15	Common Share	-	-	-	-	-	-
16							
17	Payout Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18							
19	Return on Average						
20	Invested Capital	1.9%	1.4%	2.1%	-0.4%	-0.3%	5.3%
21							
22	Return on Year End						
23	Capital	1.9%	1.5%	2.1%	-0.4%	-0.3%	4.9%
24							
25	Return on Average						
26	Common Equity	3.8%	2.8%	3.8%	-0.7%	-0.7%	10.7%
27							
28	Return on Year End						
29	Common Equity	3.7%	2.7%	3.7%	-0.7%	-0.6%	10.5%
30							
31	Times Bond Interest Earned						
32	Before Income Taxes	4.16	4.60	7.25	(0.83)	(0.83)	37.81
33							
34	Times Total Interest and						
35	Preferred Dividends Earned						
36	After Income Taxes	3.94	3.75	7.13	(0.47)	(0.47)	23.96
37							
38							
39	Supporting Schedules:						
40	E-2 F-1						
41	C-1						
42							

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Summary of Capital Structure

Exhibit: RLJ-DT3
Schedule A-3
Page 1
Witness: Jones

Line No.	Description:	Prior Years Ended 12/31/2013	Prior Years Ended 12/31/2014	Test Year 12/31/2015	Projected Year 12/31/2016
1					
2					
3	Short-Term Debt	-	-	-	-
4	Long-Term Debt	1,247,961	1,015,285	791,493	455,411
5	Total Debt	$ 1,247,961	$ 1,015,285	$ 791,493	$ 455,411
6					
7	Preferred Stock	-	-	-	-
8	Common Equity	3,355,865	3,486,985	3,683,323	3,659,396
9	Total Capital & Debt	$ 4,603,826	$ 4,502,270	$ 4,474,816	$ 4,114,807
10					
11					
12	Capitalization Ratios:				
13					
14	Short-Term Debt	0.00%	0.00%	0.00%	0.00%
15	Long-Term Debt	27.11%	22.55%	17.69%	11.07%
16	Total Debt	27.11%	22.55%	17.69%	11.07%
17					
18	Preferred Stock	0.00%	0.00%	0.00%	0.00%
19	Common Equity	72.89%	77.45%	82.31%	88.93%
20	Total Capital	100.00%	100.00%	100.00%	100.00%
21					
22	Weighted Cost of				
23	Short-term Debt	0.0000%	0.0000%	0.0000%	0.0000%
24					
25	Weighted Cost of				
26	Long-term Debt	1.1038%	0.9183%	0.7202%	0.3874%
27					
28	Weighted Cost of				
29	Senior Capital	1.1038%	0.9183%	0.7202%	0.3874%
30					
31					
32					
33					
34					
35	Supporting Schedules:				
36	E-1 D-1				
37					

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Construction Expenditures and Gross Utility Plant In Service

Exhibit: RLJ-DT3
Schedule A-4
Page 1
Witness: Jones

Line No.	Year		Construction Expenditures	Net Plant Placed In Service	Gross Utility Plant In Service
1					
2	Prior Year Ended	12/31/2013	$ 15,546	$ 2,584	$ 7,635,870
3					
4	Prior Year Ended	12/31/2014	14,593	1,294,539	8,930,409
5					
6	Test Year Ended	12/31/2015	139,817	42,203	8,972,612
7					
8	Projected Year Ending	12/31/2016	1,055,418	1,055,418	10,028,030
9					
10	Projected Year Ending	12/31/2017	829,200	829,200	10,857,230
11					
12	Projected Year Ending	12/31/2018	494,050	494,050	11,351,280
13					
14	Supporting Schedules:				
15	F-3				
16	B-2.1				
17					

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Summary Changes In Financial Position

Exhibit: RLJ-DT3
Schedule A-5
Page 1
Witness: Jones

Line No.		Prior Year Ended 12/31/2013	Prior Year Ended 12/31/2014	Test Year Ended 12/31/2015	Projected Year Present Rates 12/31/2016	Projected Year Proposed Rates 12/31/2017
1	Source of Funds					
2	Operations	$ 270,847	$ 281,750	$ 309,148	$ 226,178	$ 634,612
3						
4	Outside Financing	(214,410)	(232,676)	(208,792)	466,806	466,806
5						
6	Total Funds Provided	$ 56,437	$ 49,074	$ 100,355	$ 692,984	$ 1,101,418
7						
8	Application of Funds					
9	Constriction Expenditures	$ (2,584)	$ (14,593)	$ (127,969)	$ (1,055,418)	$ (1,055,418)
10						
11	Dividends/Distributions	-	-	-	-	-
12						
13	Other	-	-	-	-	-
14						
15	Total Funds Applied	$ (2,584)	$ (14,593)	$ (127,969)	$ (1,055,418)	$ (1,055,418)
16						
17	Change in Allocation between Departments	$ (60,197)	$ 36,683	$ 38,308	$ -	$ -
18						
19	Net Increase/(Decrease) in Cash	$ (6,345)	$ 71,164	$ 10,694	$ (362,434)	$ 46,000
20						
21						
22						
23	Supporting Schedules:					
24	E-3					
25	F-2					
26						

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Summary of Original Cost Rate Base Elements

Exhibit: RLJ-DT3
Schedule B-1
Page 1
Witness: Jones

Line No.		Original Cost Rate Base*
1		
2	Gross Utility Plant in Service	$ 9,314,971
3		
4	Less: Accumulated Depreciation	(3,265,158)
5		
6	Net Utility Plant in Service	6,049,813
7		
8	Less:	
9	Advances in Aid of Construction	-
10		
11	Contributions in Aid of Construction	2,473,879
12	Accumulated Amortization of CIAC	(1,341,725)
13	Contributions in Aid of Construction - Net	1,132,153
14		
15	Customer Security Deposits	-
16	Deferred Income Taxes	685,413
17		
18	Plus:	
19	Working Capital	84,518
20	Net Regulatory Asset / (Liability)	-
21		
22	Rate Base	$ 4,316,764
23		
24	* including pro forma adjustments	
25		
26		
27	Supporting Schedules:	Recap Schedules:
28	B-2 B-5	A-1
29	B-3 E-1	
30		

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Original Cost Rate Base Pro forma Adjustments

Exhibit: RLJ-DT3
Schedule B-2
Page 1
Witness: Jones

Line No.		Actual End of Test Year	ADJ OC-1	ADJ OC-2	ADJ OC-3	Total Pro Forma Adjustments	Adjusted End of Test Year
1							
2	Gross Utility Plant in Service	$ 8,994,900	$ 320,071			$ 320,071	$ 9,314,971
3							
4	Less: Accumulated Depreciation	(3,362,984)		97,825		97,825	(3,265,158)
5							
6	Net Utility Plant in Service	5,631,916	320,071	97,825	-	417,897	6,049,813
7							
8	Less:						
9	Advances in Aid of Construction	-				-	-
10							
11	Contributions in Aid of Construction	2,473,879			-	-	2,473,879
12	Accumulated Amortization of CIAC	(1,342,155)			429	429	(1,341,725)
13	Contributions in Aid of Construction - Net	1,131,724	-	-	429	429	1,132,153
14							
15	Customer Security Deposits	-				-	-
16	Deferred Income Taxes	685,413				-	685,413
17							
18	Plus:						
19	Working Capital	84,518				-	84,518
20	Net Regulatory Asset / (Liability)					-	-
21							
22	Rate Base	$ 3,899,296	$ 320,071	$ 97,825	$ (429)	$ 417,467	$ 4,316,764
23							
24							
25							
26							
27							
28	Supporting Schedules:					Recap Schedules:	
29	E-1					B-1	
30							

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1
Plant In Service Adjustments

Exhibit: RLJ-DT3
Schedule B-2
Page 2
Witness: Jones

Line No.	Acct No.	Description	Actual End of Test Year	Book Adjustments - (Included on Schedule B.2.1) [OC-1.1] Remove Error	[OC-1.2] Trans. Retirements	[OC-1.3] Reclass M&S	[OC-1.4] M&S Retirements	Adjusted Book End of Test Year[1]	Rate Making Adjustments [OC-1.5] Post-Test Year Plant	[OC-1.6] Post-Test Year Retirement	Adjusted End of Test Year	
4	351	Organization Cost	$ 1,380					$ 1,380			$ 1,380	
5	352	Franchise Cost	-					-			-	
6	353	Land and Land Rights	50,513					50,513			50,513	
7	354	Structures & Improvements	292,660			1,647		294,308			294,308	
8	355	Power Generation Equipment	-					-			-	
9	360	Collection Sewers - Force	-					-			-	
10	361	Collection Sewers - Gravity	3,809,943					3,809,943			3,809,943	
11	362	Special Collection Structures	-					-			-	
12	363	Services to Customers	562,446					562,446			562,446	
13	364	Flow Measuring Devices	-					-			-	
14	365	Flow Measuring Installations	-					-			-	
15	366	Reuse Services	-					-			-	
16	367	Reuse Meters and Meter Installations	-					-			-	
17	368	Lift Stations	267,250			3,743	(2,950)	268,043	20,000	(10,000)	278,043	
18	371	Pumping Equipment	29,504					29,504			29,504	
19	374	Reuse Distribution Reservoirs	-					-			-	
20	375	Reuse Transmission & Distribution	-					-			-	
21	380	Treatment and Disposal Equipment	3,653,797			6,458	(5,050)	3,655,204	350,000	(40,000)	3,965,204	
22	381	Plant Sewers	-					-			-	
23	382	Outfall Sewer Lines	61,069					61,069			61,069	
24	389	Other Plant & Misc. Equipment	-					-			-	
25	390	Office Furniture & Equipment	10,927					10,927			10,927	
26	390.1	Computers & Software	-					-			-	
27	391	Transportation Equipment	80,211	(803)	(25,333)			54,076	26,359	(4,000)	76,435	
28	392	Stores Equipment	-					-			-	
29	393	Tools, Shop & Garage Equipment	29,152					29,152			29,152	
30	394	Laboratory Equipment	66,629					66,629			66,629	
31	395	Power Operated Equipment	-					-			-	
32	396	Communication Equipment	9,300					9,300			9,300	
33	397	Miscellaneous Equipment	-					-			-	
34	398	Other Tangible Plant	70,118					70,118			70,118	
35		TOTALS	$ 8,994,900	$ (803)	$ (25,333)	$ 11,848	$ (8,000)	$ 8,972,612	$ 396,359	$ (54,000)	$ 9,314,971	Equity Adj.
36		Equity Adjustments (Schedule D-1)		$ (803)		$ 11,848						$ 11,045
37												
38		Plant In Service per Books									$ 8,994,900	
39												
40		Increase / (Decrease) in Plant in Service									$ 320,071	

41 [1] Adjusted plant in service balance including all book adjustments. Agrees with 2014 plant in service balance on Schedule B2.1.

42

43 Supporting Schedules: Workpapers:
44 B-2.1
45

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1.1

Exhibit: RLJ-DT3
Schedule B-2
Page 3
Witness: Jones

Remove Plant Booked in Error

This adjustment removes a plant entry made in error.

Line No.	Plant Acct	Description	Adjustment Amount
1			
2			
3	391	Transportation Equipment	$ (802.50)
4			
5			
6		Total Increase/(Decrease) in Plant In Service	$ (802.50)
7			
8	Workpapers:		
9	RV Plant Workpaper.xlsx. Tabs:Swr Summary; Sewer Plant		
10			
11			
12			

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1.2

Exhibit: RLJ-DT3
Schedule B-2
Page 4
Witness: Jones

Properly Record Transportation Retirements

This adjustment properly records the retirement of several items of transportation equipment that were either not retired or retired improperly.

Line No.	Plant Acct	Description	Adjustment Amount	
1				
2				
3	391	Retire 1995 Ford Ranger	$ (5,636.00)	
4	391	Retire 1999 Ford Ranger	(6,241.01)	
5	391	Correct Retirement 1999 F150 Pickup	802.50	
6	391	Correct Retirement 2003 F150 Pickup	(0.07)	
7	391	Retire Dodge Ram	(1,250.00)	
8	391	Retire Nissan Frontier	(12,442.27)	
9	391	Retire Golf Cart	(565.95)	
10			$ (25,332.80)	
11				
12		Total Increase/(Decrease) in Plant In Service		$ (25,332.80)
13				
14	Workpapers:			
15	RV Plant Workpaper.xlsx. Tabs:Swr Summary; Sewer Plant			
16				
17				

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1.3

Exhibit: RLJ-DT3
Schedule B-2
Page 5
Witness: Jones

Reclassify Materials and Supplies Expense to Capital
This adjustment properly capitalizes costs that were charged to Materials and Supplies Expenses.

Line No.	Plant Acct	Description	Plant Amount	
1				
2	354	Structures & Improvements	$ 1,647.36	
3	368	Lift Stations	3,742.57	
4	380	Treatment and Disposal Equipment	6,457.72	
5			$ 11,847.65	
6				
7		Total Increase/(Decrease) in Plant In Service		$ 11,847.65
8				
9	Workpapers:			
10	RV Rate Case Data.xlsx. Tab: Cap M&S			
11	RV Plant Workpaper.xlsx. Tabs:Swr Summary; Sewer Plant			
12				

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1.4

Exhibit: RLJ-DT3
Schedule B-2
Page 6
Witness: Jones

Record Plant Retirements Associated with Reclassified Materials and Supplies Expense to Capital
This adjustment records retirements associated with recapitalized Materials and Supplies Expenses.

Line No.	Plant Acct	Description	Plant Amount	
1				
2	368	Lift Stations	$ (2,950.00)	
3	380	Treatment and Disposal Equipment	(5,050.00)	
4			$ (8,000.00)	
5				
6		Total Increase/(Decrease) in Plant In Service		$ (8,000.00)
7				
8	Workpapers:			
9	RV Rate Case Data.xlsx. Tab: Cap M&S			
10	RV Plant Workpaper.xlsx. Tabs:Sew Summary; Sewer Plant			
11				

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1.5

Exhibit: RLJ-DT3
Schedule B-2
Page 7
Witness: Jones

Post Test-Year Plant

This adjustment is to record major items of post-test year plant completed in 2016.

Line No.	Plant Acct	Description	Adjustment Amount	
1				
2				
3	368	Lift Stations	$ 20,000.00	Ranch Lift Station
4	380	Treatment and Disposal Equipment	350,000.00	Equalization Basin & Solids Handling Press
5	391	Transportation Equipment	26,359.00	Purchase two F-150 Trucks - 1/2 of cost water & 1/2 of cost wastewater
6			$ 396,359.00	
7				
8				
9		Total Increase/(Decrease) in Plant In Service		$ 396,359.00
10				
11				
12				
13				

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-1.6

Exhibit: RLJ-DT3
Schedule B-2
Page 8
Witness: Jones

Post-Test Year Retirement

This adjustment records the retirement of plant replaced by post-test year plant in 2016.

Line No.	Plant Acct	Description	Adjustment Amount		
1					
2					
3					
4	368	Lift Stations	$ (10,000.00)	Retire Ranch Lift Station	
5	380	Treatment and Disposal Equipment	(40,000.00)	Retire Plate Press	
6	391	Transportation Equipment	(4,000.00)	Retire 2005 GMC Truck	
7			$ (54,000.00)		
8					
9		Total Increase/(Decrease) in Plant In Service			$ (54,000.00)
10					
11					
12					

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-2
Accumulated Depreciation Adjustments

Exhibit: RLJ-DT3
Schedule B-2
Page 9
Witness: Jones

Line No.	Acct No.	Description	Actual End of Test Year	Book Adjustments - (Included on Schedule B.2.1) [OC-2.1] Record Salvage	[OC-2.2] Trans. Retirements	[OC-2.3] R&M Retirements	[OC-2.4] Difference From Calc'd on B-2.1	Adjusted Book End of Test Year[1]	Rate Making Adjustments [OC-2.5] Post-Test Year Retirement	NOT USED	NOT USED	Adjusted End of Test Year	
4	351	Organization Cost					$ -	$ -				$ -	
5	352	Franchise Cost					-	-				-	
6	353	Land and Land Rights					-	-				-	
7	354	Structures & Improvements					159,782	159,782				159,782	
8	355	Power Generation Equipment					-	-				-	
9	360	Collection Sewers - Force					-	-				-	
10	361	Collection Sewers - Gravity					1,228,810	1,228,810				1,228,810	
11	362	Special Collection Structures					-	-				-	
12	363	Services to Customers					319,872	319,872				319,872	
13	364	Flow Measuring Devices					-	-				-	
14	365	Flow Measuring Installations					-	-				-	
15	366	Reuse Services					-	-				-	
16	367	Reuse Meters and Meter Installations					-	-				-	
17	368	Lift Stations				(2,950)	118,329	115,379	(10,000)			105,379	
18	371	Pumping Equipment					16,446	16,446				16,446	
19	374	Reuse Distribution Reservoirs					-	-				-	
20	375	Reuse Transmission & Distribution					-	-				-	
21	380	Treatment and Disposal Equipment				(5,050)	1,387,501	1,382,451	(40,000)			1,342,451	
22	381	Plant Sewers					-	-				-	
23	382	Outfall Sewer Lines					34,731	34,731				34,731	
24	389	Other Plant & Misc. Equipment					-	-				-	
25	390	Office Furniture & Equipment					1,807	1,807				1,807	
26	390.1	Computers & Software					-	-				-	
27	391	Transportation Equipment		6,132	(25,333)		(3,825)	(23,026)	(3,750)			(26,776)	
28	392	Stores Equipment					-	-				-	
29	393	Tools, Shop & Garage Equipment					6,736	6,736				6,736	
30	394	Laboratory Equipment					33,222	33,222				33,222	
31	395	Power Operated Equipment					-	-				-	
32	396	Communication Equipment					4,976	4,976				4,976	
33	397	Miscellaneous Equipment					-	-				-	
34	398	Other Tangible Plant					37,723	37,723				37,723	
35		TOTALS	$ 3,362,984	$ 6,132	$ (25,333)	$ (8,000)	$ (16,875)	$ 3,318,908	$ (53,750)	$ -	$ -	$ 3,265,158	Equity Adj.
36		Equity Adjustments (Schedule D-1)		$ (6,132)			$ 16,875						$ 10,743
37													
38		Accumulated Depreciation per Books										$ 3,362,984	
39													
40		Increase / (Decrease) in Accumulated Depreciation										$ (97,825)	
41													

42 [1] Adjusted accumulated depreciation balance including all book adjustments. Agrees with 2015 accumulated depreciation balance on Schedule B2.1.

43 Supporting Schedules: Workpapers:

44 B-2.1

45

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-2.1

Exhibit: RLJ-DT3
Schedule B-2
Page 10
Witness: Jones

Properly Record Salvage Received

This adjustment properly records amounts received for salvage of items of plant as a credit to accumulated depreciation as required by NARUC USOC accounting instructions.

Line No.	Description	Year	Plant Acct	Adjustment Amount	
1					
2	Insurance Claim 1999 F-150	2006	391	$ 4,153.82	
3	Insurance Claim 2003 F-150	2013	391	1,978.51	
4				$ 6,132.33	
5					
6	Total Increase/(Decrease) in Accumulated Depreciation				$ 6,132.33
7					
8					
9					
10					
11					
12					

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-2.2

Exhibit: RLJ-DT3
Schedule B-2
Page 11
Witness: Jones

Properly Record Transportation Retirements

This adjustment properly records the retirement of several items of transportation equipment that were either not retired or retired improperly.

