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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JIM O'CONNOR - Chairman
LEA MARQUEZ PETERSON
ANNA TOVAR
KEVIN THOMPSON
NICK MYERS

IN THE MATTER OF THE APPLICATION
OF EAST SLOPE WATER COMPANY, INC.
FOR A DETERMINATION OF THE
CURRENT FAIR VALUE OF ITS UTILITY
PLANT AND PROPERTY AND FOR
CHANGES IN ITS RATES AND CHARGES
THEREON FOR UTILITY SERVICE AND
FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01906A-24-____
APPLICATION



East Slope Water Company, Inc. ("East Slope") hereby submits this Application ("Application") for an order determining the fair value of the utility plant and property used for the provision of water utility service and, based on such finding, approving permanent rates and charges for utility service designed to produce a fair return thereon.

In support of this Application, East Slope states as follows:

1. East Slope is a Class D water utility under current classifications. East Slope provides water services to approximately 1,033 customers in Cochise County, Arizona. East Slope is owned by Hearthstone Water, Inc. ("Hearthstone Water"), a public utility holding company that owns and operates 15 regulated water and wastewater subsidiaries in Arizona.

2. East Slope's business address is 6808 N. Dysart Rd # 116, Glendale, AZ 85307. East Slope's mailing address, phone number, and e-mail contact for Mr. Bryan Thomas, East Slope's President and General Manager and primary management contact, is:

East Slope Water Company, Inc.
Mr. Bryan Thomas
6808 N. Dysart Rd #116,

1 Glendale, AZ 85307
2 Telephone: (623-935-1100)
3 E-mail: bnthomas@hearthstonecompany.com

4 3. Mr. Thomas is the person responsible for overseeing and directing the
5 conduct of this Application, in conjunction with outside legal counsel, Meghan Grabel.
6 Ms. Grabel's contact information is as follows:

7 Ms. Meghan H. Grabel
8 Osborn Maledon, P.A.
9 2929 N. Central Avenue, 20th Floor
10 Phoenix, AZ 85012
11 Phone: 602-640-9399
12 E-mail: mgrabel@omlaw.com

13 All parties should please direct copies of all notices, filings, discovery, data
14 requests and similar requests, and other papers related to this Application to Mr.
15 Thomas and Ms. Grabel.

16 4. In this Application, East Slope seeks adjustments to its rates and charges
17 for utility service for East Slope's water system, and consolidation into a larger utility
18 to be known as "Hearthstone Water South."

19 5. As shown in the testimony filed with this Application, the primary
20 driver of this rate case is Hearthstone Water's interest in consolidating the operations
21 and, for the water utilities, the rates for the following utilities: Clear Springs Utility
22 Company (water and wastewater), Baca Float Water Company (water and
23 wastewater), East Slope Water Company (water), Mescal Lakes Water Company
24 (water), and Naco Water Company (water) (collectively, the "Utilities" or
25 "Applicants"). East Slope's consolidation request is further described in the Direct
26 Testimonies of Bryan Thomas and Ray Jones.

27 6. East Slope served approximately 1,033 customers at the end of the 12-
28 month test year ending on August 31, 2023 ("Test Year") used in this Application.

1 7. East Slope filed its last rate case in 2017, using a Test Year ending
2 December 31, 2016 (Docket No. W-01906A-17-0317). East Slope current rates and
3 charges for water service were set in Decision No. 76767 (June 26, 2018).

4 8. East Slope's adjusted rate base in this Application is \$2,604,729. East
5 Slope proposes certain pro forma adjustments to account for known and measurable
6 changes to rate base, expenses and revenues, and to present a normalized and more
7 realistic relationship between revenues, expenses and rate base.

8 9. Accordingly, East Slope respectfully requests that the Arizona
9 Corporation Commission ("Commission") approve adjustments to its rates and charges
10 for utility service and consolidation into a larger Hearthstone Water South utility as
11 discussed in the Direct Testimony of Mr. Ray Jones.

12 10. The Direct testimony of East Slope's witnesses, Mr. Bryan Thomas and
13 Mr. Ray Jones, filed concurrently with and in support of this Application, are attached
14 as **Exhibit 1** and **Exhibit 2**, respectively.

15 11. The proposed cost of debt for East Slope is its actual cost of debt, which
16 is 4.23%. East Slope is proposing a cost of equity of 10% to determine the required
17 rate of return. When combined with East Slope's debt, the required return on fair
18 value rate base is 5.83%, as described in the Direct Testimony of Mr. Ray Jones.

19 12. East Slope's other requests for relief are set forth in the direct testimony
20 of its witnesses.

21 13. If consolidation is approved, Hearthstone Water South would be a Class
22 C utility under the Commission's classifications. Accordingly, the schedules required
23 by A.A.C. R14-2-103 for Class C water utility rate applications are attached to the
24 Direct Testimony of Mr. Ray Jones as Exhibit RLJ-DT2. To prepare its schedules,
25 East Slope used a Test Year consisting of the 12-month period ending August 31,
26 2023. East Slope requests that the Commission use this Test Year in connection with
27 this Application.

28

1 WHEREFORE, East Slope requests the following relief:

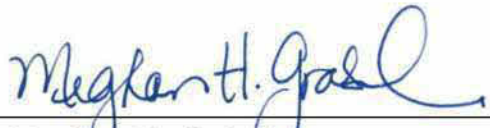
2 A. That the Commission, upon proper notice and at the earliest possible time,
3 approve East Slope’s requests herein and as set forth in the exhibits, schedules, and
4 testimony of its witnesses as they relate to East Slope’s service areas;

5 B. That the Commission authorize such other and further relief as may be
6 appropriate to ensure that East Slope has an opportunity to recover its prudently
7 incurred cost of service, including the cost of its capital deployed in the provision of
8 such service; and

9 C. That the Commission authorize the operational and rate consolidation of
10 the Utilities into a larger “Hearthstone Water South” entity and such other and further
11 relief as may be necessary or appropriate.

12 RESPECTFULLY SUBMITTED this 12th day of January, 2024.

13 OSBORN MALEDON, P.A.

14 By 

15 Meghan H. Grabel
16 Elias J. Ancharski
17 Osborn Maledon, PA
18 2929 North Central Ave. 20th Floor
19 Phoenix, Arizona 85012
Attorneys for East Slope Water Company, Inc.

20 Copy efiled this 12th day of January,
21 2024, with:

22 <https://efiling.azcc.gov>
23 ARIZONA CORPORATION COMMISSION
24 1200 West Washington Street
Phoenix, Arizona 85007

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1 Copy of the foregoing e-mailed
2 this 12th day of January, 2024 to:

3 utildivservicebyemail@azcc.gov
4 Director Utilities Division
5 ARIZONA CORPORATION COMMISSION
6 1200 W. Washington
7 Phoenix, Arizona 85007

8 Robin Mitchell
9 legaldiv@azcc.gov
10 Legal Division Chief Counsel
11 ARIZONA CORPORATION COMMISSION
12 1200 W Washington
13 Phoenix, Arizona 85007

14 *Patricia D. Palmer*

15 _____
16 10205917

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Exhibit 1

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JIM O'CONNOR - Chairman
LEA MARQUEZ PETERSON
ANNA TOVAR
KEVIN THOMPSON
NICK MYERS

IN THE MATTER OF THE APPLICATION
OF CLEAR SPRINGS UTILITY COMPANY,
INC. FOR A DETERMINATION OF THE
CURRENT FAIR VALUE OF ITS UTILITY
PLANT AND PROPERTY AND FOR
CHANGES IN ITS RATES AND CHARGES
THEREON FOR UTILITY SERVICE AND
FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01689A-24-___

IN THE MATTER OF THE APPLICATION
OF CLEAR SPRINGS UTILITY COMPANY,
INC. FOR A DETERMINATION OF THE
CURRENT FAIR VALUE OF ITS UTILITY
PLANT AND PROPERTY AND FOR
CHANGES IN ITS RATES AND CHARGES
THEREON FOR UTILITY SERVICE AND
FOR CERTAIN RELATED APPROVALS.

DOCKET NO. WS-01689A-24-___

IN THE MATTER OF THE APPLICATION
OF BACA FLOAT WATER COMPANY, INC.
FOR A DETERMINATION OF THE
CURRENT FAIR VALUE OF ITS UTILITY
PLANT AND PROPERTY AND FOR
CHANGES IN ITS RATES AND CHARGES
THEREON FOR UTILITY SERVICE AND
FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01678A-24-___

IN THE MATTER OF THE APPLICATION
OF BACA FLOAT WATER COMPANY, INC.
FOR A DETERMINATION OF THE
CURRENT FAIR VALUE OF ITS UTILITY
PLANT AND PROPERTY AND FOR
CHANGES IN ITS RATES AND CHARGES
THEREON FOR UTILITY SERVICE AND
FOR CERTAIN RELATED APPROVALS.

DOCKET NO. WS-01678A-24-___

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IN THE MATTER OF THE APPLICATION OF EAST SLOPE WATER COMPANY, INC. FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR CHANGES IN ITS RATES AND CHARGES THEREON FOR UTILITY SERVICE AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01906A-24-___

IN THE MATTER OF THE APPLICATION OF MESCAL LAKES WATER SYSTEMS, INC. FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR CHANGES IN ITS RATES AND CHARGES THEREON FOR UTILITY SERVICE AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-02472A-24-___

IN THE MATTER OF THE APPLICATION OF NACO WATER COMPANY, L.L.C. FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR CHANGES IN ITS RATES AND CHARGES THEREON FOR UTILITY SERVICE AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-02860A-24-___

**DIRECT TESTIMONY
OF
BRYAN THOMAS
ON BEHALF OF
CLEAR SPRINGS UTILITY COMPANY, ET. AL.
January 12, 2024**

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III	The Requested Consolidation is in the Public Interest	6

1 **I** **Introduction**

2
3 **Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?**

4 A. My name is Bryan Thomas. My business address is 6808 N Dysart Rd # 116
5 Glendale, AZ 85307.

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

7 A. I am the President and General Manager of Hearthstone Water, Inc. (“Hearthstone”).
8 Hearthstone is a public utility holding company that owns and operates 14 regulated
9 water and wastewater subsidiaries in Arizona, serving approximately 8,000
10 customers. Of relevance for the present application, the following utilities are
11 affiliates of Hearthstone:

- 12 • Baca Float Water Company (water and wastewater) (“Baca Float”)
- 13 • Clear Springs Utility Company (water and wastewater) (“Clear Springs”)
- 14 • East Slope Water Company (water) (“East Slope”)
- 15 • Mescal Lakes Water Systems (water) (“Mescal Lakes”)
- 16 • Naco Water Company (water) (“Naco Water”)

17 (collectively, the “Utilities” or “Applicants”).

18 **Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?**

19 A. I have a Bachelor’s degree in Accounting from DeVry University. I am a Certified
20 Public Accountant in the State of Arizona. I worked for an Arizona public
21 accounting firm specializing in water and wastewater utilities for 14 years.
22 Subsequently, I have been employed by Hearthstone (and its predecessors) for over
23 14 years, first as its Chief Financial Officer and now as President and General
24 Manager.

25 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?**

26 A. Yes. I have previously provided pre-filed testimony in the Valley Utilities Water
27 Company and Tierra Buena Water Company consolidated rate case, which is
28

1 currently pending in Docket Nos. W-01412A-23-00700, W-02076A-23-0071, W-
2 01412A-23-0072 and W-02076A-23-0072.

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

4 A. I am testifying on behalf of the Applicants.

5 **Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?**

6 A. I will explain and support the Applicants' rate related requests, generally, and the
7 request for consolidation.
8

9 **II Description of Requested Consolidation**

10 **Q. PLEASE EXPLAIN THE REQUESTED CONSOLIDATION.**

11 A. First, we will be requesting that the Arizona Corporation Commission
12 ("Commission") consolidate, as a procedural matter, each rate application filed by the
13 Utilities, respectively. The purpose of consolidating these related matters
14 procedurally is so the Commission can consider our request to consolidate the
15 operations of the Utilities and, in most cases, their rates in one proceeding. If the
16 Commission grants the requested operational consolidation in this docket, the
17 resulting consolidated water and wastewater district would be the "Hearthstone Water
18 South" utility.

19 **Q. HOW MANY CUSTOMERS WOULD THE "HEARTHSTONE WATER
20 SOUTH" UTILITY HAVE IF THIS CONSOLIDATION REQUEST WAS
21 GRANTED?**

22 A. Approximately 2,898 water customers and 785 wastewater customers.

23 **Q. ARE YOU ALSO REQUESTING CONSOLIDATED RATES?**

24 A. Yes. We are asking that the Commission approve one tariff of rates and charges for
25 water utility service for a consolidated Hearthstone Water South utility. Because of
26 the currently large rate disparity between the Clear Springs and Baca Float
27 wastewater utilities, we will not seek rate consolidation of these two systems at this
28

1 time. However, we anticipate having significant capital investment in the Clear
2 Springs wastewater system within the next few years as the existing wastewater
3 treatment system installed in the 1970s is beyond its estimated service life. When
4 that capital investment is included in rates, the rates for Clear Springs and Baca Float
5 will be much closer, making rate consolidation a more viable option to pursue as part
6 of a future rate case. Specific information regarding the impact of the proposed
7 consolidation is provided in the Direct Testimony of Ray Jones, filed concurrently
8 with this testimony.
9

10 **III The Requested Consolidation is in the Public Interest**

11 **Q. WHY SHOULD THE COMMISSION APPROVE THE REQUESTED**
12 **CONSOLIDATION?**

13 A. As discussed herein, rate consolidation can provide many benefits to water and
14 wastewater utilities and their customers. This consolidation request is supported by
15 both the Commission's Water Policy and the specific circumstances presented here.

16 **Q. HAVE YOU REVIEWED THE COMMISSION'S WATER POLICY IN**
17 **DECISION NO. 75626 (JULY 25, 2016)?**

18 A. Yes.

19 **Q. DOES THE COMMISSION'S WATER POLICY SUPPORT THE PRESENT**
20 **CONSOLIDATION REQUEST?**

21 A. Yes. The Commission's Water Policy, approved in Decision No. 75626 (July 25,
22 2016), acknowledges the financial and operational struggles that small water and
23 wastewater companies face in Arizona. The Commission's policy further recognized
24 that "consolidation can be an effective method of solving problems associated with
25 small systems" and proposed several policies to encourage such consolidation.¹
26

27 _____
28 ¹ Decision No. 75626 (July 25, 2016), Introduction at 1.

1 The Water Policy makes several references to the Commission’s preference to
2 consolidate small water and wastewater utilities to form larger utilities. Of relevance,
3 in Policy Statement No. 5, the Commission delineates its “Policy Regarding Rate
4 Consolidation for Small Jointly Owned Water Utilities.” According to the Water
5 Policy, the Commission “generally encourages and is in favor of allowing jointly
6 owned Class D and E water and wastewater utilities to adopt a single rate design
7 and/or merge into a single entity.”² This applies to both jointly owned Class D and E
8 water and wastewater utilities as well as Class D and E water and wastewater utilities
9 owned by larger classes of utilities.³ According to the Policy, the Commission will
10 generally favor proposals (brought forward in rate cases) to consolidate the rates of
11 cases involving Class D and E water and wastewater utilities.⁴

12 **Q. DO THE UTILITIES FIT WITHIN THE SCOPE OF THE COMMISSION’S**
13 **POLICY THAT YOU JUST DESCRIBED?**

14 A. Yes. The classification for each Utility is as follows:

- 15 • Baca Float (Water) – Class D
- 16 • Baca Float (Wastewater) – Class D
- 17 • Clear Springs (Water) – Class D
- 18 • Clear Springs (Wastewater) – Class E
- 19 • East Slope – Class D
- 20 • Mescal Lakes – Class E
- 21 • Naco Water – Class D

22 As class D and E utilities, the Utilities would benefit from consolidation for the
23 reasons set forth in the Commission’s Water Policy and as further set forth herein.

24
25
26 ² Decision No. 75626 (July 25, 2016), Policy No. 5 at 1.

27 ³ *See id.*

28 ⁴ *See id.*

1 **Q. WILL SOME CUSTOMERS PAY MORE IF THE REQUESTED**
2 **CONSOLIDATION IS GRANTED THAN THEY WOULD IF IT WAS NOT**
3 **GRANTED?**

4 A. Yes, Clear Spring (Water and Wastewater), Baca Float (Water), and Mescal Lakes
5 customers will pay slightly more if the requested consolidation is approved compared
6 to the proposed rates on a standalone basis. Baca Float (Wastewater), East Slope, and
7 Naco Water would pay less if the requested consolidation is approved compared to
8 the proposed rates on a standalone basis.

9 **Q. ON A STANDALONE BASIS, WOULD CUSTOMERS SEE AN INCREASE**
10 **AS A RESULT OF EACH RESPECTIVE RATE APPLICATION?**

11 A. Yes. With the exception of Clear Springs (Water) and Mescal, customers of the
12 Utilities would expect to see rate increases. Rate increases are a direct result of rising
13 operational costs. For several of the Utilities, it has been many years since the last
14 rate adjustment.

15 **Q. DO YOU BELIEVE THAT CUSTOMERS WILL SEE BENEFITS AS A**
16 **RESULT OF CONSOLIDATION?**

17 A. Yes. Granting the consolidation request will lead to regulatory and administrative
18 efficiencies. The Commission will be regulating one utility district with
19 approximately 2,898 water customers and 785 wastewater customers instead of seven
20 individual utilities. The Utilities will need one rate case in the future. As standalone
21 entities, the Utilities generally struggle to maintain a healthy financial position due to
22 high levels of capital expenditures across relatively small rate bases. If consolidated,
23 the Utilities' finances will be stabilized. Moreover, a consolidated entity would likely
24 not need a financing surcharge to support a debt issuance, again moderating customer
25 rate impacts.

26 Consolidated systems can also benefit through increased operational efficiencies.

27 Shared-services models are recognized as a factor in favor of consolidation, and

28 Hearthstone already has consolidated operations personnel working with these

1 entities. Through Hearthstone’s shared-services model, administrative and customer
2 service functions are performed by employees who serve a broad range of water and
3 sewer utilities throughout the State of Arizona, taking full advantage of economies of
4 scale to provide high quality service while saving costs. Consolidating the systems
5 under a single entity could reduce costs further by reducing record-keeping and the
6 costs for implementation of Best Management Practices and water sampling
7 programs, by way of example. In the event of further cost-savings, the customers of
8 the Utilities benefit because all customers are sharing the total cost of service in a fair
9 and equitable fashion.

10 **Q. HAS THE COMMISSION APPROVED SIMILAR CONSOLIDATION**
11 **REQUESTS?**

12 A. Yes. The Commission approved significant consolidations of EPCOR Water Arizona
13 Inc. (“EPCOR”) and Global Water Utilities (“Global”) water and wastewater districts
14 on several occasions.⁵ In Decision No. 76162, the Commission found that: (1)
15 consolidating geographically distant districts did not violate cost causation principles,
16 (2) consolidation lessens the burden of projected capital expenditures, (3)
17 consolidation addresses rate disparities between districts that are otherwise receiving
18 the same service from the same company, (4) physical interconnection is not
19 necessary for consolidation, and (5) based on the record, consolidation would result in
20 cost savings to customers. These findings have been upheld by the Arizona Supreme
21 Court.⁶

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26 ⁵ See e.g. Decision No. 78644 (July 27, 2022) (consolidation of Global water and wastewater
27 districts); Decision No. 78439 (Feb. 1, 2022) (consolidation of EPCOR water districts);
28 Decision No. 76162 (June 28, 2017) (consolidation of EPCOR wastewater districts).

⁶ *Sun City Home Owners Ass'n v. Arizona Corp. Comm'n*, 252 Ariz. 1 (2021).

1 **Q. ARE THE FACTORS THAT YOU JUST DISCUSSED APPLICABLE TO THE**
2 **PRESENT CONSOLIDATION REQUEST?**

3 A. Yes. As a general matter, the same principles that supported consolidation requests
4 for various other utilities exist here. Although the Utilities are geographically distant,
5 the cost causation principle is not a valid basis for rejecting consolidation because the
6 Commission can consider economic, social, historical, and other factors, such as the
7 public interest, when determining revenue allocation and that such considerations
8 often result in rates that deviate from strict cost of service. The Commission's Water
9 Policy expressly recognizes that "the practical benefits from allowing rate
10 consolidation involving small water and wastewater utilities far outweigh the benefits
11 of a strict adherence to this theoretical principle"⁷ Second, consolidation mitigates
12 large rate impacts from significant capital expenditures on small groups of customers.
13 Third, the Utilities all receive similar service from a management and operational
14 perspective, and consolidation apportions those costs equally among a larger rate
15 base. Fourth, the consolidation principles recognize that physical interconnections
16 are not necessary for consolidation. Finally, Hearthstone recognizes that some
17 customers will see increases due to consolidation. While the rate impacts are
18 immediately evident, the short- and long-term benefits of consolidation will outweigh
19 those impacts.

20 **Q. DO YOU BELIEVE THAT CONSOLIDATION IS IN THE PUBLIC**
21 **INTEREST?**

22 A. Yes.

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28 ⁷ Decision No. 75626 (July 25, 2016), Policy No. 5 at 1.

Exhibit 2

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JIM O'CONNOR - Chairman
LEA MARQUEZ PETERSON
ANNA TOVAR
KEVIN THOMPSON
NICK MYERS

IN THE MATTER OF THE APPLICATION
OF CLEAR SPRINGS UTILITY COMPANY,
INC. FOR A DETERMINATION OF THE
CURRENT FAIR VALUE OF ITS UTILITY
PLANT AND PROPERTY AND FOR
CHANGES IN ITS RATES AND CHARGES
THEREON FOR UTILITY SERVICE AND
FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01689A-24-___

IN THE MATTER OF THE APPLICATION
OF CLEAR SPRINGS UTILITY COMPANY,
INC. FOR A DETERMINATION OF THE
CURRENT FAIR VALUE OF ITS UTILITY
PLANT AND PROPERTY AND FOR
CHANGES IN ITS RATES AND CHARGES
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DOCKET NO. WS-01689A-24-___

IN THE MATTER OF THE APPLICATION
OF BACA FLOAT WATER COMPANY, INC.
FOR A DETERMINATION OF THE
CURRENT FAIR VALUE OF ITS UTILITY
PLANT AND PROPERTY AND FOR
CHANGES IN ITS RATES AND CHARGES
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DOCKET NO. W-01678A-24-___

IN THE MATTER OF THE APPLICATION OF BACA FLOAT WATER COMPANY, INC. FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR CHANGES IN ITS RATES AND CHARGES THEREON FOR UTILITY SERVICE AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. WS-01678A-24-___

IN THE MATTER OF THE APPLICATION OF EAST SLOPE WATER COMPANY, INC. FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR CHANGES IN ITS RATES AND CHARGES THEREON FOR UTILITY SERVICE AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01906A-24-___

IN THE MATTER OF THE APPLICATION OF MESCAL LAKES WATER SYSTEMS, INC. FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR CHANGES IN ITS RATES AND CHARGES THEREON FOR UTILITY SERVICE AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-02472A-24-___

IN THE MATTER OF THE APPLICATION OF NACO WATER COMPANY, L.L.C. FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR CHANGES IN ITS RATES AND CHARGES THEREON FOR UTILITY SERVICE AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-02860A-24-___

**DIRECT TESTIMONY
OF
RAY L. JONES
ON BEHALF OF
CLEAR SPRINGS UTILITY COMPANY, ET AL.
JANUARY 12, 2024**



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Clear Springs

- Exhibit RLJ-DT1 – Resume Ray L. Jones, P.E.
- Exhibit RLJ-DT2 – Clear Springs Water Schedules
- Exhibit RLJ-DT3 – Clear Springs Sewer Schedules
- Exhibit RLJ-DT4 – Consolidated Water Schedules
- Exhibit RLJ-DT5 – Consolidated Sewer Schedules
- Exhibit RLJ-DT6 – Consolidated Regulatory Expense Surcharge Calculation

Baca Float

- Exhibit RLJ-DT1 – Resume Ray L. Jones, P.E.
- Exhibit RLJ-DT2 – Baca Float Water Schedules
- Exhibit RLJ-DT3 – Baca Float Sewer Schedules

East Slope

- Exhibit RLJ-DT1 – Resume Ray L. Jones, P.E.
- Exhibit RLJ-DT2 – East Slope Schedules

Mescal Lakes

- Exhibit RLJ-DT1 – Resume Ray L. Jones, P.E.
- Exhibit RLJ-DT2 – Mescal Lakes Schedules

Naco Water

- Exhibit RLJ-DT1 – Resume Ray L. Jones, P.E.
- Exhibit RLJ-DT2 – Naco Water Schedules

1 **I** **INTRODUCTION**

2 **Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?**

3 A. My name is Ray L. Jones. My business address is 1630 Cougar Trl., Prescott, AZ 86303.

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

5 A. I am testifying on behalf of Clear Springs Utility Company (“Clear Springs”), Baca Float
6 Water Co., Inc. (“Baca Float”), East Slope Water Company (“East Slope”), Mescal Lakes
7 Water Systems, Inc. (“Mescal Lakes”) and Naco Water Company, L.L.C. (“Naco
8 Water”). Collectively I will refer to all of the applicants as “Hearthstone Water South” or
9 “Applicants.”

10 **Q. WHAT IS YOUR RELATIONSHIP WITH HEARTHSTONE WATER SOUTH?**

11 A. I have been retained by Hearthstone Water Inc. (“HWI”), the parent company of the
12 Applicants, to provide consulting services in support of the separate applications for rate
13 relief before the Arizona Corporation Commission (“Commission”) for Clear Springs
14 (water and wastewater divisions), Baca Float (water and wastewater divisions), East
15 Slope, Mescal Lakes and Naco Water. Additionally, I am supporting the Applicants’
16 request to consolidate each of the Applicants into a single entity with consolidated water
17 and wastewater rates.

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

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

1 **Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?**

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

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

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

18 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?**

19 A. In my time with Citizens and American, I prepared or assisted in the preparation of
20 multiple filings before the Commission, including rate applications and certificate of
21 convenience and necessity (“CC&N”) filings. Since starting ARICOR, I have prepared
22 many filings and assisted in the preparation of several more filings before the

1 Commission, including rate applications, financing applications and CC&N filings. I
2 have also provided testimony in all these cases before the Commission. A summary of
3 my regulatory work experience is included in my resume attached hereto as **Exhibit**
4 **RLJ-DT1**.

5 **II PURPOSE OF TESTIMONY**

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

8 A. My testimony supports Hearthstone Water South's applications for rate relief for the
9 Applicants in this proceeding ("Applications"). I am sponsoring Schedules "A" through
10 "H" (as required for a Class C utility), which are also being filed concurrently herewith in
11 support of each of the Applications. I was responsible for and/or supervised the
12 preparation of these schedules based on my investigation and review of each applicant's
13 relevant books and records. The Applicants' service areas consist overwhelmingly of
14 residential customers with only a small percentage of commercial customers.
15 Accordingly, Hearthstone Water South has not prepared a cost of service study (G
16 schedules), and the G Schedules are omitted from this filing.

17 **III OVERVIEW OF HEARTHSTONE WATER SOUTH'S APPLICATIONS.**

18 **Q. PLEASE SUMMARIZE HEARTHSTONE WATER SOUTH'S APPLICATIONS.**

19 A. The test year for each of the applications is the 12-month period ending on August 31,
20 2023. The Applicants request rate base and revenue increases as follows:

Application Summary			
	Rate	Revenue	Percent
	Base	Increase	Increase
Water			
Clear Springs	\$ 832,239.90	(685.22)	-0.19%
Baca Float	650,746.23	52,227.45	16.58%
East Slope	2,604,729.45	413,975.10	72.06%
Mescal Lakes	49,996.78	(41,977.39)	-15.12%
Naco Water	1,409,297.64	295,491.09	109.50%
Water Total	\$ 5,547,010.00	\$ 719,031.04	40.14%
Sewer			
Clear Springs	\$ 223,844.79	89,720.95	98.51%
Baca Float	549,384.92	15,917.13	4.68%
Sewer Total	\$ 773,229.71	\$ 105,638.08	24.51%

The Applicants propose 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. The Applicants are not requesting inclusion of post-test year plant.

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

A. Hearthstone Water South’s residential customers primarily use the 5/8” x 3/4” meter size. The following table provides a summary of the impact of proposed rate increases on typical residential customers.

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Typical Residential Rate Impact					
	Meter	Percent of	Median		Percent
	Size	Res. Meters	Usage	Increase	Increase
Water					
Clear Springs	5/8 x 3/4	99.4%	2,482	\$ (1.72)	-4.39%
Baca Float	5/8 x 3/4	66.8%	3,508	4.96	11.67%
East Slope	5/8 x 3/4	99.7%	3,483	21.23	64.26%
Mescal Lakes	5/8 x 3/4	99.4%	2,478	(4.19)	-14.91%
Naco Water	5/8 x 3/4	99.6%	3,492	54.43	96.89%
	Class	Percent of	Median		Percent
		Res. Meters	Usage	Increase	Increase
Sewer					
Clear Springs	All Residential	100.0%	2,491	\$ 19.48	101.19%
Baca Float	All Residential	100.0%	n/a	2.80	4.24%

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2 **Q. PLEASE IDENTIFY THE RATE CASE SCHEDULES PROVIDED WITH YOUR**
3 **TESTIMONY.**

4 **A.** I have prepared the following schedules for each division of Clear Springs and Baca Float
5 and for East Slope, Mescal Lakes and Naco Water. The schedules of each of the water
6 applications are attached as **Exhibit RLJ-DT2** to my direct testimony for each applicant.
7 The schedules for the two wastewater divisions are attached as **Exhibit RLJ-DT3** to my
8 direct testimony for Clear Springs and Baca Float.

- 9 • Schedules A-1 through A-5 – Summary Information.
- 10 • Schedules B-1, B-2 and B-5 – Rate Base Information and Adjustments.
- 11 • Schedules C-1 through C-3 – Income Statements and Adjustments.
- 12 • Schedules D-1 and D-2 – Cost of Capital Information.
- 13 • Schedules E-1 through E-5, E-7 through E-9 – Financial Statements and
- 14 Statistical Data.
- 15 • Schedules F-1 through F-4 – Projections and Forecasts.
- 16 • 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 the Applicants.

IV COST OF CAPITAL

Q. HAVE YOU PREPARED STANDARD COST OF CAPITAL SCHEDULES FOR THE APPLICANTS?

A. Yes. I have prepared all required cost of capital schedules and presented a capital structure for each applicant.

Q. WHAT ARE THE RESULTING CAPITAL STRUCTURES?

A. As shown on Schedule D-1 for each applicant, the capital structure used for ratemaking for the Applicants are as follows:

Capital Structure Summary				
	Long-Term		Percent	Percent
	Debt	Equity	Debt	Equity
Water				
Clear Springs	\$ 634,162.92	\$ 137,636.11	82.17%	17.83%
Baca Float	-	628,271.95	n/a	100.00%
East Slope	1,434,535.83	553,193.40	72.17%	27.83%
Mescal Lakes	-	44,359.83	n/a	100.00%
Naco Water	640,673.43	710,935.11	47.40%	52.60%
Water Total	\$ 2,709,372.18	\$ 2,074,396.39	56.64%	43.36%
Sewer				
Clear Springs	\$ 101,457.51	\$ 84,352.38	54.60%	45.40%
Baca Float	-	569,772.52	n/a	100.00%
Sewer Total	\$ 101,457.51	\$ 654,124.90	13.43%	86.57%

1 **Q. WHAT IS THE COST OF DEBT AND EQUITY USED IN YOUR**
2 **PRESENTATION?**

3 A. The cost of debt is determined for each applicant using the actual cost of debt for the
4 applicant. Based on review of recent filings by larger water and sewer providers,
5 Hearthstone Water South is proposing a cost of equity of 10.0% for the Applicants. The
6 table below summarizes the cost of capital for the Applicants.

Rate of Return Summary					
	Cost of Debt	Cost of	Weighted Cost		Return on
	Debt	Equity	Debt	Equity	FVRB
Water					
Clear Springs	4.53%	10.00%	3.72%	1.78%	5.50%
Baca Float	n/a	10.00%	n/a	10.00%	10.00%
East Slope	4.23%	10.00%	3.05%	2.78%	5.83%
Mescal Lakes	n/a	10.00%	n/a	10.00%	10.00%
Naco Water	4.83%	10.00%	2.29%	5.26%	7.55%
Sewer					
Clear Springs	4.54%	10.00%	2.48%	4.54%	7.02%
Baca Float	n/a	10.00%	n/a	10.00%	10.00%

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8 **V RATE BASE AND RATE BASE ADJUSTMENTS**

9 **A GENERAL**

10 **Q. HAVE YOU PREPARED STANDARD RATE BASE SCHEDULES FOR THE**
11 **APPLICANTS?**

12 A. Yes. I have prepared all required rate base schedules and established a rate base for each
13 applicant. The original cost rate base is shown on Schedule B-1, Line 22 of the schedules
14 for each applicant.

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

3 A. The original cost rate base was calculated by establishing the balance of utility plant in
4 service at the end of the test year. Deductions were made for accumulated depreciation,
5 advances in aid of construction, net contributions in aid of construction, and customer
6 security deposits. Deferred income taxes and regulatory assets/liabilities were additions
7 or subtractions to rate base, as appropriate. Working capital was determined as shown on
8 Schedule B-5. In arriving at the rate base for the Applicants, Hearthstone Water South
9 made various pro forma adjustments [OC-1 through OC-4] to the actual test-year-end
10 balances to arrive at the adjusted test-year-end original cost rate base for each applicant.

11 **B RATE BASE ADJUSTMENTS**

12 **Q. PLEASE EXPLAIN RATE BASE ADJUSTMENT OC-1.**

13 A. Rate Base Adjustment OC-1, detailed on page 2 of Schedule B-2, increases the plant in
14 service balance for the Applicants. This adjustment is made up of two separate
15 adjustments further detailed on subsequent pages of Schedule B-2 as plant in service
16 adjustments labeled [OC-1.1] and [OC-1.2].

17 Adjustment [OC-1.1] increases plant in service to allocate items of corporate plant
18 utilized at the Sierra Vista Operations Office serving the Applicants. Adjustment [OC-
19 1.2] increases plant in service to allocate items of corporate plant associated with the
20 Glendale, Arizona Corporate Office supporting the Applicants. Adjustments [OC-1.1]
21 and [OC-1.2] are detailed on Schedule B-2 and in the referenced workpapers and
22 summarized as follows:

	<u>OC-1.1</u>	<u>OC-1.2</u>
	Allocated	Allocated
	Plant	Plant
	<u>Sierra Vista</u>	<u>Glendale</u>
<u>Water</u>		
Clear Springs	\$ 43,120.82	\$ 13,179.82
Baca Float	25,780.29	13,367.87
East Slope	122,623.75	38,311.68
Mescal Lakes	38,451.55	12,420.16
Naco Water	57,091.07	18,815.19
<u>Sewer</u>		
Clear Springs	\$ 31,225.42	\$ 9,544.01
Baca Float	24,386.08	12,843.64

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Q. PLEASE EXPLAIN RATE BASE ADJUSTMENT OC-2.

