ORIGINAL

E000055394

ARIZONA CORPORATION COMMISSION

RATE APPLICATION FOR WATER COMPANIES WITH ANNUAL GROSS OPERATING REVENUES (INCLUDING REQUESTED RATE RELIEF) OF LESS THAN $1,000,000 PER ARIZONA ADMINISTRATIVE CODE R14-2-103

Details at website: www.azcc.gov

Kyllo Development Corp. dba Bradshaw Mountainview Water Company

UTILITY NAME

June 30, 2026

TEST YEAR ENDED

W-02089A-26-

DOCKET NUMBER

Invoices required to be submitted are listed in the checklist on page 2.

You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application, please call (602) 542-4251 for ACC Small Water Ombudsman assistance or see our website at: **www.azcc.gov**

IN ORDER TO PROCESS YOUR APPLICATION PLEASE FORWARD THE ORIGINAL PLUS ONE COPY OF THE **APPLICATION** TO:

ARIZONA CORPORATION COMMISSION DOCKET CONTROL CENTER
1200 WEST WASHINGTON STREET
PHOENIX, ARIZONA 85007

OR YOU MAY USE THE COMMISSION'S EFILING PORTAL TO SUBMIT YOUR DOCUMENTS ELECTRONICALLY. VISIT THIS WEBSITE FOR MORE INFORMATION: http://www.azcc.gov/eFileforUtilitiesInstruction.asp

ACC - Docket Control - Received: 10/31/2026 01:21 PM

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WATER RATE APPLICATION CHECKLIST

Please use the following checklist to ensure that all necessary attachments are included in the application. Provide an explanation for any omitted item.

ORIGINAL APPLICATION PACKAGE ITEMS

1. ☒ The Arizona Department of Revenue ("ADOR") certificate of compliance letter of good standing. To request a certificate of compliance, use the Tax Clearance Application (Form# 10523) found on the ADOR website at http://www.azdor.gov/Forms/Other.aspx. (Submit the certificate of compliance with your application.) **See Item 1**

2. ☒ The utility's most recent Arizona Department of Environmental Quality ("ADEQ") annual sampling fee invoice for its Monitoring Assistance Program. In addition, please provide a list showing the individual cost components for all other water testing conducted during the Test Year. This list should include at a minimum the following details: date, vendor/lab, cost, and test(s) performed. (Acct. 635) **See Item 2**

3. ☒ Plant Additions - Please provide a list of all plant additions by year and NARUC plant account number put into service since the last rate case. For each plant addition project **over $2,500** in total costs, please provide (1) a list showing the individual cost components of the plant addition and (2) provide invoices to support each cost component shown on the list. Please cross-reference the amounts on the list to the invoices. **See Item 3**

4. ☒ Salaries and Wages – Please provide a list of all employees broken down by position, with a list of their duties and responsibilities. Individual employee salary information needs to be provided directly to Commission Staff within 10 days of filing the application (Acct. 601) **See Item 4**

5. ☒ Purchased Water – Please provide (1) a list showing the individual cost components of the total purchased water expense and (2) invoices to support the **three** highest amounts shown on the list. (Acct. 610) **See Item 5**

6. ☒ Purchased Power – Please provide (1) a list showing the individual cost components of the total purchased power expense and (2) invoices to support the **three** highest amounts shown on the list. (Acct. 615) **See Item 6**

7. ☒ Repairs and Maintenance – Please provide (1) a list showing the individual cost components of the total purchased repairs and maintenance expense and (2) invoices to support the **three** highest amounts shown on the list. (Acct. 620.1) **See Item 7**

8. ☒ Outside/Contractual Services – Please provide (1) a list showing the individual cost components of the total purchased outside services expense and (2) invoices to support the **three** highest amounts shown on the list for each of the sub-accounts. (Accts 630-634, 636) **See Item 8**

9. ☒ Miscellaneous Expense – Please provide (1) a list showing the individual cost components of the miscellaneous expense and (2) invoices to support the **three** highest amounts shown on the list. (Acct. 675) **See Item 9**

10. ☒ Statements from the county for Property Tax expenses incurred during the Test Year. (Acct. 408.11) **See Item 10**

GENERAL INSTRUCTIONS

Processing the request for a rate adjustment requires completion of ALL PARTS of this application, including associated schedules. Specifically schedules 1-13 of the Excel file are required and should be submitted with the application. Schedules 14-18 are optional. Work papers 1, 3, 4, and 5 are required to be completed and to be made available to Staff as part of the rate case, but do not need to be filed as part of the application. Complete the Narrative Description of the Application for Rate Adjustment on pages 4 and 5, as well as the statements on pages 6 through 8. Read the accompanying instructions, download the associated excel file and fill out schedules 1 through 13 and any supplemental schedules and associated surcharge/adjustor mechanisms included in the workbook. Dollar amounts should be rounded to the nearest dollar. NO ENTRY SHOULD BE LEFT BLANK. If an amount is zero, enter a zero. **Any application that is found to be insufficient will not be processed until the deficiencies are corrected per A.A.C. R14-2-103.B.7.**

A completed application also **requires** notification of customers of the rate request. The format of the customer notification letter is provided on page 15 of this application. Use the language and form of this letter in notifying customers. Schedules 7 and 8 of the application must also be sent with the notice. A copy the notice and schedules, together with a **notarized** cover letter stating the method of customer notification and the date the notification was sent to the customers, **must** be docketed within 15 days of the filing of the application. Note the notice should not be sent to customers until the application is docketed, as the notice requires the full docket number.

Please provide any supplementary information the Company believes will assist in the evaluation of the rate request. For example, if expense items are substantially different from the latest annual report filed with the Commission, or if significant plant additions have been made since the prior rate increase, attach supporting explanations for those changes to the application. Clearly label any attachments and staple them to the application.

Selection of a Test Year for the utility is an important part of the application. A Test Year older than the year reflected in the most current Annual Report filed with the Utilities Division is usually considered outdated. Questions regarding the selection of a Test Year should be addressed to the ACC's Small Water Ombudsman Office at (602) 542-2556.

NARRATIVE DESCRIPTION OF APPLICATION FOR RATE ADJUSTMENT

Instructions:

Please provide the reasons for your requested rate adjustment by checking the appropriate box(es) below. If desired, the Company may also attach a written narrative regarding its reasons for the requested rate adjustment. Your narrative may also include efforts made by the utility to control costs/expenses and/or mitigate the amount of rate adjustment.

☒ Changes in current, compared to past operations that necessitate the rate adjustment.
Please explain:

The main changes that necessitate the rate increase for Kyllo Development Corp dba Bradshaw Mountainview Water Company ("Bradshaw") is constant increases to material costs, labor, contract services, fuel and the recent classification change by ADEQ requiring a Grade 2 operator for the system and a Grade 3 Certified Operator. Bradshaw also needs to borrow funds for some major system improvements.

☒ Descriptions and/or calculations of adjustments made to amounts that are included in this application that are different than amounts recorded in your books/ledgers (pro forma adjustments).
Please explain:

All proforma adjustments are explained on Schedule 11, pages 32a to 32h.

☒ Significant factors influencing your revenues, expenses and/or rate base. Please explain:

Bradshaw has recurring issues with its water supply. For the past several years, the curtailment tariff has been used to reduce water consumption in times of low water supply. This reduces the amount of revenue the utility needs to operate as well as increasing the operation costs.

☒ Anticipated growth/decline in customers expected in the next two years, the amount of anticipated construction to serve those customers, and how financed; the type of customers served by the utility, e.g. residential, irrigation, small retail businesses, large commercial, etc. Please explain:

Customer growth had increased steadily from 2021-2024, but 2025 only added 3 new customers (one location is now vacant) and 1 so far in 2026. It is not expected the number of customers will increase by much more than 2-3 per year for the foreseeable future, and they are likely to be residential.

☒ Anticipated construction.

Please explain:

Bradshaw has filed an Application for Approval of Financing to borrow funds from WIFA in conjunction with this rate application. The utility is seeking to replace the system meters, rehabilitate the wells and refurbish 2 storage tanks.

☒ Efforts made to encourage conservation of water through the proposed rate design or through other means.

Please explain:

Bradshaw is proposing a four-tiered rate structure for the residential user classes to promote conservation. The current rates have 3 tiers at increasing rates as consumption increases, but the price differences in the tiered rates are not substantial enough to encourage conservation. Average and median usage are 4,329 and 3,674 gallons per month respectively. While those are not high numbers, there are a few residential customers on the system that have stated they can use as much water as they want as they are able to pay for it. In times of water shortages and curtailment most customers have cooperated and reduced water usage, with a few exceptions. Bradshaw proposes a 4th tier above 50,000 gallons in an attempt to deter excessive usage.

☐ Other factors.

Please explain:

Enter text.

Company Name: **Kyllo Development Corp dba Bradshaw Mountainview Water Co**	Test Year Ended: **06/30/2026**

AFFILIATE RELATIONSHIP

Please indicate a **yes** or **no** answer to the questions below and provide an explanation where necessary.

An affiliate relationship is one where an entity is directly or indirectly controlled by or controls another entity. This includes but is not limited to the power to direct the management policies of such entity, whether through ownership of voting securities, by contract, or otherwise.

Does the Company have a relationship with another entity that may include corporations, partnerships, sole proprietorships, limited liability corporations (LLCs), as well as common ownership of a water company and another entity such as a development company or wastewater company? **Yes**

If **Yes**, please identify the affiliate.

There are 2 affiliated relationships:

- **The stock of Humboldt Water System, Inc. is also owned by Stuart McLean.**
- **Stuart and Lilian McLean are both members of Arizona Utility Management, LLC.**

Are any assets owned jointly with any affiliated or subsidiary entities? **No**

If **Yes**, please provide a description of each jointly owned asset, its cost, and the percentage of the asset owned by the utility. (Please note the amounts reported on Schedules 3 through 5 should only include the percentage of plant owned by the utility.)

N/A

Were any of the assets constructed or acquired from an affiliated or subsidiary entity? **No**

If **Yes**, please identify the affiliated entity, the relationship with the utility, and a detailed listing of all transactions reflected in the Plant accounts. Also include detail for other balance sheet accounts, such as Advances, Contributions in Aid of Construction, inter-company payables and receivables, as well as affiliated revenues and expenses from the Company's Income Statement.

N/A

STATEMENTS IN SUPPORT OF RATE REQUEST

Complete the following statements in support of your rate request.

