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BEFORE THE ARIZONA CORPORATION CO

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TOM FORESE
CHAIRMAN
BOB BURNS
COMMISSIONER
DOUG LITTLE
COMMISSIONER
ANDY TOBIN
COMMISSIONER
BOYD DUNN
COMMISSIONER

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL

2017 MAR 29 P 12: 21

Arizona Corporation Commission

DOCKETED

MAR 29 2017

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
EPCOR WATER INC., FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR
INCREASES/DECREASES IN ITS RATES
AND CHARGES BASED THEREON FOR
UTILITY SERVICE BY ITS AGUA FRIA,
ANTHEM, MOHAVE, SUN CITY & SUN CITY
WEST WASTEWATER DISTRICTS AND
FOR CONSIDERATION OF
CONSOLIDATION AND DE-
CONSOLIDATION PROPOSALS

Docket No. WS-01303A-16-0145

NOTICE OF FILING

The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing
Final Schedules, in the above-captioned proceeding.

RESPECTFULLY SUBMITTED this 29th day of March, 2017.

Daniel W. Pozefsky
Chief Counsel

1 AN ORIGINAL AND THIRTEEN COPIES
2 of the foregoing filed this 29th day
3 of March, 2017 with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, Arizona 85007

6 COPIES of the foregoing mailed/
7 e-mailed this 29th day of March, 2017 to:

7 Robin Mitchell
8 Maureen Scott
9 Legal Division
10 Arizona Corporation Commission
11 1200 West Washington
12 Phoenix, AZ 85007
13 rmitchell@azcc.gov
14 mscott@azcc.gov

15 bscamargo@azcc.gov
16 legaldiv@azcc.gov
17 eabinah@azcc.gov

Consented to Service by Email

18 Thomas Campbell
19 Michael T. Hallam
20 Lewis Roca Rothgerber Christie LLP
21 201 E. Washington St.
22 Phoenix, AZ 85004
23 Attorneys for EPCOR Water Arizona, Inc.
24 TCampbell@lrrc.com
MHallam@lrrc.com
SHubbard@epcor.com
SMahler@epcor.com

Consented to Service by Email

19 Michele Van Quathem, PLLC
20 7600 N. 15th St., Suite 150-30
21 Phoenix, AZ 85020
22 Attorney for Verrado Community Assoc.;
23 DMB Verrado Golf I LLC; and Verrado
24 ARC LLC
mvq@mvqlaw.com

Consented to Service by Email

Jenna Kohl
Roger Willis
Anthem Community Council, Inc.
3701 W. Anthem Way, Suite 201
Anthem, AZ 85086
jkohl@anthemcouncil.com
roger@willis-home.com

Consented to Service by Email

Craig Marks
Craig A. Marks, PLC
10645 N. Tatum Blvd, Suite 200-676
Phoenix, AZ 85028
Attorneys for Sun City Homeowners
Assoc.
Craig.Marks@azbar.org
gregeisert@gmail.com

Consented to Service by Email

Stephen Fribley
10214 W. Desert Rock Dr.
Sun City, AZ 85351-1647
FribleySL@aol.com

Consented to Service by Email

Diane Smith
13234 W. Cabrillo Dr.
Sun City West, AZ 85375
Skylar_98@q.com

Consented to Service by Email

1 Al Gervenack
Sun City West Property Owners &
2 Residents Association
13815 Camino Del Sol
3 Sun City West, AZ 85372
Al.gervenack@porascw.org
4 Rob.robbyns@porascw.org
Consented to Service by Email
5
6 Frederick Botha
23024 N. Giovata Dr.
Sun City West, AZ 85375
7 Fgbotha45@gmail.com
Consented to Service by Email
8
9 Frances Noe
Cross River Homeowners Assoc.
11756 W. Daley Lane
10 Sun City West, AZ 85373
noeshomes@earthlink.net
11 **Consented to Service by Email**
12
13 Douglas Edwards
13517 W. Sola Drive
Sun City West, AZ 85375
d.edwards795@yahoo.com
14 **Consented to Service by Email**
15
16 Regina Shanney-Saborsky
Corte Bella Country Club Homeowners
Assoc.
22155 N. Mission Drive
17 Sun City West, AZ 85375
rsaborsky@cox.net
18 **Consented to Service by Email**
19
20 Meghan Grabel
Kimberly Ruht
Osborn Maledon, PA
2929 N. Central Ave., Suite 2100
21 Phoenix, AZ 85012
Attorneys for Arizona Investment Council
22 kruht@omlaw.com
mgrabel@omlaw.com
23 gyaquinto@arizonaaic.org
Consented to Service by Email
24

Jeffrey Crockett
Crockett Law Group PLLC
2198 E. Camelback Rd, Suite 305
Phoenix, AZ 85016
Attorneys for Russell Ranch Homeowners
Assoc.
jeff@jeffcrockettlaw.com
rspradlinrr@gmail.com
Consented to Service by Email

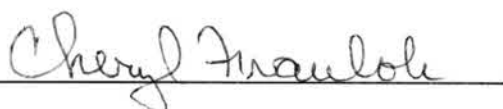
Brad Holm
Monique Coady
City of Phoenix
200 W. Washington, Suite 1300
Phoenix, AZ 85003-1611
Attorneys for City of Phoenix
Monique.coady@phoenix.gov
Consented to Service by Email

Gary Osier
GPO-18 Condominium Association
9714 W. Gulf Hills Drive
Sun City, AZ 8
351
H2osiers@yahoo.com
Consented to Service by Email

Greg Patterson
Munger Chadwick
916 W. Adams, Suite 3
Phoenix, AZ 85007
Attorney for Western Infrastructure
Sustainability Effort

Willard Hansen
12302 Swallow Drive
Sun City West, AZ 85375

Michelle Harris
20375 W. Springfield St.
Buckeye, AZ 85396

By 

**FINAL SCHEDULES
OF
JOHN CASSIDY**

WEIGHTED AVERAGE COST OF CAPITAL - EWAZ TOTAL COMPANY

<u>Line No</u>	<u>Description</u>	<u>Capitalization Per Company</u>	<u>RUCO Adjustments</u>	<u>RUCO Adjusted Capitalization</u>	<u>Capital Ratio</u>	<u>Cost</u>	<u>Weighed Cost</u>
1	Long-Term Debt	\$ 231,000,000	\$ -	\$ 231,000,000	54.05%	4.29%	2.32%
2	Short-Term Debt	18,480,843	-	18,480,843	4.32%	0.20%	0.01%
3	Common Equity	178,868,806	958,690	177,910,116	41.63%	9.30%	3.87%
4							
5	<u>TOTAL CAPITALIZATION</u>	<u>\$ 428,349,649</u>	<u>\$ 958,690</u>	<u>\$ 427,390,959</u>	<u>100.00%</u>		<u>6.20%</u>

WEIGHTED AVERAGE COST OF CAPITAL - AGUA FRIA WASTEWATER

	<u>Description</u>	<u>Capitalization Per Company</u>	<u>RUCO Adjustments</u>	<u>RUCO Adjusted Capitalization</u>	<u>Capital Ratio</u>	<u>Cost</u>	<u>Weighed Cost</u>
1	Long-Term Debt	\$ 6,911,809	\$ -	\$ 6,911,809	54.05%	4.29%	2.32%
2	Short-Term Debt	552,970	-	552,970	4.32%	0.20%	0.01%
3	Common Equity	5,351,979	28,685	5,323,294	41.63%	9.30%	3.87%
4							
5	<u>TOTAL CAPITALIZATION</u>	<u>\$ 12,816,758</u>	<u>\$ 28,685</u>	<u>\$ 12,788,073</u>	<u>100.00%</u>		<u>6.20%</u>

WEIGHTED AVERAGE COST OF CAPITAL - ANTHEM WASTEWATER

	<u>Description</u>	<u>Capitalization Per Company</u>	<u>RUCO Adjustments</u>	<u>RUCO Adjusted Capitalization</u>	<u>Capital Ratio</u>	<u>Cost</u>	<u>Weighed Cost</u>
1	Long-Term Debt	\$ 10,090,673	\$ -	\$ 10,090,673	54.05%	4.29%	2.32%
2	Short-Term Debt	807,291	-	807,291	4.32%	0.20%	0.01%
3	Common Equity	7,813,449	41,878	7,771,571	41.63%	9.30%	3.87%
4							
5	<u>TOTAL CAPITALIZATION</u>	<u>\$ 18,711,413</u>	<u>\$ 41,878</u>	<u>\$ 18,669,535</u>	<u>100.00%</u>		<u>6.20%</u>

WEIGHTED AVERAGE COST OF CAPITAL - MOHAVE WASTEWATER

	<u>Description</u>	<u>Capitalization Per Company</u>	<u>RUCO Adjustments</u>	<u>RUCO Adjusted Capitalization</u>	<u>Capital Ratio</u>	<u>Cost</u>	<u>Weighed Cost</u>
1	Long-Term Debt	\$ 2,850,739	\$ -	\$ 2,850,739	54.05%	4.29%	2.32%
2	Short-Term Debt	228,070	-	228,070	4.32%	0.20%	0.01%
3	Common Equity	2,207,395	11,831	2,195,564	41.63%	9.30%	3.87%
4							
5	<u>TOTAL CAPITALIZATION</u>	<u>\$ 5,286,204</u>	<u>\$ 11,831</u>	<u>\$ 5,274,373</u>	<u>100.00%</u>		<u>6.20%</u>

WEIGHTED AVERAGE COST OF CAPITAL - SUN CITY WASTEWATER

	<u>Description</u>	<u>Capitalization Per Company</u>	<u>RUCO Adjustments</u>	<u>RUCO Adjusted Capitalization</u>	<u>Capital Ratio</u>	<u>Cost</u>	<u>Weighed Cost</u>
1	Long-Term Debt	\$ 16,701,982	\$ -	\$ 16,701,982	54.05%	4.29%	2.32%
2	Short-Term Debt	1,336,220	-	1,336,220	4.32%	0.20%	0.01%
3	Common Equity	12,932,743	69,316	12,863,427	41.63%	9.30%	3.87%
4							
5	<u>TOTAL CAPITALIZATION</u>	<u>\$ 30,970,945</u>	<u>\$ 69,316</u>	<u>\$ 30,901,629</u>	<u>100.00%</u>		<u>6.20%</u>

WEIGHTED AVERAGE COST OF CAPITAL - SUN CITY WEST WASTEWATER

	<u>Description</u>	<u>Capitalization Per Company</u>	<u>RUCO Adjustments</u>	<u>RUCO Adjusted Capitalization</u>	<u>Capital Ratio</u>	<u>Cost</u>	<u>Weighed Cost</u>
1	Long-Term Debt	\$ 14,204,936	\$ -	\$ 14,204,936	54.05%	4.29%	2.32%
2	Short-Term Debt	1,136,447	-	1,136,447	4.32%	0.20%	0.01%
3	Common Equity	10,999,221	58,953	10,940,268	41.63%	9.30%	3.87%
4							
5	<u>TOTAL CAPITALIZATION</u>	<u>\$ 26,340,604</u>	<u>\$ 58,953</u>	<u>\$ 26,281,651</u>	<u>100.00%</u>		<u>6.20%</u>

Agua Fria Wastewater District
 Cost of Capital Calculation
 Fair Value Rate Base (FVRB),
 Fair Value Rate of Return (FVROR) and
 Cost Rate to be Assigned to the Fair Value Increment
 RUCO Recommended

Calculation of RUCO Fair Value Rate Base (FVRB)

Line No.	Rate Base Estimate	Amount	Weighting	Weighted Amount
1	¹ Original Cost Rate Base (OCRB) - RUCO Recommended	\$ 9,629,358	50%	\$ 4,814,679
2	² RUCO Reconstruction Cost New (RCND) Rate Base	13,323,927	50%	6,661,964
3	Fair Value Rate Base (FVRB)			\$ 11,476,642
4				
5	Appreciation above OCRB			\$ 1,847,285
6	FV/OCRB Multiple	1.19		

Calculation of RUCO Fair Value Rate of Return (FVROR)

	Capital	Amount	Percent	Cost Rate	Weighted Cost
7	Long-Term Debt	\$ 5,204,559	45.35%	4.29%	1.95%
	Short-Term Debt	416,384	3.63%	0.20%	0.01%
8	Common Equity	4,008,415	34.93%	9.30%	3.25%
9	Capital Financing OCRB	\$ 9,629,358			
10					
11	Fair Value Increment	\$ 1,847,285	16.10%	1.04%	0.17%
12					
13	Fair Value Rate of Return	\$ 11,476,642	100.00%		5.37%

Calculation of Cost Rate to be Assigned to the Fair Value Increment

	Cost Inputs	Cost Rate
14	³ Current Nominal Risk-Free Rate	3.00%
15	⁴ Less: Inflation Component	0.92%
16	Real Risk-Free Rate	2.08%
17		
18	Inflation Adjustment Factor	x 50.00%
19		
20	Cost Rate - Fair Value Increment	1.04%

Sources:

¹ Coley Direct, Schedule TJC-1

² Coley Direct, Schedule TJC-1

³ Current nominal risk-free rate is the spot yield on the 30-year U.S. Treasury Bond at the close of market on November 21, 2016.
<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldYear&year=2016>

⁴ Inflation component is the spot real yield on 30-year U.S. Treasury Inflation Protected Securities (TIPS) at the close of market on November 21, 2016.
<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldYear&year=2016>

Anthem Wastewater District
Cost of Capital Calculation
Fair Value Rate Base (FVRB),
Fair Value Rate of Return (FVROR) and
Cost Rate to be Assigned to the Fair Value Increment
RUCO Recommended

Calculation of RUCO Fair Value Rate Base (FVRB)

Line No.	Rate Base Estimate	Amount	Weighting	Weighted Amount
1	¹ Original Cost Rate Base (OCRB) - RUCO Recommended	\$ 14,982,466	50%	\$ 7,491,233
2	² RUCO Reconstruction Cost New (RCND) Rate Base	19,198,239	50%	9,599,120
3	Fair Value Rate Base (FVRB)			\$ 17,090,353
4				
5	Appreciation above OCRB			
6	FV/OCRB Multiple	1.14		\$ 2,107,887

Calculation of RUCO Fair Value Rate of Return (FVROR)

	Capital	Amount	Percent	Cost Rate	Weighted Cost
7	Long-Term Debt	\$ 8,097,854	47.38%	4.29%	2.03%
8	Short-Term Debt	647,858	3.79%	0.20%	0.01%
9	Common Equity	6,236,754	36.49%	9.30%	3.39%
10	Capital Financing OCRB	\$ 14,982,466			
11	Fair Value Increment	\$ 2,107,887	12.33%	1.04%	0.13%
12					
13	Fair Value Rate of Return	\$ 17,090,353	100.00%		5.56%

Calculation of Cost Rate to be Assigned to the Fair Value Increment

Cost Inputs	Cost Rate
14 ³ Current Nominal Risk-Free Rate	3.00%
15 ⁴ Less: Inflation Component	0.92%
16 Real Risk-Free Rate	2.08%
17	
18 Inflation Adjustment Factor	x 50.00%
19	
20 Cost Rate - Fair Value Increment	1.04%

Sources:

¹ Coley Direct, Schedule TJC-1

² Coley Direct, Schedule TJC-1

³ Current nominal risk-free rate is the spot yield on the 30-year U.S. Treasury Bond at the close of market on November 21, 2016.
<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldYear&year=2016>

⁴ Inflation component is the spot real yield on 30-year U.S. Treasury Inflation Protected Securities (TIPS) at the close of market on November 21, 2016.
<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldYear&year=2016>

Mohave Wastewater District
Cost of Capital Calculation
Fair Value Rate Base (FVRB),
Fair Value Rate of Return (FVROR) and
Cost Rate to be Assigned to the Fair Value Increment
RUCO Recommended

Calculation of RUCO Fair Value Rate Base (FVRB)

Line No.	Rate Base Estimate	Amount	Weighting	Weighted Amount
1	¹ Original Cost Rate Base (OCRB) - RUCO Recommended	\$ 4,914,420	50%	\$ 2,457,210
2	² RUCO Reconstruction Cost New (RCND) Rate Base	5,404,257	50%	2,702,129
3	Fair Value Rate Base (FVRB)			\$ 5,159,339
4				
5	Appreciation above OCRB			\$ 244,919
6	FV/OCRB Multiple	1.05		

Calculation of RUCO Fair Value Rate of Return (FVROR)

Capital	Amount	Percent	Cost Rate	Weighted Cost
7 Long-Term Debt	\$ 2,656,189	51.48%	4.29%	2.21%
Short-Term Debt	212,505	4.12%	0.20%	0.01%
8 Common Equity	2,045,726	39.65%	9.30%	3.69%
9 Capital Financing OCRB	\$ 4,914,420			
10				
11 Fair Value Increment	\$ 244,919	4.75%	1.04%	0.05%
12				
13 Fair Value Rate of Return	\$ 5,159,339	100.00%		5.96%

Calculation of Cost Rate to be Assigned to the Fair Value Increment

Cost Inputs	Cost Rate
14 ³ Current Nominal Risk-Free Rate	3.00%
15 ⁴ Less: Inflation Component	0.92%
16 Real Risk-Free Rate	2.08%
17	
18 Inflation Adjustment Factor	x 50.00%
19	
20 Cost Rate - Fair Value Increment	1.04%

Sources:

¹ Coley Direct, Schedule TJC-1

² Coley Direct, Schedule TJC-1

³ Current nominal risk-free rate is the spot yield on the 30-year U.S. Treasury Bond at the close of market on November 21, 2016.
<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldYear&year=2016>

⁴ Inflation component is the spot real yield on 30-year U.S. Treasury Inflation Protected Securities (TIPS) at the close of market on November 21, 2016.

<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldYear&year=2016>

Sun City Wastewater District
Cost of Capital Calculation
Fair Value Rate Base (FVRB),
Fair Value Rate of Return (FVROR) and
Cost Rate to be Assigned to the Fair Value Increment
RUCO Recommended

Calculation of RUCO Fair Value Rate Base (FVRB)

Line No.	Rate Base Estimate	Amount	Weighting	Weighted Amount
1	¹ Original Cost Rate Base (OCRB) - RUCO Recommended	\$ 23,608,007	50%	
2	² RUCO Reconstruction Cost New (RCND) Rate Base			\$ 11,804,004
3	Fair Value Rate Base (FVRB)	34,657,191	50%	17,328,596
4				<u>\$ 29,132,599</u>
5	Appreciation above OCRB			
6	FV/OCRB Multiple	1.23		\$ 5,524,592

Calculation of RUCO Fair Value Rate of Return (FVROR)

Capital	Amount	Percent	Cost Rate	Weighted Cost
7 Long-Term Debt	\$ 12,759,862	43.80%	4.29%	1.88%
8 Short-Term Debt	1,020,836	3.50%	0.20%	0.01%
9 Common Equity	9,827,310	33.73%	9.30%	3.14%
10 Capital Financing OCRB	<u>\$ 23,608,007</u>			
11 Fair Value Increment	\$ 5,524,592	18.96%	1.04%	0.20%
12 Fair Value Rate of Return	<u>\$ 29,132,599</u>	100.00%		<u>5.22%</u>

Calculation of Cost Rate to be Assigned to the Fair Value Increment

Cost Inputs	Cost Rate
14 ³ Current Nominal Risk-Free Rate	3.00%
15 ⁴ Less: Inflation Component	0.92%
16 Real Risk-Free Rate	2.08%
17	
18 Inflation Adjustment Factor	x 50.00%
19	
20 Cost Rate - Fair Value Increment	<u>1.04%</u>

Sources:

¹ Coley Direct, Schedule TJC-1

² Coley Direct, Schedule TJC-1

³ Current nominal risk-free rate is the spot yield on the 30-year U.S. Treasury Bond at the close of market on November 21, 2016.
<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldYear&year=2016>

⁴ Inflation component is the spot real yield on 30-year U.S. Treasury Inflation Protected Securities (TIPS) at the close of market on November 21, 2016.

<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldYear&year=2016>

Sun City West Wastewater District
 Cost of Capital Calculation
 Fair Value Rate Base (FVRB),
 Fair Value Rate of Return (FVROR) and
 Cost Rate to be Assigned to the Fair Value Increment
 RUCO Recommended

Calculation of RUCO Fair Value Rate Base (FVRB)

Line No.	Rate Base Estimate	Amount	Weighting	Weighted Amount
1	¹ Original Cost Rate Base (OCRB) - RUCO Recommended	\$ 16,575,957	50%	\$ 8,287,978
2	² RUCO Reconstruction Cost New (RCND) Rate Base	29,384,799	50%	14,692,400
3	Fair Value Rate Base (FVRB)			\$ 22,980,378
4				
5	Appreciation above OCRB			\$ 6,404,421
6	FV/OCRB Multiple	1.39		

Calculation of RUCO Fair Value Rate of Return (FVROR)

	Capital	Amount	Percent	Cost Rate	Weighted Cost
7	Long-Term Debt	\$ 8,959,118	38.99%	4.29%	1.67%
	Short-Term Debt	716,762	3.12%	0.20%	0.01%
8	Common Equity	6,900,077	30.03%	9.30%	2.79%
9	Capital Financing OCRB	\$ 16,575,957			
10					
11	Fair Value Increment	\$ 6,404,421	27.87%	1.04%	0.29%
12					
13	Fair Value Rate of Return	\$ 22,980,378	100.00%		4.76%

Calculation of Cost Rate to be Assigned to the Fair Value Increment

	Cost Inputs	Cost Rate
14	³ Current Nominal Risk-Free Rate	3.00%
15	⁴ Less: Inflation Component	0.92%
16	Real Risk-Free Rate	2.08%
17		
18	Inflation Adjustment Factor	x 50.00%
19		
20	Cost Rate - Fair Value Increment	1.04%

Sources:

¹ Coley Direct, Schedule TJC-1

² Coley Direct, Schedule TJC-1

³ Current nominal risk-free rate is the spot yield on the 30-year U.S. Treasury Bond at the close of market on November 21, 2016.
<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldYear&year=2016>

⁴ Inflation component is the spot real yield on 30-year U.S. Treasury Inflation Protected Securities (TIPS) at the close of market on November 21, 2016.
<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldYear&year=2016>

Line No	<u>Cost of Capital -- Common Equity</u>		
	[A] <u>Cost Estimate</u>	[B] <u>Weighting Factor</u>	[C] <u>Weighted Average Cost Estimate</u>
1	Discounted Cash Flow Model ("DCF") Schedule JAC - 3 9.11%	40.00%	3.65%
2	Capital Asset Pricing Model ("CAPM") Schedule JAC - 4 6.99%	20.00%	1.40%
3	Comparable Earnings Model ("CE") Schedule JAC - 5 10.65%	40.00%	4.26%
4	Cost of Common Equity 8.92%		9.30%

[A]: From Schedules JAC-3, JAC-4 and JAC-5
 [B]: See Testimony
 [C]: [A] * [B]

PROXY GROUP -- DCF ANALYSIS

Line No	Proxy Group Companies	(A) Current Dividend Yield (D _t /P _t)	(B) Historic Retention Growth	(C) Projected Retention Growth	(D) Five Year Historic Growth Rate	(E) Projected Per Share Growth Rates	(F) Projected EPS Growth	(G) Average Growth	(H) Expected Dividend Yield (D _t /P _t)	(I) DCF Rates
1	American States Water Co.	2.3%	6.1%	5.7%	9.3%	5.7%	4.00%	6.1%	2.3%	8.5%
2	American Water Works Co., Inc	2.0%	4.2%	4.8%	8.5%	7.5%	7.60%	6.5%	2.1%	8.6%
3	Aqua America, Inc.	2.5%	5.3%	5.7%	9.2%	7.7%	6.00%	6.8%	2.6%	9.3%
4	Artesian Resources Corp	3.1%	1.6%		3.0%		4.00%	2.9%	3.2%	6.0%
5	California Water Service Group	2.2%	3.0%	3.7%	3.7%	6.0%	7.75%	4.8%	2.2%	7.1%
6	Connecticut Water Service, Inc.	2.3%	3.5%	5.0%	6.8%	4.3%	6.00%	5.1%	2.3%	7.5%
7	Middlesex Water	2.2%	2.3%	4.3%	3.3%	4.0%	2.70%	3.3%	2.3%	5.6%
8	SJW Corporation	1.9%	5.0%	5.0%	7.5%	3.7%	14.00%	7.0%	1.9%	9.0%
9	York Water Company	2.1%	3.1%	4.2%	4.3%	5.3%	4.90%	4.4%	2.1%	6.5%
<hr/>										
10	Mean	2.28%	3.80%	4.79%	6.19%	5.52%	6.33%	5.22%	2.34%	7.56%
<hr/>										
11	Median	2.24%	3.54%	4.92%	6.83%	5.50%	6.00%	5.14%	2.28%	7.48%
<hr/>										
12	Composite-Mean		6.13%	7.13%	8.52%	7.86%	8.67%	7.56%		
<hr/>										
13	Composite-Median		5.82%	7.20%	9.11%	7.78%	8.28%	7.42%		

References:

- Column (A) - Schedule JAC - 3, page 3 of 4
- Column (B) - Schedule JAC - 3, page 4 of 4
- Column (C) - Schedule JAC - 3, page 4 of 4
- Column (D) and Column (E) - Schedule JAC - 3, page 2 of 4
- Column (F) See Yahoo Finance, Growth Estimates - Next 5 Years - Attachment 7
- Column (G) - Average Columns (B) through (F)
- Column (H) - Column (A) * [1 + Column (G)]
- Column (I) - Column (G) + Column (H)

PROXY GROUP -- PER SHARE GROWTH RATES

Line No	Proxy Group Companies	5-Year Historic Growth Rates				Est'd '13-'15 to '19-'21 Growth Rates			
		EPS	DPS	BVPS	Average	EPS	DPS	BVPS	Average
1	American States Water Co.	12.0%	10.0%	6.0%	9.3%	6.0%	7.0%	4.0%	5.7%
2	American Water Works Co., Inc	13.0%	10.0%	2.5%	8.5%	8.0%	10.5%	4.0%	7.5%
3	Aqua America, Inc.	13.0%	7.5%	7.0%	9.2%	7.0%	9.0%	7.0%	7.7%
4	Artesian Resources Corp.	3.0%	3.0%	3.0%	3.0%				
5	California Water Service Group	4.0%	2.0%	5.0%	3.7%	7.5%	7.0%	3.5%	6.0%
6	Connecticut Water Service, Inc.	9.0%	2.0%	9.5%	6.8%	5.0%	5.0%	3.0%	4.3%
7	Middlesex Water	5.5%	1.5%	3.0%	3.3%	5.0%	3.0%	4.0%	4.0%
8	SJW Corporation	15.0%	2.5%	5.0%	7.5%	1.5%	5.5%	4.0%	3.7%
9	York Water Company	6.0%	2.5%	4.5%	4.3%	6.0%	6.5%	3.5%	5.3%
10					6.2%				5.5%

Reference:
 Value Line Investment Survey (April 15, 2016) - See Attachment 1

PROXY GROUP -- DIVIDEND YIELD

Line No	Proxy Group Companies	(A)	(B)	(C)	(D)	(E)
		DPS	February 2016 - April 2016			
			High	Low	Average	
1	American States Water Co.	\$0.90	\$44.43	\$37.47	\$39.79	2.3%
2	American Water Works Co., Inc	\$1.50	\$83.00	\$70.12	\$74.88	2.0%
3	Aqua America, Inc.	\$0.77	\$34.84	\$28.92	\$30.91	2.5%
4	Artesian Resources Corp.	\$0.90	\$34.27	\$26.28	\$28.86	3.1%
5	California Water Service Group	\$0.69	\$34.22	\$29.25	\$31.73	2.2%
6	Connecticut Water Service, Inc.	\$1.13	\$52.39	\$45.13	\$49.65	2.3%
7	Middlesex Water	\$0.80	\$41.87	\$32.51	\$35.46	2.2%
8	SJW Corporation	\$0.81	\$53.61	\$38.36	\$43.09	1.9%
9	York Water Company	\$0.62	\$32.85	\$27.68	\$29.61	2.1%
<hr/>						
10	Average					2.28%

References:

Column (A) - Value Line Investment Survey (October 14, 2016)
 (Reflects annualization of most recent quarterly dividend)

Columns (B), (C), and (D) - Yahoo Finance

<http://finance.yahoo.com>

PROXY GROUP -- GROWTH RATES - RETAINED TO COMMON EQUITY

Line No	Proxy Group Companies	(A) 2011	(B) 2012	(C) 2013	(D) 2014	(E) 2015	Average	2016	2017	2019-'21	Average
1	American States Water Co.	5.3%	6.6%	6.8%	5.7%	6.0%	6.1%	5.5%	5.5%	6.0%	5.7%
2	American Water Works Co., Inc	3.5%	3.6%	4.7%	4.3%	4.7%	4.2%	4.5%	5.0%	5.0%	4.8%
3	Aqua America, Inc.	4.6%	4.3%	6.7%	6.1%	4.7%	5.3%	6.0%	6.0%	5.0%	5.7%
4	Artesian Rtesources Corp.	0.5%	2.5%	0.9%	1.6%	2.6%	1.6%				
5	California Water Service Group	2.3%	3.4%	3.4%	4.1%	2.0%	3.0%	2.5%	4.5%	4.0%	3.7%
6	Connecticut Water Service, Inc.	1.4%	2.8%	3.8%	4.8%	4.9%	3.5%	5.0%	5.0%	5.0%	5.0%
7	Middlesex Water	1.0%	1.4%	2.4%	3.1%	3.5%	2.3%	4.5%	4.5%	4.0%	4.3%
8	SJW Corporation	3.1%	3.3%	2.8%	10.2%	5.7%	5.0%	5.5%	5.5%	4.0%	5.0%
9	York Water Company	2.5%	2.4%	2.4%	3.9%	4.5%	3.1%	4.0%	4.5%	4.0%	4.2%
10	Average						3.8%				4.8%

Source: Value Line Investment Survey (October 14, 2016)

CAPITAL ASSET PRICING MODEL -- HISTORICAL MARKET RISK PREMIUM

Line No	Proxy Group Companies	[A] Risk Free Rate	[B] BETA	[C] Risk Premium	[D] CAPM Rates	[E] CAPM Cost of Equity Capital
1	American States Water Co.	2.37%	0.70 X	6.87%	=	4.81%
2	American Water Works Co., Inc	2.37%	0.65 X	6.87%	=	4.46%
3	Aqua America, Inc.	2.37%	0.70 X	6.87%	=	4.81%
4	Artesian Resources Corp.	2.37%	0.55 X	6.87%	=	3.78%
5	California Water Service Group	2.37%	0.75 X	6.87%	=	5.15%
6	Connecticut Water Service, Inc.	2.37%	0.60 X	6.87%	=	4.12%
7	Middlesex Water	2.37%	0.70 X	6.87%	=	4.81%
8	SJW Corporation	2.37%	0.70 X	6.87%	=	4.81%
9	York Water Company	2.37%	0.70 X	6.87%	=	4.81%
10	Average					<u>6.99%</u>
11	<u>20 year Treasury Bonds</u>		<u>30 year Treasury Bonds</u>			
12	August, 2016	1.89%		2.26%		
13	September, 2016	2.02%		2.35%		
14	October, 2016	<u>2.17%</u>		<u>2.50%</u>		
15	Average	<u>2.03%</u>		<u>2.37%</u>		
16						
17	RUCO Risk-Free Rate		<u>2.37%</u>			

REFERENCES

- Column [A]: United States Treasury Department - Attachment 2
<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldYear&year=2016>
- Column [B]: Value Line Investment Survey (October 14, 2016) - See Attachment 1
- Column [C]: JAC - 4, Page 2 of 2
- Column [D]: [B] * [C]
- Column [E]: [A] + [D]

STANDARD & POOR'S 500 COMPOSITE
 20-YEAR U.S. TREASURY BOND YIELDS
 RISK PREMIUMS

Line No.	Year	[A] EPS	[B] BVPS	[C] ROE	[D] 20-YEAR T-BOND	[E] RISK PREMIUM
1	1977		\$79.07			
2	1978	\$12.33	\$85.35	15.00%	7.90%	7.10%
3	1979	\$14.86	\$94.27	16.55%	8.86%	7.69%
4	1980	\$14.82	\$102.48	15.06%	9.97%	5.09%
5	1981	\$15.36	\$109.43	14.50%	11.55%	2.95%
6	1982	\$12.64	\$112.46	11.39%	13.50%	-2.11%
7	1983	\$14.03	\$116.93	12.23%	10.38%	1.85%
8	1984	\$16.64	\$122.47	13.90%	11.74%	2.16%
9	1985	\$14.61	\$125.20	11.80%	11.25%	0.55%
10	1986	\$14.48	\$126.82	11.49%	8.98%	2.51%
11	1987	\$17.50	\$134.07	13.42%	7.92%	5.50%
12	1988	\$23.75	\$141.32	17.25%	8.97%	8.28%
13	1989	\$22.87	\$147.26	15.85%	8.81%	7.04%
14	1990	\$21.73	\$153.01	14.47%	8.19%	6.28%
15	1991	\$16.29	\$158.85	10.45%	8.22%	2.23%
16	1992	\$18.86	\$149.74	12.22%	7.29%	4.93%
17	1993	\$21.89	\$180.88	13.24%	7.17%	6.07%
18	1994	\$30.60	\$193.06	16.37%	6.59%	9.78%
19	1995	\$33.96	\$216.51	16.58%	7.60%	8.98%
20	1996	\$38.73	\$237.08	17.08%	6.83%	10.25%
21	1997	\$39.72	\$249.52	16.33%	6.69%	9.64%
22	1998	\$37.71	\$266.40	14.62%	5.72%	8.90%
23	1999	\$48.17	\$290.68	17.29%	6.20%	11.09%
24	2000	\$50.00	\$325.80	16.22%	6.23%	9.99%
25	2001	\$24.70	\$338.37	7.44%	5.63%	1.81%
26	2002	\$27.59	\$321.72	8.36%	5.43%	2.93%
27	2003	\$48.73	\$367.17	14.15%	4.96%	9.19%
28	2004	\$58.55	\$414.75	14.98%	5.04%	9.94%
29	2005	\$69.93	\$453.06	16.12%	4.64%	11.48%
30	2006	\$81.51	\$504.39	17.03%	5.00%	12.03%
31	2007	\$66.18	\$529.59	12.80%	4.91%	7.89%
32	2008	\$14.88	\$451.37	3.03%	4.36%	-1.33%
33	2009	\$50.97	\$513.58	10.56%	4.11%	6.45%
34	2010	\$77.35	\$579.14	14.16%	4.03%	10.13%
35	2011	\$86.95	\$613.14	14.59%	3.62%	10.97%
36	2012	\$86.51	\$666.97	13.52%	2.54%	10.98%
37	2013	\$100.20	\$715.84	14.49%	3.12%	11.37%
38	2014	\$102.31	\$726.96	14.18%	3.07%	11.11%
39	2015	\$86.53	\$740.29	11.79%	2.55%	9.25%
40	Average			13.70%	6.83%	6.87%

[A]: Diluted earnings per share on the S&P 500 Composite Index.

[B]: Book value per share on the S&P 500 Composite Index.

[C]: Average of current- and prior year [B] / current year [A].

[D]: Annual income returns on 20-year U.S. Treasury bonds.

[E]: [C] - [D]

Sources for [A] and [B]: Standard & Poor's 2015 Analysts' Handbook and Standard & Poor's 500 Earnings Report

https://ycharts.com/indicators/reports/sp_500_earnings

Source for [D]: Morningstar 2015 Classic Yearbook (Table A-7) and U.S. Department of the Treasury

<https://www.treasury.gov/Pages/default.aspx>

COMPARABLE EARNINGS ANALYSIS
RETURN ON COMMON EQUITY FOR RUCO'S PROXY GROUP OF COMPANIES

Company	2005	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2019 - 2021	10-Year Historical Average 2006-2015	5-Year Historical Average 2011-2015	5-Year Projected Average 2016-2020	
	American States Water Co.	8.1%	9.3%	8.6%	8.2%	11.0%	10.3%	11.9%	12.7%	12.0%	13.0%	12.0%	12.0%	13.5%	10.5%	12.0%	12.5%
American Water Works	10.0%	9.7%	9.3%	5.2%	6.5%	7.2%	8.4%	7.8%	8.7%	9.4%	9.5%	10.0%	10.5%	7.6%	8.3%	10.0%	
Aqua America, Inc.	6.8%	7.4%	7.3%	8.0%	10.6%	11.6%	11.0%	13.4%	12.9%	11.7%	13.0%	13.0%	12.5%	11.0%	12.1%	12.8%	
Artesian Resources	7.0%	8.1%	9.9%	9.6%	8.6%	8.0%	8.3%	6.8%	7.6%	8.5%	7.5%	9.5%	10.0%	7.5%	7.4%	9.0%	
California Water Service Group	7.8%	8.7%	9.1%	9.4%	8.7%	8.3%	7.3%	9.2%	10.2%	10.1%	10.5%	10.5%	11.0%	8.4%	8.2%	9.0%	
Connecticut Water Service, Inc.	9.7%	8.2%	8.0%	7.0%	8.2%	7.5%	7.8%	8.7%	9.3%	9.6%	10.5%	11.0%	9.5%	8.4%	8.6%	10.3%	
Middlesex Water	9.3%	9.5%	9.2%	8.6%	9.8%	9.5%	9.3%	7.3%	14.4%	9.9%	10.0%	10.0%	9.0%	8.6%	9.5%	9.7%	
SJW Corporation	8.4%	8.7%	8.8%	7.9%	8.6%	8.5%	9.0%	9.2%	10.6%	10.1%	10.5%	10.9%	11.1%	9.7%	10.1%	11.7%	
York Water	8.1%	8.7%	9.0%	8.2%	8.6%	8.0%	8.4%	8.7%	10.2%	9.9%	10.5%	10.8%	10.8%	8.6%	9.0%	10.50%	
Mean	8.4%	8.7%	8.8%	7.9%	8.6%	8.5%	9.0%	9.2%	10.6%	10.1%	10.5%	10.9%	11.1%	8.9%	9.5%	10.80%	
Median	8.1%	8.7%	9.0%	8.2%	8.6%	8.0%	8.4%	8.7%	10.2%	9.9%	10.5%	10.8%	10.8%	8.6%	9.0%	10.50%	
Average of Mean and Median																	10.65%

Source: Value Line Investment Survey (October 14, 2016).

ECONOMIC INDICATORS

Line No	Year	Real GDP Growth	Industrial Production Growth	Unemployment Rate	Consumer Price Index	Producer Price Index
1	1975	-1.1%	-8.9%	8.5%	7.0%	6.6%
2	1976	5.4%	10.8%	7.7%	4.8%	3.7%
3	1977	5.5%	5.9%	7.0%	6.8%	6.9%
4	1978	5.0%	5.7%	6.0%	9.0%	9.2%
5	1979	2.8%	4.4%	5.8%	13.3%	12.8%
6	1980	-0.2%	-1.9%	7.0%	12.4%	11.8%
7	1981	1.8%	1.9%	7.5%	8.9%	7.1%
8	1982	-2.1%	-4.4%	9.5%	3.8%	3.6%
9	1983	4.0%	3.7%	9.5%	3.8%	0.6%
10	1984	6.8%	9.3%	7.5%	3.9%	1.7%
11	1985	3.7%	1.7%	7.2%	3.8%	1.8%
12	1986	3.1%	0.9%	7.0%	1.1%	-2.3%
13	1987	2.9%	4.9%	6.2%	4.4%	2.2%
14	1988	3.8%	4.5%	5.5%	4.4%	4.0%
15	1989	3.5%	1.8%	5.3%	4.6%	4.9%
16	1990	1.8%	-0.2%	5.6%	6.1%	5.7%
17	1991	-0.5%	-2.0%	6.8%	3.1%	-0.1%
18	1992	3.0%	3.1%	7.5%	2.9%	1.6%
19	1993	2.7%	3.4%	6.9%	2.7%	0.2%
20	1994	4.0%	5.5%	6.1%	2.7%	1.7%
21	1995	3.7%	4.8%	5.6%	2.5%	2.3%
22	1996	4.5%	4.3%	5.4%	3.3%	2.8%
23	1997	4.5%	7.3%	4.9%	1.7%	-1.2%
24	1998	4.2%	5.8%	4.5%	1.6%	0.0%
25	1999	3.7%	4.5%	4.2%	2.7%	2.9%
26	2000	4.1%	4.0%	4.0%	3.4%	3.6%
27	2001	1.1%	-3.4%	4.7%	1.6%	-1.6%
28	2002	1.8%	0.2%	5.8%	2.4%	1.2%
29	2003	2.8%	1.2%	6.0%	1.9%	4.0%
30	2004	3.8%	2.3%	5.5%	3.3%	4.2%
31	2005	3.3%	3.2%	5.1%	3.4%	5.4%
32	2006	2.7%	2.2%	4.6%	2.5%	1.1%
33	2007	1.8%	2.5%	4.6%	4.1%	6.2%
34	2008	-0.3%	-3.4%	5.8%	0.1%	-0.9%
35	2009	-2.8%	-11.3%	9.3%	2.7%	4.3%
36	2010	2.5%	5.6%	9.6%	1.5%	4.7%
37	2011	1.6%	3.0%	8.9%	3.0%	4.7%
38	2012	2.2%	2.8%	8.1%	1.7%	1.4%
39	2013	1.5%	1.9%	7.4%	1.5%	0.8%
40	2014	2.4%	3.7%	6.2%	0.8%	-1.2%
41	2015	2.4%	1.3%	5.3%	0.7%	-3.7%

Source: Council of Economic Advisors, Economic Indicators, various issues.

ECONOMIC INDICATORS

Line No	Year	Real GDP* Growth	Industrial Production Growth	Unemployment Rate	Consumer Price Index	Producer Price Index
1	2003					
2	1st Qtr.	1.2%	1.1%	5.8%	4.8%	5.6%
3	2nd Qtr.	3.5%	-0.9%	6.2%	0.0%	-0.5%
4	3rd Qtr.	7.5%	-0.9%	6.1%	3.2%	3.2%
5	4th Qtr.	2.7%	1.5%	5.9%	-0.3%	2.8%
6	2004					
7	1st Qtr.	3.0%	2.8%	5.6%	5.2%	5.2%
8	2nd Qtr.	3.5%	4.9%	5.6%	4.4%	4.4%
9	3rd Qtr.	3.6%	4.6%	5.4%	0.8%	0.8%
10	4th Qtr.	2.5%	4.3%	5.4%	3.6%	7.2%
11	2005					
12	1st Qtr.	4.1%	3.8%	5.3%	4.4%	5.6%
13	2nd Qtr.	1.7%	3.0%	5.1%	1.6%	-0.4%
14	3rd Qtr.	3.1%	2.7%	5.0%	8.8%	14.0%
15	4th Qtr.	2.1%	2.9%	4.9%	-2.0%	4.0%
16	2006					
17	1st Qtr.	5.4%	3.4%	4.7%	4.8%	-0.2%
18	2nd Qtr.	1.4%	4.5%	4.6%	4.8%	5.6%
19	3rd Qtr.	0.1%	5.2%	4.7%	0.4%	-4.4%
20	4th Qtr.	3.0%	3.5%	4.5%	0.0%	3.6%
21	2007					
22	1st Qtr.	0.9%	2.5%	4.5%	4.8%	6.4%
23	2nd Qtr.	3.2%	1.6%	4.5%	5.2%	6.8%
24	3rd Qtr.	2.3%	1.8%	4.6%	1.2%	1.2%
25	4th Qtr.	2.9%	1.7%	4.8%	0.6%	6.5%
26	2008					
27	1st Qtr.	-1.8%	1.9%	4.9%	2.8%	9.6%
28	2nd Qtr.	1.3%	0.2%	5.3%	7.6%	14.0%
29	3rd Qtr.	-3.7%	-3.0%	6.0%	2.8%	-0.4%
30	4th Qtr.	-8.9%	6.0%	6.9%	-13.2%	-28.4%
31	2009					
32	1st Qtr.	-5.3%	-11.6%	8.1%	2.4%	-0.4%
33	2nd Qtr.	-0.3%	-12.9%	9.3%	3.2%	9.2%
34	3rd Qtr.	1.4%	-9.3%	9.6%	2.0%	-0.8%
35	4th Qtr.	4.0%	-4.5%	10.0%	2.5%	8.8%
36	2010					
37	1st Qtr.	1.6%	2.7%	9.7%	0.9%	6.5%
38	2nd Qtr.	3.9%	6.5%	9.7%	-1.2%	-2.4%
39	3rd Qtr.	2.8%	6.9%	9.6%	2.8%	4.0%
40	4th Qtr.	2.8%	6.2%	9.6%	2.8%	9.2%
41	2011					
42	1st Qtr.	-1.5%	5.4%	9.0%	4.8%	9.6%
43	2nd Qtr.	2.9%	3.6%	9.0%	3.2%	3.6%
44	3rd Qtr.	0.8%	3.3%	9.1%	2.4%	6.4%
45	4th Qtr.	4.6%	4.0%	8.7%	0.4%	-1.2%
46	2012					
47	1st Qtr.	2.3%	4.5%	8.3%	3.2%	2.0%
48	2nd Qtr.	1.6%	4.7%	8.2%	0.0%	-2.8%
49	3rd Qtr.	2.5%	3.4%	8.1%	4.0%	9.6%
50	4th Qtr.	0.1%	2.8%	7.8%	0.0%	-3.6%
51	2013					
52	1st Qtr.	1.9%	2.5%	7.7%	2.0%	1.2%
53	2nd Qtr.	1.1%	2.0%	7.6%	1.2%	2.4%
54	3rd Qtr.	3.0%	2.6%	7.3%	1.6%	0.0%
55	4th Qtr.	3.8%	3.3%	7.0%	1.2%	0.3%
56	2014					
57	1st Qtr.	-0.9%	3.2%	6.6%	1.6%	0.3%
58	2nd Qtr.	4.6%	4.2%	6.2%	3.6%	0.2%
59	3rd Qtr.	4.3%	4.7%	6.1%	0.0%	0.0%
60	4th Qtr.	2.1%	4.5%	5.7%	-2.8%	-0.8%
61	2015					
62	1st Qtr.	0.6%	3.5%	5.6%	-0.2%	-2.3%
63	2nd Qtr.	3.9%	1.5%	5.4%	0.6%	1.2%
64	3rd Qtr.	2.0%	1.1%	5.2%	0.0%	-1.8%
65	4th Qtr.	1.0%	-0.8%	5.0%	0.2%	-0.9%
66	2016					
67	1st Qtr.	0.80%	-1.6%	4.9%	1.10%	-0.4%
68	2nd Qtr.	1.40%	-1.1%	4.9%	1.03%	0.6%
69	3rd Qtr.	2.90% P	-1.0%	4.9%	1.13%	0.0%
70	4th Qtr.					

*GDP=Gross Domestic Product

P: Preliminary

Source: Council of Economic Advisors, Economic Indicators, various issues.

INTEREST RATES

Line No	Year	Prime Rate	US Treasury T Bills 3 Month	US Treasury T Bonds 10 Year	Utility Bonds Aaa	Utility Bonds Aa	Utility Bonds A	Utility Bonds Baa
1	1975	7.86%	5.84%	7.99%	9.03%	9.44%	10.09%	10.96%
2	1976	6.84%	4.99%	7.61%	8.63%	8.92%	9.29%	9.82%
3	1977	6.83%	5.27%	7.42%	8.19%	8.43%	8.61%	9.06%
4	1978	9.06%	7.22%	8.41%	8.87%	9.10%	9.29%	9.62%
5	1979	12.67%	10.04%	9.43%	9.86%	10.22%	10.49%	10.96%
6	1980	15.27%	11.51%	11.43%	12.30%	13.00%	13.34%	13.95%
7	1981	18.89%	14.03%	13.92%	14.64%	15.30%	15.95%	16.60%
8	1982	14.86%	10.69%	13.01%	14.22%	14.79%	15.86%	16.45%
9	1983	10.79%	8.63%	11.10%	12.52%	12.83%	13.66%	14.20%
10	1984	12.04%	9.58%	12.46%	12.72%	13.66%	14.03%	14.53%
11	1985	9.93%	7.48%	10.62%	11.68%	12.06%	12.47%	12.96%
12	1986	8.33%	5.98%	7.67%	8.92%	9.30%	9.58%	10.00%
13	1987	8.21%	5.82%	8.39%	9.52%	9.77%	10.10%	10.53%
14	1988	9.32%	6.69%	8.85%	10.05%	10.26%	10.49%	11.00%
15	1989	10.87%	8.12%	8.49%	9.32%	9.56%	9.77%	9.97%
16	1990	10.01%	7.51%	8.55%	9.45%	9.65%	9.86%	10.06%
17	1991	8.46%	5.42%	7.86%	8.85%	9.09%	9.36%	9.55%
18	1992	6.25%	3.45%	7.01%	8.19%	8.55%	8.69%	8.86%
19	1993	6.00%	3.02%	5.87%	7.29%	7.44%	7.59%	7.91%
20	1994	7.15%	4.29%	7.09%	8.07%	8.21%	8.31%	8.63%
21	1995	8.83%	5.51%	6.57%	7.68%	7.77%	7.89%	8.29%
22	1996	8.27%	5.02%	6.44%	7.48%	7.57%	7.75%	8.16%
23	1997	8.44%	5.07%	6.35%	7.43%	7.54%	7.60%	7.95%
24	1998	8.35%	4.81%	5.26%	6.77%	6.91%	7.04%	7.26%
25	1999	8.00%	4.66%	5.65%	7.21%	7.51%	7.62%	7.88%
26	2000	9.23%	5.85%	6.03%	7.88%	8.06%	8.24%	8.36%
27	2001	6.91%	3.44%	5.02%	7.47%	7.59%	7.78%	8.02%
28	2002	4.67%	1.62%	4.61%		[1] 7.19%	7.37%	8.02%
29	2003	4.12%	1.01%	4.01%		6.40%	6.58%	6.84%
30	2004	4.34%	1.38%	4.27%		6.04%	6.16%	6.40%
31	2005	6.19%	3.16%	4.29%		5.44%	5.65%	5.93%
32	2006	7.96%	4.73%	4.80%		5.84%	6.07%	6.32%
33	2007	8.05%	4.41%	4.63%		5.94%	6.07%	6.33%
34	2008	5.09%	1.48%	3.66%		6.18%	6.53%	7.25%
35	2009	3.25%	0.16%	3.26%		5.75%	6.04%	7.06%
36	2010	3.25%	0.14%	3.22%		5.24%	5.46%	5.96%
37	2011	3.25%	0.06%	2.78%		4.78%	5.04%	5.57%
38	2012	3.25%	0.09%	1.80%		3.83%	4.13%	4.86%
39	2013	3.25%	0.06%	2.35%		4.24%	4.47%	4.98%
40	2014	3.25%	0.03%	2.54%		4.19%	4.28%	4.80%
41	2015	3.27%	0.05%	2.14%		4.00%	4.12%	5.03%

[1] Note: Moody's has not published Aaa utility bond yields since 2001.

Sources: Council of Economic Advisors, Economic Indicators; Moody's Bond Record; Federal Reserve Bulletin; various issues.

STOCK PRICE INDICATORS

Line		S&P	NASDAQ		S&P	S&P
<u>No</u>	<u>Year</u>	<u>Composite</u>	<u>Composite</u>	<u>DJIA</u>	<u>Dividend/Price</u>	<u>Earnings/Price</u>
					<u>Ratio</u>	<u>Ratio</u>
1	1975			802.49	4.31%	9.15%
2	1976			974.92	3.77%	8.90%
3	1977			894.63	4.62%	10.79%
4	1978			820.23	5.28%	12.03%
5	1979			844.40	5.47%	13.46%
6	1980			891.41	5.26%	12.66%
7	1981			932.92	5.20%	11.96%
8	1982			884.36	5.81%	11.60%
9	1983			1,190.34	4.40%	8.03%
10	1984			1,178.48	4.64%	10.02%
11	1985			1,328.23	4.25%	8.12%
12	1986			1,792.76	3.49%	6.09%
13	1987			2,275.99	3.08%	5.48%
14	1988			2,060.82	3.64%	8.01%
15	1989	322.84		2,508.91	3.45%	7.41%
16	1990	334.59		2,678.94	3.61%	6.47%
17	1991	376.18	491.69	2,929.33	3.24%	4.79%
18	1992	415.74	\$599.26	3,284.29	2.99%	4.22%
19	1993	451.21	715.16	3,522.06	2.78%	4.46%
20	1994	460.42	751.65	3,793.77	2.82%	5.83%
21	1995	541.72	925.19	4,493.76	2.56%	6.09%
22	1996	670.50	1,164.96	5,742.89	2.19%	5.24%
23	1997	873.43	1,469.49	7,441.15	1.77%	4.57%
24	1998	1,085.50	1,794.91	8,625.52	1.49%	3.46%
25	1999	1,327.33	2,728.15	10,464.88	1.25%	3.17%
26	2000	1,427.22	2,783.67	10,734.90	1.15%	3.63%
27	2001	1,194.18	2,035.00	10,189.13	1.32%	2.95%
28	2002	993.94	1,539.73	9,226.43	1.61%	2.92%
29	2003	965.23	1,647.17	8,993.59	1.77%	3.84%
30	2004	1,130.65	1,986.53	10,317.39	1.72%	4.89%
31	2005	1,207.06	2,099.03	10,547.67	1.83%	5.36%
32	2006	1,310.67	2,265.17	11,408.67	1.87%	5.78%
33	2007	1,476.66	2,577.12	13,169.98	1.86%	5.29%
34	2008	1,220.89	2,162.46	11,252.61	2.37%	3.54%
35	2009	946.73	1,841.03	8,876.15	2.40%	1.86%
36	2010	1,139.31	2,347.70	10,662.80	1.98%	6.04%
37	2011	1,268.89	2,680.42	11,966.36	2.05%	6.77%
38	2012	1,379.56	2,965.77	12,967.08	2.24%	6.20%
39	2013	1,642.51	3,537.69	14,999.67	2.14%	5.57%
40	2014	1,930.67	4,374.31	16,773.99	2.04%	5.25%
41	2015	2,061.20	4,943.49	17,590.61	2.10%	4.59%

Source: Council of Economic Advisors, Economic Indicators, various issues.
<https://www.gpo.gov/fdsys/browse/collection.action?collectionCode=ECONI>

STOCK PRICE INDICATORS

Line No		S&P Composite	NASDAQ Composite	DJIA	S&P Dividends/Price Ratio	S&P Earnings/Price Ratio
1	2004					
2	1st Qtr.	1,133.29	2,041.95	10,488.43	1.64%	4.62%
3	2nd Qtr.	1,122.87	1,984.13	10,289.04	1.71%	4.92%
4	3rd Qtr.	1,104.15	1,872.90	10,129.85	1.79%	5.18%
5	4th Qtr.	1,162.07	2,050.22	10,362.25	1.75%	4.83%
6						
7	2005					
8	1st Qtr.	1,191.98	2,056.01	10,648.48	1.77%	5.11%
9	2nd Qtr.	1,181.65	2,012.24	10,382.35	1.85%	5.32%
10	3rd Qtr.	1,225.91	2,144.61	10,532.24	1.83%	5.42%
11	4th Qtr.	1,262.07	2,246.09	10,827.79	1.86%	5.60%
12						
13	2006					
14	1st Qtr.	1,283.04	2,287.97	10,996.04	1.85%	5.61%
15	2nd Qtr.	1,281.77	2,240.46	11,188.84	1.90%	5.86%
16	3rd Qtr.	1,288.40	2,141.97	11,274.49	1.91%	5.88%
17	4th Qtr.	1,389.48	2,390.26	12,175.30	1.81%	5.75%
18						
19	2007					
20	1st Qtr.	1,425.30	2,444.85	12,470.97	1.84%	5.85%
21	2nd Qtr.	1,496.43	2,552.37	13,214.26	1.82%	5.65%
22	3rd Qtr.	1,490.81	2,609.68	13,488.43	1.86%	5.15%
23	4th Qtr.	1,494.09	2,701.59	13,502.95	1.91%	4.51%
24						
25	2008					
26	1st Qtr.	1,350.19	2,332.91	12,383.86	2.11%	4.55%
27	2nd Qtr.	1,371.65	2,426.26	12,508.59	2.10%	4.05%
28	3rd Qtr.	1,251.94	2,290.87	11,322.40	2.29%	3.94%
29	4th Qtr.	909.80	1,599.64	8,795.61	2.98%	1.65%
30						
31	2009					
32	1st Qtr.	809.31	1,485.14	7,774.06	3.00%	0.86%
33	2nd Qtr.	892.23	1,731.41	8,327.83	2.45%	0.82%
34	3rd Qtr.	996.68	1,985.25	9,229.93	2.16%	1.19%
35	4th Qtr.	1,088.70	2,162.33	10,172.78	1.99%	4.57%
36						
37	2010					
38	1st Qtr.	1,121.60	2,274.88	10,454.42	1.94%	5.21%
39	2nd Qtr.	1,135.25	2,343.40	10,570.54	1.97%	6.51%
40	3rd Qtr.	1,096.39	2,237.97	10,390.24	2.09%	6.30%
41	4th Qtr.	1,204.00	2,534.62	11,236.02	1.95%	6.15%
42						
43	2011					
44	1st Qtr.	1,302.74	2,741.01	12,024.62	1.85%	6.13%
45	2nd Qtr.	1,319.04	2,766.64	12,370.73	1.97%	6.35%
46	3rd Qtr.	1,237.12	2,613.11	11,671.47	2.15%	7.69%
47	4th Qtr.	1,225.65	2,600.91	11,798.65	2.25%	6.91%
48						
49	2012					
50	1st Qtr.	1,347.44	2,902.90	12,839.80	2.12%	6.29%
51	2nd Qtr.	1,350.39	2,928.62	12,765.58	2.30%	6.45%
52	3rd Qtr.	1,402.21	3,029.86	13,118.72	2.27%	6.00%
53	4th Qtr.	1,418.21	3,001.69	13,142.91	2.28%	6.07%
54						
55	2013					
56	1st Qtr.	1,514.41	3,177.10	14,000.30	2.21%	5.59%
57	2nd Qtr.	1,609.77	3,389.49	14,961.28	2.15%	5.66%
58	3rd Qtr.	1,675.31	3,643.63	15,255.25	2.14%	5.65%
59	4th Qtr.	1,770.45	3,960.54	15,751.96	2.06%	5.42%
60						
61	2014					
62	1st Qtr.	1,834.30	4,210.05	16,170.26	2.04%	5.39%
63	2nd Qtr.	1,900.37	4,195.81	16,603.50	2.06%	5.26%
64	3rd Qtr.	1,975.95	4,483.51	16,953.85	2.02%	5.38%
65	4th Qtr.	2,012.04	4,607.88	17,368.36	2.03%	4.97%
66						
67	2015					
68	1st Qtr.	2,063.46	4,821.99	17,806.47	2.02%	4.80%
69	2nd Qtr.	2,102.03	5,017.47	18,007.48	2.05%	4.60%
70	3rd Qtr.	2,026.14	4,921.81	17,065.52	2.16%	4.72%
71	4th Qtr.	2,053.17	5,000.70	17,482.97	2.16%	4.23%
72						
73	2016					
74	1st Qtr.	1,948.32	4,609.47	16,635.76	2.31%	4.20%
75	2nd Qtr.	2,074.99	4,845.55	17,763.85	2.19%	4.14%
76	3rd Qtr.	2,161.36	5,165.06	18,367.92	2.13%	4.13%
77	4th Qtr.					

PROXY GROUP COMMON EQUITY RATIOS

	Company	2009	2010	2011	2012	2013	2014	2015
1	American States Water Co.	54.1%	55.7%	54.6%	57.8%	60.2%	60.9%	58.9%
2	American Water Works Co., Inc	43.1%	43.2%	44.2%	46.1%	47.6%	47.4%	46.2%
3	Aqua America, Inc.	44.4%	43.4%	47.3%	47.3%	51.1%	51.5%	49.7%
4	Artesian Resources Corp.	46.2%	47.5%	51.5%	52.7%	53.6%	53.6%	57.0%
5	California Water Service Group	52.9%	47.6%	48.3%	52.2%	58.4%	59.9%	55.6%
6	Connecticut Water Service, Inc.	49.1%	50.2%	46.5%	50.8%	52.9%	54.1%	55.8%
7	Middlesex Water	52.1%	55.8%	56.6%	57.4%	58.7%	58.8%	59.8%
8	SJW Corporation	50.6%	46.3%	43.4%	45.0%	48.9%	48.4%	50.2%
9	York Water Company	54.3%	51.7%	52.9%	54.0%	54.9%	55.2%	55.5%
<hr/>								
10	Average	49.6%	49.0%	49.5%	51.5%	54.0%	54.4%	54.3%
<hr/>								

Source: Value Line (October 14, 2016)

**FINAL SCHEDULES
OF
TIMOTHY COLEY**

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RBM-13	1 - 3	OPERATING INCOME ADJUSTMENT NO. 1 - DEPRECIATION EXPENSE
RBM-14	1	OPERATING INCOME ADJUSTMENT NO. 2 - PROPERTY TAX EXPENSE
RBM-15	1	OPERATING INCOME ADJUSTMENT NO. 3 - PERFORMANCE BASED COMPENSATION EXPENSE
RBM-16	1	OPERATING INCOME ADJUSTMENT NO. 4 - ANNUALIZE LABOR & LABOR RELATED EXPENSES
RBM-17	1	OPERATING INCOME ADJUSTMENT NO. 5 - PURCHASED POWER EXPENSE
RBM-18	1	OPERATING INCOME ADJUSTMENT NO. 6 - CONSUMER PRICE INDEX ("CPI") EXPENSE
RBM-19	1	OPERATING INCOME ADJUSTMENT NO. 7 - CUSTOMER ACCOUNTING / POSTAGE / CUSTOMER CARE EXPENSE
RBM-20	1	OPERATING INCOME ADJUSTMENT NO. 8 - LOW-INCOME PROGRAM EXPENSE
RBM-21	1	OPERATING INCOME ADJUSTMENT NO. 9 - EPCOR SERVICES EXPENSE
RBM-22	1	OPERATING INCOME ADJUSTMENT NO. 10 - CORPORATE ALLOCATION'S EXPENSE
RBM-23	1	OPERATING INCOME ADJUSTMENT NO. 11 - ASSET USAGE FEE EXPENSE
RBM-24	1	OPERATING INCOME ADJUSTMENT NO. 12 - INTENTIONALLY LEFT BLANK
RBM-25	1	OPERATING INCOME ADJUSTMENT NO. 13 - INTENTIONALLY LEFT BLANK
RBM-26	1	OPERATING INCOME ADJUSTMENT NO. 14 - INTENTIONALLY LEFT BLANK
RBM-27	1	OPERATING INCOME ADJUSTMENT NO. 15 - BAD DEBT EXPENSE
RBM-28	1	OPERATING INCOME ADJUSTMENT NO. 16 - INTENTIONALLY LEFT BLANK
RBM-29	1	OPERATING INCOME ADJUSTMENT NO. 17 - INCOME TAX EXPENSE
RBM-30	1	GROSS REVENUE CONVERSION FACTOR ("GRCF")
RBM-31	1	COST OF CAPITAL

RUCO RECOMMENDED REVENUE REQUIREMENT

Line No.	Description	[A] Company Original Cost Rate Base	[B] Company RCND Rate Base	[C] Company Fair Value Rate Base	[D] RUCO Original Cost Rate Base	[E] RUCO RCND Rate Base	[F] RUCO Fair Value Rate Base
1	Fair Value Rate Base	\$ 12,816,758	\$ 16,554,623	\$ 14,685,691	\$ 9,639,393	\$ 13,333,963	\$ 11,486,678
2	Adjusted Test Year Operating Income (Loss)	\$ 641,505	\$ 641,505	\$ 641,505	\$ 808,921	\$ 808,921	\$ 808,921
3	Current Rate Of Return (L2 / L1)	5.01%	3.88%	4.37%	8.39%	6.07%	7.04%
4	Required Operating Income (L5 X L1)	\$ 930,878	\$ 930,878	\$ 930,878	\$ 616,696	\$ 616,696	\$ 616,696
5	Required Rate Of Return On Fair Value Rate Base	7.26%	5.62%	6.34%	6.40%	4.63%	5.37%
6	Operating Income Deficiency (L4 - L2)	\$ 289,374	\$ 289,374	\$ 289,374	\$ (192,226)	\$ (192,226)	\$ (192,226)
7	Gross Revenue Conversion Factor (TJC-1, Pg 2)	1.6300	1.6300	1.6300	1.6192	1.6192	1.6192
8	Increase In Gross Revenue Requirement (L7 X L6)	\$ 471,679	\$ 471,679	\$ 471,679	\$ (311,259)	\$ (311,259)	\$ (311,259)
9	Adjusted Test Year Revenues	\$ 6,051,044	\$ 6,051,044	\$ 6,051,044	\$ 6,051,044	\$ 6,051,044	\$ 6,051,044
10	Proposed Annual Revenue (L8 + L9)	\$ 6,522,501	\$ 6,522,501	\$ 6,522,501	\$ 5,739,785	\$ 5,739,785	\$ 5,739,785
11	Required Percentage Increase In Revenue (L8 / L9)	7.79%	7.79%	7.79%	-5.14%	-5.14%	-5.14%
12	Rate Of Return On Common Equity	10.65%	10.65%	10.65%	9.30%	9.30%	9.30%

References:
 Column [A]: Company Schedules A-1, B-1, C-1, and D-1
 Column [B]: RUCO Schedule TJC-2, RBM-11 and RBM-31

RUCO GROSS REVENUE CONVERSION FACTOR ("GRCF")

LINE NO.	DESCRIPTION	(A)	(B)	(C)
<u>Calculation of Gross Revenue Conversion Factor:</u>				
1	Revenue	100.0000%		
2	Uncollectible Factor	0.1571%		
3	Revenues (L1 - L2)	99.8429%		
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	38.0611%		
5	Subtotal (L3 - L4)	61.7818%		
6	Revenue Conversion Factor (L1 / L5)	1.618599		
<u>Calculation of Uncollectible Factor:</u>				
7	Unity	100.0000%		
8	Combined Federal and State Tax Rate (Line 17)	37.2340%		
9	One Minus Combined Income Tax Rate (L7 - L8)	62.7660%		
10	Uncollectible Rate	0.2503%		
11	Uncollectible Factor (L9 * L10)		0.1571%	
<u>Calculation of Effective Tax Rate:</u>				
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%		
13	Arizona State Income Tax Rate	4.9000%		
14	Federal Taxable Income (L12 - L13)	95.1000%		
15	Applicable Federal Income Tax Rate (Col. [C], L53)	34.0000%		
16	Effective Federal Income Tax Rate (L14 x L15)	32.3340%		
17	Combined Federal and State Income Tax Rate (L13 + L16)		37.2340%	
<u>Calculation of Effective Property Tax Factor</u>				
18	Unity	100.0000%		
19	Combined Federal and State Income Tax Rate (Col. [B], L17)	37.2340%		
20	One Minus Combined Income Tax Rate (L18-L19)	62.7660%		
21	Property Tax Factor (Sch. TJC-9, Col. [B], L24)	1.3177%		
22	Effective Property Tax Factor (L20 x L21)		0.8271%	
23	Combined Federal and State Income Tax and Property Tax Rate (Col. [B], L17 + L22)			38.0611%

24	Required Operating Income (Sch. TJC-1, Col. [B] Line 4)	\$ 616,696		
25	Adjusted Test Year Operating Income (Loss) (Sch. TJC-1, Col. [B], L2)	808,921		
26	Required Increase in Operating Income (L24 - L25)		\$ (192,226)	
27	Income Taxes on Recommended Revenue (Col. [C], L52)	\$ 227,408		
28	Income Taxes on Test Year Revenue (Col. [A], L52)	341,485		
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		(114,077)	
30	Recommended Revenue Requirement (Sch. TJC-1, Col. [B], Line 10)	\$ 5,739,785		
31	Uncollectible Rate (L10)	0.2503%		
32	Uncollectible Expense on Recommended Revenue (L30 x L31)	\$ 14,367		
33	Adjusted Test Year Uncollectible Expense (Sch. TJC-6, Col. [C], L32)	\$ 15,146		
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32 - L33)		(779)	
35	Property Tax with Recommended Revenue (Sch. TJC-9, Col. [B], L19)	\$ 233,177		
36	Property Tax on Adjusted Test Year Revenue (Sch. TJC-9, Col. [B], L20)	237,278		
37	Increase in Property Tax Due to Increase in Revenue (L35 - 36)		(4,101)	
38	Total Required Increase in Revenue (Col. [B], L26 + L29 + L34 + L37)		\$ (311,183)	

Calculation of Income Tax:

39	Revenue (Sch. TJC-1, Col. [B], Line 9 & Sch. TJC-1, Col. [B], L10)	\$ 6,051,044		
40	Operating Expenses Excluding Income Taxes	4,900,637		
41	Synchronized Interest (Col. [C], L57)	233,273		
42	Arizona Taxable Income (L39 - L40 - L41)	\$ 917,133		
43	Arizona State Income Tax Rate	4.9000%		
44	Arizona Income Tax (L42 x L43)	\$ 44,940		
45	Federal Taxable Income (L42 - L44)	\$ 872,194		
46	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	\$ 7,500		
47	Federal Tax on Second Income Bracket (\$51,001 - \$75,000) @ 25%	\$ 6,250		
48	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	\$ 8,500		
49	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	\$ 91,650		
50	Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34%	\$ 182,646		
51	Total Federal Income Tax	\$ 296,546		
52	Combined Federal and State Income Tax (L44 + L51)	\$ 341,485		

Test Year	Revenue Increase/(Decrease)	RUCO Recommended
\$ 6,051,044	\$ (311,259)	\$ 5,739,785
4,900,637		4,895,757
233,273		233,273
\$ 917,133		\$ 610,755
4.9000%		4.9000%
\$ 44,940		\$ 29,927
\$ 872,194		\$ 580,828
\$ 7,500		\$ 7,500
\$ 6,250		\$ 6,250
\$ 8,500		\$ 8,500
\$ 91,650		\$ 91,650
\$ 182,646		\$ 83,581
\$ 296,546		\$ 197,481
\$ 341,485		\$ 227,408

53 Applicable Federal Income Tax Rate (Col. [C], L51 - Col. [A], L51) / [Col. [C], L45 - Col. [A], L45] 34.00%

54 Synchronized Interest Calculation:

55	Original Cost Rate Base	\$ 9,639,393
56	x Weighted Average Cost of Debt	2.4200%
57	Synchronized Interest Expense	\$ 233,273

RUCO ORIGINAL COST, RECONSTRUCTION NEW LESS DEPRECIATION, FAIR VALUE RATE BASE SUMMARY

Line No.	Description	[A] Company OCRB As Filed	[B] RUCO OCRB Recommended	[C] Company RCND As Filed	[D] RUCO RCND Recommended	[E] Company FVRB As Filed	[F] RUCO FVRB Recommended
1	Gross Utility Plant In Service	\$ 83,026,276	\$ 79,712,427	\$ 121,056,754	\$ 117,682,426	\$ 102,041,515	\$ 98,697,427
	Less:						
2	Accumulated Depreciation	23,418,802	22,699,672	44,151,435	43,247,965	33,785,118	32,973,819
3	Net Utility Plant In Service (L1 - L2)	\$ 59,607,474	\$ 57,012,756	\$ 76,905,320	\$ 74,434,461	\$ 68,256,397	\$ 65,723,608
	Less:						
4	Advances In Aid Of Construction ("AIAC")	\$ 23,980,716	\$ 23,980,716	\$ 30,939,822	\$ 30,939,822	\$ 27,460,269	\$ 27,460,269
5	Gross Contribution In Aid Of Construction ("CIAC")	27,336,212	27,336,212	35,269,069	35,269,069	31,302,640	31,302,640
6	Accumulated Amortization of CIAC	(5,501,620)	(5,501,620)	(7,098,168)	(7,098,168)	(6,299,894)	(6,299,894)
7	Net CIAC (L5 + L6)	\$ 21,834,592	\$ 21,834,592	\$ 28,170,901	\$ 28,170,901	\$ 25,002,747	\$ 25,002,747
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-	-	-	-
10	Gross Regulatory Liability	-	422,009	-	544,475	-	483,242
11	Accumulated Amortization	-	(33,761)	-	(43,558)	-	(38,659)
12	Net Regulatory Liability	\$ -	\$ 388,249	\$ -	\$ 500,917	\$ -	\$ 444,583
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 911,677	\$ 1,099,439	\$ 1,176,242	\$ 1,418,492	\$ 1,043,959	\$ 1,258,965
	Plus:						
14	Deferred Debits	-	-	-	-	-	-
17	Working Capital Allowance	(63,731)	(70,366)	(63,731)	(70,366)	(63,731)	(70,366)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 12,816,758	\$ 9,639,393	\$ 16,554,623	\$ 13,333,963	\$ 14,685,691	\$ 11,486,678

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

RUCO ORIGINAL COST, RECONSTRUCTION NEW LESS DEPRECIATION, FAIR VALUE RATE BASE SUMMARY

Line No.	Description	[A] RUCO Original Cost Rate Base Recommended	[B] RUCO RCND Recommended	[C] RUCO Fair Value Rate Base Recommended
1	Gross Utility Plant In Service	\$ 79,712,427	\$ 117,682,426	\$ 98,697,427
	Less:			
2	Accumulated Depreciation	22,699,672	43,247,965	32,973,819
3	Net Utility Plant In Service (L1 - L2)	\$ 57,012,756	\$ 74,434,461	\$ 65,723,608
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 23,980,716	\$ 30,939,822	\$ 27,460,269
5	Gross Contribution In Aid Of Construction ("CIAC")	27,336,212	35,269,069	31,302,640
6	Accumulated Amortization of CIAC	(5,501,620)	(7,098,168)	(6,299,894)
7	Net CIAC (L5 + L6)	\$ 21,834,592	\$ 28,170,901	\$ 25,002,747
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Regulatory Liability	422,009	544,475	483,242
11	Accumulated Amortization	(33,761)	(43,558)	(38,659)
12	Net Regulatory Liability	\$ 388,249	\$ 500,917	\$ 444,583
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 1,099,439	\$ 1,418,492	\$ 1,258,965
	Plus:			
14	Deferred Debits	-	-	-
17	Working Capital Allowance	(70,366)	(70,366)	(70,366)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 9,639,393	\$ 13,333,963	\$ 11,486,678

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

ORIGINAL COST RATE BASE (OCRB) SUMMARY

Line No.	Description	[A] Company Original Cost Rate Base As Filed	[B] RUCO Recommended OCRB Adjustments	[C] RUCO OCRB Recommended
1	Gross Utility Plant In Service	\$ 83,026,276	\$ (3,313,849)	\$ 79,712,427
	Less:			
2	Accumulated Depreciation	23,418,802	(719,130)	22,699,672
3	Net Utility Plant In Service (L1 - L2)	\$ 59,607,474	\$ (2,594,719)	\$ 57,012,756
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 23,980,716	\$ -	\$ 23,980,716
5	Gross Contribution In Aid Of Construction ("CIAC")	27,336,212	-	27,336,212
6	Accumulated Amortization of CIAC	(5,501,620)	-	(5,501,620)
7	Net CIAC (L5 + L6)	\$ 21,834,592	\$ -	\$ 21,834,592
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Regulatory Liability	-	422,009	422,009
11	Accumulated Amortization	-	(33,761)	(33,761)
12	Net Regulatory Liability	\$ -	\$ 388,249	\$ 388,249
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 911,677	\$ 187,762	\$ 1,099,439
	Plus:			
14	Deferred Debits	-	-	-
17	Working Capital Allowance	(63,731)	(6,635)	(70,366)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 12,816,758	\$ (3,177,365)	\$ 9,639,393

References:

Column [A]: Company Schedule B-1
Column [B]: TJC-3, Columns [B] Thru [K]
Column [C]: Column [A] + Column [B]

ORIGINAL COST RATE BASE (OCRB) ADJUSTMENTS

Line No.	Description	[A] Company OCRB As Filed	[B] Adjust No. 1 UPIS & A/D Adjustment	[C] Adjust No. 2 Regulatory Liability	[D] Adjust No. 3 Intentionally Left Blank	[E] Adjust No. 4 Intentionally Left Blank	[F] Adjust No. 5 Intentionally Left Blank	[G] Adjust No. 6 Intentionally Left Blank	[H] Adjust No. 7 Intentionally Left Blank	[I] Adjust No. 8 Intentionally Left Blank	[J] Adjust No. 9 ADIT Adjustment	[K] Adjust No. 10 Working Capital Adjustment	[L] Total RUCO Adjustments	[M] Recommended OCRB/FYRB
1	Gross Utility Plant in Service	\$ 83,026,276	\$ (3,313,849)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,313,849)	\$ 79,712,427
2	Less: Accumulated Depreciation	23,418,802	(719,130)	-	-	-	-	-	-	-	-	-	(719,130)	22,699,672
3	Net Utility Plant in Service (L1 - L2)	\$ 59,607,474	\$ (2,594,719)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,594,719)	\$ 57,012,756
4	Less: Advances In Aid Of Construction ("AIAC")	\$ 23,980,716	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,980,716
5	Gross Contribution In Aid Of Construction ("CIAC")	27,336,212	-	-	-	-	-	-	-	-	-	-	-	27,336,212
6	Accumulated Amortization of CIAC	(5,501,620)	-	-	-	-	-	-	-	-	-	-	-	(5,501,620)
7	Net CIAC (L5 + L6)	\$ 21,834,592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,834,592
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Gross Regulatory Liability	-	-	422,009	-	-	-	-	-	-	-	-	422,009	422,009
11	Accumulated Amortization	-	-	(33,761)	-	-	-	-	-	-	-	-	(33,761)	(33,761)
12	Net Regulatory Liability	\$ -	\$ -	\$ 388,249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 388,249	\$ 388,249
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 911,677	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 187,762	\$ -	\$ 187,762	\$ 1,099,439
14	Plus: Deferred Debits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Working Capital Allowance	(63,731)	-	-	-	-	-	-	-	-	-	(6,635)	(6,635)	(70,366)
16	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 12,816,758	\$ (2,594,719)	\$ (388,249)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (187,762)	\$ (6,635)	\$ (3,177,365)	\$ 9,639,393

RUCO Adjustments:
 Adjustment No. 1: Summation of RUCO recommended Utility Plant in Service and Accumulated Depreciation Adjustments No. (a), (b), (c), and (d) - See RUCO Rate Base Adjustment No. 1 on Schedules TJC-4 on pages 1 & 2, Column [J] at line 42;
 Adjustment No. 2: Current Case Regulatory Liability for Over-Depreciated Plant;

Adjustment No. 3: Intentionally Left Blank;
 Adjustment No. 4: Intentionally Left Blank;
 Adjustment No. 5: Intentionally Left Blank;
 Adjustment No. 6: Intentionally Left Blank;
 Adjustment No. 7: Intentionally Left Blank;
 Adjustment No. 8: Intentionally Left Blank;
 Adjustment No. 9: RUCO Recommended 2016 TY End Accumulated Deferred Income Tax ("ADIT") Balance.
 Adjustment No. 10: RUCO Recommended Allowance for Working Capital - See RUCO Schedule TJC-10.

References:

Column [A]: Company Schedule B-1
 Column [B] Thru Column [K]: RUCO Recommended Rate Base Adjustments
 Column [L]: Sum of RUCO Recommended Rate Base Adjustments of Columns [B] through [K]
 Column [M]: Column [A] + Column [L]

SUMMARY OF ORIGINAL COST (OC) UTILITY PLANT IN SERVICE (UPIS) ADJUSTMENTS (continuation)
 OC UPIS RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No.	Description	(A) Company Adjusted TY OC UPIS As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPIS Reconstruction Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Only Accum. Deprec.	(G) RUCO Adjustment (f) 2016 PTY Plant Adjustment	(H) RUCO Adjustment (g) 2017 PTY Plant Adjustment	(I) RUCO Adjustment (h) Unrecorded Rate Adjustment	(J) RUCO Total OC UPIS Adjustments	(K) RUCO Recommended OC UPIS
North West Valley Wastewater 7H Plant (continuation):													
1	354400	WW Struct & Imp TDP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	354500	WW Struct & Imp Gen	7,712,865	-	-	-	-	-	-	-	-	-	-
3	355200	WW Per Gen Equip Coll	7,352	-	-	-	-	-	(629,521)	(120,312)	-	(749,833)	6,963,032
4	355300	WW Per Gen Equip SPP	63,439	-	-	-	-	-	-	-	-	-	7,962
5	355400	WW Per Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	63,439
6	355500	WW Per Gen Equip RWTP	-	-	-	-	-	-	-	-	-	-	-
7	360000	WW Collection Sewers Forced	-	-	-	-	-	-	-	-	-	-	-
8	361100	WW Collecting Mains	109,750	-	-	-	-	-	-	-	-	-	-
9	362000	WW Special Coll Struct	486,363	-	-	-	-	-	-	-	-	-	109,750
10	363000	WW Services Sewer	8,725	-	-	-	-	-	-	-	-	-	486,363
11	364000	WW Flow Measuring Devices	55,923	-	-	-	-	-	-	-	-	-	8,725
12	370000	WW Raising Walls	-	-	-	-	-	-	-	-	-	-	55,923
13	371100	WW Pump Equip Elect	1,028,512	-	-	-	-	-	-	-	-	-	-
14	371200	WW Pump Equip Oth Per	26,257	-	-	-	-	-	-	-	-	-	1,028,512
15	380000	WW TD Equipment	3,979,047	-	-	-	-	-	-	-	-	-	26,257
16	380050	WW TD Equip Grit Removal	1,041,234	-	-	-	-	-	(1,145,323)	(203,063)	(553,523)	(1,901,909)	1,777,108
17	380100	WW TD Equip Sed Tanks/Acc	5,327,840	-	-	-	-	-	-	-	-	-	1,041,234
18	380200	WW TD Equip Skid/Ele Rmv	28,253	-	-	-	-	-	-	-	-	-	28,253
19	380250	WW TD Equip Skid Dq Trk	1,344,033	-	-	-	-	-	-	-	-	-	5,327,840
20	380300	WW TD Equip Skid Dry/Fit	8,662,158	-	-	-	-	-	17,023	(124,509)	-	(107,543)	1,344,033
21	380350	WW TD Equip Sec Trmt Filtr	-	-	-	-	-	-	-	-	-	-	8,662,158
22	380400	WW TD Equip Aux Ele Trmt	2,610,834	-	-	-	-	-	-	-	-	-	-
23	380500	WW TD Equip Chem Trmt Pit	208,781	-	-	-	-	-	48,140	(197,012)	-	(148,872)	2,610,834
24	380600	WW TD Equip Oth Diag	1,033,364	-	-	-	-	-	-	-	-	-	208,781
25	380625	WW TD Equip Gen Trmt	780,426	-	-	-	-	-	-	-	-	-	1,033,364
26	380650	WW TD Equip Influent L.R.S	64,980	-	-	-	-	-	-	-	-	-	780,426
27	381000	WW Plant Sewers	111,410	-	-	-	-	-	-	-	-	-	64,980
28	382000	WW Outfall Sewer Lines	4,259	-	(0)	-	-	-	-	-	-	-	111,410
29	389100	WW Oth Pit & Misc Equip Int	80,296	-	-	-	-	-	-	-	-	(0)	4,259
30	389900	WW Other PSE - CPS - ZE	-	-	-	-	-	-	-	-	-	-	80,296
31	390000	WW Office Furniture & Equip	168,065	-	-	-	-	-	-	-	-	-	-
32	390200	WW Computers & Peripheral	23,044	-	-	-	-	-	-	-	-	-	168,065
33	390300	WW Computer Software	69,027	-	-	-	-	-	-	-	-	-	23,044
34	391000	WW Trans Equipment	247,842	-	-	-	-	-	-	-	-	-	69,027
35	392000	WW Stone Equipment	11,072	-	-	-	-	-	-	-	-	-	247,842
36	393000	WW Tool Shop & Garage Equip	163,232	-	-	-	-	-	-	-	-	-	11,072
37	394000	WW Laboratory Equipment	156,855	-	-	-	-	-	(20,000)	(3,475)	-	(23,475)	156,855
38	395000	WW Power Operated Equip	136,487	-	-	-	-	-	-	-	-	-	136,487
39	399000	WW Communication Equip	435,125	-	-	-	-	-	-	-	-	-	136,487
40	397000	WW Misc Equipment	74,088	-	-	-	-	-	(65,000)	(11,293)	-	(76,293)	74,088
41	398000	WW Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	-
42		Rounding	-	-	-	-	-	-	-	-	-	-	-
43		Total North West Valley Treatment Facility 7H Plant	\$ 41,077,919	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (1,794,661)	\$ (656,750)	\$ (553,523)	\$ (3,007,934)	\$ 38,069,962
44		Agua Fria Wastewater 7H % Allocation	\$ 19,210%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%
45		Agua Fria Wastewater NWVTF 7H Plant Allocation	\$ 7,891,068	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (344,758)	\$ (126,738)	\$ (106,332)	\$ (577,828)	\$ 7,313,240
SU Plant:													
46	340200	Computer & Peripheral Equipment	\$ 1,639,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (502,403)	\$ -	\$ -	\$ (502,403)	\$ 1,047,105
47	340300	Computer Software	1,849,105	-	-	-	-	-	(98,750)	-	-	(98,750)	1,747,356
48		Rounding	-	-	-	-	-	-	-	-	-	-	-
49		Total SU Allocated Corporate Plant	\$ 3,488,934	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (601,213)	\$ -	\$ -	\$ (601,213)	\$ 2,794,521
50		Agua Fria Wastewater SU Plant Allocation	\$ 3,554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%
51		Agua Fria Wastewater SU Plant Allocation	\$ 123,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (24,576)	\$ -	\$ -	\$ (24,576)	\$ 99,357
TOTAL PLANT:													
52	7C	Direct	\$ 74,754,336	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,541,566)	\$ (1,050,000)	\$ (100,826)	\$ (2,692,428)	\$ 72,061,908
53	7A	Corporate Plant Allocated	274,454	(17,514)	-	-	-	-	11,815	(29,586)	(1,247)	(36,532)	237,922
54	7H	NWV Plant Allocated	7,891,068	-	(0)	-	-	-	(344,758)	(126,736)	(106,332)	(577,828)	7,313,240
55	9U	SU Plant Allocated	123,933	-	-	-	-	-	(24,576)	-	-	(24,576)	99,357
56		OC UPIS Not Accounted For - Vector Trucks - Corp	(17,514)	17,514	-	-	-	-	-	-	-	17,514	-
57		Total Utility Plant in Service (UPIS)	\$ 83,026,278	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (1,899,117)	\$ (1,206,324)	\$ (268,408)	\$ (3,313,849)	\$ 79,712,427

RUCO Adjustments:

- Adjustment No. (a): Fully Allocate Utility Plant in Service (UPIS) Vector Truck Balances from AZ Corporate 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2.
- Adjustment No. (b): Reconstruct All UPIS Account Balances as Filed by Company - See RUCO Schedule UPIS Schedule TJC-4(b) on Pages 1, 3, 5, and 7.
- Adjustment No. (c): Intentionally Left Blank.
- Adjustment No. (d): Intentionally Left Blank.
- Adjustment No. (e): Remove Over-Depreciated UPIS Accounts' Excess Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-6 on page 2 of 2.
- Adjustment No. (f): Remove 2016 PTY Plant Adjustments Exceeding 6-Months Test Year End December 31, 2015.
- Adjustment No. (g): Remove All 2017 PTY Plant Adjustments.
- Adjustment No. (h): Company Response to RUCO DR 6-01 to Record Unrecorded 2015 PTY Plant Additions.

References:

- Column [A]: Company Schedule B-2 Adjusted Test Year as Filed
 - Column [B] Through [I]: RUCO Recommended UPIS Adjustments
 - Column [J]: Sum of Columns [B] Through [I] - RUCO Sum of Total Recommended UPIS Adjustments
 - Column [K]: Column [A] + [J]
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

SUMMARY OF ORIGINAL COST (OC) ACCUMULATED DEPRECIATION (AD) ADJUSTMENTS (continuation)
 OC UPIS AD RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No.	Description	(A) Company Adjusted TY OC AD As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPIS AD Raton Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Adjustments	(G) RUCO Adjustment (f) 2016 PTY AD Adjustment	(H) RUCO Adjustment (g) 2017 PTY AD Adjustment	(I) RUCO Adjustment (h) Retirement AD Adjustment	(J) RUCO Total OC AD Adjustments	(K) RUCO Total OC AD Recommended
North West Valley Wastewater Treatment Plant A/D (continuation):													
1	35400	WW Struct & Imp TDP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	35400	WW Struct & Imp Den	1,390,112	-	-	-	-	-	(11,019)	(2,005)	-	(13,021)	1,369,091
3	35500	WW Per Gen Equip Coll	1,921	-	-	-	-	-	-	-	-	-	1,921
4	35500	WW Per Gen Equip SPP	11,007	-	-	-	-	-	-	-	-	-	11,007
5	35540	WW Per Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	-
6	35550	WW Per Gen Equip RWTP	-	-	-	-	-	-	-	-	-	-	-
7	36000	WW Collection Sewers Forced	-	-	-	-	-	-	-	-	-	-	-
8	36110	WW Collecting Mania	36,956	-	-	-	-	-	-	-	-	-	36,956
9	36200	WW Special Coll Struct	696,271	-	(0)	-	-	(199,908)	-	-	(199,908)	496,363	
10	36300	WW Services Sewer	2,958	-	0	-	-	-	-	-	0	2,958	
11	36400	WW Flow Measuring Device	49,300	-	-	-	-	-	-	-	-	49,300	
12	37000	WW Receiving Walls	-	-	-	-	-	-	-	-	-	-	
13	37100	WW Pump Equip Elect	209,403	-	-	-	-	-	-	-	-	209,403	
14	37120	WW Pump Equip Oth Per	8,798	-	-	-	-	-	-	-	-	8,798	
15	38000	WW TD Equipment	1,241,870	-	(0)	-	-	(38,375)	(8,770)	(567,361)	(612,506)	629,104	
16	38050	WW TD Equip Grl Removal	1,202,728	-	-	-	-	(181,484)	-	-	(181,484)	1,041,234	
17	38010	WW TD Equip Sed Tanks/Acc	5,440,968	-	0	-	-	(112,858)	-	-	(112,858)	5,327,840	
18	38020	WW TD Equip Sludge/E/R Rmv	2,044	-	-	-	-	-	-	-	-	2,044	
19	38025	WW TD Equip Sludge Dg Trk	321,953	-	-	-	-	-	(5,549)	(4,152)	(9,702)	311,951	
20	38030	WW TD Equip Sludge Dry/Fil	7,275,086	-	-	-	-	-	-	-	-	7,275,086	
21	38035	WW TD Equip Sec Trmt Fil	1,961	-	-	-	-	(1,961)	-	-	(1,961)	-	
22	38040	WW TD Equip Aux E/R Trmt	1,384,906	-	-	-	-	(80,877)	(8,246)	(8,567)	(75,800)	1,309,179	
23	38050	WW TD Equip Chem Trmt Pit	28,338	-	(0)	-	-	-	-	-	-	(0)	
24	38060	WW TD Equip Oth Disp	1,200,951	-	(0)	-	-	(167,567)	-	-	(167,567)	1,033,384	
25	38065	WW TD Equip Gas Trmt	954,968	-	-	-	-	-	-	-	-	954,968	
26	38090	WW TD Equip Influent Lift S	71,829	-	-	-	-	(6,848)	-	-	(6,848)	64,980	
27	38100	WW Plant Sewers	32,968	-	-	-	-	-	-	-	-	32,968	
28	38200	WW Outfall Sewer Lines	112,001	-	(0)	-	-	(107,743)	-	-	(107,743)	4,258	
29	38910	WW Oth Pitt & Misc Equip Int	12,550	-	-	-	-	-	-	-	-	12,550	
30	38960	WW Other P/E - CPB - FE	0	-	-	-	-	(0)	-	-	-	(0)	
31	39000	WW Office Furniture & Equip	90,573	-	0	-	-	-	-	-	-	90,573	
32	39020	WW Computers & Peripheral	43,528	-	-	-	-	(20,484)	-	-	(20,484)	23,044	
33	39030	WW Computer Software	145,825	-	-	-	-	(78,598)	-	-	(78,598)	67,227	
34	39100	WW Trans Equipment	839,499	-	0	-	-	(591,827)	-	-	(591,827)	247,642	
35	39200	WW Storage Equipment	5,715	-	(0)	-	-	-	-	-	-	(0)	
36	39300	WW Tool Shop & Garage Equip	82,310	-	-	-	-	-	(500)	(87)	(587)	81,723	
37	39400	WW Laboratory Equipment	79,899	-	-	-	-	-	-	-	-	79,899	
38	39500	WW Power Operated Equip	23,182	-	-	-	-	-	-	-	-	23,182	
39	39600	WW Communication Equip	368,409	-	0	-	-	(25,783)	(3,250)	(955)	(29,977)	358,432	
40	39700	WW Misc Equipment	78,014	-	0	-	-	(1,926)	-	-	(1,926)	74,068	
41	39800	WW Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	
42		Rounding	-	-	-	-	-	-	-	-	-	-	
43		Total North West Valley Treatment Facility 7H A/D	\$ 29,383,131	\$ -	\$ 0	\$ -	\$ -	\$ (1,535,853)	\$ (98,937)	\$ (20,148)	\$ (567,361)	\$ (2,199,297)	\$ 24,193,034
44		Aqua Fria Wastewater 7H % Allocation Factor	0.00000000%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%
45		Aqua Fria Wastewater NNVTF 7H Allocation A/D	\$ 5,058,199	\$ -	\$ 0	\$ -	\$ -	\$ (294,999)	\$ (12,859)	\$ (3,870)	\$ (108,990)	\$ (420,718)	\$ 4,647,482
BU Plant A/D:													
46	34020	Computer & Peripheral Equipment	\$ 343,190	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (29,923)	\$ -	\$ -	\$ (29,923)	\$ 313,267
47	34030	Computer Software	890,877	-	7,978	-	-	-	7,187	-	-	15,165	876,042
48		Rounding	-	-	-	-	-	-	-	-	-	-	
49		Total BU Allocated Corporate A/D	\$ 1,204,067	\$ -	\$ 7,978	\$ -	\$ -	\$ -	\$ (22,437)	\$ -	\$ -	\$ (14,459)	\$ 1,189,609
50		Aqua Fria Wastewater BU % Allocation Factor	0.00000000%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%
51		Aqua Fria Wastewater BU Allocation A/D	\$ 42,810	\$ -	\$ 284	\$ -	\$ -	\$ -	\$ (798)	\$ -	\$ -	\$ (514)	\$ 42,296
TOTAL PLANT A/D:													
52	70	Direct	\$ 18,229,978	\$ -	\$ 0	\$ -	\$ -	\$ (125,740)	\$ (39,702)	\$ (26,809)	\$ (103,245)	\$ (269,296)	\$ 17,931,680
53	7A	Corporate Plant Allocated	83,416	(2,509)	(0)	-	-	(1,270)	801	(959)	(1,263)	(5,201)	78,214
54	7H	NNVTF Plant Allocated	5,098,199	-	0	-	-	(254,999)	(12,859)	(3,870)	(108,990)	(420,718)	4,647,482
55	BU	BU Plant Allocated	42,810	-	284	-	-	-	(798)	-	-	(514)	42,296
56		OC A/D Not Accounted For - Vector Trucks - Corp.	(2,509)	2,509	-	-	-	-	-	-	-	2,509	-
57		Total Utility Plant in Service A/D	\$ 23,418,802	\$ -	\$ 284	\$ -	\$ -	\$ (422,809)	\$ (52,758)	\$ (31,149)	\$ (213,498)	\$ (719,130)	\$ 22,699,672

RUCO Adjustments:

- Adjustment No. (a) Fully Allocate Utility Plant in Service (UPIS) Vector Truck Balance from AZ Corporate 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2;
- Adjustment No. (b) Reconstruct AS UPIS Account Balance as Filed by Company - See RUCO Schedule UPIS Schedule TJC-4(b) on Pages 1, 3, 5, and 7;
- Adjustment No. (c) Intentionally Left Blank;
- Adjustment No. (d) Intentionally Left Blank;
- Adjustment No. (e) Remove Over-Depreciated UPIS Accounts' Excess Accumulated Depreciation Balance - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-6 on page 2 of 2;
- Adjustment No. (f) Remove 2016 PTY Plant Adjustments Exceeding 6-Month Test Year End December 31, 2015;
- Adjustment No. (g) Remove All 2017 PTY Plant Adjustments;
- Adjustment No. (h) Company Response to RUCO DR 8.01 to Record Unrecorded 2016 PTY Plant Additions;

References:

- Column (A) Company Schedule B-2 Adjusted Test Year as Filed
- Column (B) Through (I) RUCO Recommended UPIS Adjustments
- Column (J) Sum of Columns (B) Through (I) - RUCO Sum of Total Recommended UPIS Adjustments
- Column (K) Column (A) + (J)
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS UPIS ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 4.2266%	[E] RUCO Allocated Adjustment
Allocated AZ Corp Plant:							
1	304500	Structures & Improvements General	\$ 847,052	\$ -	\$ 202,663	4.2266%	\$ -
2	304620	Structures & Improvements Leasehold	18,317	-	18,317	4.2266%	-
3	334100	Meters	11,777	-	11,777	4.2266%	-
4	339600	Other P/E-CPS	364,887	-	364,887	4.2266%	-
5	340100	Office Furniture & Equipment	1,267,925	-	1,267,925	4.2266%	-
6	340200	Computer & Peripheral Equipment	1,404,587	-	1,404,587	4.2266%	-
7	340300	Computer Software	222,827	-	222,626	4.2266%	-
8	340330	Computer Software Other	6,370	-	6,370	4.2266%	-
9	344000	Laboratory Equipment	17,277	-	17,277	4.2266%	-
10	346100	Communication Equipment Non-Telephone	186,080	-	186,080	4.2266%	-
11	346190	Remote Control & Instrument	122,024	-	122,024	4.2266%	-
12	346200	Communication Equipment Telephone	68,942	-	68,942	4.2266%	-
13	346300	Communication Equipment Other	154,411	-	154,411	4.2266%	-
14	347000	Miscellaneous Equipment	1,801,081	(414,386)	1,581,329	4.2266%	(17,514)
15		Rounding	-	-	-	4.2266%	-
16		Total AZ Corporate Plant Allocated	<u>\$6,493,556</u>	<u>\$ (414,386)</u>	<u>\$ 5,629,214</u>		<u>(17,514)</u>
17		RUCO Total Adjustment					\$ (17,514)

References:
Schedule TJC-4 on page 1 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 4.2266%	[E] RUCO Allocated Adjustment
Allocated AZ Corp A/D:							
1	304500	Structures & Improvements General	\$ 30,554	\$ -	\$ (7,009)	4.2266%	\$ -
2	304620	Structures & Improvements Leasehold	536	-	536	4.2266%	-
3	334100	Meters	4,641	-	4,641	4.2266%	-
4	339600	Other P/E-CPS	72,241	-	72,241	4.2266%	-
5	340100	Office Furniture & Equipment	569,006	-	569,006	4.2266%	-
6	340200	Computer & Peripheral Equipment	624,832	-	624,832	4.2266%	-
7	340300	Computer Software	186,039	-	186,019	4.2266%	-
8	340330	Computer Software Other	1,019	-	1,019	4.2266%	-
9	344000	Laboratory Equipment	3,060	-	3,060	4.2266%	-
10	346100	Communication Equipment Non-Telephone	216,139	-	186,080	4.2266%	-
11	346190	Remote Control & Instrument	20,439	-	20,439	4.2266%	-
12	346200	Communication Equipment Telephone	27,818	-	27,818	4.2266%	-
13	346300	Communication Equipment Other	8,821	-	8,821	4.2266%	-
14	347000	Miscellaneous Equipment	132,512	(61,503)	77,092	4.2266%	(2,599)
15		Salvage Proceeds	75,946	-	75,946	4.2266%	-
16		Total AZ Corporate A/D Allocated	<u>\$1,973,603</u>	<u>\$ (61,503)</u>	<u>\$ 1,850,540</u>		<u>(2,599)</u>
17		RUCO Total Adjustment					<u>\$ (2,599)</u>

References:

Schedule TJC-4 on page 2 of 2

ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b)
DIRECT ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company Original Cost TY End UPIS As Filed	[B] RUCO UPIS Reconstruction Adjustments	[C] RUCO Reconstructed UPIS Balances
Direct 7G Plant:					
1	304100	Struct & Imp SS	\$ 11,726	\$ -	\$ 11,726
2	340200	Comp & Peripheral Equip	17,788	-	17,788
3	341200	Trans Equip Hvy Duty Trks	60,471	-	60,471
4	341400	Trans Equip Other	16,690	-	16,690
5	343000	Tools, Shop and Garage	43,204	-	43,204
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	218,285	-	218,285
8	353200	WW Land & Ld Rights Coll	16,810	-	16,810
9	353500	WW Land & Ld Rights Gen	143,036	-	143,036
10	354200	WW Struct & Imp Coll	1,020,040	-	1,020,040
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	4,876,973	-	4,876,973
13	354500	WW Struct & Imp Gen	2,894,763	-	2,894,763
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	168,695	-	168,695
17	355500	WW Pwr Gen Equip RWTP	602,148	-	602,148
18	360000	WW Collection Sewers Forced	2,532,240	-	2,532,240
19	361100	WW Collecting Mains	35,839,689	-	35,839,689
20	362000	WW Special Coll Struct	57,782	-	57,782
21	363000	WW Services Sewer	5,650,367	-	5,650,367
22	364000	WW Flow Measuring Devices	75,210	-	75,210
23	370000	WW Receiving Wells	1,057,746	-	1,057,746
24	371100	WW Pump Equip Elect	1,262,849	-	1,262,849
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	3,476,156	-	3,476,156
27	380050	WW TD Equip Grit Removal	5,487,904	-	5,487,904
28	380100	WW TD Equip Sed Tanks/Acc	1,796,602	-	1,796,602
29	380200	WW TD Equip Sludge/Effl Rmv	15,168	-	15,168
30	380250	WW TD Equip Sludge Dig Trnk	535,858	-	535,858
31	380300	WW TD Equip Sludge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	581,647	-	581,647
33	380400	WW TD Equip Aux Effl Trmt	649,801	-	649,801
34	380500	WW TD Equip Chem Trmt Plt	62,933	-	62,933
35	380600	WW TD Equip Oth Disp	16,538	-	16,538
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	697,460	-	697,460
39	382000	WW Outfall Sewer Lines	154,287	-	154,287
40	389100	WW Oth Plt & Misc Equip Int	171,017	-	171,017
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	7,341	-	7,341
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	9,601	-	9,601
49	395000	WW Power Operated Equip	130,969	-	130,969
50	396000	WW Communication Equip	1,644,727	-	1,644,727
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7G Plant	\$ 72,004,522	\$ -	\$ 72,004,522
55		RUCO Adjustment		\$ -	

References:

Schedule TJC-4 on page 1 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b)
DIRECT ORIGINAL COST PLANT ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company Original Cost TY End A/D As Filed	[B] RUCO Accum. Depre. Adjustments	[C] RUCO Reconstructed Accum. Depre. Balances
Direct 7N Plant Accumulated Depreciation:					
1	304100	Struct & Imp SS	\$ 3,273	\$ 0	\$ 3,273
2	340200	Comp & Peripheral Equip	34,265	-	34,265
3	341200	Trans Equip Hvy Duty Trks	122,625	(0)	122,625
4	341400	Trans Equip Other	19,301	0	19,301
5	343000	Tools, Shop and Garage	14,067	(0)	14,067
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	109,193	-	109,193
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	635,187	(0)	635,187
13	354500	WW Struct & Imp Gen	534,955	-	534,955
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	75,347	-	75,347
17	355500	WW Pwr Gen Equip RWTP	193,290	0	193,290
18	360000	WW Collection Sewers Forced	495,547	-	495,547
19	361100	WW Collecting Mains	6,304,957	-	6,304,957
20	362000	WW Special Coll Struct	3,929	-	3,929
21	363000	WW Services Sewer	958,599	-	958,599
22	364000	WW Flow Measuring Devices	57,138	-	57,138
23	370000	WW Receiving Wells	358,559	0	358,559
24	371100	WW Pump Equip Elect	612,356	-	612,356
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	1,248,575	-	1,248,575
27	380050	WW TD Equip Grit Removal	2,392,196	-	2,392,196
28	380100	WW TD Equip Sed Tanks/Acc	970,370	0	970,370
29	380200	WW TD Equip Sludge/Effl Rmv	1,516	(0)	1,516
30	380250	WW TD Equip Sludge Dig Trnk	200,034	-	200,034
31	380300	WW TD Equip Sludge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	218,118	(0)	218,118
33	380400	WW TD Equip Aux Effl Trmt	243,675	-	243,675
34	380500	WW TD Equip Chem Trmt Plt	19,441	-	19,441
35	380600	WW TD Equip Oth Disp	11,306	-	11,306
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	432,274	-	432,274
39	382000	WW Outfall Sewer Lines	53,657	(0)	53,657
40	389100	WW Oth Plt & Misc Equip Int	87,160	0	87,160
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	13,000	0	13,000
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	(7,925)	-	(7,925)
49	395000	WW Power Operated Equip	46,376	-	46,376
50	396000	WW Communication Equip	1,683,300	-	1,683,300
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Not Classified	267	-	267
54		Total Direct 7G A/D	\$ 18,145,928	\$ 0	\$ 18,145,928
55		RUCO Adjustment		\$ 0	

References:
Schedule TJC-4 on page 2 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
ARIZONA CORPORATE ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Agua Fria Allocator 4.2266%	[E] RUCO Allocated Adjustment
Allocated AZ Corp Plant:							
1	304500	Structures & Improvements General	\$ 192,857	\$ -	\$ 192,857	4.2266%	\$ -
2	304620	Structures & Improvements Leasehold	18,317	-	18,317	4.2266%	-
3	334100	Meters	11,777	-	11,777	4.2266%	-
4	339600	Other P/E-CPS	364,887	-	364,887	4.2266%	-
5	340100	Office Furniture & Equipment	1,267,925	-	1,267,925	4.2266%	-
6	340200	Computer & Peripheral Equipment	1,404,587	-	1,404,587	4.2266%	-
7	340300	Computer Software	193,904	-	193,904	4.2266%	-
8	340330	Computer Software Other	6,370	-	6,370	4.2266%	-
9	344000	Laboratory Equipment	17,277	-	17,277	4.2266%	-
10	346100	Communication Equipment Non-Telephone	186,080	-	186,080	4.2266%	-
11	346190	Remote Control & Instrument	122,024	-	122,024	4.2266%	-
12	346200	Communication Equipment Telephone	68,942	-	68,942	4.2266%	-
13	346300	Communication Equipment Other	154,411	-	154,411	4.2266%	-
14	347000	Miscellaneous Equipment	1,292,262	-	1,292,262	4.2266%	-
15		Rounding	-	-	-	4.2266%	-
16		Total AZ Corporate Plant Allocated	<u>\$5,301,619</u>	<u>\$ -</u>	<u>\$ 5,301,619</u>		<u>-</u>
17		RUCO Total Adjustment					<u>\$ -</u>

References:
Schedule TJC-4 on page 1 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 ARIZONA CORPORATE ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Agua Fria Allocator 4.2266%	[E] RUCO Allocated Adjustment
Allocated AZ Corp A/D:							
1	304500	Structures & Improvements General	\$ 22,377	\$ -	\$ 22,377	4.2266%	\$ -
2	304620	Structures & Improvements Leasehold	536	-	536	4.2266%	-
3	334100	Meters	4,641	-	4,641	4.2266%	-
4	339600	Other P/E-CPS	72,241	-	72,241	4.2266%	-
5	340100	Office Furniture & Equipment	569,006	-	569,006	4.2266%	-
6	340200	Computer & Peripheral Equipment	624,832	-	624,832	4.2266%	-
7	340300	Computer Software	183,147	-	183,147	4.2266%	-
8	340330	Computer Software Other	1,019	(0)	1,019	4.2266%	(0)
9	344000	Laboratory Equipment	3,060	-	3,060	4.2266%	-
10	346100	Communication Equipment Non-Telephone	216,139	(0)	216,139	4.2266%	(0)
11	346190	Remote Control & Instrument	20,439	-	20,439	4.2266%	-
12	346200	Communication Equipment Telephone	27,818	-	27,818	4.2266%	-
13	346300	Communication Equipment Other	8,821	-	8,821	4.2266%	-
14	347000	Miscellaneous Equipment	116,612	-	116,612	4.2266%	-
15		Salvage Proceeds	75,946	-	75,946	4.2266%	-
16		Total AZ Corporate A/D Allocated	<u>\$1,946,633</u>	<u>\$ (0)</u>	<u>\$ 1,946,633</u>		<u>(0)</u>
17		RUCO Total Adjustment					<u>\$ (0)</u>

References:

Schedule TJC-4 on page 2 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 NORTHWEST VALLEY TREATMENT FACILITY ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Agua Fria Allocator 19.2100%	[E] RUCO Allocated Adjustment
Allocated NWTF Plant:							
1	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -	19.2100%	\$ -
2	304200	Struct & Imp P (Corporate)	2,582	-	2,582	19.2100%	-
3	307000	Wells & Springs (Corporate)	-	-	-	19.2100%	-
4	311200	Pump Equip Electric (Corporate)	24,525	-	24,525	19.2100%	-
5	340200	Comp & Peripheral Equip (Corporate)	-	-	-	19.2100%	-
6	340500	Other Office Equipment (Corporate)	-	-	-	19.2100%	-
7	304600	Struct & Imp Offices (Corporate)	9,052	-	9,052	19.2100%	-
8	304800	Struct & Imp Misc (Corporate)	8,610	-	8,610	19.2100%	-
9	341200	Trans Equip Hvy Duty Trks	-	-	-	19.2100%	-
10	341400	Trans Equip Other	-	-	-	19.2100%	-
11	343000	Tools, Shop and Garage	-	-	-	19.2100%	-
12	344000	Laboratory Equipment	-	-	-	19.2100%	-
13	346100	Comm Equip Non-Telephone	19,711	-	19,711	19.2100%	-
14	351000	WW Organization	-	-	-	19.2100%	-
15	352000	WW Franchises	1,304	-	1,304	19.2100%	-
16	353200	WW Land & Ld Rights Coll	450,976	-	450,976	19.2100%	-
17	353500	WW Land & Ld Rights Gen	20,747	-	20,747	19.2100%	-
18	354200	WW Struct & Imp Coll	3,574,657	-	3,574,657	19.2100%	-
19	354300	WW Struct & Imp SPP	997,595	-	997,595	19.2100%	-
20	354400	WW Struct & Imp TDP	-	-	-	19.2100%	-
21	354500	WW Struct & Imp Gen	6,900,037	-	6,900,037	19.2100%	-
22	355200	WW Pwr Gen Equip Coll	7,952	-	7,952	19.2100%	-
23	355300	WW Pwr Gen Equip SPP	63,439	-	63,439	19.2100%	-
24	355400	WW Pwr Gen Equip TDP	-	-	-	19.2100%	-
25	355500	WW Pwr Gen Equip RWTP	-	-	-	19.2100%	-
26	360000	WW Collection Sewers Forced	-	-	-	19.2100%	-
27	361100	WW Collecting Mains	109,750	-	109,750	19.2100%	-
28	362000	WW Special Coll Struct	486,363	-	486,363	19.2100%	-
29	363000	WW Services Sewer	8,725	-	8,725	19.2100%	-
30	364000	WW Flow Measuring Devices	55,923	-	55,923	19.2100%	-
31	370000	WW Receiving Wells	-	-	-	19.2100%	-
32	371100	WW Pump Equip Elect	1,026,512	-	1,026,512	19.2100%	-
33	371200	WW Pump Equip Oth Pwr	26,257	-	26,257	19.2100%	-
34	380000	WW TD Equipment	2,306,955	-	2,306,955	19.2100%	-
35	380050	WW TD Equip Grit Removal	1,041,234	-	1,041,234	19.2100%	-
36	380100	WW TD Equip Sed Tanks/Acc	5,327,840	-	5,327,840	19.2100%	-
37	380200	WW TD Equip Sludge/Effl Rmv	28,253	-	28,253	19.2100%	-
38	380250	WW TD Equip Sludge Dig Trnk	502,467	-	502,467	19.2100%	-
39	380300	WW TD Equip Sludge Dry/Filt	8,662,158	-	8,662,158	19.2100%	-
40	380350	WW TD Equip Sec Trmt Filt	-	-	-	19.2100%	-
41	380400	WW TD Equip Aux Effl Trmt	1,279,622	-	1,279,622	19.2100%	-
42	380500	WW TD Equip Chem Trmt Plt	208,781	-	208,781	19.2100%	-
43	380600	WW TD Equip Oth Disp	1,033,384	-	1,033,384	19.2100%	-
44	380625	WW TD Equip Gen Trmt	780,426	-	780,426	19.2100%	-
45	380650	WW TD Equip Influent Lift S	64,980	-	64,980	19.2100%	-
46	381000	WW Plant Sewers	111,410	-	111,410	19.2100%	-
47	382000	WW Outfall Sewer Lines	4,259	(0)	4,259	19.2100%	(0)
48	389100	WW Oth Plt & Misc Equip Int	89,296	-	89,296	19.2100%	-
49	389600	WW Other P/E - CPS - 7E	-	-	-	19.2100%	-
50	390000	WW Office Furniture & Equip	168,065	-	168,065	19.2100%	-
51	390200	WW Computers & Peripheral	23,044	-	23,044	19.2100%	-
52	390300	WW Computer Software	69,027	-	69,027	19.2100%	-
53	391000	WW Trans Equipment	247,842	-	247,842	19.2100%	-
54	392000	WW Stores Equipment	11,072	-	11,072	19.2100%	-
55	393000	WW Tool Shop & Garage Equip	139,757	-	139,757	19.2100%	-
56	394000	WW Laboratory Equipment	156,655	-	156,655	19.2100%	-
57	395000	WW Power Operated Equip	136,487	-	136,487	19.2100%	-
58	396000	WW Communication Equip	358,832	-	358,832	19.2100%	-
59	397000	WW Misc Equipment	74,088	-	74,088	19.2100%	-
60	398000	WW Other Tangible Plant	-	-	-	19.2100%	-
61		Rounding	-	-	-	19.2100%	-
62		Total North West Valley Treatment Facility 7H Plar	\$ 36,620,650	\$ (0)	\$ 36,620,650		(0)
63		RUCO Total Adjustment					\$ (0)

References:
 Schedule TJC-4 on page 1 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
NORTHWEST VALLEY TREATMENT FACILITY ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Agua Fria Allocator 19.2100%	[E] RUCO Allocated Adjustment
Allocated NWVTF A/D:							
1	304100	Struct & Imp SS (Corporate)	\$ 0	\$ (0)	\$ -	19.2100%	\$ (0)
2	304200	Struct & Imp P (Corporate)	32	(0)	32	19.2100%	(0)
3	307000	Wells & Springs (Corporate)	-	-	-	19.2100%	-
4	311200	Pump Equip Electric (Corporate)	2,366	-	2,366	19.2100%	-
5	340200	Comp & Peripheral Equip (Corporate)	-	-	-	19.2100%	-
6	340500	Other Office Equipment (Corporate)	0	(0)	0	19.2100%	(0)
7	304600	Struct & Imp Offices (Corporate)	340	-	340	19.2100%	-
8	304800	Struct & Imp Misc (Corporate)	12	(0)	12	19.2100%	(0)
9	341200	Trans Equip Hvy Duty Trks	-	-	-	19.2100%	-
10	341400	Trans Equip Other	-	-	-	19.2100%	-
11	343000	Tools, Shop and Garage	-	-	-	19.2100%	-
12	344000	Laboratory Equipment	(0)	0	0	19.2100%	0
13	346100	Comm Equip Non-Telephone	3,045	0	3,045	19.2100%	0
14	351000	WW Organization	-	-	-	19.2100%	-
15	352000	WW Franchises	-	-	-	19.2100%	-
16	353200	WW Land & Ld Rights Coll	(89,506)	-	(89,506)	19.2100%	-
17	353500	WW Land & Ld Rights Gen	-	-	-	19.2100%	-
18	354200	WW Struct & Imp Coll	3,248,049	-	3,248,049	19.2100%	-
19	354300	WW Struct & Imp SPP	51,951	0	51,951	19.2100%	0
20	354400	WW Struct & Imp TDP	-	-	-	19.2100%	-
21	354500	WW Struct & Imp Gen	1,385,565	-	1,385,565	19.2100%	-
22	355200	WW Pwr Gen Equip Coll	1,921	-	1,921	19.2100%	-
23	355300	WW Pwr Gen Equip SPP	11,007	-	11,007	19.2100%	-
24	355400	WW Pwr Gen Equip TDP	-	-	-	19.2100%	-
25	355500	WW Pwr Gen Equip RWTP	-	-	-	19.2100%	-
26	360000	WW Collection Sewers Forced	-	-	-	19.2100%	-
27	361100	WW Collecting Mains	36,956	-	36,956	19.2100%	-
28	362000	WW Special Coll Struct	686,271	(0)	686,271	19.2100%	(0)
29	363000	WW Services Sewer	2,658	0	2,658	19.2100%	0
30	364000	WW Flow Measuring Devices	49,300	-	49,300	19.2100%	-
31	370000	WW Receiving Wells	-	-	-	19.2100%	-
32	371100	WW Pump Equip Elect	206,403	-	206,403	19.2100%	-
33	371200	WW Pump Equip Oth Pwr	8,798	-	8,798	19.2100%	-
34	380000	WW TD Equipment	1,195,934	(0)	1,195,934	19.2100%	(0)
35	380050	WW TD Equip Grit Removal	1,202,728	-	1,202,728	19.2100%	-
36	380100	WW TD Equip Sed Tanks/Acc	5,440,698	0	5,440,698	19.2100%	0
37	380200	WW TD Equip Sldge/Effl Rmv	2,044	-	2,044	19.2100%	-
38	380250	WW TD Equip Sldge Dig Tnk	293,601	-	293,601	19.2100%	-
39	380300	WW TD Equip Sldge Dry/Filt	7,275,086	-	7,275,086	19.2100%	-
40	380350	WW TD Equip Sec Trmt Filt	1,961	-	1,961	19.2100%	-
41	380400	WW TD Equip Aux Effl Trmt	1,340,499	-	1,340,499	19.2100%	-
42	380500	WW TD Equip Chem Trmt Plt	28,338	(0)	28,338	19.2100%	(0)
43	380600	WW TD Equip Oth Disp	1,200,951	(0)	1,200,951	19.2100%	(0)
44	380625	WW TD Equip Gen Trmt	654,668	-	654,668	19.2100%	-
45	380650	WW TD Equip Influent Lift S	71,829	-	71,829	19.2100%	-
46	381000	WW Plant Sewers	32,668	-	32,668	19.2100%	-
47	382000	WW Outfall Sewer Lines	112,001	(0)	112,001	19.2100%	(0)
48	389100	WW Oth Plt & Misc Equip Int	12,559	-	12,559	19.2100%	-
49	389600	WW Other P/E - CPS - 7E	0	-	0	19.2100%	-
50	390000	WW Office Furniture & Equip	96,573	0	96,573	19.2100%	0
51	390200	WW Computers & Peripheral	43,528	-	43,528	19.2100%	-
52	390300	WW Computer Software	145,625	-	145,625	19.2100%	-
53	391000	WW Trans Equipment	839,469	0	839,469	19.2100%	0
54	392000	WW Stores Equipment	5,715	(0)	5,715	19.2100%	(0)
55	393000	WW Tool Shop & Garage Equip	81,723	-	81,723	19.2100%	-
56	394000	WW Laboratory Equipment	79,869	-	79,869	19.2100%	-
57	395000	WW Power Operated Equip	23,182	-	23,182	19.2100%	-
58	396000	WW Communication Equip	384,595	0	384,595	19.2100%	0
59	397000	WW Misc Equipment	76,014	0	76,014	19.2100%	0
60	398000	WW Other Tangible Plant	-	-	-	19.2100%	-
61		Rounding	-	-	-	19.2100%	-
62		Total North West Valley Treatment Facility 7H A/D	\$ 26,247,027	\$ 0	\$ 26,247,027		0
63		RUCO Total Adjustment					\$ 0