A. Rate Base Adjustment OC-2, detailed on page 5 of Schedule B-2, adjusts the accumulated depreciation balances for the Applicants, considering three separate accumulated depreciation adjustments labeled [OC-2.1] through [OC-2.3].

Adjustment [OC-2.1] classifies accumulated depreciation to various plant accounts based in the detailed plant and depreciation schedule for each applicant. This adjustment is necessary because the Applicants do not maintain plant account level accumulated depreciation balances on their general ledgers. The adjustment also reconciles the respective balances to the calculated 8/31/2023 test year-end balance.

Adjustment [OC-2.2] adjusts accumulated depreciation to allocate accumulated depreciation recorded on items of corporate plant utilized at the Sierra Vista Operations Office serving the Applicants.

1 Adjustment [OC-2.3] increases accumulated depreciation to allocate accumulated
2 depreciation recorded on items of corporate plant associated with the Glendale, Arizona
3 Corporate Office supporting the Applicants.

4 Adjustments [OC-2.1] through [OC-2.3] are detailed on Schedule B-2 and in the
5 referenced workpapers and summarized as follows:

	<u>OC-2.1</u>	<u>OC-2.2</u>	<u>OC-2.3</u>
	Classify A/D	Allocated	Allocated
	To Plant	A/D	A/D
	<u>Accounts</u>	<u>Sierra Vista</u>	<u>Glendale</u>
<u>Water</u>			
Clear Springs	\$ (143.10)	\$ 10,377.74	\$ 1,260.27
Baca Float	(163.14)	(8,989.00)	1,278.24
East Slope	850.66	29,511.43	3,663.39
Mescal Lakes	977.25	9,254.00	1,187.62
Naco Water	299.26	13,739.91	1,799.12
<u>Sewer</u>			
Clear Springs	\$ (85.05)	\$ 7,514.91	\$ 912.60
Baca Float	5,885.38	(9,056.66)	1,228.11

6
7 **Q. PLEASE EXPLAIN RATE BASE ADJUSTMENT OC-3.**

8 A. Rate Base Adjustment OC-3 adjusts accumulated amortization of CIAC to conform with
9 the calculated 8/31/2023 test year-end balance. The reconstruction of the accumulated
10 amortization of CIAC is presented on the indicated workpaper for each applicant.

11 Adjustment [OC-3] is detailed on Schedule B-2 and in the referenced workpapers and
12 summarized as follows:

	<u>OC-3</u>
	<u>AA CIAC</u>
<u>Water</u>	
Clear Springs	\$ (2.24)
Baca Float	2.68
East Slope	3.14
Mescal Lakes	(975.49)
Naco Water	12.78
<u>Sewer</u>	
Clear Springs	\$ 2.54
Baca Float	169.10

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Q. PLEASE EXPLAIN RATE BASE ADJUSTMENT OC-4.

3

A. Rate Base Adjustment OC-4 adjusts the regulatory liability balances for Clear Springs and East Slope. The adjustment is required by the Commission decisions authorizing financing for Clear Springs and East Slope. The purpose of the adjustment is to record a regulatory liability so that customer-provided funds related to the approved DSR Surcharge can be subtracted from rate base. Adjustment [OC-4] is detailed on Schedule B-2 and in the referenced workpapers and summarized as follows:

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	<u>OC-4</u>
	<u>Regulatory Liability</u>
<u>Water</u>	
Clear Springs	\$ 51,010.95
Baca Float	Not Used
East Slope	117,042.76
Mescal Lakes	Not Used
Naco Water	Not Used
<u>Sewer</u>	
Clear Springs	\$ 15,295.65
Baca Float	Not Used

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1 **VI INCOME STATEMENT AND INCOME STATEMENT ADJUSTMENTS**

2 **A GENERAL**

3 **Q. HAVE YOU PREPARED STANDARD INCOME STATEMENT SCHEDULES**
4 **FOR THE APPLICANTS?**

5 A. Yes. I have prepared Schedules C-1, C-2, and C-3. The schedules contain pro forma
6 adjustments to account for known and measurable changes to revenues and expenses in
7 order to present a normalized and more realistic adjusted operating income.

8 **B OPERATING INCOME ADJUSTMENTS**

9 **Q. WHAT IS THE PURPOSE OF INCOME STATEMENT ADJUSTMENT IS-1?**

10 A. This adjustment removes all management fees paid to Southwestern Utility Management
11 (“SUM”) during the test year. This adjustment is necessary because Hearthstone Water
12 South discontinued the use of SUM and is now providing the services formerly provided
13 by SUM via a new workforce employed by HWI or via shared services provided by HWI
14 and its affiliates. Income Statement Adjustment IS-1 is detailed on Schedule C-2 and in
15 the referenced workpapers and is summarized as follows:

	<u>IS-1</u>
	Eliminate
	SUM
	<u>Mgt. Fee</u>
<u>Water</u>	
Clear Springs	\$ (64,825.75)
Baca Float	(11,467.11)
East Slope	(93,565.75)
Mescal Lakes	(66,181.00)
Naco Water	(39,588.25)
<u>Sewer</u>	
Clear Springs	(8,744.00)
Baca Float	(10,152.00)

1 **Q. PLEASE DESCRIBE INCOME STATEMENT ADJUSTMENT IS-2.**

2 A. This adjustment allocates annualized costs for HWI personnel and operations incurred to
3 operate the Applicants' water systems. The costs are allocated based on a 3-Factor
4 allocation methodology between the five water and two sewer operations serviced by the
5 Sierra Vista Operations office. Income Statement Adjustment IS-2 is detailed on
6 Schedule C-2 and on the referenced workpapers and is summarized as follows:

	IS-2
	Allocate
	SV Workforce
	<u>Costs</u>
<u>Water</u>	
Clear Springs	\$ 90,129.36
Baca Float	8,681.28
East Slope	256,303.13
Mescal Lakes	80,369.85
Naco Water	119,329.41
<u>Sewer</u>	
Clear Springs	65,266.09
Baca Float	8,341.08

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8 **Q. PLEASE DESCRIBE INCOME STATEMENT ADJUSTMENT IS-3.**

9 A. This adjustment updates and allocates management fees to reflect the annualized actual
10 ongoing cost of shared services provided by HWI and its affiliates. Shared services costs
11 are allocated to all utilities owned by HWI based on a 3-Factor allocation methodology.
12 All management fees paid to HWI (f/k/a Triton) during the test year are removed as part
13 of this adjustment. Income Statement Adjustment IS-3 is detailed on Schedule C-2 and
14 on the indicated workpapers and is summarized as follows:

	<u>IS-3</u>
	Normalize
	Shared Serv.
	<u>Costs</u>
<u>Water</u>	
Clear Springs	\$ 6,929.53
Baca Float	6,701.57
East Slope	88,841.80
Mescal Lakes	6,602.65
Naco Water	46,860.05
<u>Sewer</u>	
Clear Springs	10,935.14
Baca Float	6,391.71

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Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-4?

A. Due to a delay in receiving monthly revenue reporting from SUM, Applicants book estimated revenue each month. During the following month the estimated revenue entry is reversed, and the actual revenue amount is booked. This procedure causes test year revenue booked on the general ledger to be inaccurate. This adjustment corrects the revenue to reflect the actual revenue for the test year. This adjustment also eliminates nonrecurring reconciling entries. Income Statement Adjustment IS-4 is detailed on Schedule C-2 and in the referenced workpaper and is summarized as follows:

	IS-4
	Adjust TY
	Revenue
	<u>to Actual</u>
<u>Water</u>	
Clear Springs	\$ 5,641.71
Baca Float	(133.23)
East Slope	(4,712.03)
Mescal Lakes	(834.27)
Naco Water	(5,259.72)
<u>Sewer</u>	
Clear Springs	1,360.72
Baca Float	(286.52)

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Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-5?

A. This adjustment adjusts revenue to reflect Commission authorized revenue. For Clear Springs and East Slope, Adjustment IS-5 removes billed DSR Surcharges from revenue. The adjustment is needed because the decisions authorizing financing for Clear Springs and East Slope require the DSR Surcharge receipts to be recorded on the balance sheet as a regulatory liability. In accordance with Decision No. 78742, Mescal Lakes implemented new rates on November 1, 2022. This adjustment increases revenue to include proforma revenue that would have been generated for the two month period from September 2022 through October 2022, assuming the rate increase had been in effect for the entire test year. Income Statement Adjustment IS-5 is detailed on Schedule C-2 and in the referenced workpapers and is summarized as follows:

	<u>IS-5</u>
	<u>Adjust</u>
	<u>Revenue</u>
<u>Water</u>	
Clear Springs	\$ (11,863.67)
Baca Float	Not Used
East Slope	(34,716.99)
Mescal Lakes	6,240.31
Naco Water	Not Used
<u>Sewer</u>	
Clear Springs	(3,421.25)
Baca Float	Not Used

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Q. PLEASE DESCRIBE INCOME STATEMENT ADJUSTMENT IS-6.

A. This adjustment applies only to Mescal Lakes. For Mescal Lakes, this adjustment removes recorded regulatory commission expense amortization to reflect Hearthstone Water South’s request to collect rate case expense as a surcharge rather than in rates. Mescal Lakes’ Income Statement IS-6 decreases regulatory commission expense by \$7,181 and is detailed on Schedule C-2.

Q. PLEASE EXPLAIN INCOME STATEMENT ADJUSTMENT IS-7.

A. Income statement adjustment IS-7 synchronizes interest expense with the test-year adjusted rate base and debt structure for the Applicants. Income statement adjustment IS-7 is detailed on Schedule C-2 and is summarized as follows:

	IS-7
	Synchro
	Interest
	<u>Expense</u>
<u>Water</u>	
Clear Springs	\$ (5,575.37)
Baca Float	Not Used
East Slope	(7,669.14)
Mescal Lakes	Not Used
Naco Water	(642.57)
<u>Sewer</u>	
Clear Springs	\$ (3,468.04)
Baca Float	Not Used

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Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-8?

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A. Income statement adjustment IS-8 normalizes depreciation expense using adjusted test-year-end plant balances and proposed depreciation rates. Hearthstone Water South has used Staff's standard recommended depreciation rates for all accounts. Income Statement Adjustment IS-8 also normalizes amortization expense related to the regulatory liability for Clear Springs and East Slope. Income statement adjustment IS-8 is detailed on Schedule C-2 and is summarized as follows:

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	IS-8	IS-8
	Depreciation	Amortization
	<u>Expense</u>	<u>Expense</u>
<u>Water</u>		
Clear Springs	\$ 7,592.85	\$ (3,400.73)
Baca Float	5,805.76	Not Used
East Slope	7,572.52	(7,802.85)
Mescal Lakes	(2,698.36)	Not Used
Naco Water	7,156.94	Not Used
<u>Sewer</u>		
Clear Springs	\$ 789.72	\$ (1,019.71)
Baca Float	(16,209.13)	Not Used

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1 **Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-9?**

2 A. Income statement adjustment IS-9 restates property taxes consistent with the method
3 supported by Commission Staff and approved in numerous Commission decisions.
4 Specifically, following the Arizona Department of Revenue - Centrally Valued Properties
5 method, full cash value was determined by using twice the average of three years of
6 revenue, plus an addition for CWIP and a deduction for the book value of transportation
7 equipment. Consistent with Commission practice, three times the adjusted revenues for
8 the test year was used to determine the average revenue. The assessed value (16.5% of
9 full cash value) was then multiplied by the tax year 2023 property tax rate to determine
10 adjusted property tax expense. Income statement adjustment IS-9 adjusts test year
11 property tax expense, and after considering the effect of the proposed rate increase,
12 adjusts the test year adjusted amount to the final proposed property tax amount. Income
13 statement adjustment IS-9 is detailed on Schedule C-2 and is summarized as follows:

	<u>IS-9</u>	<u>IS-9</u>
	Property	Property
	Tax	Tax
	<u>Test Year</u>	<u>Proposed</u>
<u>Water</u>		
Clear Springs	\$ (1,923.17)	\$ (13.32)
Baca Float	(449.80)	761.42
East Slope	(3,235.06)	6,217.36
Mescal Lakes	2,307.75	(660.27)
Naco Water	4,446.90	5,813.95
<u>Sewer</u>		
Clear Springs	\$ (937.90)	\$ 1,736.99
Baca Float	(196.21)	231.83

Q. WHAT IS INCOME STATEMENT ADJUSTMENT IS-10?

A. Income statement adjustment IS-10 calculates the test year income tax expense for the Applicants, considering all other adjustments. The income tax expense is calculated in accordance with currently effective federal and State corporate income tax rates. Income statement adjustment IS-10 adjusts the test year income tax expense, and after considering the effect of the proposed rate increase, adjusts the test year adjusted amount to the final proposed income tax amount. Income Statement IS-10 is detailed on Schedule C-2 and is summarized as follows:

	<u>IS-10</u>	<u>IS-10</u>
	Income	Income
	Tax	Tax
	<u>Test Year</u>	<u>Proposed</u>
<u>Water</u>		
Clear Springs	\$ (10,226.47)	\$ (165.36)
Baca Float	(20,064.21)	12,793.77
East Slope	(76,092.82)	101,413.43
Mescal Lakes	(2,267.42)	(10,139.46)
Naco Water	(35,553.30)	71,767.90
<u>Sewer</u>		
Clear Springs	\$ (16,231.99)	\$ 21,724.03
Baca Float	(14,856.73)	3,896.78

VII RATE DESIGN AND REVENUE PROOF

A GENERAL

Q. PLEASE DESCRIBE THE H SCHEDULES.

A. Schedule H-1 summarizes the revenue by billing class 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 billing class, and meter size in dollar amount and percentage. The average number of customers derived from the bill count is

1 also shown by meter size and in total. Lastly, Schedule H-2 for water service contains
2 supplemental schedules that provide a breakdown of revenue at the existing and proposed
3 rates by the components of the proposed rate design. Schedule H-3 compares present and
4 proposed rates and shows the changes in each rate. Schedule H-4 compares present and
5 proposed rates and shows the amount of present and proposed bills and the percentage
6 increase at various consumption levels for each meter size. Schedule H-5 is the bill count
7 of the bills issued during the test year.

8 **B RATE DESIGN**

9 **1 Water Service**

10 **Q. PLEASE DESCRIBE HEARTHSTONE WATER SOUTH'S CURRENT WATER**
11 **RATE DESIGNS.**

12 A. Hearthstone Water South currently uses a three-tier rate design for small residential
13 meters and a two-tier rate design for most commercial meters and residential meters 1”
14 and larger. The rate designs are generally consistent with Policy Statement No. 2 in
15 Decision No. 75626.

16 **Q. PLEASE DESCRIBE HEARTHSTONE WATER SOUTH'S PROPOSED RATE**
17 **DESIGN.**

18 A. Hearthstone Water South proposes to continue using an increasing block three-tier rate
19 design for the Applicants. The Applicants will maintain unique base charges and
20 commodity rates while adopting a single consistent tier structure for all classes and meter
21 sizes. The 1st tier will include usage up to 3,000 gallons and is applicable only to small
22 residential meters. The 2nd tier will include usage up to 8,000 gallons for small

1 residential and commercial meters, with the allowed usage being increased for meters 1”
2 in size and larger. In each case, the Applicants propose to increase base charges and
3 commodity charges by approximately the same percentage, thereby maintaining their
4 current distribution of revenue among base charges and commodity tiers. Detailed
5 information on revenue distribution is provided for the Applicants in the supplemental
6 schedules provided with the H-2 schedules and summarized as follows:

Metered Water Revenue by Rate Component				
	Base Charge	1st Tier	2nd Tier	3rd Tier
Water				
Clear Springs	60.2%	13.8%	12.8%	13.2%
Baca Float	47.2%	16.0%	17.0%	19.8%
East Slope	53.8%	11.2%	14.3%	20.8%
Mescal Lakes	47.3%	18.6%	16.8%	17.3%
Naco Water	55.9%	16.2%	19.2%	8.8%

7
8 **Q. DOES HEARTHSTONE WATER SOUTH PROPOSE TO CREATE ANY NEW**
9 **RATES OR ELIMINATE ANY EXISTING RATES?**

10 A. Yes. In order to have consistent rate structures across all Applicants, the Applicants
11 propose to establish a fire sprinkler rate for the entities that currently do not have a fire
12 sprinkler rate.

13 Because there are no customers with 8” or 10” meters, Hearthstone Water South is
14 proposing to eliminate rates for the 8” and 10” meter sizes where they exist. Hearthstone
15 Water South also notes that the relatively small water systems operated by the Applicants
16 are not able to support 8” and 10” meter sizes without significant capital upgrades.

1 Hearthstone Water South proposes to eliminate the WIFA and CoBank loan surcharges
2 for Clear Springs and East Slope.

3 **Q. IS HEARTHSTONE WATER SOUTH PROPOSING A CHANGE TO ITS FIRE**
4 **SPRINKLER RATE?**

5 A. Yes. Applicants propose to increase the fire sprinkler rate to \$12.00 per month.

6 **Q. IS HEARTHSTONE WATER SOUTH PROPOSING ANY CHANGES TO**
7 **MISCELLANEOUS SERVICE CHARGES?**

8 A. As detailed in Schedule H-3, Applicants are proposing adjustments to their miscellaneous
9 charges to better reflect the costs of providing the services and to make the charges
10 consistent for all Applicants.

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

13 A. Yes. As detailed in Schedule H-3, Hearthstone Water South is proposing to increase
14 service line costs to better reflect costs.

15 **2 Sewer Service**

16 **Q. PLEASE DESCRIBE HEARTHSTONE WATER SOUTH'S CURRENT SEWER**
17 **RATE DESIGNS.**

18 A. Clear Springs currently uses a base charge that varies by customer class combined with a
19 usage based rate component. For residential customers, a \$0.75 per 1,000 gallons usage
20 charge is applied to water usage up to 7,000 gallons. For commercial customers a \$1.00

1 per 1,000 gallons usage charge is applied to all water usage. Baca Float currently uses a
2 flat rate billing consisting of a base charge that varies by customer class.

3 **Q. PLEASE DESCRIBE HEARTHSTONE WATER SOUTH'S PROPOSED RATE**
4 **DESIGN.**

5 A. Hearthstone Water South proposes to eliminate the usage-based charge for Clear Springs
6 and use a flat rate billing consisting of a base charge that varies by customer class for
7 both Clear Springs and Baca Float.

8 **Q. DOES HEARTHSTONE WATER SOUTH PROPOSE TO CREATE ANY NEW**
9 **RATES OR ELIMINATE ANY EXISTING RATES?**

10 A. Yes. Hearthstone Water South proposed to eliminate Service Lateral Installation Charges
11 for the 10-inch and 12-inch sizes because the small sewer systems are not capable of
12 accepting flows from large laterals.

13 Hearthstone Water South proposes to eliminate the CoBank loan surcharges for Clear
14 Springs.

15 **Q. IS HEARTHSTONE WATER SOUTH PROPOSING ANY CHANGES TO**
16 **MISCELLANEOUS SERVICE CHARGES?**

17 A. As detailed in Schedule H-3, Applicants are proposing adjustments to their miscellaneous
18 charges to better reflect the costs of providing the services and to make the charges
19 consistent for all Applicants.

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C REVENUE PROOF

Q DID HEARTHSTONE WATER SOUTH VERIFY AND PROVE THE TEST YEAR REVENUES?

A. Yes. Schedule H-5 for the Applicants 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, total calculated revenues, using bill counts, at present rates for the test year is compared to the per-book adjusted revenues. As shown in the following summary, the combined unreconciled difference of \$ (4,419.95) for the water systems amounts to -0.25% of per-book adjusted revenues and the unreconciled difference of \$ (1,260.19) for the sewer systems amounts to -0.29% of per-book adjusted revenues.

Revenue Reconciliation				
	Bill Count	Adjusted	Unreconciled	Percentage
	Revenue	GL Revenue	Difference	Difference
<u>Water</u>				
Clear Springs	\$ 355,287.61	\$ 354,471.67	\$ (815.94)	-0.23%
Baca Float	317,566.53	314,940.30	(2,626.23)	-0.83%
East Slope	578,491.75	574,469.79	(4,021.96)	-0.70%
Mescal Lakes	276,006.30	277,699.78	1,693.48	0.61%
Naco Water	268,506.45	269,857.15	1,350.70	0.50%
	\$ 1,795,858.64	\$ 1,791,438.69	\$ (4,419.95)	-0.25%
<u>Sewer</u>				
Clear Springs	\$ 90,098.12	\$ 91,082.08	\$ 983.96	1.08%
Baca Float	342,127.37	339,883.22	(2,244.15)	-0.66%
	\$ 432,225.49	\$ 430,965.30	\$ (1,260.19)	-0.29%

13

1 **VIII CONSOLIDATION**

2 **A CONSOLIDATION REQUEST**

3 **Q. IS HEARTHSTONE WATER SOUTH PROPOSING TO CONSOLIDATE THE**
4 **VARIOUS RATE APPLICATIONS THIS TESTIMONY ADDRESSES?**

5 A. Yes. As discussed in more detail in the Direct Testimony of Bryan Thomas, Hearthstone
6 Water South will be requesting that the Commission consolidate, as a procedural matter,
7 the individual rate applications filed by the Applicants.

8 **Q. WHAT IS HEARTHSTONE WATER SOUTH'S CONSOLIDATION REQUEST?**

9 A. The Applicants are requesting that all of the Applicants be operationally consolidated into
10 a single water division and a single sewer division. The Applicants further request that
11 rates be consolidated as discussed herein. Additional detail is provided in the Direct
12 Testimony of Mr. Bryan Thomas.

13 **Q. HAVE YOU PREPARED SCHEDULES FOR THE CONSOLIDATED**
14 **HEARTHSTONE WATER SOUTH?**

15 A. Yes. I have prepared the following schedules, which are attached (to the direct testimony
16 for Clear Springs only) as **Exhibit RLJ-DT4** for the water division and as **Exhibit RLJ-**
17 **DT5** for the sewer division:

- 18 • Schedule A-1 – Gross Revenue Requirements.
- 19 • Schedules B-1 and B-2 – Rate Base Information and Adjustments.
- 20 • Schedules C-1 through C-3 – Income Statements and Adjustments.
- 21 • Schedules D-1 and D-2 – Cost of Capital Information.
- 22 • Schedules H-1 through H-5 – Effect of Proposed Rate Schedules.

1 **Q. PLEASE SUMMARIZE THE CONSOLIDATED SCHEDULES.**

2 A. The consolidated schedules use the same test year as the individual rate filings, a 12-
3 month period ending on August 31, 2023. The Applicants request consolidated rate base
4 and revenue increases as follows:

Consolidated Application Summary			
	Rate	Revenue	Percent
	Base	Increase	Increase
Water Division	\$ 5,369,414.41	\$ 715,705.68	39.95%
Sewer Division	773,229.71	106,717.39	24.76%

5
6 For the water division, the required increase is \$3,325.37 less than the combined water
7 increases of the Applicants on a standalone basis. For the sewer division, the required
8 increase is \$1,079.31 more than the combined sewer increases of the Applicants on a
9 standalone basis. For the water division, the combined rate base is \$177,595.60 less than
10 the combined rate base on a standalone basis. For the sewer division, the rate base is the
11 same on a consolidated and standalone basis.

12 **Q. WHAT CAUSES THE COMBINED REVENUE INCREASES TO BE**
13 **DIFFERENT ON A CONSOLIDATED BASIS?**

14 A. For the water division, the primary cause is the difference in rate base. On a consolidated
15 basis, the Applicants' water divisions would be classified as a Class "C" utility. Because
16 the consolidated entity is a Class "C" utility, the Applicants have not used the formula
17 method to establish cash working capital as is done for the standalone Class "D" and
18 Class "E" entities. Instead the Applicants are requesting \$0.00 in cash working capital

1 for the consolidated water entity, lowering rate base by \$177,595.60. Additional
2 differences for both the water and sewer divisions are due to minor differences in
3 calculations of bad debt expense, interest expense, property taxes and income taxes on a
4 consolidated basis as compared to on a standalone basis.

5 **B CONSOLIDATED RATE BASE**

6 **Q. HOW DID HEARTHSTONE WATER SOUTH ARRIVE AT THE**
7 **CONSOLIDATED TEST YEAR ORIGINAL COST RATE BASE SHOWN ON**
8 **SCHEDULE B-1, LINE 24?**

9 A. As shown and Schedule B-2 - Consolidated, the combined rate base is the sum of the
10 standalone rate bases for the Applicants, with the adjustment to cash working capital for
11 the water division as discussed above.

12 **C CONSOLIDATED INCOME STATEMENT**

13 **Q. HOW DID HEARTHSTONE WATER SOUTH DETERMINE THE**
14 **CONSOLIDATED ADJUSTED TEST YEAR INCOME STATEMENT?**

15 A. As shown on Schedule C1 – Consolidated, for the Applicants, for all revenue and
16 expense categories, except property taxes, income taxes and interest expense, the Test
17 Year Adjusted Income Statement from the standalone filings is the starting point.
18 Because the adjustments for property taxes, income taxes and interest expense on a
19 consolidated basis will not equal the sum of the standalone adjustments, the actual test
20 year expenses were used as the starting point for these categories. New consolidated
21 adjustments were calculated for property taxes, income taxes and interest expense using
22 the consolidated results of the Applicants. These adjustments are presented as Income

1 Statement Adjustment IS-1, IS-2 and IS-3 on Schedule C-2 – Consolidated. Also
2 provided is an updated Schedule C-3 – Consolidated.

3 **D CONSOLIDATED COST OF CAPITAL**

4 **Q. WHAT IS THE APPLICANTS’ CONSOLIDATED CAPITAL STRUCTURE?**

5 A. As shown on Schedule D-1 – Consolidated, the projected capital structure for the
6 Applicants is as follows:

Consolidated Capital Structure				
	Long-Term		Percent	Percent
	Debt	Equity	Debt	Equity
Water Division	\$ 2,709,372.18	\$ 2,074,396.39	56.64%	43.36%
Sewer Division	101,457.51	654,124.90	13.43%	86.57%

8 **Q. WHAT IS THE RESULTING REQUIRED RATE OF RETURN?**

9 A. The table below summarizes the cost of capital for the Applicants on a consolidated
10 basis.

Consolidated Rate of Return					
	Cost of Debt	Cost of	Weighted Cost		Return on
	Debt	Equity	Debt	Equity	FVRB
Water Division	4.44%	10.00%	2.51%	4.34%	6.85%
Sewer Division	4.54%	10.00%	0.61%	8.66%	9.27%

E RATE DESIGN

1 Water Division

Q. WHAT IMPACT DOES THE CONSOLIDATION HAVE ON THE APPLICANTS' PROPOSED RATE DESIGNS?

A. The consolidated rate design establishes a single base charge for all of the water division Applicants and a common set of commodity charges for the tiered rates. Tier to Tier break-over points are unchanged from the standalone case for all water division Applicants. Details of the proposed consolidated rate design are provided on Schedule H-3 – Consolidated.

Q. WHAT ARE THE RELATIVE RATE IMPACTS ON THE WATER DIVISION APPLICANTS' RESIDENTIAL CUSTOMERS?

A. The table below summarizes the relative rate impacts for the Applicants' water division average and median usage customers.

	Clear Springs	Baca Float	East Slope	Mescal Lakes	Naco Water
Consolidated Rate Impact					
Proposed Median Residential Bill	\$ 45.31	\$ 51.01	\$ 50.85	\$ 45.30	\$ 50.90
Change from Current	\$ 6.15	\$ 8.50	\$ 17.81	\$ 17.20	\$ (5.28)
Change from Proposed Standalone	\$ 7.87	\$ 3.54	\$ (3.42)	\$ 21.39	\$ (59.71)
Proposed Average Residential Bill	\$ 51.63	\$ 55.55	\$ 69.85	\$ 58.82	\$ 56.21
Change from Current	\$ 8.15	\$ 8.04	\$ 29.45	\$ 20.44	\$ (6.90)
Change from Proposed Standalone	\$ 8.97	\$ 2.53	\$ (0.31)	\$ 26.26	\$ (67.67)

Q. ARE THERE ANY ADDITIONAL FACTORS THAT SHOULD BE CONSIDERED WHEN COMPARING RELATIVE RATE IMPACTS?

1 A. Yes. Mescal Lakes is projected to receive the largest increase due to consolidation, but
2 there is a benefit to Mescal Lakes that is not reflected in the above table. Decision No.
3 78742 for Mescal Lakes authorized financing surcharges for Mescal Lakes' pending
4 financing. Per the decision, Staff estimated the surcharges at \$18.60 per month for a
5 typical residential customer. If rate consolidation is approved, any financing surcharges
6 implemented for Mescal Lakes customers while this case is pending can be discontinued,
7 and Mescal Lakes customers will pay only the newly approved consolidated rate without
8 any surcharges¹. After consideration of Staff's estimate of the pending surcharge that
9 may be implemented on a standalone basis, the actual rate impact of consolidation on
10 Mescal Lakes could be as much as \$18.60 per month less than reflected in the table, or
11 \$2.79 for a median use customer and \$7.66 for an average use customer.

12 **2** *Sewer Division*

13 **Q. WHAT IMPACT DOES THE CONSOLIDATION HAVE ON THE APPLICANTS'**
14 **PROPOSED RATE DESIGNS?**

15 A. Because Clear Springs' and Baca Float's current rate base per customer and customer
16 rates are significantly different, with Clear Springs being relatively low and Baca Float
17 being relatively high, the Applicants are proposing to keep a rate differential between the
18 two service areas. More specifically, Applicants propose to keep the Baca Float rate at
19 its current rate while increasing the Clear Springs rate by a small amount as compared to

¹ Mescal Lakes expects that financing surcharges will be required in order to meet WIFA's debt coverage requirements for Mescal Lakes on a standalone basis.

1 the Clear Springs proposed standalone rate. Full details of the proposed consolidated rate
2 design are provided on Schedule H-3 – Consolidated.

3 **Q. WHAT ARE THE RELATIVE RATE IMPACTS ON THE SEWER DIVISION**
4 **APPLICANTS' RESIDENTIAL CUSTOMERS?**

5 A. The table below summarizes the relative rate impacts for the sewer division customers.

Sewer	Clear Springs	Baca Float
Consolidated Rate Impact		
Proposed Residential Sewer	\$ 42.16	\$ 65.97
Change from Current (7,000 gallons)	\$ 19.53	\$ -
Change from Standalone	\$ 3.43	\$ (2.80)

6
7 **Q. WERE THERE ANY ADDITIONAL FACTORS THAT WERE CONSIDERED**
8 **WHEN SELECTING THE CONSOLIDATED RATE DESIGN?**

9 A. Yes. As discussed in more detail in the Direct Testimony of Bryan Thomas, Clear
10 Springs is facing potential significant capital investment related to its sewer treatment
11 system. In comparison, significant investment in the Baca Float system is not
12 anticipated. When the anticipated investment in Clear Springs sewer treatment is
13 included in a future rate case, the revenue requirement will increase and provide the
14 opportunity to move the Clear Springs and Baca Float rates closer together (or possibly to
15 the same rate) while likely having a lower rate impact on Clear Springs customers as
16 compared to Clear Springs continuing as a standalone rate entity.

1 **F PUBLIC INTEREST**

2 **Q. DO YOU BELIEVE IT IS IN THE PUBLIC INTEREST TO CONSOLIDATE**
3 **RATES FOR THE APPLICANTS?**

4 A. Yes. As explained in the Direct Testimony of Bryan Thomas, granting the consolidation
5 of the Applicants' water divisions and the Applicants' sewer divisions will lead to
6 regulatory and administrative efficiencies. The need for financing surcharges will be
7 eliminated. The Commission will be regulating one utility with two divisions instead of
8 five utilities with seven rate making entities. Each division will need one rate case in the
9 future, instead of five for water and two for sewer. As discussed by Mr. Thomas, there
10 are also operational advantages resulting from the consolidation of the Applicants.
11 Overall, I believe that the public interest is clearly served by consolidating the
12 Applicants' water divisions and the Applicants' sewer divisions.

13 **IX REGULATORY EXPENSE SURCHARGE**

14 **Q. HOW IS HEARTHSTONE WATER SOUTH REQUESTING RECOVERY OF**
15 **RATE CASE EXPENSE?**

16 A. Hearthstone Water South is requesting recovery of rate case expense through a regulatory
17 expense surcharge.

18 **Q. WHY ARE APPLICANTS REQUESTING APPROVAL OF A REGULATORY**
19 **EXPENSE SURCHARGE?**

20 A. It is my understanding that, in recent cases, Commission Staff has indicated a preference
21 for recovering rate case expense in a surcharge rather than in rates as a normalized
22 expense. Further, the surcharge method is fair to both Hearthstone Water South and its

1 customers because it avoids potential over or under recovery of rate case expense that can
2 happen when rate case expense is treated as a normalized expense. Rate case expense is
3 incurred for a special purpose, outside of the test year and recurs at an uncertain interval.
4 If treated as a normalized expense, if the utility is authorized new rates before the end of
5 the amortization period, any unrecovered rate case expense is stranded. Conversely, if
6 the utility stays out longer than the amortization period, the utility over recovers.

7 A surcharge avoids both possible outcomes, provided the order authorizing the surcharge
8 allows it to be collected throughout the adopted amortization period irrespective of
9 whether new rates are set before the amortization period expires. For that reason,
10 Hearthstone Water South proposes that it be allowed to collect the surcharge until it
11 recovers the authorized level of rate case expense and then the surcharge will be
12 terminated, regardless of when subsequent new rates are authorized. Under this
13 surcharge approach, Hearthstone Water South will recover the amount authorized, no
14 more, and no less.

15 **Q. WHAT IS THE TOTAL RATE CASE EXPENSE REQUESTED FOR**
16 **RECOVERY?**

17 A. Hearthstone Water South is requesting recovery of \$120,000 in total, with \$90,000
18 allocated to the water division and \$30,000 allocated to the sewer division. Hearthstone
19 Water South used estimated amounts from external consultants and outside counsel for its
20 regulatory expense. The total rate case costs also include the costs of public noticing,
21 printing, hearings, and other rate case expenses during the rate case proceeding.

1 **Q. BASED ON TEST YEAR END CUSTOMER COUNTS, WHAT IS THE**
2 **PROJECTED MONTHLY REGULATORY EXPENSE SURCHARGE?**

3 A. The resulting monthly regulatory expense surcharge to a typical residential customer
4 would be \$0.76 for water and \$0.79 and \$1.24 for Clear Springs sewer and Baca Float
5 sewer, respectively. **Exhibit RLJ-DT6** (attached to the direct testimony for Clear
6 Springs only) provides details for the surcharge calculation and charges for other classes
7 of customers.

