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 5

6 **BEFORE THE ARIZONA CORPORATION COMMISSION**
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8
 9 IN THE MATTER OF THE APPLICATION
 OF PIMA UTILITY COMPANY, AN
 10 ARIZONA CORPORATION, FOR A
 DETERMINATION OF THE FAIR VALUE
 11 OF ITS UTILITY PLANTS AND
 PROPERTY AND FOR INCREASES IN ITS
 12 RATES AND CHARGES FOR UTILITY
 SERVICE BASED THEREON.

DOCKET NO: SW-02199A-25-____

APPLICATION

13
 14 Pima Utility Company (“Pima” or “Company”), a Class B utility, hereby applies
 15 for an order establishing the fair value of its plant and property used for the provision of
 16 public sewer utility service and based on such finding approving permanent rates and
 17 charges for utility service designed to produce a fair return thereon. This application is
 18 being made concurrently with an application by Pima’s water division so that Pima can
 19 also seek an order approving deconsolidation into two separate entities, one providing
 20 water utility service, Pima Water Company (“Pima Water”), and the other providing
 21 sewer utility service, Pima Sewer Company (“Pima Sewer”). Following sufficiency, Pima
 22 will request to consolidate the two rate applications into the same docket so that the
 23 Arizona Corporation Commission (“Commission”) may consider the request for
 24 deconsolidation of the utility.
 25
 26

1 In support thereof, Pima states as follows:

2 **A. Background**

3 1. Pima is an Arizona public service corporation engaged in providing water
4 and sewer utility services to Sun Lakes, a community located in Chandler, Arizona, and
5 two subdivisions adjacent to Sun Lakes, Oakwood Hills and San Tan Vista, all located in
6 Maricopa County, pursuant to certificates of convenience and necessity granted by the
7 Arizona Corporation Commission. During the Test Year, Pima served approximately
8 10,130 sewer customers.

9 2. Pima's business office is located at 4720 E. Cotton Gin Loop, Suite 130,
10 Phoenix, Arizona 85040, and its telephone number is (888) 712-1120. The Company's
11 primary management contact is Jason Williamson, who is Pima's President.

12 **B. Pima's Proposed Rate Increase for Its Sewer Division**

13 3. Pima's present rates and charges for utility service were approved by the
14 Commission in Decision No. 76540 (January 3, 2018), as modified by Decision No.
15 76768 (June 26, 2018), using a test year ending December 31, 2015.

16 4. Pima's revenues from its utility operations are presently inadequate to
17 provide a fair rate of return on the fair value of its utility plant and property devoted to
18 public service. Operating expenses have also changed since the current rates were set.
19 Therefore, Pima requests that certain adjustments to its rates and charges for utility service
20 be approved by the Commission so that Pima may recover its operating expenses and be
21 given an opportunity to earn a just and reasonable rate of return on the fair value of its rate
22 base. The Company agrees to use its original cost rate base as its fair value rate base in
23 this proceeding.

24 5. Filed concurrently herewith are the schedules required pursuant to A.A.C.
25 R14-2-103 for rate applications by Class "B" utilities. The test year utilized by Pima in
26 connection with the preparation of such schedules is the 12-month period that ended

1 June 30, 2025. Pima requests that the Commission utilize such test year in connection
2 with this Application, with appropriate adjustments to obtain a normal or more realistic
3 relationship between revenues, rate base and expenses during the period in which the rates
4 established in this proceeding are expected to be in effect.

5 6. During the test year, Pima's adjusted gross revenues were \$3,687,218 from
6 sewer utility service. The adjusted operating income from the sewer division was
7 \$(339,923) leading to an operating income deficiency of \$1,570,003. The adjusted fair
8 value rate base was \$13,425,887. Thus, the rate of return on sewer operations during the
9 test year was negative 2.53 percent.

10 7. Pima submits that this rate of return is inadequate to allow it to earn a
11 reasonable return on the fair value of its used and useful utility plant in service for its
12 stockholder, maintain a sound credit rating, and/or enable the Company to attract
13 additional capital on reasonable and acceptable terms in order to continue the investment
14 in utility plant necessary to adequately serve customers.

15 8. Pima is seeking sewer utility revenues of \$5,809,305, an increase in total
16 revenues of \$2,122,087, or approximately 57.55 percent over the adjusted and annualized
17 test year revenues of \$3,687,218. The revenue amount is inclusive of the revenue
18 required to recover operating expenses and afford Pima an opportunity to earn a return on
19 rate base. Specifically, the increase in annual revenues to provide for recovery of
20 operating expenses and a 9.16 percent return on rate base is approximately \$2,122,087.
21 Rate case expense recovery is being requested through a separate surcharge recovery
22 mechanism.

23 9. In accordance with A.A.C. R14-2-103.B.5, attached hereto as **Attachment 1**
24 are sewer plant descriptions and flow data for the 2024 calendar year.

25 10. Attached hereto as **Attachment 2** is Pima's proposed tariff of rates and
26 charges, which includes a proposed Customer Assistance Tariff with a low income

1 program, and discounts for deployed services members and disabled veterans, a Purchased
2 Power Adjustment Mechanism, and a Property Tax Adjustment Mechanism.

3 **C. Request to Deconsolidate**

4 11. Pima asks for its water and sewer divisions to be deconsolidated into two
5 separate entities, Pima Water providing water service and Pima Sewer providing sewer
6 service.

7 12. The deconsolidation is the next step in JWW Holdco's long-term plan
8 ultimately to consolidate its 16 water and sewer utilities into one water utility and one
9 sewer utility.