References:
Schedule TJC-4 on page 2 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 USA CORPORATE ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Agua Fria Allocator 3.5554%	[E] RUCO Allocated Adjustment
Allocated 6U USA Corp Plant:							
1	340200	Computer & Peripheral Equipment	\$ 1,047,165	\$ -	\$ 1,047,165	3.5554%	\$ -
2	340300	Computer Software	1,064,894	-	1,064,894	3.5554%	-
3		Total 6U USA Corporate Allocated Plant	<u>\$ 2,112,059</u>	<u>\$ -</u>	<u>\$ 2,112,059</u>		<u>\$ -</u>
4		RUCO Total Adjustment					<u>\$ -</u>

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
USA CORPORATE ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Agua Fria Allocator 3.5554%	[E] RUCO Allocated Adjustment
<u>Allocated 6U USA Corp Accum. Depre:</u>							
1	340200	Computer & Peripheral Equipment	\$ 313,567	\$ (0)	\$ 313,567	3.5554%	\$ (0)
2	340300	Computer Software	782,756	7,978	790,734	3.5554%	284
3		Total 6U USA Corporate Allocated A/D	<u>\$ 1,096,323</u>	<u>\$ 7,978</u>	<u>\$ 1,104,301</u>		<u>\$ 284</u>
4		RUCO Total Adjustment					<u>\$ 284</u>

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (c)
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Line
No. Description

Amount

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (d)
INTENTIONALLY LEFT BLANK

Line
No. Description

Amount

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	NARUC Acct. No.	Description	[A] RUCO TY End UPIS Balance	[B] RUCO TY End Accum. Depre. Balance	[C] RUCO Net Book Value	[D] Over-Depreciated Excess Accum. Depre. Adjustment
Direct 7G Plant:						
1	304100	Struct & Imp SS	\$ 11,726	\$ 3,273	\$ 8,453	\$ -
2	340200	Comp & Peripheral Equip	17,788	34,265	(16,476)	(16,476)
3	341200	Trans Equip Hvy Duty Trks	60,471	122,625	(62,154)	(62,154)
4	341400	Trans Equip Other	16,690	19,301	(2,611)	(2,611)
5	343000	Tools, Shop and Garage	43,204	14,067	29,137	-
6	351000	WW Organization	-	-	-	-
7	352000	WW Franchises	-	-	-	-
8	353200	WW Land & Ld Rights Coll	218,285	-	218,285	-
9	353500	WW Land & Ld Rights Gen	16,810	-	16,810	-
10	354200	WW Struct & Imp Coll	143,036	-	143,036	-
11	354300	WW Struct & Imp SPP	1,020,040	109,193	910,847	-
12	354400	WW Struct & Imp TDP	-	-	-	-
13	354500	WW Struct & Imp Gen	4,876,973	635,187	4,241,786	-
14	355200	WW Pwr Gen Equip Coll	2,894,763	534,955	2,359,807	-
15	355300	WW Pwr Gen Equip SPP	-	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-	-
17	355500	WW Pwr Gen Equip RWTP	168,695	75,347	93,347	-
18	360000	WW Collection Sewers Forced	602,148	193,290	408,859	-
19	361100	WW Collecting Mains	2,532,240	495,547	2,036,693	-
20	362000	WW Special Coll Struct	35,839,689	6,304,957	29,534,732	-
21	363000	WW Services Sewer	57,782	3,929	53,852	-
22	364000	WW Flow Measuring Devices	5,650,367	958,599	4,691,768	-
23	370000	WW Receiving Wells	75,210	57,138	18,071	-
24	371100	WW Pump Equip Elect	1,057,746	358,559	699,187	-
25	371200	WW Pump Equip Oth Pwr	1,262,849	612,356	650,493	-
26	380000	WW TD Equipment	-	-	-	-
27	380050	WW TD Equip Grit Removal	3,476,156	1,248,575	2,227,581	-
28	380100	WW TD Equip Sed Tanks/Acc	5,487,904	2,392,196	3,095,708	-
29	380200	WW TD Equip Sldge/Effl Rmv	1,796,602	970,370	826,232	-
30	380250	WW TD Equip Sldge Dig Trnk	15,168	1,516	13,652	-
31	380300	WW TD Equip Sldge Dry/Filt	535,858	200,034	335,825	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	581,647	218,118	363,529	-
34	380500	WW TD Equip Chem Trmt Plt	649,801	243,675	406,126	-
35	380600	WW TD Equip Oth Disp	62,933	19,441	43,491	-
36	380625	WW TD Equip Gen Trmt	16,538	11,306	5,232	-
37	380650	WW TD Equip Influent Lift S	-	-	-	-
38	381000	WW Plant Sewers	-	-	-	-
39	382000	WW Outfall Sewer Lines	697,460	432,274	265,187	-
40	389100	WW Oth Plt & Misc Equip Int	154,287	53,657	100,631	-
41	389600	WW Other P/E - CPS - 7E	171,017	87,160	83,857	-
42	390000	WW Office Furniture & Equip	-	-	-	-
43	390200	WW Computers & Peripheral	-	-	-	-
44	390300	WW Computer Software	-	-	-	-
45	391000	WW Trans Equipment	7,341	13,000	(5,659)	(5,659)
46	392000	WW Stores Equipment	-	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-	-
48	394000	WW Laboratory Equipment	-	-	-	-
49	395000	WW Power Operated Equip	9,601	(7,925)	17,527	-
50	396000	WW Communication Equip	130,969	46,376	84,593	-
51	397000	WW Misc Equipment	1,644,727	1,683,300	(38,572)	(38,572)
52	398000	WW Other Tangible Plant	-	-	-	-
53		Not Classified	-	-	-	-
54		Total Direct 7G Plant	\$ 72,004,522	\$ 18,145,928	\$ 53,858,594	\$ (125,740)
Allocated 7A Corporate Plant:						
55	304500	Structures & Improvements General	\$ 192,857	\$ 22,377	\$ 170,480	\$ -
56	304620	Structures & Improvements Leasehold	18,317	536	17,782	-
57	334100	Meters	11,777	4,641	7,136	-
58	339600	Other P/E-CPS	364,887	72,241	292,646	-
59	340100	Office Furniture & Equipment	1,267,925	569,006	698,918	-
60	340200	Computer & Peripheral Equipment	1,404,587	624,832	779,755	-
61	340300	Computer Software	193,904	183,147	10,757	-
62	340330	Computer Software Other	6,370	1,019	5,351	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
 REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	Acct. No.	Description	(A) RUCO TY End UPIS Balance	(B) RUCO TY End Accum. Depre. Balance	(C) RUCO Net Book Value	(D) Over-Depreciated Excess Accum. Depre. Adjustment
Allocated 7A Corporate Plant (continuation):						
1	344000	Laboratory Equipment	\$ 17,277	\$ 3,060	\$ 14,217	\$ -
2	346100	Communication Equipment Non-Telephone	186,080	216,139	(30,059)	(30,059)
3	346190	Remote Control & Instrument	122,024	20,439	101,584	-
4	346200	Communication Equipment Telephone	68,942	27,818	41,124	-
5	346300	Communication Equipment Other	154,411	8,821	145,590	-
6	347000	Miscellaneous Equipment	1,292,262	116,612	1,175,651	-
7		Rounding	-	-	-	-
8		Total Allocated 7A Corporate Plant	\$ 5,301,619	\$ 1,870,687	\$ 3,430,932	\$ (30,059)
9		Agua Fria Wastewater 7A % Allocation	4,226.6%	4,226.6%	4,226.6%	4,226.6%
10		Agua Fria Wastewater 7A Plant Allocation	\$ 224,076	\$ 79,066	\$ 145,011	\$ (1,270)
North West Valley Wastewater 7H Plant:						
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	2,582	32	2,550	-
13	307000	Wells & Springs (Corporate)	-	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	24,525	2,366	22,159	-
16	340500	Other Office Equipment (Corporate)	-	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	0	(0)	(0)
18	304800	Struct & Imp Misc (Corporate)	9,052	340	8,712	-
19	341200	Trans Equip Hvy Duty Trks	8,610	12	8,598	-
20	341400	Trans Equip Other	-	-	-	-
21	343000	Tools, Shop and Garage	-	-	-	-
22	344000	Laboratory Equipment	-	-	-	-
23	346100	Comm Equip Non-Telephone	-	0	(0)	(0)
24	351000	WW Organization	19,711	3,045	16,666	-
25	352000	WW Franchises	-	-	-	-
26	353200	WW Land & Ld Rights Coll	1,304	-	1,304	-
27	353500	WW Land & Ld Rights Gen	450,976	(89,506)	540,482	-
28	354200	WW Struct & Imp Coll	20,747	-	20,747	-
29	354300	WW Struct & Imp SPP	3,574,657	3,248,049	326,608	-
30	354400	WW Struct & Imp TDP	997,595	51,951	945,644	-
31	354500	WW Struct & Imp Gen	-	-	-	-
32	355200	WW Pwr Gen Equip Coll	6,900,037	1,385,565	5,514,472	-
33	355300	WW Pwr Gen Equip SPP	7,952	1,921	6,030	-
34	355400	WW Pwr Gen Equip TDP	63,439	11,007	52,431	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-	-
37	361100	WW Collecting Mains	-	-	-	-
38	362000	WW Special Coll Struct	109,750	36,956	72,794	-
39	363000	WW Services Sewer	486,363	686,271	(199,908)	(199,908)
40	364000	WW Flow Measuring Devices	8,725	2,658	6,066	-
41	370000	WW Receiving Wells	55,923	49,300	6,623	-
42	371100	WW Pump Equip Elect	-	-	-	-
43	371200	WW Pump Equip Oth Pwr	1,026,512	206,403	820,109	-
44	380000	WW TD Equipment	26,257	8,798	17,459	-
45	380050	WW TD Equip Grit Removal	2,306,955	1,195,934	1,111,021	-
46	380100	WW TD Equip Sed Tanks/Acc	1,041,234	1,202,728	(161,494)	(161,494)
47	380200	WW TD Equip Sldge/Effl Rmv	5,327,840	5,440,698	(112,858)	(112,858)
48	380250	WW TD Equip Sldge Dig Tnk	28,253	2,044	26,209	-
49	380300	WW TD Equip Sldge Dry/Filt	502,467	293,601	208,866	-
50	380350	WW TD Equip Sec Trmt Filt	8,662,158	7,275,086	1,387,072	-
51	380400	WW TD Equip Aux Effl Trmt	-	1,961	(1,961)	(1,961)
52	380500	WW TD Equip Chem Trmt Plt	1,279,622	1,340,499	(60,877)	(60,877)
53	380600	WW TD Equip Oth Disp	208,781	28,338	180,443	-
54	380625	WW TD Equip Gen Trmt	1,033,384	1,200,951	(167,567)	(167,567)
55	380650	WW TD Equip Influent Lift S	780,426	654,668	125,757	-
56	381000	WW Plant Sewers	64,980	71,829	(6,848)	(6,848)
			111,410	32,668	78,742	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	Acct. No.	Description	[A] RUCO TY End UPIS Balance	[B] RUCO TY End Accum. Depr. Balance	[C] RUCO Net Book Value	[D] Over-Depreciated Excess Accum. Depr. Adjustment
North West Valley Wastewater 7H Plant (continuation):						
1	382000	WW Outfall Sewer Lines	\$ 4,259	\$ 112,001	\$ (107,743)	\$ (107,743)
2	389100	WW Oth Plt & Misc Equip Int	89,296	12,559	76,736	-
3	389600	WW Other P/E - CPS - 7E	-	0	(0)	(0)
4	390000	WW Office Furniture & Equip	168,065	96,573	71,492	-
5	390200	WW Computers & Peripheral	23,044	43,528	(20,484)	(20,484)
6	390300	WW Computer Software	69,027	145,625	(76,598)	(76,598)
7	391000	WW Trans Equipment	247,842	839,469	(591,627)	(591,627)
8	392000	WW Stores Equipment	11,072	5,715	5,357	-
9	393000	WW Tool Shop & Garage Equip	139,757	81,723	58,034	-
10	394000	WW Laboratory Equipment	156,655	79,869	76,786	-
11	395000	WW Power Operated Equip	136,487	23,182	113,305	-
12	396000	WW Communication Equip	358,832	384,595	(25,763)	(25,763)
13	397000	WW Misc Equipment	74,088	76,014	(1,926)	(1,926)
14	398000	WW Other Tangible Plant	-	-	-	-
15		Rounding	-	-	-	-
16		Total North West Valley Wastewater 7H Plant	\$ 36,620,650	\$ 26,247,027	\$ 10,373,623	\$ (1,535,653)
17		Agua Fria Wastewater 7H % Allocation	19.2100%	19.2100%	19.2100%	19.2100%
18		Agua Fria Wastewater NWTF 7H Plant Allocation	\$ 7,034,827	\$ 5,042,054	\$ 1,992,773	\$ (294,999)
6U Plant:						
19	340200	Computer & Peripheral Equipment	\$ 1,047,165	\$ 313,567	\$ 733,598	\$ -
20	340300	Computer Software	1,064,894	790,734	274,160	-
21		Rounding	-	-	-	-
22		Total 6U Allocated Corporate Plant	\$ 2,112,059	\$ 1,104,301	\$ 1,007,758	\$ -
23		Agua Fria Wastewater 6U % Allocation	3.5554%	3.5554%	3.5554%	3.5554%
24		Agua Fria Wastewater 6U Plant Allocation	\$ 75,093	\$ 39,263	\$ 35,830	\$ -
Total Net Book Value & Over-Depreciated Plant:						
25	7N	Direct Plant	\$ 72,004,522	\$ 18,145,928	\$ 53,858,594	\$ (125,740)
26	7A	Allocable AZ Corporate 7A Plant	224,076	79,066	145,011	(1,270)
27	7H	Allocable Northwest Valley Treatment Facility Plant	7,034,827	5,042,054	1,992,773	(294,999)
28	6U	Allocable USA Corporate 6U Plant	75,093	39,263	35,830	-
29		Total Over-Depreciated Plant	\$ 79,338,518	\$ 23,306,310	\$ 56,032,208	\$ (422,009)
30		RUCO Total Adjustment				\$ (422,009)

References:
Per RUCO Plant Reconstruction Workpapers

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
Direct 7G Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	500,000	(460,192)	39,808
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	23,000	(23,000)	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	12,000	(12,000)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	630,000	(630,000)	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Pit	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Pit & Misc Equip Int	302,000	(302,000)	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	16,000	(16,000)	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	100,000	(98,407)	1,593
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7G Plant	\$ 1,583,000	\$ (1,541,598)	\$ 41,402
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	\$ 270,000	\$ (230,686)	\$ 39,314
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	11,937	16,784	28,721

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
 2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	210,000	493,453	703,453
8		Total Allocated 7A Corporate Plant	\$ 491,937	\$ 279,552	\$ 771,489
9		Agua Fria Wastewater 7A % Allocation	4.2266%	4.2266%	4.2266%
10		Agua Fria Wastewater 7A Plant Allocation	\$ 20,792	\$ 11,815	\$ 32,607
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	692,516	(629,521)	62,996
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	1,169,000	(1,145,323)	23,677
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trnk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	717,000	17,023	734,023
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	1,134,000	48,140	1,182,140
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	20,000	(20,000)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	65,000	(65,000)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H Plant	\$ 3,797,516	\$ (1,794,681)	\$ 2,002,835
17		Agua Fria Wastewater 7H % Allocation	19.2100%	19.2100%	19.2100%
18		Agua Fria Wastewater NWVTF 7H Plant Allocation	\$ 729,503	\$ (344,758)	\$ 384,745
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ 592,463	\$ (592,463)	\$ -
20	340300	Computer Software	781,212	(98,750)	682,462
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ 1,373,675	\$ (691,213)	\$ 682,462
23		Agua Fria Wastewater 6U % Allocation	3.5554%	3.5554%	3.5554%
24		Agua Fria Wastewater 6U Plant Allocation	\$ 48,840	\$ (24,576)	\$ 24,264
Total 2016 PTY Plant:					
25	7G	Direct	\$ 1,583,000	\$ (1,541,598)	\$ 41,402
26	7A	Corporate Plant Allocated	20,792	11,815	32,607
27	7H	NWV Plant Allocated	729,503	(344,758)	384,745
28	6U	6U Plant Allocated	48,840	(24,576)	24,264
29		OC UPIS Not Accounted For - Vector Trucks - Corp.	-	-	-
30		Total Utility Plant in Service (UPIS)	\$ 2,382,135	\$ (1,899,117)	\$ 483,018
31		RUCO Total Adjustment		\$ (1,899,117)	

References:

Per Company Response to RUCO DR #6.01 - See RUCO W/P

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2016 PTY Plant A/D As Filed	[B] RUCO 2016 PTY Plant A/D Adjustments	[C] RUCO 2016 PTY Plant A/D Recommended
Direct 7G Plant Accumulated Depreciation (A/D):					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	8,333	(8,001)	332
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	230	(230)	-
20	362000	WW Special Coll Struct	-	-	-
21	363000	WW Services Sewer	120	(120)	-
22	364000	WW Flow Measuring Devices	-	-	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	21,000	(21,000)	-
27	380050	WW TD Equip Grit Removal	-	-	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Tnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	5,033	(5,033)	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	400	(400)	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	5,000	(4,918)	82
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7G Plant	\$ 40,117	\$ (39,702)	\$ 414
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	\$ 3,375	\$ (2,884)	\$ 491
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	1,194	1,678	2,872
62	340330	Computer Software Other	-	-	-

**UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END**

Line No.	Acct. No.	Description	[A]	[B]	[C]
			Company 2016 PTY Plant A/D As Filed	RUCO 2016 PTY Plant A/D Adjustments	RUCO 2016 PTY Plant A/D Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	6,563	15,420	21,983
7		Rounding	-	-	-
8		Total Allocated 7A Corporate Plant	\$ 11,131	\$ 14,215	\$ 25,346
9		Agua Fria Wastewater 7A % Allocation	4.2266%	4.2266%	4.2266%
10		Agua Fria Wastewater 7A Plant Allocation	\$ 470	\$ 601	\$ 1,071
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	11,542	(11,016)	526
32	355200	WW Pwr Gen Equip Coll	-	-	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	38,967	(38,375)	592
45	380050	WW TD Equip Grit Removal	-	-	-
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trnk	23,900	(5,549)	18,351
49	380300	WW TD Equip Sludge Dry/Filt	-	-	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	37,800	(8,246)	29,554
52	380500	WW TD Equip Chem Trmt Plt	-	-	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (AD) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 12-Months PTY Plant As Filed	[B] RUCO 12-Months PTY Plant Adjustments	[C] RUCO PTY Plant Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	500	(500)	-
10	394000	WW Laboratory Equipment	-	-	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	3,250	(3,250)	-
13	397000	WW Misc Equipment	-	-	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H Plant	\$ 115,959	\$ (66,937)	\$ 49,022
17		Agua Fria Wastewater 7H % Allocation	19.2100%	19.2100%	19.2100%
18		Agua Fria Wastewater NWVTF 7H Plant Allocation	\$ 22,276	\$ (12,859)	\$ 9,417
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ 29,623	\$ (29,623)	\$ -
20	340300	Computer Software	78,121	7,187	85,308
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ 107,744	\$ (22,437)	\$ 85,308
23		Agua Fria Wastewater 6U % Allocation	3.5554%	3.5554%	3.5554%
24		Agua Fria Wastewater 6U Plant Allocation	\$ 3,831	\$ (798)	\$ 3,033
Total 12-Months PTY Plant:					
25	7G	Direct	\$ 40,117	\$ (39,702)	\$ 414
26	7A	Corporate Plant Allocated	470	601	1,071
27	7H	NWV Plant Allocated	22,276	(12,859)	9,417
28	6U	6U Plant Allocated	3,831	(798)	3,033
29		OC UPIS Not Accounted For - Vector Trucks - Corp.	-	-	-
30		Total Utility Plant in Service (UPIS)	\$ 66,694	\$ (52,758)	\$ 13,936
31		RUCO Total Adjustment		\$ (52,758)	

References:

Per Company Response to RUCO DR #6.01 - See RUCO W/P

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2017 6-Months PTY Plant As Filed	[B] RUCO 2017 6-Months PTY Plant Adjustments	[C] RUCO 2017 6-Months PTY Plant Recommended
Direct 7G Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	331,649	(331,649)	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	15,256	(15,256)	-
20	362000	WW Special Coll Struct	-	-	-
21	363000	WW Services Sewer	7,960	(7,960)	-
22	364000	WW Flow Measuring Devices	-	-	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	417,877	(417,877)	-
27	380050	WW TD Equip Grit Removal	-	-	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	200,316	(200,316)	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	10,613	(10,613)	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	66,330	(66,330)	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7G Plant	\$ 1,050,000	\$ (1,050,000)	\$ -
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	\$ 384,196	\$ (384,196)	\$ -
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	16,986	(16,986)	-
62	340330	Computer Software Other	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant As Filed	[B] RUCO 2017 6-Months PTY Plant Adjustments	[C] RUCO 2017 6-Months PTY Plant Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	298,819	(298,819)	-
7		Rounding	-	-	-
8		Total Allocated 7A Corporate Plant	\$ 700,000	\$ (700,000)	\$ -
9		Agua Fria Wastewater 7A % Allocation	4.2266%	4.2266%	4.2266%
10		Agua Fria Wastewater 7A Plant Allocation	\$ 29,586	\$ (29,586)	\$ -
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	120,312	(120,312)	-
32	355200	WW Pwr Gen Equip Coll	-	-	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	203,093	(203,093)	-
45	380050	WW TD Equip Grit Removal	-	-	-
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Tnk	124,566	(124,566)	-
49	380300	WW TD Equip Sludge Dry/Filt	-	-	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	197,012	(197,012)	-
52	380500	WW TD Equip Chem Trmt Plt	-	-	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant As Filed	[B] RUCO 2017 6-Months PTY Plant Adjustments	[C] RUCO 2017 6-Months PTY Plant Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	3,475	(3,475)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	11,293	(11,293)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H Plant	\$ 659,750	\$ (659,750)	\$ -
17		Agua Fria Wastewater 7H % Allocation	19.2100%	19.2100%	19.2100%
18		Agua Fria Wastewater NWWTF 7H Plant Allocation	\$ 126,738	\$ (126,738)	\$ -
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ -	\$ -	\$ -
23		Agua Fria Wastewater 6U % Allocation	3.5554%	3.5554%	3.5554%
24		Agua Fria Wastewater 6U Plant Allocation	\$ -	\$ -	\$ -
Total 12-Months PTY Plant:					
25	7G	Direct	\$ 1,050,000	\$ (1,050,000)	\$ -
26	7A	Corporate Plant Allocated	29,586	(29,586)	-
27	7H	NWV Plant Allocated	126,738	(126,738)	-
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vector Trucks - Corp.	-	-	-
30		Total Utility Plant in Service (UPIS)	\$ 1,206,324	\$ (1,206,324)	\$ -
31		RUCO Total Adjustment		\$ (1,206,324)	

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2017 6-Months PTY Plant A/D As Filed	[B] RUCO 2017 6-Months PTY Plant A/D Adjustments	[C] RUCO 2017 6-Months PTY Plant A/D Recommended
Direct 7G Plant Accumulated Depreciation (A/D):					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	5,527	(5,527)	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	153	(153)	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	80	(80)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	13,929	(13,929)	-
27	380050	WW TD Equip Grit Removal	-	-	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	3,339	(3,339)	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	265	(265)	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	3,316	(3,316)	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7G A/D	\$ 26,609	\$ (26,609)	\$ -
Allocated 7A Corporate Plant A/D:					
55	304500	Structures & Improvements General	\$ 4,802	\$ (4,802)	\$ -
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	1,699	(1,699)	-
62	340330	Computer Software Other	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant A/D As Filed	[B] RUCO 2017 6-Months PTY Plant A/D Adjustments	[C] RUCO 2017 6-Months PTY Plant A/D Recommended
Allocated 7A Corporate Plant A/D (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	9,338	(9,338)	-
7		Rounding	-	-	-
8		Total Allocated 7A Corporate A/D	\$ 15,839	\$ (15,839)	\$ -
9		Agua Fria Wastewater 7A % Allocation	4.2266%	4.2266%	4.2266%
10		Agua Fria Wastewater 7A Plant Allocation	\$ 669	\$ (669)	\$ -
North West Valley Wastewater 7H Plant A/D:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	2,005	(2,005)	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	6,770	(6,770)	-
45	380050	WW TD Equip Grit Removal	-	-	-
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trnk	4,152	(4,152)	-
49	380300	WW TD Equip Sludge Dry/Filt	-	-	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	6,567	(6,567)	-
52	380500	WW TD Equip Chem Trmt Plt	-	-	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant A/D As Filed	[B] RUCO 2017 6-Months PTY Plant A/D Adjustments	[C] RUCO 2017 6-Months PTY Plant A/D Recommended
North West Valley Wastewater 7H Plant A/D (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Pit & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	87	(87)	-
10	394000	WW Laboratory Equipment	-	-	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	565	(565)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H A/D	\$ 20,146	\$ (20,146)	\$ -
17		Agua Fria Wastewater 7H % Allocation	19.2100%	19.2100%	19.2100%
18		Agua Fria Wastewater NWWTF 7H Plant Allocation	\$ 3,870	\$ (3,870)	\$ -
6U Plant A/D:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate A/D	\$ -	\$ -	\$ -
23		Agua Fria Wastewater 6U % Allocation	3.5554%	3.5554%	3.5554%
24		Agua Fria Wastewater 6U Plant Allocation	\$ -	\$ -	\$ -
Total 2017 6-Months PTY Plant:					
25	7G	Direct	\$ 26,609	\$ (26,609)	\$ -
26	7A	Corporate Plant Allocated	669	(669)	-
27	7H	NWV Plant Allocated	3,870	(3,870)	-
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total 2017 6-Months PTY Plant A/D	\$ 31,149	\$ (31,149)	\$ -
31		RUCO Total Adjustment		\$ (31,149)	

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	NARUC Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
<u>Direct 7G Plant:</u>					
1	304100	Struct & Imp SS	\$ -	\$ (6,024)	\$ (6,024)
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	-	-	-
21	363000	WW Services Sewer	-	(6,953)	(6,953)
22	364000	WW Flow Measuring Devices	-	-	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	(17,885)	(17,885)
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	(68,613)	(68,613)
27	380050	WW TD Equip Grit Removal	-	-	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	(1,353)	(1,353)
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7G Plant	\$ -	\$ (100,829)	\$ (100,829)
<u>Allocated 7A Corporate Plant:</u>					
55	304500	Structures & Improvements General	\$ -	\$ (29,508)	\$ (29,508)
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	-	-	-
8		Total Allocated 7A Corporate Plant	\$ -	\$ (29,508)	\$ (29,508)
9		Agua Fria Wastewater 7A % Allocation	4.2266%	4.2266%	4.2266%
10		Agua Fria Wastewater 7A Plant Allocation	\$ -	\$ (1,247)	\$ (1,247)
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	-	-	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	(553,523)	(553,523)
45	380050	WW TD Equip Grit Removal	-	-	-
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sldge Dig Trk	-	-	-
49	380300	WW TD Equip Sldge Dry/Filt	-	-	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	-	-	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	-	-	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	-	-	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Wastewater 7H Plant	\$ -	\$ (553,523)	\$ (553,523)
17		Agua Fria Wastewater 7H % Allocation	19.2100%	19.2100%	19.2100%
18		Agua Fria Wastewater NWVTF 7H Plant Allocation	\$ -	\$ (106,332)	\$ (106,332)
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ -	\$ -	\$ -
23		Agua Fria Wastewater 6U % Allocation	3.5554%	3.5554%	3.5554%
24		Agua Fria Wastewater 6U Plant Allocation	\$ -	\$ -	\$ -
Total Unrecorded 2016 PTY Plant Retirements:					
25	7N	Direct	\$ -	\$ (100,829)	\$ (100,829)
26	7A	Corporate Plant Allocated	-	(1,247)	(1,247)
27	7H	NWV Plant Allocated	-	(106,332)	(106,332)
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vector Trucks - Corp.	-	-	-
30		Total Unrecorded Plant Retirements	\$ -	\$ (208,408)	\$ (208,408)
31		RUCO Total Adjustment		\$ (208,408)	

References:

Per Company Response to RUCO DR #6.01 - See RUCO PTY Plant Adjustments W/P

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (A/D) UNRECORDED RETIREMENTS

Line No.	NARUC Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
Direct 7G Plant Accumulated Depreciation (A/D):					
1	304100	Struct & Imp SS	\$ -	\$ (6,100)	\$ (6,100)
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	-	-	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	-	(7,024)	(7,024)
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	(18,370)	(18,370)
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	-	(70,328)	(70,328)
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sludge Dig Tnk	-	-	-
31	380300	WW TD Equip Sludge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Pit	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Pit & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	(1,423)	(1,423)
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7G A/D	\$ -	\$ (103,245)	\$ (103,245)
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	\$ -	\$ (29,877)	\$ (29,877)
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (AD) UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	-	-	-
8		Total Allocated 7A Corporate Plant	\$ -	\$ (29,877)	\$ (29,877)
9		Agua Fria Wastewater 7A % Allocation Factor	4.2266%	4.2266%	4.2266%
10		Agua Fria Wastewater 7A Allocation A/D	\$ -	\$ (1,263)	\$ (1,263)
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	-	-	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	-	(567,361)	(567,361)
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trnk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	-	-	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	-	-	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (A/D) UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	-	-	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	-	-	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Wastewater 7H Plant	\$ -	\$ (567,361)	\$ (567,361)
17		Agua Fria Wastewater 7H % Allocation Factor	19.2100%	19.2100%	19.2100%
18		Agua Fria Wastewater NWWTF 7H Allocation A/D	\$ -	\$ (108,990)	\$ (108,990)
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ -	\$ -	\$ -
23		Agua Fria Wastewater 6U % Allocation Factor	3.5554%	3.5554%	3.5554%
24		Agua Fria Wastewater 6U Allocation A/D	\$ -	\$ -	\$ -
Total Unrecorded 2016 PTY Plant Retirements:					
25	7N	Direct	\$ -	\$ (103,245)	\$ (103,245)
26	7A	Corporate Plant Allocated	-	(1,263)	(1,263)
27	7H	NWV Plant Allocated	-	(108,990)	(108,990)
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vector Trucks - Corp.	-	-	-
30		Total Unrecorded Plant Retirements	\$ -	\$ (213,498)	\$ (213,498)
31		RUCO Total Adjustment		\$ (213,498)	

References:

Per Company Response to RUCO DR #6.01 - See RUCO 2016 PTY Plant Adjustments W/P

**RATE BASE ADJUSTMENT NO. 2
CURRENT REGULATORY LIABILITY FOR OVER-DEPRECIATED PLANT ADJUSTMENT**

Line No.	NARUC Acct.	Description	Gross Amount	Allocation Factor	Amount
<u>Direct Plant Accounts:</u>					
1	340200	Comp & Peripheral Equip	\$ (16,476)	100.00%	\$ (16,476)
2	341200	Trans Equip Hvy Duty Trks	(62,154)	100.00%	(62,154)
3	341400	Trans Equip Other	(2,611)	100.00%	(2,611)
4	390300	WW Computer Software	(5,659)	100.00%	(5,659)
5	396000	WW Communication Equip	(38,572)	100.00%	(38,572)
6	Various	Not Classified	(267)	100.00%	(267)
7		Sub-Total Direct Plant			<u>\$ (125,740)</u>
<u>Allocated Arizona Corporate 7A Plant:</u>					
8	346100	Communication Equipment Non-Telephone	\$ (30,059)	4.2266%	<u>\$ (1,270)</u>
<u>Allocated Northwest Valley Treatment Facility:</u>					
9	340500	Other Office Equipment (Corporate)	\$ (0)	19.2100%	\$ (0)
10	344000	Laboratory Equipment	(0)	19.2100%	(0)
11	362000	WW Special Coll Struct	(199,908)	19.2100%	(38,402)
12	380050	WW TD Equip Grit Removal	(161,494)	19.2100%	(31,023)
13	380100	WW TD Equip Sed Tanks/Acc	(112,858)	19.2100%	(21,680)
14	380350	WW TD Equip Sec Trmt Filt	(1,961)	19.2100%	(377)
15	380400	WW TD Equip Aux Effl Trmt	(60,877)	19.2100%	(11,694)
16	380600	WW TD Equip Oth Disp	(167,567)	19.2100%	(32,190)
17	380650	WW TD Equip Influent Lift S	(6,848)	19.2100%	(1,316)
18	382000	WW Outfall Sewer Lines	(107,743)	19.2100%	(20,697)
19	389600	WW Other P/E - CPS - 7E	(0)	19.2100%	(0)
20	390200	WW Computers & Peripheral	(20,484)	19.2100%	(3,935)
21	390300	WW Computer Software	(76,598)	19.2100%	(14,714)
22	391000	WW Trans Equipment	(591,627)	19.2100%	(113,652)
23	396000	WW Communication Equip	(25,763)	19.2100%	(4,949)
24	397000	WW Misc Equipment	(1,926)	19.2100%	(370)
25		Sub-Total Allocable Northwest Valley Treatment Facility	<u>\$ (1,535,653)</u>		<u>\$ (294,999)</u>
<u>Allocated USA Corporate 6U Plant:</u>					
26	N/A	N/A	\$ -	3.5554%	-
27		Total Current Regulatory Liability			<u>\$ (422,009)</u>

References:

RUCO Schedule TJC-4(e) - Excess Accumulated Depreciation

RATE BASE ADJUSTMENTS NO. 3 THRU 8 - NOT USED
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Line No.	Description	Amount
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References:

**RATE BASE ADJUSTMENT NO. 9
 2016 POST TEST YEAR PLANT BONUS DEPRECIATION ADIT ADJUSTMENT**

Line		
<u>No.</u>	<u>Description</u>	
1	Additional ADIT Identified in Response to RUCO DR 6.04	\$ 2,862,894
2	Allocation Factor	4.2266%
3	Sub-Total Additional ADIT	\$ 121,002

RUCO Recommended 2016 PTY Plant Bonus Depreciation ADIT Calculation:

Direct Plant

NARUC Acct.	Depreciation Rate	Description	RUCO Recommended 2016 PTY Plant	Straight-Line Depreciation Amount	50% Bonus Depreciation	Basis Difference
4	3.33%	WW Struct & Imp Gen	\$ 39,808	\$ 1,327		
5	10.00%	WW Communication Equip	1,593	159		
6		RUCO Recommended PTY Plant	\$ 41,402			
7		Sub-Total Direct 2016 PTY Plant Depreciation		\$ 1,486	\$ 20,701	\$ 19,214

Allocable AZ Corporate 7A Plant

8	304500	2.50%	Structures & Improvements General	\$ 39,314	\$ 983	
9	340300	20.00%	Computer Software	28,721	5,744	
10	347000	6.25%	Miscellaneous Equipment	703,453	43,966	
11			RUCO Recommended PTY Plant	\$ 771,489		
12			Total Straight-Line Depreciation	\$ 50,693		
13			Allocation Factor		4.2266%	
14			Sub-Total Corp 7A 2016 PTY Plant Depreciation	\$ 2,143	\$ 16,304	\$ 14,161

Allocable Northwest Valley Treatment Facility

15	354500	3.33%	WW Struct & Imp Gen	\$ 62,996	\$ 2,100	
16	380000	6.67%	WW TD Equipment	23,677	1,578	
17	380250	6.67%	WW TD Equip Sludge Dig Tnk	734,023	48,935	
18	380400	6.67%	WW TD Equip Aux Effl Trmt	1,182,140	78,809	
19			RUCO Recommended PTY Plant	\$ 2,002,835		
20			Total Straight-Line Depreciation	\$ 131,422		
21			Allocation Factor		19.2100%	
22			Sub-Total Alloc NWVTF 2016 PTY Plant Depreciat	\$ 25,246	\$ 192,372	\$ 167,126

Allocable USA Corporate 6UA Plant

23	340300	20.00%	Computer Software	\$ 682,462	\$ 136,492	
24			RUCO Recommended PTY Plant	\$ 682,462		
25			Total Straight-Line Depreciation	\$ 136,492		
26			Allocation Factor		3.5554%	
27			Sub-Total Corp 6U 2016 PTY Plant Depreciation	\$ 4,853	\$ 12,132	\$ 7,279
28			Total Annual Straight-Line v Bonus Depreciation	\$ 33,728	\$ 241,509	\$ 207,781

29	RUCO ADIT Adjustment	\$ 187,762
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References:

Company Federal Effective Income Tax Rate per Schedule SLM-IS3

32.13%

RATE BASE ADJUSTMENT NO. 10
ALLOWANCE FOR WORKING CAPITAL

Line No.	Description	Amount
1	RUCO Cash Working Capital Requirement	\$ (92,536)
2	RUCO Required Bank Balances ¹	-
3	RUCO Material and Supplies Inventories ¹	6,341
4	RUCO Prepayments ¹	15,829
5	RUCO Total Working Capital Allowance	\$ (70,366)
6	Company Total Working Capital Allowance	(63,731)
7	RUCO Allowance for Working Capital Adjustment	\$ (6,635)

Notes:

¹ Calculated using Thirteen-Month Averages

References:

Company Schedules B-5 & B-6
RUCO Schedule TJC-10 on page 2 of 2

RATE BASE ADJUSTMENT NO. 10 (continued)
CASH WORKING CAPITAL LEAD / LAG STUDY

Line No.	Description	[A] Company Adjusted Test Year As Filed	[B] RUCO Expense Adjustments	[C] RUCO Recommended Expense	[D] Revenue Lag Days	[E] Expense (Lead)/Lag Days	[F] Net (Lead)/Lag Days Col. [D] - Col. [E]	[G] (Lead)/Lag Factor Col. [F] / 365	[H] Cash Working Capital Requirement Col. [C] x Col. [G]
Operating Expenses:									
1	Labor	\$ 780,616	\$ (44,820)	\$ 735,796	40.66	42.97	(2.307)	(0.006)	\$ (4,651)
2	Purchased Water	907	-	907	40.66	-	40.660	0.111	101
3	Fuel & Power	277,365	(11,759)	265,606	40.66	45.17	(4.512)	(0.012)	(3,283)
4	Chemicals	104,828	(2,010)	102,818	40.66	-	40.660	0.111	11,454
5	Waste Disposal	42,185	-	42,185	40.66	55.14	(14.481)	(0.040)	(1,674)
6	Intercompany Support Services	-	-	-	40.66	30.25	10.410	0.029	-
7	Corporate Allocation	205,870	(4,513)	201,357	40.66	30.25	10.410	0.029	5,743
8	Outside Services	166,315	(669)	165,646	40.66	78.18	(37.517)	(0.103)	(17,026)
9	Group Insurance	291,114	(31,837)	259,277	40.66	27.40	13.257	0.036	9,417
10	Regulatory Expense	113,634	-	113,634	40.66	-	40.660	0.111	12,658
11	Insurance Other Than Group	95,040	-	95,040	40.66	(15.38)	56.035	0.154	14,591
12	Customer Accounting	245,895	(5,595)	240,300	40.66	78.51	(37.848)	(0.104)	(24,917)
13	Rents	19,191	-	19,191	40.66	-	40.660	0.111	2,138
14	General Office Expense	76,356	(591)	75,765	40.66	61.53	(20.870)	(0.057)	(4,332)
15	Miscellaneous	46,934	(12,661)	34,273	40.66	3.61	37.046	0.101	3,479
16	Maintenance Expense	233,836	(3,781)	230,055	40.66	(26.24)	66.903	0.183	42,168
Taxes:									
17	General Taxes - Property ¹	247,482	(14,306)	233,177	40.66	212.50	(171.840)	(0.471)	(109,778)
18	General Taxes - Payroll	63,169	(488)	62,681	40.66	42.11	(1.453)	(0.004)	(249)
19	General Taxes - Other	-	-	-	40.66	-	40.660	0.111	-
20	Income Tax ¹	374,169	(146,760)	227,408	40.66	37.50	3.160	0.009	1,969
Other:									
21	Interest Expense on Proposed Long-Term Debt	310,166	(86,836)	223,330	40.66	90.25	(49.590)	(0.136)	(30,342)
22	Total Cash Working Capital Expenses	<u>\$ 3,695,069</u>	<u>\$ (366,626)</u>	<u>\$ 3,328,444</u>					
23	RUCO Total Recommended Cash Working Capital								\$ (92,536)
24	Company Total Proposed Cash Working Capital								\$(85,901)
25	RUCO Cash Working Capital Adjustment								<u>\$ (6,635)</u>

References:

¹ At Proposed Rates
Designates RUCO Adjustments to Co. Lead/Lag Days

RECONSTRUCTION COST NEW LESS DEPRECIATION (RCND) RATE BASE SUMMARY

Line No.	Description	[A] Company RCND Rate Base As Filed	[B] RUCO Recommended RCND Adjustments	[C] RUCO RCND Rate Base Recommended
1	Gross Utility Plant In Service	\$ 121,056,754	\$ (3,374,328)	\$ 117,682,426
	Less:			
2	Accumulated Depreciation	44,151,435	(903,469)	43,247,965
3	Net Utility Plant In Service (L1 - L2)	\$ 76,905,320	\$ (2,470,859)	\$ 74,434,461
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 30,939,822	\$ -	\$ 30,939,822
5	Gross Contribution In Aid Of Construction ("CIAC")	35,269,069	-	35,269,069
6	Accumulated Amortization of CIAC	(7,098,168)	-	(7,098,168)
7	Net CIAC (L5 + L6)	\$ 28,170,901	\$ -	\$ 28,170,901
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Regulatory Liability	-	544,475	544,475
11	Accumulated Amortization	-	(43,558)	(43,558)
12	Net Regulatory Liability	\$ -	\$ 500,917	\$ 500,917
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 1,176,242	\$ 242,250	\$ 1,418,492
	Plus:			
14	Deferred Debits	-	-	-
17	Working Capital Allowance	(63,731)	(6,635)	(70,366)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 16,554,623	\$ (3,220,660)	\$ 13,333,963

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

RECONSTRUCTION COST NEW RATE BASE (RCNRB) ADJUSTMENTS

Line No.	Description	(A) Company RCND Rate Base As Filed	(B) Adjust No. 1 UPIS & AD Adjustment	(C) Adjust No. 2 Regulatory Liability	(D) Adjust No. 3 Intentionally Left Blank	(E) Adjust No. 4 Intentionally Left Blank	(F) Adjust No. 5 Intentionally Left Blank	(G) Adjust No. 6 Intentionally Left Blank	(H) Adjust No. 7 Intentionally Left Blank	(I) Adjust No. 8 Intentionally Left Blank	(J) Adjust No. 9 ADIT Adjustment	(K) Adjust No. 10 Working Capital Adjustment	(L) Total RUCO Adjustments	(M) RUCO RCND Rate Base Recommended
1	Gross Utility Plant In Service	\$ 121,056,754	\$ (3,374,328)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,374,328)	\$ 117,682,426
	Less:													
2	Accumulated Depreciation	\$ 44,151,435	(903,469)	-	-	-	-	-	-	-	-	-	(903,469)	43,247,965
3	Net Utility Plant In Service (L1 - L2)	\$ 76,905,320	\$ (2,470,859)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,470,859)	\$ 74,434,461
	Less:													
4	Advances In Aid Of Construction ("AIAC")	\$ 30,939,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,939,822
5	Gross Contribution In Aid Of Construction ("CIAC")	35,269,069	-	-	-	-	-	-	-	-	-	-	-	35,269,069
6	Accumulated Amortization of CIAC	(7,099,168)	-	-	-	-	-	-	-	-	-	-	-	(7,099,168)
7	Net CIAC (L5 + L6)	\$ 28,170,901	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	28,170,901
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Gross Regulatory Liability	\$ -	\$ -	544,475	-	-	-	-	-	-	-	-	544,475	544,475
11	Accumulated Amortization	\$ -	\$ -	(43,558)	-	-	-	-	-	-	-	-	(43,558)	(43,558)
12	Net Regulatory Liability	\$ -	\$ -	\$ 500,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,917	\$ 500,917
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 1,176,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,250	\$ -	\$ 242,250	\$ 1,418,492
	Plus:													
14	Deferred Debits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Working Capital Allowance	(63,731)	-	-	-	-	-	-	-	-	-	(6,635)	(6,635)	(70,366)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 16,554,623	\$ (2,470,859)	\$ (500,917)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (242,250)	\$ (6,635)	\$ (3,220,660)	\$ 13,333,963

RUCO Adjustments:
 Adjustment No. 1: Summation of RUCO recommended Utility Plant in Service and Accumulated Depreciation Adjustments No. (a), (b), (c), and (d) - See RUCO Rate Base Adjustment No. 1 on Schedules TJC-4 on pages 1 & 2, Column [J] at line 42.
 Adjustment No. 2: Current Case Regulatory Liability for Over-Depreciated Plant.
 Adjustment No. 3: Intentionally Left Blank.
 Adjustment No. 4: Intentionally Left Blank.
 Adjustment No. 5: Intentionally Left Blank.
 Adjustment No. 6: Intentionally Left Blank.
 Adjustment No. 7: Intentionally Left Blank.
 Adjustment No. 8: Intentionally Left Blank.
 Adjustment No. 9: RUCO Recommended 2016 TY End Accumulated Deferred Income Tax ("ADIT") Balance.
 Adjustment No. 10: RUCO Recommended Allowance for Working Capital - See RUCO Schedule TJC-10.

References:
 Column [A]: Company Schedule B-1
 Column [B] Thru Column [K]: RUCO Recommended Rate Base Adjustments
 Column [L]: Sum of RUCO Recommended Rate Base Adjustments of Columns [B] through [K]
 Column [M]: Column [A] + Column [L]

SUMMARY OF RECONSTRUCTION COST NEW (RCN) UTILITY PLANT IN SERVICE (UPIS) ADJUSTMENTS
 RCN UPIS RATE BASE ADJUSTMENT #1

Line No.	NARDC Account No.	Description	(A) Company Adjusted TY RCN UPIS As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPIS Reconstruction Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Only Accum. Depr.	(G) RUCO Adjustment (f) 2016 PTY Plant Adjustment	(H) RUCO Adjustment (g) 2017 PTY Plant Adjustment	(I) RUCO Adjustment (h) Unweighted Rates Adjustment	(J) RUCO Total RCN UPIS Adjustments	(K) RUCO Recommended RCN UPIS
Direct TG Plant:													
1	304100	Struct & Imp SS	\$ 18,005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,773)	\$ 9,222
2	340200	Comp & Peripheral Equip	21,015	-	-	-	-	-	-	-	-	(7,773)	21,015
3	341200	Trans Equip Hwy Duty Trks	75,144	-	-	-	-	-	-	-	-	-	75,144
4	341400	Trans Equip Other	18,940	-	-	-	-	-	-	-	-	-	18,940
5	343000	Tools, Shop and Garage	50,258	-	-	-	-	-	-	-	-	-	50,258
6	351000	WW Organization	-	-	-	-	-	-	-	-	-	-	18,840
7	352000	WW Franchises	298,701	-	-	-	-	-	-	-	-	-	50,258
8	353200	WW Land & Ld Rights Coll	18,810	-	-	-	-	-	-	-	-	-	298,701
9	353500	WW Land & Ld Rights Gen	143,036	-	-	-	-	-	-	-	-	-	18,810
10	354200	WW Struct & Imp Coll	1,255,505	-	-	-	-	-	-	-	-	-	143,036
11	354300	WW Struct & Imp SFP	-	-	-	-	-	-	-	-	-	-	1,255,505
12	354400	WW Struct & Imp TDP	6,227,153	-	-	-	-	-	-	-	-	-	6,227,153
13	354500	WW Struct & Imp Gen	5,341,512	-	-	-	-	-	-	-	-	-	5,341,512
14	355200	WW Per Gen Equip Coll	-	-	-	-	-	(460,192)	(331,840)	-	-	(791,841)	4,548,672
15	355300	WW Per Gen Equip SFP	-	-	-	-	-	-	-	-	-	-	-
16	355400	WW Per Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	-
17	355500	WW Per Gen Equip RWTP	205,992	-	-	-	-	-	-	-	-	-	205,992
18	360000	WW Collection Sewers Forced	4,098,148	-	-	-	-	-	-	-	-	-	4,098,148
19	361100	WW Collecting Mains	52,824,204	-	-	-	-	-	-	-	-	-	52,824,204
20	362000	WW Special Coll Struct	80,399	-	-	-	-	(23,000)	(15,258)	-	-	(38,258)	80,399
21	363000	WW Services Sewer	7,912,264	-	-	-	-	-	-	-	-	-	7,912,264
22	364000	WW Flow Measuring Devices	88,271	-	-	-	-	(12,000)	(7,960)	-	-	(19,960)	88,271
23	370000	WW Receiving Walls	1,210,097	-	-	-	-	-	-	-	(8,971)	(8,971)	1,210,097
24	371100	WW Pump Equip Elec	1,927,342	-	-	-	-	-	-	-	-	-	1,927,342
25	371200	WW Pump Equip On Par	-	-	-	-	-	-	-	-	-	-	-
26	380000	WW TD Equipment	5,858,524	-	-	-	-	-	-	-	-	(23,075)	5,858,524
27	380050	WW TD Equip Grit Removal	8,470,229	-	-	-	-	-	-	-	-	(23,075)	8,470,229
28	380100	WW TD Equip Sed Tanks/Acc	2,405,111	-	-	-	-	(630,000)	(417,877)	-	-	(1,047,877)	2,405,111
29	380200	WW TD Equip SkidE# Rmv	18,548	-	-	-	-	-	-	-	-	-	18,548
30	380250	WW TD Equip Sludge Dig Trnk	718,348	-	-	-	-	-	-	-	-	-	718,348
31	380300	WW TD Equip Sludge Dryer	-	-	-	-	-	-	-	-	-	-	-
32	380350	WW TD Equip Sec Trmt Filtr	778,951	-	-	-	-	-	-	-	-	-	778,951
33	380400	WW TD Equip Asa EB Trmt	800,808	-	-	-	-	-	-	-	-	-	800,808
34	380500	WW TD Equip Chem Trmt Pt	79,890	-	-	-	-	-	-	-	-	-	79,890
35	380600	WW TD Equip On Disp	24,241	-	-	-	-	-	-	-	-	-	24,241
36	380625	WW TD Equip Gen Trmt	-	-	-	-	-	-	-	-	-	-	-
37	380650	WW TD Equip Influent Lf S	-	-	-	-	-	-	-	-	-	-	-
38	381000	WW Plant Sewers	1,343,131	-	-	-	-	-	-	-	-	-	1,343,131
39	382000	WW Outfall Sewer Lines	725,181	-	-	-	-	-	-	-	-	-	725,181
40	389100	WW On Pt & Misc Equip Int	211,487	-	-	-	-	-	-	-	-	-	211,487
41	389600	WW Other P/E - C/P/S - 7E	-	-	-	-	-	(302,000)	(200,310)	-	-	(502,310)	-
42	390000	WW Office Furniture & Equip	-	-	-	-	-	-	-	-	-	-	-
43	390200	WW Computers & Peripheral	-	-	-	-	-	-	-	-	-	-	-
44	390300	WW Computer Software	8,123	-	-	-	-	-	-	-	-	-	8,123
45	391000	WW Trans Equipment	118,034	-	-	-	-	-	-	-	-	-	118,034
46	392000	WW Storage Equipment	-	-	-	-	-	-	-	-	-	-	-
47	393000	WW Tool Shop & Garage Equip	26,913	-	-	-	-	-	-	-	-	-	26,913
48	394000	WW Laboratory Equipment	9,714	-	-	-	-	(18,000)	(10,813)	-	-	(28,813)	9,714
49	395000	WW Power Operated Equip	190,018	-	-	-	-	-	-	-	-	-	190,018
50	399000	WW Communication Equip	2,137,494	-	-	-	-	-	-	-	-	-	2,137,494
51	397000	WW Misc Equipment	-	-	-	-	-	(98,407)	(60,330)	-	-	(158,737)	-
52	398000	WW Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	-
53		Rounding	-	-	-	-	-	-	-	-	-	-	-
54		Total Direct TG Plant	\$ 106,159,332	\$ -	\$ -	\$ -	\$ -	\$ (1,541,585)	\$ (1,050,000)	\$ (130,089)	\$ (12,721,885)	\$ 99,616,863	
Allocated 7A Corporate Plant:													
55	304500	Structures & Improvements General	\$ 867,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 867,200
56	304600	Structures & Improvements Leasehold	19,078	-	-	-	-	(230,000)	(384,190)	-	(38,071)	(652,261)	19,078
57	334100	Meters	12,308	-	-	-	-	-	-	-	-	-	12,308
58	339600	Other P/E-C/P/S	401,297	-	-	-	-	-	-	-	-	-	401,297
59	340100	Office Furniture & Equipment	1,540,410	-	-	-	-	-	-	-	-	-	1,540,410
60	340200	Computer & Peripheral Equipment	1,508,481	-	-	-	-	-	-	-	-	-	1,508,481
61	340300	Computer Software	224,789	-	-	-	-	-	-	-	-	-	224,789
62	340330	Computer Software Other	8,564	-	-	-	-	-	-	-	-	-	8,564
63	344000	Laboratory Equipment	244,343	-	-	-	-	16,794	(16,986)	-	(201)	-	244,343
64	348100	Communication Equipment Non-Telephone	22,291	-	-	-	-	-	-	-	-	-	22,291
65	348190	Remote Control & Instrument	124,954	-	-	-	-	-	-	-	-	-	124,954
66	348200	Communication Equipment Telephone	91,902	-	-	-	-	-	-	-	-	-	91,902
67	348500	Communication Equipment Other	156,534	-	-	-	-	-	-	-	-	-	156,534
68	347000	Miscellaneous Equipment	1,830,993	(423,658)	-	-	-	-	-	-	-	-	1,407,335
69		Rounding	-	-	-	-	-	493,453	(206,819)	-	(229,023)	-	-
70		Total Allocated 7A Corporate Plant	\$ 7,052,219	\$ (423,658)	\$ -	\$ -	\$ -	\$ 279,552	\$ (200,000)	\$ (38,071)	\$ (862,171)	\$ 6,170,042	
71		MoHAVE Wastewater 7A % Allocation Factor	\$ 2,280,340	4.2260%	4.2260%	4.2260%	4.2260%	4.2260%	4.2260%	4.2260%	4.2260%	4.2260%	\$ 9,170,042
72		MoHAVE Wastewater 7A Plant Allocation	\$ 295,066	\$ (17,906)	\$ -	\$ -	\$ -	\$ 11,815	\$ (29,546)	\$ (1,809)	\$ (37,256)	\$ 260,781	
North West Valley Wastewater 7H Plant:													
73	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
74	304200	Struct & Imp P (Corporate)	2,904	-	-	-	-	-	-	-	-	-	2,904
75	307000	Walls & Springs (Corporate)	-	-	-	-	-	-	-	-	-	-	-
76	311200	Pump Equip Electric (Corporate)	26,673	-	-	-	-	-	-	-	-	-	26,673
77	340200	Comp & Peripheral Equip (Corporate)	-	-	-	-	-	-	-	-	-	-	-
78	340500	Other Office Equipment (Corporate)	-	-	-	-	-	-	-	-	-	-	-
79	304900	Struct & Imp Offices (Corporate)	9,529	-	-	-	-	-	-	-	-	-	9,529
80	304800	Struct & Imp Misc (Corporate)	8,553	-	-	-	-	-	-	-	-	-	8,553
81	341200	Trans Equip Hwy Duty Trks	-	-	-	-	-	-	-	-	-	-	-
82	341400	Trans Equip Other	-	-	-	-	-	-	-	-	-	-	-
83	343000	Tools, Shop and Garage	-	-	-	-	-	-	-	-	-	-	-
84	344000	Laboratory Equipment	-	-	-	-	-	-	-	-	-	-	-
85	349100	Comm Equip Non-Telephone	19,942	-	-	-	-	-	-	-	-	-	19,942
86	351000	WW Organization	-	-	-	-	-	-	-	-	-	-	-
87	352000	WW Franchises	2,118	-	-	-	-	-	-	-	-	-	2,118
88	353200	WW Land & Ld Rights Coll	450,975	-	-	-	-	-	-	-	-	-	450,975
89	353500	WW Land & Ld Rights Gen	20,747	-	-	-	-	-	-	-	-	-	20,747
90	354200	WW Struct & Imp Coll	8,010,541	-	-	-	-	-	-	-	-	-	8,010,541
91	354300	WW Struct & Imp SFP	1,381,410	-	-	-	-	-	-	-	-	-	1,381,410

Continued on Next Page

**SUMMARY OF RECONSTRUCTION COST NEW (RCN) UTILITY PLANT IN SERVICE (UPIS) ADJUSTMENTS
 RCN UPIS RATE BASE ADJUSTMENT #1**

Line No.	NARUC Account No. Description	(A) Company Adjusted TY RCN UPIS As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPIS Reconstruction Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Only Accum. Depr.	(G) RUCO Adjustment (f) 2016 PTY Plant Adjustment	(H) RUCO Adjustment (g) 2017 PTY Plant Adjustment	(I) RUCO Adjustment (h) Unrecorded Rate Adjustments	(J) RUCO Total RCN UPIS Adjustments	(K) RUCO Recommended
North West Valley Wastewater Treatment Plant (continuation)												
1	354400 WW Strud & Imp TDP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	354500 WW Strud & Imp Gen	12,157,726	-	-	-	-	-	-	-	-	-	-
3	355200 WW Per Gen Equip Coll	8,796	-	-	-	-	-	(629,521)	(120,312)	-	(749,833)	11,407,893
4	355300 WW Per Gen Equip SFP	86,123	-	-	-	-	-	-	-	-	-	8,796
5	355400 WW Per Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	86,123
6	355500 WW Per Gen Equip RWTP	-	-	-	-	-	-	-	-	-	-	-
7	360000 WW Collection Sewers Forcst	-	-	-	-	-	-	-	-	-	-	-
8	361100 WW Collecting Mains	237,430	-	-	-	-	-	-	-	-	-	237,430
9	362000 WW Special Coll Strud	960,617	-	-	-	-	-	-	-	-	-	960,617
10	363000 WW Services Sewer	11,702	-	-	-	-	-	-	-	-	-	11,702
11	364000 WW Flow Measuring Devices	71,618	-	-	-	-	-	-	-	-	-	71,618
12	370000 WW Receiving Waste	-	-	-	-	-	-	-	-	-	-	-
13	371100 WW Pump Equip Elect	1,155,955	-	-	-	-	-	-	-	-	-	1,155,955
14	371200 WW Pump Equip Oth Per	30,881	-	-	-	-	-	-	-	-	-	30,881
15	380000 WW TD Equipment	4,968,291	-	-	-	-	-	-	-	-	-	4,968,291
16	380550 WW TD Equip GRT Removal	2,732,222	-	-	-	-	-	(1,145,323)	(203,093)	(714,152)	(2,062,569)	2,935,721
17	380100 WW TD Equip Sed Tanks/Dec	13,581,486	-	-	-	-	-	-	-	-	-	13,581,486
18	380200 WW TD Equip Skidg/Bl Rmv	28,338	-	-	-	-	-	-	-	-	-	28,338
19	380250 WW TD Equip Skidg Dig Trk	1,606,331	-	-	-	-	-	-	-	-	-	1,606,331
20	380300 WW TD Equip Skidg Dry/Filt	17,560,483	-	-	-	-	-	17,023	(124,566)	-	(107,543)	17,560,483
21	380350 WW TD Equip Sec Trmt Fil	4,338,884	-	-	-	-	-	-	-	-	-	4,338,884
22	380400 WW TD Equip Aux ER Trmt	296,515	-	-	-	-	-	-	-	-	-	296,515
23	380500 WW TD Equip Chem Trmt Pt	2,246,949	-	-	-	-	-	48,140	(197,012)	-	(148,872)	2,246,949
24	380600 WW TD Equip Oth Disp	1,415,802	-	-	-	-	-	-	-	-	-	1,415,802
25	380625 WW TD Equip Gen Trmt	120,486	-	-	-	-	-	-	-	-	-	120,486
26	380650 WW TD Equip Influent Ltr S	143,391	-	-	-	-	-	-	-	-	-	143,391
27	381000 WW Plant Sewers	6,130	-	-	-	-	-	-	-	-	-	6,130
28	382000 WW Outfall Sewer Lines	94,096	-	(0)	-	-	-	-	-	-	(0)	94,096
29	389100 WW Oth PR & Misc Equip Int	249,085	-	-	-	-	-	-	-	-	-	249,085
30	389600 WW Oth PE - CPS - TE	26,729	-	-	-	-	-	-	-	-	-	26,729
31	390000 WW Office Furniture & Equip	89,559	-	-	-	-	-	-	-	-	-	89,559
32	390200 WW Computers & Peripheral	351,923	-	-	-	-	-	-	-	-	-	351,923
33	390300 WW Computer Software	17,128	-	-	-	-	-	-	-	-	-	17,128
34	391000 WW Trans Equipment	216,069	-	-	-	-	-	-	-	-	-	216,069
35	392000 WW Stores Equipment	191,291	-	-	-	-	-	-	-	-	-	191,291
36	393000 WW Tool Shop & Garage Equip	143,757	-	-	-	-	-	(20,000)	(3,475)	(23,475)	-	143,757
37	394000 WW Laboratory Equipment	528,722	-	-	-	-	-	-	-	-	-	528,722
38	395000 WW Power Operated Equip	123,052	-	-	-	-	-	(85,000)	(11,293)	(96,293)	-	123,052
39	396000 WW Communication Equip	-	-	-	-	-	-	-	-	-	-	-
40	397000 WW Misc Equipment	-	-	-	-	-	-	-	-	-	-	-
41	398000 WW Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	-
42	Rounding	-	-	-	-	-	-	-	-	-	-	-
43	Total North West Valley Treatment Facility 7H Plant	\$ 75,088,234	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (1,794,881)	\$ (659,750)	\$ (714,152)	\$ (3,168,584)	\$ 72,519,050
44	Mohave Wastewater 7H % Allocation Factor	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%
45	Mohave Wastewater NNVTF 7H Plant Allocation	\$ 14,539,710	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (344,758)	\$ (126,738)	\$ (137,189)	\$ (608,685)	\$ 13,931,025
8U Plant:												
46	340200 Computer & Peripheral Equipment	1,895,428	-	-	-	-	-	(592,483)	-	-	(592,483)	1,302,945
47	340300 Computer Software	-	-	-	-	-	-	(98,750)	-	-	(98,750)	-
48	Rounding	-	-	-	-	-	-	-	-	-	-	-
49	Total 8U Allocated Corporate Plant	\$ 3,587,532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (691,233)	\$ -	\$ -	\$ (691,233)	\$ 2,896,319
50	Mohave Wastewater 8U % Allocation Factor	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%
51	Mohave Wastewater 8U Plant Allocation	\$ 127,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (24,978)	\$ -	\$ -	\$ (24,978)	\$ 102,574
TOTAL PLANT:												
52	7G Direct	\$ 106,109,332	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,541,598)	\$ (1,050,000)	\$ (130,089)	\$ (2,721,687)	\$ 103,387,644
53	7A Corporate Plant Allocated	296,098	(17,909)	-	-	-	-	11,815	(29,599)	(1,609)	(37,299)	290,781
54	7H NNVV Plant Allocated	14,539,710	-	(0)	-	-	-	(344,758)	(126,738)	(137,189)	(608,685)	13,931,025
55	8U 8U Plant Allocated	127,552	-	-	-	-	-	(24,978)	-	-	(24,978)	102,574
56	RCN UPIS Not Accounted For - Vector Trucks - Corp	(17,909)	17,909	-	-	-	-	-	-	-	-	-
57	Total Utility Plant in Service (UPIS)	\$ 121,058,754	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (1,839,117)	\$ (1,206,324)	\$ (288,887)	\$ (3,374,328)	\$ 117,682,426

RUCO Adjustments:

- Adjustment No. (a): Fully Allocate Utility Plant in Service (UPIS) Vector Truck Balances from AZ Corporate 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule T.J.C-4(a) on page 1 of 2.
- Adjustment No. (b): Reconstruct All UPIS Account Balances as Filed by Company - See RUCO Schedule UPIS Schedules T.J.C-4(b) on Pages 1, 3, 5, and 7.
- Adjustment No. (c): Intentionally Left Blank.
- Adjustment No. (d): Intentionally Left Blank.
- Adjustment No. (e): Remove Over-Depreciated UPIS Accounts' Excess Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule T.J.C-4 on page 2 of 2 and T.J.C-8 on page 2 of 2.
- Adjustment No. (f): Remove 2016 PTY Plant Adjustments Exceeding 9-Months Test Year End December 31, 2015.
- Adjustment No. (g): Remove All 2017 PTY Plant Adjustments.
- Adjustment No. (h): Company Response to RUCO DR 8.01 to Record Unrecorded 2016 PTY Plant Additions.

References:

- Column (A): Company Schedule B-2 Adjusted Test Year as Filed
 - Column (B) Through (I): RUCO Recommended UPIS Adjustments
 - Column (J): Sum of Columns (B) Through (I) - RUCO Sum of Total Recommended UPIS Adjustments
 - Column (K): Column (A) + (J)
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Marler

SUMMARY OF RECONSTRUCTION COST NEW (RCN) ACCUMULATED DEPRECIATION (AD) ADJUSTMENTS
 RCN UPS AD RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No.	Description	(A) Company Adjusted TY RCN AD As Filed	(B) RUCO Adjustment (a) Factor Trucks Adjustment	(C) RUCO Adjustment (b) UPS AD Recon Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Adjustments	(G) RUCO Adjustment (f) 2016 PTY AD Adjustment	(H) RUCO Adjustment (g) 2017 PTY AD Adjustment	(I) RUCO Adjustment (h) Retirement AD Adjustment	(J) RUCO Total RCN AD Adjustments	(K) RUCO Recommended
Direct TG Plant Accumulated Depreciation (AD):													
1	304100	Struct & Imp SS	\$ 5,508	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,870)	\$ (7,870)	\$ (1,362)
2	340200	Comp & Peripheral Equip	21,015	-	-	-	-	(21,258)	-	-	-	(21,258)	(243)
3	341200	Trans Equip Hwy Duty Trks	78,144	-	(0)	-	-	(80,191)	-	-	-	(80,191)	(4,047)
4	341400	Trans Equip Other	12,735	-	0	-	-	(3,388)	-	-	-	(3,388)	9,396
5	343000	Tools, Shop and Garage	21,056	-	(0)	-	-	-	-	-	-	(0)	21,056
6	351000	WW Organization	-	-	-	-	-	-	-	-	-	-	-
7	352000	WW Franchises	-	-	-	-	-	-	-	-	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-	-	-	-	-	-	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-	-	-	-	-	-	-	-	-
10	354200	WW Struct & Imp Coll	291,993	-	-	-	-	-	-	-	-	-	291,993
11	354300	WW Struct & Imp SFP	-	-	-	-	-	-	-	-	-	-	-
12	354400	WW Struct & Imp TDP	1,696,429	-	(0)	-	-	-	-	-	-	(0)	1,696,429
13	354500	WW Struct & Imp Gen	1,982,742	-	-	-	-	-	(8,001)	(5,527)	-	(13,528)	1,969,214
14	355200	WW Pwr Gen Equip Coll	-	-	-	-	-	-	-	-	-	-	-
15	355300	WW Pwr Gen Equip SFP	-	-	-	-	-	-	-	-	-	-	-
16	355400	WW Pwr Gen Equip TDP	105,252	-	-	-	-	-	-	-	-	-	105,252
17	355500	WW Pwr Gen Equip RWTP	293,048	-	0	-	-	-	-	-	-	0	293,048
18	300000	WW Collection Sewers Forced	835,692	-	-	-	-	-	-	-	-	-	835,692
19	381100	WW Collecting Mans	9,845,481	-	-	-	-	-	(230)	(153)	-	(383)	9,845,098
20	382500	WW Special Coll Struct	4,228	-	-	-	-	-	-	-	-	-	4,228
21	383000	WW Services Sewer	1,248,942	-	-	-	-	-	(129)	(80)	(9,082)	(9,292)	1,239,680
22	384000	WW Flow Measuring Devices	79,113	-	-	-	-	-	-	-	-	-	79,113
23	370000	WW Receiving Walls	358,133	-	0	-	-	-	-	-	-	0	358,133
24	371100	WW Pump Equip Elect	1,828,187	-	-	-	-	-	-	-	(23,701)	(23,701)	1,804,486
25	371200	WW Pump Equip Oth Pwr	-	-	-	-	-	-	-	-	-	-	-
26	380000	WW TD Equipment	2,723,196	-	-	-	-	-	(21,000)	(13,929)	(90,737)	(125,667)	2,597,529
27	380050	WW TD Equip Grl Removal	6,182,889	-	-	-	-	-	-	-	-	-	6,182,889
28	380100	WW TD Equip Sed Tanks/Acc	1,383,578	-	0	-	-	-	-	-	-	0	1,383,578
29	380200	WW TD Equip Sldge/Eff Rm	3,354	-	(0)	-	-	-	-	-	-	(0)	3,354
30	380250	WW TD Equip Sldge Dlg Trk	404,727	-	-	-	-	-	-	-	-	-	404,727
31	380300	WW TD Equip Sldge DryFR	-	-	-	-	-	-	-	-	-	-	-
32	380350	WW TD Equip Sec Trmt Fil	441,456	-	(0)	-	-	-	-	-	-	(0)	441,456
33	380400	WW TD Equip Aux Eff Trmt	493,183	-	-	-	-	-	-	-	-	-	493,183
34	380500	WW TD Equip Chem Trmt Pnt	38,298	-	-	-	-	-	-	-	-	-	38,298
35	380900	WW TD Equip Oth Disp	13,744	-	-	-	-	-	-	-	-	-	13,744
36	380225	WW TD Equip Gen Trmt	-	-	-	-	-	-	-	-	-	-	-
37	380650	WW TD Equip Influent Lft S	-	-	-	-	-	-	-	-	-	-	-
38	381000	WW Plant Sewers	771,815	-	-	-	-	-	-	-	-	-	771,815
39	382000	WW Outfall Sewer Lines	71,454	-	(0)	-	-	-	(5,033)	(3,339)	-	(8,372)	63,082
40	389100	WW Oth Pnt & Misc Equip Int	151,521	-	0	-	-	-	-	-	-	0	151,521
41	389900	WW Oth Pnt - CPS - PE	-	-	-	-	-	-	-	-	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-	-	-	-	-	-	-	-	-
43	390200	WW Computers & Peripheral	-	-	-	-	-	-	-	-	-	-	-
44	390300	WW Computer Software	8,123	-	0	-	-	(7,301)	-	-	-	(7,301)	821
45	391000	WW Trans Equipment	13,450	-	-	-	-	-	-	-	-	-	13,450
46	392000	WW Stores Equipment	-	-	-	-	-	-	-	-	-	-	-
47	393000	WW Tool Shop & Garage Equip	695	-	-	-	-	-	-	-	-	-	695
48	394000	WW Laboratory Equipment	1,457	-	-	-	-	-	(400)	(265)	-	(665)	1,457
49	395000	WW Power Operated Equip	84,010	-	-	-	-	-	-	-	-	-	84,010
50	396000	WW Communication Equip	1,769,895	-	-	-	-	(49,796)	(4,918)	(3,319)	(1,836)	(59,836)	1,710,059
51	397000	WW Misc Equipment	-	-	-	-	-	-	-	-	-	-	-
52	398000	WW Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	-
53		Rounding	-	-	-	-	-	(344)	-	-	-	(344)	(344)
54		Total Direct TG Plant AD	\$ 32,810,967	\$ -	\$ 0	\$ -	\$ -	\$ (182,229)	\$ (38,702)	\$ (29,609)	\$ (133,206)	\$ (361,747)	\$ 32,449,220
Allocated 7A Corporate Plant AD:													
55	304500	Structures & Improvements General	\$ 30,428	\$ -	\$ -	\$ -	\$ -	\$ -	(2,884)	(4,802)	(38,547)	(46,233)	(15,807)
56	304820	Structures & Improvements Leasehold	1,035	-	-	-	-	-	-	-	-	-	1,035
57	334100	Meters	4,739	-	-	-	-	-	-	-	-	-	4,739
58	339900	Other P.E.-CPS	78,854	-	-	-	-	-	-	-	-	-	78,854
59	340100	Office Furniture & Equipment	712,910	-	-	-	-	-	-	-	-	-	712,910
60	340200	Computer & Peripheral Equipment	702,405	-	-	-	-	-	-	-	-	-	702,405
61	340300	Computer Software	49,301	-	-	-	-	-	-	-	-	-	49,301
62	340330	Computer Software Other	3,282	-	(0)	-	-	-	1,078	(1,899)	-	(20)	42,281
63	344000	Laboratory Equipment	11,131	-	-	-	-	-	-	-	-	-	11,131
64	344100	Communication Equipment Non-Telephone	244,843	-	(0)	-	-	-	(38,782)	-	-	(38,782)	206,061
65	344190	Remote Control & Instrument	27,182	-	-	-	-	-	-	-	-	-	27,182
66	346200	Communication Equipment Telephone	73,463	-	-	-	-	-	-	-	-	-	73,463
67	346300	Communication Equipment Other	17,839	-	-	-	-	-	-	-	-	-	17,839
68	347000	Miscellaneous Equipment	189,110	-	-	-	-	-	15,420	(9,338)	-	(48,789)	140,322
69		Salvage Proceeds	-	-	-	-	-	-	-	-	-	-	-
70		Total Allocated 7A Corporate AD	\$ 2,144,501	\$ (54,871)	\$ (0)	\$ -	\$ -	\$ (38,782)	\$ 14,215	\$ (15,839)	\$ (38,547)	\$ (133,524)	\$ 2,010,877
71		Mohave Wastewater 7A % Allocation Factor	4.226%	4.226%	4.226%	4.226%	4.226%	4.226%	4.226%	4.226%	4.226%	4.226%	4.226%
72		Mohave Wastewater 7A Allocation AD	\$ 90,639	\$ (2,319)	\$ (0)	\$ -	\$ -	\$ (1,839)	\$ 601	\$ (669)	\$ (1,629)	\$ (5,556)	\$ 84,883
North West Valley Wastewater 7H Plant AD:													
73	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
74	304200	Struct & Imp P (Corporate)	87	-	(0)	-	-	-	-	-	-	(0)	87
75	307000	Walls & Springs (Corporate)	-	-	-	-	-	-	-	-	-	-	-
76	311200	Pump Equip Electric (Corporate)	8,335	-	-	-	-	-	-	-	-	-	8,335
77	340200	Comp & Peripheral Equip (Corporate)	-	-	-	-	-	-	-	-	-	-	-
78	340500	Other Office Equipment (Corporate)	-	-	(0)	-	-	-	-	-	-	(0)	(0)
79	304000	Struct & Imp Offices (Corporate)	793	-	-	-	-	-	-	-	-	-	793
80	304800	Struct & Imp Misc (Corporate)	142	-	(0)	-	-	-	-	-	-	(0)	142
81	341200	Trans Equip Hwy Duty Trks	-	-	-	-	-	-	-	-	-	-	-
82	341400	Trans Equip Other	-	-	-	-	-	-	-	-	-	-	-
83	343000	Tools, Shop and Garage	-	-	-	-	-	-	-	-	-	-	-
84	344000	Laboratory Equipment	-	-	0	-	-	-	-	-	-	0	0
85	346100	Comm Equip Non-Telephone	2,901	-	-	-	-	-	(0)	-	-	0	2,901
86	351000	WW Organization	-	-	-	-	-	-	-	-	-	-	-
87	352000	WW Franchises	-	-	-	-	-	-	-	-	-	-	-
88	353200	WW Land & Ld Rights Coll	-	-	-	-	-	-	-	-	-	-	-
89	353500	WW Land & Ld Rights Gen	-	-	-	-	-	-	-	-	-	-	-
90	354200	WW Struct & Imp Coll	8,078,154	-	-	-	-	-	-	-	-	-	8,078,154
91	354300	WW Struct & Imp SFP	417,003	-	0	-	-	-	-	-	-	0	417,003

Continued on Next Page

SUMMARY OF RECONSTRUCTION COST NEW (RCN) ACCUMULATED DEPRECIATION (AD) ADJUSTMENTS
RCN UPIS AD RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No.	Description	(A) Company Adjusted TY RCN AD As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPIS AD Reason Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Adjustments	(G) RUCO Adjustment (f) 2016 PTY AD Adjustment	(H) RUCO Adjustment (g) 2017 PTY AD Adjustment	(I) RUCO Adjustment (h) Retirement AD Adjustment	(J) RUCO Total RCN AD Adjustments	(K) RUCO RCN AD Recommended
North West Valley Wastewater Treatment Plant AD (continuation)													
1	354400	WW Struct & Imp TDP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	354500	WW Struct & Imp Gen	4,972,165	-	-	-	-	(11,018)	(2,005)	-	-	(13,021)	4,959,144
3	355200	WW Par Gen Equip Coll	3,299	-	-	-	-	-	-	-	-	-	3,299
4	355300	WW Par Gen Equip SPP	18,003	-	-	-	-	-	-	-	-	-	18,003
5	355400	WW Par Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	-
6	355500	WW Par Gen Equip RWTP	-	-	-	-	-	-	-	-	-	-	-
7	390000	WW Collection Sewers Forced	-	-	-	-	-	-	-	-	-	-	-
8	391100	WW Collecting Mains	45,952	-	-	-	-	-	-	-	-	-	45,952
9	392000	WW Special Coll Street	291,030	-	(0)	-	-	(257,921)	-	-	-	(257,921)	33,109
10	393000	WW Services Sewer	1,989	-	0	-	-	-	-	-	-	0	1,989
11	394000	WW Flow Measuring Devices	70,837	-	-	-	-	-	-	-	-	-	70,837
12	370000	WW Receiving Walls	-	-	-	-	-	-	-	-	-	-	-
13	371100	WW Pump Equip Elec	548,171	-	-	-	-	-	-	-	-	-	548,171
14	371200	WW Pump Equip Oth Par	12,789	-	-	-	-	-	-	-	-	-	12,789
15	380000	WW TD Equipment	2,879,331	-	(0)	-	-	(38,375)	(8,770)	(732,007)	(777,152)	(777,152)	2,101,180
16	380050	WW TD Equip Oth Removal	2,633,522	-	-	-	-	(208,359)	-	-	-	(208,359)	2,425,163
17	380100	WW TD Equip Sed Tank/Acc	13,507,749	-	0	-	-	(145,909)	-	-	-	(145,909)	13,362,140
18	380200	WW TD Equip Sldge/Flt Rmv	1,364	-	-	-	-	-	-	-	-	-	1,364
19	380250	WW TD Equip Sldge Dig Trk	704,727	-	-	-	-	(5,549)	(4,152)	-	-	(9,702)	695,025
20	380300	WW TD Equip Slope Drift/Flt	19,639,902	-	-	-	-	-	-	-	-	-	19,639,902
21	380350	WW TD Equip Sec Trmt Flt	-	-	-	-	-	(2,530)	-	-	-	(2,530)	(2,530)
22	380400	WW TD Equip Aux ERI Trmt	2,918,016	-	-	-	-	(78,543)	(8,248)	(8,567)	-	(86,358)	2,824,658
23	380500	WW TD Equip Chem Trmt Pt	172,490	-	(0)	-	-	-	-	-	-	(0)	172,490
24	380600	WW TD Equip Oth Disp	2,219,556	-	(0)	-	-	(216,195)	-	-	-	(216,195)	2,003,362
25	380625	WW TD Equip Gen Trmt	1,387,482	-	-	-	-	-	-	-	-	-	1,387,482
26	380650	WW TD Equip Influent Ltr S	117,790	-	-	-	-	(8,836)	-	-	-	(8,836)	108,954
27	381000	WW Plant Sewers	46,087	-	-	-	-	-	-	-	-	-	46,087
28	382000	WW Outfall Sewer Lines	1,735	-	(0)	-	-	(139,009)	-	-	-	(139,009)	(137,274)
29	389100	WW Oth PE & Misc Equip Int	21,340	-	-	-	-	-	-	-	-	-	21,340
30	389600	WW Oth PE - CFS - FE	-	-	-	-	-	(0)	-	-	-	(0)	(0)
31	390000	WW Office Furniture & Equip	248,274	-	0	-	-	-	-	-	-	0	248,274
32	390200	WW Computers & Peripheral	29,417	-	-	-	-	(26,428)	-	-	-	(26,428)	(11)
33	390300	WW Computer Software	89,559	-	-	-	-	(98,829)	-	-	-	(98,829)	(9,270)
34	391000	WW Trans Equipment	348,019	-	0	-	-	(783,315)	-	-	-	(783,315)	(417,296)
35	392000	WW Stores Equipment	13,389	-	(0)	-	-	-	-	-	-	(0)	13,389
36	393000	WW Tool Shop & Garage Equip	141,933	-	-	-	-	(500)	(87)	-	-	(587)	141,346
37	394000	WW Laboratory Equipment	128,062	-	-	-	-	-	-	-	-	-	128,062
38	395000	WW Power Operated Equip	25,347	-	-	-	-	-	-	-	-	-	25,347
39	396000	WW Communication Equip	365,877	-	0	-	-	(33,239)	(3,250)	(565)	-	(37,053)	328,824
40	397000	WW Misc Equipment	120,402	-	0	-	-	(2,484)	-	-	-	(2,484)	117,917
41	398000	WW Oth Tangible Plant	-	-	-	-	-	-	-	-	-	-	-
42		Rounding	-	-	-	-	-	-	-	-	-	-	-
43		Total North West Valley Treatment Facility 7H AD	\$ 57,821,492	\$ -	\$ 0	\$ -	\$ -	\$ (1,981,293)	\$ (96,937)	\$ (20,146)	\$ (732,007)	\$ (2,800,383)	\$ 55,021,099
44		Mohave Wastewater 7H % Allocation Factor	50.19%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%	19.2100%
45		Mohave Wastewater NWVTF 7H Allocation AD	\$ 11,107,507	\$ -	\$ 0	\$ -	\$ -	\$ (380,806)	\$ (12,859)	\$ (3,870)	\$ (140,819)	\$ (537,854)	\$ 10,569,553
BU Plant AD:													
46	340200	Computer & Peripheral Equipment	\$ 413,309	\$ -	\$ (0)	\$ -	\$ -	\$ (29,623)	\$ -	\$ -	\$ -	\$ (29,623)	\$ 383,686
47	340300	Computer Software	842,275	-	10,293	-	-	7,187	-	-	-	17,480	859,755
48		Rounding	-	-	-	-	-	-	-	-	-	-	-
49		Total BU Allocated Corporate AD	\$ 1,255,584	\$ -	\$ 10,293	\$ -	\$ -	\$ (22,437)	\$ -	\$ -	\$ -	\$ (12,143)	\$ 1,243,446
50		Mohave Wastewater BU % Allocation Factor	55.54%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%	3.5554%
51		Mohave Wastewater BU Allocation AD	\$ 44,841	\$ -	\$ 366	\$ -	\$ -	\$ (798)	\$ -	\$ -	\$ -	\$ (432)	\$ 44,210
TOTAL PLANT AD:													
52	7G	Direct	\$ 32,910,967	\$ -	\$ (0)	\$ -	\$ -	\$ (192,229)	\$ (39,702)	\$ (29,909)	\$ (133,206)	\$ (361,747)	\$ 32,549,220
53	7A	Corporate Plant Allocated	90,839	(2,319)	(0)	-	-	(1,839)	801	(669)	(1,829)	(5,956)	84,983
54	7H	NWVTF Plant Allocated	11,107,507	-	0	-	-	(380,806)	(12,859)	(3,870)	(140,819)	(537,854)	10,569,553
55	BU	BU Plant Allocated	44,841	-	366	-	-	(798)	-	-	-	(432)	44,210
56		RCN AD Not Accounted For - Vector Trucks - Corp	(2,319)	2,319	-	-	-	-	-	-	-	2,319	-
57		Total Utility Plant in Service AD	\$ 44,151,425	\$ -	\$ 366	\$ -	\$ -	\$ (544,475)	\$ (52,758)	\$ (31,149)	\$ (275,454)	\$ (903,469)	\$ 43,247,955

RUCO Adjustments:

- Adjustment No. (a): Fully Allocate Utility Plant in Service (UPIS) Vector Truck Balances from AZ Corporate 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2;
- Adjustment No. (b): Reconstruct All UPIS Account Balances as Filed by Company - See RUCO Schedule UPIS Schedules TJC-4(b) on Pages 1, 3, 5, and 7;
- Adjustment No. (c): Intentionally Left Blank;
- Adjustment No. (d): Intentionally Left Blank;
- Adjustment No. (e): Remove Over-Depreciated UPIS Accounts' Excess Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-8 on page 2 of 2;
- Adjustment No. (f): Remove 2016 PTY Plant Adjustments Exceeding 6-Months Test Year End December 31, 2015;
- Adjustment No. (g): Remove All 2017 PTY Plant Adjustments;
- Adjustment No. (h): Company Response to RUCO DR 8.01 to Record Unrecorded 2016 PTY Plant Additions;

References:

- Column (A): Company Schedule B-2 Adjusted Test Year as Filed
- Column (B) Through (I): RUCO Recommended UPIS Adjustments
- Column (J): Sum of Columns (B) Through (I) - RUCO Sum of Total Recommended UPIS Adjustments
- Column (K): Column (A) + (J)
- Highlighted Data Reviewed/Adjustments Approved Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS UPIS ALLOCATION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Agua Fria Allocator 4.2266%	[E] RUCO Allocated Adjustment
Allocated AZ Corp Plant:							
1	304500	Structures & Improvements General	\$ 867,209	\$ -	\$ 214,257	4.2266%	\$ -
2	304620	Structures & Improvements Leasehold	19,076	-	19,076	4.2266%	-
3	334100	Meters	12,936	-	12,936	4.2266%	-
4	339600	Other P/E-CPS	401,267	-	401,267	4.2266%	-
5	340100	Office Furniture & Equipment	1,540,410	-	1,540,410	4.2266%	-
6	340200	Computer & Peripheral Equipment	1,508,481	-	1,508,481	4.2266%	-
7	340300	Computer Software	224,789	-	224,588	4.2266%	-
8	340330	Computer Software Other	6,564	-	6,564	4.2266%	-
9	344000	Laboratory Equipment	22,261	-	22,261	4.2266%	-
10	346100	Communication Equipment Non-Telephone	244,843	-	244,843	4.2266%	-
11	346190	Remote Control & Instrument	124,954	-	124,954	4.2266%	-
12	346200	Communication Equipment Telephone	91,902	-	91,902	4.2266%	-
13	346300	Communication Equipment Other	156,534	-	156,534	4.2266%	-
14	347000	Miscellaneous Equipment	1,830,993	(423,658)	1,601,970	4.2266%	(17,906)
15		Rounding	-	-	-	4.2266%	-
16		Total AZ Corporate Plant Allocated	<u>\$7,052,219</u>	<u>\$ (423,658)</u>	<u>\$ 6,170,042</u>		<u>(17,906)</u>
17		RUCO Total Adjustment					\$ (17,906)

References:

Schedule TJC-4 on page 1 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS ACCUMULATED DEPRECIATION (A/D) ALLOCATION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Agua Fria Allocator 4.2266%	[E] RUCO Allocated Adjustment
Allocated AZ Corp A/D:							
1	304500	Structures & Improvements General	\$ 30,426	\$ -	\$ (15,807)	4.2266%	\$ -
2	304620	Structures & Improvements Leasehold	1,035	-	1,035	4.2266%	-
3	334100	Meters	4,739	-	4,739	4.2266%	-
4	339600	Other P/E-CPS	76,834	-	76,834	4.2266%	-
5	340100	Office Furniture & Equipment	712,910	-	712,910	4.2266%	-
6	340200	Computer & Peripheral Equipment	702,405	-	702,405	4.2266%	-
7	340300	Computer Software	49,301	-	49,281	4.2266%	-
8	340330	Computer Software Other	3,282	-	3,282	4.2266%	-
9	344000	Laboratory Equipment	11,131	-	11,131	4.2266%	-
10	346100	Communication Equipment Non-Telephone	244,843	-	206,061	4.2266%	-
11	346190	Remote Control & Instrument	27,182	-	27,182	4.2266%	-
12	346200	Communication Equipment Telephone	73,463	-	73,463	4.2266%	-
13	346300	Communication Equipment Other	17,839	-	17,839	4.2266%	-
14	347000	Miscellaneous Equipment	189,110	(54,871)	140,322	4.2266%	(2,319)
15		Salvage Proceeds				4.2266%	
16		Total AZ Corporate A/D Allocated	<u>\$2,144,501</u>	<u>\$ (54,871)</u>	<u>\$ 2,010,677</u>		<u>(2,319)</u>
17		RUCO Total Adjustment					<u>\$ (2,319)</u>

References:
Schedule TJC-4 on page 2 of 2

OPERATING INCOME SUMMARY

Line No.	Description	[A] Company Adjusted Test Year As Filed	[B] RUCO Recommended Adjustments	[C] RUCO Recommended Adjusted Test Year Amounts	[D] RUCO Recommended Changes	[E] RUCO Recommended Amounts
Revenues:						
1	Water/Wastewater Revenues	\$ 6,050,910	\$ -	\$ 6,050,910	\$ (311,259)	\$ 5,739,650
2	Other Revenues	135	-	135	-	135
3	Total Revenues	\$ 6,051,044	\$ -	\$ 6,051,044	\$ (311,259)	\$ 5,739,785
Operating Expenses:						
4	Labor	\$ 780,616	\$ (44,820)	\$ 735,796	\$ -	\$ 735,796
5	Purchased Water	907	-	907	-	907
6	Fuel & Power	277,365	(11,759)	265,606	-	265,606
7	Chemicals	104,828	(2,010)	102,818	-	102,818
8	Waste Disposal	42,185	-	42,185	-	42,185
9	Intercompany Support Services	-	-	-	-	-
10	Corporate Allocation	205,870	(4,513)	201,357	-	201,357
11	Outside Services	166,315	(669)	165,646	-	165,646
12	Group Insurance	291,114	(31,837)	259,277	-	259,277
13	Pensions	-	-	-	-	-
14	Regulatory Expense	113,634	-	113,634	-	113,634
15	Insurance Other Than Group	95,040	-	95,040	-	95,040
16	Customer Accounting	245,895	(5,595)	240,300	(779)	239,521
17	Rents	19,191	-	19,191	-	19,191
18	General Office Expense	76,356	(591)	75,765	-	75,765
19	Miscellaneous	46,934	(12,661)	34,273	-	34,273
20	Maintenance Expense	233,836	(3,781)	230,055	-	230,055
21	Depreciation & Amortization	2,205,111	(186,281)	2,018,830	-	2,018,830
22	General Taxes-Property	241,267	(3,989)	237,278	(4,101)	233,177
23	General Taxes-Other	63,169	(488)	62,681	-	62,681
24	Income Taxes	199,909	141,577	341,485	(114,077)	227,408
25	Total Operating Expenses	\$ 5,409,539	\$ (167,416)	\$ 5,242,123	\$ (118,958)	\$ 5,123,165
26	Operating Income	\$ 641,505	\$ 167,416	\$ 808,921	\$ (192,302)	\$ 616,620

References:

- Column [A]: Company Schedule C-1;
- Column [B]: RUCO Recommended Total Adjustments Per Schedule TJC-12 on pages 1-2 at page 2 in Column [S] at line 26;
- Column [C]: Column [A] + [B] - RUCO Recommended Adjusted Test Year Amounts Per Schedule TJC-12 on page 2 of 2 in Column [T];
- Column [D]: RUCO Recommended Increase/(Decrease) to Revenue Requirement;
- Column [E]: Column [C] + [D] - RUCO Recommended Increase/(Decrease) Amounts for Revenue Requirement.

RUCO OPERATING INCOME ADJUSTMENTS

Line No.	Description	(A) Company Adjusted Test Year As Filed	(B) Adj. No. 1 Depreciation Expense	(C) Adj. No. 2 Property Taxes	(D) Adj. No. 3 Performance Based Adjustment	(E) Adj. No. 4 Annualized Labor Adjustment	(F) Adj. No. 5 Purchase Power Adjustment	(G) Adj. No. 6 CPI Adjustment	(H) Adj. No. 7 Customer Accounting Adjustment	(I) Adj. No. 8 Low Income Adjustment	(J) Adj. No. 9 EPCOR Services Adjustment
1	Revenues:										
2	Water/Wastewater Revenues	\$ 6,050,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Other Revenues	135	-	-	-	-	-	-	-	-	-
	Total Revenues	\$ 6,051,044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Operating Expenses:										
5	Labor	\$ 780,616	\$ -	\$ -	\$ (34,565)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,255)
6	Purchased Water	907	-	-	-	-	-	-	-	-	-
7	Fuel & Power	277,365	-	-	-	-	(11,759)	-	-	-	-
8	Chemicals	104,828	-	-	-	-	-	(2,010)	-	-	-
9	Waste Disposal	42,185	-	-	-	-	-	-	-	-	-
10	Intercompany Support Services	-	-	-	-	-	-	-	-	-	-
11	Corporate Allocation	205,870	-	-	-	-	-	-	-	-	-
12	Outside Services	166,315	-	-	-	-	-	(325)	-	-	-
13	Group Insurance	291,114	-	-	-	(29,924)	-	(669)	-	-	-
14	Pensions	-	-	-	-	-	-	-	-	-	(1,913)
15	Regulatory Expense	113,634	-	-	-	-	-	-	-	-	-
16	Insurance Other Than Group	95,040	-	-	-	-	-	-	-	-	-
17	Customer Accounting	245,895	-	-	-	-	-	(296)	(5,299)	-	-
18	Rentals	19,191	-	-	-	-	-	-	-	-	-
19	General Office Expense	76,356	-	-	-	-	-	-	-	-	-
20	Miscellaneous	46,934	-	-	-	-	-	(591)	-	-	-
21	Maintenance Expense	233,836	-	-	-	-	-	(661)	-	(12,000)	-
22	Depreciation & Amortization	2,205,111	(170,381)	-	-	-	-	(3,781)	-	-	-
23	General Taxes - Property	241,267	-	(3,989)	-	-	-	-	-	-	-
24	General Taxes - Other	63,169	-	-	-	-	-	-	-	-	-
25	Income Taxes	199,909	-	-	-	-	-	-	-	-	(488)
	Total Operating Expenses	\$ 5,409,539	\$ (170,381)	\$ (3,989)	\$ (34,565)	\$ (29,924)	\$ (11,759)	\$ (8,333)	\$ (5,299)	\$ (12,000)	\$ (12,656)
26	Operating Income	\$ 641,505	\$ 170,381	\$ 3,989	\$ 34,565	\$ 29,924	\$ 11,759	\$ 8,333	\$ 5,299	\$ 12,000	\$ 12,656

Adjustments:

- Adjustment No. 1: Depreciation Expense - See RUCO Schedule TJC-13 in Column [C] at line 45;
- Adjustment No. 2: Property Taxes - See RUCO Schedule TJC-14 in Column [A] at line 18;
- Adjustment No. 3: Incentive Pay - See RUCO Schedule TJC-15 on line 5;
- Adjustment No. 4: Remove 2nd Pay Raise - See RUCO Schedule TJC-16 on page 1 of 1 at line 11;
- Adjustment No. 5: Declining Usage - Not Used for Sewer System;
- Adjustment No. 6: Intentionally Left Blank;
- Adjustment No. 7: Postage Decrease - See RUCO Schedule TJC-19 at line 5;
- Adjustment No. 8: Intentionally Left Blank;
- Adjustment No. 9: APUC Non-Labor Adjustment - See RUCO Schedule TJC-21 at line 14;

References:

- Column [A]: Company Schedule C-1 Adjusted Test Year as Filed;
- Column [B] through [J]: RUCO Recommended Adjusted Test Year Adjustments;

RUCO OPERATING INCOME ADJUSTMENTS

Line No.	Description	[K] Adj. No. 10 Corporate Allocations Adjustment	[L] Adj. No. 11 Asset Usage Fee Adjustment	[M] Adj. No. 12 Intentionally Left Blank	[N] Adj. No. 13 Intentionally Left Blank	[O] Adj. No. 14 Intentionally Left Blank	[P] Adj. No. 15 Bad Debt Expense	[R] Adj. No. 17 Income Taxes	[S] Total RUCO Recommended Adjustments	[T] RUCO Adjusted Test Year Recommended
Revenues:										
1	Water/Wastewater Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,050,910
2	Other Revenues	-	-	-	-	-	-	-	-	135
3	Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,051,044
Operating Expenses:										
4	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (44,820)	\$ 735,796
5	Purchased Water	-	-	-	-	-	-	-	-	907
6	Fuel & Power	-	-	-	-	-	-	-	-	265,606
7	Chemicals	-	-	-	-	-	-	-	(11,759)	102,818
8	Waste Disposal	-	-	-	-	-	-	-	(2,010)	42,185
9	Intercompany Support Services	-	-	-	-	-	-	-	-	-
10	Corporate Allocation	(4,188)	-	-	-	-	-	-	-	-
11	Outside Services	-	-	-	-	-	-	-	(4,513)	201,357
12	Group Insurance	-	-	-	-	-	-	-	(669)	165,646
13	Pensions	-	-	-	-	-	-	-	(31,837)	259,277
14	Regulatory Expense	-	-	-	-	-	-	-	-	-
15	Insurance Other Than Group	-	-	-	-	-	-	-	-	113,634
16	Customer Accounting	-	-	-	-	-	-	-	-	95,040
17	Rents	-	-	-	-	-	-	-	(5,595)	240,300
18	General Office Expense	-	-	-	-	-	-	-	-	19,191
19	Miscellaneous	-	-	-	-	-	-	-	(591)	75,765
20	Maintenance Expense	-	-	-	-	-	-	-	(12,661)	34,273
21	Depreciation & Amortization	-	(15,900)	-	-	-	-	-	(3,781)	230,055
22	General Taxes - Property	-	-	-	-	-	-	-	(186,281)	2,018,830
23	General Taxes - Other	-	-	-	-	-	-	-	(3,989)	237,278
24	Income Taxes	-	-	-	-	-	-	141,577	(486)	62,681
25	Total Operating Expenses	\$ (4,188)	\$ (15,900)	\$ -	\$ -	\$ -	\$ -	\$ 141,577	\$ 141,577	\$ 341,485
26	Operating Income	\$ 4,188	\$ 15,900	\$ -	\$ -	\$ -	\$ -	\$ (141,577)	\$ (167,416)	\$ 5,242,123

Adjustments:

- Adjustment No. 10: APUC, LLC, and LABS 45% Labor Adjustment - See RUCO Schedule TJC-22;
- Adjustment No. 11: Intentionally Left Blank;
- Adjustment No. 12: Intentionally Left Blank;
- Adjustment No. 13: APUC Corporate LU 8020 Allocations - See RUCO Schedule TJC-25;
- Adjustment No. 14: Intentionally Left Blank;
- Adjustment No. 15: Intentionally Left Blank;
- Adjustment No. 16: Rate Case Expense - Not Used;
- Adjustment No. 17: Income Taxes - See RUCO Schedule TJC-29.

References:

- Column [K] thru [R]: RUCO Recommended Adjusted Test Year Adjustments;
- Column [S]: RUCO Total Adjusted Test Year Adjustments on Schedule TJC-12 page 1 of 2 in Columns [B] thru Schedule TJC-12 page 2 of 2 in Columns [K] thru [R];
- Column [T]: Column [A] on Schedule TJC-12 at page 1 of 2 + Column [S] on Schedule TJC-12 page 2 of 2 - RUCO Recommended Adjusted Test Year Balances.

OPERATING INCOME ADJUSTMENT NO. 1
 DEPRECIATION EXPENSE

Line No.	NARUC Account	Description	[A] Company Total		[B] Allocation Factor	[C] Company Adjusted TY End Allocated UPIS As Filed		[D] RUCO Unallocated UPIS Adjustments Recommended	[E] RUCO Allocated UPIS Adjustments Recommended	[F] RUCO Depreciable UPIS Recommended	[G] Authorized Depreciation Rate	[H] RUCO Depreciation Expense Recommended
			Unallocated UPIS As Filed	UPIS		Unallocated UPIS As Filed	UPIS					
Direct TG Plant:												
1	304100	Struct & Imp SS	\$ 11,726	100.00%		\$ 11,726	\$ (6,024)	\$ (6,024)	\$ 5,702	3.33%	\$ 190	
2	340200	Comp & Peripheral Equip	17,788	100.00%		17,788	-	-	17,788	6.97%	3,558	
3	341200	Trans Equip Hwy Duty Trks	60,471	100.00%		60,471	-	-	60,471	20.00%	12,094	
4	341400	Trans Equip Other	16,590	100.00%		16,590	-	-	16,590	20.00%	3,338	
5	343000	Tools, Shop and Garage	43,204	100.00%		43,204	-	-	43,204	5.00%	2,160	
6	351000	WW Organization	-	100.00%		-	-	-	-	0.00%	-	
7	352000	WW Franchises	-	100.00%		-	-	-	-	0.00%	-	
8	353200	WW Land & Ld Rights Coll	218,285	100.00%		218,285	-	-	218,285	0.00%	-	
9	353500	WW Land & Ld Rights Gen	143,036	100.00%		143,036	-	-	143,036	0.00%	-	
10	354200	WW Struct & Imp Coll	1,020,040	100.00%		1,020,040	-	-	1,020,040	3.33%	34,001	
11	354300	WW Struct & Imp SPP	-	100.00%		-	-	-	-	3.33%	-	
12	354400	WW Struct & Imp TDP	4,878,973	100.00%		4,878,973	-	-	4,878,973	3.33%	162,566	
13	354500	WW Struct & Imp Gen	3,726,411	100.00%		3,726,411	(791,841)	(791,841)	2,934,571	3.33%	97,819	
14	355200	WW Pwr Gen Equip Coll	-	100.00%		-	-	-	-	3.33%	-	
15	355300	WW Pwr Gen Equip SPP	-	100.00%		-	-	-	-	5.00%	-	
16	355400	WW Pwr Gen Equip TDP	168,955	100.00%		168,955	-	-	168,955	5.00%	8,435	
17	355500	WW Pwr Gen Equip RWTP	602,148	100.00%		602,148	-	-	602,148	5.00%	30,107	
18	360000	WW Collection Sewers Forecast	2,532,240	100.00%		2,532,240	-	-	2,532,240	2.00%	50,845	
19	361100	WW Collecting Mans	35,877,945	100.00%		35,877,945	(38,256)	(38,256)	35,839,689	2.50%	895,992	
20	362000	WW Special Coll Struct	57,782	100.00%		57,782	-	-	57,782	2.00%	1,156	
21	363000	WW Services Sewer	5,870,327	100.00%		5,870,327	(26,913)	(26,913)	5,843,414	2.00%	112,868	
22	364000	WW Flow Measuring Devices	75,210	100.00%		75,210	-	-	75,210	10.00%	7,521	
23	370000	WW Receiving Walls	1,057,746	100.00%		1,057,746	-	-	1,057,746	3.33%	35,258	
24	371100	WW Pump Equip Elect	1,262,849	100.00%		1,262,849	(17,865)	(17,865)	1,244,984	12.50%	155,821	
25	371200	WW Pump Equip Oh Pwr	-	100.00%		-	-	-	-	-	-	
26	380000	WW TD Equipment	4,524,033	100.00%		4,524,033	(1,116,491)	(1,116,491)	3,407,543	6.87%	227,170	
27	380050	WW TD Equip Grit Removal	5,487,904	100.00%		5,487,904	-	-	5,487,904	6.87%	365,860	
28	380100	WW TD Equip Sed Tanks/Acc	1,796,602	100.00%		1,796,602	-	-	1,796,602	6.87%	119,773	
29	380200	WW TD Equip Sludge Effl Rmv	15,168	100.00%		15,168	-	-	15,168	6.87%	1,011	
30	380250	WW TD Equip Sludge Dig Trk	535,858	100.00%		535,858	-	-	535,858	6.87%	35,724	
31	380300	WW TD Equip Sludge Dry/Fit	-	100.00%		-	-	-	-	6.87%	-	
32	380350	WW TD Equip Sac Trmt Filtr	581,647	100.00%		581,647	-	-	581,647	6.87%	38,776	
33	380400	WW TD Equip Aux Effl Trmt	649,801	100.00%		649,801	-	-	649,801	6.87%	43,320	
34	380500	WW TD Equip Chem Trmt Pit	62,933	100.00%		62,933	-	-	62,933	6.87%	4,196	
35	380600	WW TD Equip Oth Disp	16,538	100.00%		16,538	-	-	16,538	6.87%	1,103	
36	380625	WW TD Equip Gen Trmt	-	100.00%		-	-	-	-	6.87%	-	
37	380650	WW TD Equip Influent Lift S	-	100.00%		-	-	-	-	6.87%	-	
38	381000	WW Plant Sewers	697,460	100.00%		697,460	-	-	697,460	5.00%	34,873	
39	382000	WW Outfall Sewer Lines	656,603	100.00%		656,603	(502,318)	(502,318)	154,287	3.33%	5,143	
40	389100	WW Oth Pth & Misc Equip Int	171,017	100.00%		171,017	-	-	171,017	6.87%	11,401	
41	389600	WW Other PE - CFS - FE	-	100.00%		-	-	-	-	6.87%	-	
42	390000	WW Office Furniture & Equip	-	100.00%		-	-	-	-	6.87%	-	
43	390200	WW Computers & Peripheral	-	100.00%		-	-	-	-	20.00%	-	
44	390300	WW Computer Software	7,341	100.00%		7,341	-	-	7,341	20.00%	1,468	
45	391000	WW Trans Equipment	116,813	100.00%		116,813	-	-	116,813	20.00%	23,363	
46	392000	WW Stores Equipment	-	100.00%		-	-	-	-	4.00%	-	
47	393000	WW Tool Shop & Garage Equip	26,613	100.00%		26,613	(26,613)	(26,613)	-	5.00%	-	
48	394000	WW Laboratory Equipment	9,601	100.00%		9,601	-	-	9,601	10.00%	960	
49	395000	WW Power Operated Equip	130,969	100.00%		130,969	-	-	130,969	5.00%	6,548	
50	396000	WW Communication Equip	1,811,057	100.00%		1,811,057	(166,090)	(166,090)	1,644,968	10.00%	164,497	
51	397000	WW Misc Equipment	-	100.00%		-	-	-	-	10.00%	-	
52	398000	WW Other Tangible Plant	-	100.00%		-	-	-	-	10.00%	-	
53		Rounding	-	100.00%		-	-	-	-	10.00%	-	
54		Total Direct TG Plant	\$ 74,754,336			\$ 74,754,336	\$ (2,692,428)	\$ (2,692,428)	\$ 72,061,908		\$ 2,664,515	
Allocated 7A Corporate Plant:												
55	304500	Structures & Improvements General	\$ 847,052	4.23%		\$ 35,801	\$ (644,389)	\$ (27,236)	\$ 8,566	2.50%	\$ 214	
56	304620	Structures & Improvements Leasehold	18,317	4.23%		774	-	-	774	2.50%	19	
57	331400	Meters	11,777	4.23%		498	-	-	498	6.87%	33	
58	330600	Other P.E.-CFS	-	100.00%		-	-	-	-	6.87%	-	
59	340100	Office Furniture & Equipment	364,887	4.23%		15,422	-	-	15,422	3.31%	510	
60	340200	Computer & Peripheral Equipment	1,297,925	4.23%		53,590	-	-	53,590	4.50%	2,412	
61	340300	Computer Software	1,404,587	4.23%		59,366	-	-	59,366	10.00%	5,937	
62	340330	Computer Software Other	222,827	4.23%		9,418	(201)	(8)	9,409	20.00%	1,882	
63	344000	Laboratory Equipment	6,370	4.23%		269	-	-	269	20.00%	54	
64	346100	Communication Equipment Non-Telephone	17,277	4.23%		730	-	-	730	4.00%	29	
65	346190	Remote Control & Instrument	186,080	4.23%		7,865	-	-	7,865	10.00%	786	
66	346200	Communication Equipment Telephone	122,024	4.23%		5,157	-	-	5,157	10.00%	516	
67	346300	Communication Equipment Other	68,942	4.23%		2,914	-	-	2,914	10.00%	291	
68	347000	Miscellaneous Equipment	154,411	4.23%		6,526	-	-	6,526	10.00%	653	
69	347000	Miscellaneous Equipment	1,801,081	4.23%		76,124	(219,752)	(9,288)	66,836	6.25%	4,177	
70		Rounding	-	4.23%		-	-	-	-	-	-	
71		Total Allocated 7A Corporate Plant	\$ 6,493,558			\$ 358,001	\$ (864,342)	\$ (26,532)	\$ 237,022		\$ 17,514	
72		Agua Fria Wastewater 7A % Allocation				\$ 274,454	\$ (864,342)	\$ (26,532)	\$ 237,022		\$ 17,514	
North West Valley Wastewater 7H Plant:												
73	304100	Struct & Imp SS (Corporate)	\$ -	19.21%		\$ -	\$ -	\$ -	\$ -	3.33%	\$ -	
74	304200	Struct & Imp P (Corporate)	2,582	19.21%		496	-	-	496	6.87%	33	
75	307000	Wells & Springs (Corporate)	-	19.21%		-	-	-	-	0.00%	-	
76	311200	Pump Equip Electric (Corporate)	24,525	19.21%		4,711	-	-	4,711	12.50%	589	
77	340200	Comp & Peripheral Equip (Corporate)	-	19.21%		-	-	-	-	20.00%	-	
78	340500	Other Office Equipment (Corporate)	-	19.21%		-	-	-	-	6.87%	-	
79	304600	Struct & Imp Offices (Corporate)	9,052	19.21%		1,739	-	-	1,739	3.33%	58	
80	304600	Struct & Imp Misc (Corporate)	6,610	19.21%		1,654	-	-	1,654	3.33%	55	
81	341200	Trans Equip Hwy Duty Trks	-	19.21%		-	-	-	-	20.00%	-	
82	341400	Trans Equip Other	-	19.21%		-	-	-	-	20.00%	-	
83	343000	Tools, Shop and Garage	-	19.21%		-	-	-	-	5.00%	-	
84	343000	Laboratory Equipment	-	19.21%		-	-	-	-	0.00%	-	
85	346100	Comm Equip Non-Telephone	19,711	19.21%		3,787	-	-	3,787	10.00%	379	
86	351000	WW Organization	-	19.21%		-	-	-	-	0.00%	-	
87	352000	WW Franchises	1,304	19.21%		250	-	-	250	0.00%	-	
88	353200	WW Land & Ld Rights Coll	450,976	19.21%		86,632	-	-	86,632	0.00%	-	
89	353500	WW Land & Ld Rights Gen	20,747	19.21%		3,985	-	-	3,985	0.00%	-	
90	354200	WW Struct & Imp Coll	3,574,657	19.21%		686,892	-	-	686,892	3.33%	22,890	
91	354300	WW Struct & Imp SPP	997,595	19.21%		191,638	-	-	191,638	3.33%	6,368	

Continued on Next Page

OPERATING INCOME ADJUSTMENT NO. 1
 TEST YEAR (TY) END UPIS DEPRECIATION EXPENSE

Line No.	NARUC Account	Description	(A) Company Total Unallocated UPIS As Filed	(B) Allocation Factor	(C) Company TY End Allocated UPIS As Filed	(D) RUCO Unallocated UPIS Adjustments Recommended	(E) RUCO Allocated UPIS Adjustments Recommended	(F) RUCO Depreciable UPIS Recommended	(G) Authorized Depreciation Rate	(H) RUCO Depreciation Expense Recommended
North West Valley Wastewater 7H Plant (continuation):										
1	354400	WW Struct & Imp TDP	\$ -	19.21%	\$ -	\$ -	\$ -	-	3.33%	\$ -
2	354500	WW Struct & Imp Gen	7,712,865	19.21%	1,481,541	-	-	-	3.33%	-
3	355200	WW Pwr Gen Equip Cot	7,952	19.21%	1,528	(749,833)	(144,043)	1,337,599	3.33%	44,587
4	355300	WW Pwr Gen Equip SPP	83,439	19.21%	12,187	-	-	1,528	3.33%	51
5	355400	WW Pwr Gen Equip TDP	-	19.21%	-	-	-	12,157	5.00%	609
6	355500	WW Pwr Gen Equip RWTP	-	19.21%	-	-	-	-	5.00%	-
7	360000	WW Collection Sewers Forced	-	19.21%	-	-	-	-	5.00%	-
8	361100	WW Collecting Manrs	-	19.21%	-	-	-	-	2.00%	-
9	362000	WW Special Coll Struct	109,750	19.21%	21,083	-	-	21,083	2.50%	527
10	363000	WW Services Sewer	488,363	19.21%	93,430	-	-	93,430	2.00%	1,860
11	364000	WW Flow Measuring Devices	8,725	19.21%	1,678	-	-	1,678	2.00%	34
12	370000	WW Receiving Walls	55,929	19.21%	10,743	-	-	10,743	10.00%	1,074
13	371100	WW Pump Equip Elect	1,029,512	19.21%	197,193	-	-	-	3.33%	-
14	371200	WW Pump Equip Oth Pwr	25,257	19.21%	5,044	-	-	197,193	12.50%	24,649
15	380000	WW TD Equipment	3,679,047	19.21%	708,745	(1,901,939)	(365,363)	5,044	12.50%	630
16	380050	WW TD Equip Gnt Removal	1,041,234	19.21%	200,021	-	-	341,382	6.67%	22,759
17	380100	WW TD Equip Sed Tanks/Acc	5,327,840	19.21%	1,023,478	-	-	200,021	6.67%	13,335
18	380200	WW TD Equip Sldge/Em Rmv	28,253	19.21%	5,427	-	-	1,023,478	6.67%	68,232
19	380250	WW TD Equip Sldge Dig Trk	1,344,033	19.21%	258,189	-	-	5,427	6.67%	362
20	380300	WW TD Equip Sldge Dry/Fit	8,962,158	19.21%	1,684,001	(107,543)	(20,859)	237,530	6.67%	15,835
21	380350	WW TD Equip Sec Trmt Fil	-	19.21%	-	-	-	1,684,001	6.67%	110,933
22	380400	WW TD Equip Aux EM Trmt	2,810,834	19.21%	501,503	-	-	-	6.67%	-
23	380500	WW TD Equip Chem Trmt Pit	208,781	19.21%	40,107	(148,872)	(28,598)	472,905	6.67%	31,527
24	380600	WW TD Equip Oth Disp	1,033,384	19.21%	198,513	-	-	40,107	6.67%	2,874
25	380625	WW TD Equip Gen Trmt	780,428	19.21%	149,920	-	-	198,513	6.67%	13,234
26	380650	WW TD Equip Influent Lft S	64,980	19.21%	12,483	-	-	149,920	6.67%	9,995
27	381000	WW Plant Sewers	111,410	19.21%	21,402	-	-	12,483	6.67%	832
28	382000	WW Outfall Sewer Lines	4,259	19.21%	818	(0)	(0)	21,402	5.00%	1,070
29	389100	WW Oth Pit & Misc Equip Int	89,298	19.21%	17,154	-	-	818	3.33%	27
30	389600	WW Oth P/E - C/P/S - T/E	-	19.21%	-	-	-	17,154	6.67%	1,144
31	390000	WW Office Furniture & Equip	168,065	19.21%	32,285	-	-	-	6.67%	-
32	390200	WW Computers & Peripheral	23,044	19.21%	4,427	-	-	32,285	6.67%	2,152
33	390300	WW Computer Software	69,027	19.21%	13,260	-	-	4,427	20.00%	885
34	391000	WW Trans Equipment	247,842	19.21%	47,610	-	-	13,260	20.00%	2,852
35	392000	WW Stores Equipment	11,072	19.21%	2,127	-	-	47,610	20.00%	9,522
36	393000	WW Tool Shop & Garage Equip	163,232	19.21%	31,357	-	-	2,127	4.00%	85
37	394000	WW Laboratory Equipment	156,655	19.21%	30,093	(23,475)	(4,509)	29,847	5.00%	1,342
38	395000	WW Power Operated Equip	136,487	19.21%	26,219	-	-	30,093	10.00%	3,009
39	395000	WW Communication Equip	435,125	19.21%	83,587	(78,293)	(14,856)	29,219	5.00%	1,311
40	397000	WW Misc Equipment	74,088	19.21%	14,232	-	-	88,932	10.00%	8,923
41	398000	WW Oth Tangible Plant	-	19.21%	-	-	-	14,232	10.00%	1,423
42		Rounding	-	19.21%	-	-	-	-	10.00%	-
43		Total North West Valley Treatment Facility 7H Plant	\$ 41,077,918							
44		Agua Fria Wastewater 7H % Allocation		19.21%						
45		Agua Fria Wastewater NWWTF 7H Plant Allocation			\$ 7,891,088	\$ (3,007,954)	\$ (577,828)	\$ 7,313,240		\$ 425,858
8U Plant:										
46	340200	Computer & Peripheral Equipment	\$ 1,839,629	3.56%	\$ 65,897	\$ (592,483)	\$ (21,065)	\$ 37,231	10.00%	\$ 3,723
47	340300	Computer Software	1,846,105	3.56%	65,837	(98,750)	(3,511)	82,126	20.00%	12,425
48		Rounding	-	3.56%	-	-	-	-	-	-
49		Total 8U Allocated Corporate Plant	\$ 3,485,734							
50		Agua Fria Wastewater 8U % Allocation		3.56%						
51		Agua Fria Wastewater 8U Plant Allocation			\$ 123,833	\$ (99,121)	\$ (24,578)	\$ 99,357		\$ 16,148
52		Totals	\$ 125,811,542		\$ 83,043,791	\$ (7,255,927)	\$ (3,331,383)	\$ 79,712,427		\$ 3,157,833
Total Depreciation by Plant Classification:										
					Per Company		RUCO Adjustments			
53	7H	Direct Plant As Filed			\$ 2,658,597		\$ 39,948			\$ 2,698,545
54	7A	Arizona Corporate Plant Allocated As Filed			15,777		(1,263)			17,514
55	7H	NWWTF Plant Allocated As Filed			459,884		(34,028)			425,856
56	8U	8U Plant Allocated As Filed			18,957		(2,809)			16,148
57		Company Adjustment SMM-4534 for Vector Trucks In 7A			(1,095)		1,095			-
58		Total Depreciation Expense on UPIS As Filed			\$ 3,154,891		\$ 2,942			\$ 3,157,833
Decision No. 75288 Regulatory Assets & Liabilities:										
								Reg Asset	Reg Liability	
59	300000	Collection Sewer Forced						\$ -	\$ -	
60	380100	WW TD Equipment Tanks/Acc						-	-	
61	380600	WW TD Equipment Other Disp						-	-	
62	397000	Miscellaneous Equipment						-	-	
63	399000	Reconciliation to PIS Balance						-	-	
64		Total Gross Regulatory Assets & Liabilities						\$ -	\$ -	
65		RUCO Amortization September thru December 2015 @ 8%						\$ -	\$ -	
66		Total Reg. Amortization Per Company (Add'l 12-Mths.)						\$ -	\$ -	

Continued on Next Page

OPERATING INCOME ADJUSTMENT NO. 1
 TEST YEAR (TY) END UPIS DEPRECIATION EXPENSE

Line No	NARUC Account	Description	[A] Company Total Unallocated UPIS As Filed	[B] Allocation Factor	[C] Company TY End Allocated UPIS As Filed	[D] RUCO Unallocated UPIS Adjustments Recommended	[E] RUCO Allocated UPIS Adjustments Recommended	[F] RUCO Depreciable UPIS Recommended	[G] Authorized Depreciation Rate	[H] RUCO Depreciation Expense Recommended
<u>Per Company</u>						<u>RUCO Adjustments</u>				
						<u>Reg Asset</u>		<u>Reg Liability</u>		
1	TJC-5	Direct Plant			\$ -		\$ (125,740)	\$ -	\$ (125,740)	
2	TJC-5	Allocable AZ Corporate 7A Plant			-		(1,270)	-	(1,270)	
3	TJC-5	Allocable NVVTF Plant			-		(294,999)	-	(294,999)	
4	TJC-5	Allocable USA Corporate 5U Plant			-		-	-	-	
5										
6		Total Gross Regulatory Assets & Liabilities						\$ -	\$ (422,009)	
7		RUCO Amortization @ 8%						\$ -	\$ (33,761) =	(33,761)
8		Total Reg. Amortization Per Company			\$ -		\$ (33,761)			
9		Less: Deduction for Amortization of CIAC Per RUCO						\$ (27,336,212)	3.9850% =	(1,049,342)
10		Less: Deduction for Amortization of CIAC Per Company			(949,780)		\$ (119,562)			
11		Company Total TY End Depreciation Expense Requested	Sum of Col. [C] Pg 2 at Lines 58 & 59, and Pg 3 at Line 10		<u>\$ 2,205,111</u>					
12		RUCO Total Recommended Depreciation Expense						Sum of Col. [H] Pg 2 at Lines 58 & 59, and Pg 3 at Line 9		\$ 2,034,730
13		Company Adjusted TY End Depreciation Expense						Col. [C] Pg 3 at Line 11 and RUCO Sch. RBM-11 Col [A] at Line 21		<u>\$ 2,205,111</u>
14		RUCO Depreciation Expense Adjustment								<u>\$ (170,381)</u>

References:
 Company B-2 and C-1 Schedules, and RUCO Schedule TJC-4(a), pages 1 & 2
 Account 381100 has a 40-Year Expected Life or 2.50% Depreciation Rate.
 Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

OPERATING INCOME ADJUSTMENT NO. 2
 PROPERTY TAXES

Line No.	Property Tax Calculation	[A]	[B]
		RUCO AS ADJUSTED	RUCO RECOMMENDED
1	RUCO Adjusted Test Year Gross Revenues	\$ 6,051,044	\$ 6,051,044
2	Multiplied by 2	2	2
3	Subtotal (Line 1 * Line 2)	\$ 12,102,089	\$ 12,102,089
4a	RUCO Adjusted Test Year Gross Revenues	6,051,044	
4b	RUCO Recommended Revenue		5,739,785
5	Subtotal (Line 3 + Line 4a)	\$ 18,153,133	\$ 17,841,873
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	\$ 6,051,044	\$ 5,947,291
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	\$ 12,102,089	\$ 11,894,582
10	Plus: 10% of CWIP Per Company Schedule E-1 As Filed	5,071	5,071
11	Less: Net Book Value of Licensed Vehicles	102,491	102,491
12	Full Cash Value (Line 9 + Line 10 - Line 11)	\$ 12,004,669	\$ 11,797,163
13	Assessment Ratio	18.0%	18.0%
14	Assessed Value (Line 12 * Line 13)	\$ 2,160,840	\$ 2,123,489
15	Composite Property Tax Rate (Per RUCO Effective Property Tax Calculation)	10.9808%	10.9808%
16	RUCO Adjusted Test Year Property Tax Expense (Line 14 * Line 15)	\$ 237,278	
17	Company Adjusted Test Year Property Tax Expense (Per Company Schedule C-1)	241,267	
18	RUCO Test Year Adjustment (Line 16-Line 17)	\$ (3,989)	
19	Property Tax - RUCO Recommended Revenue (Line 14 * Line 15)		\$ 233,177
20	RUCO Test Year Adjusted Property Tax Expense (Line 16)		237,278
21	Increase/(Decrease) to Property Tax Expense		\$ (4,101)
22	Increase/(Decrease) to Property Tax Expense		\$ (4,101)
23	Increase in Revenue Requirement		(311,259)
24	Increase /(Decrease) to Property Tax per Dollar Increase in Revenue (Line 22 / Line 23)		1.3177%

References:

- RUCO Schedule TJC-11
- RUCO Schedule TJC-4(a) page 1 of 2

Operating Income Adjustment No. 3
Removal of Performance Based Compensation

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua Fria	Anthem	Mohave	Sun City	Sun City West	TOTAL
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

Company Requested Increase by System						
Direct Performance Based Expense	\$ 14,047	\$ 25,078	\$ 6,738	\$ 5,894	\$ 2,213	\$ 53,970
Arizona Performance Based Comp Expense	58,430	56,799	12,873	71,517	59,117	258,736
EPCOR Water USA Performance Incentive	10,036	9,756	2,211	12,284	10,154	44,441
NWVRTF	3,900	-	-	-	16,403	20,303
Total Performance Based Compensation	\$ 86,413	\$ 91,633	\$ 21,822	\$ 89,695	\$ 87,887	\$ 377,450
RUCO Calculation of 50% Reduction	(43,207)	(45,817)	(10,911)	(44,848)	(43,944)	(188,725)
Company 10% Reduction in Perf. Comp.	(8,641)	(9,163)	(2,182)	(8,970)	(8,789)	(37,745)
RUCO's Additional Reduction	\$ (34,565)	\$ (36,653)	\$ (8,729)	\$ (35,878)	\$ (35,155)	\$ (150,980)

Reference(s):

- Columns (A) through (E) Lines 4 through 7 - See Company Schedule C-2 Page 13 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 9 - Sum of Lines 4 through 7
- Columns (A) through (E) Line 10 - 50 percent of Line 9
- Columns (A) through (E) Line 11 - See Company Schedule C-2 Page 13 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 13 - Sum of Lines 9, 10, 11

Operating Income Adjustment No. 4
Annualize Labor and Labor Related Expenses / Group Insurance

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua Fria	Anthem	Mohave	Sun City	Sun City West	TOTAL
1						
2						
3	Group Insurance and Other Benefits - As Filed					
4	401k	\$ 78,030	\$ 85,255	\$ 15,773	\$ 66,905	\$ 76,785
5	Pension	\$ 80,281	\$ 75,347	\$ 16,654	\$ 58,153	\$ 79,626
6	Insurance	\$ 132,803	\$ 193,434	\$ 39,580	\$ 101,931	\$ 154,566
7	Total Group Ins. / Other Benefits	\$ 291,114	\$ 354,036	\$ 72,007	\$ 226,989	\$ 310,977
8	Fully Allocated Expense	\$ 221,958	\$ 233,097	\$ 68,063	\$ 108,874	\$ 148,803
9	Company Increase Requested in Filing	\$ 69,156	\$ 120,939	\$ 3,944	\$ 118,115	\$ 162,174
10						\$ 474,328

Reference(s):

- 12 Columns (A) through (E) Lines 4 through 6 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
- 13 Columns (A) through (E) Line 7 - Sum of Lines 4 through 6
- 14 Columns (A) through (E) Line 8 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
- 15 Columns (A) through (E) Line 9 - Line 7 - Line 8

Group Insurance and Other Benefits - Adjustments

18						
19	401k	\$ (6,850)	\$ (7,465)	\$ (4,798)	\$ (7,935)	\$ (15,867)
20	Pension	\$ (21,161)	\$ (20,570)	\$ (4,662)	\$ (25,900)	\$ (93,702)
21	Insurance	\$ (1,913)	\$ (1,859)	\$ (421)	\$ (2,342)	\$ (1,936)
22	Total Group Ins. / Other Benefits - Corrections	\$ (29,924)	\$ (29,894)	\$ (9,881)	\$ (36,177)	\$ (39,212)
23						\$ (145,088)
24	Company Increase Actual	\$ 39,232	\$ 91,045	\$ (5,937)	\$ 81,938	\$ 122,962
25						\$ 329,240
26	Reduction in Company's Original Filing	\$ (29,924)	\$ (29,894)	\$ (9,881)	\$ (36,177)	\$ (39,212)

The Company, in RUCO DR#8.04 indicated that they were making several rebuttal adjustments to Group Insurance and Other Benefits expense. The Adjustments are shown on Line 26 for each wastewater system.