8 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

9 A. Yes.

EAST SLOPE
EXHIBIT RLJ-DT1

Resume



Water Solutions

Ray L. Jones P.E.

Principal

**1630 Cougar Trail
Prescott, Arizona 86303**

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)

PROFESSIONAL CERTIFICATION

Registered Professional Engineer – Civil Engineering – Arizona
 Registered 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 (2015-2021)
- Board of Directors – Greater Maricopa Foreign Trade Zone (2009 – 2018)
- 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 and/or filing schedules has been provided before the Arizona Corporation Commission in the dockets listed below. Unless otherwise indicated, work performed was 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

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

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	Community Water Company of Green Valley	Ratemaking	W-02304A-15-0263
2015	BN Leasing Corporation d.b.a. Aubrey Water Company	Ratemaking	W-03476A-15-0286
2016	Rio Verde Utilities, Inc.	Ratemaking	WS-02156A-16-0201
2016	Pima Utility Company	Ratemaking	W-021999A-16-0421 WS-02199A-16-0422
2017	Cordes Lakes Water Company	Emergency Ratemaking Emergency Financing	W-02060A-17-0228
2017	Cordes Lakes Water Company	Ratemaking	W-02060A-17-0274

Filing Year	Utility(ies)	Filing Type(s)	Docket(s)
2017	Brooke Water, LLC	Ratemaking	W-03039A-17-0295
2017	Biasi Water Company, Inc.	Ratemaking	WS-02812A-17-0321
2018	Rio Verde Utilities, Inc.	Tariff Revision – Federal Tax Reform	WS-02156A-18-0089
2018	Far West Water & Sewer, Inc.	Tariff Revision – Federal Tax Reform	WS-03478A-18-0090
2018	Big Park Water Company	Tariff Revision – Federal Tax Reform	W-01624A-18-0091
2018	Little Park Water Company, Inc.	Ratemaking	W-02192A-18-0093
2019	Johnson Utilities, LLC (Representing the Water Utilities Association of Arizona)	Evaluation of Certificate of Convenience and Necessity	WS-02987A-18-0329 et al.
2019	Brooke Water, LLC	Joint Application to Transfer Assets to EPCOR Water Arizona, Inc.	WS-03039A-19-0092 WS-01303A-19-0092
2019	Big Park Water Company	Ratemaking	W-01624A-19-0106
2019	Far West Water & Sewer, Inc.	Extension of CC&N Territory	WS-03478A-19-0275
2019	Big Park Water Company	Revision – Arsenic Impact Hook-Up Fee Tariff	WS-01624A-19-0302
2020	Johnson Utilities, LLC (Through its Interim Manager, EPCOR Water Arizona, Inc.)	Ratemaking	WS-02987A-20-0025
2020	Saddlebrooke Utility Company	Ratemaking	SW-02849A-20-0262
2020	Big Park Water Company	Tank Coating Surcharge and Tariff	W-01624A-20-0260
2020	Big Park Water Company	Financing	W-01624A-20-0280
2020	Big Park Water Company	Fire Sprinkler Service Line Tariff	W-01624A-20-0375
2021	EPCOR Water Arizona, Inc. San Tan Water and Wastewater District	Ratemaking	WS-01303A-20-0025

Filing Year	Utility(ies)	Filing Type(s)	Docket(s)
2021	Cactus State Utility Operating Company, LLC	Transfer of Certificate of Convenience and Necessity and Transfer of Utility Assets	WS-21155A-21-0135 WS-21155A-21-0137 WS-21155A-21-0138 WS-21155A-21-0139 WS-21155A-21-0140 WS-21155A-21-0141 WS-21155A-21-0143 WS-21155A-21-0149 WS-21155A-21-0150 WS-21155A-21-0151 WS-21155A-21-0152 WS-21155A-21-0153 WS-21155A-21-0154 WS-21155A-21-0155 WS-21155A-21-0156 WS-21155A-21-0161
2021	Adaman Mutual Water Company	Ratemaking	W-01997A-21-0280
2021	Adaman Mutual Water Company	Financing	W-01997A-21-0297
2021	Adaman Mutual Water Company	Fire Service Line Tariff	W-01997A-21-0304
2022	Far West Water & Sewer, Inc.	Transfer of Certificate of Convenience and Necessity and Transfer of Utility Assets	WS-03478A-22-0058
2022	Far West Water & Sewer, Inc. Foothills Water & Sewer, LLC	Extension of CC&N Territory	WS-03478A-22-0109 WS-21182A-22-0109
2022	Cactus State Utility Operating Company, LLC	Transfer of Certificate of Convenience and Necessity and Transfer of Utility Assets	WS-21155A-22-0051 WS-21155A-22-0052 WS-21155A-22-0055 WS-21155A-22-0061
2022	Cactus State Utility Operating Company, LLC	Extension of CC&N Territory (New Service District)	WS-21155A-22-0198
2022	Graham County Electric Cooperative, Inc (Water Division)	Ratemaking	W-01749A-22-0310
2022 2023	Cactus State Utility Operating Company, LLC	Transfer of Certificate of Convenience and Necessity and Transfer of Utility Assets	WS-21155A-22-0309 WS-21155A-22-0314 WS-21155A-22-0319 WS-21155A-22-0324 WS-21155A-22-0327 WS-21155A-23-0013
2023	Valley Utilities Water Company, Inc. Tierra Buena Water Company, Inc.	Ratemaking / Sale of Assets and Consolidation	W-01412A-23-0070 W-02076A-23-0071 W-02076A-23-0072
2023	Cactus State Utility Operating Company, LLC	Transfer of Certificate of Convenience and Necessity and Transfer of Utility Assets	WS-21155A-23-0227
2023	Cactus State Utility Operating Company, LLC	Transfer of Certificate of Convenience and Necessity and Transfer of Utility Assets	WS-21155A-23-0267

Filing Year	Utility(ies)	Filing Type(s)	Docket(s)
2023	Cactus State Utility Operating Company, LLC	Transfer of Certificate of Convenience and Necessity and Transfer of Utility Assets	WS-21155A-23-0268
2023	Cactus State Utility Operating Company, LLC	Transfer of Certificate of Convenience and Necessity and Transfer of Utility Assets	WS-21155A-23-0269
2023	Foothills Water & Sewer, LLC	Ratemaking	WS-21182A-23-0292
2023	Cactus State Utility Operating Company, LLC	Transfer of Certificate of Convenience and Necessity and Transfer of Utility Assets	WS-21155A-23-0322

December 2024

EAST SLOPE
EXHIBIT RLJ-DT2

Standard Schedules - Water

Line No.		Original Cost Rate Base			
1	Adjusted Rate Base	\$ 2,604,729			
2					
3	Adjusted Operating Income	(154,375)			
4					
5	Current Rate of Return	-5.93%			
6					
7	Weighted Average Cost of Capital	5.83%			
8					
9	Required Operating Income	\$ 151,970			
10					
11	Operating Income Deficiency	\$ 306,344			
12					
13	Gross Revenue Conversion Factor	1.3513			
14					
15	Required Increase in Gross Revenue	\$ 413,975			
16					
17	Adjusted Test Year Revenue	\$ 574,470			
18					
19	Proposed Annual Revenue	\$ 988,445			
20					
21	Percent Increase in Gross Revenue	72.06%			
22					
23	Resulting Operating Margin	15.37%			
24					
25					
26					
27					
28					
29		Current Rates	Projected Rates	Projected Revenue Increase Due To Rates	% Dollar Increase
30	<u>Customer Classification</u>				
31					
32	Fire Lines	-	-	\$ -	n/a
33					
34	<u>Metered Revenue</u>				
35	Residential - Small Meters	401,401	863,114	461,713	115.03%
36	Commercial - Small Meters	17,572	37,230	19,658	111.87%
37	All Classes - Large Meters	38,397	80,756	42,360	110.32%
38	Standpipe	-	-	-	n/a
39	Metered Revenue	457,369	981,100	523,731	114.51%
40					
41					
42	Miscellaneous Service Revenue	10,510	10,510	-	0.00%
43					
44	Reconciling Amount	(4,022)	(3,165)	\$ 857	
45					
46	Subtotal	\$ 463,857	\$ 988,445	\$ 524,588	113.09%
47					
48					
49	<u>Supporting Schedules:</u>				
50	B-1 C-1				
51	C-3 H-1				
52					

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		8/31/2021	8/31/2022	Actual 8/31/2023	Adjusted 8/31/2023	Present Rates 8/31/2024	Proposed Rates 8/31/2024
1	Gross Revenues	\$ 639,487	\$ 637,997	\$ 613,899	\$ 574,470	\$ 574,470	\$ 988,445
2	Revenue Deductions and						
3	Operating Expenses	530,484	540,328	556,824	728,845	747,491	853,046
4	Operating Income	109,003	97,669	57,075	(154,375)	(173,021)	135,399
5							
6	Other Income and						
7	Deductions	(71,392)	(72,538)	(68,438)	(60,769)	(60,769)	(60,769)
8	Interest Expense	-	-	-	-	-	-
9	Net Income	\$ 37,612	\$ 25,131	\$ (11,363)	\$ (215,144)	\$ (233,791)	\$ 74,629
10							
11	Earned Per Average						
12	Common Share	\$ 376	\$ 251	\$ (114)	\$ (2,151)	\$ (2,338)	\$ 746
13							
14	Dividends Per						
15	Common Share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16							
17	Payout Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18							
19	Return on Average						
20	Invested Capital	1.0%	0.6%	-0.3%	-5.1%	-5.2%	1.7%
21							
22	Return on Year End						
23	Capital	1.0%	0.6%	-0.3%	-4.8%	-5.1%	1.6%
24							
25	Return on Average						
26	Common Equity	7.2%	4.5%	-2.0%	-38.5%	-42.3%	13.5%
27							
28	Return on Year End						
29	Common Equity	7.0%	4.4%	-2.1%	-38.9%	-42.3%	13.5%
30							
31	Times Bond Interest Earned						
32	Before Income Taxes	1.37	1.17	0.64	(2.92)	(3.15)	2.01
33							
34	Times Total Interest and						
35	Preferred Dividends Earned						
36	After Income Taxes	1.20	1.09	0.65	(1.94)	(2.18)	1.70
37							
38							
39	<u>Supporting Schedules:</u>						
40	E-2 F-1						
41	C-1						
42							

Line No.	Description:	Prior Years Ended		Test Year	Projected Year
		8/31/2021	8/31/2022	8/31/2023	8/31/2024
3	Short-Term Debt	-	-	-	-
4	Long-Term Debt	1,627,018	1,564,369	1,499,453	1,434,536
5	Total Debt	\$ 1,627,018	\$ 1,564,369	\$ 1,499,453	\$ 1,434,536
7	Preferred Stock	-	-	-	-
8	Common Equity	540,274	565,404	553,193	553,193
9	Total Capital & Debt	\$ 2,167,292	\$ 2,129,774	\$ 2,052,646	\$ 1,987,729
12	Capitalization Ratios:				
14	Short-Term Debt	0.00%	0.00%	0.00%	0.00%
15	Long-Term Debt	75.07%	73.45%	73.05%	72.17%
16	Total Debt	75.07%	73.45%	73.05%	72.17%
18	Preferred Stock	0.00%	0.00%	0.00%	0.00%
19	Common Equity	24.93%	26.55%	26.95%	27.83%
20	Total Capital	100.00%	100.00%	100.00%	100.00%
22	Weighted Cost of				
23	Short-term Debt	0.0000%	0.0000%	0.0000%	0.0000%
25	Weighted Cost of				
26	Long-term Debt	4.1961%	4.2042%	3.0885%	3.0513%
28	Weighted Cost of				
29	Senior Capital	4.1961%	4.2042%	3.0885%	3.0513%
35	Supporting Schedules:				
36	E-1 D-1				

East Slope Water Company, Inc.
Test Year Ended August 31, 2023
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	8/31/2021	\$ 106,490	\$ 466,929	\$ 4,278,084
3					
4	Prior Year Ended	8/31/2022	219,747	708,932	4,987,016
5					
6	Test Year Ended	8/31/2023	104,815	111,138	5,098,154
7					
8	Projected Year Ending	8/31/2024	128,400	128,400	5,226,554
9					
10	Projected Year Ending	8/31/2025	108,400	108,400	5,334,954
11					
12	Projected Year Ending	8/31/2026	108,400	108,400	5,443,354
13					
14	<u>Supporting Schedules:</u>				
15	F-3				
16					
17					

Line No.		Prior	Prior	Test	Projected Year	
		Year Ended 8/31/2021	Year Ended 8/31/2022	Year Ended 8/31/2023	Present Rates 8/31/2024	Proposed Rates 8/31/2025
1	<u>Source of Funds</u>					
2	Operations	\$ 148,179	\$ 191,534	\$ (160,753)	\$ (58,572)	\$ 249,848
3						
4	Outside Financing	(39,845)	(62,649)	(64,917)	110,083	(66,215)
5						
6	Total Funds Provided	\$ 108,334	\$ 128,886	\$ (225,670)	\$ 51,511	\$ 183,633
7						
8	<u>Application of Funds</u>					
9	Constriction Expenditures	\$ (106,490)	\$ (219,747)	\$ (104,815)	\$ (128,400)	\$ (108,400)
10						
11	Dividends/Distributions	-	-	-	-	-
12						
13	Other	-	-	-	-	-
14						
15	Total Funds Applied	\$ (106,490)	\$ (219,747)	\$ (104,815)	\$ (128,400)	\$ (108,400)
16						
17	Change in Allocation between Departments	\$ -	\$ -	\$ -	\$ -	\$ -
18						
19	Net Increase/(Decrease) in Cash	\$ 1,844	\$ (90,861)	\$ (330,485)	\$ (76,889)	\$ 75,233
20						
21						
22						
23	<u>Supporting Schedules:</u>					
24	E-3					
25	F-2					
26						

East Slope Water Company, Inc.
 Test Year Ended August 31, 2023
 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 \$ 5,259,090
3	
4	Less: Accumulated Depreciation <u>(1,541,536)</u>
5	
6	Net Utility Plant in Service 3,717,554
7	
8	Less:
9	Advances in Aid of Construction 1,632,630
10	
11	Contributions in Aid of Construction 311,908
12	Accumulated Amortization of CIAC <u>(289,563)</u>
13	Contributions in Aid of Construction - Net 22,345
14	
15	Customer Security Deposits 20,367
16	Deferred Income Taxes <u>(401,930)</u>
17	
18	Plus:
19	Working Capital 277,630
20	Net Regulatory Asset / (Liability) <u>(117,043)</u>
21	
22	Rate Base <u>\$ 2,604,729</u>
23	
24	* including pro forma adjustments
25	
26	
27	<u>Supporting Schedules:</u>
28	B-2 B-5
29	E-1
30	

Recap Schedules:
 A-1

Line No.	Actual End of Test Year	ADJ OC-1	ADJ OC-2	ADJ OC-3	ADJ OC-4	Total Pro Forma Adjustments	Adjusted End of Test Year	
1								
2	\$ 5,098,154	\$ 160,935				\$ 160,935	\$ 5,259,090	
3								
4	(1,507,511)		(34,025)			(34,025)	(1,541,536)	
5								
6	3,590,644	160,935	(34,025)			126,910	3,717,554	
7								
8	Less:							
9	Advances in Aid of Construction	1,632,630				-	1,632,630	
10								
11	Contributions in Aid of Construction	311,908				-	311,908	
12	Accumulated Amortization of CIAC	(289,560)			(3)	(3)	(289,563)	
13	Contributions in Aid of Construction - Net	22,348			(3)	(3)	22,345	
14								
15	Customer Security Deposits	20,367				-	20,367	
16	Deferred Income Taxes	(401,930)				-	(401,930)	
17								
18	Plus:							
19	Working Capital	277,630				-	277,630	
20	Net Regulatory Asset / (Liability)				(117,043)	(117,043)	(117,043)	
21								
22	Rate Base	\$ 2,594,859	\$ 160,935	\$ (34,025)	\$ 3	\$ (117,043)	\$ 9,870	\$ 2,604,729

28 Supporting Schedules:
 29 E-1
 30

Recap Schedules:
 B-1

Line No.	Acct No.	Description	Book Adjustments		Adjusted Book End of Test Year	Rate Making Adjustments				Total Rate Making Adjustments	Adjusted End of Test Year
			Actual End of Test Year	Not Used		Not Used	[OC-1.1] Allocated Sierra Vista	[OC-1.2] Allocated Plant Glendale	Not Used		
4	301	Organization Cost	\$ 2,180		2,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,180
5	302	Franchise Cost	-		-						-
6	303	Land and Land Rights	95,665		95,665						95,665
7	304	Structures & Improvements	56,746		56,746	560	7,478			7,478	64,784
8	305	Collecting & Impounding Reservoirs	-		-						-
9	306	Lake, River, Canal Intakes	-		-						-
10	307	Wells & Springs	495,884		495,884						495,884
11	308	Infiltration Galleries	-		-						-
12	309	Raw Water Supply Mains	-		-						-
13	310	Power Generation Equipment	-		-						-
14	311	Pumping Equipment	809,001		809,001						809,001
15	320	Water Treatment Equipment	-		-						-
16	320.1	Water Treatment Plants	-		-						-
17	320.2	Solution Chemical Feeders	8,249		8,249						8,249
18	320.3	Point-of-Use Treatment Devices	-		-						-
19	320.4	Arsenic Treatment Media	-		-						-
20	330	Distribution Reservoirs & Standpipes	-		-						-
21	330.1	Storage Tanks	480,785		480,785						480,785
22	330.2	Pressure Tanks	52,811		52,811						52,811
23	331	Transmission & Distribution Mains	2,733,465		2,733,465						2,733,465
24	333	Services	174,009		174,009						174,009
25	334	Meters	139,903		139,903						139,903
26	335	Hydrants	25,159		25,159						25,159
27	336	Backflow Prevention Devices	-		-						-
28	339	Other Plant & Misc. Equipment	22,654		22,654						22,654
29	340	Office Furniture & Equipment	-		-	2,407	697			697	3,104
30	340.1	Computers & Software	-		-		30,137			30,137	30,137
31	341	Transportation Equipment	-		-	105,244					105,244
32	342	Stores Equipment	-		-						-
33	343	Tools, Shop & Garage Equipment	1,045		1,045	14,413					15,457
34	344	Laboratory Equipment	-		-						-
35	345	Power Operated Equipment	-		-						-
36	346	Communication Equipment	600		600						600
37	347	Miscellaneous Equipment	-		-						-
38	348	Other Tangible Plant	-		-						-
39	TOTALS		\$ 5,098,154	\$ -	\$ 5,098,154	\$ 122,624	\$ 38,312	\$ -	\$ -	\$ 38,312	\$ 5,259,090
40	Equity Adjustments (Schedule D-1)										\$ -
42	Plant In Service per Books										\$ 5,098,154
44	Increase / (Decrease) in Plant in Service										\$ 160,935

47 Supporting Schedules: Workpapers:
 48 See following pages for workpapers

Allocated Corporate Plant - Sierra Vista Operations Office

This adjustment allocates Hearthstone Water corporate plant associated with the Sierra Vista Operations Office serving the East Slope water system. The costs are allocated based on a 3-Factor allocation methodology between the five water and two sewer operations serviced by the Sierra Vista Operations Office.

Line No.	Plant Acct	Description	Allocated Plant
1			
2	304	Structures & Improvements	560.18
3	340	Office Furniture & Equip	2,406.75
4	340.1	Computer & Software	-
5	341	Transportation Equip	105,244.02
6	343	Tools, Shop & Garage Equip	14,412.80
7			<u>122,623.75</u>
8			
9			
10		Total Increase/(Decrease) in Plant In Service	<u>\$ 122,623.75</u>
11			
12		<u>Workpapers:</u>	
13		HWS Shared Cost Allocation.xlsx	
14		HWI 3-Factor Allocation 2023.08.31 (Annualized) Rev2.xlsx	
15			

Allocated Corporate Plant - Glendale Corporate Office

This adjustment allocates Hearthstone Water corporate plant associated with the Glendale, Arizona Corporate Office. The costs are allocated based on a 3-Factor allocation methodology between all Hearthstone Water utility subsidiaries.

Line No.	Plant Acct	Description	Allocated Plant
1			
2	304	Structures & Improvements	7,477.64
3	340	Office Furniture & Equip	697.02
4	340.1	Computer & Software	30,137.02
5	341	Transportation Equip	-
6	343	Tools, Shop & Garage Equip	-
7			<u>38,311.68</u>
8			
9			
10		Total Increase/(Decrease) in Plant In Service	<u>\$ 38,311.68</u>
11			
12		<u>Workpapers:</u>	
13		HWS Shared Cost Allocation.xlsx	
14		HWI 3-Factor Allocation 2023.08.31 (Annualized) Rev2.xlsx	
15			

East Slope Water Company, Inc.

Test Year Ended August 31, 2023

Rate Base Adjustment OC-2

Accumulated Depreciation Adjustments

Exhibit: RLI-DT2

Schedule B-2

Page 5

Witness: Jones

Line No.	Acct No.	Description	Book Adjustments			Rate Making Adjustments				Total Rate Making Adjustments	Adjusted End of Test Year	
			Actual End of Test Year	[OC-2.1] Classify A/D To Plant Accounts	Not Used	Adjusted Book End of Test Year	[OC-2.2] Allocated A/D Sierra Vista	[OC-2.3] Allocated A/D Glendale	Not Used			Not Used
4	301	Organization Cost		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5	302	Franchise Cost		-		-					-	
6	303	Land and Land Rights		-		-					-	
7	304	Structures & Improvements		17,593		17,593	22	518			539	
8	305	Collecting & Impounding Reservoirs		-		-					-	
9	306	Lake, River, Canal Intakes		-		-					-	
10	307	Wells & Springs		169,158		169,158					169,158	
11	308	Infiltration Galleries		-		-					-	
12	309	Raw Water Supply Mains		-		-					-	
13	310	Power Generation Equipment		-		-					-	
14	311	Pumping Equipment		597,982		597,982					597,982	
15	320	Water Treatment Equipment		-		-					-	
16	320.1	Water Treatment Plants		-		-					-	
17	320.2	Solution Chemical Feeders		4,298		4,298					4,298	
18	320.3	Point-of-Use Treatment Devices		-		-					-	
19	320.4	Arsenic Treatment Media		-		-					-	
20	330	Distribution Reservoirs & Standpipes		-		-					-	
21	330.1	Storage Tanks		87,993		87,993					87,993	
22	330.2	Pressure Tanks		35,668		35,668					35,668	
23	331	Transmission & Distribution Mains		515,554		515,554					515,554	
24	333	Services		13,888		13,888					13,888	
25	334	Meters		61,318		61,318					61,318	
26	335	Hydrants		1,342		1,342					1,342	
27	336	Backflow Prevention Devices		-		-					-	
28	339	Other Plant & Misc. Equipment		3,274		3,274					3,274	
29	340	Office Furniture & Equipment		-		-	85	85		171	171	
30	340.1	Computers & Software		-		-		3,061		3,061	3,061	
31	341	Transportation Equipment		-		-	29,033	-		29,033	29,033	
32	342	Stores Equipment		-		-					-	
33	343	Tools, Shop & Garage Equipment		165		165	371	-		371	537	
34	344	Laboratory Equipment		-		-					-	
35	345	Power Operated Equipment		-		-					-	
36	346	Communication Equipment		130		130					130	
37	347	Miscellaneous Equipment		-		-					-	
38	348	Other Tangible Plant		-		-					-	
39			1,507,511	(1,507,511)		-					-	
40		TOTALS	\$ 1,507,511	\$ 851	\$ -	\$ 1,508,361	\$ 29,511	\$ 3,663	\$ -	\$ -	\$ 33,175	\$ 1,541,536
41		Equity Adjustments (Schedule D-1)		\$ (851)	\$ -				\$ -			\$ (851)
43		Accumulated Depreciation per Books									\$ 1,507,511	
45		Increase / (Decrease) in Accumulated Depreciation									\$ 34,025	

Supporting Schedules:

Workpapers:

See following pages for workpapers

Classify Accumulated Depreciation to Plant Accounts

This adjustment classifies accumulated depreciation to various plant accounts based on detailed plant and depreciation schedule.

Line No.	Plant Acct Description	Accumulated Depreciation Per Detailed Plant Schedule	Accumulated Depreciation Per General Ledger	Adjustment
1	301 Organization Cost	\$ -		\$ -
2	302 Franchise Cost	-		-
3	303 Land and Land Rights	-		-
4	304 Structures & Improvements	17,592.58		17,592.58
5	305 Collecting & Impounding Reservoirs	-		-
6	306 Lake, River, Canal Intakes	-		-
7	307 Wells & Springs	169,157.95		169,157.95
8	308 Infiltration Galleries	-		-
9	309 Raw Water Supply Mains	-		-
10	310 Power Generation Equipment	-		-
11	311 Pumping Equipment	597,982.13		597,982.13
12	320 Water Treatment Equipment	-		-
13	320.1 Water Treatment Plants	-		-
14	320.2 Solution Chemical Feeders	4,297.81		4,297.81
15	320.3 Point-of-Use Treatment Devices	-		-
16	320.4 Arsenic Treatment Media	-		-
17	330 Distribution Reservoirs & Standpipes	-		-
18	330.1 Storage Tanks	87,992.86		87,992.86
19	330.2 Pressure Tanks	35,667.89		35,667.89
20	331 Transmission & Distribution Mains	515,553.57		515,553.57
21	333 Services	13,887.93		13,887.93
22	334 Meters	61,317.57		61,317.57
23	335 Hydrants	1,341.84		1,341.84
24	336 Backflow Prevention Devices	-		-
25	339 Other Plant & Misc. Equipment	3,273.82		3,273.82
26	340 Office Furniture & Equipment	-		-
27	340.1 Computers & Software	-		-
28	341 Transportation Equipment	-		-
29	342 Stores Equipment	-		-
30	343 Tools, Shop & Garage Equipment	165.40		165.40
31	344 Laboratory Equipment	-		-
32	345 Power Operated Equipment	-		-
33	346 Communication Equipment	130.00		130.00
34	347 Miscellaneous Equipment	-		-
35	348 Other Tangible Plant	-		-
36			1,507,510.67	(1,507,510.67)
37		\$ 1,508,361.33	\$ 1,507,510.67	\$ 850.66
38				
39				
40	Total Increase/(Decrease) in Accumulated Depreciation			\$ 850.66

Workpapers:

East Slope book depreciation.xlsx, Tab: plant

44
45

Allocated Corporate Accumulated Depreciation - Sierra Vista Operations Office

This adjustment allocates Hearthstone Water corporate accumulated depreciation associated with the plant located at the Sierra Vista Operations Office serving the East Slope water system. The costs are allocated based on a 3-Factor allocation methodology between the five water and two sewer operations serviced by the Sierra Vista Operations Office.

Line No.	Plant Acct	Description	Allocated A/D
1			
2	304	Structures & Improvements	21.77
3	340	Office Furniture & Equip	85.40
4	340.1	Computer & Software	-
5	341	Transportation Equip	29,032.82
6	343	Tools, Shop & Garage Equip	371.44
7			<u>29,511.43</u>
8			
9			
10		Total Increase/(Decrease) in Accumulated Depreciation	<u>\$ 29,511.43</u>
11			
12		<u>Workpapers:</u>	
13		HWS Shared Cost Allocation.xlsx	
14		HWI 3-Factor Allocation 2023.08.31 (Annualized) Rev2.xlsx	
15			

Allocated Corporate Accumulated Depreciation - Glendale Corporate Office

This adjustment allocates Hearthstone Water corporate accumulated depreciation associated with the plant located at the Glendale, Arizona Corporate Office. The costs are allocated based on a 3-Factor allocation methodology between all Hearthstone Water utility subsidiaries.

Line No.	Plant Acct	Description	Allocated A/D
1			
2	304	Structures & Improvements	517.67
3	340	Office Furniture & Equip	85.19
4	340.1	Computer & Software	3,060.53
5	341	Transportation Equip	-
6	343	Tools, Shop & Garage Equip	-
7			<u>3,663.39</u>
8			
9			
10		Total Increase/(Decrease) in Accumulated Depreciation	<u>\$ 3,663.39</u>
11			
12		<u>Workpapers:</u>	
13		HWS Shared Cost Allocation.xlsx	
14		HWI 3-Factor Allocation 2023.08.31 (Annualized) Rev2.xlsx	
15			

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

<u>Line No.</u>		<u>CIAC</u>	<u>Accumulated Amortization</u>
1			
2	Workpaper Balance at 08/31/2023	\$ 311,907.69	\$ 289,563.19
3			
4	Book Balance at 08/31/2023	\$ 311,907.69	\$ 289,560.05
5			
6	Increase / (Decrease) in CIAC or AA CIAC	\$ -	\$ 3.14
7			
8	Equity Adjustments (Schedule D-1)	\$ -	\$ 3.14
9			
10			
11			
12			
13			
14			
15	<u>Supporting Schedules:</u>	<u>Workpaper:</u>	
16	Schedule B-2, Page 8	East Slope book depreciation.xlsx, Tab: CIAC	
17			

Line

No.

1 Adjust Regulatory Liability for Debt Reserve

2

3 Decision No. 77167 requires East Slope to record DSR Surcharge collections as a Regulatory
4 Liability. This adjustment records the required regulatory liability so that the customer provided
5 funds can be subtracted from rate base.

6

7

8

9

10 NARUC Account

DSR Surcharge
through 8/31/23

11 253 Regulatory Liabilities

\$ 117,042.76

12

13 Increase/(Decrease) in Regulatory Liabilities

\$ 117,042.76

14

15

16

17 Workpapers:

18 HWS Rate Case Data.xlsx, Tab: ES CoBank Surcharge

19

Line No.		<u>Working Capital</u>
1		
2	Cash Working Capital	\$ 65,709
3		
4	Material and Supplies Inventories	-
5		
6	Working Funds and Special Deposits	
7	CoBank Debt Reserve	186,000
8	Investment in CoBank	25,756
9		
10	Prepayments	165
11		
12	Total Working Capital Allowance	<u>\$ 277,630</u>
13		
14	<u>Supporting Schedules:</u>	
15	E-1	
16		

Recap Schedules:
B-1

Line		
<u>No.</u>		
1		
2	Operation and Maintenance Expense	\$ 492,656
3	Less depreciation, taxes, purchased	
4	power and purchased water	
5	Factor - 1/8	<u>0.1250</u>
6		\$ 61,582
7		
8	Purchased Power and Purchased Water	\$ 99,050
9	Factor - 1/24	<u>0.0417</u>
10		\$ 4,127
11		
12	Total Cash Working Capital	<u>\$ 65,709</u>
13		
14		

East Slope Water Company, Inc.
 Test Year Ended August 31, 2023
 Adjusted Test Year Income Statement

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

Line No.		Actual for Test Year Ended 8/31/2023	Total Pro forma Adjustments	Test Year Results After Pro forma Adjustments	Proposed Rate Increase	Adjusted With Rate Increase
1	Revenues					
2	461 Metered Water Revenues	\$ 458,842	\$ (5,142)	\$ 453,700	524,235	\$ 977,935
3	469 Guaranteed Revenues	144,808	(34,549)	110,259	(110,259)	-
4	471 Miscellaneous Service Revenue	10,249	261	10,510	-	10,510
5	474 Other Water Revenues	-	-	-	-	-
6	Total Revenues	\$ 613,899	\$ (39,429)	\$ 574,470	\$ 413,975	\$ 988,445
7	Operating Expenses					
8	601 Salaries and Wages	\$ -	\$ 220,676	\$ 220,676	-	\$ 220,676
9	603 Salaries and Wages - Officers and Directors	-	-	-	-	-
10	604 Employee Pension and Benefits	-	13,840	13,840	-	13,840
11	610 Purchased Water	-	-	-	-	-
12	615 Purchased Power	99,050	-	99,050	-	99,050
13	618 Chemicals	3,877	-	3,877	-	3,877
14	620 Materials and Supplies	-	-	-	-	-
15	620.1 Repairs and Maintenance	15,297	13,079	28,376	-	28,376
16	620.2 Office Supplies Expense	14,728	6,236	20,964	-	20,964
17	631 Contractual Services - Engineering	260	-	260	-	260
18	632 Contractual Services - Accounting	1,885	160	2,045	-	-
19	633 Contractual Services - Legal	2,286	359	2,645	-	2,645
20	634 Contractual Services - Management Fees	202,766	(109,923)	92,843	-	92,843
21	635 Contractual Services - Testing	9,759	-	9,759	-	9,759
22	636 Contractual Services - Other	816	23,597	24,413	-	24,413
23	641 Rent - Buildings	573	9,200	9,773	-	9,773
24	642 Rent - Equipment	-	-	-	-	-
25	650 Transportation Expense	5,999	13,410	19,410	-	19,410
26	656 Insurance - Vehicle	-	-	-	-	-
27	657 Insurance - General Liability	14,606	2,100	16,706	-	16,706
28	658 Insurance - Worker's Compensation	-	542	542	-	542
29	659 Insurance - Other	-	17,701	17,701	-	17,701
30	666 Regulatory Commission Expense - Rate Case	-	-	-	-	-
31	667 Regulatory Expense - Other	271	-	271	-	271
32	670 Bad Debt Expense	-	-	-	-	-
33	675 Miscellaneous Expense	2,454	6,101	8,554	-	8,554
34	403 Depreciation Expense	155,289	27,732	183,021	-	183,021
35	407 Amortization Expense	-	(7,803)	(7,803)	-	(7,803)
36	408 Taxes Other Than Income	-	14,341	14,341	-	14,341
37	408.11 Property Taxes	27,443	(3,235)	24,208	6,217	30,426
38	409 Income Tax	(1,323)	(76,093)	(77,416)	101,413	23,998
39	427.1 Interest Expense Security Deposits	786	-	786	-	786
40	Total Operating Expenses	\$ 556,824	\$ 172,021	\$ 728,845	\$ 107,631	\$ 836,475
41	Operating Income	\$ 57,075	\$ (211,450)	\$ (154,375)	\$ 306,344	\$ 151,970
42	Other Income (Expense)					
43	419 Interest and Dividend Income	\$ 15,137	\$ -	\$ 15,137	-	\$ 15,137
44	421 Non-Utility Income	\$ 3,573	\$ -	\$ 3,573	-	\$ 3,573
45	426 Miscellaneous Non-Utility Expenses	-	-	-	-	-
46	427 Interest Expense	(87,148)	7,669	(79,479)	-	(79,479)
47	428 Amortization of Debt Discount and Expense	-	-	-	-	-
48	429 Amortization of Premium on Debt	-	-	-	-	-
49	Total Other Income (Expense)	\$ (68,438)	\$ 7,669	\$ (60,769)	\$ -	\$ (60,769)
50	Net Income (Loss)	\$ (11,363)	\$ (203,781)	\$ (215,144)	\$ 306,344	\$ 91,200

