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AZ CORP COMMISSION  
DOCKET CONTROL

2017 APR -6 A 10:09

April 1, 2017

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

Arizona Corporation Commission

**DOCKETED**

APR 6 2017

RE: Rose Valley Water Company, Inc.  
Docket No. W-01539A-17-0060  
Revised Schedules A-1 and B-1

DOCKETED BY

GB

Dear Docket Control:

Enclosed for filing in the above-referenced docket are an original and fifteen (15) copies of Revised Schedules A-1 and B-1 to the Company's February 28, 2017 filing. This filing is necessary to update these schedules to match the flow through rate base number as a result of the corrections to Schedule B-2a discovered by Staff during the sufficiency review of Rose Valley Water Company's currently pending rate case increase application.

Thank you for your assistance.

Sincerely,

Sonn S. Ahlbrecht  
Certified Public Accountant

Cc: Rose Valley Water Company, Inc.  
Lawrence V. Robertson, Jr., Esq

Rose Valley Water Company, Inc.  
 Docket No. W-01539A-17-0060  
 Test Year Ended December 31, 2015

**Revised Schedule A-1**  
**Title: Computation of Increase in Gross Revenue Requirements**

Explanation:  
 Schedule showing computation of increase in gross revenue requirements and spread of revenue increase by customer classification.

Required for: All Utilities	X
Class A	
Class B	
Class C	
Class D	
Special Reqmt	

Line	Original Cost	RCND
1 Adjusted Rate Base	\$ (736,224) (a)	(a)
2 Adjusted Operating Income	\$ (80,263) (b)	(b)
3 Current Rate of Return	Not Meaningful	
4 Required Operating Income	\$ 281,628	
5 Operating Income Deficiency (4 - 2)	\$ 361,891	
6 Required Operating Margin	20.28%	
7 Proposed Revenue Requirement	\$ 1,388,655	
8 Adjusted Test Year Revenue	<u>963,655</u>	
9 Increase in Gross Revenue Requirements (6 x 7)	<u>\$ 425,000</u>	

10 *Note: The proposed revenue and the amount of the increase were determined by an operating margin of 20.28% as Rose Valley has negative rate base.*

Customer Classification	Adjusted Revenue at Present Rates	Revenue at Proposed Rates	Projected Revenue Increase Due to Rates	% Dollar Increase	
11					
12 Residential	\$ 701,850	\$ 1,042,567	\$ 340,717	48.55%	(d)
13 Commercial	28,175	45,787	17,612	62.51%	
14 Landscaping	185,388	241,518	56,130	30.28%	
15 Peoria Schools	28,567	39,108	10,541	36.90%	
16 Other	19,675	19,675	-	0.00%	
17 <b>Total</b>	<b>\$ 963,655</b>	<b>\$ 1,388,655</b>	<b>\$ 425,000</b>	<b>44.10%</b>	

Note: For combination utilities, the above information should be presented in total and by department.

Supporting Schedules:

(a) B-1

(b) C-1 (d) H-1

Rose Valley Water Company, Inc.  
 Docket No. W-01539A-17-0060  
 Test Year Ended December 31, 2015

**Revised Schedule B-1**  
**Title: Summary of Original Cost**  
**and RCND**

Explanation:  
 Schedule showing elements of adjusted original cost  
 and RCND rate bases.

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Spec'l Reqmt	<input type="checkbox"/>

<u>Line</u>	<u>Description</u>	<u>Original Cost</u> <u>Rate Base*</u>	<u>RCND</u> <u>Rate Base*</u>
1	Gross Utility Plant in Service	\$ 3,854,309	
2	Less: Accumulated Depreciation	<u>(3,049,136)</u>	
3	Net Utility Plant in Service	\$ 805,173 (a)	(b)
4	<b>Less:</b>		
5	Customer Security Deposits	\$ (69,613)	
6	Advances in Aid of Construction	- (c)	(c)
7	Contributions in Aid of Construction	(2,294,308) (c)	(c)
8	<b>Add:</b>		
9	Amortization of Contributions	\$ 822,524	
10	Allowance for Working Capital	<u>- (d)</u>	(d)
11	<b>Total Rate Base</b>	<u><b>\$ (736,224) (e)</b></u>	(e)

\* Including pro forma adjustments

NOTE: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:

- (a) B-2 (d) B-5
- (b) N/A
- (c) E-1

Recap Schedules:

- (e) A-1