Operating Income Adjustment No. 5
Purchased Power

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua Fria	Anthem	Mohave	Sun City	Sun City West	TOTAL
Purchase Power - Company Requested	\$ 277,365	\$ 562,930	\$ 40,641	\$ 19,029	\$ 421,546	\$ 1,321,511
Company Increase Requested - Year 2016	\$ (5,813)	\$ (10,868)	\$ -	\$ (416)	\$ (9,224)	\$ (26,321)
Company Increase Requested - Year 2017	\$ (5,946)	\$ (11,117)	\$ -	\$ (425)	\$ (9,435)	\$ (26,924)
RUCO's Adjustments	\$ (11,759)	\$ (21,984)	\$ -	\$ (841)	\$ (18,660)	\$ (53,244)
Purchase Power - Per RUCO	\$ 265,606	\$ 540,946	\$ 40,641	\$ 18,188	\$ 402,886	\$ 1,268,267

Company's Calculations as Follows:

System	Expense		Percent Increase		Company Requested Revenue Increase		Per the Company, APS provides guidance annually regarding proposed changes to electrical rates for commercial customers. Because APS has entered into a rate case in 2016 and the requested increase has not been disclosed by APS the Company has made its own determination and has increased purchased power by 2.29% for both years 2016 and 2017. This adjustment is inappropriate as it is not know and measurable.
	2015	2016	2016	2017	2016	2017	
Agua Fria	\$ 253,838	\$ 253,838	2.29%	\$ 5,946	\$ 5,813	\$ 5,946	
Anthem	\$ 474,574	\$ 474,574		\$ 11,117	\$ 10,868	\$ 11,117	
Mohave	\$ 39,936	\$ 39,936		\$ -	\$ -	\$ -	
Sun City	\$ 18,163	\$ 18,163		\$ 425	\$ 416	\$ 425	
Sun City West	\$ 402,806	\$ 402,806		\$ 9,435	\$ 9,224	\$ 9,435	
TOTALS	\$ 1,189,317	\$ 1,189,317		\$ 26,321	\$ 26,321	\$ 26,924	

Reference(s):

- Columns (A) through (E) Lines 4 through 6 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 7 - Sum of Lines 4 through 6
- Columns (A) through (E) Line 8 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 9 - Line 7 - Line 8

Operating Income Adjustment No. 6
CPI Adjustment

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua Fria	Anthem	Mohave	Sun City	Sun City West	TOTAL
1	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ 15
2	2,010	2,126	144	-	4,913	9,193
3	325	316	72	398	329	1,440
4	669	632	126	582	635	2,644
5	296	309	66	488	374	1,533
6	591	558	127	735	719	2,730
7	661	736	191	404	695	2,687
8	3,781	3,423	522	1,317	5,057	14,100
9						
10						
11						
12						
13	\$ 8,333	\$ 8,115	\$ 1,248	\$ 3,924	\$ 12,722	\$ 34,342

Company Requested CPI Adjustment by Account

Fuel and Power	
Chemicals	
Corporate Allocation	
Outside Services	
Customer Accounting	
General Office Expense	
Miscellaneous	
Maintenance	
Adjustments by System	

NOTE: Reductions in CPI Expense calculations will be made to each of the individual accounts as identified above.

Per EPCOR, "Each year, inflation causes prices of goods and services to increase. The pricing of the goods and services that created the 2015 test year expenses will be higher in 2016 and again in 2017. Failure to account for inflation causes unnecessary regulatory lag." This is not an appropriate adjustment as it is not a known and measurable change.

Reference(s):

Columns (A) through (E) Lines 4 through 11 - See Company Schedule C-2 Page 32 - AZ Wastewater Consolidated Filing

Operating Income Adjustment No. 7
Customer Accounting - Postage - Customer Care

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Agua Fria	Anthem	Mohave	Sun City	Sun City West	Consol	TOTAL
Customer Accounting Expense - Requested	\$ 247,076	\$ 313,552	\$ 60,088	\$ 738,733	\$ 496,931	\$ 1,624	\$ 1,858,004
RUCO Adjustments - Customer Accounting							
Postage	(1,047)	(1,398)	(246)	(3,476)	(2,359)		(8,526)
Customer Care - CPI Adj	(3,071)	(4,190)	(727)	(10,617)	(7,175)		(25,780)
Unexplained Adjustment	(1,181)	(2,570)	(786)	(2,390)	(1,098)	(1,624)	(9,649)
RUCO Adjustments to Customer Accounting	\$ (5,299)	\$ (8,158)	\$ (1,759)	\$ (16,483)	\$ (10,632)	\$ (1,624)	\$ (43,955)

Company's Calculations for Postage Increase as Follows:

System	Expense 2015	Percent Increase	Increase By Sys
Agua Fria	\$ 26,574	3.94%	\$ 1,047
Anthem	\$ 35,502		\$ 1,398
Mohave	\$ 6,240		\$ 246
Sun City	\$ 88,252		\$ 3,476
Sun City West	\$ 59,897		\$ 2,359
	\$ 216,465		\$ 8,526

RUCO's adjustment to postage (\$8,526)

The Company took the actual postage costs for years 2013, 2014 and 2015 and took the average increase for the three year period that was then applied to the 2015 test year postage expense for each system. While postage expenses did increase for the years 2013, 2014 and 2015, postage expense decreased effective April 10, 2016. Consequently, an upward adjustment is not necessary.

Company's Increase Requested for Customer Care - CPI Adjustment

	Agua Fria	Anthem	Mohave	Sun City	Sun City West	TOTAL
Company Requested Increase by System	\$ 3,071	\$ 4,190	\$ 727	\$ 10,617	\$ 7,175	\$ 25,780
Company Increase Requested	\$ 3,071	\$ 4,190	\$ 727	\$ 10,617	\$ 7,175	\$ 25,780
RUCO Adjustments	\$ (3,071)	\$ (4,190)	\$ (727)	\$ (10,617)	\$ (7,175)	\$ (25,780)

Customer Care and Billing charges, as defined by Company, include costs associated with Third Party Billing, Call Centers, and Work Order Management. Costs billed to the Company are on a per bill per month basis. This adjustment includes adjustments for inflation based on the CPI through 2017. Increasing based on CPI Index is not appropriate as this is not a known and measurable change.

Operating Income Adjustment No. 8
Low Income Program

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua Fria	Anthem	Mohave	Sun City	Sun City West	TOTAL
1						
2						
3	Company Requested Low Income by System					
4	\$ 12,000	\$ 9,000	\$ 9,000	\$ 60,000	\$ 30,000	\$ 120,000
5	\$ (12,000)	\$ (9,000)	\$ (9,000)	\$ (60,000)	\$ (30,000)	\$ (120,000)
6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7						
8						
9	<u>Calculated as Follows:</u>					
10	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
11	200	150	150	1,000	500	500
12	1,000	750	750	5,000	2,500	10,000
13	12	12	12	12	12	12
14	\$ 12,000	\$ 9,000	\$ 9,000	\$ 60,000	\$ 30,000	\$ 120,000

The Company is proposing a Low Income Program for Agua Fria, Anthem, Sun City and Sun City West Wastewater Districts. A Low Income Program was authorized by the Commission in Decision No. 75268 for the Mohave Wastewater District.

RUCO is recommending that the Commission adopt the same Low Income Program that was approved in Decision No. 75268. The program costs will be deferred until a future rate case and request recovery at that time.

Reference(s):
 Columns (A) through (E) Lines 4, 10 and 11 - See Company Schedule C-2 Page 34 - AZ Wastewater Consolidated Filing

Operating Income Adjustment No. 9
Adjustment for EPCOR Services Inc.

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua	Anthem	Mohave	Sun City	Sun City	TOTAL
	Fria				West	
Adjustments to Company Line Items						
Salaries and Labor Ln 7	\$ (8,274)	\$ (8,043)	\$ (1,823)	\$ (10,128)	\$ (8,372)	\$ (36,640)
Salaries and Labor Ln 7	\$ (1,981)	\$ (1,926)	\$ (436)	\$ (2,425)	\$ (2,004)	\$ (8,772)
401(K) Ln 15	\$ (914)	\$ (888)	\$ (201)	\$ (1,119)	\$ (925)	\$ (4,047)
Insurance Ln 15	\$ (999)	\$ (971)	\$ (220)	\$ (1,223)	\$ (1,011)	\$ (4,424)
Taxes Ln 26	\$ (488)	\$ (474)	\$ (107)	\$ (597)	\$ (493)	\$ (2,159)
Adjustments for EPCOR Services Inc.	\$ (12,656)	\$ (12,302)	\$ (2,787)	\$ (15,492)	\$ (12,805)	\$ (56,042)

SUMMARY

Salaries and Labor Ln 7	\$ (10,255)	\$ (9,969)	\$ (2,259)	\$ (12,553)	\$ (10,376)	\$ (45,412)
401 (K), Insurance Ln 15	\$ (1,913)	\$ (1,859)	\$ (421)	\$ (2,342)	\$ (1,936)	\$ (8,471)
Taxes Ln 26	\$ (488)	\$ (474)	\$ (107)	\$ (597)	\$ (493)	\$ (2,159)
TOTAL	\$ (12,656)	\$ (12,302)	\$ (2,787)	\$ (15,492)	\$ (12,805)	\$ (56,042)

Business Unit	Direct Pay	Performance Based		401 (k)	Insurance	Pension	Taxes	Total
		Comp.	10%					
Sun City	\$ 10,128	\$ 2,425	\$ (242)	\$ 1,119	\$ 1,223	\$ -	\$ 597	\$ 15,250
Sun City West	\$ 8,372	\$ 2,004	\$ (200)	\$ 925	\$ 1,011	\$ -	\$ 493	\$ 12,605
Agua Fria	\$ 8,274	\$ 1,981	\$ (198)	\$ 914	\$ 999	\$ -	\$ 488	\$ 12,458
Anthem	\$ 8,043	\$ 1,926	\$ (193)	\$ 888	\$ 971	\$ -	\$ 474	\$ 12,109
Mohave	\$ 1,823	\$ 436	\$ (44)	\$ 201	\$ 220	\$ -	\$ 107	\$ 2,743
TOTAL	\$ 36,640	\$ 8,772	\$ (877)	\$ 4,047	\$ 4,424	\$ -	\$ 2,159	\$ 55,165

Per Company Notes on Staff DR PT5.1 -- This filing, incorrectly included employee number 109679 in its allocation of 6U Labor and Benefits. Those costs should be removed from the Company's request. Please note that 10% of performance based compensation has already been removed through Income Statement Adjustment SLM-IS10, therefore, this adjustment must account for that.

Operating Income Adjustment No. 10
Corporate Allocations

	(A)	(B)	(C)	(D)	(E)	(G)
	Agua Fria	Anthem	Mohave	Sun City	Sun City West	TOTAL
1	\$ 205,544	\$ 199,805	\$ 45,285	\$ 251,580	\$ 207,960	\$ 910,174
2	\$ 201,356	\$ 195,701	\$ 44,355	\$ 246,422	\$ 203,704	\$ 891,537
3	\$ (4,188)	\$ (4,104)	\$ (930)	\$ (5,158)	\$ (4,256)	\$ (18,637)

Test Year Corporate Allocations - Labor

RUCO Calculations for Labor Increase for One Year
 RUCO's Additional Reduction

Total Arizona Corporate Allocation	\$ 3,792,265
Less: Public Affairs	(307,499)
Sub Total	\$ 3,484,766
Percent Attributable to Labor	69%
AZ Corporate Allocation for Labor	\$ 2,404,489
2016 Labor Increase at 3%	\$ 72,135
2017 Labor increase at 3%	\$ -
	\$ 72,135
Total Arizona Corporate Allocation Adjusted for 2016 Labor Increase	\$ 3,556,901

Allocation Factor %%%

Agua Fria	5.661%	\$ 201,356
Anthem	5.502%	\$ 195,701
Mohave	1.247%	\$ 44,355
Sun City	6.928%	\$ 246,422
Sun City West	5.727%	\$ 203,704
		\$ 891,537

Reference(s):

See Company Schedule C-2 Page 28

Operating Income Adjustment No. 11
Asset Usage Fee

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua Fria	Anthem	Mohave	Sun City	Sun City West	TOTAL
1						
2						
3						
4	\$ 11,295	\$ 13,794	\$ 2,441	\$ 34,784	\$ 23,493	\$ 85,807
5	\$ (15,900)	\$ (21,511)	\$ (3,743)	\$ (54,436)	\$ (36,785)	\$ (132,375)
6	\$ (15,900)	\$ (21,511)	\$ (3,743)	\$ (54,436)	\$ (36,785)	\$ (132,375)
7						
8	\$ (4,605)	\$ (7,717)	\$ (1,302)	\$ (19,652)	\$ (13,292)	\$ (46,568)

Company Requested Increase by System
 Company Increase Requested - Year 2016
 Company Correction - Should be removed
 Sub-Total
 Company Ending Balances

Per the Company in response to DR#PTN 3.1; The amounts recorded to Asset Usage Fee, Line 5 Above, should be removed from the filing and the Company shall make such an adjustment in its rebuttal filing.

Reference(s):

Columns (A) through (E) Line 4 - See Company Schedule C-2 Page 28 - AZ Wastewater Consolidated Filing
 Columns (A) through (E) Line 5 - See Company Response to DR#PTN 3.1

OPERATING INCOME ADJUSTMENT NO. 12
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Line No.	Description	Amount
1		\$ -
2		-
3		\$ -

References:

OPERATING INCOME ADJUSTMENT NO. 13
 INTENTIONALLY LEFT BLANK

Line No.	Description	[A] Company Allocated Amount	[B] RUCO Allocated Amount	[C] RUCO As Adjusted
1		\$ -	\$ -	
2		0.00%	0.00%	
3		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
4	RUCO Adjustment			<u>\$ -</u>

References:

OPERATING INCOME ADJUSTMENT NO. 14
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<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amount</u>
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References:

OPERATING INCOME ADJUSTMENT NO. 15
BAD DEBT EXPENSE CALCULATION FOR ADJUSTED TEST YEAR AND RECOMMENDED REVENUE INCREASE

Line No.	Description	[A] Adjusted Test Year Amount	[B] Recommended Increase Amount
1	RUCO Adjusted Test Year Revenue & Recommended Increase in Revenue (Schedule RBM-11)	\$ 6,051,044	\$ (311,259)
2	Company Adjusted Test Year & Proposed Bad Debt Expense	<u>15,146</u>	<u>16,326</u>
3	RUCO Bad Debt Expense Factor (L2 / L1)	<u>0.2503%</u>	<u>0.2503%</u>
4	RUCO Bad Debt Expense Calculation (L1 x L3)	\$ 15,146	\$ (779)
5	Company Test Year Booked & Proposed Bad Debt Expense	\$ 10,037	1,181
6	Company Bad Debt Expense Adjustment (Col. [A]: L2 - L5)	<u>5,109</u>	<u>5,109</u>
7	RUCO Bad Debt Expense Calculation (L1 x L3)	\$ 15,146	\$ (779)
8	RUCO Bad Debt Expense Adjustment (L7 - L2)	\$ -	\$ (779)

References:
RUCO Schedule RBM-11
Company Schedule C-2 Adjustment Summary on Page 8

OPERATING INCOME ADJUSTMENT NO. 16
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Line No.	Description	Amount
1	Company Rate Case Expense Requested	\$ -
2	RUCO Rate Case Expense Recommended	-
3	RUCO Adjustment	\$ -
4	Annual Rate Case Expense Normalized Over 5-Years (Line 2 / 5-Years)	\$ -

References:
Per Company Schedule C-2

**OPERATING INCOME ADJUSTMENT NO. 17
INCOME TAXES**

<u>Line No.</u>	<u>Description</u>	<u>[A] RUCO Adjusted Test Year Amount</u>	<u>[B] RUCO Recommended Amount</u>
1	RUCO Computed Adjusted Test Year Income Tax	\$ 341,485	\$ 227,408
2	Company Income Tax As Filed	199,909	374,169
3	RUCO Adjustment to Income Tax Expense	<u>\$ 141,577</u>	<u>\$ (146,760)</u>

References:

See RUCO Schedule TJC-1 at page 2 of 2;
Company Schedule C-1 Adjusted Test Year as Filed

GROSS REVENUE CONVERSION FACTOR (GRCF)

Line No.	Description	Amount
1	Combined Federal & State Effective Income Tax Rate	37.2340%
2	Property Tax Effective Rate	0.8271%
3	Uncollectible Revenue Effective Rate	0.1571%
4	Total Cobined Federal, State, Property, and Uncollectible Effective Rates (Sum of L1 + L2 + L3)	38.2182%
5	Operating Income % = 100% Minus Combined Federal, State, Property, Uncollectible Effective Rates (100% Minus Line 4)	61.7818%
6	$\frac{1}{\text{Operating Income \% on Line 5}}$	= 1.6186

References:
 RUCO Schedule TJC-1, Page 1 of 2 and Page 2 of 2
 RUCO Schedule TJC-11

COST OF CAPITAL

Line No.	Description	[A] DOLLAR AMOUNT	[B] CAPITAL RATIO	[C] COST RATE	[D] WEIGHTED COST RATE
1	Long-Term Debt	\$ 5,204,559	45.35%	4.29%	1.95%
2	Short-Term Debt	416,384	3.63%	0.20%	0.01%
3	Common Equity	4,008,415	34.93%	9.30%	3.25%
4	Fair Value Increment	1,847,285	16.10%	1.04%	0.17%
5	Total Capitalization	<u>\$ 11,476,642</u>	<u>100.00%</u>		<u>5.37%</u>
6	WEIGHTED AVERAGE COST OF CAPITAL ("WACC")				5.37%

RUCO Recommended Adjusted Fair Value Rate Base:

RUCO Recommended Original Cost Rate Base (OCRB)	\$ 9,639,393
RUCO Reconstructed Cost New Depreciation (RCND)	<u>13,333,963</u>
Fair Value Rate Base	<u>\$ 11,486,678</u>

References:

Columns [A] Thru [D]: JAC Schedules & Testimony

TABLE OF CONTENTS TO TJC RATE BASE & RBM OPERATING INCOME SCHEDULES

SCH. NO	PAGE NO	TITLE
<u>RUCO ORIGINAL COST RATE BASE ("OCRB"), RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE, AND FAIR VALUE RATE BASE ("FVRB") SCHEDULES</u>		
SUMMARY OF ORIGINAL COST RATE BASE ("OCRB"), RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE, AND FAIR VALUE RATE BASE ("FVRB"):		
TJC-1	1 of 2	REVENUE REQUIREMENT - ORIGINAL COST RATE BASE ("OCRB"), RECONSTRUCTION COST NEW ("RCN"), AND FAIR VALUE RATE BASE ("FVRB")
TJC-1	2 of 2	GROSS REVENUE CONVERSION FACTOR ("GRCF")
TJC-2	1 of 2	RATE BASE SUMMARY - COMPANY & RUCO OCRB, RCN, AND FVRB
TJC-2	2 of 2	RATE BASE SUMMARY - RUCO OCRB, RCN, AND FVRB
SUMMARY OF ORIGINAL COST RATE BASE ("OCRB") AND OCRB ADJUSTMENTS:		
TJC-3	1 of 2	ORIGINAL COST RATE BASE ("OCRB") SUMMARY
TJC-3	2 of 2	ORIGINAL COST RATE BASE ("OCRB") ADJUSTMENTS
SUMMARY OF ORIGINAL COST OF UTILITY PLANT IN SERVICE ("UPIS") AND ACCUMULATED DEPRECIATION ("A/D") ADJUSTMENTS:		
TJC-4	1 - 2	SUMMARY OF ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENTS
TJC-4	3 - 4	SUMMARY OF ORIGINAL COST UPIS ACCUMULATED DEPRECIATION ("A/D") ADJUSTMENTS
<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 1:</u>		
TJC-4(a)	1 of 2	ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
TJC-4(a)	2 of 2	ORIGINAL COST UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
TJC-4(b)	1 of 8	ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - DIRECT PLANT ADJUSTMENT
TJC-4(b)	2 of 8	ORIGINAL COST UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - DIRECT PLANT ADJUSTMENT
TJC-4(b)	3 of 8	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - ALLOCABLE ARIZONA CORPORATE PLANT ADJUSTMENT
TJC-4(b)	4 of 8	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - ALLOCABLE ARIZONA CORPORATE PLANT ADJUSTMENT
TJC-4(b)	5 of 8	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - ALLOCABLE NORTHWEST VALLEY TREATMENT FACILITY ("NWVTF") PLANT ADJUSTMENT
TJC-4(b)	6 of 8	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - ALLOCABLE NWVTF PLANT ADJUSTMENT
TJC-4(b)	7 of 8	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - ALLOCABLE USA CORPORATE PLANT ADJUSTMENT
TJC-4(b)	8 of 8	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - ALLOCABLE USA CORPORATE PLANT ADJUSTMENT
TJC-4(c)	1 of 1	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (c) - INTENTIONALLY LEFT BLANK
TJC-4(d)	1 of 1	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (d) - INTENTIONALLY LEFT BLANK
TJC-4(e)	1 - 3	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e) - REMOVE DEBIT & EXCESS ACCUMULATED DEPRECIATION PLANT ACCOUNT BALANCES
TJC-4(f)	1 - 3	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f) - 2016 POST TEST YEAR ("PTY") UPIS DISALLOWANCE
TJC-4(f)	4 - 6	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (f) - 2016 PTY UPIS ACCUMULATED DEPRECIATION ("A/D") DISALLOWANCE
TJC-4(g)	1 - 3	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g) - 2017 POST TEST YEAR ("PTY") UPIS DISALLOWANCE
TJC-4(g)	4 - 6	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (g) - 2017 PTY UPIS ACCUMULATED DEPRECIATION ("A/D") DISALLOWANCE
TJC-4(h)	1 - 3	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h) - RECORD UN-RECORDED 2016 UPIS RETIREMENTS
TJC-4(h)	4 - 6	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (h) - RECORD UN-RECORDED 2016 ACCUMULATED DEPRECIATION ("A/D") RETIREMENTS
TJC-5	1 of 1	<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 2:</u> ESTABLISH NET REGULATORY ASSETS AND LIABILITIES FOR UPIS & A/D ADJUSTMENT (e) ABOVE
TJC-5(a)	1 of 1	<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 3 - 8:</u> RATE BASE ADJUSTMENTS NO. 3 THRU 8 - NOT USED OR INTENTIONALLY LEFT BLANK
TJC-6	1 of 1	<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 9:</u> ADDITIONAL ACCUMULATED DEFERRED INCOME TAX ("ADIT") LIABILITY IDENTIFIED IN RUCO DR 6.04 AND 2016 PTY PLANT BONUS DEPRECIATION
TJC-7	1 - 2	<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 10:</u> ALLOWANCE FOR WORKING CAPITAL
<u>SUMMARY OF RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE AND RCND ADJUSTMENTS:</u>		
TJC-8	1 of 2	RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE SUMMARY
TJC-8	2 of 2	RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE ADJUSTMENTS
<u>SUMMARY OF RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") OF UTILITY PLANT IN SERVICE ("UPIS") AND ACCUMULATED DEPRECIATION ("A/D") ADJUSTMENTS:</u>		
TJC-9	1 - 2	SUMMARY OF RECONSTRUCTION COST NEW ("RCN") UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENTS

(continued on next page)

TABLE OF CONTENTS TO TJC RATE BASE & RBM OPERATING INCOME SCHEDULES

SCH NO	PAGE NO	TITLE
<u>RATE BASE SCHEDULES (continued)</u>		
TJC-9	3 - 4	SUMMARY OF RECONSTRUCTION COST NEW UPIS ACCUMULATED DEPRECIATION ("AD") ADJUSTMENTS
TJC-10	1 of 2	RECONSTRUCTION COST NEW ("RCN") UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
TJC-10	2 of 2	RECONSTRUCTION COST NEW ("RCN") UPIS ACCUMULATED DEPRECIATION ("AD") ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
<u>RUCO OPERATING INCOME SCHEDULES AND ADJUSTMENTS</u>		
RBM-11	1	OPERATING INCOME SUMMARY
RBM-12	1 - 2	OPERATING INCOME ADJUSTMENTS
RBM-13	1 - 3	OPERATING INCOME ADJUSTMENT NO. 1 - DEPRECIATION EXPENSE
RBM-14	1	OPERATING INCOME ADJUSTMENT NO. 2 - PROPERTY TAX EXPENSE
RBM-15	1	OPERATING INCOME ADJUSTMENT NO. 3 - PERFORMANCE BASED COMPENSATION EXPENSE
RBM-16	1	OPERATING INCOME ADJUSTMENT NO. 4 - ANNUALIZE LABOR & LABOR RELATED EXPENSES
RBM-17	1	OPERATING INCOME ADJUSTMENT NO. 5 - PURCHASED POWER EXPENSE
RBM-18	1	OPERATING INCOME ADJUSTMENT NO. 6 - CONSUMER PRICE INDEX ("CPI") EXPENSE
RBM-19	1	OPERATING INCOME ADJUSTMENT NO. 7 - CUSTOMER ACCOUNTING / POSTAGE / CUSTOMER CARE EXPENSE
RBM-20	1	OPERATING INCOME ADJUSTMENT NO. 8 - LOW-INCOME PROGRAM EXPENSE
RBM-21	1	OPERATING INCOME ADJUSTMENT NO. 9 - EPCOR SERVICES EXPENSE
RBM-22	1	OPERATING INCOME ADJUSTMENT NO. 10 - CORPORATE ALLOCATIONS EXPENSE
RBM-23	1	OPERATING INCOME ADJUSTMENT NO. 11 - ASSET USAGE FEE EXPENSE
RBM-24	1	OPERATING INCOME ADJUSTMENT NO. 12 - INTENTIONALLY LEFT BLANK
RBM-25	1	OPERATING INCOME ADJUSTMENT NO. 13 - INTENTIONALLY LEFT BLANK
RBM-26	1	OPERATING INCOME ADJUSTMENT NO. 14 - INTENTIONALLY LEFT BLANK
RBM-27	1	OPERATING INCOME ADJUSTMENT NO. 15 - BAD DEBT EXPENSE
RBM-28	1	OPERATING INCOME ADJUSTMENT NO. 16 - INTENTIONALLY LEFT BLANK
RBM-29	1	OPERATING INCOME ADJUSTMENT NO. 17 - INCOME TAX EXPENSE
RBM-30	1	GROSS REVENUE CONVERSION FACTOR ("GRCF")
RBM-31	1	COST OF CAPITAL

RUCO RECOMMENDED REVENUE REQUIREMENT

Line No.	Description	[A] Company Original Cost Rate Base	[B] Company RCND Rate Base	[C] Company Fair Value Rate Base	[D] RUCO Original Cost Rate Base	[E] RUCO RCND Rate Base	[F] RUCO Fair Value Rate Base
1	Fair Value Rate Base	\$ 18,711,412	\$ 22,964,185	\$ 20,837,799	\$ 14,994,191	\$ 19,209,964	\$ 17,102,078
2	Adjusted Test Year Operating Income (Loss)	\$ 711,844	\$ 711,844	\$ 711,844	\$ 880,371	\$ 880,371	\$ 880,371
3	Current Rate Of Return (L2 / L1)	3.80%	3.10%	3.42%	5.87%	4.58%	5.15%
4	Required Operating Income (L5 X L1)	\$ 1,350,878	\$ 1,350,877	\$ 1,350,877	\$ 951,370	\$ 951,370	\$ 951,370
5	Required Rate Of Return On Fair Value Rate Base	7.22%	5.88%	6.48%	6.34%	4.95%	5.56%
6	Operating Income Deficiency (L4 - L2)	\$ 639,033	\$ 639,033	\$ 639,033	\$ 70,999	\$ 70,999	\$ 70,999
7	Gross Revenue Conversion Factor (TJC-1, Pg 2)	1.6300	1.6300	1.6300	1.6192	1.6192	1.6192
8	Increase In Gross Revenue Requirement (L7 X L6)	\$ 1,041,624	\$ 1,041,624	\$ 1,041,624	\$ 114,964	\$ 114,964	\$ 114,964
9	Adjusted Test Year Revenues	\$ 6,923,079	\$ 6,923,079	\$ 6,923,079	\$ 6,923,079	\$ 6,923,079	\$ 6,923,079
10	Proposed Annual Revenue (L8 + L9)	\$ 7,964,551	\$ 7,964,551	\$ 7,964,551	\$ 7,038,043	\$ 7,038,043	\$ 7,038,043
11	Required Percentage Increase In Revenue (L8 / L9)	15.04%	15.04%	15.04%	1.66%	1.66%	1.66%
12	Rate Of Return On Common Equity	10.65%	10.65%	10.65%	9.30%	9.30%	9.30%

References:
 Column [A]: Company Schedules A-1, B-1, C-1, and D-1
 Column [B]: RUCO Schedule TJC-2, RBM-11 and RBM-31

RUCO GROSS REVENUE CONVERSION FACTOR ("GRCF")

LINE NO.	DESCRIPTION	[A]	[B]	[C]
<u>Calculation of Gross Revenue Conversion Factor:</u>				
1	Revenue	100.0000%		
2	Uncollectible Factor	0.1548%		
3	Revenues (L1 - L2)	99.8452%		
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	38.1020%		
5	Subtotal (L3 - L4)	61.7432%		
6	Revenue Conversion Factor (L1 / L5)	1.619612		
<u>Calculation of Uncollectible Factor:</u>				
7	Unity	100.0000%		
8	Combined Federal and State Tax Rate (Line 17)	37.2340%		
9	One Minus Combined Income Tax Rate (L7 - L8)	62.7660%		
10	Uncollectible Rate	0.2467%		
11	Uncollectible Factor (L9 * L10)		0.1548%	
<u>Calculation of Effective Tax Rate:</u>				
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%		
13	Arizona State Income Tax Rate	4.9000%		
14	Federal Taxable Income (L12 - L13)	95.1000%		
15	Applicable Federal Income Tax Rate (Col. [C], L53)	34.0000%		
16	Effective Federal Income Tax Rate (L14 x L15)	32.3340%		
17	Combined Federal and State Income Tax Rate (L13 + L16)		37.2340%	
<u>Calculation of Effective Property Tax Factor:</u>				
18	Unity	100.0000%		
19	Combined Federal and State Income Tax Rate (Col. [B], L17)	37.2340%		
20	One Minus Combined Income Tax Rate (L18-L19)	62.7660%		
21	Property Tax Factor (Sch. TJC-9, Col. [B], L24)	1.3829%		
22	Effective Property Tax Factor (L20 x L21)		0.8680%	
23	Combined Federal and State Income Tax and Property Tax Rate (Col. [B], L17 + L22)			38.1020%
24	Required Operating Income (Sch. TJC-1, Col. [B] Line 4)	\$ 951,370		
25	Adjusted Test Year Operating Income (Loss) (Sch. TJC-1, Col. [B], L2)	\$ 880,371		
26	Required Increase in Operating Income (L24 - L25)		\$ 70,999	
27	Income Taxes on Recommended Revenue (Col. [C], L52)	\$ 349,106		
28	Income Taxes on Test Year Revenue (Col. [A], L52)	\$ 306,998		
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		42,108	
30	Recommended Revenue Requirement (Sch. TJC-1, Col. [B], Line 10)	\$ 7,038,043		
31	Uncollectible Rate (L10)	0.2467%		
32	Uncollectible Expense on Recommended Revenue (L30 x L31)	\$ 17,362		
33	Adjusted Test Year Uncollectible Expense (Sch. TJC-6, Col. [C], L32)	\$ 17,078		
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32 - L33)		284	
35	Property Tax with Recommended Revenue (Sch. TJC-9, Col. [B], L19)	\$ 285,176		
36	Property Tax on Adjusted Test Year Revenue (Sch. TJC-9, Col. [B], L20)	\$ 283,586		
37	Increase in Property Tax Due to Increase in Revenue (L35 - 36)		1,590	
38	Total Required Increase in Revenue (Col. [B], L26 + L29 + L34 + L37)		\$ 114,981	

	Test Year	Revenue Increase/(Decrease)	RUCO Recommended
39	Revenue (Sch. TJC-1, Col. [B], Line 9 & Sch. TJC-1, Col. [B], L10)	\$ 6,923,079	\$ 7,038,043
40	Operating Expenses Excluding Income Taxes	5,735,709	5,737,583
41	Synchronized Interest (Col. [C], L57)	362,859	362,859
42	Arizona Taxable Income (L39 - L40 - L41)	\$ 824,510	\$ 937,601
43	Arizona State Income Tax Rate	4.9000%	4.9000%
44	Arizona Income Tax (L42 x L43)	\$ 40,401	\$ 45,942
45	Federal Taxable Income (L42 - L44)	\$ 784,109	\$ 891,658
46	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	\$ 7,500	\$ 7,500
47	Federal Tax on Second Income Bracket (\$51,001 - \$75,000) @ 25%	\$ 6,250	\$ 6,250
48	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	\$ 8,500	\$ 8,500
49	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	\$ 91,650	\$ 91,650
50	Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34%	\$ 152,697	\$ 189,264
51	Total Federal Income Tax	\$ 266,597	\$ 303,164
52	Combined Federal and State Income Tax (L44 + L51)	\$ 306,998	\$ 349,106

53 Applicable Federal Income Tax Rate (Col. [C], L51 - Col. [A], L51) / [Col. [C], L45 - Col. [A], L45] 34.00%

54	<u>Synchronized Interest Calculation:</u>	
55	Original Cost Rate Base	\$ 14,994,191
56	x Weighted Average Cost of Debt	2.4200%
57	Synchronized Interest Expense	\$ 362,859

RUCO ORIGINAL COST, RECONSTRUCTION NEW LESS DEPRECIATION, FAIR VALUE RATE BASE SUMMARY

Line No.	Description	[A] Company OCRB As Filed	[B] RUCO OCRB Recommended	[C] Company RCND As Filed	[D] RUCO RCND Recommended	[E] Company FVRB As Filed	[F] RUCO FVRB Recommended
1	Gross Utility Plant In Service	\$ 54,637,653	\$ 50,908,033	\$ 86,289,510	\$ 82,544,802	\$ 70,463,581	\$ 66,726,418
	Less:						
2	Accumulated Depreciation	22,614,261	22,344,349	47,032,933	46,725,475	34,823,597	34,534,912
3	Net Utility Plant In Service (L1 - L2)	\$ 32,023,392	\$ 28,563,684	\$ 39,256,577	\$ 35,819,327	\$ 35,639,984	\$ 32,191,506
	Less:						
4	Advances In Aid Of Construction ("AIAC")	\$ 6,561,980	\$ 6,561,980	\$ 8,044,147	\$ 8,044,147	\$ 7,303,064	\$ 7,303,064
5	Gross Contribution In Aid Of Construction ("CIAC")	6,256,463	6,256,463	7,669,622	7,669,622	6,963,042	6,963,042
6	Accumulated Amortization of CIAC	(736,648)	(736,648)	(903,036)	(903,036)	(819,842)	(819,842)
7	Net CIAC (L5 + L6)	\$ 5,519,815	\$ 5,519,815	\$ 6,766,586	\$ 6,766,586	\$ 6,143,201	\$ 6,143,201
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-	-	-	-
10	Gross Regulatory Liability	-	98,493	-	120,740	-	109,616
11	Accumulated Amortization	-	(7,879)	-	(9,659)	-	(8,769)
12	Net Regulatory Liability	\$ -	\$ 90,613	\$ -	\$ 111,080	\$ -	\$ 100,847
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 1,113,346	\$ 1,285,971	\$ 1,364,820	\$ 1,576,435	\$ 1,239,083	\$ 1,431,203
	Plus:						
14	Deferred Debits	-	-	-	-	-	-
17	Working Capital Allowance	(116,838)	(111,113)	(116,838)	(111,113)	(116,838)	(111,113)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 18,711,412	\$ 14,994,191	\$ 22,964,185	\$ 19,209,964	\$ 20,837,799	\$ 17,102,078

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

RUCO ORIGINAL COST, RECONSTRUCTION NEW LESS DEPRECIATION, FAIR VALUE RATE BASE SUMMARY

Line No.	Description	[A] RUCO Original Cost Rate Base Recommended	[B] RUCO RCND Recommended	[C] RUCO Fair Value Rate Base Recommended
1	Gross Utility Plant In Service	\$ 50,908,033	\$ 82,544,802	\$ 66,726,418
	Less:			
2	Accumulated Depreciation	22,344,349	46,725,475	34,534,912
3	Net Utility Plant In Service (L1 - L2)	\$ 28,563,684	\$ 35,819,327	\$ 32,191,506
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 6,561,980	\$ 8,044,147	\$ 7,303,064
5	Gross Contribution In Aid Of Construction ("CIAC")	6,256,463	7,669,622	6,963,042
6	Accumulated Amortization of CIAC	(736,648)	(903,036)	(819,842)
7	Net CIAC (L5 + L6)	\$ 5,519,815	\$ 6,766,586	\$ 6,143,201
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Regulatory Liability	98,493	120,740	109,616
11	Accumulated Amortization	(7,879)	(9,659)	(8,769)
12	Net Regulatory Liability	\$ 90,613	\$ 111,080	\$ 100,847
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 1,285,971	\$ 1,576,435	\$ 1,431,203
	Plus:			
14	Deferred Debits	-	-	-
17	Working Capital Allowance	(111,113)	(111,113)	(111,113)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 14,994,191	\$ 19,209,964	\$ 17,102,078

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

ORIGINAL COST RATE BASE (OCRB) SUMMARY

Line No.	Description	[A] Company Original Cost Rate Base As Filed	[B] RUCO Recommended OCRB Adjustments	[C] RUCO OCRB Recommended
1	Gross Utility Plant In Service	\$ 54,637,653	\$ (3,729,619)	\$ 50,908,033
	Less:			
2	Accumulated Depreciation	22,614,261	(269,912)	22,344,349
3	Net Utility Plant In Service (L1 - L2)	\$ 32,023,392	\$ (3,459,708)	\$ 28,563,684
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 6,561,980	\$ -	\$ 6,561,980
5	Gross Contribution In Aid Of Construction ("CIAC")	6,256,463	-	6,256,463
6	Accumulated Amortization of CIAC	(736,648)	-	(736,648)
7	Net CIAC (L5 + L6)	\$ 5,519,815	\$ -	\$ 5,519,815
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Regulatory Liability	-	98,493	98,493
11	Accumulated Amortization	-	(7,879)	(7,879)
12	Net Regulatory Liability	\$ -	\$ 90,613	\$ 90,613
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 1,113,346	\$ 172,625	\$ 1,285,971
	Plus:			
14	Deferred Debits	-	-	-
17	Working Capital Allowance	(116,838)	5,725	(111,113)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 18,711,412	\$ (3,717,221)	\$ 14,994,191

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

ORIGINAL COST RATE BASE (OCRB) ADJUSTMENTS

Line No.	Description	(A) Company OCRB As Filed	(B) Adjust No. 1 UPIS & A/D Adjustment	(C) Adjust No. 2 Regulatory Liability	(D) Adjust No. 3 Intentionally Left Blank	(E) Adjust No. 4 Intentionally Left Blank	(F) Adjust No. 5 Intentionally Left Blank	(G) Adjust No. 6 Intentionally Left Blank	(H) Adjust No. 7 Intentionally Left Blank	(I) Adjust No. 8 Intentionally Left Blank	(J) Adjust No. 9 ADIT Adjustment	(K) Adjust No. 10 Working Capital Adjustment	(L) Total RUCO Adjustments	(M) RUCO Recommended OCRB/PVRB
1	Gross Utility Plant In Service	\$ 54,037,653	\$ (3,729,619)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,729,619)	\$ 50,908,033
2	Less: Accumulated Depreciation	22,614,261	(269,912)	-	-	-	-	-	-	-	-	-	(269,912)	22,344,349
3	Net Utility Plant In Service (L1 - L2)	\$ 32,023,392	\$ (3,459,708)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,459,708)	\$ 28,563,684
4	Less: Advances In Aid Of Construction ("AIAC")	\$ 6,561,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,561,980
5	Gross Contribution In Aid Of Construction ("CIAC")	6,256,463	-	-	-	-	-	-	-	-	-	-	-	6,256,463
6	Accumulated Amortization of CIAC	(736,648)	-	-	-	-	-	-	-	-	-	-	-	(736,648)
7	Net CIAC (L5 + L6)	\$ 5,519,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,519,815
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Gross Regulatory Liability	-	-	98,493	-	-	-	-	-	-	-	-	98,493	98,493
11	Accumulated Amortization	-	-	(7,879)	-	-	-	-	-	-	-	-	(7,879)	(7,879)
12	Net Regulatory Liability	\$ -	\$ -	\$ 90,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,613	\$ 90,613
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 1,113,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,625	\$ -	\$ 172,625	\$ 1,285,971
14	Plus: Deferred Debits	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Working Capital Allowance	(116,838)	-	-	-	-	-	-	-	-	-	5,725	5,725	(111,113)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 18,711,412	\$ (3,459,708)	\$ (90,613)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (172,625)	\$ 5,725	\$ (3,717,221)	\$ 14,994,191

RUCO Adjustments:

Adjustment No. 1: Summation of RUCO recommended Utility Plant in Service and Accumulated Depreciation Adjustments No. (a), (b), (c), and (d) - See RUCO Rate Base Adjustment No. 1 on Schedules TJC-4 on pages 1 & 2, Column [J] at line 42;
 Adjustment No. 2: Current Case Regulatory Liability for Over-Depreciated Plant;
 Adjustment No. 3: Intentionally Left Blank;
 Adjustment No. 4: Intentionally Left Blank;
 Adjustment No. 5: Intentionally Left Blank;
 Adjustment No. 6: Intentionally Left Blank;
 Adjustment No. 7: Intentionally Left Blank;
 Adjustment No. 8: Intentionally Left Blank;
 Adjustment No. 9: RUCO Recommended 2016 TY End Accumulated Deferred Income Tax ("ADIT") Balance
 Adjustment No. 10: RUCO Recommended Allowance for Working Capital - See RUCO Schedule TJC-10.

References:

Column [A]: Company Schedule B-1
 Column [B] Thru Column [K]: RUCO Recommended Rate Base Adjustments
 Column [L]: Sum of RUCO Recommended Rate Base Adjustments of Columns [B] through [K]
 Column [M]: Column [A] + Column [L]

SUMMARY OF ORIGINAL COST (OC) UTILITY PLANT IN SERVICE (UPIS) ADJUSTMENTS
 OC UPIS RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No. Description	(A) Company Adjusted TY OC UPIS As Filed	(B) RUCO Adjustment (a) Factor Trucks Adjustment	(C) RUCO Adjustment (b) UPIS Reconciliation Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Only Accum. Deprs	(G) RUCO Adjustment (f) 2016 PTY Plant Adjustment	(H) RUCO Adjustment (g) 2017 PTY Plant Adjustment	(I) RUCO Unrecorded Rate Adjustment	(J) RUCO Total OC UPIS Adjustments	(K) RUCO Recommended
Direct ZL Plant:												
1	304100	Struct & Imp SS	-	-	-	-	-	-	-	-	-	-
2	340200	Comp & Peripheral Equip	-	-	-	-	-	-	-	-	-	-
3	341200	Trans Equip Hwy Duty Trk	-	-	-	-	-	-	-	-	-	-
4	341400	Trans Equip Other	-	-	-	-	-	-	-	-	-	-
5	343000	Tools, Shop and Garage	-	-	-	-	-	-	-	-	-	-
6	351000	WW Organization	-	-	-	-	-	-	-	-	-	-
7	352000	WW Franchise	-	-	-	-	-	-	-	-	-	-
8	353200	WW Land & Ld Rights Coll	278,772	-	-	-	-	-	-	-	-	278,772
9	353500	WW Land & Ld Rights Gen	336,560	-	-	-	-	-	-	-	-	336,560
10	354200	WW Struct & Imp Coll	1,424,010	-	-	-	-	-	-	-	-	1,424,010
11	354300	WW Struct & Imp SPP	7,565	-	-	-	-	-	-	-	-	7,565
12	354400	WW Struct & Imp TDP	1,418,310	-	-	-	-	-	-	-	-	1,418,310
13	354500	WW Struct & Imp Gen	3,005,926	-	-	-	-	-	-	-	-	3,005,926
14	355200	WW Pwr Gen Equip Coll	-	-	-	-	(100,000)	(62,024)	-	-	(162,024)	1,256,286
15	355300	WW Pwr Gen Equip SPP	-	-	-	-	(9,905)	(40,518)	-	-	(50,423)	2,955,803
16	355400	WW Pwr Gen Equip TDP	11,068	-	-	-	-	-	-	-	-	11,068
17	355500	WW Pwr Gen Equip RWTP	4,497	-	-	-	-	-	-	-	-	4,497
18	360000	WW Collection Sewers Forced	194,750	-	-	-	-	-	-	-	-	194,750
19	361100	WW Collecting Mains	14,539,249	-	-	-	-	-	-	-	-	14,539,249
20	362000	WW Special Coll Struct	363,524	-	-	-	-	(94,840)	(74,429)	(7,944)	(177,212)	14,962,037
21	363000	WW Services Sewer	1,709,363	-	-	-	-	-	-	-	-	1,709,363
22	364000	WW Flow Measuring Devices	373,807	-	-	-	-	(15,375)	(9,536)	-	(24,911)	373,807
23	370000	WW Receiving Walls	1,068,343	-	-	-	-	-	-	-	-	1,068,343
24	371100	WW Pump Equip Elect	1,530,396	-	-	-	-	-	-	-	-	1,530,396
25	371200	WW Pump Equip Oth Pwr	12,723	-	-	-	-	-	-	-	-	12,723
26	380000	WW TD Equipment	4,925,078	-	-	-	-	-	-	(18,800)	(18,800)	4,906,278
27	380050	WW TD Equip Grt Removal	4,782,813	-	-	-	-	-	-	-	-	4,782,813
28	380100	WW TD Equip Sed Tanks/Acc	2,045,291	-	-	-	-	(1,206,483)	(787,236)	(23,956)	(1,997,675)	2,021,403
29	380200	WW TD Equip Sldge Dig Rmv	4,909	-	-	-	-	(175,000)	(108,542)	-	(283,542)	4,625,461
30	380250	WW TD Equip Sldge Dry/Fit	1,962,849	-	-	-	-	-	-	-	-	1,962,849
31	380300	WW TD Equip Sldge Dry/Fit	8,025,904	-	-	-	-	-	-	-	-	8,025,904
32	380350	WW TD Equip Sac Trmt Filtr	38,066	-	-	-	-	-	-	-	-	38,066
33	380400	WW TD Equip Aux E&I Trmt	962,280	-	-	-	-	-	-	-	-	962,280
34	380500	WW TD Equip Chem Trmt Pt	865,904	-	-	-	-	-	-	-	-	865,904
35	380600	WW TD Equip Oth Disp	128,958	-	-	-	-	-	-	-	-	128,958
36	380625	WW TD Equip Oth Disp	18,998	-	-	-	-	-	-	-	-	18,998
37	380650	WW TD Equip Gen Trmt	42,199	-	-	-	-	-	-	-	-	42,199
38	381000	WW Plant Sewers	1,244,101	-	-	-	-	-	-	-	-	1,244,101
39	382000	WW Outfall Sewer Lines	952,191	-	-	-	-	(425,000)	(263,802)	-	(688,802)	263,389
40	389100	WW Oth P&E & Misc Equip Int	41,491	-	-	-	-	-	-	-	-	41,491
41	389600	WW Oth P&E - CPS - TE	3,508	-	-	-	-	-	-	-	-	3,508
42	390000	WW Office Furniture & Equip	201,468	-	-	-	-	-	-	-	-	201,468
43	390200	WW Computers & Peripheral	51,485	-	-	-	-	-	-	-	-	51,485
44	390300	WW Computer Softwares	157,059	-	-	-	-	-	-	-	-	157,059
45	391000	WW Trans Equipment	53,991	-	-	-	-	(79,800)	(49,495)	-	(129,295)	24,696
46	392000	WW Stores Equipment	871,905	-	-	-	-	-	-	-	-	871,905
47	393000	WW Tool Shop & Garage Equip	781,044	-	-	-	-	-	-	-	-	781,044
48	394000	WW Laboratory Equipment	14,110	-	-	-	-	-	-	-	-	14,110
49	395000	WW Power Operated Equip	-	-	-	-	-	-	-	-	-	-
50	396000	WW Communication Equip	-	-	-	-	-	-	-	-	-	-
51	397000	WW Misc Equipment	-	-	-	-	-	-	-	-	-	-
52	398000	WW Other Tangible Plant	-	-	-	-	-	-	-	-	-	-
53		Rounding	(0)	-	-	-	-	-	-	-	-	0
54		Total Direct ZL Plant	\$ 54,172,528	\$ -	\$ 0	\$ -	\$ -	\$ (2,186,194)	\$ (1,425,000)	\$ (65,273)	\$ (3,676,383)	\$ 50,496,145
Allocated ZA Corporate Plant:												
55	304500	Structure & Improvements General	847,052	-	-	-	-	-	-	-	-	847,052
56	304600	Structure & Improvements Leasehold	18,317	-	-	-	-	(200,086)	(384,196)	(29,508)	(614,389)	202,963
57	304100	Meters	11,777	-	-	-	-	-	-	-	-	11,777
58	339600	Other P/E-CPS	364,867	-	-	-	-	-	-	-	-	364,867
59	340100	Office Furniture & Equipment	1,267,925	-	-	-	-	-	-	-	-	1,267,925
60	340200	Computer & Peripheral Equip	1,404,587	-	-	-	-	-	-	-	-	1,404,587
61	340300	Computer Software	222,827	-	-	-	-	-	-	-	-	222,827
62	340330	Computer Software Other	6,370	-	-	-	-	16,784	(16,968)	-	(201)	1,404,587
63	344000	Laboratory Equipment	17,277	-	-	-	-	-	-	-	-	17,277
64	348100	Communication Equipment Non-Telephone	189,080	-	-	-	-	-	-	-	-	189,080
65	348190	Remote Control & Instrument	122,024	-	-	-	-	-	-	-	-	122,024
66	348200	Communication Equipment Telephone	68,942	-	-	-	-	-	-	-	-	68,942
67	340300	Communication Equipment Other	154,411	-	-	-	-	-	-	-	-	154,411
68	347000	Miscellaneous Equipment	1,801,081	(414,386)	-	-	-	-	-	-	-	1,386,695
69		Rounding	-	-	-	-	-	493,453	(208,819)	-	(285,366)	1,581,329
70		Total Allocated ZA Corporate Plant	\$ 6,403,559	\$ (414,386)	\$ -	\$ -	\$ -	\$ 279,552	\$ (700,000)	\$ (29,508)	\$ (854,342)	\$ 5,629,214
71		Anthem Wastewater ZA % Allocation	\$ 5,1615%	\$ 5.1615%	\$ 5.1615%	\$ 5.1615%	\$ 5.1615%	\$ 5.1615%	\$ 5.1615%	\$ 5.1615%	\$ 5.1615%	\$ 5.1615%
72		Anthem Wastewater ZA Plant Allocation	\$ 335,165	\$ (21,389)	\$ -	\$ -	\$ -	\$ 14,429	\$ (36,131)	\$ (1,523)	\$ (44,613)	\$ 290,552
North West Valley Wastewater ZA Plant:												
73	304100	Struct & Imp SS (Corporate)	-	-	-	-	-	-	-	-	-	-
74	304200	Struct & Imp P (Corporate)	2,582	-	-	-	-	-	-	-	-	2,582
75	307000	Walls & Springs (Corporate)	-	-	-	-	-	-	-	-	-	-
76	311200	Pump Equip Electric (Corporate)	24,525	-	-	-	-	-	-	-	-	24,525
77	340200	Comp & Peripheral Equip (Corporate)	-	-	-	-	-	-	-	-	-	-
78	340500	Other Office Equipment (Corporate)	-	-	-	-	-	-	-	-	-	-
79	304600	Struct & Imp Office (Corporate)	9,052	-	-	-	-	-	-	-	-	9,052
80	304800	Struct & Imp Mac (Corporate)	8,910	-	-	-	-	-	-	-	-	8,910
81	341200	Trans Equip Hwy Duty Trk	-	-	-	-	-	-	-	-	-	-
82	341400	Trans Equip Other	-	-	-	-	-	-	-	-	-	-
83	343000	Tools, Shop and Garage	-	-	-	-	-	-	-	-	-	-
84	344000	Laboratory Equipment	-	-	-	-	-	-	-	-	-	-
85	348100	Comm Equip Non-Telephone	19,711	-	-	-	-	-	-	-	-	19,711
86	351000	WW Organization	-	-	-	-	-	-	-	-	-	-
87	352000	WW Franchise	1,304	-	-	-	-	-	-	-	-	1,304
88	353200	WW Land & Ld Rights Coll	450,976	-	-	-	-	-	-	-	-	450,976
89	353500	WW Land & Ld Rights Gen	20,747	-	-	-	-	-	-	-	-	20,747
90	354200	WW Struct & Imp Coll	3,574,857	-	-	-	-	-	-	-	-	3,574,857
91	354300	WW Struct & Imp SPP	997,595	-	-	-	-	-	-	-	-	997,595

Continued on Next Page

SUMMARY OF ORIGINAL COST (OC) UTILITY PLANT IN SERVICE (UPIS) ADJUSTMENTS (continuation)
 OC UPIS RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No.	Description	(A) Company Adjusted TY OC UPIS As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPIS Reconstruction Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Only Accum. Depr.	(G) RUCO Adjustment (f) 2016 PTY Plant Adjustment	(H) RUCO Adjustment (g) 2017 PTY Plant Adjustment	(I) RUCO Adjustment (h) Unrecorded Retire Adjustment	(J) RUCO Total OC UPIS Adjustments	(K) RUCO OC UPIS Recommended
North West Valley Wastewater Treatment Facility 7H Plant (continuation)													
1	354400	WW Struct & Imp TDP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	354500	WW Struct & Imp Gen	7,712,865	-	-	-	-	-	-	-	-	-	-
3	355200	WW Pwr Gen Equip Coll	7,952	-	-	-	-	-	(629,521)	(120,312)	-	(749,833)	8,963,032
4	355300	WW Pwr Gen Equip SPP	63,439	-	-	-	-	-	-	-	-	-	7,952
5	355400	WW Pwr Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	63,439
6	355500	WW Pwr Gen Equip RWTP	-	-	-	-	-	-	-	-	-	-	-
7	360000	WW Collection Sewers Forced	-	-	-	-	-	-	-	-	-	-	-
8	361100	WW Collecting Mains	109,750	-	-	-	-	-	-	-	-	-	-
9	362000	WW Special Coll Struct	486,363	-	-	-	-	-	-	-	-	-	109,750
10	363000	WW Services Sewer	8,725	-	-	-	-	-	-	-	-	-	486,363
11	364000	WW Flow Measuring Device	55,923	-	-	-	-	-	-	-	-	-	8,725
12	370000	WW Raising Walls	-	-	-	-	-	-	-	-	-	-	55,923
13	371100	WW Pump Equip Elect	1,029,512	-	-	-	-	-	-	-	-	-	-
14	371200	WW Pump Equip Oth Pwr	26,257	-	-	-	-	-	-	-	-	-	1,029,512
15	380000	WW TD Equipment	3,579,047	-	-	-	-	-	-	-	-	-	26,257
16	380050	WW TD Equip Grt Removal	1,041,234	-	-	-	-	-	(1,145,323)	(203,063)	(563,523)	(1,901,909)	1,777,108
17	380100	WW TD Equip Scl Tank/Asc	5,327,840	-	-	-	-	-	-	-	-	-	1,041,234
18	380200	WW TD Equip Skid/Ch Rm	28,253	-	-	-	-	-	-	-	-	-	5,327,840
19	380250	WW TD Equip Skid Dig Trk	1,344,033	-	-	-	-	-	-	-	-	-	28,253
20	380300	WW TD Equip Skid Dry/Flt	8,862,158	-	-	-	-	-	17,023	(124,566)	-	(107,543)	1,206,400
21	380350	WW TD Equip Scl Trmt Flt	-	-	-	-	-	-	-	-	-	-	8,862,158
22	380400	WW TD Equip Aux E R Trmt	2,610,834	-	-	-	-	-	-	-	-	-	-
23	380500	WW TD Equip Chem Trmt Pts	208,781	-	-	-	-	-	48,140	(197,012)	-	(148,872)	2,481,763
24	380600	WW TD Equip Oth Dep	1,033,384	-	-	-	-	-	-	-	-	-	208,781
25	380625	WW TD Equip Gas Trmt	780,426	-	-	-	-	-	-	-	-	-	1,033,384
26	380650	WW TD Equip Influent Ltr S	64,980	-	-	-	-	-	-	-	-	-	780,426
27	381000	WW Plant Sewers	111,410	-	-	-	-	-	-	-	-	-	64,980
28	382000	WW Outfall Sewer Lines	4,259	-	(0)	-	-	-	-	-	-	-	111,410
29	385100	WW Oth Pts & Misc Equip Int	89,296	-	-	-	-	-	-	-	-	(0)	4,259
30	385900	WW Other P/E - CPS - TE	-	-	-	-	-	-	-	-	-	-	89,296
31	390000	WW Office Furniture & Equip	198,065	-	-	-	-	-	-	-	-	-	-
32	390200	WW Computers & Peripheral	23,044	-	-	-	-	-	-	-	-	-	198,065
33	390300	WW Computer Software	69,027	-	-	-	-	-	-	-	-	-	23,044
34	391000	WW Trains Equipment	247,842	-	-	-	-	-	-	-	-	-	69,027
35	392000	WW Storage Equipment	11,972	-	-	-	-	-	-	-	-	-	247,842
36	393000	WW Tool Shop & Garage Equip	153,232	-	-	-	-	-	-	-	-	-	11,972
37	394000	WW Laboratory Equipment	156,655	-	-	-	-	-	(20,000)	(3,475)	-	(23,475)	139,757
38	395000	WW Power Operated Equip	136,487	-	-	-	-	-	-	-	-	-	156,655
39	399000	WW Communication Equip	435,125	-	-	-	-	-	-	-	-	-	136,487
40	397000	WW Misc Equipment	74,988	-	-	-	-	-	(65,000)	(11,263)	-	(76,263)	356,832
41	398000	WW Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	74,988
42		Rounding	-	-	-	-	-	-	-	-	-	-	-
43		Total North West Valley Treatment Facility 7H Plant	\$ 41,077,918	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (1,794,981)	\$ (659,750)	\$ (563,523)	\$ (3,007,954)	\$ 38,099,962
44		Anthem Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
45		Anthem Wastewater NWWTF 7H Plant Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BU Plant:													
46	340200	Computer & Peripheral Equipment	1,639,629	-	-	-	-	-	(592,463)	-	-	(592,463)	1,047,166
47	340300	Computer Software	1,846,105	-	-	-	-	-	(98,750)	-	-	(98,750)	1,747,356
48		Rounding	-	-	-	-	-	-	-	-	-	-	-
49		Total BU Allocated Corporate Plant	\$ 3,485,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (691,213)	\$ -	\$ -	\$ (691,213)	\$ 2,794,521
50		Anthem Wastewater BU % Allocation	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%
51		Anthem Wastewater BU Plant Allocation	\$ 151,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (38,812)	\$ -	\$ -	\$ (38,812)	\$ 112,536
TOTAL PLANT:													
52	7L	Direct	\$ 54,172,528	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ (2,186,104)	\$ (1,425,000)	\$ (65,279)	\$ (3,676,383)	\$ 50,496,145
53	7A	Corporate Plant Allocated	335,165	(21,389)	-	-	-	-	14,429	(36,131)	(1,523)	(44,613)	290,552
54	7H	NWW Plant Allocated	-	-	-	-	-	-	-	-	-	-	-
55	BU	BU Plant Allocated	151,348	-	-	-	-	-	(30,812)	-	-	(30,812)	121,336
56		OC UPIS Not Accounted For - Vector Trucks - Corp.	(21,389)	21,389	-	-	-	-	-	-	-	21,389	-
57		Total Utility Plant in Service (UPIS)	\$ 54,637,653	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ (2,201,685)	\$ (1,461,131)	\$ (66,802)	\$ (3,729,619)	\$ 50,906,033

RUCO Adjustments:

- Adjustment No. (a): Fully Allocate Utility Plant in Service (UPIS) Vector Truck Balances from AZ Corporate 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2.
- Adjustment No. (b): Reconstruct All UPIS Account Balances as Filed by Company - See RUCO Schedules UPIS Schedules TJC-4(b) on Pages 1, 3, 5, and 7.
- Adjustment No. (c): Intentionally Left Blank.
- Adjustment No. (d): Intentionally Left Blank.
- Adjustment No. (e): Remove Over-Depreciated UPIS Accounts' Estates Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-8 on page 2 of 2.
- Adjustment No. (f): Remove 2016 PTY Plant Adjustments Exceeding 6-Months Test Year End December 31, 2015.
- Adjustment No. (g): Remove AZ 2017 PTY Plant Adjustments.
- Adjustment No. (h): Company Response to RUCO DR 8.01 to Record Unrecorded 2016 PTY Plant Additions.

References:

- Column [A]: Company Schedule B-2 Adjusted Test Year as Filed
 - Column [B] Through [I]: RUCO Recommended UPIS Adjustments
 - Column [J]: Sum of Columns [B] Through [I] - RUCO Sum of Total Recommended UPIS Adjustments
 - Column [K]: Column [A] + [J]
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Matier

SUMMARY OF ORIGINAL COST (OC) ACCUMULATED DEPRECIATION (AD) ADJUSTMENTS
 OC UPS AD RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No.	Description	(A) Company Adjusted TY OC AD As Filed	(B) RUCO Adjustment (a) Vactor Trucks Adjustment	(C) RUCO Adjustment (b) UPS AD Reason Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over Depreciated Adjustments	(G) RUCO Adjustment (f) 2016 PTY AD Adjustment	(H) RUCO Adjustment (g) 2017 PTY AD Adjustment	(I) RUCO Adjustment (h) Retirement AD Adjustment	(J) RUCO Total OC AD	(K) RUCO OC AD Recommended
Direct 7A Plant Accumulated Depreciation (AD):													
1	304100	Struct & Imp SS											
2	340200	Comp & Peripheral Equip											
3	341200	Trans Equip Hwy Duty Trks											
4	341400	Trans Equip Other											
5	343000	Tools, Shop and Garage											
6	351000	WW Organization											
7	352000	WW Franchise											
8	353200	WW Land & Ld Rights Coll											
9	353500	WW Land & Ld Rights Gen											
10	354200	WW Struct & Imp Coll	242,255		(0)								
11	354300	WW Struct & Imp SPP	(2,896)									(0)	242,255
12	354400	WW Struct & Imp TDP	121,025		(0)								(2,896)
13	354500	WW Struct & Imp Gen	878,836		(0)			(1,987)	(1,034)			(2,700)	118,325
14	355200	WW Pwr Gen Equip Coll			(0)			(823)	(875)			(1,299)	877,539
15	355300	WW Pwr Gen Equip SPP											
16	355400	WW Pwr Gen Equip TDP			(0)								
17	355500	WW Pwr Gen Equip RWTP	908										
18	360000	WW Collection Sewers Forced										(0)	908
19	361100	WW Collecting Manis	112,561										
20	362000	WW Special Coll Struct	3,995,543										
21	363000	WW Services Sewer	38,928										
22	364000	WW Flow Measuring Device	484,131		0			(943)	(744)	(8,025)		(9,712)	112,561
23	370000	WW Raising Walls	254,914		(0)								38,928
24	371100	WW Pump Equip Elect	297,401					(154)	(95)			(249)	483,882
25	371200	WW Pump Equip Oth Pwr	695,995									(0)	254,914
26	380000	WW TD Equipment	(822)		(0)						(19,113)	(19,113)	278,348
27	380500	WW TD Equip Cnt Removal	830,025									(0)	696,095
28	380100	WW TD Equip Snd Tanks/Acc	2,855,500					(40,470)	(25,575)	(24,555)		(90,600)	739,425
29	380200	WW TD Equip Sldge/Rt Rsv	1,456,509		0			(5,833)	(3,818)			(9,451)	2,986,056
30	380250	WW TD Equip Sldge Dry Trk	(2,142)										1,456,509
31	380300	WW TD Equip Sldge Dry/Fit	1,077,527										(2,142)
32	380350	WW TD Equip Sac Trmt/Fit	6,291,249		0								1,077,527
33	380400	WW TD Equip Aux E/R Trmt	188									0	6,291,249
34	380500	WW TD Equip Chem Trmt Pnt			0								188
35	380600	WW TD Equip Oth Disp	629,198									0	629,198
36	380625	WW TD Equip Chem Trmt	697,823										697,823
37	380650	WW TD Equip Influent Ltr S	23,254										697,823
38	381000	WW Plant Sewers	(8,909)										23,254
39	382000	WW Outfall Sewer Lines	5,977										(8,909)
40	389100	WW Oth Pnt & Misc Equip Int	268,524		(0)								5,977
41	389900	WW Other P/E - CPS - PE	542,815					(7,083)	(4,303)			(11,477)	257,447
42	390000	WW Office Furniture & Equip											542,815
43	390200	WW Computers & Peripheral	24,213		0								0
44	390300	WW Computer Software											24,213
45	391000	WW Trans Equipment	5,973										
46	392000	WW Stone Equipment	21,584					(2,487)				(2,487)	3,506
47	393000	WW Tool Shop & Garage Equip	9,558										21,584
48	394000	WW Laboratory Equipment	11,717										9,558
49	395000	WW Power Operated Equip	18,469						(1,965)	(1,237)		(3,232)	8,445
50	396000	WW Communication Equip	539,389								(14,850)	(14,850)	3,819
51	397000	WW Misc Equipment	752,380		0								539,389
52	398000	WW Other Tangible Plant	412		(0)			(94,475)	(4,000)	(2,481)		(100,956)	651,424
53		Rounding	0		0							(0)	412
54		Total Direct 7A AD	\$ 22,463,288	\$ -	\$ 0	\$ -	\$ -	\$ (95,941)	\$ (62,799)	\$ (29,853)	\$ (66,543)	\$ (266,106)	\$ 22,197,181
Allocated 7A Corporate Plant AD:													
55	304500	Structure & Improvements General											
56	304820	Structure & Improvements Leasehold	30,554						(2,864)	(4,802)	(29,877)	(37,503)	(7,009)
57	334100	Meters	536										536
58	339600	Other P/E-CPS	72,241										72,241
59	340100	Office Furniture & Equipment	569,006										569,006
60	340200	Computer & Peripheral Equipment	624,832										624,832
61	340300	Computer Software	186,039										186,039
62	340330	Computer Software Other	1,019										1,019
63	344000	Laboratory Equipment	3,090		(0)			1,578	(1,899)			(20)	186,019
64	348100	Communication Equipment Non-Telephone	218,139									(0)	218,139
65	349190	Remote Control & Instrument	20,439		(0)								20,439
66	349200	Communication Equipment Telephone	27,818					(30,056)				(30,056)	186,080
67	349300	Communication Equipment Other	8,821										20,439
68	347000	Miscellaneous Equipment	132,512										8,821
69		Salvage Proceeds	75,946		(61,503)			15,420	(9,338)			(55,421)	77,062
70		Total Allocated 7A Corporate AD	\$ 1,873,803	\$ (61,503)	\$ (0)	\$ -	\$ -	\$ (30,056)	\$ 14,218	\$ (19,830)	\$ (29,877)	\$ (123,093)	\$ 1,850,540
71		Anthem Wastewater 7A % Allocation	\$ 1,850,540	\$ 5.1915%	\$ 5.1915%	\$ 5.1915%	\$ 5.1915%	\$ 5.1915%	\$ 5.1915%	\$ 5.1915%	\$ 5.1915%	\$ 5.1915%	\$ 5.1915%
72		Anthem Wastewater 7A Allocation AD	\$ 101,868	\$ (3,174)	\$ (0)	\$ -	\$ -	\$ (1,552)	\$ 734	\$ (818)	\$ (1,542)	\$ (6,352)	\$ 95,516
North West Valley Wastewater 7A Plant AD:													
73	304100	Struct & Imp SS (Corporate)	0										
74	304200	Struct & Imp P (Corporate)	32		(0)							(0)	32
75	307000	Walls & Springs (Corporate)											
76	311200	Pump Equip Electric (Corporate)	2,366										2,366
77	342000	Comp & Peripheral Equip (Corporate)											
78	340500	Other Office Equipment (Corporate)	0										
79	304800	Struct & Imp Oflow (Corporate)	340		(0)							(0)	340
80	304800	Struct & Imp Misc (Corporate)	12										12
81	341200	Trans Equip Hwy Duty Trks			(0)							(0)	
82	341400	Trans Equip Other											
83	343000	Tools, Shop and Garage											
84	344000	Laboratory Equipment	(0)										
85	348100	Comm Equip Non-Telephone	3,045		0			(0)					3,045
86	351000	WW Organization			0								
87	352000	WW Franchise											
88	353200	WW Land & Ld Rights Coll											
89	353500	WW Land & Ld Rights Gen	(89,506)										(89,506)
90	354200	WW Struct & Imp Coll	3,248,049										3,248,049
91	354300	WW Struct & Imp SPP	51,951		0								51,951

Continued on Next Page

SUMMARY OF ORIGINAL COST (OC) ACCUMULATED DEPRECIATION (AD) ADJUSTMENTS
 OC UPIS AD RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No. Description	(A) Company Adjusted TY OC AD As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPIS AD Recon Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Adjustments	(G) RUCO Adjustment (f) 2015 PTY AD Adjustment	(H) RUCO Adjustment (g) 2017 PTY AD Adjustment	(I) RUCO Adjustment (h) Retirement AD Adjustment	(J) RUCO Total OC AD	(K) RUCO OC AD Recommendation
North West Valley Wastewater 7H Plant AD (continuation):												
1	354400 WW Struct & Imp TDP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	354500 WW Struct & Imp Gen	1,309,112	-	-	-	-	-	-	-	-	1,309,112	1,309,112
3	355200 WW Pwr Gen Equip Coll	1,921	-	-	-	-	-	-	-	-	1,921	1,921
4	355300 WW Pwr Gen Equip SPP	11,007	-	-	-	-	-	-	-	-	11,007	11,007
5	355400 WW Pwr Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	-
6	355500 WW Pwr Gen Equip RWTP	-	-	-	-	-	-	-	-	-	-	-
7	360000 WW Collection Sewers Forced	-	-	-	-	-	-	-	-	-	-	-
8	361100 WW Collecting Man	-	-	-	-	-	-	-	-	-	-	-
9	362000 WW Special Coll Struct	36,956	-	-	-	-	-	-	-	-	36,956	36,956
10	363000 WW Services Sewer	596,271	-	(0)	-	-	(199,908)	-	-	-	396,363	396,363
11	364000 WW Flow Measuring Device	49,300	-	0	-	-	-	-	-	(199,908)	49,300	49,300
12	370000 WW Raising Walls	-	-	-	-	-	-	-	-	0	-	-
13	371100 WW Pump Equip Elect	208,403	-	-	-	-	-	-	-	-	208,403	208,403
14	371200 WW Pump Equip Oth Pwr	8,798	-	-	-	-	-	-	-	-	8,798	8,798
15	380000 WW TD Equipment	1,241,970	-	(0)	-	-	-	-	-	-	1,241,970	1,241,970
16	380050 WW TD Equip Grt Removal	1,252,728	-	-	-	-	-	(38,375)	(8,770)	(567,361)	646,982	646,982
17	380100 WW TD Equip Sed Tank/Acc	5,440,908	-	0	-	-	(161,494)	-	-	-	5,279,414	5,279,414
18	380200 WW TD Equip Sludge/EtR Rm	2,044	-	-	-	-	(112,858)	-	-	-	1,931	1,931
19	380250 WW TD Equip Sludge Dng Trk	321,553	-	-	-	-	-	-	-	-	321,553	321,553
20	380300 WW TD Equip Sludge Dry/Fit	7,275,069	-	-	-	-	-	(5,549)	(4,152)	-	1,720,470	1,720,470
21	380350 WW TD Equip Sec Trmt Fil	1,951	-	-	-	-	-	-	-	-	1,951	1,951
22	380400 WW TD Equip Aux EtR Trmt	1,384,869	-	-	-	-	(1,961)	-	-	-	1,382,908	1,382,908
23	380500 WW TD Equip Chem Trmt Pit	28,338	-	(0)	-	-	(90,877)	(8,246)	(8,567)	-	28,338	28,338
24	380600 WW TD Equip Oth Dng	1,200,951	-	(0)	-	-	-	-	-	(75,860)	1,125,091	1,125,091
25	380625 WW TD Equip Gen Trmt	654,968	-	-	-	-	(197,597)	-	-	-	457,371	457,371
26	380650 WW TD Equip Influent Lift S	71,829	-	-	-	-	-	-	-	-	71,829	71,829
27	381000 WW Plant Sewers	32,998	-	-	-	-	(8,848)	-	-	-	24,150	24,150
28	382000 WW Outfall Sewer Lines	112,001	-	-	-	-	-	-	-	-	112,001	112,001
29	389100 WW Oth Pit & Mac Equip Int	12,550	-	(0)	-	-	(107,743)	-	-	-	12,550	12,550
30	389600 WW Other P/E - CPS - FE	0	-	-	-	-	-	-	-	-	0	0
31	390000 WW Office Furniture & Equip	96,573	-	0	-	-	(0)	-	-	-	96,573	96,573
32	390200 WW Computer & Peripheral	43,528	-	-	-	-	(20,484)	-	-	-	23,044	23,044
33	390300 WW Computer Software	145,825	-	-	-	-	(78,598)	-	-	-	67,227	67,227
34	391000 WW Trans Equipment	838,499	-	0	-	-	(581,827)	-	-	-	256,672	256,672
35	392000 WW Storage Equipment	5,715	-	(0)	-	-	-	-	-	-	5,715	5,715
36	393000 WW Tool Shop & Garage Equip	82,310	-	-	-	-	-	-	-	(0)	82,310	82,310
37	394000 WW Laboratory Equipment	79,869	-	-	-	-	-	(500)	(87)	-	79,269	79,269
38	395000 WW Power Operated Equip	23,182	-	-	-	-	-	-	-	-	23,182	23,182
39	396000 WW Communication Equip	388,400	-	-	-	-	-	-	-	-	388,400	388,400
40	397000 WW Mac Equipment	70,014	-	0	-	-	(25,783)	(3,250)	(565)	-	40,476	40,476
41	398000 WW Other Tangible Plant	-	-	0	-	-	(1,929)	-	-	-	(1,929)	(1,929)
42	Rounding	-	-	-	-	-	-	-	-	-	-	-
43	Total North West Valley Treatment Facility 7H AD	\$ 29,363,131	\$ -	\$ 0	\$ -	\$ -	\$ (1,535,853)	\$ (98,937)	\$ (20,148)	\$ (567,361)	\$ 27,161,973	\$ 27,161,973
44	Anthem Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
45	Anthem Wastewater NWVTF 7H Allocation AD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BU Plant AD:												
46	340200 Computer & Peripheral Equipment	\$ 343,190	\$ -	(0)	\$ -	\$ -	\$ -	\$ (29,823)	\$ -	\$ -	\$ (29,823)	\$ 313,367
47	340300 Computer Software	800,877	-	7,978	-	-	-	7,187	-	-	808,055	808,055
48	Rounding	-	-	-	-	-	-	-	-	-	-	-
49	Total BU Allocated Corporate AD	\$ 1,204,067	\$ -	\$ 7,978	\$ -	\$ -	\$ -	\$ (22,437)	\$ -	\$ -	\$ 1,189,608	\$ 1,189,608
50	Anthem Wastewater BU % Allocation	0.0000%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%
51	Anthem Wastewater BU Allocation AD	\$ 52,280	\$ -	\$ 346	\$ -	\$ -	\$ -	\$ (974)	\$ -	\$ -	\$ 51,652	\$ 51,652
TOTAL PLANT AD:												
52	7L Direct	\$ 22,493,266	\$ -	\$ 0	\$ -	\$ -	\$ (96,941)	\$ (62,799)	\$ (39,853)	\$ (66,543)	\$ 21,957,181	\$ 21,957,181
53	7A Corporate Plant Allocated	101,868	(3,174)	(0)	-	-	(1,552)	734	(818)	(1,542)	98,332	98,332
54	7H NWVTF Plant Allocated	-	-	-	-	-	-	-	-	-	-	-
55	BU BU Plant Allocated	52,280	-	346	-	-	-	(974)	-	-	51,652	51,652
56	OC AD Not Accounted For - Vector Trucks - Corp.	(2,174)	3,174	-	-	-	-	-	-	-	1,000	1,000
57	Total Utility Plant in Service AD	\$ 22,614,281	\$ -	\$ 346	\$ -	\$ -	\$ (98,493)	\$ (63,019)	\$ (40,679)	\$ (68,085)	\$ 22,344,349	\$ 22,344,349

RUCO Adjustments:

- Adjustment No. (a): Fully Allocate Utility Plant in Service (UPIS) Vector Truck Balances from AZ Corporate 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2.
- Adjustment No. (b): Reconstruct All UPIS Account Balances as Filed by Conserv - See RUCO Schedule UPIS Schedule TJC-4(b) on Pages 1, 3, 5, and 7.
- Adjustment No. (c): Intentionally Left Blank.
- Adjustment No. (d): Intentionally Left Blank.
- Adjustment No. (e): Remove Over-Depreciated UPIS Accounts' Excess Accumulated Depreciation Balances - This Adjustment Affects Only Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-8 on page 2 of 2.
- Adjustment No. (f): Remove 2015 PTY Plant Adjustments Exceeding 6-Months Test Year End December 31, 2015.
- Adjustment No. (g): Remove All 2017 PTY Plant Adjustments.
- Adjustment No. (h): Company Response to RUCO DR 8.01 to Record Unrecorded 2015 PTY Plant Additions.

References:

- Column [A]: Company Schedule B-2 Adjusted Test Year as Filed
 - Column [B] Through [E]: RUCO Recommended UPIS Adjustments
 - Column [J]: Sum of Columns [B] Through [I] - RUCO Sum of Total Recommended UPIS Adjustments
 - Column [K]: Column [A] + [J]
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2018 Meeting with EPCCOR and Sarah Mahler

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS UPIS ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 5.1615%	[E] RUCO Allocated Adjustment
Allocated AZ Corp Plant:							
1	304500	Structures & Improvements General	\$ 847,052	\$ -	\$ 202,663	5.1615%	\$ -
2	304620	Structures & Improvements Leasehold	18,317	-	18,317	5.1615%	-
3	334100	Meters	11,777	-	11,777	5.1615%	-
4	339600	Other P/E-CPS	364,887	-	364,887	5.1615%	-
5	340100	Office Furniture & Equipment	1,267,925	-	1,267,925	5.1615%	-
6	340200	Computer & Peripheral Equipment	1,404,587	-	1,404,587	5.1615%	-
7	340300	Computer Software	222,827	-	222,626	5.1615%	-
8	340330	Computer Software Other	6,370	-	6,370	5.1615%	-
9	344000	Laboratory Equipment	17,277	-	17,277	5.1615%	-
10	346100	Communication Equipment Non-Telephone	186,080	-	186,080	5.1615%	-
11	346190	Remote Control & Instrument	122,024	-	122,024	5.1615%	-
12	346200	Communication Equipment Telephone	68,942	-	68,942	5.1615%	-
13	346300	Communication Equipment Other	154,411	-	154,411	5.1615%	-
14	347000	Miscellaneous Equipment	1,801,081	(414,386)	1,581,329	5.1615%	(21,389)
15		Rounding	-	-	-	5.1615%	-
16		Total AZ Corporate Plant Allocated	<u>\$6,493,556</u>	<u>\$ (414,386)</u>	<u>\$ 5,629,214</u>		<u>(21,389)</u>
17		RUCO Total Adjustment					\$ (21,389)

References:

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 5.1615%	[E] RUCO Allocated Adjustment
Allocated AZ Corp A/D:							
1	304500	Structures & Improvements General	\$ 30,554	\$ -	\$ (7,009)	5.1615%	\$ -
2	304620	Structures & Improvements Leasehold	536	-	536	5.1615%	-
3	334100	Meters	4,641	-	4,641	5.1615%	-
4	339600	Other P/E-CPS	72,241	-	72,241	5.1615%	-
5	340100	Office Furniture & Equipment	569,006	-	569,006	5.1615%	-
6	340200	Computer & Peripheral Equipment	624,832	-	624,832	5.1615%	-
7	340300	Computer Software	186,039	-	186,019	5.1615%	-
8	340330	Computer Software Other	1,019	-	1,019	5.1615%	-
9	344000	Laboratory Equipment	3,060	-	3,060	5.1615%	-
10	346100	Communication Equipment Non-Telephone	216,139	-	186,080	5.1615%	-
11	346190	Remote Control & Instrument	20,439	-	20,439	5.1615%	-
12	346200	Communication Equipment Telephone	27,818	-	27,818	5.1615%	-
13	346300	Communication Equipment Other	8,821	-	8,821	5.1615%	-
14	347000	Miscellaneous Equipment	132,512	(61,503)	77,092	5.1615%	(3,174)
15		Salvage Proceeds	75,946	-	75,946	5.1615%	-
16		Total AZ Corporate A/D Allocated	<u>\$1,973,603</u>	<u>\$ (61,503)</u>	<u>\$ 1,850,540</u>		<u>(3,174)</u>
17		RUCO Total Adjustment					<u>\$ (3,174)</u>

References:

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ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b)
DIRECT ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company Original Cost TY End UPIS As Filed	[B] RUCO UPIS Reconstruction Adjustments	[C] RUCO Reconstructed UPIS Balances
Direct 7L Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	276,772	-	276,772
8	353200	WW Land & Ld Rights Coll	336,560	-	336,560
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	1,424,010	-	1,424,010
11	354300	WW Struct & Imp SPP	7,585	-	7,585
12	354400	WW Struct & Imp TDP	1,256,286	-	1,256,286
13	354500	WW Struct & Imp Gen	2,900,082	-	2,900,082
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	11,068	-	11,068
16	355400	WW Pwr Gen Equip TDP	4,497	-	4,497
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	194,750	-	194,750
19	361100	WW Collecting Mains	14,644,820	-	14,644,820
20	362000	WW Special Coll Struct	363,524	-	363,524
21	363000	WW Services Sewer	1,684,452	-	1,684,452
22	364000	WW Flow Measuring Devices	373,807	-	373,807
23	370000	WW Receiving Wells	1,068,343	-	1,068,343
24	371100	WW Pump Equip Elect	1,530,396	-	1,530,396
25	371200	WW Pump Equip Oth Pwr	12,723	-	12,723
26	380000	WW TD Equipment	2,020,843	-	2,020,843
27	380050	WW TD Equip Grit Removal	4,499,271	-	4,499,271
28	380100	WW TD Equip Sed Tanks/Acc	2,045,291	-	2,045,291
29	380200	WW TD Equip Sludge/Effl Rmv	4,609	-	4,609
30	380250	WW TD Equip Sludge Dig Trnk	1,662,849	-	1,662,849
31	380300	WW TD Equip Sludge Dry/Filt	8,626,904	-	8,626,904
32	380350	WW TD Equip Sec Trmt Filt	38,008	-	38,008
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	982,280	-	982,280
35	380600	WW TD Equip Oth Disp	865,604	-	865,604
36	380625	WW TD Equip Gen Trmt	128,958	-	128,958
37	380650	WW TD Equip Influent Lift S	18,998	-	18,998
38	381000	WW Plant Sewers	42,199	-	42,199
39	382000	WW Outfall Sewer Lines	555,499	-	555,499
40	389100	WW Oth Plt & Misc Equip Int	952,191	-	952,191
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	41,491	-	41,491
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	3,506	-	3,506
45	391000	WW Trans Equipment	58,815	-	58,815
46	392000	WW Stores Equipment	51,485	-	51,485
47	393000	WW Tool Shop & Garage Equip	27,764	-	27,764
48	394000	WW Laboratory Equipment	53,991	-	53,991
49	395000	WW Power Operated Equip	871,605	-	871,605
50	396000	WW Communication Equip	651,424	-	651,424
51	397000	WW Misc Equipment	14,110	-	14,110
52	398000	WW Other Tangible Plant	(0)	0	0
53		Rounding	-	-	-
54		Total Direct 7L Plant	\$ 50,307,374	\$ 0	\$ 50,307,374
55		RUCO Adjustment		\$ 0	

References:

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b)
DIRECT ORIGINAL COST PLANT ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company Original Cost TY End A/D As Filed	[B] RUCO Accum. Depre. Adjustments	[C] RUCO Reconstructed Accum. Depre. Balances
Direct 7L Plant Accumulated Depreciation:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	242,255	(0)	242,255
11	354300	WW Struct & Imp SPP	(2,898)	-	(2,898)
12	354400	WW Struct & Imp TDP	118,325	(0)	118,325
13	354500	WW Struct & Imp Gen	677,074	(0)	677,074
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	908	(0)	908
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	112,561	-	112,561
19	361100	WW Collecting Mains	3,664,599	-	3,664,599
20	362000	WW Special Coll Struct	38,928	0	38,928
21	363000	WW Services Sewer	483,882	0	483,882
22	364000	WW Flow Measuring Devices	254,914	(0)	254,914
23	370000	WW Receiving Wells	297,461	-	297,461
24	371100	WW Pump Equip Elect	686,995	-	686,995
25	371200	WW Pump Equip Oth Pwr	(822)	(0)	(822)
26	380000	WW TD Equipment	763,217	-	763,217
27	380050	WW TD Equip Grit Removal	2,686,058	-	2,686,058
28	380100	WW TD Equip Sed Tanks/Acc	1,456,509	0	1,456,509
29	380200	WW TD Equip Sldge/Effl Rmv	(2,142)	-	(2,142)
30	380250	WW TD Equip Sldge Dig Tnk	1,077,527	-	1,077,527
31	380300	WW TD Equip Sldge Dry/Filt	6,291,246	0	6,291,246
32	380350	WW TD Equip Sec Trmt Filt	188	-	188
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	629,198	0	629,198
35	380600	WW TD Equip Oth Disp	697,623	-	697,623
36	380625	WW TD Equip Gen Trmt	23,254	-	23,254
37	380650	WW TD Equip Influent Lift S	(8,909)	-	(8,909)
38	381000	WW Plant Sewers	5,977	-	5,977
39	382000	WW Outfall Sewer Lines	257,447	(0)	257,447
40	389100	WW Oth Plt & Misc Equip Int	542,815	-	542,815
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	24,213	0	24,213
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	5,973	-	5,973
45	391000	WW Trans Equipment	4,103	-	4,103
46	392000	WW Stores Equipment	9,558	-	9,558
47	393000	WW Tool Shop & Garage Equip	8,485	-	8,485
48	394000	WW Laboratory Equipment	18,469	-	18,469
49	395000	WW Power Operated Equip	530,389	-	530,389
50	396000	WW Communication Equip	745,899	0	745,899
51	397000	WW Misc Equipment	412	(0)	412
52	398000	WW Other Tangible Plant	0	0	0
53		Rounding	-	-	-
54		Total Direct 7L A/D	\$ 22,341,690	\$ 0	\$ 22,341,690
55		RUCO Adjustment		\$ 0	

References:
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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
ARIZONA CORPORATE ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Anthem Allocator 5.1615%	[E] RUCO Allocated Adjustment
Allocated AZ Corp Plant:							
1	304500	Structures & Improvements General	\$ 192,857	\$ -	\$ 192,857	5.1615%	\$ -
2	304620	Structures & Improvements Leasehold	18,317	-	18,317	5.1615%	-
3	334100	Meters	11,777	-	11,777	5.1615%	-
4	339600	Other P/E-CPS	364,887	-	364,887	5.1615%	-
5	340100	Office Furniture & Equipment	1,267,925	-	1,267,925	5.1615%	-
6	340200	Computer & Peripheral Equipment	1,404,587	-	1,404,587	5.1615%	-
7	340300	Computer Software	193,904	-	193,904	5.1615%	-
8	340330	Computer Software Other	6,370	-	6,370	5.1615%	-
9	344000	Laboratory Equipment	17,277	-	17,277	5.1615%	-
10	346100	Communication Equipment Non-Telephone	186,080	-	186,080	5.1615%	-
11	346190	Remote Control & Instrument	122,024	-	122,024	5.1615%	-
12	346200	Communication Equipment Telephone	68,942	-	68,942	5.1615%	-
13	346300	Communication Equipment Other	154,411	-	154,411	5.1615%	-
14	347000	Miscellaneous Equipment	1,292,262	-	1,292,262	5.1615%	-
15		Rounding	-	-	-	5.1615%	-
16		Total AZ Corporate Plant Allocated	<u>\$5,301,619</u>	<u>\$ -</u>	<u>\$ 5,301,619</u>		<u>-</u>
17		RUCO Total Adjustment					<u>\$ -</u>

References:
Schedule TJC-4 on page 1 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
ARIZONA CORPORATE ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Anthem Allocator 5.1615%	[E] RUCO Allocated Adjustment
Allocated AZ Corp A/D:							
1	304500	Structures & Improvements General	\$ 22,377	\$ -	\$ 22,377	5.1615%	\$ -
2	304620	Structures & Improvements Leasehold	536	-	536	5.1615%	-
3	334100	Meters	4,641	-	4,641	5.1615%	-
4	339600	Other P/E-CPS	72,241	-	72,241	5.1615%	-
5	340100	Office Furniture & Equipment	569,006	-	569,006	5.1615%	-
6	340200	Computer & Peripheral Equipment	624,832	-	624,832	5.1615%	-
7	340300	Computer Software	183,147	-	183,147	5.1615%	-
8	340330	Computer Software Other	1,019	(0)	1,019	5.1615%	(0)
9	344000	Laboratory Equipment	3,060	-	3,060	5.1615%	-
10	346100	Communication Equipment Non-Telephone	216,139	(0)	216,139	5.1615%	(0)
11	346190	Remote Control & Instrument	20,439	-	20,439	5.1615%	-
12	346200	Communication Equipment Telephone	27,818	-	27,818	5.1615%	-
13	346300	Communication Equipment Other	8,821	-	8,821	5.1615%	-
14	347000	Miscellaneous Equipment	116,612	-	116,612	5.1615%	-
15		Salvage Proceeds	75,946	-	75,946	5.1615%	-
16		Total AZ Corporate A/D Allocated	<u>\$1,946,633</u>	<u>\$ (0)</u>	<u>\$ 1,946,633</u>		<u>(0)</u>
17		RUCO Total Adjustment					<u>\$ (0)</u>

References:

Schedule TJC-4 on page 2 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 NORTHWEST VALLEY TREATMENT FACILITY ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Anthem Allocator 0.0000%	[E] RUCO Allocated Adjustment
Allocated NWTFF Plant:							
1	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -	0.0000%	\$ -
2	304200	Struct & Imp P (Corporate)	-	-	-	0.0000%	-
3	307000	Wells & Springs (Corporate)	2,582	-	2,582	0.0000%	-
4	311200	Pump Equip Electric (Corporate)	-	-	-	0.0000%	-
5	340200	Comp & Peripheral Equip (Corporate)	24,525	-	24,525	0.0000%	-
6	340500	Other Office Equipment (Corporate)	-	-	-	0.0000%	-
7	304600	Struct & Imp Offices (Corporate)	-	-	-	0.0000%	-
8	304800	Struct & Imp Misc (Corporate)	9,052	-	9,052	0.0000%	-
9	341200	Trans Equip Hvy Duty Trks	8,610	-	8,610	0.0000%	-
10	341400	Trans Equip Other	-	-	-	0.0000%	-
11	343000	Tools, Shop and Garage	-	-	-	0.0000%	-
12	344000	Laboratory Equipment	-	-	-	0.0000%	-
13	346100	Comm Equip Non-Telephone	-	-	-	0.0000%	-
14	351000	WW Organization	19,711	-	19,711	0.0000%	-
15	352000	WW Franchises	-	-	-	0.0000%	-
16	353200	WW Land & Ld Rights Coll	1,304	-	1,304	0.0000%	-
17	353500	WW Land & Ld Rights Gen	450,976	-	450,976	0.0000%	-
18	354200	WW Struct & Imp Coll	20,747	-	20,747	0.0000%	-
19	354300	WW Struct & Imp SPP	3,574,657	-	3,574,657	0.0000%	-
20	354400	WW Struct & Imp TDP	997,595	-	997,595	0.0000%	-
21	354500	WW Struct & Imp Gen	-	-	-	0.0000%	-
22	355200	WW Pwr Gen Equip Coll	6,900,037	-	6,900,037	0.0000%	-
23	355300	WW Pwr Gen Equip SPP	7,952	-	7,952	0.0000%	-
24	355400	WW Pwr Gen Equip TDP	63,439	-	63,439	0.0000%	-
25	355500	WW Pwr Gen Equip RWTP	-	-	-	0.0000%	-
26	360000	WW Collection Sewers Forced	-	-	-	0.0000%	-
27	361100	WW Collecting Mains	109,750	-	109,750	0.0000%	-
28	362000	WW Special Coll Struct	486,363	-	486,363	0.0000%	-
29	363000	WW Services Sewer	8,725	-	8,725	0.0000%	-
30	364000	WW Flow Measuring Devices	55,923	-	55,923	0.0000%	-
31	370000	WW Receiving Wells	-	-	-	0.0000%	-
32	371100	WW Pump Equip Elect	-	-	-	0.0000%	-
33	371200	WW Pump Equip Oth Pwr	1,026,512	-	1,026,512	0.0000%	-
34	380000	WW TD Equipment	26,257	-	26,257	0.0000%	-
35	380050	WW TD Equip Grit Removal	2,306,955	-	2,306,955	0.0000%	-
36	380100	WW TD Equip Sad Tanks/Acc	1,041,234	-	1,041,234	0.0000%	-
37	380200	WW TD Equip Sldge/Effl Rmv	5,327,840	-	5,327,840	0.0000%	-
38	380250	WW TD Equip Sldge Dig Tnk	28,253	-	28,253	0.0000%	-
39	380300	WW TD Equip Sldge Dry/Filt	502,467	-	502,467	0.0000%	-
40	380350	WW TD Equip Sec Trmt Filt	8,662,158	-	8,662,158	0.0000%	-
41	380400	WW TD Equip Aux Effl Trmt	-	-	-	0.0000%	-
42	380500	WW TD Equip Chem Trmt Pit	1,279,622	-	1,279,622	0.0000%	-
43	380600	WW TD Equip Oth Disp	208,781	-	208,781	0.0000%	-
44	380625	WW TD Equip Gen Trmt	1,033,384	-	1,033,384	0.0000%	-
45	380650	WW TD Equip Influent Lift S	780,426	-	780,426	0.0000%	-
46	381000	WW Plant Sewers	64,980	-	64,980	0.0000%	-
47	382000	WW Outfall Sewer Lines	111,410	-	111,410	0.0000%	-
48	389100	WW Oth Pit & Misc Equip Int	4,259	(0)	4,259	0.0000%	-
49	389600	WW Other P/E - CPS - 7E	89,296	-	89,296	0.0000%	-
50	390000	WW Office Furniture & Equip	-	-	-	0.0000%	-
51	390200	WW Computers & Peripheral	168,065	-	168,065	0.0000%	-
52	390300	WW Computer Software	23,044	-	23,044	0.0000%	-
53	391000	WW Trans Equipment	69,027	-	69,027	0.0000%	-
54	392000	WW Stores Equipment	247,842	-	247,842	0.0000%	-
55	393000	WW Tool Shop & Garage Equip	11,072	-	11,072	0.0000%	-
56	394000	WW Laboratory Equipment	139,757	-	139,757	0.0000%	-
57	395000	WW Power Operated Equip	156,655	-	156,655	0.0000%	-
58	396000	WW Communication Equip	136,487	-	136,487	0.0000%	-
59	397000	WW Misc Equipment	358,832	-	358,832	0.0000%	-
60	398000	WW Other Tangible Plant	74,088	-	74,088	0.0000%	-
61		Rounding	-	-	-	0.0000%	-
62		Total North West Valley Treatment Facility 7H Plar	\$ 36,620,650	\$ (0)	\$ 36,620,650		
63		RUCO Total Adjustment					\$ -

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
NORTHWEST VALLEY TREATMENT FACILITY ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Anthem Allocator 0.0000%	[E] RUCO Allocated Adjustment
Allocated NWWTF A/D:							
1	304100	Struct & Imp SS (Corporate)	\$ 0	\$ (0)	\$ -	0.0000%	\$ -
2	304200	Struct & Imp P (Corporate)	32	(0)	32	0.0000%	-
3	307000	Wells & Springs (Corporate)	-	-	-	0.0000%	-
4	311200	Pump Equip Electric (Corporate)	2,366	-	2,366	0.0000%	-
5	340200	Comp & Peripheral Equip (Corporate)	-	-	-	0.0000%	-
6	340500	Other Office Equipment (Corporate)	0	(0)	0	0.0000%	-
7	304600	Struct & Imp Offices (Corporate)	340	-	340	0.0000%	-
8	304800	Struct & Imp Misc (Corporate)	12	(0)	12	0.0000%	-
9	341200	Trans Equip Hvy Duty Trks	-	-	-	0.0000%	-
10	341400	Trans Equip Other	-	-	-	0.0000%	-
11	343000	Tools, Shop and Garage	-	-	-	0.0000%	-
12	344000	Laboratory Equipment	(0)	0	0	0.0000%	-
13	346100	Comm Equip Non-Telephone	3,045	0	3,045	0.0000%	-
14	351000	WW Organization	-	-	-	0.0000%	-
15	352000	WW Franchises	-	-	-	0.0000%	-
16	353200	WW Land & Ld Rights Coll	(89,506)	-	(89,506)	0.0000%	-
17	353500	WW Land & Ld Rights Gen	-	-	-	0.0000%	-
18	354200	WW Struct & Imp Coll	3,248,049	-	3,248,049	0.0000%	-
19	354300	WW Struct & Imp SPP	51,951	0	51,951	0.0000%	-
20	354400	WW Struct & Imp TDP	-	-	-	0.0000%	-
21	354500	WW Struct & Imp Gen	1,385,565	-	1,385,565	0.0000%	-
22	355200	WW Pwr Gen Equip Coll	1,921	-	1,921	0.0000%	-
23	355300	WW Pwr Gen Equip SPP	11,007	-	11,007	0.0000%	-
24	355400	WW Pwr Gen Equip TDP	-	-	-	0.0000%	-
25	355500	WW Pwr Gen Equip RWTP	-	-	-	0.0000%	-
26	360000	WW Collection Sewers Forced	-	-	-	0.0000%	-
27	361100	WW Collecting Mains	36,956	-	36,956	0.0000%	-
28	362000	WW Special Coll Struct	686,271	(0)	686,271	0.0000%	-
29	363000	WW Services Sewer	2,658	0	2,658	0.0000%	-
30	364000	WW Flow Measuring Devices	49,300	-	49,300	0.0000%	-
31	370000	WW Receiving Wells	-	-	-	0.0000%	-
32	371100	WW Pump Equip Elect	206,403	-	206,403	0.0000%	-
33	371200	WW Pump Equip Oth Pwr	8,798	-	8,798	0.0000%	-
34	380000	WW TD Equipment	1,195,934	(0)	1,195,934	0.0000%	-
35	380050	WW TD Equip Grit Removal	1,202,728	-	1,202,728	0.0000%	-
36	380100	WW TD Equip Sed Tanks/Acc	5,440,698	0	5,440,698	0.0000%	-
37	380200	WW TD Equip Slidge/Effl Rmv	2,044	-	2,044	0.0000%	-
38	380250	WW TD Equip Slidge Dig Tnk	293,601	-	293,601	0.0000%	-
39	380300	WW TD Equip Slidge Dry/Filt	7,275,086	-	7,275,086	0.0000%	-
40	380350	WW TD Equip Sec Trmt Filt	1,961	-	1,961	0.0000%	-
41	380400	WW TD Equip Aux Effl Trmt	1,340,499	-	1,340,499	0.0000%	-
42	380500	WW TD Equip Chem Trmt Pitt	28,338	(0)	28,338	0.0000%	-
43	380600	WW TD Equip Oth Disp	1,200,951	(0)	1,200,951	0.0000%	-
44	380625	WW TD Equip Gen Trmt	654,668	-	654,668	0.0000%	-
45	380650	WW TD Equip Influent Lift S	71,829	-	71,829	0.0000%	-
46	381000	WW Plant Sewers	32,668	-	32,668	0.0000%	-
47	382000	WW Outfall Sewer Lines	112,001	(0)	112,001	0.0000%	-
48	389100	WW Oth Pitt & Misc Equip Int	12,559	-	12,559	0.0000%	-
49	389600	WW Other P/E - CPS - 7E	0	-	0	0.0000%	-
50	390000	WW Office Furniture & Equip	96,573	0	96,573	0.0000%	-
51	390200	WW Computers & Peripheral	43,528	-	43,528	0.0000%	-
52	390300	WW Computer Software	145,625	-	145,625	0.0000%	-
53	391000	WW Trans Equipment	839,469	0	839,469	0.0000%	-
54	392000	WW Stores Equipment	5,715	(0)	5,715	0.0000%	-
55	393000	WW Tool Shop & Garage Equip	81,723	-	81,723	0.0000%	-
56	394000	WW Laboratory Equipment	79,869	-	79,869	0.0000%	-
57	395000	WW Power Operated Equip	23,182	-	23,182	0.0000%	-
58	396000	WW Communication Equip	384,595	0	384,595	0.0000%	-
59	397000	WW Misc Equipment	76,014	0	76,014	0.0000%	-
60	398000	WW Other Tangible Plant	-	-	-	0.0000%	-
61		Rounding	-	-	-	0.0000%	-
62		Total North West Valley Treatment Facility 7H A/D	\$ 26,247,027	\$ 0	\$ 26,247,027		-
63		RUCO Total Adjustment					\$ -

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 USA CORPORATE ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Anthem Allocator 4.3419%	[E] RUCO Allocated Adjustment
<u>Allocated 6U USA Corp Plant:</u>							
1	340200	Computer & Peripheral Equipment	\$ 1,047,165	\$ -	\$ 1,047,165	4.3419%	\$ -
2	340300	Computer Software	1,064,894	-	1,064,894	4.3419%	-
3		Total 6U USA Corporate Allocated Plant	<u>\$ 2,112,059</u>	<u>\$ -</u>	<u>\$ 2,112,059</u>		<u>\$ -</u>
4		RUCO Total Adjustment					<u>\$ -</u>

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
USA CORPORATE ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Anthem Allocator	[E] RUCO Allocated Adjustment
Allocated 6U USA Corp Accum. Depre:							
1	340200	Computer & Peripheral Equipment	\$ 313,567	\$ (0)	\$ 313,567	4.3419%	\$ (0)
2	340300	Computer Software	782,756	7,978	790,734	4.3419%	346
3		Total 6U USA Corporate Allocated A/D	<u>\$ 1,096,323</u>	<u>\$ 7,978</u>	<u>\$ 1,104,301</u>		<u>\$ 346</u>
4		RUCO Total Adjustment					<u>\$ 346</u>

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (c)
INTENTIONALLY LEFT BLANK

Line
No. Description

Amount

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (d)
INTENTIONALLY LEFT BLANK

Line
No. Description

Amount

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
 REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	NARUC Acct. No.	Description	[A] RUCO TY End UPIS Balance	[B] RUCO TY End Accum. Depre. Balance	[C] RUCO Net Book Value	[D] Over-Depreciated Excess Accum. Depre. Adjustment
Direct 7L Plant:						
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-	-
4	341400	Trans Equip Other	-	-	-	-
5	343000	Tools, Shop and Garage	-	-	-	-
6	351000	WW Organization	-	-	-	-
7	352000	WW Franchises	-	-	-	-
8	353200	WW Land & Ld Rights Coll	276,772	-	276,772	-
9	353500	WW Land & Ld Rights Gen	336,560	-	336,560	-
10	354200	WW Struct & Imp Coll	-	-	-	-
11	354300	WW Struct & Imp SPP	1,424,010	242,255	1,181,755	-
12	354400	WW Struct & Imp TDP	7,585	(2,898)	10,483	-
13	354500	WW Struct & Imp Gen	1,256,286	118,325	1,137,962	-
14	355200	WW Pwr Gen Equip Coll	2,900,082	677,074	2,223,008	-
15	355300	WW Pwr Gen Equip SPP	-	-	-	-
16	355400	WW Pwr Gen Equip TDP	11,068	-	11,068	-
17	355500	WW Pwr Gen Equip RWTP	4,497	908	3,589	-
18	360000	WW Collection Sewers Forced	-	-	-	-
19	361100	WW Collecting Mains	194,750	112,561	82,190	-
20	362000	WW Special Coll Struct	14,644,820	3,664,599	10,980,221	-
21	363000	WW Services Sewer	363,524	38,928	324,597	-
22	364000	WW Flow Measuring Devices	1,684,452	483,882	1,200,570	-
23	370000	WW Receiving Wells	373,807	254,914	118,893	-
24	371100	WW Pump Equip Elect	1,068,343	297,461	770,881	-
25	371200	WW Pump Equip Oth Pwr	1,530,396	686,995	843,401	-
26	380000	WW TD Equipment	12,723	(822)	13,545	-
27	380050	WW TD Equip Grit Removal	2,020,843	763,217	1,257,626	-
28	380100	WW TD Equip Sed Tanks/Acc	4,499,271	2,686,058	1,813,214	-
29	380200	WW TD Equip Sidge/Effl Rmv	2,045,291	1,456,509	588,782	-
30	380250	WW TD Equip Sidge Dig Tnk	4,609	(2,142)	6,751	-
31	380300	WW TD Equip Sidge Dry/Filt	1,662,849	1,077,527	585,322	-
32	380350	WW TD Equip Sec Trmt Filt	8,626,904	6,291,246	2,335,658	-
33	380400	WW TD Equip Aux Effl Trmt	38,008	188	37,820	-
34	380500	WW TD Equip Chem Trmt Pit	-	-	-	-
35	380600	WW TD Equip Oth Disp	982,280	629,198	353,083	-
36	380625	WW TD Equip Gen Trmt	865,604	697,623	167,981	-
37	380650	WW TD Equip Influent Lift S	128,958	23,254	105,705	-
38	381000	WW Plant Sewers	18,998	(8,909)	27,906	-
39	382000	WW Outfall Sewer Lines	42,199	5,977	36,222	-
40	389100	WW Oth Pit & Misc Equip Int	555,499	257,447	298,052	-
41	389600	WW Other P/E - CPS - 7E	952,191	542,815	409,376	-
42	390000	WW Office Furniture & Equip	-	-	-	-
43	390200	WW Computers & Peripheral	41,491	24,213	17,278	-
44	390300	WW Computer Software	-	-	-	-
45	391000	WW Trans Equipment	3,506	5,973	(2,467)	(2,467)
46	392000	WW Stores Equipment	58,815	4,103	54,712	-
47	393000	WW Tool Shop & Garage Equip	51,485	9,558	41,927	-
48	394000	WW Laboratory Equipment	27,764	8,485	19,280	-
49	395000	WW Power Operated Equip	53,991	18,469	35,522	-
50	396000	WW Communication Equip	871,605	530,389	341,216	-
51	397000	WW Misc Equipment	651,424	745,899	(94,475)	(94,475)
52	398000	WW Other Tangible Plant	14,110	412	13,697	-
53		Rounding	0	0	0	-
54		Total Direct 7N Plant	\$ 50,307,374	\$ 22,341,690	\$ 27,965,684	\$ (96,941)
Allocated 7A Corporate Plant:						
55	304500	Structures & Improvements General	\$ 192,857	\$ 22,377	\$ 170,480	\$ -
56	304620	Structures & Improvements Leasehold	18,317	536	17,782	-
57	334100	Meters	11,777	4,641	7,136	-
58	339600	Other P/E-CPS	364,887	72,241	292,646	-
59	340100	Office Furniture & Equipment	1,267,925	569,006	698,919	-
60	340200	Computer & Peripheral Equipment	1,404,587	624,832	779,755	-
61	340300	Computer Software	193,904	183,147	10,757	-
62	340330	Computer Software Other	6,370	1,019	5,351	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
 REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	Acct. No.	Description	[A] RUCO TY End UPIS Balance	[B] RUCO TY End Accum. Depr. Balance	[C] RUCO Net Book Value	[D] Over-Depreciated Excess Accum. Depr. Adjustment
Allocated 7A Corporate Plant (continuation):						
1	344000	Laboratory Equipment	\$ 17,277	\$ 3,060	\$ 14,217	\$ -
2	346100	Communication Equipment Non-Telephone	186,080	216,139	(26,059)	(30,059)
3	346190	Remote Control & Instrument	122,024	20,439	101,584	-
4	346200	Communication Equipment Telephone	68,942	27,818	41,124	-
5	346300	Communication Equipment Other	154,411	8,821	145,590	-
6	347000	Miscellaneous Equipment	1,292,262	116,612	1,175,651	-
7		Rounding	-	-	-	-
8		Total Allocated 7A Corporate Plant	\$ 5,301,619	\$ 1,870,687	\$ 3,430,932	\$ (30,059)
9		Mohave Wastewater 7A % Allocation	5,161,659%	5,161,659%	5,161,659%	5,161,659%
10		Mohave Wastewater 7A Plant Allocation	\$ 273,644	\$ 96,556	\$ 177,088	\$ (1,552)
North West Valley Wastewater 7H Plant:						
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	2,582	32	2,550	-
13	307000	Wells & Springs (Corporate)	-	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	24,525	2,366	22,159	-
16	340500	Other Office Equipment (Corporate)	-	0	(0)	(0)
17	304800	Struct & Imp Offices (Corporate)	9,052	340	8,712	-
18	304800	Struct & Imp Misc (Corporate)	8,610	12	8,598	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-	-
20	341400	Trans Equip Other	-	-	-	-
21	343000	Tools, Shop and Garage	-	-	-	-
22	344000	Laboratory Equipment	-	0	(0)	(0)
23	346100	Comm Equip Non-Telephone	19,711	3,045	16,666	-
24	351000	WW Organization	-	-	-	-
25	352000	WW Franchises	-	-	-	-
26	353200	WW Land & Ld Rights Coll	1,304	-	1,304	-
27	353500	WW Land & Ld Rights Gen	450,976	(89,506)	540,482	-
28	354200	WW Struct & Imp Coll	20,747	-	20,747	-
29	354300	WW Struct & Imp SPP	3,574,657	3,248,049	326,608	-
30	354400	WW Struct & Imp TDP	997,595	51,951	945,644	-
31	354500	WW Struct & Imp Gen	-	-	-	-
32	355200	WW Pwr Gen Equip Coll	6,900,037	1,385,565	5,514,472	-
33	355300	WW Pwr Gen Equip SPP	7,952	1,921	6,030	-
34	355400	WW Pwr Gen Equip TDP	63,439	11,007	52,431	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-	-
37	361100	WW Collecting Mains	-	-	-	-
38	362000	WW Special Coll Struct	109,750	36,956	72,794	-
39	363000	WW Services Sewer	486,363	686,271	(199,908)	(199,908)
40	364000	WW Flow Measuring Devices	8,725	2,658	6,066	-
41	370000	WW Receiving Wells	55,923	49,300	6,623	-
42	371100	WW Pump Equip Elect	-	-	-	-
43	371200	WW Pump Equip Oth Pwr	1,026,512	206,403	820,109	-
44	380000	WW TD Equipment	26,257	8,798	17,459	-
45	380050	WW TD Equip Grit Removal	2,306,955	1,195,934	1,111,021	-
46	380100	WW TD Equip Sed Tanks/Acc	1,041,234	1,202,728	(161,494)	(161,494)
47	380200	WW TD Equip Sldge/Effl Rmv	5,327,840	5,440,698	(112,858)	(112,858)
48	380250	WW TD Equip Sldge Dig Tnk	28,253	2,044	26,209	-
49	380300	WW TD Equip Sldge Dry/Filt	502,467	293,601	208,866	-
50	380350	WW TD Equip Sec Trmt Filt	8,662,158	7,275,086	1,387,072	-
51	380400	WW TD Equip Aux Effl Trmt	-	1,961	(1,961)	(1,961)
52	380500	WW TD Equip Chem Trmt Plt	1,279,622	1,340,499	(60,877)	(60,877)
53	380600	WW TD Equip Oth Disp	208,781	28,338	180,443	-
54	380625	WW TD Equip Gen Trmt	1,033,384	1,200,951	(167,567)	(167,567)
55	380650	WW TD Equip Influent Lift S	780,426	654,668	125,757	-
56	381000	WW Plant Sewers	64,980	71,829	(6,848)	(6,848)
			111,410	32,668	78,742	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	Acct. No.	Description	[A] RUCO TY End UPIS Balance	[B] RUCO TY End Accum. Depr. Balance	[C] RUCO Net Book Value	[D] Over-Depreciated Excess Accum. Depr. Adjustment
North West Valley Wastewater 7H Plant (continuation):						
1	382000	WW Outfall Sewer Lines				
2	389100	WW Oth Pit & Misc Equip Int	\$ 4,259	\$ 112,001	\$ (107,743)	\$ (107,743)
3	389600	WW Other P/E - CPS - 7E	89,296	12,559	76,736	-
4	390000	WW Office Furniture & Equip	-	0	(0)	(0)
5	390200	WW Computers & Peripheral	168,065	96,573	71,492	-
6	390300	WW Computer Software	23,044	43,528	(20,484)	(20,484)
7	391000	WW Trans Equipment	69,027	145,625	(76,598)	(76,598)
8	392000	WW Stores Equipment	247,842	839,469	(591,627)	(591,627)
9	393000	WW Tool Shop & Garage Equip	11,072	5,715	5,357	-
10	394000	WW Laboratory Equipment	139,757	81,723	58,034	-
11	395000	WW Power Operated Equip	156,655	79,869	76,786	-
12	396000	WW Communication Equip	136,487	23,182	113,305	-
13	397000	WW Misc Equipment	358,832	384,595	(25,763)	(25,763)
14	398000	WW Other Tangible Plant	74,088	76,014	(1,926)	(1,926)
15		Rounding	-	-	-	-
16		Total North West Valley Wastewater 7H Plant	\$ 36,620,650	\$ 26,247,027	\$ 10,373,623	\$ (1,535,653)
17		Mohave Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%	0.0000%
18		Mohave Wastewater NWTF 7H Plant Allocation	\$ -	\$ -	\$ -	\$ -
6U Plant:						
19	340200	Computer & Peripheral Equipment				
20	340300	Computer Software	\$ 1,047,165	\$ 313,567	\$ 733,598	\$ -
21		Rounding	1,064,894	790,734	274,160	-
22		Total 6U Allocated Corporate Plant	\$ 2,112,059	\$ 1,104,301	\$ 1,007,758	\$ -
23		Mohave Wastewater 6U % Allocation	4.3419%	4.3419%	4.3419%	4.3419%
24		Mohave Wastewater 6U Plant Allocation	\$ 91,704	\$ 47,948	\$ 43,756	\$ -
Total Net Book Value & Over-Depreciated Plant:						
25	7N	Direct Plant				
26	7A	Allocable AZ Corporate 7A Plant	\$ 50,307,374	\$ 22,341,690	\$ 27,965,684	\$ (96,941)
27	7H	Allocable Northwest Valley Treatment Facility Plant	273,644	96,556	177,088	(1,552)
28	6U	Allocable USA Corporate 6U Plant	-	-	-	-
			91,704	47,948	43,756	-
29		Total Over-Depreciated Plant	\$ 50,672,721	\$ 22,486,193	\$ 28,186,528	\$ (98,493)
30		RUCO Total Adjustment				\$ (98,493)