51
 52 Supporting Schedules:
 53 E-2
 54
 55

Recap Schedules:
 A-1

Line No.		Actual for Test Year Ended 8/31/2023	ADJ IS-1	ADJ IS-2	ADJ IS-3	ADJ IS-4	ADJ IS-5	Not Used IS-6
1	Revenues							
2	461 Metered Water Revenues	\$ 458,842				\$ (5,142)		
3	469 Guaranteed Revenues	144,808				168	(34,717)	
4	471 Miscellaneous Service Revenue	10,249				261		
5	474 Other Water Revenues	-						
6	Total Revenues	\$ 613,899	\$ -	\$ -	\$ -	\$ (4,712)	\$ (34,717)	\$ -
7	Operating Expenses							
8	601 Salaries and Wages	\$ -		\$ 160,969	\$ 59,707			
9	603 Salaries and Wages - Officers and Directors	-						
10	604 Employee Pension and Benefits	-		9,728	4,112			
11	610 Purchased Water	-						
12	615 Purchased Power	99,050						
13	618 Chemicals	3,877						
14	620 Materials and Supplies	-						
15	620.1 Repairs and Maintenance	15,297		13,079				
16	620.2 Office Supplies Expense	14,728		5,384	852			
17	631 Contractual Services - Engineering	260						
18	632 Contractual Services - Accounting	1,885			160			
19	633 Contractual Services - Legal	2,286			359			
20	634 Contractual Services - Management Fees	202,766	(93,566)		(16,357)			
21	635 Contractual Services - Testing	9,759						
22	636 Contractual Services - Other	816			23,597			
23	641 Rent - Buildings	573		6,487	2,713			
24	642 Rent - Equipment	-						
25	650 Transportation Expense	5,999		13,371	39			
26	656 Insurance - Vehicle	-						
27	657 Insurance - General Liability	14,606			2,100			
28	658 Insurance - Worker's Compensation	-		457	85			
29	659 Insurance - Other	-		17,179	522			
30	666 Regulatory Commission Expense - Rate Case	-						
31	667 Regulatory Expense - Other	271						
32	670 Bad Debt Expense	-						
33	675 Miscellaneous Expense	2,454		2,763	3,338			
34	403 Depreciation Expense	155,289		15,799	4,361			
35	407 Amortization Expense	-						
36	408 Taxes Other Than Income:	-		11,086	3,254			
37	408.11 Property Taxes	27,443						
38	409 Income Tax	(1,323)						
39	427.1 Interest Expense Security Deposits	786						
40	Total Operating Expenses	\$ 556,824	\$ (93,566)	\$ 256,303	\$ 88,842	\$ -	\$ -	\$ -
41	Operating Income	\$ 57,075	\$ 93,566	\$ (256,303)	\$ (88,842)	\$ (4,712)	\$ (34,717)	\$ -
42	Other Income (Expense)							
43	419 Interest and Dividend Income	\$ 15,137						
44	421 Non-Utility Income	3,573						
45	426 Miscellaneous Non-Utility Expenses	-						
46	427 Interest Expense	(87,148)						
47	428 Amortization of Debt Discount and Expense	-						
48	429 Amortization of Premium on Debt	-						
49	Total Other Income (Expense)	\$ (68,438)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	Net Income (Loss)	\$ (11,363)	\$ 93,566	\$ (256,303)	\$ (88,842)	\$ (4,712)	\$ (34,717)	\$ -

Supporting Schedules:

Recap Schedules:

C-1

51
52
53
54
55

Line No.		ADJ IS-7	ADJ IS-8	ADJ IS-9	ADJ IS-10	Total Adjustments	Test Year Adjusted Results
1	Revenues						
2	461 Metered Water Revenues					\$ (5,142)	\$ 453,700
3	469 Guaranteed Revenues					(34,549)	110,259
4	471 Miscellaneous Service Revenue					261	10,510
5	474 Other Water Revenues					-	-
6	Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ (39,429)	\$ 574,470
7	Operating Expenses						
8	601 Salaries and Wages					\$ 220,676	\$ 220,676
9	603 Salaries and Wages - Officers and Directors					-	-
10	604 Employee Pension and Benefits					13,840	13,840
11	610 Purchased Water					-	-
12	615 Purchased Power					-	99,050
13	618 Chemicals					-	3,877
14	620 Materials and Supplies					-	-
15	620.1 Repairs and Maintenance					13,079	28,376
16	620.2 Office Supplies Expense					6,236	20,964
17	631 Contractual Services - Engineering					-	260
18	632 Contractual Services - Accounting					160	2,045
19	633 Contractual Services - Legal					359	2,645
20	634 Contractual Services - Management Fees					(109,923)	92,843
21	635 Contractual Services - Testing					-	9,759
22	636 Contractual Services - Other					23,597	24,413
23	641 Rent - Buildings					9,200	9,773
24	642 Rent - Equipment					-	-
25	650 Transportation Expense					13,410	19,410
26	656 Insurance - Vehicle					-	-
27	657 Insurance - General Liability					2,100	16,706
28	658 Insurance - Worker's Compensation					542	542
29	659 Insurance - Other					17,701	17,701
30	666 Regulatory Commission Expense - Rate Case					-	-
31	667 Regulatory Expense - Other					-	271
32	670 Bad Debt Expense					-	-
33	675 Miscellaneous Expense					6,101	8,554
34	403 Depreciation Expense		7,573			27,732	183,021
35	407 Amortization Expense		(7,803)			(7,803)	(7,803)
36	408 Taxes Other Than Income:					14,341	14,341
37	408.11 Property Taxes			(3,235)		(3,235)	24,208
38	409 Income Tax				(76,093)	(76,093)	(77,416)
39	427.1 Interest Expense Security Deposits					-	786
40	Total Operating Expenses	\$ -	\$ (230)	\$ (3,235)	\$ (76,093)	\$ 172,021	\$ 728,845
41	Operating Income	\$ -	\$ 230	\$ 3,235	\$ 76,093	\$ (211,450)	\$ (154,375)
42	Other Income (Expense)						
43	419 Interest and Dividend Income					\$ -	\$ 15,137
44	421 Non-Utility Income					-	3,573
45	426 Miscellaneous Non-Utility Expenses					-	-
46	427 Interest Expense	7,669				7,669	(79,479)
47	428 Amortization of Debt Discount and Expense					-	-
48	429 Amortization of Premium on Debt					-	-
49	Total Other Income (Expense)	\$ 7,669	\$ -	\$ -	\$ -	\$ 7,669	\$ (60,769)
50	Net Income (Loss)	\$ 7,669	\$ 230	\$ 3,235	\$ 76,093	\$ (203,781)	\$ (215,144)

51
 52 Supporting Schedules:
 53
 54
 55

Line

No.

1 Adjust Management Fees to eliminate Southwestern Utility Management Fees
 2
 3 This adjustment removes management fees paid to Southwestern Utility Management (SUM)
 4 during the test year. This adjustment is necessary because East Slope discontinued
 5 the use of SUM and is providing the services formerly provided by SUM via a new workforce
 6 employed by Hearthstone Water or via shared services provided by Hearthstone Water.
 7

8
 9 Southwestern Utility Management Costs

<u>NARUC</u>	<u>Account</u>	<u>TY Amount</u>	<u>Adjustment</u>
634	Contractual Services - Management Fees	93,565.75	(93,565.75)
		<u>\$ 93,565.75</u>	<u>\$ (93,565.75)</u>
	Increase/(Decrease) in Contractual Services - Management Fees		<u>\$ (93,565.75)</u>

19 Workpaper:
 20 HWS Rate Case Data.xlsx, Tab: ES IS
 21

Line

No.

1 Allocate cost of New Workforce and Related Costs

2

3 This adjustment allocates costs for personnel and operations incurred to operate the
 4 East Slope water system. The costs are allocated based on a 3-Factor allocation methodology
 5 between the five water and two sewer operations serviced by Hearthstone Water's Sierra Vista
 6 Operations office upon discontinuation of services provided by Southwestern Utility Management.

7

8

			Test Year	
	<u>NARUC</u>	<u>Account</u>	<u>Allocation</u>	<u>Adjustment</u>
10	601	Salaries and Wages	\$ 160,968.82	160,968.82
11	604	Employee Pension and Benefits	9,728.36	9,728.36
12	620.1	Repairs and Maintenance	13,078.93	13,078.93
13	620.2	Office Supplies Expense	5,384.17	5,384.17
14	641	Rent - Buildings	6,487.45	6,487.45
15	650	Transportation Expense	13,370.80	13,370.80
16	658	Insurance -Worker's Compensation	457.02	457.02
17	659	Insurance -Other	17,179.20	17,179.20
18	675	Miscellaneous Expense	2,763.20	2,763.20
19	403	Depreciation Expense	15,798.73	15,798.73
20	408	Taxes Other Than Income	11,086.45	11,086.45
21				
22			\$ 256,303.13	\$ 256,303.13

23

24

25 Increase/(Decrease) in Net Income \$ 256,303.13

26

27 Workpaper:

28 HWS Shared Cost Allocation.xlsx

29 HWI 3-Factor Allocation 2023.08.31 (Annualized) Rev2.xlsx

30

Line

No.

1 Normalize Shared Services Cost
 2
 3 This adjustment updates and allocates management fees to reflect the actual ongoing cost of shared services
 4 provided by Hearthstone Water and affiliates. Shared services costs are allocated to all utilities
 5 owned by Hearthstone Water based on a 3-Factor allocation methodology.
 6

7 Allocated Shared Services (Annualized):

<u>NARUC</u>	<u>Account</u>	<u>Amount</u>
9 601	Salaries and Wages	\$ 59,707.13
10 604	Employee Pension and Benefits	4,112.00
11 620.2	Office Supplies Expense	851.63
12 632	Contractual Services - Accounting	160.11
13 633	Contractual Services - Legal	359.47
14 634	Contractual Services - Management Fees	92,843.11
15 636	Contractual Services - Other	9,240.22
16 636	636.10 - Contractual Svcs - EWM Acct	3,517.17
17 636	636.20 - Contractual Svcs - EWM CSR	10,839.43
18 641	Rent - Buildings	2,712.88
19 650	Transportation Expense	39.22
20 657	Insurance - General Liability	2,100.01
21 658	Insurance - Worker's Compensation	84.80
22 659	Insurance - Health & Life	522.16
23 675	Miscellaneous Expense	3,337.54
24 403	Depreciation Expense	4,360.69
25 408	Taxes Other Than Income	3,254.23
26		<u>\$ 198,041.80</u>
27	Less Test Year Triton Management Fees Paid:	
28 634	Contractual Services Management Fees	(109,200.00)
29		
30	Increase/(Decrease) in Management Fees & Operating Expenses	<u>\$ 88,841.80</u>

31
 32 Workpaper:

33 HWS Shared Cost Allocation.xlsx
 34 HWI 3-Factor Allocation 2023.08.31 (Annualized) Rev2.xlsx
 35 HWS Rate Case Data.xlsx, Tab: ES IS
 36

Line
No.

1 Adjust Test Year Revenue to Actual

2
 3 Due to a delay in receiving monthly revenue reporting from Southwestern Utility Management, East
 4 Slope books estimated revenue each month. During the following month the estimated revenue
 5 entry is reversed and the actual revenue amount is booked. This causes test year revenue booked
 6 on the general ledger to incorrect. This adjustment corrects the revenue to reflect the actual revenue
 7 for the test year. This adjustment also eliminates nonrecurring reconciling entries.

<u>NARUC</u>	<u>Account</u>	<u>TY G/L</u> <u>Amount</u>	<u>Adjustment</u>
11	461 Metered Water Revenues	\$ 458,841.81	
12	Less: Estimates, Nonrecurring and Prev. Period	(5,141.73)	(5,141.73)
13	Adjusted Test Year Revenue	\$ 453,700.08	\$ (5,141.73)
14			
15	469 Guaranteed Revenues (Surcharge Revenue)	\$ 144,808.14	
16	Less: Estimates, Nonrecurring and Prev. Period	168.27	168.27
17	Adjusted Test Year Revenue	\$ 144,976.41	\$ 168.27
18			
19	471 Miscellaneous Service Revenue	\$ 10,248.86	
20	Less: Estimates, Nonrecurring and Prev. Period	261.43	261.43
21	Adjusted Test Year Revenue	\$ 10,510.29	\$ 261.43
22			
23			
24	Increase/(Decrease) in Metered Water Revenues		<u>\$ (5,141.73)</u>
25			
26	Increase/(Decrease) in Guaranteed Revenues		<u>\$ 168.27</u>
27			
28	Increase/(Decrease) in Miscellaneous Service Revenues		<u>\$ 261.43</u>

30 Workpaper:
 31 HWS Rate Case Data.xlsx, Tab: ES Revenue

32
 33

Line

No.

1 Adjust Surcharge Revenue
 2
 3 Decision No. 76717 requires Clear Springs to record DSR Surcharge collections as a Regulatory
 4 Liability. This adjustment removes DSR Surcharge revenues from revenue as required by
 5 Decision No. 76717. (See Rate Base Adjustment OC-4 for companion adjustment to rate base.)
 6
 7

8 Surcharge Revenues:

<u>NARUC</u>	<u>Account</u>	<u>TY Amount</u>	<u>Adjustment</u>
	Total Debt Service and DSR Surcharge Revenue	144,808.14	
	DSR Surcharge percent of total surcharge	23.97%	
469	Guaranteed Revenues	34,716.99	(34,716.99)
	Increase/(Decrease) in Guaranteed Revenues		\$ (34,716.99)

18 Workpaper:

19 HWS Rate Case Data.xlsx, Tab: ES CoBank Surcharge

20

Synchronize Interest Expense with Rate Base

Line No.				
1	Adjusted Rate Base	\$	2,604,729	Sch. B-1
2				
3	Weighted Cost of Long-Term Debt		3.0513%	Sch. D-1
4	Weighted Cost of Short-Term Debt		0.0000%	Sch. D-1
5				
6	Synchronized Long-Term Interest	\$	79,479	
7	Synchronized Short-Term Interest		-	
8	Synchronized Interest Expense	\$	79,479	
9				
10	Test Year Interest Expense	\$	87,148	
11				
12	Increase / (Decrease) In Interest Expense	\$	(7,669)	
13				

Normalize Depreciation & Amortization Expense

Line No.	Acct	Description	Adjusted Test Year Balance 8/31/2023	Non / Fully Depreciated Plant	Depreciable Plant	Proposed Depreciation Rate	Depreciation Expense
1							
2	301	Organization Cost	\$ 2,180	\$ (2,180)	\$ -	0.00%	\$ -
3	302	Franchise Cost	-	-	-	0.00%	-
4	303	Land and Land Rights	95,665	(95,665)	-	0.00%	-
5	304	Structures & Improvements	64,784	(28,565)	36,219	3.33%	1,206
6	305	Collecting & Impounding Reservoirs	-	-	-	2.50%	-
7	306	Lake, River, Canal Intakes	-	-	-	2.50%	-
8	307	Wells & Springs	495,884	(60,588)	435,296	3.33%	14,495
9	308	Infiltration Galleries	-	-	-	6.67%	-
10	309	Raw Water Supply Mains	-	-	-	2.00%	-
11	310	Power Generation Equipment	-	-	-	5.00%	-
12	311	Pumping Equipment	809,001	(343,960)	465,041	12.50%	58,130
13	320	Water Treatment Equipment	-	-	-	-	-
14	320.1	Water Treatment Plants	-	-	-	3.33%	-
15	320.2	Solution Chemical Feeders	8,249	(1,741)	6,507	20.00%	1,302
16	320.3	Point-of-Use Treatment Devices	-	-	-	10.00%	-
17	320.4	Arsenic Treatment Media	-	-	-	Note 1	-
18	330	Distribution Reservoirs & Standpipes	-	-	-	-	-
19	330.1	Storage Tanks	480,785	-	480,785	2.22%	10,673
20	330.2	Pressure Tanks	52,811	(14,794)	38,016	5.00%	1,901
21	331	Transmission & Distribution Mains	2,733,465	(143,358)	2,590,107	2.00%	51,802
22	333	Services	174,009	-	174,009	3.33%	5,794
23	334	Meters	139,903	(14,939)	124,964	8.33%	10,410
24	335	Hydrants	25,159	-	25,159	2.00%	503
25	336	Backflow Prevention Devices	-	-	-	6.67%	-
26	339	Other Plant & Misc. Equipment	22,654	-	22,654	6.67%	1,511
27	340	Office Furniture & Equipment	3,104	-	3,104	6.67%	207
28	340.1	Computers & Software	30,137	-	30,137	20.00%	6,027
29	341	Transportation Equipment	105,244	(9,829)	95,415	20.00%	19,083
30	342	Stores Equipment	-	-	-	4.00%	-
31	343	Tools, Shop & Garage Equipment	15,457	-	15,457	5.00%	773
32	344	Laboratory Equipment	-	-	-	10.00%	-
33	345	Power Operated Equipment	-	-	-	5.00%	-
34	346	Communication Equipment	600	-	600	10.00%	60
35	347	Miscellaneous Equipment	-	-	-	10.00%	-
36	348	OTHER Tangible Plant	-	-	-	-	-
37		TOTALS	\$ 5,259,090	\$ (715,619)	\$ 4,543,471		\$ 183,878
38							
39		Less: Amortization of CIAC	\$ 311,908	\$ (287,707)	24,201	3.54%	857
40		Adjusted Test Year Depreciation Expense					\$ 183,021
41							
42		Test Year Depreciation Expense					155,289
43		Allocated HWI Depreciation Expense					20,159
44							175,449
45							
46		Increase / (Decrease) in Depreciation Expense					\$ 7,573
47							
48		Amortization of Regulatory Liability	\$ 117,043			6.67%	7,803
49							
50		Increase / (Decrease) in Amortization Expense					\$ (7,803)
51							
52		Note 1: The depreciation rate to be set in accordance with the specific service life of the arsenic media.					

Property Tax Expense

Line No.	Description	Company As Adjusted	Company Proposed
1	Adjusted Test Year Revenue	\$ 574,470 x3	\$ 574,470 x2
2			
3	Proposed Revenues after Increase		988,445 x1
4			
5	3-Year Revenue Total	1,723,409	2,137,384
6			
7	Average of three year's of revenue	574,470	712,461
8	Average of three year's of revenue, times 2	1,148,940	1,424,923
9	Add:		
10	Construction Work In Progress at 10%	1,855	1,855
11	Deduct:		
12	Net Book Value of Transportation Equipment	76,211	76,211
13			
14	Full Cash Value	1,074,583	1,350,567
15	Assessment Ratio (2024 Tax Year)	16.5%	16.5%
16	Assessed Value	177,306	222,844
17	Property Tax Rate (2023 Tax Year)	13.6533%	13.6533%
18			
19	Adjusted Test Year Property Tax	\$ 24,208	
20	Recorded Test Year Property Tax	27,443	
21	Test Year Adjustment	\$ (3,235)	
22			
23	Property Tax at Proposed Rates		\$ 30,426
24	Adjusted Test Year Property Tax		24,208
25	Increase in Property Tax due to Rate Increase		\$ 6,217
26			
27	<u>Calculation of Property Tax Factor</u>		
28	Increase to Property Tax Expense		\$ 6,217
29	Increase in Revenue Requirement		\$ 413,975
30	Property Tax Factor (L25 / L26)		1.5019%
31			

Income Tax Expense

Line No.	Description	Adjusted Test Year	Proposed with Increase
1			
2	<u>Calculation of Income Tax:</u>		
3	Revenue	\$ 574,470	\$ 988,445
4	Less: Operating Expenses (Excluding Income Taxes)	806,260	812,478
5	Less: Synchronized Interest	79,479	79,479
6	State Taxable Income	<u>\$ (311,269)</u>	<u>\$ 96,488</u>
7			
8	All Income at 4.90%	(15,252)	4,728
9			
10	State Income Tax	<u>\$ (15,252)</u>	<u>\$ 4,728</u>
11			
12	Federal Taxable Income	\$ (296,017)	\$ 91,760
13			
14	All Income at 21.00%	(62,164)	19,270
15			
16	Total Federal Income Tax	<u>\$ (62,164)</u>	<u>\$ 19,270</u>
17			
18	Combined Federal and State Income Tax	<u>\$ (77,416)</u>	<u>\$ 23,998</u>
19			
20	Effective State Tax Rate	4.9000%	4.9000%
21	Effective Federal Tax Rate	21.0000%	21.0000%
22	Effective Combined Tax Rate	24.8710%	24.8710%
23			
24	Applicable Arizona State Income Tax Rate (Rate Applicable to Revenue Increase)		4.9000%
25	Applicable Federal Income Tax Rate (Rate Applicable to Revenue Increase)		21.0000%
26			
27	<u>Calculation of Interest Synchronization</u>		
28	Rate Base	\$ 2,604,729	
29	Weighted Average Cost of Debt	3.0513%	
30	Synchronized Interest	<u>\$ 79,479</u>	
31			
32	<u>Income Tax Adjustments</u>		
33	Test Year Income Taxes - Booked	<u>\$ (1,323)</u>	
34	Increase / (decrease) in Income Taxes (L21 - L32)	<u>(76,093)</u>	
35			
36	Test Year Income Taxes - Adjusted		<u>\$ (77,416)</u>
37	Increase / (decrease) in Federal Income Taxes (L21 - L35)		<u>101,413</u>
38			
39			

Line			
No.	<u>Calculation of Gross Revenue Conversion Factor</u>		
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)		25.9993%
5	Operating Income Percentage (L3 -L4)		74.0007%
6	Gross Revenue Conversion Factor (L1 / L5)		<u>1.351339</u>
	<u>Calculation of Uncollectable Factor</u>		
7	Unity		100.0000%
8	Combined Federal and State Tax Rate (Line 17)		24.8710%
9	One Minus Combined Federal and State Tax Rate (L7 - L8)		75.1290%
10	Uncollectable Rate (Line 26)		0.0000%
11	Uncollectable Factor (L9 * L10)		0.0000%
	<u>Calculation of Effective Tax Rate</u>		
12	Operating Income Before Taxes		100.0000%
13	Applicable Arizona State Tax Rate (from Schedule C-2)		4.9000%
14	Federal Taxable Income (L12 - L13)		95.1000%
15	Applicable Federal Tax Rate (from Schedule C-2)		21.0000%
16	Effective Federal Tax Rate (L14 * L15)		19.9710%
17	Combined Federal and State Tax Rate (L13 + L16)		<u>24.8710%</u>
	<u>Calculation of Effective Property Tax Rate</u>		
18	Unity		100.0000%
19	Combined Federal and State Tax Rate (Line 17)		24.8710%
20	One Minus Combined Income Tax Rate (L18 - L19)		75.1290%
21	Property Tax Factor (from Schedule C-2)		1.5019%
22	Effective Property Tax Factor (L20 * L21)		<u>1.1283%</u>
23	Combined Federal and State Income Tax Rate and Property Tax Rate (L17 + L22)		<u>25.9993%</u>
	<u>Calculation of Uncollectable Rate</u>		
24	Bad Debt Expense (from Schedule C-1)	\$ -	
25	Total Revenues (from Schedule C-1)	<u>574,470</u>	
26	Uncollectable Rate (L24 / L25)		0.0000%
27	Revenue Increase (from Schedule C-1)	\$ 413,975	
28	Uncollectable Rate (Line 26)	<u>0.0000%</u>	
29	Bad Debt Expense due to Increase	\$ -	
30	<u>Supporting Schedules:</u>		<u>Recap Schedules:</u>
31			A-1

Line No.	Invested Capital	End of Test Year (Adjusted)				End of Projected Year (Current Rates)				End of Projected Year (Proposed Rates)			
		Amount	Percent of Total	Cost Rate	Weighted Cost	Amount	Percent of Total	Cost Rate	Weighted Cost	Amount	Percent of Total	Cost Rate	Weighted Cost
1													
2	Long-Term Debt	\$ 1,499,453	73.05%	4.2280%	3.089%	\$ 1,434,536	72.17%	4.2280%	3.051%	\$ 1,434,536	72.17%	4.2280%	3.051%
3	Short-Term Debt	-	0.00%	0.0000%	0.000%	-	0.00%	0.0000%	0.000%	-	0.00%	0.0000%	0.000%
4	Adjusted Common Equity	553,193	26.95%	10.0000%	2.695%	553,193	27.83%	10.0000%	2.783%	553,193	27.83%	10.0000%	2.783%
5	Totals	\$ 2,052,646	100.00%		5.784%	\$ 1,987,729	100.00%		5.834%	\$ 1,987,729	100.00%		5.834%
6													
7													
8	Required Rate of Return				5.83%								
9													
10													
11													
12	<u>Equity Adjustments</u>												
13	Common Equity per Sch. E-1	\$ 554,041											
14													
15	PIS Equity Adjustments	\$ -											
16	A/D Equity Adjustments	(851)											
17	AIAC Equity Adjustment	-											
18	CIAC Equity Adjustment	-											
19	AA CIAC Equity Adjustment	3											
20													
21													
22	Adjusted Common Equity	\$ 553,193											
23													
24													
25	<u>Supporting Schedules:</u>												
26	D-2 D-3												
27	D-4 E-1												
28													

Recap Schedules:
 A-3

Line No.	End of Test Year			End of Projected Year		
	Amount Outstanding	Annual Interest	Interest Rate	Amount Outstanding	Annual Interest	Interest Rate
4	<u>Total Company Long-Term Debt</u>			\$ -	\$ -	0.000%
6	1,499,453	87,148	4.228%	1,434,536	60,655	4.228%
8	<u>\$ 1,499,453</u>	<u>\$ 87,148</u>	<u>4.228%</u>	<u>\$ 1,434,536</u>	<u>\$ 60,655</u>	<u>4.228%</u>
9	¹ Uses effective interest rate after consideration of patronage dividends					
11	<u>Short-Term Debt</u>					
12	None					
14	<u>\$ -</u>	<u>\$ -</u>	<u>0.000%</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.000%</u>
16	<u>\$ 1,499,453</u>	<u>\$ 87,148</u>	<u>4.228%</u>	<u>\$ 1,434,536</u>	<u>\$ 60,655</u>	<u>4.228%</u>

22 Supporting Schedules: Recap Schedules:
 23 E-1 D-1
 24

Line No.		Test Year Ended 8/31/2023	Prior Year Ended 8/31/2022	Prior Year Ended 8/31/2021
1	ASSETS			
2	PROPERTY PLANT AND EQUIPMENT			
3	101 Utility Plant In Service	\$ 5,098,154	\$ 4,987,016	\$ 4,278,084
4	103 Plant Held for Future Use	-	-	508,855
5	105 Construction Work in Progress	18,550	24,873	5,204
6	108 Accumulated Depreciation	(1,507,511)	(1,351,365)	(1,214,488)
7	114 Utility Plant Acquisition Adjustments	-	-	-
8	121 Non Utility Property	-	-	-
9	122 Accumulated Depreciation Nonutility Property	-	-	-
10	Net Plant	<u>\$ 3,609,194</u>	<u>\$ 3,660,525</u>	<u>\$ 3,577,655</u>
11				
12	CURRENT ASSETS			
13	131 Cash and Equivalents	\$ 66,122	\$ 22,280	\$ 113,141
14	132 Special Deposits	-	-	-
15	141 Customer Accounts Receivable	10,629	5,308	(4,628)
16	142 Other Accounts Receivable	-	-	-
17	143 Accumulated Provision for Uncollectible Accounts	-	-	-
18	145 Accounts Receivable from Associated Companies	-	-	-
19	146 Notes Receivable from Associated Companies	-	-	-
20	151 Plant Materials and Supplies	-	-	-
21	162 Prepayments	165	12,023	12,450
22	174 Miscellaneous Current and Accrued Assets	-	-	-
23	Total Current Assets	<u>\$ 76,917</u>	<u>\$ 39,611</u>	<u>\$ 120,964</u>
24				
25	DEFERRED DEBITS			
26	181 Unamortized Debt and Discount Expense	\$ -	\$ -	\$ -
27	186 Miscellaneous Deferred Debits	236,756.26	208,140.24	173,565.98
28	190 Accumulated Deferred Income Taxes	401,930	12,737	7,789
29	Total Deferred Debits	<u>\$ 638,686</u>	<u>\$ 220,877</u>	<u>\$ 181,355</u>
30				
31	TOTAL ASSETS	<u>\$ 4,324,796</u>	<u>\$ 3,921,013</u>	<u>\$ 3,879,973</u>
32				

Line No.		Test Year Ended 8/31/2023	Prior Year Ended 8/31/2022	Prior Year Ended 8/31/2021
1	LIABILITIES AND STOCKHOLDERS' EQUITY			
2	CAPITAL ACCOUNTS			
3	201 Common Stock	\$ 100	\$ 100	\$ 100
4	211 Paid in Capital	97,153	97,153	97,153
5	215 Retained Earnings	456,788	468,151	443,021
6	Total Capital	<u>\$ 554,041</u>	<u>\$ 565,404</u>	<u>\$ 540,274</u>
7				
8	LONG-TERM DEBT			
9	221 Bonds	\$ -	\$ -	\$ -
10	224 Other Long-Term Debt	1,499,453	1,564,369	1,627,018
11	Total long-Term Debt	<u>\$ 1,499,453</u>	<u>\$ 1,564,369</u>	<u>\$ 1,627,018</u>
12				
13	CURRENT LIABILITIES			
14	231 Accounts Payable	\$ 154,179	\$ 67,696	\$ 20,855
15	232 Notes Payable	-	-	-
16	233 Accounts Payable Associated Companies	44,659	50,000	-
17	234 Notes Payable Associated Companies	-	-	-
18	235 Customer Deposits	20,367	24,019	25,673
19	236 Accrued Taxes	22,177	21,607	21,555
20	237 Accrued Interest	-	-	-
21	241 Miscellaneous Current Liabilities	617	1,001	1,040
22	Total Current Liabilities	<u>\$ 241,998</u>	<u>\$ 164,323</u>	<u>\$ 69,123</u>
23				
24	DEFERRED CREDITS			
25	251 Unamortized Premium on Debt	\$ -	\$ -	\$ -
26	252 Advances in Aid of Construction	1,632,630	1,603,713	1,619,443
27	253 Other Deferred Credits	-	-	-
28	271 Contributions in Aid of Construction	311,908	311,908	311,908
29	272 Accumulated Amortization CIAC	(289,560)	(288,703)	(287,793)
30	281 Accumulated Deferred Income Tax	-	-	-
31	Total Deferred Credits	<u>\$ 1,654,978</u>	<u>\$ 1,626,917</u>	<u>\$ 1,643,558</u>
32				
33	Total Liabilities & Common Equity	<u>\$ 3,950,469</u>	<u>\$ 3,921,013</u>	<u>\$ 3,879,973</u>
34				
35	<u>Supporting Schedules:</u>	<u>Workpapers:</u>	<u>Recap Schedules:</u>	
36	E-5	HWI Rate Case Data.xlsx, Tab:ES BS	A-3	
37				

Line No.		Test Year Ended 8/31/2023	Prior Year Ended 8/31/2022	Prior Year Ended 8/31/2021
1	Revenues			
2	461 Metered Water Revenues	\$ 458,842	\$ 483,162	\$ 489,868
3	462 Fire Protection Revenue	-	-	-
4	471 Miscellaneous Service Revenue	10,249	11,625	8,067
5	474 Other Water Revenues	-	-	-
6	Total Revenues	\$ 613,899	\$ 637,997	\$ 639,487
7	Operating Expenses			
8	601 Salaries and Wages	\$ -	\$ -	\$ -
9	603 Salaries and Wages - Officers and Directors	-	-	-
10	604 Employee Pension and Benefits	-	-	-
11	610 Purchased Water	-	-	-
12	615 Purchased Power	99,050	85,391	76,594
13	618 Chemicals	3,877	-	375
14	620 Materials and Supplies	-	-	-
15	620.1 Repairs and Maintenance	15,297	19,524	16,451
16	620.2 Office Supplies Expense	14,728	6,302	4,742
17	631 Contractual Services - Engineering	260	-	1,800
18	632 Contractual Services - Accounting	1,885	430	1,843
19	633 Contractual Services - Legal	2,286	1,326	1,772
20	634 Contractual Services - Management Fees	202,766	218,520	213,266
21	635 Contractual Services - Testing	9,759	10,097	6,004
22	636 Contractual Services - Other	816	5,442	15,290
23	641 Rent - Buildings	573	1,146	1,146
24	642 Rent - Equipment	-	-	-
25	650 Transportation Expense	5,999	7,850	7,800
26	656 Insurance - Vehicle	-	-	-
27	657 Insurance - General Liability	14,606	5,036	3,392
28	658 Insurance - Worker's Compensation	-	-	-
29	659 Insurance - Other	-	-	-
30	666 Regulatory Commission Expense - Rate Case	-	-	-
31	667 Regulatory Expense - Other	271	407	674
32	668 Water Resource Conservation Expense	-	-	-
33	670 Bad Debt Expense	-	4,511	5,592
34	675 Miscellaneous Expense	2,454	2,993	573
35	403 Depreciation Expense	155,289	135,966	128,831
36	407 Amortization Expense	-	-	-
37	408 Taxes Other Than Income	-	-	-
38	408.11 Property Taxes	27,443	27,617	28,043
39	409 Income Tax	(1,323)	7,164	15,719
40	427.1 Interest Expense Security Deposits	786	606	577
41	Total Operating Expenses	\$ 556,824	\$ 540,328	\$ 530,484
42	Operating Income	\$ 57,075	\$ 97,669	\$ 109,003
43	Other Income (Expense)			
44	419 Interest and Dividend Income	\$ 15,136.58	\$ 15,732.86	\$ 16,431.18
45	421 Non-Utility Income	3,573.02	1,268.36	3,118.12
46	426 Miscellaneous Non-Utility Expenses	-	-	-
47	427 Interest Expense	(87,148)	(89,539)	(90,941)
48	428 Amortization of Debt Discount and Expense	-	-	-
49	429 Amortization of Premium on Debt	-	-	-
50	Total Other Income (Expense)	\$ (68,438)	\$ (72,538)	\$ (71,392)
51	Net Income (Loss)	\$ (11,363)	\$ 25,131	\$ 37,612

East Slope Water Company, Inc.
 Test Year Ended August 31, 2023
 Comparative Statement of Changes in Financial Position