Line No.	Plant Acct	Description	Adjustment Amount
1			
2			
3	391	Retire 1995 Ford Ranger	$ (5,636.00)
4	391	Retire 1999 Ford Ranger	(6,241.01)
5	391	Correct Retirement 1999 F150 Pickup	802.50
6	391	Correct Retirement 2003 F150 Pickup	(0.07)
7	391	Retire Dodge Ram	(1,250.00)
8	391	Retire Nissan Frontier	(12,442.27)
9	391	Retire Golf Cart	(565.95)
10			$ (25,332.80)
11			
12			
13		Total Increase/(Decrease) in Accumulated Depreciation	$ (25,332.80)
14			
15		Workpapers:	
16		RV Plant Workpaper.xlsx. Tabs:Swr Summary; Sewer Plant	
17			
18			

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-2.3

Exhibit: RLJ-DT3
Schedule B-2
Page 12
Witness: Jones

Record Plant Retirements Associated with Reclassified Materials and Supplies Expense to Capital
This adjustment records retirements associated with capitalized Materials and Supplies Expenses.

Line No.	Plant Acct	Description	Retirement Amount
1			
2	368	Lift Stations	$ (2,950.00)
3	380	Treatment and Disposal Equipment	(5,050.00)
4			$ (8,000.00)
5			
6		Total Increase/(Decrease) in Accumulated Depreciation	$ (8,000.00)
7			
8	Workpapers:		
9	RV Rate Case Data.xlsx. Tab: Cap R&M		
10	RV Plant Workpaper.xlsx. Tabs:Wtr Summary; Water Plant		
11			

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-2.5

Exhibit: RLJ-DT3
Schedule B-2
Page 13
Witness: Jones

Post-Test Year Retirement

This adjustment records the retirement of a 2005 GMC Truck that water replaced in 2016. The adjustment is necessary because the new F-150 Truck is included as a post-test year plant adjustment.

Line No.	Plant Acct	Description	Adjustment Amount	
1				
2				
3	368	Lift Stations	$ (10,000.00)	Retire Ranch Lift Station
4	380	Treatment and Disposal Equipment	(40,000.00)	Retire Plate Press
5	391	Transportation Equipment	(4,000.00)	Retire 2005 GMC Truck
6	391	Transportation Equipment	250.00	Salvage Received 2005 GMC Truck
7			$ (53,750.00)	
8				
9				
10		Total Increase/(Decrease) in Accumulated Depreciation		$ (53,750.00)
11				
12				
13				

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-3

Exhibit: RLJ-DT3
Schedule B-2
Page 14
Witness: Jones

Contributions-In-Aid of Construction (CIAC) and Accumulated Amortization of CIAC

Line No.		CIAC	Accumulated Amortization
1			
2	Calculated Balance at 12/31/2014	$ 2,473,879	$ 1,341,725
3			
4	Book Balance at 12/31/2014	$ 2,473,879	$ 1,342,155
5			
6	Increase / (Decrease) in CIAC or AA CIAC	$ -	$ (429)
7			
8	Equity Adjustments (Schedule D-1)	$ -	$ (429)
9			
10			
11			
12			
13			
14			
15	Supporting Schedules:	Workpaper:	
16	Schedule B-2, Page 8.1 and 8.2		
17			

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-3

Exhibit: RLJ-DT3
Schedule B-2
Page 14.1
Witness: Jones

Calculation of CIAC Balances

Line No.		Decision No. 63585 Balance 12/31/1999	2000 Additions	2000 Balance	2001 Additions	2001 Balance	2002 Additions	2002 Balance	2003 Additions	2003 Balance
2	CIAC	2,281,879	49,500	2,331,379		2,331,379		2,331,379		2,331,379
4	Total CIAC	2,281,879		2,331,379		2,331,379		2,331,379		2,331,379
6	Amortization Rate			2.60375%		2.60375%		2.60375%		2.60375%
8	Amortization CIAC (half-yr convention)			60,059		60,703		60,703		60,703
10	Accumulated Amortization of CIAC	335,791		395,850		456,553		517,256		577,960
12	Net CIAC	1,946,088		1,935,529		1,874,826		1,814,122		1,753,419

	2004 Additions	2004 Balance	2005 Additions	2005 Balance	2006 Additions	2006 Balance	2007 Additions	2007 Balance
CIAC	31,500	2,362,879	75,000	2,437,879	21,000	2,458,879	-	2,458,879
Total CIAC		2,362,879		2,437,879		2,458,879		2,458,879
Amortization Rate		2.6038%		2.6038%		2.6038%		2.6038%
Amortization CIAC (half-yr convention)		61,113		62,500		63,750		64,023
Accumulated Amortization of CIAC		639,073		701,573		765,323		829,346
Net CIAC		1,723,806		1,736,306		1,693,556		1,629,533

	2008 Additions	2008 Balance	2009 Additions	2009 Balance	2010 Additions	2010 Balance	2011 Additions	2011 Balance
CIAC	-	2,458,879	-	2,458,879	-	2,458,879	-	2,458,879
Total CIAC		2,458,879		2,458,879		2,458,879		2,458,879
Amortization Rate		2.6038%		2.6038%		2.6038%		2.6038%
Amortization CIAC (half-yr convention)		64,023		64,023		64,023		64,023
Accumulated Amortization of CIAC		893,369		957,392		1,021,415		1,085,438
Net CIAC		1,565,510		1,501,487		1,437,464		1,373,441

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Rate Base Adjustment OC-3

Exhibit: RLJ-DT3
Schedule B-2
Page 14.2
Witness: Jones

Line No.		2012		2013		2014		2015	
		Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance
5	CIAC	-	2,458,879	-	2,458,879	-	2,458,879	15,000	2,473,879
7	Total CIAC		2,458,879		2,458,879		2,458,879		2,473,879
9	Amortization Rate		2.6038%		2.6038%		2.6038%		2.6038%
11	Amortization CIAC (half-yr convention)		64,023		64,023		64,023		64,218
13	Accumulated Amortization of CIAC		1,149,461		1,213,484		1,277,507		1,341,725
15	Net CIAC		1,309,418		1,245,395		1,181,372		1,132,153

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
Page 1
Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	Data from Last Rate Case: [1] Pre Setlmt PIS at 12/31/1999	[2] Settlement PHFU	[3] Dec. 63585 PIS at 12/31/1999 [1]+[2]	[4] Dec. 63585 Accum Depr 12/31/1999	Conform and Adjust Current Books: [5] Book Plant at 12/31/1999	[6] Difference From Decision [3]-[5]	[7] Adjusted Plant at 12/31/1999 [5]	[8] Allocate Accumulated Depreciation	[9] Adjusted Net Plant 12/31/1999 [7]-[8]
1	351	Organization Cost		1,380		1,380		1,380	-	1,380		1,380
2	352	Franchise Cost		-		-		-	-	-		-
3	353	Land and Land Rights		50,513		50,513		50,513	-	50,513		50,513
4	354	Structures & Improvements	2.60%	277,883		277,883		277,883	-	277,883	42,270	235,613
5	355	Power Generation Equipment	2.60%	-		-		-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-		-		-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	1,723,698		1,723,698		1,723,698	-	1,723,698	262,201	1,461,496
8	362	Special Collection Structures	2.60%	-		-		-	-	-	-	-
9	363	Services to Customers	2.60%	562,446		562,446		562,446	-	562,446	85,557	476,889
10	364	Flow Measuring Devices	2.60%	-		-		-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-		-		-	-	-	-	-
12	366	Reuse Services	2.60%	-		-		-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-		-		-	-	-	-	-
14	368	Lift Stations	2.60%	194,885		194,885		194,885	-	194,885	29,645	165,240
15	371	Pumping Equipment	2.60%	29,905		29,905		29,904	0.22	29,904	4,549	25,355
16	374	Reuse Distribution Reservoirs	2.60%	-		-		-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-		-		-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	3,636,517	(1,290,350)	2,346,167		2,346,163	3.47	2,346,163	356,888	1,989,275
19	381	Plant Sewers	2.60%	-		-		-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	61,069		61,069		61,069	-	61,069	9,290	51,780
21	389	Other Plant & Misc. Equipment	2.60%	-		-		-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	-		-		-	-	-	-	-
23	390.1	Computers & Software	2.60%	-		-		-	-	-	-	-
24	391	Transportation Equipment	2.60%	14,130		14,130		14,130	-	14,130	2,149	11,981
25	392	Stores Equipment	2.60%	-		-		-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	1,403		1,403		1,403	-	1,403	213	1,189
27	394	Laboratory Equipment	2.60%	58,223		58,223		58,223	-	58,223	8,857	49,367
28	395	Power Operated Equipment	2.60%	-		-		-	-	-	-	-
29	396	Communication Equipment	2.60%	7,950		7,950		7,950	-	7,950	1,209	6,740
30	397	Miscellaneous Equipment	2.60%	-		-		-	-	-	-	-
31	398	Other Tangible Plant	2.60%	62,103		62,103		62,103	-	62,103	9,447	52,656
32												
33		TOTAL		6,682,105	(1,290,350)	5,391,755	812,276	5,391,751	3.69	5,391,751	812,276	4,579,475
34												
35												
36												
37												
38	Workpaper:											
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant											
40												

[1] Since the difference from Decision No. 63585 is a de mimimis amount, the Company has not adjusted the PIS Balance to include this amount.

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
Page 2
Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2000 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	-	-	-	-	-	-	-	7,235	277,883	49,506	228,377
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	-	-	-	-	-	-	-	44,881	1,723,698	307,082	1,416,616
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	100,202	462,245
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	-	-	-	-	-	-	-	5,074	194,885	34,719	160,166
15	371	Pumping Equipment	2.60%	-	-	-	400	-	400	-	773	29,504	4,922	24,582
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	2,293	-	2,293	1,200	-	1,200	-	61,102	2,347,256	416,791	1,930,465
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	10,880	50,190
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	-	-	-	800	-	800	-	358	13,330	1,707	11,623
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	-	-	-	-	-	-	-	37	1,403	250	1,153
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	10,373	47,851
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	-	-	-	-	-	-	-	207	7,950	1,416	6,533
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	404	-	404	-	-	-	-	1,622	62,507	11,069	51,438
32														
33		TOTAL		2,696	-	2,696	2,400	-	2,400	-	139,040	5,392,048	948,916	4,443,131
34														
35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
Page 3
Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2001 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	-	-	-	-	-	-	-	7,235	277,883	56,741	221,142
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	-	-	-	-	-	-	-	44,881	1,723,698	351,963	1,371,735
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	114,846	447,600
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	-	-	-	-	-	-	-	5,074	194,885	39,794	155,092
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	5,691	23,814
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	-	-	-	-	-	-	-	61,117	2,347,256	477,907	1,869,349
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	12,470	48,600
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	-	-	-	-	-	-	-	347	13,330	2,054	11,276
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	-	-	-	-	-	-	-	37	1,403	286	1,116
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	11,889	46,335
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	-	-	-	-	-	-	-	207	7,950	1,623	6,326
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	3,781	-	3,781	-	-	-	-	1,677	66,288	12,746	53,542
32														
33		TOTAL		3,781	-	3,781	-	-	-	-	139,094	5,395,829	1,088,010	4,307,819
34														
35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
Page 4
Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2002 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	-	-	-	-	-	-	-	7,235	277,883	63,977	213,907
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	-	-	-	-	-	-	-	44,881	1,723,698	396,844	1,326,854
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	129,491	432,955
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	-	-	-	-	-	-	-	5,074	194,885	44,868	150,017
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	6,459	23,046
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	-	-	-	-	-	-	-	61,117	2,347,256	539,024	1,808,232
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	14,060	47,009
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	5,803	(803)	5,000	-	-	-	-	412	18,330	2,466	15,864
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	-	-	-	-	-	-	-	37	1,403	323	1,080
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	13,405	44,819
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	595	-	595	-	-	-	-	215	8,544	1,838	6,706
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	1,272	-	1,272	-	-	-	-	1,743	67,560	14,488	53,071
32														
33		TOTAL		7,669	(803)	6,866	-	-	-	-	139,232	5,402,695	1,227,242	4,175,453
34														
35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
Page 5
Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2003 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	-	-	-	-	-	-	-	7,235	277,883	71,212	206,671
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	-	-	-	-	-	-	-	44,881	1,723,698	441,725	1,281,973
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	144,136	418,311
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	-	-	-	-	-	-	-	5,074	194,885	49,942	144,943
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	7,227	22,277
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	6,637	-	6,637	-	-	-	-	61,203	2,353,893	600,227	1,753,666
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	15,650	45,419
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	12,962	-	12,962	-	-	-	-	646	31,292	3,112	28,180
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	1,568	-	1,568	-	-	-	-	57	2,971	380	2,591
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	14,921	43,303
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	756	-	756	-	-	-	-	232	9,300	2,070	7,229
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	-	-	-	-	-	-	-	1,759	67,560	16,248	51,312
32														
33		TOTAL		21,923	-	21,923	-	-	-	-	139,607	5,424,618	1,366,849	4,057,769
34														
35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
Page 6
Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2004 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	2,453	-	2,453	-	-	-	-	7,267	280,336	78,479	201,857
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	-	-	-	-	-	-	-	44,881	1,723,698	486,605	1,237,093
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	158,780	403,666
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	-	-	-	-	-	-	-	5,074	194,885	55,017	139,869
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	7,995	21,509
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	-	-	-	-	-	-	-	61,289	2,353,893	661,516	1,692,376
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	17,240	43,829
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	-	-	-	-	-	-	-	815	31,292	3,927	27,365
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	1,825	-	1,825	-	-	-	-	101	4,796	481	4,315
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	16,437	41,787
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	-	-	-	-	-	-	-	242	9,300	2,312	6,987
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	-	-	-	-	-	-	-	1,759	67,560	18,007	49,553
32														
33		TOTAL		4,277	-	4,277	-	-	-	-	139,948	5,428,895	1,506,797	3,922,098
34														
35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
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Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
Page 7
Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2005 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	-	-	-	-	-	-	-	7,299	280,336	85,778	194,558
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	-	-	-	-	-	-	-	44,881	1,723,698	531,486	1,192,212
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	173,425	389,021
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	-	-	-	-	-	-	-	5,074	194,885	60,091	134,794
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	8,763	20,741
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	-	-	-	-	-	-	-	61,289	2,353,893	722,806	1,631,087
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	18,830	42,239
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	13,692	-	13,692	-	-	-	-	993	44,984	4,920	40,064
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	-	-	-	-	-	-	-	125	4,796	606	4,190
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	17,953	40,271
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	-	-	-	-	-	-	-	242	9,300	2,555	6,745
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	-	-	-	-	-	-	-	1,759	67,560	19,766	47,794
32														
33		TOTAL		13,692	-	13,692	-	-	-	-	140,182	5,442,588	1,646,979	3,795,609
34														
35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
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Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2006 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	-	-	-	-	-	-	-	7,299	280,336	93,078	187,258
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	-	-	-	-	-	-	-	44,881	1,723,698	576,367	1,147,331
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	188,070	374,376
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	-	-	-	-	-	-	-	5,074	194,885	65,165	129,720
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	9,532	19,973
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	-	-	-	-	-	-	-	61,289	2,353,893	784,095	1,569,797
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	20,420	40,649
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	566	-	566	7,256	(803)	6,453	4,154	1,095	39,097	3,715	35,382
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	16,538	-	16,538	-	-	-	-	340	21,333	946	20,387
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	19,469	38,755
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	-	-	-	-	-	-	-	242	9,300	2,797	6,503
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	-	-	-	-	-	-	-	1,759	67,560	21,525	46,035
32														
33		TOTAL		17,104	-	17,104	7,256	(803)	6,453	4,154	140,499	5,453,238	1,785,179	3,668,060
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36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
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Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2007 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	-	-	-	-	-	-	-	7,299	280,336	100,377	179,959
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	-	-	-	-	-	-	-	44,881	1,723,698	621,248	1,102,450
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	202,714	359,732
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	-	-	-	-	-	-	-	5,074	194,885	70,240	124,646
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	10,300	19,204
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	3,532	-	3,532	-	-	-	-	61,335	2,357,424	845,431	1,511,993
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	22,010	39,059
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	7,702	-	7,702	-	-	-	-	100	7,702	100	7,602
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	-	-	-	-	-	-	-	1,018	39,097	4,733	34,364
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	-	-	-	-	-	-	-	555	21,333	1,502	19,832
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	20,985	37,239
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	-	-	-	-	-	-	-	242	9,300	3,039	6,261
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	-	-	-	-	-	-	-	1,759	67,560	23,284	44,276
32														
33		TOTAL		11,234	-	11,234	-	-	-	-	140,784	5,464,472	1,925,962	3,538,510
34														
35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
Page 10
Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2008 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	-	-	-	-	-	-	-	7,299	280,336	107,676	172,660
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	-	-	-	-	-	-	-	44,881	1,723,698	666,128	1,057,569
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	217,359	345,087
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	-	-	-	-	-	-	-	5,074	194,885	75,314	119,571
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	11,068	18,436
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	1,633	-	1,633	-	-	-	-	61,403	2,359,057	906,834	1,452,224
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	23,600	37,469
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	-	-	-	-	-	-	-	201	7,702	301	7,401
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	-	-	-	-	-	-	-	1,018	39,097	5,751	33,346
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	3,779	-	3,779	-	-	-	-	605	25,112	2,106	23,006
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	22,501	35,723
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	-	-	-	-	-	-	-	242	9,300	3,281	6,019
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	-	-	-	-	-	-	-	1,759	67,560	25,043	42,517
32														
33		TOTAL		5,412	-	5,412	-	-	-	-	141,000	5,469,884	2,066,963	3,402,921
34														
35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
Page 11
Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2009 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	-	-	-	-	-	-	-	7,299	280,336	114,975	165,361
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	-	-	-	-	-	-	-	44,881	1,723,698	711,009	1,012,689
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	232,004	330,442
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	-	-	-	-	-	-	-	5,074	194,885	80,388	114,497
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	11,836	17,668
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	-	-	-	-	-	-	-	61,424	2,359,057	968,257	1,390,800
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	25,190	35,879
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	-	-	-	-	-	-	-	201	7,702	501	7,201
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	13,100	-	13,100	-	-	-	-	1,189	52,197	6,940	45,257
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	-	-	-	-	-	-	-	654	25,112	2,760	22,352
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	24,017	34,207
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	-	-	-	-	-	-	-	242	9,300	3,523	5,777
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	-	-	-	-	-	-	-	1,759	67,560	26,802	40,758
32														
33		TOTAL		13,100	-	13,100	-	-	-	-	141,241	5,482,983	2,208,204	3,274,779
34														
35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
Page 12
Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2010 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	-	-	-	-	-	-	-	7,299	280,336	122,275	158,061
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	156,434	-	156,434	-	-	-	-	46,917	1,880,132	757,927	1,122,205
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	246,648	315,798
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	-	-	-	-	-	-	-	5,074	194,885	85,463	109,423
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	12,605	16,900
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	-	-	-	-	-	-	-	61,424	2,359,057	1,029,681	1,329,376
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	26,781	34,289
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	-	-	-	-	-	-	-	201	7,702	702	7,000
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	-	-	-	-	566	566	-	1,352	51,631	7,726	43,905
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	-	-	-	-	-	-	-	654	25,112	3,414	21,698
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	25,533	32,691
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	-	-	-	-	-	-	-	242	9,300	3,765	5,534
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	2,558	-	2,558	-	-	-	-	1,792	70,118	28,594	41,523
32														
33		TOTAL		158,992	-	158,992	-	566	566	-	143,475	5,641,409	2,351,113	3,290,296
34														
35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
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Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2011 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	7,409	-	7,409	-	-	-	-	7,396	287,745	129,670	158,075
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	1,929,811	-	1,929,811	-	-	-	-	74,078	3,809,943	832,004	2,977,938
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	261,293	301,153
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	55,907	-	55,907	-	-	-	-	5,802	250,793	91,265	159,528
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	13,373	16,132
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	-	-	-	-	-	-	-	61,424	2,359,057	1,091,105	1,267,952
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	28,371	32,699
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	-	-	-	-	-	-	-	201	7,702	902	6,800
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	-	-	-	-	1,250	1,250	-	1,328	50,381	7,804	42,577
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	-	-	-	-	-	-	-	654	25,112	4,068	21,044
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	27,049	31,175
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	-	-	-	-	-	-	-	242	9,300	4,007	5,292
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	-	-	-	-	-	-	-	1,826	70,118	30,420	39,698
32														
33		TOTAL		1,993,127	-	1,993,127	-	1,250	1,250	-	171,469	7,633,286	2,521,332	5,111,954
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35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
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Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2012 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	-	-	-	-	-	-	-	7,492	287,745	137,163	150,583
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	-	-	-	-	-	-	-	99,201	3,809,943	931,206	2,878,737
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	275,938	286,508
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	-	-	-	-	-	-	-	6,530	250,793	97,795	152,998
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	14,141	15,363
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	-	-	-	-	-	-	-	61,424	2,359,057	1,152,529	1,206,528
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	29,961	31,109
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	-	-	-	-	-	-	-	201	7,702	1,103	6,599
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	-	-	-	-	-	-	-	1,312	50,381	9,116	41,265
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	-	-	-	-	-	-	-	654	25,112	4,722	20,391
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	28,565	29,659
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	-	-	-	-	-	-	-	242	9,300	4,250	5,050
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	-	-	-	-	-	-	-	1,826	70,118	32,246	37,872
32														
33		TOTAL		-	-	-	-	-	-	-	197,401	7,633,286	2,718,732	4,914,554
34														
35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
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Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2013 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	-	-	-	-	-	-	-	7,492	287,745	144,655	143,090
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	-	-	-	-	-	-	-	99,201	3,809,943	1,030,407	2,779,536
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	290,583	271,864
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	11,161	-	11,161	-	-	-	-	6,675	261,954	104,470	157,483
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	14,909	14,595
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	4,385	-	4,385	-	-	-	-	61,481	2,363,443	1,214,010	1,149,432
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	31,551	29,518
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	-	-	-	-	-	-	-	201	7,702	1,304	6,399
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	-	-	-	12,962	0	12,962	1,979	1,143	37,419	(725)	38,144
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	-	-	-	-	-	-	-	654	25,112	5,376	19,737
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	30,081	28,143
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	-	-	-	-	-	-	-	242	9,300	4,492	4,808
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	-	-	-	-	-	-	-	1,826	70,118	34,072	36,046
32														
33		TOTAL		15,546	-	15,546	12,962	0	12,962	1,979	197,434	7,635,870	2,905,183	4,730,688
34														
35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
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Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2014 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	2,215	-	2,215	-	-	-	-	7,521	289,960	152,176	137,784
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	-	-	-	-	-	-	-	99,201	3,809,943	1,129,608	2,680,334
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	305,227	257,219
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	5,297	-	5,297	-	-	-	-	6,890	267,250	111,360	155,890
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	15,677	13,827
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	1,290,354	-	1,290,354	-	-	-	-	78,337	3,653,797	1,292,347	2,361,449
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	33,141	27,928
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	2,309	-	2,309	-	-	-	-	231	10,011	1,534	8,477
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	-	-	-	-	5,636	5,636	-	901	31,783	(5,460)	37,243
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	-	-	-	-	-	-	-	654	25,112	6,029	19,083
27	394	Laboratory Equipment	2.60%	-	-	-	-	-	-	-	1,516	58,223	31,597	26,627
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	-	-	-	-	-	-	-	242	9,300	4,734	4,566
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	-	-	-	-	-	-	-	1,826	70,118	35,897	34,221
32														
33		TOTAL		1,300,175	-	1,300,175	-	5,636	5,636	-	214,321	8,930,409	3,113,868	5,816,542
34														
35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Reconciliation of Plant Additions, Retirements and Accumulated Depreciation