References:
Per RUCO Plant Reconstruction Workpapers

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
Direct 7L Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	100,000	(100,000)	-
14	355200	WW Pwr Gen Equip Coll	65,326	(9,605)	55,721
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	120,000	(94,840)	25,160
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	15,375	(15,375)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	1,237,000	(1,206,483)	30,517
28	380100	WW TD Equip Sed Tanks/Acc	175,000	(175,000)	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Pit	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	425,000	(425,000)	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	79,800	(79,800)	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	80,000	(80,000)	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7L Plant	\$ 2,297,501	\$ (2,186,104)	\$ 111,397
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	\$ 270,000	\$ (230,686)	\$ 39,314
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	11,937	16,784	28,721

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
 2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	210,000	493,453	703,453
8		Total Allocated 7A Corporate Plant	\$ 491,937	\$ 279,552	\$ 771,489
9		Anthem Wastewater 7A % Allocation	5.1615%	5.1615%	5.1615%
10		Anthem Wastewater 7A Plant Allocation	\$ 25,391	\$ 14,429	\$ 39,820
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	692,516	(629,521)	62,996
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	1,169,000	(1,145,323)	23,677
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmvr	-	-	-
48	380250	WW TD Equip Sludge Dig Tnk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	717,000	17,023	734,023
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	1,134,000	48,140	1,182,140
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
 2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines			
2	389100	WW Oth Pit & Misc Equip Int	\$ -	\$ -	\$ -
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	20,000	(20,000)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	65,000	(65,000)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H Plant	\$ 3,797,516	\$ (1,794,681)	\$ 2,002,835
17		Anthem Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%
18		Anthem Wastewater NWVTF 7H Plant Allocation	\$ -	\$ -	\$ -
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ 592,463	\$ (592,463)	\$ -
20	340300	Computer Software	781,212	(98,750)	682,462
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ 1,373,675	\$ (691,213)	\$ 682,462
23		Anthem Wastewater 6U % Allocation	4.3419%	4.3419%	4.3419%
24		Anthem Wastewater 6U Plant Allocation	\$ 59,644	\$ (30,012)	\$ 29,632
Total 12-Months PTY Plant:					
25	7L	Direct			
26	7A	Corporate Plant Allocated	\$ 2,297,501	\$ (2,186,104)	\$ 111,397
27	7H	NWV Plant Allocated	25,391	14,429	39,820
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	59,644	(30,012)	29,632
30		Total Utility Plant in Service (UPIS)	\$ 2,382,536	\$ (2,201,686)	\$ 180,850
31		RUCO Total Adjustment		\$ (2,201,686)	

References:

Per Company Response to RUCO DR #6.01 - See RUCO W/P

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2016 PTY Plant A/D As Filed	[B] RUCO 2016 PTY Plant A/D Adjustments	[C] RUCO 2016 PTY Plant A/D Recommended
Direct 7L Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	1,667	(1,667)	-
14	355200	WW Pwr Gen Equip Coll	1,089	(623)	465
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	1,200	(943)	257
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	154	(154)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	41,233	(40,470)	763
28	380100	WW TD Equip Sed Tanks/Acc	5,833	(5,833)	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Tnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	7,083	(7,083)	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	1,995	(1,995)	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	4,000	(4,000)	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7L Plant	\$ 64,254	\$ (62,769)	\$ 1,485
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	\$ 3,375	\$ (2,884)	\$ 491
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	1,194	1,678	2,872

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant A/D As Filed	[B] RUCO 2016 PTY Plant A/D Adjustments	[C] RUCO 2016 PTY Plant A/D Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment			
2	346100	Communication Equipment Non-Telephone	\$ -	\$ -	\$ -
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	6,563	15,420	21,983
8		Total Allocated 7A Corporate Plant	\$ 11,131	\$ 14,215	\$ 25,346
9		Anthem Wastewater 7A % Allocation	5.1615%	5.1615%	5.1615%
10		Anthem Wastewater 7A Plant Allocation	\$ 575	\$ 734	\$ 1,308
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)			
12	304200	Struct & Imp P (Corporate)	\$ -	\$ -	\$ -
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	11,542	(11,016)	526
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	38,967	(38,375)	592
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Tnk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	23,900	(5,549)	18,351
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	37,800	(8,246)	29,554
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 12-Months PTY Plant As Filed	[B] RUCO 12-Months PTY Plant Adjustments	[C] RUCO PTY Plant Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	500	(500)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	3,250	(3,250)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H Plant	\$ 115,959	\$ (66,937)	\$ 49,022
17		Anthem Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%
18		Anthem Wastewater NWVTF 7H Plant Allocation	\$ -	\$ -	\$ -
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ 29,623	\$ (29,623)	\$ -
20	340300	Computer Software	78,121	7,187	85,308
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ 107,744	\$ (22,437)	\$ 85,308
23		Anthem Wastewater 6U % Allocation	4.3419%	4.3419%	4.3419%
24		Anthem Wastewater 6U Plant Allocation	\$ 4,678	\$ (974)	\$ 3,704
Total 12-Months PTY Plant:					
25	7L	Direct	\$ -	\$ -	\$ -
26	7A	Corporate Plant Allocated	\$ 64,254	\$ (62,769)	\$ 1,485
27	7H	NWV Plant Allocated	575	734	1,308
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vector Trucks - Corp.	4,678	(974)	3,704
30		Total Utility Plant in Service (UPIS)	\$ 69,507	\$ (63,010)	\$ 6,497
31		RUCO Total Adjustment		\$ (63,010)	

References:

Per Company Response to RUCO DR #6.01 - See RUCO W/P

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC No.	Description	[A] Company 2017 6-Months PTY Plant As Filed	[B] RUCO 2017 6-Months PTY Plant Adjustments	[C] RUCO 2017 6-Months PTY Plant Recommended
<u>Direct 7L Plant:</u>					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	62,024	(62,024)	-
14	355200	WW Pwr Gen Equip Coll	40,518	(40,518)	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	74,429	(74,429)	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	9,536	(9,536)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	767,236	(767,236)	-
28	380100	WW TD Equip Sed Tanks/Acc	108,542	(108,542)	-
29	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sludge Dig Trk	-	-	-
31	380300	WW TD Equip Sludge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	263,602	(263,602)	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	49,495	(49,495)	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	49,619	(49,619)	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7L Plant	\$ 1,425,000	\$ (1,425,000)	\$ -
<u>Allocated 7A Corporate Plant:</u>					
55	304500	Structures & Improvements General	\$ 384,196	\$ (384,196)	\$ -
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	16,986	(16,986)	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
 2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant As Filed	[B] RUCO 2017 6-Months PTY Plant Adjustments	[C] RUCO 2017 6-Months PTY Plant Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment			
2	346100	Communication Equipment Non-Telephone	\$ -	\$ -	\$ -
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	298,819	(298,819)	-
8		Total Allocated 7A Corporate Plant	\$ 700,000	\$ (700,000)	\$ -
9		Anthem Wastewater 7A % Allocation	5.1615%	5.1615%	5.1615%
10		Anthem Wastewater 7A Plant Allocation	\$ 36,131	\$ (36,131)	\$ -
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	120,312	(120,312)	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	203,093	(203,093)	-
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trnk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	124,566	(124,566)	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	197,012	(197,012)	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
 2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 12-Months PTY Plant As Filed	[B] RUCO 12-Months PTY Plant Adjustments	[C] RUCO PTY Plant Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	3,475	(3,475)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	11,293	(11,293)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H Plant	\$ 659,750	\$ (659,750)	\$ -
17		Anthem Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%
18		Anthem Wastewater NWVTF 7H Plant Allocation	\$ -	\$ -	\$ -
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ -	\$ -	\$ -
23		Anthem Wastewater 6U % Allocation	4.3419%	4.3419%	4.3419%
24		Anthem Wastewater 6U Plant Allocation	\$ -	\$ -	\$ -
Total 12-Months PTY Plant:					
25	7L	Direct	\$ -	\$ -	\$ -
26	7A	Corporate Plant Allocated	\$ 1,425,000	\$ (1,425,000)	\$ -
27	7H	NWV Plant Allocated	36,131	(36,131)	-
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vector Trucks - Corp.	-	-	-
30		Total Utility Plant in Service (UPIS)	\$ 1,461,131	\$ (1,461,131)	\$ -
31		RUCO Total Adjustment		\$ (1,461,131)	

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2017 6-Months PTY Plant A/D As Filed	[B] RUCO 2017 6-Months PTY Plant A/D Adjustments	[C] RUCO 2017 6-Months PTY Plant A/D Recommended
Direct 7L Plant Accumulated Depreciation (A/D):					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	1,034	(1,034)	-
14	355200	WW Pwr Gen Equip Coll	675	(675)	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	744	(744)	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	95	(95)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	25,575	(25,575)	-
28	380100	WW TD Equip Sed Tanks/Acc	3,618	(3,618)	-
29	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sludge Dig Trnk	-	-	-
31	380300	WW TD Equip Sludge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	4,393	(4,393)	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	1,237	(1,237)	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	2,481	(2,481)	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7L A/D	\$ 39,853	\$ (39,853)	\$ -
Allocated 7A Corporate Plant A/D:					
55	304500	Structures & Improvements General	\$ 4,802	\$ (4,802)	\$ -
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	1,699	(1,699)	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant A/D As Filed	[B] RUCO 2017 6-Months PTY Plant A/D Adjustments	[C] RUCO 2017 6-Months PTY Plant A/D Recommended
Allocated 7A Corporate Plant A/D (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	9,338	(9,338)	-
7		Rounding	-	-	-
8		Total Allocated 7A Corporate A/D	\$ 15,839	\$ (15,839)	\$ -
9		Anthem Wastewater 7A % Allocation	5.1615%	5.1615%	5.1615%
10		Anthem Wastewater 7A Allocation A/D	\$ 818	\$ (818)	\$ -
North West Valley Wastewater 7H Plant A/D:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	2,005	(2,005)	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	6,770	(6,770)	-
45	380050	WW TD Equip Grit Removal	-	-	-
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trnk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	4,152	(4,152)	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	6,567	(6,567)	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
 2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant A/D As Filed	[B] RUCO 2017 6-Months PTY Plant A/D Adjustments	[C] RUCO 2017 6-Months PTY Plant A/D Recommended
North West Valley Wastewater 7H Plant A/D (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	87	(87)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	565	(565)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H A/D	\$ 20,146	\$ (20,146)	\$ -
17		Anthem Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%
18		Anthem Wastewater NWVTF 7H Allocation A/D	\$ -	\$ -	\$ -
6U Plant A/D:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate A/D	\$ -	\$ -	\$ -
23		Anthem Wastewater 6U % Allocation	4.3419%	4.3419%	4.3419%
24		Anthem Wastewater 6U Allocation A/D	\$ -	\$ -	\$ -
Total 2017 6-Months PTY Plant:					
25	7L	Direct	\$ 39,853	\$ (39,853)	\$ -
26	7A	Corporate Plant Allocated	818	(818)	-
27	7H	NWV Plant Allocated	-	-	-
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total 2017 6-Months PTY Plant A/D	\$ 40,670	\$ (40,670)	\$ -
31		RUCO Total Adjustment		\$ (40,670)	

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
 2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	NARUC Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
Direct 7L Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	-	(7,944)	(7,944)
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	-	-	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	(18,800)	(18,800)
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	-	(23,956)	(23,956)
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	(14,580)	(14,580)
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7N Plant	\$ -	\$ (65,279)	\$ (65,279)
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	\$ -	\$ (29,508)	\$ (29,508)
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment			
2	346100	Communication Equipment Non-Telephone	\$ -	\$ -	\$ -
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	-	-	-
8		Total Allocated 7A Corporate Plant	\$ -	\$ (29,508)	\$ (29,508)
9		Anthem Wastewater 7A % Allocation	5.1615%	5.1615%	5.1615%
10		Anthem Wastewater 7A Plant Allocation	\$ -	\$ (1,523)	\$ (1,523)
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	-	-	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	-	(553,523)	(553,523)
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sldge Dig Tnk	-	-	-
49	380300	WW TD Equip Sldge Dry/Filt	-	-	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	-	-	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
 2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	-	-	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	-	-	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Wastewater 7H Plant	\$ -	\$ (553,523)	\$ (553,523)
17		Anthem Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%
18		Anthem Wastewater NWVTF 7H Plant Allocation	\$ -	\$ -	\$ -
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ -	\$ -	\$ -
23		Anthem Wastewater 6U % Allocation	4.3419%	4.3419%	4.3419%
24		Anthem Wastewater 6U Plant Allocation	\$ -	\$ -	\$ -
Total Unrecorded 2016 PTY Plant Retirements:					
25	7N	Direct	\$ -	\$ (65,279)	\$ (65,279)
26	7A	Corporate Plant Allocated	-	(1,523)	(1,523)
27	7H	NWV Plant Allocated	-	-	-
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vector Trucks - Corp.	-	-	-
30		Total Unrecorded Plant Retirements	\$ -	\$ (66,802)	\$ (66,802)
31		RUCO Total Adjustment		\$ (66,802)	

References:

Per Company Response to RUCO DR #6.01 - See RUCO PTY Plant Adjustments W/P

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
 2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (A/D) UNRECORDED RETIREMENTS

Line No.	NARUC Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
Direct 7L Plant Accumulated Depreciation (A/D):					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	-	(8,025)	(8,025)
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	-	-	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	(19,113)	(19,113)
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	-	(24,555)	(24,555)
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Pit	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Pit & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	(14,850)	(14,850)
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7N Plant	\$ -	\$ (66,543)	\$ (66,543)
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	\$ -	\$ (29,877)	\$ (29,877)
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
 2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (A/D) UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	-	-	-
8		Total Allocated 7A Corporate Plant	\$ -	\$ (29,877)	\$ (29,877)
9		Anthem Wastewater 7A % Allocation	5.1615%	5.1615%	5.1615%
10		Mohave Wastewater 7A Plant Allocation	\$ -	\$ (1,542)	\$ (1,542)
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	-	-	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	-	(567,361)	(567,361)
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sldge Dig Trnk	-	-	-
49	380300	WW TD Equip Sldge Dry/Filt	-	-	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Pit	-	-	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (A/D) UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	-	-	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	-	-	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Wastewater 7H Plant	\$ -	\$ (567,361)	\$ (567,361)
17		Mohave Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%
18		Mohave Wastewater NWVTF 7H Plant Allocation	\$ -	\$ -	\$ -
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ -	\$ -	\$ -
23		Mohave Wastewater 6U % Allocation	4.3419%	4.3419%	4.3419%
24		Mohave Wastewater 6U Plant Allocation	\$ -	\$ -	\$ -
Total 12-Months PTY Plant:					
25	7N	Direct	\$ -	\$ (66,543)	\$ (66,543)
26	7A	Corporate Plant Allocated	-	(1,542)	(1,542)
27	7H	NWV Plant Allocated	-	-	-
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total Unrecorded Plant Retirements	\$ -	\$ (68,085)	\$ (68,085)
31		RUCO Total Adjustment		\$ (68,085)	

References:

Per Company Response to RUCO DR #6.01 - See RUCO 2016 PTY Plant Adjustments W/P

RATE BASE ADJUSTMENT NO. 2
CURRENT REGULATORY LIABILITY FOR OVER-DEPRECIATED PLANT ADJUSTMENT

Line No.	NARUC Acct.	Description	Gross Amount	Allocation Factor	Amount
Direct Plant Accounts:					
1	390300	WW Computer Software	\$ (2,467)	100.00%	\$ (2,467)
2	396000	WW Communication Equip	(94,475)	100.00%	(94,475)
		Sub-Total Direct Plant			<u>\$ (96,941)</u>
Allocated Arizona Corporate 7A Plant:					
2	346100	Communication Equipment Non-Telephone	\$ (30,059)	5.1615%	<u>\$ (1,552)</u>
Allocated Northwest Valley Treatment Facility:					
3	340500	Other Office Equipment (Corporate)	\$ (0)	0.0000%	\$ -
4	344000	Laboratory Equipment	(0)	0.0000%	-
5	362000	WW Special Coll Struct	(199,908)	0.0000%	-
6	380050	WW TD Equip Grit Removal	(161,494)	0.0000%	-
7	380100	WW TD Equip Sed Tanks/Acc	(112,858)	0.0000%	-
8	380350	WW TD Equip Sec Trmt Filt	(1,961)	0.0000%	-
9	380400	WW TD Equip Aux Effl Trmt	(60,877)	0.0000%	-
10	380600	WW TD Equip Oth Disp	(167,567)	0.0000%	-
11	380650	WW TD Equip Influent Lift S	(6,848)	0.0000%	-
12	382000	WW Outfall Sewer Lines	(107,743)	0.0000%	-
13	389600	WW Other P/E - CPS - 7E	(0)	0.0000%	-
14	390200	WW Computers & Peripheral	(20,484)	0.0000%	-
15	390300	WW Computer Software	(76,598)	0.0000%	-
16	391000	WW Trans Equipment	(591,627)	0.0000%	-
17	396000	WW Communication Equip	(25,763)	0.0000%	-
18	397000	WW Misc Equipment	(1,926)	0.0000%	-
19		Sub-Total Allocable Northwest Valley Treatment Facility	<u>\$ (1,535,653)</u>		<u>\$ -</u>
Allocated USA Corporate 6U Plant:					
20	N/A	N/A	\$ -	4.3419%	<u>-</u>
21		Total Current Regulatory Liability			<u>\$ (98,493)</u>

References:

RUCO Schedule TJC-4(e) - Excess Accumulated Depreciation

RATE BASE ADJUSTMENTS NO. 3 THRU 8 - NOT USED
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Line	<u>No.</u> <u>Description</u>	<u>Amount</u>
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References:

**RATE BASE ADJUSTMENT NO. 9
2016 POST TEST YEAR PLANT BONUS DEPRECIATION ADIT ADJUSTMENT**

Line

No. Description

1	Additional ADIT Identified in Response to RUCO DR 6.04	\$ 2,862,894
2	Allocation Factor	<u>5.1615%</u>
3	Sub-Total Additional ADIT	\$ 147,769

RUCO Recommended 2016 PTY Plant Bonus Depreciation ADIT Calculation:

Direct Plant

NARUC Acct.	Depreciation Rate	Description	RUCO Recommended 2016 PTY Plant	Straight-Line Depreciation Amount	50% Bonus Depreciation	Basis Difference
4 354500	3.33%	WW Struct & Imp Gen	\$ 55,721	\$ 1,857		
5 361100	2.50%	WW Collecting Mains	25,160	629		
6 380000	6.67%	WW TD Equipment	30,517	2,034		
7		RUCO Recommended PTY Plant	\$ 111,397			
8		Sub-Total Direct 2016 PTY Plant Depreciation		\$ 4,521	\$ 55,699	\$ 51,178

Allocable AZ Corporate 7A Plant

9 304500	2.50%	Structures & Improvements General	\$ 39,314	\$ 983		
10 340300	20.00%	Computer Software	28,721	5,744		
11 347000	6.25%	Miscellaneous Equipment	703,453	43,966		
12		RUCO Recommended PTY Plant	\$ 771,489			
13		Total Straight-Line Depreciation		\$ 50,693		
14		Allocation Factor		5.1615%		
15		Sub-Total Corp 7A 2016 PTY Plant Depreciation		\$ 2,617	\$ 19,910	\$ 17,294

Allocable Northwest Valley Treatment Facility

16 354500	3.33%	WW Struct & Imp Gen	\$ 62,996	\$ 2,100		
17 380000	6.67%	WW TD Equipment	23,677	1,578		
18 380250	6.67%	WW TD Equip Sidge Dig Trnk	734,023	48,935		
19 380400	6.67%	WW TD Equip Aux Efl Trmt	1,182,140	78,809		
20		RUCO Recommended PTY Plant	\$ 2,002,835			
21		Total Straight-Line Depreciation		\$ 131,422		
22		Allocation Factor		0.0000%		
23		Sub-Total Alloc NWVTF 2016 PTY Plant Depreciat		\$ -	\$ -	\$ -

Allocable USA Corporate 6UA Plant

24 340300	20.00%	Computer Software	\$ 682,462	\$ 136,492		
25		RUCO Recommended PTY Plant	\$ 682,462			
26		Total Straight-Line Depreciation		\$ 136,492		
		Allocation Factor		4.3419%		
27		Sub-Total Corp 6U 2016 PTY Plant Depreciation		\$ 5,926	\$ 14,816	\$ 8,890
28		Total Annual Straight-Line v Bonus Depreciation		\$ 13,064	\$ 90,425	\$ 77,361

29	RUCO ADIT Adjustment	<u>\$ 172,625</u>
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References:

Company Federal Effective Income Tax Rate per Schedule SLM-IS3 32.13%

**RATE BASE ADJUSTMENT NO. 10
ALLOWANCE FOR WORKING CAPITAL**

Line No.	Description	Amount
1	RUCO Cash Working Capital Requirement	\$ (145,411)
2	RUCO Required Bank Balances ¹	-
3	RUCO Material and Supplies Inventories ¹	25,282
4	RUCO Prepayments ¹	9,016
5	RUCO Total Working Capital Allowance	\$ (111,113)
6	Company Total Working Capital Allowance	(116,838)
7	RUCO Allowance for Working Capital Adjustment	\$ 5,725

Notes:

¹ Calculated using Thirteen-Month Averages

References:

Company Schedules B-5 & B-6
RUCO Schedule TJC-10 on page 2 of 2

RATE BASE ADJUSTMENT NO. 10 (continued)
CASH WORKING CAPITAL LEAD / LAG STUDY

Line No.	Description	[A] Company Adjusted Test Year As Filed	[B] RUCO Expense Adjustments	[C] RUCO Recommended Expense	[D] Revenue Lag Days	[E] Expense (Lead)/Lag Days	[F] Net (Lead)/Lag Days Col. [D] - Col. [E]	[G] (Lead)/Lag Factor Col. [F] / 365	[H] Cash Working Capital Requirement Col. [C] x Col. [G]
Operating Expenses:									
1	Labor	\$ 951,919	\$ (46,622)	\$ 905,296	40.66	42.97	(2.307)	(0.006)	\$ (5,722)
2	Purchased Water	75	-	75	40.66	-	40.660	0.111	8
3	Fuel & Power	562,930	(21,999)	540,930	40.66	45.17	(4.512)	(0.012)	(6,687)
4	Chemicals	106,353	(2,126)	104,227	40.66	-	40.660	0.111	11,611
5	Waste Disposal	130,500	-	130,500	40.66	55.14	(14.481)	(0.040)	(5,178)
6	Intercompany Support Services	-	-	-	40.66	30.25	10.410	0.029	-
7	Corporate Allocation	200,121	(4,420)	195,701	40.66	30.25	10.410	0.029	5,581
8	Outside Services	136,678	(632)	136,046	40.66	78.18	(37.517)	(0.103)	(13,984)
9	Group Insurance	354,036	(31,753)	322,283	40.66	27.40	13.257	0.036	11,706
10	Regulatory Expense	78,067	-	78,067	40.66	-	40.660	0.111	8,696
11	Insurance Other Than Group	87,554	-	87,554	40.66	(15.38)	56.035	0.154	13,441
12	Customer Accounting	310,982	(8,467)	302,515	40.66	78.51	(37.848)	(0.104)	(31,369)
13	Rents	18,520	-	18,520	40.66	-	40.660	0.111	2,063
14	General Office Expense	73,383	(558)	72,825	40.66	61.53	(20.870)	(0.057)	(4,164)
15	Miscellaneous	48,393	(9,736)	38,657	40.66	3.61	37.046	0.101	3,923
16	Maintenance Expense	240,399	(3,423)	236,976	40.66	(26.24)	66.903	0.183	43,437
Taxes:									
17	General Taxes - Property ¹	301,722	(16,546)	285,176	40.66	212.50	(171.840)	(0.471)	(134,259)
18	General Taxes - Payroll	83,049	(474)	82,575	40.66	42.11	(1.453)	(0.004)	(329)
19	General Taxes - Other	-	-	-	40.66	-	40.660	0.111	-
20	Income Tax ¹	540,864	(191,757)	349,106	40.66	37.50	3.160	0.009	3,022
Other:									
21	Interest Expense on Proposed Long-Term Debt	452,816	(105,334)	347,482	40.66	90.25	(49.590)	(0.136)	(47,210)
22	Total Cash Working Capital Expenses	<u>\$ 4,678,360</u>	<u>\$ (443,848)</u>	<u>\$ 4,234,512</u>					
23	RUCO Total Recommended Cash Working Capital								\$ (145,411)
24	Company Total Proposed Cash Working Capital								(151,136)
25	RUCO Cash Working Capital Adjustment								\$ 5,725

References:

¹ At Proposed Rates
Designates RUCO Adjustments to Co. Lead/Lag Days

RECONSTRUCTION COST NEW LESS DEPRECIATION (RCND) RATE BASE SUMMARY

Line No.	Description	[A] Company RCND Rate Base As Filed	[B] RUCO Recommended RCND Adjustments	[C] RUCO RCND Rate Base Recommended
1	Gross Utility Plant In Service	\$ 86,289,510	\$ (3,744,708)	\$ 82,544,802
	Less:			
2	Accumulated Depreciation	47,032,933	(307,459)	46,725,475
3	Net Utility Plant In Service (L1 - L2)	\$ 39,256,577	\$ (3,437,250)	\$ 35,819,327
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 8,044,147	\$ -	\$ 8,044,147
5	Gross Contribution In Aid Of Construction ("CIAC")	7,669,622	-	7,669,622
6	Accumulated Amortization of CIAC	(903,036)	-	(903,036)
7	Net CIAC (L5 + L6)	\$ 6,766,586	\$ -	\$ 6,766,586
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Regulatory Liability	-	120,740	120,740
11	Accumulated Amortization	-	(9,659)	(9,659)
12	Net Regulatory Liability	\$ -	\$ 111,080	\$ 111,080
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 1,364,820	\$ 211,616	\$ 1,576,435
	Plus:			
14	Deferred Debits	-	-	-
17	Working Capital Allowance	(116,838)	5,725	(111,113)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 22,964,185	\$ (3,754,221)	\$ 19,209,964

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

RECONSTRUCTION COST NEW RATE BASE (RCNRB) ADJUSTMENTS

Line No.	Description	(A) Company RCND Rate Base As Filed	(B) Adjust No. 1 UPIS & AD Adjustment	(C) Adjust No. 2 Regulatory Liability	(D) Adjust No. 3 Intentionally Left Blank	(E) Adjust No. 4 Intentionally Left Blank	(F) Adjust No. 5 Intentionally Left Blank	(G) Adjust No. 6 Intentionally Left Blank	(H) Adjust No. 7 Intentionally Left Blank	(I) Adjust No. 8 Intentionally Left Blank	(J) Adjust No. 9 ADIT Adjustment	(K) Adjust No. 10 Working Capital Adjustment	(L) Total RUCO Adjustments	(M) RUCO RCND Rate Base Recommended
1	Gross Utility Plant In Service	\$ 86,289,510	\$ (3,744,708)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,744,708)	\$ 82,544,802
	Less:													
2	Accumulated Depreciation	47,032,933	(307,459)	-	-	-	-	-	-	-	-	-	(307,459)	46,725,475
3	Net Utility Plant In Service (L1 - L2)	\$ 39,256,577	\$ (3,437,250)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,437,250)	\$ 35,819,327
	Less:													
4	Advances In Aid Of Construction ("AIAC")	\$ 8,044,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,044,147
5	Gross Contribution In Aid Of Construction ("CIAC")	7,669,622	-	-	-	-	-	-	-	-	-	-	-	7,669,622
6	Accumulated Amortization of CIAC	(893,036)	-	-	-	-	-	-	-	-	-	-	-	(893,036)
7	Net CIAC (L5 + L6)	\$ 6,766,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,766,586
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Gross Regulatory Liability	-	-	120,740	-	-	-	-	-	-	-	-	120,740	120,740
11	Accumulated Amortization	-	-	(9,659)	-	-	-	-	-	-	-	-	(9,659)	(9,659)
12	Net Regulatory Liability	\$ -	\$ -	\$ 111,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,080	\$ 111,080
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 1,364,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,616	\$ -	\$ 211,616	\$ 1,576,435
	Plus:													
14	Deferred Debits	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Working Capital Allowance	(116,838)	-	-	-	-	-	-	-	-	-	5,725	5,725	(111,113)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 22,964,185	\$ (3,437,250)	\$ (111,080)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (211,616)	\$ 5,725	\$ (3,754,221)	\$ 19,209,964

RUCO Adjustments:
 Adjustment No. 1: Summation of RUCO recommended Utility Plant in Service and Accumulated Depreciation Adjustments No. (a), (b), (c), and (d) - See RUCO Rate Base Adjustment No. 1 on Schedules TJC-4 on pages 1 & 2, Column (J) at line 42;
 Adjustment No. 2: Current Case Regulatory Liability for Over-Depreciated Plant;
 Adjustment No. 3: Intentionally Left Blank;
 Adjustment No. 4: Intentionally Left Blank;
 Adjustment No. 5: Intentionally Left Blank;
 Adjustment No. 6: Intentionally Left Blank;
 Adjustment No. 7: Intentionally Left Blank;
 Adjustment No. 8: Intentionally Left Blank;
 Adjustment No. 9: RUCO Recommended 2016 TY End Accumulated Deferred Income Tax ("ADIT") Balance;
 Adjustment No. 10: RUCO Recommended Allowance for Working Capital - See RUCO Schedule TJC-10.

References:
 Column (A): Company Schedule B-1
 Column (B) Thru Column (K): RUCO Recommended Rate Base Adjustments
 Column (L): Sum of RUCO Recommended Rate Base Adjustments of Columns (B) through (K)
 Column (M): Column (A) + Column (L)

SUMMARY OF RECONSTRUCTION COST NEW (RCN) UTILITY PLANT IN SERVICE (UPIS) ADJUSTMENTS
 RCN UPIS RATE BASE ADJUSTMENT #1

Line No.	NARUCO Account No.	Description	(A) Company Adjusted TY RCN UPIS As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPIS Reconstruction Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Only Accum. Depr.	(G) RUCO Adjustment (f) 2016 PTY Plant Adjustment	(H) RUCO Adjustment (g) 2017 PTY Plant Adjustment	(I) RUCO Adjustment (h) Unrecorded Rate Adjustment	(J) RUCO Total RCN UPIS Adjustments	(K) RUCO Recommended RCN UPIS
North West Valley Wastewater 7H Plant (continuation):													
1	354400	WW Struct & Imp TDP											
2	354500	WW Struct & Imp Gan	12,157,720										
3	355200	WW Per Gen Equip Coll	8,798						(629,521)	(120,312)		(749,833)	11,407,890
4	355300	WW Per Gen Equip SPP	86,123										8,798
5	355400	WW Per Gen Equip TDP											86,123
6	355500	WW Per Gen Equip RWTP											
7	360000	WW Collection Sewers Forecast											
8	361100	WW Collecting Mans	237,430										
9	362000	WW Special Coll Struct	860,617										
10	363000	WW Services Sewer	11,702										237,430
11	364000	WW Flow Measuring Devices	71,616										860,617
12	370000	WW Receiving Walls											11,702
13	371100	WW Pump Equip Elect	1,155,955										71,616
14	371200	WW Pump Equip Oth Per	30,661										
15	360000	WW TD Equipment	4,968,291										1,155,955
16	360050	WW TD Equip Grl Removal	2,732,222						(1,145,323)	(203,063)	(878,549)	(2,026,964)	30,661
17	360100	WW TD Equip Sed Tanks/Acc	13,581,486										2,732,222
18	360200	WW TD Equip Skid/Ele Rmv	28,338										2,732,222
19	360250	WW TD Equip Skid Dg Trk	1,960,331										13,581,486
20	360300	WW TD Equip Skid Dry/Fit	17,563,483										28,338
21	360350	WW TD Equip Sec Trmt Filtr							17,023	(124,566)		(107,543)	1,552,788
22	360400	WW TD Equip Acc ETR Trmt	4,338,884										17,563,483
23	360500	WW TD Equip Chem Trmt Pnt	296,515										
24	360600	WW TD Equip Oth Dep	2,246,948						48,140	(197,012)		(148,872)	4,100,012
25	360625	WW TD Equip Gen Trmt	1,415,802										296,515
26	360650	WW TD Equip Influent Ltr S	120,498										2,246,948
27	361000	WW Plant Sewers	143,361										1,415,802
28	362000	WW Outfall Sewer Lines	6,130		(0)								120,498
29	369100	WW Oth P/E & Misc Equip Int	94,069										143,361
30	369600	WW Other P/E - CPS - FE	249,085									(0)	6,130
31	360000	WW Office Furniture & Equip	26,726										94,069
32	360200	WW Computers & Peripheral	89,559										249,085
33	360300	WW Computer Software	351,923										89,559
34	361000	WW Tools Equipment	17,128										351,923
35	362000	WW Stone Equipment	215,909										17,128
36	363000	WW Tool Shop & Garage Equip	191,291										215,909
37	364000	WW Laboratory Equipment	143,757						(20,000)	(3,475)		(23,475)	191,291
38	365000	WW Power Operated Equip	526,722										143,757
39	367000	WW Misc Equipment	123,052						(85,000)	(11,260)		(76,260)	526,722
40	368000	WW Other Tangible Plant											123,052
41	369000	WW Other Tangible Plant											
42		Rounding											
43		Total North West Valley Treatment Facility 7H Plant	\$ 75,688,234	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (1,794,681)	\$ (659,750)	\$ (878,549)	\$ (3,132,979)	\$ 72,555,259
44		Mohave Wastewater 7H % Allocation Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
45		Mohave Wastewater NWVTF 7H Plant Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BU Plant:													
46	340200	Computer & Peripheral Equipment	1,892,104										
47	340300	Computer Software	1,895,428						(592,463)			(592,463)	1,099,941
48		Rounding							(96,750)			(96,750)	1,796,678
49		Total BU Allocated Corporate Plant	\$ 3,587,532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (691,213)	\$ -	\$ -	\$ (691,213)	\$ 2,996,319
50		Mohave Wastewater BU % Allocation Factor	0.004319%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%
51		Mohave Wastewater BU Plant Allocation	\$ 155,768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,012)	\$ -	\$ -	\$ (30,012)	\$ 125,756
TOTAL PLANT:													
52	7L	Direct	\$ 85,791,609	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ (2,186,104)	\$ (1,425,000)	\$ (80,024)	\$ (3,691,128)	\$ 82,100,481
53	7A	Corporate Plant Allocated	364,001	(21,867)									318,565
54	7H	NWV Plant Allocated							14,429	(36,131)	(1,867)	(45,436)	
55	BU	BU Plant Allocated	155,768										
56		RCN UPIS Not Accounted For - Vector Trucks - Corp.	(21,867)	21,867					(30,012)			(30,012)	125,756
57		Total Utility Plant In Service (UPIS)	\$ 86,289,510	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ (2,201,685)	\$ (1,461,131)	\$ (81,891)	\$ (3,744,798)	\$ 82,544,802

RUCO Adjustments:

- Adjustment No. (a): Fully Allocate Utility Plant in Service (UPIS) Vector Truck Balance from AZ Corporate 7A to Direct Plant Account 361000 - W/W Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2.
- Adjustment No. (b): Reconstruct AZ UPIS Account Balances as Filed by Company - See RUCO Schedule UPIS Schedules TJC-4(b) on Pages 1, 3, 5, and 7.
- Adjustment No. (c): Intentionally Left Blank.
- Adjustment No. (d): Intentionally Left Blank.
- Adjustment No. (e): Remove Over-Depreciated UPIS Accounts' Excess Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-8 on page 2 of 2.
- Adjustment No. (f): Remove 2015 PTY Plant Adjustments Excluding 6-Months Test Year End December 31, 2015.
- Adjustment No. (g): Remove AZ 2017 PTY Plant Adjustments.
- Adjustment No. (h): Company Response to RUCO DR 6.01 to Record Unrecorded 2016 PTY Plant Additions.

References:

- Column (A): Company Schedule B-2 Adjusted Test Year as Filed
- Column (B) Through (I): RUCO Recommended UPIS Adjustments
- Column (J): Sum of Columns (B) Through (I) - RUCO Sum of Total Recommended UPIS Adjustments
- Column (K): Column (A) + (J)
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPDOR per Sarah Mahler

SUMMARY OF RECONSTRUCTION COST NEW (RCN) ACCUMULATED DEPRECIATION (AD) ADJUSTMENTS
 RCN UPIS AD RATE BASE ADJUSTMENT #1

Line No.	NARLC Account No.	Description	(A) Company Adjusted TY RCN AD As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPIS AD/Reason Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Adjustments	(G) RUCO Adjustment (f) 2015 PTY AD	(H) RUCO Adjustment (g) 2017 PTY AD	(I) RUCO Adjustment (h) Retirement AD	(J) RUCO Adjustment (i) RCN AD	(K) RUCO Adjustment (j) Recommended
North West Valley Wastewater 7H Plant A/D (continuation):													
1	354400	WW Struct & Imp TDP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	354500	WW Struct & Imp Gen	4,972,185	-	-	-	-	-	-	-	-	-	4,959,144
3	355200	WW Pwr Gen Equip Coll	3,290	-	-	-	-	-	-	(2,005)	-	-	3,290
4	355300	WW Pwr Gen Equip SPP	18,003	-	-	-	-	-	(11,018)	-	-	(13,021)	4,952
5	355400	WW Pwr Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	18,003
6	355500	WW Pwr Gen Equip RWTP	-	-	-	-	-	-	-	-	-	-	-
7	360000	WW Collection Sewers Forced	-	-	-	-	-	-	-	-	-	-	-
8	361100	WW Collecting Mains	45,652	-	-	-	-	-	-	-	-	-	-
9	362000	WW Special Coll Struct	291,030	-	(0)	-	-	-	-	-	-	-	-
10	363000	WW Services Sewer	1,989	-	0	-	-	(245,062)	-	-	-	(245,062)	45,968
11	364000	WW Floor Measuring Devices	70,837	-	-	-	-	-	-	-	-	0	1,989
12	370000	WW Recycling Waste	-	-	-	-	-	-	-	-	-	-	-
13	371100	WW Pump Equip Elect	548,171	-	-	-	-	-	-	-	-	-	70,837
14	371200	WW Pump Equip Oth Pwr	12,789	-	-	-	-	-	-	-	-	-	-
15	380000	WW TD Equipment	2,878,331	-	(0)	-	-	-	-	-	-	-	548,171
16	380500	WW TD Equip Gnt Removal	2,833,522	-	-	-	-	-	-	-	-	-	12,789
17	380100	WW TD Equip Sed Tanks/Acc	13,507,749	-	0	-	-	(197,971)	(38,375)	(6,770)	(995,512)	(740,657)	2,137,875
18	382000	WW TD Equip Sldge Dig Trk	1,304	-	-	-	-	(138,350)	-	-	-	-	1,304
19	380250	WW TD Equip Sldge Dry/Fat	16,636,802	-	-	-	-	-	-	-	-	-	13,507,749
20	380350	WW TD Equip Sec Trmt Fit	2,918,016	-	-	-	-	-	(5,548)	(4,152)	-	(9,702)	1,304
21	380400	WW TD Equip Aux Eff Trmt	172,430	-	-	-	-	(2,404)	-	-	-	(2,404)	19,836,902
22	380500	WW TD Equip Chem Trmt Pht	2,219,559	-	(0)	-	-	(74,827)	(8,246)	(9,567)	-	(92,441)	2,828,575
23	380600	WW TD Equip Ctn Disp	1,387,482	-	(0)	-	-	-	-	-	-	-	1,387,482
24	380625	WW TD Equip Gen Trmt	117,750	-	-	-	-	(205,418)	-	-	-	(0)	172,430
25	380650	WW TD Equip Influent Lift S	46,987	-	-	-	-	-	-	-	-	(205,418)	2,014,140
26	381000	WW Plant Sewers	1,735	-	-	-	-	(8,395)	-	-	-	(8,395)	1,387,482
27	382000	WW Outfall Sewer Lines	21,340	-	(0)	-	-	-	-	-	-	(8,395)	109,365
28	389100	WW Oth Pht & Misc Equip Int	248,274	-	-	-	-	(132,079)	-	-	-	(132,079)	46,987
29	389600	WW Other PVE - OHS - TE	89,556	-	-	-	-	(0)	-	-	-	(0)	21,340
30	390000	WW Office Furniture & Equip	248,274	-	-	-	-	-	-	-	-	-	248,274
31	390200	WW Computers & Peripheral	89,556	-	-	-	-	-	-	-	-	-	89,556
32	390300	WW Computer Software	346,019	-	-	-	-	(25,111)	-	-	-	(25,111)	1,307
33	391000	WW Trans Equipment	128,902	-	-	-	-	(93,899)	-	-	-	(93,899)	128,902
34	392000	WW Storage Equipment	25,347	-	-	-	-	(725,259)	-	-	-	(725,259)	25,347
35	393000	WW Tool Shop & Garage Equip	141,933	-	-	-	-	-	-	-	-	-	141,933
36	394000	WW Laboratory Equipment	128,902	-	-	-	-	-	(500)	(87)	-	(587)	128,902
37	395000	WW Power Operated Equip	365,877	-	-	-	-	-	-	-	-	-	365,877
38	396000	WW Communication Equip	120,402	-	-	-	-	(31,582)	(3,250)	(665)	-	(35,396)	120,402
39	397000	WW Misc Equipment	-	-	-	-	-	(2,300)	-	-	-	(2,300)	-
40	398000	WW Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	-
41		Rounding	-	-	-	-	-	-	-	-	-	-	-
42			-	-	-	-	-	-	-	-	-	-	-
43		Total North West Valley Treatment Facility 7H A/D	\$ 57,821,482	\$ -	\$ 0	\$ -	\$ -	\$ (1,862,514)	\$ (96,937)	\$ (20,146)	\$ (995,512)	\$ (2,965,109)	\$ 55,156,373
44		Mohave Wastewater 7H % Allocation Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
45		Mohave Wastewater NWVTF 7H Allocation A/D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SU Plant A/D:													
46	340200	Computer & Peripheral Equipment	413,309	-	(0)	-	-	(29,623)	-	-	-	(29,623)	383,686
47	340300	Computer Software	842,275	-	9,780	-	-	7,187	-	-	-	16,967	859,241
48		Rounding	-	-	-	-	-	-	-	-	-	-	-
49		Total SU Allocated Corporate A/D	\$ 1,255,584	\$ -	\$ 9,780	\$ -	\$ -	\$ (22,437)	\$ 7,187	\$ -	\$ -	\$ (12,657)	\$ 1,242,927
50		Mohave Wastewater SU % Allocation Factor	0.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%	4.3419%
51		Mohave Wastewater SU Allocation A/D	\$ 54,518	\$ -	\$ 425	\$ -	\$ -	\$ (974)	\$ -	\$ -	\$ -	\$ (550)	\$ 53,967
TOTAL PLANT A/D:													
52	7L	Direct	46,870,581	-	0	-	-	(118,838)	(62,760)	(39,853)	(81,973)	(303,033)	46,567,528
53	7A	Corporate Plant Allocated	110,669	(2,832)	(0)	-	-	(1,902)	734	(818)	(1,860)	(9,708)	103,960
54	7H	NWVTF Plant Allocated	-	-	-	-	-	-	-	-	-	-	-
55	SU	SU Plant Allocated	54,518	-	425	-	-	-	-	-	-	(550)	53,967
56		RCN AD Not Accounted For - Vector Trucks - Corp	(2,832)	2,832	-	-	-	-	-	-	-	2,832	(0)
57		Total Utility Plant in Service A/D	\$ 47,032,933	\$ -	\$ 425	\$ -	\$ -	\$ (120,740)	\$ (63,019)	\$ (40,670)	\$ (83,463)	\$ (307,459)	\$ 46,725,475

RUCO Adjustments:

- Adjustment No. (a): Fully Allocate Utility Plant in Service (UPIS) Vector Truck Balances from AZ Corporate 7A to Direct Plant Account 201000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2.
- Adjustment No. (b): Reconstruct All UPIS Account Balances as Filed by Company - See RUCO Schedule UPIS Schedule TJC-4(b) on Page 1, 3, 5, and 7.
- Adjustment No. (c): Intentionally Left Blank.
- Adjustment No. (d): Intentionally Left Blank.
- Adjustment No. (e): Remove Over-Depreciated UPIS Accounts Excess Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-6 on page 2 of 2.
- Adjustment No. (f): Remove 2015 PTY Plant Adjustments Exceeding 6-Months Test Year End December 31, 2015.
- Adjustment No. (g): Remove All 2017 PTY Plant Adjustments.
- Adjustment No. (h): Company Response to RUCO DR 8.01 to Record Unrecorded 2015 PTY Plant Additions.

References:

- Column [A]: Company Schedule B-2 Adjusted Test Year as Filed
 - Column [B] Through [I]: RUCO Recommended UPIS Adjustments
 - Column [J]: Sum of Column [B] Through [I] - RUCO Sum of Total Recommended UPIS Adjustments
 - Column [K]: Column [A] + [J]
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS UPIS ALLOCATION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Anthem Allocator 5.1615%	[E] RUCO Allocated Adjustment
Allocated AZ Corp Plant:							
1	304500	Structures & Improvements General	\$ 867,209	\$ -	\$ 216,155	5.1615%	\$ -
2	304620	Structures & Improvements Leasehold	19,076	-	19,076	5.1615%	-
3	334100	Meters	12,936	-	12,936	5.1615%	-
4	339600	Other P/E-CPS	401,267	-	401,267	5.1615%	-
5	340100	Office Furniture & Equipment	1,540,410	-	1,540,410	5.1615%	-
6	340200	Computer & Peripheral Equipment	1,508,481	-	1,508,481	5.1615%	-
7	340300	Computer Software	224,789	-	224,588	5.1615%	-
8	340330	Computer Software Other	6,564	-	6,564	5.1615%	-
9	344000	Laboratory Equipment	22,261	-	22,261	5.1615%	-
10	346100	Communication Equipment Non-Telephone	244,843	-	244,843	5.1615%	-
11	346190	Remote Control & Instrument	124,954	-	124,954	5.1615%	-
12	346200	Communication Equipment Telephone	91,902	-	91,902	5.1615%	-
13	346300	Communication Equipment Other	156,534	-	156,534	5.1615%	-
14	347000	Miscellaneous Equipment	1,830,993	(423,658)	1,601,970	5.1615%	(21,867)
15		Rounding	-	-	-	5.1615%	-
16		Total AZ Corporate Plant Allocated	<u>\$7,052,219</u>	<u>\$ (423,658)</u>	<u>\$ 6,171,940</u>		<u>(21,867)</u>
17		RUCO Total Adjustment					\$ (21,867)

References:
Schedule TJC-4 on page 1 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
FACTOR TRUCKS ACCUMULATED DEPRECIATION (A/D) ALLOCATION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Anthem Allocator 5.1615%	[E] RUCO Allocated Adjustment
Allocated AZ Corp A/D:							
1	304500	Structures & Improvements General	\$ 30,426	\$ -	\$ (13,885)	5.1615%	\$ -
2	304620	Structures & Improvements Leasehold	1,035	-	1,035	5.1615%	-
3	334100	Meters	4,739	-	4,739	5.1615%	-
4	339600	Other P/E-CPS	76,834	-	76,834	5.1615%	-
5	340100	Office Furniture & Equipment	712,910	-	712,910	5.1615%	-
6	340200	Computer & Peripheral Equipment	702,405	-	702,405	5.1615%	-
7	340300	Computer Software	49,301	-	49,281	5.1615%	-
8	340330	Computer Software Other	3,282	-	3,282	5.1615%	-
9	344000	Laboratory Equipment	11,131	-	11,131	5.1615%	-
10	346100	Communication Equipment Non-Telephone	244,843	-	207,995	5.1615%	-
11	346190	Remote Control & Instrument	27,182	-	27,182	5.1615%	-
12	346200	Communication Equipment Telephone	73,463	-	73,463	5.1615%	-
13	346300	Communication Equipment Other	17,839	-	17,839	5.1615%	-
14	347000	Miscellaneous Equipment	189,110	(54,871)	140,322	5.1615%	(2,832)
15		Salvage Proceeds				5.1615%	
16		Total AZ Corporate A/D Allocated	<u>\$2,144,501</u>	<u>\$ (54,871)</u>	<u>\$ 2,014,532</u>		<u>(2,832)</u>
17		RUCO Total Adjustment					<u>\$ (2,832)</u>

References:
Schedule TJC-4 on page 2 of 2

OPERATING INCOME SUMMARY

Line No.	Description	[A] Company Adjusted Test Year As Filed	[B] RUCO Recommended Adjustments	[C] RUCO Recommended Adjusted Test Year Amounts	[D] RUCO Recommended Changes	[E] RUCO Recommended Amounts
Revenues:						
1	Water/Wastewater Revenues	\$ 6,922,913	\$ -	\$ 6,922,913	\$ 114,964	\$ 7,037,877
2	Other Revenues	166	-	166	-	166
3	Total Revenues	<u>\$ 6,923,079</u>	<u>\$ -</u>	<u>\$ 6,923,079</u>	<u>\$ 114,964</u>	<u>\$ 7,038,043</u>
Operating Expenses:						
4	Labor	\$ 951,919	\$ (46,622)	\$ 905,296	\$ -	\$ 905,296
5	Purchased Water	75	-	75	-	75
6	Fuel & Power	562,930	(21,999)	540,930	-	540,930
7	Chemicals	106,353	(2,126)	104,227	-	104,227
8	Waste Disposal	130,500	-	130,500	-	130,500
9	Intercompany Support Services	-	-	-	-	-
10	Corporate Allocation	200,121	(4,420)	195,701	-	195,701
11	Outside Services	136,678	(632)	136,046	-	136,046
12	Group Insurance	354,036	(31,753)	322,283	-	322,283
13	Pensions	-	-	-	-	-
14	Regulatory Expense	78,067	-	78,067	-	78,067
15	Insurance Other Than Group	87,554	-	87,554	-	87,554
16	Customer Accounting	310,982	(8,467)	302,515	284	302,799
17	Rents	18,520	-	18,520	-	18,520
18	General Office Expense	73,383	(558)	72,825	-	72,825
19	Miscellaneous	48,393	(9,736)	38,657	-	38,657
20	Maintenance Expense	240,399	(3,423)	236,976	-	236,976
21	Depreciation & Amortization	2,384,678	(185,302)	2,199,376	-	2,199,376
22	General Taxes-Property	287,317	(3,731)	283,586	1,590	285,176
23	General Taxes-Other	83,049	(474)	82,575	-	82,575
24	Income Taxes	156,281	150,717	306,998	42,108	349,106
25	Total Operating Expenses	<u>\$ 6,211,234</u>	<u>\$ (168,527)</u>	<u>\$ 6,042,707</u>	<u>\$ 43,982</u>	<u>\$ 6,086,689</u>
26	Operating Income	<u>\$ 711,844</u>	<u>\$ 168,527</u>	<u>\$ 880,371</u>	<u>\$ 70,983</u>	<u>\$ 951,354</u>

References:

- Column [A]: Company Schedule C-1;
- Column [B]: RUCO Recommended Total Adjustments Per Schedule TJC-12 on pages 1-2 at page 2 in Column [S] at line 26;
- Column [C]: Column [A] + [B] - RUCO Recommended Adjusted Test Year Amounts Per Schedule TJC-12 on page 2 of 2 in Column [T];
- Column [D]: RUCO Recommended Increase/(Decrease) to Revenue Requirement;
- Column [E]: Column [C] + [D] - RUCO Recommended Increase/(Decrease) Amounts for Revenue Requirement.

RUCO OPERATING INCOME ADJUSTMENTS

Line No.	Description	[A] Company Adjusted Test Year As Filed	[B] Adj. No. 1 Depreciation Expense	[C] Adj. No. 2 Property Taxes	[D] Adj. No. 3 Performance Based Adjustment	[E] Adj. No. 4 Annualized Labor Adjustment	[F] Adj. No. 5 Purchased Power Adjustment	[G] Adj. No. 6 CPI Adjustment	[H] Adj. No. 7 Customer Accounting Adjustment	[I] Adj. No. 8 Low Income Adjustment	[J] Adj. No. 9 EPCOR Services Left Blank
Revenues:											
1	Water/Wastewater Revenues	\$ 6,922,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	166	-	-	-	-	-	-	-	-	-
3	Total Revenues	\$ 6,923,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses:											
4	Labor	\$ 951,919	\$ -	\$ -	\$ (36,653)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,969)
5	Purchased Water	75	-	-	-	-	-	-	-	-	-
6	Fuel & Power	562,930	-	-	-	-	(21,984)	(15)	-	-	-
7	Chemicals	106,353	-	-	-	-	-	(2,126)	-	-	-
8	Waste Disposal	130,500	-	-	-	-	-	-	-	-	-
9	Intercompany Support Services	-	-	-	-	-	-	-	-	-	-
10	Corporate Allocation	200,121	-	-	-	-	-	-	-	-	-
11	Outside Services	136,678	-	-	-	-	-	(316)	-	-	-
12	Group Insurance	354,036	-	-	-	(29,894)	-	(632)	-	-	(1,859)
13	Pensions	-	-	-	-	-	-	-	-	-	-
14	Regulatory Expense	78,067	-	-	-	-	-	-	-	-	-
15	Insurance Other Than Group	87,554	-	-	-	-	-	-	-	-	-
16	Customer Accounting	310,982	-	-	-	-	-	-	-	-	-
17	Rents	18,520	-	-	-	-	-	(309)	(8,158)	-	-
18	General Office Expense	73,383	-	-	-	-	-	-	-	-	-
19	Miscellaneous	48,393	-	-	-	-	-	(558)	-	-	-
20	Maintenance Expense	240,399	-	-	-	-	-	(736)	-	(9,000)	-
21	Depreciation & Amortization	2,384,678	(163,791)	-	-	-	-	(3,423)	-	-	-
22	General Taxes - Property	287,317	-	(3,731)	-	-	-	-	-	-	-
23	General Taxes - Other	83,049	-	-	-	-	-	-	-	-	-
24	Income Taxes	156,281	-	-	-	-	-	-	-	-	(474)
25	Total Operating Expenses	\$ 6,211,234	\$ (163,791)	\$ (3,731)	\$ (36,653)	\$ (29,894)	\$ (21,984)	\$ (8,115)	\$ (8,158)	\$ (9,000)	\$ (12,302)
26	Operating Income	\$ 711,844	\$ 163,791	\$ 3,731	\$ 36,653	\$ 29,894	\$ 21,984	\$ 8,115	\$ 8,158	\$ 9,000	\$ 12,302

Adjustments:

- Adjustment No. 1: Depreciation Expense - See RUCO Schedule TJC-13 in Column [G] at line 45;
- Adjustment No. 2: Property Taxes - See RUCO Schedule TJC-14 in Column [A] at line 18;
- Adjustment No. 3: Incentive Pay - See RUCO Schedule TJC-15 on line 5;
- Adjustment No. 4: Remove 2nd Pay Raise - See RUCO Schedule TJC-16 on page 1 of 1 at line 11;
- Adjustment No. 5: Declining Usage - Not Used for Sewer System;
- Adjustment No. 6: Intentionally Left Blank;
- Adjustment No. 7: Postage Decrease - See RUCO Schedule TJC-19 at line 5;
- Adjustment No. 8: Intentionally Left Blank;
- Adjustment No. 9: APUC Non-Labor Adjustment - See RUCO Schedule TJC-21 at line 14;

References:

- Column [A]: Company Schedule C-1 Adjusted Test Year as Filed;
- Column [B] through [J]: RUCO Recommended Adjusted Test Year Adjustments;

RUCO OPERATING INCOME ADJUSTMENTS

Line No.	Description	[K] Adj. No. 10 Corporate Allocations Adjustment	[L] Adj. No. 11 Asset Usage Fee Adjustment	[M] Adj. No. 12 Intentionally Left Blank	[N] Adj. No. 13 Intentionally Left Blank	[O] Adj. No. 14 Intentionally Left Blank	[P] Adj. No. 15 Bad Debt Expense	[Q] Adj. No. 16 Intentionally Left Blank	[R] Adj. No. 17 Income Taxes	[S] Total RUCO Recommended Adjustments	[T] RUCO Adjusted Test Year Recommended
Revenues:											
1	Water/Wastewater Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,922,913
2	Other Revenues	-	-	-	-	-	-	-	-	-	166
3	Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,923,079
Operating Expenses:											
4	Labor	-	-	-	-	-	-	-	-	-	905,296
5	Purchased Water	-	-	-	-	-	-	-	-	(46,622)	75
6	Fuel & Power	-	-	-	-	-	-	-	-	-	540,930
7	Chemicals	-	-	-	-	-	-	-	-	(21,989)	104,227
8	Waste Disposal	-	-	-	-	-	-	-	-	(2,126)	130,500
9	Intercompany Support Services	-	-	-	-	-	-	-	-	-	-
10	Corporate Allocation	(4,104)	-	-	-	-	-	-	-	(4,420)	195,701
11	Outside Services	-	-	-	-	-	-	-	-	(632)	136,046
12	Group Insurance	-	-	-	-	-	-	-	-	(31,753)	322,283
13	Pensions	-	-	-	-	-	-	-	-	-	-
14	Regulatory Expense	-	-	-	-	-	-	-	-	-	-
15	Insurance Other Than Group	-	-	-	-	-	-	-	-	-	-
16	Customer Accounting	-	-	-	-	-	-	-	-	-	-
17	Rents	-	-	-	-	-	-	-	-	(8,467)	78,067
18	General Office Expense	-	-	-	-	-	-	-	-	-	87,554
19	Miscellaneous	-	-	-	-	-	-	-	-	-	302,515
20	Maintenance Expense	-	-	-	-	-	-	-	-	(558)	18,520
21	Depreciation & Amortization	-	-	-	-	-	-	-	-	(9,736)	72,825
22	General Taxes - Property	-	(21,511)	-	-	-	-	-	-	(3,423)	38,657
23	General Taxes - Other	-	-	-	-	-	-	-	-	(185,302)	236,976
24	Income Taxes	-	-	-	-	-	-	-	150,717	(3,731)	2,199,376
25	Total Operating Expenses	\$ (4,104)	\$ (21,511)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,717	\$ (168,527)	\$ 6,042,707
26	Operating Income	\$ 4,104	\$ 21,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (150,717)	\$ 168,527	\$ 880,371

Adjustments:

- Adjustment No. 10: APUC, LUC, and LABS 45% Labor Adjustment - See RUCO Schedule TJC-22;
- Adjustment No. 11: Intentionally Left Blank;
- Adjustment No. 12: Intentionally Left Blank;
- Adjustment No. 13: APUC Corporate LU 8020 Allocations - See RUCO Schedule TJC-25;
- Adjustment No. 14: Intentionally Left Blank;
- Adjustment No. 15: Intentionally Left Blank;
- Adjustment No. 16: Rate Case Expense - Not Used;
- Adjustment No. 17: Income Taxes - See RUCO Schedule TJC-29.

References:

- Column [K] thru [R]: RUCO Recommended Adjusted Test Year Adjustments;
- Column [S]: RUCO Total Adjusted Test Year Adjustments on Schedule TJC-12 page 1 of 2 in Columns [B] thru Schedule TJC-12 page 2 of 2 in Columns [K] thru [R];
- Column [T]: Column [A] on Schedule TJC-12 at page 1 of 2 + Column [S] on Schedule TJC-12 page 2 of 2 - RUCO Recommended Adjusted Test Year Balances.

OPERATING INCOME ADJUSTMENT NO. 1
 TEST YEAR (TY) END UPIS DEPRECIATION EXPENSE

Line No.	NARUC Account	Description	(A) Company Total Unallocated UPIS As Filed	(B) Allocation Factor	(C) Company TY End Allocated UPIS As Filed	(D) RUCO Unallocated UPIS Adjustments Recommended	(E) RUCO Allocated UPIS Adjustments Recommended	(F) RUCO Depreciable UPIS Recommended	(G) Authorized Depreciation Rate	(H) RUCO Depreciation Expense Recommended
North West Valley Wastewater 7H Plant (continuation):										
1	354400	WW Struct & Imp TDP	\$ -	0.00%	\$ -	\$ -	\$ -	-	-	\$ -
2	354500	WW Struct & Imp Gen	7,712,865	0.00%	-	-	-	-	3.33%	-
3	355200	WW Pwr Gen Equip Coll	7,952	0.00%	-	(749,833)	-	-	3.33%	-
4	355300	WW Pwr Gen Equip SPP	83,439	0.00%	-	-	-	-	3.33%	-
5	355400	WW Pwr Gen Equip TDP	-	0.00%	-	-	-	-	5.00%	-
6	355500	WW Pwr Gen Equip RWTP	-	0.00%	-	-	-	-	5.00%	-
7	360000	WW Collection Sewers Forced	-	0.00%	-	-	-	-	5.00%	-
8	361100	WW Collecting Mains	-	0.00%	-	-	-	-	2.00%	-
9	362000	WW Special Coll Struct	109,750	0.00%	-	-	-	-	2.50%	-
10	363000	WW Services Sewer	486,393	0.00%	-	-	-	-	2.00%	-
11	364000	WW Flow Measuring Devices	8,725	0.00%	-	-	-	-	2.00%	-
12	370000	WW Receiving Wells	55,223	0.00%	-	-	-	-	10.00%	-
13	371100	WW Pump Equip Elect	-	0.00%	-	-	-	-	3.33%	-
14	371200	WW Pump Equip Oth Pwr	1,028,512	0.00%	-	-	-	-	12.50%	-
15	380000	WW TD Equipment	28,257	0.00%	-	-	-	-	12.50%	-
16	380050	WW TD Equip Grl Removal	3,979,047	0.00%	-	-	-	-	12.50%	-
17	380100	WW TD Equip Ssd Tanks/Acc	1,041,234	0.00%	-	(1,901,939)	-	-	6.67%	-
18	380200	WW TD Equip Skge/Em Rmv	5,327,840	0.00%	-	-	-	-	6.67%	-
19	380250	WW TD Equip Skge Dig Trk	28,253	0.00%	-	-	-	-	6.67%	-
20	380300	WW TD Equip Skge Dry/Fit	1,344,033	0.00%	-	(107,543)	-	-	6.67%	-
21	380350	WW TD Equip Sac Trmt Fit	8,892,158	0.00%	-	-	-	-	6.67%	-
22	380400	WW TD Equip Aux Em Trmt	-	0.00%	-	-	-	-	6.67%	-
23	380500	WW TD Equip Chem Trmt Pit	2,810,834	0.00%	-	(148,872)	-	-	6.67%	-
24	380600	WW TD Equip Oth Disp	208,791	0.00%	-	-	-	-	6.67%	-
25	380625	WW TD Equip Gen Trmt	1,033,384	0.00%	-	-	-	-	6.67%	-
26	380650	WW TD Equip Influent Lift S	780,428	0.00%	-	-	-	-	6.67%	-
27	381000	WW Plant Sewers	64,980	0.00%	-	-	-	-	6.67%	-
28	382000	WW Outfall Sewer Lines	111,410	0.00%	-	-	-	-	6.67%	-
29	389100	WW Ch Pit & Misc Equip Int	4,259	0.00%	-	(0)	-	-	5.00%	-
30	389600	WW Other P.E. - CPS - 7E	89,298	0.00%	-	-	-	-	3.33%	-
31	390000	WW Office Furniture & Equip	-	0.00%	-	-	-	-	6.67%	-
32	390200	WW Computers & Peripheral	168,065	0.00%	-	-	-	-	6.67%	-
33	390300	WW Computer Software	23,044	0.00%	-	-	-	-	6.67%	-
34	391000	WW Trans Equipment	49,927	0.00%	-	-	-	-	20.00%	-
35	392000	WW Stores Equipment	247,842	0.00%	-	-	-	-	20.00%	-
36	393000	WW Tool Shop & Garage Equip	11,072	0.00%	-	-	-	-	4.00%	-
37	394000	WW Laboratory Equipment	163,232	0.00%	-	(23,475)	-	-	5.00%	-
38	395000	WW Power Operated Equip	156,655	0.00%	-	-	-	-	10.00%	-
39	396000	WW Communication Equip	136,487	0.00%	-	-	-	-	5.00%	-
40	397000	WW Misc Equipment	435,125	0.00%	-	(78,293)	-	-	10.00%	-
41	398000	WW Other Tangible Plant	74,088	0.00%	-	-	-	-	10.00%	-
42		Rounding	-	0.00%	-	-	-	-	10.00%	-
43		Total North West Valley Treatment Facility 7H Plant	\$ 41,077,918							
44		Anthem Wastewater 7H % Allocation		0.00%						
45		Anthem Wastewater NWWTF 7H Plant Allocation			\$ -	\$ (3,007,854)	\$ -	\$ -		\$ -
8U Plant:										
46	340200	Computer & Peripheral Equipment	\$ 1,639,629	4.34%	\$ 71,191	\$ (592,463)	\$ (25,724)	\$ 45,467	10.00%	\$ 4,547
47	340300	Computer Software	1,846,105	4.34%	80,156	(98,750)	(4,288)	75,869	20.00%	15,174
48		Rounding	-	4.34%	-	-	-	-	-	-
49		Total 8U Allocated Corporate Plant	\$ 3,485,734							
50		Anthem Wastewater 8U % Allocation		4.34%						
51		Anthem Wastewater 8U Plant Allocation			\$ 151,348	\$ (891,213)	\$ (30,912)	\$ 121,336		\$ 19,720
52		Totals	\$ 105,229,734		\$ 54,659,041	\$ (8,239,892)	\$ (3,751,008)	\$ 50,908,033		\$ 2,545,405
Total Depreciation by Plant Classification:										
					<u>Per Company</u>		<u>RUCO Adjustments</u>			
53	7N	Direct Plant As Filed			\$ 2,838,646		\$ (134,350)			\$ 2,504,296
54	7A	Arizona Corporate Plant Allocated As Filed			22,930		(1,542)			21,388
55	7H	NWWTF Plant Allocated As Filed			-		-			19,720
56	8U	8U Plant Allocated As Filed			23,150		(3,430)			19,720
57		Company Adjustment BMM-4834 for Vector Trucks in 7A			(1,337)		1,337			-
58		Total Depreciation Expense on UPIS As Filed			\$ 2,883,390		\$ (137,885)			\$ 2,545,405
Decision No. 75268 Regulatory Assets & Liabilities:										
								<u>Reg Asset</u>	<u>Reg Liability</u>	
59	360000	Collection Sewer Forced						\$ -	\$ -	
60	380100	WW TD Equipment Tanks/Acc						-	-	
61	380600	WW TD Equipment Other Disp						-	-	
62	397000	Miscellaneous Equipment						-	-	
63	399000	Reconciliation to PIS Balance						-	-	
64		Total Gross Regulatory Assets & Liabilities						\$ -	\$ -	
65		RUCO Amortization September thru December 2015 @ 8%						\$ -	\$ -	
66		Total Reg. Amortization Per Company (Add 12-Mths.)						\$ -	\$ -	

Continued on Next Page

OPERATING INCOME ADJUSTMENT NO. 1
 DEPRECIATION EXPENSE

Line No	NARUC Account	Description	[A] Company Total Unallocated UPIS As Filed	[B] Allocation Factor	[C] Company TY End Allocated UPIS As Filed	[D] RUCO Unallocated UPIS Adjustments Recommended	[E] RUCO Allocated UPIS Adjustments Recommended	[F] RUCO Depreciable UPIS Recommended	[G] Authorized Depreciation Rate	[H] RUCO Depreciation Expense Recommended
Current Docket Regulatory Assets & Liabilities:										
					<u>Per Company</u>					
						<u>RUCO Adjustments</u>				
1	TJC-5	Direct Plant						<u>Reg Asset</u>	<u>Reg Liability</u>	
2	TJC-5	Allocable AZ Corporate 7A Plant			\$ -		\$ (96,941)	\$ -	\$ (96,941)	
3	TJC-5	Allocable NWWTF Plant			-		(1,552)	-	(1,552)	
4	TJC-5	Allocable USA Corporate 9U Plant			-		-	-	-	
5					-		-	-	-	
6		Total Gross Regulatory Assets & Liabilities						\$ -	\$ (98,493)	
7		RUCO TY End 2015 Amortization @ 8%						\$ -	\$ (7,879)	
8		Total Reg. Amortization Per Company			\$ -		\$ (7,879)			(7,879)
9		Less: Deduction for Amortization of CIAC Per RUCO								
10		Less: Deduction for Amortization of CIAC Per Company			(298,712)			\$ (8,256,463)	5.0610%	(316,628)
11		Company Total TY End Depreciation Expense Requested	Sum of Col. [C] Pg 2 at Lines 58 & 59, and Pg 3 at Line 10		\$ 2,384,678		\$ (17,827)			
12		RUCO Total Recommended Depreciation Expense								
13		Company Adjusted TY End Depreciation Expense						Sum of Col. [H] Pg 2 at Lines 58 & 65, and Pg 3 at Line 9		
14		RUCO Depreciation Expense Adjustment						Col. [C] Pg 3 at Line 11 and RUCO Sch. RBM-11 Col [A] at Line 21		
										\$ 2,220,887
										\$ 2,384,678
										\$ (163,791)

References:
 Company B-2 and C-1 Schedules, and RUCO Schedule TJC-4(a), pages 1 & 2
 Account 351100 has a 40-Year Expected Life or 2.50% Depreciation Rate
 Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

OPERATING INCOME ADJUSTMENT NO. 2
PROPERTY TAXES

Line No.	Property Tax Calculation	[A] RUCO AS ADJUSTED	[B] RUCO RECOMMENDED
1	RUCO Adjusted Test Year Gross Revenues		
2	Multiplied by 2	\$ 6,923,079	\$ 6,923,079
3	Subtotal (Line 1 * Line 2)	<u>2</u>	<u>2</u>
4a	RUCO Adjusted Test Year Gross Revenues	\$ 13,846,157	\$ 13,846,157
4b	RUCO Recommended Revenue	<u>6,923,079</u>	
5	Subtotal (Line 3 + Line 4a)		<u>7,038,043</u>
6	Number of Years	\$ 20,769,236	\$ 20,884,200
7	Three Year Average (Line 5 / Line 6)	<u>3</u>	<u>3</u>
8	Department of Revenue Multiplier	\$ 6,923,079	\$ 6,961,400
9	Revenue Base Value (Line 7 * Line 8)	<u>2</u>	<u>2</u>
10	Plus: 10% of CWIP Per Company Schedule E-1 As Filed	\$ 13,846,157	\$ 13,922,800
11	Less: Net Book Value of Licensed Vehicles	<u>5,071</u>	5,071
12	Full Cash Value (Line 9 + Line 10 - Line 11)	<u>179,874</u>	<u>179,874</u>
13	Assessment Ratio	\$ 13,671,354	\$ 13,747,997
14	Assessed Value (Line 12 * Line 13)	<u>18.0%</u>	<u>18.0%</u>
15	Composite Property Tax Rate (Per RUCO Effective Property Tax Calculation)	\$ 2,460,844 <u>11.5239%</u>	\$ 2,474,640 <u>11.5239%</u>
16	RUCO Adjusted Test Year Property Tax Expense (Line 14 * Line 15)	\$ 283,586	
17	Company Adjusted Test Year Property Tax Expense (Per Company Schedule C-1)	<u>287,317</u>	
18	RUCO Test Year Adjustment (Line 16-Line 17)		
19	Property Tax - RUCO Recommended Revenue (Line 14 * Line 15)	<u>\$ (3,731)</u>	
20	RUCO Test Year Adjusted Property Tax Expense (Line 16)		\$ 285,176
21	Increase/(Decrease) to Property Tax Expense		<u>283,586</u>
22	Increase/(Decrease) to Property Tax Expense		<u>\$ 1,590</u>
23	Increase in Revenue Requirement		\$ 1,590
24	Increase /(Decrease) to Property Tax per Dollar Increase in Revenue (Line 22 / Line 23)		114,964 1.3829%

References:

- RUCO Schedule TJC-11
- RUCO Schedule TJC-4(a) page 1 of 2

Operating Income Adjustment No. 3
Removal of Performance Based Compensation

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua	Anthem	Mohave	Sun City	Sun City	TOTAL
	Fria				West	
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

Company Requested Increase by System						
Direct Performance Based Expense	\$ 14,047	\$ 25,078	\$ 6,738	\$ 5,894	\$ 2,213	\$ 53,970
Arizona Performance Based Comp Expense	58,430	56,799	12,873	71,517	59,117	258,736
EPCOR Water USA Performance Incentive	10,036	9,756	2,211	12,284	10,154	44,441
NWWRTF	3,900	-	-	-	16,403	20,303
Total Performance Based Compensation	\$ 86,413	\$ 91,633	\$ 21,822	\$ 89,695	\$ 87,887	\$ 377,450
RUCO Calculation of 50% Reduction	(43,207)	(45,817)	(10,911)	(44,848)	(43,944)	(188,725)
Company 10% Reduction in Perf. Comp.	(8,641)	(9,163)	(2,182)	(8,970)	(8,789)	(37,745)
RUCO's Additional Reduction	\$ (34,565)	\$ (36,653)	\$ (8,729)	\$ (35,878)	\$ (35,155)	\$ (150,980)

Reference(s):

- Columns (A) through (E) Lines 4 through 7 - See Company Schedule C-2 Page 13 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 9 - Sum of Lines 4 through 7
- Columns (A) through (E) Line 10 - 50 percent of Line 9
- Columns (A) through (E) Line 11 - See Company Schedule C-2 Page 13 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 13 - Sum of Lines 9, 10, 11

Operating Income Adjustment No. 4
Annualize Labor and Labor Related Expenses / Group Insurance

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua	Anthem	Mohave	Sun City	Sun City	TOTAL
	Fria				West	
Group Insurance and Other Benefits - As Filed						
401k	\$ 78,030	\$ 85,255	\$ 15,773	\$ 66,905	\$ 76,785	\$ 322,748
Pension	\$ 80,281	\$ 75,347	\$ 16,654	\$ 58,153	\$ 79,626	\$ 310,061
Insurance	\$ 132,803	\$ 193,434	\$ 39,580	\$ 101,931	\$ 154,566	\$ 622,314
Total Group Ins. / Other Benefits	\$ 291,114	\$ 354,036	\$ 72,007	\$ 226,989	\$ 310,977	\$ 1,255,123
Fully Allocated Expense	\$ 221,958	\$ 233,097	\$ 68,063	\$ 108,874	\$ 148,803	\$ 780,795
Company Increase Requested in Filing	\$ 69,156	\$ 120,939	\$ 3,944	\$ 118,115	\$ 162,174	\$ 474,328

Reference(s):

- Columns (A) through (E) Lines 4 through 6 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 7 - Sum of Lines 4 through 6
- Columns (A) through (E) Line 8 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 9 - Line 7 - Line 8

Group Insurance and Other Benefits - Adjustments

401k	\$ (6,850)	\$ (7,465)	\$ (4,798)	\$ (7,935)	\$ (15,867)	\$ (42,915)
Pension	\$ (21,161)	\$ (20,570)	\$ (4,662)	\$ (25,900)	\$ (21,409)	\$ (93,702)
Insurance	\$ (1,913)	\$ (1,859)	\$ (421)	\$ (2,342)	\$ (1,936)	\$ (8,471)
Total Group Ins. / Other Benefits - Corrections	\$ (29,924)	\$ (29,894)	\$ (9,881)	\$ (36,177)	\$ (39,212)	\$ (145,088)
Company Increase Actual	\$ 39,232	\$ 91,045	\$ (5,937)	\$ 81,938	\$ 122,962	\$ 329,240
Reduction in Company's Original Filing	\$ (29,924)	\$ (29,894)	\$ (9,881)	\$ (36,177)	\$ (39,212)	\$ (145,088)

The Company, in RUCO DR#8.04 indicated that they were making several rebuttal adjustments to Group Insurance and Other Benefits expense. The Adjustments are shown on Line 26 for each wastewater system.

Operating Income Adjustment No. 5
Purchased Power

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua			Sun City	West	
	Fria	Anthem	Mohave	Sun City		TOTAL
1	\$ 277,365	\$ 562,930	\$ 40,641	\$ 19,029	\$ 421,546	\$ 1,321,511
2	\$ (5,813)	\$ (10,868)	-	\$ (416)	\$ (9,224)	\$ (26,321)
3	\$ (5,946)	\$ (11,117)	-	\$ (425)	\$ (9,435)	\$ (26,924)
4						
5						
6						
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17						
18						
19						
20						
21						
22						

Company's Calculations as Follows:

System	Expense 2015	Percent Increase 2016	2017	Company Requested Revenue Increase	
				2016	2017
Agua Fria	\$ 253,838	2.29%	\$ 5,813	\$ 5,946	
Anthem	\$ 474,574		\$ 10,868	\$ 11,117	
Mohave	\$ 39,936		\$ -	\$ -	
Sun City	\$ 18,163		\$ 416	\$ 425	
Sun City West	\$ 402,806		\$ 9,224	\$ 9,435	
TOTALS	\$ 1,189,317		\$ 26,321	\$ 26,924	

Per the Company, APS provides guidance annually regarding proposed changes to electrical rates for commercial customers. Because APS has entered into a rate case in 2016 and the requested increase has not been disclosed by APS the Company has made its own determination and has increased purchased power by 2.29% for both years 2016 and 2017. This adjustment is inappropriate as it is not know and measurable.

Reference(s):

- Columns (A) through (E) Lines 4 through 6 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 7 - Sum of Lines 4 through 6
- Columns (A) through (E) Line 8 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 9 - Line 7 - Line 8

Operating Income Adjustment No. 6
CPI Adjustment

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua	Anthem	Mohave	Sun City	Sun City	TOTAL
	Fria	West	West	West	West	
1	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ 15
2	2,010	2,126	144	-	4,913	9,193
3	325	316	72	398	329	1,440
4	669	632	126	582	635	2,644
5	296	309	66	488	374	1,533
6	591	558	127	735	719	2,730
7	661	736	191	404	695	2,687
8	3,781	3,423	522	1,317	5,057	14,100
9						
10						
11						
12						
13	\$ 8,333	\$ 8,115	\$ 1,248	\$ 3,924	\$ 12,722	\$ 34,342

NOTE: Reductions in CPI Expense calculations will be made to each of the individual accounts as identified above.

Per EPCOR, "Each year, inflation causes prices of goods and services to increase. The pricing of the goods and services that created the 2015 test year expenses will be higher in 2016 and again in 2017. Failure to account for inflation causes unnecessary regulatory lag." This is not an appropriate adjustment as it is not a known and measurable change.

Reference(s):
 Columns (A) through (E) Lines 4 through 11 - See Company Schedule C-2 Page 32 - AZ Wastewater Consolidated Filing

Operating Income Adjustment No. 7
 Customer Accounting - Postage - Customer Care

	(A) Agua Fria	(B) Anthem	(C) Mohave	(D) Sun City	(E) Sun City West	(F) Consol Adjustment	(G) TOTAL
Customer Accounting Expense - Requested	\$ 247,076	\$ 313,552	\$ 60,088	\$ 738,733	\$ 496,931	\$ 1,624	\$ 1,858,004
RUCO Adjustments - Customer Accounting							
Postage	(1,047)	(1,398)	(246)	(3,476)	(2,359)		(8,526)
Customer Care - CPI Adj	(3,071)	(4,190)	(727)	(10,617)	(7,175)		(25,780)
Unexplained Adjustment	(1,181)	(2,570)	(786)	(2,390)	(1,098)	(1,624)	(9,649)
RUCO Adjustments to Customer Accounting	\$ (5,299)	\$ (8,158)	\$ (1,759)	\$ (16,483)	\$ (10,632)	\$ (1,624)	\$ (43,955)

Company's Calculations for Postage Increase as Follows:

System	Expense 2015	Percent Increase	Increase By Sys
Agua Fria	\$ 26,574	3.94%	\$ 1,047
Anthem	\$ 35,502		\$ 1,398
Mohave	\$ 6,240		\$ 246
Sun City	\$ 88,252		\$ 3,476
Sun City West	\$ 59,897		\$ 2,359
	\$ 216,465		\$ 8,526

RUCO's adjustment to postage
 (\$8,526)

The Company took the actual postage costs for years 2013, 2014 and 2015 and took the average increase for the three year period that was then applied to the 2015 test year postage expense for each system. While postage expenses did increase for the years 2013, 2014 and 2015, postage expense decreased effective April 10, 2016. Consequently, an upward adjustment is not necessary.

Company's Increase Requested for Customer Care - CPI Adjustment

	Agua Fria	Anthem	Mohave	Sun City	Sun City West	TOTAL
Company Requested Increase by System	\$ 3,071	\$ 4,190	\$ 727	\$ 10,617	\$ 7,175	\$ 25,780
Company Increase Requested	\$ 3,071	\$ 4,190	\$ 727	\$ 10,617	\$ 7,175	\$ 25,780
Total						
RUCO Adjustments	\$ (3,071)	\$ (4,190)	\$ (727)	\$ (10,617)	\$ (7,175)	\$ (25,780)

Customer Care and Billing charges, as defined by Company, include costs associated with Third Party Billing, Call Centers, and Work Order Management. Costs billed to the Company are on a per bill per month basis. This adjustment includes adjustments for inflation based on the CPI through 2017. Increasing based on CPI Index is not appropriate as this is not a known and measurable change.

Operating Income Adjustment No. 8
Low Income Program

	(A)	(B)	(C)	(D)	(E)	(F)
Company Requested Low Income by System					Sun City	
Company Req. Low Income Program	Agua	Anthem	Mohave	Sun City	West	TOTAL
RUCO's Adjustments	Fria					
RUCO's Recommendation	\$ 12,000	\$ 9,000	\$ 9,000	\$ 60,000	\$ 30,000	\$ 120,000
	\$ (12,000)	\$ (9,000)	\$ (9,000)	\$ (60,000)	\$ (30,000)	\$ (120,000)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Calculated as Follows:

Proposed Monthly Discount	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Number of Expected Participants	200	150	150	1,000	500	500
Per Month Revenues	1,000	750	750	5,000	2,500	10,000
Number of Months	12	12	12	12	12	12
Company Requested Low Income Program	\$ 12,000	\$ 9,000	\$ 9,000	\$ 60,000	\$ 30,000	\$ 120,000

The Company is proposing a Low Income Program for Agua Fria, Anthem, Sun City and Sun City West Wastewater Districts. A Low Income Program was authorized by the Commission in Decision No. 75268 for the Mohave Wastewater District.

RUCO is recommending that the Commission adopt the same Low Income Program that was approved in Decision No. 75268. The program costs will be deferred until a future rate case and request recovery at that time.

Reference(s):

Columns (A) through (E) Lines 4, 10 and 11 - See Company Schedule C-2 Page 34 - AZ Wastewater Consolidated Filing

Operating Income Adjustment No. 9
Adjustment for EPCOR Services Inc.

	(A)	(B)	(C)	(D)	(E)	(F)
Adjustments to Company Line Items	Agua	Anthem	Mohave	Sun City	Sun City	TOTAL
Salaries and Labor Ln 7	Fria			West		
Salaries and Labor Ln 7	\$ (8,274)	\$ (8,043)	\$ (1,823)	\$ (10,128)	\$ (8,372)	\$ (36,640)
401(K) Ln 15	\$ (1,981)	\$ (1,926)	\$ (436)	\$ (2,425)	\$ (2,004)	\$ (8,772)
Insurance Ln 15	\$ (914)	\$ (888)	\$ (201)	\$ (1,119)	\$ (925)	\$ (4,047)
Taxes Ln 26	\$ (999)	\$ (971)	\$ (220)	\$ (1,223)	\$ (1,011)	\$ (4,424)
	\$ (488)	\$ (474)	\$ (107)	\$ (597)	\$ (493)	\$ (2,159)
Adjustments for EPCOR Services Inc.	\$ (12,656)	\$ (12,302)	\$ (2,787)	\$ (15,492)	\$ (12,805)	\$ (56,042)
SUMMARY						
Salaries and Labor Ln 7	\$ (10,255)	\$ (9,969)	\$ (2,259)	\$ (12,553)	\$ (10,376)	\$ (45,412)
401 (K), Insurance Ln 15	\$ (1,913)	\$ (1,859)	\$ (421)	\$ (2,342)	\$ (1,936)	\$ (8,471)
Taxes Ln 26	\$ (488)	\$ (474)	\$ (107)	\$ (597)	\$ (493)	\$ (2,159)
TOTAL	\$ (12,656)	\$ (12,302)	\$ (2,787)	\$ (15,492)	\$ (12,805)	\$ (56,042)

Business Unit	Direct Pay	Performance Based		401 (k)	Insurance	Pension	Taxes	Total
		Comp.	10%					
Sun City	\$ 10,128	\$ 2,425	\$ (242)	\$ 1,119	\$ 1,223	\$ -	\$ 597	\$ 15,250
Sun City West	\$ 8,372	\$ 2,004	\$ (200)	\$ 925	\$ 1,011	\$ -	\$ 493	\$ 12,605
Agua Fria	\$ 8,274	\$ 1,981	\$ (198)	\$ 914	\$ 999	\$ -	\$ 488	\$ 12,458
Anthem	\$ 8,043	\$ 1,926	\$ (193)	\$ 888	\$ 971	\$ -	\$ 474	\$ 12,109
Mohave	\$ 1,823	\$ 436	\$ (44)	\$ 201	\$ 220	\$ -	\$ 107	\$ 2,743
TOTAL	\$ 36,640	\$ 8,772	\$ (877)	\$ 4,047	\$ 4,424	\$ -	\$ 2,159	\$ 55,165

Per Company Notes on Staff DR PT5.1 -- This filing, incorrectly included employee number 109679 in its allocation of 6U Labor and Benefits. Those costs should be removed from the Company's request. Please note that 10% of performance based compensation has already been removed through Income Statement Adjustment SLM-IS10, therefore, this adjustment must account for that.

Operating Income Adjustment No. 10
Corporate Allocations

	(A)	(B)	(C)	(D)	(E)	(G)
	Agua				Sun City	
	Fria	Anthem	Mohave	Sun City	West	TOTAL
\$	205,544	\$ 199,805	\$ 45,285	\$ 251,580	\$ 207,960	\$ 910,174
\$	201,356	\$ 195,701	\$ 44,355	\$ 246,422	\$ 203,704	\$ 891,537
\$	(4,188)	\$ (4,104)	\$ (930)	\$ (5,158)	\$ (4,256)	\$ (18,637)

Test Year Corporate Allocations - Labor
 RUCO Calculations for Labor Increase for One Year
 RUCO's Additional Reduction

Total Arizona Corporate Allocation	\$ 3,792,265
Less: Public Affairs	(307,499)
Sub Total	\$ 3,484,766
Percent Attributable to Labor	69%
AZ Corporate Allocation for Labor	\$ 2,404,489
2016 Labor Increase at 3%	\$ 72,135
2017 Labor increase at 3%	\$ -
	\$ 72,135
Total Arizona Corporate Allocation Adjusted for 2016 Labor Increase	\$ 3,556,901

Allocation Factor %/%

Agua Fria	5.661%	\$ 201,356
Anthem	5.502%	\$ 195,701
Mohave	1.247%	\$ 44,355
Sun City	6.928%	\$ 246,422
Sun City West	5.727%	\$ 203,704
		\$ 891,537

Reference(s):

See Company Schedule C-2 Page 28

Operating Income Adjustment No. 11
Asset Usage Fee

	(A)	(B)	(C)	(D)	(E)	(F)
1	Agua				Sun City	
2	Fria	Anthem	Mohave	Sun City	West	TOTAL
3	Company Requested Increase by System					
4	Company Increase Requested - Year 2016	\$ 11,295	\$ 13,794	\$ 2,441	\$ 34,784	\$ 23,493
5	Company Correction - Should be removed	\$ (15,900)	\$ (21,511)	\$ (3,743)	\$ (54,436)	\$ (36,785)
6	Sub-Total	\$ (15,900)	\$ (21,511)	\$ (3,743)	\$ (54,436)	\$ (36,785)
7						
8	Company Ending Balances	\$ (4,605)	\$ (7,717)	\$ (1,302)	\$ (19,652)	\$ (13,292)
						\$ (46,568)

Per the Company in response to DR#PTN 3.1; The amounts recorded to Asset Usage Fee, Line 5 Above, should be removed from the filing and the Company shall make such an adjustment in its rebuttal filing.

Reference(s):

Columns (A) through (E) Line 4 - See Company Schedule C-2 Page 28 - AZ Wastewater Consolidated Filing
 Columns (A) through (E) Line 5 - See Company Response to DR#PTN 3.1

OPERATING INCOME ADJUSTMENT NO. 12
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<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1		\$ -
2		-
3		-
		\$ -

References:

OPERATING INCOME ADJUSTMENT NO. 13
 LU 8020 LABOR COST ALLOCATIONS

Line No.	Description	[A] Company Allocated Amount	[B] RUCO Allocated Amount	[C] RUCO As Adjusted
1	LU 8020 Labor Cost Pool Allocations	\$ 4,027,790	\$ 4,027,790	
2	Company Used a Different Rio Rico Allocation Factor than Allocation Factor Claimed in Application	2.79%	0.00%	
3	Company & RUCO Allocated LU 8020 Cost Pool to RRUI Water Adjustment (Column [A] - [B])	<u>\$ 112,375</u>	<u>\$ -</u>	<u>\$ (112,375)</u>
4	RUCO Adjustmentment			<u>\$ (112,375)</u>

References:

OPERATING INCOME ADJUSTMENT NO. 14
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<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amount</u>
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References:

OPERATING INCOME ADJUSTMENT NO. 15
BAD DEBT EXPENSE CALCULATION FOR ADJUSTED TEST YEAR AND RECOMMENDED REVENUE INCREASE

Line No.	Description	[A] Adjusted Test Year Amount	[B] Recommended Increase Amount
1	RUCO Adjusted Test Year Revenue & Recommended Increase in Revenue (Schedule RBM-11)	\$ 6,923,079	\$ 114,964
2	Company Adjusted Test Year & Proposed Bad Debt Expense	<u>17,078</u>	<u>19,648</u>
3	RUCO Bad Debt Expense Factor (L2 / L1)	<u>0.2467%</u>	<u>0.2467%</u>
4	RUCO Bad Debt Expense Calculation (L1 x L3)	\$ 17,078	\$ 284
5	Company Test Year Booked Bad Debt Expense	14,030	2,570
6	Company Bad Debt Expense Adjustment (Col. [A]: L2 - L5)	<u>3,048</u>	<u>3,048</u>
7	RUCO Bad Debt Expense Calculation (L1 x L3)	\$ 17,078	\$ 284
8	RUCO Bad Debt Expense Adjustment (L7 - L2)	\$ -	\$ 284

References:

RUCO Schedule RBM-11
Company Schedule C-2 Adjustment Summary on Page 8

RATE BASE ADJUSTMENT NO. 16
RATE CASE EXPENSE

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Company Rate Case Expense Requested	\$ 73,583
2	RUCO Rate Case Expense Recommended	<u>73,583</u>
3	RUCO Adjustment	\$ -
4	Annual Rate Case Expense Normalized Over 5-Years (Line 2 / 5-Years)	<u>\$ 14,717</u>

References:

Per Company Schedule C-2

OPERATING INCOME ADJUSTMENT NO. 17
INCOME TAXES

Line No.	Description	[A] RUCO Adjusted Test Year Amount	[B] RUCO Recommended Amount
1	RUCO Computed Adjusted Test Year Income Tax	\$ 306,998	\$ 349,106
2	Company Income Tax As Filed	156,281	540,864
3	RUCO Adjustment to Income Tax Expense	<u>\$ 150,717</u>	<u>\$ (191,757)</u>

References:

See RUCO Schedule TJC-1 at page 2 of 2;
Company Schedule C-1 Adjusted Test Year as Filed

GROSS REVENUE CONVERSION FACTOR (GRCF)

Line No.	Description	Amount
1	Combined Federal & State Effective Income Tax Rate	37.2340%
2	Property Tax Effective Rate	0.8680%
3	Uncollectible Revenue Effective Rate	0.1548%
4	Total Cobined Federal, State, Property, and Uncollectible Effective Rates (Sum of L1 + L2 + L3)	38.2568%
5	Operating Income % = 100% Minus Combined Federal, State, Property, Uncollectible Effective Rates (100% Minus Line 4)	61.7432%
6	$\frac{1}{\text{Operating Income \% on Line 5}}$	= 1.6196

References:
 RUCO Schedule TJC-1, Page 1 of 2 and Page 2 of 2
 RUCO Schedule TJC-11

COST OF CAPITAL

Line No.	Description	[A] DOLLAR AMOUNT	[B] CAPITAL RATIO	[C] COST RATE	[D] WEIGHTED COST RATE
1	Long-Term Debt	\$ 8,097,854	47.38%	4.29%	2.03%
2	Short-Term Debt	647,858	3.79%	0.20%	0.01%
3	Common Equity	6,236,754	36.49%	9.30%	3.39%
4	Fair Value Increment	2,107,887	12.33%	1.04%	0.13%
5	Total Capitalization	<u>\$ 17,090,353</u>	<u>100.00%</u>		<u>5.56%</u>
6	Fair Value Rate of Return				5.56%

RUCO Recommended Adjusted Fair Value Rate Base:

RUCO Recommended Original Cost Rate Base (OCRB)	\$ 14,994,191
RUCO Reconstructed Cost New Depreciation (RCND)	<u>19,209,964</u>
Fair Value Rate Base	\$ 17,102,078

References:

Columns [A] Thru [D]: JAC Schedules & Testimony

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SUMMARY OF ORIGINAL COST RATE BASE ("OCRB"), RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE, AND FAIR VALUE RATE BASE ("FVRB"):		
TJC-1	1 of 2	REVENUE REQUIREMENT - ORIGINAL COST RATE BASE ("OCRB"), RECONSTRUCTION COST NEW ("RCN"), AND FAIR VALUE RATE BASE ("FVRB")
TJC-1	2 of 2	GROSS REVENUE CONVERSION FACTOR ("GRCF")
TJC-2	1 of 2	RATE BASE SUMMARY - COMPANY & RUCO OCRB, RCN, AND FVRB
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SUMMARY OF ORIGINAL COST RATE BASE ("OCRB") AND OCRB ADJUSTMENTS:		
TJC-3	1 of 2	ORIGINAL COST RATE BASE ("OCRB") SUMMARY
TJC-3	2 of 2	ORIGINAL COST RATE BASE ("OCRB") ADJUSTMENTS
SUMMARY OF ORIGINAL COST OF UTILITY PLANT IN SERVICE ("UPIS") AND ACCUMULATED DEPRECIATION ("A/D") ADJUSTMENTS:		
TJC-4	1 - 2	SUMMARY OF ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENTS
TJC-4	3 - 4	SUMMARY OF ORIGINAL COST UPIS ACCUMULATED DEPRECIATION ("A/D") ADJUSTMENTS
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TJC-4(a)	1 of 2	ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
TJC-4(a)	2 of 2	ORIGINAL COST UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
TJC-4(b)	1 of 8	ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - DIRECT PLANT ADJUSTMENT
TJC-4(b)	2 of 8	ORIGINAL COST UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - DIRECT PLANT ADJUSTMENT
TJC-4(b)	3 of 8	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - ALLOCABLE ARIZONA CORPORATE PLANT ADJUSTMENT
TJC-4(b)	4 of 8	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - ALLOCABLE ARIZONA CORPORATE PLANT ADJUSTMENT
TJC-4(b)	5 of 8	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - ALLOCABLE NORTHWEST VALLEY TREATMENT FACILITY ("NWVTF") PLANT ADJUSTMENT
TJC-4(b)	6 of 8	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - ALLOCABLE NWVTF PLANT ADJUSTMENT
TJC-4(b)	7 of 8	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - ALLOCABLE USA CORPORATE PLANT ADJUSTMENT
TJC-4(b)	8 of 8	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - ALLOCABLE USA CORPORATE PLANT ADJUSTMENT
TJC-4(c)	1 of 1	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (c) - INTENTIONALLY LEFT BLANK
TJC-4(d)	1 of 1	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (d) - INTENTIONALLY LEFT BLANK
TJC-4(e)	1 - 3	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e) - REMOVE DEBIT & EXCESS ACCUMULATED DEPRECIATION PLANT ACCOUNT BALANCES
TJC-4(f)	1 - 3	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f) - 2016 POST TEST YEAR ("PTY") UPIS DISALLOWANCE
TJC-4(f)	4 - 6	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (f) - 2016 PTY UPIS ACCUMULATED DEPRECIATION ("A/D") DISALLOWANCE
TJC-4(g)	1 - 3	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g) - 2017 POST TEST YEAR ("PTY") UPIS DISALLOWANCE
TJC-4(g)	4 - 6	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (g) - 2017 PTY UPIS ACCUMULATED DEPRECIATION ("A/D") DISALLOWANCE
TJC-4(h)	1 - 3	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h) - RECORD UN-RECORDED 2016 UPIS RETIREMENTS
TJC-4(h)	4 - 6	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (h) - RECORD UN-RECORDED 2016 ACCUMULATED DEPRECIATION ("A/D") RETIREMENTS
<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 2:</u>		
TJC-5	1 of 1	ESTABLISH NET REGULATORY ASSETS AND LIABILITIES FOR UPIS & A/D ADJUSTMENT (e) ABOVE
<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 3 - 8:</u>		
TJC-5(a)	1 of 1	RATE BASE ADJUSTMENTS NO. 3 THRU 8 - NOT USED OR INTENTIONALLY LEFT BLANK
<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 9:</u>		
TJC-6	1 of 1	ADDITIONAL ACCUMULATED DEFERRED INCOME TAX ("ADIT") LIABILITY IDENTIFIED IN RUCO DR 6.04 AND 2016 PTY PLANT BONUS DEPRECIATION
<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 10:</u>		
TJC-7	1 - 2	ALLOWANCE FOR WORKING CAPITAL
SUMMARY OF RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE AND RCND ADJUSTMENTS:		
TJC-8	1 of 2	RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE SUMMARY
TJC-8	2 of 2	RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE ADJUSTMENTS
SUMMARY OF RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") OF UTILITY PLANT IN SERVICE ("UPIS") AND ACCUMULATED DEPRECIATION ("A/D") ADJUSTMENTS:		
TJC-9	1 - 2	SUMMARY OF RECONSTRUCTION COST NEW ("RCN") UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENTS

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TJC-10	1 of 2	RECONSTRUCTION COST NEW ("RCN") UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
TJC-10	2 of 2	RECONSTRUCTION COST NEW ("RCN") UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
<u>RUCO OPERATING INCOME SCHEDULES AND ADJUSTMENTS</u>		
RBM-11	1	OPERATING INCOME SUMMARY
RBM-12	1 - 2	OPERATING INCOME ADJUSTMENTS
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RBM-15	1	OPERATING INCOME ADJUSTMENT NO. 3 - PERFORMANCE BASED COMPENSATION EXPENSE
RBM-16	1	OPERATING INCOME ADJUSTMENT NO. 4 - ANNUALIZE LABOR & LABOR RELATED EXPENSES
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RBM-23	1	OPERATING INCOME ADJUSTMENT NO. 11 - ASSET USAGE FEE EXPENSE
RBM-24	1	OPERATING INCOME ADJUSTMENT NO. 12 - INTENTIONALLY LEFT BLANK
RBM-25	1	OPERATING INCOME ADJUSTMENT NO. 13 - INTENTIONALLY LEFT BLANK
RBM-26	1	OPERATING INCOME ADJUSTMENT NO. 14 - INTENTIONALLY LEFT BLANK
RBM-27	1	OPERATING INCOME ADJUSTMENT NO. 15 - BAD DEBT EXPENSE
RBM-28	1	OPERATING INCOME ADJUSTMENT NO. 16 - INTENTIONALLY LEFT BLANK
RBM-29	1	OPERATING INCOME ADJUSTMENT NO. 17 - INCOME TAX EXPENSE
RBM-30	1	GROSS REVENUE CONVERSION FACTOR ("GRCF")
RBM-31	1	COST OF CAPITAL

RUCO RECOMMENDED REVENUE REQUIREMENT

Line No.	Description	[A] Company Original Cost Rate Base	[B] Company RCND Rate Base	[C] Company Fair Value Rate Base	[D] RUCO Original Cost Rate Base	[E] RUCO RCND Rate Base	[F] RUCO Fair Value Rate Base
1	Fair Value Rate Base	\$ 5,286,204	\$ 5,782,765	\$ 5,534,485	\$ 4,914,420	\$ 5,404,257	\$ 5,159,338
2	Adjusted Test Year Operating Income (Loss)	\$ 250,792	\$ 250,792	\$ 250,792	\$ 325,606	\$ 325,606	\$ 325,606
3	Current Rate Of Return (L2 / L1)	4.74%	4.34%	4.53%	6.63%	6.02%	6.31%
4	Required Operating Income (L5 X L1)	\$ 376,881	\$ 376,881	\$ 376,881	\$ 307,253	\$ 307,253	\$ 307,253
5	Required Rate Of Return On Fair Value Rate Base	7.13%	6.52%	6.81%	6.25%	5.69%	5.96%
6	Operating Income Deficiency (L4 - L2)	\$ 126,090	\$ 126,090	\$ 126,090	\$ (18,352)	\$ (18,352)	\$ (18,352)
7	Gross Revenue Conversion Factor (TJC-1, Pg 2)	1.6300	1.6300	1.6300	1.6192	1.6192	1.6192
8	Increase In Gross Revenue Requirement (L7 X L6)	\$ 205,526	\$ 205,526	\$ 205,526	\$ (29,717)	\$ (29,717)	\$ (29,717)
9	Adjusted Test Year Revenues	\$ 1,507,737	\$ 1,507,737	\$ 1,507,737	\$ 1,507,737	\$ 1,507,737	\$ 1,507,737
10	Proposed Annual Revenue (L8 + L9)	\$ 1,713,263	\$ 1,713,263	\$ 1,713,263	\$ 1,478,020	\$ 1,478,020	\$ 1,478,020
11	Required Percentage Increase In Revenue (L8 / L9)	13.62%	13.62%	13.62%	-1.97%	-1.97%	-1.97%
12	Rate Of Return On Common Equity	10.65%	10.65%	10.65%	9.30%	9.30%	9.30%

References:

Column [A]: Company Schedules A-1, B-1, C-1, and D-1
Column [B]: RUCO Schedule TJC-2, RBM-11 and RBM-31

RUCO GROSS REVENUE CONVERSION FACTOR ("GRCF")

LINE NO.	DESCRIPTION	[A]	[B]	[C]
<u>Calculation of Gross Revenue Conversion Factor:</u>				
1	Revenue	100.0000%		
2	Uncollectible Factor	0.0000%		
3	Revenues (L1 - L2)	100.0000%		
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	42.8727%		
5	Subtotal (L3 - L4)	57.1273%		
6	Revenue Conversion Factor (L1 / L5)	1.750477		
<u>Calculation of Uncollectible Factor:</u>				
7	Unity	100.0000%		
8	Combined Federal and State Tax Rate (Line 17)	41.9890%		
9	One Minus Combined Income Tax Rate (L7 - L8)	58.0110%		
10	Uncollectible Rate	0.0000%		
11	Uncollectible Factor (L9 * L10)		0.0000%	
<u>Calculation of Effective Tax Rate:</u>				
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%		
13	Arizona State Income Tax Rate	4.9000%		
14	Federal Taxable Income (L12 - L13)	95.1000%		
15	Applicable Federal Income Tax Rate (Col. [C], L53)	39.0000%		
16	Effective Federal Income Tax Rate (L14 x L15)	37.0890%		
17	Combined Federal and State Income Tax Rate (L13 + L16)		41.9890%	
<u>Calculation of Effective Property Tax Factor:</u>				
18	Unity	100.0000%		
19	Combined Federal and State Income Tax Rate (Col. [B], L17)	41.9890%		
20	One Minus Combined Income Tax Rate (L18-L19)	58.0110%		
21	Property Tax Factor (Sch. TJC-9, Col. [B], L24)	1.5234%		
22	Effective Property Tax Factor (L20 x L21)		0.8837%	
23	Combined Federal and State Income Tax and Property Tax Rate (Col. [B], L17 + L22)			42.8727%
24	Required Operating Income (Sch. TJC-1, Col. [B] Line 4)	\$ 307,253		
25	Adjusted Test Year Operating Income (Loss) (Sch. TJC-1, Col. [B], L2)	\$ 325,606		
26	Required Increase in Operating Income (L24 - L25)		\$ (18,352)	
27	Income Taxes on Recommended Revenue (Col. [C], L52)	\$ 53,298		
28	Income Taxes on Test Year Revenue (Col. [A], L52)	\$ 65,586		
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		\$ (12,288)	
30	Recommended Revenue Requirement (Sch. TJC-1, Col. [B], Line 10)	\$ 1,478,020		
31	Uncollectible Rate (L10)	0.0000%		
32	Uncollectible Expense on Recommended Revenue (L30 x L31)	\$ -		
33	Adjusted Test Year Uncollectible Expense (Sch. TJC-6, Col. [C], L32)	\$ -		
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32 - L33)			
35	Property Tax with Recommended Revenue (Sch. TJC-9, Col. [B], L19)	\$ 67,971		
36	Property Tax on Adjusted Test Year Revenue (Sch. TJC-9, Col. [B], L20)	\$ 68,424		
37	Increase in Property Tax Due to Increase in Revenue (L35 - 36)		\$ (453)	
38	Total Required Increase in Revenue (Col. [B], L26 + L29 + L34 + L37)		\$ (31,093)	
<u>Calculation of Income Tax:</u>				
39	Revenue (Sch. TJC-1, Col. [B], Line 9 & Sch. TJC-1, Col. [B], L10)	\$ 1,507,737	\$ (29,717)	\$ 1,478,020
40	Operating Expenses Excluding Income Taxes	\$ 1,116,545		\$ 1,116,093
41	Synchronized Interest (Col. [C], L57)	\$ 195,102		\$ 195,102
42	Arizona Taxable Income (L39 - L40 - L41)	\$ 196,089		\$ 166,825
43	Arizona State Income Tax Rate	4.9000%		4.9000%
44	Arizona Income Tax (L42 x L43)	\$ 9,608		\$ 8,174
45	Federal Taxable Income (L42 - L44)	\$ 186,481		\$ 158,650
46	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	\$ 7,500		\$ 7,500
47	Federal Tax on Second Income Bracket (\$51,001 - \$75,000) @ 25%	\$ 6,250		\$ 6,250
48	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	\$ 8,500		\$ 8,500
49	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	\$ 33,728		\$ 22,874
50	Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34%	\$ -		\$ -
51	Total Federal Income Tax	\$ 55,978		\$ 45,124
52	Combined Federal and State Income Tax (L44 + L51)	\$ 65,586		\$ 53,298
53	Applicable Federal Income Tax Rate (Col. [C], L51 - Col. [A], L51) / [Col. [C], L45 - Col. [A], L45]			39.00%
54	<u>Synchronized Interest Calculation:</u>			
55	Original Cost Rate Base			\$ 4,914,420
56	x Weighted Average Cost of Debt			3.9700%
57	Synchronized Interest Expense			\$ 195,102

RUCO ORIGINAL COST, RECONSTRUCTION NEW LESS DEPRECIATION, FAIR VALUE RATE BASE SUMMARY

Line No.	Description	[A] Company OCRB As Filed	[B] RUCO OCRB Recommended	[C] Company RCND As Filed	[D] RUCO RCND Recommended	[E] Company FVRB As Filed	[F] RUCO FVRB Recommended
1	Gross Utility Plant In Service	\$ 11,071,227	\$ 10,764,874	\$ 14,372,198	\$ 14,065,467	\$ 12,721,712	\$ 12,415,171
	Less:						
2	Accumulated Depreciation	2,176,407	2,160,465	4,582,167	4,566,366	3,379,287	3,363,416
3	Net Utility Plant In Service (L1 - L2)	\$ 8,894,820	\$ 8,604,409	\$ 9,790,031	\$ 9,499,101	\$ 9,342,425	\$ 9,051,755
	Less:						
4	Advances In Aid Of Construction ("AIAC")	\$ 1,803,733	\$ 1,803,733	\$ 1,985,268	\$ 1,985,268	\$ 1,894,501	\$ 1,894,501
5	Gross Contribution In Aid Of Construction ("CIAC")	2,661,834	2,661,834	2,929,732	2,929,732	2,795,783	2,795,783
6	Accumulated Amortization of CIAC	(701,582)	(701,582)	(772,192)	(772,192)	(736,887)	(736,887)
7	Net CIAC (L5 + L6)	\$ 1,960,252	\$ 1,960,252	\$ 2,157,540	\$ 2,157,540	\$ 2,058,896	\$ 2,058,896
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-	-	-	-
10	Gross Regulatory Liability	1,434	3,743	1,434	3,975	1,434	3,859
11	Accumulated Amortization	-	(185)	-	(203)	-	(194)
12	Net Regulatory Liability	\$ 1,434	\$ 3,558	\$ 1,434	\$ 3,772	\$ 1,434	\$ 3,665
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 197,000	\$ 256,524	\$ 216,827	\$ 282,341	\$ 206,913	\$ 269,432
	Plus:						
14	Deferred Debits	377,396	377,396	377,396	377,396	377,396	377,396
17	Working Capital Allowance	(23,594)	(43,319)	(23,594)	(43,319)	(23,594)	(43,319)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 5,286,204	\$ 4,914,420	\$ 5,782,765	\$ 5,404,257	\$ 5,534,485	\$ 5,159,338

References:

Column [A]: Company Schedule B-1
Column [B]: TJC-3, Columns [B] Thru [K]
Column [C]: Column [A] + Column [B]

RUCO ORIGINAL COST, RECONSTRUCTION NEW LESS DEPRECIATION, FAIR VALUE RATE BASE SUMMARY

Line No.	Description	[A] RUCO Original Cost Rate Base Recommended	[B] RUCO RCND Recommended	[C] RUCO Fair Value Rate Base Recommended
1	Gross Utility Plant In Service	\$ 10,764,874	\$ 14,065,467	\$ 12,415,171
	Less:			
2	Accumulated Depreciation	2,160,465	4,566,366	3,363,416
3	Net Utility Plant In Service (L1 - L2)	\$ 8,604,409	\$ 9,499,101	\$ 9,051,755
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 1,803,733	\$ 1,985,268	\$ 1,894,501
5	Gross Contribution In Aid Of Construction ("CIAC")	2,661,834	2,929,732	2,795,783
6	Accumulated Amortization of CIAC	(701,582)	(772,192)	(736,887)
7	Net CIAC (L5 + L6)	\$ 1,960,252	\$ 2,157,540	\$ 2,058,896
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Regulatory Liability	3,743	3,975	3,859
11	Accumulated Amortization	(185)	(203)	(194)
12	Net Regulatory Liability	\$ 3,558	\$ 3,772	\$ 3,665
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 256,524	\$ 282,341	\$ 269,432
	Plus:			
14	Deferred Debits	377,396	377,396	377,396
17	Working Capital Allowance	(43,319)	(43,319)	(43,319)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 4,914,420	\$ 5,404,257	\$ 5,159,338

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

ORIGINAL COST RATE BASE (OCRB) SUMMARY

Line No.	Description	[A] Company Original Cost Rate Base As Filed	[B] RUCO Recommended OCRB Adjustments	[C] RUCO OCRB Recommended
1	Gross Utility Plant In Service	\$ 11,071,227	\$ (306,353)	\$ 10,764,874
	Less:			
2	Accumulated Depreciation	2,176,407	(15,942)	2,160,465
3	Net Utility Plant In Service (L1 - L2)	\$ 8,894,820	\$ (290,411)	\$ 8,604,409
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 1,803,733	\$ -	\$ 1,803,733
5	Gross Contribution In Aid Of Construction ("CIAC")	2,661,834	-	2,661,834
6	Accumulated Amortization of CIAC	(701,582)	-	(701,582)
7	Net CIAC (L5 + L6)	\$ 1,960,252	\$ -	\$ 1,960,252
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Regulatory Liability	1,434	2,309	3,743
11	Accumulated Amortization	-	(185)	(185)
12	Net Regulatory Liability	\$ 1,434	\$ 2,124	\$ 3,558
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 197,000	\$ 59,524	\$ 256,524
	Plus:			
14	Deferred Debits	377,396	-	377,396
17	Working Capital Allowance	(23,594)	(19,726)	(43,319)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 5,286,204	\$ (371,784)	\$ 4,914,420

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

ORIGINAL COST RATE BASE (OCRB) ADJUSTMENTS

Line No.	Description	(A) Company OCRB As Filed	(B) Adjust No. 1 UPIS & AD Adjustment	(C) Adjust No. 2 Regulatory Liability	(D) Adjust No. 3 Intentionally Left Blank	(E) Adjust No. 4 Intentionally Left Blank	(F) Adjust No. 5 Intentionally Left Blank	(G) Adjust No. 6 Intentionally Left Blank	(H) Adjust No. 7 Intentionally Left Blank	(I) Adjust No. 8 Intentionally Left Blank	(J) Adjust No. 9 ADIT Adjustment	(K) Adjust No. 10 Working Capital Adjustment	(L) Total RUCO Adjustments	(M) RUCO Recommended OCRB/FVRB
1	Gross Utility Plant In Service	\$ 11,071,227	\$ (306,353)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (306,353)	\$ 10,764,874
2	Less: Accumulated Depreciation	2,176,407	(15,942)	-	-	-	-	-	-	-	-	-	(15,942)	2,160,465
3	Net Utility Plant In Service (L1 - L2)	\$ 8,894,820	\$ (290,411)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (290,411)	\$ 8,604,409
4	Less: Advances In Aid Of Construction ("AIAC")	\$ 1,803,733	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,803,733
5	Gross Contribution In Aid Of Construction ("CIAC")	2,661,834	-	-	-	-	-	-	-	-	-	-	-	2,661,834
6	Accumulated Amortization of CIAC	(701,592)	-	-	-	-	-	-	-	-	-	-	-	(701,592)
7	Net CIAC (L5 + L6)	\$ 1,960,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,960,252
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Gross Regulatory Liability	1,434	-	2,309	-	-	-	-	-	-	-	-	2,309	3,743
11	Accumulated Amortization	-	-	(185)	-	-	-	-	-	-	-	-	(185)	(185)
12	Net Regulatory Liability	\$ 1,434	\$ -	\$ 2,124	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,124	\$ 3,558
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 197,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,524	\$ -	\$ 59,524	\$ 256,524
14	Plus: Deferred Debits	377,396	-	-	-	-	-	-	-	-	-	-	-	377,396
17	Working Capital Allowance	(23,594)	-	-	-	-	-	-	-	-	-	(19,726)	(19,726)	(43,319)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 5,286,204	\$ (290,411)	\$ (2,124)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (59,524)	\$ (19,726)	\$ (371,764)	\$ 4,914,420

23,594

Adjustment No. 1: Summation of RUCO recommended Utility Plant in Service and Accumulated Depreciation Adjustments No. (a), (b), (c), and (d) - See RUCO Rate Base Adjustment No. 1 on Schedules TJC-4 on pages 1 & 2, Column [J] at line 42.
 Adjustment No. 2: Current Case Regulatory Liability for Over-Depreciated Plant;
 Adjustment No. 3: Intentionally Left Blank;
 Adjustment No. 4: Intentionally Left Blank;
 Adjustment No. 5: Intentionally Left Blank;
 Adjustment No. 6: Intentionally Left Blank;
 Adjustment No. 7: Intentionally Left Blank;
 Adjustment No. 8: Intentionally Left Blank;
 Adjustment No. 9: RUCO Recommended 2016 TY End Accumulated Deferred Income Tax ("ADIT") Balance.
 Adjustment No. 10: RUCO Recommended Allowance for Working Capital - See RUCO Schedule TJC-10.

