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FACILITATION PLL

April 10, 2017

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

Arizona Corporation Commission

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APR 12 2017

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2017 APR 12 A 11:18

RE: Rose Valley Water Company, Inc.
Docket No. W-01539A-17-0060
Re-Revised Schedule A-1

Dear Docket Control:

Enclosed for filing in the above-referenced Docket are an original and fifteen (15) copies of Re-revised Schedule A-1 to the Company's February 28, 2017 filing. This filing is necessary to correct typographical (formula reference) errors as well as operating margin clarifications per the request of Blessing Chukwu of Staff.

Thank you for your assistance.

Sincerely,

Sonn S. Ahlbrecht
Certified Public Accountant

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

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 (6 x 7)	\$ 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 (7 - 8)	<u>\$ 425,000</u>	

10 *Note: The proposed increase to the Gross Revenue requirement was calculated by determining the required operating income and operating margin at proposed rates. Therefore, the revenue requirement and amount of increase are a result of that 20.28% operating margin since 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	<hr/>				
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 Total	<u>\$ 963,655</u>	<u>\$ 1,388,655</u>	<u>\$ 425,000</u>	<u>44.10%</u>	

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