Kyllo Development Corp. dba Bradshaw Mountainview Water Company, (the "Company") requests an adjustment in the existing rates charged by the Company. The information contained in this application is based upon a twelve-month Test Year ending 06/30/2026. The Company had total operating revenue of $284,078, served 668 metered and 0 un-metered customers, and sold 35,882,576 gallons of water during the Test Year.

The Company is requesting an increase in revenues in the amount of $185,509. Total annual operating revenues, if the Company is granted the rate adjustment, will be $462,962. The Company is also proposing an Original Cost Rate Base of $433,230. By completing this application in support of the Company's request for a rate adjustment, the Company realizes that Original Cost Less Depreciation ("OCLD") plant information will be used to determine the fair value rate base, i.e., the Company waives the right to Reconstruction Cost New. The increase proposed by the Company would result in the typical bill for the average customer residential customer using a 5/8 x ¾-inch meter increasing from $28.35 to $43.15 as shown on Schedule 7, page 27b.

Is the Company current on all property taxes? **Yes**

Is the Company current on all sales taxes? (Please see checklist item 2 on page 2.) **Yes**

Does the Company currently have a Curtailment Plan on file with the Commission? **Yes**

Does the Company currently have a Backflow Prevention Tariff on file with the Commission? **Yes**

The Company intends to notify its customers of its application for a rate adjustment on or around 11/6/2026. **A COPY OF THE NOTICE WITH A NOTARIZED COVER LETTER STATING THE METHOD OF CUSTOMER NOTIFICATION, AS WELL AS THE DATE OF THE NOTIFICATION, WILL BE PROVIDED SUBSEQUENT TO THE APPLICATION BEING FILED. (See page 15)**

Please identify the utility's organizational structure: "S" Corporation

Note: If a corporation, please list stockholders and the respective number of shares owned below. Attach additional pages if needed.

Stockholders	Number of Shares Owned
Stuart W McLean	100,000

I have read and completed this application, and to the best of my knowledge all of the information contained herein, and attached to this application, is true and correct.

Name of Authorized Representative (print): Stuart McLean	Company Name: Kyllo Development dba Bradshaw Mountainview Water Co
Title: President	Address: PO Box 938
Signature: 	Mayer, AZ 86333
Date: 10/30/2024	Phone Number: (928) 925-4837
E-mail: stuart@azutility.com	Fax Number:

CURRENT AND PROPOSED RATES AND CHARGES INSTRUCTIONS

Complete the cells highlighted in gray on schedule 7 in the associated spreadsheet, showing rates and charges currently in effect, and those proposed by the Company. Specify the customer class or classes (i.e., residential, commercial, industrial, irrigation, all, or other classes) in the drop-down boxes in column B. Please note that per Decision No. 75626[1], in order to provide clarity and consistency the Commission has issued policy guidelines where at least 50% of the total revenue requirement should be generated by the basic service charge and the first tier, and that no less than 10% and no more than 20% of the total revenue requirement should be generated by the third or highest tier.

MONTHLY CHARGE:

Enter the monthly minimum (or service) charge and gallons included in the minimum for each meter size. For example, enter "$12.00 for zero gallons." Propose a monthly minimum (or basic service) charge for every meter size listed on page 9. Also, enter the commodity (or excess) charge for the gallonage the customer will be charged for gallons used over those included in the minimum charge. For example, enter "$1.25 per 1,000 gallons." If excess charges vary with gallonage used, enter the rates and gallons covered in each tier of consumption in the space provided. For example:

First Tier	Up to 3,000 gallons	$1.00 per 1,000 gallons
Second Tier	3,001 to 10,000 gallons	$1.50 per 1,000 gallons
Third Tier	Over 10,000 gallons	$2.50 per 1,000 gallons

If a flat rate, rather than a metered rate, is currently approved or proposed, enter the monthly rate in the space provided. A "flat rate" is a charge that is not based on gallons used. (For example, $10.00 for all the water you can use.) If the Company currently has a flat rate and wishes to continue this rate, please contact the ACC's Small Water Ombudsman Office (602) 542-2556. It is likely that Staff will **not** recommend the continuation of such a rate.

[1] Decision No. 75626 issued on July 25, 2016, page 13 lines 14-24.

SERVICE CHARGES INSTRUCTIONS

Listed below are current and proposed service charges as appropriate. Commission Rules should be consulted in proposing new service charges. Please complete the information highlighted in gray on Schedule 8 of the spreadsheet. List current and proposed rates, as well as any service charges not listed below that the Company proposes to charge.

Service Charge (Commission Rule)	**Description**
Service Line and Meter Installation Charge (R14-2-405.B)	A refundable Advance in Aid of Construction paid by a new customer to cover the cost of installing all customer piping up to the meter, as well as the cost of installing the meter. Propose a charge for every meter size listed on page 11.
Establishment (R14-2-403.D.1)	A charge covering the cost to establish a new account for a person requesting service when the utility needs only to install a meter for initial establishment, reestablishment, or reconnection.
After Hours Service Charge (R14-2-403.D.2)	A charge covering the cost of establishment, re-establishment and reconnection-delinquent after normal hours at the customer's request or for the customer's convenience. After Hours Service Charge will be in addition to the charge for any utility service provided.
Meter Test (R14-2-408.F)	A charge for testing the accuracy of a meter upon a customer's request. No charge will be levied if the meter is found to be in error by more than +/- three (3) percent.
Deposit (R14-2-403.B)	A refundable security deposit not exceeding two times the average residential class bill for residential customers, and not exceeding two and one-half times a non-residential customer's estimated maximum monthly bill.
Deposit Interest (R14-2-403.B.3)	Annual percentage interest rate applied to customer deposits. A six percent rate shall be applied if the company does not specify an interest rate with the Commission.
Re-establishment (R14-2-403.D.1)	A charge for service at the same location where the same customer had ordered a service disconnection within the preceding twelve-month period.
NSF Check (R14-2-409.F.1)	A fee for each instance where a customer tenders payment for utility service with an insufficient funds check.
Deferred Payment (R14-2-409.G.6)	Applicable monthly finance charges (interest rate) applied in a deferred payment agreement between the company and a customer.
Meter Re-read (R14-2-408.C.2)	Charge for a customer requested re-read of meter applicable when the original reading was found not to be in error.

UTILITY PLANT IN SERVICE INSTRUCTIONS

Instructions for Title sheet

To assist with the completion of Schedule 3 please refer to the Commission Decision issued in the Company's prior rate case. That Decision established the value for the Original Cost of the plant and accumulated depreciation at the end of the prior test year. It may be necessary to refer to the associated Staff Report for individual account detail relating to the totals listed in the Decision. Update the cells highlighted in grey in columns I and J with this information.

Instructions for the Work papers

Please complete work papers 1, 3, 4, and 5. These work papers are not required to be printed off and filed with the application but will be requested by Staff to assist with the audit of the rate case. On the work papers update all cells highlighted in grey. This includes the year(s) on work paper 1, which should begin with the year immediately following the test year in the last rate case through the test year in the current application, and the dollar amounts of all plant additions and retirements for each account by year.

Note: For assistance with any of the above, please contact the ACC's Small Water Ombudsman Office at 602-542-2556.

INCOME TAX

The Commission allows federal and state income tax expense for taxable "type-C" corporations calculated by Staff at authorized tax rates.

For other entities such as Sole-Proprietorships, Partnerships, S-Corporations, Limited Liability Companies ("LLCs"), Trusts, and other taxable or pass-through entities the Commission has determined that an income tax allowance can be included in the utilities' expenses for Class D and E utilities on a case-by-case basis (see Decision Nos. 73739 and 76631). The allowance will be based on the lower of the taxes computed using the type-C corporate tax rates or the combined effective personal tax rates of the entities' owners. .

For Staff to be able to calculate the effective personal tax rates of the entities' owners, the following information must be included in this application:

1. Names of all the owners.

2. The percentage of profit/(loss) assigned to each owner.

3. The owners' personal federal and state income tax filing status (i.e. single, married filing jointly, etc.).

4. If any of the owners are a pass-through or potential pass-through entity such as an S-Corporation or a Trust, then the ownership breakdown of the entity/trust will also be required including all the information listed above.

5. Copies and supporting documentation, of each owner's income tax returns for the past three years so that an effective tax rate can be calculated for each owner's share of the regulated income. If any owner of the regulated entity is another S-Corp or LLC, that owner must provide copies of all requested tax returns for each direct and indirect recipient of income from the regulated entity. Can be provided directly to Staff within 10 days of filing the application, if the owner doesn't want the information docketed.

If the utility fails to provide all of the necessary information required, the Commission has determined that no income tax allowance will be recognized.

The following is an example of the calculations that Staff will make. For this situation, the Company is owned by a single person, registered as an LLC, whose income tax filing status is Married Filing Jointly. In this example, the Company has $50,000 in taxable income, and the calculations use 2020 tax brackets. As is shown in the results, per the Commission income tax policy the individual calculation would be used because it results in the lower total taxes.

Income taxes based on individual calculations:

State Income Tax		Taxable Income		$50,000
Over	But not Over	Amount plus	%	Taxes
$0	$53,000	$0	2.59%	$1,295
$53,001	$106,000	$409	3.34%	$0
$106,001	$318,000	$1,315	4.17%	$0
$318,000	$999,999,999	$2,394	4.50%	$0
				$1,295

Federal Income Tax		Taxable Income		$48,705
Over	But not Over	Amount plus	%	Taxes
$0	$19,750	$0	10.00%	$0
$19,751	$80,250	$1,975	12.00%	$5,449
$80,251	$171,050	$9,235	22.00%	$0
$171,051	$326,600	$29,211	24.00%	$0
$326,601	$414,700	$66,543	32.00%	$0
$414,701	$622,050	$94,735	35.00%	$0
$622,051	$9,999,999,999	$167,308	37.00%	$0
				$5,449

Calculation of corporate income tax:

Arizona Taxable Income	$50,000
Arizona State Income Tax Rate	4.9%
Arizona Income Tax	$2,450
Federal Taxable Income	47,550
Federal Income Tax @ 21%	$9,985
Combined Federal and State Income Tax	$12,330

BILL COUNT INSTRUCTIONS

Instructions for Schedule 6

A Bill Count must be provided for each of the meter sizes the Company had in service during the Test Year. This information will be entered on Schedule 6 from the drop-down boxes which are linked to Schedule 7 but ensure that the information is accurate and update as necessary on both schedules. Update the information in the grey highlighted cells with the counts at each level of usage for each meter. For all usage over 100,000 gallons enter the exact usage in rows 36 through 57. Hide any columns and/or rows that aren't needed.