10 **SUPPORTING TESTIMONY AND SCHEDULES**

11 13. Filed concurrently in support of this Application are the following direct
12 testimonies:

13 a. Direct Testimony of Jill Schwartz – Ms. Schwartz provides an
14 overview of the rate filings and Pima's intent to concurrently seek financing approval, and
15 the request to be deconsolidated into two public service corporations, Pima Water and
16 Pima Sewer. Ms. Schwartz also addresses shared services in accordance with the
17 JW Water Allocation Manual (JWWAM), and how those costs are applied to Pima.

18 b. Direct Testimony of Justin Hanson – Mr. Hanson provides
19 background on Pima and its operations and addresses certain aspects of the rate relief
20 being requested.

21 c. Direct Testimony of Cherishe Barbee – Ms. Barbee addresses the
22 overall revenue requirement, including rate base and income statement (revenue and
23 operating expenses) and the corresponding adjustments to the test year in order to
24 establish rates. Ms. Barbee also discusses Pima's recommended changes to the tariff or
25 tariffs of rates and charges.

26

1 D. That the Commission approve the request for a rate case expense surcharge;
2 and

3 E. That the Commission authorize such other and further relief as may be
4 appropriate to ensure that Pima has an opportunity to earn a just and reasonable return on
5 the fair value of its utility plant and property and as may otherwise be required under
6 Arizona law.

7 RESPECTFULLY SUBMITTED this 24th day of December, 2025.

8 SHAPIRO LAW FIRM, P.C.

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10

By: /s/ Jay L. Shapiro
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15 ORIGINAL was filed
16 this 24th day of December, 2025, with:

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

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20

By: /s/ Whitney Birk

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**APPLICATION
ATTACHMENT 1**

Wastewater Utility Plant Description

Name of System:	Pima Utility Company - Sewer
Wastewater Inventory Number (if applicable):	none
Type of Treatment	other
Design Capacity of Plant (Gallons per day)	2,400,000

LIFT STATION FACILITIES					
Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
Maryland - LS 1	2	20	650	14960	1972
Dobson - LS 2	2	10	500	1878	1980
Cochise - LS 3	2	5	375	2900	1983
S Brentwood - LS 4	2	3.5	250	2900	1985
N Brentwood - LS 5	2	5	375	2900	1985
N Alma School - LS 6	2	2.5	250	3229	1986
S Alma School - LS 7	2	5	375	3229	1986
Santan - LS 8	2	3.5	250	3229	1988
Sunnydale - LS 9	2	3.5	250	3229	1989
Unit 27 - LS 10	2	7.5	500	18700	1989
Unit 31 - LS 11	2	10	500	18700	1991
Unit 32 - LS 12	2	40	1000	134640	1996
Yard - Ls 13	2	10	500	2000	1995
McDonalds - LS 14	2	2	200	2000	2006
Santan Vista - LS 15	2	5	375	2000	2008
WP1 - LS 16	3	25	600	12000	2015

FORCE MAINS		
Size	Material	Length (Feet)
6"	PVC	1,533
6"	DIP	119
8"	PVC	6,148
8"	DIP	439
10"	PVC	5,750
10"	DIP	90
12"	PVC	132
12"	DIP	59
16"	PVC	11,813
16"	DIP	399

MANHOLES	
Type	Quantity
Standard	1,396
Drop	0

CLEANOUTS	
Quantity	
220	
0	
0	
0	

Note: If you are filing for more than one system, please provide separate sheets for each system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that

account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Wastewater Utility Plant Description (Continued)					
GRAVITY MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
4	PVC	18,401	4	PVC	10,028
6	PVC	19,102	6	PVC	93
8	PVC	392,322	8	na	na
10	PVC	62,042	10	na	na
12	PVC	31,076			
15	PVC	2,541			
2	PVC	200			
na	NA	na			
na	NA	na			
na	NA	na			
na	NA	na			
na	NA	na			
na	NA	na			
na	NA	na			
na	NA	na			

For the following five items, list the utility owned assets in each category for each system.

SOLIDS PROCESSING AND HANDLING FACILITIES	Centrifuge
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Ultra-violet
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Sand & anthracite
STRUCTURES (Buildings, Fences, Etc.)	Light stations, operations building, solids building
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Laboratory equipment, tools, vehicles, generators

Note: If you are filing for more than one system, please provide separate sheets for each system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there

is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	10,114	38,053,000	1,412,000	\$19,855	170,819
February	10,121	37,391,000	1,708,000	19,582	164,003
March	10,120	38,810,000	1,515,000	21,383	181,018
April	10,119	35,281,000	1,422,000	19,201	160,015
May	10,117	33,089,000	1,176,000	15,797	156,526
June	10,112	29,966,000	1,149,000	15,213	145,353
July	10,117	30,455,000	1,214,000	14,363	142,939
August	10,112	31,124,000	1,139,000	14,444	141,176
September	10,114	30,236,000	1,380,000	13,538	134,294
October	10,121	32,949,000	1,268,000	14,236	144,599
November	10,119	35,239,000	1,590,000	14,750	147,309
December	10,115	36,085,000	1,382,000	12,598	96,887
	Totals	408,678,000	16,355,000	\$194,960	1,784,938

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Reuse
Groundwater Permit Number	n/a
ADEQ Aquifer Protection Permit ("APP") Number	P100557
ADEQ Reuse Permit Number	R100557
EPA NPDES Permit Number	n/a
APP Effluent Treatment Requirement (Class)?	B+
Permitted Flow Rate	2.4 MGD
Permitted Organic Capacity	n/a
Hydraulic Capacity	2.4 MGD %
Type of Biological Treatment	Sequenced Batch Reactor (SBR)

In the space below, list all violations within the past 12 months:

N/A

Note: If you are filing for more than one system, please provide separate sheets for each system.