Exhibit: RLJ-DT3
Schedule B-2.1
Page 17
Witness: Jones

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2015 Plant Additions	Plant Adjustments	Adjusted Plant Additions	Plant Retirements	Retirement Adjustments	Adjusted Plant Retirements	Salvage (Cst of Rem) A/D Only	Deprecation (Calculated)	Plant Balance	Accum. Deprec.	Net Plant
1	351	Organization Cost		-	-	-	-	-	-	-	-	1,380	-	1,380
2	352	Franchise Cost		-	-	-	-	-	-	-	-	-	-	-
3	353	Land and Land Rights		-	-	-	-	-	-	-	-	50,513	-	50,513
4	354	Structures & Improvements	2.60%	2,700	1,647	4,347	-	-	-	-	7,606	294,308	159,782	134,525
5	355	Power Generation Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewers - Force	2.60%	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers - Gravity	2.60%	-	-	-	-	-	-	-	99,201	3,809,943	1,228,810	2,581,133
8	362	Special Collection Structures	2.60%	-	-	-	-	-	-	-	-	-	-	-
9	363	Services to Customers	2.60%	-	-	-	-	-	-	-	14,645	562,446	319,872	242,574
10	364	Flow Measuring Devices	2.60%	-	-	-	-	-	-	-	-	-	-	-
11	365	Flow Measuring Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
12	366	Reuse Services	2.60%	-	-	-	-	-	-	-	-	-	-	-
13	367	Reuse Meters and Meter Installations	2.60%	-	-	-	-	-	-	-	-	-	-	-
14	368	Lift Stations	2.60%	-	3,743	3,743	-	2,950	2,950	-	6,969	268,043	115,379	152,664
15	371	Pumping Equipment	2.60%	-	-	-	-	-	-	-	768	29,504	16,446	13,059
16	374	Reuse Distribution Reservoirs	2.60%	-	-	-	-	-	-	-	-	-	-	-
17	375	Reuse Transmission & Distribution	2.60%	-	-	-	-	-	-	-	-	-	-	-
18	380	Treatment and Disposal Equipment	2.60%	-	6,458	6,458	-	5,050	5,050	-	95,154	3,655,204	1,382,451	2,272,753
19	381	Plant Sewers	2.60%	-	-	-	-	-	-	-	-	-	-	-
20	382	Outfall Sewer Lines	2.60%	-	-	-	-	-	-	-	1,590	61,069	34,731	26,338
21	389	Other Plant & Misc. Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
22	390	Office Furniture & Equipment	2.60%	916	-	916	-	-	-	-	273	10,927	1,807	9,121
23	390.1	Computers & Software	2.60%	-	-	-	-	-	-	-	-	-	-	-
24	391	Transportation Equipment	2.60%	40,977	-	40,977	-	18,683	18,683	-	1,118	54,076	(23,026)	77,102
25	392	Stores Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
26	393	Tools, Shop & Garage Equipment	2.60%	4,040	-	4,040	-	-	-	-	706	29,152	6,736	22,416
27	394	Laboratory Equipment	2.60%	8,406	-	8,406	-	-	-	-	1,625	66,629	33,222	33,407
28	395	Power Operated Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
29	396	Communication Equipment	2.60%	-	-	-	-	-	-	-	242	9,300	4,976	4,324
30	397	Miscellaneous Equipment	2.60%	-	-	-	-	-	-	-	-	-	-	-
31	398	Other Tangible Plant	2.60%	-	-	-	-	-	-	-	1,826	70,118	37,723	32,395
32														
33		TOTAL		57,038	11,848	68,886	-	26,683	26,683	-	231,724	8,972,612	3,318,908	5,653,704
34														
35														
36														
37														
38	Workpaper:													
39	RV Plant Workpaper.xlsx; Tabs:Sew Summary, Sewer Plant													
40														

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Computation of Working Capital

Exhibit: RLJ-DT3
Schedule B-5
Page 1
Witness: Jones

Line No.		Working Capital
1		
2	Cash Working Capital	$ -
3		
4		
5	Material and Supplies Inventories	-
6		
7	Working Funds and Special Deposits	84,518
8		
9	Prepayments	-
10		
11	Total Working Capital Allowance	$ 84,518
12		
13	Supporting Schedules:	
14	E-1	
15		

Reconciliation of 2016 DSR to B/S	
Current Balance Per B/S	211,780
Less DSR for 1996 Co-Bank	(127,262)
	84,518

Recap Schedules:
B-1

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Adjusted Test Year Income Statement

Exhibit: RLJ-DT3
Schedule C-1
Page 1
Witness: Jones

Line No.			Actual for Test Year Ended 12/31/2015	Total Pro forma Adjustments	Test Year Results After Pro forma Adjustments	Proposed Rate Increase	Adjusted With Rate Increase
1	**Revenues**						
2	521	Flat Rate Revenues - General	$ 911,345	$ -	$ 911,345	632,557	$ 1,543,902
3	536	Other Wastewater Revenue	2,916	-	2,916	-	2,916
4	536	Other Wastewater Revenue - HUFs	52,500	(52,500)	-	-	-
5	541	Measured Reuse Revenue	45,796	-	45,796	20,261	66,057
6	**Total Revenues**		$ 1,012,557	$ (52,500)	$ 960,057	$ 652,818	$ 1,612,876
7	**Operating Expenses**						
8	701	Salaries and Wages	$ 130,280	$ 3,908	$ 134,189		$ 134,189
9	703	Salaries and Wages - Officers and Directors	-	-	-		-
10	704	Employee Pension and Benefits	17,501	5,775	23,276		23,276
11	710	Purchased Wastewater Treatment	-	-	-		-
12	711	Sludge Removal Expense	35,223	-	35,223		35,223
13	715	Purchased Power	88,009	2,005	90,014		90,014
14	718	Chemicals	50,321	-	50,321		50,321
15	720	Materials and Supplies	107,914	(11,848)	96,066		96,066
16	731	Contractual Services - Engineering	-	-	-		-
17	732	Contractual Services - Accounting	81,709	-	81,709		81,709
18	733	Contractual Services - Legal	10,829	-	10,829		10,829
19	734	Contractual Services - Management Fees	-	-	-		-
20	735	Contractual Services - Testing	2,333	-	2,333		2,333
21	736	Contractual Services - Other	12,122	-	12,122		12,122
22	741	Rent - Buildings	24,273	-	24,273		24,273
23	742	Rent - Equipment	4,209	-	4,209		4,209
24	750	Transportation Expense	9,559	-	9,559		9,559
25	756	Insurance - Vehicle	-	-	-		-
26	757	Insurance - General Liability	16,873	15,000	31,873		31,873
27	758	Insurance - Workman's Compensation	-	-	-		-
28	759	Insurance - Other	-	-	-		-
29	760	Advertising Expense	-	25,000	25,000		25,000
30	766	Regulatory Commission Expense - Rate Case	-	-	-		-
31	767	Regulatory Expense - Other	-	-	-		-
32	770	Bad Debt Expense	-	-	-	-	-
33	775	Miscellaneous Expense	32,118	7,251	39,369		39,369
34	403	Depreciation Expense	167,893	82,212	250,105		250,105
35	408	Taxes Other Than Income	18,942	568	19,510		19,510
36	408.11	Property Taxes	40,285	(6,386)	33,899	6,755	40,654
37	409	Income Tax	2,591	(8,600)	(6,009)	237,630	231,620
38	**Total Operating Expenses**		$ 852,983	$ 114,886	$ 967,869	$ 244,385	$ 1,212,254
39	**Operating Income**		$ 159,574	$ (167,386)	$ (7,812)	$ 408,433	$ 400,622
40	**Other Income (Expense)**						
41	419	Interest and Dividend Income	102	-	102		102
42	421	Non-Utility Income	-	-	-		-
43	426	Miscellaneous Non-Utility Expenses	-	-	-		-
44	427	Interest Expense	(22,379)	5,657	(16,722)		(16,722)
45	428	Amortization of Finance Fees	(626)	-	(626)		(626)
46	**Total Other Income (Expense)**		$ (22,902)	$ 5,657	$ (17,245)	$ -	$ (17,245)
47	**Net Income (Loss)**		$ 136,672	$ (161,729)	$ (25,057)	$ 408,433	$ 383,377
48							
49	Supporting Schedules:				Recap Schedules:		
50	E-2				A-1		
51	C-2						
52							

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Income Statement Pro forma Adjustments

Exhibit: RLJ-DT3
Schedule C-2
Page 1
Witness: Jones

Line No.			Actual for Test Year Ended 12/31/2015	ADJ IS-1	ADJ IS-2	ADJ IS-3	ADJ IS-4	ADJ IS-5	ADJ IS-6	ADJ IS-7
1		**Revenues**								
2	521	Flat Rate Revenues - General	$ 911,345							
3	536	Other Wastewater Revenue	2,916							
4	536	Other Wastewater Revenue - HUFs	52,500	(52,500)						
5	541	Measured Reuse Revenue	45,796							
6		**Total Revenues**	$ 1,012,557	$ (52,500)	$ -	$ -	$ -	$ -	$ -	$ -
7		**Operating Expenses**								
8	701	Salaries and Wages	$ 130,280		$ 3,908					
9	703	Salaries and Wages - Officers and Directors	-							
10	704	Employee Pension and Benefits	17,501			$5,775				
11	710	Purchased Wastewater Treatment	-							
12	711	Sludge Removal Expense	35,223							
13	715	Purchased Power	88,009					2,005		
14	718	Chemicals	50,321							
15	720	Materials and Supplies	107,914				(11,848)			
16	731	Contractual Services - Engineering	-							
17	732	Contractual Services - Accounting	81,709							
18	733	Contractual Services - Legal	10,829							
19	734	Contractual Services - Management Fees	-							
20	735	Contractual Services - Testing	2,333							
21	736	Contractual Services - Other	12,122							
22	741	Rent - Buildings	24,273							
23	742	Rent - Equipment	4,209							
24	750	Transportation Expense	9,559							
25	756	Insurance - Vehicle	-							
26	757	Insurance - General Liability	16,873						15,000	
27	758	Insurance - Workman's Compensation	-							
28	759	Insurance - Other	-							
29	760	Advertising Expense	-							
30	766	Regulatory Commission Expense - Rate Case	-							
31	767	Regulatory Expense - Other	-							
32	770	Bad Debt Expense	-							
33	775	Miscellaneous Expense	32,118							7,251
34	403	Depreciation Expense	167,893							
35	408	Taxes Other Than Income	18,942		568					
36	408	Property Taxes	40,285							(7,251)
37	409	Income Tax	2,591							
38		**Total Operating Expenses**	$ 852,983	$ -	$ 4,477	$ 5,775	$ (11,848)	$ 2,005	$ 15,000	$ -
39		**Operating Income**	$ 159,574	$ (52,500)	$ (4,477)	$ (5,775)	$ 11,848	$ (2,005)	$ (15,000)	$ -
40		**Other Income (Expense)**								
41	419	Interest and Dividend Income	102							
42	421	Non-Utility Income	-							
43	426	Miscellaneous Non-Utility Expenses	-							
44	427	Interest Expense	(22,379)							
45	428	Amortization of Finance Fees	(626)							
46		**Total Other Income (Expense)**	$ (22,902)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
47		**Net Income (Loss)**	$ 136,672	$ (52,500)	$ (4,477)	$ (5,775)	$ 11,848	$ (2,005)	$ (15,000)	$ -
48										
49		Supporting Schedules:						Recap Schedules:		
50								C-1		

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Income Statement Pro forma Adjustments

Exhibit: RLJ-DT3
Schedule C-2
Page 2
Witness: Jones

Line No.			ADJ IS-8	ADJ IS-9	ADJ IS-10	ADJ IS-11	ADJ IS-12	Total Adjustments	Test Year Adjusted Results
1	**Revenues**								
2	521	Flat Rate Revenues - General						$ -	$ 911,345
3	536	Other Wastewater Revenue						-	2,916
4	536	Other Wastewater Revenue - HUFs						(52,500)	-
5	541	Measured Reuse Revenue						-	45,796
6	**Total Revenues**		$ -	$ -	$ -	$ -	$ -	$ (52,500)	$ 960,057
7	**Operating Expenses**								
8	701	Salaries and Wages						$ 3,908	$ 134,189
9	703	Salaries and Wages - Officers and Directors						-	-
10	704	Employee Pension and Benefits						5,775	23,276
11	710	Purchased Wastewater Treatment						-	-
12	711	Sludge Removal Expense						-	35,223
13	715	Purchased Power						2,005	90,014
14	718	Chemicals						-	50,321
15	720	Materials and Supplies						(11,848)	96,066
16	731	Contractual Services - Engineering						-	-
17	732	Contractual Services - Accounting						-	81,709
18	733	Contractual Services - Legal						-	10,829
19	734	Contractual Services - Management Fees						-	-
20	735	Contractual Services - Testing						-	2,333
21	736	Contractual Services - Other						-	12,122
22	741	Rent - Buildings						-	24,273
23	742	Rent - Equipment						-	4,209
24	750	Transportation Expense						-	9,559
25	756	Insurance - Vehicle						-	-
26	757	Insurance - General Liability						15,000	31,873
27	758	Insurance - Workman's Compensation						-	-
28	759	Insurance - Other						-	-
29	760	Advertising Expense	25,000					25,000	25,000
30	766	Regulatory Commission Expense - Rate Case						-	-
31	767	Regulatory Expense - Other						-	-
32	770	Bad Debt Expense						-	-
33	775	Miscellaneous Expense						7,251	39,369
34	403	Depreciation Expense			82,212			82,212	250,105
35	408	Taxes Other Than Income						568	19,510
36	408	Property Taxes				865		(6,386)	33,899
37	409	Income Tax					(8,600)	(8,600)	(6,009)
38	**Total Operating Expenses**		$ 25,000	$ -	$ 82,212	$ 865	$ (8,600)	$ 114,886	$ 967,869
39	**Operating Income**		$ (25,000)	$ -	$ (82,212)	$ (865)	$ 8,600	$ (167,386)	$ (7,812)
40	**Other Income (Expense)**								
41	419	Interest and Dividend Income						-	102
42	421	Non-Utility Income						-	-
43	426	Miscellaneous Non-Utility Expenses						-	-
44	427	Interest Expense		5,657				5,657	(16,722)
45	428	Amortization of Finance Fees						-	(626)
46	**Total Other Income (Expense)**		$ -	$ 5,657	$ -	$ -	$ -	$ 5,657	$ (17,245)
47	**Net Income (Loss)**		$ (25,000)	$ 5,657	$ (82,212)	$ (865)	$ 8,600	$ (161,729)	$ (25,057)
48									
49	Supporting Schedules:								
50									

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-1

Exhibit: RLJ-DT3
Schedule C-2
Page 3
Witness: Jones

Line No.

1 Normalize Hook Up Fee Revenue
2
3 This adjustment removes Hook Up Fee revenues from test year revenue to reflect
4 the discontinuance of recording Hook Up Fees as revenue.
5
6
7

NARUC	Account	Test Year Amount
536	Other Wastewater Revenue - HUFs	52,500.00

8
9
10 Increase/(Decrease) in Other Water Revenues $ (52,500.00)
11
12

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-2

Exhibit: RLJ-DT3
Schedule C-2
Page 4
Witness: Jones

Line No.

1 Normalize Salaries and Wages Expense

2

3 This adjustment increases Salaries and Wages Expense (and related taxes)
4 to reflect changes in pay rates.

5

Line No.	NARUC	Account	Test Year Amount	Normalized Amount	Adjustment	
6						
7	NARUC	Account	Test Year Amount	Normalized Amount	Adjustment	
8	701	Salaries and Wages - Employees	$ 130,280.20	$ 134,188.61	$ 3,908.41	3% Wage Increase
9	408	Taxes Other than Income	18,942.11	19,510.37	568.26	3% Wage Increase
10			$ 149,222.31	$ 153,698.98	$ 4,476.67	
11						
12	Increase/(Decrease) in Salaries and Wages				$ 4,476.67	
13						
14						

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-3

Exhibit: RLJ-DT3
Schedule C-2
Page 5
Witness: Jones

Line No.				
1	Normalize Employee Pension and Benefits Expense			
2				
3	This adjustment increases Employee Benefits Expense to reflect an increase in Health			
4	Insurance Premium effective June 1, 2016.			
5				
6		Total Increase in Health Insurance Premium	$ 11,550.00	
7		Allocation to Water Division	50.00%	
8			$ 5,775.00	
9				
10	NARUC	Account	Adjustment	
11	704	Employee Pension and Benefits	$ 5,775.00	
12				
13				
14	Increase/(Decrease) in Employee Pension and Benefits			$ 5,775.00
15				
16				

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-4

Exhibit: RLJ-DT3
Schedule C-2
Page 6
Witness: Jones

Line No.