The first step in producing the Bill Count is to collect all monthly bills rendered for metered water sales during the 12 months of the Test Year. The collection of bills must include bills to part-time customers and to customers who are no longer on the system, but who were on the system for any part of the Test Year.

Only include bills for water sold during the Test Year. For example, assume that the Test Year runs from January 1st to December 31st (calendar year) and you normally bill on January 5th. The bill sent out at that time would cover December 1st through the 31st usage of the prior year and should not be included. The first billing to be used for the year would be the February 5th billing and the last billing to be used would be the billing of January 5th of the succeeding year.

Note: For explanation of any of the above, please contact the ACC's Small Water Ombudsman Office at 602-542-2556.

CUSTOMER NOTIFICATION

Kyllo Development Corp. dba Bradshaw Mountainview Water Company ("Bradshaw") has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since February of 2017. An increase in rates is necessary at this time due to increased system operating costs, necessary system upgrades and issues related to aging infrastructure. Based on the Company's un-audited Test Year results, Bradshaw realized an operating loss of $39,693. The Company is requesting a revenue increase of $185,509 to the current rates. Please see the attached Schedules 7 and 8 of the Company's application for the current and proposed rates.

The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street, it can be accessed at www.azutility.com/rate case, or email customerservice@azutility.com for alternative delivery. **Please be advised that the rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application.**

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's Application, including service, billing procedures or other factors important in determining the reasonableness of charges. Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 800-222-7000 (if located outside the Phoenix local calling area) or 602-542-4251 in the Phoenix local calling area. Written public comments may be submitted by mailing a letter referencing **Docket No. WS-02089A-26-0TBD** to the Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website (www.azcc.gov) by clicking on "Cases and Open Meetings" and "Make a Public Comment in a Docket".

If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this docket unless you sign up to Follow the Docket. However, all documents filed in this docket are available online (usually within 24 hours after docketing) at the Commission's website (www.azcc.gov) using the e-Docket function. Information on how to Follow a Docket is available on the Commission's website by clicking on "Cases and Open Meetings" and "Follow a Docket or Document Type."

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, customer comments submitted in writing will be placed in the office file, which the Commission reviews prior to making its final decision on the Application. It is important that customers contact the Commission within 15 days of the receipt of this notice so that the Commission's Staff can consider customer comments and concerns in developing its recommendations to the Commission.

Kyllo Development Corp. dba Bradshaw Mountainview Water Company — Schedule 7
Short Form Rate Application
Docket No. W-02089A-26-
Test Year Ended 6/30/26

CURRENT AND PROPOSED WATER RATES

MONTHLY MINIMUM OR BASIC SERVICE CHARGE

METER SIZE	CUSTOMER CLASS	CURRENT RATES		CUSTOMER CLASS	PROPOSED RATES	
		RATE	GALLONS INCLUDED		RATE	GALLONS INCLUDED
5/8 x 3/4-inch Meter	All	$ 18.80	0	All	$ 30.00	0
3/4-inch Meter	All	18.80	0	All	45.00	0
1-inch Meter	All	47.00	0	All	75.00	0
1-1/2-inch Meter	All	94.00	0	All	150.00	0
2-inch Meter	All	150.40	0	All	240.00	0
3-inch Meter	All	282.00	0	All	480.00	0
4-inch Meter	All	470.00	0	All	750.00	0
6-inch Meter	All	940.00	0	All	1,500.00	0
Rate Case Surcharge	N/A	N/A	N/A	All	$ 1.01	0

Commodity Rates: (Per 1,000 gallons)

Gallons included in Minimum - 0

	CURRENT RATES			PROPOSED RATES		
		Gallons			Gallons	
5/8 x 3/4-inch Meter - All Classes	RATES	FROM	TO	RATES	FROM	TO
FIRST TIER	$ 2.00	0	3,000	$ 2.50	0	3,000
SECOND TIER	$ 2.67	3,001	8,000	$ 4.25	3,001	8,000
THIRD TIER	$ 2.80	Over 8,000 Gallons		$ 7.94	8,001	50,000
FOURTH TIER	N/A	N/A	N/A	$ 12.00	Over 50,000 Gallons	
3/4-inch Meter - All Classes						
FIRST TIER	$ 2.00	0	3,000	$ 2.50	0	3,000
SECOND TIER	$ 2.67	3,001	8,000	$ 4.25	3,001	8,000
THIRD TIER	$ 2.80	Over 8,000 Gallons		$ 7.94	8,001	50,000
FOURTH TIER	N/A	N/A	N/A	$ 12.00	Over 50,000 Gallons	
1-inch Meter - Residential						
FIRST TIER	$ 2.00	0	3,000	$ 2.50	0	3,000
SECOND TIER	$ 2.67	3,001	8,000	$ 4.25	3,001	8,000
THIRD TIER	$ 2.80	Over 8,000 Gallons		$ 7.94	8,001	50,000
FOURTH TIER	N/A	N/A	N/A	$ 12.00	Over 50,000 Gallons	
1-inch Meter - Non-Residential						
FIRST TIER	$ 2.67	0	14,000	$ 4.25	0	14,000
SECOND TIER	$ 2.80	Over 14,000 Gallons		$ 7.94	Over 14,000 Gallons	

GALLONS IN EXCESS OF MINIMUM FOR LARGER METER SIZES WITH ONE TIER BREAK - RESIDENTIAL, COMMERCIAL & INDUSTRIAL Commodity Charge (Per 1,000 Gallons)

	CURRENT RATES - ALL CLASSES			PROPOSED RATES - ALL CLASSES		
	RATES		BREAK-OVER POINT	RATES		BREAK-OVER POINT
METER SIZE	Up to Break-Over Point	After Break-Over Point		Up to Break-Over Point	After Break-Over Point	
1-1/2-inch Meter	$ 2.67	$ 2.80	28,000	$ 4.25	$ 7.94	28,000
2-inch Meter	$ 2.67	$ 2.80	56,000	$ 4.25	$ 7.94	56,000
3-inch Meter	$ 2.67	$ 2.80	120,000	$ 4.25	$ 7.94	120,000
4-inch Meter	$ 2.67	$ 2.80	285,000	$ 4.25	$ 7.94	285,000
6-inch Meter	$ 2.67	$ 2.80	640,000	$ 4.25	$ 7.94	640,000

CURRENT AND PROPOSED WATER SERVICE CHARGES

SERVICE LINE AND METER INSTALLATION CHARGES:

(Refundable pursuant to AAC R14-2-405)	CURRENT CHARGES			COMPANY PROPOSED		
METER SIZE	**Service Line**	**Meter**	**Total**	**Service Line**	**Meter**	**Total**
5/8" x 3/4" Meter	$ 500.00	$ 150.00	$ 650.00	$ 565.00	$ 370.00	$ 935.00
3/4" Meter	476.00	224.00	700.00	565.00	390.00	955.00
1" Meter	468.00	252.00	720.00	629.00	455.00	1,084.00
1-1/2" Meter	605.00	495.00	1,100.00	699.00	953.00	1,652.00
2" Meter - Turbine	805.00	945.00	1,750.00	1,054.00	1,066.00	2,120.00
2" Meter - Compound	N/A	N/A	N/A	1,054.00	1,928.00	2,982.00
3" Meter - Turbine	$ 1,100.00	$ 1,650.00	$ 2,750.00	1,327.00	1,703.00	3,030.00
3" Meter - Compound	N/A	N/A	N/A	1,480.00	3,832.00	5,312.00
4" Meter - Turbine	$ 1,440.00	$ 2,560.00	$ 4,000.00	1,892.00	2,723.00	4,615.00
4" Meter - Compound	N/A	N/A	N/A	2,121.00	4,856.00	6,977.00
6" Meter - Turbine	$ 2,240.00	$ 5,760.00	$ 8,000.00	2,807.00	5,126.00	7,933.00
6" Meter - Compound	N/A	N/A	N/A	2,959.00	7,058.00	10,017.00
Over 6" Meters	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost

Monthly Service Charge for Fire Sprinklers:

2% of Monthly Minimum for a comparable sized meter connection, but no less than $10.00 per month. The service charge for fire sprinklers is only applicable to service lines separate and distinct from the primary water service line.

SERVICE CHARGES	**CURRENT CHARGES**	**PROPOSED CHARGES**
Establishment	$ 45.00	$ 45.00
Reconnection (Delinquent)	$ 45.00	$ 50.00
Meter Test (If Correct)	$ 40.00	$ 40.00
Deposit	*	*
Deposit Interest	No tariff	***
After Hours Service Charge	$ 45.00	$ 75.00
Reestablishment (Within 12 Months)	**	**
NSF check	$ 25.00	25.00
Deferred Payment (Per Month)	1.50%	1.50%
Meter Reread (If Correct)	$ 15.00	$ 20.00
Late payment (Per Month)	1.50%	****

* Per Commission Rule A.A.C. R-14-2-403(B)(7).
** Months off system times the monthly minimum per A.A.C. R14-2-403(D).
*** Per Commission Rule A.A.C. R-14-2-403(B)(3).
**** 1.5% of the past due amount or $5.00, whichever is greater.

In addition to the collection of regular rates, the utility may collect from its customers a proportionate share of any privilege, sales and use tax per Commission Rule A.A.C. R14-2-409(D)(5).