- 1 Enter the total purchased power costs for the power meters associated with this system.
- 2 Enter the total purchased kWh used by the power meters associated with this system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

**APPLICATION
ATTACHMENT 2**

TABLE OF CONTENTS

Statement of Charges Sheet No. 1

 I. Rates..... Sheet No. 1

 A. Monthly Minimum Charge Sheet No. 1

 B. Service Charges..... Sheet No. 2

 II. Taxes and Assessments..... Sheet No. 3

Statement of Terms and Conditions..... Sheet No. 4

Purchased Power Adjustment Mechanism..... Sheet No. 6

Property Tax Adjustment Mechanism Sheet No. 8

Customer Assistance Tariff..... Sheet No. 11

STATEMENT OF CHARGES

I. RATES

In Decision No. XXXXX, dated _____, the Commission approved the following rates and charges to become effective:

A. Monthly Minimum Charge

<u>Meter Size – All Classes</u>	<u>Charge</u>
5/8 x 3/4" Meter	\$ 41.20
3/4" Meter	64.02
1" Meter	107.50
1 1/2" Meter	212.60
2" Meter	339.45
3" Meter	659.01
4" Meter	1,961.35
 Effluent Sales	 \$184.58
Charge per 1,000 gallons	0.81
 Recovered Effluent Sales	 \$184.58
Charge per 1,000 gallons	0.81

STATEMENT OF CHARGES

I. RATES

B. Service Charges

<u>Service</u>	<u>Charge</u>
Establishment	\$35.00
Re-Establishment (within 12 months)	(a)
Reconnection (delinquent)	\$30.00
NSF Check	\$30.00
Deferred Payment (per month)	1.50%
Late Charge	(b)
Service – After Hours	50.00(c)
Deposit Requirement	(d)
Deposit Interest	6.00%

- (a) Minimum charge times number of full months off the system per A.A.C. R-14-2-403(D).
- (b) Greater of \$5.00 or 1.5% of unpaid balance.
- (c) Customer shall be charged for after-hours service calls outside of normal working hours for work performed at the customer's request or convenience.
- (d) Per A.A.C. R14-2-603(B): Residential – two times the average bill by class; Non-residential – two and one-half times the customer's estimated maximum monthly bill.

STATEMENT OF CHARGES

II. TAXES AND ASSESSMENTS

In addition to the collection of its regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax per Commission Rule A.A.C. R14-2-608(D)(5).

STATEMENT OF TERMS AND CONDITIONS

Terms and Conditions of Service

- 1.0 **Applicability.** This Terms and Conditions of Service Tariff applies to all services provided by the Company.
- 2.0 **Adoption of Rules.** The Company adopts the Rules of the Arizona Corporation Commission for sewer service (A.A.C. R14-2-601 to R14-2-610), as supplemented by this Tariff.
- 3.0 **Electronic Billing.** Electronic Billing is an optional billing service whereby Customers may elect to receive, view, and pay their bills electronically. The Company may modify its Electronic Billing services from time to time. A Customer electing an electronic billing service may receive an electronic bill in lieu of a paper bill. Customers electing an electronic billing service may be required to complete additional forms and agreements. Electronic Billing may be discontinued at any time by the Company or the Customer. An Electronic Bill will be considered rendered at the time it is electronically sent to the Customer. Failure to receive bills or notices which have been properly sent by an Electronic Billing system does not prevent these bills from becoming delinquent and does not relieve the Customer of the Customer's obligations therein. Any notices which the Company is required to send to a Customer who has elected an Electronic Billing service may be sent by electronic means at the option of the Company. Except as otherwise provided in this section, all other provisions of the Company's tariffs and the Commission's Rules and Regulations are applicable to Electronic Billing. The Customer must provide the Company with a current email address for electronic bill delivery. If the Electronic Bill is electronically sent to the Customer at the email address that Customer provided to the Company, then the Electronic Bill will be considered properly sent. Further, the **Customer will be responsible for updating the Company with any changes to this email address.** Failure to do so will not excuse the Customer from timely paying the Company for utility service.
- 4.0 **Liability.**
- 4.1 **Third party claims.** Company will not be responsible for any third-party claims against Company that arise from Customer's use of Company's utility service unless such claims are caused by the Company's willful misconduct or gross negligence.
- 4.2 **Indemnity.** Customer will indemnify, defend and hold harmless the Company (including the costs of reasonable attorney's fees) against all claims (including, without limitation, claims for damages to any business or property, or injury to, or death of, any person) arising out of any wrongful act or negligent omission of the Customer, or the Customer's agents, in connection with the Company's service or facilities.

STATEMENT OF TERMS AND CONDITIONS

Terms and Conditions of Service

- 4.3 **Limitation of damages.** The liability of the Company for damages due to errors, omissions or other negligence by the Company, its agents, employees or officers, in the course of establishing, furnishing, rearranging, moving, terminating, or changing the service or facilities or equipment shall not exceed the actual reasonable cost to cure the damages directly resulting from the Company's errors, omissions or negligence, Company shall not be liable for consequential or punitive damages except if such damages are caused by the Company's willful misconduct or gross negligence.
- 4.4 **Incidental, indirect, special, or consequential damages.** In no event will the Company be liable for any incidental, indirect, special, or consequential damages (including lost revenue or profits) of any kind whatsoever regardless of the cause or foreseeability thereof.
- 4.5 **Interference with Company facilities.** The Company will not be responsible in any occasion for any loss or damage caused by the negligence or wrongful act of the Customer or any of his agents, employees or licensees in installing, maintaining, using, operating or interfering with any Company facilities.