1 Reclassify Materials and Supplies Expense to Capital

2

3 This adjustment removes costs that are properly capitalized from Materials and Supplies
4 Expenses.

5

Line No.	Date	Trans. Description	Test Year Amount	Notes
6				
7	Date	Trans. Description	Test Year Amount	Notes
8	4/16/2015	Grainger	1,647.36	Skylight Fall Protection
9	7/2/2015	USA Blue Book	3,164.58	TV Lift Station Pump
10	10/29/2015	USA Blue Book	577.99	TV Lift Station Chemical Feeder
11	11/24/2015	USA Blue Book	1,023.42	WWTP Chlorine Feed Pump
12	1/15/2015	Precision Electric Co	941.72	WWTP 2 Aeration Motor
13	4/8/2015	Precision Electric Co	1,893.03	2 Blower Motors
14	4/24/2015	Precision Electric Co	1,645.55	Froth Spray Pump
15	6/11/2015	Grainger	954.00	Trac Vac Motor
16		Total Reclassified Materials and Supplies Expense	11,847.65	

17

18 Increase / (Decrease) in Materials and Supplies Expense $ (11,847.65)

19

20 Workpaper:
21 RV Rate Case Data.xlsx. Tab: Cap M&S
22

Line No.

1 Normalize Purchased Power Expense

2

3 SRP implemented a 5.9% rate increase effective with April 2015 Billing cycle (payable in May). This adjustment
4 increase billings prior to the April billing cycle by 5.9% to normalize purchased power costs.

5

	NARUC	Account	Adjusted Test Year Amount	Jan - April Amount	Adjustment	
6						
7						
8						
9	715	Purchased Power	$ 88,008.84	$ 33,987.29	$ 2,005.25	5.9% Rate Increase
10						
11						
12	Increase/(Decrease) in Purchased Power				$ 2,005.25	

13

14 Workpaper:
15 RV Rate Case Data.xlsx. Tab: Pwr Sew
16
17

Line No.				
1	Normalize Insurance - General Liability Expense			
2				
3	This adjustment increases Insurance - General Liability Expense to reflect an increase			
4	in general Liability and property insurance Premium effective for 2016.			
5				
6		Total Increase in Insurance Premium	$ 30,000.00	
7		Allocation to Water Division	50.00%	
8			$ 15,000.00	
9				
10	NARUC	Account	Adjustment	
11	757	Insurance - General Liability	$ 15,000.00	
12				
13				
14	Increase/(Decrease) in Insurance - General Liability			$ 15,000.00
15				
16				

Line No.

1 Reclassify Property Tax Expense to Correct NARUC Accounts
2
3 This adjustment removes costs from Property Tax Expense that are properly
4 charged to other NARUC expense accounts.
5

	NARUC	Item	Test Year Amount	Adjustment Amount	Adjusted TY Amount
6					
7					
8	408.11	Amount Per Books	40,285.39	(7,250.95)	33,034.44
9	775	Permitting Fees (various agencies)	-	7,250.95	7,250.95
10			40,285.39	-	40,285.39

11
12
13 Increase/(Decrease) in Property Tax Expense $ (7,250.95)
14
15 Increase/(Decrease) in Miscellaneous Expenses $ 7,250.95
16
17 Workpaper:
18 RV Rate Case Data.xlsx. Tab: Tax & License
19

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-8

Exhibit: RLJ-DT3
Schedule C-2
Page 10
Witness: Jones

Rate Case Expense

Line No.			
1	Estimated Rate Case Expense	$	100,000
2			
3	Amortization Period (Years)		4
4			
5	Annualized Rate Case Expense	$	25,000
6			
7	Test Year Rate Case Expense		-
8			
9	Increase / (Decrease) in Rate Case Expense		25,000
10			

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-9

Exhibit: RLJ-DT3
Schedule C-2
Page 11
Witness: Jones

Synchronize Interest Expense with Rate Base

Line No.				
1	Adjusted Rate Base	$	4,316,764	Sch. B-1
2				
3	Weighted Cost of Long-Term Debt		0.3874%	Sch. D-1
4	Weighted Cost of Short-Term Debt		0.0000%	Sch. D-1
5				
6	Synchronized Long-Term Interest	$	16,722	
7	Synchronized Short-Term Interest		-	
8	Synchronized Interest Expense		16,722	
9				
10	Test Year Interest Expense		22,379	
11				
12	Increase / (Decrease) In Interest Expense		(5,657)	
13				

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-10

Exhibit: RLJ-DT3
Schedule C-2
Page 12
Witness: Jones

Normalize Depreciation Expense

Line No.	Acct	Description	Adjusted Test Year Balance 12/31/2015	Proposed Depreciation Rate	Depreciation Expense
1					
2	351	Organization Cost	$ 1,380	0.00%	$ -
3	352	Franchise Cost	-	0.00%	-
4	353	Land and Land Rights	50,513	0.00%	-
5	354	Structures & Improvements	294,308	3.33%	9,800
6	355	Power Generation Equipment	-	5.00%	-
7	360	Collection Sewers - Force	-	2.00%	-
8	361	Collection Sewers - Gravity	3,809,943	2.00%	76,199
9	362	Special Collection Structures	-	2.00%	-
10	363	Services to Customers	562,446	2.00%	11,249
11	364	Flow Measuring Devices	-	10.00%	-
12	365	Flow Measuring Installations	-	10.00%	-
13	366	Reuse Services	-	2.00%	-
14	367	Reuse Meters and Meter Installations	-	8.33%	-
15	368	Lift Stations	278,043	3.33%	9,259
16	371	Pumping Equipment	29,504	8.00%	2,360
17	374	Reuse Distribution Reservoirs	-	2.50%	-
18	375	Reuse Transmission & Distribution	-	2.50%	-
19	380	Treatment and Disposal Equipment	3,965,204	5.00%	198,260
20	381	Plant Sewers	-	5.00%	-
21	382	Outfall Sewer Lines	61,069	3.33%	2,034
22	389	Other Plant & Misc. Equipment	-	6.67%	-
23	390	Office Furniture & Equipment	10,927	6.67%	729
24	390.1	Computers & Software	-	20.00%	-
25	391	Transportation Equipment	76,435	20.00%	15,287
26	392	Stores Equipment	-	4.00%	-
27	393	Tools, Shop & Garage Equipment	29,152	5.00%	1,458
28	394	Laboratory Equipment	66,629	10.00%	6,663
29	395	Power Operated Equipment	-	5.00%	-
30	396	Communication Equipment	9,300	10.00%	930
31	397	Miscellaneous Equipment	-	10.00%	-
32	398	Other Tangible Plant	70,118	10.00%	7,012
35		TOTALS	$ 9,314,971		$ 341,239
36					
37		Less: Amortization of CIAC	$ 2,473,879	3.6839%	$ 91,134
38					
39		Adjusted Test Year Depreciation Expense			$ 250,105
40					
41		Test Year Depreciation Expense			$ 167,893
42					
43		Increase / (Decrease) in Depreciation Expense			$ 82,212
44					
49					

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-11

Exhibit: RLJ-DT3
Schedule C-2
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Witness: Jones

Property Tax Expense

Line No.	Description	Company As Adjusted	Company Proposed
1	Adjusted Test Year Revenue	$ 1,012,557	$ 1,012,557
2	Adjusted Test Year Revenue	1,012,557	1,012,557
3	Adjusted Test Year Revenue	1,012,557	
4	Proposed Revenues after Increase		1,612,876
5	Average of three year's of revenue	1,012,557	1,212,664
6	Average of three year's of revenue, times 2	2,025,115	2,425,327
7	Add:		
8	Construction Work In Progress at 10%	16,359	16,359
9	Deduct:		
10	Net Book Value of Transportation Equipment	33,156	33,156
11			
12	Full Cash Value	2,008,318	2,408,530
13	Assessment Ratio	18.0%	18.0%
14	Assessed Value	361,497	433,535
15	Property Tax Rate (2014 Tax Year)	9.3774%	9.3774%
16			
17	Adjusted Test Year Property Tax	$ 33,899	
18	Recorded Test Year Property Tax	33,034	
19	Test Year Adjustment	$ 865	
20			
21	Property Tax at Proposed Rates		$ 40,654
22	Adjusted Test Year Property Tax		33,899
23	Increase in Property Tax due to Rate Increase		$ 6,755
24			
25	Calculation of Property Tax Factor		
26	Increase to Property Tax Expense		$ 6,755
27	Increase in Revenue Requirement		$ 652,818
28	Property Tax Factor (L25 / L26)		1.0348%
29			

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Income Statement Adjustment IS-12

Exhibit: RLJ-DT3
Schedule C-2
Page 14
Witness: Jones

Income Tax Expense

Line No.	Description		Adjusted Test Year	Proposed with Increase
1				
2	Calculation of Income Tax:			
3	Revenue		$ 960,057	$ 1,612,876
4	Less: Operating Expenses (Excluding Income Taxes)		973,878	980,634
5	Less: Synchronized Interest		16,722	16,722
6	Arizona Taxable Income		$ (30,543)	$ 615,520
7				
8	All Income at 5.5000%		$ (1,680)	$ 33,854
9				
10	Arizona Income Tax		$ (1,680)	$ 33,854
11				
12	Federal Taxable Income (Water Division)		$ (28,863)	$ 581,667
13				
14	Federal Tax on First Income Bracket ($1 - $50,000) @ 15%		$ (4,329)	$ 7,500
19	Federal Tax on Second Income Bracket ($50,001 - 75,000) @ 25%		-	6,250.00
20	Federal Tax on Third Income Bracket ($75,001 - 100,000) @ 34%		-	8,500.00
21	Federal Tax on Fourth Income Bracket ($100,001 - 335,000) @ 39%		-	91,650.00
22	Federal Tax on Fifth Income Bracket ($335,001 - 10,000,000) @ 34%		-	83,866.73
23	Federal Tax on Sixth Income Bracket ($10,000,001 - 15,000,000) @ 35%		-	-
24	Federal Tax on Seventh Income Bracket ($15,000,001 - 18,333,333) @ 38%		-	-
25	Federal Tax on Eighth Income Bracket ($18,333,334 - .....) @ 35%		-	-
15				
16	Total Federal Income Tax		$ (4,329)	$ 197,767
17				
18	Combined Federal and State Income Tax		$ (6,009)	$ 231,620
19				
20	Effective State Tax Rate		5.5000%	5.5000%
21	Effective Federal Tax Rate		15.0000%	34.0000%
22	Effective Combined Tax Rate		19.6750%	37.6300%
23				
24	Applicable Arizona State Income Tax Rate (Rate Applicable to Revenue Increase)			5.5000%
25	Applicable Federal Income Tax Rate (Rate Applicable to Revenue Increase)			33.1018%
26				
27	Calculation of Interest Synchronization			
28	Rate Base	$ 4,316,764		
29	Weighted Average Cost of Debt	0.387%		
30	Synchronized Interest	$ 16,722		
31				
32	Income Tax Adjustments			
33	Test Year Income Taxes - Booked		$ 2,591	
34	Increase / (decrease) in Income Taxes (L21 - L32)		(8,600)	
35				
36	Test Year Income Taxes - Adjusted			$ (6,009)
37	Increase / (decrease) in Federal Income Taxes (L21 - L35)			237,630
38				
39	Note: Income Tax calculated on stand-alone basis because result is same a combined basis			
40				

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Computation of Gross Revenue Conversion Factor

Exhibit: RLJ-DT3
Schedule C-3
Page 1
Witness: Jones

Line No.	Calculation of Gross Revenue Conversion Factor		
1	Revenue	100.0000%	
2	Uncollectable Factor (Line 11)	0.0000%	
3	Revenue (L1 - L2)	100.0000%	
4	Combined Income Tax and Property Tax Rate (Line 23)	37.4354%	
5	Operating Income Percentage (L3 -L4)	62.5646%	
6	Gross Revenue Conversion Factor (L1 / L5)	1.598347	
	Calculation of Uncollectable Factor		
7	Unity	100.0000%	
8	Combined Federal and State Tax Rate (Line 17)	36.7812%	
9	One Minus Combined Federal and State Tax Rate (L7 - L8)	63.2188%	
10	Uncollectable Rate (Line 26)	0.0000%	
11	Uncollectable Factor (L9 * L10)	0.0000%	
	Calculation of Effective Tax Rate		
12	Operating Income Before Taxes	100.0000%	
13	Applicable Arizona State Tax Rate (from Schedule C-2)	5.5000%	
14	Federal Taxable Income (L12 - L13)	94.5000%	
15	Applicable Federal Tax Rate (from Schedule C-2)	33.1018%	
16	Effective Federal Tax Rate (L14 * L15)	31.2812%	
17	Combined Federal and State Tax Rate (L13 + L16)		36.7812%
	Calculation of Effective Property Tax Rate		
18	Unity	100.0000%	
19	Combined Federal and State Tax Rate (Line 17)	36.7812%	
20	One Minus Combined Income Tax Rate (L18 - L19)	63.2188%	
21	Property Tax Factor (from Schedule C-2)	1.0348%	
22	Effective Property Tax Factor (L20 * L21)		0.6542%
23	Combined Federal and State Income Tax Rate and Property Tax Rate (L17 + L22)		37.4354%

	Calculation of Uncollectable Rate		
24	Bad Debt Expense (from Schedule C-1)	$	-
25	Total Revenues (from Schedule C-1)		960,057
26	Uncollectable Rate (L24 / L25)		0.0000%
27	Revenue Increase (from Schedule C-1)	$	652,818
28	Uncollectable Rate (Line 26)		0.0000%
29	Bad Debt Expense due to Increase	$	-

30	Supporting Schedules:	Recap Schedules:
31		A-1

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Summary Cost of Capital

Exhibit: RLJ-DT3
Schedule D-1
Page 1
Witness: Jones

Line No.	Invested Capital	End of Test Year (Adjusted) Amount	Percent of Total	Cost Rate	Weighted Cost	End of Projected Year (Current Rates) Amount	Percent of Total	Cost Rate	Weighted Cost	End of Projected Year (Proposed Rates) Amount	Percent of Total	Cost Rate	Weighted Cost
1													
2	Long-Term Debt	$ 791,493	17.69%	4.0720%	0.7202%	$ 455,411	11.07%	3.500%	0.3874%	$ 455,411	10.07%	3.5000%	0.3524%
3													
4	Short-Term Debt	$ -	0.00%		0.0000%	$ -	0.00%		0.0000%	$ -	0.00%		0.0000%
5													
6	Adjusted Common Equity	$ 3,683,323	82.31%	10.0000%	8.2312%	$ 3,659,396	88.93%	10.000%	8.8932%	$ 4,067,830	89.93%	10.0000%	8.9932%
7													
8	Totals	$ 4,474,816	100.00%		8.9515%	$ 4,114,807	100.00%		9.2806%	$ 4,523,240	100.00%		9.3456%
9													
10													
11	Required Rate of Return				9.2806%								
12													
13													
14	Equity Adjustments												
15	Common Equity per Sch. E-1	$ 3,661,965											
16													
17	PIS Equity Adjustments	$ 11,045											
18	A/D Equity Adjustments	10,743											
19	AIAC Equity Adjustment	-											
20	CIAC Equity Adjustment	-											
21	AA CIAC Equity Adjustment	(429)											
22													
23													
24	Adjusted Common Equity	$ 3,683,323											
25													
26													
27	Supporting Schedules:												
28	D-2 D-3												
29	D-4 E-1												
30													

Projected Debt 12/31/16		
2001 Co-Bank Loan	953,739	
Water Percentage	52.25%	Per Decision No. 63585
Wastewater Percentage	47.75%	Per Decision No. 63585
Water Balance	498,329	
Waste Water Balance	455,411	

Recap Schedules:
A-3

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Cost of Long-Term and Short-Term Debt

Exhibit: RLJ-DT3
Schedule D-2
Page 1
Witness: Jones

Line No.		End of Test Year			End of Projected Year		
1							
2		Amount	Annual	Interest	Amount	Annual	Interest
3		Outstanding	Interest	Rate	Outstanding	Interest	Rate
4	Total Company Long-Term Debt						
5	1996 Co-Bank (Fixed)	$ 50,804.00	$ 4,979	9.80%	$ -	$ -	
6	1996 Co-Bank (Variable)	50,804.00	1,778	3.50%	-	-	
7	1996 Second AZ	65,027.00	6,373	9.80%	-	-	
8	2001 Co-Bank (Variable)	1,109,168	38,821	3.50%	953,739	33,381	3.50%
9							
10	Total Long-Term Debt	$ 1,275,803	$ 51,950	4.072%	$ 953,739	$ 33,381	3.50%
11							
12	Short-Term Debt						
13	None Outstanding						
14							
15							
16	Total Short-Term Debt	$ -	$ -	0.000%	$ -	$ -	0.000%
17							
18	Total All Debt	$ 1,275,803	$ 51,950	4.072%	$ 953,739	$ 33,381	3.50%
19							
20							
21	Wastewater Division Allocation	$ 791,493	22,379	4.07%	$ 455,411	15,939	3.50%
22							
23							
24	Supporting Schedules:						Recap Schedules:
25	E-1						D-1
26							

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Cost of Preferred Stock

Exhibit: RLJ-DT3
Schedule D-3
Page 1
Witness: Jones

Line No.	
1	
2	Not Applicable - No preferred stock issued or outstanding
3	
4	Supporting Schedules:
5	
6	

Recap Schedules:
D-1

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Cost of Common Equity

Exhibit: RLJ-DT3
Schedule D-4
Page 1
Witness: Jones

Line No.		
1		
2	Rio Verde Utilities, Inc. - Wastewater Division is proposing an 10.0% cost of common equity per its filed testimony	
3		
4	Supporting Schedules:	Recap Schedules:
5		D-1
6		