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

Line No.		Test Year Ended 8/31/2023	Prior Year Ended 8/31/2022	Prior Year Ended 8/31/2021
1	<u>Source of Funds</u>			
2	Cash Flow from Operations:			
3	Net Income	\$ (11,363)	\$ 25,131	\$ 37,612
4	Adjustments to reconcile net income to net cash			
5	403 Depreciation and Amortization	155,289	135,966	128,831
6	Changes in Assets & Liabilities			
7	132 Special Deposits	-	-	-
8	141 Customer Accounts Receivable	(5,321)	(9,936)	19,406
9	143 Accumulated Provision for Uncollectible Accounts	-	-	-
10	145 Accounts Receivable from Associated Companies	-	-	-
11	151 Plant Materials and Supplies	-	-	-
12	162 Prepayments	11,857	427	150
13	174 Miscellaneous Current and Accrued Assets	-	-	-
14	181 Unamortized Debt and Discount Expense	-	-	-
15	186 Miscellaneous Deferred Debits	(28,616)	(34,574)	(42,648)
16	190 Accumulated Deferred Income Taxes	(389,193)	(4,948)	(6,169)
17	231 Accounts Payable	86,483	46,841	2,684
18	232 Notes Payable	-	-	-
19	233 Accounts Payable Associated Companies	(5,341)	50,000	-
20	235 Customer Deposits	(3,652)	(1,654)	858
21	236 Accrued Taxes	570	52	(1,000)
22	237 Accrued Interest	-	-	-
23	241 Miscellaneous Current Liabilities	(384)	(39)	102
24	252 Advances in Aid of Construction	28,917	(15,731)	8,354
25	253 Other Deferred Credits	-	-	-
26	281 Accumulated Deferred Income Tax	-	-	-
27	Total From Operations	\$ (160,753)	\$ 191,534	\$ 148,179
28				
29	Cash Flow from Financing:			
30	221 Bonds	-	-	-
31	224 Other Long-Term Debt	(64,917)	(62,649)	(64,046)
32	251 Unamortized Premium on Debt	-	-	-
33	271 Contributions in Aid of Construction	-	-	24,201
34	201 Common Stock	-	-	-
35	211 Paid in Capital	-	-	-
36	Total From Financing	\$ (64,917)	\$ (62,649)	\$ (39,845)
37				
38	<u>Application of Funds</u>			
39	Cash Flow from Investing Activities			
40	Capital Expenditures	(104,815)	(219,747)	(106,490)
41	Dividends Paid	-	-	-
42	Other	-	-	-
43	Total From Investing Activities	\$ (104,815)	\$ (219,747)	\$ (106,490)
44				
45	Change in Allocation between Departments & Other	\$ -	\$ -	\$ -
46				
47	Net Increase/(Decrease) in Cash	\$ (330,485)	\$ (90,861)	\$ 1,844
48				
49	Cash, Beginning of Year	\$ 22,280	\$ 113,141	\$ 111,297
50	Cash, End of Year	\$ (308,205)	\$ 22,280	\$ 113,141

51
 52 Workpapers:
 53
 54 Recap Schedules:
 A-5

East Slope Water Company, Inc.
 Test Year Ended August 31, 2023
 Statement of Changes in Stockholder's Equity

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

Line No.		Common Shares	Common Stk Member's Equity	Additional Paid In Capital	Retained Earnings	Total
1						
2						
3						
4	Balance, August 31, 2020	100	\$ 100	\$ 97,153	\$ 405,409	\$ 502,662
5	Additional Paid In Capital					-
6	Dividends				-	-
7	Adjustments/Other				-	-
8	Net Income				37,612	37,612
9						
10	Balance, August 31, 2021	100	\$ 100	\$ 97,153	\$ 443,021	\$ 540,274
11	Additional Paid In Capital					-
12	Dividends				-	-
13	Adjustments/Other				-	-
14	Net Income				25,131	25,131
15						
16	Balance, August 31, 2022	100	\$ 100	\$ 97,153	\$ 468,151	\$ 565,404
17	Additional Paid In Capital					-
18	Dividends				-	-
19	Adjustments/Other				-	-
20	Net Income				(11,363)	(11,363)
21						
22	Balance, August 31, 2023	100	\$ 100	\$ 97,153	\$ 456,788	\$ 554,041
23						

25 Supporting Schedules:
 26
 27

Recap Schedules:

Line No.	Acct. No.	Plant Description	Plant Balance at 8/31/2022	Plant Additions, Reclassifications or Retirements	Plant Balance at 8/31/2023
1					
2	301	Organization Cost	\$ 2,180	\$ -	\$ 2,180
3	302	Franchise Cost	-	-	-
4	303	Land and Land Rights	95,665	-	95,665
5	304	Structures & Improvements	56,746	-	56,746
6	305	Collecting & Impounding Reservoirs	-	-	-
7	306	Lake, River, Canal Intakes	-	-	-
8	307	Wells & Springs	495,884	-	495,884
9	308	Infiltration Galleries	-	-	-
10	309	Raw Water Supply Mains	-	-	-
11	310	Power Generation Equipment	-	-	-
12	311	Pumping Equipment	773,657	35,344	809,001
13	320	Water Treatment Equipment	-	-	-
14	320.1	Water Treatment Plants	-	-	-
15	320.2	Solution Chemical Feeders	6,809	1,439	8,249
16	320.3	Point-of-Use Treatment Devices	-	-	-
17	320.4	Arsenic Treatment Media	-	-	-
18	330	Distribution Reservoirs & Standpipes	-	-	-
19	330.1	Storage Tanks	480,785	-	480,785
20	330.2	Pressure Tanks	52,811	-	52,811
21	331	Transmission & Distribution Mains	2,670,801	62,663	2,733,465
22	333	Services	165,594	8,414	174,009
23	334	Meters	136,626	3,277	139,903
24	335	Hydrants	25,159	-	25,159
25	336	Backflow Prevention Devices	-	-	-
26	339	Other Plant & Misc. Equipment	22,654	-	22,654
27	340	Office Furniture & Equipment	-	-	-
28	340.1	Computers & Software	-	-	-
29	341	Transportation Equipment	-	-	-
30	342	Stores Equipment	-	-	-
31	343	Tools, Shop & Garage Equipment	1,045	-	1,045
32	344	Laboratory Equipment	-	-	-
33	345	Power Operated Equipment	-	-	-
34	346	Communication Equipment	600	-	600
35	347	Miscellaneous Equipment	-	-	-
36	348	Other Tangible Plant	-	-	-
37					
38		TOTAL WATER PLANT	\$ 4,987,016	\$ 111,138	\$ 5,098,154

39
 40 Workpapers:
 41 FH Water Rate Case Data.xlsx; TAB:ES BS
 42
 43

Recap Schedules:
 E-1
 A-4

Line No.	Test Year Ended <u>8/31/2023</u>	Prior Year Ended <u>8/31/2022</u>	Prior Year Ended <u>8/31/2021</u>	
1				
2	Gallons Sold - By Class of Service (Thousands)			
3	Residential - Small Meters	75,460	81,331	86,576
4	Commercial - Small Meters	3,176	3,423	3,644
5	All Classes - Large Meters	5,949	6,412	6,825
6	Standpipe	-	-	-
7				
8	Total Gallons Sold	84,586	91,166	97,046
9				
10	Average Number of Customers			
11	Residential - Small Meters	970	956	948
12	Commercial - Small Meters	39	38	38
13	All Classes - Large Meters	24	24	23
14	Standpipe	-	-	-
15				
16	Total Average Number of Customers	1,033	1,018	1,010
17				
18	Gallons Per Residential Customer	77,794	85,074	91,325
19				
20	Revenue Per Residential Customer	\$ 414	\$ 444	\$ 454
21				
22	Pumping Cost Per 1,000 Gallons	\$ 1.1710	\$ 0.9367	\$ 0.7893
23				

Line No.	Description	Test Year Ended 8/31/2023	Prior Year Ended 8/31/2022	Prior Year Ended 8/31/2021
1				
2				
3	Federal Income Tax	(2,120)	7,164	15,719
4	State Income Tax	797	-	-
5	Taxes Other Than Income	14,341	-	-
6	Property Tax	27,443	27,617	28,043
7				
8	Totals	<u>\$ 40,461</u>	<u>\$ 34,781</u>	<u>\$ 43,761</u>
9				

10 Workpapers:

Recap Schedules:

11
12

Line

No.

- 1
- 2 The Company does not conduct independent audits.
- 3
- 4 The Company uses the NARUC System of Accounts.
- 5
- 6 The Company normalizes Income Tax Expense.
- 7
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Supporting Schedules:

Recap Schedules:

Line No.		Projected Year		
		Actual Test Year Ended 8/31/2023	At Present Rates Year Ended 8/31/2024	At Proposed Rates Year Ended 8/31/2024
1	Revenues			
2	461 Metered Water Revenues	\$ 458,842	\$ 453,700	\$ 977,935
3	462 Fire Protection Revenue	-	-	-
4	469 Guaranteed Revenues	144,808	110,259	-
5	471 Miscellaneous Service Revenue	10,249	10,510	10,510
6	474 Other Water Revenues	-	-	-
7	Total Revenues	\$ 613,899	\$ 574,470	\$ 988,445
8	Operating Expenses			
9	601 Salaries and Wages	\$ -	\$ 227,296	\$ 227,296
10	603 Salaries and Wages - Officers and Directors	-	-	-
11	604 Employee Pension and Benefits	-	14,256	14,256
12	610 Purchased Water	-	-	-
13	615 Purchased Power	99,050	104,003	104,003
14	618 Chemicals	3,877	3,935	3,935
15	620.1 Repairs and Maintenance	15,297	29,511	29,511
16	620.2 Office Supplies Expense	14,728	21,802	21,802
17	630 Outside Services	-	-	-
18	631 Contractual Services - Engineering	260	264	264
19	632 Contractual Services - Accounting	1,885	2,076	-
20	633 Contractual Services - Legal	2,286	2,685	2,685
21	634 Contractual Services - Management Fees	202,766	94,236	94,236
22	635 Contractual Services - Testing	9,759	9,905	9,905
23	636 Contractual Services - Other	816	24,779	24,779
24	641 Rent - Buildings	573	9,920	9,920
25	642 Rent - Equipment	-	-	-
26	650 Transportation Expense	5,999	20,380	20,380
27	656 Insurance - Vehicle	-	-	-
28	657 Insurance - General Liability	14,606	17,375	17,375
29	658 Insurance - Worker's Compensation	-	563	563
30	659 Insurance - Other	-	18,409	18,409
31	666 Regulatory Commission Expense - Rate Case	-	-	-
32	667 Regulatory Expense - Other	271	275	275
33	670 Bad Debt Expense	-	-	-
34	675 Miscellaneous Expense	2,454	8,683	8,683
35	403 Depreciation Expense	155,289	183,021	183,021
36	407 Amortization Expense	-	(7,803)	(7,803)
37	408 Taxes Other Than Income	-	14,341	14,341
38	408.11 Property Taxes	27,443	24,208	30,426
39	409 Income Tax	(1,323)	(77,416)	23,998
40	427 Interest Expense Security Deposits	786	786	786
41	Total Operating Expenses	\$ 556,824	\$ 747,491	\$ 853,046
42	Operating Income	\$ 57,075	\$ (173,021)	\$ 135,399
43	Other Income (Expense)			
44	421 Non-Utility Income	3,573	3,573	3,573
45	427 Interest Expense	(87,148)	(79,479)	(79,479)
46	428 Amortization of Debt Discount and Expense	-	-	-
47	429 Amortization of Premium on Debt	-	-	-
48	Total Other Income (Expense)	\$ (68,438)	\$ (60,769)	\$ (60,769)
49	Net Income (Loss)	\$ (11,363)	\$ (233,791)	\$ 74,629

51 Supporting Schedules:
 52 E-2
 53

Recap Schedules:
 A-2

East Slope Water Company, Inc.
 Test Year Ended August 31, 2023
 Projected Changes In Financial Position - Present and Proposed Rates

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

Line No.	Test Year Ended 8/31/2023	At Present Rates Year Ended 8/31/2024	At Proposed Rates Year Ended 8/31/2025
1	<u>Source of Funds</u>		
2	Cash Flow from Operations:		
3	\$ (11,363)	\$ (233,791)	\$ 74,629
4	Adjustments to reconcile net income to net cash		
5	155,289	175,218	175,218
6	Changes in Assets & Liabilities		
7	-	-	-
8	(5,321)	-	-
9	-	-	-
10	-	-	-
11	-	-	-
12	11,857	-	-
13	-	-	-
14	-	-	-
15	(28,616)	-	-
16	(389,193)	-	-
17	86,483	-	-
18	-	-	-
19	(5,341)	-	-
20	(3,652)	-	-
21	570	-	-
22	-	-	-
23	(384)	-	-
24	28,917	-	-
25	-	-	-
26	-	-	-
27	<u>\$ (160,753)</u>	<u>\$ (58,572)</u>	<u>\$ 249,848</u>
28	Cash Flow from Financing:		
29	221 Bonds		
30	-	-	-
31	(64,917)	(64,917)	(66,215)
32	-	-	-
33	-	-	-
34	-	-	-
35	-	175,000	-
36	<u>\$ (64,917)</u>	<u>\$ 110,083</u>	<u>\$ (66,215)</u>
37	Application of Funds		
38	Cash Flow from Investing Activities		
39	Capital Expenditures		
40	(104,815)	(128,400)	(108,400)
41	-	-	-
42	-	-	-
43	<u>\$ (104,815)</u>	<u>\$ (128,400)</u>	<u>\$ (108,400)</u>
44	Change in Allocation between Departments		
45	\$ -	\$ -	\$ -
46	Net Increase/(Decrease) in Cash		
47	\$ (330,485)	\$ (76,889)	\$ 75,233
48	Cash, Beginning of Year		
49	\$ 22,280	\$ (308,205)	\$ (385,094)
50	<u>\$ (308,205)</u>	<u>\$ (385,094)</u>	<u>\$ (309,861)</u>
51	<u>Supporting Schedules:</u>		
52	E-3	<u>Recap Schedules:</u>	
53	F-3	A-5	
54			
55			

Line No.	Property Classification	Adjusted Test Year 8/31/2023	Projected Thru 8/31/2024	Projected Thru 8/31/2025	Projected Thru 8/31/2026
5	Intangible Plant	\$ -	\$ -	\$ -	\$ -
7	Source of Supply and Pumping Plant	35,344	40,000	20,000	20,000
9	Water Treatment Plant	1,439	-	-	-
11	Transmission and Distribution Plant	74,355	88,400	88,400	88,400
13	General Plant	-	-	-	-
15	Total Plant	\$ 111,138	\$ 128,400	\$ 108,400	\$ 108,400

18 Workpapers: Recap Schedules:
 19 F-2 A-4
 20

Line

No.

- 1
- 2 No Customer Growth
- 3
- 4 Per Test Year Adjustments
- 5
- 6 Expenses increase for inflation
- 7
- 8
- 9
- 10
- 11
- 12 Supporting Schedules:
- 13
- 14

Recap Schedules:

East Slope Water Company, Inc.

Test Year Ended August 31, 2023

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		Proposed Increase	
		Present Rates	Proposed Rates	Amount	%
1					
2	<u>Unmetered Water Revenue</u>				
3	Fire Lines	\$ -	\$ -	\$ -	n/a
4					
5	<u>Metered Water Revenue</u>				
6	Residential - Small Meters	401,401	863,114	461,713	115.03%
7	Commercial - Small Meters	17,572	37,230	19,658	111.87%
8	All Classes - Large Meters	38,397	80,756	42,360	110.32%
9	Standpipe	-	-	-	n/a
10					
11	Guaranteed Revenue	110,613	-	(110,613)	-100.00%
12	Miscellaneous Service Revenue	10,510	10,510	-	0.00%
13	Other Water Revenues	-	-	-	n/a
14					
15	Total Water Revenues - Per Bill Counts	<u>\$ 578,492</u>	<u>\$ 991,610</u>	<u>\$ 413,118</u>	<u>71.41%</u>
16					
17	<u>Reconciliation</u>				
18	Bill Count Revenue	\$ 578,492			
19					
20	Billed Water Revenues per G.L.	613,899			
21	Revenue Adjustments				
22	Adjustment IS-4	(4,712)			
23	Adjustment IS-5	(34,717)			
24	Adjusted G.L. Revenue	<u>\$ 574,470</u>			
25					
26	Unreconciled Difference	\$ (4,022)			
27	Percentage Difference	-0.70%			
28					
29					
30	<u>Supporting Schedules:</u>			<u>Recap Schedules:</u>	
31	H-2			A-1	
32					

Line No.	Description	Average Number Customers	Monthly Average Consumption	Revenues		Proposed	
				Present Rates	Proposed Rates	Increase Amount	Increase %
1							
2	<u>Metered Water Revenue</u>						
3	Residential - Small Meters						
4	5/8 x 3/4" Meter	967	6,475	\$ 399,343	\$ 858,746	\$ 459,402	115.04%
5	3/4" Meter	3	8,120	2,057	4,368	2,311	112.33%
6	Commercial - Small Meters						
7	5/8 x 3/4" Meter	39	6,860	17,572	37,230	19,658	111.87%
8	3/4" Meter						n/a
9	All Classes - Large Meters						
10	1" Meter	15	24,836	16,747	35,075	18,327	109.43%
11	1 1/2" Meter	7	34,330	16,268	34,057	17,790	109.36%
12	2" Meter	2	9,029	4,068	8,787	4,719	116.00%
13	3" Meter	-	13,765	1,314	2,838	1,524	116.01%
14	4" Meter						n/a
15	6" Meter						n/a
16	Standpipe						
17	All Sizes						n/a
18							
19	Totals:						
20	<u>Metered Water Revenue</u>						
21	Residential - Small Meters	970		401,401	863,114	461,713	115.03%
22	Commercial - Small Meters	39		17,572	37,230	19,658	111.87%
23	All Classes - Large Meters	24		38,397	80,756	42,360	110.32%
24	Standpipe	-		-	-	-	n/a
25	Subtotal Metered	1,033		\$ 457,369	\$ 981,100	\$ 523,731	114.51%
26							
27	Guaranteed Revenue			\$ 110,613	\$ -	(110,613)	-100.00%
28	Miscellaneous Service Revenue			10,510	10,510	-	0.00%
29	Other Water Revenues			-	-	-	n/a
30							
31	Total	1,033		\$ 578,492	\$ 991,610	\$ 413,118	71.41%
32							
33	<u>Supporting Schedules:</u>					<u>Recap Schedules:</u>	
34						H-1	
35							

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

Line No.	Description	Revenue at Current Rates					Total Revenue
		Base Charge	1st Tier	2nd Tier	3rd Tier	Base + 1st Tier	
1	Residential - Small Meters						
2	5/8 x 3/4" Meter	\$ 213,593	\$ 46,647	\$ 63,707	\$ 75,397	\$ 260,239	\$ 399,343
3	3/4" Meter	1,132	116	262	547	1,249	2,057
4	Commercial - Small Meters						
5	5/8 x 3/4" Meter	8,524	-	4,779	4,269	8,524	17,572
6	3/4" Meter	-	-	-	-	-	-
7	All Classes - Large Meters						
8	1" Meter	2,854	-	649	77	2,854	3,580
9	1 1/2" Meter	7,732	-	3,548	4,988	7,732	16,268
10	2" Meter	3,535	-	533	-	3,535	4,068
11	3" Meter	1,178	-	135	-	1,178	1,314
12	4" Meter						
13	6" Meter						
14							
15	Total Revenue	\$ 244,256	\$ 46,763	\$ 76,604	\$ 89,746	\$ 291,019	\$ 457,369
16							
17	Percentage of Total	53.4%	10.2%	16.7%	19.6%	63.6%	100.0%
18							

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

Line No.	Description	Revenue at Proposed Rates					Total Revenue
		Base Charge	1st Tier	2nd Tier	3rd Tier	Base + 1st Tier	
1	Residential - Small Meters						
2	5/8 x 3/4" Meter	461,412	109,208	113,880	174,246	\$ 570,619	\$ 858,746
3	3/4" Meter	2,446	272	424	1,226	2,718	4,368
4	Commercial - Small Meters						
5	5/8 x 3/4" Meter	18,414	-	9,084	9,733	18,414	37,230
6	3/4" Meter	-	-	-	-	-	-
7	All Classes - Large Meters						
8	1" Meter	18,494	-	7,857	8,724	18,494	35,075
9	1 1/2" Meter	16,703	-	7,162	10,192	16,703	34,057
10	2" Meter	7,636	-	1,151	-	7,636	8,787
11	3" Meter	2,545	-	292	-	2,545	2,838
12	4" Meter						
13	6" Meter						
14	Standpipe						
15	All Sizes						
16							
17	Total Revenue	\$ 527,650	\$ 109,480	\$ 139,849	\$ 204,121	\$ 637,130	\$ 981,100
18							
19	Percentage of Total	53.8%	11.2%	14.3%	20.8%	64.9%	100.0%
20							

Supplemental Schedule
 Metered Water Revenue at Current and Proposed Rates
 Analysis of Increases by Rate Tier

Line No.		Base Charge	1st Tier	2nd Tier	3rd Tier	Base + 1st Tier	Total Revenue
1	Current Rate	\$ 244,256	\$ 46,763	\$ 76,604	\$ 89,746	\$ 291,019	\$ 457,369
2	Company's Proposed Rates	527,650	109,480	139,849	204,121	637,130	981,100
3	Increase in Rates	\$ 283,394	\$ 62,717	\$ 63,245	\$ 114,375	\$ 346,111	\$ 523,731
4							
5	Percentage Increase by Tier	116.0%	134.1%	82.6%	127.4%	118.9%	114.5%
6	Percentage of Increase within Tier	54.1%	12.0%	12.1%	21.8%	66.1%	100.0%
7							
8							
9							
10							
11		Base Charge	1st Tier	2nd Tier	3rd Tier	Base + 1st Tier	Total Revenue
12	Revenue at Current Rates	\$ 244,256	\$ 46,763	\$ 76,604	\$ 89,746	\$ 291,019	\$ 457,369
13	Revenue at Company's Proposed Rates	\$ 527,650	\$ 109,480	\$ 139,849	\$ 204,121	\$ 637,130	\$ 981,100
14							
15	<u>Percentage of Total Revenue</u>						
16	Current Rates	53.4%	10.2%	16.7%	19.6%	63.6%	100.0%
17	Company's Proposed Rates	53.8%	11.2%	14.3%	20.8%	64.9%	100.0%
18	Change	0.4%	0.9%	-2.5%	1.2%	1.3%	0.0%
19							
20							

Line No.	Description	Tier	Present Rate Tiers	Proposed Rate Tiers	Base Charge			Volume Charge (per 1,000 gallons)		
			Upper Limits (gallons)	Upper Limits (gallons)	Present Rate	Proposed Rate	Change	Present Rate	Proposed Rate	Change
2	Residential & Commercial Service									
6	R1 - 5/8" x 3/4" Meter (Residential)	Tier 1	3,000	3,000	\$ 18.41	\$ 39.77	\$ 21.36	\$ 1.70	\$ 3.98	\$ 2.28
7		Tier 2	10,000	8,000				\$ 2.46	\$ 5.31	\$ 2.85
8		Tier 3	999,999,000	999,999,000				\$ 3.46	\$ 6.64	\$ 3.18
10	R2 - 3/4" Meter (Residential)	Tier 1	n/t	3,000	\$ 27.62	\$ 59.66	\$ 32.04		\$ 3.98	n/a
11		Tier 2	n/t	8,000				\$ 5.31	n/a	
12		Tier 3	n/t	999,999,000				\$ 6.64	n/a	
15	R3 - 1" Meter (All)	Tier 1							n/a	
16		Tier 2	15,000	15,000	\$ 46.03	\$ 99.43	\$ 53.40	\$ 2.46	\$ 5.31	\$ 2.85
17		Tier 3	999,999,000	999,999,000				\$ 3.46	\$ 6.64	\$ 3.18
19	R1C - 5/8" x 3/4" Meter (Commercial)	Tier 1							n/a	
20		Tier 2	10,000	8,000	\$ 18.41	\$ 39.77	\$ 21.36	\$ 2.46	\$ 5.31	\$ 2.85
21		Tier 3	999,999,000	999,999,000				\$ 3.46	\$ 6.64	\$ 3.18
23	R2C - 3/4" Meter (Commercial)	Tier 1	n/t						n/a	
24		Tier 2	n/t	8,000	\$ 27.62	\$ 59.66	\$ 32.04		\$ 5.31	n/a
25		Tier 3	n/t	999,999,000				\$ 6.64	n/a	
27	R4 - 1.5" Meter (All)	Tier 1							n/a	
28		Tier 2	34,000	30,000	\$ 92.05	\$ 198.85	\$ 106.80	\$ 2.46	\$ 5.31	\$ 2.85
29		Tier 3	999,999,000	999,999,000				\$ 3.46	\$ 6.64	\$ 3.18
31	R5 - 2" Meter (All)	Tier 1							n/a	
32		Tier 2	55,000	50,000	\$ 147.28	\$ 318.16	\$ 170.88	\$ 2.46	\$ 5.31	\$ 2.85
33		Tier 3	999,999,000	999,999,000				\$ 3.46	\$ 6.64	\$ 3.18
35	R6 - 3" Meter (All)	Tier 1							n/a	
36		Tier 2	115,000	110,000	\$ 294.56	\$ 636.32	\$ 341.76	\$ 2.46	\$ 5.31	\$ 2.85
37		Tier 3	999,999,000	999,999,000				\$ 3.46	\$ 6.64	\$ 3.18
39	R7 - 4" Meter (All)	Tier 1							n/a	
40		Tier 2	185,000	180,000	\$ 460.25	\$ 994.25	\$ 534.00	\$ 2.46	\$ 5.31	\$ 2.85
41		Tier 3	999,999,000	999,999,000				\$ 3.46	\$ 6.64	\$ 3.18
43	R8 - 6" Meter (All)	Tier 1							n/a	
44		Tier 2	380,000	380,000	\$ 920.50	\$ 1,988.50	\$ 1,068.00	\$ 2.46	\$ 5.31	\$ 2.85
45		Tier 3	999,999,000	999,999,000				\$ 3.46	\$ 6.64	\$ 3.18
47	Indicates No Tariff									

Line No.	Description	Present Rate Tiers		Proposed Rate Tiers		Base Charge			Volume Charge (per 1,000 gallons)		
		Upper Limits (gallons)	Upper Limits (gallons)	Upper Limits (gallons)	Upper Limits (gallons)	Present Rate	Proposed Rate	Change	Present Rate	Proposed Rate	Change
1											
2	Residential & Commercial Service										
6		Tier 1	n/t	n/t							
7	R9 - 8" Meter	Tier 2	n/t	n/t	\$ 1,472.80	n/t	n/a				n/a
8	(All)	Tier 3	n/t	n/t							n/a
10		Tier 1	n/t	n/t							
11	R10 - 10" Meter	Tier 2	n/t	n/t	\$ 2,117.15	n/t	n/a				n/a
12	(All)	Tier 3	n/t	n/t							n/a
14					n/t - no tariff						
15	Monthly Service Charge for Fire Sprinkler										
16		Present Rates		Proposed Rates							
17			*		**						
18	All Sizes										
19	* Greater of \$10.00 or 2 percent of the general service rate for a similar size meter										
20	** Greater of \$12.00 or 2 percent of the general service rate for a similar size meter										
21	The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.										



Indicates No Tariff

n/a - indicates not applicable

	Present Rate	Proposed Rate
Monthly Loan Surcharge		
Debt Service Surcharge		
5/8" x 3/4" Meter	\$ 8.34	n/t
3/4" Meter	12.50	n/t
1" Meter	20.84	n/t
1 1/2" Meter	41.68	n/t
2" Meter	66.69	n/t
3" Meter	125.04	n/t
4" Meter	208.40	n/t
6" Meter	416.79	n/t
Debt Service Reserve Surcharge		
5/8" x 3/4" Meter	\$ 2.63	n/t
3/4" Meter	3.95	n/t
1" Meter	6.58	n/t
1 1/2" Meter	13.15	n/t
2" Meter	21.04	n/t
3" Meter	39.46	n/t
4" Meter	65.76	n/t
6" Meter	131.52	n/t

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 R14-2-409.D.5.

Line
No.

1

2

3 **Service Charges**

	Present Rates	Proposed Rates
4 Establishment of Service	\$ 40.00	\$ 40.00
5 Reconnection of Service - Delinquent	\$ 40.00	\$ 40.00
6 After Hours Charge (in addition to other service charges)	\$ 45.00	\$ 45.00
7 Meter Re-Read (If correct)	\$ 30.00	\$ 30.00
8 Meter Test (If correct)	\$ 35.00	\$ 30.00
9 Insufficient Funds Check Charge	\$ 25.00	\$ 30.00
10 Deposit	*	n/t
11 Deposit Requirement (Residential)	n/t	(a)
12 Deposit Requirement (Non-Residential)	n/t	(b)
13 Interest Rate on Customer Deposits	*	(c)
14 Re-Establishment (Within 12 Months)	(d)	(d)
15 Late Payment Penalty (Per Month)	(e)	(e)
16 Deferred Payment (Per Month)	**	1.5%
17 Moving Customer Meter (at Customer's Request)	Cost	Cost

18

19 * Per Commission Rule R14-2-403(B)

20 ** Per Commission Rule R14-2-403(D)

21 (a) Two times the average residential class bill, per Commission Rule A.A.C. R-14-2-403.B.7.a.

22 (b) 2 1/2 times the customers estimated maximum monthly bill, per Commission Rule A.A.C. R-14-2-403.B.7.b.

23 (c) 6.0%, per Commission Rule A.A.C. R-14-2-403.B.3.

24 (d) Number of months off system times the monthly minimum, per Commission Rule A.A.C. R14-2-403.D.

25 (e) Greater of 1.50% or \$5.00

26

27 All items billed at cost shall include labor, materials and parts, overheads and all applicable taxes.

28 n/t - no tariff

29

30 **Service Line and Meter Installation Charges**

	Current Rates			Proposed Rates		
	Srv. Line	Meter	Total	Srv. Line	Meter	Total
31						
32 5/8" x 3/4" Meter	\$ 430	\$ 130	\$ 560	\$ 490	\$ 155	\$ 645
33 3/4" Meter	430	230	660	490	155	645
34 1" Meter	480	290	770	550	318	868
35 1 1/2" Meter	535	500	1,035	610	525	1,135
36 2" Meter Turbine	815	1,020	1,835	930	1,045	1,975
37 2" Meter Compound	815	1,865	2,680	930	1,890	2,820
38 3" Meter Turbo	1,030	1,645	2,675	1,170	1,670	2,840
39 3" Compound Meter	1,150	2,545	3,695	1,310	2,545	3,855
40 4" Meter Turbo	1,460	2,620	4,080	1,660	2,670	4,330
41 4" Compound Meter	1,640	3,595	5,235	1,885	3,645	5,530
42 6" Meter Turbo	2,180	4,975	7,155	2,480	5,025	7,505
43 6" Compound Meter	2,300	6,870	9,170	2,615	6,920	9,535

44 Road Crossing, Asphalt Cut, Patch and Slurry (if Required)

45 Road Boring (If Required) n/t Cost n/a Cost

46 Hard Rock Excavation (If Required) n/t Cost n/a Cost

47

48 All advances and/or contributions are to include labor, materials, overheads, and all applicable taxes, including all gross-up taxes for income taxes, if applicable.

49

50 All items billed at cost shall include labor, materials and parts, overheads and all applicable taxes.

51 n/t - no tariff n/a - not applicable

52

53 **Privilege, Sales or Use Tax**

54 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 R14-2-409.D.5.

55

56

57

58

- Line
No.
- 1 **Proposed Surcharge Tariffs:**
 - 2
 - 3 **Regulatory Expense Surcharge (RES)**
 - 4 The purpose of the Regulatory Expense Surcharge is to allow for recovery of approved rate case expenses in a surcharge rather than as a normalized
 - 5 expense. The Company proposes to recover approved rate case expense until fully recovered with a planned three year recovery period. The RES will
 - 6 be structured as a monthly charge to a customer's bill based on the customers meter size.
 - 7
 - 8 The RES will be applicable to residential, commercial, construction and standpipe classes, including Re-Establishment Charges.