PIMA SEWER COMPANY

**PLAN OF ADMINISTRATION FOR
PURCHASED POWER ADJUSTMENT MECHANISM**

I. GENERAL DESCRIPTION.

This document is the Plan of Administration (“POA”) for the Purchased Power Adjustment Mechanism (“PPAM”) for Pima Sewer Company (“Pima” or “Company”) approved by the Arizona Corporation Commission (“Commission”) in Decision No. XXXXX on DATE. The PPAM allows Pima to pass through to its customers the increase or decrease in purchased power costs that result from a rate change for any electric service provider supplying retail electric service to the Company.

II. PPAM RELATED FILINGS.

A. Within 60 days of the effective date of a Commission Decision authorizing a rate change in the approved tariffs for any electric service provider supplying retail electric service to the Company, the Company shall file with Docket Control an analysis of the actual impact on the energy portion of the Company’s electric service costs.

B. The Company will provide the Commission with spreadsheets detailing exactly how the Company’s purchased power expenses were calculated in the time period prior to a change in the rate that the Company must pay for purchased power. These calculations will include basic service charges and rate and volume figures. That is, the Company will break down its total purchased power bill into the amount due to fixed fees, volume of electricity used, and the rates paid per unit of electricity. For the period following the rate change, the Company will provide the same information, then compare the two periods, isolating any change in purchased power cost that is due exclusively to a rate change. The specific intent is to show exactly how much of any increase or decrease is due to changes in rates beyond the Company’s control and how much is due to a change in the amount of power that the Company consumes. The Company will only recover increases or refund decreases that are due to changes in rates.

C. All revised schedules filed with the Commission pursuant to the provisions of this PPAM will be accompanied by documentation prepared by the Company in a format approved by Utilities Division Staff of the Commission and will contain sufficient detail to enable the Commission to verify accuracy of the Company’s calculations.

D. The surcharges will not become effective until approved by the Commission.

E. The Company will file annually with the Commission a report detailing the Company’s purchased power costs and any conservation or power-shifting measures employed by the Company.

F. The Company shall provide notice (in a form acceptable to Staff) of the rate increases to customers with the bill where the rate increase first appears.

III. APPLICATION TO SEWER CUSTOMERS.

A. The increase or decrease in purchased power costs that are due to changes in rates at the Company’s sewer facilities will be allocated on a per capita basis.

B. See the following example:

<i>Test Year</i>			<i>Current Year</i>	
Purchased Power Rate	\$0.0800	→	Purchased Power Rate	\$0.1000
Kilowatt Hours Used	1,250,000		Kilowatt Hours Used	1,250,000
Purchased Power Expense	\$100,000		Purchased Power Expense	\$125,000

<i>Pass Through Calculation</i>	
Current Year Purchased Power Expense	\$125,000
Test Year Purchased Power Expense	\$100,000
Increase in Purchased Power Expense Due to Rate Increase	\$25,000

<i>PPAM Charge on Sample Customer Bill</i>	
Increase in Purchased Power Expense Due to Rate Increase	\$25,000
Number of Sewer Customers	20,000
PPAM Charge on Sample Customer Bill	\$1.25

PIMA SEWER COMPANY

**PLAN OF ADMINISTRATION FOR
PROPERTY TAX ADJUSTMENT MECHANISM**

I. GENERAL DESCRIPTION.

This document is the Plan of Administration (“POA”) for the Property Tax Adjustment Mechanism (“PTAM”) for Pima Sewer Company (“Pima” or “Company”) approved by the Arizona Corporation Commission (“Commission”) in Decision No. XXXXX on DATE. The PTAM allows Pima to pass through to its customers the increase or decrease in property taxes that results from a change in the applicable assessment ratio and/or property tax rates.

II. PTAM RELATED FILINGS.

A. Within 60 days of the effective date of a change in the assessment ratio and/or property tax rates applicable to the Company, the Company shall file with Docket Control an analysis of the actual impact on the Company’s property tax expenses.

B. The Company will provide the Commission with spreadsheets detailing exactly how the Company’s property tax expenses were calculated in the time period prior to a change in the assessment ratio and/or property tax rate that affects the Company’s property tax expenses. These calculations will include the assessment ratio, the property tax rates, and the value of the property that was taxed. For the period following the change(s), the Company will provide the same information, then compare the two periods, isolating any change in property tax expense that is due exclusively to changes in the assessment ratio and/or property tax rates. The specific intent is to show exactly how much of any increase or decrease in property tax expense is due to changes in the assessment ratio and tax rates beyond the Company’s control and how much is due to changes in the value of the property the Company owns. The Company will only recover increases or refund decreases that are due to changes in the assessment ratio and tax rates.

C. All revised schedules filed with the Commission pursuant to the provisions of this PTAM will be accompanied by documentation prepared by the Company in a format approved by Utilities Division Staff of the Commission and will contain sufficient detail to enable the Commission to verify accuracy of the Company’s calculations.

D. The surcharges will not become effective until approved by the Commission.

E. The Company will file annually with the Commission a report detailing the Company's property tax expenses.

F. The Company shall provide notice (in a form acceptable to Staff) of the rate increases to customers with the bill where the rate increase first appears.

III. APPLICATION TO SEWER CUSTOMERS.

A. The increase or decrease in property tax expenses that are due to changes in the assessment ratio and/or property tax rates at the Company's sewer facilities will be allocated on a per capita basis.