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Supporting Items:

Item 1	ADOR Certificate of Compliance
Item 2	Water Testing List and Invoices
Item 3	Plant Addition List and Invoices
Item 4	Salaries and Wages
Item 5	Purchased Water List and Invoices
Item 6	Purchased Power List and Invoices
Item 7	Repairs and Maintenance List and Invoices
Item 8	Contractual Services Lists and Invoices
Item 9	Miscellaneous Expense List and Invoices
Item 10	Property Tax Bills

Plant in Service and Accumulated Depreciation balances approved By Decision 75926:				
Acct. No.	**Description**	**Plant in Service**	**Accumulated Depreciation**	**Fully Depreciated**
301	Organization	$ 10,271	$ -	$ -
302	Franchises	-	-	-
303	Land and Land Rights	5,500	-	-
304	Structures and Improvements	67,842	23,719	5,565
305	Collecting & Improving Reservoirs	-	-	-
306	Lake, River, Canal Intakes	-	-	-
307	Wells and Springs	237,679	111,044	21,950
308	Infiltration Galleries	-	-	-
309	Raw Water Supply Mains	-	-	-
310	Power Generation Equipment	82,279	22,627	-
311	Pumping Equipment	161,079	141,471	93,468
320	Water Treatment Equipment	-	-	-
320.1	Water Treatment Plants	-	-	-
320.2	Solution Chemical Feeders *	1,250	2,800	-
320.3	Point-of-Use Treatment Devices	-	-	-
330	Distribution Reservoirs and Standpipes	-	-	-
330.1	Storage Tanks	119,904	114,467	34,148
330.2	Pressure Tanks	-	-	-
331	Transmission and Distribution Mains	1,056,555	467,110	163,552
333	Services	367,053	227,233	122,004
334	Meters and Meter Installations	223,349	147,394	34,627
335	Hydrants	327,635	151,415	-
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	-	-	-
340	Office Furniture and Equipment	-	-	-
340.1	Computer & Software	-	-	-
341	Transportation Equipment *	-	2,120	-
342	Stores Equipment	-	-	-
343	Tools, Shop and Garage Equipment	-	-	-
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communication Equipment	3,050	153	-
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	-	-	-
	TOTAL	**$ 2,663,446**	**$ 1,411,553**	**$ 475,314**

**** These 2 amounts represent an excess of accumulated depreciation over plant cost from the prior Decision.***

Last Decision No.	75926
Last Decision Test Year	31-Dec-15
Sufficiency Date of last Rate Case	22-Sep-16
Last Decision Effective Date	13-Jan-17
Months To Get Last Decision	4

BALANCE SHEET

Acct. No.		Balance at Beginning of Test Year July 1, 2025	Balance at End of Test Year June 30, 2026
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 12,124	$ 10,604
132	Special Deposits	-	-
134	Working Funds	-	-
135	Temporary Cash Investments	-	-
141	Customer Accounts Receivable	4,881	7,321
142	Other Accounts Receivable	-	-
143	Accumulated Provision for Uncollectable Accounts	-	-
146	Notes/Receivables from Associated Companies	-	-
151	Plant Material and Supplies	-	-
162	Prepayments	-	
174	Miscellaneous Current and Accrued Assets	-	-
190	Deferred Income Taxes	-	-
	TOTAL CURRENT AND ACCRUED ASSETS	**$ 17,005**	**$ 17,925**
	Deferred Debits		
186.1	Deferred Rate Case Expense	$ -	$ -
	Total Deferred Debits	$ -	$ -
	FIXED ASSETS		
101	Utility Plant in Service	$ 2,996,726	$ 3,286,304
103	Property Held for Future Use	-	-
105	Construction Work In Progress	185,935	-
108	Accumulated Depr - Utility Plant ("AD-UP")	(2,015,638)	(2,066,964)
121	Non-Utility Property	-	-
122	Accumulated Depreciation - Non Utility ("AD-NU")	-	-
	TOTAL FIXED ASSETS	**$ 1,167,023**	**$ 1,219,340**
	TOTAL ASSETS	**$ 1,184,028**	**$ 1,237,265**

BALANCE SHEET CONTINUED

Acct. No.		Balance at Beginning of Test Year July 1, 2025	Balance at End of Test Year June 30, 2026
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	$ 80,914	$ 163,290
232	Notes Payable (Current Portion)	-	-
234	Notes/Accounts Payable to Associated Companies	-	10,747
235	Customer Deposits	28,750	27,306
236	Accrued Taxes	(389)	(265)
237	Accrued Interest	-	-
241	Miscellaneous Current and Accrued Liabilities	-	-
253	Other Deferred Debits	-	-
	TOTAL CURRENT LIABILITIES	**$ 109,275**	**$ 201,078**
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	$ -	$ -
	Total Long Term Debt	**$ -**	**$ -**
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	$ -	$ -
252	Advances in Aid of Construction	31,185	30,341
255	Accumulated Deferred Investment Tax Credits	-	-
271	Gross Contributions in Aid of Construction	1,869,134	2,103,889
271.1	Gross Contributions in Aid of Construction (CWIP)	170,691	-
272	Less: Amortization of Contributions	(1,255,786)	(1,308,855)
	TOTAL DEFERRED CREDITS	**$ 815,224**	**$ 825,375**
	TOTAL LIABILITIES	**$ 924,499**	**$ 1,026,453**
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$ 1,100	$ 1,100
211	Paid in Capital in Excess of Par Value	-	-
215	Retained Earnings	258,429	209,712
218	Proprietary Capital (Sole Props and Partnerships)	-	-
	TOTAL CAPITAL	**$ 259,529**	**$ 210,812**
	TOTAL LIABILITIES AND CAPITAL	**$ 1,184,028**	**$ 1,237,265**

WATER UTILITY PLANT DESCRIPTION	
Name of the System:	**Bradshaw Mountainview Water Co**
ADEQ Public Water System Number	**AZ0413062**
ADWR PCC Number:	**91-000646.0000**

WELLS

Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type	Year Drilled	Water Level 2015	Water Level 2025	Meter Size (inches)	How measured:	Active
55-906853 Bensch Rch	8	7	300	6	Submersible	2007		60	3/4	Metered	Yes
55-546103 Trails End	3	25	220	6	Submersible	1997			1	Metered	Yes
55-610557 Gold Pan	5	15	300	6	Submersible	2000		30	2	Metered	Yes
55-900547 Duffers	15	55	406	8	Submersible	2005		76	3	Metered	Yes
55-584368 Bobwhite	25	25	630	5	Submersible	2001		405	2	Metered	Yes

* Arizona Department of Water Resources Identification Number

SERVICE LINES

Material	Percent of system	Year Installed
PVC	75.00%	1970
Black Poly	17.00%	2000
Blue Poly	3%	1995
PEX	5%	2005 on

FIRE HYDRANTS

Type	Quantity
Standard *	15
Other	0

BOOSTER PUMPS

Horsepower	GPM	Quantity
10.0	75	3
30.0	200	2

STORAGE TANKS

Capacity	Material	Quantity	Installed
65,000	Steel	1	2000
125,000	Steel	1	1990
135,000	Steel	1	2005
65,000	Steel	1	2026

PRESSURE/BLADDER TANKS

Capacity (gallons)	Material	Quantity	Year Installed
10	Steel	1	2010
20	Steel	1	2018
55	Steel	1	2005

* - A standard fire hydrant has two 2 5-inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

WATER UTILITY PLANT DESCRIPTION (Continued)

MAINS		
Size (in inches)	Material	Length (in feet)
3	PVC	3,500
4	PVC	11,500
6	PVC	43,768
8	PVC	20,000

CUSTOMER METERS			
Size (in inches)	Quantity	Percent Over 1 million Gallons	Percent Over 10 Years Old
5/8 x 3/4	653	47%	69%
3/4	7	14%	29%
1	14	14%	43%
1 1/2	4	50%	50%
Comp 2	6	100%	100%
Comp 3	2	100%	100%
Comp 4	1	0%	0%

For the following three items, please list the utility owned assets in each category.

TREATMENT EQUIPMENT:

Chlorine injector pumps at Duffers and Trails End wells.

STRUCTURES:

6-foot tall chain link fencing surrounding 4 well sites. 10 x 14 foot well/pump house at Bensch Ranch.

OTHER:

15kWh 16 panel solar generator, circuit breaker, AC disconnect, inverter and power meter. LevelCom network at Hill Tank site.

PLANT SUMMARY

Acct. No.	Description	Plant in Service Per Prior Decision	Total Additions	Total Retire	Test Year End Total June 30, 2026
301	Organization	$ 10,271	$ -	$ -	$ 10,271
302	Franchises	-	-	-	-
303	Land and Land Rights	5,500	1,160	-	6,660
304	Structures and Improvements	67,842	26,994	-	94,836
305	Collecting & Improving Reservoirs	-	-	-	-
306	Lake, River, Canal Intakes	-	-	-	-
307	Wells and Springs	237,679	24,437	-	262,116
308	Infiltration Galleries	-	-	-	-
309	Raw Water Supply Mains	-	-	-	-
310	Power Generation Equipment	82,279	-	-	82,279
311	Pumping Equipment	161,079	52,486	13,851	199,714
320	Water Treatment Equipment	-	-	-	-
320.1	Water Treatment Plants	-	-	-	-
320.2	Solution Chemical Feeders	1,250	-	-	1,250
320.3	Point-of-Use Treatment Devices	-	-	-	-
330	Distribution Reservoirs and Standpipes	-	-	-	-
330.1	Storage Tanks	119,904	234,755	-	354,659
330.2	Pressure Tanks	-	-	-	-
331	Transmission and Distribution Mains	1,056,555	187,307	-	1,243,862
333	Services	367,053	39,166	-	406,219
334	Meters and Meter Installations	223,349	64,166	-	287,515
335	Hydrants	327,635		-	327,635
336	Backflow Prevention Devices	-		-	-
339	Other Plant and Misc. Equipment	-		-	-
340	Office Furniture and Equipment	-	456	-	456
340.1	Computer & Software	-	1,495	-	1,495
341	Transportation Equipment	-	-	-	-
342	Stores Equipment	-	-	-	-
343	Tools, Shop and Garage Equipment	-	-	-	-
344	Laboratory Equipment	-	-	-	-
345	Power Operated Equipment	-	-	-	-
346	Communication Equipment	3,050	4,287	-	7,337
347	Miscellaneous Equipment	-	-	-	-
348	Other Tangible Plant	-	-	-	-
	TOTAL WATER PLANT	**$ 2,663,446**	**$ 636,709**	**$ 13,851**	**$ 3,286,304**

UTILITY PLANT IN SERVICE

Acct. No.	Description	Test Year End Original Cost	Accumulated Depreciation	OCLD
301	Organization	$ 10,271	$ -	$ 10,271
302	Franchises	-	-	-
303	Land and Land Rights	6,660	-	6,660
304	Structures and Improvements	94,836	45,384	49,452
305	Collecting & Improving Reservoirs	-		-
306	Lake, River, Canal Intakes	-		-
307	Wells and Springs	262,116	187,187	74,929
308	Infiltration Galleries	-		-
309	Raw Water Supply Mains	-		-
310	Power Generation Equipment	82,279	65,823	16,456
311	Pumping Equipment	199,714	177,213	22,501
320	Water Treatment Equipment	-		-
320.1	Water Treatment Plants	-		-
320.2	Solution Chemical Feeders	1,250	1,250	-
320.3	Point-of-Use Treatment Devices	-		-
330	Distribution Reservoirs and Standpipes	-		-
330.1	Storage Tanks	354,659	122,510	232,149
330.2	Pressure Tanks	-		-
331	Transmission and Distribution Mains	1,243,862	663,106	580,756
333	Services	406,219	317,062	89,157
334	Meters and Meter Installations	287,515	260,820	26,695
335	Hydrants	327,635	220,218	107,417
336	Backflow Prevention Devices	-		-
339	Other Plant and Misc. Equipment	-		-
340	Office Furniture and Equipment	456	213	243
340.1	Computer & Software	1,495	1,196	299
341	Transportation Equipment	-		-
342	Stores Equipment	-		-
343	Tools, Shop and Garage Equipment	-		-
344	Laboratory Equipment	-		-
345	Power Operated Equipment	-		-
346	Communication Equipment	7,337	4,982	2,355
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	-	-	-
TOTAL WATER PLANT		**$ 3,286,304**	**$ 2,066,964**	**$ 1,219,340**