Class: Residential
 Meter Size: 5/8 x 3/4
 Sub Class:

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	Present Rates:	-	\$ 26.75	\$ 39.77	\$ 13.02	48.67%
2	Base Charge:	1,000	\$ 28.45	\$ 43.75	\$ 15.30	53.78%
3	Debt Service Surcharge	2,000	\$ 30.15	\$ 47.73	\$ 17.58	58.31%
4		3,000	\$ 31.85	\$ 51.71	\$ 19.86	62.35%
5	Tier One Rate:	4,000	\$ 34.31	\$ 57.02	\$ 22.71	66.19%
6	Tier Two Rate:	5,000	\$ 36.77	\$ 62.33	\$ 25.56	69.51%
7	Tier Three Rate:	6,000	\$ 39.23	\$ 67.64	\$ 28.41	72.42%
8		7,000	\$ 41.69	\$ 72.95	\$ 31.26	74.98%
9	Tier One Breakover (M gal):	8,000	\$ 44.15	\$ 78.26	\$ 34.11	77.26%
10	Tier Two Breakover (M gal):	9,000	\$ 46.61	\$ 84.90	\$ 38.29	82.15%
11	Tier Three Breakover (M gal):	10,000	\$ 49.07	\$ 91.54	\$ 42.47	86.55%
12		12,000	\$ 55.99	\$ 104.82	\$ 48.83	87.21%
13		14,000	\$ 62.91	\$ 118.10	\$ 55.19	87.73%
14	Proposed Rates:	16,000	\$ 69.83	\$ 131.38	\$ 61.55	88.14%
15	Base Charge:	18,000	\$ 76.75	\$ 144.66	\$ 67.91	88.48%
16		20,000	\$ 83.67	\$ 157.94	\$ 74.27	88.77%
17		25,000	\$ 100.97	\$ 191.14	\$ 90.17	89.30%
18	Tier One Rate:	30,000	\$ 118.27	\$ 224.34	\$ 106.07	89.68%
19	Tier Two Rate:	35,000	\$ 135.57	\$ 257.54	\$ 121.97	89.97%
20	Tier Three Rate:	40,000	\$ 152.87	\$ 290.74	\$ 137.87	90.19%
21		45,000	\$ 170.17	\$ 323.94	\$ 153.77	90.36%
22	Tier One Breakover (M gal):	50,000	\$ 187.47	\$ 357.14	\$ 169.67	90.51%
23	Tier Two Breakover (M gal):	60,000	\$ 222.07	\$ 423.54	\$ 201.47	90.72%
24	Tier Three Breakover (M gal):	70,000	\$ 256.67	\$ 489.94	\$ 233.27	90.88%
25		80,000	\$ 291.27	\$ 556.34	\$ 265.07	91.00%
26		90,000	\$ 325.87	\$ 622.74	\$ 296.87	91.10%
27		100,000	\$ 360.47	\$ 689.14	\$ 328.67	91.18%
28						
29		Average Usage				
30		6,475	\$ 40.40	\$ 70.16	\$ 29.76	73.66%
31		Median Usage				
32		3,483	\$ 33.04	\$ 54.27	\$ 21.23	64.26%
33						
34						

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

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	Present Rates:	-	\$ 40.12	\$ 59.66	\$ 19.54	48.70%
2	Base Charge:	1,000	\$ 41.82	\$ 63.64	\$ 21.82	52.18%
3	Debt Service Surcharge	2,000	\$ 43.52	\$ 67.62	\$ 24.10	55.38%
4		3,000	\$ 45.22	\$ 71.60	\$ 26.38	58.34%
5	Tier One Rate:	4,000	\$ 47.68	\$ 76.91	\$ 29.23	61.30%
6	Tier Two Rate:	5,000	\$ 50.14	\$ 82.22	\$ 32.08	63.98%
7	Tier Three Rate:	6,000	\$ 52.60	\$ 87.53	\$ 34.93	66.41%
8		7,000	\$ 55.06	\$ 92.84	\$ 37.78	68.62%
9	Tier One Breakover (M gal):	3	\$ 57.52	\$ 98.15	\$ 40.63	70.64%
10	Tier Two Breakover (M gal):	10	\$ 59.98	\$ 104.79	\$ 44.81	74.71%
11	Tier Three Breakover (M gal):	999,999	\$ 62.44	\$ 111.43	\$ 48.99	78.46%
12		12,000	\$ 69.36	\$ 124.71	\$ 55.35	79.80%
13		14,000	\$ 76.28	\$ 137.99	\$ 61.71	80.90%
14	Proposed Rates:	16,000	\$ 83.20	\$ 151.27	\$ 68.07	81.81%
15	Base Charge:	18,000	\$ 90.12	\$ 164.55	\$ 74.43	82.59%
16		20,000	\$ 97.04	\$ 177.83	\$ 80.79	83.25%
17		25,000	\$ 114.34	\$ 211.03	\$ 96.69	84.56%
18	Tier One Rate:	30,000	\$ 131.64	\$ 244.23	\$ 112.59	85.53%
19	Tier Two Rate:	35,000	\$ 148.94	\$ 277.43	\$ 128.49	86.27%
20	Tier Three Rate:	40,000	\$ 166.24	\$ 310.63	\$ 144.39	86.86%
21		45,000	\$ 183.54	\$ 343.83	\$ 160.29	87.33%
22	Tier One Breakover (M gal):	3	\$ 200.84	\$ 377.03	\$ 176.19	87.73%
23	Tier Two Breakover (M gal):	8	\$ 235.44	\$ 443.43	\$ 207.99	88.34%
24	Tier Three Breakover (M gal):	999,999	\$ 270.04	\$ 509.83	\$ 239.79	88.80%
25		80,000	\$ 304.64	\$ 576.23	\$ 271.59	89.15%
26		90,000	\$ 339.24	\$ 642.63	\$ 303.39	89.43%
27		100,000	\$ 373.84	\$ 709.03	\$ 335.19	89.66%
28						
29		Average Usage				
30		8,120	\$ 57.82	\$ 98.95	\$ 41.13	71.13%
31		Median Usage				
32		2,310	\$ 44.05	\$ 68.85	\$ 24.80	56.30%
33						
34						

Class: Residential
 Meter Size: 1"
 Sub Class:

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	Present Rates:	-	\$ 66.87	\$ 99.43	\$ 32.56	48.69%
2	Base Charge:	\$ 46.03	1,000 \$ 69.33	104.74	35.41	51.07%
3	Debt Service Surcharge	\$ 20.84	2,000 \$ 71.79	110.05	38.26	53.29%
4			3,000 \$ 74.25	115.36	41.11	55.37%
5	Tier One Rate:	\$ -	4,000 \$ 76.71	120.67	43.96	57.31%
6	Tier Two Rate:	\$ 2.46	5,000 \$ 79.17	125.98	46.81	59.13%
7	Tier Three Rate:	\$ 3.46	6,000 \$ 81.63	131.29	49.66	60.84%
8			7,000 \$ 84.09	136.60	52.51	62.44%
9	Tier One Breakover (M gal):	-	8,000 \$ 86.55	141.91	55.36	63.96%
10	Tier Two Breakover (M gal):	15	9,000 \$ 89.01	147.22	58.21	65.40%
11	Tier Three Breakover (M gal):	999,999	10,000 \$ 91.47	152.53	61.06	66.75%
12			12,000 \$ 96.39	163.15	66.76	69.26%
13			14,000 \$ 101.31	173.77	72.46	71.52%
14	Proposed Rates:		16,000 \$ 107.23	185.72	78.49	73.20%
15	Base Charge:	\$ 99.43	18,000 \$ 114.15	199.00	84.85	74.33%
16			20,000 \$ 121.07	212.28	91.21	75.34%
17			25,000 \$ 138.37	245.48	107.11	77.41%
18	Tier One Rate:	\$ -	30,000 \$ 155.67	278.68	123.01	79.02%
19	Tier Two Rate:	\$ 5.31	35,000 \$ 172.97	311.88	138.91	80.31%
20	Tier Three Rate:	\$ 6.64	40,000 \$ 190.27	345.08	154.81	81.36%
21			45,000 \$ 207.57	378.28	170.71	82.24%
22	Tier One Breakover (M gal):	-	50,000 \$ 224.87	411.48	186.61	82.99%
23	Tier Two Breakover (M gal):	15	60,000 \$ 259.47	477.88	218.41	84.18%
24	Tier Three Breakover (M gal):	999,999	70,000 \$ 294.07	544.28	250.21	85.09%
25			80,000 \$ 328.67	610.68	282.01	85.80%
26			90,000 \$ 363.27	677.08	313.81	86.38%
27			100,000 \$ 397.87	743.48	345.61	86.87%
28						
29						
30		Average Usage	20,220 \$ 121.83	213.74	91.91	75.44%
31						
32		Median Usage	10,100 \$ 91.72	153.06	61.34	66.88%
33						
34						

Class: Commercial
 Meter Size: 5/8"x3/4"
 Sub Class:

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	Present Rates:	-	\$ 26.75	\$ 39.77	\$ 13.02	48.67%
2	Base Charge:	\$ 18.41	1,000 \$ 29.21	45.08	15.87	54.33%
3	Debt Service Surcharge	\$ 8.34	2,000 \$ 31.67	50.39	18.72	59.11%
4			3,000 \$ 34.13	55.70	21.57	63.20%
5	Tier One Rate:	\$ -	4,000 \$ 36.59	61.01	24.42	66.74%
6	Tier Two Rate:	\$ 2.46	5,000 \$ 39.05	66.32	27.27	69.83%
7	Tier Three Rate:	\$ 3.46	6,000 \$ 41.51	71.63	30.12	72.56%
8			7,000 \$ 43.97	76.94	32.97	74.98%
9	Tier One Breakover (M gal):	-	8,000 \$ 46.43	82.25	35.82	77.15%
10	Tier Two Breakover (M gal):	10	9,000 \$ 48.89	88.89	40.00	81.82%
11	Tier Three Breakover (M gal):	999,999	10,000 \$ 51.35	95.53	44.18	86.04%
12			12,000 \$ 58.27	108.81	50.54	86.73%
13			14,000 \$ 65.19	122.09	56.90	87.28%
14	Proposed Rates:		16,000 \$ 72.11	135.37	63.26	87.73%
15	Base Charge:	\$ 39.77	18,000 \$ 79.03	148.65	69.62	88.09%
16			20,000 \$ 85.95	161.93	75.98	88.40%
17			25,000 \$ 103.25	195.13	91.88	88.99%
18	Tier One Rate:	\$ -	30,000 \$ 120.55	228.33	107.78	89.41%
19	Tier Two Rate:	\$ 5.31	35,000 \$ 137.85	261.53	123.68	89.72%
20	Tier Three Rate:	\$ 6.64	40,000 \$ 155.15	294.73	139.58	89.96%
21			45,000 \$ 172.45	327.93	155.48	90.16%
22	Tier One Breakover (M gal):	-	50,000 \$ 189.75	361.13	171.38	90.32%
23	Tier Two Breakover (M gal):	8	60,000 \$ 224.35	427.53	203.18	90.56%
24	Tier Three Breakover (M gal):	999,999	70,000 \$ 258.95	493.93	234.98	90.74%
25			80,000 \$ 293.55	560.33	266.78	90.88%
26			90,000 \$ 328.15	626.73	298.58	90.99%
27			100,000 \$ 362.75	693.13	330.38	91.08%
28						
29						
30		Average Usage	6,860 \$ 43.63	76.20	32.57	74.65%
31						
32		Median Usage	2,426 \$ 32.72	52.65	19.93	60.91%
33						
34						

Class: Commercial
 Meter Size: 1"
 Sub Class:

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	Present Rates:	-	\$ 66.87	\$ 99.43	\$ 32.56	48.69%
2	Base Charge:	\$ 46.03	1,000 \$ 69.33	104.74	35.41	51.07%
3	Debt Service Surcharge	\$ 20.84	2,000 \$ 71.79	110.05	38.26	53.29%
4			3,000 \$ 74.25	115.36	41.11	55.37%
5	Tier One Rate:	\$ -	4,000 \$ 76.71	120.67	43.96	57.31%
6	Tier Two Rate:	\$ 2.46	5,000 \$ 79.17	125.98	46.81	59.13%
7	Tier Three Rate:	\$ 3.46	6,000 \$ 81.63	131.29	49.66	60.84%
8			7,000 \$ 84.09	136.60	52.51	62.44%
9	Tier One Breakover (M gal):	-	8,000 \$ 86.55	141.91	55.36	63.96%
10	Tier Two Breakover (M gal):	15	9,000 \$ 89.01	147.22	58.21	65.40%
11	Tier Three Breakover (M gal):	999,999	10,000 \$ 91.47	152.53	61.06	66.75%
12			12,000 \$ 96.39	163.15	66.76	69.26%
13			14,000 \$ 101.31	173.77	72.46	71.52%
14	Proposed Rates:		16,000 \$ 107.23	185.72	78.49	73.20%
15	Base Charge:	\$ 99.43	18,000 \$ 114.15	199.00	84.85	74.33%
16			20,000 \$ 121.07	212.28	91.21	75.34%
17			25,000 \$ 138.37	245.48	107.11	77.41%
18	Tier One Rate:	\$ -	30,000 \$ 155.67	278.68	123.01	79.02%
19	Tier Two Rate:	\$ 5.31	35,000 \$ 172.97	311.88	138.91	80.31%
20	Tier Three Rate:	\$ 6.64	40,000 \$ 190.27	345.08	154.81	81.36%
21			45,000 \$ 207.57	378.28	170.71	82.24%
22	Tier One Breakover (M gal):	-	50,000 \$ 224.87	411.48	186.61	82.99%
23	Tier Two Breakover (M gal):	15	60,000 \$ 259.47	477.88	218.41	84.18%
24	Tier Three Breakover (M gal):	999,999	70,000 \$ 294.07	544.28	250.21	85.09%
25			80,000 \$ 328.67	610.68	282.01	85.80%
26			90,000 \$ 363.27	677.08	313.81	86.38%
27			100,000 \$ 397.87	743.48	345.61	86.87%
28						
29		Average Usage				
30		4,616	\$ 78.23	\$ 123.94	\$ 45.71	58.43%
31		Median Usage				
32		1,528	\$ 70.63	\$ 107.54	\$ 36.91	52.26%
33						
34						

Class: All
 Meter Size: 1-1/2"
 Sub Class:

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	Present Rates:	-	\$ 133.73	\$ 198.85	\$ 65.12	48.70%
2	Base Charge:	\$ 92.05	1,000 \$ 136.19	204.16	67.97	49.91%
3	Debt Service Surcharge	\$ 41.68	2,000 \$ 138.65	209.47	70.82	51.08%
4			3,000 \$ 141.11	214.78	73.67	52.21%
5	Tier One Rate:	\$ -	4,000 \$ 143.57	220.09	76.52	53.30%
6	Tier Two Rate:	\$ 2.46	5,000 \$ 146.03	225.40	79.37	54.35%
7	Tier Three Rate:	\$ 3.46	6,000 \$ 148.49	230.71	82.22	55.37%
8			7,000 \$ 150.95	236.02	85.07	56.36%
9	Tier One Breakover (M gal):	-	8,000 \$ 153.41	241.33	87.92	57.31%
10	Tier Two Breakover (M gal):	34	9,000 \$ 155.87	246.64	90.77	58.23%
11	Tier Three Breakover (M gal):	999,999	10,000 \$ 158.33	251.95	93.62	59.13%
12			12,000 \$ 163.25	262.57	99.32	60.84%
13			14,000 \$ 168.17	273.19	105.02	62.45%
14	Proposed Rates:		16,000 \$ 173.09	283.81	110.72	63.97%
15	Base Charge:	\$ 198.85	18,000 \$ 178.01	294.43	116.42	65.40%
16			20,000 \$ 182.93	305.05	122.12	66.76%
17			25,000 \$ 195.23	331.60	136.37	69.85%
18	Tier One Rate:	\$ -	30,000 \$ 207.53	358.15	150.62	72.58%
19	Tier Two Rate:	\$ 5.31	35,000 \$ 220.83	391.35	170.52	77.22%
20	Tier Three Rate:	\$ 6.64	40,000 \$ 238.13	424.55	186.42	78.28%
21			45,000 \$ 255.43	457.75	202.32	79.21%
22	Tier One Breakover (M gal):	-	50,000 \$ 272.73	490.95	218.22	80.01%
23	Tier Two Breakover (M gal):	30	60,000 \$ 307.33	557.35	250.02	81.35%
24	Tier Three Breakover (M gal):	999,999	70,000 \$ 341.93	623.75	281.82	82.42%
25			80,000 \$ 376.53	690.15	313.62	83.29%
26			90,000 \$ 411.13	756.55	345.42	84.02%
27			100,000 \$ 445.73	822.95	377.22	84.63%
28						
29						
30		Average Usage	34,330 \$ 218.51	386.90	168.39	77.06%
31		Median Usage				
32			16,297 \$ 173.82	285.39	111.57	64.19%
33						
34						

Class: All
 Meter Size: 2"
 Sub Class:

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
1	Present Rates:	-	\$ 213.97	\$ 318.16	\$ 104.19	48.69%
2	Base Charge:	\$ 147.28	1,000 \$ 216.43	323.47	107.04	49.46%
3	Debt Service Surcharge	\$ 66.69	2,000 \$ 218.89	328.78	109.89	50.20%
4			3,000 \$ 221.35	334.09	112.74	50.93%
5	Tier One Rate:	\$ -	4,000 \$ 223.81	339.40	115.59	51.65%
6	Tier Two Rate:	\$ 2.46	5,000 \$ 226.27	344.71	118.44	52.34%
7	Tier Three Rate:	\$ 3.46	6,000 \$ 228.73	350.02	121.29	53.03%
8			7,000 \$ 231.19	355.33	124.14	53.70%
9	Tier One Breakover (M gal):	-	8,000 \$ 233.65	360.64	126.99	54.35%
10	Tier Two Breakover (M gal):	55	9,000 \$ 236.11	365.95	129.84	54.99%
11	Tier Three Breakover (M gal):	999,999	10,000 \$ 238.57	371.26	132.69	55.62%
12			12,000 \$ 243.49	381.88	138.39	56.84%
13			14,000 \$ 248.41	392.50	144.09	58.00%
14	Proposed Rates:		16,000 \$ 253.33	403.12	149.79	59.13%
15	Base Charge:	\$ 318.16	18,000 \$ 258.25	413.74	155.49	60.21%
16			20,000 \$ 263.17	424.36	161.19	61.25%
17			25,000 \$ 275.47	450.91	175.44	63.69%
18	Tier One Rate:	\$ -	30,000 \$ 287.77	477.46	189.69	65.92%
19	Tier Two Rate:	\$ 5.31	35,000 \$ 300.07	504.01	203.94	67.96%
20	Tier Three Rate:	\$ 6.64	40,000 \$ 312.37	530.56	218.19	69.85%
21			45,000 \$ 324.67	557.11	232.44	71.59%
22	Tier One Breakover (M gal):	-	50,000 \$ 336.97	583.66	246.69	73.21%
23	Tier Two Breakover (M gal):	50	60,000 \$ 366.57	650.06	283.49	77.34%
24	Tier Three Breakover (M gal):	999,999	70,000 \$ 401.17	716.46	315.29	78.59%
25			80,000 \$ 435.77	782.86	347.09	79.65%
26			90,000 \$ 470.37	849.26	378.89	80.55%
27			100,000 \$ 504.97	915.66	410.69	81.33%
28						
29		Average Usage				
30		9,029	\$ 236.18	\$ 366.10	\$ 129.92	55.01%
31		Median Usage				
32		6,348	\$ 229.59	\$ 351.87	\$ 122.28	53.26%
33						
34						

Class: All
 Meter Size: 3"
 Sub Class:

Line No.	Rate Schedules	Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase	
1	Present Rates:	-	\$ 419.60	\$ 636.32	\$ 216.72	51.65%	
2	Base Charge:	\$ 294.56	1,000 \$ 422.06	641.63	219.57	52.02%	
3	Debt Service Surcharge	\$ 125.04	2,000 \$ 424.52	646.94	222.42	52.39%	
4			3,000 \$ 426.98	652.25	225.27	52.76%	
5	Tier One Rate:	\$ -	4,000 \$ 429.44	657.56	228.12	53.12%	
6	Tier Two Rate:	\$ 2.46	5,000 \$ 431.90	662.87	230.97	53.48%	
7	Tier Three Rate:	\$ 3.46	6,000 \$ 434.36	668.18	233.82	53.83%	
8			7,000 \$ 436.82	673.49	236.67	54.18%	
9	Tier One Breakover (M gal):	-	8,000 \$ 439.28	678.80	239.52	54.53%	
10	Tier Two Breakover (M gal):	115	9,000 \$ 441.74	684.11	242.37	54.87%	
11	Tier Three Breakover (M gal):	999,999	10,000 \$ 444.20	689.42	245.22	55.20%	
12			12,000 \$ 449.12	700.04	250.92	55.87%	
13			14,000 \$ 454.04	710.66	256.62	56.52%	
14	Proposed Rates:		16,000 \$ 458.96	721.28	262.32	57.16%	
15	Base Charge:	\$ 636.32	18,000 \$ 463.88	731.90	268.02	57.78%	
16			20,000 \$ 468.80	742.52	273.72	58.39%	
17			25,000 \$ 481.10	769.07	287.97	59.86%	
18	Tier One Rate:	\$ -	30,000 \$ 493.40	795.62	302.22	61.25%	
19	Tier Two Rate:	\$ 5.31	35,000 \$ 505.70	822.17	316.47	62.58%	
20	Tier Three Rate:	\$ 6.64	40,000 \$ 518.00	848.72	330.72	63.85%	
21			45,000 \$ 530.30	875.27	344.97	65.05%	
22	Tier One Breakover (M gal):	-	50,000 \$ 542.60	901.82	359.22	66.20%	
23	Tier Two Breakover (M gal):	110	60,000 \$ 567.20	954.92	387.72	68.36%	
24	Tier Three Breakover (M gal):	999,999	70,000 \$ 591.80	1,008.02	416.22	70.33%	
25			80,000 \$ 616.40	1,061.12	444.72	72.15%	
26			90,000 \$ 641.00	1,114.22	473.22	73.83%	
27			100,000 \$ 665.60	1,167.32	501.72	75.38%	
28							
29			Average Usage				
30			13,765	\$ 453.46	\$ 709.41	\$ 255.95	56.44%
31			Median Usage				
32			527	\$ 420.90	\$ 639.12	\$ 218.22	51.85%
33							
34							

Class: Residential
 Meter Size: 5/8 x 3/4
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):	3	3	Base Charge:	\$ 18.41	\$ 39.77
Tier Two Breakover (M gal):	10	8	Debt Service Surcharge	\$ 8.34	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ 1.70	\$ 3.98
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills in Block	Average Consumption in Block	Consumption in Block	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	-	564	-	-	564	4.85%	-	0.00%
2	1	1,069	503	538,036	1,633	14.03%	538,036	0.72%
3	1,001	1,572	1,535	2,412,605	3,205	27.53%	2,950,641	3.93%
4	2,001	1,599	2,489	3,980,491	4,804	41.27%	6,931,132	9.23%
5	3,001	1,337	3,483	4,656,944	6,141	52.76%	11,588,076	15.42%
6	4,001	1,003	4,489	4,502,699	7,144	61.37%	16,090,775	21.42%
7	5,001	798	5,490	4,380,631	7,942	68.23%	20,471,406	27.25%
8	6,001	600	6,486	3,891,677	8,542	73.38%	24,363,083	32.43%
9	7,001	518	7,495	3,882,355	9,060	77.84%	28,245,438	37.60%
10	8,001	372	8,477	3,153,525	9,432	81.03%	31,398,963	41.79%
11	9,001	275	9,482	2,607,480	9,707	83.39%	34,006,443	45.27%
12	10,001	229	10,512	2,407,311	9,936	85.36%	36,413,754	48.47%
13	11,001	225	11,505	2,588,530	10,161	87.29%	39,002,284	51.91%
14	12,001	158	12,480	1,971,780	10,319	88.65%	40,974,064	54.54%
15	13,001	132	13,474	1,778,605	10,451	89.79%	42,752,669	56.91%
16	14,001	111	14,504	1,609,988	10,562	90.74%	44,362,657	59.05%
17	15,001	88	15,463	1,360,760	10,650	91.49%	45,723,417	60.86%
18	16,001	92	16,481	1,516,296	10,742	92.29%	47,239,713	62.88%
19	17,001	79	17,563	1,387,470	10,821	92.96%	48,627,183	64.73%
20	18,001	70	18,475	1,293,278	10,891	93.57%	49,920,461	66.45%
21	19,001	76	19,433	1,476,920	10,967	94.22%	51,397,381	68.41%
22	20,001	51	20,500	1,045,500	11,018	94.66%	52,442,881	69.81%
23	21,001	59	21,520	1,269,686	11,077	95.16%	53,712,567	71.50%
24	22,001	40	22,480	899,180	11,117	95.51%	54,611,747	72.69%
25	23,001	41	23,474	962,433	11,158	95.86%	55,574,180	73.97%
26	24,001	44	24,445	1,075,582	11,202	96.24%	56,649,762	75.40%
27	25,001	20	25,411	508,220	11,222	96.41%	57,157,982	76.08%
28	26,001	31	26,504	821,630	11,253	96.68%	57,979,612	77.18%
29	27,001	31	27,572	854,740	11,284	96.94%	58,834,352	78.31%
30	28,001	22	28,497	626,940	11,306	97.13%	59,461,292	79.15%
31	29,001	31	29,537	915,650	11,337	97.40%	60,376,942	80.37%
32	30,001	19	30,492	579,340	11,356	97.56%	60,956,282	81.14%
33	31,001	20	31,522	630,430	11,376	97.73%	61,586,712	81.98%
34	32,001	17	32,400	550,802	11,393	97.88%	62,137,514	82.71%
35	33,001	15	33,479	502,180	11,408	98.01%	62,639,694	83.38%
36	34,001	15	34,449	516,740	11,423	98.14%	63,156,434	84.07%
37	35,001	13	35,584	462,590	11,436	98.25%	63,619,024	84.68%
38	36,001	16	36,456	583,300	11,452	98.38%	64,202,324	85.46%
39	37,001	11	37,364	411,000	11,463	98.48%	64,613,324	86.01%
40	38,001	8	38,501	308,010	11,471	98.55%	64,921,334	86.42%
41	39,001	14	39,459	552,430	11,485	98.67%	65,473,764	87.15%
42	40,001	10	40,481	404,810	11,495	98.75%	65,878,574	87.69%
43	41,001	6	41,498	248,990	11,501	98.81%	66,127,564	88.02%
44	42,001	7	42,166	295,164	11,508	98.87%	66,422,728	88.41%
45	43,001	3	43,447	130,340	11,511	98.89%	66,553,068	88.59%
46	44,001	7	44,454	311,180	11,518	98.95%	66,864,248	89.00%
47	45,001	3	45,340	136,020	11,521	98.98%	67,000,268	89.18%
48	46,001	3	46,617	139,850	11,524	99.00%	67,140,118	89.37%
49	47,001	5	47,714	238,570	11,529	99.05%	67,378,688	89.69%
50	48,001	10	48,520	485,200	11,539	99.13%	67,863,888	90.33%
51	49,001	5	49,574	247,870	11,544	99.18%	68,111,758	90.66%
52	50,001	4	50,385	201,540	11,548	99.21%	68,313,298	90.93%
53	51,001	5	51,374	256,870	11,553	99.25%	68,570,168	91.27%

Class: Residential
 Meter Size: 5/8 x 3/4
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates
Tier One Breakover (M gal):	3	3
Tier Two Breakover (M gal):	10	8
Tier Three Breakover (M gal):	999,999	999,999

Charges	Present Rates	Proposed Rates
Base Charge:	\$ 18.41	\$ 39.77
Debt Service Surcharge	\$ 8.34	
Tier One Rate:	\$ 1.70	\$ 3.98
Tier Two Rate:	\$ 2.46	\$ 5.31
Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills in Block	Average Consumption in Block	Consumption in Block	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
54	52,001 - 53,000	1	52,120	52,120	11,554	99.26%	68,622,288	91.34%
55	53,001 - 54,000	5	53,392	266,960	11,559	99.30%	68,889,248	91.70%
56	54,001 - 55,000	4	54,613	218,450	11,563	99.34%	69,107,698	91.99%
57	55,001 - 56,000	3	55,720	167,160	11,566	99.36%	69,274,858	92.21%
58	56,001 - 57,000	1	56,860	56,860	11,567	99.37%	69,331,718	92.29%
59	57,001 - 58,000	3	57,653	172,960	11,570	99.40%	69,504,678	92.52%
60	58,001 - 59,000	2	58,300	116,600	11,572	99.42%	69,621,278	92.67%
61	59,001 - 60,000	2	59,925	119,850	11,574	99.43%	69,741,128	92.83%
62	60,001 - 61,000	8	60,370	482,960	11,582	99.50%	70,224,088	93.47%
63	61,001 - 62,000	4	61,513	246,050	11,586	99.54%	70,470,138	93.80%
64	62,001 - 63,000	3	62,593	187,780	11,589	99.56%	70,657,918	94.05%
65	63,001 - 64,000	-	-	-	11,589	99.56%	70,657,918	94.05%
66	64,001 - 65,000	1	64,110	64,110	11,590	99.57%	70,722,028	94.14%
67	65,001 - 66,000	2	65,425	130,850	11,592	99.59%	70,852,878	94.31%
68	66,001 - 67,000	-	-	-	11,592	99.59%	70,852,878	94.31%
69	67,001 - 68,000	2	67,600	135,200	11,594	99.60%	70,988,078	94.49%
70	68,001 - 69,000	2	68,750	137,500	11,596	99.62%	71,125,578	94.67%
71	69,001 - 70,000	1	69,260	69,260	11,597	99.63%	71,194,838	94.77%
72	70,001 - 71,000	1	70,200	70,200	11,598	99.64%	71,265,038	94.86%
73	71,001 - 72,000	1	71,050	71,050	11,599	99.65%	71,336,088	94.95%
74	72,001 - 73,000	2	72,595	145,190	11,601	99.66%	71,481,278	95.15%
75	73,001 - 74,000	2	73,365	146,730	11,603	99.68%	71,628,008	95.34%
76	74,001 - 75,000	2	74,405	148,810	11,605	99.70%	71,776,818	95.54%
77	75,001 - 76,000	1	75,930	75,930	11,606	99.71%	71,852,748	95.64%
78	76,001 - 77,000	-	-	-	11,606	99.71%	71,852,748	95.64%
79	77,001 - 78,000	-	-	-	11,606	99.71%	71,852,748	95.64%
80	78,001 - 79,000	2	78,575	157,150	11,608	99.73%	72,009,898	95.85%
81	79,001 - 80,000	2	79,950	159,900	11,610	99.74%	72,169,798	96.06%
82	80,001 - 81,000	1	80,050	80,050	11,611	99.75%	72,249,848	96.17%
83	81,001 - 82,000	1	81,020	81,020	11,612	99.76%	72,330,868	96.28%
84	82,001 - 83,000	-	-	-	11,612	99.76%	72,330,868	96.28%
85	83,001 - 84,000	2	83,325	166,650	11,614	99.78%	72,497,518	96.50%
86	84,001 - 85,000	2	84,310	168,620	11,616	99.79%	72,666,138	96.72%
87	85,001 - 86,000	3	85,373	256,120	11,619	99.82%	72,922,258	97.06%
88	86,001 - 87,000	2	86,620	173,240	11,621	99.84%	73,095,498	97.30%
89	87,001 - 88,000	1	87,810	87,810	11,622	99.85%	73,183,308	97.41%
90	88,001 - 89,000	1	88,870	88,870	11,623	99.85%	73,272,178	97.53%
91	89,001 - 90,000	1	89,650	89,650	11,624	99.86%	73,361,828	97.65%
92	90,001 - 91,000	1	90,710	90,710	11,625	99.87%	73,452,538	97.77%
93	91,001 - 92,000	-	-	-	11,625	99.87%	73,452,538	97.77%
94	92,001 - 93,000	2	92,970	185,940	11,627	99.89%	73,638,478	98.02%
95	93,001 - 94,000	-	-	-	11,627	99.89%	73,638,478	98.02%
96	94,001 - 95,000	-	-	-	11,627	99.89%	73,638,478	98.02%
97	95,001 - 96,000	-	-	-	11,627	99.89%	73,638,478	98.02%
98	96,001 - 97,000	1	96,060	96,060	11,628	99.90%	73,734,538	98.15%
99	97,001 - 98,000	-	-	-	11,628	99.90%	73,734,538	98.15%
100	98,001 - 99,000	2	98,450	196,900	11,630	99.91%	73,931,438	98.41%
101	99,001 - 100,000	-	-	-	11,630	99.91%	73,931,438	98.41%
102	100,350 - 100,350	1	100,350	100,350	11,631	99.92%	74,031,788	98.54%
103	101,450 - 101,450	1	101,450	101,450	11,632	99.93%	74,133,238	98.68%
104	101,580 - 101,580	1	101,580	101,580	11,633	99.94%	74,234,818	98.81%
105	104,810 - 104,810	1	104,810	104,810	11,634	99.95%	74,339,628	98.95%
106	108,260 - 108,260	1	108,260	108,260	11,635	99.96%	74,447,888	99.10%

Class: Residential
 Meter Size: 5/8 x 3/4
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	
			Present Rates	Proposed Rates
Base Charge:	\$ 18.41	\$ 39.77	\$ 18.41	\$ 39.77
Debt Service Surcharge	\$ 8.34		\$ 8.34	
Tier One Breakover (M gal):	3	3	\$ 1.70	\$ 3.98
Tier Two Breakover (M gal):	10	8	\$ 2.46	\$ 5.31
Tier Three Breakover (M gal):	999,999	999,999	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills in Block	Average Consumption in Block	Consumption in Block	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
107	116,960 - 116,960	1	116,960	116,960	11,636	99.97%	74,564,848	99.25%
108	117,200 - 117,200	1	117,200	117,200	11,637	99.97%	74,682,048	99.41%
109	117,300 - 117,300	1	117,300	117,300	11,638	99.98%	74,799,348	99.56%
110	138,010 - 138,010	1	138,010	138,010	11,639	99.99%	74,937,358	99.75%
111	190,000 - 190,000	1	190,000	190,000	11,640	100.00%	75,127,358	100.00%
112								
113	Totals	11,640		75,127,358	11,640		75,127,358	
114	Prorated Bills Reduction ¹	(38)						
115	Total Bills	11,602						

	Current Rates		Proposed Rates	
	Units	Revenue	Units	Revenue
118	Base Charge	11,602 \$ 213,593	11,602 \$ 461,412	
119	Average Number of Customers	967		
120	Usage (gallons)			
121	Average Consumption (gallons)	6,475		
122	Tier One	27,439,132 \$ 46,647	27,439,132 \$ 109,208	
123	Tier Two	25,897,311 63,707	21,446,306 113,880	
124	Tier Three	21,790,915 75,397	26,241,920 174,246	
125	Usage Totals	75,127,358	75,127,358	
126	Metered Revenue Total	\$ 399,343	\$ 858,746	
127	Debt Service Surcharge	11,602 96,761	11,602 -	
128	Total Revenue	\$ 496,104	\$ 858,746	

1 Customer Base Charges are prorated for billing periods less than 25 days and greater than 35 days. When homes change ownership during a month, two bills are generated. One for each owner for the portion of the month that owner took water service. The sum of the Minimum Charge billed on each of the two billings will approximately equal to the monthly minimum charge for the meter size. New accounts are also prorated for the first month of service and will average to approximately 1/2 of the Minimum Charge. The reduction in bill count is necessary to avoid double counting billing units during months when account ownership changes. The reduction is based on the actual number of meters in this class discontinuing and establishing service during the test year.