B. See the examples on the next page:

Change in Assessment Ratio Example

Test Year		➔	Current Year	
Assessment Ratio	20.00%		Assessment Ratio	21.00%
Property Full Cash Value	\$10,000,000		Property Full Cash Value	\$10,000,000
Assessed Valuation	\$2,000,000		Assessed Valuation	\$2,100,000

Change in Assessed Valuation	
Current Year Assessed Valuation	\$2,100,000
Test Year Assessed Valuation	\$2,000,000
Increase in Assessed Valuation Due to Increase in Assessment Ratio	\$100,000

Test Year		Current Year	
Total Property Tax Rate	10.00%	Total Property Tax Rate	10.00%
Assessed Valuation	\$2,000,000	Assessed Valuation	\$2,100,000
Property Tax Expense	\$200,000	Property Tax Expense	\$210,000

PTAM Charge on Sample Customer Bill	
Increase in Property Tax Expense Due to Increase in Assessment Ratio	\$10,000
Number of Sewer Customers	20,000
PTAM Charge on Sample Customer Bill	\$0.50

Change in Total Property Tax Rate Example

Test Year		➔	Current Year	
Total Property Tax Rate	10.00%		Total Property Tax Rate	11.00%
Assessed Valuation	\$2,000,000		Assessed Valuation	\$2,000,000
Property Tax Expense	\$200,000		Property Tax Expense	\$220,000

Pass Through Calculation	
Current Year Property Tax Expense	\$220,000
Test Year Property Tax Expense	\$200,000
Increase in Property Tax Expense Due to Rate Increase	\$20,000

PTAM Charge on Sample Customer Bill	
Increase in Property Tax Expense Due to Rate Increase	\$20,000
Number of Sewer Customers	20,000
PTAM Charge on Sample Customer Bill	\$1.00

CUSTOMER ASSISTANCE TARIFF
DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION

APPLICABILITY

Applicable to residential sewer service for domestic use rendered to individuals who meet all the program qualifications and special conditions of this rate schedule.

PROGRAMS

This Customer Assistance Tariff ("CAT") contains the following programs: (1) Low-Income Program; (2) Deployed Services Member Program; and (3) Disabled Veteran Program. Collectively, these three programs are referred to as the "Customer Assistance Programs."

TERRITORY

Within all customer service areas served by Pima Sewer Company ("Pima" or "Company").

RATES

Fifteen percent (15%) discount applied to the regular filed tariff.

PROGRAM QUALIFICATIONS

1. The Pima bill must be in your name and the address must be your primary residence.
2. You may not be claimed as a dependent on another person's tax return.
3. You must reapply each time you move residences.
4. You must renew your application once every year, or sooner, if requested.
5. You must notify Pima within thirty (30) days if you become ineligible for the CAT.

CUSTOMER ASSISTANCE TARIFF
DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION

SPECIAL CONDITIONS

1. Application: An application on a form authorized by the Commission is required for each request for service under this schedule. A customer must reapply every year or sooner, if requested.
2. Commencement of Rate: Eligible customers whose applications have been approved shall be billed on this schedule commencing with the next regularly scheduled billing period that follows approval of application by Pima.
3. Verification: Information provided by the applicant is subject to verification by Pima. Refusal or failure of a customer to provide documentation of eligibility acceptable to Pima, upon request by Pima, shall result in removal from this rate schedule.
4. Notice from Customer: It is the customer's responsibility to notify Pima if there is a change of eligibility status.
5. Rebilling: Customers may be re-billed retroactively for periods of ineligibility under the applicable rate schedule.
6. Participation Limit: The CAT (for all three programs included) is limited to 500 customers of the Company. Applications will be reviewed and approved on a first come, first served basis. Applicants will be placed on a waiting list if the participation limit has been met.
7. Qualification: A customer that qualifies for more than one program will only receive benefits from one program per year. CAT benefits will not be combined or accumulated.

CUSTOMER ASSISTANCE TARIFF
DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION

LOW-INCOME PROGRAM

To qualify for the low-income program, the total gross annual income of all persons living in your household cannot exceed the income levels below:

<u>No. of Person in Household</u>	<u>Total Gross Annual Income*</u>
1	\$23,475
2	\$31,725
3	\$39,975
4	\$48,225
5	\$56,475
6	\$64,725

For each additional person residing in the household, add \$8,250

***Qualifying annual incomes are set at 150 percent of the federal poverty levels.**

Acceptance into the program is subject to verification of income source.

For the purpose of the program the “gross household income” means all money and non-cash benefits, available for living expenses, from all sources, both taxable and non-taxable, before deductions for all people who live in your home. This includes, but is not limited to:

Wages or salaries	Social Security, SSI, SSP	Rental or royalty income
Interest or dividends from:	Scholarships, grants, or other aid	Profit from self-employment
Savings account, stocks or bonds	used for living expenses	(IRS form Schedule C, Line 29)
Unrealized capital gains	Disability payments	Worker’s Compensation
Unemployment benefits	Food Stamps	Child Support
TANF (AFDC)	Insurance settlements	Spousal Support
Pensions	Gifts	

CUSTOMER ASSISTANCE TARIFF
DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION

DEPLOYED SERVICES MEMBER PROGRAM

This program allows the Company to provide a 15% discount to deployed service members of the United States Military.

The Company will provide the credit on the deployed service member's bill provided that the following criteria are met:

1. Deployment is not a "permanent change of station." Permanent change of station requires a service member to permanently change his or her place of residence, paid for by the applicable military branch. A service member's decision to keep a secondary residence in Arizona would be discretionary and would not qualify for this credit.
2. Deployed member does not have family living in the premises. Short term deployments, where a spouse and/or dependents remain in the United States would not qualify, as the service member would receive separate compensation from the military to cover domestic expenses while deployed.
3. The deployed service member is an active member of the military (*e.g.*, Air Force, Army, Coast Guard, Marines, and Navy), as defined by 10 U.S.C. § 101(a)(4), and includes any member of the Reserves or National Guard called to active duty.