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Comparative Balance Sheet

Exhibit: RLJ-DT3
Schedule E-1
Page 1
Witness: Jones

Line No.		Test Year Ended 12/31/2015	Prior Year Ended 12/31/2014	Prior Year Ended 12/31/2013
1	**ASSETS**			
2	**PROPERTY PLANT AND EQUIPMENT**			
3	101 Utility Plant In Service	$ 8,994,900	$ 8,937,861	$ 7,637,686
4	103 Property Held for Future Use	-	-	1,290,354
5	105 Construction Work in Progress	163,590	92,659	87,887
6	108 Less: Accumulated Depreciation	(3,362,984)	(3,130,873)	(2,916,431)
7	**Net Plant**	$ 5,795,506	$ 5,899,648	$ 6,099,496
8				
9	**CURRENT ASSETS**			
10	131 Cash and Equivalents	$ 107,875	$ 97,181	$ 26,017
11	132 Special Deposits	211,780	209,948	209,842
12	141 Customer Accounts Receivable	75,409	82,545	70,554
13	142 Other Accounts Receivable	-	1,364	19,836
14	145 Accounts Receivable from Associated Companies	-	-	50
15	151 Plant Materials and Supplies	-	-	-
16	162 Prepayments	24,668	9,738	9,126
17	174 Miscellaneous Current and Accrued Assets	132,794	139,167	137,224
18	**Total Current Assets**	$ 552,524	$ 539,943	$ 472,649
19				
20	**DEFERRED DEBITS**			
21	181 Unamortized Debt and Discount Expense	$ 4,090	$ 4,746	$ 5,434
22	186 Deferred Debits	6,536	1,008	-
23	190 Accumulated Deferred Income Taxes	10,124	1,357	1,894
24	**Total Deferred Debits**	$ 20,750	$ 7,110	$ 7,329
25				
26	**TOTAL ASSETS**	$ 6,368,780	$ 6,446,701	$ 6,579,473
27				
28	**LIABILITIES AND STOCKHOLDERS' EQUITY**			
29	**CAPITAL ACCOUNTS**			
30	201 Common Stock Issued	$ 1,306,731	$ 1,306,731	$ 1,306,731
31	211 Paid in Capital	-	-	-
32	215 Retained Earnings	2,355,233	2,180,253	2,049,134
33	**Total Capital**	$ 3,661,965	$ 3,486,985	$ 3,355,865
34				
35	**LONG-TERM DEBT**			
36	224 Other Long-Term Debt	791,493	1,015,285	1,247,961
37	**Total long-Term Debt**	$ 791,493	$ 1,015,285	$ 1,247,961
38				
39	**CURRENT LIABILITIES**			
40	231 Accounts Payable	$ 45,414	$ 48,333	$ 59,753
41	232 Notes Payable	-	-	-
42	233 Accounts Payable to Associated Companies	50,045	69,845	54,850
43	235 Customer Deposits	-	-	-
44	236 Accrued Taxes	2,726	3,733	3,384
45	241 Miscellaneous Current Liabilities	-	18	788
46	**Total Current Liabilities**	$ 98,185	$ 121,928	$ 118,775
47				
48	**DEFERRED CREDITS**			
49	252 Advances in Aid of Construction	$ -	$ -	$ -
50	255 Accumulated Deferred Income Tax Credits	-	6	145
51	271 Contributions in Aid of Construction	2,473,879	2,458,879	2,458,879
52	272 Accumulated Amortization CIAC	(1,342,155)	(1,277,936)	(1,213,913)
53	282 Accumulated Deferred Income Tax	685,413	641,555	611,761
54	**Total Deferred Credits**	$ 1,817,137	$ 1,822,503	$ 1,856,872
55				
56	**Total Liabilities & Common Equity**	$ 6,368,780	$ 6,446,701	$ 6,579,473
57				
58	Supporting Schedules:	Workpapers:		Recap Schedules:
59	E-5	RV Rate Case Data.xlsx, Tab:Bal Sht		

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Comparative Income Statements

Exhibit: RLJ-DT3
Schedule E-2
Page 1
Witness: Jones

Line No.			Test Year Ended 12/31/2015	Prior Year Ended 12/31/2014	Prior Year Ended 12/31/2013
1	**Revenues**				
2	521	Flat Rate Revenues - General	$ 911,345	$ 908,250	$ 907,820
3	536	Other Wastewater Revenue	2,916	2,397	2,540
4	536.1	Other Wastewater Revenue - HUFs	52,500	10,500	3,000
5	541	Measured Reuse Revenue	45,796	46,513	48,098
6	**Total Revenues**		$ 1,012,557	$ 967,661	$ 961,458
7	**Operating Expenses**				
8	701	Salaries and Wages	$ 130,280	$ 109,661	$ 110,624
9	703	Salaries and Wages - Officers and Directors	-	-	-
10	704	Employee Pension and Benefits	17,501	13,776	16,052
11	710	Purchased Wastewater Treatment	-	-	-
12	711	Sludge Removal Expense	35,223	33,011	28,184
13	715	Purchased Power	88,009	84,287	93,469
14	718	Chemicals	50,321	42,197	48,191
15	720	Materials and Supplies	107,914	136,859	115,338
16	731	Contractual Services - Engineering	-	-	-
17	732	Contractual Services - Accounting	81,709	78,099	76,370
18	733	Contractual Services - Legal	10,829	648	1,347
19	734	Contractual Services - Management Fees	-	-	-
20	735	Contractual Services - Testing	2,333	1,400	1,255
21	736	Contractual Services - Other	12,122	13,970	7,999
22	741	Rent - Buildings	24,273	24,525	24,000
23	742	Rent - Equipment	4,209	3,119	3,108
24	750	Transportation Expense	9,559	10,619	14,107
25	756	Insurance - Vehicle	-	-	-
26	757	Insurance - General Liability	16,873	21,879	15,467
27	758	Insurance - Workman's Compensation	-	-	-
28	759	Insurance - Other	-	-	-
29	760	Advertising Expense	-	-	-
30	766	Regulatory Commission Expense - Rate Case	-	-	-
31	767	Regulatory Expense - Other	-	-	-
32	770	Bad Debt Expense	-	-	-
33	775	Miscellaneous Expense	32,118	28,317	27,122
34	403	Depreciation Expense	167,893	150,419	133,458
35	408	Taxes Other Than Income	18,942	16,217	15,944
36	408.11	Property Taxes	40,285	39,360	40,232
37	409	Income Tax	2,591	29,641	10,032
38	**Total Operating Expenses**		$ 852,983	$ 838,004	$ 782,299
39	**Operating Income**		$ 159,574	$ 129,657	$ 179,160
40	**Other Income (Expense)**				
41	419	Interest and Dividend Income	102	17	193
42	421	Non-Utility Income	-	-	-
43	426	Miscellaneous Non-Utility Expenses	-	-	(7,609)
44	427	Interest Expense	(22,379)	(34,612)	(45,489)
45	428	Amortization of Finance Fees	(626)	(626)	(1,252)
46	**Total Other Income (Expense)**		$ (22,902)	$ (35,221)	$ (54,156)
47	**Net Income (Loss)**		$ 136,672	$ 94,436	$ 125,004
48					
49					
50	Workpapers:				Recap Schedules:
51	RV Rate Case Data.xlsx, Tab:Inc Stat Swr				A-2

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Comparative Statement of Changes in Financial Position

Exhibit: RLJ-DT3
Schedule E-3
Page 1
Witness: Jones

Line No.		Test Year Ended 12/31/2015	Prior Year Ended 12/31/2014	Prior Year Ended 12/31/2013
1	Source of Funds			
2	Cash Flow from Operations:			
3	Net Income	$ 136,672	$ 94,436	$ 125,004
4	Adjustments to reconcile net income to net cash			
5	403 Depreciation and Amortization	167,893	150,419	133,458
7	Other Adjustments	-	-	-
8	Changes in Assets & Liabilities			
9	132 Special Deposits	(1,831)	(106)	(106)
10	141 Customer Accounts Receivable	7,137	(11,992)	(5,720)
11	142 Other Accounts Receivable	1,364	18,472	1,782
12	145 Accounts Receivable from Associated Companies	-	50	(50)
13	151 Plant Materials and Supplies	-	-	-
14	162 Prepayments	(14,929)	(613)	5,932
15	174 Miscellaneous Current and Accrued Assets	6,373	(1,943)	(1,038)
16	181 Unamortized Debt and Discount Expense	656	688	688
17	186 Miscellaneous Deferred Debits	(5,529)	(1,008)	-
18	190 Accumulated Deferred Income Tax (Asset)	(8,767)	537	940
19	231 Accounts Payable	(2,919)	(11,420)	(7,463)
20	232 Notes Payable	-	-	-
21	233 Accounts Payable to Associated Companies	(19,800)	14,995	41,200
22	235 Customer Deposits	-	-	-
23	236 Accrued Taxes	(1,006)	348	(835)
24	237 Accrued Interest	-	-	-
25	241 Miscellaneous Current Liabilities	(18)	(770)	(363)
26	255 Accumulated Deferred Income Tax Credits	(6)	(139)	(2,369)
27	282 Accumulated Deferred Income Tax (Liability)	43,859	29,793	(20,215)
28	Total From Operations	$ 309,148	$ 281,750	$ 270,847
29				
30	Cash Flow from Financing:			
31	221 Bonds	-	-	-
32	224 Long-Term Debt	(223,792)	(232,676)	(214,410)
33	252 Advances in Aid of Construction	-	-	-
34	271 Contributions in Aid of Construction	15,000	-	-
35	211 Paid in Capital	-	-	-
36	Total From Financing	$ (208,792)	$ (232,676)	$ (214,410)
37				
38	Application of Funds			
39	Cash Flow from Investing Activities			
40	Capital Expenditures	(127,969)	(14,593)	(2,584)
41	Dividends Paid			
42	Other			
43	Total From Investing Activities	$ (127,969)	$ (14,593)	$ (2,584)
44				
45	Change in Allocation between Departments & Other	$ 38,308	$ 36,683	$ (60,197)
46				
47	Net Increase/(Decrease) in Cash	$ 10,694	$ 71,164	$ (6,345)
48				
49	Cash, Beginning of Year	$ 97,181	$ 26,017	$ 32,362
50	Cash, End of Year	$ 107,875	$ 97,181	$ 26,017
51				
52				
53				
54	Workpapers:			Recap Schedules:
55				A-5
56				

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Statement of Changes in Stockholder's Equity

Exhibit: RLJ-DT3
Schedule E-4
Page 1
Witness: Jones

Line No.		Common Shares	Common Stock	Additional Paid In Capital	Retained Earnings	Total
1						
2						
3						
4	Balance, December 31, 2012	1,306,731	$ 1,306,731	$ -	$ 1,980,952	$ 3,287,684
5	Additional Paid In Capital					-
6	Dividends				-	-
7	Adjustments/Other				(56,822)	(56,822)
8	Net Income				125,004	125,004
9						
10	Balance, December 31, 2013	1,306,731	$ 1,306,731	$ -	$ 2,049,134	$ 3,355,865
11	Additional Paid In Capital					-
12	Dividends					-
13	Adjustments/Other				36,683	36,683
14	Net Income				94,436	94,436
15						
16	Balance, December 31, 2014	1,306,731	$ 1,306,731	$ -	$ 2,180,253	$ 3,486,985
17	Additional Paid In Capital					-
18	Dividends					-
19	Adjustments/Other				38,308	38,308
20	Net Income				136,672	136,672
21						
22	Balance, December 31, 2015	1,306,731	$ 1,306,731	$ -	$ 2,355,233	$ 3,661,965
23						
24						
25	Supporting Schedules:				Recap Schedules:	
26						
27						

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Detail of Utility Plant

Exhibit: RLJ-DT3
Schedule E-5
Page 1
Witness: Jones

Line No.	Acct. No.	Plant Description	Plant Balance at 12/31/2014	Plant Additions, Reclassifications or Retirements	Plant Balance at 12/31/2015
1					
2	351	Organization Cost	$ 1,380	$ -	$ 1,380
3	352	Franchise Cost	-	-	-
4	353	Land and Land Rights	50,513	-	50,513
5	354	Structures & Improvements	289,960	2,700	292,660
6	355	Power Generation Equipment	-	-	-
7	360	Collection Sewers - Force	-	-	-
8	361	Collection Sewers - Gravity	3,809,943	-	3,809,943
9	362	Special Collection Structures	-	-	-
10	363	Services to Customers	562,446	-	562,446
11	364	Flow Measuring Devices	-	-	-
12	365	Flow Measuring Installations	-	-	-
13	366	Reuse Services	-	-	-
14	367	Reuse Meters and Meter Installations	-	-	-
15	368	Lift Stations	267,250	-	267,250
16	371	Pumping Equipment	29,504	-	29,504
17	374	Reuse Distribution Reservoirs	-	-	-
18	375	Reuse Transmission & Distribution	-	-	-
19	380	Treatment and Disposal Equipment	3,653,797	-	3,653,797
20	381	Plant Sewers	-	-	-
21	382	Outfall Sewer Lines	61,069	-	61,069
22	389	Other Plant & Misc. Equipment	-	-	-
23	390	Office Furniture & Equipment	10,011	916	10,927
24	390.1	Computers & Software	-	-	-
25	391	Transportation Equipment	39,235	40,977	80,211
26	392	Stores Equipment	-	-	-
27	393	Tools, Shop & Garage Equipment	25,112	4,040	29,152
28	394	Laboratory Equipment	58,223	8,406	66,629
29	395	Power Operated Equipment	-	-	-
30	396	Communication Equipment	9,300	-	9,300
31	397	Miscellaneous Equipment	-	-	-
32	398	Other Tangible Plant	70,118	-	70,118
35					
36		TOTAL WASTEWATER PLANT	$ 8,937,861	$ 57,038	$ 8,994,900
37					
38	Workpapers:				Recap Schedules:
39					E-1
40					A-4
41					

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Operating Statistics

Exhibit: RLJ-DT3
Schedule E-7
Page 1
Witness: Jones

Line No.		Test Year Ended 12/31/2015	Prior Year Ended 12/31/2014	Prior Year Ended 12/31/2013
1				
2	Gallons Treated / Sold (Thousands)			
3	Sewer	48,990	52,955	50,188
4	Effluent	47,119	47,952	51,199
5				
6				
7	Average Number of Customers			
8	Sewer	1,653	1,636	1,631
9	Effluent	3	3	3
10	Total Average Number of Customers	1,656	1,639	1,634
11				
12	Gallons Treated Per Customer	29,637	32,369	30,771
13				
14	Sewer Revenue Per Customer	$ 554	$ 555	$ 557
15	Effluent Revenue Per Customer	$ 15,265	$ 15,504	$ 16,033
16				
17	Pumping Costs	$ 88,009	$ 84,287	$ 93,469
18				

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Taxes Charged to Operations

Exhibit: RLJ-DT3
Schedule E-8
Page 1
Witness: Jones

Line No.	Description	Test Year Ended 12/31/2015	Prior Year Ended 12/31/2014	Prior Year Ended 12/31/2013
1	Description			
2				
3	Federal Income Tax	8,513	32,098	(2,223)
4	State Income Tax	(5,922)	(2,457)	12,255
5	Payroll Tax	18,942	16,217	15,944
6	Property Tax	40,285	39,360	40,232
7				
8	Totals	$ 61,819	$ 85,217	$ 66,208
9				
10	Workpapers:			Recap Schedules:
11				
12				

Line No.		
1		
2		
3	See Company's Audited Financial Statements.	
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18	Supporting Schedules:	Recap Schedules:
19		
20		

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Projected Income Statements - Present and Proposed Rates

Exhibit: RLJ-DT3
Schedule F-1
Page 1
Witness: Jones

Line No.			Actual Test Year Ended 12/31/2015	Projected Year At Present Rates Year Ended Ended 12/31/2016	Projected Year At Proposed Rates Year Ended Ended 12/31/2016
1	**Revenues**				
2	521	Flat Rate Revenues - General	$ 911,345	$ 919,265	$ 1,551,822
3	536	Other Wastewater Revenue	2,916	2,916	2,916
4	536	Other Wastewater Revenue - HUFs	52,500	-	-
5	541	Measured Reuse Revenue	45,796	45,796	66,057
6	**Total Revenues**		$ 1,012,557	$ 967,977	$ 1,620,796
7	**Operating Expenses**				
8	701	Salaries and Wages	$ 130,280	$ 134,189	$ 134,189
9	703	Salaries and Wages - Officers and Directors	-	-	-
10	704	Employee Pension and Benefits	17,501	23,276	23,276
11	710	Purchased Wastewater Treatment	-	-	-
12	711	Sludge Removal Expense	35,223	35,223	35,223
13	715	Purchased Power	88,009	91,364	91,364
14	718	Chemicals	50,321	51,076	51,076
15	720	Materials and Supplies	107,914	97,507	97,507
16	731	Contractual Services - Engineering	-	-	-
17	732	Contractual Services - Accounting	81,709	82,935	82,935
18	733	Contractual Services - Legal	10,829	10,991	10,991
19	734	Contractual Services - Management Fees	-	-	-
20	735	Contractual Services - Testing	2,333	2,368	2,368
21	736	Contractual Services - Other	12,122	12,304	12,304
22	741	Rent - Buildings	24,273	24,637	24,637
23	742	Rent - Equipment	4,209	4,272	4,272
24	750	Transportation Expense	9,559	9,702	9,702
25	756	Insurance - Vehicle	-	-	-
26	757	Insurance - General Liability	16,873	32,351	32,351
27	758	Insurance - Workman's Compensation	-	-	-
28	759	Insurance - Other	-	-	-
29	760	Advertising Expense	-	25,000	25,000
30	766	Regulatory Commission Expense - Rate Case	-	-	-
31	767	Regulatory Expense - Other	-	-	-
32	770	Bad Debt Expense	-	-	-
33	775	Miscellaneous Expense	32,118	39,959	39,959
34	403	Depreciation Expense	167,893	250,105	250,105
35	408	Taxes Other Than Income	18,942	19,510	19,510
36	408.11	Property Taxes	40,285	33,899	40,654
37	409	Income Tax	2,591	(6,009)	231,620
38	**Total Operating Expenses**		$ 852,983	$ 974,659	$ 1,219,044
39	**Operating Income**		$ 159,574	$ (6,682)	$ 401,752
40	**Other Income (Expense)**				
41	419	Interest and Dividend Income	102	102	102
42	421	Non-Utility Income	-	-	-
43	426	Miscellaneous Non-Utility Expenses	-	-	-
44	427	Interest Expense	(22,379)	(16,722)	(16,722)
45	433	Extraordinary Expense	(626)	(626)	(626)
46	**Total Other Income (Expense)**		$ (22,902)	$ (17,245)	$ (17,245)
47	**Net Income (Loss)**		$ 136,672	$ (23,927)	$ 384,507
48					
49	Supporting Schedules:				Recap Schedules:
50	E-2				A-2
51					

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Projected Changes In Financial Position - Present and Proposed Rates

Exhibit: RLJ-DT3
Schedule F-2
Page 1
Witness: Jones

Line No.		Test Year Ended 12/31/2015	At Present Rates Year Ended 12/31/2016	At Proposed Rates Year Ended 12/31/2016
1	Source of Funds			
2	Cash Flow from Operations:			
3	Net Income	$ 136,672	$ (23,927)	$ 384,507
4	Adjustments to reconcile net income to net cash			
5	403 Depreciation and Amortization	167,893	250,105	250,105
6	Other Adjustments	-		
7	Changes in Assets & Liabilities			
8	132 Special Deposits	(1,831)		
9	141 Customer Accounts Receivable	7,137		
10	142 Other Accounts Receivable	1,364		
11	145 Accounts Receivable from Associated Companies	-		
12	151 Plant Materials and Supplies	-		
13	162 Prepayments	(14,929)		
14	174 Miscellaneous Current and Accrued Assets	6,373		
15	181 Unamortized Debt and Discount Expense	656		
16	186 Miscellaneous Deferred Debits	(5,529)		
17	190 Accumulated Deferred Income Tax (Asset)	(8,767)		
18	231 Accounts Payable	(2,919)		
19	232 Notes Payable	-		
20	233 Accounts Payable to Associated Companies	(19,800)		
21	235 Customer Deposits	-		
22	236 Accrued Taxes	(1,006)		
23	237 Accrued Interest	-		
24	241 Miscellaneous Current Liabilities	(18)		
25	255 Accumulated Deferred Income Tax Credits	(6)		
26	282 Accumulated Deferred Income Tax (Liability)	43,859		
27	Total From Operations	$ 309,148	$ 226,178	$ 634,612
28				
29	Cash Flow from Financing:			
30	221 Bonds	-		
31	224 Long-Term Debt	(223,792)	(322,064)	(322,064)
32	252 Advances in Aid of Construction	-	683,870	683,870
33	271 Contributions in Aid of Construction	15,000	105,000	105,000
34	211 Paid in Capital	-	-	-
35	Total From Financing	$ (208,792)	$ 466,806	$ 466,806
36				
37	Application of Funds			
38	Cash Flow from Investing Activities			
39	Capital Expenditures	(127,969)	(1,055,418)	(1,055,418)
40	Dividends Paid	-	-	-
41	Other	-	-	-
42	Total From Investing Activities	$ (127,969)	$ (1,055,418)	$ (1,055,418)
43				
44	Change in Allocation between Departments & Other	$ 38,308	$ -	$ -
45				
46	Net Increase/(Decrease) in Cash	$ 10,694	$ (362,434)	$ 46,000
47				
48	Cash, Beginning of Year	$ 97,181	$ 107,875	$ 107,875
49	Cash, End of Year	$ 107,875	$ (254,559)	$ 153,874
50				
51				
52	Supporting Schedules:			Recap Schedules:
53	E-3			A-5
54	F-3			
55				