ORIGINAL COST RATE BASE		
		Company
Plant in Service	$	3,286,304
Less:		
Accumulated Depreciation		(2,066,964)
Net Plant	**$**	**1,219,340**
Less:		
Service Line and Meter Installation Deposits		(30,341)
Advances in Aid of Construction (AIAC)		-
Accumulated Deferred Income Taxes		-
Total Advances	$	(30,341)
Gross Contributions in Aid of Construction (CIAC)	$	(2,103,889)
Less:		
Amortization of CIAC		1,308,855
Net Contributions In Aid of Construction	$	(795,034)
Regulatory Liability	$	-
Total Deductions	**$**	**(825,375)**
Plus:		
1/24 Purchased Power	$	1,385
1/8 Operation & Maintenance		37,880
Prepayments		-
Total Additions	**$**	**39,265**
Rate Base	**$**	**433,230**

WATER USE DATA SHEET

Name of the System:	**Bradshaw Mountainview Water Co**
ADEQ Public Water System Number:	**AZ0413062**
ADWR PCC Number:	**91-000646.0000**

12 Months of Test Year	Water withdrawn (Gallons) [1]	Water Sold (Gallons) [2]	Water delivered (sold) to other systems (Gallons) [3]	Water received (purchased) from other systems (Gallons) [4]	Estimated authorized use (gallons)[5]	Purchased Power Expense[6]	Purchased Power (kWh)[7]
July-25	4,299,984	4,336,784	0	36,800	0	3,980	27,630
August-25	3,652,320	3,671,520	0	19,200	0	3,551	23,553
September-25	3,388,292	3,388,292	0	0	0	3,471	20,034
October-25	3,275,565	3,275,565	0	0	0	3,003	15,128
November-25	2,807,003	2,807,003	0	0	0	2,553	13,318
December-25	2,449,427	2,449,427	0	0	0	1,989	9,514
January-26	1,849,659	1,849,659	0	0	0	1,666	7,790
February-26	2,567,414	2,567,414	0	0	0	2,842	15,454
March-26	2,827,648	2,827,648	0	0	0	2,115	10,627
April-26	2,815,774	2,815,774	0	0	0	2,562	13,487
May-26	2,675,977	2,675,977	0	0	0	2,863	14,898
June-26	3,217,513	3,217,513	0	0	0	2,633	12,458
TOTAL	35,826,576	35,882,576	0	56,000	0	$ 33,228	183,891

If the system has fire hydrants, what is the fire flow requirements? **N/A** GPM for **0** hrs.

Does the system have chlorination treatment? **Yes**

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement? **No**
If yes, provide the GPCPD amount: **N/A**

Is the Water Utility located in an ADWR Active Management Area (AMA)? **No**
If yes, which AMA? **N/A**

If applicable, in the space below, please provide a description for all estimated un-metered use and amounts:

Bradshaw has had continuous intermittent problems with the meters on the 2 largest producing wells. The meters on Bensch Ranch, Bob White and Gold Pan wells seem to be working, but without dependable reads from the Duffers and Trails End well meters it is uncertain if they are correct. The utility is requesting a financing approval to replace all the system meters, including the well meters.

[1] Water withdrawn - Total gallons of water withdrawn from pumped sources.

[2] Water sold - Total gallons from customer meters, and other sales such as construction water.

[3] Water delivered (sold) to other systems - Total gallons of water delivered to other systems.

[4] Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.

[5] Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.

[6] Enter the total purchased power costs for the power meters associated with this system.

[7] Enter the total purchased kWh used by the power meters associated with this system.

CUSTOMER DATA SHEET

Name of the System:	**Bradshaw Mountainview Water Co**
ADEQ Public Water System Number:	**AZ0413062**
ADWR PCC Number:	**91-000646.0000**

12 Months of Test Year	Single-Family	Multi-Family	Commercial	Turf/ Irrigation	Other Non-Residential
July-25	635	4	11	5	6
August-25	638	4	11	5	6
September-25	636	4	11	5	6
October-25	637	4	11	5	6
November-25	642	4	11	5	6
December-25	635	4	11	5	6
January-26	635	4	11	5	6
February-26	633	4	11	5	6
March-26	635	4	11	5	6
April-26	634	4	11	5	6
May-26	638	4	11	5	6
June-26	642	4	11	5	6

BILL COUNT SUMMARY

Customer Class	Single-Family Residential			Multi-Family
Meter Size	5/8-inch	3/4-inch	1-inch	2-inch
Range	# of Bills	# of Bills	# of Bills	# of Bills
- 0 -	611	5	1	
1 to 1,000	1,092	19	10	
1,001 to 2,000	1,300	12	22	
2,001 to 3,000	1,075	4	35	
3,001 to 4,000	842	7	23	
4,001 to 5,000	574		11	
5,001 to 6,000	431	1	7	2
6,001 to 7,000	312	1	6	3
7,001 to 8,000	260	2	5	9
8,001 to 9,000	183		4	11
9,001 to 10,000	128		3	7
10,001 to 12,000	190		4	3
12,001 to 14,000	118		1	5
14,001 to 16,000	82		1	5
16,001 to 18,000	42			1
18,001 to 20,000	46			
20,001 to 25,000	67			
25,001 to 30,000	31			1
30,001 to 35,000	19			
35,001 to 40,000	12			
40,001 to 50,000	14			
50,001 to 60,000	12			
60,001 to 70,000	3			
70,001 to 80,000	2			
80,001 to 90,000	2			
90,001 to 100,000	4			
103,340	1			
110,510	1			
119,300	1			
255,970	1			
205,900				1
106,830				
147,110				
206,700				
266,600				
Total Bills	**7,456**	**51**	**133**	**48**
Average Number of Customers	**621**	**4**	**11**	**4**

BILL COUNT SUMMARY (CONTINUED)

Customer Class	Commercial				Irrigation	
Meter Size	5/8-inch	1-inch	2-inch	4-inch	1-inch	1 1/2-inch
Range	# of Bills	# of Bills	# of Bills	# of Bills	# of Bills	# of Bills
- 0 -	33			8	1	46
1 to 1,000	2		15	4	4	
1,001 to 2,000	4				4	
2,001 to 3,000	9				1	
3,001 to 4,000	3				1	
4,001 to 5,000	3					
5,001 to 6,000	5					
6,001 to 7,000	5					
7,001 to 8,000	2				1	
8,001 to 9,000	2					
9,001 to 10,000	1					
10,001 to 12,000	4					
12,001 to 14,000	1					
14,001 to 16,000	-					
16,001 to 18,000	1					
18,001 to 20,000	2	4				
20,001 to 25,000	2	6				
25,001 to 30,000	1	2	2			1
30,001 to 35,000	-					
35,001 to 40,000	2					
40,001 to 50,000	-		1			1
50,001 to 60,000	-					
60,001 to 70,000	-		1			
70,001 to 80,000	1					
80,001 to 90,000						
90,001 to 100,000			1			
103,340						
110,510						
119,300						
255,970						
205,900						
106,830	1					
147,110			1			
206,700			2			
266,600			1			
Total Bills	**84**	**12**	**24**	**12**	**12**	**48**
Average Number of Customers	**7**	**1**	**2**	**1**	**1**	**4**

BILL COUNT SUMMARY (CONTINUED)

Customer Class	Other					
Meter Size	5/8-inch	3/4-inch	1-inch	3-inch	4-inch	Total
Range	# of Bills	# of Bills	# of Bills	# of Bills	# of Bills	# of Bills
- 0 -	1	13		12	12	743
1 to 1,000						1,146
1,001 to 2,000	3	2	11			1,358
2,001 to 3,000	3	1				1,128
3,001 to 4,000	2	2				880
4,001 to 5,000	2					590
5,001 to 6,000						446
6,001 to 7,000						327
7,001 to 8,000	1		1			281
8,001 to 9,000						200
9,001 to 10,000						139
10,001 to 12,000						201
12,001 to 14,000		1				126
14,001 to 16,000						88
16,001 to 18,000						44
18,001 to 20,000						52
20,001 to 25,000		1				76
25,001 to 30,000		1				39
30,001 to 35,000		2				21
35,001 to 40,000						14
40,001 to 50,000						16
50,001 to 60,000		1				13
60,001 to 70,000						4
70,001 to 80,000						3
80,001 to 90,000						2
90,001 to 100,000						5
103,340						1
110,510						1
119,300						1
255,970						1
205,900						1
106,830						1
147,110						1
206,700						2
266,600						1
Total Bills	**12**	**24**	**12**	**12**	**12**	**7,952**
Average Number of Customers	**1**	**2**	**1**	**1**	**1**	**663**

CURRENT AND PROPOSED WATER RATES

MONTHLY MINIMUM OR BASIC SERVICE CHARGE

METER SIZE	CURRENT RATES			PROPOSED RATES		
	CUSTOMER CLASS	RATE	GALLONS INCLUDED	CUSTOMER CLASS	RATE	GALLONS INCLUDED
5/8 x 3/4-inch Meter	All	$ 18.80	0	All	$ 30.00	0
3/4-inch Meter	All	18.80	0	All	45.00	0
1-inch Meter	All	47.00	0	All	75.00	0
1-1/2-inch Meter	All	94.00	0	All	150.00	0
2-inch Meter	All	150.40	0	All	240.00	0
3-inch Meter	All	282.00	0	All	480.00	0
4-inch Meter	All	470.00	0	All	750.00	0
6-inch Meter	All	940.00	0	All	1,500.00	0
Rate Case Surcharge	N/A	N/A	N/A	All	$ 1.01	0