ADMINISTRATION

1. Participation shall be determined on a first come, first served basis.
2. Each service member's eligibility must be verified based on written orders from the service member's command.
3. Continued eligibility will be determined periodically through a recertification process.
4. The Company is permitted to seek Commission approval to change participant limits based on level of participation.

CUSTOMER ASSISTANCE TARIFF
DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION

DISABLED MILITARY VETERAN PROGRAM

This program allows the Company to provide a 15% discount to disabled military veterans of the United States Military.

The Company will provide the credit on the disabled military veteran's bill provided that the following criteria are met:

1. Disabled military veteran was honorably discharged from the armed forces.
2. Disabled military veteran must have a permanent disability rating related to their military duty service.
3. The disabled military veteran must have been an active member of the military (*e.g.*, Air Force, Army, Coast Guard, Marines, and Navy), as defined by 10 U.S.C. § 101(a)(4), and includes any member of the Reserves or National Guard called to active duty.

ADMINISTRATION

1. Participation shall be determined on a first come, first served basis.
2. Each service member's eligibility must be verified based on documentation demonstrating a medical discharge or other written documentation from the United States Department of Defense or Department of Veteran Affairs.
3. Continued eligibility will be determined periodically through a recertification process.
4. The Company is permitted to seek Commission approval to change participant limits based on level of participation.

CUSTOMER ASSISTANCE TARIFF
DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION

RECOVERY OF COST AND CUSTOMER SURCHARGES

Pima shall recover the CAT costs from a monthly CAT surcharge on all residential and non-residential sewer customers who are not participating in the CAT. Pima is entitled to seek recovery of direct costs (*i.e.*, those costs directly associated with the programs, which costs would not be incurred in the absence of the programs). The Company shall account for those direct costs separately from other operating costs.

Pima shall be entitled to implement a CAT surcharge on non-participating residential and non-residential sewer customers as follows.

- For customers participating in the CAT, the Company shall maintain a balancing account detailing the beginning and ending balance of the cumulative unrecovered program costs each month.
- Pima's authorized rate of return shall be applied monthly to the average of the beginning balances of the cumulative unrecovered program costs for sewer service and included in the beginning balances for the following month.
- Using the balancing account, Pima shall calculate the monthly surcharge for each customer as follows:

(Ending Balance for CAT Balancing Account including amortized carrying costs during recovery period/Number of active non-participating sewer connections at year end)/12

- The ending balance in the balancing account shall equal the beginning balances plus discounts allowed on bills for the twelve month tracking period, plus direct program costs incurred in the twelve month period plus the return less surcharge fees billed in the twelve month tracking period.
- Pima shall implement a monthly surcharge for the CAT for each twelve-month period of the CAT. The Company shall calculate the monthly surcharge each year based on the active number of customer connections as of December 31 of the prior year. The Company shall file notice of the surcharge, along with a report on the CAT, with the Arizona Corporation Commission on or before January 31 and the surcharge shall be implemented on customer bills in February of each year with the recovery period ending in January of the following year.

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4 Attorney for Pima Utility Company
5

6 **BEFORE THE ARIZONA CORPORATION COMMISSION**

7
8 IN THE MATTER OF THE APPLICATION
9 OF PIMA UTILITY COMPANY, AN
ARIZONA CORPORATION, FOR A
10 DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANTS AND
11 PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES FOR UTILITY
12 SERVICE BASED THEREON.

DOCKET NO: SW-02199A-25-

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14
15 **DIRECT TESTIMONY**

16 **OF**

17
18 **JILL SCHWARTZ**

19
20 **December 24, 2025**
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TABLE OF CONTENTS

I. INTRODUCTION..... 1

II. OVERVIEW OF RATE CASE..... 3

III. REQUEST FOR DECONSOLIDATION 5

IV. SHARED SERVICES MODEL AND COST ALLOCATION MANUAL 9

1 **I. INTRODUCTION.**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Jill Schwartz. My business address is 4720 East Cotton Gin Loop,
4 Suite 130, Phoenix, Arizona 85040.

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

6 A. I am employed by JW Water Holdings, LLC (“JWW Holdco”) as Vice President of
7 Rates and Regulatory.

8 **Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES FOR JWW HOLDCO.**

9 A. As the Vice President of Rates and Regulation for JWW Holdco, I am responsible
10 for the development and execution of the regulatory strategy, including management
11 oversight of JWW Holdco’s rate cases.

12 **Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL**
13 **BACKGROUND?**

14 A. In 2001, I completed my Bachelor of Science in Accounting from the John E. Simon
15 School of Business at Maryville University in St. Louis, Missouri. From May 2001
16 to February 2015, I was employed by The Boeing Company in a variety of
17 accounting capacities, ensuring compliance with the Federal Acquisition Regulation
18 Mandatory Disclosure rule and developing and delivering labor compliance training
19 for all Boeing employees. I joined Liberty Utilities in February 2015 as the Manager
20 of Rates and Regulatory Affairs for Liberty Utilities (Midstates Natural Gas) Corp.
21 In February 2017, I was promoted to Senior Manager of Rates and Regulatory
22 Affairs for Liberty’s Central Region and was responsible for the regulatory matters
23 involving the electric, natural gas and water utilities in Missouri, Arkansas, Illinois,
24 Iowa, Kansas and Oklahoma. In August 2019, I transitioned to the Corporate
25 Regulatory department, where I provided support to all of Liberty’s regulated
26 operating utilities across the U.S. and Canada for the cost allocation manual and

1 corporate cost allocations. In December 2020, I was promoted to Director of
2 Regulatory Shared Services and became responsible for development of the
3 regulatory strategy and evidentiary support for corporate shared services costs and
4 provided support for local and regional regulatory teams for rate cases and other
5 regulatory matters. In May 2022, I was promoted to Senior Director of Regulatory
6 Policy and Strategy, and I worked in that capacity until joining JWW Holdco in
7 December 2024.