References:

Column [A]: Company Schedule B-1
 Column [B] Thru Column [K]: RUCO Recommended Rate Base Adjustments
 Column [L]: Sum of RUCO Recommended Rate Base Adjustments of Columns [B] through [K]
 Column [M]: Column [A] + Column [L]

**SUMMARY OF ORIGINAL COST (OC) UTILITY PLANT IN SERVICE (UPIS) ADJUSTMENTS (continuation)
 OC UPIS RATE BASE ADJUSTMENT #1**

Line No.	NARUC Account No.	Description	(A) Company Adjusted TY OC UPIS As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPIS Reconstruction Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Only Accum. Deprs.	(G) RUCO Adjustment (f) 2016 PTY Plant Adjustment	(H) RUCO Adjustment (g) 2017 PTY Plant Adjustment	(I) RUCO Adjustment (h) Unrecorded Rate Adjustment	(J) RUCO Total OC UPIS Adjustments	(K) RUCO Recommended OC UPIS
North West Valley Wastewater 7H Plant (continuation):													
1	354000	WW Struct & Imp TCP	\$ -	-	-	-	-	-	-	-	-	-	-
2	354500	WW Struct & Imp Gen	7,712,965	-	-	-	-	-	-	-	-	-	-
3	355200	WW Per Gen Equip Coll	7,952	-	-	-	-	-	(629,521)	(120,312)	-	(749,833)	6,963,002
4	355300	WW Per Gen Equip SFP	63,439	-	-	-	-	-	-	-	-	-	7,952
5	355400	WW Per Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	63,439
6	355500	WW Per Gen Equip RWTP	-	-	-	-	-	-	-	-	-	-	-
7	360000	WW Collection Systems Forced	-	-	-	-	-	-	-	-	-	-	-
8	361100	WW Collecting Main	196,750	-	-	-	-	-	-	-	-	-	196,750
9	362000	WW Special Coll Struct	496,363	-	-	-	-	-	-	-	-	-	496,363
10	363000	WW Services Sewer	8,725	-	-	-	-	-	-	-	-	-	8,725
11	364000	WW Flow Measuring Devices	55,923	-	-	-	-	-	-	-	-	-	55,923
12	370000	WW Raising Walls	-	-	-	-	-	-	-	-	-	-	-
13	371100	WW Pump Equip Elect	1,026,512	-	-	-	-	-	-	-	-	-	1,026,512
14	371200	WW Pump Equip Oth Per	29,257	-	-	-	-	-	-	-	-	-	29,257
15	380000	WW TD Equipment	3,879,947	-	-	-	-	-	-	-	-	-	3,879,947
16	380500	WW TD Equip Gril Removal	1,041,234	-	-	-	-	-	(1,145,323)	(203,903)	(553,523)	(1,901,930)	1,041,234
17	380100	WW TD Equip Sed Tanks/Asc	5,327,840	-	-	-	-	-	-	-	-	-	5,327,840
18	380200	WW TD Equip Sludge Rmv	28,253	-	-	-	-	-	-	-	-	-	28,253
19	380250	WW TD Equip Sludge Dp Trk	1,344,033	-	-	-	-	-	-	-	-	-	1,344,033
20	380300	WW TD Equip Sludge Dry/Fil	8,962,158	-	-	-	-	-	17,823	(124,566)	-	(107,943)	8,962,158
21	380350	WW TD Equip Scc Trmt Fil	-	-	-	-	-	-	-	-	-	-	-
22	380400	WW TD Equip Aux EM Trmt	2,810,634	-	-	-	-	-	-	-	-	-	2,810,634
23	380500	WW TD Equip Chem Trmt Pit	208,781	-	-	-	-	-	48,140	(197,012)	-	(148,872)	208,781
24	380900	WW TD Equip Oth Diap	1,033,364	-	-	-	-	-	-	-	-	-	1,033,364
25	380925	WW TD Equip Gen Trmt	780,426	-	-	-	-	-	-	-	-	-	780,426
26	380950	WW TD Equip Influent LIF S	84,960	-	-	-	-	-	-	-	-	-	84,960
27	381000	WW Plant Sewers	111,410	-	-	-	-	-	-	-	-	-	111,410
28	382000	WW Outfall Sewer Lines	4,259	-	(0)	-	-	-	-	-	-	-	4,259
29	389100	WW Oth Pits & Misc Equip Int	89,296	-	-	-	-	-	-	-	-	(0)	89,296
30	369900	WW Othw P/E - GPS - 7E	-	-	-	-	-	-	-	-	-	-	-
31	300000	WW Office Furniture & Equip	168,065	-	-	-	-	-	-	-	-	-	168,065
32	300200	WW Computers & Peripheral	23,044	-	-	-	-	-	-	-	-	-	23,044
33	300300	WW Computer Software	89,027	-	-	-	-	-	-	-	-	-	89,027
34	381000	WW Trans Equipment	247,842	-	-	-	-	-	-	-	-	-	247,842
35	362000	WW Storage Equipment	11,072	-	-	-	-	-	-	-	-	-	11,072
36	363000	WW Tool Shop & Garage Equip	183,232	-	-	-	-	-	-	-	-	-	183,232
37	364000	WW Laboratory Equipment	156,955	-	-	-	-	-	(20,000)	(3,475)	-	(23,475)	156,955
38	365000	WW Power Operated Equip	136,457	-	-	-	-	-	-	-	-	-	136,457
39	366000	WW Communication Equip	435,125	-	-	-	-	-	-	-	-	-	435,125
40	367000	WW Misc Equipment	74,068	-	-	-	-	-	(65,000)	(11,263)	-	(76,263)	74,068
41	368000	WW Othw Tangible Plant	-	-	-	-	-	-	-	-	-	-	-
42		Rounding	-	-	-	-	-	-	-	-	-	-	-
43		Total North West Valley Wastewater 7H Plant	\$ 41,077,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,794,981)	\$ (659,750)	\$ (563,523)	\$ (3,007,954)	\$ 38,969,962
44		Mohave Wastewater 7H % Allocation	\$ (98,000.00)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
45		Mohave Wastewater NWVTF 7H Plant Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6U Plant:													
46	340200	Computer & Peripheral Equipment	1,639,829	-	-	-	-	-	(562,463)	-	-	(562,463)	1,047,165
47	340300	Computer Software	1,846,105	-	-	-	-	-	(98,750)	-	-	(98,750)	1,747,356
48		Rounding	-	-	-	-	-	-	-	-	-	-	-
49		Total 6U Allocated Corporate Plant	\$ 3,485,934	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (661,213)	\$ -	\$ -	\$ (661,213)	\$ 2,794,521
50		Mohave Wastewater 6U % Allocation	\$ (98,000.00)	0.7983%	0.7983%	0.7983%	0.7983%	0.7983%	0.7983%	0.7983%	0.7983%	0.7983%	0.7983%
51		Mohave Wastewater 6U Plant Allocation	\$ 26,780	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,310)	\$ -	\$ -	\$ (5,310)	\$ 21,470
TOTAL PLANT:													
52	7H	Direct	\$ 10,968,926	\$ -	\$ (3,493)	\$ -	\$ -	\$ -	\$ (136,466)	\$ (156,974)	\$ -	\$ (299,933)	\$ 10,991,993
53	7A	Corporate Plant Allocated	59,306	(3,795)	-	-	-	-	2,563	(6,303)	(269)	(7,804)	51,412
54	7H	NWV Plant Allocated	-	-	-	-	-	-	-	-	-	-	-
55	6U	6U Plant Allocated	28,780	-	-	-	-	-	(5,310)	-	-	(5,310)	21,470
56		OC UPIS Not Accounted For - Vector Trucks - Corp	(3,785)	3,785	-	-	-	-	-	-	-	3,785	-
57		Total Utility Plant In Service (UPIS)	\$ 11,971,227	\$ -	\$ (3,493)	\$ -	\$ -	\$ -	\$ (129,223)	\$ (163,367)	\$ (269)	\$ (368,353)	\$ 10,794,874

RUCO Adjustments:

- Adjustment No. (a): Fully Allocate Utility Plant In Service (UPIS) Vector Truck Balances from AZ Corporate 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2.
- Adjustment No. (b): Reconstruct All UPIS Account Balances as Filed by Company - See RUCO Schedule UPIS Schedules TJC-4(b) on Pages 1, 3, 5, and 7.
- Adjustment No. (c): Intentionally Left Blank.
- Adjustment No. (d): Intentionally Left Blank.
- Adjustment No. (e): Remove Over-Depreciated UPIS Accounts' Excess Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-6 on page 2 of 2.
- Adjustment No. (f): Remove 2016 PTY Plant Adjustments Exceeding 9-Months Test Year End December 31, 2015.
- Adjustment No. (g): Remove All 2017 PTY Plant Adjustments.
- Adjustment No. (h): Company Response to RUCO DR 8.01 to Record Unrecorded 2015 PTY Plant Additions.

References:

- Column [A]: Company Schedule B-2 Adjusted Test Year as Filed
 - Column [B] Through [J]: RUCO Recommended UPIS Adjustments
 - Column [J]: Sum of Columns [B] Through [I] - RUCO Sum of Total Recommended UPIS Adjustments
 - Column [K]: Column [A] + [J]
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

SUMMARY OF ORIGINAL COST (OC) ACCUMULATED DEPRECIATION (A/D) ADJUSTMENTS
 OC UPIS A/D RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No. Description	[A] Company Adjusted TY OC A/D As Filed	[B] RUCO Adjustment (a) Factor Trucks Adjustment	[C] RUCO Adjustment (b) UPIS A/D Recon Adjustments	[D] RUCO Adjustment (c) Intentionally Left Blank	[E] RUCO Adjustment (d) Intentionally Left Blank	[F] RUCO Adjustment (e) TY Over-Depreciated Adjustments	[G] RUCO Adjustment (f) 2016 PTY A/D Adjustment	[H] RUCO Adjustment (g) 2017 PTY A/D Adjustment	[I] RUCO Adjustment (h) Retirement A/D Adjustment	[J] RUCO Total OC A/D Adjustments	[K] RUCO Recommended OC A/D
North West Valley Wastewater 7H Plant A/D (continuation):												
1	354400 WW Struct & Imp TDP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	354500 WW Struct & Imp Gen	1,399,112	-	-	-	-	-	-	-	-	-	-
3	355200 WW Pwr Gen Equip Coll	1,921	-	-	-	-	-	(11,018)	(2,005)	-	(13,021)	1,386,091
4	355300 WW Pwr Gen Equip SPP	11,007	-	-	-	-	-	-	-	-	-	11,007
5	355400 WW Pwr Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	-
6	355500 WW Pwr Gen Equip RWTP	-	-	-	-	-	-	-	-	-	-	-
7	360000 WW Collection Sewers Forced	-	-	-	-	-	-	-	-	-	-	-
8	361100 WW Collecting Mains	36,956	-	-	-	-	-	-	-	-	-	-
9	362000 WW Special Coll Struct	686,271	-	(0)	-	-	-	-	-	-	-	-
10	363000 WW Services Sewer	49,300	-	0	-	-	(199,908)	-	-	-	(199,908)	36,956
11	364000 WW Flow Measuring Devices	2,558	-	-	-	-	-	-	-	-	0	489,363
12	370000 WW Receiving Walls	49,300	-	-	-	-	-	-	-	-	0	49,300
13	371100 WW Pump Equip Elect	206,403	-	-	-	-	-	-	-	-	-	-
14	371200 WW Pump Equip Oth Pwr	8,798	-	-	-	-	-	-	-	-	-	206,403
15	380000 WW TD Equip	1,241,878	-	(0)	-	-	-	(38,375)	(6,770)	(567,361)	(612,506)	8,798
16	380050 WW TD Equip Coll Removal	1,202,728	-	-	-	-	-	-	-	-	(612,506)	629,164
17	380100 WW TD Equip Sed Tanks/ACC	5,440,888	-	0	-	-	(161,494)	-	-	-	(151,494)	1,541,234
18	380200 WW TD Equip Sludge/Err Rmv	2,044	-	-	-	-	(112,858)	-	-	-	(112,858)	5,327,840
19	380250 WW TD Equip Sludge Dig Trk	321,853	-	-	-	-	-	-	-	-	-	2,044
20	380300 WW TD Equip Sludge Dry/Fill	7,275,086	-	-	-	-	-	(5,549)	(4,152)	-	(9,702)	311,951
21	380350 WW TD Equip Sec Trmt Fil	1,591	-	-	-	-	-	-	-	-	-	7,275,086
22	380400 WW TD Equip Aux Err Trmt Fil	1,384,896	-	-	-	-	(1,961)	-	-	-	(1,961)	28,338
23	380500 WW TD Equip Chem Trmt Fil	28,338	-	-	-	-	(90,877)	(8,246)	(6,567)	-	(105,690)	79,869
24	380600 WW TD Equip Oth Crap	1,200,951	-	(0)	-	-	-	-	-	-	(0)	28,338
25	380625 WW TD Equip Gen Trmt	654,568	-	(0)	-	-	(167,567)	-	-	-	(167,567)	1,033,384
26	380650 WW TD Equip Influent Lift S	71,829	-	-	-	-	-	-	-	-	-	654,568
27	381000 WW Plant Sewers	32,668	-	-	-	-	(6,848)	-	-	-	(6,848)	64,860
28	382000 WW Outfall Sewer Lines	112,001	-	(0)	-	-	(107,743)	-	-	-	(107,743)	32,668
29	389100 WW Oth Pk & Misc Equip Int	12,559	-	-	-	-	-	-	-	-	-	4,259
30	389600 WW Other PPE - OPS - TE	0	-	-	-	-	-	-	-	-	-	12,559
31	390000 WW Office Furniture & Equip	96,573	-	-	-	-	(0)	-	-	-	(0)	96,573
32	390200 WW Computers & Peripheral	43,528	-	0	-	-	-	-	-	-	0	43,528
33	390300 WW Computer Software	145,825	-	-	-	-	(20,484)	-	-	-	(20,484)	23,044
34	391000 WW Trans Equipment	839,469	-	-	-	-	(75,598)	-	-	-	(75,598)	89,027
35	392000 WW Stores Equipment	5,715	-	(0)	-	-	(591,527)	-	-	-	(591,527)	247,842
36	393000 WW Tool Shop & Garage Equip	82,310	-	-	-	-	-	-	-	-	(0)	5,715
37	394000 WW Laboratory Equipment	79,869	-	-	-	-	-	(500)	(87)	-	(587)	81,723
38	395000 WW Power Operated Equip	23,182	-	-	-	-	-	-	-	-	-	79,869
39	396000 WW Communication Equip	388,409	-	0	-	-	-	-	-	-	-	23,182
40	397000 WW Misc Equipment	76,014	-	-	-	-	(25,783)	(3,250)	(565)	-	(29,598)	358,832
41	398000 WW Other Tangible Plant	-	-	0	-	-	(1,926)	-	-	-	(1,926)	74,088
42	Rounding	-	-	-	-	-	-	-	-	-	-	-
43	Total North West Valley Wastewater 7H A/D	\$ 26,383,131	\$ -	\$ 0	\$ -	\$ -	\$ (1,535,853)	\$ (66,937)	\$ (20,146)	\$ (567,361)	\$ (2,190,297)	\$ 24,193,034
44	Mohave Wastewater 7H % Allocation Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
45	Mohave Wastewater NWVTF 7H Allocation A/D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8U Plant A/D:												
46	340200 Computer & Peripheral Equipment	\$ 343,190	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (29,623)	\$ -	\$ -	\$ (29,623)	\$ 313,567
47	340300 Computer Software	860,877	-	7,978	-	-	-	7,187	-	-	15,165	875,042
48	Rounding	-	-	-	-	-	-	-	-	-	-	-
49	Total 8U Allocated Corporate A/D	\$ 1,204,067	\$ -	\$ 7,978	\$ -	\$ -	\$ -	\$ (22,437)	\$ -	\$ -	\$ (14,458)	\$ 1,189,609
50	Mohave Wastewater 8U % Allocation Factor	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%
51	Mohave Wastewater 8U Allocation A/D	\$ 9,251	\$ -	\$ 61	\$ -	\$ -	\$ -	\$ (172)	\$ -	\$ -	\$ (111)	\$ 9,139
TOTAL PLANT A/D:												
52	7N Direct	\$ 2,149,694	\$ -	\$ (3,661)	\$ -	\$ -	\$ (2,034)	\$ (5,035)	\$ (4,538)	\$ -	\$ (15,269)	\$ 2,134,425
53	7A Corporate Plant Allocated	18,025	(562)	(0)	-	-	(275)	130	(145)	(273)	(1,124)	16,901
54	7H NWVTF Plant Allocated	-	-	-	-	-	-	-	-	-	-	-
55	8U 8U Plant Allocated	9,251	-	61	-	-	-	(172)	-	-	(111)	9,139
56	OC A/D Not Accounted For - Factor Trucks - Corp	(562)	562	-	-	-	-	-	-	-	562	-
57	Total Utility Plant in Service A/D	\$ 2,176,407	\$ -	\$ (3,600)	\$ -	\$ -	\$ (2,309)	\$ (5,078)	\$ (4,683)	\$ (273)	\$ (15,942)	\$ 2,160,465

RUCO Adjustments:

- Adjustment No. (a): Fully Allocate Utility Plant in Service (UPIS) Factor Trucks Balances from AZ Corporate 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2;
- Adjustment No. (b): Reconstruct All UPIS Account Balances as Filed by Company - See RUCO Schedule UPIS Schedules TJC-4(b) on Pages 1, 3, 5, and 7;
- Adjustment No. (c): Intentionally Left Blank;
- Adjustment No. (d): Intentionally Left Blank;
- Adjustment No. (e): Remove Over-Depreciated UPIS Accounts' Excess Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-8 on page 2 of 2;
- Adjustment No. (f): Remove 2015 PTY Plant Adjustments Exceeding 6-Months Test Year End December 31, 2015;
- Adjustment No. (g): Remove All 2017 PTY Plant Adjustments;
- Adjustment No. (h): Company Response to RUCO DR 6.01 to Record Unrecorded 2016 PTY Plant Additions;

References:

- Column [A]: Company Schedule B-2 Adjusted Test Year as Filed
 - Column [B] Through [I]: RUCO Recommended UPIS Adjustments
 - Column [J]: Sum of Columns [B] Through [I] - RUCO Sum of Total Recommended UPIS Adjustments
 - Column [K]: Column [A] + [J]
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2018 Meeting with EPCOR per Sarah Mahler

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS UPIS ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 0.9133%	[E] RUCO Allocated Adjustment
Allocated AZ Corp Plant:							
1	304500	Structures & Improvements General	\$ 847,052	\$ -	\$ 847,052	0.9133%	\$ -
2	304620	Structures & Improvements Leasehold	18,317	-	18,317	0.9133%	-
3	334100	Meters	11,777	-	11,777	0.9133%	-
4	339600	Other P/E-CPS	364,887	-	364,887	0.9133%	-
5	340100	Office Furniture & Equipment	1,267,925	-	1,267,925	0.9133%	-
6	340200	Computer & Peripheral Equipment	1,404,587	-	1,404,587	0.9133%	-
7	340300	Computer Software	222,827	-	222,827	0.9133%	-
8	340330	Computer Software Other	6,370	-	6,370	0.9133%	-
9	344000	Laboratory Equipment	17,277	-	17,277	0.9133%	-
10	346100	Communication Equipment Non-Telephone	186,080	-	186,080	0.9133%	-
11	346190	Remote Control & Instrument	122,024	-	122,024	0.9133%	-
12	346200	Communication Equipment Telephone	68,942	-	68,942	0.9133%	-
13	346300	Communication Equipment Other	154,411	-	154,411	0.9133%	-
14	347000	Miscellaneous Equipment	1,801,081	(414,386)	1,386,695	0.9133%	(3,785)
15		Rounding	-	-	-	0.9133%	-
16		Total Vactor Truck Allocation Adjustment	<u>\$6,493,556</u>	<u>\$ (414,386)</u>	<u>\$ 6,079,169</u>		<u>(3,785)</u>
17		RUCO Total Adjustment					\$ (3,785)

References:

Schedule TJC-4 on page 1 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
 VACTOR TRUCKS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 0.9133%	[E] RUCO Allocated Adjustment
Allocated AZ Corp A/D:							
1	304500	Structures & Improvements General	\$ 30,554	\$ -	\$ 30,554	0.9133%	\$ -
2	304620	Structures & Improvements Leasehold	536	-	536	0.9133%	-
3	334100	Meters	4,641	-	4,641	0.9133%	-
4	339600	Other P/E-CPS	72,241	-	72,241	0.9133%	-
5	340100	Office Furniture & Equipment	569,006	-	569,006	0.9133%	-
6	340200	Computer & Peripheral Equipment	624,832	-	624,832	0.9133%	-
7	340300	Computer Software	186,039	-	186,039	0.9133%	-
8	340330	Computer Software Other	1,019	-	1,019	0.9133%	-
9	344000	Laboratory Equipment	3,060	-	3,060	0.9133%	-
10	346100	Communication Equipment Non-Telephone	216,139	-	216,139	0.9133%	-
11	346190	Remote Control & Instrument	20,439	-	20,439	0.9133%	-
12	346200	Communication Equipment Telephone	27,818	-	27,818	0.9133%	-
13	346300	Communication Equipment Other	8,821	-	8,821	0.9133%	-
14	347000	Miscellaneous Equipment	132,512	(61,503)	71,009	0.9133%	(562)
15		Salvage Proceeds	75,946	-	75,946	0.9133%	-
16		Total AZ Corporate A/D Allocated	<u>\$1,973,603</u>	<u>\$ (61,503)</u>	<u>\$ 1,912,100</u>		<u>(562)</u>
17		RUCO Total Adjustment					<u>\$ (562)</u>

References:
 Schedule TJC-4 on page 2 of 2

**ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b)
DIRECT ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT**

Line No.	Acct. No.	Description	[A] Company Original Cost TY End UPIS As Filed	[B] RUCO UPIS Reconstruction Adjustments	[C] RUCO Reconstructed UPIS Balances
Direct 7N Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	364	-	364
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	710,380	-	710,380
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	1,056,866	-	1,056,866
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	142,907	-	142,907
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	48,346	-	48,346
20	362000	WW Special Coll Struct	3,270,815	(3,493)	3,267,322
21	363000	WW Services Sewer	222,641	-	222,641
22	364000	WW Flow Measuring Devices	658,276	-	658,276
23	370000	WW Receiving Wells	220,823	-	220,823
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	408,927	-	408,927
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	874,942	-	874,942
28	380100	WW TD Equip Sed Tanks/Acc	135,165	-	135,165
29	380200	WW TD Equip Sldge/Effl Rmv	330,439	-	330,439
30	380250	WW TD Equip Sldge Dig Tnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	42,517	-	42,517
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	225,539	-	225,539
36	380625	WW TD Equip Gen Trmt	40,468	-	40,468
37	380650	WW TD Equip Influent Lift S	1,894,808	-	1,894,808
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Periphral	-	-	-
44	390300	WW Computer Software	10,496	-	10,496
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	71,567	-	71,567
49	395000	WW Power Operated Equip	14,336	-	14,336
50	396000	WW Communication Equip	28,196	-	28,196
51	397000	WW Misc Equipment	27,670	-	27,670
52	398000	WW Other Tangible Plant	5,780	-	5,780
53		Rounding	-	-	-
54		Total Direct 7N Plant	\$ 10,442,269	\$ (3,493)	\$ 10,438,776
55		RUCO Adjustment		\$ (3,493)	

References:

Schedule TJC-4 on page 1 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b)
DIRECT ORIGINAL COST PLANT ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company Original Cost TY End A/D As Filed	[B] RUCO Accum. Depre. Adjustments	[C] RUCO Reconstructed Accum. Depre. Balances
Direct 7N Plant Accumulated Depreciation:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	35,555	-	35,555
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	224,064	-	224,064
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	47,749	-	47,749
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	310	-	310
19	361100	WW Collecting Mains	555,812	(3,661)	552,151
20	362000	WW Special Coll Struct	28,888	-	28,888
21	363000	WW Services Sewer	85,477	-	85,477
22	364000	WW Flow Measuring Devices	105,060	-	105,060
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	48,842	-	48,842
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	78,653	-	78,653
27	380050	WW TD Equip Grit Removal	46,296	-	46,296
28	380100	WW TD Equip Sed Tanks/Acc	31,282	-	31,282
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	11,348	-	11,348
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	79,112	-	79,112
35	380600	WW TD Equip Oth Disp	5,058	-	5,058
36	380625	WW TD Equip Gen Trmt	673,144	-	673,144
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	3,230	0	3,230
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	31,291	-	31,291
48	394000	WW Laboratory Equipment	2,979	-	2,979
49	395000	WW Power Operated Equip	6,482	(0)	6,482
50	396000	WW Communication Equip	29,705	(0)	29,705
51	397000	WW Misc Equipment	1,186	-	1,186
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7N A/D	\$ 2,131,524	\$ (3,661)	\$ 2,127,863
55		RUCO Adjustment		\$ (3,661)	

References:

Schedule TJC-4 on page 2 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
ARIZONA CORPORATE ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 0.9133%	[E] RUCO Allocated Adjustment
Allocated AZ Corp Plant:							
1	304500	Structures & Improvements General	\$ 192,857	\$ -	\$ 192,857	0.9133%	\$ -
2	304620	Structures & Improvements Leasehold	18,317	-	18,317	0.9133%	-
3	334100	Meters	11,777	-	11,777	0.9133%	-
4	339600	Other P/E-CPS	364,887	-	364,887	0.9133%	-
5	340100	Office Furniture & Equipment	1,267,925	-	1,267,925	0.9133%	-
6	340200	Computer & Peripheral Equipment	1,404,587	-	1,404,587	0.9133%	-
7	340300	Computer Software	193,904	-	193,904	0.9133%	-
8	340330	Computer Software Other	6,370	-	6,370	0.9133%	-
9	344000	Laboratory Equipment	17,277	-	17,277	0.9133%	-
10	346100	Communication Equipment Non-Telephone	186,080	-	186,080	0.9133%	-
11	346190	Remote Control & Instrument	122,024	-	122,024	0.9133%	-
12	346200	Communication Equipment Telephone	68,942	-	68,942	0.9133%	-
13	346300	Communication Equipment Other	154,411	-	154,411	0.9133%	-
14	347000	Miscellaneous Equipment	1,292,262	-	1,292,262	0.9133%	-
15		Rounding	-	-	-	0.9133%	-
16		Total AZ Corporate Plant Allocated	<u>\$5,301,619</u>	<u>\$ -</u>	<u>\$ 5,301,619</u>		<u>-</u>
17		RUCO Total Adjustment					<u>\$ -</u>

References:

Schedule TJC-4 on page 1 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
ARIZONA CORPORATE ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 0.9133%	[E] RUCO Allocated Adjustment
Allocated AZ Corp A/D:							
1	304500	Structures & Improvements General	\$ 22,377	\$ -	\$ 22,377	0.9133%	\$ -
2	304620	Structures & Improvements Leasehold	536	-	536	0.9133%	-
3	334100	Meters	4,641	-	4,641	0.9133%	-
4	339600	Other P/E-CPS	72,241	-	72,241	0.9133%	-
5	340100	Office Furniture & Equipment	569,006	-	569,006	0.9133%	-
6	340200	Computer & Peripheral Equipment	624,832	-	624,832	0.9133%	-
7	340300	Computer Software	183,147	-	183,147	0.9133%	-
8	340330	Computer Software Other	1,019	(0)	1,019	0.9133%	(0)
9	344000	Laboratory Equipment	3,060	-	3,060	0.9133%	-
10	346100	Communication Equipment Non-Telephone	216,139	(0)	216,139	0.9133%	(0)
11	346190	Remote Control & Instrument	20,439	-	20,439	0.9133%	-
12	346200	Communication Equipment Telephone	27,818	-	27,818	0.9133%	-
13	346300	Communication Equipment Other	8,821	-	8,821	0.9133%	-
14	347000	Miscellaneous Equipment	116,612	-	116,612	0.9133%	-
15		Salvage Proceeds	75,946	-	75,946	0.9133%	-
16		Total AZ Corporate A/D Allocated	<u>\$1,946,633</u>	<u>\$ (0)</u>	<u>\$ 1,946,633</u>		<u>(0)</u>
17		RUCO Total Adjustment					<u>\$ (0)</u>

References:
Schedule TJC-4 on page 2 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 NORTHWEST VALLEY TREATMENT FACILITY ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 0.0000%	[E] RUCO Allocated Adjustment
Allocated NWWTF Plant:							
1	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -	0.0000%	\$ -
2	304200	Struct & Imp P (Corporate)	2,582	-	2,582	0.0000%	-
3	307000	Walls & Springs (Corporate)	-	-	-	0.0000%	-
4	311200	Pump Equip Electric (Corporate)	24,525	-	24,525	0.0000%	-
5	340200	Comp & Peripheral Equip (Corporate)	-	-	-	0.0000%	-
6	340500	Other Office Equipment (Corporate)	-	-	-	0.0000%	-
7	304600	Struct & Imp Offices (Corporate)	9,052	-	9,052	0.0000%	-
8	304800	Struct & Imp Misc (Corporate)	8,610	-	8,610	0.0000%	-
9	341200	Trans Equip Hvy Duty Trks	-	-	-	0.0000%	-
10	341400	Trans Equip Other	-	-	-	0.0000%	-
11	343000	Tools, Shop and Garage	-	-	-	0.0000%	-
12	344000	Laboratory Equipment	-	-	-	0.0000%	-
13	346100	Comm Equip Non-Telephone	19,711	-	19,711	0.0000%	-
14	351000	WW Organization	-	-	-	0.0000%	-
15	352000	WW Franchises	1,304	-	1,304	0.0000%	-
16	353200	WW Land & Ld Rights Coll	450,976	-	450,976	0.0000%	-
17	353500	WW Land & Ld Rights Gen	20,747	-	20,747	0.0000%	-
18	354200	WW Struct & Imp Coll	3,574,657	-	3,574,657	0.0000%	-
19	354300	WW Struct & Imp SPP	997,595	-	997,595	0.0000%	-
20	354400	WW Struct & Imp TDP	-	-	-	0.0000%	-
21	354500	WW Struct & Imp Gen	6,900,037	-	6,900,037	0.0000%	-
22	355200	WW Pwr Gen Equip Coll	7,952	-	7,952	0.0000%	-
23	355300	WW Pwr Gen Equip SPP	63,439	-	63,439	0.0000%	-
24	355400	WW Pwr Gen Equip TDP	-	-	-	0.0000%	-
25	355500	WW Pwr Gen Equip RWTP	-	-	-	0.0000%	-
26	360000	WW Collection Sewers Forced	-	-	-	0.0000%	-
27	361100	WW Collecting Mains	109,750	-	109,750	0.0000%	-
28	362000	WW Special Coll Struct	486,363	-	486,363	0.0000%	-
29	363000	WW Services Sewer	8,725	-	8,725	0.0000%	-
30	364000	WW Flow Measuring Devices	55,923	-	55,923	0.0000%	-
31	370000	WW Receiving Wells	-	-	-	0.0000%	-
32	371100	WW Pump Equip Elect	1,026,512	-	1,026,512	0.0000%	-
33	371200	WW Pump Equip Oth Pwr	26,257	-	26,257	0.0000%	-
34	380000	WW TD Equipment	2,306,955	-	2,306,955	0.0000%	-
35	380050	WW TD Equip Grit Removal	1,041,234	-	1,041,234	0.0000%	-
36	380100	WW TD Equip Sed Tanks/Acc	5,327,840	-	5,327,840	0.0000%	-
37	380200	WW TD Equip Sludge/Effl Rmv	28,253	-	28,253	0.0000%	-
38	380250	WW TD Equip Sludge Dig Tnk	502,467	-	502,467	0.0000%	-
39	380300	WW TD Equip Sludge Dry/Filt	8,662,158	-	8,662,158	0.0000%	-
40	380350	WW TD Equip Sec Trmt Filt	-	-	-	0.0000%	-
41	380400	WW TD Equip Aux Effl Trmt	1,279,622	-	1,279,622	0.0000%	-
42	380500	WW TD Equip Chem Trmt Pit	208,781	-	208,781	0.0000%	-
43	380600	WW TD Equip Oth Disp	1,033,384	-	1,033,384	0.0000%	-
44	380625	WW TD Equip Gen Trmt	780,426	-	780,426	0.0000%	-
45	380650	WW TD Equip Influent Lift S	64,980	-	64,980	0.0000%	-
46	381000	WW Plant Sewers	111,410	-	111,410	0.0000%	-
47	382000	WW Outfall Sewer Lines	4,259	(0)	4,259	0.0000%	-
48	389100	WW Oth Pit & Misc Equip Int	89,296	-	89,296	0.0000%	-
49	389600	WW Other P/E - CPS - 7E	-	-	-	0.0000%	-
50	390000	WW Office Furniture & Equip	168,065	-	168,065	0.0000%	-
51	390200	WW Computers & Peripheral	23,044	-	23,044	0.0000%	-
52	390300	WW Computer Software	69,027	-	69,027	0.0000%	-
53	391000	WW Trans Equipment	247,842	-	247,842	0.0000%	-
54	392000	WW Stores Equipment	11,072	-	11,072	0.0000%	-
55	393000	WW Tool Shop & Garage Equip	139,757	-	139,757	0.0000%	-
56	394000	WW Laboratory Equipment	156,655	-	156,655	0.0000%	-
57	395000	WW Power Operated Equip	136,487	-	136,487	0.0000%	-
58	396000	WW Communication Equip	358,832	-	358,832	0.0000%	-
59	397000	WW Misc Equipment	74,088	-	74,088	0.0000%	-
60	398000	WW Other Tangible Plant	-	-	-	0.0000%	-
61		Rounding	-	-	-	0.0000%	-
62		Total North West Valley Wastewater 7H Plant	\$ 36,620,650	\$ (0)	\$ 36,620,650		
63		RUCO Total Adjustment					\$ -

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 NORTHWEST VALLEY TREATMENT FACILITY ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 0.0000%	[E] RUCO Allocated Adjustment
Allocated NWWTF A/D:							
1	304100	Struct & Imp SS (Corporate)	\$ 0	\$ (0)	\$ -	0.0000%	\$ -
2	304200	Struct & Imp P (Corporate)	32	(0)	32	0.0000%	-
3	307000	Wells & Springs (Corporate)	-	-	-	0.0000%	-
4	311200	Pump Equip Electric (Corporate)	2,366	-	2,366	0.0000%	-
5	340200	Comp & Peripheral Equip (Corporate)	-	-	-	0.0000%	-
6	340500	Other Office Equipment (Corporate)	0	(0)	0	0.0000%	-
7	304600	Struct & Imp Offices (Corporate)	340	-	340	0.0000%	-
8	304800	Struct & Imp Misc (Corporate)	12	(0)	12	0.0000%	-
9	341200	Trans Equip Hvy Duty Trks	-	-	-	0.0000%	-
10	341400	Trans Equip Other	-	-	-	0.0000%	-
11	343000	Tools, Shop and Garage	-	-	-	0.0000%	-
12	344000	Laboratory Equipment	(0)	0	0	0.0000%	-
13	346100	Comm Equip Non-Telephone	3,045	0	3,045	0.0000%	-
14	351000	WW Organization	-	-	-	0.0000%	-
15	352000	WW Franchises	-	-	-	0.0000%	-
16	353200	WW Land & Ld Rights Coll	(89,506)	-	(89,506)	0.0000%	-
17	353500	WW Land & Ld Rights Gen	-	-	-	0.0000%	-
18	354200	WW Struct & Imp Coll	3,248,049	-	3,248,049	0.0000%	-
19	354300	WW Struct & Imp SPP	51,951	0	51,951	0.0000%	-
20	354400	WW Struct & Imp TDP	-	-	-	0.0000%	-
21	354500	WW Struct & Imp Gen	1,385,565	-	1,385,565	0.0000%	-
22	355200	WW Pwr Gen Equip Coll	1,921	-	1,921	0.0000%	-
23	355300	WW Pwr Gen Equip SPP	11,007	-	11,007	0.0000%	-
24	355400	WW Pwr Gen Equip TDP	-	-	-	0.0000%	-
25	355500	WW Pwr Gen Equip RWTP	-	-	-	0.0000%	-
26	360000	WW Collection Sewers Forced	-	-	-	0.0000%	-
27	361100	WW Collecting Mains	36,956	-	36,956	0.0000%	-
28	362000	WW Special Coll Struct	686,271	(0)	686,271	0.0000%	-
29	363000	WW Services Sewer	2,658	0	2,658	0.0000%	-
30	364000	WW Flow Measuring Devices	49,300	-	49,300	0.0000%	-
31	370000	WW Receiving Wells	-	-	-	0.0000%	-
32	371100	WW Pump Equip Elect	206,403	-	206,403	0.0000%	-
33	371200	WW Pump Equip Oth Pwr	8,798	-	8,798	0.0000%	-
34	380000	WW TD Equipment	1,195,934	(0)	1,195,934	0.0000%	-
35	380050	WW TD Equip Grit Removal	1,202,728	-	1,202,728	0.0000%	-
36	380100	WW TD Equip Sed Tanks/Acc	5,440,698	0	5,440,698	0.0000%	-
37	380200	WW TD Equip Sldge/Effl Rmv	2,044	-	2,044	0.0000%	-
38	380250	WW TD Equip Sldge Dig Trnk	293,601	-	293,601	0.0000%	-
39	380300	WW TD Equip Sldge Dry/Filt	7,275,086	-	7,275,086	0.0000%	-
40	380350	WW TD Equip Sec Trmt Filt	1,961	-	1,961	0.0000%	-
41	380400	WW TD Equip Aux Effl Trmt	1,340,499	-	1,340,499	0.0000%	-
42	380500	WW TD Equip Chem Trmt Plt	28,338	(0)	28,338	0.0000%	-
43	380600	WW TD Equip Oth Disp	1,200,951	(0)	1,200,951	0.0000%	-
44	380625	WW TD Equip Gen Trmt	654,668	-	654,668	0.0000%	-
45	380650	WW TD Equip Influent Lift S	71,829	-	71,829	0.0000%	-
46	381000	WW Plant Sewers	32,668	-	32,668	0.0000%	-
47	382000	WW Outfall Sewer Lines	112,001	(0)	112,001	0.0000%	-
48	389100	WW Oth Plt & Misc Equip Int	12,559	-	12,559	0.0000%	-
49	389600	WW Other P/E - CPS - 7E	0	-	0	0.0000%	-
50	390000	WW Office Furniture & Equip	96,573	0	96,573	0.0000%	-
51	390200	WW Computers & Peripheral	43,528	-	43,528	0.0000%	-
52	390300	WW Computer Software	145,625	-	145,625	0.0000%	-
53	391000	WW Trans Equipment	839,469	0	839,469	0.0000%	-
54	392000	WW Stores Equipment	5,715	(0)	5,715	0.0000%	-
55	393000	WW Tool Shop & Garage Equip	81,723	-	81,723	0.0000%	-
56	394000	WW Laboratory Equipment	79,869	-	79,869	0.0000%	-
57	395000	WW Power Operated Equip	23,182	-	23,182	0.0000%	-
58	396000	WW Communication Equip	384,595	0	384,595	0.0000%	-
59	397000	WW Misc Equipment	76,014	0	76,014	0.0000%	-
60	398000	WW Other Tangible Plant	-	-	-	0.0000%	-
61		Rounding	-	-	-	0.0000%	-
62		Total North West Valley Wastewater 7H A/D	\$ 26,247,027	\$ 0	\$ 26,247,027		
63		RUCO Total Adjustment					\$ -

References:
 Schedule TJC-4 on page 2 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 USA CORPORATE ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 0.7683%	[E] RUCO Allocated Adjustment
Allocated 6U USA Corp Plant:							
1	340200	Computer & Peripheral Equipment	\$ 1,047,165	\$ -	\$ 1,047,165	0.7683%	\$ -
2	340300	Computer Software	1,064,894	-	1,064,894	0.7683%	-
3		Total 6U USA Corporate Allocated Plant	<u>\$ 2,112,059</u>	<u>\$ -</u>	<u>\$ 2,112,059</u>		<u>\$ -</u>
4		RUCO Total Adjustment					<u>\$ -</u>

References:

Company Summary of Plant Balances and Accumulated Depreciation by NARUC Account Workpaper
 RUCO USA Corporate 6U Allocable Plant Workpaper

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 USA CORPORATE ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 0.7683%	[E] RUCO Allocated Adjustment
Allocated 6U USA Corp Accum. Depre:							
1	340200	Computer & Peripheral Equipment	\$ 313,567	\$ (0)	\$ 313,567	0.7683%	\$ (0)
2	340300	Computer Software	782,756	7,978	790,734	0.7683%	\$ 61
3		Total 6U USA Corporate Allocated A/D	<u>\$ 1,096,323</u>	<u>\$ 7,978</u>	<u>\$ 1,104,301</u>		<u>\$ 61</u>
4		RUCO Total Adjustment					<u>\$ 61</u>

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (c)
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Line

No. Description

Amount

References:

EPCOR Water Arizona Inc. - Mohave Wastewater District
Docket No. WS-01303A-16-0145
Test Year Ended December 31, 2015

Direct Testimony Schedules
Schedule TJC-4(d)
Page 1 of 1

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (d)
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Line
No. Description

Amount

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	NARUC Acct. No.	Description	[A] RUCO TY End UPIS Balance	[B] RUCO TY End Accum. Depre. Balance	[C] RUCO Net Book Value	[D] Over-Depreciated Excess Accum. Depre. Adjustment
Direct 7N Plant:						
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-	-
4	341400	Trans Equip Other	-	-	-	-
5	343000	Tools, Shop and Garage	-	-	-	-
6	351000	WW Organization	-	-	-	-
7	352000	WW Franchises	364	-	364	-
8	353200	WW Land & Ld Rights Coll	-	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-	-
10	354200	WW Struct & Imp Coll	710,380	35,555	674,825	-
11	354300	WW Struct & Imp SPP	-	-	-	-
12	354400	WW Struct & Imp TDP	1,056,866	224,064	832,802	-
13	354500	WW Struct & Imp Gen	-	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-	-
16	355400	WW Pwr Gen Equip TDP	142,907	47,749	95,158	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-	-
18	360000	WW Collection Sewers Forced	48,346	310	48,036	-
19	361100	WW Collecting Mains	3,267,322	552,151	2,715,170	-
20	362000	WW Special Coll Struct	222,641	28,888	193,753	-
21	363000	WW Services Sewer	658,276	85,477	572,799	-
22	364000	WW Flow Measuring Devices	220,823	105,060	115,763	-
23	370000	WW Receiving Wells	-	-	-	-
24	371100	WW Pump Equip Elect	408,927	48,842	360,085	-
25	371200	WW Pump Equip Oth Pwr	-	-	-	-
26	380000	WW TD Equipment	874,942	78,653	796,290	-
27	380050	WW TD Equip Grit Removal	135,165	46,296	88,869	-
28	380100	WW TD Equip Sed Tanks/Acc	330,439	31,282	299,157	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	42,517	11,348	31,169	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	225,539	79,112	146,427	-
35	380600	WW TD Equip Oth Disp	40,468	5,058	35,409	-
36	380625	WW TD Equip Gen Trmt	1,894,808	673,144	1,221,664	-
37	380650	WW TD Equip Influent Lift S	-	-	-	-
38	381000	WW Plant Sewers	-	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-	-
43	390200	WW Computers & Peripheral	10,496	3,230	7,266	-
44	390300	WW Computer Software	-	-	-	-
45	391000	WW Trans Equipment	-	-	-	-
46	392000	WW Stores Equipment	-	-	-	-
47	393000	WW Tool Shop & Garage Equip	71,567	31,291	40,276	-
48	394000	WW Laboratory Equipment	14,336	2,979	11,356	-
49	395000	WW Power Operated Equip	28,196	6,482	21,713	-
50	396000	WW Communication Equip	27,670	29,705	(2,034)	(2,034)
51	397000	WW Misc Equipment	5,780	1,186	4,594	-
52	398000	WW Other Tangible Plant	-	-	-	-
53		Rounding	-	-	-	-
54		Total Direct 7N Plant	\$ 10,438,776	\$ 2,127,863	\$ 8,310,912	\$ (2,034)
Allocated 7A Corporate Plant:						
55	304500	Structures & Improvements General	\$ 192,857	\$ 22,377	\$ 170,480	\$ -
56	304620	Structures & Improvements Leasehold	18,317	536	17,782	-
57	334100	Meters	11,777	4,641	7,136	-
58	339600	Other P/E-CPS	364,887	72,241	292,646	-
59	340100	Office Furniture & Equipment	1,267,925	569,006	698,918	-
60	340200	Computer & Peripheral Equipment	1,404,587	624,832	779,755	-
61	340300	Computer Software	193,904	183,147	10,757	-
62	340330	Computer Software Other	6,370	1,019	5,351	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	Acct. No.	Description	[A] RUCO TY End UPIS Balance	[B] RUCO TY End Accum. Depre. Balance	[C] RUCO Net Book Value	[D] Over-Depreciated Excess Accum. Depre. Adjustment
Allocated 7A Corporate Plant (continuation):						
1	344000	Laboratory Equipment	\$ 17,277	\$ 3,060	\$ 14,217	\$ -
2	346100	Communication Equipment Non-Telephone	186,080	216,139	(30,059)	(30,059)
3	346190	Remote Control & Instrument	122,024	20,439	101,584	-
4	346200	Communication Equipment Telephone	68,942	27,818	41,124	-
5	346300	Communication Equipment Other	154,411	8,821	145,590	-
6	347000	Miscellaneous Equipment	1,292,262	116,612	1,175,651	-
7		Rounding	-	-	-	-
8		Total Allocated 7A Corporate Plant	\$ 5,301,619	\$ 1,870,687	\$ 3,430,932	\$ (30,059)
9		Mohave Wastewater 7A % Allocation	0.9133%	0.9133%	0.9133%	0.9133%
10		Mohave Wastewater 7A Plant Allocation	\$ 48,420	\$ 17,085	\$ 31,335	\$ (275)
North West Valley Wastewater 7H Plant:						
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	2,582	32	2,550	-
13	307000	Wells & Springs (Corporate)	-	-	-	-
14	311200	Pump Equip Electric (Corporate)	24,525	2,366	22,159	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-	-
16	340500	Other Office Equipment (Corporate)	-	0	(0)	(0)
17	304600	Struct & Imp Offices (Corporate)	9,052	340	8,712	-
18	304800	Struct & Imp Misc (Corporate)	8,610	12	8,598	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-	-
20	341400	Trans Equip Other	-	-	-	-
21	343000	Tools, Shop and Garage	-	-	-	-
22	344000	Laboratory Equipment	-	-	-	-
23	346100	Comm Equip Non-Telephone	-	0	(0)	(0)
24	351000	WW Organization	19,711	3,045	16,666	-
25	352000	WW Franchises	1,304	-	1,304	-
26	353200	WW Land & Ld Rights Coll	450,976	(89,506)	540,482	-
27	353500	WW Land & Ld Rights Gen	20,747	-	20,747	-
28	354200	WW Struct & Imp Coll	3,574,657	3,248,049	326,608	-
29	354300	WW Struct & Imp SPP	997,595	51,951	945,644	-
30	354400	WW Struct & Imp TDP	-	-	-	-
31	354500	WW Struct & Imp Gen	6,900,037	1,385,565	5,514,472	-
32	355200	WW Pwr Gen Equip Coll	7,952	1,921	6,030	-
33	355300	WW Pwr Gen Equip SPP	63,439	11,007	52,431	-
34	355400	WW Pwr Gen Equip TDP	-	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-	-
37	361100	WW Collecting Mains	109,750	36,956	72,794	-
38	362000	WW Special Coll Struct	486,363	686,271	(199,908)	(199,908)
39	363000	WW Services Sewer	8,725	2,658	6,066	-
40	364000	WW Flow Measuring Devices	55,923	49,300	6,623	-
41	370000	WW Receiving Wells	-	-	-	-
42	371100	WW Pump Equip Elect	1,026,512	206,403	820,109	-
43	371200	WW Pump Equip Oth Pwr	26,257	8,798	17,459	-
44	380000	WW TD Equipment	2,306,955	1,195,934	1,111,021	-
45	380050	WW TD Equip Grit Removal	1,041,234	1,202,728	(161,494)	(161,494)
46	380100	WW TD Equip Sed Tanks/Acc	5,327,840	5,440,698	(112,858)	(112,858)
47	380200	WW TD Equip Sldge/Effl Rmv	28,253	2,044	26,209	-
48	380250	WW TD Equip Sldge Dig Trnk	502,467	293,601	208,866	-
49	380300	WW TD Equip Sldge Dry/Filt	8,662,158	7,275,036	1,387,072	-
50	380350	WW TD Equip Sec Trmt Filt	-	1,961	(1,961)	(1,961)
51	380400	WW TD Equip Aux Effl Trmt	1,279,622	1,340,499	(60,877)	(60,877)
52	380500	WW TD Equip Chem Trmt Pit	208,781	28,338	180,443	-
53	380600	WW TD Equip Oth Disp	1,033,384	1,200,951	(167,567)	(167,567)
54	380625	WW TD Equip Gen Trmt	780,426	654,668	125,757	-
55	380650	WW TD Equip Influent Lift S	64,980	71,829	(6,848)	(6,848)
56	381000	WW Plant Sewers	111,410	32,668	78,742	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	Acct. No.	Description	[A] RUCO TY End UPIS Balance	[B] RUCO TY End Accum. Depr. Balance	[C] RUCO Net Book Value	[D] Over-Depreciated Excess Accum. Depr. Adjustment
North West Valley Wastewater 7H Plant (continuation):						
1	382000	WW Outfall Sewer Lines	\$ 4,259	\$ 112,001	\$ (107,743)	\$ (107,743)
2	389100	WW Oth Plt & Misc Equip Int	89,296	12,559	76,736	-
3	389600	WW Other P/E - CPS - 7E	-	0	(0)	(0)
4	390000	WW Office Furniture & Equip	168,065	96,573	71,492	-
5	390200	WW Computers & Peripheral	23,044	43,528	(20,484)	(20,484)
6	390300	WW Computer Software	69,027	145,625	(76,598)	(76,598)
7	391000	WW Trans Equipment	247,842	839,469	(591,627)	(591,627)
8	392000	WW Stores Equipment	11,072	5,715	5,357	-
9	393000	WW Tool Shop & Garage Equip	139,757	81,723	58,034	-
10	394000	WW Laboratory Equipment	156,655	79,869	76,786	-
11	395000	WW Power Operated Equip	136,487	23,182	113,305	-
12	396000	WW Communication Equip	358,832	384,595	(25,763)	(25,763)
13	397000	WW Misc Equipment	74,088	76,014	(1,926)	(1,926)
14	398000	WW Other Tangible Plant	-	-	-	-
15		Rounding	-	-	-	-
16		Total North West Valley Wastewater 7H Plant	\$ 36,620,650	\$ 26,247,027	\$ 10,373,623	\$ (1,535,653)
17		Mohave Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%	0.0000%
18		Mohave Wastewater NWTF 7H Plant Allocation	\$ -	\$ -	\$ -	\$ -
6U Plant:						
19	340200	Computer & Peripheral Equipment	\$ 1,047,165	\$ 313,567	\$ 733,598	\$ -
20	340300	Computer Software	1,064,894	790,734	274,160	-
21		Rounding	-	-	-	-
22		Total 6U Allocated Corporate Plant	\$ 2,112,059	\$ 1,104,301	\$ 1,007,758	\$ -
23		Mohave Wastewater 6U % Allocation	0.7683%	0.7683%	0.7683%	0.7683%
24		Mohave Wastewater 6U Plant Allocation	\$ 16,226	\$ 8,484	\$ 7,742	\$ -
Total Net Book Value & Over-Depreciated Plant:						
25	7N	Direct Plant	\$ 10,438,776	\$ 2,127,863	\$ 8,310,912	\$ (2,034)
26	7A	Allocable AZ Corporate 7A Plant	48,420	17,085	31,335	(275)
27	7H	Allocable Northwest Valley Treatment Facility Plant	-	-	-	-
28	6U	Allocable USA Corporate 6U Plant	16,226	8,484	7,742	-
29		Total Over-Depreciated Plant	\$ 10,503,422	\$ 2,153,432	\$ 8,349,989	\$ (2,309)
30		RUCO Total Adjustment				\$ (2,309)

References:
Per RUCO Plant Reconstruction Workpapers

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
 2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
Direct 7N Plant:					
1	304100	Struct & Imp SS			
2	340200	Comp & Peripheral Equip	\$ -	\$ -	\$ -
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	9,639	2,268	11,907
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	47,640	(47,640)	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	12,000	(10,687)	1,313
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	38,000	(36,640)	1,360
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	250,000	(36,604)	213,396
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	7,163	(7,163)	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7N Plant	\$ 364,442	\$ (136,466)	\$ 227,976
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	\$ 270,000	\$ (230,686)	\$ 39,314
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	11,937	16,784	28,721

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
 2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	210,000	493,453	703,453
8		Total Allocated 7A Corporate Plant	\$ 491,937	\$ 279,552	\$ 771,489
9		Mohave Wastewater 7A % Allocation	0.9133%	0.9133%	0.9133%
10		Mohave Wastewater 7A Plant Allocation	\$ 4,493	\$ 2,553	\$ 7,046
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	692,516	(629,521)	62,996
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	1,169,000	(1,145,323)	23,677
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trnk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	717,000	17,023	734,023
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	1,134,000	48,140	1,182,140
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Pit & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	20,000	(20,000)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	65,000	(65,000)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Wastewater 7H Plant	\$ 3,797,516	\$ (1,794,681)	\$ 2,002,835
17		Mohave Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%
18		Mohave Wastewater NWWTF 7H Plant Allocation	\$ -	\$ -	\$ -
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ 592,463	\$ (592,463)	\$ -
20	340300	Computer Software	781,212	(98,750)	682,462
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ 1,373,675	\$ (691,213)	\$ 682,462
23		Mohave Wastewater 6U % Allocation	0.7683%	0.7683%	0.7683%
24		Mohave Wastewater 6U Plant Allocation	\$ 10,554	\$ (5,310)	\$ 5,243
Total 12-Months PTY Plant:					
25	7N	Direct	\$ 364,442	\$ (136,466)	\$ 227,976
26	7A	Corporate Plant Allocated	4,493	2,553	7,046
27	7H	NWV Plant Allocated	-	-	-
28	6U	6U Plant Allocated	10,554	(5,310)	5,243
29		OC UPIS Not Accounted For - Vector Trucks - Corp.	-	-	-
30		Total Utility Plant in Service (UPIS)	\$ 379,488	\$ (139,223)	\$ 240,265
31		RUCO Total Adjustment		\$ (139,223)	

References:

Per Company Response to RUCO DR #6.01 - See RUCO W/P

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2016 PTY Plant A/D As Filed	[B] RUCO 2016 PTY Plant A/D Adjustments	[C] RUCO 2016 PTY Plant A/D Recommended
Direct 7N Plant:					
1	304100	Struct & Imp SS			
2	340200	Comp & Peripheral Equip	\$ -	\$ -	\$ -
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	161	(42)	119
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	476	(476)	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	120	(107)	13
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	1,267	(1,233)	34
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	8,333	(2,998)	5,335
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	179	(179)	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7N Plant	\$ 10,536	\$ (5,035)	\$ 5,501
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General			
56	304620	Structures & Improvements Leasehold	\$ 3,375	\$ (2,884)	\$ 491
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	1,194	1,678	2,872

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant A/D As Filed	[B] RUCO 2016 PTY Plant A/D Adjustments	[C] RUCO 2016 PTY Plant A/D Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	6,563	15,420	21,983
7		Rounding	-	-	-
8		Total Allocated 7A Corporate Plant	\$ 11,131	\$ 14,215	\$ 25,346
9		Mohave Wastewater 7A % Allocation	0.9133%	0.9133%	0.9133%
10		Mohave Wastewater 7A Plant Allocation	\$ 102	\$ 130	\$ 231
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	11,542	(11,016)	526
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	38,967	(38,375)	592
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sldge Dig Tnk	-	-	-
49	380300	WW TD Equip Sldge Dry/Filt	23,900	(5,549)	18,351
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	37,800	(8,246)	29,554
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant A/D As Filed	[B] RUCO 2016 PTY Plant A/D Adjustments	[C] RUCO 2016 PTY Plant A/D Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines			
2	389100	WW Oth Plt & Misc Equip Int	\$ -	\$ -	\$ -
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	500	(500)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	3,250	(3,250)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Wastewater 7H Plant	\$ 115,959	\$ (66,937)	\$ 49,022
17		Mohave Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%
18		Mohave Wastewater NWVTF 7H Plant Allocation	\$ -	\$ -	\$ -
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ 29,623	\$ (29,623)	\$ -
20	340300	Computer Software	78,121	7,187	85,308
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ 107,744	\$ (22,437)	\$ 85,308
23		Mohave Wastewater 6U % Allocation	0.7683%	0.7683%	0.7683%
24		Mohave Wastewater 6U Plant Allocation	\$ 828	\$ (172)	\$ 655
Total 12-Months PTY Plant:					
25	7N	Direct			
26	7A	Corporate Plant Allocated	\$ 10,536	\$ (5,035)	\$ 5,501
27	7H	NWV Plant Allocated	102	130	231
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	828	(172)	655
30		Total Utility Plant in Service (UPIS)	\$ 11,466	\$ (5,078)	\$ 6,388
31		RUCO Total Adjustment		\$ (5,078)	

References:

Per Company Response to RUCO DR #6.01 - See RUCO W/P

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
 2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2017 6-Months PTY Plant As Filed	[B] RUCO 2017 6-Months PTY Plant Adjustments	[C] RUCO 2017 6-Months PTY Plant Recommended
Direct 7N Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	4,152	(4,152)	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	20,520	(20,520)	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	5,169	(5,169)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	16,367	(16,367)	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sludge/Effl Rmv	107,681	(107,681)	-
30	380250	WW TD Equip Sludge Dig Trk	-	-	-
31	380300	WW TD Equip Sludge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	3,085	(3,085)	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7N Plant	\$ 156,974	\$ (156,974)	\$ -
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	-	-	-
56	304620	Structures & Improvements Leasehold	\$ 384,196	\$ (384,196)	\$ -
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	16,986	(16,986)	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 12-Months PTY Plant As Filed	[B] RUCO 12-Months PTY Plant Adjustments	[C] RUCO PTY Plant Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	-	-	-
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	298,819	(298,819)	-
8		Total Allocated 7A Corporate Plant	\$ 700,000	\$ (700,000)	\$ -
9		Mohave Wastewater 7A % Allocation	0.9133%	0.9133%	0.9133%
10		Mohave Wastewater 7A Plant Allocation	\$ 6,393	\$ (6,393)	\$ -
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	120,312	(120,312)	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	203,093	(203,093)	-
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sldge Dig Trnk	-	-	-
49	380300	WW TD Equip Sldge Dry/Filt	124,566	(124,566)	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	197,012	(197,012)	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 12-Months PTY Plant As Filed	[B] RUCO 12-Months PTY Plant Adjustments	[C] RUCO PTY Plant Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	3,475	(3,475)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	11,293	(11,293)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Wastewater 7H Plant	\$ 659,750	\$ (659,750)	\$ -
17		Mohave Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%
18		Mohave Wastewater NWWTF 7H Plant Allocation	\$ -	\$ -	\$ -
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ -	\$ -	\$ -
23		Mohave Wastewater 6U % Allocation	0.7683%	0.7683%	0.7683%
24		Mohave Wastewater 6U Plant Allocation	\$ -	\$ -	\$ -
Total 12-Months PTY Plant:					
25	7N	Direct	\$ 156,974	\$ (156,974)	\$ -
26	7A	Corporate Plant Allocated	6,393	(6,393)	-
27	7H	NWV Plant Allocated	-	-	-
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total Utility Plant in Service (UPIS)	\$ 163,367	\$ (163,367)	\$ -
31		RUCO Total Adjustment		\$ (163,367)	

References:
Per Company Filing

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
 2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2017 6-Months PTY Plant A/D As Filed	[B] RUCO 2017 6-Months PTY Plant A/D Adjustments	[C] RUCO 2017 6-Months PTY Plant A/D Recommended
Direct 7N Plant Accumulated Depreciation (A/D):					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	69	(69)	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	205	(205)	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	52	(52)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	546	(546)	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	3,589	(3,589)	-
30	380250	WW TD Equip Sldge Dig Trk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	77	(77)	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7N A/D	\$ 4,538	\$ (4,538)	\$ -
Allocated 7A Corporate Plant A/D:					
55	304500	Structures & Improvements General	\$ -	\$ -	\$ -
56	304620	Structures & Improvements Leasehold	4,802	(4,802)	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	1,699	(1,699)	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 12-Months PTY Plant As Filed	[B] RUCO 12-Months PTY Plant Adjustments	[C] RUCO PTY Plant Recommended
Allocated 7A Corporate Plant A/D (continuation):					
1	344000	Laboratory Equipment	-	-	-
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	9,338	(9,338)	-
8		Total Allocated 7A Corporate A/D	\$ 15,839	\$ (15,839)	\$ -
9		Mohave Wastewater 7A % Allocation Factor	0.9133%	0.9133%	0.9133%
10		Mohave Wastewater 7A Allocation A/D	\$ 145	\$ (145)	\$ -
North West Valley Wastewater 7H Plant A/D:					
11	304100	Struct & Imp SS (Corporate)	-	-	-
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	2,005	(2,005)	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	6,770	(6,770)	-
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sldge Dig Trnk	-	-	-
49	380300	WW TD Equip Sldge Dry/Filt	4,152	(4,152)	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	6,567	(6,567)	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
 2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 12-Months PTY Plant As Filed	[B] RUCO 12-Months PTY Plant Adjustments	[C] RUCO PTY Plant Recommended
North West Valley Wastewater 7H Plant A/D (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	87	(87)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	565	(565)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Wastewater 7H A/D	\$ 20,146	\$ (20,146)	\$ -
17		Mohave Wastewater 7H % Allocation Factor	0.0000%	0.0000%	0.0000%
18		Mohave Wastewater NWVTF 7H Allocation A/D	\$ -	\$ -	\$ -
6U Plant A/D:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate A/D	\$ -	\$ -	\$ -
23		Mohave Wastewater 6U % Allocation Factor	0.7683%	0.7683%	0.7683%
24		Mohave Wastewater 6U Allocation A/D	\$ -	\$ -	\$ -
Total 2017 6-Months PTY Plant:					
25	7N	Direct	\$ 4,538	\$ (4,538)	\$ -
26	7A	Corporate Plant Allocated	145	(145)	-
27	7H	NWV Plant Allocated	-	-	-
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total 2017 6-Months PTY Plant A/D	\$ 4,683	\$ (4,683)	\$ -
31		RUCO Total Adjustment		\$ (4,683)	

References:
 Per Company Filing

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
 2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	NARUC Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
Direct 7N Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	-	-	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	-	-	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	-	-	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sludge Dig Trnk	-	-	-
31	380300	WW TD Equip Sludge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7N Plant	\$ -	\$ -	\$ -
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	-	-	-
56	304620	Structures & Improvements Leasehold	\$ -	\$ (29,508)	\$ (29,508)
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
 2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment			
2	346100	Communication Equipment Non-Telephone	\$ -	\$ -	\$ -
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	-	-	-
8		Total Allocated 7A Corporate Plant	\$ -	\$ (29,508)	\$ (29,508)
9		Mohave Wastewater 7A % Allocation	0.9133%	0.9133%	0.9133%
10		Mohave Wastewater 7A Plant Allocation	\$ -	\$ (269)	\$ (269)
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	-	-	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	-	(553,523)	(553,523)
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sldge Dig Trk	-	-	-
49	380300	WW TD Equip Sldge Dry/Filt	-	-	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	-	-	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines			
2	389100	WW Oth Plt & Misc Equip Int	\$ -	\$ -	\$ -
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	-	-	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	-	-	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Wastewater 7H Plant	\$ -	\$ (553,523)	\$ (553,523)
17		Mohave Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%
18		Mohave Wastewater NWVTF 7H Plant Allocation	\$ -	\$ -	\$ -
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ -	\$ -	\$ -
23		Mohave Wastewater 6U % Allocation	0.7683%	0.7683%	0.7683%
24		Mohave Wastewater 6U Plant Allocation	\$ -	\$ -	\$ -
Total Unrecorded 2016 PTY Plant Retirements:					
25	7N	Direct	\$ -	\$ -	\$ -
26	7A	Corporate Plant Allocated	-	(269)	(269)
27	7H	NWV Plant Allocated	-	-	-
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total Utility Plant in Service (UPIS)	\$ -	\$ (269)	\$ (269)
31		RUCO Total Adjustment		\$ (269)	

References:

Per Company Response to RUCO DR #6.01 - See RUCO PTY Plant Adjustments W/P

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (A/D) UNRECORDED RETIREMENTS

Line No.	NARUC Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
Direct 7N Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	-	-	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	-	-	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	-	-	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7N Plant	\$ -	\$ -	\$ -
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	\$ -	\$ (29,877)	\$ (29,877)
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	-	-	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
 2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (A/D) UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	-	-	-
8		Total Allocated 7A Corporate Plant	\$ -	\$ (29,877)	\$ (29,877)
9		Mohave Wastewater 7A % Allocation	0.9133%	0.9133%	0.9133%
10		Mohave Wastewater 7A Plant Allocation	\$ -	\$ (273)	\$ (273)
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	-	-	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	-	(567,361)	(567,361)
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	-	-	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	-	-	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (A/D) UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines			
2	389100	WW Oth Pit & Misc Equip Int	\$ -	\$ -	\$ -
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	-	-	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	-	-	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Wastewater 7H Plant	\$ -	\$ (567,361)	\$ (567,361)
17		Mohave Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%
18		Mohave Wastewater NWWTF 7H Plant Allocation	\$ -	\$ -	\$ -
6U Plant:					
19	340200	Computer & Peripheral Equipment			
20	340300	Computer Software	\$ -	\$ -	\$ -
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ -	\$ -	\$ -
23		Mohave Wastewater 6U % Allocation	0.7683%	0.7683%	0.7683%
24		Mohave Wastewater 6U Plant Allocation	\$ -	\$ -	\$ -
Total 12-Months PTY Plant:					
25	7N	Direct			
26	7A	Corporate Plant Allocated	\$ -	\$ -	\$ -
27	7H	NWV Plant Allocated	-	(273)	(273)
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total Utility Plant in Service (UPIS)	\$ -	\$ (273)	\$ (273)
31		RUCO Total Adjustment		\$ (273)	

References:
Per Company Response to RUCO DR #6.01 - See RUCO 2016 PTY Plant Adjustments W/P

RATE BASE ADJUSTMENT NO. 2
CURRENT REGULATORY LIABILITY FOR OVER-DEPRECIATED PLANT ADJUSTMENT

Line No.	NARUC Acct.	Description	Gross Amount	Allocation Factor	Amount
<u>Direct Plant Accounts:</u>					
1	396000	WW Communication Equip	\$ (2,034)	100.00%	\$ (2,034)
<u>Allocated Arizona Corporate 7A Plant:</u>					
2	346100	Communication Equipment Non-Telephone	\$ (30,059)	0.9133%	\$ (275)
<u>Allocated Northwest Valley Treatment Facility:</u>					
3	340500	Other Office Equipment (Corporate)	\$ (0)	0.0000%	\$ -
4	344000	Laboratory Equipment	(0)	0.0000%	-
5	362000	WW Special Coll Struct	(199,908)	0.0000%	-
6	380050	WW TD Equip Grit Removal	(161,494)	0.0000%	-
7	380100	WW TD Equip Sed Tanks/Acc	(112,858)	0.0000%	-
8	380350	WW TD Equip Sec Trmt Filt	(1,961)	0.0000%	-
9	380400	WW TD Equip Aux Effl Trmt	(60,877)	0.0000%	-
10	380600	WW TD Equip Oth Disp	(167,567)	0.0000%	-
11	380650	WW TD Equip Influent Lift S	(6,848)	0.0000%	-
12	382000	WW Outfall Sewer Lines	(107,743)	0.0000%	-
13	389600	WW Other P/E - CPS - 7E	(0)	0.0000%	-
14	390200	WW Computers & Peripheral	(20,484)	0.0000%	-
15	390300	WW Computer Software	(76,598)	0.0000%	-
16	391000	WW Trans Equipment	(591,627)	0.0000%	-
17	396000	WW Communication Equip	(25,763)	0.0000%	-
18	397000	WW Misc Equipment	(1,926)	0.0000%	-
19		Sub-Total Allocable Northwest Valley Treatment Facility	\$ (1,535,653)		\$ -
<u>Allocated USA Corporate 6U Plant:</u>					
20	N/A	N/A	\$ -	0.7683%	-
21		Total Current Regulatory Liability			\$ (2,309)

References:

RUCO Schedule TJC-4(e) - Excess Accumulated Depreciation

RATE BASE ADJUSTMENTS NO. 3 THRU 8 - NOT USED
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<u>No.</u>	<u>Description</u>	<u>Amount</u>
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References:

RATE BASE ADJUSTMENT NO. 9
2016 POST TEST YEAR PLANT BONUS DEPRECIATION ADIT ADJUSTMENT

Line		
<u>No.</u>	<u>Description</u>	
1	Additional ADIT Identified in Response to RUCO DR 6.04	\$ 2,862,894
2	Allocation Factor	<u>0.9133%</u>
3	Sub-Total Additional ADIT	\$ 26,147

RUCO Recommended 2016 PTY Plant Bonus Depreciation ADIT Calculation:

Direct Plant

NARUC Acct.	Depreciation Rate	Description	RUCO Recommended 2016 PTY Plant	Straight-Line Depreciation Amount	50% Bonus Depreciation	Basis Difference
4	3.33%	WW Struct & Imp TDP	\$ 11,907	\$ 397		
5	2.00%	WW Services Sewer	1,313	26		
6	6.67%	WW TD Equipment	1,360	91		
7	6.67%	WW TD Equip Sed Tanks/Acc	213,396	14,226		
8		RUCO Recommended PTY Plant	<u>\$ 227,976</u>			
9		Sub-Total Direct 2016 PTY Plant Depreciation		\$ 14,740	\$ 113,988	\$ 99,248

Allocable AZ Corporate 7A Plant

10	304500	2.50%	Structures & Improvements General	\$ 39,314	\$ 983	
11	340300	20.00%	Computer Software	28,721	5,744	
12	347000	6.25%	Miscellaneous Equipment	703,453	43,966	
13			RUCO Recommended PTY Plant	<u>\$ 771,489</u>		
14			Total Straight-Line Depreciation	\$ 50,693		
15			Allocation Factor	0.9133%		
16			Sub-Total Corp 7A 2016 PTY Plant Depreciation	\$ 463	\$ 3,523	\$ 3,060

Allocable Northwest Valley Treatment Facility

17	354500	3.33%	WW Struct & Imp Gen	\$ 62,996	\$ 2,100	
18	380000	6.67%	WW TD Equipment	23,677	1,578	
19	380250	6.67%	WW TD Equip Sldge Dig Trnk	734,023	48,935	
20	380400	6.67%	WW TD Equip Aux Effl Trmt	1,182,140	78,809	
21			RUCO Recommended PTY Plant	<u>\$ 2,002,835</u>		
22			Total Straight-Line Depreciation	\$ 131,422		
23			Allocation Factor	0.0000%		
24			Sub-Total Alloc NWVTF 2016 PTY Plant Deprecia	\$ -	\$ -	\$ -

Allocable USA Corporate 6UA Plant

25	340300	20.00%	Computer Software	\$ 682,462	\$ 136,492	
26			RUCO Recommended PTY Plant	<u>\$ 682,462</u>		
27			Total Straight-Line Depreciation	\$ 136,492		
28			Allocation Factor	0.7683%		
29			Sub-Total Corp 6U 2016 PTY Plant Depreciation	\$ 1,049	\$ 2,622	\$ 1,573
30			Total Annual Straight-Line v Bonus Depreciation	\$ 16,252	\$ 120,133	\$ 103,881
31			RUCO ADIT Adjustment			<u>\$ 59,524</u>

References:

Company Federal Effective Income Tax Rate per Schedule SLM-IS3 32.13%

RATE BASE ADJUSTMENT NO. 10
ALLOWANCE FOR WORKING CAPITAL

Line No.	Description	Amount
1	RUCO Cash Working Capital Requirement	
2	RUCO Required Bank Balances ¹	\$ (46,041)
3	RUCO Material and Supplies Inventories ¹	-
4	RUCO Prepayments ¹	984
		1,738
5	RUCO Total Working Capital Allowance	
6	Company Total Working Capital Allowance	\$ (43,319)
		(23,594)
7	RUCO Allowance for Working Capital Adjustment	
		\$ (19,726)

Notes:

¹ Calculated using Thirteen-Month Averages

References:

Company Schedules B-5 & B-6
RUCO Schedule TJC-10 on page 2 of 2

RATE BASE ADJUSTMENT NO. 10 (continued)
CASH WORKING CAPITAL LEAD / LAG STUDY

Line No.	Description	[A] Company Adjusted Test Year As Filed	[B] RUCO Expense Adjustments	[C] RUCO Recommended Expense	[D] Revenue Lag Days	[E] Expense (Lead)/Lag Days	[F] Net (Lead)/Lag Days Col. [D] - Col. [E]	[G] (Lead)/Lag Factor Col. [F] / 365	[H] Cash Working Capital Requirement Col. [C] x Col. [G]
Operating Expenses:									
1	Labor	\$ 232,158	\$ (10,988)	\$ 221,170	40.66	42.97	(2.307)	(0.006)	\$ (1,398)
2	Purchased Water	17	-	17	40.66	-	40.660	0.111	2
3	Fuel & Power	40,641	-	40,641	40.66	45.17	(4.512)	(0.012)	(502)
4	Chemicals	7,334	(144)	7,190	40.66	-	40.660	0.111	801
5	Waste Disposal	9,197	-	9,197	40.66	55.14	(14.481)	(0.040)	(365)
6	Intercompany Support Services	-	-	-	40.66	30.25	10.410	0.029	-
7	Corporate Allocation	45,356	(1,002)	44,354	40.66	30.25	10.410	0.029	1,265
8	Outside Services	31,207	(126)	31,081	40.66	78.18	(37.517)	(0.103)	(3,195)
9	Group Insurance	72,007	(10,302)	61,705	40.66	27.40	13.257	0.036	2,241
10	Regulatory Expense	51,671	-	51,671	40.66	-	40.660	0.111	5,756
11	Insurance Other Than Group	25,570	-	25,570	40.66	(15.38)	56.035	0.154	3,925
12	Customer Accounting	59,302	(1,825)	57,477	40.66	78.51	(37.848)	(0.104)	(5,960)
13	Rents	4,160	-	4,160	40.66	-	40.660	0.111	463
14	General Office Expense	21,226	(127)	21,099	40.66	61.53	(20.870)	(0.057)	(1,206)
15	Miscellaneous	18,985	(9,191)	9,794	40.66	3.61	37.046	0.101	994
16	Maintenance Expense	51,027	(522)	50,505	40.66	(26.24)	66.903	0.183	9,257
Taxes:									
18	General Taxes - Property ¹	72,061	(4,090)	67,971	40.66	212.50	(171.840)	(0.471)	(32,000)
19	General Taxes - Payroll	18,794	(107)	18,687	40.66	42.11	(1.453)	(0.004)	(74)
20	General Taxes - Other	-	-	-	40.66	-	40.660	0.111	-
20	Income Tax ¹	149,799	(96,501)	53,298	40.66	37.50	3.160	0.009	461
Other:									
22	Interest Expense on Proposed Long-Term Debt	127,926	67,176	195,102	40.66	90.25	(49.590)	(0.136)	(26,507)
23	Total Cash Working Capital Expenses	<u>\$ 1,038,438</u>	<u>\$ (67,748)</u>	<u>\$ 970,690</u>					
24	RUCO Total Recommended Cash Working Capital								\$ (46,041)
25	Company Total Proposed Cash Working Capital								(26,316)
26	RUCO Cash Working Capital Adjustment								\$ (19,726)

References:

¹ At Proposed Rates
Designates RUCO Adjustments to Co. Lead/Lag Days

RECONSTRUCTION COST NEW LESS DEPRECIATION (RCND) RATE BASE SUMMARY

Line No.	Description	[A] Company RCND Rate Base As Filed	[B] RUCO Recommended RCND Adjustments	[C] RUCO RCND Rate Base Recommended
1	Gross Utility Plant In Service	\$ 14,372,198	\$ (306,731)	\$ 14,065,467
	Less:			
2	Accumulated Depreciation	4,582,167	(15,801)	4,566,366
3	Net Utility Plant In Service (L1 - L2)	\$ 9,790,031	\$ (290,931)	\$ 9,499,101
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 1,985,268	\$ -	\$ 1,985,268
5	Gross Contribution In Aid Of Construction ("CIAC")	2,929,732	-	2,929,732
6	Accumulated Amortization of CIAC	(772,192)	-	(772,192)
7	Net CIAC (L5 + L6)	\$ 2,157,540	\$ -	\$ 2,157,540
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Regulatory Liability	1,434	2,541	3,975
11	Accumulated Amortization	-	(203)	(203)
12	Net Regulatory Liability	\$ 1,434	\$ 2,338	\$ 3,772
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 216,827	\$ 65,514	\$ 282,341
	Plus:			
14	Deferred Debits	377,396	-	377,396
17	Working Capital Allowance	(23,594)	(19,726)	(43,319)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	<u>\$ 5,782,765</u>	<u>\$ (378,508)</u>	<u>\$ 5,404,257</u>

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

RECONSTRUCTION COST NEW RATE BASE (RCNRB) ADJUSTMENTS

Line No.	Description	(A) Company RCND Rate Base As Filed	(B) Adjust No. 1 UPIS & A/D Adjustment	(C) Adjust No. 2 Regulatory Liability	(D) Adjust No. 3 Intentionally Left Blank	(E) Adjust No. 4 Intentionally Left Blank	(F) Adjust No. 5 Intentionally Left Blank	(G) Adjust No. 6 Intentionally Left Blank	(H) Adjust No. 7 Intentionally Left Blank	(I) Adjust No. 8 Intentionally Left Blank	(J) Adjust No. 9 ADIT Adjustment	(K) Adjust No. 10 Working Capital Adjustment	(L) Total RUCO Adjustments	(M) RUCO RCND Rate Base Recommended
1	Gross Utility Plant in Service	\$ 14,372,198	\$ (306,731)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (306,731)	\$ 14,065,467
2	Less: Accumulated Depreciation	4,592,167	(15,801)	-	-	-	-	-	-	-	-	-	(15,801)	4,566,366
3	Net Utility Plant in Service (L1 - L2)	\$ 9,790,031	\$ (290,931)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (290,931)	\$ 9,499,101
4	Less: Advances in Aid Of Construction ("AIAC")	\$ 1,985,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,985,268
5	Gross Contribution In Aid Of Construction ("CIAC")	2,929,732	-	-	-	-	-	-	-	-	-	-	-	2,929,732
6	Accumulated Amortization of CIAC	(772,192)	-	-	-	-	-	-	-	-	-	-	-	(772,192)
7	Net CIAC (L5 + L6)	\$ 2,157,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,157,540
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Gross Regulatory Liability	1,434	-	2,541	-	-	-	-	-	-	-	-	2,541	3,975
11	Accumulated Amortization	-	-	(203)	-	-	-	-	-	-	-	-	(203)	(203)
12	Net Regulatory Liability	\$ 1,434	\$ -	\$ 2,338	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,338	\$ 3,772
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 216,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,514	\$ -	\$ 65,514	\$ 282,341
14	Plus: Deferred Debits	377,396	-	-	-	-	-	-	-	-	-	-	-	377,396
17	Working Capital Allowance	(23,594)	-	-	-	-	-	-	-	-	(19,726)	-	(19,726)	(43,319)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 5,782,765	\$ (290,931)	\$ (2,338)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (65,514)	\$ (19,726)	\$ (378,508)	\$ 5,404,257

RUCO Adjustments:

Adjustment No. 1: Summation of RUCO recommended Utility Plant in Service and Accumulated Depreciation Adjustments No. (a), (b), (c), and (d) - See RUCO Rate Base Adjustment No. 1 on Schedules TJC-4 on pages 1 & 2, Column [J] at line 42;
 Adjustment No. 2: Current Case Regulatory Liability for Over-Depreciated Plant;
 Adjustment No. 3: Intentionally Left Blank;
 Adjustment No. 4: Intentionally Left Blank;
 Adjustment No. 5: Intentionally Left Blank;
 Adjustment No. 6: Intentionally Left Blank;
 Adjustment No. 7: Intentionally Left Blank;
 Adjustment No. 8: Intentionally Left Blank;
 Adjustment No. 9: RUCO Recommended 2016 TY End Accumulated Deferred Income Tax ("ADIT") Balance;
 Adjustment No. 10: RUCO Recommended Allowance for Working Capital - See RUCO Schedule TJC-10.

References:

Column [A]: Company Schedule B-1
 Column [B] Thru Column [K]: RUCO Recommended Rate Base Adjustments
 Column [L]: Sum of RUCO Recommended Rate Base Adjustments of Columns [B] through [K]
 Column [M]: Column [A] + Column [L]

SUMMARY OF RECONSTRUCTION COST NEW (RCN) UTILITY PLANT IN SERVICE (UPIS) ADJUSTMENTS
 RCN UPIS RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No.	Description	(A) Company Adjusted TY RCN UPIS As Filed	(B) RUCO Adjustment (A) Vector Trucks Adjustment	(C) RUCO Adjustment (B) UPS Reconstruction Adjustments	(D) RUCO Adjustment (C) Intentionally Left Blank	(E) RUCO Adjustment (D) Intentionally Left Blank	(F) RUCO Adjustment (E) TY Over-Depreciated Only Accum. Deprs.	(G) RUCO Adjustment (F) 2016 PTY Plant Adjustment	(H) RUCO Adjustment (G) 2017 PTY Plant Adjustment	(I) RUCO Adjustment (H) Unrecorded Rates Adjustment	(J) RUCO Total RCN UPIS Adjustments	(K) RUCO Recommended RCN UPIS
North West Valley Wastewater 7H Plant (continuation):													
1	354400	WW Strud & Imp TDP											
2	354500	WW Strud & Imp Gen	12,157,728										
3	355200	WW Pwr Gen Equip Coll	8,798						(629,521)	(120,312)		(749,833)	11,407,803
4	355300	WW Pwr Gen Equip SPP	96,123										8,798
5	355400	WW Pwr Gen Equip TDP											96,123
6	355500	WW Pwr Gen Equip RWTP											
7	360000	WW Collection Sewers Forced											
8	361100	WW Collecting Mains	237,430										
9	363000	WW Special Coll Strud	960,617										237,430
10	363000	WW Services Sewer	11,702										960,617
11	364000	WW Flow Measuring Devices	71,818										11,702
12	370000	WW Receiving Walls											71,818
13	371100	WW Pump Equip Exact	1,155,955										
14	371200	WW Pump Equip Oth Pwr	30,581										1,155,955
15	380000	WW TD Equipment	4,968,291										30,581
16	380050	WW TD Equip Coll Removal	2,732,222						(1,145,323)	(203,003)	(909,232)	(1,957,548)	4,968,291
17	380100	WW TD Equip Sed Tanks/Acc	13,561,466										2,732,222
18	380200	WW TD Equip Sludge/Eff Rmv	28,338										13,561,466
19	380250	WW TD Equip Sludge Dig Trk	1,900,331										28,338
20	380300	WW TD Equip Sludge Dry/Fir	17,563,483						17,023	(124,566)		(107,543)	1,900,331
21	380350	WW TD Equip Sec Trmt F&B											17,563,483
22	380400	WW TD Equip Aux Eff Trmt	4,338,884										
23	380500	WW TD Equip Chem Trmt P&I	288,515						48,140	(197,012)		(148,872)	4,338,884
24	380600	WW TD Equip Oth Disp	2,248,945										288,515
25	380625	WW TD Equip Oth Trmt	1,415,902										2,248,945
26	380650	WW TD Equip Influent Lift S	126,498										1,415,902
27	381000	WW Plant Sewers	143,391										126,498
28	382000	WW Outfall Sewer Lines	8,130		(0)								143,391
29	389100	WW Oth P&I & Misc Equip Int	94,096									(0)	8,130
30	389500	WW Other P&I - CIPS - FE											94,096
31	390000	WW Office Furniture & Equip	249,085										249,085
32	390200	WW Computers & Peripheral	26,728										26,728
33	390300	WW Computer Software	89,559										89,559
34	391000	WW Trans Equipment	351,923										351,923
35	392000	WW Storage Equipment	17,128										17,128
36	393000	WW Tool Shop & Garage Equip	218,009						(20,200)	(3,475)		(23,675)	218,009
37	394000	WW Laboratory Equipment	191,291										191,291
38	395000	WW Power Operated Equip	143,757										143,757
39	396000	WW Communication Equip	528,722										528,722
40	397000	WW Misc Equipment	123,052						(85,000)	(11,293)		(78,263)	123,052
41	398000	WW Other Tangible Plant											
42		Rounding											
43		Total North West Valley Wastewater 7H Plant	\$ 75,568,734	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (1,794,991)	\$ (859,750)	\$ (909,232)	\$ (3,093,963)	\$ 72,674,571
44		Mohave Wastewater 7H % Allocation Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
45		Mohave Wastewater NWTF 7H Plant Allocator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8U Plant:													
46	340200	Computer & Peripheral Equipment	1,892,104						(592,483)			(592,483)	1,299,621
47	340300	Computer Software	1,895,428						(98,750)			(98,750)	1,796,678
48		Rounding											
49		Total 8U Allocated Corporate Plant	\$ 3,587,532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (991,213)	\$ -	\$ -	\$ (991,213)	\$ 2,596,319
50		Mohave Wastewater 8U % Allocation Factor	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%
51		Mohave Wastewater 8U Plant Allocation	\$ 27,562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,310)	\$ -	\$ -	\$ (5,310)	\$ 22,252
TOTAL PLANT:													
52	7H	Direct	\$ 14,284,097	\$ -	\$ (3,845)	\$ -	\$ -	\$ -	\$ (136,490)	\$ (156,974)	\$ -	\$ (297,284)	\$ 13,986,813
53	7A	Corporate Plant Allocated	64,408	(3,899)					2,553	(6,303)	(297)	(8,006)	56,402
54	7H	NWTF Plant Allocated											
55	8U	8U Plant Allocated	27,562										27,562
56		RCN UPIS Not Accounted For - Vector Trucks - Corp	(3,899)	3,899					(5,310)			(5,310)	22,252
57		Total Utility Plant in Service (UPIS)	\$ 14,372,138	\$ -	\$ (3,845)	\$ -	\$ -	\$ -	\$ (138,223)	\$ (183,367)	\$ (297)	\$ (206,231)	\$ 14,095,467

RUCO Adjustments:

- Adjustment No. (a): Fully Allocate Utility Plant in Service (UPIS) Vector Truck Balances from AZ Corporate 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2;
- Adjustment No. (b): Reconstruct All UPS Account Balances as Filed by Company - See RUCO Schedule UPIS Schedules TJC-4(b) on Pages 1, 3, 5, and 7;
- Adjustment No. (c): Intentionally Left Blank;
- Adjustment No. (d): Intentionally Left Blank;
- Adjustment No. (e): Remove Over-Depreciated UPS Accounts' Excess Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-8 on page 2 of 2;
- Adjustment No. (f): Remove 2016 PTY Plant Adjustments Exceeding 9-Months Test Year End December 31, 2015;
- Adjustment No. (g): Remove All 2017 PTY Plant Adjustments;
- Adjustment No. (h): Company Response to RUCO DR 6 01 to Record Unrecorded 2016 PTY Plant Additions.

References:

- Column (A): Company Schedule B-2 Adjusted Test Year as Filed
- Column (B) Through (I): RUCO Recommended UPS Adjustments
- Column (J): Sum of Columns (B) Through (I) - RUCO Sum of Total Recommended UPS Adjustments
- Column (K): Columns (A) + (J)
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

SUMMARY OF RECONSTRUCTION COST NEW (RCN) ACCUMULATED DEPRECIATION (A/D) ADJUSTMENTS
RCN UPIS A/D RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No. Description	(A) Company Adjusted TY RCN A/D As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPIS A/D Recon Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Adjustments	(G) RUCO Adjustment (f) 2016 PTY A/D Adjustment	(H) RUCO Adjustment (g) 2017 PTY A/D Adjustment	(I) RUCO Adjustment (h) Retirement A/D Adjustment	(J) RUCO Total RCN A/D Adjustments	(K) RUCO RCN A/D Recommended
North West Valley Wastewater 7H Plant A/D (continuation)												
1	354400 WW Struct & Imp TDP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	354500 WW Struct & Imp Gen	4,972,165	-	-	-	-	-	-	(2,005)	-	(13,021)	4,959,144
3	355200 WW Per Gen Equip Coll	3,299	-	-	-	-	-	-	-	-	-	3,299
4	355300 WW Per Gen Equip SFP	18,003	-	-	-	-	-	-	-	-	-	18,003
5	355400 WW Per Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	-
6	355500 WW Per Gen Equip RWTP	-	-	-	-	-	-	-	-	-	-	-
7	360000 WW Collection Sewers Forced	-	-	-	-	-	-	-	-	-	-	-
8	361100 WW Collecting Mains	45,652	-	-	-	-	-	-	-	-	-	45,652
9	362000 WW Special Coll Struct	291,030	-	(0)	-	-	(220,028)	-	-	-	(220,028)	71,002
10	363000 WW Services Sewer	1,989	-	-	-	-	-	-	-	-	0	1,989
11	364000 WW Flow Measuring Devices	70,837	-	-	-	-	-	-	-	-	-	70,837
12	370000 WW Receiving Walls	-	-	-	-	-	-	-	-	-	-	-
13	371100 WW Pump Equip Elect	548,171	-	-	-	-	-	-	-	-	-	548,171
14	371200 WW Pump Equip Oth Pwr	12,789	-	-	-	-	-	-	-	-	-	12,789
15	380000 WW TD Equipment	2,878,331	-	(0)	-	-	-	(38,375)	(8,770)	(924,463)	(909,607)	2,208,724
16	380050 WW TD Equip Grit Removal	2,633,522	-	-	-	-	(177,748)	-	-	-	(177,748)	2,455,775
18	380200 WW TD Equip Sed Tanks/Acc	13,507,749	-	0	-	-	(124,217)	-	-	-	(124,217)	13,383,532
19	380250 WW TD Equip Sidge Dig Trk	1,364	-	-	-	-	-	-	-	-	-	1,364
20	380300 WW TD Equip Sidge DryFit	704,727	-	-	-	-	-	(5,549)	(4,152)	-	(9,702)	695,025
21	380350 WW TD Equip Sec Trmt Filtr	16,636,602	-	-	-	-	-	-	-	-	-	16,636,602
22	380400 WW TD Equip Aux Eff Trmt	2,918,016	-	-	-	-	(2,158)	-	-	-	(2,158)	2,896,858
23	380500 WW TD Equip Chem Trmt Pt	172,490	-	(0)	-	-	(87,004)	(8,246)	(8,567)	-	(103,817)	68,673
24	380600 WW TD Equip Oth Deep	2,219,556	-	(0)	-	-	-	-	-	-	(0)	2,219,556
25	380625 WW TD Equip Ctn Trmt	1,387,482	-	-	-	-	(184,432)	-	-	-	(184,432)	2,035,124
26	380650 WW TD Equip Influent Lift S	117,760	-	-	-	-	(7,538)	-	-	-	(7,538)	110,222
27	381000 WW Plant Sewers	46,087	-	-	-	-	-	-	-	-	-	46,087
28	382000 WW Outfall Sewer Lines	1,735	-	(0)	-	-	(118,586)	-	-	-	(118,586)	(116,851)
29	389100 WW Oth Pnt & Misc Equip Int	21,340	-	-	-	-	-	-	-	-	-	21,340
30	389600 WW Other Pnt - CPS - 7E	-	-	-	-	-	(0)	-	-	-	(0)	(0)
31	390000 WW Office Furniture & Equip	248,274	-	0	-	-	-	-	-	-	0	248,274
32	390200 WW Computers & Peripheral	29,417	-	-	-	-	-	-	-	-	-	29,417
33	390300 WW Computer Software	89,559	-	-	-	-	(22,545)	-	-	-	(22,545)	3,872
34	391000 WW Trans Equipment	346,019	-	0	-	-	(84,307)	-	-	-	(84,307)	5,252
35	392000 WW Stores Equipment	13,389	-	(0)	-	-	(851,171)	-	-	-	(851,171)	(305,152)
36	393000 WW Tool Shop & Garage Equip	141,933	-	-	-	-	-	(500)	(87)	-	(587)	141,346
37	394000 WW Laboratory Equipment	129,062	-	-	-	-	-	-	-	-	-	129,062
38	395000 WW Power Operated Equip	25,347	-	-	-	-	-	-	-	-	-	25,347
39	396000 WW Communication Equip	365,877	-	0	-	-	-	-	-	-	-	365,877
40	397000 WW Misc Equipment	120,402	-	0	-	-	(28,355)	(3,250)	(565)	-	(32,170)	333,707
41	398000 WW Other Tangible Plant	-	-	-	-	-	(2,119)	-	-	-	(2,119)	118,282
42	Rounding	-	-	-	-	-	-	-	-	-	-	-
	Total North West Valley Wastewater 7H A/D	\$ 57,821,482	\$ -	\$ 0	\$ -	\$ -	\$ (1,690,208)	\$ (86,937)	\$ (20,149)	\$ (824,463)	\$ (2,401,753)	\$ 55,419,729
44	Mohave Wastewater 7H % Allocation Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
45	Mohave Wastewater MWTF 7H Allocation A/D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6U Plant A/D:												
46	340200 Computer & Peripheral Equipment	\$ 413,309	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (29,623)	\$ -	\$ -	\$ (29,623)	\$ 383,686
47	340300 Computer Software	842,275	-	8,781	-	-	-	7,187	-	-	15,968	858,242
48	Rounding	-	-	-	-	-	-	-	-	-	-	-
49	Total 6U Allocated Corporate A/D	\$ 1,255,584	\$ -	\$ 8,781	\$ -	\$ -	\$ (22,437)	\$ -	\$ -	\$ -	\$ (13,656)	\$ 1,241,928
50	Mohave Wastewater 6U % Allocation Factor	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%	0.7683%
51	Mohave Wastewater 6U Allocation A/D	\$ 9,646	\$ -	\$ 67	\$ -	\$ -	\$ -	\$ (172)	\$ -	\$ -	\$ (105)	\$ 9,541
TOTAL PLANT A/D:												
52	7N Direct	\$ 4,553,436	\$ -	\$ (4,030)	\$ -	\$ -	\$ (2,239)	\$ (5,035)	\$ (4,538)	\$ -	\$ (15,842)	\$ 4,537,594
53	7A Corporate Plant Allocated	10,566	(501)	763	-	-	(302)	130	(145)	(300)	(355)	19,231
54	7H MWTF Plant Allocated	-	-	-	-	-	-	-	-	-	-	-
55	6U 6U Plant Allocated	9,646	-	67	-	-	-	(172)	-	-	(105)	9,541
56	RCN A/D Not Accounted For - Vector Trucks - Corp	(501)	501	-	-	-	-	-	-	-	501	-
57	Total Utility Plant In Service A/D	\$ 4,582,167	\$ -	\$ (3,199)	\$ -	\$ -	\$ (2,541)	\$ (5,078)	\$ (4,683)	\$ (300)	\$ (15,801)	\$ 4,566,366

RUCO Adjustments:

- Adjustment No. (a): Fully Allocate Utility Plant in Service (UPIS) Vector Truck Balances from AZ Corporate 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2;
- Adjustment No. (b): Reconstruct All UPIS Account Balances as Filed by Company - See RUCO Schedule UPIS Schedules TJC-4(b) on Pages 1, 3, 5, and 7;
- Adjustment No. (c): Intentionally Left Blank;
- Adjustment No. (d): Intentionally Left Blank;
- Adjustment No. (e): Remove Over-Depreciated UPIS Accounts' Excess Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-8 on page 2 of 2;
- Adjustment No. (f): Remove 2016 PTY Plant Adjustments Exceeding 5-Months Test Year End December 31, 2015;
- Adjustment No. (g): Remove All 2017 PTY Plant Adjustments;
- Adjustment No. (h): Company Response to RUCO DR 6.01 to Record Unrecorded 2016 PTY Plant Additions

References:

- Column [A]: Company Schedule B-2 Adjusted Test Year as Filed
 - Column [B] Through [J]: RUCO Recommended UPIS Adjustments
 - Column [L]: Sum of Columns [B] Through [J] - RUCO Sum of Total Recommended UPIS Adjustments
 - Column [K]: Column [A] + [L]
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Marler

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS UPIS ALLOCATION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 0.9133%	[E] RUCO Allocated Adjustment
Allocated AZ Corp Plant:							
1	304500	Structures & Improvements General	\$ 867,209	\$ -	\$ 867,209	0.9133%	\$ -
2	304620	Structures & Improvements Leasehold	19,076	-	19,076	0.9133%	-
3	334100	Meters	12,936	-	12,936	0.9133%	-
4	339600	Other P/E-CPS	401,267	-	401,267	0.9133%	-
5	340100	Office Furniture & Equipment	1,540,410	-	1,540,410	0.9133%	-
6	340200	Computer & Peripheral Equipment	1,508,481	-	1,508,481	0.9133%	-
7	340300	Computer Software	224,789	-	224,789	0.9133%	-
8	340330	Computer Software Other	6,564	-	6,564	0.9133%	-
9	344000	Laboratory Equipment	22,261	-	22,261	0.9133%	-
10	346100	Communication Equipment Non-Telephone	244,843	-	244,843	0.9133%	-
11	346190	Remote Control & Instrument	124,954	-	124,954	0.9133%	-
12	346200	Communication Equipment Telephone	91,902	-	91,902	0.9133%	-
13	346300	Communication Equipment Other	156,534	-	156,534	0.9133%	-
14	347000	Miscellaneous Equipment	1,830,993	(423,658)	1,407,335	0.9133%	(3,869)
15		Rounding	-	-	-	0.9133%	-
16		Total AZ Corporate Plant Allocated	<u>\$7,052,219</u>	<u>\$ (423,658)</u>	<u>\$ 6,628,561</u>		<u>(3,869)</u>
17		RUCO Total Adjustment					\$ (3,869)

References:
Schedule TJC-4 on page 1 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS ACCUMULATED DEPRECIATION (A/D) ALLOCATION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 0.9133%	[E] RUCO Allocated Adjustment
Allocated AZ Corp A/D:							
1	304500	Structures & Improvements General	\$ 30,426	\$ -	\$ 30,426	0.9133%	\$ -
2	304620	Structures & Improvements Leasehold	1,035	-	1,035	0.9133%	-
3	334100	Meters	4,739	-	4,739	0.9133%	-
4	339600	Other P/E-CPS	76,834	-	76,834	0.9133%	-
5	340100	Office Furniture & Equipment	712,910	-	712,910	0.9133%	-
6	340200	Computer & Peripheral Equipment	702,405	-	702,405	0.9133%	-
7	340300	Computer Software	49,301	-	49,301	0.9133%	-
8	340330	Computer Software Other	3,282	-	3,282	0.9133%	-
9	344000	Laboratory Equipment	11,131	-	11,131	0.9133%	-
10	346100	Communication Equipment Non-Telephone	244,843	-	244,843	0.9133%	-
11	346190	Remote Control & Instrument	27,182	-	27,182	0.9133%	-
12	346200	Communication Equipment Telephone	73,463	-	73,463	0.9133%	-
13	346300	Communication Equipment Other	17,839	-	17,839	0.9133%	-
14	347000	Miscellaneous Equipment	189,110	(54,871)	134,239	0.9133%	(501)
15		Salvage Proceeds				0.9133%	
16		Total AZ Corporate A/D Allocated	<u>\$2,144,501</u>	<u>\$ (54,871)</u>	<u>\$ 2,089,630</u>		<u>(501)</u>
17		RUCO Total Adjustment					<u>\$ (501)</u>

References:
Schedule TJC-4 on page 2 of 2

OPERATING INCOME SUMMARY

Line No.	Description	[A] Company Adjusted Test Year As Filed	[B] RUCO Recommended Adjustments	[C] RUCO Recommended Adjusted Test Year Amounts	[D] RUCO Recommended Changes	[E] RUCO Recommended Amounts
Revenues:						
1	Water/Wastewater Revenues	\$ 1,502,212	\$ -	\$ 1,502,212	\$ (29,717)	\$ 1,472,495
2	Other Revenues	5,525	-	5,525	-	5,525
3	Total Revenues	\$ 1,507,737	\$ -	\$ 1,507,737	\$ (29,717)	\$ 1,478,020
Operating Expenses:						
4	Labor	\$ 232,158	\$ (10,988)	\$ 221,170	\$ -	\$ 221,170
5	Purchased Water	17	-	17	-	17
6	Fuel & Power	40,641	-	40,641	-	40,641
7	Chemicals	7,334	(144)	7,190	-	7,190
8	Waste Disposal	9,197	-	9,197	-	9,197
9	Intercompany Support Services	-	-	-	-	-
10	Corporate Allocation	45,356	(1,002)	44,354	-	44,354
11	Outside Services	31,207	(126)	31,081	-	31,081
12	Group Insurance	72,007	(10,302)	61,705	-	61,705
13	Pensions	-	-	-	-	-
14	Regulatory Expense	51,671	-	51,671	-	51,671
15	Insurance Other Than Group	25,570	-	25,570	-	25,570
16	Customer Accounting	59,302	(1,825)	57,477	-	57,477
17	Rents	4,160	-	4,160	-	4,160
18	General Office Expense	21,226	(127)	21,099	-	21,099
19	Miscellaneous	18,985	(9,191)	9,794	-	9,794
20	Maintenance Expense	51,027	(522)	50,505	-	50,505
21	Depreciation & Amortization	425,234	(31,431)	393,804	-	393,804
22	General Taxes-Property	68,930	(506)	68,424	(453)	67,971
23	General Taxes-Other	18,794	(107)	18,687	-	18,687
24	Income Taxes	74,129	(8,543)	65,586	(12,288)	53,298
25	Total Operating Expenses	\$ 1,256,945	\$ (74,814)	\$ 1,182,131	\$ (12,740)	\$ 1,169,391
26	Operating Income	\$ 250,792	\$ 74,814	\$ 325,606	\$ (16,977)	\$ 308,629

References:

- Column [A]: Company Schedule C-1;
- Column [B]: RUCO Recommended Total Adjustments Per Schedule TJC-12 on pages 1-2 at page 2 in Column [S] at line 26;
- Column [C]: Column [A] + [B] - RUCO Recommended Adjusted Test Year Amounts Per Schedule TJC-12 on page 2 of 2 in Column [T];
- Column [D]: RUCO Recommended Increase/(Decrease) to Revenue Requirement;
- Column [E]: Column [C] + [D] - RUCO Recommended Increase/(Decrease) Amounts for Revenue Requirement.

RUCO OPERATING INCOME ADJUSTMENTS

Line No.	Description	[A] Company Adjusted Test Year As Filed	[B] Adj. No. 1 Depreciation Expense	[C] Adj. No. 2 Property Taxes	[D] Adj. No. 3 Performance Based Adjustment	[E] Adj. No. 4 Annualized Labor Adjustment	[F] Adj. No. 5 Purchase Power Adjustment	[G] Adj. No. 6 CPI Adjustment	[H] Adj. No. 7 Customer Accounting Adjustment	[I] Adj. No. 8 Low Income Adjustment	[J] Adj. No. 9 EPCOR Services Adjustment
Revenues:											
1	Water/Wastewater Revenues	\$ 1,502,212	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	5,525	-	-	-	-	-	-	-	-	-
3	Total Revenues	\$ 1,507,737	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses:											
4	Labor	\$ 232,158	\$ -	\$ -	\$ (8,729)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,259)
5	Purchased Water	17	-	-	-	-	-	-	-	-	-
6	Fuel & Power	40,641	-	-	-	-	-	-	-	-	-
7	Chemicals	7,334	-	-	-	-	-	(144)	-	-	-
8	Waste Disposal	9,197	-	-	-	-	-	-	-	-	-
9	Intercompany Support Services	-	-	-	-	-	-	-	-	-	-
10	Corporate Allocation	45,356	-	-	-	-	-	(72)	-	-	-
11	Outside Services	31,207	-	-	-	-	-	(126)	-	-	-
12	Group Insurance	72,007	-	-	-	(9,881)	-	-	-	-	(421)
13	Pensions	-	-	-	-	-	-	-	-	-	-
14	Regulatory Expense	51,671	-	-	-	-	-	-	-	-	-
15	Insurance Other Than Group	25,570	-	-	-	-	-	-	-	-	-
16	Customer Accounting	59,302	-	-	-	-	-	(66)	(1,759)	-	-
17	Rents	4,160	-	-	-	-	-	-	-	-	-
18	General Office Expense	21,226	-	-	-	-	-	-	-	-	-
19	Miscellaneous	18,985	-	-	-	-	-	(127)	-	-	-
20	Maintenance Expense	51,027	-	-	-	-	-	(191)	-	(9,000)	-
21	Depreciation & Amortization	425,234	(27,688)	-	-	-	-	(522)	-	-	-
22	General Taxes - Property	68,930	-	(506)	-	-	-	-	-	-	-
23	General Taxes - Other	18,794	-	-	-	-	-	-	-	-	-
24	Income Taxes	74,129	-	-	-	-	-	-	-	-	(107)
25	Total Operating Expenses	\$ 1,256,945	\$ (27,688)	\$ (506)	\$ (8,729)	\$ (9,881)	\$ -	\$ (1,248)	\$ (1,759)	\$ (9,000)	\$ (2,787)
26	Operating Income	\$ 250,792	\$ 27,688	\$ 506	\$ 8,729	\$ 9,881	\$ -	\$ 1,248	\$ 1,759	\$ 9,000	\$ 2,787

Adjustments:

- Adjustment No. 1: Depreciation Expense - See RUCO Schedule TJC-13 in Column [G] at line 45;
- Adjustment No. 2: Property Taxes - See RUCO Schedule TJC-14 in Column [A] at line 18;
- Adjustment No. 3: Incentive Pay - See RUCO Schedule TJC-15 on line 5;
- Adjustment No. 4: Remove 2nd Pay Raise - See RUCO Schedule TJC-16 on page 1 of 1 at line 11;
- Adjustment No. 5: Declining Usage - Not Used for Sewer System;
- Adjustment No. 6: Intentionally Left Blank;
- Adjustment No. 7: Postage Decrease - See RUCO Schedule TJC-19 at line 5;
- Adjustment No. 8: Intentionally Left Blank;
- Adjustment No. 9: APUC Non-Labor Adjustment - See RUCO Schedule TJC-21 at line 14;

References:

- Column [A]: Company Schedule C-1 Adjusted Test Year as Filed;
- Column [B] through [J]: RUCO Recommended Adjusted Test Year Adjustments;

RUCO OPERATING INCOME ADJUSTMENTS

Line No.	Description	[K] Adj. No. 10 Corporate Allocations Adjustment	[L] Adj. No. 11 Asset Usage Fee Adjustment	[M] Adj. No. 12 Intentionally Left Blank	[N] Adj. No. 13 Intentionally Left Blank	[O] Adj. No. 14 Intentionally Left Blank	[P] Adj. No. 15 Intentionally Left Blank	[Q] Adj. No. 16 Intentionally Left Blank	[R] Adj. No. 17 Income Taxes	[S] Total RUCO Recommended Adjustments	[T] RUCO Adjusted Test Year Recommended
Revenues:											
1	Water/Wastewater Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,502,212
2	Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5,525
3	Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,507,737
Operating Expenses:											
4	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,170
5	Purchased Water	-	-	-	-	-	-	-	-	(10,988)	17
6	Fuel & Power	-	-	-	-	-	-	-	-	-	40,641
7	Chemicals	-	-	-	-	-	-	-	-	-	7,190
8	Waste Disposal	-	-	-	-	-	-	-	-	(1,444)	9,197
9	Intercompany Support Services	-	-	-	-	-	-	-	-	-	-
10	Corporate Allocation	(930)	-	-	-	-	-	-	-	-	-
11	Outside Services	-	-	-	-	-	-	-	-	(1,002)	44,354
12	Group Insurance	-	-	-	-	-	-	-	-	(126)	31,081
13	Pensions	-	-	-	-	-	-	-	-	(10,302)	61,705
14	Regulatory Expense	-	-	-	-	-	-	-	-	-	-
15	Insurance Other Than Group	-	-	-	-	-	-	-	-	-	51,671
16	Customer Accounting	-	-	-	-	-	-	-	-	-	25,570
17	Rents	-	-	-	-	-	-	-	-	(1,825)	57,477
18	General Office Expense	-	-	-	-	-	-	-	-	-	4,160
19	Miscellaneous	-	-	-	-	-	-	-	-	-	21,099
20	Maintenance Expense	-	-	-	-	-	-	-	-	(127)	9,794
21	Depreciation & Amortization	-	-	-	-	-	-	-	-	(9,191)	50,505
22	General Taxes - Property	-	\$ (3,743)	-	-	-	-	-	-	(522)	393,804
23	General Taxes - Other	-	-	-	-	-	-	-	-	(31,431)	68,424
24	Income Taxes	-	-	-	-	-	-	-	(8,543)	(506)	18,687
25	Total Operating Expenses	\$ (930)	\$ (3,743)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,543)	\$ (8,543)	\$ 65,586
26	Operating Income	\$ 930	\$ 3,743	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,543	\$ (74,814)	\$ 1,182,131

Adjustments:

- Adjustment No. 10: APUC, LUC, and LABS 45% Labor Adjustment - See RUCO Schedule TJC-22;
- Adjustment No. 11: Intentionally Left Blank;
- Adjustment No. 12: Intentionally Left Blank;
- Adjustment No. 13: APUC Corporate LU 8020 Allocations - See RUCO Schedule TJC-25;
- Adjustment No. 14: Intentionally Left Blank;
- Adjustment No. 15: Intentionally Left Blank;
- Adjustment No. 16: Rate Case Expense - Not Used;
- Adjustment No. 17: Income Taxes - See RUCO Schedule TJC-29.

References:

- Column [K] thru [R]: RUCO Recommended Adjusted Test Year Adjustments;
- Column [S]: RUCO Total Adjusted Test Year Adjustments on Schedule TJC-12 page 1 of 2 in Columns [B] thru Schedule TJC-12 page 2 of 2 in Columns [K] thru [R];
- Column [T]: Column [A] on Schedule TJC-12 at page 1 of 2 + Column [S] on Schedule TJC-12 page 2 of 2 - RUCO Recommended Adjusted Test Year Balances.