Commodity Rates: (Per 1,000 gallons)

Gallons included in Minimum - 0

	CURRENT RATES			PROPOSED RATES		
		Gallons			Gallons	
5/8 x 3/4-inch Meter - All Classes	RATES	FROM	TO	RATES	FROM	TO
FIRST TIER	$ 2.00	0	3,000	$ 2.50	0	3,000
SECOND TIER	$ 2.67	3,001	8,000	$ 4.25	3,001	8,000
THIRD TIER	$ 2.80	Over 8,000 Gallons		$ 7.94	8,001	50,000
FOURTH TIER	N/A	N/A	N/A	$ 12.00	Over 50,000 Gallons	
3/4-inch Meter - All Classes						
FIRST TIER	$ 2.00	0	3,000	$ 2.50	0	3,000
SECOND TIER	$ 2.67	3,001	8,000	$ 4.25	3,001	8,000
THIRD TIER	$ 2.80	Over 8,000 Gallons		$ 7.94	8,001	50,000
FOURTH TIER	N/A	N/A	N/A	$ 12.00	Over 50,000 Gallons	
1-inch Meter - Residential						
FIRST TIER	$ 2.00	0	3,000	$ 2.50	0	3,000
SECOND TIER	$ 2.67	3,001	8,000	$ 4.25	3,001	8,000
THIRD TIER	$ 2.80	Over 8,000 Gallons		$ 7.94	8,001	50,000
FOURTH TIER	N/A	N/A	N/A	$ 12.00	Over 50,000 Gallons	
1-inch Meter - Non-Residential						
FIRST TIER	$ 2.67	0	14,000	$ 4.25	0	14,000
SECOND TIER	$ 2.80	Over 14,000 Gallons		$ 7.94	Over 14,000 Gallons	

GALLONS IN EXCESS OF MINIMUM FOR LARGER METER SIZES WITH ONE TIER BREAK - RESIDENTIAL, COMMERCIAL & INDUSTRIAL Commodity Charge (Per 1,000 Gallons)

	CURRENT RATES - ALL CLASSES			PROPOSED RATES - ALL CLASSES		
	RATES		BREAK-OVER POINT	RATES		BREAK-OVER POINT
METER SIZE	Up to Break-Over Point	After Break-Over Point		Up to Break-Over Point	After Break-Over Point	
1-1/2-inch Meter	$ 2.67	$ 2.80	28,000	$ 4.25	$ 7.94	28,000
2-inch Meter	$ 2.67	$ 2.80	56,000	$ 4.25	$ 7.94	56,000
3-inch Meter	$ 2.67	$ 2.80	120,000	$ 4.25	$ 7.94	120,000
4-inch Meter	$ 2.67	$ 2.80	285,000	$ 4.25	$ 7.94	285,000
6-inch Meter	$ 2.67	$ 2.80	640,000	$ 4.25	$ 7.94	640,000

TYPICAL BILL ANALYSIS
5/8 x 3/4-Inch Residential Meter Service

Average Number of Customers:

Usage	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	4,329	$ 28.35	$ 43.15	$ 14.80	52.21%
Median Usage	3,674	$ 26.60	$ 39.19	$ 12.59	47.32%

Present & Proposed Rates (Without Taxes)
5/8 x 3/4-Inch Residential Meter Service

Gallons	Present	Company Proposed	Increase Amount	Increase %
-	$ 18.80	$ 30.00	$ 11.20	59.57%
1,000	20.80	32.50	11.70	56.25%
2,000	22.80	35.00	12.20	53.51%
3,000	24.80	37.50	12.70	51.21%
4,000	27.47	41.75	14.28	51.98%
5,000	30.14	46.00	15.86	52.62%
6,000	32.81	50.25	17.44	53.15%
7,000	35.48	54.50	19.02	53.61%
8,000	38.15	58.75	20.60	54.00%
9,000	40.95	66.69	25.74	62.86%
10,000	43.75	74.63	30.88	70.58%
15,000	57.75	114.33	56.58	97.97%
20,000	71.75	154.03	82.28	114.68%
25,000	85.75	193.73	107.98	125.92%
50,000	155.75	368.41	212.66	136.54%
75,000	225.75	668.41	442.66	196.08%
100,000	295.75	968.41	672.66	227.44%
125,000	365.75	1,268.41	902.66	246.80%
150,000	435.75	1,568.41	1,132.66	259.93%
175,000	505.75	1,868.41	1,362.66	269.43%
200,000	575.75	2,168.41	1,592.66	276.62%

CURRENT AND PROPOSED WATER SERVICE CHARGES

SERVICE LINE AND METER INSTALLATION CHARGES:

(Refundable pursuant to AAC R14-2-405)	CURRENT CHARGES			COMPANY PROPOSED		
METER SIZE	**Service Line**	**Meter**	**Total**	**Service Line**	**Meter**	**Total**
5/8" x 3/4" Meter	$ 500.00	$ 150.00	$ 650.00	$ 565.00	$ 370.00	$ 935.00
3/4" Meter	476.00	224.00	700.00	565.00	390.00	955.00
1" Meter	468.00	252.00	720.00	629.00	455.00	1,084.00
1-1/2" Meter	605.00	495.00	1,100.00	699.00	953.00	1,652.00
2" Meter - Turbine	805.00	945.00	1,750.00	1,054.00	1,066.00	2,120.00
2" Meter - Compound	N/A	N/A	N/A	1,054.00	1,928.00	2,982.00
3" Meter - Turbine	$ 1,100.00	$ 1,650.00	$ 2,750.00	1,327.00	1,703.00	3,030.00
3" Meter - Compound	N/A	N/A	N/A	1,480.00	3,832.00	5,312.00
4" Meter - Turbine	$ 1,440.00	$ 2,560.00	$ 4,000.00	1,892.00	2,723.00	4,615.00
4" Meter - Compound	N/A	N/A	N/A	2,121.00	4,856.00	6,977.00
6" Meter - Turbine	$ 2,240.00	$ 5,760.00	$ 8,000.00	2,807.00	5,126.00	7,933.00
6" Meter - Compound	N/A	N/A	N/A	2,959.00	7,058.00	10,017.00
Over 6" Meters	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost

Monthly Service Charge for Fire Sprinklers:

2% of Monthly Minimum for a comparable sized meter connection, but no less than $10.00 per month. The service charge for fire sprinklers is only applicable to service lines separate and distinct from the primary water service line.

SERVICE CHARGES	**CURRENT CHARGES**	**PROPOSED CHARGES**
Establishment	$ 45.00	$ 45.00
Reconnection (Delinquent)	$ 45.00	$ 50.00
Meter Test (If Correct)	$ 40.00	$ 40.00
Deposit	*	*
Deposit Interest	No tariff	***
After Hours Service Charge	$ 45.00	$ 75.00
Reestablishment (Within 12 Months)	**	**
NSF check	$ 25.00	25.00
Deferred Payment (Per Month)	1.50%	1.50%
Meter Reread (If Correct)	$ 15.00	$ 20.00
Late payment (Per Month)	1.50%	****

* Per Commission Rule A.A.C. R-14-2-403(B)(7).
** Months off system times the monthly minimum per A.A.C. R14-2-403(D).
*** Per Commission Rule A.A.C. R-14-2-403(B)(3).
**** 1.5% of the past due amount or $5.00, whichever is greater.

In addition to the collection of regular rates, the utility may collect from its customers a proportionate share of any privilege, sales and use tax per Commission Rule A.A.C. R14-2-409(D)(5).

COMPARATIVE INCOME STATEMENT

Acct. No.	Operating Revenue	Prior Year July 24 - June 25	Test Year Jul 25 - Jun 26	Company Adjust-ments	Company Adjusted	Increase Requested	Company Proposed
461	Metered Water Revenue	$ 269,998	$ 267,499	$ -	$ 267,499	$ 185,509	$ 453,008
469	Guaranteed Revenues (Surcharges)	-	6,895	(6,895)	-	-	-
471	Miscellaneous Service Revenues	-	-	-	-	-	-
474	Other Water Revenue	7,542	9,684	-	9,684	-	9,684
	Total Revenues	**$ 277,540**	**$ 284,078**	**$ (6,895)**	**$ 277,183**	**$ 185,509**	**$ 462,692**
	Operating Expenses						
601	Salaries and Wages	$ -	$ -	$ -	$ -	$ -	$ -
604	Employee Pensions and Benefits	-	-	-	-	-	-
610	Purchased Water	-	7,000	(7,000)	-	-	-
615	Purchased Power	33,188	33,228	-	33,228	-	33,228
618	Chemicals	1,335	1,455	-	1,455	-	1,455
620	Materials and Supplies	6,919	5,827	-	5,827	-	5,827
620.1	Repairs and Maintenance	37,327	36,492	-	36,492	-	36,492
620.2	Office Supplies and Expense	1,990	402	-	402	-	402
630	Contractual Services - Billing	68,085	71,209	-	71,209	-	71,209
631	Contractual Services - Engineering	-	-	-	-	-	-
632	Contractual Services - Accounting	49,442	52,222	830	53,052	-	53,052
633	Contractual Services - Legal	-	-	-	-	-	-
634	Contractual Services - Management Fees	44,895	38,420	31,020	69,440	-	69,440
635	Contractual Services - Water Testing	6,794	5,977	2,216	8,193	-	8,193
636	Contractual Services - Other	20,731	21,825	6,000	27,825	-	27,825
640	Rents	-	-		-		-
641	Rental of Building/Real Property	-	-	-	-	-	-
642	Rental of Equipment	-	-	-	-	-	-
650	Transportation Expenses	19,500	18,084	-	18,084	-	18,084
657	Insurance - General Liability	5,462	6,958	-	6,958	-	6,958
659	Insurance - Other	-	-	-	-	-	-
666	Regulatory Commission Exp - Rate Case	-	-	-	-	-	-
670	Bad Debt Expense	-	1,732	-	1,732	1,089	2,821
675	Miscellaneous Expense	295	578	-	578	-	578
403	Depreciation Expense	13,438	12,266	832	13,098	-	13,098
408	Taxes Other Than Income	-	-		-	-	-
408.11	Property Taxes	9,429	9,389	32	9,421	2,102	11,523
409	Income Taxes	-	-	-	-	-	-
427.1	Customer Security Deposit Interest	379	707	-	707	-	707
	Total Operating Expenses	**$ 319,209**	**$ 323,771**	**$ 33,930**	**$ 357,701**	**$ 3,191**	**$ 360,892**
	Operating Income / (Loss)	**$ (41,670)**	**$ (39,693)**	**$ (40,825)**	**$ (80,518)**	**$ 182,318**	**$ 101,800**
	Other Income / (Expense)	$ -	$ -	$ -	$ -	$ -	$ -
	Net Income / (Loss)	**$ (41,670)**	**$ (39,693)**	**$ (40,825)**	**$ (80,518)**	**$ 182,318**	**$ 101,800**