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

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):	3	3	Base Charge:	\$ 27.62	\$ 59.66
Tier Two Breakover (M gal):	10	8	Debt Service Surcharge	\$ 12.50	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ 1.70	\$ 3.98
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	-	9	-	-	9	21.95%	-	0.00%
2	1	8	260	2,080	17	41.46%	2,080	0.62%
3	1,001	2	1,215	2,430	19	46.34%	4,510	1.35%
4	2,001	3	2,310	6,930	22	53.66%	11,440	3.44%
5	3,001	2	3,505	7,010	24	58.54%	18,450	5.54%
6	4,001	-	-	-	24	58.54%	18,450	5.54%
7	5,001	2	5,420	10,840	26	63.41%	29,290	8.80%
8	6,001	-	-	-	26	63.41%	29,290	8.80%
9	7,001	1	7,010	7,010	27	65.85%	36,300	10.90%
10	8,001	1	8,700	8,700	28	68.29%	45,000	13.52%
11	9,001	1	9,940	9,940	29	70.73%	54,940	16.50%
12	10,001	1	10,520	10,520	30	73.17%	65,460	19.66%
13	11,001	-	-	-	30	73.17%	65,460	19.66%
14	12,001	5	12,638	63,190	35	85.37%	128,650	38.65%
15	13,001	1	13,120	13,120	36	87.80%	141,770	42.59%
16	14,001	1	14,550	14,550	37	90.24%	156,320	46.96%
17	15,001	1	15,160	15,160	38	92.68%	171,480	51.51%
18	16,001	1	16,080	16,080	39	95.12%	187,560	56.34%
19	17,001	-	-	-	39	95.12%	187,560	56.34%
20	18,001	-	-	-	39	95.12%	187,560	56.34%
21	19,001	-	-	-	39	95.12%	187,560	56.34%
22	20,001	-	-	-	39	95.12%	187,560	56.34%
23	21,001	-	-	-	39	95.12%	187,560	56.34%
24	22,001	-	-	-	39	95.12%	187,560	56.34%
25	23,001	-	-	-	39	95.12%	187,560	56.34%
26	24,001	-	-	-	39	95.12%	187,560	56.34%
27	25,001	-	-	-	39	95.12%	187,560	56.34%
28	26,001	-	-	-	39	95.12%	187,560	56.34%
29	27,001	-	-	-	39	95.12%	187,560	56.34%
30	28,001	-	-	-	39	95.12%	187,560	56.34%
31	29,001	-	-	-	39	95.12%	187,560	56.34%
32	30,001	-	-	-	39	95.12%	187,560	56.34%
33	31,001	-	-	-	39	95.12%	187,560	56.34%
34	32,001	-	-	-	39	95.12%	187,560	56.34%
35	33,001	-	-	-	39	95.12%	187,560	56.34%
36	34,001	-	-	-	39	95.12%	187,560	56.34%
37	35,001	-	-	-	39	95.12%	187,560	56.34%
38	36,001	-	-	-	39	95.12%	187,560	56.34%
39	37,001	-	-	-	39	95.12%	187,560	56.34%
40	38,001	-	-	-	39	95.12%	187,560	56.34%
41	39,001	-	-	-	39	95.12%	187,560	56.34%
42	40,001	-	-	-	39	95.12%	187,560	56.34%
43	41,001	-	-	-	39	95.12%	187,560	56.34%
44	42,001	-	-	-	39	95.12%	187,560	56.34%
45	43,001	-	-	-	39	95.12%	187,560	56.34%
46	44,001	-	-	-	39	95.12%	187,560	56.34%
47	45,001	-	-	-	39	95.12%	187,560	56.34%
48	46,001	-	-	-	39	95.12%	187,560	56.34%
49	47,001	-	-	-	39	95.12%	187,560	56.34%
50	48,001	-	-	-	39	95.12%	187,560	56.34%
51	49,001	-	-	-	39	95.12%	187,560	56.34%
52	50,001	-	-	-	39	95.12%	187,560	56.34%
53	51,001	-	-	-	39	95.12%	187,560	56.34%

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

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):	3	3	Base Charge:	\$ 27.62	\$ 59.66
Tier Two Breakover (M gal):	10	8	Debt Service Surcharge	\$ 12.50	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ 1.70	\$ 3.98
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
54	52,001 - 53,000	-	-	-	39	95.12%	187,560	56.34%
55	53,001 - 54,000	-	-	-	39	95.12%	187,560	56.34%
56	54,001 - 55,000	-	-	-	39	95.12%	187,560	56.34%
57	55,001 - 56,000	-	-	-	39	95.12%	187,560	56.34%
58	56,001 - 57,000	-	-	-	39	95.12%	187,560	56.34%
59	57,001 - 58,000	-	-	-	39	95.12%	187,560	56.34%
60	58,001 - 59,000	-	-	-	39	95.12%	187,560	56.34%
61	59,001 - 60,000	-	-	-	39	95.12%	187,560	56.34%
62	60,001 - 61,000	-	-	-	39	95.12%	187,560	56.34%
63	61,001 - 62,000	-	-	-	39	95.12%	187,560	56.34%
64	62,001 - 63,000	-	-	-	39	95.12%	187,560	56.34%
65	63,001 - 64,000	-	-	-	39	95.12%	187,560	56.34%
66	64,001 - 65,000	-	-	-	39	95.12%	187,560	56.34%
67	65,001 - 66,000	-	-	-	39	95.12%	187,560	56.34%
68	66,001 - 67,000	-	-	-	39	95.12%	187,560	56.34%
69	67,001 - 68,000	-	-	-	39	95.12%	187,560	56.34%
70	68,001 - 69,000	-	-	-	39	95.12%	187,560	56.34%
71	69,001 - 70,000	-	-	-	39	95.12%	187,560	56.34%
72	70,001 - 71,000	1	70,420	70,420	40	97.56%	257,980	77.49%
73	71,001 - 72,000	-	-	-	40	97.56%	257,980	77.49%
74	72,001 - 73,000	-	-	-	40	97.56%	257,980	77.49%
75	73,001 - 74,000	-	-	-	40	97.56%	257,980	77.49%
76	74,001 - 75,000	1	74,920	74,920	41	100.00%	332,900	100.00%
77	75,001 - 76,000	-	-	-	41	100.00%	332,900	100.00%
78	76,001 - 77,000	-	-	-	41	100.00%	332,900	100.00%
79	77,001 - 78,000	-	-	-	41	100.00%	332,900	100.00%
80	78,001 - 79,000	-	-	-	41	100.00%	332,900	100.00%
81	79,001 - 80,000	-	-	-	41	100.00%	332,900	100.00%
82	80,001 - 81,000	-	-	-	41	100.00%	332,900	100.00%
83	81,001 - 82,000	-	-	-	41	100.00%	332,900	100.00%
84	82,001 - 83,000	-	-	-	41	100.00%	332,900	100.00%
85	83,001 - 84,000	-	-	-	41	100.00%	332,900	100.00%
86	84,001 - 85,000	-	-	-	41	100.00%	332,900	100.00%
87	85,001 - 86,000	-	-	-	41	100.00%	332,900	100.00%
88	86,001 - 87,000	-	-	-	41	100.00%	332,900	100.00%
89	87,001 - 88,000	-	-	-	41	100.00%	332,900	100.00%
90	88,001 - 89,000	-	-	-	41	100.00%	332,900	100.00%
91	89,001 - 90,000	-	-	-	41	100.00%	332,900	100.00%
92	90,001 - 91,000	-	-	-	41	100.00%	332,900	100.00%
93	91,001 - 92,000	-	-	-	41	100.00%	332,900	100.00%
94	92,001 - 93,000	-	-	-	41	100.00%	332,900	100.00%
95	93,001 - 94,000	-	-	-	41	100.00%	332,900	100.00%
96	94,001 - 95,000	-	-	-	41	100.00%	332,900	100.00%
97	95,001 - 96,000	-	-	-	41	100.00%	332,900	100.00%
98	96,001 - 97,000	-	-	-	41	100.00%	332,900	100.00%
99	97,001 - 98,000	-	-	-	41	100.00%	332,900	100.00%
100	98,001 - 99,000	-	-	-	41	100.00%	332,900	100.00%
101	99,001 - 100,000	-	-	-	41	100.00%	332,900	100.00%

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

Rate Tiers	Present Rates	Proposed Rates	Charges	
			Present Rates	Proposed Rates
Base Charge:	\$ 27.62	\$ 59.66	Base Charge:	\$ 27.62
Debt Service Surcharge	\$ 12.50		Debt Service Surcharge	\$ 12.50
Tier One Breakover (M gal):	3	3	Tier One Rate:	\$ 1.70
Tier Two Breakover (M gal):	10	8	Tier Two Rate:	\$ 2.46
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$ 3.46
				\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
102								
103	Totals	41		332,900	41		332,900	
104	Prorated Bills Reduction ¹	-						
105	Total Bills	41						
106								
107								
108								
109	Average Number of Customers		3					
110								
111	Average Consumption (gallons)		8,120					
112								
113	Median Consumption (gallons)		2,310					
114								
115								
116								
117								
118								
119								
120								
121								
122								
123								
124								

1 Customer Base Charges are prorated for billing periods less than 25 days and greater than 35 days. When homes change ownership during a month, two bills are generated. One for each owner for the portion of the month that owner took water service. The sum of the Minimum Charge billed on each of the two billings will approximately equal to the monthly minimum charge for the meter size. New accounts are also prorated for the first month of service and will average to approximately 1/2 of the Minimum Charge. The reduction in bill count is necessary to avoid double counting billing units during months when account ownership changes. The reduction is based on the actual number of meters in this class discontinuing and establishing service during the test year.

Class: Residential
 Meter Size: 1"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-	Base Charge:	\$ 46.03	\$ 99.43
Tier Two Breakover (M gal):	15	15	Debt Service Surcharge	\$ 20.84	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ -	\$ -
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	-	7	-	-	7	5.60%	-	0.00%
2	1	2	80	160	9	7.20%	160	0.01%
3	1,001	3	1,530	4,590	12	9.60%	4,750	0.19%
4	2,001	8	2,618	20,940	20	16.00%	25,690	1.02%
5	3,001	2	3,305	6,610	22	17.60%	32,300	1.29%
6	4,001	7	4,569	31,980	29	23.20%	64,280	2.56%
7	5,001	10	5,448	54,480	39	31.20%	118,760	4.74%
8	6,001	7	6,531	45,720	46	36.80%	164,480	6.56%
9	7,001	10	7,431	74,310	56	44.80%	238,790	9.52%
10	8,001	4	8,645	34,580	60	48.00%	273,370	10.90%
11	9,001	2	9,770	19,540	62	49.60%	292,910	11.68%
12	10,001	2	10,100	20,200	64	51.20%	313,110	12.49%
13	11,001	2	11,700	23,400	66	52.80%	336,510	13.42%
14	12,001	1	12,100	12,100	67	53.60%	348,610	13.90%
15	13,001	2	13,805	27,610	69	55.20%	376,220	15.01%
16	14,001	2	14,705	29,410	71	56.80%	405,630	16.18%
17	15,001	-	-	-	71	56.80%	405,630	16.18%
18	16,001	2	16,725	33,450	73	58.40%	439,080	17.51%
19	17,001	2	17,745	35,490	75	60.00%	474,570	18.93%
20	18,001	2	18,930	37,860	77	61.60%	512,430	20.44%
21	19,001	-	-	-	77	61.60%	512,430	20.44%
22	20,001	4	20,370	81,480	81	64.80%	593,910	23.69%
23	21,001	3	21,410	64,230	84	67.20%	658,140	26.25%
24	22,001	2	22,455	44,910	86	68.80%	703,050	28.04%
25	23,001	2	23,790	47,580	88	70.40%	750,630	29.94%
26	24,001	-	-	-	88	70.40%	750,630	29.94%
27	25,001	3	25,713	77,140	91	72.80%	827,770	33.01%
28	26,001	2	26,370	52,740	93	74.40%	880,510	35.12%
29	27,001	3	27,312	81,935	96	76.80%	962,445	38.39%
30	28,001	1	28,710	28,710	97	77.60%	991,155	39.53%
31	29,001	1	29,300	29,300	98	78.40%	1,020,455	40.70%
32	30,001	1	30,030	30,030	99	79.20%	1,050,485	41.90%
33	31,001	2	31,465	62,930	101	80.80%	1,113,415	44.41%
34	32,001	-	-	-	101	80.80%	1,113,415	44.41%
35	33,001	1	33,350	33,350	102	81.60%	1,146,765	45.74%
36	34,001	-	-	-	102	81.60%	1,146,765	45.74%
37	35,001	3	35,373	106,120	105	84.00%	1,252,885	49.97%
38	36,001	1	36,600	36,600	106	84.80%	1,289,485	51.43%
39	37,001	1	37,020	37,020	107	85.60%	1,326,505	52.91%
40	38,001	1	38,950	38,950	108	86.40%	1,365,455	54.46%
41	39,001	-	-	-	108	86.40%	1,365,455	54.46%
42	40,001	-	-	-	108	86.40%	1,365,455	54.46%
43	41,001	-	-	-	108	86.40%	1,365,455	54.46%
44	42,001	-	-	-	108	86.40%	1,365,455	54.46%
45	43,001	-	-	-	108	86.40%	1,365,455	54.46%
46	44,001	1	44,100	44,100	109	87.20%	1,409,555	56.22%
47	45,001	1	45,310	45,310	110	88.00%	1,454,865	58.03%
48	46,001	-	-	-	110	88.00%	1,454,865	58.03%
49	47,001	-	-	-	110	88.00%	1,454,865	58.03%
50	48,001	-	-	-	110	88.00%	1,454,865	58.03%
51	49,001	2	49,200	98,400	112	89.60%	1,553,265	61.95%
52	50,001	-	-	-	112	89.60%	1,553,265	61.95%
53	51,001	-	-	-	112	89.60%	1,553,265	61.95%

Class: Residential
 Meter Size: 1"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	
			Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-	Base Charge:	\$ 46.03 \$ 99.43
Tier Two Breakover (M gal):	15	15	Debt Service Surcharge	\$ 20.84
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ - \$ -
			Tier Two Rate:	\$ 2.46 \$ 5.31
			Tier Three Rate:	\$ 3.46 \$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
54	52,001 - 53,000	1	52,690	52,690	113	90.40%	1,605,955	64.05%
55	53,001 - 54,000	-	-	-	113	90.40%	1,605,955	64.05%
56	54,001 - 55,000	-	-	-	113	90.40%	1,605,955	64.05%
57	55,001 - 56,000	1	55,600	55,600	114	91.20%	1,661,555	66.27%
58	56,001 - 57,000	-	-	-	114	91.20%	1,661,555	66.27%
59	57,001 - 58,000	1	57,200	57,200	115	92.00%	1,718,755	68.55%
60	58,001 - 59,000	-	-	-	115	92.00%	1,718,755	68.55%
61	59,001 - 60,000	-	-	-	115	92.00%	1,718,755	68.55%
62	60,001 - 61,000	-	-	-	115	92.00%	1,718,755	68.55%
63	61,001 - 62,000	-	-	-	115	92.00%	1,718,755	68.55%
64	62,001 - 63,000	-	-	-	115	92.00%	1,718,755	68.55%
65	63,001 - 64,000	2	63,390	126,780	117	93.60%	1,845,535	73.61%
66	64,001 - 65,000	1	64,910	64,910	118	94.40%	1,910,445	76.20%
67	65,001 - 66,000	1	65,750	65,750	119	95.20%	1,976,195	78.82%
68	66,001 - 67,000	-	-	-	119	95.20%	1,976,195	78.82%
69	67,001 - 68,000	-	-	-	119	95.20%	1,976,195	78.82%
70	68,001 - 69,000	-	-	-	119	95.20%	1,976,195	78.82%
71	69,001 - 70,000	-	-	-	119	95.20%	1,976,195	78.82%
72	70,001 - 71,000	-	-	-	119	95.20%	1,976,195	78.82%
73	71,001 - 72,000	-	-	-	119	95.20%	1,976,195	78.82%
74	72,001 - 73,000	1	72,280	72,280	120	96.00%	2,048,475	81.70%
75	73,001 - 74,000	1	73,810	73,810	121	96.80%	2,122,285	84.64%
76	74,001 - 75,000	-	-	-	121	96.80%	2,122,285	84.64%
77	75,001 - 76,000	-	-	-	121	96.80%	2,122,285	84.64%
78	76,001 - 77,000	-	-	-	121	96.80%	2,122,285	84.64%
79	77,001 - 78,000	-	-	-	121	96.80%	2,122,285	84.64%
80	78,001 - 79,000	-	-	-	121	96.80%	2,122,285	84.64%
81	79,001 - 80,000	-	-	-	121	96.80%	2,122,285	84.64%
82	80,001 - 81,000	-	-	-	121	96.80%	2,122,285	84.64%
83	81,001 - 82,000	-	-	-	121	96.80%	2,122,285	84.64%
84	82,001 - 83,000	-	-	-	121	96.80%	2,122,285	84.64%
85	83,001 - 84,000	-	-	-	121	96.80%	2,122,285	84.64%
86	84,001 - 85,000	-	-	-	121	96.80%	2,122,285	84.64%
87	85,001 - 86,000	1	85,290	85,290	122	97.60%	2,207,575	88.05%
88	86,001 - 87,000	2	86,220	172,440	124	99.20%	2,380,015	94.92%
89	87,001 - 88,000	-	-	-	124	99.20%	2,380,015	94.92%
90	88,001 - 89,000	-	-	-	124	99.20%	2,380,015	94.92%
91	89,001 - 90,000	-	-	-	124	99.20%	2,380,015	94.92%
92	90,001 - 91,000	-	-	-	124	99.20%	2,380,015	94.92%
93	91,001 - 92,000	-	-	-	124	99.20%	2,380,015	94.92%
94	92,001 - 93,000	-	-	-	124	99.20%	2,380,015	94.92%
95	93,001 - 94,000	-	-	-	124	99.20%	2,380,015	94.92%
96	94,001 - 95,000	-	-	-	124	99.20%	2,380,015	94.92%
97	95,001 - 96,000	-	-	-	124	99.20%	2,380,015	94.92%
98	96,001 - 97,000	-	-	-	124	99.20%	2,380,015	94.92%
99	97,001 - 98,000	-	-	-	124	99.20%	2,380,015	94.92%
100	98,001 - 99,000	-	-	-	124	99.20%	2,380,015	94.92%
101	99,001 - 100,000	-	-	-	124	99.20%	2,380,015	94.92%
102	127,280 - 127,280	1	127,280	127,280	125	100.00%	2,507,295	100.00%

Class: Residential
 Meter Size: 1"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	
			Present Rates	Proposed Rates
Base Charge:	\$ -	\$ -	\$ 46.03	\$ 99.43
Debt Service Surcharge	\$ 15	\$ 15	\$ 20.84	
Tier One Breakover (M gal):	-	-	Tier One Rate: \$ -	\$ -
Tier Two Breakover (M gal):	15	15	Tier Two Rate: \$ 2.46	\$ 5.31
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate: \$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
103								
104	Totals	125		2,507,295	125		2,507,295	
105	Prorated Bills Reduction ¹	(1)						
106	Total Bills	124						

Line No.	Description	Current Rates		Proposed Rates	
		Units	Revenue	Units	Revenue
109	Base Charge	124	\$ 5,708	124	\$ 12,329
110	Average Number of Customers		10		
111	Usage (gallons)				
112	Average Consumption (gallons)		20,220		
113	Tier One	-	\$ -	-	\$ -
114	Tier Two	1,215,630	2,990	1,215,630	6,455
115	Tier Three	1,291,665	4,469	1,291,665	8,577
116	Usage Totals	2,507,295		2,507,295	
117	Metered Revenue Total		\$ 13,167		\$ 27,361
118	Debt Service Surcharge	124	2,584	124	-
119	Total Revenue		\$ 15,751		\$ 27,361

119 ¹Customer Base Charges are prorated for billing periods less than 25 days and greater than 35 days.
 120 When homes change ownership during a month, two bills are generated. One for each owner for the portion of
 121 the month that owner took water service. The sum of the Minimum Charge billed on each of the two billings
 122 will approximately equal to the monthly minimum charge for the meter size. New accounts are also prorated
 123 for the first month of service and will average to approximately 1/2 of the Minimum Charge. The reduction in bill count
 124 is necessary to avoid double counting billing units during months when account ownership changes. The reduction is
 125 based on the actual number of meters in this class discontinuing and establishing service during the test year.

Class: Commercial
 Meter Size: 5/8"x3/4"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-	Base Charge:	\$ 18.41	\$ 39.77
Tier Two Breakover (M gal):	10	8	Debt Service Surcharge	\$ 8.34	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ -	\$ -
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	-	25	-	-	25	5.39%	-	0.00%
2	1	105	437	45,890	130	28.02%	45,890	1.44%
3	1,001	72	1,437	103,470	202	43.53%	149,360	4.70%
4	2,001	48	2,426	116,460	250	53.88%	265,820	8.37%
5	3,001	28	3,527	98,750	278	59.91%	364,570	11.48%
6	4,001	27	4,399	118,780	305	65.73%	483,350	15.22%
7	5,001	9	5,453	49,080	314	67.67%	532,430	16.76%
8	6,001	11	6,463	71,090	325	70.04%	603,520	19.00%
9	7,001	11	7,556	83,120	336	72.41%	686,640	21.62%
10	8,001	14	8,531	119,440	350	75.43%	806,080	25.38%
11	9,001	9	9,601	86,410	359	77.37%	892,490	28.10%
12	10,001	11	10,425	114,670	370	79.74%	1,007,160	31.71%
13	11,001	8	11,544	92,350	378	81.47%	1,099,510	34.62%
14	12,001	6	12,413	74,480	384	82.76%	1,173,990	36.96%
15	13,001	10	13,538	135,380	394	84.91%	1,309,370	41.22%
16	14,001	8	14,521	116,170	402	86.64%	1,425,540	44.88%
17	15,001	7	15,527	108,690	409	88.15%	1,534,230	48.30%
18	16,001	7	16,463	115,240	416	89.66%	1,649,470	51.93%
19	17,001	2	17,500	35,000	418	90.09%	1,684,470	53.03%
20	18,001	3	18,410	55,230	421	90.73%	1,739,700	54.77%
21	19,001	5	19,492	97,460	426	91.81%	1,837,160	57.84%
22	20,001	3	20,423	61,270	429	92.46%	1,898,430	59.77%
23	21,001	3	21,443	64,330	432	93.10%	1,962,760	61.79%
24	22,001	-	-	-	432	93.10%	1,962,760	61.79%
25	23,001	-	-	-	432	93.10%	1,962,760	61.79%
26	24,001	1	24,290	24,290	433	93.32%	1,987,050	62.56%
27	25,001	1	25,350	25,350	434	93.53%	2,012,400	63.35%
28	26,001	1	26,090	26,090	435	93.75%	2,038,490	64.18%
29	27,001	3	27,377	82,130	438	94.40%	2,120,620	66.76%
30	28,001	1	28,560	28,560	439	94.61%	2,149,180	67.66%
31	29,001	1	29,870	29,870	440	94.83%	2,179,050	68.60%
32	30,001	-	-	-	440	94.83%	2,179,050	68.60%
33	31,001	1	31,920	31,920	441	95.04%	2,210,970	69.61%
34	32,001	1	32,060	32,060	442	95.26%	2,243,030	70.62%
35	33,001	3	33,643	100,930	445	95.91%	2,343,960	73.79%
36	34,001	-	-	-	445	95.91%	2,343,960	73.79%
37	35,001	1	35,170	35,170	446	96.12%	2,379,130	74.90%
38	36,001	1	36,230	36,230	447	96.34%	2,415,360	76.04%
39	37,001	1	37,730	37,730	448	96.55%	2,453,090	77.23%
40	38,001	4	38,628	154,510	452	97.41%	2,607,600	82.09%
41	39,001	1	39,110	39,110	453	97.63%	2,646,710	83.32%
42	40,001	3	40,293	120,880	456	98.28%	2,767,590	87.13%
43	41,001	2	41,595	83,190	458	98.71%	2,850,780	89.75%
44	42,001	1	42,720	42,720	459	98.92%	2,893,500	91.09%
45	43,001	2	43,420	86,840	461	99.35%	2,980,340	93.83%
46	44,001	-	-	-	461	99.35%	2,980,340	93.83%
47	45,001	-	-	-	461	99.35%	2,980,340	93.83%
48	46,001	-	-	-	461	99.35%	2,980,340	93.83%
49	47,001	-	-	-	461	99.35%	2,980,340	93.83%
50	48,001	-	-	-	461	99.35%	2,980,340	93.83%
51	49,001	-	-	-	461	99.35%	2,980,340	93.83%
52	50,001	-	-	-	461	99.35%	2,980,340	93.83%
53	51,001	-	-	-	461	99.35%	2,980,340	93.83%

Class: Commercial
 Meter Size: 5/8"x3/4"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-	Base Charge:	\$ 18.41	\$ 39.77
Tier Two Breakover (M gal):	10	8	Debt Service Surcharge	\$ 8.34	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ -	\$ -
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
54	52,001 - 53,000	-	-	-	461	99.35%	2,980,340	93.83%
55	53,001 - 54,000	-	-	-	461	99.35%	2,980,340	93.83%
56	54,001 - 55,000	-	-	-	461	99.35%	2,980,340	93.83%
57	55,001 - 56,000	-	-	-	461	99.35%	2,980,340	93.83%
58	56,001 - 57,000	-	-	-	461	99.35%	2,980,340	93.83%
59	57,001 - 58,000	-	-	-	461	99.35%	2,980,340	93.83%
60	58,001 - 59,000	1	58,810	58,810	462	99.57%	3,039,150	95.68%
61	59,001 - 60,000	-	-	-	462	99.57%	3,039,150	95.68%
62	60,001 - 61,000	-	-	-	462	99.57%	3,039,150	95.68%
63	61,001 - 62,000	-	-	-	462	99.57%	3,039,150	95.68%
64	62,001 - 63,000	-	-	-	462	99.57%	3,039,150	95.68%
65	63,001 - 64,000	-	-	-	462	99.57%	3,039,150	95.68%
66	64,001 - 65,000	-	-	-	462	99.57%	3,039,150	95.68%
67	65,001 - 66,000	-	-	-	462	99.57%	3,039,150	95.68%
68	66,001 - 67,000	-	-	-	462	99.57%	3,039,150	95.68%
69	67,001 - 68,000	1	67,440	67,440	463	99.78%	3,106,590	97.80%
70	68,001 - 69,000	-	-	-	463	99.78%	3,106,590	97.80%
71	69,001 - 70,000	1	69,800	69,800	464	100.00%	3,176,390	100.00%
72	70,001 - 71,000	-	-	-	464	100.00%	3,176,390	100.00%
73	71,001 - 72,000	-	-	-	464	100.00%	3,176,390	100.00%
74	72,001 - 73,000	-	-	-	464	100.00%	3,176,390	100.00%
75	73,001 - 74,000	-	-	-	464	100.00%	3,176,390	100.00%
76	74,001 - 75,000	-	-	-	464	100.00%	3,176,390	100.00%
77	75,001 - 76,000	-	-	-	464	100.00%	3,176,390	100.00%
78	76,001 - 77,000	-	-	-	464	100.00%	3,176,390	100.00%
79	77,001 - 78,000	-	-	-	464	100.00%	3,176,390	100.00%
80	78,001 - 79,000	-	-	-	464	100.00%	3,176,390	100.00%
81	79,001 - 80,000	-	-	-	464	100.00%	3,176,390	100.00%
82	80,001 - 81,000	-	-	-	464	100.00%	3,176,390	100.00%
83	81,001 - 82,000	-	-	-	464	100.00%	3,176,390	100.00%
84	82,001 - 83,000	-	-	-	464	100.00%	3,176,390	100.00%
85	83,001 - 84,000	-	-	-	464	100.00%	3,176,390	100.00%
86	84,001 - 85,000	-	-	-	464	100.00%	3,176,390	100.00%
87	85,001 - 86,000	-	-	-	464	100.00%	3,176,390	100.00%
88	86,001 - 87,000	-	-	-	464	100.00%	3,176,390	100.00%
89	87,001 - 88,000	-	-	-	464	100.00%	3,176,390	100.00%
90	88,001 - 89,000	-	-	-	464	100.00%	3,176,390	100.00%
91	89,001 - 90,000	-	-	-	464	100.00%	3,176,390	100.00%
92	90,001 - 91,000	-	-	-	464	100.00%	3,176,390	100.00%
93	91,001 - 92,000	-	-	-	464	100.00%	3,176,390	100.00%
94	92,001 - 93,000	-	-	-	464	100.00%	3,176,390	100.00%
95	93,001 - 94,000	-	-	-	464	100.00%	3,176,390	100.00%
96	94,001 - 95,000	-	-	-	464	100.00%	3,176,390	100.00%
97	95,001 - 96,000	-	-	-	464	100.00%	3,176,390	100.00%
98	96,001 - 97,000	-	-	-	464	100.00%	3,176,390	100.00%
99	97,001 - 98,000	-	-	-	464	100.00%	3,176,390	100.00%
100	98,001 - 99,000	-	-	-	464	100.00%	3,176,390	100.00%
101	99,001 - 100,000	-	-	-	464	100.00%	3,176,390	100.00%

Class: Commercial
 Meter Size: 5/8"x3/4"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-	Base Charge:	\$ 18.41	\$ 39.77
Tier Two Breakover (M gal):	10	8	Debt Service Surcharge	\$ 8.34	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ -	\$ -
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
102								
103	Totals	464		3,176,390	464		3,176,390	
104	Prorated Bills Reduction ¹	(1)						
105	Total Bills	463						

Line No.	Description	Current Rates		Proposed Rates	
		Units	Revenue	Units	Revenue
108	Base Charge	463	\$ 8,524	463	\$ 18,414
109	Average Number of Customers		39		
110	Usage (gallons)				
111	Average Consumption (gallons)		6,860		
112	Tier One	-	\$ -	-	\$ -
113	Tier Two	1,942,490	4,779	1,710,640	9,084
114	Tier Three	1,233,900	4,269	1,465,750	9,733
115	Usage Totals	3,176,390		3,176,390	
116	Metered Revenue Total		\$ 17,572		\$ 37,230
117	Debt Service Surcharge	463	3,861	463	-
118	Total Revenue		\$ 21,433		\$ 37,230

118 ¹Customer Base Charges are prorated for billing periods less than 25 days and greater than 35 days.
 119 When homes change ownership during a month, two bills are generated. One for each owner for the portion of
 120 the month that owner took water service. The sum of the Minimum Charge billed on each of the two billings
 121 will approximately equal to the monthly minimum charge for the meter size. New accounts are also prorated
 122 for the first month of service and will average to approximately 1/2 of the Minimum Charge. The reduction in bill count
 123 is necessary to avoid double counting billing units during months when account ownership changes. The reduction is
 124 based on the actual number of meters in this class discontinuing and establishing service during the test year.

Class: Commercial
 Meter Size: 1"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-	Base Charge:	\$ 46.03	\$ 99.43
Tier Two Breakover (M gal):	15	15	Debt Service Surcharge	\$ 20.84	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ -	\$ -
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	-	13	-	-	13	20.97%	-	0.00%
2	1	15	548	8,220	28	45.16%	8,220	2.87%
3	1,001	5	1,528	7,640	33	53.23%	15,860	5.54%
4	2,001	3	2,330	6,990	36	58.06%	22,850	7.98%
5	3,001	5	3,672	18,360	41	66.13%	41,210	14.40%
6	4,001	3	4,463	13,390	44	70.97%	54,600	19.08%
7	5,001	2	5,610	11,220	46	74.19%	65,820	23.00%
8	6,001	3	6,197	18,590	49	79.03%	84,410	29.49%
9	7,001	1	7,300	7,300	50	80.65%	91,710	32.04%
10	8,001	-	-	-	50	80.65%	91,710	32.04%
11	9,001	-	-	-	50	80.65%	91,710	32.04%
12	10,001	1	10,490	10,490	51	82.26%	102,200	35.71%
13	11,001	-	-	-	51	82.26%	102,200	35.71%
14	12,001	-	-	-	51	82.26%	102,200	35.71%
15	13,001	1	13,290	13,290	52	83.87%	115,490	40.35%
16	14,001	2	14,265	28,530	54	87.10%	144,020	50.32%
17	15,001	1	15,210	15,210	55	88.71%	159,230	55.64%
18	16,001	2	16,610	33,220	57	91.94%	192,450	67.24%
19	17,001	2	17,420	34,840	59	95.16%	227,290	79.42%
20	18,001	1	18,490	18,490	60	96.77%	245,780	85.88%
21	19,001	-	-	-	60	96.77%	245,780	85.88%
22	20,001	2	20,210	40,420	62	100.00%	286,200	100.00%
23	21,001	-	-	-	62	100.00%	286,200	100.00%
24	22,001	-	-	-	62	100.00%	286,200	100.00%
25	23,001	-	-	-	62	100.00%	286,200	100.00%
26	24,001	-	-	-	62	100.00%	286,200	100.00%
27	25,001	-	-	-	62	100.00%	286,200	100.00%
28	26,001	-	-	-	62	100.00%	286,200	100.00%
29	27,001	-	-	-	62	100.00%	286,200	100.00%
30	28,001	-	-	-	62	100.00%	286,200	100.00%
31	29,001	-	-	-	62	100.00%	286,200	100.00%
32	30,001	-	-	-	62	100.00%	286,200	100.00%
33	31,001	-	-	-	62	100.00%	286,200	100.00%
34	32,001	-	-	-	62	100.00%	286,200	100.00%
35	33,001	-	-	-	62	100.00%	286,200	100.00%
36	34,001	-	-	-	62	100.00%	286,200	100.00%
37	35,001	-	-	-	62	100.00%	286,200	100.00%
38	36,001	-	-	-	62	100.00%	286,200	100.00%
39	37,001	-	-	-	62	100.00%	286,200	100.00%
40	38,001	-	-	-	62	100.00%	286,200	100.00%
41	39,001	-	-	-	62	100.00%	286,200	100.00%
42	40,001	-	-	-	62	100.00%	286,200	100.00%
43	41,001	-	-	-	62	100.00%	286,200	100.00%
44	42,001	-	-	-	62	100.00%	286,200	100.00%
45	43,001	-	-	-	62	100.00%	286,200	100.00%
46	44,001	-	-	-	62	100.00%	286,200	100.00%
47	45,001	-	-	-	62	100.00%	286,200	100.00%
48	46,001	-	-	-	62	100.00%	286,200	100.00%
49	47,001	-	-	-	62	100.00%	286,200	100.00%
50	48,001	-	-	-	62	100.00%	286,200	100.00%
51	49,001	-	-	-	62	100.00%	286,200	100.00%
52	50,001	-	-	-	62	100.00%	286,200	100.00%
53	51,001	-	-	-	62	100.00%	286,200	100.00%

Class: Commercial
 Meter Size: 1"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	
			Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-	Base Charge:	\$ 46.03 \$ 99.43
Tier Two Breakover (M gal):	15	15	Debt Service Surcharge	\$ 20.84
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ - \$ -
			Tier Two Rate:	\$ 2.46 \$ 5.31
			Tier Three Rate:	\$ 3.46 \$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
54	52,001 -	53,000	-	-	62	100.00%	286,200	100.00%
55	53,001 -	54,000	-	-	62	100.00%	286,200	100.00%
56	54,001 -	55,000	-	-	62	100.00%	286,200	100.00%
57	55,001 -	56,000	-	-	62	100.00%	286,200	100.00%
58	56,001 -	57,000	-	-	62	100.00%	286,200	100.00%
59	57,001 -	58,000	-	-	62	100.00%	286,200	100.00%
60	58,001 -	59,000	-	-	62	100.00%	286,200	100.00%
61	59,001 -	60,000	-	-	62	100.00%	286,200	100.00%
62	60,001 -	61,000	-	-	62	100.00%	286,200	100.00%
63	61,001 -	62,000	-	-	62	100.00%	286,200	100.00%
64	62,001 -	63,000	-	-	62	100.00%	286,200	100.00%
65	63,001 -	64,000	-	-	62	100.00%	286,200	100.00%
66	64,001 -	65,000	-	-	62	100.00%	286,200	100.00%
67	65,001 -	66,000	-	-	62	100.00%	286,200	100.00%
68	66,001 -	67,000	-	-	62	100.00%	286,200	100.00%
69	67,001 -	68,000	-	-	62	100.00%	286,200	100.00%
70	68,001 -	69,000	-	-	62	100.00%	286,200	100.00%
71	69,001 -	70,000	-	-	62	100.00%	286,200	100.00%
72	70,001 -	71,000	-	-	62	100.00%	286,200	100.00%
73	71,001 -	72,000	-	-	62	100.00%	286,200	100.00%
74	72,001 -	73,000	-	-	62	100.00%	286,200	100.00%
75	73,001 -	74,000	-	-	62	100.00%	286,200	100.00%
76	74,001 -	75,000	-	-	62	100.00%	286,200	100.00%
77	75,001 -	76,000	-	-	62	100.00%	286,200	100.00%
78	76,001 -	77,000	-	-	62	100.00%	286,200	100.00%
79	77,001 -	78,000	-	-	62	100.00%	286,200	100.00%
80	78,001 -	79,000	-	-	62	100.00%	286,200	100.00%
81	79,001 -	80,000	-	-	62	100.00%	286,200	100.00%
82	80,001 -	81,000	-	-	62	100.00%	286,200	100.00%
83	81,001 -	82,000	-	-	62	100.00%	286,200	100.00%
84	82,001 -	83,000	-	-	62	100.00%	286,200	100.00%
85	83,001 -	84,000	-	-	62	100.00%	286,200	100.00%
86	84,001 -	85,000	-	-	62	100.00%	286,200	100.00%
87	85,001 -	86,000	-	-	62	100.00%	286,200	100.00%
88	86,001 -	87,000	-	-	62	100.00%	286,200	100.00%
89	87,001 -	88,000	-	-	62	100.00%	286,200	100.00%
90	88,001 -	89,000	-	-	62	100.00%	286,200	100.00%
91	89,001 -	90,000	-	-	62	100.00%	286,200	100.00%
92	90,001 -	91,000	-	-	62	100.00%	286,200	100.00%
93	91,001 -	92,000	-	-	62	100.00%	286,200	100.00%
94	92,001 -	93,000	-	-	62	100.00%	286,200	100.00%
95	93,001 -	94,000	-	-	62	100.00%	286,200	100.00%
96	94,001 -	95,000	-	-	62	100.00%	286,200	100.00%
97	95,001 -	96,000	-	-	62	100.00%	286,200	100.00%
98	96,001 -	97,000	-	-	62	100.00%	286,200	100.00%
99	97,001 -	98,000	-	-	62	100.00%	286,200	100.00%
100	98,001 -	99,000	-	-	62	100.00%	286,200	100.00%
101	99,001 -	100,000	-	-	62	100.00%	286,200	100.00%

Class: Commercial
 Meter Size: 1"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-	Base Charge:	\$ 46.03	\$ 99.43
Tier Two Breakover (M gal):	15	15	Debt Service Surcharge	\$ 20.84	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ -	\$ -
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
102								
103	Totals	62		286,200	62		286,200	
104	Prorated Bills Reduction ¹	-						
105	Total Bills	62						

Line No.	Description	Current Rates		Proposed Rates	
		Units	Revenue	Units	Revenue
108	Base Charge	62	\$ 2,854	62	\$ 6,165
109	Average Number of Customers		5		
110	Usage (gallons)				
111	Average Consumption (gallons)		4,616		
112	Tier One	-	\$ -	-	\$ -
113	Tier Two	264,020	649	264,020	1,402
114	Tier Three	22,180	77	22,180	147
115	Usage Totals	286,200		286,200	
116	Metered Revenue Total		\$ 3,580		\$ 7,714
117	Debt Service Surcharge	62	1,292	62	-
118	Total Revenue		\$ 4,872		\$ 7,714

1 Customer Base Charges are prorated for billing periods less than 25 days and greater than 35 days. When homes change ownership during a month, two bills are generated. One for each owner for the portion of the month that owner took water service. The sum of the Minimum Charge billed on each of the two billings will approximately equal to the monthly minimum charge for the meter size. New accounts are also prorated for the first month of service and will average to approximately 1/2 of the Minimum Charge. The reduction in bill count is necessary to avoid double counting billing units during months when account ownership changes. The reduction is based on the actual number of meters in this class discontinuing and establishing service during the test year.