**OPERATING INCOME ADJUSTMENT NO. 1
 TEST YEAR (TY) END UPIS DEPRECIATION EXPENSE**

Line No	NARUC Account	Description	(A) Company Total Unallocated UPIS As Filed	(B) Allocation Factor	(C) Company TY End Allocated UPIS As Filed	(D) RUCO Unallocated UPIS Adjustments Recommended	(E) RUCO Allocated UPIS Adjustments Recommended	(F) RUCO Depreciable UPIS Recommended	(G) Authorized Depreciation Rate	(H) RUCO Depreciation Expense Recommended
North West Valley Wastewater 7H Plant (continuation):										
1	354400	WW Struct & Imp TDP	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	3.33%	\$ -
2	354500	WW Struct & Imp Gen	7,712,805	0.00%	-	(749,833)	-	-	3.33%	-
3	355200	WW Pwr Gen Equip Cofl	7,952	0.00%	-	-	-	-	3.33%	-
4	355300	WW Pwr Gen Equip SPP	63,439	0.00%	-	-	-	-	5.00%	-
5	355400	WW Pwr Gen Equip TDP	-	0.00%	-	-	-	-	5.00%	-
6	355500	WW Pwr Gen Equip RWTP	-	0.00%	-	-	-	-	5.00%	-
7	360000	WW Collection Sewers Forced	-	0.00%	-	-	-	-	2.00%	-
8	361100	WW Collecting Mains	109,750	0.00%	-	-	-	-	2.50%	-
9	362000	WW Special Cofl Struct	486,363	0.00%	-	-	-	-	2.00%	-
10	363000	WW Services Sewer	8,725	0.00%	-	-	-	-	2.00%	-
11	364000	WW Flow Measuring Devices	55,923	0.00%	-	-	-	-	10.00%	-
12	370000	WW Receiving Wells	-	0.00%	-	-	-	-	3.33%	-
13	371100	WW Pump Equip Elect	1,028,512	0.00%	-	-	-	-	12.50%	-
14	371200	WW Pump Equip Oth Pwr	26,257	0.00%	-	-	-	-	6.87%	-
15	380000	WW TD Equipment	3,879,047	0.00%	-	(1,901,930)	-	-	6.87%	-
16	380050	WW TD Equip Grit Removal	1,041,234	0.00%	-	-	-	-	6.87%	-
17	380100	WW TD Equip Sed Tanks/Acc	5,327,840	0.00%	-	-	-	-	6.87%	-
18	380200	WW TD Equip Sludge/Eff Rmv	28,253	0.00%	-	-	-	-	6.87%	-
19	380250	WW TD Equip Sludge Dig Tnk	1,344,033	0.00%	-	-	-	-	6.87%	-
20	380300	WW TD Equip Sludge Dry/Filt	8,682,158	0.00%	-	(107,543)	-	-	6.87%	-
21	380350	WW TD Equip Sec Trmt Filtr	-	0.00%	-	-	-	-	6.87%	-
22	380400	WW TD Equip Aux Eff Trmt	2,810,834	0.00%	-	(148,872)	-	-	6.87%	-
23	380500	WW TD Equip Chem Trmt Pfl	208,781	0.00%	-	-	-	-	6.87%	-
24	380600	WW TD Equip Oth Disp	1,033,384	0.00%	-	-	-	-	6.87%	-
25	380625	WW TD Equip Gen Trmt	780,426	0.00%	-	-	-	-	6.87%	-
26	380650	WW TD Equip Influent Ltr S	64,980	0.00%	-	-	-	-	6.87%	-
27	381000	WW Plant Sewers	111,410	0.00%	-	-	-	-	6.87%	-
28	382000	WW Outfall Sewer Lines	4,259	0.00%	-	(0)	-	-	5.00%	-
29	389100	WW Oth Pit & Misc Equip Int	89,298	0.00%	-	-	-	-	3.33%	-
30	389600	WW Other P/E - CPS - 7E	-	0.00%	-	-	-	-	6.87%	-
31	390000	WW Office Furniture & Equip	158,065	0.00%	-	-	-	-	6.87%	-
32	390200	WW Computers & Peripheral	23,044	0.00%	-	-	-	-	6.87%	-
33	390300	WW Computer Software	89,027	0.00%	-	-	-	-	20.00%	-
34	391000	WW Trans Equipment	247,842	0.00%	-	-	-	-	20.00%	-
35	392000	WW Stores Equipment	11,072	0.00%	-	-	-	-	20.00%	-
36	393000	WW Tool Shop & Garage Equip	163,232	0.00%	-	(23,475)	-	-	4.00%	-
37	394000	WW Laboratory Equipment	156,855	0.00%	-	-	-	-	5.00%	-
38	395000	WW Power Operated Equip	136,487	0.00%	-	-	-	-	10.00%	-
39	396000	WW Communication Equip	435,125	0.00%	-	(76,293)	-	-	5.00%	-
40	397000	WW Misc Equipment	74,088	0.00%	-	-	-	-	10.00%	-
41	398000	WW Other Tangible Plant	-	0.00%	-	-	-	-	10.00%	-
42		Rounding	-	0.00%	-	-	-	-	10.00%	-
43		Total North West Valley Wastewater 7H Plant	\$ 41,077,910							
44		Mohave Wastewater 7H % Allocation		0.005%						
45		Mohave Wastewater NWVTF 7H Plant Allocation			\$ -	\$ (3,007,954)	\$ -	\$ -		\$ -
8U Plant:										
46	340200	Computer & Peripheral Equipment	\$ 1,639,829	0.77%	\$ 12,597	\$ (592,483)	\$ (4,552)	\$ 8,045	10.00%	\$ 805
47	340300	Computer Software	1,846,105	0.77%	14,183	(98,750)	(759)	13,425	20.00%	2,685
48		Rounding	-	0.77%	-	-	-	-	-	-
49		Total 8U Allocated Corporate Plant	\$ 3,485,734							
50		Mohave Wastewater 8U % Allocation		0.0725%						
51		Mohave Wastewater 8U Plant Allocation			\$ 26,730	\$ (991,213)	\$ (5,310)	\$ 21,470		\$ 3,489
52		Totals	\$ 82,046,132		\$ 11,075,012	\$ (4,880,442)	\$ (310,137)	\$ 10,764,874		\$ 514,707
Total Depreciation by Plant Classification:										
						Per Company		RUCO Adjustments		
53	7N	Direct Plant As Filed			\$ 506,575		\$ 858			\$ 507,433
54	7A	Arizona Corporate Plant Allocated As Filed			4,057		(273)			3,784
55	7H	NWVTF Plant Allocated As Filed			-		-			-
56	8U	8U Plant Allocated As Filed			-		-			-
57		Company Adjustment SMM-IS34 for Vector Trucks in 7A			4,066		(607)			3,459
					(237)		237			-
58		Total Depreciation Expense on UPIS As Filed			\$ 514,492		\$ 215			\$ 514,707
Decision No. 75288 Regulatory Assets & Liabilities:										
						Reg Asset		Reg Liability		
59	360000	Collection Sewer Forced					\$ 15,840	\$ -		
60	360100	WW TD Equipment Tanks/Acc					370,681	-		
61	385000	WW TD Equipment Other Disp					1,235	-		
62	397000	Miscellaneous Equipment					-	(328)		
63	396000	Reconciliation to PIS Balance					-	(1,145)		
64		Total Gross Regulatory Assets & Liabilities					\$ 387,736	\$ (1,473)		
65		RUCO Amortization September thru December 2015 @ 8%					\$ 10,340	\$ (39)		10,300
66		Total Reg. Amortization Per Company (Add 12-Mths.)			\$ 30,901		\$ (20,801)			

Continued on Next Page

OPERATING INCOME ADJUSTMENT NO. 1
 TEST YEAR (TY) END UPIS DEPRECIATION EXPENSE

Line No.	NARUC Account	Description	(A) Company Total Unallocated UPIS As Filed	(B) Allocation Factor	(C) Company TY End Allocated UPIS As Filed	(D) RUCO Unallocated UPIS Adjustments Recommended	(E) RUCO Allocated UPIS Adjustments Recommended	(F) RUCO Depreciable UPIS Recommended	(G) Authorized Depreciation Rate	(H) RUCO Depreciation Expense Recommended
Current Docket Regulatory Assets & Liabilities:			<u>Per Company</u>			<u>RUCO Adjustments</u>				
1	TJC-5	Direct Plant						<u>Reg Asset</u>	<u>Reg Liability</u>	
2	TJC-5	Allocable AZ Corporate 7A Plant			\$ -		\$ (2,034)	\$ -	\$ (2,034)	
3	TJC-5	Allocable NWVTF Plant			-		(275)	-	(275)	
4	TJC-5	Allocable USA Corporate 5U Plant			-		-	-	-	
5					-		-	-	-	
6		Total Gross Regulatory Assets & Liabilities						\$ -	\$ (2,309)	
7		RUCO TY End 2015 Amortization @ 8%						\$ -	\$ (185)	
8		Total Reg. Amortization Per Company			\$ -		\$ (185)			(185)
9		Less: Deduction for Amortization of CIAC Per RUCO								
10		Less: Deduction for Amortization of CIAC Per Company			(120,159)			\$ (2,061,834)	4.7815%	(127,278)
11		Company Total TY End Depreciation Expense Requested	Sum of Col. (C) Pg 2 at Lines 58 & 60, and Pg 3 at Line 10		\$ 425,234		\$ (7,117)			
12		RUCO Total Recommended Depreciation Expense								
13		Company Adjusted TY End Depreciation Expense								\$ 397,547
14		RUCO Depreciation Expense Adjustment								Col. (C) Pg 3 at Line 11 and RUCO Sch. RBM-11 Col (A) at Line 21 \$ 425,234
										\$ (27,888)

References:

Company B-2 and C-1 Schedules, and RUCO Schedule TJC-4(a), pages 1 & 2
 Account 361100 has a 40-Year Expected Life or 2.50% Depreciation Rate
 Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

OPERATING INCOME ADJUSTMENT NO. 2
PROPERTY TAXES

Line No.	Property Tax Calculation	[A] RUCO AS ADJUSTED	[B] RUCO RECOMMENDED
1	RUCO Adjusted Test Year Gross Revenues	\$ 1,507,737	\$ 1,507,737
2	Multiplied by 2	2	2
3	Subtotal (Line 1 * Line 2)	\$ 3,015,474	\$ 3,015,474
4a	RUCO Adjusted Test Year Gross Revenues	1,507,737	
4b	RUCO Recommended Revenue		1,478,020
5	Subtotal (Line 3 + Line 4a)	\$ 4,523,211	\$ 4,493,494
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	\$ 1,507,737	\$ 1,497,831
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	\$ 3,015,474	\$ 2,995,663
10	Plus: 10% of CWIP Per Company Schedule E-1 As Filed	1,101	1,101
11	Less: Net Book Value of Licensed Vehicles	22,147	22,147
12	Full Cash Value (Line 9 + Line 10 - Line 11)	\$ 2,994,428	\$ 2,974,617
13	Assessment Ratio	18.0%	18.0%
14	Assessed Value (Line 12 * Line 13)	\$ 538,997	\$ 535,431
15	Composite Property Tax Rate (Per RUCO Effective Property Tax Calculation)	12.6946%	12.6946%
16	RUCO Adjusted Test Year Property Tax Expense (Line 14 * Line 15)	\$ 68,424	
17	Company Adjusted Test Year Property Tax Expense (Per Company Schedule C-1)	68,930	
18	RUCO Test Year Adjustment (Line 16-Line 17)	\$ (506)	
19	Property Tax - RUCO Recommended Revenue (Line 14 * Line 15)		\$ 67,971
20	RUCO Test Year Adjusted Property Tax Expense (Line 16)		68,424
21	Increase/(Decrease) to Property Tax Expense		\$ (453)
22	Increase/(Decrease) to Property Tax Expense		\$ (453)
23	Increase in Revenue Requirement		(29,717)
24	Increase /(Decrease) to Property Tax per Dollar Increase in Revenue (Line 22 / Line 23)		1.5234%

References:

- RUCO Schedule TJC-11
- RUCO Schedule TJC-4(a) page 1 of 2

Operating Income Adjustment No. 3
Removal of Performance Based Compensation

	(A)	(B)	(C)	(D)	(E)	(F)
Company Requested Increase by System						
Direct Performance Based Expense	Agua	Anthem	Mohave	Sun City	Sun City	TOTAL
Arizona Performance Based Comp Expense	Fria			West		
EPCOR Water USA Performance Incentive						
NWVRTF						
	\$ 14,047	\$ 25,078	\$ 6,738	\$ 5,894	\$ 2,213	\$ 53,970
	58,430	56,799	12,873	71,517	59,117	258,736
	10,036	9,756	2,211	12,284	10,154	44,441
	3,900	-	-	-	16,403	20,303
Total Performance Based Compensation	\$ 86,413	\$ 91,633	\$ 21,822	\$ 89,695	\$ 87,887	\$ 377,450
RUCO Calculation of 50% Reduction	(43,207)	(45,817)	(10,911)	(44,848)	(43,944)	(188,725)
Company 10% Reduction in Perf. Comp.	(8,641)	(9,163)	(2,182)	(8,970)	(8,789)	(37,745)
RUCO's Additional Reduction	\$ (34,565)	\$ (36,653)	\$ (8,729)	\$ (35,878)	\$ (35,155)	\$ (150,980)

Reference(s):

Columns (A) through (E) Lines 4 through 7 - See Company Workpaper C-2 Page 13 - AZ Wastewater Consolidated Filing
Columns (A) through (E) Line 9 - Sum of Lines 4 through 7
Columns (A) through (E) Line 10 - 50 percent of Line 9
Columns (A) through (E) Line 11 - See Company Workpaper C-2 Page 13 - AZ Wastewater Consolidated Filing
Columns (A) through (E) Line 13 - Sum of Lines 9, 10, 11

Operating Income Adjustment No. 4
Annualize Labor and Labor Related Expenses / Group Insurance

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua	Anthem	Mohave	Sun City	Sun City	TOTAL
	Fria			West	West	
1 Group Insurance and Other Benefits						
2 As Filed						
3 401k	\$ 78,030	\$ 85,255	\$ 15,773	\$ 66,905	\$ 76,785	\$ 322,748
4 Pension	\$ 80,281	\$ 75,347	\$ 16,654	\$ 58,153	\$ 79,626	\$ 310,061
5 Insurance	\$ 132,803	\$ 193,434	\$ 39,580	\$ 101,931	\$ 154,566	\$ 622,314
6 Total Group Ins. / Other Benefits	\$ 291,114	\$ 354,036	\$ 72,007	\$ 226,989	\$ 310,977	\$ 1,255,123
7 Fully Allocated Expense	\$ 221,958	\$ 233,097	\$ 68,063	\$ 108,874	\$ 148,803	\$ 780,795
8						
9 Company Increase Requested in Filing	\$ 69,156	\$ 120,939	\$ 3,944	\$ 118,115	\$ 162,174	\$ 474,328
10						

Reference(s):

- 11 Columns (A) through (E) Lines 4 through 6 - See Company Workpaper C-2 Page 11 - AZ Wastewater Consolidated Filing
- 12 Columns (A) through (E) Line 7 - Sum of Lines 4 through 6
- 13 Columns (A) through (E) Line 8 - See Company Workpaper C-2 Page 11 - AZ Wastewater Consolidated Filing
- 14 Columns (A) through (E) Line 9 - Line 7 - Line 8
- 15
- 16
- 17

	Agua	Anthem	Mohave	Sun City	Sun City	TOTAL
	Fria			West	West	
18 Group Insurance / Other Benefits - Adjustments						
19 401k	\$ (6,850)	\$ (7,465)	\$ (4,798)	\$ (7,935)	\$ (15,867)	\$ (42,915)
20 Pension	\$ (21,161)	\$ (20,570)	\$ (4,662)	\$ (25,900)	\$ (21,409)	\$ (93,702)
21 Insurance	\$ (1,913)	\$ (1,859)	\$ (421)	\$ (2,342)	\$ (1,936)	\$ (8,471)
22 Total Group Ins. / Other Benefits - Corrections	\$ (29,924)	\$ (29,894)	\$ (9,881)	\$ (36,177)	\$ (39,212)	\$ (145,088)
23						
24 Company Increase Actual	\$ 39,232	\$ 91,045	\$ (5,937)	\$ 81,938	\$ 122,962	\$ 329,240
25						
26 Reduction in Company's Original Filing	\$ (29,924)	\$ (29,894)	\$ (9,881)	\$ (36,177)	\$ (39,212)	\$ (145,088)

The Company, in RUCO DR#8.04 indicated that they were making several rebuttal adjustments to Group Insurance and Other Benefits expense. The Adjustments are shown on Line 26 for each wastewater system.

Operating Income Adjustment No. 5
Purchased Power

	(A)	(B)	(C)	(D)	(E)	(F)
1						
2						
3						
4						
5						
6						
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11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						

Purchase Power - Company Requested
Company Increase Requested - Year 2016
Company Increase Requested - Year 2017

RUCO's Adjustments

Purchase Power - Per RUCO

Company's Calculations as Follows:

System	Expense		Percent Increase		Company Requested Revenue Increase	
	2015	2017	2016	2017	2016	2017
Agua Fria	\$ 253,838	\$ 253,838	2.29%	2.29%	\$ 5,813	\$ 5,946
Anthem	\$ 474,574	\$ 474,574			\$ 10,868	\$ 11,117
Mohave	\$ 39,936	\$ 39,936			\$ -	\$ -
Sun City	\$ 18,163	\$ 18,163			\$ 416	\$ 425
Sun City West	\$ 402,806	\$ 402,806			\$ 9,224	\$ 9,435
					\$ 26,321	\$ 26,924

Per the Company, APS provides guidance annually regarding proposed changes to electrical rates for commercial customers. Because APS has entered into a rate case in 2016 and the requested increase has not been disclosed by APS the Company has made its own determination and has increased purchased power by 2.29% for both years 2016 and 2017. This adjustment is inappropriate as it is not know and measurable.

Reference(s):

- Columns (A) through (E) Lines 4 through 6 - See Company Workpaper C-2 Page 11 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 7 - Sum of Lines 4 through 6
- Columns (A) through (E) Line 8 - See Company Workpaper C-2 Page 11 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 9 - Line 7 - Line 8

Operating Income Adjustment No. 6
CPI Adjustment

Company Requested CPI Adjustment by Account	(A)		(B)		(C)		(D)		(E)		(F)
	Agua	Fria	Anthem	Mohave	Sun City	West	Sun City	West	Sun City	West	
Fuel and Power	\$ -	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15
Chemicals	2,010	2,126	2,126	144	-	4,913	-	4,913	-	4,913	9,193
Corporate Allocation	325	316	316	72	398	329	398	329	398	329	1,440
Outside Services	669	632	632	126	582	635	582	635	582	635	2,644
Customer Accounting	296	309	309	66	488	374	488	374	488	374	1,533
General Office Expense	591	558	558	127	735	719	735	719	735	719	2,730
Miscellaneous	661	736	736	191	404	695	404	695	404	695	2,687
Maintenance	3,781	3,423	3,423	522	1,317	5,057	1,317	5,057	1,317	5,057	14,100
Adjustments by System	\$ 8,333	\$ 8,115	\$ 8,115	\$ 1,248	\$ 3,924	\$ 12,722	\$ 3,924	\$ 12,722	\$ 3,924	\$ 12,722	\$ 34,342

NOTE: Reductions in CPI Expense calculations will be made to each of the individual accounts as identified above.

Per EPCOR, "Each year, inflation causes prices of goods and services to increase. The pricing of the goods and services that created the 2015 test year expenses will be higher in 2016 and again in 2017. Failure to account for inflation causes unnecessary regulatory lag." This is not an appropriate adjustment as it is not a known and measurable change.

Reference(s):
Columns (A) through (E) Lines 4 through 11 - See Company Workpaper C-2 Page 32 - AZ Wastewater Consolidated Filing

Operating Income Adjustment No. 7
Customer Accounting - Postage - Customer Care

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Agua	Anthem	Mohave	Sun City	Sun City	Consol	
	Fria			West	West	Adjustment	TOTAL
Customer Accounting Expense - Requested	\$ 247,076	\$ 313,552	\$ 60,088	\$ 738,733	\$ 496,931	\$ 1,624	\$ 1,858,004
RUCO Adjustments - Customer Accounting							
Postage	(1,047)	(1,398)	(246)	(3,476)	(2,359)		(8,526)
Customer Care - CPI Adj	(3,071)	(4,190)	(727)	(10,617)	(7,175)		(25,780)
Unexplained Adjustment	(1,181)	(2,570)	(786)	(2,390)	(1,098)	(1,624)	(9,649)
RUCO Adjustments to Customer Accounting	\$ (5,299)	\$ (8,158)	\$ (1,759)	\$ (16,483)	\$ (10,632)	\$ (1,624)	\$ (43,955)

Company's Calculations for Postage Increase as Follows:

System	Expense 2015	Percent Increase	Increase By Sys
Agua Fria	\$ 26,574	3.94%	\$ 1,047
Anthem	\$ 35,502		\$ 1,398
Mohave	\$ 6,240		\$ 246
Sun City	\$ 88,252		\$ 3,476
Sun City West	\$ 59,897		\$ 2,359
	\$ 216,465		\$ 8,526

RUCO's adjustment to postage (\$8,526)

The Company took the actual postage costs for years 2013, 2014 and 2015 and took the average increase for the three year period that was then applied to the 2015 test year postage expense for each system. While postage expenses did increase for the years 2013, 2014 and 2015, postage expense decreased effective April 10, 2016. Consequently, an upward adjustment is not necessary.

Company's Increase Requested for Customer Care - CPI Adjustment

	Agua	Anthem	Mohave	Sun City	Sun City	TOTAL
	Fria			West	West	
Company Requested Increase by System	\$ 3,071	\$ 4,190	\$ 727	\$ 10,617	\$ 7,175	\$ 25,780
Company Increase Requested	\$ 3,071	\$ 4,190	\$ 727	\$ 10,617	\$ 7,175	\$ 25,780
RUCO Adjustments	\$ (3,071)	\$ (4,190)	\$ (727)	\$ (10,617)	\$ (7,175)	\$ (25,780)

Customer Care and Billing charges, as defined by Company, include costs associated with Third Party Billing, Call Centers, and Work Order Management. Costs billed to the Company are on a per bill per month basis. This adjustment includes adjustments for inflation based on the CPI through 2017. Increasing based on CPI index is not appropriate as this is not a known and measurable change.

Operating Income Adjustment No. 8
Low Income Program

	(A)	(B)	(C)	(D)	(E)	(F)
Company Requested Low Income by System						
Company Req. Low Income Program	Agua	Anthem	Mohave	Sun City	Sun City	TOTAL
RUCO's Adjustments	Fria			West		
RUCO's Recommendation						
	\$ 12,000	\$ 9,000	\$ 9,000	\$ 60,000	\$ 30,000	\$ 120,000
	\$ (12,000)	\$ (9,000)	\$ (9,000)	\$ (60,000)	\$ (30,000)	\$ (120,000)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Calculated as Follows:

Proposed Monthly Discount	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Number of Expected Participants	200	150	150	1,000	500	500
Per Month Revenues	1,000	750	750	5,000	2,500	10,000
Number of Months	12	12	12	12	12	12
Company Requested Low Income Program	\$ 12,000	\$ 9,000	\$ 9,000	\$ 60,000	\$ 30,000	\$ 120,000

The Company is proposing a Low Income Program for Agua Fria, Anthem, Sun City and Sun City West Wastewater Districts. A Low Income Program was authorized by the Commission in Decision No. 75268 for the Mohave Wastewater District.

RUCO is recommending that the Commission adopt the same Low Income Program that was approved in Decision No. 75268. The program costs will be deferred until a future rate case and request recovery at that time.

Reference(s):

Columns (A) through (E) Lines 4, 10 and 11 - See Company Schedule C-2 Page 34 - AZ Wastewater Consolidated Filing

Operating Income Adjustment No. 9
Adjustment for EPCOR Services Inc.

	(A)	(B)	(C)	(D)	(E)	(F)
<u>Adjustments to Company Line Items</u>					Sun City	
Agua Fria					West	<u>TOTAL</u>
Salaries and Labor	\$ (8,274)	\$ (8,043)	\$ (1,823)	\$ (10,128)	\$ (8,372)	\$ (36,640)
Salaries and Labor 401(K)	\$ (1,981)	\$ (1,926)	\$ (436)	\$ (2,425)	\$ (2,004)	\$ (8,772)
Insurance	\$ (914)	\$ (888)	\$ (201)	\$ (1,119)	\$ (925)	\$ (4,047)
Taxes	\$ (999)	\$ (971)	\$ (220)	\$ (1,223)	\$ (1,011)	\$ (4,424)
	\$ (488)	\$ (474)	\$ (107)	\$ (597)	\$ (493)	\$ (2,159)
Adjustments for EPCOR Services Inc.	\$ (12,656)	\$ (12,302)	\$ (2,787)	\$ (15,492)	\$ (12,805)	\$ (56,042)

	Agua Fria	Anthem	Mohave	Sun City	Sun City West	TOTAL
Ln 7	\$ (10,255)	\$ (9,969)	\$ (2,259)	\$ (12,553)	\$ (10,376)	\$ (45,412)
Ln 15	\$ (1,913)	\$ (1,859)	\$ (421)	\$ (2,342)	\$ (1,936)	\$ (8,471)
Ln 26	\$ (488)	\$ (474)	\$ (107)	\$ (597)	\$ (493)	\$ (2,159)
TOTAL	\$ (12,656)	\$ (12,302)	\$ (2,787)	\$ (15,492)	\$ (12,805)	\$ (56,042)

Business Unit	Direct Pay	Performance		401 (k)	Insurance	Pension	Taxes	Total
		Comp.	10%					
Sun City	\$ 10,128	\$ 2,425	\$ (242)	\$ 1,119	\$ 1,223	\$ -	\$ 597	\$ 15,250
Sun City West	\$ 8,372	\$ 2,004	\$ (200)	\$ 925	\$ 1,011	\$ -	\$ 493	\$ 12,605
Agua Fria	\$ 8,274	\$ 1,981	\$ (198)	\$ 914	\$ 999	\$ -	\$ 488	\$ 12,458
Anthem	\$ 8,043	\$ 1,926	\$ (193)	\$ 888	\$ 971	\$ -	\$ 474	\$ 12,109
Mohave	\$ 1,823	\$ 436	\$ (44)	\$ 201	\$ 220	\$ -	\$ 107	\$ 2,743
TOTAL	\$ 36,640	\$ 8,772	\$ (877)	\$ 4,047	\$ 4,424	\$ -	\$ 2,159	\$ 55,165

Per Company Notes on Staff DR PT5.1 -- This filing, incorrectly included employee number 109679 in its allocation of 6U Labor and Benefits. Those costs should be removed from the Company's request. Please note that 10% of performance based compensation has already been removed through Income Statement Adjustment SLM-IS10, therefore, this adjustment must account for that.

Reference(s):

Columns (A) through (E) Lines 4 through 8 - See Company Schedule C-2 Page 34 - AZ Wastewater Consolidated Filing

Operating Income Adjustment No. 10
Corporate Allocations

	(A)	(B)	(C)	(D)	(E)	(G)
	Agua				Sun City	
	Fria	Anthem	Mohave	Sun City	West	TOTAL
\$	205,544	\$ 199,805	\$ 45,285	\$ 251,580	\$ 207,960	\$ 910,174
\$	201,356	\$ 195,701	\$ 44,355	\$ 246,422	\$ 203,704	\$ 891,537
\$	(4,188)	\$ (4,104)	\$ (930)	\$ (5,158)	\$ (4,256)	\$ (18,637)

Test Year Corporate Allocations - Labor

RUCO Calculations for Labor Increase for One Year
RUCO's Additional Reduction

Total Arizona Corporate Allocation	\$ 3,792,265
Less: Public Affairs	(307,499)
Sub Total	\$ 3,484,766
Percent Attributable to Labor	69%
AZ Corporate Allocation for Labor	\$ 2,404,489
2016 Labor Increase at 3%	\$ 72,135
2017 Labor increase at 3%	\$ -
	\$ 72,135
Total Arizona Corporate Allocation Adjusted for 2016 Labor Increase	\$ 3,556,901

Allocation Factor %/%

Agua Fria	5.661%	\$ 201,356
Anthem	5.502%	\$ 195,701
Mohave	1.247%	\$ 44,355
Sun City	6.928%	\$ 246,422
Sun City West	5.727%	\$ 203,704
		\$ 891,537

Reference(s):

Columns (A) through (E) Lines 4 - See Company Schedule C-2 Page 28 - AZ Wastewater Consolidated Filing
Columns (A) through (E) Line 5 - See Line 20 Column (E)

Operating Income Adjustment No. 11
Asset Usage Fee

	(A)	(B)	(C)	(D)	(E)	(F)
Company Requested Increase by System						
Company Increase Requested - Year 2016	\$ 11,295	\$ 13,794	Mohave \$ 2,441	Sun City \$ 34,784	Sun City \$ 23,493	TOTAL \$ 85,807
Company Correction - Should be removed	\$ (15,900)	\$ (21,511)	\$ (3,743)	\$ (54,436)	\$ (36,785)	\$ (132,375)
Sub-Total	\$ (15,900)	\$ (21,511)	\$ (3,743)	\$ (54,436)	\$ (36,785)	\$ (132,375)
Company Ending Balances	\$ (4,605)	\$ (7,717)	\$ (1,302)	\$ (19,652)	\$ (13,292)	\$ (46,568)

Per the Company in response to DR#PTN 3.1; The amounts recorded to Asset Usage Fee, Line 5 Above, should be removed from the filing and the Company shall make such an adjustment in its rebuttal filing.

Reference(s):

Columns (A) through (E) Line 4 - See Company Schedule C-2 Page 28 - AZ Wastewater Consolidated Filing
Columns (A) through (E) Line 5 - See Company Response to DR#PTN 3.1

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<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amount</u>
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References:

OPERATING INCOME ADJUSTMENT NO. 17
INCOME TAXES

Line No.	Description	[A] RUCO Adjusted Test Year Amount	[B] RUCO Recommended Amount
1	RUCO Computed Adjusted Test Year Income Tax	\$ 65,586	\$ 53,298
2	Company Income Tax As Filed	74,129	149,799
3	RUCO Adjustment to Income Tax Expense	\$ (8,543)	\$ (96,501)

References:

See RUCO Schedule TJC-1 at page 2 of 2;
Company Schedule C-1 Adjusted Test Year as Filed

GROSS REVENUE CONVERSION FACTOR (GRCF)

Line No.	Description	Amount
1	Federal Effective Income Tax Rate	
2	State Effective Income Tax Rate	37.0890%
3	Property Tax Effective Rate	4.90%
4	Uncollectible Revenue Effective Rate	0.8837%
5	Total Cobined Federal, State, Property, and Uncollectible Effective Rates (Sum of L1 thru L4)	0.0000%
		42.8727%
6	Operating Income % = 100% Minus Combined Federal, State, Property, Uncollectible Effective Rates (100% Minus Line 5)	57.1273%
7	$\frac{1}{\text{Operating Income \% on Line 6}}$	= 1.7505

References:
 RUCO Schedule TJC-1, Page 1 of 2 and Page 2 of 2
 RUCO Schedule TJC-11

COST OF CAPITAL

Line No.	Description	[A] DOLLAR AMOUNT	[B] CAPITAL RATIO	[C] COST RATE	[D] WEIGHTED COST RATE
1	Long-Term Debt	\$ 2,656,189	51.48%	4.29%	2.21%
2	Short-Term Debt	212,505	4.12%	0.20%	0.01%
3	Common Equity	2,045,726	39.65%	9.30%	3.69%
4	Fair Value Increment	244,919	4.75%	1.04%	0.05%
5	Total Capitalization	<u>\$ 5,159,339</u>	<u>100.00%</u>		<u>5.96%</u>
6	Fair Value Rate of Return				5.96%

RUCO Recommended Adjusted Fair Value Rate Base:

RUCO Recommended Original Cost Rate Base (OCRB)	\$ 4,914,420
RUCO Reconstructed Cost New Depreciation (RCND)	<u>5,404,257</u>
Fair Value Rate Base	\$ 5,159,338

References:

Columns [A] Thru [D]: JAC Schedules & Testimony

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<u>RUCO ORIGINAL COST RATE BASE ("OCRB"), RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE, AND FAIR VALUE RATE BASE ("FVRB") SCHEDULES</u>		
SUMMARY OF ORIGINAL COST RATE BASE ("OCRB"), RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE, AND FAIR VALUE RATE BASE ("FVRB"):		
TJC-1	1 of 2	REVENUE REQUIREMENT - ORIGINAL COST RATE BASE ("OCRB"), RECONSTRUCTION COST NEW ("RCN"), AND FAIR VALUE RATE BASE ("FVRB")
TJC-1	2 of 2	GROSS REVENUE CONVERSION FACTOR ("GRCF")
TJC-2	1 of 2	RATE BASE SUMMARY - COMPANY & RUCO OCRB, RCN, AND FVRB
TJC-2	2 of 2	RATE BASE SUMMARY - RUCO OCRB, RCN, AND FVRB
SUMMARY OF ORIGINAL COST RATE BASE ("OCRB") AND OCRB ADJUSTMENTS:		
TJC-3	1 of 2	ORIGINAL COST RATE BASE ("OCRB") SUMMARY
TJC-3	2 of 2	ORIGINAL COST RATE BASE ("OCRB") ADJUSTMENTS
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TJC-4	3 - 4	SUMMARY OF ORIGINAL COST UPIS ACCUMULATED DEPRECIATION ("A/D") ADJUSTMENTS
<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 1:</u>		
TJC-4(a)	1 of 2	ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
TJC-4(a)	2 of 2	ORIGINAL COST UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
TJC-4(b)	1 of 8	ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - DIRECT PLANT ADJUSTMENT
TJC-4(b)	2 of 8	ORIGINAL COST UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - DIRECT PLANT ADJUSTMENT
TJC-4(b)	3 of 8	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - ALLOCABLE ARIZONA CORPORATE PLANT ADJUSTMENT
TJC-4(b)	4 of 8	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - ALLOCABLE ARIZONA CORPORATE PLANT ADJUSTMENT
TJC-4(b)	5 of 8	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - ALLOCABLE NORTHWEST VALLEY TREATMENT FACILITY ("NWVTF") PLANT ADJUSTMENT
TJC-4(b)	6 of 8	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - ALLOCABLE NWVTF PLANT ADJUSTMENT
TJC-4(b)	7 of 8	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - ALLOCABLE USA CORPORATE PLANT ADJUSTMENT
TJC-4(b)	8 of 8	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - ALLOCABLE USA CORPORATE PLANT ADJUSTMENT
TJC-4(c)	1 of 1	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (c) - INTENTIONALLY LEFT BLANK
TJC-4(d)	1 of 1	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (d) - INTENTIONALLY LEFT BLANK
TJC-4(e)	1 - 3	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e) - REMOVE DEBIT & EXCESS ACCUMULATED DEPRECIATION PLANT ACCOUNT BALANCES
TJC-4(f)	1 - 3	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f) - 2016 POST TEST YEAR ("PTY") UPIS DISALLOWANCE
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TJC-4(a)	4 - 6	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (a) - 2017 PTY UPIS ACCUMULATED DEPRECIATION ("A/D") DISALLOWANCE
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<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 3 - 8:</u>		
TJC-5(a)	1 of 1	RATE BASE ADJUSTMENTS NO. 3 THRU 8 - NOT USED OR INTENTIONALLY LEFT BLANK
<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 9:</u>		
TJC-6	1 of 1	ADDITIONAL ACCUMULATED DEFERRED INCOME TAX ("ADIT") LIABILITY IDENTIFIED IN RUCO DR. 6.04 AND 2016 PTY PLANT BONUS DEPRECIATION
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TJC-8	2 of 2	RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE ADJUSTMENTS
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TJC-9	1 - 2	SUMMARY OF RECONSTRUCTION COST NEW ("RCN") UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENTS

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TJC-10	2 of 2	RECONSTRUCTION COST NEW ("RCN") UPIS ACCUMULATED DEPRECIATION (AD) ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
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RBM-18	1	OPERATING INCOME ADJUSTMENT NO. 6 - CONSUMER PRICE INDEX ("CPI") EXPENSE
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RBM-23	1	OPERATING INCOME ADJUSTMENT NO. 11 - ASSET USAGE FEE EXPENSE
RBM-24	1	OPERATING INCOME ADJUSTMENT NO. 12 - INTENTIONALLY LEFT BLANK
RBM-25	1	OPERATING INCOME ADJUSTMENT NO. 13 - INTENTIONALLY LEFT BLANK
RBM-26	1	OPERATING INCOME ADJUSTMENT NO. 14 - INTENTIONALLY LEFT BLANK
RBM-27	1	OPERATING INCOME ADJUSTMENT NO. 15 - BAD DEBT EXPENSE
RBM-28	1	OPERATING INCOME ADJUSTMENT NO. 16 - INTENTIONALLY LEFT BLANK
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RBM-30	1	GROSS REVENUE CONVERSION FACTOR ("GRCF")
RBM-31	1	COST OF CAPITAL

RUCO RECOMMENDED REVENUE REQUIREMENT

Line No.	Description	[A] Company Original Cost Rate Base	[B] Company RCND Rate Base	[C] Company Fair Value Rate Base	[D] RUCO Original Cost Rate Base	[E] RUCO RCND Rate Base	[F] RUCO Fair Value Rate Base
1	Fair Value Rate Base	\$ 30,970,944	\$ 42,266,834	\$ 36,618,889	\$ 23,631,286	\$ 34,680,470	\$ 29,155,878
2	Adjusted Test Year Operating Income (Loss)	\$ 1,429,896	\$ 1,429,896	\$ 1,429,896	\$ 1,603,244	\$ 1,603,244	\$ 1,603,244
3	Current Rate Of Return (L2 / L1)	4.62%	3.38%	3.90%	6.78%	4.62%	5.50%
4	Required Operating Income (L5 X L1)	\$ 2,264,692	\$ 2,264,692	\$ 2,264,692	\$ 1,522,183	\$ 1,522,183	\$ 1,522,183
5	Required Rate Of Return On Fair Value Rate Base	7.31%	5.36%	6.18%	6.44%	4.39%	5.22%
6	Operating Income Deficiency (L4 - L2)	\$ 834,796	\$ 834,796	\$ 834,796	\$ (81,061)	\$ (81,061)	\$ (81,061)
7	Gross Revenue Conversion Factor (TJC-1, Pq 2)	1.6300	1.6300	1.6300	1.6192	1.6192	1.6192
8	Increase In Gross Revenue Requirement (L7 X L6)	\$ 1,360,718	\$ 1,360,718	\$ 1,360,718	\$ (131,257)	\$ (131,257)	\$ (131,257)
9	Adjusted Test Year Revenues	\$ 8,956,435	\$ 8,956,435	\$ 8,956,435	\$ 8,956,435	\$ 8,956,435	\$ 8,956,435
10	Proposed Annual Revenue (L8 + L9)	\$ 10,315,392	\$ 10,315,392	\$ 10,315,392	\$ 8,825,178	\$ 8,825,178	\$ 8,825,178
11	Required Percentage Increase In Revenue (L8 / L9)	15.17%	15.17%	15.17%	-1.47%	-1.47%	-1.47%
12	Rate Of Return On Common Equity	10.65%	10.65%	10.65%	9.30%	9.30%	9.30%

References:
Column [A]: Company Schedules A-1, B-1, C-1, and D-1
Column [B]: RUCO Schedule TJC-2, RBM-11 and RBM-31

RUCO GROSS REVENUE CONVERSION FACTOR ("GRCF")

LINE NO.	DESCRIPTION	[A]	[B]	[C]
<u>Calculation of Gross Revenue Conversion Factor:</u>				
1	Revenue	100.0000%		
2	Uncollectible Factor	0.1100%		
3	Revenues (L1 - L2)	99.8900%		
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	38.1301%		
5	Subtotal (L3 - L4)	61.7599%		
6	Revenue Conversion Factor (L1 / L5)	1.619173		
<u>Calculation of Uncollectible Factor:</u>				
7	Unity	100.0000%		
8	Combined Federal and State Tax Rate (Line 17)	37.2340%		
9	One Minus Combined Income Tax Rate (L7 - L8)	62.7660%		
10	Uncollectible Rate	0.1752%		
11	Uncollectible Factor (L9 * L10)		0.1100%	
<u>Calculation of Effective Tax Rate:</u>				
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%		
13	Arizona State Income Tax Rate	4.9000%		
14	Federal Taxable Income (L12 - L13)	95.1000%		
15	Applicable Federal Income Tax Rate (Col. [C], L53)	34.0000%		
16	Effective Federal Income Tax Rate (L14 x L15)	32.3340%		
17	Combined Federal and State Income Tax Rate (L13 + L16)		37.2340%	
<u>Calculation of Effective Property Tax Factor</u>				
18	Unity	100.0000%		
19	Combined Federal and State Income Tax Rate (Col. [B], L17)	37.2340%		
20	One Minus Combined Income Tax Rate (L18-L19)	62.7660%		
21	Property Tax Factor (Sch. TJC-9, Col. [B], L24)	1.4277%		
22	Effective Property Tax Factor (L20 x L21)		0.8961%	
23	Combined Federal and State Income Tax and Property Tax Rate (Col. [B], L17 + L22)			38.1301%
24	Required Operating Income (Sch. TJC-1, Col. [B] Line 4)			
25	Adjusted Test Year Operating Income (Loss) (Sch. TJC-1, Col. [B], L2)	\$ 1,522,183		
26	Required Increase in Operating Income (L24 - L25)	\$ -1,603,244	\$	(81,061)
27	Income Taxes on Recommended Revenue (Col. [C], L52)	\$ 639,516		
28	Income Taxes on Test Year Revenue (Col. [A], L52)	\$ 687,605		
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)			(48,089)
30	Recommended Revenue Requirement (Sch. TJC-1, Col. [B], Line 10)	\$ 8,825,178		
31	Uncollectible Rate (L10)	0.1752%		
32	Uncollectible Expense on Recommended Revenue (L30 x L31)	\$ 15,466		
33	Adjusted Test Year Uncollectible Expense (Sch. TJC-6, Col. [C], L32)	\$ 15,696		
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32 - L33)			(230)
35	Property Tax with Recommended Revenue (Sch. TJC-9, Col. [B], L19)	\$ 375,081		
36	Property Tax on Adjusted Test Year Revenue (Sch. TJC-9, Col. [B], L20)	\$ 376,955		
37	Increase in Property Tax Due to Increase in Revenue (L35 - 36)			(1,874)
38	Total Required Increase in Revenue (Col. [B], L26 + L29 + L34 + L37)		\$	(131,253)

<u>Calculation of Income Tax:</u>				
39	Revenue (Sch. TJC-1, Col. [B], Line 9 & Sch. TJC-1, Col. [B], L10)	\$ 8,956,435		
40	Operating Expenses Excluding Income Taxes	\$ 6,665,586		
41	Synchronized Interest (Col. [C], L57)	\$ 444,137		
42	Arizona Taxable Income (L39 - L40 - L41)	\$ 1,846,712		
43	Arizona State Income Tax Rate	4.9000%		
44	Arizona Income Tax (L42 x L43)	\$ 90,489		
45	Federal Taxable Income (L42 - L44)	\$ 1,756,223		
46	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	\$ 7,500		
47	Federal Tax on Second Income Bracket (\$51,001 - \$75,000) @ 25%	\$ 6,250		
48	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	\$ 8,500		
49	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	\$ 91,650		
50	Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34%	\$ 483,216		
51	Total Federal Income Tax	\$ 597,116		
52	Combined Federal and State Income Tax (L44 + L51)	\$ 687,605		

Test Year	Revenue Increase/(Decrease)	RUCO Recommended
\$ 8,956,435	\$ (131,257)	\$ 8,825,178
6,665,586		6,663,482
444,137		444,137
\$ 1,846,712		\$ 1,717,559
4.9000%		4.9000%
\$ 90,489		\$ 84,160
\$ 1,756,223		\$ 1,633,399
\$ 7,500		\$ 7,500
\$ 6,250		\$ 6,250
\$ 8,500		\$ 8,500
\$ 91,650		\$ 91,650
\$ 483,216		\$ 441,456
\$ 597,116		\$ 555,356
\$ 687,605		\$ 639,516

53 Applicable Federal Income Tax Rate (Col. [C], L51 - Col. [A], L51) / [Col. [C], L45 - Col. [A], L45] 34.00%

<u>Synchronized Interest Calculation:</u>	
54 Original Cost Rate Base	
55 x Weighted Average Cost of Debt	\$ 23,631,286
57 Synchronized Interest Expense	\$ 1,879,940
	\$ 444,137

RUCO ORIGINAL COST, RECONSTRUCTION NEW LESS DEPRECIATION, FAIR VALUE RATE BASE SUMMARY

Line No.	Description	[A] Company OCRB As Filed	[B] RUCO OCRB Recommended	[C] Company RCND As Filed	[D] RUCO RCND Recommended	[E] Company FVRB As Filed	[F] RUCO FVRB Recommended
1	Gross Utility Plant In Service	\$ 36,694,093	\$ 29,679,461	\$ 107,170,077	\$ 100,132,796	\$ 71,932,085	\$ 64,906,129
	Less:						
2	Accumulated Depreciation	15,180,849	14,385,624	75,429,014	74,313,970	45,304,931	44,349,797
3	Net Utility Plant In Service (L1 - L2)	\$ 21,513,243	\$ 15,293,837	\$ 31,741,063	\$ 25,818,826	\$ 26,627,153	\$ 20,556,331
	Less:						
4	Advances In Aid Of Construction ("AIAC")	\$ 2,242,576	\$ 2,242,576	\$ 3,308,741	\$ 3,308,741	\$ 2,775,658	\$ 2,775,658
5	Gross Contribution In Aid Of Construction ("CIAC")	787,885	787,885	1,162,461	1,162,461	975,173	975,173
6	Accumulated Amortization of CIAC	(85,579)	(85,579)	(126,265)	(126,265)	(105,922)	(105,922)
7	Net CIAC (L5 + L6)	\$ 702,306	\$ 702,306	\$ 1,036,196	\$ 1,036,196	\$ 869,251	\$ 869,251
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-	-	-	-
10	Gross Net Regulatory Assets & Liabilities	-	624,839	-	921,900	-	773,369
11	Accumulated Amortization	-	(49,987)	-	(73,752)	-	(61,870)
12	Net Regulatory Assets & Liabilities	\$ -	\$ 574,852	\$ -	\$ 848,148	\$ -	\$ 711,500
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 2,807,470	\$ 3,376,606	\$ 4,142,196	\$ 4,981,911	\$ 3,474,833	\$ 4,179,259
	Plus:						
14	Deferred Debits	15,586,321	15,586,321	19,389,172	19,389,172	17,487,746	17,487,746
17	Working Capital Allowance	(376,269)	(352,532)	(376,269)	(352,532)	(376,269)	(352,532)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 30,970,944	\$ 23,631,286	\$ 42,266,834	\$ 34,680,470	\$ 36,618,889	\$ 29,155,878

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

RUCO ORIGINAL COST, RECONSTRUCTION NEW LESS DEPRECIATION, FAIR VALUE RATE BASE SUMMARY

Line No.	Description	[A] RUCO Original Cost Rate Base Recommended	[B] RUCO RCND Recommended	[C] RUCO Fair Value Rate Base Recommended
1	Gross Utility Plant In Service	\$ 29,679,461	\$ 100,132,796	\$ 64,906,129
	Less:			
2	Accumulated Depreciation	14,385,624	74,313,970	44,349,797
3	Net Utility Plant In Service (L1 - L2)	\$ 15,293,837	\$ 25,818,826	\$ 20,556,331
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 2,242,576	\$ 3,308,741	\$ 2,775,658
5	Gross Contribution In Aid Of Construction ("CIAC")	787,885	1,162,461	975,173
6	Accumulated Amortization of CIAC	(85,579)	(126,265)	(105,922)
7	Net CIAC (L5 + L6)	\$ 702,306	\$ 1,036,196	\$ 869,251
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Net Regulatory Assets & Liabilities	624,839	921,900	773,369
11	Accumulated Amortization	(49,987)	(73,752)	(61,870)
12	Net Regulatory Assets & Liabilities	\$ 574,852	\$ 848,148	\$ 711,500
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 3,376,606	\$ 4,981,911	\$ 4,179,259
	Plus:			
14	Deferred Debits	15,586,321	19,389,172	17,487,746
17	Working Capital Allowance	(352,532)	(352,532)	(352,532)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 23,631,286	\$ 34,680,470	\$ 29,155,878

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

ORIGINAL COST RATE BASE (OCRB) SUMMARY

Line No.	Description	[A] Company Original Cost Rate Base As Filed	[B] RUCO Recommended OCRB Adjustments	[C] RUCO OCRB Recommended
1	Gross Utility Plant In Service	\$ 36,694,093	\$ (7,014,632)	\$ 29,679,461
	Less:			
2	Accumulated Depreciation	15,180,849	(795,225)	14,385,624
3	Net Utility Plant In Service (L1 - L2)	\$ 21,513,243	\$ (6,219,407)	\$ 15,293,837
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 2,242,576	\$ -	\$ 2,242,576
5	Gross Contribution In Aid Of Construction ("CIAC")	787,885	-	787,885
6	Accumulated Amortization of CIAC	(85,579)	-	(85,579)
7	Net CIAC (L5 + L6)	\$ 702,306	\$ -	\$ 702,306
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Net Regulatory Assets & Liabilities	-	624,839	624,839
11	Accumulated Amortization	-	(49,987)	(49,987)
12	Net Regulatory Assets & Liabilities	\$ -	\$ 574,852	\$ 574,852
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 2,807,470	\$ 569,137	\$ 3,376,606
	Plus:			
14	Deferred Debits	15,586,321	-	15,586,321
17	Working Capital Allowance	(376,269)	23,736	(352,532)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 30,970,944	\$ (7,339,659)	\$ 23,631,286

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

ORIGINAL COST RATE BASE (OCRB) ADJUSTMENTS

Line No.	Description	(A) Company OCRB As Filed	(B) Adjust No. 1 UPIS & A/D Adjustment	(C) Adjust No. 2 Regulatory Liability	(D) Adjust No. 3 Intentionally Left Blank	(E) Adjust No. 4 Intentionally Left Blank	(F) Adjust No. 5 Intentionally Left Blank	(G) Adjust No. 6 Intentionally Left Blank	(H) Adjust No. 7 Intentionally Left Blank	(I) Adjust No. 8 Intentionally Left Blank	(J) Adjust No. 9 ADIT Adjustment	(K) Adjust No. 10 Working Capital Adjustment	(L) Total RUCO Adjustments	(M) RUCO Recommended OCRB/FYRB
1	Gross Utility Plant In Service	\$ 36,694,093	\$ (7,014,632)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,014,632)	\$ 29,679,461
2	Less: Accumulated Depreciation	15,180,849	(795,225)	-	-	-	-	-	-	-	-	-	(795,225)	14,385,624
3	Net Utility Plant In Service (L1 - L2)	\$ 21,513,243	\$ (6,219,407)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,219,407)	\$ 15,293,837
4	Less: Advances In Aid Of Construction ("AIAC")	\$ 2,242,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,242,576
5	Gross Contribution In Aid Of Construction ("CIAC")	787,885	-	-	-	-	-	-	-	-	-	-	-	787,885
6	Accumulated Amortization of CIAC	(85,579)	-	-	-	-	-	-	-	-	-	-	-	(85,579)
7	Net CIAC (L5 + L6)	\$ 702,306	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	702,306
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Gross Net Regulatory Assets & Liabilities	-	-	624,839	-	-	-	-	-	-	-	-	624,839	624,839
11	Accumulated Amortization	-	-	(49,987)	-	-	-	-	-	-	-	-	(49,987)	(49,987)
12	Net Regulatory Assets & Liabilities	\$ -	\$ -	\$ 574,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 574,852	\$ 574,852
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 2,807,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 569,137	\$ -	\$ 569,137	\$ 3,376,606
14	Plus: Deferred Debits	15,586,321	-	-	-	-	-	-	-	-	-	-	-	15,586,321
17	Working Capital Allowance	(376,269)	-	-	-	-	-	-	-	-	-	23,736	23,736	(382,532)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 30,970,944	\$ (6,219,407)	\$ (574,852)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (569,137)	\$ 23,736	\$ (7,339,659)	\$ 23,631,286

RUCO Adjustments:

Adjustment No. 1: Summation of RUCO recommended Utility Plant in Service and Accumulated Depreciation Adjustments No. (a), (b), (c), and (d) - See RUCO Rate Base Adjustment No. 1 on Schedules TJC-4 on pages 1 & 2, Column (J) at line 42;
 Adjustment No. 2: Current Case Regulatory Liability for Over-Depreciated Plant;
 Adjustment No. 3: Intentionally Left Blank;
 Adjustment No. 4: Intentionally Left Blank;
 Adjustment No. 5: Intentionally Left Blank;
 Adjustment No. 6: Intentionally Left Blank;
 Adjustment No. 7: Intentionally Left Blank;
 Adjustment No. 8: Intentionally Left Blank;
 Adjustment No. 9: RUCO Recommended 2016 TY End Accumulated Deferred Income Tax ("ADIT") Balance;
 Adjustment No. 10: RUCO Recommended Allowance for Working Capital - See RUCO Schedule TJC-10.

References:

Column (A): Company Schedule B-1
 Column (B) Thru Column (K): RUCO Recommended Rate Base Adjustments
 Column (L): Sum of RUCO Recommended Rate Base Adjustments of Columns (B) through (K)
 Column (M): Column (A) + Column (L)

SUMMARY OF ORIGINAL COST (OC) UTILITY PLANT IN SERVICE (UPIS) ADJUSTMENTS (continuation)
 OC UPIS RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No. Description	(A) Company Adjusted TY OC UPIS As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPS Reconstruction Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Only Accum. Deprec.	(G) RUCO Adjustment (f) 2016 PTY Plant Adjustment	(H) RUCO Adjustment (g) 2017 PTY Plant Adjustment	(I) RUCO Adjustment (h) Unrecorded Rates Adjustment	(J) RUCO Total OC UPIS Adjustments	(K) RUCO Recommended RUCO UPIS
North West Valley Wastewater 7H Plant (continuation):												
1	35400 WW Struct & Imp TDP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	35400 WW Struct & Imp Gen	7,712,965	-	-	-	-	-	-	-	-	-	7,712,965
3	35520 WW Per Gen Equip Coll	7,952	-	-	-	-	-	-	-	-	-	7,952
4	35530 WW Per Gen Equip SPP	63,439	-	-	-	-	-	(629,521)	(120,312)	-	(749,833)	9,963,032
5	35540 WW Per Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	-
8	35550 WW Per Gen Equip RWTP	-	-	-	-	-	-	-	-	-	-	7,952
7	36000 WW Collection Sewers Forced	-	-	-	-	-	-	-	-	-	-	63,439
8	36110 WW Collecting Main	-	-	-	-	-	-	-	-	-	-	-
9	36200 WW Special Coll Struct	109,750	-	-	-	-	-	-	-	-	-	109,750
10	36300 WW Services Sewer	486,303	-	-	-	-	-	-	-	-	-	486,303
11	36400 WW Flow Measuring Devices	8,725	-	-	-	-	-	-	-	-	-	8,725
12	37000 WW Raising Wells	55,923	-	-	-	-	-	-	-	-	-	55,923
13	37110 WW Pump Equip Elect	-	-	-	-	-	-	-	-	-	-	-
14	37120 WW Pump Equip Oth Per	1,026,512	-	-	-	-	-	-	-	-	-	1,026,512
15	38000 WW TD Equipment	29,257	-	-	-	-	-	-	-	-	-	29,257
16	38050 WW TD Equip Grit Removal	3,679,047	-	-	-	-	-	-	-	-	-	3,679,047
17	38010 WW TD Equip Sed Tanks/Acc	1,041,234	-	-	-	-	-	(1,145,323)	(203,293)	(553,523)	(1,901,939)	1,777,108
18	38020 WW TD Equip Skid/FR Rise	5,327,840	-	-	-	-	-	-	-	-	-	5,327,840
19	38025 WW TD Equip Skid Dig Trk	28,253	-	-	-	-	-	-	-	-	-	28,253
20	38030 WW TD Equip Skid Dry/Fit	1,244,033	-	-	-	-	-	-	-	-	-	1,244,033
21	38035 WW TD Equip Sct Trmt Fil	8,962,158	-	-	-	-	-	17,023	(124,596)	-	(107,543)	8,962,158
22	38040 WW TD Equip Aux ER Trmt	2,810,834	-	-	-	-	-	-	-	-	-	2,810,834
23	38010 WW TD Equip Chem Trmt Pt	208,791	-	-	-	-	-	48,140	(197,012)	-	(148,872)	246,173
24	38000 WW TD Equip Oth Disp	1,033,384	-	-	-	-	-	-	-	-	-	1,033,384
25	38025 WW TD Equip Gen Trmt	780,426	-	-	-	-	-	-	-	-	-	780,426
26	38050 WW TD Equip Influent Lift S	64,980	-	-	-	-	-	-	-	-	-	64,980
27	38100 WW Plant Sewers	111,410	-	-	-	-	-	-	-	-	-	111,410
28	38200 WW Outfall Sewer Lines	4,259	-	-	-	-	-	-	-	-	-	4,259
29	38010 WW Oth PR & Misc Equip Int	89,296	-	(0)	-	-	-	-	-	-	(0)	89,296
30	38000 WW Other PE - CPS - 7E	-	-	-	-	-	-	-	-	-	-	-
31	39000 WW Office Furniture & Equip	198,065	-	-	-	-	-	-	-	-	-	198,065
32	39020 WW Computers & Peripheral	23,044	-	-	-	-	-	-	-	-	-	23,044
33	39030 WW Computer Software	69,027	-	-	-	-	-	-	-	-	-	69,027
34	39100 WW Tools Equipment	247,842	-	-	-	-	-	-	-	-	-	247,842
35	39200 WW Stores Equipment	11,072	-	-	-	-	-	-	-	-	-	11,072
36	39300 WW Tool Shop & Garage Equip	163,232	-	-	-	-	-	-	-	-	-	163,232
37	39400 WW Laboratory Equipment	156,855	-	-	-	-	-	(20,000)	(3,475)	-	(23,475)	133,380
38	39500 WW Power Operated Equip	136,487	-	-	-	-	-	-	-	-	-	136,487
39	39600 WW Communication Equip	435,125	-	-	-	-	-	-	-	-	-	435,125
40	39700 WW Misc Equipment	74,068	-	-	-	-	-	(65,000)	(11,293)	-	(76,293)	35,815
41	39800 WW Other Tangible Plant Rounding	-	-	-	-	-	-	-	-	-	-	74,068
42	Total North West Valley Treatment Facility 7H Plant	\$ 41,077,916	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (1,794,681)	\$ (656,750)	\$ (553,523)	\$ (2,004,954)	\$ 38,066,962
44	Sun City Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
45	Sun City Wastewater NWWTF 7H Plant Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8U Plant:												
46	34020 Computer & Peripheral Equipment	\$ 1,839,629	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (502,463)	\$ -	\$ -	\$ (502,463)	\$ 1,337,166
47	34030 Computer Software	1,846,105	-	-	-	-	-	(98,750)	-	-	(98,750)	1,747,355
48	Rounding	-	-	-	-	-	-	-	-	-	-	-
49	Total 8U Allocated Corporate Plant	\$ 3,685,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (601,213)	\$ -	\$ -	\$ (601,213)	\$ 3,084,521
50	Sun City Wastewater 8U % Allocation	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%
51	Sun City Wastewater 8U Plant Allocation	\$ 281,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (75,660)	\$ -	\$ -	\$ (75,660)	\$ 205,986
TOTAL PLANT:												
52	7C Direct	\$ 35,521,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,908,470)	\$ (1,928,121)	\$ (43,796)	\$ (6,880,388)	\$ 28,540,823
53	7A Corporate Plant Allocated	845,170	(53,935)	-	-	-	-	36,385	(91,109)	(3,841)	(112,499)	732,872
54	7H NWWTF Plant Allocated	-	-	-	-	-	-	-	-	-	-	-
55	8U 8U Plant Allocated	381,646	-	-	-	-	-	-	-	-	-	381,646
56	OC UPIS Not Accounted For - Vector Trucks - Corp	(53,935)	53,935	-	-	-	-	(75,660)	-	-	(75,660)	305,967
57	Total Utility Plant in Service (UPIS)	\$ 36,694,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,847,744)	\$ (2,019,229)	\$ (47,637)	\$ (7,014,632)	\$ 29,679,481

RUCO Adjustments:

- Adjustment No. (a): Fully Allocate Utility Plant in Service (UPIS) Vector Truck Balances from AZ Corporate 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2.
- Adjustment No. (b): Reconstruct All UPIS Account Balances as Filed by Company - See RUCO Schedule UPIS Schedules TJC-4(b) on Pages 1, 3, 5, and 7.
- Adjustment No. (c): Intentionally Left Blank.
- Adjustment No. (d): Intentionally Left Blank.
- Adjustment No. (e): Remove Over-Depreciated UPIS Accounts' Excess Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-8 on page 2 of 2.
- Adjustment No. (f): Remove 2016 PTY Plant Adjustments Exceeding 9-Months Test Year End December 31, 2015.
- Adjustment No. (g): Remove All 2017 PTY Plant Adjustments.
- Adjustment No. (h): Company Response to RUCO DR 9.01 to Record Unrecorded 2016 PTY Plant Additions.

References:

- Column (A): Company Schedule B-2 Adjusted Test Year as Filed
- Column (B) Through (J): RUCO Recommended UPIS Adjustments
- Column (K): Sum of Columns (B) Through (J) - RUCO Sum of Total Recommended UPIS Adjustments
- Column (L): Column (A) + (K)
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Matler

SUMMARY OF ORIGINAL COST (OC) UTILITY PLANT IN SERVICE (UPIS) ADJUSTMENTS (continuation)
 OC UPIS AD RATE BASE ADJUSTMENT #1

Line No.	NARLUC Account No.	Description	(A) Company Adjusted TY OC AD As Filed	(B) RUCO Adjustment (a) Factor Trucks Adjustment	(C) RUCO Adjustment (b) UPIS AD Recon Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) Debits/Credits AD Adjustments	(G) RUCO Adjustment (f) 2016 PTY AD Adjustment	(H) RUCO Adjustment (g) 2017 PTY AD Adjustment	(I) RUCO Adjustment (h) Retainment AD Adjustment	(J) RUCO Total OC AD Adjustments	(K) RUCO Recommended OC AD
North West Valley Wastewater 7H Plant AD (continuation):													
1	354400	WW Struct & Imp TDP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	354500	WW Struct & Imp Gen	1,300,112	-	-	-	-	-	-	-	-	-	-
3	355200	WW Per Gen Equip Coll	1,921	-	-	-	-	-	(11,019)	(2,005)	-	(13,021)	1,368,091
4	355300	WW Per Gen Equip SFP	11,007	-	-	-	-	-	-	-	-	-	1,921
5	355400	WW Per Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	11,007
6	355500	WW Per Gen Equip RWTP	-	-	-	-	-	-	-	-	-	-	-
7	360000	WW Collection Sewers Forced	-	-	-	-	-	-	-	-	-	-	-
8	361100	WW Collecting Mains	36,956	-	-	-	-	-	-	-	-	-	-
9	362000	WW Special Coll Struct	686,271	-	(0)	-	-	-	-	-	-	-	36,956
10	363000	WW Services Sewer	2,956	-	(0)	-	-	(190,908)	-	-	-	(190,908)	486,363
11	364000	WW Flow Measuring Device	49,300	-	-	-	-	-	-	-	-	0	2,956
12	370000	WW Receiving Walls	-	-	-	-	-	-	-	-	-	-	49,300
13	371100	WW Pump Equip Elect	206,403	-	-	-	-	-	-	-	-	-	-
14	371200	WW Pump Equip Oth Per	8,798	-	-	-	-	-	-	-	-	-	206,403
15	380000	WW TD Equipment	1,241,670	-	(0)	-	-	-	(36,375)	(9,770)	(567,361)	(612,506)	8,798
16	380050	WW TD Equip Grit Removal	1,202,728	-	-	-	-	-	-	-	-	-	629,194
17	380100	WW TD Equip Snd Tanks/ACC	5,440,696	-	0	-	-	(191,404)	-	-	-	(161,494)	1,041,234
18	380200	WW TD Equip Skge/EIR Rcvr	2,044	-	-	-	-	(112,558)	-	-	-	(112,558)	5,327,840
19	380250	WW TD Equip Skge Dig Trk	321,853	-	-	-	-	-	-	-	-	-	2,044
20	380300	WW TD Equip Skge DryFit	7,275,086	-	-	-	-	-	(5,549)	(4,152)	-	(9,702)	311,951
21	380350	WW TD Equip Sec Trmt Filtr	1,991	-	-	-	-	-	-	-	-	-	7,275,086
22	380400	WW TD Equip Aux EB Trmt	1,384,806	-	-	-	-	(1,961)	-	-	-	(1,961)	-
23	380500	WW TD Equip Chem Trmt Filtr	26,338	-	(0)	-	-	(90,877)	(8,248)	(6,567)	-	(79,506)	1,309,176
24	380600	WW TD Equip Oth Disp	1,200,961	-	-	-	-	-	-	-	-	(0)	26,338
25	380625	WW TD Equip Gen Trmt	654,968	-	(0)	-	-	(167,567)	-	-	-	(167,567)	1,033,384
26	380650	WW TD Equip Influent LR S	71,829	-	-	-	-	-	-	-	-	-	654,968
27	381000	WW Plant Sewers	32,968	-	-	-	-	(8,848)	-	-	-	(8,848)	64,900
28	382000	WW Outfall Sewer Lines	112,001	-	(0)	-	-	-	-	-	-	-	32,968
29	389100	WW Oth P/E & Misc Equip Int	12,569	-	-	-	-	(107,743)	-	-	-	(107,743)	4,259
30	389600	WW Oth P/E - CPS - TE	0	-	-	-	-	-	-	-	-	-	12,569
31	390000	WW Office Furniture & Equip	96,573	-	0	-	-	-	-	-	-	-	0
32	390200	WW Computers & Peripherals	43,528	-	-	-	-	-	-	-	-	-	96,573
33	390300	WW Computer Software	145,025	-	-	-	-	(20,484)	-	-	-	(20,484)	23,044
34	391000	WW Trans Equipment	839,469	-	0	-	-	(79,566)	-	-	-	(79,566)	89,027
35	392000	WW Stores Equipment	5,715	-	(0)	-	-	(591,827)	-	-	-	(591,827)	247,842
36	393000	WW Tool Shop & Garage Equip	82,310	-	-	-	-	-	-	-	-	(0)	5,715
37	394000	WW Laboratory Equipment	79,869	-	-	-	-	-	(500)	(87)	-	(587)	81,723
38	395000	WW Power Operated Equip	23,182	-	-	-	-	-	-	-	-	-	79,869
39	396000	WW Communication Equip	368,409	-	0	-	-	(25,793)	(3,250)	(565)	-	(29,577)	23,182
40	397000	WW Misc Equipment	76,014	-	0	-	-	(1,929)	-	-	-	(1,929)	358,832
41	398000	WW Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	76,014
42		Rounding	-	-	-	-	-	-	-	-	-	-	-
43		Total North West Valley Treatment Facility 7H AD	\$ 29,383,131	\$ -	\$ 0	\$ -	\$ -	\$ (1,535,953)	\$ (66,937)	\$ (20,145)	\$ (567,361)	\$ (2,190,297)	\$ 24,193,034
44		Sun City Wastewater 7H % Allocation Factor	0.000000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
45		Sun City Wastewater NWWTF 7H Allocation AD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SU Plant AD:													
46	340200	Computer & Peripheral Equipment	\$ 343,190	\$ -	(0)	\$ -	\$ -	\$ (29,823)	\$ -	\$ -	\$ -	\$ (29,823)	\$ 313,367
47	340300	Computer Software	800,877	-	7,973	-	-	7,187	-	-	-	15,165	875,042
48		Rounding	-	-	-	-	-	-	-	-	-	-	-
49		Total SU Allocated Corporate AD	\$ 1,204,067	\$ -	\$ 7,973	\$ -	\$ -	\$ (22,437)	\$ -	\$ -	\$ -	\$ (14,459)	\$ 1,189,600
50		Sun City Wastewater 8U % Allocation Factor	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%
51		Sun City Wastewater 8U Allocation AD	\$ 131,831	\$ -	\$ 873	\$ -	\$ -	\$ (2,457)	\$ -	\$ -	\$ -	\$ (1,583)	\$ 130,248
TOTAL PLANT AD:													
52	7C	Direct	\$ 14,800,148	\$ -	(0)	\$ -	\$ -	\$ (920,927)	\$ (87,491)	\$ (32,361)	\$ (44,852)	\$ (785,630)	\$ 14,014,518
53	7A	Corporate Plant Allocated	256,875	(8,005)	(0)	-	-	(3,912)	1,850	(2,062)	(3,889)	(16,017)	240,857
54	7H	NWWTF Plant Allocated	-	-	-	-	-	-	-	-	-	-	-
55	8U	SU Plant Allocated	131,831	-	873	-	-	-	-	-	-	(1,583)	130,248
56		OC AD Not Accounted For - Factor Trucks - Corp	(8,005)	8,005	-	-	-	-	-	-	-	8,005	-
57		Total Utility Plant in Service AD	\$ 15,180,849	\$ -	\$ 873	\$ -	\$ -	\$ (624,839)	\$ (88,997)	\$ (34,422)	\$ (48,740)	\$ (795,225)	\$ 14,385,624

RUCO Adjustments:

- Adjustment No. (a): Fully Allocated Utility Plant in Service (UPIS) Factor Truck Balances from AZ Corporate 7A to Direct Plant Account 301000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2;
- Adjustment No. (b): Reconstruct All UPIS Account Balances as Filed by Company - See RUCO Schedule UPIS Schedule TJC-4(b) on Pages 1, 3, 5, and 7;
- Adjustment No. (c): Intentionally Left Blank;
- Adjustment No. (d): Intentionally Left Blank;
- Adjustment No. (e): Remove Over-Depreciated UPIS Accounts' Excess Accumulated Depreciation Balance - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-6 on page 2 of 2;
- Adjustment No. (f): Remove 2016 PTY Plant Adjustments Exceeding 6-Months Test Year End December 31, 2015;
- Adjustment No. (g): Remove All 2017 PTY Plant Adjustments;
- Adjustment No. (h): Company Response to RUCO DR 8.01 to Record Unrecorded 2016 PTY Plant Additions;

References:

- Column (A): Company Schedule B-2 Adjusted Test Year as Filed
- Column (B) Through (J): RUCO Recommended UPIS Adjustments
- Column (K): Sum of Column (B) Through (J) - RUCO Sum of Total Recommended UPIS Adjustments
- Column (K): Column (A) + (J)
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS UPIS ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 13.0155%	[E] RUCO Allocated Adjustment
Allocated AZ Corp Plant:							
1	304500	Structures & Improvements General	\$ 847,052	\$ -	\$ 202,663	13.0155%	\$ -
2	304620	Structures & Improvements Leasehold	18,317	-	18,317	13.0155%	-
3	334100	Meters	11,777	-	11,777	13.0155%	-
4	339600	Other P/E-CPS	364,887	-	364,887	13.0155%	-
5	340100	Office Furniture & Equipment	1,267,925	-	1,267,925	13.0155%	-
6	340200	Computer & Peripheral Equipment	1,404,587	-	1,404,587	13.0155%	-
7	340300	Computer Software	222,827	-	222,626	13.0155%	-
8	340330	Computer Software Other	6,370	-	6,370	13.0155%	-
9	344000	Laboratory Equipment	17,277	-	17,277	13.0155%	-
10	346100	Communication Equipment Non-Telephone	186,080	-	186,080	13.0155%	-
11	346190	Remote Control & Instrument	122,024	-	122,024	13.0155%	-
12	346200	Communication Equipment Telephone	68,942	-	68,942	13.0155%	-
13	346300	Communication Equipment Other	154,411	-	154,411	13.0155%	-
14	347000	Miscellaneous Equipment	1,801,081	(414,386)	1,581,329	13.0155%	(53,935)
15		Rounding	-	-	-	13.0155%	-
16		Total AZ Corporate Plant Allocated	<u>\$6,493,556</u>	<u>\$ (414,386)</u>	<u>\$ 5,629,214</u>		<u>(53,935)</u>
17		RUCO Total Adjustment					<u>\$ (53,935)</u>

References:
Schedule TJC-4 on page 1 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 13.0155%	[E] RUCO Allocated Adjustment
Allocated AZ Corp A/D:							
1	304500	Structures & Improvements General	\$ 30,554	\$ -	\$ (7,009)	13.0155%	\$ -
2	304620	Structures & Improvements Leasehold	536	-	536	13.0155%	-
3	334100	Meters	4,641	-	4,641	13.0155%	-
4	339600	Other P/E-CPS	72,241	-	72,241	13.0155%	-
5	340100	Office Furniture & Equipment	569,006	-	569,006	13.0155%	-
6	340200	Computer & Peripheral Equipment	624,832	-	624,832	13.0155%	-
7	340300	Computer Software	186,039	-	186,019	13.0155%	-
8	340330	Computer Software Other	1,019	-	1,019	13.0155%	-
9	344000	Laboratory Equipment	3,060	-	3,060	13.0155%	-
10	346100	Communication Equipment Non-Telephone	216,139	-	186,080	13.0155%	-
11	346190	Remote Control & Instrument	20,439	-	20,439	13.0155%	-
12	346200	Communication Equipment Telephone	27,818	-	27,818	13.0155%	-
13	346300	Communication Equipment Other	8,821	-	8,821	13.0155%	-
14	347000	Miscellaneous Equipment	132,512	(61,503)	77,092	13.0155%	(8,005)
15		Salvage Proceeds	75,946	-	75,946	13.0155%	-
16		Total AZ Corporate A/D Allocated	<u>\$1,973,603</u>	<u>\$ (61,503)</u>	<u>\$ 1,850,540</u>		<u>(8,005)</u>
17		RUCO Total Adjustment					<u>\$ (8,005)</u>

References:

Schedule TJC-4 on page 2 of 2

**ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b)
DIRECT ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT**

Line No.	Acct. No.	Description	[A] Company Original Cost TY End UPIS As Filed	[B] RUCO UPIS Reconstruction Adjustments	[C] RUCO Reconstructed UPIS Balances
Direct 7C Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	122,373	-	122,373
8	353200	WW Land & Ld Rights Coll	6,132	-	6,132
9	353500	WW Land & Ld Rights Gen	6,565	-	6,565
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	187,017	-	187,017
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	546,200	-	546,200
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	88,697	-	88,697
17	355500	WW Pwr Gen Equip RWTP	49,003	-	49,003
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	2,427,876	-	2,427,876
20	362000	WW Special Coll Struct	17,117,567	-	17,117,567
21	363000	WW Services Sewer	1,223,982	-	1,223,982
22	364000	WW Flow Measuring Devices	3,757,131	-	3,757,131
23	370000	WW Receiving Wells	33,470	-	33,470
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	661,300	-	661,300
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	9,620	-	9,620
28	380100	WW TD Equip Sed Tanks/Acc	453	-	453
29	380200	WW TD Equip Sldge/Effl Rmv	1,742	-	1,742
30	380250	WW TD Equip Sldge Dig Tnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	1,503	-	1,503
36	380625	WW TD Equip Gen Trmt	113,715	-	113,715
37	380650	WW TD Equip Influent Lift S	283,558	-	283,558
38	381000	WW Plant Sewers	4,145	-	4,145
39	382000	WW Outfall Sewer Lines	291	-	291
40	389100	WW Oth Plt & Misc Equip Int	311,246	-	311,246
41	389600	WW Other P/E - CPS - 7E	45,670	-	45,670
42	390000	WW Office Furniture & Equip	54,203	-	54,203
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	2,312	-	2,312
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	58,644	-	58,644
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	23,222	-	23,222
52	398000	WW Other Tangible Plant	8,321	-	8,321
53		Youngtown Balances	3,487	-	3,487
54		Total Direct 7C Plant	\$ 27,149,446	\$ -	\$ 27,149,446
55		RUCO Adjustment		\$ -	

References:

Company Summary Plant Roll-Forward WP's
RUCO UPIS Plant Reconstruction WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b)
DIRECT ORIGINAL COST PLANT ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company Original Cost TY End A/D As Filed	[B] RUCO Accum. Depr. Adjustments	[C] RUCO Reconstructed Accum. Depr. Balances
Direct 7C Plant Accumulated Depreciation (A/D):					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	62,561	0	62,561
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	110,535	0	110,535
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	(4,781)	-	(4,781)
16	355400	WW Pwr Gen Equip TDP	11,423	-	11,423
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	681,976	-	681,976
19	361100	WW Collecting Mains	9,687,062	-	9,687,062
20	362000	WW Special Coll Struct	1,852,441	-	1,852,441
21	363000	WW Services Sewer	1,839,592	-	1,839,592
22	364000	WW Flow Measuring Devices	21,190	-	21,190
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	247,921	(0)	247,921
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	894	-	894
27	380050	WW TD Equip Grit Removal	191	(0)	191
28	380100	WW TD Equip Sed Tanks/Acc	(85)	(0)	(85)
29	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sludge Dig Trnk	-	-	-
31	380300	WW TD Equip Sludge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	835	0	835
36	380625	WW TD Equip Gen Trmt	4,663	-	4,663
37	380650	WW TD Equip Influent Lift S	(6,426)	0	(6,426)
38	381000	WW Plant Sewers	976	0	976
39	382000	WW Outfall Sewer Lines	143	-	143
40	389100	WW Oth Plt & Misc Equip Int	8,589	(0)	8,589
41	389600	WW Other P/E - CPS - 7E	3,632	-	3,632
42	390000	WW Office Furniture & Equip	34,846	-	34,846
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	7,538	0	7,538
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	33,062	(0)	33,062
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	22,889	-	22,889
51	397000	WW Misc Equipment	(1,467)	-	(1,467)
52	398000	WW Other Tangible Plant	1,370	-	1,370
53		Youngtown Balances	0	(0)	-
54		Total Direct 7C A/D	\$ 14,621,572	\$ (0)	\$ 14,621,572
55		RUCO Adjustment		\$ (0)	

References:

Company Summary Plant Roll-Forward WP's
RUCO UPIS Plant Reconstruction WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 ARIZONA CORPORATE ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Sun City Allocator 13.0155%	[E] RUCO Allocated Adjustment
Allocated 7A Corporate Plant:							
1	304500	Structures & Improvements General	\$ 192,857	\$ -	\$ 192,857	13.0155%	\$ -
2	304620	Structures & Improvements Leasehold	18,317	-	18,317	13.0155%	-
3	334100	Meters	11,777	-	11,777	13.0155%	-
4	339600	Other P/E-CPS	364,887	-	364,887	13.0155%	-
5	340100	Office Furniture & Equipment	1,267,925	-	1,267,925	13.0155%	-
6	340200	Computer & Peripheral Equipment	1,404,587	-	1,404,587	13.0155%	-
7	340300	Computer Software	193,904	-	193,904	13.0155%	-
8	340330	Computer Software Other	6,370	-	6,370	13.0155%	-
9	344000	Laboratory Equipment	17,277	-	17,277	13.0155%	-
10	346100	Communication Equipment Non-Telephone	186,080	-	186,080	13.0155%	-
11	346190	Remote Control & Instrument	122,024	-	122,024	13.0155%	-
12	346200	Communication Equipment Telephone	68,942	-	68,942	13.0155%	-
13	346300	Communication Equipment Other	154,411	-	154,411	13.0155%	-
14	347000	Miscellaneous Equipment	1,292,262	-	1,292,262	13.0155%	-
15		Rounding	-	-	-	13.0155%	-
16		Total AZ Corporate Plant Allocated	<u>\$5,301,619</u>	<u>\$ -</u>	<u>\$ 5,301,619</u>		<u>-</u>
17		RUCO Total Adjustment					<u>\$ -</u>

References:

Company Summary Plant Roll-Forward WP's
 RUCO UPIS Plant Reconstruction WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
ARIZONA CORPORATE ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Sun City Allocator 13.0155%	[E] RUCO Allocated Adjustment
Allocated 7A Corporate Plant A/D:							
1	304500	Structures & Improvements General	\$ 22,377	\$ -	\$ 22,377	13.0155%	\$ -
2	304620	Structures & Improvements Leasehold	536	-	536	13.0155%	-
3	334100	Meters	4,641	-	4,641	13.0155%	-
4	339600	Other P/E-CPS	72,241	-	72,241	13.0155%	-
5	340100	Office Furniture & Equipment	569,006	-	569,006	13.0155%	-
6	340200	Computer & Peripheral Equipment	624,832	-	624,832	13.0155%	-
7	340300	Computer Software	183,147	-	183,147	13.0155%	-
8	340330	Computer Software Other	1,019	(0)	1,019	13.0155%	(0)
9	344000	Laboratory Equipment	3,060	-	3,060	13.0155%	-
10	346100	Communication Equipment Non-Telephone	216,139	(0)	216,139	13.0155%	(0)
11	346190	Remote Control & Instrument	20,439	-	20,439	13.0155%	-
12	346200	Communication Equipment Telephone	27,818	-	27,818	13.0155%	-
13	346300	Communication Equipment Other	8,821	-	8,821	13.0155%	-
14	347000	Miscellaneous Equipment	116,612	-	116,612	13.0155%	-
15		Salvage Proceeds	75,946	-	75,946	13.0155%	-
16		Total AZ Corporate A/D Allocated	<u>\$1,946,633</u>	<u>\$ (0)</u>	<u>\$ 1,946,633</u>		<u>(0)</u>
17		RUCO Total Adjustment					<u>\$ (0)</u>

References:

Company Summary Plant Roll-Forward WP's
RUCO UPIS Plant Reconstruction WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 NORTHWEST VALLEY TREATMENT FACILITY ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Sun City Allocator 0.0000%	[E] RUCO Allocated Adjustment
Allocated NWTFF Plant:							
1	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -	0.0000%	\$ -
2	304200	Struct & Imp P (Corporate)	2,582	-	2,582	0.0000%	-
3	307000	Wells & Springs (Corporate)	-	-	-	0.0000%	-
4	311200	Pump Equip Electric (Corporate)	24,525	-	24,525	0.0000%	-
5	340200	Comp & Peripheral Equip (Corporate)	-	-	-	0.0000%	-
6	340500	Other Office Equipment (Corporate)	-	-	-	0.0000%	-
7	304600	Struct & Imp Offices (Corporate)	9,052	-	9,052	0.0000%	-
8	304800	Struct & Imp Misc (Corporate)	8,610	-	8,610	0.0000%	-
9	341200	Trans Equip Hvy Duty Trks	-	-	-	0.0000%	-
10	341400	Trans Equip Other	-	-	-	0.0000%	-
11	343000	Tools, Shop and Garage	-	-	-	0.0000%	-
12	344000	Laboratory Equipment	-	-	-	0.0000%	-
13	346100	Comm Equip Non-Telephone	19,711	-	19,711	0.0000%	-
14	351000	WW Organization	-	-	-	0.0000%	-
15	352000	WW Franchises	1,304	-	1,304	0.0000%	-
16	353200	WW Land & Ld Rights Coll	450,976	-	450,976	0.0000%	-
17	353500	WW Land & Ld Rights Gen	20,747	-	20,747	0.0000%	-
18	354200	WW Struct & Imp Coll	3,574,657	-	3,574,657	0.0000%	-
19	354300	WW Struct & Imp SPP	997,595	-	997,595	0.0000%	-
20	354400	WW Struct & Imp TDP	-	-	-	0.0000%	-
21	354500	WW Struct & Imp Gen	6,900,037	-	6,900,037	0.0000%	-
22	355200	WW Pwr Gen Equip Coll	7,952	-	7,952	0.0000%	-
23	355300	WW Pwr Gen Equip SPP	63,439	-	63,439	0.0000%	-
24	355400	WW Pwr Gen Equip TDP	-	-	-	0.0000%	-
25	355500	WW Pwr Gen Equip RWTP	-	-	-	0.0000%	-
26	360000	WW Collection Sewers Forced	-	-	-	0.0000%	-
27	361100	WW Collecting Mains	109,750	-	109,750	0.0000%	-
28	362000	WW Special Coll Struct	486,363	-	486,363	0.0000%	-
29	363000	WW Services Sewer	8,725	-	8,725	0.0000%	-
30	364000	WW Flow Measuring Devices	55,923	-	55,923	0.0000%	-
31	370000	WW Receiving Wells	-	-	-	0.0000%	-
32	371100	WW Pump Equip Elect	1,026,512	-	1,026,512	0.0000%	-
33	371200	WW Pump Equip Oth Pwr	26,257	-	26,257	0.0000%	-
34	380000	WW TD Equipment	2,306,955	-	2,306,955	0.0000%	-
35	380050	WW TD Equip Grit Removal	1,041,234	-	1,041,234	0.0000%	-
36	380100	WW TD Equip Sed Tanks/Acc	5,327,840	-	5,327,840	0.0000%	-
37	380200	WW TD Equip Sludge/Effl Rmv	28,253	-	28,253	0.0000%	-
38	380250	WW TD Equip Sludge Dig Trnk	502,467	-	502,467	0.0000%	-
39	380300	WW TD Equip Sludge Dry/Filt	8,662,158	-	8,662,158	0.0000%	-
40	380350	WW TD Equip Sec Trmt Filt	-	-	-	0.0000%	-
41	380400	WW TD Equip Aux Effl Trmt	1,279,622	-	1,279,622	0.0000%	-
42	380500	WW TD Equip Chem Trmt Plt	208,781	-	208,781	0.0000%	-
43	380600	WW TD Equip Oth Disp	1,033,384	-	1,033,384	0.0000%	-
44	380625	WW TD Equip Gen Trmt	780,426	-	780,426	0.0000%	-
45	380650	WW TD Equip Influent Lift S	64,980	-	64,980	0.0000%	-
46	381000	WW Plant Sewers	111,410	-	111,410	0.0000%	-
47	382000	WW Outfall Sewer Lines	4,259	(0)	4,259	0.0000%	-
48	389100	WW Oth Plt & Misc Equip Int	89,296	-	89,296	0.0000%	-
49	389600	WW Other P/E - CPS - 7E	-	-	-	0.0000%	-
50	390000	WW Office Furniture & Equip	168,065	-	168,065	0.0000%	-
51	390200	WW Computers & Peripheral	23,044	-	23,044	0.0000%	-
52	390300	WW Computer Software	69,027	-	69,027	0.0000%	-
53	391000	WW Trans Equipment	247,842	-	247,842	0.0000%	-
54	392000	WW Stores Equipment	11,072	-	11,072	0.0000%	-
55	393000	WW Tool Shop & Garage Equip	139,757	-	139,757	0.0000%	-
56	394000	WW Laboratory Equipment	156,655	-	156,655	0.0000%	-
57	395000	WW Power Operated Equip	136,487	-	136,487	0.0000%	-
58	396000	WW Communication Equip	358,832	-	358,832	0.0000%	-
59	397000	WW Misc Equipment	74,088	-	74,088	0.0000%	-
60	398000	WW Other Tangible Plant	-	-	-	0.0000%	-
61		Rounding	-	-	-	0.0000%	-
62		Total North West Valley Treatment Facility 7H Pla	\$ 36,620,650	\$ (0)	\$ 36,620,650		
63		RUCO Total Adjustment					\$ -

References:
 Company Summary Plant Roll-Forward WP's
 RUCO UPIS Plant Reconstruction WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 NORTHWEST VALLEY TREATMENT FACILITY ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Sun City Allocator 0.0000%	[E] RUCO Allocated Adjustment
Allocated NWVTF A/D:							
1	304100	Struct & Imp SS (Corporate)	\$ 0	\$ (0)	\$ -	0.0000%	\$ -
2	304200	Struct & Imp P (Corporate)	32	(0)	32	0.0000%	-
3	307000	Wells & Springs (Corporate)	-	-	-	0.0000%	-
4	311200	Pump Equip Electric (Corporate)	2,366	-	2,366	0.0000%	-
5	340200	Comp & Peripheral Equip (Corporate)	-	-	-	0.0000%	-
6	340500	Other Office Equipment (Corporate)	0	(0)	0	0.0000%	-
7	304600	Struct & Imp Offices (Corporate)	340	-	340	0.0000%	-
8	304800	Struct & Imp Misc (Corporate)	12	(0)	12	0.0000%	-
9	341200	Trans Equip Hvy Duty Trks	-	-	-	0.0000%	-
10	341400	Trans Equip Other	-	-	-	0.0000%	-
11	343000	Tools, Shop and Garage	-	-	-	0.0000%	-
12	344000	Laboratory Equipment	(0)	0	0	0.0000%	-
13	346100	Comm Equip Non-Telephone	3,045	0	3,045	0.0000%	-
14	351000	WW Organization	-	-	-	0.0000%	-
15	352000	WW Franchises	-	-	-	0.0000%	-
16	353200	WW Land & Ld Rights Coll	(89,506)	-	(89,506)	0.0000%	-
17	353500	WW Land & Ld Rights Gen	-	-	-	0.0000%	-
18	354200	WW Struct & Imp Coll	3,248,049	-	3,248,049	0.0000%	-
19	354300	WW Struct & Imp SPP	51,951	0	51,951	0.0000%	-
20	354400	WW Struct & Imp TDP	-	-	-	0.0000%	-
21	354500	WW Struct & Imp Gen	1,385,565	-	1,385,565	0.0000%	-
22	355200	WW Pwr Gen Equip Coll	1,921	-	1,921	0.0000%	-
23	355300	WW Pwr Gen Equip SPP	11,007	-	11,007	0.0000%	-
24	355400	WW Pwr Gen Equip TDP	-	-	-	0.0000%	-
25	355500	WW Pwr Gen Equip RWTP	-	-	-	0.0000%	-
26	360000	WW Collection Sewers Forced	-	-	-	0.0000%	-
27	361100	WW Collecting Mains	36,956	-	36,956	0.0000%	-
28	362000	WW Special Coll Struct	686,271	(0)	686,271	0.0000%	-
29	363000	WW Services Sewer	2,658	0	2,658	0.0000%	-
30	364000	WW Flow Measuring Devices	49,300	-	49,300	0.0000%	-
31	370000	WW Receiving Wells	-	-	-	0.0000%	-
32	371100	WW Pump Equip Elect	206,403	-	206,403	0.0000%	-
33	371200	WW Pump Equip Oth Pwr	8,798	-	8,798	0.0000%	-
34	380000	WW TD Equipment	1,195,934	(0)	1,195,934	0.0000%	-
35	380050	WW TD Equip Grit Removal	1,202,728	-	1,202,728	0.0000%	-
36	380100	WW TD Equip Sed Tanks/Acc	5,440,698	0	5,440,698	0.0000%	-
37	380200	WW TD Equip Sldge/Effl Rmv	2,044	-	2,044	0.0000%	-
38	380250	WW TD Equip Sldge Dig Tnk	293,601	-	293,601	0.0000%	-
39	380300	WW TD Equip Sldge Dry/Filt	7,275,086	-	7,275,086	0.0000%	-
40	380350	WW TD Equip Sec Trmt Filtr	1,961	-	1,961	0.0000%	-
41	380400	WW TD Equip Aux Effl Trmt	1,340,499	-	1,340,499	0.0000%	-
42	380500	WW TD Equip Chem Trmt Plt	28,338	(0)	28,338	0.0000%	-
43	380600	WW TD Equip Oth Disp	1,200,951	(0)	1,200,951	0.0000%	-
44	380625	WW TD Equip Gen Trmt	654,668	-	654,668	0.0000%	-
45	380650	WW TD Equip Influent Lift S	71,829	-	71,829	0.0000%	-
46	381000	WW Plant Sewers	32,668	-	32,668	0.0000%	-
47	382000	WW Outfall Sewer Lines	112,001	(0)	112,001	0.0000%	-
48	389100	WW Oth Pit & Misc Equip Int	12,559	-	12,559	0.0000%	-
49	389600	WW Other P/E - CPS - 7E	0	-	0	0.0000%	-
50	390000	WW Office Furniture & Equip	96,573	0	96,573	0.0000%	-
51	390200	WW Computers & Peripheral	43,528	-	43,528	0.0000%	-
52	390300	WW Computer Software	145,625	-	145,625	0.0000%	-
53	391000	WW Trans Equipment	839,469	0	839,469	0.0000%	-
54	392000	WW Stores Equipment	5,715	(0)	5,715	0.0000%	-
55	393000	WW Tool Shop & Garage Equip	81,723	-	81,723	0.0000%	-
56	394000	WW Laboratory Equipment	79,869	-	79,869	0.0000%	-
57	395000	WW Power Operated Equip	23,182	-	23,182	0.0000%	-
58	396000	WW Communication Equip	384,595	0	384,595	0.0000%	-
59	397000	WW Misc Equipment	76,014	0	76,014	0.0000%	-
60	398000	WW Other Tangible Plant	-	-	-	0.0000%	-
61		Rounding	-	-	-	0.0000%	-
62		Total North West Valley Treatment Facility 7H A/E	\$ 26,247,027	\$ 0	\$ 26,247,027		-
63		RUCO Total Adjustment					\$ -

References:
 Company Summary Plant Roll-Forward WP's
 RUCO UPIS Plant Reconstruction WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 USA CORPORATE ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Sun City Allocator 10.9488%	[E] RUCO Allocated Adjustment
Allocated 6U USA Corp Plant:							
1	340200	Computer & Peripheral Equipment	\$ 1,047,165	\$ -	\$ 1,047,165	10.9488%	\$ -
2	340300	Computer Software	1,064,894	-	1,064,894	10.9488%	-
3		Total 6U USA Corporate Allocated Plant	<u>\$ 2,112,059</u>	<u>\$ -</u>	<u>\$ 2,112,059</u>		<u>\$ -</u>
4		RUCO Total Adjustment					<u>\$ -</u>

References:

Company Summary Plant Roll-Forward WP's
 RUCO UPIS Plant Reconstruction WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 USA CORPORATE ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Sun City Allocator 10.9488%	[E] RUCO Allocated Adjustment
Allocated 6U USA Corp Accum. Depre:							
1	340200	Computer & Peripheral Equipment	\$ 313,567	\$ (0)	\$ 313,567	10.9488%	\$ (0)
2	340300	Computer Software	782,756	7,978	790,734	10.9488%	873
3		Total 6U USA Corporate Allocated A/D	<u>\$ 1,096,323</u>	<u>\$ 7,978</u>	<u>\$ 1,104,301</u>		<u>\$ 873</u>
4		RUCO Total Adjustment					<u>\$ 873</u>

References:

Company Summary Plant Roll-Forward WP's
 RUCO UPIS Plant Reconstruction WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (c)
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Line		
No.	Description	Amount

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (d)
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Line No.	Description	Amount
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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
 REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	NARUC Acct. No.	Description	[A] RUCO TY End UPIS Balance	[B] RUCO TY End Accum. Depr. Balance	[C] RUCO Net Book Value	[D] Over-Depreciated Excess Accum. Depr. Adjustment	[E] Remove Debit Accum. Depr. Balances
Direct 7C Plant:							
1	304100	Struct & Imp SS	-	-	-	-	-
2	340200	Comp & Peripheral Equip	-	-	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-	-	-
4	341400	Trans Equip Other	-	-	-	-	-
5	343000	Tools, Shop and Garage	-	-	-	-	-
6	351000	WW Organization	-	-	-	-	-
7	352000	WW Franchises	122,373	-	122,373	-	-
8	353200	WW Land & Ld Rights Coll	6,132	-	6,132	-	-
9	353500	WW Land & Ld Rights Gen	6,565	-	6,565	-	-
10	354200	WW Struct & Imp Coll	-	-	-	-	-
11	354300	WW Struct & Imp SPP	187,017	62,561	124,456	-	-
12	354400	WW Struct & Imp TDP	-	-	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-	-	-
14	355200	WW Pwr Gen Equip Coll	548,200	110,535	435,665	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-	-	-
16	355400	WW Pwr Gen Equip TDP	88,697	(4,781)	93,478	-	-
17	355500	WW Pwr Gen Equip RWTP	49,003	11,423	37,580	-	4,781
18	360000	WW Collection Sewers Forced	-	-	-	-	-
19	361100	WW Collecting Mains	2,427,876	681,976	1,745,900	-	-
20	362000	WW Special Coll Struct	17,117,567	9,887,062	7,430,504	-	-
21	363000	WW Services Sewer	1,223,982	1,852,441	(628,459)	(628,459)	-
22	364000	WW Flow Measuring Devices	3,757,131	1,839,592	1,917,539	-	-
23	370000	WW Receiving Wells	33,470	21,190	12,281	-	-
24	371100	WW Pump Equip Elect	-	-	-	-	-
25	371200	WW Pump Equip Oth Pwr	661,300	247,921	413,379	-	-
26	380000	WW TD Equipment	-	-	-	-	-
27	380050	WW TD Equip Grit Removal	9,620	894	8,727	-	-
28	380100	WW TD Equip Sed Tanks/Acc	453	191	262	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	1,742	(85)	1,827	-	85
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-	-	-
36	380625	WW TD Equip Gen Trmt	1,503	835	668	-	-
37	380650	WW TD Equip Influent Lift S	113,715	4,663	109,053	-	-
38	381000	WW Plant Sewers	283,558	(6,426)	289,984	-	6,426
39	382000	WW Outfall Sewer Lines	4,145	976	3,168	-	-
40	389100	WW Oth Plt & Misc Equip Int	291	143	148	-	-
41	389600	WW Other P/E - CPS - 7E	311,248	8,589	302,657	-	-
42	390000	WW Office Furniture & Equip	45,670	3,632	42,038	-	-
43	390200	WW Computers & Peripheral	54,203	34,846	19,357	-	-
44	390300	WW Computer Software	-	-	-	-	-
45	391000	WW Trans Equipment	-	-	-	-	-
46	392000	WW Stores Equipment	2,312	7,538	(5,226)	(5,226)	-
47	393000	WW Tool Shop & Garage Equip	-	-	-	-	-
48	394000	WW Laboratory Equipment	58,644	33,062	25,582	-	-
49	395000	WW Power Operated Equip	-	-	-	-	-
50	396000	WW Communication Equip	-	-	-	-	-
51	397000	WW Misc Equipment	23,222	22,889	332	-	-
52	398000	WW Other Tangible Plant	8,321	(1,467)	9,788	-	-
53		Not Classified	3,487	1,370	2,117	-	1,467
54		Total Direct 7C Plant	\$ 27,149,446	\$ 14,621,572	\$ 12,527,874	\$ (633,685)	\$ 12,759
Allocated 7A Corporate Plant:							
55	304500	Structures & Improvements General	-	-	-	-	-
56	304620	Structures & Improvements Leasehold	192,857	22,377	170,480	-	-
57	334100	Meters	18,317	536	17,782	-	-
58	339600	Other P/E-CPS	11,777	4,641	7,136	-	-
59	340100	Office Furniture & Equipment	364,887	72,241	292,646	-	-
60	340200	Computer & Peripheral Equipment	1,267,925	569,006	698,919	-	-
61	340300	Computer Software	1,404,587	624,832	779,755	-	-
62	340330	Computer Software Other	193,904	183,147	10,757	-	-
			6,370	1,019	5,351	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
 REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	Acct. No.	Description	[A] RUCO TY End UPIS Balance	[B] RUCO TY End Accum. Depre. Balance	[C] RUCO Net Book Value	[D] Over-Depreciated Excess Accum. Depre. Adjustment	[E] Remove Debit Accum. Depre. Balances
Allocated 7A Corporate Plant (continuation):							
1	344000	Laboratory Equipment	\$ 17,277	\$ 3,060	\$ 14,217	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	186,080	216,139	(30,059)	(30,059)	-
3	346190	Remote Control & Instrument	122,024	20,439	101,584	-	-
4	346200	Communication Equipment Telephone	68,942	27,819	41,124	-	-
5	346300	Communication Equipment Other	154,411	8,821	145,590	-	-
6	347000	Miscellaneous Equipment	1,292,262	116,612	1,175,651	-	-
7		Rounding	-	-	-	-	-
8		Total Allocated 7A Corporate Plant	\$ 5,301,619	\$ 1,870,687	\$ 3,430,932	\$ (30,059)	\$ -
9		Sun City Wastewater 7A % Allocation	\$ 690,033	\$ 243,480	\$ 446,554	\$ (3,912)	\$ -
10		Sun City Wastewater 7A Plant Allocation	\$ 690,033	\$ 243,480	\$ 446,554	\$ (3,912)	\$ -
Allocated Northwest Valley Treatment Facility 7H Plant:							
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	2,582	32	2,550	-	-
13	307000	Wells & Springs (Corporate)	-	-	-	-	-
14	311200	Pump Equip Electric (Corporate)	24,525	2,366	22,159	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	0	(0)	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-	-	-
17	304600	Struct & Imp Offices (Corporate)	9,052	340	8,712	-	-
18	304800	Struct & Imp Misc (Corporate)	8,610	12	8,598	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-	-	-
20	341400	Trans Equip Other	-	-	-	-	-
21	343000	Tools, Shop and Garage	-	-	-	-	-
22	344000	Laboratory Equipment	-	-	-	-	-
23	346100	Comm Equip Non-Telephone	-	0	(0)	-	-
24	351000	WW Organization	19,711	3,045	16,666	-	-
25	352000	WW Franchises	-	-	-	-	-
26	353200	WW Land & Ld Rights Coll	1,304	-	1,304	-	-
27	353500	WW Land & Ld Rights Gen	450,976	(89,506)	540,482	-	-
28	354200	WW Struct & Imp Coll	20,747	-	20,747	-	-
29	354300	WW Struct & Imp SPP	3,574,657	3,248,049	326,608	-	-
30	354400	WW Struct & Imp TDP	997,595	51,951	945,644	-	-
31	354500	WW Struct & Imp Gen	-	-	-	-	-
32	355200	WW Pwr Gen Equip Coll	6,900,037	1,385,565	5,514,472	-	-
33	355300	WW Pwr Gen Equip SPP	7,952	1,921	6,030	-	-
34	355400	WW Pwr Gen Equip TDP	63,439	11,007	52,431	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-	-	-
37	361100	WW Collecting Mains	-	-	-	-	-
38	362000	WW Special Coll Struct	109,750	36,956	72,794	-	-
39	363000	WW Services Sewer	486,363	686,271	(199,908)	(199,908)	-
40	364000	WW Flow Measuring Devices	8,725	2,658	6,066	-	-
41	370000	WW Receiving Wells	55,923	49,300	6,623	-	-
42	371100	WW Pump Equip Elect	-	-	-	-	-
43	371200	WW Pump Equip Oth Pwr	1,026,512	206,403	820,109	-	-
44	380000	WW TD Equipment	26,257	8,798	17,459	-	-
45	380050	WW TD Equip Grit Removal	2,308,955	1,195,934	1,111,021	-	-
46	380100	WW TD Equip Sed Tanks/Acc	1,041,234	1,202,728	(161,494)	(161,494)	-
47	380200	WW TD Equip Sldge/Effl Rmv	5,327,840	5,440,698	(112,858)	(112,858)	-
48	380250	WW TD Equip Sldge Dig Trnk	28,253	2,044	26,209	-	-
49	380300	WW TD Equip Sldge Dry/Fit	502,467	293,601	208,866	-	-
50	380350	WW TD Equip Sec Trmt Fit	8,662,158	7,275,086	1,387,072	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	1,961	(1,961)	(1,961)	-
52	380500	WW TD Equip Chem Trmt Pit	1,279,622	1,340,499	(60,877)	(60,877)	-
53	380600	WW TD Equip Oth Disp	208,781	28,338	180,443	-	-
54	380625	WW TD Equip Gen Trmt	1,033,384	1,200,951	(167,567)	(167,567)	-
55	380650	WW TD Equip Influent Lift S	780,426	654,668	125,757	-	-
56	381000	WW Plant Sewers	64,980	71,829	(6,848)	(6,848)	-
			111,410	32,668	78,742	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
 REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	Acct. No.	Description	[A] RUCO TY End UPIS Balance	[B] RUCO TY End Accum. Depr. Balance	[C] RUCO Net Book Value	[D] Over-Depreciated Excess Accum. Depr. Adjustment	[E] Remove Debit Accum. Depr. Balances
<u>Allocated Northwest Valley Treatment Facility 7H Plant (continuation):</u>							
1	382000	WW Outfall Sewer Lines	\$ 4,259	\$ 112,001	\$ (107,743)	\$ (107,743)	\$ -
2	389100	WW Oth Plt & Misc Equip Int	89,296	12,559	76,738	-	-
3	389600	WW Other P/E - CPS - 7E	-	0	(0)	-	-
4	390000	WW Office Furniture & Equip	-	-	-	-	-
5	390200	WW Computers & Peripheral	108,065	96,573	71,492	-	-
6	390300	WW Computer Software	23,044	43,528	(20,484)	(20,484)	-
7	391000	WW Trans Equipment	69,027	145,625	(76,598)	(76,598)	-
8	392000	WW Stores Equipment	247,842	839,469	(591,627)	(591,627)	-
9	393000	WW Tool Shop & Garage Equip	11,072	5,715	5,357	-	-
10	394000	WW Laboratory Equipment	139,757	81,723	58,034	-	-
11	395000	WW Power Operated Equipment	158,855	79,869	78,986	-	-
12	396000	WW Communication Equip	136,487	23,182	113,305	-	-
13	397000	WW Misc Equipment	358,832	384,595	(25,763)	(25,763)	-
14	398000	WW Other Tangible Plant	74,088	76,014	(1,926)	(1,926)	-
15		Rounding	-	-	-	-	-
16		Total North West Valley Wastewater 7H Plant	\$ 36,620,650	\$ 26,247,027	\$ 10,373,623	\$ (1,535,653)	\$ -
17		Sun City Wastewater 7H % Allocation	100.000000%	100.000000%	100.000000%	100.000000%	100.000000%
18		Sun City Wastewater NWVTF 7H Plant Allocation	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Allocated USA Corporate 6U Plant:</u>							
19	340200	Computer & Peripheral Equipment	\$ 1,047,165	\$ 313,567	\$ 733,598	\$ -	\$ -
20	340300	Computer Software	1,064,894	790,734	274,160	-	-
21		Rounding	-	-	-	-	-
22		Total 6U Allocated Corporate Plant	\$ 2,112,059	\$ 1,104,301	\$ 1,007,758	\$ -	\$ -
23		Sun City Wastewater 6U % Allocation	100.000000%	100.000000%	100.000000%	100.000000%	100.000000%
24		Sun City Wastewater 6U Plant Allocation	\$ 231,245	\$ 120,908	\$ 110,337	\$ -	\$ -
<u>Total Net Book Value & Over-Depreciated & Debit A/D Plant:</u>							
25	7N	Direct Plant	\$ 27,149,446	\$ 14,621,572	\$ 12,527,874	\$ (633,885)	\$ 12,759
26	7A	Allocable AZ Corporate 7A Plant	690,033	243,480	446,554	(3,912)	-
27	7H	Allocable Northwest Valley Treatment Facility Plant	-	-	-	-	-
28	6U	Allocable USA Corporate 6U Plant	231,245	120,908	110,337	-	-
29		Total Over-Depreciated Plant	\$ 28,070,725	\$ 14,985,959	\$ 13,084,765	\$ (637,597)	\$ 12,759
30		RUCO Total Over-Depreciated Adjustment				\$ (637,597)	
31		RUCO Total Debit Accumulated Depreciation Adjustments					\$ 12,759

References:
 Per RUCO Plant Reconstruction Workpapers

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
 2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
Direct 7C Plant:					
1	304100	Struct & Imp SS			
2	340200	Comp & Peripheral Equip	\$ -	\$ -	\$ -
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	415,000	90,410	505,410
20	362000	WW Special Coll Struct	2,674,523	(2,157,128)	517,395
21	363000	WW Services Sewer	1,533,000	(1,533,000)	-
22	364000	WW Flow Measuring Devices	36,400	(36,400)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	275,000	(122,352)	152,648
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	1,150,000	(1,150,000)	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Tnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Youngtown Balances	-	-	-
54		Total Direct 7C Plant	\$ 6,083,923	\$ (4,908,470)	\$ 1,175,453
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General			
56	304620	Structures & Improvements Leasehold	\$ 270,000	\$ (230,686)	\$ 39,314
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	11,937	16,784	28,721

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f) (continuation)
2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	210,000	493,453	703,453
8		Total Allocated 7A Corporate Plant	\$ 491,937	\$ 279,552	\$ 771,489
9		Sun City Wastewater 7A % Allocation	13.0165%	13.0165%	13.0165%
10		Sun City Wastewater 7A Plant Allocation	\$ 64,028	\$ 36,385	\$ 100,413
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	692,516	(629,521)	62,996
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	1,169,000	(1,145,323)	23,677
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trnk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	717,000	17,023	734,023
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	1,134,000	48,140	1,182,140
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f) (continuation)
2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines			
2	389100	WW Oth Pit & Misc Equip Int	\$ -	\$ -	\$ -
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	20,000	(20,000)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	65,000	(65,000)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H Plant	<u>\$ 3,797,516</u>	<u>\$ (1,794,681)</u>	<u>\$ 2,002,835</u>
17		Sun City Wastewater 7H % Allocation	<u>0.0000%</u>	<u>0.0000%</u>	<u>0.0000%</u>
18		Sun City Wastewater NWVTF 7H Plant Allocation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ 592,463	\$ (592,463)	\$ -
20	340300	Computer Software	781,212	(98,750)	682,462
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	<u>\$ 1,373,675</u>	<u>\$ (691,213)</u>	<u>\$ 682,462</u>
23		Sun City Wastewater 6U % Allocation	<u>10.9488%</u>	<u>10.9488%</u>	<u>10.9488%</u>
24		Sun City Wastewater 6U Plant Allocation	<u>\$ 150,401</u>	<u>\$ (75,680)</u>	<u>\$ 74,721</u>
Total 2016 PTY Plant:					
25	7C	Direct	\$ 6,083,923	\$ (4,908,470)	\$ 1,175,453
26	7A	Corporate Plant Allocated	64,028	36,385	100,413
27	7H	NWV Plant Allocated	-	-	-
28	6U	6U Plant Allocated	150,401	(75,680)	74,721
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total Utility Plant in Service (UPIS)	<u>\$ 6,298,352</u>	<u>\$ (4,947,764)</u>	<u>\$ 1,350,588</u>
31		RUCO Total Adjustment		<u>\$ (4,947,764)</u>	

References:
Per Company Response to RUCO DR #6.01 - See RUCO W/P

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
 2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2016 PTY Plant A/D As Filed	[B] RUCO 2016 PTY Plant A/D Adjustments	[C] RUCO 2016 PTY Plant A/D Recommended
Direct 7C Plant Accumulated Depreciation (A/D):					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	4,150	1,081	5,231
20	362000	WW Special Coll Struct	26,745	(21,494)	5,252
21	363000	WW Services Sewer	15,330	(15,330)	-
22	364000	WW Flow Measuring Devices	364	(364)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	17,188	(13,051)	4,137
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	38,333	(38,333)	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Youngtown Balances	-	-	-
54		Total Direct 7C A/D	\$ 102,110	\$ (87,491)	\$ 14,619
Allocated 7A Corporate Plant A/D:					
55	304500	Structures & Improvements General	\$ 3,375	\$ (2,884)	\$ 491
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	1,194	1,678	2,872

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f) (continuation)
2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2016 PTY Plant A/D As Filed	[B] RUCO 2016 PTY Plant A/D Adjustments	[C] RUCO 2016 PTY Plant A/D Recommended
Allocated 7A Corporate Plant A/D (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	6,563	15,420	21,983
8		Total Allocated 7A Corporate Plant	\$ 11,131	\$ 14,215	\$ 25,346
9		Sun City Wastewater 7A % Allocation	13.0155%	13.0155%	16.0155%
10		Sun City Wastewater 7A Plant Allocation	\$ 1,449	\$ 1,850	\$ 3,299
North West Valley Wastewater 7H Plant A/D:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	11,542	(11,016)	526
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	38,967	(38,375)	592
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	23,900	(5,549)	18,351
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Pnt	37,800	(8,246)	29,554
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f) (continuation)
2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant A/D As Filed	[B] RUCO 2016 PTY Plant A/D Adjustments	[C] RUCO 2016 PTY Plant A/D Recommended
North West Valley Wastewater 7H Plant A/D (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Pitt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	500	(500)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	3,250	(3,250)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H Plant	\$ 115,959	\$ (66,937)	\$ 49,022
17		Sun City Wastewater 7H % Allocation	0.00000%	0.00000%	0.00000%
18		Sun City Wastewater NWWTF 7H Plant Allocation	\$ -	\$ -	\$ -
6U Plant A/D:					
19	340200	Computer & Peripheral Equipment	\$ 29,623	\$ (29,623)	\$ -
20	340300	Computer Software	78,121	7,187	85,308
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ 107,744	\$ (22,437)	\$ 85,308
23		Sun City Wastewater 6U % Allocation	10.9488%	10.9488%	10.9488%
24		Sun City Wastewater 6U Plant Allocation	\$ 11,797	\$ (2,457)	\$ 9,340
Total 2016 PTY Plant A/D:					
25	7C	Direct	\$ 102,110	\$ (87,491)	\$ 14,619
26	7A	Corporate Plant Allocated	1,449	1,850	3,299
27	7H	NWV Plant Allocated	-	-	-
28	6U	6U Plant Allocated	11,797	(2,457)	9,340
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total Utility Plant in Service A/D	\$ 115,356	\$ (88,097)	\$ 27,258
31		RUCO Total Adjustment		\$ (88,097)	

References:
Per Company Response to RUCO DR #6.01 - See RUCO WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
 2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2017 6-Months PTY Plant As Filed	[B] RUCO 2017 6-Months PTY Plant Adjustments	[C] RUCO 2017 6-Months PTY Plant Recommended
Direct 7C Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	131,522	(131,522)	-
20	362000	WW Special Coll Struct	847,611	(847,611)	-
21	363000	WW Services Sewer	485,839	(485,839)	-
22	364000	WW Flow Measuring Devices	11,536	(11,536)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	87,153	(87,153)	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	364,459	(364,459)	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sludge/Efl Rmv	-	-	-
30	380250	WW TD Equip Sludge Dig Trnk	-	-	-
31	380300	WW TD Equip Sludge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Youngtown Balances	-	-	-
54		Total Direct 7C Plant	\$ 1,928,121	\$ (1,928,121)	\$ -
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	\$ -	\$ -	\$ -
56	304620	Structures & Improvements Leasehold	384,196	(384,196)	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	16,986	(16,986)	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant As Filed	[B] RUCO 2017 6-Months PTY Plant Adjustments	[C] RUCO 2017 6-Months PTY Plant Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	298,819	(298,819)	-
8		Total Allocated 7A Corporate Plant	\$ 700,000	\$ (700,000)	\$ -
9		Sun City Wastewater 7A % Allocation	13.0155%	(13.0155%)	13.0155%
10		Sun City Wastewater 7A Plant Allocation	\$ 91,109	\$ (91,109)	\$ -
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	120,312	(120,312)	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	203,093	(203,093)	-
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trnk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	124,566	(124,566)	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	197,012	(197,012)	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant As Filed	[B] RUCO 2017 6-Months PTY Plant Adjustments	[C] RUCO 2017 6-Months PTY Plant Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	3,475	(3,475)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	11,293	(11,293)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H Plant	\$ 659,750	\$ (659,750)	\$ -
17		Sun City Wastewater 7H % Allocation	0.00000%	0.00000%	0.00000%
18		Sun City Wastewater NWWTF 7H Plant Allocation	\$ -	\$ -	\$ -
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ -	\$ -	\$ -
23		Sun City Wastewater 6U % Allocation	10.9488%	10.9488%	10.9488%
24		Sun City Wastewater 6U Plant Allocation	\$ -	\$ -	\$ -
Total 2017 PTY Plant:					
25	7C	Direct	\$ 1,928,121	\$ (1,928,121)	\$ -
26	7A	Corporate Plant Allocated	91,109	(91,109)	-
27	7H	NWV Plant Allocated	-	-	-
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vector Trucks - Corp.	-	-	-
30		Total Utility Plant in Service (UPIS)	\$ 2,019,229	\$ (2,019,229)	\$ -
31		RUCO Total Adjustment		\$ (2,019,229)	

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
 2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2017 6-Months PTY Plant A/D As Filed	[B] RUCO 2017 6-Months PTY Plant A/D Adjustments	[C] RUCO 2017 6-Months PTY Plant A/D Recommended
Direct 7C Plant Accumulated Depreciation (A/D):					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	1,315	(1,315)	-
20	362000	WW Special Coll Struct	8,476	(8,476)	-
21	363000	WW Services Sewer	4,858	(4,858)	-
22	364000	WW Flow Measuring Devices	115	(115)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	5,447	(5,447)	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	12,149	(12,149)	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Tnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Youngtown Balances	-	-	-
54		Total Direct 7C A/D	\$ 32,361	\$ (32,361)	\$ -
Allocated 7A Corporate Plant A/D:					
55	304500	Structures & Improvements General	\$ -	\$ -	\$ -
56	304620	Structures & Improvements Leasehold	4,802	(4,802)	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	1,699	(1,699)	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant A/D As Filed	[B] RUCO 2017 6-Months PTY Plant A/D Adjustments	[C] RUCO 2017 6-Months PTY Plant A/D Recommended
Allocated 7A Corporate Plant A/D (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	9,338	(9,338)	-
8		Total Allocated 7A Corporate A/D	\$ 15,839	\$ (15,839)	\$ -
9		Sun City Wastewater 7A % Allocation Factor	13.0155%	13.0155%	13.0155%
10		Sun City Wastewater 7A Allocation A/D	\$ 2,062	\$ (2,062)	\$ -
North West Valley Wastewater 7H Plant A/D:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	2,005	(2,005)	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	6,770	(6,770)	-
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trnk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	4,152	(4,152)	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	6,567	(6,567)	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant A/D As Filed	[B] RUCO 2017 6-Months PTY Plant A/D Adjustments	[C] RUCO 2017 6-Months PTY Plant A/D Recommended
North West Valley Wastewater 7H Plant A/D (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	87	(87)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	565	(565)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H A/D	\$ 20,146	\$ (20,146)	\$ -
17		Sun City Wastewater 7H % Allocation Factor	0.0000%	0.0000%	0.0000%
18		Sun City Wastewater NWTF 7H Allocation A/D	\$ -	\$ -	\$ -
6U Plant A/D:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate A/D	\$ -	\$ -	\$ -
23		Sun City Wastewater 6U % Allocation Factor	10.9488%	10.9488%	10.9488%
24		Sun City Wastewater 6U Allocation A/D	\$ -	\$ -	\$ -
Total 2017 6-Months PTY Plant:					
25	7C	Direct	\$ -	\$ -	\$ -
26	7A	Corporate Plant Allocated	\$ 32,361	\$ (32,361)	\$ -
27	7H	NWV Plant Allocated	2,062	(2,062)	-
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total 2017 6-Months PTY Plant A/D	\$ 34,422	\$ (34,422)	\$ -
31		RUCO Total Adjustment		\$ (34,422)	

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
 2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	NARUC Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
Direct 7C Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	-	-	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	-	(7,858)	(7,858)
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	(35,940)	(35,940)
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	-	-	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7C Plant	\$ -	\$ (43,798)	\$ (43,798)
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	\$ -	\$ (29,508)	\$ (29,508)
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	NARUC Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	-	-	-
8		Total Allocated 7A Corporate Plant	\$ -	\$ (29,508)	\$ (29,508)
9		Sun City Wastewater 7A % Allocation	13.0155%	13.0155%	13.0155%
10		Sun City Wastewater 7A Plant Allocation	\$ -	\$ (3,841)	\$ (3,841)
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	-	-	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	-	(553,523)	(553,523)
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sldge Dig Tnk	-	-	-
49	380300	WW TD Equip Sldge Dry/Filt	-	-	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	-	-	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
 2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	NARUC Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Pit & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	-	-	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	-	-	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H Plant	\$ -	\$ (553,523)	\$ (553,523)
17		Sun City Wastewater 7H % Allocation	0.0000%	0.0000%	0.0000%
18		Sun City Wastewater NWVTF 7H Plant Allocation	\$ -	\$ -	\$ -
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ -	\$ -	\$ -
23		Sun City Wastewater 6U % Allocation	10.9488%	10.9488%	10.9488%
24		Sun City Wastewater 6U Plant Allocation	\$ -	\$ -	\$ -
Total Unrecorded 2016 PTY Plant Retirements:					
25	7C	Direct	\$ -	\$ -	\$ -
26	7A	Corporate Plant Allocated	-	(43,798)	(43,798)
27	7H	NWV Plant Allocated	-	(3,841)	(3,841)
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total Unrecorded Plant Retirements	\$ -	\$ (47,638)	\$ (47,638)
31		RUCO Total Adjustment		\$ (47,638)	

References:

Per Company Response to RUCO DR #6.01 - See RUCO PTY Plant Adjustments W/P

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (A/D) UNRECORDED RETIREMENTS

Line No.	NARUC Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
Direct 7C Plant Accumulated Depreciation (A/D):					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	-	-	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	-	(7,938)	(7,938)
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	(36,914)	(36,914)
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	-	-	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Tnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7C A/D	\$ -	\$ (44,852)	\$ (44,852)
Allocated 7A Corporate Plant A/D:					
55	304500	Structures & Improvements General	\$ -	\$ (29,877)	\$ (29,877)
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (A/D) UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	-	-	-
8		Total Allocated 7A Corporate A/D	\$ -	\$ (29,877)	\$ (29,877)
9		Sun City Wastewater 7A % Allocation Factor	13.0155%	13.0155%	13.0155%
10		Sun City Wastewater 7A Allocation A/D	\$ -	\$ (3,889)	\$ (3,889)
North West Valley Wastewater 7H Plant A/D:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	-	-	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	-	(567,361)	(567,361)
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	-	-	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	-	-	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
 2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (A/D) UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
North West Valley Wastewater 7H Plant A/D (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	-	-	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	-	-	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H A/D	\$ -	\$ (567,361)	\$ (567,361)
17		Sun City Wastewater 7H % Allocation Factor	0.0000%	0.0000%	0.0000%
18		Sun City Wastewater NWWTF 7H Allocation A/D	\$ -	\$ -	\$ -
6U Plant A/D:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate A/D	\$ -	\$ -	\$ -
23		Sun City West Wastewater 6U % Allocation Factor	10.9488%	10.9488%	10.9488%
24		Sun City West Wastewater 6U Allocation A/D	\$ -	\$ -	\$ -
Total Unrecorded 2016 PTY Plant Retirements:					
25	7C	Direct	\$ -	\$ -	\$ -
26	7A	Corporate Plant Allocated	-	(44,852)	(44,852)
27	7H	NWV Plant Allocated	-	(3,889)	(3,889)
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total Unrecorded Plant Retirements	\$ -	\$ (48,740)	\$ (48,740)
31		RUCO Total Adjustment		\$ (48,740)	

References:
 Per Company Response to RUCO DR #6.01 - See RUCO 2016 PTY Plant Adjustments W/P

RATE BASE ADJUSTMENT NO. 2
CURRENT REGULATORY LIABILITY FOR OVER-DEPRECIATED PLANT ADJUSTMENT

Line No.	NARUC Acct.	Description	Gross Liability Amount	Allocation Factor	Total Liability Amount	Net Regulatory Assets & Liabilities	Gross Asset Amount
Direct Plant Accounts:							
1	362000	WW Special Coll Struct					
2	391000	WW Trans Equipment	\$ (628,459)	100.00%	\$ (628,459)		\$ -
			(5,226)	100.00%	(5,226)		-
3	355300	WW Pwr Gen Equip SPP					
4	380100	WW TD Equip Sed Tanks/Acc		100.00%			4,781
5	380650	WW TD Equip Influent Lift S		100.00%			85
6	397000	WW Misc Equipment		100.00%			6,426
							1,467
7		Sub-Total Direct Plant			\$ (633,685)		\$ 12,759
Allocated Arizona Corporate 7A Plant:							
8	346100	Communication Equipment Non-Telephone	\$ (30,059)	13.0155%	\$ (3,912)		\$ -
Allocated Northwest Valley Treatment Facility:							
9	340500	Other Office Equipment (Corporate)	\$ (0)	0.0000%	\$ -		\$ -
10	344000	Laboratory Equipment	(0)	0.0000%	-		-
11	362000	WW Special Coll Struct	(199,908)	0.0000%	-		-
12	380050	WW TD Equip Grit Removal	(161,494)	0.0000%	-		-
13	380100	WW TD Equip Sed Tanks/Acc	(112,858)	0.0000%	-		-
14	380350	WW TD Equip Sec Trmt Filt	(1,961)	0.0000%	-		-
15	380400	WW TD Equip Aux Effl Trmt	(60,877)	0.0000%	-		-
16	380600	WW TD Equip Oth Disp	(167,567)	0.0000%	-		-
17	380650	WW TD Equip Influent Lift S	(6,848)	0.0000%	-		-
18	382000	WW Outfall Sewer Lines	(107,743)	0.0000%	-		-
19	389600	WW Other P/E - CPS - 7E	(0)	0.0000%	-		-
20	390200	WW Computers & Peripheral	(20,484)	0.0000%	-		-
21	390300	WW Computer Software	(76,598)	0.0000%	-		-
22	391000	WW Trans Equipment	(591,627)	0.0000%	-		-
23	396000	WW Communication Equip	(25,763)	0.0000%	-		-
24	397000	WW Misc Equipment	(1,926)	0.0000%	-		-
25		Sub-Total Allocable Northwest Valley Treatment Facility	\$ (1,535,653)		\$ -		\$ -
Allocated USA Corporate 6U Plant:							
26	N/A	N/A	\$ -	10.9488%	-		\$ -
27		Total Current Regulatory Asset & Liability			\$ (637,597)		\$ 12,759
28		Net Gross Regulatory Assets & Liabilities				\$ (624,839)	

References:

RUCO Schedule TJC-4(e) - Excess Accumulated Depreciation

RATE BASE ADJUSTMENTS NO. 3 THRU 8 - NOT USED
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Line		
<u>No.</u>	<u>Description</u>	<u>Amount</u>

References:

RATE BASE ADJUSTMENT NO. 9
2016 POST TEST YEAR PLANT BONUS DEPRECIATION ADIT ADJUSTMENT

Line

No. Description

1	Additional ADIT Identified in Response to RUCO DR 6.04	\$ 2,862,894
2	Allocation Factor	
3	Sub-Total Additional ADIT	13.0155%
		\$ 372,621

RUCO Recommended 2016 PTY Plant Bonus Depreciation ADIT Calculation:

Direct Plant

NARUC Acct.	Depreciation Rate	Description	RUCO Recommended 2016 PTY Plant	Straight-Line Depreciation Amount	50% Bonus Depreciation	Basis Difference
4	360000	2.00%	WW Collection Sewers Forced	\$ 505,410	\$ 10,108	
5	361100	2.50%	WW Collecting Mains	517,395	12,935	
6	371100	12.50%	WW Pump Equip Elect	152,648	19,081	
7			RUCO Recommended PTY Plant	\$ 1,175,453		
8			Sub-Total Direct 2016 PTY Plant Depreciation		\$ 42,124	\$ 587,726 \$ 545,602

Allocable AZ Corporate 7A Plant

9	304500	2.50%	Structures & Improvements General	\$ 39,314	\$ 983	
10	340300	20.00%	Computer Software	28,721	5,744	
11	347000	6.25%	Miscellaneous Equipment	703,453	43,966	
12			RUCO Recommended PTY Plant	\$ 771,489		
13			Total Straight-Line Depre. Exp.		\$ 50,693	
14			Allocation Factor		13.0155%	
15			Sub-Total Corp 7A 2016 PTY Plant Depreciation		\$ 6,598	\$ 50,207 \$ 43,609

Allocable Northwest Valley Treatment Facility

16	354500	3.33%	WW Struct & Imp Gen	\$ 62,996	\$ 2,100	
17	380000	6.67%	WW TD Equipment	23,677	1,578	
18	380250	6.67%	WW TD Equip Sldge Dig Tnk	734,023	48,935	
19	380400	6.67%	WW TD Equip Aux Effl Trmt	1,182,140	78,809	
20			RUCO Recommended PTY Plant	\$ 2,002,835		
21			Total Straight-Line Depre. Exp.		\$ 131,422	
22			Allocation Factor		0.0000%	
23			Sub-Total Alloc NWVTF 2016 PTY Plant Depreciat		\$ -	\$ - \$ -

Allocable USA Corporate 6UA Plant

24	340300	20.00%	Computer Software	\$ 682,462	\$ 136,492	
25			RUCO Recommended PTY Plant	\$ 682,462		
26			Total Straight-Line Depre. Exp.		\$ 136,492	
27			Allocation Factor		10.9488%	
28			Sub-Total Corp 6U 2016 PTY Plant Depreciation		\$ 14,944	\$ 37,361 \$ 22,416
29			Total Annual Straight-Line v Bonus Depreciation		\$ 63,666	\$ 675,294 \$ 611,628 32.13% \$ 196,516

30 RUCO ADIT Adjustment

\$ 569,137

References:

Company Federal Effective Income Tax Rate per Schedule SLM-IS3

32.13%

RATE BASE ADJUSTMENT NO. 10
ALLOWANCE FOR WORKING CAPITAL

Line No.	Description	Amount
1	RUCO Cash Working Capital Requirement	
2	RUCO Required Bank Balances ¹	\$ (355,422)
3	RUCO Material and Supplies Inventories ¹	-
4	RUCO Prepayments ¹	165
		2,725
5	RUCO Total Working Capital Allowance	
6	Company Total Working Capital Allowance	\$ (352,532)
		(376,269)
7	RUCO Allowance for Working Capital Adjustment	\$ 23,736

Notes:

¹ Calculated using Thirteen-Month Averages

References:

Company Schedules B-5 & B-6
RUCO Schedule TJC-10 on page 2 of 2

RATE BASE ADJUSTMENT NO. 10 (continued)
CASH WORKING CAPITAL LEAD / LAG STUDY

Line No.	Description	[A] Company Adjusted Test Year As Filed	[B] RUCO Expense Adjustments	[C] RUCO Recommended Expense	[D] Revenue Lag Days	[E] Expense (Lead)/Lag Days	[F] Net (Lead)/Lag Days Col. [D] - Col. [E]	[G] (Lead)/Lag Factor Col. [F] / 365	[H] Cash Working Capital Requirement Col. [C] x Col. [G]
Operating Expenses:									
1	Labor	\$ 619,154	\$ (48,431)	\$ 570,723	40.66	42.97	(2.307)	0.006	\$ (3,608)
2	Purchased Water	94	-	94	40.66	-	40.660	0.111	11
3	Fuel & Power	19,029	(841)	18,187	40.66	45.17	(4.512)	(0.012)	(225)
4	Chemicals	26	-	26	40.66	-	40.660	0.111	3
5	Waste Disposal	1,969,411	-	1,969,411	40.66	55.14	(14.481)	(0.040)	(78,136)
6	Intercompany Support Services	-	-	-	40.66	30.25	10.410	0.029	-
7	Corporate Allocation	251,978	(5,556)	246,422	40.66	30.25	10.410	0.029	7,028
8	Outside Services	166,033	(582)	165,451	40.66	78.18	(37.517)	(0.103)	(17,006)
9	Group Insurance	226,989	(38,519)	188,470	40.66	27.40	13.257	0.036	6,845
10	Regulatory Expense	98,307	-	98,307	40.66	-	40.660	0.111	10,951
11	Insurance Other Than Group	87,177	-	87,177	40.66	(15.38)	56.035	0.154	13,384
12	Customer Accounting	736,343	(16,971)	719,372	40.66	78.51	(37.848)	(0.104)	(74,593)
13	Rents	25,608	-	25,608	40.66	-	40.660	0.111	2,853
14	General Office Expense	89,762	(735)	89,027	40.66	61.53	(20.870)	(0.057)	(5,090)
15	Miscellaneous	86,860	(60,404)	26,456	40.66	3.61	37.046	0.101	2,685
16	Maintenance Expense	138,357	(1,317)	137,040	40.66	(26.24)	66.903	0.183	25,119
Taxes:									
17	General Taxes - Property ¹	403,732	(28,651)	375,081	40.66	212.50	(171.840)	(0.471)	(176,586)
18	General Taxes - Payroll	51,905	(597)	51,308	40.66	42.11	(1.453)	(0.004)	(204)
19	General Taxes - Other	-	-	-	40.66	-	40.660	0.111	-
20	Income Tax ¹	913,040	(273,524)	639,516	40.66	37.50	3.160	0.009	5,537
Other:									
21	Interest Expense on Proposed Long-Term Debt	749,497	(201,966)	547,531	40.66	90.25	(49.590)	(0.136)	(74,389)
22	Total Cash Working Capital Expenses	<u>\$ 6,633,302</u>	<u>\$ (678,095)</u>	<u>\$ 5,955,207</u>					
23	RUCO Total Recommended Cash Working Capital								\$ (355,422)
24	Company Total Proposed Cash Working Capital								(379,458)
25	RUCO Cash Working Capital Adjustment								\$ 23,736

References:

¹ At Proposed Rates
Designates RUCO Adjustments to Co. Lead/Lag Days

RECONSTRUCTION COST NEW LESS DEPRECIATION (RCND) RATE BASE SUMMARY

Line No.	Description	[A] Company RCND Rate Base As Filed	[B] RUCO Recommended RCND Adjustments	[C] RUCO RCND Rate Base Recommended
1	Gross Utility Plant In Service	\$ 107,170,077	\$ (7,037,280)	\$ 100,132,796
	Less:			
2	Accumulated Depreciation	75,429,014	(1,115,043)	74,313,970
3	Net Utility Plant In Service (L1 - L2)	\$ 31,741,063	\$ (5,922,237)	\$ 25,818,826
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 3,308,741	\$ -	\$ 3,308,741
5	Gross Contribution In Aid Of Construction ("CIAC")	1,162,461	-	1,162,461
6	Accumulated Amortization of CIAC	(126,265)	-	(126,265)
7	Net CIAC (L5 + L6)	\$ 1,036,196	\$ -	\$ 1,036,196
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Net Regulatory Assets & Liabilities	-	921,900	921,900
11	Accumulated Amortization	-	(73,752)	(73,752)
12	Net Regulatory Assets & Liabilities	\$ -	\$ 848,148	\$ 848,148
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 4,142,196	\$ 839,715	\$ 4,981,911
	Plus:			
14	Deferred Debits	19,389,172	-	19,389,172
17	Working Capital Allowance	(376,269)	23,736	(352,532)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 42,266,834	\$ (7,586,364)	\$ 34,680,470

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

RECONSTRUCTION COST NEW RATE BASE (RCNRB) ADJUSTMENTS

Line No.	Description	(A) Company ROND Rate Base As Filed	(B) Adjust No. 1 UPIS & A/D Adjustment	(C) Adjust No. 2 Regulatory Liability	(D) Adjust No. 3 Intentionally Left Blank	(E) Adjust No. 4 Intentionally Left Blank	(F) Adjust No. 5 Intentionally Left Blank	(G) Adjust No. 6 Intentionally Left Blank	(H) Adjust No. 7 Intentionally Left Blank	(I) Adjust No. 8 Intentionally Left Blank	(J) Adjust No. 9 ADIT Adjustment	(K) Adjust No. 10 Working Capital Adjustment	(L) Total RUCO Adjustments	(M) RUCO RCND Rate Base Recommended
1	Gross Utility Plant In Service	\$ 107,170,077	\$ (7,037,280)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,037,280)	\$ 100,132,796
2	Less: Accumulated Depreciation	\$ 75,429,014	(1,115,043)	-	-	-	-	-	-	-	-	-	(1,115,043)	74,313,970
3	Net Utility Plant In Service (L1 - L2)	\$ 31,741,063	\$ (5,922,237)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,922,237)	\$ 25,818,826
4	Less: Advances In Aid Of Construction ("AIAC")	\$ 3,308,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,308,741
5	Gross Contribution In Aid Of Construction ("CIAC")	1,162,461	-	-	-	-	-	-	-	-	-	-	-	1,162,461
6	Accumulated Amortization of CIAC	(126,265)	-	-	-	-	-	-	-	-	-	-	-	(126,265)
7	Net CIAC (L5 + L6)	\$ 1,036,196	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,036,196
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Gross Net Regulatory Assets & Liabilities	\$ -	\$ -	921,900	-	-	-	-	-	-	-	-	921,900	921,900
11	Accumulated Amortization	\$ -	\$ -	(73,752)	-	-	-	-	-	-	-	-	(73,752)	(73,752)
12	Net Regulatory Assets & Liabilities	\$ -	\$ -	\$ 848,148	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 848,148	\$ 848,148
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 4,142,196	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 839,715	\$ -	\$ 839,715	\$ 4,981,911
14	PLUS: Deferred Debits	19,389,172	-	-	-	-	-	-	-	-	-	-	-	19,389,172
17	Working Capital Allowance	(376,269)	-	-	-	-	-	-	-	-	-	23,736	23,736	(352,532)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 42,266,834	\$ (5,922,237)	\$ (848,148)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (839,715)	\$ 23,736	\$ (7,886,364)	\$ 34,680,470

RUCO Adjustments:

- Adjustment No. 1: Summation of RUCO recommended Utility Plant in Service and Accumulated Depreciation Adjustments No. (a), (b), (c), and (d) - See RUCO Rate Base Adjustment No. 1 on Schedules TJC-4 on pages 1 & 2, Column (J) at line 42;
- Adjustment No. 2: Current Case Regulatory Liability for Over-Depreciated Plant;
- Adjustment No. 3: Intentionally Left Blank;
- Adjustment No. 4: Intentionally Left Blank;
- Adjustment No. 5: Intentionally Left Blank;
- Adjustment No. 6: Intentionally Left Blank;
- Adjustment No. 7: Intentionally Left Blank;
- Adjustment No. 8: Intentionally Left Blank;
- Adjustment No. 9: RUCO Recommended 2016 TY End Accumulated Deferred Income Tax ("ADIT") Balance;
- Adjustment No. 10: RUCO Recommended Allowance for Working Capital - See RUCO Schedule TJC-10.