8 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION OR**
9 **ANY OTHER REGULATORY AGENCY?**

10 A. Yes. This year, I have provided testimony before the Arizona Corporation
11 Commission (“Commission”) in rate proceedings for Verde Santa Fe Wastewater
12 Company, Inc., Pine Meadows Utilities, LLC, Bensch Ranch Utilities, LLC,
13 Picacho Water Company, Picacho Sewer Company, Lago Del Oro Water Company,
14 Quail Creek Water Company, Inc., and Ridgeview Utility Company. I also
15 provided pre-filed and oral testimony before the Commission in rate cases for
16 Liberty on issues related to shared services costs. I have also testified before public
17 utility commissions in Arkansas, Illinois, Iowa, Kentucky, Missouri, and New York,
18 as well as the New Brunswick Energy and Utilities Board in Canada.

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

20 A. I’m providing this direct testimony on behalf of Pima Utility Company (“Pima”)
21 which, as of November 20, 2024, is a wholly owned subsidiary of JWW Holdco.

22 **Q. WHAT SUBJECTS WILL YOUR DIRECT TESTIMONY ADDRESS?**

23 A. I will provide an overview of the rate filings and Pima’s intent to concurrently seek
24 approval to borrow money to achieve and maintain a more balanced capital
25 structure. I will also testify regarding Pima’s request to deconsolidate its water and
26 sewer systems into two separate legal entities, Pima Water Company (“Pima

1 Water”) and Pima Sewer Company (“Pima Sewer”) with separate tariffs of rates and
2 charges for each new company. Finally, I will address shared services in accordance
3 with JWW Holdco’s cost allocation manual, the JW Water Allocation Manual
4 (“JWWAM”) and how those costs are applied to Pima Water and Pima Sewer.

5 **Q. THANK YOU MS. SCHWARTZ. ARE THERE OTHER WITNESSES**
6 **PROVIDING TESTIMONY IN THIS CASE ON BEHALF OF PIMA?**

7 A. Yes, the following witnesses are also providing testimony in this case:

- 8 • **Justin Hanson**, General Manager, discusses Pima’s water and sewer systems
9 and operations and significant capital investments.
- 10 • **Cherishe Barbee**, Senior Rates and Accounting Analyst, JWW Holdco,
11 presents the revenue requirement calculations for Pima Water and Pima
12 Sewer, as well as proposed tariff revisions.
- 13 • **Thomas Bourassa**, Regulatory and Accounting Consultant, supports the
14 proposed cost of capital for Pima Water and Pima Sewer, cash working
15 capital, class cost of service, rate design, and rate case expense surcharge.

16 **II. OVERVIEW OF RATE CASE.**

17 **Q. WHY IS PIMA FILING THIS RATE CASE?**

18 A. In November 2024, Pima was acquired by JWW Holdco in a transaction with the
19 “Robsons” involving eight Arizona public service corporations providing water and
20 sewer utility service to Robson’s multiple Arizona master planned communities in
21 Maricopa, Pinal and Pima Counties. Besides needing significant increases in both
22 water and sewer rates, this rate case provides us the opportunity to request to
23 deconsolidate the water and sewer systems into separate legal entities in support of
24 our long-term consolidation and rate mitigation strategy which I will explain in
25 more detail later in my direct testimony.

26

1 **Q. WHEN DID THE COMMISSION LAST SET RATES FOR PIMA?**

2 A. The base rates currently in effect for Pima were established by the Commission in
3 Decision No. 76540 (January 3, 2018) based on a test year ending December 31,
4 2015. The rates were then amended to account for the impacts of the Tax Cuts and
5 Jobs Act of 2017 in Decision 76768 (June 26, 2018).

6 **Q. IS PIMA UNDEREARNING?**

7 A. Yes. In Pima's last rate case, the Commission authorized an overall rate of return
8 of 7.76%. Pima's current rate of return for its water system is -6.09%.¹ Pima's
9 current rate of return for its sewer system is -2.13%.²

10 **Q. WHY SPECIFICALLY IS PIMA UNDEREARNING?**

11 A. Simply put, the rates being charged for water and sewer services do not cover the
12 cost of service or provide an opportunity to earn a return. As I mentioned above,
13 the current rates were set nearly eight years ago based on a test year that ended
14 10 years ago and are, quite frankly, stale. Over just the last 10 years, U.S. general
15 inflation has been approximately 37%.³ In addition to increases in salaries and
16 wages, Pima has realized notable increases in purchased power, chemicals and
17 insurance costs, for example. And it is not just higher operating expenses compared
18 to those incurred 10 years ago. Pima has continued to invest in its utility
19 infrastructure and increased costs in the supply chain and costs to build
20 infrastructure have resulted in higher rate bases for water and sewer relative to prior
21 test years.

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¹ Direct Testimony of Cherishe Barbee ("Barbee DT"), Exhibit CB-DT1, Schedule A-1.

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² Barbee DT, Exhibit CB-DT2, Schedule A-1.

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³ https://www.bls.gov/data/inflation_calculator.htm, January 2016 to September 2025.