Class: All
 Meter Size: 1-1/2"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-	Base Charge:	\$ 92.05	\$ 198.85
Tier Two Breakover (M gal):	34	30	Debt Service Surcharge	\$ 41.68	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ -	\$ -
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	-	2	-	-	2	2.38%	-	0.00%
2	1	-	-	-	2	2.38%	-	0.00%
3	1,001	2,000	4	1,641	6	7.14%	6,562	0.23%
4	2,001	3,000	8	2,449	14	16.67%	26,153	0.91%
5	3,001	4,000	9	3,572	23	27.38%	58,302	2.02%
6	4,001	5,000	4	4,627	27	32.14%	76,810	2.66%
7	5,001	6,000	4	5,569	31	36.90%	99,085	3.44%
8	6,001	7,000	3	6,704	34	40.48%	119,197	4.13%
9	7,001	8,000	2	7,539	36	42.86%	134,274	4.66%
10	8,001	9,000	2	8,462	38	45.24%	151,198	5.24%
11	9,001	10,000	1	9,195	39	46.43%	160,393	5.56%
12	10,001	11,000	-	-	39	46.43%	160,393	5.56%
13	11,001	12,000	-	-	39	46.43%	160,393	5.56%
14	12,001	13,000	-	-	39	46.43%	160,393	5.56%
15	13,001	14,000	-	-	39	46.43%	160,393	5.56%
16	14,001	15,000	-	-	39	46.43%	160,393	5.56%
17	15,001	16,000	1	15,100	40	47.62%	175,493	6.09%
18	16,001	17,000	2	16,297	42	50.00%	208,086	7.22%
19	17,001	18,000	-	-	42	50.00%	208,086	7.22%
20	18,001	19,000	1	18,561	43	51.19%	226,647	7.86%
21	19,001	20,000	3	19,234	46	54.76%	284,349	9.86%
22	20,001	21,000	-	-	46	54.76%	284,349	9.86%
23	21,001	22,000	1	21,400	47	55.95%	305,749	10.60%
24	22,001	23,000	4	22,570	51	60.71%	396,029	13.73%
25	23,001	24,000	2	23,250	53	63.10%	442,529	15.35%
26	24,001	25,000	1	24,600	54	64.29%	467,129	16.20%
27	25,001	26,000	1	25,300	55	65.48%	492,429	17.08%
28	26,001	27,000	3	26,677	58	69.05%	572,459	19.85%
29	27,001	28,000	1	27,200	59	70.24%	599,659	20.79%
30	28,001	29,000	-	-	59	70.24%	599,659	20.79%
31	29,001	30,000	1	29,090	60	71.43%	628,749	21.80%
32	30,001	31,000	-	-	60	71.43%	628,749	21.80%
33	31,001	32,000	1	31,400	61	72.62%	660,149	22.89%
34	32,001	33,000	-	-	61	72.62%	660,149	22.89%
35	33,001	34,000	-	-	61	72.62%	660,149	22.89%
36	34,001	35,000	-	-	61	72.62%	660,149	22.89%
37	35,001	36,000	-	-	61	72.62%	660,149	22.89%
38	36,001	37,000	1	36,100	62	73.81%	696,249	24.14%
39	37,001	38,000	-	-	62	73.81%	696,249	24.14%
40	38,001	39,000	-	-	62	73.81%	696,249	24.14%
41	39,001	40,000	-	-	62	73.81%	696,249	24.14%
42	40,001	41,000	-	-	62	73.81%	696,249	24.14%
43	41,001	42,000	1	41,509	63	75.00%	737,758	25.58%
44	42,001	43,000	-	-	63	75.00%	737,758	25.58%
45	43,001	44,000	1	43,400	64	76.19%	781,158	27.09%
46	44,001	45,000	-	-	64	76.19%	781,158	27.09%
47	45,001	46,000	-	-	64	76.19%	781,158	27.09%
48	46,001	47,000	-	-	64	76.19%	781,158	27.09%
49	47,001	48,000	-	-	64	76.19%	781,158	27.09%
50	48,001	49,000	1	48,300	65	77.38%	829,458	28.76%
51	49,001	50,000	-	-	65	77.38%	829,458	28.76%
52	50,001	51,000	-	-	65	77.38%	829,458	28.76%
53	51,001	52,000	-	-	65	77.38%	829,458	28.76%

Class: All
 Meter Size: 1-1/2"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-	Base Charge:	\$ 92.05	\$ 198.85
Tier Two Breakover (M gal):	34	30	Debt Service Surcharge	\$ 41.68	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ -	\$ -
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
54	52,001 - 53,000	-	-	-	65	77.38%	829,458	28.76%
55	53,001 - 54,000	-	-	-	65	77.38%	829,458	28.76%
56	54,001 - 55,000	1	54,591	54,591	66	78.57%	884,049	30.66%
57	55,001 - 56,000	-	-	-	66	78.57%	884,049	30.66%
58	56,001 - 57,000	-	-	-	66	78.57%	884,049	30.66%
59	57,001 - 58,000	-	-	-	66	78.57%	884,049	30.66%
60	58,001 - 59,000	-	-	-	66	78.57%	884,049	30.66%
61	59,001 - 60,000	1	59,800	59,800	67	79.76%	943,849	32.73%
62	60,001 - 61,000	-	-	-	67	79.76%	943,849	32.73%
63	61,001 - 62,000	2	61,592	123,184	69	82.14%	1,067,033	37.00%
64	62,001 - 63,000	-	-	-	69	82.14%	1,067,033	37.00%
65	63,001 - 64,000	-	-	-	69	82.14%	1,067,033	37.00%
66	64,001 - 65,000	-	-	-	69	82.14%	1,067,033	37.00%
67	65,001 - 66,000	-	-	-	69	82.14%	1,067,033	37.00%
68	66,001 - 67,000	1	66,354	66,354	70	83.33%	1,133,387	39.30%
69	67,001 - 68,000	1	67,661	67,661	71	84.52%	1,201,048	41.65%
70	68,001 - 69,000	-	-	-	71	84.52%	1,201,048	41.65%
71	69,001 - 70,000	-	-	-	71	84.52%	1,201,048	41.65%
72	70,001 - 71,000	-	-	-	71	84.52%	1,201,048	41.65%
73	71,001 - 72,000	-	-	-	71	84.52%	1,201,048	41.65%
74	72,001 - 73,000	-	-	-	71	84.52%	1,201,048	41.65%
75	73,001 - 74,000	1	73,300	73,300	72	85.71%	1,274,348	44.19%
76	74,001 - 75,000	-	-	-	72	85.71%	1,274,348	44.19%
77	75,001 - 76,000	-	-	-	72	85.71%	1,274,348	44.19%
78	76,001 - 77,000	-	-	-	72	85.71%	1,274,348	44.19%
79	77,001 - 78,000	-	-	-	72	85.71%	1,274,348	44.19%
80	78,001 - 79,000	2	78,750	157,500	74	88.10%	1,431,848	49.65%
81	79,001 - 80,000	-	-	-	74	88.10%	1,431,848	49.65%
82	80,001 - 81,000	-	-	-	74	88.10%	1,431,848	49.65%
83	81,001 - 82,000	-	-	-	74	88.10%	1,431,848	49.65%
84	82,001 - 83,000	-	-	-	74	88.10%	1,431,848	49.65%
85	83,001 - 84,000	1	83,480	83,480	75	89.29%	1,515,328	52.55%
86	84,001 - 85,000	-	-	-	75	89.29%	1,515,328	52.55%
87	85,001 - 86,000	-	-	-	75	89.29%	1,515,328	52.55%
88	86,001 - 87,000	-	-	-	75	89.29%	1,515,328	52.55%
89	87,001 - 88,000	-	-	-	75	89.29%	1,515,328	52.55%
90	88,001 - 89,000	-	-	-	75	89.29%	1,515,328	52.55%
91	89,001 - 90,000	-	-	-	75	89.29%	1,515,328	52.55%
92	90,001 - 91,000	-	-	-	75	89.29%	1,515,328	52.55%
93	91,001 - 92,000	-	-	-	75	89.29%	1,515,328	52.55%
94	92,001 - 93,000	-	-	-	75	89.29%	1,515,328	52.55%
95	93,001 - 94,000	-	-	-	75	89.29%	1,515,328	52.55%
96	94,001 - 95,000	-	-	-	75	89.29%	1,515,328	52.55%
97	95,001 - 96,000	-	-	-	75	89.29%	1,515,328	52.55%
98	96,001 - 97,000	-	-	-	75	89.29%	1,515,328	52.55%
99	97,001 - 98,000	-	-	-	75	89.29%	1,515,328	52.55%
100	98,001 - 99,000	-	-	-	75	89.29%	1,515,328	52.55%
101	99,001 - 100,000	-	-	-	75	89.29%	1,515,328	52.55%
102	107,540 - 107,540	1	107,540	107,540	76	90.48%	1,622,868	56.28%
103	110,850 - 110,850	1	110,850	110,850	77	91.67%	1,733,718	60.12%
104	122,680 - 122,680	1	122,680	122,680	78	92.86%	1,856,398	64.38%
105	129,630 - 129,630	1	129,630	129,630	79	94.05%	1,986,028	68.87%
106	137,830 - 137,830	1	137,830	137,830	80	95.24%	2,123,858	73.65%

Class: All
 Meter Size: 1-1/2"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	
			Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-	Base Charge: \$	92.05 \$
Tier Two Breakover (M gal):	34	30	Debt Service Surcharge \$	41.68
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate: \$	- \$
			Tier Two Rate: \$	2.46 \$
			Tier Three Rate: \$	3.46 \$

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption		
					No.	% of Total	Amount	% of Total	
107	158,048 -	158,048	1	158,048	158,048	81	96.43%	2,281,906	79.13%
108	191,020 -	191,020	1	191,020	191,020	82	97.62%	2,472,926	85.76%
109	191,460 -	191,460	1	191,460	191,460	83	98.81%	2,664,386	92.40%
110	219,300 -	219,300	1	219,300	219,300	84	100.00%	2,883,686	100.00%

Class: All
 Meter Size: 1-1/2"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-	Base Charge:	\$ 92.05	\$ 198.85
Tier Two Breakover (M gal):	34	30	Debt Service Surcharge	\$ 41.68	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ -	\$ -
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
111								
112	Totals	84		2,883,686	84		2,883,686	
113	Prorated Bills Reduction ¹	-						
114	Total Bills	84						
115								

Line No.	Description	Current Rates		Proposed Rates	
		Units	Revenue	Units	Revenue
116	Base Charge	84	\$ 7,732	84	\$ 16,703
117	Average Number of Customers		7		
119	Usage (gallons)				
120	Average Consumption (gallons)		34,330		
121	Tier One	-	\$ -	-	\$ -
122	Tier Two	1,442,149	3,548	1,348,749	7,162
123	Tier Three	1,441,537	4,988	1,534,937	10,192
124	Usage Totals	2,883,686		2,883,686	
125	Metered Revenue Total		\$ 16,268		\$ 34,057
126	Debt Service Surcharge	84	3,501	84	-
127	Total Revenue		\$ 19,769		\$ 34,057

127 ¹Customer Base Charges are prorated for billing periods less than 25 days and greater than 35 days.
 128 When homes change ownership during a month, two bills are generated. One for each owner for the portion of
 129 the month that owner took water service. The sum of the Minimum Charge billed on each of the two billings
 130 will approximately equal to the monthly minimum charge for the meter size. New accounts are also prorated
 131 for the first month of service and will average to approximately 1/2 of the Minimum Charge. The reduction in bill count
 132 is necessary to avoid double counting billing units during months when account ownership changes. The reduction is
 133 based on the actual number of meters in this class discontinuing and establishing service during the test year.

Class: All
 Meter Size: 2"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):	-	-	Base Charge:	\$ 147.28	\$ 318.16
Tier Two Breakover (M gal):	55	50	Debt Service Surcharge	\$ 66.69	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:	\$ -	\$ -
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	-	-	-	-	-	0.00%	-	0.00%
2	1	1,000	-	-	-	0.00%	-	0.00%
3	1,001	2,000	1	2,000	1	4.17%	2,000	0.92%
4	2,001	3,000	2	2,273	3	12.50%	6,545	3.02%
5	3,001	4,000	3	3,470	6	25.00%	16,956	7.82%
6	4,001	5,000	1	4,021	7	29.17%	20,977	9.68%
7	5,001	6,000	2	5,607	9	37.50%	32,190	14.85%
8	6,001	7,000	3	6,348	12	50.00%	51,233	23.64%
9	7,001	8,000	1	7,134	13	54.17%	58,367	26.93%
10	8,001	9,000	1	8,530	14	58.33%	66,897	30.87%
11	9,001	10,000	2	9,564	16	66.67%	86,024	39.70%
12	10,001	11,000	-	-	16	66.67%	86,024	39.70%
13	11,001	12,000	1	11,274	17	70.83%	97,298	44.90%
14	12,001	13,000	-	-	17	70.83%	97,298	44.90%
15	13,001	14,000	1	13,056	18	75.00%	110,354	50.92%
16	14,001	15,000	3	14,749	21	87.50%	154,602	71.34%
17	15,001	16,000	-	-	21	87.50%	154,602	71.34%
18	16,001	17,000	1	16,246	22	91.67%	170,848	78.84%
19	17,001	18,000	-	-	22	91.67%	170,848	78.84%
20	18,001	19,000	-	-	22	91.67%	170,848	78.84%
21	19,001	20,000	-	-	22	91.67%	170,848	78.84%
22	20,001	21,000	-	-	22	91.67%	170,848	78.84%
23	21,001	22,000	1	22,000	23	95.83%	192,848	88.99%
24	22,001	23,000	-	-	23	95.83%	192,848	88.99%
25	23,001	24,000	1	23,856	24	100.00%	216,704	100.00%
26	24,001	25,000	-	-	24	100.00%	216,704	100.00%
27	25,001	26,000	-	-	24	100.00%	216,704	100.00%
28	26,001	27,000	-	-	24	100.00%	216,704	100.00%
29	27,001	28,000	-	-	24	100.00%	216,704	100.00%
30	28,001	29,000	-	-	24	100.00%	216,704	100.00%
31	29,001	30,000	-	-	24	100.00%	216,704	100.00%
32	30,001	31,000	-	-	24	100.00%	216,704	100.00%
33	31,001	32,000	-	-	24	100.00%	216,704	100.00%
34	32,001	33,000	-	-	24	100.00%	216,704	100.00%
35	33,001	34,000	-	-	24	100.00%	216,704	100.00%
36	34,001	35,000	-	-	24	100.00%	216,704	100.00%
37	35,001	36,000	-	-	24	100.00%	216,704	100.00%
38	36,001	37,000	-	-	24	100.00%	216,704	100.00%
39	37,001	38,000	-	-	24	100.00%	216,704	100.00%
40	38,001	39,000	-	-	24	100.00%	216,704	100.00%
41	39,001	40,000	-	-	24	100.00%	216,704	100.00%
42	40,001	41,000	-	-	24	100.00%	216,704	100.00%
43	41,001	42,000	-	-	24	100.00%	216,704	100.00%
44	42,001	43,000	-	-	24	100.00%	216,704	100.00%
45	43,001	44,000	-	-	24	100.00%	216,704	100.00%
46	44,001	45,000	-	-	24	100.00%	216,704	100.00%
47	45,001	46,000	-	-	24	100.00%	216,704	100.00%
48	46,001	47,000	-	-	24	100.00%	216,704	100.00%
49	47,001	48,000	-	-	24	100.00%	216,704	100.00%
50	48,001	49,000	-	-	24	100.00%	216,704	100.00%
51	49,001	50,000	-	-	24	100.00%	216,704	100.00%
52	50,001	51,000	-	-	24	100.00%	216,704	100.00%
53	51,001	52,000	-	-	24	100.00%	216,704	100.00%

Class: All
 Meter Size: 2"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	
			Present Rates	Proposed Rates
Base Charge:	-	-	\$ 147.28	\$ 318.16
Debt Service Surcharge	-	-	\$ 66.69	
Tier One Breakover (M gal):	-	-	\$ -	\$ -
Tier Two Breakover (M gal):	55	50	\$ 2.46	\$ 5.31
Tier Three Breakover (M gal):	999,999	999,999	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
					No.	% of Total	Amount	% of Total
54	52,001 -	53,000	-	-	24	100.00%	216,704	100.00%
55	53,001 -	54,000	-	-	24	100.00%	216,704	100.00%
56	54,001 -	55,000	-	-	24	100.00%	216,704	100.00%
57	55,001 -	56,000	-	-	24	100.00%	216,704	100.00%
58	56,001 -	57,000	-	-	24	100.00%	216,704	100.00%
59	57,001 -	58,000	-	-	24	100.00%	216,704	100.00%
60	58,001 -	59,000	-	-	24	100.00%	216,704	100.00%
61	59,001 -	60,000	-	-	24	100.00%	216,704	100.00%
62	60,001 -	61,000	-	-	24	100.00%	216,704	100.00%
63	61,001 -	62,000	-	-	24	100.00%	216,704	100.00%
64	62,001 -	63,000	-	-	24	100.00%	216,704	100.00%
65	63,001 -	64,000	-	-	24	100.00%	216,704	100.00%
66	64,001 -	65,000	-	-	24	100.00%	216,704	100.00%
67	65,001 -	66,000	-	-	24	100.00%	216,704	100.00%
68	66,001 -	67,000	-	-	24	100.00%	216,704	100.00%
69	67,001 -	68,000	-	-	24	100.00%	216,704	100.00%
70	68,001 -	69,000	-	-	24	100.00%	216,704	100.00%
71	69,001 -	70,000	-	-	24	100.00%	216,704	100.00%
72	70,001 -	71,000	-	-	24	100.00%	216,704	100.00%
73	71,001 -	72,000	-	-	24	100.00%	216,704	100.00%
74	72,001 -	73,000	-	-	24	100.00%	216,704	100.00%
75	73,001 -	74,000	-	-	24	100.00%	216,704	100.00%
76	74,001 -	75,000	-	-	24	100.00%	216,704	100.00%
77	75,001 -	76,000	-	-	24	100.00%	216,704	100.00%
78	76,001 -	77,000	-	-	24	100.00%	216,704	100.00%
79	77,001 -	78,000	-	-	24	100.00%	216,704	100.00%
80	78,001 -	79,000	-	-	24	100.00%	216,704	100.00%
81	79,001 -	80,000	-	-	24	100.00%	216,704	100.00%
82	80,001 -	81,000	-	-	24	100.00%	216,704	100.00%
83	81,001 -	82,000	-	-	24	100.00%	216,704	100.00%
84	82,001 -	83,000	-	-	24	100.00%	216,704	100.00%
85	83,001 -	84,000	-	-	24	100.00%	216,704	100.00%
86	84,001 -	85,000	-	-	24	100.00%	216,704	100.00%
87	85,001 -	86,000	-	-	24	100.00%	216,704	100.00%
88	86,001 -	87,000	-	-	24	100.00%	216,704	100.00%
89	87,001 -	88,000	-	-	24	100.00%	216,704	100.00%
90	88,001 -	89,000	-	-	24	100.00%	216,704	100.00%
91	89,001 -	90,000	-	-	24	100.00%	216,704	100.00%
92	90,001 -	91,000	-	-	24	100.00%	216,704	100.00%
93	91,001 -	92,000	-	-	24	100.00%	216,704	100.00%
94	92,001 -	93,000	-	-	24	100.00%	216,704	100.00%
95	93,001 -	94,000	-	-	24	100.00%	216,704	100.00%
96	94,001 -	95,000	-	-	24	100.00%	216,704	100.00%
97	95,001 -	96,000	-	-	24	100.00%	216,704	100.00%
98	96,001 -	97,000	-	-	24	100.00%	216,704	100.00%
99	97,001 -	98,000	-	-	24	100.00%	216,704	100.00%
100	98,001 -	99,000	-	-	24	100.00%	216,704	100.00%
101	99,001 -	100,000	-	-	24	100.00%	216,704	100.00%

Class: All
 Meter Size: 2"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges		Present Rates	Proposed Rates
			Base Charge:	\$	147.28	\$ 318.16
			Debt Service Surcharge	\$	66.69	
Tier One Breakover (M gal):	-	-	Tier One Rate:	\$	-	\$ -
Tier Two Breakover (M gal):	55	50	Tier Two Rate:	\$	2.46	\$ 5.31
Tier Three Breakover (M gal):	999,999	999,999	Tier Three Rate:	\$	3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
102								
103	Totals	24		216,704	24		216,704	
104	Prorated Bills Reduction ¹	-						
105	Total Bills	24						
106								

Line No.	Description	Current Rates		Proposed Rates	
		Units	Revenue	Units	Revenue
108	Base Charge	24	\$ 3,535	24	\$ 7,636
109	Average Number of Customers		2		
110	Usage (gallons)				
111	Average Consumption (gallons)		9,029		
112	Tier One	-	\$ -	-	\$ -
113	Tier Two	216,704	533	216,704	1,151
114	Tier Three	-	-	-	-
115	Usage Totals	216,704		216,704	
116	Metered Revenue Total		\$ 4,068		\$ 8,787
117	Debt Service Surcharge	24	1,601	24	-
118	Total Revenue		\$ 5,668		\$ 8,787

118 ¹Customer Base Charges are prorated for billing periods less than 25 days and greater than 35 days.
 119 When homes change ownership during a month, two bills are generated. One for each owner for the portion of
 120 the month that owner took water service. The sum of the Minimum Charge billed on each of the two billings
 121 will approximately equal to the monthly minimum charge for the meter size. New accounts are also prorated
 122 for the first month of service and will average to approximately 1/2 of the Minimum Charge. The reduction in bill count
 123 is necessary to avoid double counting billing units during months when account ownership changes. The reduction is
 124 based on the actual number of meters in this class discontinuing and establishing service during the test year.

Class: All
 Meter Size: 3"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):			Base Charge:	\$ 294.56	\$ 636.32
Tier Two Breakover (M gal):	115	110	Debt Service Surcharge	\$ 125.04	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:		
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
1	-	1	-	-	1	25.00%	-	0.00%
2	1	1	527	527	2	50.00%	527	0.96%
3	1,001	-	-	-	2	50.00%	527	0.96%
4	2,001	-	-	-	2	50.00%	527	0.96%
5	3,001	1	3,950	3,950	3	75.00%	4,477	8.13%
6	4,001	-	-	-	3	75.00%	4,477	8.13%
7	5,001	-	-	-	3	75.00%	4,477	8.13%
8	6,001	-	-	-	3	75.00%	4,477	8.13%
9	7,001	-	-	-	3	75.00%	4,477	8.13%
10	8,001	-	-	-	3	75.00%	4,477	8.13%
11	9,001	-	-	-	3	75.00%	4,477	8.13%
12	10,001	-	-	-	3	75.00%	4,477	8.13%
13	11,001	-	-	-	3	75.00%	4,477	8.13%
14	12,001	-	-	-	3	75.00%	4,477	8.13%
15	13,001	-	-	-	3	75.00%	4,477	8.13%
16	14,001	-	-	-	3	75.00%	4,477	8.13%
17	15,001	-	-	-	3	75.00%	4,477	8.13%
18	16,001	-	-	-	3	75.00%	4,477	8.13%
19	17,001	-	-	-	3	75.00%	4,477	8.13%
20	18,001	-	-	-	3	75.00%	4,477	8.13%
21	19,001	-	-	-	3	75.00%	4,477	8.13%
22	20,001	-	-	-	3	75.00%	4,477	8.13%
23	21,001	-	-	-	3	75.00%	4,477	8.13%
24	22,001	-	-	-	3	75.00%	4,477	8.13%
25	23,001	-	-	-	3	75.00%	4,477	8.13%
26	24,001	-	-	-	3	75.00%	4,477	8.13%
27	25,001	-	-	-	3	75.00%	4,477	8.13%
28	26,001	-	-	-	3	75.00%	4,477	8.13%
29	27,001	-	-	-	3	75.00%	4,477	8.13%
30	28,001	-	-	-	3	75.00%	4,477	8.13%
31	29,001	-	-	-	3	75.00%	4,477	8.13%
32	30,001	-	-	-	3	75.00%	4,477	8.13%
33	31,001	-	-	-	3	75.00%	4,477	8.13%
34	32,001	-	-	-	3	75.00%	4,477	8.13%
35	33,001	-	-	-	3	75.00%	4,477	8.13%
36	34,001	-	-	-	3	75.00%	4,477	8.13%
37	35,001	-	-	-	3	75.00%	4,477	8.13%
38	36,001	-	-	-	3	75.00%	4,477	8.13%
39	37,001	-	-	-	3	75.00%	4,477	8.13%
40	38,001	-	-	-	3	75.00%	4,477	8.13%
41	39,001	-	-	-	3	75.00%	4,477	8.13%
42	40,001	-	-	-	3	75.00%	4,477	8.13%
43	41,001	-	-	-	3	75.00%	4,477	8.13%
44	42,001	-	-	-	3	75.00%	4,477	8.13%
45	43,001	-	-	-	3	75.00%	4,477	8.13%
46	44,001	-	-	-	3	75.00%	4,477	8.13%
47	45,001	-	-	-	3	75.00%	4,477	8.13%
48	46,001	-	-	-	3	75.00%	4,477	8.13%
49	47,001	-	-	-	3	75.00%	4,477	8.13%
50	48,001	-	-	-	3	75.00%	4,477	8.13%
51	49,001	-	-	-	3	75.00%	4,477	8.13%
52	50,001	1	50,582	50,582	4	100.00%	55,059	100.00%
53	51,001	-	-	-	4	100.00%	55,059	100.00%

Class: All
 Meter Size: 3"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):			Base Charge:	\$ 294.56	\$ 636.32
Tier Two Breakover (M gal):	115	110	Debt Service Surcharge	\$ 125.04	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:		
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
54	52,001 -	53,000	-	-	4	100.00%	55,059	100.00%
55	53,001 -	54,000	-	-	4	100.00%	55,059	100.00%
56	54,001 -	55,000	-	-	4	100.00%	55,059	100.00%
57	55,001 -	56,000	-	-	4	100.00%	55,059	100.00%
58	56,001 -	57,000	-	-	4	100.00%	55,059	100.00%
59	57,001 -	58,000	-	-	4	100.00%	55,059	100.00%
60	58,001 -	59,000	-	-	4	100.00%	55,059	100.00%
61	59,001 -	60,000	-	-	4	100.00%	55,059	100.00%
62	60,001 -	61,000	-	-	4	100.00%	55,059	100.00%
63	61,001 -	62,000	-	-	4	100.00%	55,059	100.00%
64	62,001 -	63,000	-	-	4	100.00%	55,059	100.00%
65	63,001 -	64,000	-	-	4	100.00%	55,059	100.00%
66	64,001 -	65,000	-	-	4	100.00%	55,059	100.00%
67	65,001 -	66,000	-	-	4	100.00%	55,059	100.00%
68	66,001 -	67,000	-	-	4	100.00%	55,059	100.00%
69	67,001 -	68,000	-	-	4	100.00%	55,059	100.00%
70	68,001 -	69,000	-	-	4	100.00%	55,059	100.00%
71	69,001 -	70,000	-	-	4	100.00%	55,059	100.00%
72	70,001 -	71,000	-	-	4	100.00%	55,059	100.00%
73	71,001 -	72,000	-	-	4	100.00%	55,059	100.00%
74	72,001 -	73,000	-	-	4	100.00%	55,059	100.00%
75	73,001 -	74,000	-	-	4	100.00%	55,059	100.00%
76	74,001 -	75,000	-	-	4	100.00%	55,059	100.00%
77	75,001 -	76,000	-	-	4	100.00%	55,059	100.00%
78	76,001 -	77,000	-	-	4	100.00%	55,059	100.00%
79	77,001 -	78,000	-	-	4	100.00%	55,059	100.00%
80	78,001 -	79,000	-	-	4	100.00%	55,059	100.00%
81	79,001 -	80,000	-	-	4	100.00%	55,059	100.00%
82	80,001 -	81,000	-	-	4	100.00%	55,059	100.00%
83	81,001 -	82,000	-	-	4	100.00%	55,059	100.00%
84	82,001 -	83,000	-	-	4	100.00%	55,059	100.00%
85	83,001 -	84,000	-	-	4	100.00%	55,059	100.00%
86	84,001 -	85,000	-	-	4	100.00%	55,059	100.00%
87	85,001 -	86,000	-	-	4	100.00%	55,059	100.00%
88	86,001 -	87,000	-	-	4	100.00%	55,059	100.00%
89	87,001 -	88,000	-	-	4	100.00%	55,059	100.00%
90	88,001 -	89,000	-	-	4	100.00%	55,059	100.00%
91	89,001 -	90,000	-	-	4	100.00%	55,059	100.00%
92	90,001 -	91,000	-	-	4	100.00%	55,059	100.00%
93	91,001 -	92,000	-	-	4	100.00%	55,059	100.00%
94	92,001 -	93,000	-	-	4	100.00%	55,059	100.00%
95	93,001 -	94,000	-	-	4	100.00%	55,059	100.00%
96	94,001 -	95,000	-	-	4	100.00%	55,059	100.00%
97	95,001 -	96,000	-	-	4	100.00%	55,059	100.00%
98	96,001 -	97,000	-	-	4	100.00%	55,059	100.00%
99	97,001 -	98,000	-	-	4	100.00%	55,059	100.00%
100	98,001 -	99,000	-	-	4	100.00%	55,059	100.00%
101	99,001 -	100,000	-	-	4	100.00%	55,059	100.00%

Class: All
 Meter Size: 3"
 Sub Class:

Rate Tiers	Present Rates	Proposed Rates	Charges	Present Rates	Proposed Rates
Tier One Breakover (M gal):			Base Charge:	\$ 294.56	\$ 636.32
Tier Two Breakover (M gal):	115	110	Debt Service Surcharge	\$ 125.04	
Tier Three Breakover (M gal):	999,999	999,999	Tier One Rate:		
			Tier Two Rate:	\$ 2.46	\$ 5.31
			Tier Three Rate:	\$ 3.46	\$ 6.64

Line No.	Block	Number of Bills by Block	Average Consumption in Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
102								
103	Totals	4		55,059	4		55,059	
104	Prorated Bills Reduction ¹	-						
105	Total Bills	4						

Line No.	Description	Current Rates		Proposed Rates	
		Units	Revenue	Units	Revenue
108	Base Charge	4	\$ 1,178	4	\$ 2,545
109	Average Number of Customers		-		-
110	Usage (gallons)				
111	Average Consumption (gallons)		13,765		
112	Tier One	-	\$ -	-	\$ -
113	Tier Two	55,059	135	55,059	292
114	Tier Three	-	-	-	-
115	Usage Totals	55,059		55,059	
116	Metered Revenue Total		\$ 1,314		\$ 2,838
117	Debt Service Surcharge	4	500	4	-
118	Total Revenue		\$ 1,814		\$ 2,838

118 ¹Customer Base Charges are prorated for billing periods less than 25 days and greater than 35 days.
 119 When homes change ownership during a month, two bills are generated. One for each owner for the portion of
 120 the month that owner took water service. The sum of the Minimum Charge billed on each of the two billings
 121 will approximately equal to the monthly minimum charge for the meter size. New accounts are also prorated
 122 for the first month of service and will average to approximately 1/2 of the Minimum Charge. The reduction in bill count
 123 is necessary to avoid double counting billing units during months when account ownership changes. The reduction is
 124 based on the actual number of meters in this class discontinuing and establishing service during the test year.