PROOF OF REVENUE

Class	Meter Size	Revenue From Current Rates: Monthly Minimum	Tier 1	Tier 2	Tier 3	Total	% of Total Revenue
Single Family	5/8 x 3/4-inch	$ 140,173	$ 30,638	$ 25,145	$ 21,682	$217,639	81.16%
Single Family	3/4-inch	959	141	49	-	1,149	0.43%
Single Family	1-inch	6,251	641	413	85	7,390	2.76%
Total Single Family Residential		**$ 147,383**	**$ 31,421**	**$ 25,607**	**$ 21,767**	**$226,178**	**84.34%**
% of Class Total		65.16%	13.89%	11.32%	9.62%	100.00%	
Multi-Family	2-inch	$ 7,219	$ 1,419	$ 420	$ -	$ 9,058	3.38%
Total Multi-Family Residential		**$ 7,219**	**$ 1,419**	**$ 420**	**$ -**	**$ 9,058**	**3.38%**
% of Class Total		79.70%	15.67%	4.63%	0.00%	100.00%	
Commercial	5/8 x 3/4-inch	$ 1,579	$ 275	$ 360	$ 907	$ 3,121	1.16%
Commercial	1-inch	564	449	274	-	1,287	0.48%
Commercial	2-inch	3,610	1,184	1,823	-	6,617	2.47%
Commercial	4-inch	5,640	5	-	-	5,645	2.11%
Total Commercial		**$ 11,393**	**$ 1,913**	**$ 2,458**	**$ 907**	**$ 16,671**	**6.22%**
% of Class Total		68.34%	11.48%	14.74%	5.44%	100.00%	
Irrigation	1-inch	$ 564	$ 57	$ -	$ -	$ 621	0.23%
Irrigation	1 1/2-inch	4,512	148	48		4,708	1.76%
Total Irrigation		**$ 5,076**	**$ 206**	**$ 48**	**$ -**	**$ 5,329**	**1.99%**
% of Class Total		95.25%	3.86%	0.89%	0.00%	100.00%	
Other	5/8 x 3/4-inch	$ 226	$ 54	$ 23		$ 302	0.11%
Other	3/4-inch	451	59	83	378	971	0.36%
Other	1-inch	564	64			628	0.23%
Other	3-inch	3,384				3,384	1.26%
Other	4-inch	5,640				5,640	2.11%
Total Other		**$ 10,265**	**$ 177**	**$ 105**	**$ 378**	**$ 10,925**	**4.07%**
% of Class Total		93.95%	1.62%	0.97%	3.46%	100.00%	
Total Bill Count Revenue		**$ 181,335**	**$ 35,136**	**$ 28,638**	**$ 23,052**	**$268,161**	**100.00%**
% of Total Revenue		67.62%	13.10%	10.68%	8.60%	100.00%	

Test Year Metered Water Revenue	**$267,499**
Revenue Difference	$ 662
Percent Difference	0.25%

PROOF OF REVENUE (CONTINUED)

Class	Meter Size	Revenue at Proposed Rates: Monthly Minimum	Tier 1	Tier 2	Tier 3	Tier 4	Total	% of Total Revenue
Single Family	5/8 x 3/4-inch	$223,680	$38,298	$40,025	$54,251	$ 10,173	$366,428	80.88%
Single Family	3/4-inch	2,295	176	79	-	-	2,550	0.56%
Single Family	1-inch	9,975	801	697	242	-	11,716	2.59%
Total Single Family Residential		**$235,950**	**$39,276**	**$40,801**	**$54,494**	**$ 10,173**	**$380,693**	**84.03%**
% of Class Total		61.98%	10.32%	10.72%	14.31%	2.67%	100.00%	
Multi-Family	2-inch	$ 11,520	$ 2,259	$ 1,190	$ -	$ -	$ 14,969	3.30%
Total Multi-Family Residential		**$ 11,520**	**$ 2,259**	**$ 1,190**	**$ -**	**$ -**	**$ 14,969**	**3.30%**
% of Class Total		76.96%	15.09%	7.95%	0.00%	0.00%	100.00%	
Commercial	5/8 x 3/4-inch	$ 2,520	$ 344	$ 574	$ 2,571	$ -	$ 6,009	1.33%
Commercial	1-inch	$ 900	714	778	-	-	2,392	0.53%
Commercial	2-inch	5,760	1,885	5,170	-	-	12,815	2.83%
Commercial	4-inch	9,000	9	-	-	-	9,009	1.99%
Total Commercial		**$ 18,180**	**$ 2,951**	**$ 6,522**	**$ 2,571**	**$ -**	**$ 30,224**	**6.67%**
% of Class Total		60.15%	9.76%	21.58%	8.51%	0.00%	100.00%	
Irrigation	1-inch	$ 900	$ 91	$ -	$ -	$ -	$ 991	0.22%
Irrigation	1 1/2-inch	7,200	236	135	-	-	7,571	1.67%
Total Irrigation		**$ 8,100**	**$ 327**	**$ 135**	**$ -**	**$ -**	**$ 8,562**	**1.89%**
% of Class Total		94.60%	3.82%	1.58%	0.00%	0.00%	100.00%	
Other	5/8 x 3/4-inch	$ 360	$ 68	$ 36	$ -	$ -	$ 464	0.10%
Other	3/4-inch	1,080	74	132	1,072	-	2,357	0.52%
Other	1-inch	900	102	-	-	-	1,002	0.22%
Other	3-inch	5,760	-	-	-	-	5,760	1.27%
Other	4-inch	9,000	-	-	-	-	9,000	1.99%
Total Other		**$ 17,100**	**$ 243**	**$ 168**	**$ 1,072**	**$ -**	**$ 18,583**	**4.10%**
% of Class Total		92.02%	1.31%	0.90%	5.77%	0.00%	100.00%	
Total Bill Count Revenue		**$290,850**	**$45,056**	**$48,816**	**$58,137**	**$ 10,173**	**$453,032**	**100.00%**
% of Total Revenue		64.20%	9.95%	10.78%	12.83%	2.25%	100.00%	

Proposed Metered Water Revenue	**$453,008**
Revenue Difference	$ 24
Percent Difference	0.01%

CALCULATION OF DEPRECIATION EXPENSE

Acct. No.	Plant Description	Test Year Plant Original Cost	Fully Depreciated/Non-Depreciable Plant	Depreciable Plant	Proposed Depreciation Percentage	Depreciation Expense
301	Organization	$ 10,271	$ 10,271	$ -	0.00%	$ -
302	Franchises	-	-	-	0.00%	-
303	Land and Land Rights	6,660	6,660	-	0.00%	-
304	Structures and Improvements	94,836	14,205	80,631	3.33%	2,685
305	Collecting & Improving Reservoirs	-	-	-	2.50%	-
306	Lake, River, Canal Intakes	-	-	-	2.50%	-
307	Wells and Springs	262,116	21,950	240,166	3.33%	7,998
308	Infiltration Galleries	-	-	-	6.67%	-
309	Raw Water Supply Mains	-	-	-	2.00%	-
310	Power Generation Equipment	82,279	-	82,279	5.00%	4,114
311	Pumping Equipment	199,714	175,133	24,581	12.50%	4,804
320	Water Treatment Equipment	-	-	-	0.00%	-
320.1	Water Treatment Plants	-	-	-	3.33%	-
320.2	Solution Chemical Feeders	1,250	1,250	-	20.00%	-
320.3	Point-of-Use Treatment Devices	-	-	-	10.00%	-
330	Distribution Reservoirs and Standpipe	-	-	-	5.00%	-
330.1	Storage Tanks	354,659	119,904	234,755	2.22%	5,212
330.2	Pressure Tanks	-	-	-	5.00%	-
331	Transmission and Distribution Mains	1,243,862	163,552	1,080,310	2.00%	21,606
333	Services	406,219	122,004	284,215	3.33%	9,464
334	Meters and Meter Installations	287,515	222,140	65,375	8.33%	5,446
335	Hydrants	327,635	-	327,635	2.00%	6,553
336	Backflow Prevention Devices	-	-	-	6.67%	-
339	Other Plant and Misc. Equipment	-	-	-	6.67%	-
340	Office Furniture and Equipment	456	-	456	6.67%	30
340.1	Computer & Software	1,495	-	1,495	20.00%	299
341	Transportation Equipment	-	-	-	20.00%	-
342	Stores Equipment	-	-	-	4.00%	-
343	Tools, Shop and Garage Equipment	-	-	-	5.00%	-
344	Laboratory Equipment	-	-	-	10.00%	-
345	Power Operated Equipment	-	-	-	5.00%	-
346	Communication Equipment	7,337	3,050	4,287	10.00%	429
347	Miscellaneous Equipment	-	-	-	10.00%	-
348	Other Tangible Plant	-	-	-	0.00%	-
	TOTAL	**$ 3,286,304**	**$ 860,119**	**$ 2,426,185**		**$ 68,639**

Gross Contributions in Aid of Construction/Amortization

Amortizable CIAC	CIAC Rate	CIAC Amort
$ 1,853,890	2.6946%	$ 49,955
$ 15,244	3.3300%	508
$ 234,755	2.2200%	5,212
Amortization of CIAC		**$ 55,674**

Gross Depreciation Expense	$ 68,639
Less: Amortization of CIAC	(55,674)
Proposed Depreciation Expense	**$ 12,965**
Test Year Depreciation Expense	12,133
Adjustment to Depreciation Exp	**$ 832**

PRO FORMA ADDITIONS/SUBTRACTIONS FROM TEST YEAR

Account No.	Calendar Year	Additions	Subtractions	Water Conservation Adjustments	Total Pro Forma Adjustments
	Operating Revenue				
461	Metered Water Revenue	$ -	$ -	$ -	-
469	Guaranteed Revenues (Surcharges)		(6,895)		(6,895)
471	Miscellaneous Service Revenues				-
474	Other Water Revenue				-
	Total Revenues	$ -	$ (6,895)	$ -	$ (6,895)
	Operating Expenses				
601	Salaries and Wages	$ -	$ -	$ -	$ -
604	Employee Pensions and Benefits				-
610	Purchased Water		(7,000)		(7,000)
615	Purchased Power				-
618	Chemicals				-
620	Materials and Supplies				-
620.1	Repairs and Maintenance				-
620.2	Office Supplies and Expense				-
630	Contractual Services - Billing				-
631	Contractual Services - Engineering				-
632	Contractual Services - Accounting	830			830
633	Contractual Services - Legal				-
634	Contractual Services - Management Fees	31,020			31,020
635	Contractual Services - Water Testing	2,216			2,216
636	Contractual Services - Other	6,000			6,000
641	Rental of Building/Real Property				-
642	Rental of Equipment				-
650	Transportation Expenses				-
657	Insurance - General Liability				-
659	Insurance - Other				-
666	Regulatory Commission Exp - Rate Case		-		-
670	Bad Debt Expense				-
675	Miscellaneous Expense		-		-
403	Depreciation Expense	832			832
408	Taxes Other Than Income				-
408.11	Property Taxes	32			32
409	Income Taxes		-		-
427.1	Customer Security Deposit Interest				-
	Total Operating Expenses	**$ 40,930**	**$ (7,000)**	**$ -**	**$ 33,930**
	Operating Income / (Loss)	**$ (40,930)**	**$ 105**	**$ -**	**$ (40,825)**
	Other Income / (Expense)				
	Net Income / (Loss)	**$ (40,930)**	**$ 105**	**$ -**	**$ (40,825)**

GUARANTEED REVENUES

Adjustment to remove water hauling surcharge from Test Year revenue.