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Projected Construction Requirements

Exhibit: RLJ-DT3
Schedule F-3
Page 1
Witness: Jones

Line No.	Property Classification	Adjusted Test Year 12/31/2015	Projected Thru 12/31/2016	Projected Thru 12/31/2017	Projected Thru 12/31/2018
5	Intangible Plant	$ -	$ -	$ -	$ -
7	Collection Plant	3,743	572,059	704,200	339,050
9	Treatment Plant	81,736	312,000	70,000	90,000
11	Reuse Plant	-	120,000	20,000	20,000
13	General Plant	54,338	51,359	35,000	45,000
15	Total Plant	$ 139,817	$ 1,055,418	$ 829,200	$ 494,050

18 Workpapers:

Recap Schedules:
F-2 A-4

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Assumptions Used in Developing Projection

Exhibit: RLJ-DT3
Schedule F-4
Page 1
Witness: Jones

Line No.	
1	
2	70 Additional Residential Customer in 2016
3	
4	Per Test Year Adjustments
5	
6	Salaries and Pensions increase by 3.0%
7	
8	All other expenses increased by 1.5%
9	
10	Supporting Schedules:
11	
12	

Recap Schedules:

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Summary of Revenues by Customer Classification - Present and Proposed Rates

Exhibit: RLJ-DT3
Schedule H-1
Page 1
Witness: Jones

Line No.	Customer Classification	Revenues in the Test Year: Present Rates	Revenues in the Test Year: Proposed Rates	Proposed Increase: Amount	Proposed Increase: %
1					
2	Flat Rate Revenues				
3	Residential	861,608	1,453,964	592,356	68.75%
4	Commercial - Typical	46,600	78,661	32,061	68.80%
5	Commercial - Restaurant	7,200	14,400	7,200	100.00%
6					
7	Measured Reuse Revenues				
8	Effluent	45,705	65,967	20,261	44.33%
9					
10	Other Wastewater Revenues	2,916	2,916	-	0.00%
11					
12	Total Wastewater Revenues	$ 964,030	$ 1,615,907	$ 651,877	67.62%
13					
14	Reconciliation				
15	Bill Count Revenue	$ 964,030			
16					
17	Wastewater Revenues per G.L.	1,012,557			
18	Revenue Adjustments				
19	Adjustment IS-1	(52,500)			
20	Adjustment IS-2				
21	Adjustment IS-5				
22	Adjusted G.L. Revenue	$ 960,057			
23					
24	Unreconciled Difference	$ 3,972			
25	Percentage Difference	0.41%			
26					
27					
28	Supporting Schedules:				Recap Schedules:
29	H-2				A-1
30					

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Analysis of Revenue by Detailed Class

Exhibit: RLJ-DT3
Schedule H-2
Page 1
Witness: Jones

Line No.	Description	Average Number Customers	Monthly Average Consumption	Revenues Present Rates	Revenues Proposed Rates	Proposed Increase Amount	Proposed Increase %
1							
2	Flat Rate Revenue						
3	Residential	1,632		861,608	1,453,964	592,356	68.75%
4	Commercial - Typical	19		46,600	78,661	32,061	68.80%
5	Commercial - Restaurant	2		7,200	14,400	7,200	100.00%
6							
7	Measured Reuse Revenue						
8	Effluent	3		45,705	65,967	20,261	44.33%
9							
10							
11	Other Wastewater Revenues			$ 2,916	$ 2,916	$ -	0.00%
12							
13	Total	1,656		964,030	1,615,907	651,877	67.62%
14							
15	Supporting Schedules:					Recap Schedules:	
16						H-1	
17							

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Changes in Representative Rate Schedules

Exhibit: RLJ-DT3
Schedule H-3
Page 1
Witness: Jones

Line No.	**Residential & Commercial Service**		Present Rate Tiers Upper Limits (gallons)	Proposed Rate Tiers Upper Limits (gallons)	Base Charge Present Rate	Base Charge Proposed Rate	Base Charge Change	Volume Charge (per 1,000 gallons) Present Rate	Volume Charge (per 1,000 gallons) Proposed Rate	Volume Charge (per 1,000 gallons) Change
1										
2										
3	Description									
4										
5	R1 - Residential		999,999,000	999,999,000	$ 44.00	$ 74.25	$ 30.25			$ -
6										
7	R2 - Commercial		999,999,000	999,999,000	$ 200.00	$ 337.60	$ 137.60			n/a
8										
9	R3 - Restaurant		999,999,000	999,999,000	$ 300.00	$ 600.00	$ 300.00			
10										
11	R4 - Effluent Sales	Tier 1	999,999,000	999,999,000			$ -	$ 0.97	$ 1.40	
12										
13										
14					Indicates No Tariff			Indicates No Tariff		
15										
16										

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Changes in Representative Rate Schedules

Exhibit: RLJ-DT3
Schedule H-3
Page 2
Witness: Jones

Line No.	**Service Charges[1]**	Rates	Rates
1			
2	Establishment	$ 25.00	$ 25.00
3	Establishment (After Hours)	$ 50.00	n/t
4	Reconnection (Delinquent)[2]	Cost	Cost
5	Reconnection (Delinquent-After Hours - additional charge)	$ 30.00	n/t
6	After Hours Charge	n/t	$ 25.00
7	Deposit	*	*
8	Deposit Interest	*	*
9	Re-Establishment (Within 12 Months)	**	**
10	Re-Establishment (After Hours - additional charge)	$ 40.00	n/t
11	NSF Check	$ 25.00	$ 25.00
12	Deferred Payment (Per Month)	1.5%	1.5%
13	Late Payment Penalty (Per Month)	1.5%	1.5%

14 * Per Commission Rule A.A.C. R-14-2-603(B).
15 ** Number of months off system times the monthly minimum, per Commission Rule A.A.C. R14-2-603(D).
16
17 All items billed at cost shall include labor, materials and parts, overheads and all applicable taxes.
18 n/t - no tariff
19
20 [1] In addition to all water service charges
21 [2] This charge shall be assessed for the actual cost of physical disconnection and reconnection (if the same customer) and
22 there shall be no charge if there is no physical work performed.
23

Line No.

Off-Site Facilities Hook-Up Fee (Current)
All Service Sizes - $1500 ; Applicable to Residential and, Commercial customers.
Hook-up fees included in revenues are to be $35,000 for water revenue and $52,500 for sewer revenue. Any money collected above these figures will be considered contributions in aid of construction ("CIAC").

Off-Site Facilities Hook-Up Fee (Proposed)
All Service Sizes - $3,000; Applicable to Residential and Commercial Customers.
All Hook-up fees will be considered contributions in aid of construction ("CIAC").

Purchased Power Adjustor Mechanism
The purpose of the Purchased Power Adjustor is to pass-through to customers any increase or decrease in purchased power costs that result from a rate change implemented by Salt River Project, the provider of electricity to the Company. The Company proposes to develop a plan of administration for the surcharge, to be approved by Staff that will more fully define the terms of the surcharge as well as the procedures for making annual adjustments to reflect increases or decreases in the power rate applicable.

Purchased Power Adjustor is applicable to all residential, commercial, construction and effluent sales.

Main Extension Tariff (Current)
Per Rule R14-2-606B. Extensions at Cost. In Decision No. 60929, dated May 26, 1998, the Commission authorized waiver to the refundable requirement of the Rule. Therefore, all advances pursuant to this Tariff are non-refundable.

Main Extension Tariff (Proposed)
Per Rule R14-2-606B. Extensions at Cost, including reimbursement of Company labor and overhead related to construction, inspection and administration of Main Extension. Main Extension Agreements refunded annually a minimum amount equal to 10% of gross annual revenue from wastewater services to each bona fide consumer whose service is connected to main lines covered by the main extension agreement, for a period of not less than 10 years.

Privilege, Sales or Use Tax
In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule RI4-2-409(D)(5).

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT3
Schedule H-4
Witness: Jones

Class: Residential
Meter Size: NO SIZE
Sub Class:

Line No.	Rate Schedules			Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**							
2	Base Charge:	$	44.00					
3				All	$ 44.00	$ 74.25	$ 30.25	68.75%
4	**Proposed Rates:**							
5	Base Charge:	$	74.25					

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT3
Schedule H-4
Witness: Jones

Class: Residential
Meter Size: 1"
Sub Class:

Line No.	Rate Schedules		
1	**Present Rates:**		
2	Base Charge:	$	44.00
3			
4	**Proposed Rates:**		
5	Base Charge:	$	74.25

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
All	$ 44.00	$ 74.25	$ 30.25	68.75%

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT3
Schedule H-4
Witness: Jones

Class: Residential
Meter Size: 1 1/2"
Sub Class:

Line No.	Rate Schedules		Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**						
2	Base Charge:	$ 44.00					
3			All	$ 44.00	$ 74.25	$ 30.25	68.75%
4	**Proposed Rates:**						
5	Base Charge:	$ 74.25					

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT3
Schedule H-4
Witness: Jones

Class: Commercial
Meter Size: NO SIZE
Sub Class:

Line No.	Rate Schedules	
1	**Present Rates:**	
2	Base Charge:	$ 200.00
3		
4	**Proposed Rates:**	
5	Base Charge:	$ 337.60

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
All	$ 200.00	$ 337.60	$ 137.60	68.80%

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT3
Schedule H-4
Witness: Jones

Class: Commercial
Meter Size: 1"
Sub Class:

Line No.	Rate Schedules		Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**						
2	Base Charge:	$ 200.00					
3			All	$ 200.00	$ 337.60	$ 137.60	68.80%
4	**Proposed Rates:**						
5	Base Charge:	$ 337.60					

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT3
Schedule H-4
Witness: Jones

Class: Commercial
Meter Size: 1.5"
Sub Class:

Line No.	Rate Schedules		Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**						
2	Base Charge:	$ 200.00					
3			All	$ 200.00	$ 337.60	$ 137.60	68.80%
4	**Proposed Rates:**						
5	Base Charge:	$ 337.60					

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT3
Schedule H-4
Witness: Jones

Class: Commercial
Meter Size: 2"
Sub Class: Restaurant

Line No.	Rate Schedules	
1	**Present Rates:**	
2	Base Charge:	$ 300.00
3		
4	**Proposed Rates:**	
5	Base Charge:	$ 600.00

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
All	$ 300.00	$ 600.00	$ 300.00	100.00%

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT3
Schedule H-4
Witness: Jones

Class: Effluent
Meter Size: NO SIZE
Sub Class:

Line No.	Rate Schedules			Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	**Present Rates:**			-	$ -	$ -	$ -	#DIV/0!
2	Base Charge:	$	-	100,000	$ 97.00	$ 140.00	$ 43.00	44.33%
3				250,000	$ 242.50	$ 350.00	$ 107.50	44.33%
4				400,000	$ 388.00	$ 560.00	$ 172.00	44.33%
5	Tier One Rate:	$	0.97	550,000	$ 533.50	$ 770.00	$ 236.50	44.33%
6	Tier Two Rate:	$	-	700,000	$ 679.00	$ 980.00	$ 301.00	44.33%
7	Tier Three Rate:	$	-	850,000	$ 824.50	$ 1,190.00	$ 365.50	44.33%
8				1,000,000	$ 970.00	$ 1,400.00	$ 430.00	44.33%
9	Tier One Breakover (M gal):		999,999	1,150,000	$ 1,115.50	$ 1,610.00	$ 494.50	44.33%
10	Tier Two Breakover (M gal):		-	1,300,000	$ 1,261.00	$ 1,820.00	$ 559.00	44.33%
11	Tier Three Breakover (M gal):		-	1,450,000	$ 1,406.50	$ 2,030.00	$ 623.50	44.33%
12				1,600,000	$ 1,552.00	$ 2,240.00	$ 688.00	44.33%
13				1,750,000	$ 1,697.50	$ 2,450.00	$ 752.50	44.33%
14	**Proposed Rates:**			1,900,000	$ 1,843.00	$ 2,660.00	$ 817.00	44.33%
15	Base Charge:	$	-	2,050,000	$ 1,988.50	$ 2,870.00	$ 881.50	44.33%
16				2,200,000	$ 2,134.00	$ 3,080.00	$ 946.00	44.33%
17				2,350,000	$ 2,279.50	$ 3,290.00	$ 1,010.50	44.33%
18	Tier One Rate:	$	1.40	2,500,000	$ 2,425.00	$ 3,500.00	$ 1,075.00	44.33%
19	Tier Two Rate:	$	-	2,650,000	$ 2,570.50	$ 3,710.00	$ 1,139.50	44.33%
20	Tier Three Rate:	$	-	2,800,000	$ 2,716.00	$ 3,920.00	$ 1,204.00	44.33%
21				2,950,000	$ 2,861.50	$ 4,130.00	$ 1,268.50	44.33%
22	Tier One Breakover (M gal):		999,999	3,100,000	$ 3,007.00	$ 4,340.00	$ 1,333.00	44.33%
23	Tier Two Breakover (M gal):		-	3,250,000	$ 3,152.50	$ 4,550.00	$ 1,397.50	44.33%
24	Tier Three Breakover (M gal):		-	3,400,000	$ 3,298.00	$ 4,760.00	$ 1,462.00	44.33%
25				3,550,000	$ 3,443.50	$ 4,970.00	$ 1,526.50	44.33%
26				3,700,000	$ 3,589.00	$ 5,180.00	$ 1,591.00	44.33%
27				3,850,000	$ 3,734.50	$ 5,390.00	$ 1,655.50	44.33%
28								
29				Average Usage				
30				1,948,833	$ 1,890.37	$ 2,728.37	$ 838.00	44.33%
31				Median Usage				
32				1,878,000	$ 1,821.66	$ 2,629.20	$ 807.54	44.33%
33								
34								

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Typical Bill Analysis

Exhibit: RLJ-DT3
Schedule H-4
Witness: Jones

Class: Effluent
Meter Size: 1"
Sub Class:

Line No.	Rate Schedules		
1	**Present Rates:**		
2	Base Charge:	$	-
3			
4			
5	Tier One Rate:	$	0.97
6	Tier Two Rate:	$	-
7	Tier Three Rate:	$	-
8			
9	Tier One Breakover (M gal):		999,999
10	Tier Two Breakover (M gal):		-
11	Tier Three Breakover (M gal):		-
12			
13			
14	**Proposed Rates:**		
15	Base Charge:	$	-
16			
17			
18	Tier One Rate:	$	1.40
19	Tier Two Rate:	$	-
20	Tier Three Rate:	$	-
21			
22	Tier One Breakover (M gal):		999,999
23	Tier Two Breakover (M gal):		-
24	Tier Three Breakover (M gal):		-
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	$ -	$ -	$ -	#DIV/0!
100,000	$ 97.00	$ 140.00	$ 43.00	44.33%
200,000	$ 194.00	$ 280.00	$ 86.00	44.33%
300,000	$ 291.00	$ 420.00	$ 129.00	44.33%
400,000	$ 388.00	$ 560.00	$ 172.00	44.33%
500,000	$ 485.00	$ 700.00	$ 215.00	44.33%
600,000	$ 582.00	$ 840.00	$ 258.00	44.33%
700,000	$ 679.00	$ 980.00	$ 301.00	44.33%
800,000	$ 776.00	$ 1,120.00	$ 344.00	44.33%
900,000	$ 873.00	$ 1,260.00	$ 387.00	44.33%
1,000,000	$ 970.00	$ 1,400.00	$ 430.00	44.33%
1,100,000	$ 1,067.00	$ 1,540.00	$ 473.00	44.33%
1,200,000	$ 1,164.00	$ 1,680.00	$ 516.00	44.33%
1,300,000	$ 1,261.00	$ 1,820.00	$ 559.00	44.33%
1,400,000	$ 1,358.00	$ 1,960.00	$ 602.00	44.33%
1,500,000	$ 1,455.00	$ 2,100.00	$ 645.00	44.33%
1,600,000	$ 1,552.00	$ 2,240.00	$ 688.00	44.33%
1,700,000	$ 1,649.00	$ 2,380.00	$ 731.00	44.33%
1,800,000	$ 1,746.00	$ 2,520.00	$ 774.00	44.33%
1,900,000	$ 1,843.00	$ 2,660.00	$ 817.00	44.33%
2,000,000	$ 1,940.00	$ 2,800.00	$ 860.00	44.33%
2,100,000	$ 2,037.00	$ 2,940.00	$ 903.00	44.33%
2,200,000	$ 2,134.00	$ 3,080.00	$ 946.00	44.33%
2,300,000	$ 2,231.00	$ 3,220.00	$ 989.00	44.33%
2,400,000	$ 2,328.00	$ 3,360.00	$ 1,032.00	44.33%
2,500,000	$ 2,425.00	$ 3,500.00	$ 1,075.00	44.33%
2,600,000	$ 2,522.00	$ 3,640.00	$ 1,118.00	44.33%
Average Usage				
1,249,105	$ 1,211.63	$ 1,748.75	$ 537.12	44.33%
Median Usage				
1,269,000	$ 1,230.93	$ 1,776.60	$ 545.67	44.33%

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT3
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: NO SIZE
Sub Class:

Charges	Present Rates	Proposed Rates
Base Charge:	$ 44.00	$ 74.25

Line No.	Block	Number of Bills in Block	Average Consumption in Block	Consumption in Block	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	- - -	742	-		742	100.00%	-	
2								
3	Totals	742		-	742		-	
4								
5	Total Bills	742						
6								
7	Average Number of Customers		62					
8								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	742	$ 32,648	742	$ 55,094

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT3
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 1"
Sub Class:

Charges	Present Rates	Proposed Rates
Base Charge:	$ 44.00	$ 74.25

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	- - -	18,779	-		18,779	100.00%	-	
2								
3	Totals	18,779		-	18,779		-	
4								
5	Total Bills	18,779						
6								
7	Average Number of Customers		1,565					
8								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	18,779	$ 826,276	18,779	$ 1,394,341

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT3
Schedule H-5
Witness: Jones

Class: Residential
Meter Size: 1 1/2"
Sub Class:

Charges	Present Rates	Proposed Rates
Base Charge:	$ 44.00	$ 74.25

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	- - -	61	-		61	100.00%	-	
2								
3	Totals	61		-	61		-	
4								
5	Total Bills	61						
6								
7	Average Number of Customers		5					
8								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	61	$ 2,684	61	$ 4,529

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT3
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: NO SIZE
Sub Class:

Charges	Present Rates	Proposed Rates
Base Charge:	$ 200.00	$ 337.60

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	- - -	64	-		64	100.00%	-	
2								
3	Totals	64		-	64		-	
4								
5	Total Bills	64						
6								
7	Average Number of Customers		5					
8								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	64	$ 12,800	64	$ 21,606

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT3
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 1"
Sub Class:

Charges	Present Rates	Proposed Rates
Base Charge:	$ 200.00	$ 337.60

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	- - -	133	-	-	133	100.00%	-	
2								
3	Totals	133		-	133		-	
4								
5	Total Bills	133						
6								
7	Average Number of Customers		11					
8								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	133	$ 26,600	133	$ 44,901

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT3
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 1.5"
Sub Class:

Charges	Present Rates	Proposed Rates
Base Charge:	$ 200.00	$ 337.60

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	- - -	36	-		36	100.00%	-	
2								
3	Totals	36		-	36		-	
4								
5	Total Bills	36						
6								
7	Average Number of Customers		3					
8								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	36	$ 7,200	36	$ 12,154