References:

- Column (A): Company Schedule B-1
- Column (B) Thru Column (K): RUCO Recommended Rate Base Adjustments
- Column (L): Sum of RUCO Recommended Rate Base Adjustments of Columns (B) through (K)
- Column (M): Column (A) + Column (L)

**SUMMARY OF RECONSTRUCTION COST NEW (RCN) UTILITY PLANT IN SERVICE (UPIS) ADJUSTMENTS
 RCN UPIS RATE BASE ADJUSTMENT #1**

Line No.	NARUC Account No.	Description	(A) Company Adjusted TY RCN UPIS As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPS Reconstruction Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Only Accum. Deprs.	(G) RUCO Adjustment (f) 2016 PTY Plant Adjustment	(H) RUCO Adjustment (g) 2017 PTY Plant Adjustment	(I) RUCO Adjustment (h) Unrecorded Retire Adjustment	(J) RUCO Total RCN UPIS Adjustments	(K) RUCO Total RCN UPIS Recommended
North West Valley Wastewater 7H Plant (Continuation):													
1	354400	WW Struct & Imp TDP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	354500	WW Struct & Imp Gen	12,157,726	-	-	-	-	-	-	-	-	-	-
3	355200	WW Pwr Gen Equip Coll	8,798	-	-	-	-	-	-	-	-	-	-
4	355300	WW Pwr Gen Equip SPP	89,123	-	-	-	-	-	(929,521)	(120,312)	-	(749,833)	11,407,803
5	355400	WW Pwr Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	8,798
6	355500	WW Pwr Gen Equip RWTP	-	-	-	-	-	-	-	-	-	-	89,123
7	390000	WW Collection Sewers Forced	-	-	-	-	-	-	-	-	-	-	-
8	361100	WW Collecting Mania	237,430	-	-	-	-	-	-	-	-	-	-
9	362000	WW Special Coll Struct	800,917	-	-	-	-	-	-	-	-	-	237,430
10	363000	WW Services Sewer	11,702	-	-	-	-	-	-	-	-	-	800,917
11	364000	WW Flow Measuring Devices	71,818	-	-	-	-	-	-	-	-	-	11,702
12	370000	WW Receiving Wells	-	-	-	-	-	-	-	-	-	-	71,818
13	371100	WW Pump Equip Elect	1,155,955	-	-	-	-	-	-	-	-	-	-
14	371200	WW Pump Equip Oth Pwr	30,881	-	-	-	-	-	-	-	-	-	1,155,955
15	380000	WW TD Equipment	4,968,291	-	-	-	-	-	-	-	-	-	30,881
16	380500	WW TD Equip Coll Removal	2,732,222	-	-	-	-	-	-	-	-	-	-
17	380100	WW TD Equip Sed Tanks/Acc	13,581,488	-	-	-	-	-	(1,145,322)	(203,093)	(818,879)	(2,165,095)	2,833,196
18	380200	WW TD Equip Sludge/Eff Rmv	28,338	-	-	-	-	-	-	-	-	-	-
19	380250	WW TD Equip Sludge Dig Trk	1,900,331	-	-	-	-	-	-	-	-	-	-
20	380300	WW TD Equip Sludge Dry/Fat	17,563,483	-	-	-	-	-	17,923	(124,566)	-	(107,543)	13,581,488
21	380350	WW TD Equip Sludge Dry/Fat	-	-	-	-	-	-	-	-	-	-	28,338
22	380400	WW TD Equip Aux Eff Trmt	4,338,884	-	-	-	-	-	-	-	-	-	1,552,788
23	380500	WW TD Equip Chem Trmt Ph	286,515	-	-	-	-	-	48,140	(197,012)	-	(148,872)	17,563,483
24	380600	WW TD Equip Oth Drip	2,248,948	-	-	-	-	-	-	-	-	-	-
25	380625	WW TD Equip Gen Trmt	1,415,802	-	-	-	-	-	-	-	-	-	4,190,012
26	380650	WW TD Equip Influent L/S	120,458	-	-	-	-	-	-	-	-	-	286,515
27	381000	WW Plant Sewers	143,391	-	-	-	-	-	-	-	-	-	2,248,948
28	382000	WW Outfall Sewer Lines	8,130	-	(0)	-	-	-	-	-	-	-	143,391
29	389100	WW Oth Pk & Misc Equip Int	94,096	-	-	-	-	-	-	-	-	(0)	8,130
30	389000	WW Other Pk - CPS - JE	-	-	-	-	-	-	-	-	-	-	94,096
31	390000	WW Office Furniture & Equip	249,085	-	-	-	-	-	-	-	-	-	249,085
32	390200	WW Computers & Peripheral	26,728	-	-	-	-	-	-	-	-	-	26,728
33	390300	WW Computer Software	86,550	-	-	-	-	-	-	-	-	-	86,550
34	391000	WW Trans Equipment	351,923	-	-	-	-	-	-	-	-	-	351,923
35	392000	WW Stone Equipment	17,128	-	-	-	-	-	-	-	-	-	17,128
36	393000	WW Tool Shop & Garage Equip	218,096	-	-	-	-	-	-	-	-	-	218,096
37	394000	WW Laboratory Equipment	191,291	-	-	-	-	-	(20,000)	(3,475)	-	(23,475)	191,291
38	395000	WW Power Operated Equip	143,757	-	-	-	-	-	-	-	-	-	143,757
39	396000	WW Communication Equip	526,722	-	-	-	-	-	-	-	-	-	526,722
40	397000	WW Misc Equipment	123,052	-	-	-	-	-	(65,000)	(11,293)	-	(76,293)	123,052
41	398000	WW Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	-
42		Rounding	-	-	-	-	-	-	-	-	-	-	-
43		Total North West Valley Treatment Facility 7H Plant	\$ 75,988,234	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (1,794,981)	\$ (859,750)	\$ (818,879)	\$ (3,271,110)	\$ 72,417,124
44		Mohave Wastewater 7H % Allocation Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
45		Mohave Wastewater NWWTF 7H Plant Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8U Plant:													
46	340200	Computer & Peripheral Equipment	1,892,104	-	-	-	-	-	-	-	-	-	-
47	340300	Computer Software	1,895,428	-	-	-	-	-	(592,483)	-	-	(592,483)	1,299,941
48		Rounding	-	-	-	-	-	-	(98,750)	-	-	(98,750)	1,798,078
49		Total 8U Allocated Corporate Plant	\$ 3,587,532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (691,213)	\$ -	\$ -	\$ (691,213)	\$ 2,896,319
50		Mohave Wastewater 8U % Allocation Factor	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%
51		Mohave Wastewater 8U Plant Allocation	\$ 392,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (75,680)	\$ -	\$ -	\$ (75,680)	\$ 317,112
TOTAL PLANT:													
52	7E	Direct	\$ 105,914,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,968,470)	\$ (1,908,121)	\$ (84,820)	\$ (6,961,211)	\$ 99,013,332
53	7A	Corporate Plant Allocated	917,863	(55,141)	-	-	-	-	38,385	(91,139)	(5,967)	(115,531)	802,352
54	7H	NWWTF Plant Allocated	-	-	-	-	-	-	-	-	-	-	-
55	8U	8U Plant Allocated	392,792	-	-	-	-	-	-	-	-	-	-
56		RCN UPIS Not Accounted For - Vector Trucks - Corp	(55,141)	55,141	-	-	-	-	(75,860)	-	-	(75,860)	317,112
57		Total Utility Plant in Service (UPIS)	\$ 107,170,977	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,847,784)	\$ (2,019,229)	\$ (79,287)	\$ (7,037,280)	\$ 100,132,796

RUCO Adjustments:

Adjustment No. (a): Fully Allocate Utility Plant in Service (UPIS) Vector Truck Balances from AZ Concrete 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2;
 Adjustment No. (b): Reconstruct All UPIS Account Balances as Filed by Company - See RUCO Schedule UPIS Schedules TJC-4(b) on Pages 1, 3, 5, and 7;
 Adjustment No. (c): Intentionally Left Blank;
 Adjustment No. (d): Intentionally Left Blank;
 Adjustment No. (e): Remove Over-Depreciated UPS Accounts' Excess Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-8 on page 2 of 2;
 Adjustment No. (f): Remove 2016 PTY Plant Adjustments Exceeding 6-Months Test Year End December 31, 2015;
 Adjustment No. (g): Remove All 2017 PTY Plant Adjustments;
 Adjustment No. (h): Company Response to RUCO DR 6.01 to Record Unrecorded 2016 PTY Plant Additions.

References:

Column (A): Company Schedule B-2 Adjusted Test Year as Filed
 Column (B) Through (J): RUCO Recommended UPS Adjustments
 Column (J): Sum of Columns (B) Through (I) - RUCO Sum of Total Recommended UPS Adjustments
 Column (K): Column (A) + (J)
 Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

SUMMARY OF RECONSTRUCTION COST NEW (RCN) ACCUMULATED DEPRECIATION (AD) ADJUSTMENTS
RCN UPIS AD RATE BASE ADJUSTMENT #1

Table with columns: Line No., NARUC Account No., Description, (A) Company Adjusted TY RCN AD As Filed, (B) RUCO Adjustment (a) Factor Trucks Adjustment, (C) RUCO Adjustment (b) UPIS AD Ration Adjustments, (D) RUCO Adjustment (c) Intentionally Left Blank, (E) RUCO Adjustment (d) Intentionally Left Blank, (F) RUCO Adjustment (a) Credits AD Adjustments, (G) RUCO Adjustment (f) 2016 PTY AD Adjustment, (H) RUCO Adjustment (g) 2017 PTY AD Adjustment, (I) RUCO Adjustment (h) Retirement AD Adjustment, (J) RUCO Total RCN AD Adjustments, (K) RUCO Recommended.

Continued on Next Page

SUMMARY OF RECONSTRUCTION COST NEW (RCN) ACCUMULATED DEPRECIATION (AD) ADJUSTMENTS
 RCN UPIS AD RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No.	Description	(A) Company Adjusted TY RCN AD As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPIS A/D Recon Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) Debits/Credits A/D Adjustments	(G) RUCO Adjustment (f) 2016 PTY A/D Adjustment	(H) RUCO Adjustment (g) 2017 PTY A/D Adjustment	(I) RUCO Adjustment (h) Retirement A/D Adjustment	(J) RUCO Total RCN AD Adjustments	(K) 0 RUCO RCN AD Recommended	
North West Valley Wastewater 7H Plant A/D (continuation):														
1	354400	WW Struct & Imp TDP												
2	354500	WW Struct & Imp Gen	4,972,185											
3	355200	WW Pwr Gen Equip Col	3,299											
4	355300	WW Pwr Gen Equip SPP	18,003						(11,018)	(2,008)		(13,021)	4,959,144	
5	355400	WW Pwr Gen Equip TDP											3,299	
6	355500	WW Pwr Gen Equip RWTP											18,003	
7	360000	WW Collection Sewers Forced												
8	361100	WW Collecting Mains	45,852											
9	362000	WW Special Col Struct	291,030		(0)							(294,948)	45,852	
10	363000	WW Services Sewer	1,989		0							(294,948)	(3,918)	
11	364000	WW Flow Measuring Devices	70,837									0	1,989	
12	370000	WW Receiving Walls											70,837	
13	371100	WW Pump Equip Elect	548,171											
14	371200	WW Pump Equip Oth Pwr	12,789											
15	380000	WW TD Equipment	2,878,331		(0)				(38,375)	(6,770)	(837,096)	(862,240)	548,171	
16	380500	WW TD Equip Grt Removal											12,789	
17	380100	WW TD Equip Sed Tanks/Acc	13,507,749		0			(236,272)				(236,272)	1,960,091	
18	380200	WW TD Equip Skge/Elff Rmvr	1,364					(196,513)				(196,513)	13,341,236	
19	380250	WW TD Equip Skge Dig Trn	704,727										1,364	
20	380300	WW TD Equip Skge Dry/Fill	16,836,862						(5,549)	(4,152)		(9,702)	695,025	
21	380350	WW TD Equip Sac Trmt Fil											16,836,862	
22	380400	WW TD Equip Aus E/R Trmt	2,918,018					(2,863)				(2,863)	(2,863)	
23	380500	WW TD Equip Chem Trmt Pt	172,490					(89,819)	(8,246)	(8,567)		(104,632)	2,815,384	
24	380600	WW TD Equip Oth Dap	2,219,556		(0)							(0)	172,490	
25	380625	WW TD Equip Gun Trmt	1,387,482		(0)			(247,232)				(247,232)	1,972,324	
26	380650	WW TD Equip Influent LIR S	117,790											
27	381000	WW Plant Sewers	49,087					(10,104)				(10,104)	1,387,482	
28	382000	WW Outfall Sewer Lines												
29	389100	WW Oth P/B & Misc Equip Int	1,735		(0)							(0)	49,087	
30	389600	WW Other P/E - CPS - 7E	21,340					(158,965)				(158,965)	(157,230)	
31	390000	WW Office Furniture & Equip	248,274		0								21,340	
32	390200	WW Computers & Peripheral	29,417										0	
33	390300	WW Computer Software	89,559					(30,222)				(30,222)	(3,805)	
34	391000	WW Trans Equipment	349,019					(113,014)				(113,014)	(23,456)	
35	392000	WW Storage Equipment	13,389					(872,868)				(872,868)	(528,886)	
36	393000	WW Tool Shop & Garage Equip	141,923		(0)							(0)	13,389	
37	394000	WW Laboratory Equipment	128,062						(500)	(87)		(587)	141,348	
38	395000	WW Power Operated Equip	25,347										128,062	
39	396000	WW Communication Equip	365,877										25,347	
40	397000	WW Misc Equipment	120,402					(38,011)	(3,250)	(565)		(41,825)	324,052	
41	398000	WW Other Tangible Plant						(2,841)				(2,841)	117,561	
42		Rounding												
43		Total North West Valley Treatment Facility 7H A/D	\$ 57,821,452	\$ -	\$ 0	\$ -	\$ -	\$ (2,265,733)	\$ (86,937)	\$ (20,148)	\$ (837,096)	\$ (3,189,911)	\$ 54,631,571	
44		Mohave Wastewater 7H % Allocation Factor	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
45		Mohave Wastewater NWVTF 7H Allocation A/D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8U Plant A/D:														
46	340200	Computer & Peripheral Equipment	413,309		(0)				(29,823)			(29,823)	383,886	
47	340300	Computer Software	842,275		11,771				7,187			18,957	861,232	
48		Rounding												
49		Total 8U Allocated Corporate A/D	\$ 1,255,584	\$ -	\$ 11,771	\$ -	\$ -	\$ -	\$ (22,437)	\$ -	\$ -	\$ (10,866)	\$ 1,244,918	
50		Mohave Wastewater 8U % Allocation Factor	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	10.9488%	
51		Mohave Wastewater 8U Allocation A/D	\$ 137,471	\$ -	\$ 1,289	\$ -	\$ -	\$ -	\$ (2,457)	\$ -	\$ -	\$ (1,188)	\$ 136,304	
TOTAL PLANT A/D:														
52	7E	Direct	75,019,568		(0)				(918,127)	(87,491)	(32,361)	(96,175)	(1,102,154)	73,917,412
53	7A	Corporate Plant Allocated	279,118	(7,142)	(0)			(5,772)	1,850	(2,062)	(5,737)	(18,803)	290,256	
54	7H	NWVTF Plant Allocated												
55	8U	8U Plant Allocated	137,471		1,289								138,760	
56		RCN AD Not Accounted For - Vector Trucks - Corp	(7,142)	7,142									7,142	
57		Total Utility Plant in Service A/D	\$ 75,429,014	\$ -	\$ 1,289	\$ -	\$ -	\$ (921,900)	\$ (88,297)	\$ (34,422)	\$ (71,913)	\$ (1,115,943)	\$ 74,313,978	

RUCO Adjustments:

- Adjustment No. (a) Fully Allocate Utility Plant in Service (UPIS) Vector Truck Balances from AZ Corporate 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2.
- Adjustment No. (b) Reconstruct AZ UPIS Account Balances as Filed by Company - See RUCO Schedule UPIS Schedule TJC-4(b) on Pages 1, 3, 5, and 7.
- Adjustment No. (c) Intentionally Left Blank.
- Adjustment No. (d) Intentionally Left Blank.
- Adjustment No. (e) Remove Over-Depreciated UPIS Accounts' Excess Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-8 on page 2 of 2.
- Adjustment No. (f) Remove 2016 PTY Plant Adjustments Exceeding 5-Months Test Year End December 31, 2015.
- Adjustment No. (g) Remove All 2017 PTY Plant Adjustments.
- Adjustment No. (h) Company Response to RUCO DR 8.01 to Record Unrecorded 2016 PTY Plant Additions.

References:

- Column [A] - Company Schedule B-2 Adjusted Test Year as Filed
- Column [B] Through [J] - RUCO Recommended UPIS Adjustments
- Column [K] - Sum of Columns [B] Through [J] - RUCO Sum of Total Recommended UPIS Adjustments
- Column [L] - Column [A] + [J]
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS UPIS ALLOCATION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 13.0155%	[E] RUCO Allocated Adjustment
Allocated AZ Corp Plant:							
1	304500	Structures & Improvements General	\$ 867,209	\$ -	\$ 208,791	13.0155%	\$ -
2	304620	Structures & Improvements Leasehold	19,076	-	19,076	13.0155%	-
3	334100	Meters	12,936	-	12,936	13.0155%	-
4	339600	Other P/E-CPS	401,267	-	401,267	13.0155%	-
5	340100	Office Furniture & Equipment	1,540,410	-	1,540,410	13.0155%	-
6	340200	Computer & Peripheral Equipment	1,508,481	-	1,508,481	13.0155%	-
7	340300	Computer Software	224,789	-	224,588	13.0155%	-
8	340330	Computer Software Other	6,564	-	6,564	13.0155%	-
9	344000	Laboratory Equipment	22,261	-	22,261	13.0155%	-
10	346100	Communication Equipment Non-Telephone	244,843	-	244,843	13.0155%	-
11	346190	Remote Control & Instrument	124,954	-	124,954	13.0155%	-
12	346200	Communication Equipment Telephone	91,902	-	91,902	13.0155%	-
13	346300	Communication Equipment Other	156,534	-	156,534	13.0155%	-
14	347000	Miscellaneous Equipment	1,830,993	(423,658)	1,601,970	13.0155%	(55,141)
15		Rounding	-	-	-	13.0155%	-
16		Total AZ Corporate Plant Allocated	<u>\$7,052,219</u>	<u>\$ (423,658)</u>	<u>\$ 6,164,576</u>		<u>(55,141)</u>
17		RUCO Total Adjustment					\$ (55,141)

References:

Schedule TJC-4 on page 1 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS ACCUMULATED DEPRECIATION (A/D) ALLOCATION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 13.0155%	[E] RUCO Allocated Adjustment
Allocated AZ Corp A/D:							
1	304500	Structures & Improvements General	\$ 30,426	\$ -	\$ (21,341)	13.0155%	\$ -
2	304620	Structures & Improvements Leasehold	1,035	-	1,035	13.0155%	-
3	334100	Meters	4,739	-	4,739	13.0155%	-
4	339600	Other P/E-CPS	76,834	-	76,834	13.0155%	-
5	340100	Office Furniture & Equipment	712,910	-	712,910	13.0155%	-
6	340200	Computer & Peripheral Equipment	702,405	-	702,405	13.0155%	-
7	340300	Computer Software	49,301	-	49,281	13.0155%	-
8	340330	Computer Software Other	3,282	-	3,282	13.0155%	-
9	344000	Laboratory Equipment	11,131	-	11,131	13.0155%	-
10	346100	Communication Equipment Non-Telephone	244,843	-	200,493	13.0155%	-
11	346190	Remote Control & Instrument	27,182	-	27,182	13.0155%	-
12	346200	Communication Equipment Telephone	73,463	-	73,463	13.0155%	-
13	346300	Communication Equipment Other	17,839	-	17,839	13.0155%	-
14	347000	Miscellaneous Equipment	189,110	(54,871)	140,322	13.0155%	(7,142)
15		Salvage Proceeds				13.0155%	
16		Total AZ Corporate A/D Allocated	<u>\$2,144,501</u>	<u>\$ (54,871)</u>	<u>\$ 1,999,575</u>		<u>(7,142)</u>
17		RUCO Total Adjustment					<u>\$ (7,142)</u>

References:

Schedule TJC-4 on page 2 of 2

OPERATING INCOME SUMMARY

Line No.	Description	[A] Company Adjusted Test Year As Filed	[B] RUCO Recommended Adjustments	[C] RUCO Recommended Adjusted Test Year Amounts	[D] RUCO Recommended Changes	[E] RUCO Recommended Amounts
Revenues:						
1	Water/Wastewater Revenues	\$ 8,936,765	\$ -	\$ 8,936,765	\$ (131,257)	\$ 8,805,508
2	Other Revenues	19,670	-	19,670	-	19,670
3	Total Revenues	\$ 8,956,435	\$ -	\$ 8,956,435	\$ (131,257)	\$ 8,825,178
Operating Expenses:						
4	Labor	\$ 619,154	\$ (48,431)	\$ 570,723	\$ -	\$ 570,723
5	Purchased Water	94	-	94	-	94
6	Fuel & Power	19,029	(841)	18,187	-	18,187
7	Chemicals	26	-	26	-	26
8	Waste Disposal	1,969,411	-	1,969,411	-	1,969,411
9	Intercompany Support Services	-	-	-	-	-
10	Corporate Allocation	251,978	(5,556)	246,422	-	246,422
11	Outside Services	166,033	(582)	165,451	-	165,451
12	Group Insurance	226,989	(38,519)	188,470	-	188,470
13	Pensions	-	-	-	-	-
14	Regulatory Expense	98,307	-	98,307	-	98,307
15	Insurance Other Than Group	87,177	-	87,177	-	87,177
16	Customer Accounting	736,343	(16,971)	719,372	(230)	719,142
17	Rents	25,608	-	25,608	-	25,608
18	General Office Expense	89,762	(735)	89,027	-	89,027
19	Miscellaneous	86,860	(60,404)	26,456	-	26,456
20	Maintenance Expense	138,357	(1,317)	137,040	-	137,040
21	Depreciation & Amortization	2,164,692	(269,141)	1,895,552	-	1,895,552
22	General Taxes-Property	384,306	(7,351)	376,955	(1,874)	375,081
23	General Taxes-Other	51,905	(597)	51,308	-	51,308
24	Income Taxes	410,508	277,096	687,605	(48,089)	639,516
25	Total Operating Expenses	\$ 7,526,539	\$ (173,348)	\$ 7,353,191	\$ (50,193)	\$ 7,302,998
26	Operating Income	\$ 1,429,896	\$ 173,348	\$ 1,603,244	\$ (81,064)	\$ 1,522,180

References:

- Column [A]: Company Schedule C-1;
- Column [B]: RUCO Recommended Total Adjustments Per Schedule TJC-12 on pages 1-2 at page 2 in Column [S] at line 26;
- Column [C]: Column [A] + [B] - RUCO Recommended Adjusted Test Year Amounts Per Schedule TJC-12 on page 2 of 2 in Column [T];
- Column [D]: RUCO Recommended Increase/(Decrease) to Revenue Requirement;
- Column [E]: Column [C] + [D] - RUCO Recommended Increase/(Decrease) Amounts for Revenue Requirement.

RUCO OPERATING INCOME ADJUSTMENTS

Line No.	Description	[A] Company Adjusted Test Year As Filed	[B] Adj. No. 1 Depreciation Expense	[C] Adj. No. 2 Property Taxes	[D] Adj. No. 3 Performance Based Adjustment	[E] Adj. No. 4 Annualized Labor Adjustment	[F] Adj. No. 5 Purchased Power Adjustment	[G] Adj. No. 6 CPI Adjustment	[H] Adj. No. 7 Customer Accounting Adjustment	[I] Adj. No. 8 Low Income Left Blank	[J] Adj. No. 9 EPCOR Services Left Blank
Revenues:											
1	Water/Wastewater Revenues	\$ 8,936,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	19,670	-	-	-	-	-	-	-	-	-
3	Total Revenues	\$ 8,956,435	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses:											
4	Labor	\$ 619,154	\$ -	\$ -	\$ (35,878)	\$ -	\$ -	\$ -	\$ -	\$ -	(12,553)
5	Purchased Water	94	-	-	-	-	-	-	-	-	-
6	Fuel & Power	19,029	-	-	-	-	(841)	-	-	-	-
7	Chemicals	26	-	-	-	-	-	-	-	-	-
8	Waste Disposal	1,969,411	-	-	-	-	-	-	-	-	-
9	Intercompany Support Services	-	-	-	-	-	-	-	-	-	-
10	Corporate Allocation	251,978	-	-	-	-	-	-	-	-	-
11	Outside Services	166,033	-	-	-	-	-	(398)	-	-	-
12	Group Insurance	226,989	-	-	-	(36,177)	-	(582)	-	-	-
13	Pensions	-	-	-	-	-	-	-	-	-	-
14	Regulatory Expense	98,307	-	-	-	-	-	-	-	-	-
15	Insurance Other Than Group	87,177	-	-	-	-	-	-	-	-	-
16	Customer Accounting	736,343	-	-	-	-	-	-	(16,483)	-	-
17	Rents	25,608	-	-	-	-	-	-	-	-	-
18	General Office Expense	89,762	-	-	-	-	-	-	-	-	-
19	Miscellaneous	86,860	-	-	-	-	-	(735)	-	-	-
20	Maintenance Expense	138,357	-	-	-	-	-	(404)	-	-	-
21	Depreciation & Amortization	2,164,692	(214,705)	-	-	-	-	(1,317)	-	-	-
22	General Taxes - Property	384,306	-	(7,351)	-	-	-	-	-	\$ (60,000)	-
23	General Taxes - Other	51,905	-	-	-	-	-	-	-	-	-
24	Income Taxes	410,508	-	-	-	-	-	-	-	-	(597)
25	Total Operating Expenses	\$ 7,526,539	\$ (214,705)	\$ (7,351)	\$ (35,878)	\$ (36,177)	\$ (841)	\$ (3,924)	\$ (16,483)	\$ (60,000)	\$ (15,492)
26	Operating Income	\$ 1,429,896	\$ 214,705	\$ 7,351	\$ 35,878	\$ 36,177	\$ 841	\$ 3,924	\$ 16,483	\$ 60,000	\$ 15,492

Adjustments:

- Adjustment No. 1: Depreciation Expense - See RUCO Schedule TJC-13 in Column [G] at line 45;
- Adjustment No. 2: Property Taxes - See RUCO Schedule TJC-14 in Column [A] at line 18;
- Adjustment No. 3: Incentive Pay - See RUCO Schedule TJC-15 on line 5;
- Adjustment No. 4: Remove 2nd Pay Raise - See RUCO Schedule TJC-16 on page 1 of 1 at line 11;
- Adjustment No. 5: Declining Usage - Not Used for Sewer System;
- Adjustment No. 6: Intentionally Left Blank;
- Adjustment No. 7: Postage Decrease - See RUCO Schedule TJC-19 at line 5;
- Adjustment No. 8: Intentionally Left Blank;
- Adjustment No. 9: APUC Non-Labor Adjustment - See RUCO Schedule TJC-21 at line 14;

References:

- Column [A]: Company Schedule C-1 Adjusted Test Year as Filed;
- Column [B] through [J]: RUCO Recommended Adjusted Test Year Adjustments;

RUCO OPERATING INCOME ADJUSTMENTS

Line No.	Description	[K] Adj. No. 10 Corporate Allocations Adjustment	[L] Adj. No. 11 Asset Usage Fee Adjustment	[M] Adj. No. 12 Intentionally Left Blank	[N] Adj. No. 13 Intentionally Left Blank	[O] Adj. No. 14 Intentionally Left Blank	[P] Adj. No. 15 Bad Debt Expense	[Q] Adj. No. 16 Property Taxes	[R] Adj. No. 17 Income Taxes	[S] Total RUCO Recommended Adjustments	[T] RUCO Adjusted Test Year Recommended
Revenues:											
1	Water/Wastewater Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,936,765
2	Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	19,670
3	Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,956,435
Operating Expenses:											
4	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (48,431)	\$ 570,723
5	Purchased Water	-	-	-	-	-	-	-	-	-	94
6	Fuel & Power	-	-	-	-	-	-	-	-	-	18,187
7	Chemicals	-	-	-	-	-	-	-	-	(841)	-
8	Waste Disposal	-	-	-	-	-	-	-	-	-	26
9	Intercompany Support Services	-	-	-	-	-	-	-	-	-	1,969,411
10	Corporate Allocation	(5,158)	-	-	-	-	-	-	-	(5,556)	246,422
11	Outside Services	-	-	-	-	-	-	-	-	(582)	165,451
12	Group Insurance	-	-	-	-	-	-	-	-	(38,519)	188,470
13	Pensions	-	-	-	-	-	-	-	-	-	-
14	Regulatory Expense	-	-	-	-	-	-	-	-	-	-
15	Insurance Other Than Group	-	-	-	-	-	-	-	-	-	98,307
16	Customer Accounting	-	-	-	-	-	-	-	-	-	87,177
17	Rents	-	-	-	-	-	-	-	-	(16,971)	719,372
18	General Office Expense	-	-	-	-	-	-	-	-	-	25,608
19	Miscellaneous	-	-	-	-	-	-	-	-	(735)	89,027
20	Maintenance Expense	-	-	-	-	-	-	-	-	(60,404)	26,456
21	Depreciation & Amortization	-	(54,436)	-	-	-	-	-	-	(1,317)	137,040
22	General Taxes - Property	-	-	-	-	-	-	-	-	(269,141)	1,895,552
23	General Taxes - Other	-	-	-	-	-	-	-	-	(7,351)	376,955
24	Income Taxes	-	-	-	-	-	-	277,096	277,096	(597)	51,308
25	Total Operating Expenses	\$ (5,158)	\$ (54,436)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 277,096	\$ (173,348)	\$ 7,353,191
26	Operating Income	\$ 5,158	\$ 54,436	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (277,096)	\$ 173,348	\$ 1,603,244

Adjustments:

- Adjustment No. 10: APUC, LUC, and LABS 45% Labor Adjustment - See RUCO Schedule TJC-22;
- Adjustment No. 11: Intentionally Left Blank;
- Adjustment No. 12: Intentionally Left Blank;
- Adjustment No. 13: APUC Corporate LU 8020 Allocations - See RUCO Schedule TJC-25;
- Adjustment No. 14: Intentionally Left Blank;
- Adjustment No. 15: Intentionally Left Blank;
- Adjustment No. 16: Rate Case Expense - Not Used;
- Adjustment No. 17: Income Taxes - See RUCO Schedule TJC-29.

References:

- Column [K] thru [R]: RUCO Recommended Adjusted Test Year Adjustments;
- Column [S]: RUCO Total Adjusted Test Year Adjustments on Schedule TJC-12 page 1 of 2 in Columns [B] thru Schedule TJC-12 page 2 of 2 in Columns [K] thru [R];
- Column [T]: Column [A] on Schedule TJC-12 at page 1 of 2 + Column [S] on Schedule TJC-12 page 2 of 2 - RUCO Recommended Adjusted Test Year Balances.

OPERATING INCOME ADJUSTMENT NO. 1
 TEST YEAR (TY) END UPIS DEPRECIATION EXPENSE

Line No	NARUC Account	Description	(A) Company Total Unallocated UPIS As Filed	(B) Allocation Factor	(C) Company TY End Allocated UPIS As Filed	(D) RUCO Unallocated UPIS Adjustments Recommended	(E) RUCO Allocated UPIS Adjustments Recommended	(F) RUCO Depreciable UPIS Recommended	(G) Authorized Depreciation Rate	(H) RUCO Depreciation Expense Recommended
North West Valley Wastewater 7H Plant (continuation)										
1	354400	WW Struct & Imp TDP	\$ -	0.00%	\$ -	\$ -	\$ -	-	-	\$ -
2	354500	WW Struct & Imp Gen	7,712,865	0.00%	-	-	-	-	-	-
3	355200	WW Pwr Gen Equip Coll	63,430	0.00%	-	(749,833)	-	-	3.33%	-
4	355300	WW Pwr Gen Equip SPP	7,952	0.00%	-	-	-	-	3.33%	-
5	355300	WW Pwr Gen Equip TDP	63,430	0.00%	-	-	-	-	3.33%	-
6	355500	WW Pwr Gen Equip RWTP	-	0.00%	-	-	-	-	5.00%	-
7	360000	WW Collection Sewers Forced	-	0.00%	-	-	-	-	5.00%	-
8	361100	WW Collecting Mains	-	0.00%	-	-	-	-	5.00%	-
9	362000	WW Special Coll Struct	109,750	0.00%	-	-	-	-	2.00%	-
10	363000	WW Services Sewer	485,303	0.00%	-	-	-	-	2.50%	-
11	364000	WW Flow Measuring Devices	8,725	0.00%	-	-	-	-	2.00%	-
12	370000	WW Pump Equip Elect	55,923	0.00%	-	-	-	-	2.00%	-
13	371100	WW Raising Wells	-	0.00%	-	-	-	-	10.00%	-
14	371200	WW Pump Equip Oth Pwr	1,026,512	0.00%	-	-	-	-	3.33%	-
15	380000	WW TD Equipment	26,257	0.00%	-	-	-	-	12.50%	-
16	380500	WW TD Equip Oth Removal	3,579,547	0.00%	-	-	-	-	12.50%	-
17	380100	WW TD Equip Sed Tanks/Acc	1,041,234	0.00%	-	(1,901,833)	-	-	6.67%	-
18	380200	WW TD Equip Sdge Effl Rmv	5,327,840	0.00%	-	-	-	-	6.67%	-
19	380250	WW TD Equip Sdge Dig Trk	28,253	0.00%	-	-	-	-	6.67%	-
20	380300	WW TD Equip Sdge Drift/Filt	1,344,033	0.00%	-	-	-	-	6.67%	-
21	380350	WW TD Equip Sec Trmt Fil	8,662,156	0.00%	-	(107,543)	-	-	6.67%	-
22	380400	WW TD Equip Aux Effl Trmt	-	0.00%	-	-	-	-	6.67%	-
23	380500	WW TD Equip Chem Trmt Pt	2,610,634	0.00%	-	-	-	-	6.67%	-
24	380600	WW TD Equip Oth Disp	258,781	0.00%	-	(148,872)	-	-	6.67%	-
25	380625	WW TD Equip Gen Trmt	1,033,384	0.00%	-	-	-	-	6.67%	-
26	380650	WW TD Equip Influent Lift S	780,426	0.00%	-	-	-	-	6.67%	-
27	381000	WW Plant Sewers	64,980	0.00%	-	-	-	-	6.67%	-
28	382000	WW Outfall Sewer Lines	111,410	0.00%	-	-	-	-	6.67%	-
29	389100	WW Oth Pnt & Misc Equip Int	4,259	0.00%	-	(0)	-	-	5.00%	-
30	389600	WW Other P/E - CPS - 7E	69,296	0.00%	-	-	-	-	3.33%	-
31	390000	WW Office Furniture & Equip	-	0.00%	-	-	-	-	6.67%	-
32	390200	WW Computers & Peripheral	168,065	0.00%	-	-	-	-	6.67%	-
33	390300	WW Computer Software	23,044	0.00%	-	-	-	-	6.67%	-
34	391000	WW Trans Equipment	69,027	0.00%	-	-	-	-	20.00%	-
35	392000	WW Stores Equipment	247,842	0.00%	-	-	-	-	20.00%	-
36	393000	WW Tool Shop & Garage Equip	11,072	0.00%	-	-	-	-	20.00%	-
37	394000	WW Laboratory Equipment	163,232	0.00%	-	(23,475)	-	-	4.00%	-
38	395000	WW Power Operated Equip	156,656	0.00%	-	-	-	-	5.00%	-
39	396000	WW Misc Equipment	136,487	0.00%	-	-	-	-	10.00%	-
40	397000	WW Communication Equip	435,125	0.00%	-	-	-	-	5.00%	-
41	398000	WW Other Tangible Plant	74,088	0.00%	-	(76,293)	-	-	10.00%	-
42		Rounding	-	0.00%	-	-	-	-	10.00%	-
43		Total North West Valley Treatment Facility 7H Plant	\$ 41,077,916							
44		Sun City Wastewater 7H % Allocation		100.00%						
45		Sun City Wastewater NWWTF 7H Plant Allocation			\$ -	\$ (3,097,954)	\$ -	\$ -		\$ -
6U Plant:										
46	340200	Computer & Peripheral Equipment	\$ -	0.00%	\$ -	\$ -	\$ -	-	-	\$ -
47	340300	Computer Software	1,839,029	10.95%	179,520	(592,463)	(64,868)	114,652	10.00%	11,465
48		Rounding	1,846,105	10.95%	202,126	(96,750)	(10,812)	191,315	20.00%	38,253
49		Total 6U Allocated Corporate Plant	\$ 3,485,734							
50		Sun City Wastewater 6U % Allocation		100.00%						
51		Sun City Wastewater 6U Plant Allocation			\$ 381,646	\$ (691,213)	\$ (75,880)	\$ 305,967		\$ 49,728
52		Totals	\$ 86,578,417		\$ 36,748,027	\$ (11,443,897)	\$ (7,068,566)	\$ 29,679,461		\$ 968,429
Total Depreciation by Plant Classification:										
53	7N	Direct Plant As Filed			Per Company		RUCO Adjustments			
54	7A	Arizona Corporate Plant Allocated As Filed			\$ 1,010,647.49		\$ (145,879.42)			\$ 864,768
55	7H	NWWTF Plant Allocated As Filed			57,822		(3,856)			53,933
56	6U	6U Plant Allocated As Filed			-		-			49,728
57		Company Adjustment SMM-1534 for Vector Trucks in 7A			58,377		(8,849)			(3,371)
58		Total Depreciation Expense on UPIS As Filed			\$ 1,123,478.13		\$ (158,418)			\$ 965,058
Tollson Facility Improvements:										
59		*2009 Tollson Rate Component 3 Reserve & Contingencies	Gross Plant	Useful Life Years	Per Company Annual Amortization Exp.		RUCO Adjustments		Per RUCO Annual Amortization Exp.	
60		Tollson Rate Component 3 Reserve & Contingencies	\$ 510,650	10.33	\$ 49,418				\$ 49,418	
61		Tollson Rate Component 4 Trickling Filter	575,219	10.33	55,666				55,666.34	
62		Tollson Rate Component 4 Effluent Quality Upgrade	416,000	29.75	13,983				13,983.19	
63		*Tollson rate Component 4 - Dechlorination	437,896	22.50	19,482				19,482.06	
64		*Tollson Rate Component 4 project - Solids Handling	564,628	15.00	37,642				37,641.88	
65		*Tollson Treatment Facility Cost - Ammonia Project	7,805,705	15.00	524,300				524,300.32	
66		Total Gross Tollson Facility Improvements	\$ 15,402,114		\$ 1,042,019				\$ 1,042,019	

Continued on Next Page

OPERATING INCOME ADJUSTMENT NO. 1
 TEST YEAR (TY) END UPIS DEPRECIATION EXPENSE

Line No.	NARUC Account	Description	(A) Company Total Unallocated UPIS As Filed	(B) Allocation Factor	(C) Company TY End Allocated UPIS As Filed	(D) RUCO Unallocated UPIS Adjustments Recommended	(E) RUCO Allocated UPIS Adjustments Recommended	(F) RUCO Depreciable UPIS Recommended	(G) Authorized Depreciation Rate	(H) RUCO Depreciation Expense Recommended
Glendale Assessment Replacement Costs:			Per Company		Useful		RUCO		Per RUCO	
			Gross Plant		Life Years		Adjustments		Annual	
1		Original Cost of WW Collecting Mains	\$ 917,906	49.26	\$ 18,633				\$ 18,633	
2		Accum Depr Bal 12/31/08	4,839							
3		Depreciation per Month	1,503							
4		Number of Months	85							
5		Accumulated Depreciation	\$ 136,826							\$ 18,633
Current Docket Regulatory Assets & Liabilities:			Gross Plant		Monthly		RUCO		RUCO	
			Depre. Rate		Per Company		Asset Adjustments		Liability Adjustments	
6	TJC-5	Direct Plant			\$ -	\$ 12,759	\$ (533,885)	\$ 12,759	\$ (533,885)	
7	TJC-5	Allocable AZ Corporate 7A Plant			-	-	(3,912)	-	(3,912)	
8	TJC-5	Allocable NWWTF Plant			-	-	-	-	-	
9	TJC-5	Allocable USA Corporate 8U Plant			-	-	-	-	-	
10										
11								\$ 12,759	\$ (637,597)	
12		RUCO Amortization September thru December 2015 @ 8%						\$ 1,021	\$ (51,008)	(49,987)
13		Total Reg. Amortization Per Company			\$ -		\$ (49,987)			
14		Less: Deduction for Amortization of CIAC Per RUCO								
15		Less: Deduction for Amortization of CIAC Per Company			(19,437)		\$ (6,299)	\$ (787,885)	3.2965%	(25,736)
16		Company Total TY End Depreciation Expense Requested	Sum of Col. (C) Pg 2 at Lines 58 & 66, and Col. (C) Pg 3 at Lines 1 & 15:		\$ 2,164,692					
17		RUCO Total Recommended Depreciation Expense								
18		Company Adjusted TY End Depreciation Expense								\$ 1,949,988
19		RUCO Depreciation Expense Adjustment								\$ (214,705)

References:
 Company B-2 and C-1 Schedules, and RUCO Schedule TJC-4(a), pages 1 & 2
 Account 361100 has a 40-Year Expected Life or 2.50% Depreciation Rate
 Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

OPERATING INCOME ADJUSTMENT NO. 2
 PROPERTY TAXES

Line No.	Property Tax Calculation	[A]	[B]
		RUCO AS ADJUSTED	RUCO RECOMMENDED
1	RUCO Adjusted Test Year Gross Revenues		
2	Multiplied by 2	\$ 8,956,435	\$ 8,956,435
3	Subtotal (Line 1 * Line 2)	2	2
4a	RUCO Adjusted Test Year Gross Revenues	\$ 17,912,870	\$ 17,912,870
4b	RUCO Recommended Revenue	8,956,435	
5	Subtotal (Line 3 + Line 4a)		8,825,178
6	Number of Years	\$ 26,869,304	\$ 26,738,048
7	Three Year Average (Line 5 / Line 6)	3	3
8	Department of Revenue Multiplier	\$ 8,956,435	\$ 8,912,683
9	Revenue Base Value (Line 7 * Line 8)	2	2
10	Plus: 10% of CWIP Per Company Schedule E-1 As Filed	\$ 17,912,870	\$ 17,825,365
11	Less: Net Book Value of Licensed Vehicles	5,071	5,071
12	Full Cash Value (Line 9 + Line 10 - Line 11)	315,616	315,616
13	Assessment Ratio	\$ 17,602,325	\$ 17,514,821
14	Assessed Value (Line 12 * Line 13)	18.0%	18.0%
15	Composite Property Tax Rate (Per RUCO Effective Property Tax Calculation)	\$ 3,168,418	\$ 3,152,668
		11.8973%	11.8973%
16	RUCO Adjusted Test Year Property Tax Expense (Line 14 * Line 15)	\$ 376,955	
17	Company Adjusted Test Year Property Tax Expense (Per Company Schedule C-1)	384,306	
18	RUCO Test Year Adjustment (Line 16-Line 17)		
19	Property Tax - RUCO Recommended Revenue (Line 14 * Line 15)	\$ (7,351)	
20	RUCO Test Year Adjusted Property Tax Expense (Line 16)		\$ 376,955
21	Increase/(Decrease) to Property Tax Expense		\$ (1,874)
22	Increase/(Decrease) to Property Tax Expense		
23	Increase in Revenue Requirement		\$ (1,874)
24	Increase /(Decrease) to Property Tax per Dollar Increase in Revenue (Line 22 / Line 23)		(131,257) 1.4277%

References:

- RUCO Schedule TJC-11
- RUCO Schedule TJC-4(a) page 1 of 2

Operating Income Adjustment No. 3
Removal of Performance Based Compensation

	(A)	(B)	(C)	(D)	(E)	(F)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

	(A)	(B)	(C)	(D)	(E)	(F)
Company Requested Increase by System						
Direct Performance Based Expense						
Arizona Performance Based Comp Expense						
EPCOR Water USA Performance Incentive						
NWWRTF						
	Agua	Anthem	Mohave	Sun City	Sun City	TOTAL
	Fria			West		
	\$ 14,047	\$ 25,078	\$ 6,738	\$ 5,894	\$ 2,213	\$ 53,970
	58,430	56,799	12,873	71,517	59,117	258,736
	10,036	9,756	2,211	12,284	10,154	44,441
	3,900	-	-	-	16,403	20,303
	\$ 86,413	\$ 91,633	\$ 21,822	\$ 89,695	\$ 87,887	\$ 377,450
	(43,207)	(45,817)	(10,911)	(44,848)	(43,944)	(188,725)
	(8,641)	(9,163)	(2,182)	(8,970)	(8,789)	(37,745)
	\$ (34,565)	\$ (36,653)	\$ (8,729)	\$ (35,878)	\$ (35,155)	\$ (150,980)

Reference(s):

- Columns (A) through (E) Lines 4 through 7 - See Company Schedule C-2 Page 13 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 9 - Sum of Lines 4 through 7
- Columns (A) through (E) Line 10 - 50 percent of Line 9
- Columns (A) through (E) Line 11 - See Company Schedule C-2 Page 13 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 13 - Sum of Lines 9, 10, 11

Operating Income Adjustment No. 4
Annualize Labor and Labor Related Expenses / Group Insurance

	(A)	(B)	(C)	(D)	(E)	(F)
Group Insurance and Other Benefits - As Filed					Sun City	TOTAL
401k	Fria	Anthem	Mohave	Sun City	West	
	\$ 78,030	\$ 85,255	\$ 15,773	\$ 66,905	\$ 76,785	\$ 322,748
Pension	\$ 80,281	\$ 75,347	\$ 16,654	\$ 58,153	\$ 79,626	\$ 310,061
Insurance	\$ 132,803	\$ 193,434	\$ 39,580	\$ 101,931	\$ 154,566	\$ 622,314
Total Group Ins. / Other Benefits	\$ 291,114	\$ 354,036	\$ 72,007	\$ 226,989	\$ 310,977	\$ 1,255,123
Fully Allocated Expense	\$ 221,958	\$ 233,097	\$ 68,063	\$ 108,874	\$ 148,803	\$ 780,795
Company Increase Requested in Filing	\$ 69,156	\$ 120,939	\$ 3,944	\$ 118,115	\$ 162,174	\$ 474,328

Reference(s):

12 Columns (A) through (E) Lines 4 through 6 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
 13 Columns (A) through (E) Line 7 - Sum of Lines 4 through 6
 14 Columns (A) through (E) Line 8 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
 15 Columns (A) through (E) Line 9 - Line 7 - Line 8

Group Insurance and Other Benefits - Adjustments

401k	\$ (6,850)	\$ (7,465)	\$ (4,798)	\$ (7,935)	\$ (15,867)	\$ (42,915)
Pension	\$ (21,161)	\$ (20,570)	\$ (4,662)	\$ (25,900)	\$ (21,409)	\$ (93,702)
Insurance	\$ (1,913)	\$ (1,859)	\$ (421)	\$ (2,342)	\$ (1,936)	\$ (8,471)
Total Group Ins. / Other Benefits - Corrections	\$ (29,924)	\$ (29,894)	\$ (9,881)	\$ (36,177)	\$ (39,212)	\$ (145,088)
Company Increase Actual	\$ 39,232	\$ 91,045	\$ (5,937)	\$ 81,938	\$ 122,962	\$ 329,240
Reduction in Company's Original Filing	\$ (29,924)	\$ (29,894)	\$ (9,881)	\$ (36,177)	\$ (39,212)	\$ (145,088)

The Company, in RUCO DR#8.04 indicated that they were making several rebuttal adjustments to Group Insurance and Other Benefits expense. The Adjustments are shown on Line 26 for each wastewater system.

Operating Income Adjustment No. 5
Purchased Power

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua		Mohave	Sun City	Sun City	
	Fria	Anthem		West	TOTAL	
Purchase Power - Company Requested	\$ 277,365	\$ 562,930	\$ 40,641	\$ 19,029	\$ 421,546	\$ 1,321,511
Company Increase Requested - Year 2016	\$ (5,813)	\$ (10,868)	-	\$ (416)	\$ (9,224)	\$ (26,321)
Company Increase Requested - Year 2017	\$ (5,946)	\$ (11,117)	-	\$ (425)	\$ (9,435)	\$ (26,924)
RUCO's Adjustments	\$ (11,759)	\$ (21,984)	-	\$ (841)	\$ (18,660)	\$ (53,244)
Purchase Power - Per RUCO	\$ 265,606	\$ 540,946	\$ 40,641	\$ 18,188	\$ 402,886	\$ 1,268,267

Company's Calculations as Follows:

System	Expense		Percent Increase		Company Requested Revenue Increase		Per the Company, APS provides guidance annually regarding proposed changes to electrical rates for commercial customers. Because APS has entered into a rate case in 2016 and the requested increase has not been disclosed by APS the Company has made its own determination and has increased purchased power by 2.29% for both years 2016 and 2017. This adjustment is inappropriate as it is not know and measurable.
	2015	2016	2016	2017	2016	2017	
Agua Fria	\$ 253,838	\$ 253,838	2.29%	2.29%	\$ 5,813	\$ 5,946	
Anthem	\$ 474,574	\$ 474,574			\$ 10,868	\$ 11,117	
Mohave	\$ 39,936	\$ 39,936			\$ -	\$ -	
Sun City	\$ 18,163	\$ 18,163			\$ 416	\$ 425	
Sun City West	\$ 402,806	\$ 402,806			\$ 9,224	\$ 9,435	
TOTALS	\$ 1,189,317	\$ 1,189,317			\$ 26,321	\$ 26,924	

Reference(s):

- Columns (A) through (E) Lines 4 through 6 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 7 - Sum of Lines 4 through 6
- Columns (A) through (E) Line 8 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 9 - Line 7 - Line 8

Operating Income Adjustment No. 6
CPI Adjustment

	(A)		(B)		(C)		(D)		(E)		(F)
	Agua	Fria	Anthem	Mohave	Sun City	West	Sun City	West	Sun City	West	TOTAL
1 Company Requested CPI Adjustment by Account											
2 Fuel and Power	\$ -	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15
3 Chemicals	2,010	2,126	2,126	144	-	-	4,913	9,193			
4 Corporate Allocation	325	316	316	72	398	329	329	1,440			
5 Outside Services	669	632	632	126	582	635	635	2,644			
6 Customer Accounting	296	309	309	66	488	374	374	1,533			
7 General Office Expense	591	558	558	127	735	719	719	2,730			
8 Miscellaneous	661	736	736	191	404	695	695	2,687			
9 Maintenance	3,781	3,423	3,423	522	1,317	5,057	5,057	14,100			
10 Adjustments by System											
11	\$ 8,333	\$ 8,115	\$ 8,115	\$ 1,248	\$ 3,924	\$ 12,722	\$ 12,722	\$ 34,342			
12											
13											

NOTE: Reductions in CPI Expense calculations will be made to each of the individual accounts as identified above.

Per EPCOR, "Each year, inflation causes prices of goods and services to increase. The pricing of the goods and services that created the 2015 test year expenses will be higher in 2016 and again in 2017. Failure to account for inflation causes unnecessary regulatory lag." This is not an appropriate adjustment as it is not a known and measurable change.

Reference(s):
Columns (A) through (E) Lines 4 through 11 - See Company Schedule C-2 Page 32 - AZ Wastewater Consolidated Filing

Operating Income Adjustment No. 7
Customer Accounting - Postage - Customer Care

	(A) Agua Fria	(B) Anthem	(C) Mohave	(D) Sun City	(E) Sun City West	(F) Consol Adjustment	(G) TOTAL
Customer Accounting Expense - Requested	\$ 247,076	\$ 313,552	\$ 60,088	\$ 738,733	\$ 496,931	\$ 1,624	\$ 1,858,004
RUCO Adjustments - Customer Accounting							
Postage	(1,047)	(1,398)	(246)	(3,476)	(2,359)		(8,526)
Customer Care - CPI Adj	(3,071)	(4,190)	(727)	(10,617)	(7,175)		(25,780)
Unexplained Adjustment	(1,181)	(2,570)	(786)	(2,390)	(1,098)	(1,624)	(9,649)
RUCO Adjustments to Customer Accounting	\$ (5,299)	\$ (8,158)	\$ (1,759)	\$ (16,483)	\$ (10,632)	\$ (1,624)	\$ (43,955)

Company's Calculations for Postage Increase as Follows:

System	Expense 2015	Percent Increase	Increase BY SYS
Agua Fria	\$ 26,574	3.94%	\$ 1,047
Anthem	\$ 35,502		\$ 1,398
Mohave	\$ 6,240		\$ 246
Sun City	\$ 88,252		\$ 3,476
Sun City West	\$ 59,897		\$ 2,359
	\$ 216,465		\$ 8,526

RUCO's adjustment to postage
 (\$8,526)

The Company took the actual postage costs for years 2013, 2014 and 2015 and took the average increase for the three year period that was then applied to the 2015 test year postage expense for each system. While postage expenses did increase for the years 2013, 2014 and 2015, postage expense decreased effective April 10, 2016. Consequently, an upward adjustment is not necessary.

Company's Increase Requested for Customer Care - CPI Adjustment

	Agua Fria	Anthem	Mohave	Sun City	Sun City West	TOTAL
Company Requested Increase by System	\$ 3,071	\$ 4,190	\$ 727	\$ 10,617	\$ 7,175	\$ 25,780
Company Increase Requested	\$ 3,071	\$ 4,190	\$ 727	\$ 10,617	\$ 7,175	\$ 25,780
Total						
RUCO Adjustments	\$ (3,071)	\$ (4,190)	\$ (727)	\$ (10,617)	\$ (7,175)	\$ (25,780)

Customer Care and Billing charges, as defined by Company, include costs associated with Third Party Billing, Call Centers, and Work Order Management. Costs billed to the Company are on a per bill per month basis. This adjustment includes adjustments for inflation based on the CPI through 2017. Increasing based on CPI Index is not appropriate as this is not a known and measurable change.

Operating Income Adjustment No. 8
Low Income Program

	(A)	(B)	(C)	(D)	(E)	(F)
Company Requested Low Income by System					Sun City	TOTAL
Company Req. Low Income Program	Agua	Anthem	Mohave	Sun City	West	
RUCO's Adjustments	Fria					
RUCO's Recommendation						
	\$ 12,000	\$ 9,000	\$ 9,000	\$ 60,000	\$ 30,000	\$ 120,000
	\$ (12,000)	\$ (9,000)	\$ (9,000)	\$ (60,000)	\$ (30,000)	\$ (120,000)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	5	5	5	5	5	5
	200	150	150	1,000	500	
	1,000	750	750	5,000	2,500	10,000
	12	12	12	12	12	12
Company Requested Low Income Program	\$ 12,000	\$ 9,000	\$ 9,000	\$ 60,000	\$ 30,000	\$ 120,000

Calculated as Follows:

Proposed Monthly Discount	
Number of Expected Participants	
Per Month Revenues	
Number of Months	
Company Requested Low Income Program	

The Company is proposing a Low Income Program for Agua Fria, Anthem, Sun City and Sun City West Wastewater Districts. A Low Income Program was authorized by the Commission in Decision No. 75268 for the Mohave Wastewater District.

RUCO is recommending that the Commission adopt the same Low Income Program that was approved in Decision No. 75268. The program costs will be deferred until a future rate case and request recovery at that time.

Reference(s):

Columns (A) through (E) Lines 4, 10 and 11 - See Company Schedule C-2 Page 34 - AZ Wastewater Consolidated Filing

Operating Income Adjustment No. 9
Adjustment for EPCOR Services Inc.

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua	Anthem	Mohave	Sun City	Sun City	TOTAL
<u>Adjustments to Company Line Items</u>						
Salaries and Labor Ln 7	\$ (8,274)	\$ (8,043)	\$ (1,823)	\$ (10,128)	\$ (8,372)	\$ (36,640)
Salaries and Labor Ln 7	\$ (1,981)	\$ (1,926)	\$ (436)	\$ (2,425)	\$ (2,004)	\$ (8,772)
401(K) Ln 15	\$ (914)	\$ (888)	\$ (201)	\$ (1,119)	\$ (925)	\$ (4,047)
Insurance Ln 15	\$ (999)	\$ (971)	\$ (220)	\$ (1,223)	\$ (1,011)	\$ (4,424)
Taxes Ln 26	\$ (488)	\$ (474)	\$ (107)	\$ (597)	\$ (493)	\$ (2,159)
Adjustments for EPCOR Services Inc.	\$ (12,656)	\$ (12,302)	\$ (2,787)	\$ (15,492)	\$ (12,805)	\$ (56,042)
<u>SUMMARY</u>						
Salaries and Labor Ln 7	\$ (10,255)	\$ (9,969)	\$ (2,259)	\$ (12,553)	\$ (10,376)	\$ (45,412)
401 (K), Insurance Ln 15	\$ (1,913)	\$ (1,859)	\$ (421)	\$ (2,342)	\$ (1,936)	\$ (8,471)
Taxes Ln 26	\$ (488)	\$ (474)	\$ (107)	\$ (597)	\$ (493)	\$ (2,159)
TOTAL	\$ (12,656)	\$ (12,302)	\$ (2,787)	\$ (15,492)	\$ (12,805)	\$ (56,042)

Business Unit	Direct Pay	Performance Based		401 (k)	Insurance	Pension	Taxes	Total
		Comp.	10%					
Sun City	\$ 10,128	\$ 2,425	\$ (242)	\$ 1,119	\$ 1,223	\$ -	\$ 597	\$ 15,250
Sun City West	\$ 8,372	\$ 2,004	\$ (200)	\$ 925	\$ 1,011	\$ -	\$ 493	\$ 12,605
Agua Fria	\$ 8,274	\$ 1,981	\$ (198)	\$ 914	\$ 999	\$ -	\$ 488	\$ 12,458
Anthem	\$ 8,043	\$ 1,926	\$ (193)	\$ 888	\$ 971	\$ -	\$ 474	\$ 12,109
Mohave	\$ 1,823	\$ 436	\$ (44)	\$ 201	\$ 220	\$ -	\$ 107	\$ 2,743
TOTAL	\$ 36,640	\$ 8,772	\$ (877)	\$ 4,047	\$ 4,424	\$ -	\$ 2,159	\$ 55,165

Per Company Notes on Staff DR PT5.1 -- This filing, incorrectly included employee number 109679 in its allocation of 6U Labor and Benefits. Those costs should be removed from the Company's request. Please note that 10% of performance based compensation has already been removed through Income Statement Adjustment SLM-IS10, therefore, this adjustment must account for that.

Operating Income Adjustment No. 10
Corporate Allocations

	(A)	(B)	(C)	(D)	(E)	(G)
1	Agua				Sun City	
2	Fria	Anthem	Mohave	Sun City	West	TOTAL
3	\$ 205,544	\$ 199,805	\$ 45,285	\$ 251,580	\$ 207,960	\$ 910,174
4	\$ 201,356	\$ 195,701	\$ 44,355	\$ 246,422	\$ 203,704	\$ 891,537
5	\$ (4,188)	\$ (4,104)	\$ (930)	\$ (5,158)	\$ (4,256)	\$ (18,637)
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						

Test Year Corporate Allocations - Labor
 RUCO Calculations for Labor Increase for One Year
 RUCO's Additional Reduction

Total Arizona Corporate Allocation	\$ 3,792,265
Less: Public Affairs	(307,499)
Sub Total	\$ 3,484,766
Percent Attributable to Labor	69%
AZ Corporate Allocation for Labor	\$ 2,404,489
2016 Labor Increase at 3%	\$ 72,135
2017 Labor increase at 3%	\$ -
	\$ 72,135
Total Arizona Corporate Allocation Adjusted for 2016 Labor Increase	\$ 3,556,901

Allocation Factor %/%

Agua Fria	5.661%	\$ 201,356
Anthem	5.502%	\$ 195,701
Mohave	1.247%	\$ 44,355
Sun City	6.928%	\$ 246,422
Sun City West	5.727%	\$ 203,704
		\$ 891,537

Reference(s):

See Company Schedule C-2 Page 28

Operating Income Adjustment No. 11
Asset Usage Fee / 6U

	(A)	(B)	(C)	(D)	(E)	(F)
1						
2						
3						
4						
5						
6						
7						
8						

	(A)	(B)	(C)	(D)	(E)	(F)
Company Requested Increase by System						
Agua						
Fria	\$ 11,295	\$ 13,794	\$ 2,441	\$ 34,784	\$ 23,493	\$ 85,807
Company Increase Requested - Year 2016	\$ (15,900)	\$ (21,511)	\$ (3,743)	\$ (54,436)	\$ (36,785)	\$ (132,375)
Company Correction - Should be removed	\$ (15,900)	\$ (21,511)	\$ (3,743)	\$ (54,436)	\$ (36,785)	\$ (132,375)
Sub-Total	\$ (4,605)	\$ (7,717)	\$ (1,302)	\$ (19,652)	\$ (13,292)	\$ (46,568)
Company Ending Balances						

Per the Company in response to DR#PTN 3.1; The amounts recorded to Asset Usage Fee, Line 5 Above, should be removed from the filing and the Company shall make such an adjustment in its rebuttal filing.

Reference(s):

Columns (A) through (E) Line 4 - See Company Schedule C-2 Page 28 - AZ Wastewater Consolidated Filing
 Columns (A) through (E) Line 5 - See Company Response to DR#PTN 3.1

OPERATING INCOME ADJUSTMENT NO. 12
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Line No.	Description	Amount
1		\$ -
2		-
3		\$ -

References:

OPERATING INCOME ADJUSTMENT NO. 13
 INTENTIONALLY LEFT BLANK

Line No.	Description	[A] Company Allocated Amount	[B] RUCO Allocated Amount	[C] RUCO As Adjusted
1		\$ -	\$ -	
2		2.79%	0.00%	
3		\$ -	\$ -	\$ -
4	RUCO Adjustment			\$ -

References:

OPERATING INCOME ADJUSTMENT NO. 14
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<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amount</u>
---------------------------	--------------------	---------------

References:

OPERATING INCOME ADJUSTMENT NO. 15
BAD DEBT EXPENSE CALCULATION FOR ADJUSTED TEST YEAR AND RECOMMENDED REVENUE INCREASE

Line No.	Description	[A] Adjusted Test Year Amount	[B] Recommended Increase Amount
1	RUCO Adjusted Test Year Revenue & Recommended Increase in Revenue (Schedule RBM-11)	\$ 8,956,435	\$ (131,257)
2	Company Adjusted Test Year Bad Debt Expense	15,696	18,086
3	RUCO Bad Debt Expense Factor (L2 / L1)	0.1752%	0.1752%
4	RUCO Bad Debt Expense Calculation (L1 x L3)	\$ 15,696	\$ (230)
5	Company Test Year Booked & Proposed Bad Debt Expense	35,688	2,390
6	Company Bad Debt Expense Adjustment (Col. [A]: L2 - L5)	(19,992)	(19,992)
7	RUCO Bad Debt Expense Calculation (L1 x L3)	\$ 15,696	\$ (230)
8	RUCO Bad Debt Expense Adjustment (L7 - L2)	\$ -	\$ (230)

References:

RUCO Schedule RBM-11
Company Schedule C-2 Adjustment Summary on Page 8

OPERATING INCOME ADJUSTMENT NO. 16
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Line No.	Description	Amount
1		\$ -
2		-
3		\$ -
4		\$ -

References:

**OPERATING INCOME ADJUSTMENT NO. 17
INCOME TAXES**

<u>Line No.</u>	<u>Description</u>	<u>[A] RUCO Adjusted Test Year Amount</u>	<u>[B] RUCO Recommended Amount</u>
1	RUCO Computed Adjusted Test Year Income Tax	\$ 687,605	\$ 639,516
2	Company Income Tax As Filed	410,508	913,040
3	RUCO Adjustment to Income Tax Expense	<u>\$ 277,096</u>	<u>\$ (273,524)</u>

References:

See RUCO Schedule TJC-1 at page 2 of 2;
Company Schedule C-1 Adjusted Test Year as Filed

GROSS REVENUE CONVERSION FACTOR (GRCF)

Line No.	Description	Amount
1	Combined Federal & State Effective Income Tax Rate	37.2340%
2	Property Tax Effective Rate	0.8961%
3	Uncollectible Revenue Effective Rate	0.1100%
4	Total Cobined Federal, State, Property, and Uncollectible Effective Rates (Sum of L1 + L2 + L3)	38.2401%
5	Operating Income % = 100% Minus Combined Federal, State, Property, Uncollectible Effective Rates (100% Minus Line 4)	61.7599%
6	$\frac{1}{\text{Operating Income \% on Line 5}}$	= 1.6192

References:
 RUCO Schedule TJC-1, Page 1 of 2 and Page 2 of 2
 RUCO Schedule TJC-11

COST OF CAPITAL

Line No.	Description	[A] DOLLAR AMOUNT	[B] CAPITAL RATIO	[C] COST RATE	[D] WEIGHTED COST RATE
1	Long-Term Debt	\$ 12,759,862	43.80%	4.29%	1.88%
2	Short-Term Debt	\$ 1,020,836	3.50%	0.20%	0.01%
3	Common Equity	9,827,310	33.73%	9.30%	3.14%
4	Fair Value Increment	5,524,592	18.96%	1.04%	0.20%
5	Total Capitalization	<u>\$ 29,132,599</u>	<u>100.00%</u>		<u>5.22%</u>
6	WEIGHTED AVERAGE COST OF CAPITAL ("WACC")				5.22%

RUCO Recommended Adjusted Fair Value Rate Base:

RUCO Recommended Original Cost Rate Base (OCRB)	\$ 23,631,286
RUCO Reconstructed Cost New Depreciation (RCND)	<u>34,680,470</u>
Fair Value Rate Base	<u>\$ 29,155,878</u>

References:

Columns [A] Thru [D]: JAC Schedules & Testimony

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SCH. NO.	PAGE NO.	TITLE
<u>RUCO ORIGINAL COST RATE BASE ("OCRB"), RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE, AND FAIR VALUE RATE BASE ("FVRB") SCHEDULES</u>		
SUMMARY OF ORIGINAL COST RATE BASE ("OCRB"), RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE, AND FAIR VALUE RATE BASE ("FVRB"):		
TJC-1	1 of 2	REVENUE REQUIREMENT - ORIGINAL COST RATE BASE ("OCRB"), RECONSTRUCTION COST NEW ("RCN"), AND FAIR VALUE RATE BASE ("FVRB")
TJC-1	2 of 2	GROSS REVENUE CONVERSION FACTOR ("GRCF")
TJC-2	1 of 2	RATE BASE SUMMARY - COMPANY & RUCO OCRB, RCN, AND FVRB
TJC-2	2 of 2	RATE BASE SUMMARY - RUCO OCRB, RCN, AND FVRB
SUMMARY OF ORIGINAL COST RATE BASE ("OCRB") AND OCRB ADJUSTMENTS:		
TJC-3	1 of 2	ORIGINAL COST RATE BASE ("OCRB") SUMMARY
TJC-3	2 of 2	ORIGINAL COST RATE BASE ("OCRB") ADJUSTMENTS
SUMMARY OF ORIGINAL COST OF UTILITY PLANT IN SERVICE ("UPIS") AND ACCUMULATED DEPRECIATION ("A/D") ADJUSTMENTS:		
TJC-4	1 - 2	SUMMARY OF ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENTS
TJC-4	3 - 4	SUMMARY OF ORIGINAL COST UPIS ACCUMULATED DEPRECIATION ("A/D") ADJUSTMENTS
<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 1:</u>		
TJC-4(a)	1 of 2	ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
TJC-4(a)	2 of 2	ORIGINAL COST UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
TJC-4(b)	1 of 8	ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - DIRECT PLANT ADJUSTMENT
TJC-4(b)	2 of 8	ORIGINAL COST UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - DIRECT PLANT ADJUSTMENT
TJC-4(b)	3 of 8	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - ALLOCABLE ARIZONA CORPORATE PLANT ADJUSTMENT
TJC-4(b)	4 of 8	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - ALLOCABLE ARIZONA CORPORATE PLANT ADJUSTMENT
TJC-4(b)	5 of 8	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - ALLOCABLE NORTHWEST VALLEY TREATMENT FACILITY ("NWVTF") PLANT ADJUSTMENT
TJC-4(b)	6 of 8	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - ALLOCABLE NWVTF PLANT ADJUSTMENT
TJC-4(b)	7 of 8	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) - ALLOCABLE USA CORPORATE PLANT ADJUSTMENT
TJC-4(b)	8 of 8	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (b) - ALLOCABLE USA CORPORATE PLANT ADJUSTMENT
TJC-4(c)	1 of 1	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (c) - INTENTIONALLY LEFT BLANK
TJC-4(d)	1 of 1	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (d) - INTENTIONALLY LEFT BLANK
TJC-4(e)	1 - 3	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e) - REMOVE DEBIT & EXCESS ACCUMULATED DEPRECIATION PLANT ACCOUNT BALANCES
TJC-4(f)	1 - 3	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f) - 2016 POST TEST YEAR ("PTY") UPIS DISALLOWANCE
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TJC-4(h)	1 - 3	UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h) - RECORD UN-RECORDED 2016 UPIS RETIREMENTS
TJC-4(h)	4 - 6	UPIS ACCUMULATED DEPRECIATION (A/D) ADJUSTMENT NO. (h) - RECORD UN-RECORDED 2016 ACCUMULATED DEPRECIATION ("A/D") RETIREMENTS
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TJC-5	1 of 1	ESTABLISH NET REGULATORY ASSETS AND LIABILITIES FOR UPIS & A/D ADJUSTMENT (e) ABOVE
<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 3 - 8:</u>		
TJC-5(a)	1 of 1	RATE BASE ADJUSTMENTS NO. 3 THRU 8 - NOT USED OR INTENTIONALLY LEFT BLANK
<u>ORIGINAL COST RATE BASE ADJUSTMENT NO. 9:</u>		
TJC-6	1 of 1	ADDITIONAL ACCUMULATED DEFERRED INCOME TAX ("ADIT") LIABILITY IDENTIFIED IN RUCO DR 6.04 AND 2016 PTY PLANT BONUS DEPRECIATION
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<u>SUMMARY OF RECONSTRUCTION COST NEW LESS DEPRECIATION ("RCND") RATE BASE AND RCND ADJUSTMENTS:</u>		
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TJC-9	1 - 2	SUMMARY OF RECONSTRUCTION COST NEW ("RCN") UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENTS

(continued on next page)

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TJC-9	3 - 4	SUMMARY OF RECONSTRUCTION COST NEW UPIS ACCUMULATED DEPRECIATION ("AD") ADJUSTMENTS
TJC-10	1 of 2	RECONSTRUCTION COST NEW ("RCN") UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
TJC-10	2 of 2	RECONSTRUCTION COST NEW ("RCN") UPIS ACCUMULATED DEPRECIATION (AD") ADJUSTMENT NO. (a) - VACTOR TRUCKS ALLOCATION ADJUSTMENT
<u>RUCO OPERATING INCOME SCHEDULES AND ADJUSTMENTS</u>		
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RBM-12	1 - 2	OPERATING INCOME ADJUSTMENTS
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RBM-16	1	OPERATING INCOME ADJUSTMENT NO. 4 - ANNUALIZE LABOR & LABOR RELATED EXPENSES
RBM-17	1	OPERATING INCOME ADJUSTMENT NO. 5 - PURCHASED POWER EXPENSE
RBM-18	1	OPERATING INCOME ADJUSTMENT NO. 6 - CONSUMER PRICE INDEX ("CPI") EXPENSE
RBM-19	1	OPERATING INCOME ADJUSTMENT NO. 7 - CUSTOMER ACCOUNTING / POSTAGE / CUSTOMER CARE EXPENSE
RBM-20	1	OPERATING INCOME ADJUSTMENT NO. 8 - LOW-INCOME PROGRAM EXPENSE
RBM-21	1	OPERATING INCOME ADJUSTMENT NO. 9 - EPCOR SERVICES EXPENSE
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RBM-23	1	OPERATING INCOME ADJUSTMENT NO. 11 - ASSET USAGE FEE EXPENSE
RBM-24	1	OPERATING INCOME ADJUSTMENT NO. 12 - INTENTIONALLY LEFT BLANK
RBM-25	1	OPERATING INCOME ADJUSTMENT NO. 13 - INTENTIONALLY LEFT BLANK
RBM-26	1	OPERATING INCOME ADJUSTMENT NO. 14 - INTENTIONALLY LEFT BLANK
RBM-27	1	OPERATING INCOME ADJUSTMENT NO. 15 - BAD DEBT EXPENSE
RBM-28	1	OPERATING INCOME ADJUSTMENT NO. 16 - INTENTIONALLY LEFT BLANK
RBM-29	1	OPERATING INCOME ADJUSTMENT NO. 17 - INCOME TAX EXPENSE
RBM-30	1	GROSS REVENUE CONVERSION FACTOR ("GRCF")
RBM-31	1	COST OF CAPITAL

RUCO RECOMMENDED REVENUE REQUIREMENT

Line No.	Description	[A] Company Original Cost Rate Base	[B] Company RCND Rate Base	[C] Company Fair Value Rate Base	[D] RUCO Original Cost Rate Base	[E] RUCO RCND Rate Base	[F] RUCO Fair Value Rate Base
1	Fair Value Rate Base	\$ 26,340,603	\$ 39,302,373	\$ 32,821,488	\$ 16,607,112	\$ 29,415,955	\$ 23,011,533
2	Adjusted Test Year Operating Income (Loss)	\$ 676,312	\$ 676,312	\$ 676,312	\$ 1,007,963	\$ 1,007,963	\$ 1,007,963
3	Current Rate Of Return (L2 / L1)	2.57%	1.72%	2.06%	6.07%	3.43%	4.38%
4	Required Operating Income (L5 X L1)	\$ 1,948,751	\$ 1,948,751	\$ 1,948,751	\$ 1,095,669	\$ 1,095,669	\$ 1,095,669
5	Required Rate Of Return On Fair Value Rate Base	7.40%	4.96%	5.94%	6.60%	3.72%	4.76%
6	Operating Income Deficiency (L4 - L2)	\$ 1,272,439	\$ 1,272,439	\$ 1,272,439	\$ 87,707	\$ 87,707	\$ 87,707
7	Gross Revenue Conversion Factor (TJC-1, Pg 2)	1.6300	1.6300	1.6300	1.6192	1.6192	1.6192
8	Increase In Gross Revenue Requirement (L7 X L6)	\$ 2,074,076	\$ 2,074,076	\$ 2,074,076	\$ 142,018	\$ 142,018	\$ 142,018
9	Adjusted Test Year Revenues	\$ 7,319,872	\$ 7,319,872	\$ 7,319,872	\$ 7,319,872	\$ 7,319,872	\$ 7,319,872
10	Proposed Annual Revenue (L8 + L9)	\$ 9,392,605	\$ 9,392,605	\$ 9,392,605	\$ 7,461,890	\$ 7,461,890	\$ 7,461,890
11	Required Percentage Increase In Revenue (L8 / L9)	28.32%	28.32%	28.32%	1.94%	1.94%	1.94%
12	Rate Of Return On Common Equity	10.65%	10.65%	10.65%	9.30%	9.30%	9.30%

References:
 Column [A]: Company Schedules A-1, B-1, C-1, and D-1
 Column [B]: RUCO Schedule TJC-2, RBM-11 and RBM-31

RUCO GROSS REVENUE CONVERSION FACTOR ("GRCF")

LINE NO.	DESCRIPTION	[A]	[B]	[C]
<u>Calculation of Gross Revenue Conversion Factor:</u>				
1	Revenue			
2	Uncollectible Factor	100.0000%		
3	Revenues (L1 - L2)	0.0332%		
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	99.9668%		
5	Subtotal (L3 - L4)	38.3160%		
6	Revenue Conversion Factor (L1 / L5)	61.6507%		
		1.622041		
<u>Calculation of Uncollectible Factor:</u>				
7	Unity			
8	Combined Federal and State Tax Rate (Line 17)	100.0000%		
9	One Minus Combined Income Tax Rate (L7 - L8)	37.2340%		
10	Uncollectible Rate	62.7660%		
11	Uncollectible Factor (L9 * L10)	0.0530%	0.0332%	
<u>Calculation of Effective Tax Rate:</u>				
12	Operating Income Before Taxes (Arizona Taxable Income)			
13	Arizona State Income Tax Rate	100.0000%		
14	Federal Taxable Income (L12 - L13)	4.9000%		
15	Applicable Federal Income Tax Rate (Col. [C], L53)	95.1000%		
16	Effective Federal Income Tax Rate (L14 x L15)	34.0000%		
17	Combined Federal and State Income Tax Rate (L13 + L16)	32.3340%	37.2340%	
<u>Calculation of Effective Property Tax Factor:</u>				
18	Unity			
19	Combined Federal and State Income Tax Rate (Col. [B], L17)	100.0000%		
20	One Minus Combined Income Tax Rate (L18-L19)	37.2340%		
21	Property Tax Factor (Sch. TJC-9, Col. [B], L24)	62.7660%		
22	Effective Property Tax Factor (L20 x L21)	1.7239%	1.0820%	
23	Combined Federal and State Income Tax and Property Tax Rate (Col. [B], L17 + L22)			38.3160%
24	Required Operating Income (Sch. TJC-1, Col. [B] Line 4)			
25	Adjusted Test Year Operating Income (Loss) (Sch. TJC-1, Col. [B], L2)	\$ 1,095,669		
26	Required Increase in Operating Income (L24 - L25)	1,007,963	\$ 87,707	
27	Income Taxes on Recommended Revenue (Col. [C], L52)			
28	Income Taxes on Test Year Revenue (Col. [A], L52)	\$ 411,472		
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)	359,533	51,939	
30	Recommended Revenue Requirement (Sch. TJC-1, Col. [B], Line 10)			
31	Uncollectible Rate (L10)	\$ 7,481,890		
32	Uncollectible Expense on Recommended Revenue (L30 x L31)	0.0530%		
33	Adjusted Test Year Uncollectible Expense (Sch. TJC-6, Col. [C], L32)	\$ 3,951		
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32 - L33)	\$ 3,876	75	
35	Property Tax with Recommended Revenue (Sch. TJC-9, Col. [B], L19)	\$ 375,633		
36	Property Tax on Adjusted Test Year Revenue (Sch. TJC-9, Col. [B], L20)	373,185	2,448	
37	Increase in Property Tax Due to Increase in Revenue (L35 - 36)			
38	Total Required Increase in Revenue (Col. [B], L26 + L29 + L34 + L37)		\$ 142,169	
<u>Calculation of Income Tax:</u>				
39	Revenue (Sch. TJC-1, Col. [B], Line 9 & Sch. TJC-1, Col. [B], L10)			
40	Operating Expenses Excluding Income Taxes	\$ 7,319,872	\$ 142,018	\$ 7,461,890
41	Synchronized Interest (Col. [C], L57)	5,952,376		5,954,899
42	Arizona Taxable Income (L39 - L40 - L41)	401,892		401,892
43	Arizona State Income Tax Rate	\$ 965,604		\$ 1,105,098
44	Arizona Income Tax (L42 x L43)	4.9000%		4.9000%
45	Federal Taxable Income (L42 - L44)	\$ 47,315		\$ 54,150
		\$ 918,289		\$ 1,050,948
46	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	\$ 7,500		\$ 7,500
47	Federal Tax on Second Income Bracket (\$51,001 - \$75,000) @ 25%	\$ 6,250		\$ 6,250
48	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	\$ 8,500		\$ 8,500
49	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	\$ 91,650		\$ 91,650
50	Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34%	\$ 198,318		\$ 243,422
51	Total Federal Income Tax	\$ 312,218		\$ 357,322
52	Combined Federal and State Income Tax (L44 + L51)	\$ 359,533		\$ 411,472
53	Applicable Federal Income Tax Rate (Col. [C], L51 - Col. [A], L51) / [Col. [C], L45 - Col. [A], L45]			34.00%
54	<u>Synchronized Interest Calculation:</u>			
55	Original Cost Rate Base			\$ 16,607,112
56	x Weighted Average Cost of Debt			2.4200%
57	Synchronized Interest Expense			\$ 401,892

RUCO ORIGINAL COST, RECONSTRUCTION NEW LESS DEPRECIATION, FAIR VALUE RATE BASE SUMMARY

Line No.	Description	[A] Company OCRB As Filed	[B] RUCO OCRB Recommended	[C] Company RCND As Filed	[D] RUCO RCND Recommended	[E] Company FVRB As Filed	[F] RUCO FVRB Recommended
1	Gross Utility Plant In Service	\$ 62,921,540	\$ 52,854,966	\$ 121,560,747	\$ 111,272,414	\$ 92,241,143	\$ 82,063,690
	Less:						
2	Accumulated Depreciation	34,051,795	31,304,683	78,586,740	74,582,665	56,319,268	52,943,674
3	Net Utility Plant In Service (L1 - L2)	\$ 28,869,745	\$ 21,550,282	\$ 42,974,006	\$ 36,689,749	\$ 35,921,876	\$ 29,120,015
	Less:						
4	Advances In Aid Of Construction ("AIAC")	\$ 139,549	\$ 139,549	\$ 207,725	\$ 207,725	\$ 173,637	\$ 173,637
5	Gross Contribution In Aid Of Construction ("CIAC")	328,330	328,330	488,735	488,735	408,533	408,533
6	Accumulated Amortization of CIAC	(25,506)	(25,506)	(37,967)	(37,967)	(31,737)	(31,737)
7	Net CIAC (L5 + L6)	\$ 302,824	\$ 302,824	\$ 450,768	\$ 450,768	\$ 376,796	\$ 376,796
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-	-	-	-
10	Gross Net Regulatory Assets & Liabilities	-	2,108,278	-	3,138,274	-	2,623,276
11	Accumulated Amortization	-	(168,662)	-	(251,062)	-	(209,862)
12	Net Regulatory Assets & Liabilities	\$ -	\$ 1,939,616	\$ -	\$ 2,887,212	\$ -	\$ 2,413,414
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 1,896,172	\$ 2,388,522	\$ 2,822,543	\$ 3,555,430	\$ 2,359,357	\$ 2,971,976
	Plus:						
14	Deferred Debits	-	-	-	-	-	-
17	Working Capital Allowance	(190,598)	(172,660)	(190,598)	(172,660)	(190,598)	(172,660)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 26,340,603	\$ 16,607,112	\$ 39,302,373	\$ 29,415,955	\$ 32,821,488	\$ 23,011,533

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

RUCO ORIGINAL COST, RECONSTRUCTION NEW LESS DEPRECIATION, FAIR VALUE RATE BASE SUMMARY

Line No.	Description	[A] RUCO Original Cost Rate Base Recommended	[B] RUCO RCND Recommended	[C] RUCO Fair Value Rate Base Recommended
1	Gross Utility Plant In Service	\$ 52,854,966	\$ 111,272,414	\$ 82,063,690
	Less:			
2	Accumulated Depreciation	31,304,683	74,582,665	52,943,674
3	Net Utility Plant In Service (L1 - L2)	\$ 21,550,282	\$ 36,689,749	\$ 29,120,015
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 139,549	\$ 207,725	\$ 173,637
5	Gross Contribution In Aid Of Construction ("CIAC")	328,330	488,735	408,533
6	Accumulated Amortization of CIAC	(25,506)	(37,967)	(31,737)
7	Net CIAC (L5 + L6)	\$ 302,824	\$ 450,768	\$ 376,796
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Net Regulatory Assets & Liabilities	2,108,278	3,138,274	2,623,276
11	Accumulated Amortization	(168,662)	(251,062)	(209,862)
12	Net Regulatory Assets & Liabilities	\$ 1,939,616	\$ 2,887,212	\$ 2,413,414
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 2,388,522	\$ 3,555,430	\$ 2,971,976
	Plus:			
14	Deferred Debits	-	-	-
17	Working Capital Allowance	(172,660)	(172,660)	(172,660)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 16,607,112	\$ 29,415,955	\$ 23,011,533

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

ORIGINAL COST RATE BASE (OCRB) SUMMARY

Line No.	Description	[A] Company Original Cost Rate Base As Filed	[B] RUCO Recommended OCRB Adjustments	[C] RUCO OCRB Recommended
1	Gross Utility Plant In Service	\$ 62,921,540	\$ (10,066,575)	\$ 52,854,966
	Less:			
2	Accumulated Depreciation	34,051,795	(2,747,112)	31,304,683
3	Net Utility Plant In Service (L1 - L2)	\$ 28,869,745	\$ (7,319,463)	\$ 21,550,282
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 139,549	\$ -	\$ 139,549
5	Gross Contribution In Aid Of Construction ("CIAC")	328,330	-	328,330
6	Accumulated Amortization of CIAC	(25,506)	-	(25,506)
7	Net CIAC (L5 + L6)	\$ 302,824	\$ -	\$ 302,824
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Net Regulatory Assets & Liabilities	-	2,108,278	2,108,278
11	Accumulated Amortization	-	(168,662)	(168,662)
12	Net Regulatory Assets & Liabilities	\$ -	\$ 1,939,616	\$ 1,939,616
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 1,896,172	\$ 492,350	\$ 2,388,522
	Plus:			
14	Deferred Debits	-	-	-
17	Working Capital Allowance	(190,598)	17,938	(172,660)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 26,340,603	\$ (9,733,491)	\$ 16,607,112

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

ORIGINAL COST RATE BASE (OCRB) ADJUSTMENTS

Line No.	Description	(A) Company OCRB As Filed	(B) Adjust No. 1 UPS & A/D Adjustment	(C) Adjust No. 2 Regulatory Liability	(D) Adjust No. 3 Intentionally Left Blank	(E) Adjust No. 4 Intentionally Left Blank	(F) Adjust No. 5 Intentionally Left Blank	(G) Adjust No. 6 Intentionally Left Blank	(H) Adjust No. 7 Intentionally Left Blank	(I) Adjust No. 8 Intentionally Left Blank	(J) Adjust No. 9 ADT Adjustment	(K) Adjust No. 10 Working Capital Adjustment	(L) Total RUCO Adjustments	(M) RUCO Recommended OCRB/FVRB
1	Gross Utility Plant in Service	\$ 62,921,540	\$ (10,066,575)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,066,575)	\$ 52,854,966
2	Less: Accumulated Depreciation	34,051,795	(2,747,112)	-	-	-	-	-	-	-	-	-	(2,747,112)	31,304,683
3	Net Utility Plant in Service (L1 - L2)	\$ 28,869,745	\$ (7,319,463)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,319,463)	\$ 21,550,282
4	Less: Advances in Aid Of Construction ("AIAC")	\$ 139,549	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,549
5	Gross Contribution In Aid Of Construction ("CIAC")	328,330	-	-	-	-	-	-	-	-	-	-	-	328,330
6	Accumulated Amortization of CIAC	(25,506)	-	-	-	-	-	-	-	-	-	-	-	(25,506)
7	Net CIAC (L5 + L6)	\$ 302,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 302,824
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Gross Net Regulatory Assets & Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Accumulated Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Net Regulatory Assets & Liabilities	\$ -	\$ -	\$ 2,108,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,108,278	\$ 2,108,278
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 1,896,172	\$ -	\$ (168,662)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (168,662)	\$ 1,727,510
14	Plus: Deferred Debits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Working Capital Allowance	(190,598)	-	-	-	-	-	-	-	-	-	17,938	17,938	(172,660)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 26,340,603	\$ (7,319,463)	\$ (1,939,616)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (492,350)	\$ 17,938	\$ (9,733,491)	\$ 16,607,112

RUCO Adjustments:

- Adjustment No. 1: Summation of RUCO recommended Utility Plant in Service and Accumulated Depreciation Adjustments No. (b), (c), and (d) - See RUCO Rate Base Adjustment No. 1 on Schedule TJC-4 on pages 1 & 2, Column [J] at line 42;
- Adjustment No. 2: Current Case Regulatory Liability for Over-Depreciated Plant;
- Adjustment No. 3: Intentionally Left Blank;
- Adjustment No. 4: Intentionally Left Blank;
- Adjustment No. 5: Intentionally Left Blank;
- Adjustment No. 6: Intentionally Left Blank;
- Adjustment No. 7: Intentionally Left Blank;
- Adjustment No. 8: Intentionally Left Blank;
- Adjustment No. 9: RUCO Recommended 2016 TY End Accumulated Deferred Income Tax ("ADIT") Balance;
- Adjustment No. 10: RUCO Recommended Allowance for Working Capital - See RUCO Schedule TJC-10.

References:

- Column [A]: Company Schedule B-1
- Column [B] Thru Column [K]: RUCO Recommended Rate Base Adjustments
- Column [L]: Sum of RUCO Recommended Rate Base Adjustments of Columns [B] through [K]
- Column [M]: Column [A] + Column [L]

SUMMARY OF ORIGINAL COST (OC) UTILITY PLANT IN SERVICE (UPIS) ADJUSTMENTS (continuation)
 OC UPIS RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No.	Description	(A) Company Adjusted TY OC UPIS As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPS Reconstruction Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) TY Over-Depreciated Only Accum. Depr.	(G) RUCO Adjustment (f) 2016 PTY Plant Adjustment	(H) RUCO Adjustment (g) 2017 PTY Plant Adjustment	(I) RUCO Adjustment (h) Unrecorded Retire Adjustment	(J) RUCO Total OC UPIS Adjustments	(K) RUCO Recommended
North West Valley Wastewater 7H Plant (continuation):													
1	354400	WW Struct & Imp TYP	7,712,865	-	-	-	-	-	-	-	-	-	-
2	354500	WW Struct & Imp Gen	7,952	-	-	-	-	-	-	-	-	-	-
3	355200	WW Par Gen Equip Coll	-	-	-	-	-	-	(829,521)	(120,312)	-	(749,833)	6,963,032
4	355300	WW Par Gen Equip SPP	63,439	-	-	-	-	-	-	-	-	-	7,952
5	355400	WW Par Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	63,439
6	355500	WW Par Gen Equip RWTP	-	-	-	-	-	-	-	-	-	-	-
7	360000	WW Collection Sewers Forced	-	-	-	-	-	-	-	-	-	-	-
8	361100	WW Collecting Mains	-	-	-	-	-	-	-	-	-	-	-
9	362000	WW Special Coll Struct	109,750	-	-	-	-	-	-	-	-	-	109,750
10	363000	WW Service Sewer	486,363	-	-	-	-	-	-	-	-	-	486,363
11	364000	WW Flow Measuring Devices	8,725	-	-	-	-	-	-	-	-	-	8,725
12	370000	WW Receiving Walls	55,923	-	-	-	-	-	-	-	-	-	55,923
13	371100	WW Pump Equip Elec	-	-	-	-	-	-	-	-	-	-	-
14	371200	WW Pump Equip Oth Par	1,026,512	-	-	-	-	-	-	-	-	-	1,026,512
15	380000	WW TD Equipment	29,257	-	-	-	-	-	-	-	-	-	29,257
16	380050	WW TD Equip Grit Removal	1,041,234	-	-	-	-	-	(1,145,323)	(203,093)	(553,523)	(1,901,939)	1,777,106
17	380100	WW TD Equip Sed Tamaa/Acc	5,327,840	-	-	-	-	-	-	-	-	-	1,041,234
18	380200	WW TD Equip Skidge/RS Rivr	28,253	-	-	-	-	-	-	-	-	-	28,253
19	380250	WW TD Equip Skidge Dig Trk	1,344,033	-	-	-	-	-	-	-	-	-	5,327,840
20	380300	WW TD Equip Skidge Dry/Filt	8,062,158	-	-	-	-	-	17,023	(124,566)	-	(107,543)	28,253
21	380350	WW TD Equip Sec Trmt Filt	-	-	-	-	-	-	-	-	-	-	1,344,033
22	380400	WW TD Equip Aux EB Trmt	2,510,834	-	-	-	-	-	-	-	-	-	8,062,158
23	380500	WW TD Equip Chem Trmt Ph	208,781	-	-	-	-	-	48,140	(197,012)	-	(148,872)	2,510,834
24	380600	WW TD Equip Oth Disp	1,033,364	-	-	-	-	-	-	-	-	-	208,781
25	380625	WW TD Equip Gen Trmt	780,426	-	-	-	-	-	-	-	-	-	1,033,364
26	380650	WW TD Equip Influent Lift S	84,960	-	-	-	-	-	-	-	-	-	780,426
27	381000	WW Plant Sewers	111,410	-	-	-	-	-	-	-	-	-	84,960
28	382000	WW Outfall Sewer Lines	4,259	-	(0)	-	-	-	-	-	-	-	111,410
29	385100	WW Oth Ph & Misc Equip Int	89,296	-	-	-	-	-	-	-	-	-	4,259
30	386000	WW Other P/E - CPS - 7E	-	-	-	-	-	-	-	-	-	(0)	89,296
31	390000	WW Office Furniture & Equip	168,065	-	-	-	-	-	-	-	-	-	168,065
32	390200	WW Computers & Peripheral	23,044	-	-	-	-	-	-	-	-	-	23,044
33	390300	WW Computer Software	89,027	-	-	-	-	-	-	-	-	-	89,027
34	391000	WW Tools Equipment	247,842	-	-	-	-	-	-	-	-	-	247,842
35	392000	WW Storage Equipment	11,072	-	-	-	-	-	-	-	-	-	11,072
36	393000	WW Tool Shop & Garage Equip	183,232	-	-	-	-	-	-	-	-	-	183,232
37	394000	WW Laboratory Equipment	156,655	-	-	-	-	-	(20,000)	(3,475)	-	(23,475)	156,655
38	395000	WW Power Operated Equip	136,487	-	-	-	-	-	-	-	-	-	136,487
39	396000	WW Communication Equip	435,125	-	-	-	-	-	-	-	-	-	435,125
40	397000	WW Misc Equipment	74,088	-	-	-	-	-	(65,000)	(11,293)	-	(76,293)	74,088
41	398000	WW Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	-
42		Rounding	-	-	-	-	-	-	-	-	-	-	-
43		Total North West Valley Treatment Facility 7H Plant	\$ 41,077,918	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (1,794,681)	\$ (659,750)	\$ (553,523)	\$ (3,007,954)	\$ 38,069,962
44		Sun City West Wastewater 7H % Allocation	38,069,962	80.7900%	80.7900%	80.7900%	80.7900%	80.7900%	80.7900%	80.7900%	80.7900%	80.7900%	80.7900%
45		Sun City West Wastewater NWWTF 7H Plant Alk	\$ 33,169,848	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ (1,449,923)	\$ (533,012)	\$ (447,191)	\$ (2,430,126)	\$ 30,756,723
8U Plant:													
46	340250	Computer & Peripheral Equipment	1,839,629	-	-	-	-	-	-	-	-	-	-
47	340300	Computer Software	1,848,105	-	-	-	-	-	(592,463)	-	-	(592,463)	1,047,165
48		Rounding	-	-	-	-	-	-	(98,750)	-	-	(98,750)	1,747,358
49		Total 8U Allocated Corporate Plant	\$ 3,487,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (691,213)	\$ -	\$ -	\$ (691,213)	\$ 2,796,521
50		Sun City West Wastewater 8U % Allocation	2,796,521	7.3948%	7.3948%	7.3948%	7.3948%	7.3948%	7.3948%	7.3948%	7.3948%	7.3948%	7.3948%
51		Sun City West Wastewater 8U Plant Allocation	\$ 257,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (51,114)	\$ -	\$ -	\$ (51,114)	\$ 206,671
TOTAL PLANT:													
52	7E	Direct	\$ 28,042,524	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ (5,274,195)	\$ (2,207,450)	\$ (4,129)	\$ (7,545,780)	\$ 21,399,744
53	7A	Corporate Plant Allocated	570,830	(36,428)	-	-	-	-	24,575	(61,535)	(2,594)	(75,962)	494,840
54	7H	NWW Plant Allocated	33,189,849	-	(0)	-	-	-	(1,449,923)	(533,012)	(447,191)	(2,430,126)	30,756,723
55	8U	8U Plant Allocated	257,785	-	-	-	-	-	(51,114)	-	-	(51,114)	206,671
56		OC UPIS Not Accounted For - Vector Trucks - Corp.	(36,428)	36,428	-	-	-	-	-	-	-	36,428	-
57		Total Utility Plant in Service (UPIS)	\$ 62,921,540	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ (6,759,637)	\$ (2,667,066)	\$ (453,812)	\$ (10,866,575)	\$ 52,854,968

RUCO Adjustments:

- Adjustment No. (a): Fully Allocate Utility Plant in Service (UPIS) Vector Truck Balances from AZ Corporate 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2.
- Adjustment No. (b): Reconstruct All UPIS Account Balances as Filed by Conserv - See RUCO Schedule UPIS Schedules TJC-4(b) on Pages 1, 3, 5, and 7.
- Adjustment No. (c): Intentionally Left Blank.
- Adjustment No. (d): Intentionally Left Blank.
- Adjustment No. (e): Remove Over-Depreciated UPIS Accounts' Excess Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-8 on page 2 of 2.
- Adjustment No. (f): Remove 2016 PTY Plant Adjustments Exceeding 9-Months Test Year End December 31, 2015.
- Adjustment No. (g): Remove All 2017 PTY Plant Adjustments.
- Adjustment No. (h): Company Response to RUCO DR 6.01 to Record Unrecorded 2016 PTY Plant Additions.

References:

- Column [A]: Company Schedule B-2 Adjusted Test Year as Filed
- Column [B] Through [I]: RUCO Recommended UPIS Adjustments
- Column [J]: Sum of Columns [B] Through [I] - RUCO Sum of Total Recommended UPIS Adjustments
- Column [K]: Column [A] + [J]
- Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mubler

SUMMARY OF ORIGINAL COST (OC) ACCUMULATED DEPRECIATION (A/D) ADJUSTMENTS (continuation)
 OC UPIS A/D RATE BASE ADJUSTMENT #1

Line No.	NARUC Account No.	Description	(A) Company Adjusted TY OC AD As Filed	(B) RUCO Adjustment (a) Vector Trucks Adjustment	(C) RUCO Adjustment (b) UPIS A/D Recons Adjustments	(D) RUCO Adjustment (c) Intentionally Left Blank	(E) RUCO Adjustment (d) Intentionally Left Blank	(F) RUCO Adjustment (e) Debits/Credits A/D Adjustments	(G) RUCO Adjustment (f) 2016 PTY AD Adjustment	(H) RUCO Adjustment (g) 2017 PTY AD Adjustment	(I) RUCO Adjustment (h) Retirement A/D Adjustment	(J) Total OC AD Adjustments	(K) RUCO OC AD Recommended
North West Valley Wastewater 7H Plant A/D (continuation):													
1	354400	WW Struct & Imp TDP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	354500	WW Struct & Imp Gen	1,399,112	-	-	-	-	-	-	-	-	-	1,399,112
3	355200	WW Pwr Gen Equip Coll	1,921	-	-	-	-	-	(11,016)	(2,005)	-	(13,021)	1,868,091
4	355300	WW Pwr Gen Equip SPP	11,007	-	-	-	-	-	-	-	-	-	1,921
5	355400	WW Pwr Gen Equip TDP	-	-	-	-	-	-	-	-	-	-	11,007
6	355500	WW Pwr Gen Equip RWTFP	-	-	-	-	-	-	-	-	-	-	-
7	360000	WW Collection Sewers Forced	-	-	-	-	-	-	-	-	-	-	-
8	361100	WW Collecting Mains	36,956	-	-	-	-	-	-	-	-	-	36,956
9	362000	WW Special Coll Struct	686,271	-	-	-	-	-	-	-	-	-	686,271
10	363000	WW Services Sewer	2,558	-	(0)	-	-	(199,908)	-	-	-	(199,908)	38,956
11	364000	WW Flow Measuring Devices	49,300	-	-	-	-	-	-	-	-	0	2,558
12	370000	WW Receiving Walls	-	-	-	-	-	-	-	-	-	-	49,300
13	371100	WW Pump Equip Dth Pwr	206,403	-	-	-	-	-	-	-	-	-	206,403
14	371200	WW Pump Equip Oth Pwr	8,798	-	-	-	-	-	-	-	-	-	8,798
15	380000	WW TD Equipment	1,241,570	-	(0)	-	-	-	-	-	-	-	1,241,570
16	380050	WW TD Equip Oth Removal	1,202,728	-	-	-	-	-	(38,375)	(6,770)	(567,361)	(512,506)	8,798
17	380100	WW TD Equip Sed Tanks/Acc	5,440,658	-	0	-	-	(191,494)	-	-	-	(191,494)	629,164
18	380250	WW TD Equip Sludge/ETR Rm	2,044	-	-	-	-	(112,858)	-	-	-	(112,858)	1,041,234
19	380300	WW TD Equip Sludge Dig Trnk	321,653	-	-	-	-	-	-	-	-	-	5,327,840
20	380300	WW TD Equip Sludge Dry/Fil	7,275,086	-	-	-	-	-	(5,549)	(4,152)	-	(9,702)	2,044
21	380350	WW TD Equip Sec Trmt Fil	1,961	-	-	-	-	-	-	-	-	-	311,951
22	380400	WW TD Equip Aux Eff Trmt	1,384,898	-	-	-	-	(1,961)	-	-	-	(1,961)	7,275,086
23	380500	WW TD Equip Chem Trmt Pnt	28,338	-	(0)	-	-	(60,877)	(8,246)	(6,567)	-	(75,690)	1,309,176
24	380600	WW TD Equip Oth Disp	1,200,951	-	(0)	-	-	(167,567)	-	-	-	(167,567)	28,338
25	380625	WW TD Equip Oth Trmt	654,968	-	-	-	-	-	-	-	-	(0)	654,968
26	380650	WW TD Equip Influent Lift S	71,829	-	-	-	-	(6,648)	-	-	-	(6,648)	64,980
27	381000	WW Plant Sewers	32,968	-	-	-	-	-	-	-	-	-	32,968
28	382000	WW Outfall Sewer Lines	112,061	-	-	-	-	-	-	-	-	-	112,061
29	389100	WW Oth Pnt & Misc Equip Int	12,559	-	(0)	-	-	(107,743)	-	-	-	(107,743)	32,968
30	389600	WW Other P.E. - GPS - ZE	0	-	-	-	-	-	-	-	-	-	12,559
31	390000	WW Office Furniture & Equip	96,573	-	0	-	-	-	-	-	-	-	96,573
32	392000	WW Computers & Peripheral	43,528	-	-	-	-	-	-	-	-	-	43,528
33	393000	WW Computer Software	145,625	-	-	-	-	(20,484)	-	-	-	(20,484)	23,044
34	391000	WW Trans Equipment	639,469	-	0	-	-	(76,508)	-	-	-	(76,508)	69,027
35	392000	WW Stores Equipment	5,715	-	-	-	-	(591,627)	-	-	-	(591,627)	247,842
36	393000	WW Tool Shop & Garage Equip	82,310	-	(0)	-	-	-	-	-	-	(0)	5,715
37	394000	WW Laboratory Equipment	79,869	-	-	-	-	-	(500)	(87)	-	(587)	81,723
38	395000	WW Power Operated Equip	23,182	-	-	-	-	-	-	-	-	-	79,869
39	396000	WW Communication Equip	388,409	-	-	-	-	-	-	-	-	-	388,409
40	397000	WW Misc Equipment	76,014	-	0	-	-	(25,783)	(3,250)	(665)	-	(29,577)	23,182
41	398000	WW Other Tangible Plant	-	-	0	-	-	(1,926)	-	-	-	(1,926)	358,832
42		Rounding	-	-	-	-	-	-	-	-	-	-	74,088
43		Total North West Valley Treatment Facility 7H A/D	\$ 26,283,131	\$ -	\$ 0	\$ -	\$ -	\$ (1,535,953)	\$ (96,937)	\$ (20,146)	\$ (567,361)	\$ (2,190,097)	\$ 24,193,034
44		Sun City West Wastewater 7H % Allocation Factor	80.7900%	80.7900%	80.7900%	80.7900%	80.7900%	80.7900%	80.7900%	80.7900%	80.7900%	80.7900%	80.7900%
45		Sun City West Wastewater NWVTF 7H Allocation	\$ 21,314,932	\$ -	\$ 0	\$ -	\$ -	\$ (1,240,954)	\$ (54,878)	\$ (16,276)	\$ (458,371)	\$ (1,769,379)	\$ 19,545,552
6U Plant A/D:													
46	340200	Computer & Peripheral Equipment	\$ 343,190	\$ -	\$ (0)	\$ -	\$ -	\$ (29,523)	\$ -	\$ -	\$ -	\$ (29,523)	\$ 313,567
47	340300	Computer Software	850,877	-	7,978	-	-	7,187	-	-	-	15,165	876,042
48		Rounding	-	-	-	-	-	-	-	-	-	-	-
49		Total 6U Allocated Corporate A/D	\$ 1,204,067	\$ -	\$ 7,978	\$ -	\$ -	\$ (22,437)	\$ -	\$ -	\$ -	\$ (14,459)	\$ 1,189,629
50		Sun City West Wastewater 6U % Allocation Factor	7.3948%	7.3948%	7.3948%	7.3948%	7.3948%	7.3948%	7.3948%	7.3948%	7.3948%	7.3948%	7.3948%
51		Sun City West Wastewater 6U Allocation A/D	\$ 89,039	\$ -	\$ 590	\$ -	\$ -	\$ (1,659)	\$ -	\$ -	\$ -	\$ (1,069)	\$ 87,970
TOTAL PLANT A/D:													
52	7E	Direct	\$ 12,479,737	\$ -	\$ 0	\$ -	\$ -	\$ (894,982)	\$ (71,407)	\$ (30,695)	\$ (4,198)	\$ (971,252)	\$ 11,508,486
53	7A	Corporate Plant Allocated	173,494	(5,407)	(0)	-	-	(2,642)	1,250	(1,392)	(2,636)	(10,818)	162,876
54	7H	NWVTF Plant Allocated	21,314,932	-	(0)	-	-	(1,240,654)	(54,078)	(16,276)	(458,371)	(1,769,379)	19,545,552
55	6U	6U Plant Allocated	89,039	-	590	-	-	(1,659)	-	-	-	(1,069)	87,970
56		OC A/D Not Accounted For - Vector Trucks - Corp	(5,407)	5,407	-	-	-	-	-	-	-	5,407	-
57		Total Utility Plant In Service A/D	\$ 34,051,795	\$ -	\$ 590	\$ -	\$ -	\$ (2,108,278)	\$ (125,895)	\$ (48,363)	\$ (465,166)	\$ (2,747,192)	\$ 31,304,693

RUCO Adjustments:
 Adjustment No. (a): Fully Allocate Utility Plant In Service (UPIS) Vector Truck Balances from AZ Corporate 7A to Direct Plant Account 391000 - WW Transportation Equipment - See RUCO Schedule TJC-4(a) on page 1 of 2.
 Adjustment No. (b): Reconstruct All UPIS Account Balances as Filed by Company - See RUCO Schedule UPIS Schedules TJC-4(b) on Pages 1, 3, 5, and 7.
 Adjustment No. (c): Intentionally Left Blank;
 Adjustment No. (d): Intentionally Left Blank;
 Adjustment No. (e): Remove Over-Depreciated UPIS Accounts' Excess Accumulated Depreciation Balances - This Adjustment Applies Only to Accumulated Depreciation on RUCO Schedule TJC-4 on page 2 of 2 and TJC-8 on page 2 of 2.
 Adjustment No. (f): Remove 2016 PTY Plant Adjustments Exceeding 6-Months Test Year End December 31, 2015
 Adjustment No. (g): Remove All 2017 PTY Plant Adjustments;
 Adjustment No. (h): Company Response to RUCO DR 8.01 to Record Unrecorded 2016 PTY Plant Additions.