Proposed Guaranteed Revenues	$	-
Test Year Guaranteed Revenues		6,895
Adjustment to Guaranteed Revenues	**$**	**(6,895)**

PURCHASED WATER

Adjustment to remove purchased water costs from Test Year expenses.

Proposed Purchased Water	$	-
Test Year Purchased Water		7,000
Adjustment to Purchased Water	**$**	**(7,000)**

CONTRACTUAL SERVICES - ACCOUNTING

Adjustment to increase Contractual Services - Accounting due to an increase in the QuickBooks monthly service fee.

New Monthly Cost for QuickBooks online	$	361.59
Current Monthly Cost for QuickBooks online		292.46
Difference in Monthly Rate for QuickBooks online	$	69.13
Number of Months		12
Increase due to QuickBooks price change	$	829.56

Proposed Contractual Services - Accounting	$	53,052
Test Year Contractual Services - Accounting		52,222
Increase to Contractual Services - Accounting	**$**	**830**

CONTRACTUAL SERVICES - MANAGEMENT FEES

Adjustment to increase Contractual Services - Management Fees due to an ADEQ mandate for Grade 2 onsite operator.

Monthly salary and benefits for a Grade 2 Operator	$	6,000
Operator costs in Test Year		3,415
Difference in monthly cost	$	2,585
Number of Months		12
Increase due to ADEQ Certified Operator Mandates	$	31,020

Proposed Contractual Services - Management Fees	$	69,440
Test Year Contractual Services - Management Fees		38,420
Increase to Contractual Services - Management Fees	**$**	**31,020**

CONTRACTUAL SERVICES - WATER TESTING

Adjustment to increase Contractual Services - Water Testing to include price increase to ADEQ MAP Testing Costs.

2026 ADEQ MAP invoice with updated fees	$	3,558
Test Year ADEQ MAP Testing Expense		1,342
Adjustment to ADEQ MAP Testing Costs	$	2,216

Proposed Contractual Services - Water Testing	$	8,193
Test Year Contractual Services - Water Testing		5,977
Increase to Contractual Services - Water Testing	**$**	**2,216**

CONTRACTUAL SERVICES - OTHER

Adjustment to increase Contractual Services - Other for ADEQ requirement for Grade 3 Certified Operator.

Monthly Cost for Yavapai Water Sampling	$	500
Number of Months		12
Increase due to ADEQ system requirements	$	6,000

Proposed Contractual Services - Other	$	27,825
Test Year Contractual Services - Other		21,825
Increase to Contractual Services - Other	**$**	**6,000**

REGULATORY EXPENSE - RATE CASE

Estimated Rate Case Expense	$	40,000		
5-Year Recovery		5		
Annual Amount	$	8,000		
Number of Months		12		
Monthly Amount to Recover			$	667
Average Number of Bills				663
Proposed Rate Case Surcharge per Customer per Month			**$**	**1.01**

Calculation of Revenue Conversion Factor

1	Revenue	100.0000%
2	Uncollectible Factor (Line 11)	0.6097%
3	Revenues (L1 - L2)	99.3903%
4	Combined Federal and Arizona Tax and Property Tax Rate (L23)	1.1330%
5	Subtotal (L3 - L4)	98.2573%
6	**Revenue Conversion Factor (L1 / L5)**	**1.0177**
	Calculation of Uncollectible Factor:	
7	Unity	100.0000%
8	Combined Federal and State Tax Rate (L17)	0.0000%
9	One Minus Combined Income Tax Rate (L7 - L8)	100.0000%
10	Uncollectible Rate	0.6097%
11	Uncollectible Factor (L9 * L10)	0.6097%
	Calculation of Effective Tax Rate:	
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%
13	Arizona State Income Tax Rate	0.0000%
14	Federal Taxable Income (L12 - L13)	100.0000%
15	Applicable Federal Income Tax Rate	0.0000%
16	Effective Federal Income Tax Rate (L14 * L15)	0.0000%
17	Combined Federal and State Income Tax Rate (L13 + L16)	0.0000%
	Calculation of Effective Property Tax Factor:	
18	Unity	100.0000%
19	Combined Federal and State Tax Rate (L17)	0.0000%
20	One Minus Combined Income Tax Rate (L18 - L19)	100.0000%
21	Property Tax Factor (from Schedule 12)	1.1330%
22	Effective Property Tax Factor (L20 * L21)	1.1330%
23	Combined Federal and Arizona Tax and Property Tax Rate (L17 + L22)	1.1330%

24	Required Operating Income	$	101,800
25	Adjusted Test Year Operating Income (Loss)		(80,518)
26	Required Increase in Operating Income (L24 - L25)	$	182,318
27	Income Taxes on Recommended Revenue (L46, 3rd column)	$	-
28	Income Taxes on Test Year Revenue (L46, 2nd column)		-
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)	$	-
30	Recommended Revenue Requirement	$	462,692
31	Uncollectible Rate (L10)		0.6097%
32	Uncollectible Expense on Recommended Revenue (L30 * L31)	$	2,821
33	Adjusted Yest Year Uncollectible Expense		1,732
34	Required Increase in Revenue to Provide for Uncollectible Expense (L32 - L33)		1,089
35	Property Tax with Recommended Revenue	$	11,523
36	Property Tax on Test Year Revenue		9,421
37	Increase in Property Tax Due to Increase in Revenue (L35 - L36)	$	2,102
38	**Total Required Increase in Revenue**	**$**	**185,509**

	Calculation of Income Taxes:	**Adjusted Test Year**	**Proposed Rates**
39	Revenue	$ 277,183	$ 462,692
40	Operating expenses Excluding Income Taxes	(357,701)	(360,892)
41	Synchronized Interest	-	-
42	Arizona Taxable Income (L39 + L40 - L41)	$ (80,518)	$ 101,800
43	Arizona Income Tax @ 4.9% (L42 x .049) or $50 min	-	-
44	Federal Taxable Income (L42 - L43)	$ (80,518)	$ 101,800
45	Federal Tax @ 21% (L44 x .21)	-	-
46	Combined Federal and State Income Tax (L43 + L45)	**$ -**	**$ -**

PROFORMA PROPERTY TAX CALCULATION

No.	Description	Adjusted Test Year	At Proposed Rates
1	Adjusted Revenues Test Year Ended 12/31/2025	$ 277,183	$ 277,183
2	Adjusted Revenues Test Year Ended 12/31/2025	277,183	277,183
3	Proposed Revenues	277,183	462,692
4	Average of Three Years of Revenue	$ 277,183	$ 339,019
5	Average of Three Years of Revenue, times 2	$ 554,366	$ 678,038
6	Add:		
7	Construction Work in Progress at 10%	$ -	$ -
8	Deduct:		
9	Net Book Value of Transportation Equipment	$ -	$ -
10	Full Cash Value	$ 554,366	$ 678,038
11	Assessment Ratio	15.50%	15.50%
12	Assessed Value (Line 10 x 11)	$ 85,927	$ 105,096
13	Property Tax Rate	10.9642%	10.9642%
14	Calculated Property Taxes (Line 12 x 13)	$ 9,421	$ 11,523
15	Test Year Property Taxes	9,389	
16	**Adjustment to Expense (Line 14 - 15)**	**$ 32**	
17	Adjusted Test Year Property Taxes at Proposed Rates		$ 11,523
18	Adjusted Test Year Property Taxes at Present Rates		9,421
19	**Additional Property Taxes on Proposed Revenue (Line 17 - 18)**		**$ 2,102**
20	Increase in Property Tax Due to Increase in Revenue Requirement		$ 2,102
21	Increase in Revenue Requirement		185,509
22	Increase in Property Tax Per Dollar Increase in Revenue		1.1330%

Per Bill:

	Parcel	Primary Tax Rate	Secondary Tax	Total Tax Rate
23	903-24-39007	6.3751%	4.5891%	10.9642%

CASH AVAILABILITY

Source of Funds

From Operations	Adjusted Test Year	Proposed Rates
Net Income	$ (80,518)	$ 101,800
Depreciation and Amortization	13,098	13,098
Deferred Investment Tax Credits	-	-
Deferred Income Taxes	-	-
Amortization of Regulatory Expense	-	8,000
Total From Operations	**$ (67,420)**	**$ 122,898**
From Financing		
Advances in Aid of Construction	$ 1,624	$ 1,500
Contributions in Aid of Construction	249,999	-
Issuance of Long-Term Debt	-	-
Due to Parent and Affiliates	10,747	(10,747)
Total From Financing	**$ 262,370**	**$ (9,247)**
Total Funds Provided	**$ 194,950**	**$ 113,651**
Application of Funds		
Capital/Plant Expenditures	$ 290,364	$ 75,000
Rate Case Expenses	-	-
Dividends Paid	-	-
Meter Deposit Refunds	2,469	3,900
Total Funds Applied	**$ 292,833**	**$ 78,900**
Net Cash Flow	**$ (97,883)**	**$ 34,751**