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT3
Schedule H-5
Witness: Jones

Class: Commercial
Meter Size: 2"
Sub Class: Restaurant

Charges	Present Rates	Proposed Rates
Base Charge:	$ 300.00	$ 600.00

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	- -	24	-		24	100.00%	-	
2								
3	Totals	24		-	24		-	
4								
5	Total Bills	24						
6								
7	Average Number of Customers		2					
8								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	24	$ 7,200	24	$ 14,400

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT3
Schedule H-5
Witness: Jones

Class: Effluent
Meter Size: NO SIZE
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	999,999	999,999
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ -	$ -
Tier One Rate:	$ 0.97	$ 1.40
Tier Two Rate:		
Tier Three Rate:		

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	-		-	-	0.00%	-	0.00%
2	1	-	1,000	-		-	-	0.00%	-	0.00%
3	1,001	-	2,000	-		-	-	0.00%	-	0.00%
4	2,001	-	3,000	-		-	-	0.00%	-	0.00%
5	3,001	-	4,000	-		-	-	0.00%	-	0.00%
6	4,001	-	5,000	-		-	-	0.00%	-	0.00%
7	5,001	-	6,000	-		-	-	0.00%	-	0.00%
8	6,001	-	7,000	-		-	-	0.00%	-	0.00%
9	7,001	-	8,000	-		-	-	0.00%	-	0.00%
10	8,001	-	9,000	-		-	-	0.00%	-	0.00%
11	9,001	-	10,000	-		-	-	0.00%	-	0.00%
12	10,001	-	11,000	1	11,000	11,000	1	8.33%	11,000	0.05%
13	11,001	-	12,000	-		-	1	8.33%	11,000	0.05%
14	12,001	-	13,000	-		-	1	8.33%	11,000	0.05%
15	13,001	-	14,000	-		-	1	8.33%	11,000	0.05%
16	14,001	-	15,000	-		-	1	8.33%	11,000	0.05%
17	15,001	-	16,000	-		-	1	8.33%	11,000	0.05%
18	16,001	-	17,000	-		-	1	8.33%	11,000	0.05%
19	17,001	-	18,000	-		-	1	8.33%	11,000	0.05%
20	18,001	-	19,000	-		-	1	8.33%	11,000	0.05%
21	19,001	-	20,000	-		-	1	8.33%	11,000	0.05%
22	20,001	-	21,000	-		-	1	8.33%	11,000	0.05%
23	21,001	-	22,000	-		-	1	8.33%	11,000	0.05%
24	22,001	-	23,000	-		-	1	8.33%	11,000	0.05%
25	23,001	-	24,000	-		-	1	8.33%	11,000	0.05%
26	24,001	-	25,000	-		-	1	8.33%	11,000	0.05%
27	25,001	-	26,000	-		-	1	8.33%	11,000	0.05%
28	26,001	-	27,000	-		-	1	8.33%	11,000	0.05%
29	27,001	-	28,000	-		-	1	8.33%	11,000	0.05%
30	28,001	-	29,000	-		-	1	8.33%	11,000	0.05%
31	29,001	-	30,000	-		-	1	8.33%	11,000	0.05%
32	30,001	-	31,000	-		-	1	8.33%	11,000	0.05%
33	31,001	-	32,000	-		-	1	8.33%	11,000	0.05%
34	32,001	-	33,000	-		-	1	8.33%	11,000	0.05%
35	33,001	-	34,000	-		-	1	8.33%	11,000	0.05%
36	34,001	-	35,000	-		-	1	8.33%	11,000	0.05%
37	35,001	-	36,000	-		-	1	8.33%	11,000	0.05%
38	36,001	-	37,000	-		-	1	8.33%	11,000	0.05%
39	37,001	-	38,000	-		-	1	8.33%	11,000	0.05%
40	38,001	-	39,000	-		-	1	8.33%	11,000	0.05%
41	39,001	-	40,000	-		-	1	8.33%	11,000	0.05%
42	40,001	-	41,000	-		-	1	8.33%	11,000	0.05%
43	41,001	-	42,000	-		-	1	8.33%	11,000	0.05%
44	42,001	-	43,000	-		-	1	8.33%	11,000	0.05%
45	43,001	-	44,000	-		-	1	8.33%	11,000	0.05%
46	44,001	-	45,000	-		-	1	8.33%	11,000	0.05%
47	45,001	-	46,000	-		-	1	8.33%	11,000	0.05%
48	46,001	-	47,000	-		-	1	8.33%	11,000	0.05%
49	47,001	-	48,000	-		-	1	8.33%	11,000	0.05%
50	48,001	-	49,000	-		-	1	8.33%	11,000	0.05%
51	49,001	-	50,000	-		-	1	8.33%	11,000	0.05%
52	50,001	-	51,000	-		-	1	8.33%	11,000	0.05%
53	51,001	-	52,000	-		-	1	8.33%	11,000	0.05%

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT3
Schedule H-5
Witness: Jones

Class: Effluent
Meter Size: NO SIZE
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	999,999	999,999
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ -	$ -
Tier One Rate:	$ 0.97	$ 1.40
Tier Two Rate:		
Tier Three Rate:		

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-		-	1	8.33%	11,000	0.05%
55	53,001 - 54,000	-		-	1	8.33%	11,000	0.05%
56	54,001 - 55,000	-		-	1	8.33%	11,000	0.05%
57	55,001 - 56,000	-		-	1	8.33%	11,000	0.05%
58	56,001 - 57,000	-		-	1	8.33%	11,000	0.05%
59	57,001 - 58,000	-		-	1	8.33%	11,000	0.05%
60	58,001 - 59,000	-		-	1	8.33%	11,000	0.05%
61	59,001 - 60,000	-		-	1	8.33%	11,000	0.05%
62	60,001 - 61,000	-		-	1	8.33%	11,000	0.05%
63	61,001 - 62,000	-		-	1	8.33%	11,000	0.05%
64	62,001 - 63,000	-		-	1	8.33%	11,000	0.05%
65	63,001 - 64,000	-		-	1	8.33%	11,000	0.05%
66	64,001 - 65,000	-		-	1	8.33%	11,000	0.05%
67	65,001 - 66,000	-		-	1	8.33%	11,000	0.05%
68	66,001 - 67,000	-		-	1	8.33%	11,000	0.05%
69	67,001 - 68,000	-		-	1	8.33%	11,000	0.05%
70	68,001 - 69,000	-		-	1	8.33%	11,000	0.05%
71	69,001 - 70,000	-		-	1	8.33%	11,000	0.05%
72	70,001 - 71,000	-		-	1	8.33%	11,000	0.05%
73	71,001 - 72,000	-		-	1	8.33%	11,000	0.05%
74	72,001 - 73,000	-		-	1	8.33%	11,000	0.05%
75	73,001 - 74,000	-		-	1	8.33%	11,000	0.05%
76	74,001 - 75,000	-		-	1	8.33%	11,000	0.05%
77	75,001 - 76,000	-		-	1	8.33%	11,000	0.05%
78	76,001 - 77,000	-		-	1	8.33%	11,000	0.05%
79	77,001 - 78,000	-		-	1	8.33%	11,000	0.05%
80	78,001 - 79,000	-		-	1	8.33%	11,000	0.05%
81	79,001 - 80,000	-		-	1	8.33%	11,000	0.05%
82	80,001 - 81,000	-		-	1	8.33%	11,000	0.05%
83	81,001 - 82,000	-		-	1	8.33%	11,000	0.05%
84	82,001 - 83,000	-		-	1	8.33%	11,000	0.05%
85	83,001 - 84,000	-		-	1	8.33%	11,000	0.05%
86	84,001 - 85,000	-		-	1	8.33%	11,000	0.05%
87	85,001 - 86,000	-		-	1	8.33%	11,000	0.05%
88	86,001 - 87,000	-		-	1	8.33%	11,000	0.05%
89	87,001 - 88,000	-		-	1	8.33%	11,000	0.05%
90	88,001 - 89,000	-		-	1	8.33%	11,000	0.05%
91	89,001 - 90,000	-		-	1	8.33%	11,000	0.05%
92	90,001 - 91,000	-		-	1	8.33%	11,000	0.05%
93	91,001 - 92,000	-		-	1	8.33%	11,000	0.05%
94	92,001 - 93,000	-		-	1	8.33%	11,000	0.05%
95	93,001 - 94,000	-		-	1	8.33%	11,000	0.05%
96	94,001 - 95,000	-		-	1	8.33%	11,000	0.05%
97	95,001 - 96,000	-		-	1	8.33%	11,000	0.05%
98	96,001 - 97,000	-		-	1	8.33%	11,000	0.05%
99	97,001 - 98,000	-		-	1	8.33%	11,000	0.05%
100	98,001 - 99,000	-		-	1	8.33%	11,000	0.05%
101	99,001 - 100,000	-		-	1	8.33%	11,000	0.05%
102	454,000 - 454,000	1	454,000	454,000	2	16.67%	465,000	1.99%
103	800,000 - 800,000	1	800,000	800,000	3	25.00%	1,265,000	5.41%
104	1,336,000 - 1,336,000	1	1,336,000	1,336,000	4	33.33%	2,601,000	11.12%
105	1,545,000 - 1,545,000	1	1,545,000	1,545,000	5	41.67%	4,146,000	17.73%
106	1,878,000 - 1,878,000	1	1,878,000	1,878,000	6	50.00%	6,024,000	25.76%

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT3
Schedule H-5
Witness: Jones

Class: Effluent
Meter Size: NO SIZE
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	999,999	999,999
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ -	$ -
Tier One Rate:	$ 0.97	$ 1.40
Tier Two Rate:		
Tier Three Rate:		

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
107	2,050,000 - 2,050,000	1	2,050,000	2,050,000	7	58.33%	8,074,000	34.52%
108	2,381,000 - 2,381,000	1	2,381,000	2,381,000	8	66.67%	10,455,000	44.71%
109	2,457,000 - 2,457,000	1	2,457,000	2,457,000	9	75.00%	12,912,000	55.21%
110	2,669,000 - 2,669,000	1	2,669,000	2,669,000	10	83.33%	15,581,000	66.63%
111	3,183,000 - 3,183,000	1	3,183,000	3,183,000	11	91.67%	18,764,000	80.24%
112	4,622,000 - 4,622,000	1	4,622,000	4,622,000	12	100.00%	23,386,000	100.00%
113								
114	Totals	12		23,386,000	12		23,386,000	
115								
116	Total Bills	12						
117								
118								
119	Average Number of Customers		1					
120								
121	Average Consumption (gallons)		1,948,833					
122								
123	Median Consumption (gallons)		1,878,000					
124								
125								
126								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	12	$ -	12	$ -
Usage (gallons)				
Tier One	23,386,000	$ 22,684	23,386,000	$ 32,740
Tier Two	-	-	-	-
Tier Three	-	-	-	-
Usage Totals	23,386,000		23,386,000	
Revenue Totals		$ 22,684		$ 32,740

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT3
Schedule H-5
Witness: Jones

Class: Effluent
Meter Size: 1"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	999,999	999,999
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ -	$ -
Tier One Rate:	$ 0.97	$ 1.40
Tier Two Rate:		
Tier Three Rate:		

Line No.	Block			Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
1	-	-	-	1		-	1	5.26%	-	
2	1	-	1,000	-		-	1	5.26%	-	
3	1,001	-	2,000	-		-	1	5.26%	-	
4	2,001	-	3,000	1	3,000	3,000	2	10.53%	3,000	
5	3,001	-	4,000	-		-	2	10.53%	3,000	
6	4,001	-	5,000	-		-	2	10.53%	3,000	
7	5,001	-	6,000	-		-	2	10.53%	3,000	
8	6,001	-	7,000	-		-	2	10.53%	3,000	
9	7,001	-	8,000	-		-	2	10.53%	3,000	
10	8,001	-	9,000	-		-	2	10.53%	3,000	
11	9,001	-	10,000	-		-	2	10.53%	3,000	
12	10,001	-	11,000	-		-	2	10.53%	3,000	
13	11,001	-	12,000	-		-	2	10.53%	3,000	
14	12,001	-	13,000	-		-	2	10.53%	3,000	
15	13,001	-	14,000	-		-	2	10.53%	3,000	
16	14,001	-	15,000	-		-	2	10.53%	3,000	
17	15,001	-	16,000	-		-	2	10.53%	3,000	
18	16,001	-	17,000	-		-	2	10.53%	3,000	
19	17,001	-	18,000	-		-	2	10.53%	3,000	
20	18,001	-	19,000	-		-	2	10.53%	3,000	
21	19,001	-	20,000	-		-	2	10.53%	3,000	
22	20,001	-	21,000	-		-	2	10.53%	3,000	
23	21,001	-	22,000	-		-	2	10.53%	3,000	
24	22,001	-	23,000	-		-	2	10.53%	3,000	
25	23,001	-	24,000	-		-	2	10.53%	3,000	
26	24,001	-	25,000	-		-	2	10.53%	3,000	
27	25,001	-	26,000	-		-	2	10.53%	3,000	
28	26,001	-	27,000	-		-	2	10.53%	3,000	
29	27,001	-	28,000	-		-	2	10.53%	3,000	
30	28,001	-	29,000	-		-	2	10.53%	3,000	
31	29,001	-	30,000	-		-	2	10.53%	3,000	
32	30,001	-	31,000	-		-	2	10.53%	3,000	
33	31,001	-	32,000	-		-	2	10.53%	3,000	
34	32,001	-	33,000	-		-	2	10.53%	3,000	
35	33,001	-	34,000	-		-	2	10.53%	3,000	
36	34,001	-	35,000	-		-	2	10.53%	3,000	
37	35,001	-	36,000	-		-	2	10.53%	3,000	
38	36,001	-	37,000	-		-	2	10.53%	3,000	
39	37,001	-	38,000	-		-	2	10.53%	3,000	
40	38,001	-	39,000	-		-	2	10.53%	3,000	
41	39,001	-	40,000	-		-	2	10.53%	3,000	
42	40,001	-	41,000	-		-	2	10.53%	3,000	
43	41,001	-	42,000	-		-	2	10.53%	3,000	
44	42,001	-	43,000	-		-	2	10.53%	3,000	
45	43,001	-	44,000	-		-	2	10.53%	3,000	
46	44,001	-	45,000	-		-	2	10.53%	3,000	
47	45,001	-	46,000	-		-	2	10.53%	3,000	
48	46,001	-	47,000	-		-	2	10.53%	3,000	
49	47,001	-	48,000	-		-	2	10.53%	3,000	
50	48,001	-	49,000	-		-	2	10.53%	3,000	
51	49,001	-	50,000	-		-	2	10.53%	3,000	
52	50,001	-	51,000	-		-	2	10.53%	3,000	
53	51,001	-	52,000	-		-	2	10.53%	3,000	

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT3
Schedule H-5
Witness: Jones

Class: Effluent
Meter Size: 1"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	999,999	999,999
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ -	$ -
Tier One Rate:	$ 0.97	$ 1.40
Tier Two Rate:		
Tier Three Rate:		

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
54	52,001 - 53,000	-		-	2	10.53%	3,000	
55	53,001 - 54,000	-		-	2	10.53%	3,000	
56	54,001 - 55,000	-		-	2	10.53%	3,000	
57	55,001 - 56,000	-		-	2	10.53%	3,000	
58	56,001 - 57,000	-		-	2	10.53%	3,000	
59	57,001 - 58,000	-		-	2	10.53%	3,000	
60	58,001 - 59,000	-		-	2	10.53%	3,000	
61	59,001 - 60,000	-		-	2	10.53%	3,000	
62	60,001 - 61,000	-		-	2	10.53%	3,000	
63	61,001 - 62,000	-		-	2	10.53%	3,000	
64	62,001 - 63,000	-		-	2	10.53%	3,000	
65	63,001 - 64,000	-		-	2	10.53%	3,000	
66	64,001 - 65,000	-		-	2	10.53%	3,000	
67	65,001 - 66,000	-		-	2	10.53%	3,000	
68	66,001 - 67,000	-		-	2	10.53%	3,000	
69	67,001 - 68,000	-		-	2	10.53%	3,000	
70	68,001 - 69,000	-		-	2	10.53%	3,000	
71	69,001 - 70,000	-		-	2	10.53%	3,000	
72	70,001 - 71,000	-		-	2	10.53%	3,000	
73	71,001 - 72,000	-		-	2	10.53%	3,000	
74	72,001 - 73,000	-		-	2	10.53%	3,000	
75	73,001 - 74,000	-		-	2	10.53%	3,000	
76	74,001 - 75,000	-		-	2	10.53%	3,000	
77	75,001 - 76,000	-		-	2	10.53%	3,000	
78	76,001 - 77,000	-		-	2	10.53%	3,000	
79	77,001 - 78,000	-		-	2	10.53%	3,000	
80	78,001 - 79,000	-		-	2	10.53%	3,000	
81	79,001 - 80,000	-		-	2	10.53%	3,000	
82	80,001 - 81,000	-		-	2	10.53%	3,000	
83	81,001 - 82,000	-		-	2	10.53%	3,000	
84	82,001 - 83,000	-		-	2	10.53%	3,000	
85	83,001 - 84,000	-		-	2	10.53%	3,000	
86	84,001 - 85,000	-		-	2	10.53%	3,000	
87	85,001 - 86,000	-		-	2	10.53%	3,000	
88	86,001 - 87,000	-		-	2	10.53%	3,000	
89	87,001 - 88,000	-		-	2	10.53%	3,000	
90	88,001 - 89,000	-		-	2	10.53%	3,000	
91	89,001 - 90,000	-		-	2	10.53%	3,000	
92	90,001 - 91,000	-		-	2	10.53%	3,000	
93	91,001 - 92,000	-		-	2	10.53%	3,000	
94	92,001 - 93,000	-		-	2	10.53%	3,000	
95	93,001 - 94,000	-		-	2	10.53%	3,000	
96	94,001 - 95,000	-		-	2	10.53%	3,000	
97	95,001 - 96,000	-		-	2	10.53%	3,000	
98	96,001 - 97,000	-		-	2	10.53%	3,000	
99	97,001 - 98,000	-		-	2	10.53%	3,000	
100	98,001 - 99,000	-		-	2	10.53%	3,000	
101	99,001 - 100,000	-		-	2	10.53%	3,000	
102	213,000 - 213,000	1	213,000	213,000	3	15.79%	216,000	
103	308,000 - 308,000	1	308,000	308,000	4	21.05%	524,000	
104	516,000 - 516,000	1	516,000	516,000	5	26.32%	1,040,000	
105	687,000 - 687,000	1	687,000	687,000	6	31.58%	1,727,000	
106	819,000 - 819,000	1	819,000	819,000	7	36.84%	2,546,000	

Rio Verde Utilities, Inc. - Wastewater Division
Test Year Ended December 31, 2015
Bill Count

Exhibit: RLJ-DT3
Schedule H-5
Witness: Jones

Class: Effluent
Meter Size: 1"
Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	999,999	999,999
Tier Two Breakover (M gal):		
Tier Three Breakover (M gal):		

Charges	Present Rates	Proposed Rates
Base Charge:	$ -	$ -
Tier One Rate:	$ 0.97	$ 1.40
Tier Two Rate:		
Tier Three Rate:		

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	Cumulative Bills % of Total	Cumulative Consumption Amount	Cumulative Consumption % of Total
107	936,000 - 936,000	1	936,000	936,000	8	42.11%	3,482,000	
108	1,193,000 - 1,193,000	1	1,193,000	1,193,000	9	47.37%	4,675,000	
109	1,269,000 - 1,269,000	1	1,269,000	1,269,000	10	52.63%	5,944,000	
110	1,439,000 - 1,439,000	1	1,439,000	1,439,000	11	57.89%	7,383,000	
111	1,551,000 - 1,551,000	1	1,551,000	1,551,000	12	63.16%	8,934,000	
112	1,562,000 - 1,562,000	1	1,562,000	1,562,000	13	68.42%	10,496,000	
113	1,571,000 - 1,571,000	1	1,571,000	1,571,000	14	73.68%	12,067,000	
114	1,972,000 - 1,972,000	1	1,972,000	1,972,000	15	78.95%	14,039,000	
115	1,981,000 - 1,981,000	1	1,981,000	1,981,000	16	84.21%	16,020,000	
116	2,406,000 - 2,406,000	1	2,406,000	2,406,000	17	89.47%	18,426,000	
117	2,552,000 - 2,552,000	1	2,552,000	2,552,000	18	94.74%	20,978,000	
118	2,755,000 - 2,755,000	1	2,755,000	2,755,000	19	100.00%	23,733,000	
119								
120	Totals	19		23,733,000	19		23,733,000	
121								
122	Total Bills	19						
123								
124								
125	Average Number of Customers		2					
126								
127	Average Consumption (gallons)		1,249,105					
128								
129	Median Consumption (gallons)		1,269,000					
130								
131								
132								

	Current Rates Units	Current Rates Revenue	Proposed Rates Units	Proposed Rates Revenue
Base Charge	19	$ -	19	$ -
Usage (gallons)				
Tier One	23,733,000	$ 23,021	23,733,000	$ 33,226
Tier Two	-	-	-	-
Tier Three	-	-	-	-
Usage Totals	23,733,000		23,733,000	
Revenue Totals		$ 23,021		$ 33,226

Exhibit RLJ-DT4

Rio Verde Utilities, Inc.