References:
 Column (A) Company Schedule B-2 Adjusted Test Year as Filed
 Column (B) Through (I): RUCO Recommended UPIS Adjustments
 Column (J): Sum of Columns (B) Through (I) - RUCO Sum of Total Recommended UPIS Adjustments
 Column (K): Column (A) + (J)
 Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS ALLOCATION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 8.7907%	[E] RUCO Allocated Adjustment
Allocated AZ Corp Plant:							
1	304500	Structures & Improvements General	\$ 847,052	\$ -	\$ 202,663	8.7907%	\$ -
2	304620	Structures & Improvements Leasehold	18,317	-	18,317	8.7907%	-
3	334100	Meters	11,777	-	11,777	8.7907%	-
4	339600	Other P/E-CPS	364,887	-	364,887	8.7907%	-
5	340100	Office Furniture & Equipment	1,267,925	-	1,267,925	8.7907%	-
6	340200	Computer & Peripheral Equipment	1,404,587	-	1,404,587	8.7907%	-
7	340300	Computer Software	222,827	-	222,626	8.7907%	-
8	340330	Computer Software Other	6,370	-	6,370	8.7907%	-
9	344000	Laboratory Equipment	17,277	-	17,277	8.7907%	-
10	346100	Communication Equipment Non-Telephone	186,080	-	186,080	8.7907%	-
11	346190	Remote Control & Instrument	122,024	-	122,024	8.7907%	-
12	346200	Communication Equipment Telephone	68,942	-	68,942	8.7907%	-
13	346300	Communication Equipment Other	154,411	-	154,411	8.7907%	-
14	347000	Miscellaneous Equipment	1,801,081	(414,386)	1,581,329	8.7907%	(36,428)
15		Rounding	-	-	-	8.7907%	-
16		Total AZ Corporate Plant Allocated	<u>\$6,493,556</u>	<u>\$ (414,386)</u>	<u>\$ 5,629,214</u>		<u>(36,428)</u>
17		RUCO Total Adjustment					<u>\$ (36,428)</u>

References:

Schedule TJC-4 on page 1 of 2

UPIS ACCUMULATED DEPRECIATION ("A/D") ADJUSTMENT NO. (a)
VACTOR TRUCKS ALLOCATION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 8.7907%	[E] RUCO Allocated Adjustment
Allocated AZ Corp A/D:							
1	304500	Structures & Improvements General	\$ 30,554	\$ -	\$ (7,009)	8.7907%	\$ -
2	304620	Structures & Improvements Leasehold	536	-	536	8.7907%	-
3	334100	Meters	4,641	-	4,641	8.7907%	-
4	339600	Other P/E-CPS	72,241	-	72,241	8.7907%	-
5	340100	Office Furniture & Equipment	569,006	-	569,006	8.7907%	-
6	340200	Computer & Peripheral Equipment	624,832	-	624,832	8.7907%	-
7	340300	Computer Software	186,039	-	186,019	8.7907%	-
8	340330	Computer Software Other	1,019	-	1,019	8.7907%	-
9	344000	Laboratory Equipment	3,060	-	3,060	8.7907%	-
10	346100	Communication Equipment Non-Telephone	216,139	-	186,080	8.7907%	-
11	346190	Remote Control & Instrument	20,439	-	20,439	8.7907%	-
12	346200	Communication Equipment Telephone	27,818	-	27,818	8.7907%	-
13	346300	Communication Equipment Other	8,821	-	8,821	8.7907%	-
14	347000	Miscellaneous Equipment	132,512	(61,503)	77,092	8.7907%	(5,407)
15		Salvage Proceeds	75,946	-	75,946	8.7907%	-
16		Total AZ Corporate A/D Allocated	<u>\$1,973,603</u>	<u>\$ (61,503)</u>	<u>\$ 1,850,540</u>		<u>(5,407)</u>
17		RUCO Total Adjustment					<u>\$ (5,407)</u>

References:

Schedule TJC-4 on page 2 of 2

ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b)
DIRECT ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company Original Cost TY End UPIS As Filed	[B] RUCO UPIS Reconstruction Adjustments	[C] RUCO Reconstructed UPIS Balances
Direct 7E Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	5,953	-	5,953
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	4,078	-	4,078
7	352000	WW Franchises	68	-	68
8	353200	WW Land & Ld Rights Coll	(0)	-	(0)
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	216,609	-	216,609
11	354300	WW Struct & Imp SPP	(0)	0	(0)
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	121,273	-	121,273
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	63,665	-	63,665
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	887,815	-	887,815
19	361100	WW Collecting Mains	14,245,908	-	14,245,908
20	362000	WW Special Coll Struct	1,290,947	-	1,290,947
21	363000	WW Services Sewer	3,102,952	-	3,102,952
22	364000	WW Flow Measuring Devices	-	-	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	150,478	-	150,478
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	0	0	0
27	380050	WW TD Equip Grit Removal	0	-	0
28	380100	WW TD Equip Sed Tanks/Acc	15,298	-	15,298
29	380200	WW TD Equip Sludge/Effl Rmv	0	-	0
30	380250	WW TD Equip Sludge Dig Tnk	(0)	(0)	(0)
31	380300	WW TD Equip Sludge Dry/Filt	0	-	0
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	0	-	0
35	380600	WW TD Equip Oth Disp	15,290	(0)	15,290
36	380625	WW TD Equip Gen Trmt	310,016	-	310,016
37	380650	WW TD Equip Influent Lift S	508,660	-	508,660
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	113,140	-	113,140
40	389100	WW Oth Plt & Misc Equip Int	64,457	(64,457)	(0)
41	389600	WW Other P/E - CPS - 7E	(0)	64,457	64,457
42	390000	WW Office Furniture & Equip	(0)	-	(0)
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	(0)	-	(0)
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	777	-	777
50	396000	WW Communication Equip	12,621	0	12,621
51	397000	WW Misc Equipment	24,521	-	24,521
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7E Plant	\$ 21,154,526	\$ 0	\$ 21,154,526
55		RUCO Adjustment		\$ 0	

References:

Company Summary Plant Roll-Forward WP's
RUCO UPIS Plant Reconstruction WP's
Company Plant Schedules had Plant Accounts 389100 and 389600 order switched.

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b)
 DIRECT ORIGINAL COST PLANT ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company Original Cost TY End A/D As Filed	[B] RUCO Accum. Depre. Adjustments	[C] RUCO Reconstructed Accum. Depre. Balances
Direct 7N Plant Accumulated Depreciation:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	3,572	-	3,572
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	125,211	0	125,211
12	354400	WW Struct & Imp TDP	(0)	0	(0)
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	46,127	(0)	46,127
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	10,600	-	10,600
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	444,141	(0)	444,141
20	362000	WW Special Coll Struct	7,812,890	-	7,812,890
21	363000	WW Services Sewer	2,203,685	-	2,203,685
22	364000	WW Flow Measuring Devices	1,530,159	0	1,530,159
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	(55,282)	-	(55,282)
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	0	(0)	0
28	380100	WW TD Equip Sed Tanks/Acc	0	0	0
29	380200	WW TD Equip Sldge/Effl Rmv	1,433	(0)	1,433
30	380250	WW TD Equip Sldge Dig Trnk	0	(0)	0
31	380300	WW TD Equip Sldge Dry/Filt	(0)	(0)	(0)
32	380350	WW TD Equip Sec Trmt Filt	0	(0)	0
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	0	(0)	-
35	380600	WW TD Equip Oth Disp	0	0	0
36	380625	WW TD Equip Gen Trmt	(147)	(0)	(147)
37	380650	WW TD Equip Influent Lift S	100,697	(0)	100,697
38	381000	WW Plant Sewers	54,499	-	54,499
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	36,771	-	36,771
41	389600	WW Other P/E - CPS - 7E	4,292	(4,292)	(0)
42	390000	WW Office Furniture & Equip	(0)	4,292	4,292
43	390200	WW Computers & Peripheral	(0)	(0)	(0)
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	(0)	0	-
47	393000	WW Tool Shop & Garage Equip	(0)	0	-
48	394000	WW Laboratory Equipment	(0)	(0)	(0)
49	395000	WW Power Operated Equip	(0)	0	-
50	396000	WW Communication Equip	(85)	(0)	(85)
51	397000	WW Misc Equipment	20,293	-	20,293
52	398000	WW Other Tangible Plant	8,956	0	8,956
53		Rounding	-	-	-
54		Total Direct 7E A/D	\$ 12,347,811	\$ 0	\$ 12,347,811
55		RUCO Adjustment		\$ 0	

References:
 Company Summary Plant Roll-Forward WP's
 RUCO UPIS Plant Reconstruction WP's
 Company Plant Schedules had Plant Accounts 389100 and 389600 order switched.

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
ARIZONA CORPORATE ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Sun City West Allocator 8.7907%	[E] RUCO Allocated Adjustment
Allocated AZ Corp Plant:							
1	304500	Structures & Improvements General	\$ 192,857	\$ -	\$ 192,857	8.7907%	\$ -
2	304620	Structures & Improvements Leasehold	18,317	-	18,317	8.7907%	-
3	334100	Meters	11,777	-	11,777	8.7907%	-
4	339600	Other P/E-CPS	364,887	-	364,887	8.7907%	-
5	340100	Office Furniture & Equipment	1,267,925	-	1,267,925	8.7907%	-
6	340200	Computer & Peripheral Equipment	1,404,587	-	1,404,587	8.7907%	-
7	340300	Computer Software	193,904	-	193,904	8.7907%	-
8	340330	Computer Software Other	6,370	-	6,370	8.7907%	-
9	344000	Laboratory Equipment	17,277	-	17,277	8.7907%	-
10	346100	Communication Equipment Non-Telephone	186,080	-	186,080	8.7907%	-
11	346190	Remote Control & Instrument	122,024	-	122,024	8.7907%	-
12	346200	Communication Equipment Telephone	68,942	-	68,942	8.7907%	-
13	346300	Communication Equipment Other	154,411	-	154,411	8.7907%	-
14	347000	Miscellaneous Equipment	1,292,262	-	1,292,262	8.7907%	-
15		Rounding	-	-	-	8.7907%	-
16		Total AZ Corporate Plant Allocated	<u>\$ 5,301,619</u>	<u>\$ -</u>	<u>\$ 5,301,619</u>		<u>-</u>
17		RUCO Total Adjustment					<u>\$ -</u>

References:

Company Summary Plant Roll-Forward WP's
RUCO UPIS Plant Reconstruction WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
ARIZONA CORPORATE ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Sun City West Allocator 8.7907%	[E] RUCO Allocated Adjustment
Allocated AZ Corp A/D:							
1	304500	Structures & Improvements General	\$ 22,377	\$ -	\$ 22,377	8.7907%	\$ -
2	304620	Structures & Improvements Leasehold	536	-	536	8.7907%	-
3	334100	Meters	4,641	-	4,641	8.7907%	-
4	339600	Other P/E-CPS	72,241	-	72,241	8.7907%	-
5	340100	Office Furniture & Equipment	569,006	-	569,006	8.7907%	-
6	340200	Computer & Peripheral Equipment	624,832	-	624,832	8.7907%	-
7	340300	Computer Software	183,147	-	183,147	8.7907%	-
8	340330	Computer Software Other	1,019	(0)	1,019	8.7907%	(0)
9	344000	Laboratory Equipment	3,060	-	3,060	8.7907%	-
10	346100	Communication Equipment Non-Telephone	216,139	(0)	216,139	8.7907%	(0)
11	346190	Remote Control & Instrument	20,439	-	20,439	8.7907%	-
12	346200	Communication Equipment Telephone	27,818	-	27,818	8.7907%	-
13	346300	Communication Equipment Other	8,821	-	8,821	8.7907%	-
14	347000	Miscellaneous Equipment	116,612	-	116,612	8.7907%	-
15		Salvage Proceeds	75,946	-	75,946	8.7907%	-
16		Total AZ Corporate A/D Allocated	<u>\$ 1,946,633</u>	<u>\$ (0)</u>	<u>\$ 1,946,633</u>		<u>(0)</u>
17		RUCO Total Adjustment					<u>\$ (0)</u>

References:

Company Summary Plant Roll-Forward WP's
RUCO UPIS Plant Reconstruction WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 NORTHWEST VALLEY TREATMENT FACILITY ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Sun City West Allocator 80.7900%	[E] RUCO Allocated Adjustment
Allocated NWWTF Plant:							
1	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -	80.7900%	\$ -
2	304200	Struct & Imp P (Corporate)	2,582	-	2,582	80.7900%	-
3	307000	Wells & Springs (Corporate)	-	-	-	80.7900%	-
4	311200	Pump Equip Electric (Corporate)	24,525	-	24,525	80.7900%	-
5	340200	Comp & Peripheral Equip (Corporate)	-	-	-	80.7900%	-
6	340500	Other Office Equipment (Corporate)	-	-	-	80.7900%	-
7	304600	Struct & Imp Offices (Corporate)	9,052	-	9,052	80.7900%	-
8	304800	Struct & Imp Misc (Corporate)	8,610	-	8,610	80.7900%	-
9	341200	Trans Equip Hvy Duty Trks	-	-	-	80.7900%	-
10	341400	Trans Equip Other	-	-	-	80.7900%	-
11	343000	Tools, Shop and Garage	-	-	-	80.7900%	-
12	344000	Laboratory Equipment	-	-	-	80.7900%	-
13	346100	Comm Equip Non-Telephone	19,711	-	19,711	80.7900%	-
14	351000	WW Organization	-	-	-	80.7900%	-
15	352000	WW Franchises	1,304	-	1,304	80.7900%	-
16	353200	WW Land & Ld Rights Coll	450,976	-	450,976	80.7900%	-
17	353500	WW Land & Ld Rights Gen	20,747	-	20,747	80.7900%	-
18	354200	WW Struct & Imp Coll	3,574,657	-	3,574,657	80.7900%	-
19	354300	WW Struct & Imp SPP	997,595	-	997,595	80.7900%	-
20	354400	WW Struct & Imp TDP	-	-	-	80.7900%	-
21	354500	WW Struct & Imp Gen	6,900,037	-	6,900,037	80.7900%	-
22	355200	WW Pwr Gen Equip Coll	7,952	-	7,952	80.7900%	-
23	355300	WW Pwr Gen Equip SPP	63,439	-	63,439	80.7900%	-
24	355400	WW Pwr Gen Equip TDP	-	-	-	80.7900%	-
25	355500	WW Pwr Gen Equip RWTP	-	-	-	80.7900%	-
26	360000	WW Collection Sewers Forced	-	-	-	80.7900%	-
27	361100	WW Collecting Mains	109,750	-	109,750	80.7900%	-
28	362000	WW Special Coll Struct	486,363	-	486,363	80.7900%	-
29	363000	WW Services Sewer	8,725	-	8,725	80.7900%	-
30	364000	WW Flow Measuring Devices	55,923	-	55,923	80.7900%	-
31	370000	WW Receiving Wells	-	-	-	80.7900%	-
32	371100	WW Pump Equip Elect	1,026,512	-	1,026,512	80.7900%	-
33	371200	WW Pump Equip Oth Pwr	26,257	-	26,257	80.7900%	-
34	380000	WW TD Equipment	2,306,955	-	2,306,955	80.7900%	-
35	380050	WW TD Equip Grit Removal	1,041,234	-	1,041,234	80.7900%	-
36	380100	WW TD Equip Sed Tanks/Acc	5,327,840	-	5,327,840	80.7900%	-
37	380200	WW TD Equip Sludge/Effl Rmv	28,253	-	28,253	80.7900%	-
38	380250	WW TD Equip Sludge Dig Trk	502,467	-	502,467	80.7900%	-
39	380300	WW TD Equip Sludge Dry/Filt	8,662,158	-	8,662,158	80.7900%	-
40	380350	WW TD Equip Sec Trmt Filt	-	-	-	80.7900%	-
41	380400	WW TD Equip Aux Effl Trmt	1,279,622	-	1,279,622	80.7900%	-
42	380500	WW TD Equip Chem Trmt Plt	208,781	-	208,781	80.7900%	-
43	380600	WW TD Equip Oth Disp	1,033,384	-	1,033,384	80.7900%	-
44	380625	WW TD Equip Gen Trmt	780,426	-	780,426	80.7900%	-
45	380650	WW TD Equip Influent Lift S	64,980	-	64,980	80.7900%	-
46	381000	WW Plant Sewers	111,410	-	111,410	80.7900%	-
47	382000	WW Outfall Sewer Lines	4,259	(0)	4,259	80.7900%	(0)
48	389100	WW Oth Plt & Misc Equip Int	89,296	-	89,296	80.7900%	-
49	389600	WW Other P/E - CPS - 7E	-	-	-	80.7900%	-
50	390000	WW Office Furniture & Equip	168,065	-	168,065	80.7900%	-
51	390200	WW Computers & Peripheral	23,044	-	23,044	80.7900%	-
52	390300	WW Computer Software	69,027	-	69,027	80.7900%	-
53	391000	WW Trans Equipment	247,842	-	247,842	80.7900%	-
54	392000	WW Stores Equipment	11,072	-	11,072	80.7900%	-
55	393000	WW Tool Shop & Garage Equip	139,757	-	139,757	80.7900%	-
56	394000	WW Laboratory Equipment	156,655	-	156,655	80.7900%	-
57	395000	WW Power Operated Equip	136,487	-	136,487	80.7900%	-
58	396000	WW Communication Equip	358,832	-	358,832	80.7900%	-
59	397000	WW Misc Equipment	74,088	-	74,088	80.7900%	-
60	398000	WW Other Tangible Plant	-	-	-	80.7900%	-
61		Rounding	-	-	-	80.7900%	-
62		Total North West Valley Treatment Facility 7H Pla	\$ 36,620,650	\$ (0)	\$ 36,620,650		(0)
63		RUCO Total Adjustment					\$ (0)

References:
 Company Summary Plant Roll-Forward WP's
 RUCO UPIS Plant Reconstruction WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 NORTHWEST VALLEY TREATMENT FACILITY ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Sun City West Allocator 80.7900%	[E] RUCO Allocated Adjustment
Allocated NWVTF A/D:							
1	304100	Struct & Imp SS (Corporate)	\$ 0	\$ (0)	\$ -	80.7900%	\$ (0)
2	304200	Struct & Imp P (Corporate)	32	(0)	32	80.7900%	(0)
3	307000	Wells & Springs (Corporate)	-	-	-	80.7900%	-
4	311200	Pump Equip Electric (Corporate)	2,366	-	2,366	80.7900%	-
5	340200	Comp & Peripheral Equip (Corporate)	-	-	-	80.7900%	-
6	340500	Other Office Equipment (Corporate)	0	(0)	0	80.7900%	(0)
7	304600	Struct & Imp Offices (Corporate)	340	-	340	80.7900%	-
8	304800	Struct & Imp Misc (Corporate)	12	(0)	12	80.7900%	(0)
9	341200	Trans Equip Hvy Duty Trks	-	-	-	80.7900%	-
10	341400	Trans Equip Other	-	-	-	80.7900%	-
11	343000	Tools, Shop and Garage	-	-	-	80.7900%	-
12	344000	Laboratory Equipment	(0)	0	0	80.7900%	0
13	346100	Comm Equip Non-Telephone	3,045	0	3,045	80.7900%	0
14	351000	WW Organization	-	-	-	80.7900%	-
15	352000	WW Franchises	-	-	-	80.7900%	-
16	353200	WW Land & Ld Rights Coll	(89,506)	-	(89,506)	80.7900%	-
17	353500	WW Land & Ld Rights Gen	-	-	-	80.7900%	-
18	354200	WW Struct & Imp Coll	3,248,049	-	3,248,049	80.7900%	-
19	354300	WW Struct & Imp SPP	51,951	0	51,951	80.7900%	0
20	354400	WW Struct & Imp TDP	-	-	-	80.7900%	-
21	354500	WW Struct & Imp Gen	1,385,565	-	1,385,565	80.7900%	-
22	355200	WW Pwr Gen Equip Coll	1,921	-	1,921	80.7900%	-
23	355300	WW Pwr Gen Equip SPP	11,007	-	11,007	80.7900%	-
24	355400	WW Pwr Gen Equip TDP	-	-	-	80.7900%	-
25	355500	WW Pwr Gen Equip RWTP	-	-	-	80.7900%	-
26	360000	WW Collection Sewers Forced	-	-	-	80.7900%	-
27	361100	WW Collecting Mains	-	-	-	80.7900%	-
28	362000	WW Special Coll Struct	36,956	-	36,956	80.7900%	-
29	363000	WW Services Sewer	686,271	(0)	686,271	80.7900%	(0)
30	364000	WW Flow Measuring Devices	2,658	0	2,658	80.7900%	0
31	370000	WW Receiving Wells	49,300	-	49,300	80.7900%	-
32	371100	WW Pump Equip Elect	-	-	-	80.7900%	-
33	371200	WW Pump Equip Oth Pwr	206,403	-	206,403	80.7900%	-
34	380000	WW TD Equipment	8,798	-	8,798	80.7900%	-
35	380050	WW TD Equip Grit Removal	1,195,934	(0)	1,195,934	80.7900%	(0)
36	380100	WW TD Equip Sed Tanks/Acc	1,202,728	-	1,202,728	80.7900%	-
37	380200	WW TD Equip Sldge/Effl Rmv	5,440,698	0	5,440,698	80.7900%	0
38	380250	WW TD Equip Sldge Dig Tnk	2,044	-	2,044	80.7900%	-
39	380300	WW TD Equip Sldge Dry/Filt	293,601	-	293,601	80.7900%	-
40	380350	WW TD Equip Sec Trmt Filt	7,275,086	-	7,275,086	80.7900%	-
41	380400	WW TD Equip Aux Effl Trmt	1,961	-	1,961	80.7900%	-
42	380500	WW TD Equip Chem Trmt Plt	1,340,499	-	1,340,499	80.7900%	-
43	380600	WW TD Equip Oth Disp	28,338	(0)	28,338	80.7900%	(0)
44	380625	WW TD Equip Gen Trmt	1,200,951	(0)	1,200,951	80.7900%	(0)
45	380650	WW TD Equip Influent Lift S	654,668	-	654,668	80.7900%	-
46	381000	WW Plant Sewers	71,829	-	71,829	80.7900%	-
47	382000	WW Outfall Sewer Lines	32,668	-	32,668	80.7900%	-
48	389100	WW Oth Plt & Misc Equip Int	112,001	(0)	112,001	80.7900%	(0)
49	389600	WW Other P/E - CPS - 7E	12,559	-	12,559	80.7900%	-
50	390000	WW Office Furniture & Equip	0	-	0	80.7900%	-
51	390200	WW Computers & Peripheral	96,573	0	96,573	80.7900%	0
52	390300	WW Computer Software	43,528	-	43,528	80.7900%	-
53	391000	WW Trans Equipment	145,625	-	145,625	80.7900%	-
54	392000	WW Stores Equipment	839,469	0	839,469	80.7900%	0
55	393000	WW Tool Shop & Garage Equip	5,715	(0)	5,715	80.7900%	(0)
56	394000	WW Laboratory Equipment	81,723	-	81,723	80.7900%	-
57	395000	WW Power Operated Equip	79,869	-	79,869	80.7900%	-
58	396000	WW Communication Equip	23,182	-	23,182	80.7900%	-
59	397000	WW Misc Equipment	384,595	0	384,595	80.7900%	0
60	398000	WW Other Tangible Plant	76,014	0	76,014	80.7900%	0
61		Rounding	-	-	-	80.7900%	-
62		Total North West Valley Treatment Facility 7H A/E	\$ 26,247,027	\$ 0	\$ 26,247,027		0
63		RUCO Total Adjustment					\$ 0

References:

Company Summary Plant Roll-Forward WP's
 RUCO UPIS Plant Reconstruction WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 USA CORPORATE ORIGINAL COST UTILITY PLANT IN SERVICE ("UPIS") RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Sun City West Allocator 7.3948%	[E] RUCO Allocated Adjustment
Allocated 6U USA Corp Plant:							
1	340200	Computer & Peripheral Equipment	\$ 1,047,165	\$ -	\$ 1,047,165	7.3948%	\$ -
2	340300	Computer Software	1,064,894	-	1,064,894	7.3948%	-
3		Total 6U USA Corporate Allocated Plant	<u>\$ 2,112,059</u>	<u>\$ -</u>	<u>\$ 2,112,059</u>		<u>\$ -</u>
4		RUCO Total Adjustment					<u>\$ -</u>

References:

Company Summary Plant Roll-Forward WP's
 RUCO UPIS Plant Reconstruction WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (b) continued
 USA CORPORATE ORIGINAL COST ACCUMULATED DEPRECIATION (A/D) RECONSTRUCTION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company TY End As Filed	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Sun City West Allocator	[E] RUCO Allocated Adjustment
Allocated 6U USA Corp Accum. Depre:							
1	340200	Computer & Peripheral Equipment	\$ 313,567	\$ (0)	\$ 313,567	7.3948%	\$ (0)
2	340300	Computer Software	782,756	7,978	790,734	7.3948%	590
3		Total 6U USA Corporate Allocated A/D	<u>\$ 1,096,323</u>	<u>\$ 7,978</u>	<u>\$ 1,104,301</u>		<u>\$ 590</u>
4		RUCO Total Adjustment					<u>\$ 590</u>

References:

Company Summary Plant Roll-Forward WP's
 RUCO UPIS Plant Reconstruction WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (c)
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Line

No. Description

Amount

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (d)
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Line
No. Description

Amount

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
 REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	NARUC Acct. No.	Description	[A] RUCO TY End UPIS Balance	[B] RUCO TY End Accum. Depre. Balance	[C] RUCO Net Book Value	[D] Over-Depreciated Excess Accum. Depre. Adjustment	[E] Remove Debit Accum. Depre. Balances
Direct 7E Plant:							
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	2,381	-	-
3	341200	Trans Equip Hvy Duty Trks	5,953	3,572	-	-	-
4	341400	Trans Equip Other	-	-	-	-	-
5	343000	Tools, Shop and Garage	-	-	-	-	-
6	351000	WW Organization	-	-	-	-	-
7	352000	WW Franchises	4,078	-	4,078	-	-
8	353200	WW Land & Ld Rights Coll	68	-	68	-	-
9	353500	WW Land & Ld Rights Gen	(0)	-	(0)	-	-
10	354200	WW Struct & Imp Coll	-	-	-	-	-
11	354300	WW Struct & Imp SPP	218,609	125,211	91,398	-	-
12	354400	WW Struct & Imp TDP	(0)	(0)	(0)	-	-
13	354500	WW Struct & Imp Gen	-	-	-	-	-
14	355200	WW Pwr Gen Equip Coll	121,273	48,127	75,146	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-	-	-
16	355400	WW Pwr Gen Equip TDP	63,665	10,600	53,065	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-	-	-
18	380000	WW Collection Sewers Forced	-	-	-	-	-
19	381100	WW Collecting Mains	887,815	444,141	443,675	-	-
20	382000	WW Special Coll Struct	14,245,908	7,812,890	6,433,018	-	-
21	383000	WW Services Sewer	1,290,947	2,203,685	(912,738)	(912,738)	-
22	384000	WW Flow Measuring Devices	3,102,952	1,530,159	1,572,793	-	-
23	370000	WW Receiving Wells	-	-	-	-	-
24	371100	WW Pump Equip Elect	-	-	-	-	-
25	371200	WW Pump Equip Oth Pwr	150,478	(55,282)	205,760	-	55,282
26	380000	WW TD Equipment	-	-	-	-	-
27	380050	WW TD Equip Grit Removal	0	0	0	-	-
28	380100	WW TD Equip Sed Tanks/Acc	0	0	0	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	15,298	1,433	13,865	-	-
30	380250	WW TD Equip Sldge Dig Trk	0	0	0	-	-
31	380300	WW TD Equip Sldge DryFit	(0)	(0)	(0)	-	-
32	380350	WW TD Equip Sec Trmt Filt	0	0	0	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-	-	-
34	380500	WW TD Equip Chem Trmt Pit	-	-	-	-	-
35	380600	WW TD Equip Oth Disp	0	0	0	-	-
36	380625	WW TD Equip Gen Trmt	15,290	(147)	15,437	-	-
37	380650	WW TD Equip Influent Lift S	310,016	100,897	209,319	-	147
38	381000	WW Plant Sewers	508,660	54,499	454,161	-	-
39	382000	WW Outfall Sewer Lines	-	-	-	-	-
40	389100	WW Oth Pit & Misc Equip Int	113,140	36,771	76,370	-	-
41	389600	WW Other P/E - CPS - 7E	(0)	(0)	(0)	-	-
42	390000	WW Office Furniture & Equip	64,457	4,292	60,165	-	-
43	390200	WW Computers & Peripheral	(0)	(0)	(0)	-	-
44	390300	WW Computer Software	-	-	-	-	-
45	391000	WW Trans Equipment	-	-	-	-	-
46	392000	WW Stores Equipment	-	-	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-	-	-
48	394000	WW Laboratory Equipment	(0)	(0)	(0)	-	-
49	395000	WW Power Operated Equip	-	-	-	-	-
50	396000	WW Communication Equip	777	(85)	862	-	-
51	397000	WW Misc Equipment	12,821	20,293	(7,673)	(7,673)	-
52	398000	WW Other Tangible Plant	24,521	8,956	15,565	-	-
53		Not Classified	-	-	-	-	-
54		Total Direct 7E Plant	\$ 21,154,526	\$ 12,347,811	\$ 8,806,714	\$ (920,410)	\$ 55,429
Allocated 7A Corporate Plant:							
55	304500	Structures & Improvements General	\$ -	\$ -	\$ -	\$ -	\$ -
56	304820	Structures & Improvements Leasehold	192,857	22,377	170,480	-	-
57	334100	Meters	18,317	536	17,782	-	-
58	339600	Other P/E-CPS	11,777	4,641	7,136	-	-
59	340100	Office Furniture & Equipment	364,887	72,241	292,646	-	-
60	340200	Computer & Peripheral Equipment	1,267,925	569,008	698,918	-	-
61	340300	Computer Software	1,404,587	624,832	779,755	-	-
62	340330	Computer Software Other	193,904	183,147	10,757	-	-
			6,370	1,019	5,351	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
 REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	Acct. No.	Description	[A] RUCO TY End UPIS Balance	[B] RUCO TY End Accum. Depr. Balance	[C] RUCO Net Book Value	[D] Over-Depreciated Excess Accum. Depr. Adjustment	[E] Remove Debt Accum. Depr. Balances
Allocated 7A Corporate Plant (continuation):							
1	344000	Laboratory Equipment	\$ 17,277	\$ 3,080	\$ 14,217	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	186,080	218,139	(30,059)	(30,059)	-
3	346190	Remote Control & Instrument	122,024	20,439	101,584	-	-
4	346200	Communication Equipment Telephone	68,942	27,818	41,124	-	-
5	346300	Communication Equipment Other	154,411	8,821	145,590	-	-
6	347000	Miscellaneous Equipment	1,292,282	116,812	1,175,851	-	-
7		Rounding	-	-	-	-	-
8		Total Allocated 7A Corporate Plant	\$ 5,301,619	\$ 1,870,687	\$ 3,430,932	\$ (30,059)	\$ -
9		Sun City West Wastewater 7A % Allocation	\$ 466,050	\$ 164,447	\$ 301,603	\$ (2,642)	\$ -
10		Sun City West Wastewater 7A Plant Allocation	\$ 466,050	\$ 164,447	\$ 301,603	\$ (2,642)	\$ -
North West Valley Wastewater 7H Plant:							
11	304100	Struct & Imp SS (Corporate)	-	-	-	-	-
12	304200	Struct & Imp P (Corporate)	-	-	-	-	-
13	307000	Wells & Springs (Corporate)	2,582	32	2,550	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	24,525	2,366	22,159	-	-
16	340500	Other Office Equipment (Corporate)	-	0	(0)	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-	-	-
18	304800	Struct & Imp Misc (Corporate)	9,052	340	8,712	-	-
19	341200	Trans Equip Hvy Duty Trks	8,610	12	8,598	-	-
20	341400	Trans Equip Other	-	-	-	-	-
21	343000	Tools, Shop and Garage	-	-	-	-	-
22	344000	Laboratory Equipment	-	-	-	-	-
23	346100	Comm Equip Non-Telephone	-	0	(0)	-	-
24	351000	WW Organization	19,711	3,045	16,666	-	-
25	352000	WW Franchises	-	-	-	-	-
26	353200	WW Land & Ld Rights Coll	1,304	-	1,304	-	-
27	353500	WW Land & Ld Rights Gen	450,976	(89,506)	540,482	-	-
28	354200	WW Struct & Imp Coll	20,747	-	20,747	-	-
29	354300	WW Struct & Imp SPP	3,574,657	3,248,049	326,608	-	-
30	354400	WW Struct & Imp TDP	997,595	51,951	945,644	-	-
31	354500	WW Struct & Imp Gen	-	-	-	-	-
32	355200	WW Pwr Gen Equip Coll	6,900,037	1,385,565	5,514,472	-	-
33	355300	WW Pwr Gen Equip SPP	7,952	1,921	6,030	-	-
34	355400	WW Pwr Gen Equip TDP	63,439	11,007	52,431	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-	-	-
37	361100	WW Collecting Mains	-	-	-	-	-
38	362000	WW Special Coll Struct	109,750	36,956	72,794	-	-
39	363000	WW Services Sewer	486,363	686,271	(199,908)	(199,908)	-
40	364000	WW Flow Measuring Devices	8,725	2,658	6,066	-	-
41	370000	WW Receiving Wells	55,923	49,300	6,623	-	-
42	371100	WW Pump Equip Elect	-	-	-	-	-
43	371200	WW Pump Equip Oth Pwr	1,026,512	206,403	820,109	-	-
44	380000	WW TD Equipment	26,257	8,798	17,459	-	-
45	380050	WW TD Equip Grt Removal	2,306,955	1,195,934	1,111,021	-	-
46	380100	WW TD Equip Sed Tanks/Acc	1,041,234	1,202,728	(161,494)	(161,494)	-
47	380200	WW TD Equip Sldge/Effl Rmv	5,327,840	5,440,698	(112,858)	(112,858)	-
48	380250	WW TD Equip Sldge Dg Trk	28,253	2,044	26,209	-	-
49	380300	WW TD Equip Sldge Dry/Filt	502,467	293,601	208,866	-	-
50	380350	WW TD Equip Sec Trmt Filt	8,662,158	7,275,086	1,387,072	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	1,961	(1,961)	(1,961)	-
52	380500	WW TD Equip Chem Trmt Pit	1,279,622	1,340,499	(60,877)	(60,877)	-
53	380600	WW TD Equip Oth Disp	208,781	28,338	180,443	-	-
54	380625	WW TD Equip Gen Trmt	1,033,384	1,200,951	(167,567)	(167,567)	-
55	380650	WW TD Equip Influent Lift S	780,426	654,668	125,757	-	-
56	381000	WW Plant Sewers	64,680	71,829	(6,848)	(6,848)	-
			111,410	32,688	78,742	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (e)
 REMOVE EXCESS OVER-DEPRECIATED CREDIT ACCUMULATED DEPRECIATION BALANCES

Line No.	Acct. No.	Description	[A] RUCO TY End UPIS Balance	[B] RUCO TY End Accum. Depre. Balance	[C] RUCO Net Book Value	[D] Over-Depreciated Excess Accum. Depre. Adjustment	[E] Remove Debit Accum. Depre. Balances
North West Valley Wastewater 7H Plant (continuation):							
1	382000	WW Outfall Sewer Lines	\$ 4,259	\$ 112,001	\$ (107,743)	\$ (107,743)	\$ -
2	389100	WW Oth Plt & Misc Equip Int	89,296	12,559	76,738	-	-
3	389600	WW Other P/E - CPS - 7E	-	0	(0)	-	-
4	390000	WW Office Furniture & Equip	168,065	96,573	71,492	-	-
5	390200	WW Computers & Peripheral	23,044	43,528	(20,484)	(20,484)	-
6	390300	WW Computer Software	69,027	145,825	(76,598)	(76,598)	-
7	391000	WW Trans Equipment	247,842	839,469	(591,627)	(591,627)	-
8	392000	WW Stores Equipment	11,072	5,715	5,357	-	-
9	393000	WW Tool Shop & Garage Equip	139,757	81,723	58,034	-	-
10	394000	WW Laboratory Equipment	156,655	79,869	76,786	-	-
11	395000	WW Power Operated Equip	136,487	23,182	113,305	-	-
12	396000	WW Communication Equip	358,832	384,595	(25,763)	(25,763)	-
13	397000	WW Misc Equipment	74,088	76,014	(1,926)	(1,926)	-
14	398000	WW Other Tangible Plant	-	-	-	-	-
15		Rounding	-	-	-	-	-
16		Total North West Valley Wastewater 7H Plant	\$ 36,620,650	\$ 26,247,027	\$ 10,373,623	\$ (1,535,653)	\$ -
17		Sun City West Wastewater 7H % Allocation	36,620,650	26,247,027	10,373,623	(1,535,653)	-
18		Sun City West Wastewater NWVTF 7H Plant Allocation	\$ 29,585,823	\$ 21,204,973	\$ 8,380,850	\$ (1,240,654)	\$ -
6U Plant:							
19	340200	Computer & Peripheral Equipment	\$ 1,047,165	\$ 313,567	\$ 733,598	\$ -	\$ -
20	340300	Computer Software	1,064,894	790,734	274,160	-	-
21		Rounding	-	-	-	-	-
22		Total 6U Allocated Corporate Plant	\$ 2,112,059	\$ 1,104,301	\$ 1,007,758	\$ -	\$ -
23		Sun City West Wastewater 6U % Allocation	2,112,059	1,104,301	1,007,758	-	-
24		Sun City West Wastewater 6U Plant Allocation	\$ 156,184	\$ 81,661	\$ 74,522	\$ -	\$ -
Total Net Book Value & Over-Depreciated & Debit AD Plant:							
25	7N	Direct Plant	\$ 21,154,528	\$ 12,347,811	\$ 8,806,714	\$ (920,410)	\$ 55,429
26	7A	Allocable AZ Corporate 7A Plant	466,050	164,447	301,603	(2,642)	-
27	7H	Allocable Northwest Valley Treatment Facility Plant	29,585,823	21,204,973	8,380,850	(1,240,654)	-
28	6U	Allocable USA Corporate 6U Plant	156,184	81,661	74,522	-	-
29		Total Over-Depreciated Plant	\$ 51,362,583	\$ 33,798,892	\$ 17,563,690	\$ (2,163,707)	\$ 55,429
30		RUCO Total Over-Depreciated Adjustment				\$ (2,163,707)	
31		RUCO Total Debit Accumulated Depreciation Adjustments					\$ 55,429

References:

Per RUCO Plant Reconstruction Workpapers

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
 2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
Direct 7E Plant:					
1	304100	Struct & Imp SS			
2	340200	Comp & Peripheral Equip	\$ -	\$ -	\$ -
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	4,300,000	(4,296,998)	3,001
20	362000	WW Special Coll Struct	151,375	(150,988)	387
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	26,208	(26,208)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	800,000	(800,000)	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Efl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7E Plant	\$ 5,277,583	\$ (5,274,195)	\$ 3,388
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General			
56	304620	Structures & Improvements Leasehold	\$ 270,000	\$ (230,686)	\$ 39,314
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	11,937	16,784	28,721

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	210,000	493,453	703,453
8		Total Allocated 7A Corporate Plant	\$ 491,937	\$ 279,552	\$ 771,489
9		Sun City West Wastewater 7A % Allocation	8.7907%	8.7907%	8.7907%
10		Sun City West Wastewater 7A Plant Allocation	\$ 43,245	\$ 24,575	\$ 67,819
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	692,516	(629,521)	62,996
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	1,169,000	(1,145,323)	23,677
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sldge Dig Trk	-	-	-
49	380300	WW TD Equip Sldge Dry/Filt	717,000	17,023	734,023
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	1,134,000	48,140	1,182,140
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant As Filed	[B] RUCO 2016 PTY Plant Adjustments	[C] RUCO 2016 PTY Plant Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	20,000	(20,000)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	65,000	(65,000)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H Plant	\$ 3,797,516	\$ (1,794,681)	\$ 2,002,835
17		Sun City West Wastewater 7H % Allocation	80.7900%	80.7900%	80.7900%
18		Sun City West Wastewater NNVTF 7H Plant Allocation	\$ 3,068,013	\$ (1,449,923)	\$ 1,618,091
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ 592,463	\$ (592,463)	\$ -
20	340300	Computer Software	781,212	(98,750)	682,462
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ 1,373,675	\$ (691,213)	\$ 682,462
23		Sun City West Wastewater 6U % Allocation	7.3948%	7.3948%	7.3948%
24		Sun City West Wastewater 6U Plant Allocation	\$ 101,581	\$ (51,114)	\$ 50,467
Total 2016 PTY Plant:					
25	7E	Direct	\$ 5,277,583	\$ (5,274,195)	\$ 3,388
26	7A	Corporate Plant Allocated	43,245	24,575	67,819
27	7H	NWV Plant Allocated	3,068,013	(1,449,923)	1,618,091
28	6U	6U Plant Allocated	101,581	(51,114)	50,467
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total Utility Plant in Service (UPIS)	\$ 8,490,422	\$ (6,750,657)	\$ 1,739,765
31		RUCO Total Adjustment		\$ (6,750,657)	

References:

Per Company Response to RUCO DR #6.01 - See RUCO W/P

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2016 PTY Plant A/D As Filed	[B] RUCO 2016 PTY Plant A/D Adjustments	[C] RUCO 2016 PTY Plant A/D Recommended
Direct 7E Plant Accumulated Depreciation (A/D):					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	43,000	(42,969)	31
20	362000	WW Special Coll Struct	1,514	(1,510)	4
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	262	(262)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	26,667	(26,667)	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Pit	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Pit & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7E Plant	\$ 71,442	\$ (71,407)	\$ 35
Allocated 7A Corporate Plant A/D:					
55	304500	Structures & Improvements General	\$ 3,375	\$ (2,884)	\$ 491
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	1,194	1,678	2,872

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant A/D As Filed	[B] RUCO 2016 PTY Plant A/D Adjustments	[C] RUCO 2016 PTY Plant A/D Recommended
Allocated 7A Corporate Plant A/D (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	6,563	15,420	21,983
7		Rounding	-	-	-
8		Total Allocated 7A Corporate A/D	\$ 11,131	\$ 14,215	\$ 25,346
9		Sun City West Wastewater 7A % Allocation Factor	87.907%	87.907%	87.907%
10		Sun City West Wastewater 7A Allocation A/D	\$ 979	\$ 1,250	\$ 2,228
North West Valley Wastewater 7H Plant A/D:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	11,542	(11,016)	526
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	38,967	(38,375)	592
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sldge Dig Trnk	-	-	-
49	380300	WW TD Equip Sldge Dry/Filt	23,900	(5,549)	18,351
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Pit	37,800	(8,246)	29,554
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (f)
 2016 12-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2016 PTY Plant A/D As Filed	[B] RUCO 2016 PTY Plant A/D Adjustments	[C] RUCO 2016 PTY Plant A/D Recommended
North West Valley Wastewater 7H Plant A/D (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Pit & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	500	(500)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	3,250	(3,250)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H A/D	\$ 115,959	\$ (66,937)	\$ 49,022
17		Sun City West Wastewater 7H % Allocation Factor	80.7900%	80.7900%	80.7900%
18		Sun City West Wastewater NWWTF 7H Allocation A/D	\$ 93,683	\$ (54,078)	\$ 39,605
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ 29,623	\$ (29,623)	\$ -
20	340300	Computer Software	78,121	7,187	85,308
21		Rounding	-	-	-
22		Total 6U Allocated Corporate A/D	\$ 107,744	\$ (22,437)	\$ 85,308
23		Sun City West Wastewater 6U % Allocation Factor	7.3948%	7.3948%	7.3948%
24		Sun City West Wastewater 6U Allocation A/D	\$ 7,968	\$ (1,659)	\$ 6,308
Total 2016 PTY Plant A/D:					
25	7E	Direct	\$ 71,442	\$ (71,407)	\$ 35
26	7A	Corporate Plant Allocated	979	1,250	2,228
27	7H	NWV Plant Allocated	93,683	(54,078)	39,605
28	6U	6U Plant Allocated	7,968	(1,659)	6,308
29		OC UPIS Not Accounted For - Vector Trucks - Corp.	-	-	-
30		Total Utility Plant in Service A/D	\$ 174,071	\$ (125,895)	\$ 48,176
31		RUCO Total Adjustment		\$ (125,895)	

References:
 Per Company Response to RUCO DR #6.01 - See RUCO WP's

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
 2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2017 6-Months PTY Plant As Filed	[B] RUCO 2017 6-Months PTY Plant Adjustments	[C] RUCO 2017 6-Months PTY Plant Recommended
Direct 7E Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	1,847,451	(1,847,451)	-
20	362000	WW Special Coll Struct	65,037	(65,037)	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	11,260	(11,260)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	343,712	(343,712)	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Tnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7E Plant	\$ 2,267,459	\$ (2,267,459)	\$ -
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	-	-	-
56	304620	Structures & Improvements Leasehold	\$ 384,196	\$ (384,196)	\$ -
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	16,986	(16,986)	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
 2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant As Filed	[B] RUCO 2017 6-Months PTY Plant Adjustments	[C] RUCO 2017 6-Months PTY Plant Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	298,819	(298,819)	-
8		Total Allocated 7A Corporate Plant	\$ 700,000	\$ (700,000)	\$ -
9		Sun City West Wastewater 7A % Allocation	8,7907%	8,7907%	8,7907%
10		Sun City West Wastewater 7A Plant Allocation	\$ 61,535	\$ (61,535)	\$ -
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	120,312	(120,312)	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	203,093	(203,093)	-
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trnk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	124,566	(124,566)	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	197,012	(197,012)	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
 2017 6-MONTHS POST TEST YEAR PLANT DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant As Filed	[B] RUCO 2017 6-Months PTY Plant Adjustments	[C] RUCO 2017 6-Months PTY Plant Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth PIt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	3,475	(3,475)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	11,293	(11,293)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H Plant	\$ 659,750	\$ (659,750)	\$ -
17		Sun City West Wastewater 7H % Allocation	80.7900%	80.7900%	80.7900%
18		Sun City West Wastewater NWVTF 7H Plant Allocation	\$ 533,012	\$ (533,012)	\$ -
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ -	\$ -	\$ -
23		Sun City West Wastewater 6U % Allocation	7.3948%	7.3948%	7.3948%
24		Sun City West Wastewater 6U Plant Allocation	\$ -	\$ -	\$ -
Total 2017 PTY Plant:					
25	7E	Direct	\$ 2,267,459	\$ (2,267,459)	\$ -
26	7A	Corporate Plant Allocated	61,535	(61,535)	-
27	7H	NWV Plant Allocated	533,012	(533,012)	-
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total Utility Plant in Service (UPIS)	\$ 2,862,006	\$ (2,862,006)	\$ -
31		RUCO Total Adjustment		\$ (2,862,006)	

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
 2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	NARUC Acct. No.	Description	[A] Company 2017 6-Months PTY Plant A/D As Filed	[B] RUCO 2017 6-Months PTY Plant A/D Adjustments	[C] RUCO 2017 6-Months PTY Plant A/D Recommended
Direct 7E Plant Accumulated Depreciation (A/D):					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	18,475	(18,475)	-
20	362000	WW Special Coll Struct	650	(650)	-
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	113	(113)	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	11,457	(11,457)	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sludge Dig Trnk	-	-	-
31	380300	WW TD Equip Sludge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7E A/D	\$ 30,695	\$ (30,695)	\$ -
Allocated 7A Corporate Plant A/D:					
55	304500	Structures & Improvements General	\$ -	\$ -	\$ -
56	304620	Structures & Improvements Leasehold	4,802	(4,802)	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	1,699	(1,699)	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
 2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant A/D As Filed	[B] RUCO 2017 6-Months PTY Plant A/D Adjustments	[C] RUCO 2017 6-Months PTY Plant A/D Recommended
Allocated 7A Corporate Plant A/D (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	9,338	(9,338)	-
8		Total Allocated 7A Corporate A/D	\$ 15,839	\$ (15,839)	\$ -
9		Sun City West Wastewater 7A % Allocation Factor	8.7907%	8.7907%	8.7907%
10		Sun City West Wastewater 7A Allocation A/D	\$ 1,392	\$ (1,392)	\$ -
North West Valley Wastewater 7H Plant A/D:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	2,005	(2,005)	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	6,770	(6,770)	-
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Tnk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	4,152	(4,152)	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	6,567	(6,567)	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (g)
2017 6-MONTHS POST TEST YEAR PLANT ACCUMULATED DEPRECIATION (A/D) DISALLOWANCE EXCEEDING 6-MONTHS TEST YEAR END

Line No.	Acct. No.	Description	[A] Company 2017 6-Months PTY Plant A/D As Filed	[B] RUCO 2017 6-Months PTY Plant A/D Adjustments	[C] RUCO 2017 6-Months PTY Plant A/D Recommended
North West Valley Wastewater 7H Plant A/D (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth PIt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	87	(87)	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	565	(565)	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H A/D	\$ 20,146	\$ (20,146)	\$ -
17		Sun City West Wastewater 7H % Allocation Factor	80.7900%	80.7900%	80.7900%
18		Sun City West Wastewater NWWTF 7H Allocation A/D	\$ 16,276	\$ (16,276)	\$ -
6U Plant A/D:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate A/D	\$ -	\$ -	\$ -
23		Sun City West Wastewater 6U % Allocation Factor	7.3948%	7.3948%	7.3948%
24		Sun City West Wastewater 6U Allocation A/D	\$ -	\$ -	\$ -
Total 2017 6-Months PTY Plant:					
25	7E	Direct	\$ 30,695	\$ (30,695)	\$ -
26	7A	Corporate Plant Allocated	1,392	(1,392)	-
27	7H	NWV Plant Allocated	16,276	(16,276)	-
28	6U	6U Plant Allocated	-	-	-
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total 2017 6-Months PTY Plant A/D	\$ 48,363	\$ (48,363)	\$ -
31		RUCO Total Adjustment		\$ (48,363)	

References:

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	NARUC Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
Direct 7G Plant:					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	-	(4,126)	(4,126)
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	-	-	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	-	-	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7G Plant	\$ -	\$ (4,126)	\$ (4,126)
Allocated 7A Corporate Plant:					
55	304500	Structures & Improvements General	\$ -	\$ (29,508)	\$ (29,508)
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	-	-	-

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
 2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment	\$ -	\$ -	\$ -
2	346100	Communication Equipment Non-Telephone	-	-	-
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	-	-	-
8		Total Allocated 7A Corporate Plant	\$ -	\$ (29,508)	\$ (29,508)
9		Sun City West Wastewater 7A % Allocation	8.7907%	8.7907%	8.7907%
10		Sun City West Wastewater 7A Plant Allocation	\$ -	\$ (2,594)	\$ (2,594)
North West Valley Wastewater 7H Plant:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	-	-	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	-	(553,523)	(553,523)
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sludge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sludge Dig Trk	-	-	-
49	380300	WW TD Equip Sludge Dry/Filt	-	-	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	-	-	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

Continued on Next Page

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
 2016 POST TEST YEAR UPIS UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant Retirements As Filed	[B] RUCO PTY Plant Retirement Adjustments	[C] RUCO PTY Plant Retirements Recommended
North West Valley Wastewater 7H Plant (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Plt & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	-	-	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	-	-	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H Plant	\$ -	\$ (553,523)	\$ (553,523)
17		Sun City West Wastewater 7H % Allocation	80.7900%	80.7900%	80.7900%
18		Sun City West Wastewater NWVTF 7H Plant Allocation	\$ -	\$ (447,191)	\$ (447,191)
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate Plant	\$ -	\$ -	\$ -
23		Sun City West Wastewater 6U % Allocation	7.3948%	7.3948%	7.3948%
24		Sun City West Wastewater 6U Plant Allocation	\$ -	\$ -	\$ -
Total Unrecorded 2016 PTY Plant Retirements:					
25	7N	Direct	\$ -	\$ -	\$ -
26	7A	Corporate Plant Allocated	\$ -	\$ (4,126)	\$ (4,126)
27	7H	NWV Plant Allocated	-	(2,594)	(2,594)
28	6U	6U Plant Allocated	-	(447,191)	(447,191)
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total Unrecorded Plant Retirements	\$ -	\$ (453,912)	\$ (453,912)
31		RUCO Total Adjustment		\$ (453,912)	

References:

Per Company Response to RUCO DR #6.01 - See RUCO PTY Plant Adjustments W/P

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
 2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (A/D) UNRECORDED RETIREMENTS

Line No.	NARUC Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
Direct 7E Plant Accumulated Depreciation (A/D):					
1	304100	Struct & Imp SS	\$ -	\$ -	\$ -
2	340200	Comp & Peripheral Equip	-	-	-
3	341200	Trans Equip Hvy Duty Trks	-	-	-
4	341400	Trans Equip Other	-	-	-
5	343000	Tools, Shop and Garage	-	-	-
6	351000	WW Organization	-	-	-
7	352000	WW Franchises	-	-	-
8	353200	WW Land & Ld Rights Coll	-	-	-
9	353500	WW Land & Ld Rights Gen	-	-	-
10	354200	WW Struct & Imp Coll	-	-	-
11	354300	WW Struct & Imp SPP	-	-	-
12	354400	WW Struct & Imp TDP	-	-	-
13	354500	WW Struct & Imp Gen	-	-	-
14	355200	WW Pwr Gen Equip Coll	-	-	-
15	355300	WW Pwr Gen Equip SPP	-	-	-
16	355400	WW Pwr Gen Equip TDP	-	-	-
17	355500	WW Pwr Gen Equip RWTP	-	-	-
18	360000	WW Collection Sewers Forced	-	-	-
19	361100	WW Collecting Mains	-	-	-
20	362000	WW Special Coll Struct	-	(4,168)	(4,168)
21	363000	WW Services Sewer	-	-	-
22	364000	WW Flow Measuring Devices	-	-	-
23	370000	WW Receiving Wells	-	-	-
24	371100	WW Pump Equip Elect	-	-	-
25	371200	WW Pump Equip Oth Pwr	-	-	-
26	380000	WW TD Equipment	-	-	-
27	380050	WW TD Equip Grit Removal	-	-	-
28	380100	WW TD Equip Sed Tanks/Acc	-	-	-
29	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
30	380250	WW TD Equip Sldge Dig Trnk	-	-	-
31	380300	WW TD Equip Sldge Dry/Filt	-	-	-
32	380350	WW TD Equip Sec Trmt Filt	-	-	-
33	380400	WW TD Equip Aux Effl Trmt	-	-	-
34	380500	WW TD Equip Chem Trmt Plt	-	-	-
35	380600	WW TD Equip Oth Disp	-	-	-
36	380625	WW TD Equip Gen Trmt	-	-	-
37	380650	WW TD Equip Influent Lift S	-	-	-
38	381000	WW Plant Sewers	-	-	-
39	382000	WW Outfall Sewer Lines	-	-	-
40	389100	WW Oth Plt & Misc Equip Int	-	-	-
41	389600	WW Other P/E - CPS - 7E	-	-	-
42	390000	WW Office Furniture & Equip	-	-	-
43	390200	WW Computers & Peripheral	-	-	-
44	390300	WW Computer Software	-	-	-
45	391000	WW Trans Equipment	-	-	-
46	392000	WW Stores Equipment	-	-	-
47	393000	WW Tool Shop & Garage Equip	-	-	-
48	394000	WW Laboratory Equipment	-	-	-
49	395000	WW Power Operated Equip	-	-	-
50	396000	WW Communication Equip	-	-	-
51	397000	WW Misc Equipment	-	-	-
52	398000	WW Other Tangible Plant	-	-	-
53		Rounding	-	-	-
54		Total Direct 7E A/D	\$ -	\$ (4,168)	\$ (4,168)
Allocated 7A Corporate Plant A/D:					
55	304500	Structures & Improvements General	\$ -	\$ (29,877)	\$ (29,877)
56	304620	Structures & Improvements Leasehold	-	-	-
57	334100	Meters	-	-	-
58	339600	Other P/E-CPS	-	-	-
59	340100	Office Furniture & Equipment	-	-	-
60	340200	Computer & Peripheral Equipment	-	-	-
61	340300	Computer Software	-	-	-
62	340330	Computer Software Other	-	-	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (A/D) UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
Allocated 7A Corporate Plant (continuation):					
1	344000	Laboratory Equipment			
2	346100	Communication Equipment Non-Telephone	\$ -	\$ -	\$ -
3	346190	Remote Control & Instrument	-	-	-
4	346200	Communication Equipment Telephone	-	-	-
5	346300	Communication Equipment Other	-	-	-
6	347000	Miscellaneous Equipment	-	-	-
7		Rounding	-	-	-
8		Total Allocated 7A Corporate A/D	\$ -	\$ (29,877)	\$ (29,877)
9		Sun City West Wastewater 7A % Allocation Factor	87.907%	87.907%	87.907%
10		Sun City West Wastewater 7A Allocation A/D	\$ -	\$ (2,626)	\$ (2,626)
North West Valley Wastewater 7H Plant A/D:					
11	304100	Struct & Imp SS (Corporate)	\$ -	\$ -	\$ -
12	304200	Struct & Imp P (Corporate)	-	-	-
13	307000	Wells & Springs (Corporate)	-	-	-
14	311200	Pump Equip Electric (Corporate)	-	-	-
15	340200	Comp & Peripheral Equip (Corporate)	-	-	-
16	340500	Other Office Equipment (Corporate)	-	-	-
17	304600	Struct & Imp Offices (Corporate)	-	-	-
18	304800	Struct & Imp Misc (Corporate)	-	-	-
19	341200	Trans Equip Hvy Duty Trks	-	-	-
20	341400	Trans Equip Other	-	-	-
21	343000	Tools, Shop and Garage	-	-	-
22	344000	Laboratory Equipment	-	-	-
23	346100	Comm Equip Non-Telephone	-	-	-
24	351000	WW Organization	-	-	-
25	352000	WW Franchises	-	-	-
26	353200	WW Land & Ld Rights Coll	-	-	-
27	353500	WW Land & Ld Rights Gen	-	-	-
28	354200	WW Struct & Imp Coll	-	-	-
29	354300	WW Struct & Imp SPP	-	-	-
30	354400	WW Struct & Imp TDP	-	-	-
31	354500	WW Struct & Imp Gen	-	-	-
32	355200	WW Pwr Gen Equip Coll	-	-	-
33	355300	WW Pwr Gen Equip SPP	-	-	-
34	355400	WW Pwr Gen Equip TDP	-	-	-
35	355500	WW Pwr Gen Equip RWTP	-	-	-
36	360000	WW Collection Sewers Forced	-	-	-
37	361100	WW Collecting Mains	-	-	-
38	362000	WW Special Coll Struct	-	-	-
39	363000	WW Services Sewer	-	-	-
40	364000	WW Flow Measuring Devices	-	-	-
41	370000	WW Receiving Wells	-	-	-
42	371100	WW Pump Equip Elect	-	-	-
43	371200	WW Pump Equip Oth Pwr	-	-	-
44	380000	WW TD Equipment	-	-	-
45	380050	WW TD Equip Grit Removal	-	(567,361)	(567,361)
46	380100	WW TD Equip Sed Tanks/Acc	-	-	-
47	380200	WW TD Equip Sldge/Effl Rmv	-	-	-
48	380250	WW TD Equip Sldge Dig Trnk	-	-	-
49	380300	WW TD Equip Sldge Dry/Filt	-	-	-
50	380350	WW TD Equip Sec Trmt Filt	-	-	-
51	380400	WW TD Equip Aux Effl Trmt	-	-	-
52	380500	WW TD Equip Chem Trmt Plt	-	-	-
53	380600	WW TD Equip Oth Disp	-	-	-
54	380625	WW TD Equip Gen Trmt	-	-	-
55	380650	WW TD Equip Influent Lift S	-	-	-
56	381000	WW Plant Sewers	-	-	-

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UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (h)
2016 POST TEST YEAR UPIS ACCUMULATED DEPRECIATION (A/D) UNRECORDED RETIREMENTS

Line No.	Acct. No.	Description	[A] Company PTY Plant A/D Retirements As Filed	[B] RUCO PTY Plant A/D Retirement Adjustments	[C] RUCO PTY Plant A/D Retirements Recommended
North West Valley Wastewater 7H Plant A/D (continuation):					
1	382000	WW Outfall Sewer Lines	\$ -	\$ -	\$ -
2	389100	WW Oth Pit & Misc Equip Int	-	-	-
3	389600	WW Other P/E - CPS - 7E	-	-	-
4	390000	WW Office Furniture & Equip	-	-	-
5	390200	WW Computers & Peripheral	-	-	-
6	390300	WW Computer Software	-	-	-
7	391000	WW Trans Equipment	-	-	-
8	392000	WW Stores Equipment	-	-	-
9	393000	WW Tool Shop & Garage Equip	-	-	-
10	394000	WW Laboratory Equipment	-	-	-
11	395000	WW Power Operated Equip	-	-	-
12	396000	WW Communication Equip	-	-	-
13	397000	WW Misc Equipment	-	-	-
14	398000	WW Other Tangible Plant	-	-	-
15		Rounding	-	-	-
16		Total North West Valley Treatment Facility 7H A/D	\$ -	\$ (567,361)	\$ (567,361)
17		Sun City West Wastewater 7H % Allocation Factor	80.7900%	80.7900%	80.7900%
18		Sun City West Wastewater NWVTF 7H Allocation A/D	\$ -	\$ (458,371)	\$ (458,371)
6U Plant:					
19	340200	Computer & Peripheral Equipment	\$ -	\$ -	\$ -
20	340300	Computer Software	-	-	-
21		Rounding	-	-	-
22		Total 6U Allocated Corporate A/D	\$ -	\$ -	\$ -
23		Sun City West Wastewater 6U % Allocation Factor	7.3948%	7.3948%	7.3948%
24		Sun City West Wastewater 6U Allocation A/D	\$ -	\$ -	\$ -
Total Unrecorded 2016 PTY Plant Retirements:					
25	7N	Direct	\$ -	\$ -	\$ -
26	7A	Corporate Plant Allocated	-	(4,168)	(4,168)
27	7H	NWV Plant Allocated	-	(2,626)	(2,626)
28	6U	6U Plant Allocated	-	(458,371)	(458,371)
29		OC UPIS Not Accounted For - Vactor Trucks - Corp.	-	-	-
30		Total Unrecorded Plant Retirements	\$ -	\$ (465,166)	\$ (465,166)
31		RUCO Total Adjustment		\$ (465,166)	

References:
Per Company Response to RUCO DR #6.01 - See RUCO 2016 PTY Plant Adjustments W/P

RATE BASE ADJUSTMENT NO. 2
CURRENT REGULATORY LIABILITY FOR OVER-DEPRECIATED PLANT ADJUSTMENT

Line No.	NARUC Acct.	Description	Gross Liability Amount	Allocation Factor	Total Liability Amount	Net Regulatory Assets & Liabilities	Gross Asset Amount
Direct Plant Accounts:							
1	362000	WW Special Coll Struct					
2	396000	WW Communication Equip	\$ (912,738)	100.00%	\$ (912,738)		\$ -
			(7,673)	100.00%	(7,673)		-
3	371100	WW Pump Equip Elect					
4	380600	WW TD Equip Oth Disp		100.00%			55,282
				100.00%			147
5		Sub-Total Direct Plant			\$ (920,410)		\$ 55,429
Allocated Arizona Corporate 7A Plant:							
6	346100	Communication Equipment Non-Telephone	\$ (30,059)	8.7907%	\$ (2,642)		\$ -
Allocated Northwest Valley Treatment Facility:							
7	340500	Other Office Equipment (Corporate)	\$ (0)	80.7900%	\$ (0)		\$ -
8	344000	Laboratory Equipment	(0)	80.7900%	(0)		-
9	362000	WW Special Coll Struct	(199,908)	80.7900%	(161,506)		-
10	380050	WW TD Equip Grit Removal	(161,494)	80.7900%	(130,471)		-
11	380100	WW TD Equip Sed Tanks/Acc	(112,858)	80.7900%	(91,178)		-
12	380350	WW TD Equip Sec Trmt Filtr	(1,961)	80.7900%	(1,584)		-
13	380400	WW TD Equip Aux Effl Trmt	(60,877)	80.7900%	(49,182)		-
14	380600	WW TD Equip Oth Disp	(167,567)	80.7900%	(135,378)		-
15	380650	WW TD Equip Influent Lift S	(6,848)	80.7900%	(5,533)		-
16	382000	WW Outfall Sewer Lines	(107,743)	80.7900%	(87,045)		-
17	389600	WW Other P/E - CPS - 7E	(0)	80.7900%	(0)		-
18	390200	WW Computers & Peripheral	(20,484)	80.7900%	(16,549)		-
19	390300	WW Computer Software	(76,598)	80.7900%	(61,883)		-
20	391000	WW Trans Equipment	(591,627)	80.7900%	(477,975)		-
21	396000	WW Communication Equip	(25,763)	80.7900%	(20,814)		-
22	397000	WW Misc Equipment	(1,926)	80.7900%	(1,556)		-
23		Sub-Total Allocable Northwest Valley Treatment Facility	\$ (1,535,653)		\$ (1,240,654)		\$ -
Allocated USA Corporate 6U Plant:							
24	N/A	N/A	\$ -	7.3948%	-		\$ -
25		Total Current Regulatory Asset & Liability			\$ (2,163,707)		\$ 55,429
26		Net Gross Regulatory Assets & Liabilities				\$ (2,108,278)	

References:
RUCO Schedule TJC-4(e) - Excess Accumulated Depreciation

RATE BASE ADJUSTMENTS NO. 3 THRU 8 - NOT USED
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Line	<u>No.</u> <u>Description</u>	<u>Amount</u>
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References:

RATE BASE ADJUSTMENT NO. 9
2016 POST TEST YEAR PLANT BONUS DEPRECIATION ADIT ADJUSTMENT

Line
 No. Description

1	Additional ADIT Identified in Response to RUCO DR 6.04		\$ 2,862,894
2	Allocation Factor		
3	Sub-Total Additional ADIT		8.7907%
			\$ 251,669

RUCO Recommended 2016 PTY Plant Bonus Depreciation ADIT Calculation:

Direct Plant

NARUC Acct.	Depreciation Rate	Description	RUCO Recommended 2016 PTY Plant	Straight-Line Depreciation Amount	50% Bonus Depreciation	Basis Difference
4	360000	2.00%	WW Struct & Imp Gen	\$ 3,001	\$ 60	
5	361100	2.50%	WW Communication Equip	387	10	
6			RUCO Recommended PTY Plant	\$ 3,388		
7			Sub-Total Direct 2016 PTY Plant Depreciation		\$ 70	\$ 1,694 \$ 1,624

Allocable AZ Corporate 7A Plant

8	304500	2.50%	Structures & Improvements General	\$ 39,314	\$ 983	
9	340300	20.00%	Computer Software	28,721	5,744	
10	347000	6.25%	Miscellaneous Equipment	703,453	43,966	
11			RUCO Recommended PTY Plant	\$ 771,489		
12			Total Straight-Line Depre. Exp.	\$ 50,693		
13			Allocation Factor		8.7907%	
14			Sub-Total Corp 7A 2016 PTY Plant Depreciation		\$ 4,456	\$ 33,910 \$ 29,453

Allocable Northwest Valley Treatment Facility

15	354500	3.33%	WW Struct & Imp Gen	\$ 62,996	\$ 2,100	
16	380000	6.67%	WW TD Equipment	23,677	1,578	
17	380250	6.67%	WW TD Equip Sldge Dig Tnk	734,023	48,935	
18	380400	6.67%	WW TD Equip Aux Effl Trmt	1,182,140	78,809	
19			RUCO Recommended PTY Plant	\$ 2,002,835		
20			Total Straight-Line Depre. Exp.	\$ 131,422		
21			Allocation Factor		80.7900%	
22			Sub-Total Alloc NWVTF 2016 PTY Plant Depreciat		\$ 106,176	\$ 809,045 \$ 702,869

Allocable USA Corporate 6UA Plant

23	340300	20.00%	Computer Software	\$ 682,462	\$ 136,492	
24			RUCO Recommended PTY Plant	\$ 682,462		
25			Total Straight-Line Depre. Exp.	\$ 136,492		
26			Allocation Factor		7.3948%	
27			Sub-Total Corp 6U 2016 PTY Plant Depreciation		\$ 10,093	\$ 25,234 \$ 15,140
28			Total Annual Straight-Line v Bonus Depreciation		\$ 120,796	\$ 869,883 \$ 749,087 32.13% \$ 240,682

29 RUCO ADIT Adjustment

\$ 492,350

References:

Company Federal Effective Income Tax Rate per Schedule SLM-IS3

32.13%

**RATE BASE ADJUSTMENT NO. 10
ALLOWANCE FOR WORKING CAPITAL**

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	RUCO Cash Working Capital Requirement	
2	RUCO Required Bank Balances ¹	\$ (178,084)
3	RUCO Material and Supplies Inventories ¹	-
4	RUCO Prepayments ¹	145
		5,279
5	RUCO Total Working Capital Allowance	
6	Company Total Working Capital Allowance	\$ (172,660)
		(190,598)
7	RUCO Allowance for Working Capital Adjustment	
		\$ 17,938

Notes:

¹ Calculated using Thirteen-Month Averages

References:

Company Schedules B-5 & B-6
RUCO Schedule TJC-10 on page 2 of 2

RATE BASE ADJUSTMENT NO. 10 (continued)
CASH WORKING CAPITAL LEAD / LAG STUDY

Line No.	Description	[A] Company Adjusted Test Year As Filed	[B] RUCO Expense Adjustments	[C] RUCO Recommended Expense	[D] Revenue Lag Days	[E] Expense (Lead)/Lag Days	[F] Net (Lead)/Lag Days Col. [D] - Col. [E]	[G] (Lead)/Lag Factor Col. [F] / 365	[H] Cash Working Capital Requirement Col. [C] x Col. [G]
Operating Expenses:									
1	Labor	\$ 835,467	\$ (45,531)	\$ 789,937	40.66	42.97	(2.307)	(0.006)	\$ (4,993)
2	Purchased Water	3,401	-	3,401	40.66	-	40.660	0.111	379
3	Fuel & Power	421,546	(18,660)	402,886	40.66	45.17	(4.512)	(0.012)	(4,980)
4	Chemicals	246,213	(4,913)	241,300	40.66	-	40.660	0.111	26,880
5	Waste Disposal	150,092	-	150,092	40.66	55.14	(14.481)	(0.040)	(5,955)
6	Intercompany Support Services	-	-	-	40.66	30.25	10.410	0.029	-
7	Corporate Allocation	208,289	(4,585)	203,703	40.66	30.25	10.410	0.029	5,810
8	Outside Services	82,611	(635)	81,976	40.66	78.18	(37.517)	(0.103)	(8,426)
9	Group Insurance	310,977	(41,148)	269,829	40.66	27.40	13.257	0.036	9,801
10	Regulatory Expense	82,042	-	82,042	40.66	-	40.660	0.111	9,139
11	Insurance Other Than Group	91,181	-	91,181	40.66	(15.38)	56.035	0.154	13,998
12	Customer Accounting	495,832	(11,006)	484,827	40.66	78.51	(37.848)	(0.104)	(50,273)
13	Rents	20,789	-	20,789	40.66	-	40.660	0.111	2,316
14	General Office Expense	93,763	(719)	93,044	40.66	61.53	(20.870)	(0.057)	(5,320)
15	Miscellaneous	69,198	(30,695)	38,503	40.66	3.61	37.046	0.101	3,908
16	Maintenance Expense	307,459	(5,057)	302,402	40.66	(26.24)	66.903	0.183	55,429
Taxes:									
17	General Taxes - Property ¹	417,584	(41,951)	375,633	40.66	212.50	(171.840)	(0.471)	(176,846)
18	General Taxes - Payroll	71,311	(493)	70,818	40.66	42.11	(1.453)	(0.004)	(282)
19	General Taxes - Other	-	-	-	40.66	-	40.660	0.111	-
20	Income Tax ¹	788,081	(376,609)	411,472	40.66	37.50	3.160	0.009	3,562
Other:									
21	Interest Expense on Proposed Long-Term Debt	637,443	(253,003)	384,439	40.66	90.25	(49.590)	(0.136)	(52,231)
22	Total Cash Working Capital Expenses	<u>\$ 5,333,279</u>	<u>\$ (835,005)</u>	<u>\$ 4,498,274</u>					
23	RUCO Total Recommended Cash Working Capital								\$ (178,084)
24	Company Total Proposed Cash Working Capital								(196,022)
25	RUCO Cash Working Capital Adjustment								<u>\$ 17,938</u>

References:

¹ At Proposed Rates
Designates RUCO Adjustments to Co. Lead/Lag Days

RECONSTRUCTION COST NEW LESS DEPRECIATION (RCND) RATE BASE SUMMARY

Line No.	Description	[A] Company RCND Rate Base As Filed	[B] RUCO Recommended RCND Adjustments	[C] RUCO RCND Rate Base Recommended
1	Gross Utility Plant In Service	\$ 121,560,747	\$ (10,288,332)	\$ 111,272,414
	Less:			
2	Accumulated Depreciation	78,586,740	(4,004,075)	74,582,665
3	Net Utility Plant In Service (L1 - L2)	\$ 42,974,006	\$ (6,284,257)	\$ 36,689,749
	Less:			
4	Advances In Aid Of Construction ("AIAC")	\$ 207,725	\$ -	\$ 207,725
5	Gross Contribution In Aid Of Construction ("CIAC")	488,735	-	488,735
6	Accumulated Amortization of CIAC	(37,967)	-	(37,967)
7	Net CIAC (L5 + L6)	\$ 450,768	\$ -	\$ 450,768
8	Customer Meter Deposits	\$ -	\$ -	\$ -
9	Customer Security Deposits	-	-	-
10	Gross Net Regulatory Assets & Liabilities	-	3,138,274	3,138,274
11	Accumulated Amortization	-	(251,062)	(251,062)
12	Net Regulatory Assets & Liabilities	\$ -	\$ 2,887,212	\$ 2,887,212
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 2,822,543	\$ 732,887	\$ 3,555,430
	Plus:			
14	Deferred Debits	-	-	-
17	Working Capital Allowance	(190,598)	17,938	(172,660)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 39,302,373	\$ (9,886,419)	\$ 29,415,955

References:

- Column [A]: Company Schedule B-1
- Column [B]: TJC-3, Columns [B] Thru [K]
- Column [C]: Column [A] + Column [B]

RECONSTRUCTION COST NEW RATE BASE (RCNRB) ADJUSTMENTS

Line No.	Description	[A] Company RCND Rate Base As Filed	[B] Adjust No. 1 UPIS & A/D Adjustment	[C] Adjust No. 2 Regulatory Liability	[D] Adjust No. 3 Intentionally Left Blank	[E] Adjust No. 4 Intentionally Left Blank	[F] Adjust No. 5 Intentionally Left Blank	[G] Adjust No. 6 Intentionally Left Blank	[H] Adjust No. 7 Intentionally Left Blank	[I] Adjust No. 8 Intentionally Left Blank	[J] Adjust No. 9 ADIT Adjustment	[K] Adjust No. 10 Working Capital Adjustment	[L] Total RUCO Adjustments	[M] RUCO RCND Rate Base Recommended
1	Gross Utility Plant In Service	\$ 121,560,747	\$ (10,288,332)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,288,332)	\$ 111,272,414
Less:														
2	Accumulated Depreciation	\$ 78,586,740	(4,004,075)	-	-	-	-	-	-	-	-	-	(4,004,075)	74,582,665
3	Net Utility Plant In Service (L1 + L2)	\$ 42,974,006	\$ (6,284,257)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,284,257)	\$ 36,689,749
Less:														
4	Advances In Aid Of Construction ("AIAC")	\$ 207,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 207,725
5	Gross Contribution In Aid Of Construction ("CIAC")	488,735	-	-	-	-	-	-	-	-	-	-	-	488,735
6	Accumulated Amortization of CIAC	(37,967)	-	-	-	-	-	-	-	-	-	-	-	(37,967)
7	Net CIAC (L5 + L6)	\$ 450,768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	450,768
8	Customer Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Customer Security Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Gross Net Regulatory Assets & Liabilities	-	-	3,138,274	-	-	-	-	-	-	-	-	3,138,274	3,138,274
11	Accumulated Amortization	-	-	(251,062)	-	-	-	-	-	-	-	-	(251,062)	(251,062)
12	Net Regulatory Assets & Liabilities	\$ -	\$ -	\$ 2,887,212	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,887,212	\$ 2,887,212
13	Accumulated Deferred Income Taxes ("ADIT")	\$ 2,822,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 732,887	\$ -	\$ 732,887	\$ 3,555,430
Plus:														
14	Deferred Debits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Working Capital Allowance	(190,598)	-	-	-	-	-	-	-	-	-	17,938	17,938	(172,660)
18	TOTAL RATE BASE (Sum L's 3, 4, 7, 8, 9, 12 Thru 17)	\$ 39,302,373	\$ (6,284,257)	\$ (2,887,212)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (732,887)	\$ 17,938	\$ (9,886,419)	\$ 29,415,955

RUCO Adjustments:

Adjustment No. 1: Summation of RUCO recommended Utility Plant in Service and Accumulated Depreciation Adjustments No. (a), (b), (c), and (d) - See RUCO Rate Base Adjustment No. 1 on Schedules TJC-4 on pages 1 & 2, Column [J] at line 42;
 Adjustment No. 2: Current Case Regulatory Liability for Over-Depreciated Plant;
 Adjustment No. 3: Intentionally Left Blank;
 Adjustment No. 4: Intentionally Left Blank;
 Adjustment No. 5: Intentionally Left Blank;
 Adjustment No. 6: Intentionally Left Blank;
 Adjustment No. 7: Intentionally Left Blank;
 Adjustment No. 8: Intentionally Left Blank;
 Adjustment No. 9: RUCO Recommended 2016 TY End Accumulated Deferred Income Tax ("ADIT") Balance;
 Adjustment No. 10: RUCO Recommended Allowance for Working Capital - See RUCO Schedule TJC-10.

References:

Column [A]: Company Schedule B-1
 Column [B]: Thru Column [K]: RUCO Recommended Rate Base Adjustments
 Column [L]: Sum of RUCO Recommended Rate Base Adjustments of Columns [B] through [K]
 Column [M]: Column [A] + Column [L]

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS UPIS ALLOCATION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 8.7907%	[E] RUCO Allocated Adjustment
Allocated AZ Corp Plant:							
1	304500	Structures & Improvements General	\$ 867,209	\$ -	\$ 208,404	8.7907%	\$ -
2	304620	Structures & Improvements Leasehold	19,076	-	19,076	8.7907%	-
3	334100	Meters	12,936	-	12,936	8.7907%	-
4	339600	Other P/E-CPS	401,267	-	401,267	8.7907%	-
5	340100	Office Furniture & Equipment	1,540,410	-	1,540,410	8.7907%	-
6	340200	Computer & Peripheral Equipment	1,508,481	-	1,508,481	8.7907%	-
7	340300	Computer Software	224,789	-	224,588	8.7907%	-
8	340330	Computer Software Other	6,564	-	6,564	8.7907%	-
9	344000	Laboratory Equipment	22,261	-	22,261	8.7907%	-
10	346100	Communication Equipment Non-Telephone	244,843	-	244,843	8.7907%	-
11	346190	Remote Control & Instrument	124,954	-	124,954	8.7907%	-
12	346200	Communication Equipment Telephone	91,902	-	91,902	8.7907%	-
13	346300	Communication Equipment Other	156,534	-	156,534	8.7907%	-
14	347000	Miscellaneous Equipment	1,830,993	(423,658)	1,601,970	8.7907%	(37,243)
15		Rounding	-	-	-	8.7907%	-
16		Total AZ Corporate Plant Allocated	<u>\$7,052,219</u>	<u>\$ (423,658)</u>	<u>\$ 6,164,189</u>		<u>(37,243)</u>
17		RUCO Total Adjustment					<u>\$ (37,243)</u>

References:
Schedule TJC-4 on page 1 of 2

UTILITY PLANT IN SERVICE ("UPIS") ADJUSTMENT NO. (a)
VACTOR TRUCKS ACCUMULATED DEPRECIATION (A/D) ALLOCATION ADJUSTMENT

Line No.	Acct. No.	Description	[A] Company As Filed Amount	[B] RUCO Unallocated Adjustment	[C] RUCO Adjusted Amount	[D] Mohave Allocator 8.7907%	[E] RUCO Allocated Adjustment
Allocated AZ Corp A/D:							
1	304500	Structures & Improvements General	\$ 30,426	\$ -	\$ (21,733)	8.7907%	\$ -
2	304620	Structures & Improvements Leasehold	1,035	-	1,035	8.7907%	-
3	334100	Meters	4,739	-	4,739	8.7907%	-
4	339600	Other P/E-CPS	76,834	-	76,834	8.7907%	-
5	340100	Office Furniture & Equipment	712,910	-	712,910	8.7907%	-
6	340200	Computer & Peripheral Equipment	702,405	-	702,405	8.7907%	-
7	340300	Computer Software	49,301	-	49,281	8.7907%	-
8	340330	Computer Software Other	3,282	-	3,282	8.7907%	-
9	344000	Laboratory Equipment	11,131	-	11,131	8.7907%	-
10	346100	Communication Equipment Non-Telephone	244,843	-	200,099	8.7907%	-
11	346190	Remote Control & Instrument	27,182	-	27,182	8.7907%	-
12	346200	Communication Equipment Telephone	73,463	-	73,463	8.7907%	-
13	346300	Communication Equipment Other	17,839	-	17,839	8.7907%	-
14	347000	Miscellaneous Equipment	189,110	(54,871)	140,322	8.7907%	(4,824)
15		Salvage Proceeds				8.7907%	
16		Total AZ Corporate A/D Allocated	<u>\$2,144,501</u>	<u>\$ (54,871)</u>	<u>\$ 1,998,788</u>		<u>(4,824)</u>
17		RUCO Total Adjustment					<u>\$ (4,824)</u>

References:
Schedule TJC-4 on page 2 of 2

OPERATING INCOME SUMMARY

Line No.	Description	[A] Company Adjusted Test Year As Filed	[B] RUCO Recommended Adjustments	[C] RUCO Recommended Adjusted Test Year Amounts	[D] RUCO Recommended Changes	[E] RUCO Recommended Amounts
Revenues:						
1	Water/Wastewater Revenues	\$ 7,319,736	\$ -	\$ 7,319,736	\$ 142,018	\$ 7,461,753
2	Other Revenues	136	-	136	-	136
3	Total Revenues	<u>\$ 7,319,872</u>	<u>\$ -</u>	<u>\$ 7,319,872</u>	<u>\$ 142,018</u>	<u>\$ 7,461,890</u>
Operating Expenses:						
4	Labor	\$ 835,467	\$ (45,531)	\$ 789,937	\$ -	\$ 789,937
5	Purchased Water	3,401	-	3,401	-	3,401
6	Fuel & Power	421,546	(18,660)	402,886	-	402,886
7	Chemicals	246,213	(4,913)	241,300	-	241,300
8	Waste Disposal	150,092	-	150,092	-	150,092
9	Intercompany Support Services	-	-	-	-	-
10	Corporate Allocation	208,289	(4,585)	203,703	-	203,703
11	Outside Services	82,611	(635)	81,976	-	81,976
12	Group Insurance	310,977	(41,148)	269,829	-	269,829
13	Pensions	-	-	-	-	-
14	Regulatory Expense	82,042	-	82,042	-	82,042
15	Insurance Other Than Group	91,181	-	91,181	-	91,181
16	Customer Accounting	495,832	(11,006)	484,827	75	484,902
17	Rents	20,789	-	20,789	-	20,789
18	General Office Expense	93,763	(719)	93,044	-	93,044
19	Miscellaneous	69,198	(30,695)	38,503	-	38,503
20	Maintenance Expense	307,459	(5,057)	302,402	-	302,402
21	Depreciation & Amortization	2,748,108	(495,647)	2,252,462	-	2,252,462
22	General Taxes-Property	381,829	(8,644)	373,185	2,448	375,633
23	General Taxes-Other	71,311	(493)	70,818	-	70,818
24	Income Taxes	23,451	336,082	359,533	51,939	411,472
25	Total Operating Expenses	<u>\$ 6,643,560</u>	<u>\$ (331,651)</u>	<u>\$ 6,311,909</u>	<u>\$ 54,463</u>	<u>\$ 6,366,372</u>
26	Operating Income	<u>\$ 676,312</u>	<u>\$ 331,651</u>	<u>\$ 1,007,963</u>	<u>\$ 87,555</u>	<u>\$ 1,095,518</u>

References:

- Column [A]: Company Schedule C-1;
- Column [B]: RUCO Recommended Total Adjustments Per Schedule TJC-12 on pages 1-2 at page 2 in Column [S] at line 26;
- Column [C]: Column [A] + [B] - RUCO Recommended Adjusted Test Year Amounts Per Schedule TJC-12 on page 2 of 2 in Column [T];
- Column [D]: RUCO Recommended Increase/(Decrease) to Revenue Requirement;
- Column [E]: Column [C] + [D] - RUCO Recommended Increase/(Decrease) Amounts for Revenue Requirement.

RUCO OPERATING INCOME ADJUSTMENTS

Line No.	Description	(A) Company Adjusted Test Year As Filed	(B) Adj. No. 1 Depreciation Expense	(C) Adj. No. 2 Property Taxes	(D) Adj. No. 3 Performance Based Adjustment	(E) Adj. No. 4 Annualized Labor Adjustment	(F) Adj. No. 5 Purchased Power Adjustment	(G) Adj. No. 6 CPI Adjustment	(H) Adj. No. 7 Customer Accounting Adjustment	(I) Adj. No. 8 Low Income Adjustment	(J) Adj. No. 9 EPCOR Services Adjustment
Revenues:											
1	Water/Wastewater Revenues	\$ 7,319,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	136	-	-	-	-	-	-	-	-	-
3	Total Revenues	\$ 7,319,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses:											
4	Labor	\$ 835,467	\$ -	\$ -	\$ (35,155)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,376)
5	Purchased Water	3,401	-	-	-	-	-	-	-	-	-
6	Fuel & Power	421,546	-	-	-	-	(18,660)	-	-	-	-
7	Chemicals	246,213	-	-	-	-	-	(4,913)	-	-	-
8	Waste Disposal	150,092	-	-	-	-	-	-	-	-	-
9	Intercompany Support Services	-	-	-	-	-	-	-	-	-	-
10	Corporate Allocation	208,289	-	-	-	-	-	-	-	-	-
11	Outside Services	82,611	-	-	-	-	-	(329)	-	-	-
12	Group Insurance	310,977	-	-	-	(39,212)	-	(635)	-	-	-
13	Pensions	-	-	-	-	-	-	-	-	-	-
14	Regulatory Expense	82,042	-	-	-	-	-	-	-	-	-
15	Insurance Other Than Group	91,181	-	-	-	-	-	-	-	-	-
16	Customer Accounting	495,832	-	-	-	-	-	-	(10,632)	-	-
17	Rents	20,789	-	-	-	-	-	(374)	-	-	-
18	General Office Expense	93,763	-	-	-	-	-	-	-	-	-
19	Miscellaneous	69,198	-	-	-	-	-	(719)	-	-	-
20	Maintenance Expense	307,459	-	-	-	-	-	(695)	-	-	-
21	Depreciation & Amortization	2,748,108	(458,862)	-	-	-	-	(5,057)	-	-	-
22	General Taxes - Property	381,829	-	(8,644)	-	-	-	-	-	-	-
23	General Taxes - Other	71,311	-	-	-	-	-	-	-	-	-
24	Income Taxes	23,451	-	-	-	-	-	-	-	-	(493)
25	Total Operating Expenses	\$ 6,643,560	\$ (458,862)	\$ (8,644)	\$ (35,155)	\$ (39,212)	\$ (18,660)	\$ (12,722)	\$ (10,632)	\$ (30,000)	\$ (12,805)
26	Operating Income	\$ 676,312	\$ 458,862	\$ 8,644	\$ 35,155	\$ 39,212	\$ 18,660	\$ 12,722	\$ 10,632	\$ 30,000	\$ 12,805

Adjustments:

- Adjustment No. 1: Depreciation Expense - See RUCO Schedule TJC-13 in Column [G] at line 45;
- Adjustment No. 2: Property Taxes - See RUCO Schedule TJC-14 in Column [A] at line 18;
- Adjustment No. 3: Incentive Pay - See RUCO Schedule TJC-15 on line 5;
- Adjustment No. 4: Remove 2nd Pay Raise - See RUCO Schedule TJC-16 on page 1 of 1 at line 11;
- Adjustment No. 5: Declining Usage - Not Used for Sewer System;
- Adjustment No. 6: Intentionally Left Blank;
- Adjustment No. 7: Postage Decrease - See RUCO Schedule TJC-19 at line 5;
- Adjustment No. 8: Intentionally Left Blank;
- Adjustment No. 9: APUC Non-Labor Adjustment - See RUCO Schedule TJC-21 at line 14;

References:

- Column [A]: Company Schedule C-1 Adjusted Test Year as Filed;
- Column [B] through [J]: RUCO Recommended Adjusted Test Year Adjustments;

RUCO OPERATING INCOME ADJUSTMENTS

Line No.	Description	[K] Adj. No. 10 Corporate Allocation Adjustment	[L] Adj. No. 11 Asset Usage Fee Adjustment	[M] Adj. No. 12 Intentionally Left Blank	[N] Adj. No. 13 Intentionally Left Blank	[O] Adj. No. 14 Intentionally Left Blank	[P] Adj. No. 15 Bad Debt Expense	[Q] Adj. No. 16 Intentionally Left Blank	[R] Adj. No. 17 Income Taxes	[S] Total RUCO Recommended Adjustments	[T] RUCO Adjusted Test Year Recommended
Revenues:											
1	Water/Wastewater Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,319,736
2	Other Revenues	-	-	-	-	-	-	-	-	-	136
3	Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,319,872
Operating Expenses:											
4	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (45,531)	\$ 789,937
5	Purchased Water	-	-	-	-	-	-	-	-	-	3,401
6	Fuel & Power	-	-	-	-	-	-	-	-	-	402,886
7	Chemicals	-	-	-	-	-	-	-	-	(18,660)	241,300
8	Waste Disposal	-	-	-	-	-	-	-	-	(4,913)	150,092
9	Intercompany Support Services	-	-	-	-	-	-	-	-	-	-
10	Corporate Allocation	(4,256)	-	-	-	-	-	-	-	-	-
11	Outside Services	-	-	-	-	-	-	-	-	(4,585)	203,703
12	Group Insurance	-	-	-	-	-	-	-	-	(635)	81,976
13	Pensions	-	-	-	-	-	-	-	-	(41,148)	269,829
14	Regulatory Expense	-	-	-	-	-	-	-	-	-	-
15	Insurance Other Than Group	-	-	-	-	-	-	-	-	-	-
16	Customer Accounting	-	-	-	-	-	-	-	-	-	82,042
17	Rents	-	-	-	-	-	-	-	-	-	91,181
18	General Office Expense	-	-	-	-	-	-	-	-	(11,006)	484,827
19	Miscellaneous	-	-	-	-	-	-	-	-	-	20,789
20	Maintenance Expense	-	-	-	-	-	-	-	-	(719)	93,044
21	Depreciation & Amortization	-	-	-	-	-	-	-	-	(30,695)	38,503
22	General Taxes - Property	-	(36,785)	-	-	-	-	-	-	(5,057)	302,402
23	General Taxes - Other	-	-	-	-	-	-	-	-	(495,647)	2,252,462
24	Income Taxes	-	-	-	-	-	-	-	-	(8,644)	373,185
25	Total Operating Expenses	\$ (4,256)	\$ (36,785)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 336,082	\$ 336,082	\$ 359,533
26	Operating Income	\$ 4,256	\$ 36,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (336,082)	\$ (331,651)	\$ 1,007,963

Adjustments:

Adjustment No. 10: APUC, LUC, and LABS 45% Labor Adjustment - See RUCO Schedule TJC-22;
 Adjustment No. 11: Intentionally Left Blank;
 Adjustment No. 12: Intentionally Left Blank;
 Adjustment No. 13: APUC Corporate LU 8020 Allocations - See RUCO Schedule TJC-25;

Adjustment No. 14: Intentionally Left Blank;
 Adjustment No. 15: Intentionally Left Blank;
 Adjustment No. 16: Rate Case Expense - Not Used;
 Adjustment No. 17: Income Taxes - See RUCO Schedule TJC-29.

References:

Column [K] thru [R]: RUCO Recommended Adjusted Test Year Adjustments;
 Column [S]: RUCO Total Adjusted Test Year Adjustments on Schedule TJC-12 page 1 of 2 in Columns [B] thru Schedule TJC-12 page 2 of 2 in Columns [K] thru [R];
 Column [T]: Column [A] on Schedule TJC-12 at page 1 of 2 + Column [S] on Schedule TJC-12 page 2 of 2 - RUCO Recommended Adjusted Test Year Balances.

OPERATING INCOME ADJUSTMENT NO. 1
 TEST YEAR (TY) END UPIS DEPRECIATION EXPENSE

Line No.	NARUC Account	Description	(A) Company Total Unallocated UPIS As Filed	(B) Allocation Factor	(C) Company TY End Allocated UPIS As Filed	(D) RUCO Unallocated UPIS Adjustments Recommended	(E) RUCO Allocated UPIS Adjustments Recommended	(F) RUCO Depreciable UPIS Recommended	(G) Authorized Depreciation Rate	(H) RUCO Depreciation Expense Recommended
Current Docket Regulatory Assets & Liabilities:										
1	TJC-5	Direct Plant								
2	TJC-5	Allocable AZ Corporate 7A Plant			\$ -	\$ 55,429	\$ (920,410)	\$ 55,429	\$ (920,410)	
3	TJC-5	Allocable NWWTF Plant			-	-	(2,542)	-	(2,542)	
4	TJC-5	Allocable USA Corporate 8U Plant			-	-	(1,240,954)	-	(1,240,954)	
5					-	-	-	-	-	
6	Total Gross Regulatory Assets & Liabilities									
7		RUCO Amortization @ 3%						\$ 55,429	\$ (2,193,707)	
8		Total Reg. Amortization Per Company			\$ -	\$ (168,662)		\$ 4,434	\$ (173,097) =	(168,662)
9		Less: Deduction for Amortization of CIAC Per RUCO								
10		Less: Deduction for Amortization of CIAC Per Company			(7,658)			\$ (328,330)	4.7140% =	(15,478)
11		Company Total TY End Depreciation Expense Requested			Sum of Col. (C) Pg 2 at Lines 58 & 95, and Pg 3 at Line 10	\$ (2,748,108)	\$ (7,819)			
12		RUCO Total Recommended Depreciation Expense								
13		Company Adjusted TY End Depreciation Expense								Sum of Col. (H) Pg 2 at Lines 58 & 95, and Pg 3 at Line 9
14		RUCO Depreciation Expense Adjustment								Col. (C) Pg 3 at Line 11 and RUCO Sch. RBM-11 Col (A) at Line 21
										\$ 2,289,247
										\$ 2,748,108
										\$ (458,862)

References:
 Company B-2 and C-1 Schedules, and RUCO Schedule TJC-4(a), pages 1 & 2
 Account 361100 has a 40 Year Expected Life or 2.50% Depreciation Rate
 Highlighted Cells Represent Adjustments Agreed Upon in September 1, 2016 Meeting with EPCOR per Sarah Mahler

OPERATING INCOME ADJUSTMENT NO. 2
 PROPERTY TAXES

Line No.	Property Tax Calculation	[A]	[B]
		RUCO AS ADJUSTED	RUCO RECOMMENDED
1	RUCO Adjusted Test Year Gross Revenues		
2	Multiplied by 2	\$ 7,319,872	\$ 7,319,872
3	Subtotal (Line 1 * Line 2)	<u>2</u>	<u>2</u>
4a	RUCO Adjusted Test Year Gross Revenues	\$ 14,639,743	\$ 14,639,743
4b	RUCO Recommended Revenue	<u>7,319,872</u>	
5	Subtotal (Line 3 + Line 4a)		<u>7,461,890</u>
6	Number of Years	\$ 21,959,615	\$ 22,101,633
7	Three Year Average (Line 5 / Line 6)	<u>3</u>	<u>3</u>
8	Department of Revenue Multiplier	\$ 7,319,872	\$ 7,367,211
9	Revenue Base Value (Line 7 * Line 8)	<u>2</u>	<u>2</u>
10	Plus: 10% of CWIP Per Company Schedule E-1 As Filed	\$ 14,639,743	\$ 14,734,422
11	Less: Net Book Value of Licensed Vehicles	<u>5,071</u>	<u>5,071</u>
12	Full Cash Value (Line 9 + Line 10 - Line 11)	<u>213,168</u>	<u>213,168</u>
13	Assessment Ratio	\$ 14,431,647	\$ 14,526,326
14	Assessed Value (Line 12 * Line 13)	<u>18.0%</u>	<u>18.0%</u>
15	Composite Property Tax Rate (Per RUCO Effective Property Tax Calculation)	\$ 2,597,696 <u>14.3660%</u>	\$ 2,614,739 <u>14.3660%</u>
16	RUCO Adjusted Test Year Property Tax Expense (Line 14 * Line 15)	\$ 373,185	
17	Company Adjusted Test Year Property Tax Expense (Per Company Schedule C-1)	<u>381,829</u>	
18	RUCO Test Year Adjustment (Line 16-Line 17)		
19	Property Tax - RUCO Recommended Revenue (Line 14 * Line 15)	<u>\$ (8,644)</u>	
20	RUCO Test Year Adjusted Property Tax Expense (Line 16)		\$ 375,633
21	Increase/(Decrease) to Property Tax Expense		<u>\$ 373,185</u>
22	Increase/(Decrease) to Property Tax Expense		<u>\$ 2,448</u>
23	Increase in Revenue Requirement		\$ 2,448
24	Increase/(Decrease) to Property Tax per Dollar Increase in Revenue (Line 22 / Line 23)		142,018 1.7239%

References:

- RUCO Schedule TJC-11
- RUCO Schedule TJC-4(a) page 1 of 2

Operating Income Adjustment No. 3
Removal of Performance Based Compensation

	(A)	(B)	(C)	(D)	(E)	(F)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

	(A)	(B)	(C)	(D)	(E)	(F)
Company Requested Increase by System						
Direct Performance Based Expense						
Arizona Performance Based Comp Expense						
EPCOR Water USA Performance Incentive						
NWVRTF						
Total Performance Based Compensation						
RUCO Calculation of 50% Reduction						
Company 10% Reduction in Perf. Comp.						
RUCO's Additional Reduction						
	\$ 14,047	\$ 25,078	\$ 6,738	\$ 5,894	\$ 2,213	\$ 53,970
	58,430	56,799	12,873	71,517	59,117	258,736
	10,036	9,756	2,211	12,284	10,154	44,441
	3,900	-	-	-	16,403	20,303
	\$ 86,413	\$ 91,633	\$ 21,822	\$ 89,695	\$ 87,887	\$ 377,450
	(43,207)	(45,817)	(10,911)	(44,848)	(43,944)	(188,725)
	(8,641)	(9,163)	(2,182)	(8,970)	(8,789)	(37,745)
	\$ (34,565)	\$ (36,653)	\$ (8,729)	\$ (35,878)	\$ (35,155)	\$ (150,980)

Reference(s):

- Columns (A) through (E) Lines 4 through 7 - See Company Schedule C-2 Page 13 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 9 - Sum of Lines 4 through 7
- Columns (A) through (E) Line 10 - 50 percent of Line 9
- Columns (A) through (E) Line 11 - See Company Schedule C-2 Page 13 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 13 - Sum of Lines 9, 10, 11

Operating Income Adjustment No. 4
Annualize Labor and Labor Related Expenses / Group Insurance

	(A) Agua	(B) Anthem	(C) Mohave	(D) Sun City	(E) Sun City West	(F) TOTAL
Group Insurance and Other Benefits - As Filed						
401k	\$ 78,030	\$ 85,255	\$ 15,773	\$ 66,905	\$ 76,785	\$ 322,748
Pension	\$ 80,281	\$ 75,347	\$ 16,654	\$ 58,153	\$ 79,626	\$ 310,061
Insurance	\$ 132,803	\$ 193,434	\$ 39,580	\$ 101,931	\$ 154,566	\$ 622,314
Total Group Ins. / Other Benefits	\$ 291,114	\$ 354,036	\$ 72,007	\$ 226,989	\$ 310,977	\$ 1,255,123
Fully Allocated Expense	\$ 221,958	\$ 233,097	\$ 68,063	\$ 108,874	\$ 148,803	\$ 780,795
Company Increase Requested in Filing	\$ 69,156	\$ 120,939	\$ 3,944	\$ 118,115	\$ 162,174	\$ 474,328

Reference(s):

- Columns (A) through (E) Lines 4 through 6 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 7 - Sum of Lines 4 through 6
- Columns (A) through (E) Line 8 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 9 - Line 7 - Line 8

Group Insurance and Other Benefits - Adjustments

401k	\$ (6,850)	\$ (7,465)	\$ (4,798)	\$ (7,935)	\$ (15,867)	\$ (42,915)
Pension	\$ (21,161)	\$ (20,570)	\$ (4,662)	\$ (25,900)	\$ (21,409)	\$ (93,702)
Insurance	\$ (1,913)	\$ (1,859)	\$ (421)	\$ (2,342)	\$ (1,936)	\$ (8,471)
Total Group Ins. / Other Benefits - Corrections	\$ (29,924)	\$ (29,894)	\$ (9,881)	\$ (36,177)	\$ (39,212)	\$ (145,088)
Company Increase Actual	\$ 39,232	\$ 91,045	\$ (5,937)	\$ 81,938	\$ 122,962	\$ 329,240
Reduction in Company's Original Filing	\$ (29,924)	\$ (29,894)	\$ (9,881)	\$ (36,177)	\$ (39,212)	\$ (145,088)

The Company, in RUCO DR#8.04 indicated that they were making several rebuttal adjustments to Group Insurance and Other Benefits expense. The Adjustments are shown on Line 26 for each wastewater system.

Operating Income Adjustment No. 5

Purchased Power

	(A)	(B)	(C)	(D)	(E)	(F)
	Agua	Anthem	Mohave	Sun City	Sun City	
	Fria			West	TOTAL	
4	Purchase Power - Company Requested	\$ 277,365	\$ 40,641	\$ 19,029	\$ 421,546	\$ 1,321,511
5	Company Increase Requested - Year 2016	\$ (5,813)	\$ -	\$ (416)	\$ (9,224)	\$ (26,321)
6	Company Increase Requested - Year 2017	\$ (5,946)	\$ -	\$ (425)	\$ (9,435)	\$ (26,924)
7	RUCO's Adjustments	\$ (11,759)	\$ -	\$ (841)	\$ (18,660)	\$ (53,244)
9	Purchase Power - Per RUCO	\$ 265,606	\$ 540,946	\$ 18,188	\$ 402,886	\$ 1,268,267

Company's Calculations as Follows:

System	Expense 2015	Percent Increase 2016	Percent Increase 2017	Company Requested Revenue Increase	
				2016	2017
Agua Fria	\$ 253,838	2.29%	2.29%	\$ 5,813	\$ 5,946
Anthem	\$ 474,574			\$ 10,868	\$ 11,117
Mohave	\$ 39,936			\$ -	\$ -
Sun City	\$ 18,163			\$ 416	\$ 425
Sun City West	\$ 402,806			\$ 9,224	\$ 9,435
TOTALS	\$ 1,189,317			\$ 26,321	\$ 26,924

Per the Company, APS provides guidance annually regarding proposed changes to electrical rates for commercial customers. Because APS has entered into a rate case in 2016 and the requested increase has not been disclosed by APS the Company has made its own determination and has increased purchased power by 2.29% for both years 2016 and 2017. This adjustment is inappropriate as it is not know and measurable.

Reference(s):

- Columns (A) through (E) Lines 4 through 6 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 7 - Sum of Lines 4 through 6
- Columns (A) through (E) Line 8 - See Company Schedule C-2 Page 11 - AZ Wastewater Consolidated Filing
- Columns (A) through (E) Line 9 - Line 7 - Line 8

Operating Income Adjustment No. 6
CPI Adjustment

	(A)		(B)		(C)		(D)		(E)		(F)
	Agua	Fria	Anthem	Mohave	Sun City	Sun City	West	TOTAL			
1 Company Requested CPI Adjustment by Account											
2 Fuel and Power	\$ -	15	\$ -	-	\$ -	-	\$ -	-	15		\$ 15
3 Chemicals	2,010	2,126	144	144	-	-	4,913	-	9,193		9,193
4 Corporate Allocation	325	316	72	72	398	398	329	329	1,440		1,440
5 Outside Services	669	632	126	126	582	582	635	635	2,644		2,644
6 Customer Accounting	296	309	66	66	488	488	374	374	1,533		1,533
7 General Office Expense	591	558	127	127	735	735	719	719	2,730		2,730
8 Miscellaneous	661	736	191	191	404	404	695	695	2,687		2,687
9 Maintenance	3,781	3,423	522	522	1,317	1,317	5,057	5,057	14,100		14,100
10 Adjustments by System											
11	\$ 8,333	\$ 8,115	\$ 1,248	\$ 1,248	\$ 3,924	\$ 3,924	\$ 12,722	\$ 12,722	\$ 34,342		\$ 34,342
12											
13											

NOTE: Reductions in CPI Expense calculations will be made to each of the individual accounts as identified above.

Per EPCOR, "Each year, inflation causes prices of goods and services to increase. The pricing of the goods and services that created the 2015 test year expenses will be higher in 2016 and again in 2017. Failure to account for inflation causes unnecessary regulatory lag." This is not an appropriate adjustment as it is not a known and measurable change.

Reference(s):
 Columns (A) through (E) Lines 4 through 11 - See Company Schedule C-2 Page 32 - AZ Wastewater Consolidated Filing

Operating Income Adjustment No. 7
Customer Accounting - Postage - Customer Care

		(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Agua			Sun City	West	Consol	
		Fria	Anthem	Mohave	Sun City		Adjustment	TOTAL
1	Customer Accounting Expense - Requested	\$ 247,076	\$ 313,552	\$ 60,088	\$ 738,733	\$ 496,931	\$ 1,624	\$ 1,858,004
2	RUCO Adjustments - Customer Accounting							
3	Postage	(1,047)	(1,398)	(246)	(3,476)	(2,359)		(8,526)
4	Customer Care - CPI Adj	(3,071)	(4,190)	(727)	(10,617)	(7,175)		(25,780)
5	Unexplained Adjustment	(1,181)	(2,570)	(786)	(2,390)	(1,098)	(1,624)	(9,649)
6								
7	RUCO Adjustments to Customer Accounting	\$ (5,299)	\$ (8,158)	\$ (1,759)	\$ (16,483)	\$ (10,632)	\$ (1,624)	\$ (43,955)
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Company's Calculations for Postage Increase as Follows:

System	Expense 2015	Percent Increase	Increase By Sys
Agua Fria	\$ 26,574	3.94%	\$ 1,047
Anthem	\$ 35,502		\$ 1,398
Mohave	\$ 6,240		246
Sun City	\$ 88,252		\$ 3,476
Sun City West	\$ 59,897		\$ 2,359
	<u>\$ 216,465</u>		<u>\$ 8,526</u>

RUCO's adjustment to postage
(\$8,526)

The Company took the actual postage costs for years 2013, 2014 and 2015 and took the average increase for the three year period that was then applied to the 2015 test year postage expense for each system. While postage expenses did increase for the years 2013, 2014 and 2015, postage expense decreased effective April 10, 2016. Consequently, an upward adjustment is not necessary.

Company's Increase Requested for Customer Care - CPI Adjustment

		Agua	Anthem	Mohave	Sun City	West	TOTAL
		Fria			Sun City	West	
			Anthem	Mohave	Sun City		TOTAL
1	Company Requested Increase by System						
2	Company Increase Requested	\$ 3,071	\$ 4,190	\$ 727	\$ 10,617	\$ 7,175	\$ 25,780
3	Total	<u>\$ 3,071</u>	<u>\$ 4,190</u>	<u>\$ 727</u>	<u>\$ 10,617</u>	<u>\$ 7,175</u>	<u>\$ 25,780</u>
4							
5	RUCO Adjustments	\$ (3,071)	\$ (4,190)	\$ (727)	\$ (10,617)	\$ (7,175)	\$ (25,780)
6							

Customer Care and Billing charges, as defined by Company, include costs associated with Third Party Billing, Call Centers, and Work Order Management. Costs billed to the Company are on a per bill per month basis. This adjustment includes adjustments for inflation based on the CPI through 2017. Increasing based on CPI index is not appropriate as this is not a known and measurable change.

Operating Income Adjustment No. 8
Low Income Program

	(A)	(B)	(C)	(D)	(E)	(F)
Company Requested Low Income by System					Sun City West	TOTAL
Company Req. Low Income Program	Agua	Anthem	Mohave	Sun City		
RUCO's Adjustments	Fria				West	
RUCO's Recommendation	\$ 12,000	\$ 9,000	\$ 9,000	\$ 60,000	\$ 30,000	\$ 120,000
	\$ (12,000)	\$ (9,000)	\$ (9,000)	\$ (60,000)	\$ (30,000)	\$ (120,000)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Calculated as Follows:

Proposed Monthly Discount	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Number of Expected Participants	200	150	150	1,000	500	500
Per Month Revenues	1,000	750	750	5,000	2,500	10,000
Number of Months	12	12	12	12	12	12
Company Requested Low Income Program	\$ 12,000	\$ 9,000	\$ 9,000	\$ 60,000	\$ 30,000	\$ 120,000

The Company is proposing a Low Income Program for Agua Fria, Anthem, Sun City and Sun City West Wastewater Districts. A Low Income Program was authorized by the Commission in Decision No. 75268 for the Mohave Wastewater District.

RUCO is recommending that the Commission adopt the same Low Income Program that was approved in Decision No. 75268. The program costs will be deferred until a future rate case and request recovery at that time.

Reference(s):

Columns (A) through (E) Lines 4, 10 and 11 - See Company Schedule C-2 Page 34 - AZ Wastewater Consolidated Filing

Operating Income Adjustment No. 9
Adjustment for EPCOR Services Inc.

Ln	Adjustments to Company Line Items	(A) Agua		(B) Anthem		(C) Mohave		(D) Sun City		(E) Sun City West		(F) TOTAL
		Fria										
4	Salaries and Labor Ln 7	\$ (8,274)	\$ (8,043)	\$ (1,823)	\$ (10,128)	\$ (8,372)	\$ (36,640)					
5	Salaries and Labor Ln 7	\$ (1,981)	\$ (1,926)	\$ (436)	\$ (2,425)	\$ (2,004)	\$ (8,772)					
6	401(K) Ln 15	\$ (914)	\$ (888)	\$ (201)	\$ (1,119)	\$ (925)	\$ (4,047)					
7	Insurance Ln 15	\$ (999)	\$ (971)	\$ (220)	\$ (1,223)	\$ (1,011)	\$ (4,424)					
8	Taxes Ln 26	\$ (488)	\$ (474)	\$ (107)	\$ (597)	\$ (493)	\$ (2,159)					
10	Adjustments for EPCOR Services Inc.	\$ (12,656)	\$ (12,302)	\$ (2,787)	\$ (15,492)	\$ (12,805)	\$ (56,042)					
12	<u>SUMMARY</u>											
13	Salaries and Labor Ln 7	\$ (10,255)	\$ (9,969)	\$ (2,259)	\$ (12,553)	\$ (10,376)	\$ (45,412)					
14	401 (K), Insurance Ln 15	\$ (1,913)	\$ (1,859)	\$ (421)	\$ (2,342)	\$ (1,936)	\$ (8,471)					
15	Taxes Ln 26	\$ (488)	\$ (474)	\$ (107)	\$ (597)	\$ (493)	\$ (2,159)					
16	TOTAL	\$ (12,656)	\$ (12,302)	\$ (2,787)	\$ (15,492)	\$ (12,805)	\$ (56,042)					

Business Unit	Direct Pay	Performance Based		401 (k)	Insurance	Pension	Taxes	Total
		Comp.	10%					
Sun City	\$ 10,128	\$ 2,425	\$ (242)	\$ 1,119	\$ 1,223	\$ -	\$ 597	\$ 15,250
Sun City West	\$ 8,372	\$ 2,004	\$ (200)	\$ 925	\$ 1,011	\$ -	\$ 493	\$ 12,605
Agua Fria	\$ 8,274	\$ 1,981	\$ (198)	\$ 914	\$ 999	\$ -	\$ 488	\$ 12,458
Anthem	\$ 8,043	\$ 1,926	\$ (193)	\$ 888	\$ 971	\$ -	\$ 474	\$ 12,109
Mohave	\$ 1,823	\$ 436	\$ (44)	\$ 201	\$ 220	\$ -	\$ 107	\$ 2,743
TOTAL	\$ 36,640	\$ 8,772	\$ (877)	\$ 4,047	\$ 4,424	\$ -	\$ 2,159	\$ 55,165

Per Company Notes on Staff DR PT5.1 -- This filing, incorrectly included employee number 109679 in its allocation of 6U Labor and Benefits. Those costs should be removed from the Company's request. Please note that 10% of performance based compensation has already been removed through Income Statement Adjustment SLM-IS10, therefore, this adjustment must account for that.

Operating Income Adjustment No. 10
Corporate Allocations

	(A)	(B)	(C)	(D)	(E)	(G)
	Agua				Sun City	
	Fria	Anthem	Mohave	Sun City	West	TOTAL
	\$ 205,544	\$ 199,805	\$ 45,285	\$ 251,580	\$ 207,960	\$ 910,174
	\$ 201,356	\$ 195,701	\$ 44,355	\$ 246,422	\$ 203,704	\$ 891,537
	\$ (4,188)	\$ (4,104)	\$ (930)	\$ (5,158)	\$ (4,256)	\$ (18,637)

Test Year Corporate Allocations - Labor

RUCO Calculations for Labor Increase for One Year
 RUCO's Additional Reduction

Total Arizona Corporate Allocation	\$ 3,792,265
Less: Public Affairs	(307,499)
Sub Total	\$ 3,484,766
Percent Attributable to Labor	69%
AZ Corporate Allocation for Labor	\$ 2,404,489
2016 Labor Increase at 3%	\$ 72,135
2017 Labor increase at 3%	\$ -
	\$ 72,135
Total Arizona Corporate Allocation Adjusted for 2016 Labor Increase	\$ 3,556,901

Allocation Factor %/%

Agua Fria	5.661%	\$ 201,356
Anthem	5.502%	\$ 195,701
Mohave	1.247%	\$ 44,355
Sun City	6.928%	\$ 246,422
Sun City West	5.727%	\$ 203,704
		\$ 891,537

Reference(s):

See Company Schedule C-2 Page 28

Operating Income Adjustment No. 11
Asset Usage Fee

	(A)	(B)	(C)	(D)	(E)	(F)
1	Agua				Sun City	
2	Fria	Anthem	Mohave	Sun City	West	TOTAL
3	Company Requested Increase by System					
4	Company Increase Requested - Year 2016	\$ 11,295	\$ 13,794	\$ 2,441	\$ 34,784	\$ 85,807
5	Company Correction - Should be removed	\$ (15,900)	\$ (21,511)	\$ (3,743)	\$ (54,436)	\$ (132,375)
6	Sub-Total	\$ (15,900)	\$ (21,511)	\$ (3,743)	\$ (54,436)	\$ (132,375)
7						
8	Company Ending Balances	\$ (4,605)	\$ (7,717)	\$ (1,302)	\$ (19,652)	\$ (46,568)

Per the Company in response to DR#PTN 3.1; The amounts recorded to Asset Usage Fee, Line 5 Above, should be removed from the filing and the Company shall make such an adjustment in its rebuttal filing.

Reference(s):

Columns (A) through (E) Line 4 - See Company Schedule C-2 Page 28 - AZ Wastewater Consolidated Filing
 Columns (A) through (E) Line 5 - See Company Response to DR#PTN 3.1

OPERATING INCOME ADJUSTMENT NO. 12
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Line No.	Description	Amount
1		\$ -
2		-
3		\$ -

References:

OPERATING INCOME ADJUSTMENT NO. 13
 INTENTIONALLY LEFT BLANK

Line No.	Description	[A] Company Allocated Amount	[B] RUCO Allocated Amount	[C] RUCO As Adjusted
1		\$ -	\$ -	
2		0.00%	0.00%	
3		\$ -	\$ -	\$ -
4	RUCO Adjustment			\$ -

References:

OPERATING INCOME ADJUSTMENT NO. 14
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<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amount</u>
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References:

OPERATING INCOME ADJUSTMENT NO. 15
BAD DEBT EXPENSE CALCULATION FOR ADJUSTED TEST YEAR AND RECOMMENDED REVENUE INCREASE

Line No.	Description	[A] Adjusted Test Year Amount	[B] Recommended Increase Amount
1	RUCO Adjusted Test Year Revenue & Recommended Increase in Revenue (Schedule RBM-11)	\$ 7,319,872	\$ 142,018
2	Company Adjusted Test Year & Proposed Bad Debt Expense	3,876	4,975
3	RUCO Bad Debt Expense Factor (L2 / L1)	0.0530%	0.0530%
4	RUCO Bad Debt Expense Calculation (L1 x L3)	\$ 3,876	\$ 75
5	Company Test Year Booked & Proposed Bad Debt Expense	24,125	1,098
6	Company Bad Debt Expense Adjustment (Col. [A]: L2 - L5)	(20,248)	(20,248)
7	RUCO Bad Debt Expense Calculation (L1 x L3)	\$ 3,876	\$ 75
8	RUCO Bad Debt Expense Adjustment (L7 - L2)	\$ -	\$ 75

References:
 RUCO Schedule RBM-11
 Company Schedule C-2 Adjustment Summary on Page 8

OPERATING INCOME ADJUSTMENT NO. 16
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<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Company Rate Case Expense Requested	\$ -
2	RUCO Rate Case Expense Recommended	-
3	RUCO Adjustment	\$ -
4	Annual Rate Case Expense Normalized Over 5-Years (Line 2 / 5-Years)	\$ -

References:
Per Company Schedule C-2

**OPERATING INCOME ADJUSTMENT NO. 17
INCOME TAXES**

<u>Line No.</u>	<u>Description</u>	<u>[A] RUCO Adjusted Test Year Amount</u>	<u>[B] RUCO Recommended Amount</u>
1	RUCO Computed Adjusted Test Year Income Tax	\$ 359,533	\$ 411,472
2	Company Income Tax As Filed	23,451	788,081
3	RUCO Adjustment to Income Tax Expense	<u>\$ 336,082</u>	<u>\$ (376,609)</u>

References:

See RUCO Schedule TJC-1 at page 2 of 2;
Company Schedule C-1 Adjusted Test Year as Filed

GROSS REVENUE CONVERSION FACTOR (GRCF)

Line No.	Description	Amount
1	Combined Federal & State Effective Income Tax Rate	37.2340%
2	Property Tax Effective Rate	1.0820%
3	Uncollectible Revenue Effective Rate	0.0332%
4	Total Cobined Federal, State, Property, and Uncollectible Effective Rates (Sum of L1 + L2 + L3)	38.3493%
5	Operating Income % = 100% Minus Combined Federal, State, Property, Uncollectible Effective Rates (100% Minus Line 4)	61.6507%
6	$\frac{1}{\text{Operating Income \% on Line 5}}$	= 1.6220

References:
 RUCO Schedule TJC-1, Page 1 of 2 and Page 2 of 2
 RUCO Schedule TJC-11

COST OF CAPITAL

Line No.	Description	[A] DOLLAR AMOUNT	[B] CAPITAL RATIO	[C] COST RATE	[D] WEIGHTED COST RATE
1	Long-Term Debt	\$ 8,959,118	38.99%	4.29%	1.67%
2	Short-Term Debt	716,762	3.12%	0.20%	0.01%
3	Common Equity	6,900,077	30.03%	9.30%	2.79%
4	Fair Value Increment	6,404,421	27.87%	1.04%	0.29%
5	Total Capitalization	<u>\$ 22,980,378</u>	<u>100.00%</u>		<u>4.76%</u>
6	WEIGHTED AVERAGE COST OF CAPITAL ("WACC")				4.76%

RUCO Recommended Adjusted Fair Value Rate Base:

RUCO Recommended Original Cost Rate Base (OCRB)	\$ 16,607,112
RUCO Reconstructed Cost New Depreciation (RCND)	<u>29,415,955</u>
Fair Value Rate Base	<u>\$ 23,011,533</u>

References:

Columns [A] Thru [D]: JAC Schedules & Testimony