Audited Financial Statements

Years Ended

December 31, 2015 and 2014

Rio Verde Utilities, Inc.
Audited Financial Statements
Years Ended
December 31, 2015 and 2014

Rio Verde Utilities, Inc.
Audited Financial Statements
December 31, 2015 and 2014

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ULLMANN
& COMPANY P.C.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Rio Verde Utilities, Inc.
Rio Verde, Arizona

We have audited the accompanying financial statements of Rio Verde Utilities, Inc. (a corporation), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of income, stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rio Verde Utilities, Inc. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Ullmann & Company

ULLMANN & COMPANY, P.C.
Certified Public Accountants
Phoenix, Arizona

March 11, 2016

RIO VERDE UTILITIES, INC.
BALANCE SHEETS
December 31, 2015 and 2014

ASSETS

	2015	2014
PROPERTY, PLANT AND EQUIPMENT	$ 19,937,760	$ 19,673,834
Accumulated Depreciation	(8,225,367)	(7,671,052)
TOTAL PROPERTY, PLANT AND EQUIPMENT	**11,712,393**	**12,002,782**
CURRENT ASSETS		
Cash and Cash Equivalents	215,749	194,362
Accounts Receivable ($0 Allowance for Doubtful Accounts)	131,364	113,518
Unbilled Revenue and Other Receivables	36,135	37,979
Dividend Receivable	10,442	12,750
Income Taxes Receivable	-	26,923
Materials and Supplies Inventory	1,425	2,440
Prepaid Income Taxes	37,950	38,000
Prepaid Expenses	19,669	19,006
Deferred Tax Asset - Current	2,680	3,470
TOTAL CURRENT ASSETS	**455,414**	**448,448**
OTHER ASSETS		
Deferred Finance Fees	7,377	8,629
Restricted Cash	381,929	381,724
Investment	229,042	241,439
Deferred Rate Case Expenses	13,072	2,015
Deferred Tax Asset - Noncurrent	12,895	5,576
TOTAL OTHER ASSETS	**644,315**	**639,383**
TOTAL ASSETS	**$ 12,812,122**	**$ 13,090,613**

The accompanying notes are an integral part of these financial statements.

RIO VERDE UTILITIES, INC.
BALANCE SHEETS
December 31, 2015 and 2014

STOCKHOLDERS' EQUITY AND LIABILITIES	2015	2014
STOCKHOLDERS' EQUITY		
Common Stock ($1 par value, 10,000,000 Shares Authorized: 2,840,721 Shares Issued and Outstanding)	$ 2,840,721	$ 2,840,721
Retained Earnings	5,317,088	5,128,980
TOTAL STOCKHOLDERS' EQUITY	**8,157,809**	**7,969,701**
LONG-TERM DEBT (NET OF CURRENT MATURITIES)	**940,074**	**1,257,746**
CURRENT LIABILITIES		
Current Maturity of Long-Term Debt	335,729	412,910
Accounts Payable	42,917	52,350
Current Portion of Meter Deposits	12,000	13,000
Advances From Related Parties	100,090	126,532
Accrued Interest Payable	3,879	5,237
Other Accrued Liabilities and Expenses	55,344	48,349
Deferred Tax Liability - Current	-	5
TOTAL CURRENT LIABILITIES	**549,959**	**658,383**
DEFERRED LIABILITIES		
Meter Deposits (Net of Current Portion)	35,634	14,477
Deferred Income Taxes and Investment Tax Credits	1,321,406	1,309,303
TOTAL DEFERRED LIABILITIES	**1,357,040**	**1,323,780**
CONTRIBUTIONS IN AID OF CONSTRUCTION	**1,807,240**	**1,881,003**
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	**$ 12,812,122**	**$ 13,090,613**

The accompanying notes are an integral part of these financial statements.

RIO VERDE UTILITIES, INC.
STATEMENTS OF INCOME
For the Years Ended December 31, 2015 and 2014

	2015	2014
OPERATING REVENUES		
Water Revenue	$ 1,411,227	$ 1,364,370
Sewer Revenue	1,012,557	967,661
TOTAL OPERATING REVENUES	**2,423,784**	**2,332,031**
OPERATING EXPENSES		
Salaries	260,561	220,423
Employee Benefits	35,002	27,552
Payroll Taxes and Fees	37,884	32,433
Purchased Water	93,725	85,584
Purchased Power	352,242	322,500
Repairs and Maintenance	370,747	237,932
Water Testing and Treatment	79,678	79,094
Professional Fees	39,728	14,726
Transportation	19,117	21,334
General Office and Administrative	13,454	12,433
Bad Debt	839	316
Telephone	6,230	6,329
Management Fee	219,753	216,552
General Insurance	33,746	45,164
Depreciation	442,551	415,155
Other Utility Expense	77,688	72,175
Property Taxes	98,006	94,883
TOTAL OPERATING EXPENSES	**2,180,951**	**1,904,585**
INCOME FROM OPERATIONS	**242,833**	**427,446**
OTHER INCOME (EXPENSES)		
Interest Income	205	193
Patronage Dividend	14,042	17,080
Amortization of Finance Fees	(1,252)	(1,252)
Interest Expense	(62,101)	(84,254)
TOTAL OTHER INCOME (EXPENSES)	**(49,106)**	**(68,233)**
INCOME BEFORE TAXES	**193,727**	**359,213**
Current Tax Expense	50	50
Deferred Tax Expense (Benefit)	5,569	64,108
TOTAL INCOME TAX EXPENSE	5,619	64,158
NET INCOME	**$ 188,108**	**$ 295,055**

The accompanying notes are an integral part of these financial statements.

RIO VERDE UTILITIES, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2015 and 2014

	COMMON STOCK		
	Number of Shares	Amount	Retained Earnings
Balance at December 31, 2013	2,840,721	$ 2,840,721	$ 4,833,925
Net Income			295,055
Balance at December 31, 2014	2,840,721	2,840,721	5,128,980
Net Income			188,108
Balance at December 31, 2015	**2,840,721**	**$ 2,840,721**	**$ 5,317,088**

The accompanying notes are an integral part of these financial statements.

RIO VERDE UTILITIES, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$ 2,395,629	$ 2,333,754
Cash Paid for Operations	(1,777,984)	(1,483,382)
Interest and Dividends Received	16,555	20,831
Interest Paid	(63,459)	(87,099)
Income Taxes Received/(Paid)	26,923	(4,134)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**597,664**	**779,970**
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(263,926)	(267,374)
Investment in CoBank	12,397	(5,578)
NET CASH USED IN INVESTING ACTIVITIES	**(251,529)**	**(272,952)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long Term Debt	(394,853)	(368,656)
Proceeds From Customer Meter Deposits	32,310	4,159
Proceeds From Contributions in Aid of Construction	38,000	-
NET CASH USED IN FINANCING ACTIVITIES	**(324,543)**	**(364,497)**
NET INCREASE IN CASH	**21,592**	**142,521**
CASH AND CASH EQUIVALENTS - BEG OF YEAR	**576,086**	**433,565**
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 597,678**	**$ 576,086**
RECONCILIATION OF CASH AMOUNTS:		
Cash and Cash Equivalents	$ 215,749	$ 194,362
Restricted Cash	381,929	381,724
TOTAL CASH	**$ 597,678**	**$ 576,086**

The accompanying notes are an integral part of these financial statements.

RIO VERDE UTILITIES, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

	2015	2014
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
NET INCOME	**$ 188,108**	**$ 295,055**
ADJUSTMENTS		
Depreciation and Amortization	443,804	416,407
Deferred Income Tax Expense	5,569	64,108
Meter Deposits Refunded	(12,153)	(12,483)
(Increase) Decrease in:		
Accounts Receivable and Unbilled Revenue	(16,002)	14,206
Dividend Receivable	2,308	3,558
Income Taxes Receivable	26,923	(26,923)
Materials and Supplies Inventory	1,015	(1,255)
Prepaid Income Taxes	50	22,839
Prepaid Expenses	(663)	(1,153)
Deferred Rate Case Expenses	(11,057)	(2,015)
Increase (Decrease):		
Accounts Payable	(9,433)	(1,361)
Advances From Related Parties	(26,442)	17,604
Accrued Interest Payable	(1,358)	(2,845)
Other Accrued Liabilities and Expenses	6,995	(5,772)
TOTAL ADJUSTMENTS	**409,556**	**484,915**
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 597,664**	**$ 779,970**

The accompanying notes are an integral part of these financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Company is a regulated utility providing water and sewer services in a certificated area located in Rio Verde, Arizona.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Basis of Accounting

The accounting records of the Company are maintained in accordance with the uniform system of accounts as prescribed by the National Association of Regulatory Utility Commissioners.

Utility Plant

Property, plant and equipment comprising the utility plant are recorded at cost. Periodically, the Arizona Corporation Commission reviews the basis of the plant and equipment and may establish a new cost basis for rate-making purposes. The Company has adjusted the cost basis of its assets to comply with the Arizona Corporation Commission orders. In accordance with standard accounting practices prescribed for water utilities, renewals and betterments are charged to plant accounts. Repairs and maintenance are charged to operations as incurred.

Depreciation of utility plant is computed using the straight-line method over the useful life of the assets as prescribed by the Arizona Corporation Commission.

Interest costs connected with the construction of major equipment or facilities are capitalized during the period of construction activity. No interest was capitalized in 2015 and 2014.

Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Restricted Cash

As part of the Company's borrowing agreement with CoBank, the Company maintains a debt service reserve account with the bank. At December 31, 2015 and 2014, the Company had restricted cash balances of $381,929 and $381,724, respectively.

Utility Customer Accounts Receivable

Regulated utility customer accounts receivable represent amounts billed customers on a cycle basis. Credit is extended based on the guidelines of the applicable regulators and generally, collateral is not required.

Allowance for Uncollectible Accounts

Allowances for uncollectible accounts are maintained for estimated probable losses resulting from the Company's inability to collect receivables from customers. Accounts that are outstanding longer than the payment terms are considered past due, and the allowance for doubtful accounts is computed based on an analysis of collectability of accounts receivable at the balance sheet date. For 2015 and 2014, no allowance is deemed necessary.

Customer Meter Deposits

The Company is refunding meter deposits to customers in equal installments, without interest, over a ten-year period.

Revenue Recognition

Revenues are recorded as services are rendered and include an estimate for amounts unbilled at the end of the year for water used subsequent to the last billing cycle. Sales taxes collected are not included in revenue.

Contributions in Aid of Construction

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the bases of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be deductible or taxable when the assets and liabilities are recovered or settled.

Accounting For Uncertainty in Income Taxes

The Company has adopted the provisions of FASB ASC 740, Income Taxes (FASB ASC 740), related to accounting for uncertainty in income taxes on any unrelated business income. The implementation of FASB ASC 740 had no effect on the Company's financial statements. Penalties of $0 and $0 were recognized for the years ended December 31, 2015 and 2014, respectively.

Materials and Supplies Inventory

Materials and supplies inventory is stated at lower of cost or market. For purposes of computing costs, the first-in-first-out method is used. Market value is computed using replacement cost.

NOTE 2 FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, trade accounts receivable, long-term debt, and accounts payable. The Company bills its customers for water usage based on the meter readings. Due to the large number of small accounts, concentration of credit risk with respect to trade accounts receivable is limited. The Company, in the normal course of business, maintains bank balances in excess of FDIC insurance limits.

NOTE 3 INVESTMENT

The Company has an investment in CoBank, a cooperative bank whose patrons are equity owners. The investment is valued at cost, plus equity dividends received each year, which approximates fair value, of $229,042 and $241,439 as of December 31, 2015 and 2014, respectively. The Company earned cash and equity dividends of $14,042 and $17,080 from this investment during the years ended December 31, 2015 and 2014, respectively.

NOTE 4 UTILITY PLANT

Major classifications of utility plant in service are summarized below:

	2015	2014
Water Utility Plant		
Land	$ 186,074	$ 186,074
Construction Work in Progress	11,642	10,061
Utility Plant	10,483,887	10,395,260
Transportation Equipment	97,667	56,691
Total Water Utility Plant	$10,779,270	$ 10,648,086
Less: Accumulated Depreciation	(4,862,383)	(4,540,180)
Net Water Utility Plant	$ 5,916,887	$ 6,107,906
Sewer Utility Plant		
Land	$ 50,513	$ 50,513
Construction Work in Progress	163,590	87,887
Utility Plant	8,864,176	8,848,113
Transportation Equipment	80,211	39,235
Total Sewer Utility Plant	$ 9,158,490	$ 9,025,748
Less: Accumulated Depreciation	(3,362,984)	(3,130,873)
Net Sewer Utility Plant	$ 5,795,506	$ 5,894,875
Total Utility Plant	$19,937,760	$ 19,673,834

Depreciation and amortization are charged to earnings as follows:

	2015	2014
Depreciation - Water Utility	$ 322,203	$ 311,928
Depreciation - Sewer Utility	232,111	214,442
Amortization of CIAC - Water Utility	(47,545)	(47,192)
Amortization of CIAC - Sewer Utility	(64,218)	(64,023)
Net Depreciation	$ 442,551	$ 415,155
Amortization of Deferred Finance Fees	$ 1,252	$ 1,252
Total Depreciation and Amortization	$ 443,804	$ 416,407

NOTE 5 DEFERRED CHARGES

Deferred charges at December 31 consist of:

	2015	2014
Finance Fees	$ 48,523	$ 48,523
Less: Accumulated Amortization	(41,146)	(39,894)
	$ 7,377	$ 8,629

The deferred finance fees are being amortized over a period of 15 to 20 years. Amortization expense was $1,252 and $1,252 for 2015 and 2014, respectively. Amortization expense is expected to be $1,252 each year for 2016 through 2021.

NOTE 6 LONG-TERM DEBT

Long-term debt consists of the following:

	2015	2014
Note payable to CoBank due in monthly principal and interest installments of $16,660, final payment due June 20, 2016, interest is at a fixed rate of 9.8% on one-half of the outstanding balance and at a variable rate on the other half. The variable rate at December 31, 2015 was 3.5%. The note is secured by assignment of the capital stock and assets of the Company. The Company is required to maintain a debt service reserve account with the lender.	$ 101,608	$ 292,350
Note payable to CoBank due in monthly principal and interest installments of $15,981, final payment due December 20, 2021, interest is variable and may be adjusted as interest rates fluctuate. The rate at December 31, 2015 was 3.5%. The note is secured by assignment of the capital stock and assets of the Company. The Company is required to maintain a debt service reserve account with the lender.	1,109,168	1,254,299

NOTE 6 LONG-TERM DEBT – Continued

Note payable to Second Arizona Rio Verde Company, 1974 (the stockholder of the Company), with an interest rate of 9.8%, due in monthly principal and interest installments of $5,711, final payment due December 31, 2016, subordinated to the CoBank debt.	65,027	124,007
Total	$ 1,275,803	$ 1,670,656
Less Current Portion	(335,729)	(412,910)
Long-Term Portion	$ 940,074	$ 1,257,746

Current maturities of long-term debt:

As of December 31, 2015	
2016	$ 335,729
2017	175,108
2018	181,337
2019	187,786
2020	194,465
Thereafter	201,378
Total	$ 1,275,803

NOTE 7 – FAIR VALUE MEASUREMENTS

FASB ASC 820, Fair Value Measurements and Disclosures, (ASC 820) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

NOTE 7 - FAIR VALUE MEASUREMENTS – Continued

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015.

Held to Maturity- Investment in Cooperative Bank: Valued at cost, plus equity dividends received each year.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Company's assets at fair value as of December 31:

Level 2	2015	2014
Investment in CoBank	$229,042	$241,439

NOTE 8 INCOME TAXES

The provision for income taxes consists of:

	2015	2014
Current:		
Federal	$ -	$ -
State	50	50
Total Current Tax Expense	$ 50	$ 50
Deferred:		
Federal	$ 18,507	$ 69,778
State	(12,925)	(5,392)
Investment Tax Credit Amortization	(13)	(278)
Total Deferred Tax Expense	$ 5,569	$ 64,108
Income Tax Expense	$ 5,569	$ 64,158

The components of the net deferred tax asset (liability) at December 31, 2015 and 2014 are as follows:

	2015	2014
Deferred Tax Asset:		
Current	$ 2,680	$ 3,470
Noncurrent	12,895	5,576
Total Deferred Tax Asset	$ 15,575	$ 9,046
Deferred Tax Liability:		
Current	$ 0	$ (5)
Noncurrent	(1,321,406)	(1,309,303)
Total Deferred Tax Liability	$ (1,321,406)	$ (1,303,308)
Net Deferred Tax Asset (Liability)	$ (1,305,831)	$ (1,300,262)

Deferred Income Taxes and Investment Tax Credits:

Deferred Income Taxes	$ (1,305,831)	$ (1,300,249)
Investment Tax Credits	0	(13)
	$ (1,305,831)	$ (1,300,262)

Deferred taxes are recognized for temporary differences between the bases of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to depreciable assets which have different depreciable lives and methods for income tax purposes.

NOTE 8 INCOME TAXES - Continued

As required by the regulatory agency, deferred investment tax credits are recognized for financial statement purposes in the year in which they are utilized for federal income taxes and amortized over the estimated remaining life of the assets from which the investment tax credit originated. The tax credit is fully amortized as of December 31, 2015.

NOTE 9 SUPPLEMENTAL CASH FLOW INFORMATION

The Company engaged in the following noncash transactions:

	2015	2014
Meter deposit refunds applied to amounts due from customers	$ 12,153	$ 12,483

NOTE 10 RELATED PARTY TRANSACTIONS

A related company (a brother-sister corporation) provided management, office, and administrative services in the amount of $211,963 and $206,906 in the years ended December 31, 2015 and 2014, respectively. The Company also owed the related party $100,090 and $126,532 at December 31, 2015 and 2014, respectively.

The Company has a long-term note payable to the stockholder (see Note 6). Interest paid to the stockholder was $9,550 and $15,035 in 2015 and 2014, respectively.

NOTE 11 RETIREMENT PLAN

The Company maintains a 401(k) plan covering substantially all full-time employees. The amount of the employer's yearly contribution is at the discretion of the Company. The Company contributed $0 in 2015 and 2014.

NOTE 12 SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through March 11, 2016, the date on which the financial statements were available to be issued. There were no subsequent events that required adjustment to the financial statements or additional disclosures.