1 **Q. WHAT ARE THE PROPOSED REVENUE INCREASES IN THIS CASE?**

2 A. Pima Water requires an increase in annual revenues of \$2.31 million, or 87.25%⁴
3 and Pima Sewer requires an increase in annual revenues of \$2.12 million, or
4 57.55%.⁵

5 **Q. WHAT CAPITAL STRUCTURES AND RATES OF RETURN ARE BEING**
6 **REQUESTED IN THIS CASE?**

7 A. As reflected in schedules presented by Ms. Barbee, the proposed revenue increases
8 are based on a 9.16% overall rate of return.⁶ The requested rate of return is
9 predicated on a capital structure consisting of 65% equity with a return of 10.80%
10 and 35% debt with a cost of 6.12%.

11 **Q. DO PIMA'S BOOKS AND RECORDS CURRENTLY REFLECT THIS**
12 **CAPITAL STRUCTURE?**

13 A. No. Pima does not currently have any debt. However, we intend to file financing
14 applications seeking approval to borrow money in order to achieve and maintain a
15 more balanced capital structure. Those applications will be filed as soon as the rate
16 case application is deemed sufficient. After that, we will seek for the rate case and
17 financing applications to be handled together in one consolidated docket.

18 **III. REQUEST FOR DECONSOLIDATION.**

19 **Q. THANK YOU MS. SCHWARTZ. IN OTHER RECENT RATE CASES OF**
20 **JWW HOLDCO AFFILIATES YOU HAVE REQUESTED TO**
21 **CONSOLIDATE RATES AND TARIFFS. CAN YOU EXPLAIN WHY YOU**
22 **WANT TO DECONSOLIDATE PIMA?**

23 A. With Commission approval, this will be the next step in JWW Holdco's long-term

24 ⁴ Barbee DT, Exhibit CB-DT1, Schedule A-1.

25 ⁵ Barbee DT, Exhibit CB-DT2, Schedule A-1.

26 ⁶ Barbee DT, Exhibits CB-DT1 and CB-DT2, Schedule A-1.

1 consolidation strategy to promote rate stability and recovery.

2 **Q. ISN'T IT A BIT UNUSUAL TO DECONSOLIDATE IN ORDER TO**
3 **CONSOLIDATE?**

4 A. I have never seen a deconsolidation and it is likely unusual. But the long-term goal
5 is to consolidate and reduce the number of public service corporations we have.
6 This is just the next step to help us get there.

7 **Q. CAN YOU SUMMARIZE THIS LONG-TERM CONSOLIDATION**
8 **STRATEGY?**

9 A. Our long-term plan is to consolidate the water utilities into a single water utility
10 company and the wastewater utilities into a single sewer utility company by the end
11 of 2030. JWW Holdco currently owns and operates 16 utility subsidiaries.⁷ Without
12 this overall consolidation, we are concerned that rates for water and sewer utility
13 service will continue to climb, especially for small utilities that require significant
14 capital improvements to maintain safe and reliable service. We believe that the
15 public interest is served when customers can afford the rates necessary for utilities
16 to recover the cost of providing these critical services, which cost includes a
17 reasonable opportunity to earn authorized returns.

18 **Q. YOU TESTIFIED THAT THIS IS "THE NEXT STEP." WHAT OTHER**
19 **STEPS HAVE BEEN TAKEN OR ARE PLANNED TO EFFECTUATE THIS**
20 **LONG-TERM PLAN?**

21 A. In November 2025, the Commission voted 5-0 to approve the consolidation of
22

23 ⁷ Pima, Picacho Water Company, Picacho Sewer Company, Quail Creek Water Company, Inc. ("Quail
24 Creek"), Lago Del Oro Water Company ("Lago"), Ridgeview Utility Company ("Ridgeview"),
25 SaddleBrooke ("SaddleBrooke"), Mountain Pass Utility Company ("Mountain Pass"), Coronado Utilities,
26 Inc. ("Coronado"), Goldens Shores Water Company, Inc., Navajo Water Co., Inc. ("Navajo"), Payson
Water Co., Inc. ("Payson"), Sunrise Vistas Utility Company, The Links at Coyote Wash Utilities, LLC,
Tonto Basin Water Co., Inc. ("Tonto Basin"), and Verde Santa Fe Wastewater Company, Inc. ("Verde
Santa Fe").

1 Pine Meadows Utilities, LLC (“Pine Meadows”) and Bensch Ranch Utilities, LLC
2 (“Bensch Ranch”) into Verde Santa Fe Wastewater Company, Inc. (“Verde Santa
3 Fe”). Bensch Ranch had only 36 customers and Pine Meadows was a little bigger
4 with approximately 120 customers, but they were very small sewer utility
5 companies and consolidation into a larger sewer utility, like Verde Santa Fe,
6 provided an opportunity to mitigate rate increases for these small customer bases.
7 That reduced JWW Holdco’s number of subsidiaries from 18 to 16. We also filed
8 rate cases for Lago, Quail Creek, and Ridgeview in August 2025 and requested to
9 consolidate these three water utility companies. If approved those entities will be
10 merged into JW Water Utility Company, which is intended to be the single water
11 utility we end up with if our plan succeeds and is approved by the Commission.

12 **Q. THANK YOU. SO, ONE REQUEST HAS BEEN APPROVED, ANOTHER**
13 **IS UNDERWAY, AND THIS REQUEST TO SEPARATE PIMA INTO TWO**
14 **UTILITY COMPANIES. WHAT IS THE NEXT STEP PLANNED?**

15 A. As we move into 2026, we will continue to file rate cases for our systems in an effort
16 to bring all of the rates closer to reasonable, which means recovering operating
17 expenses and earning a fair return on rate base. At this time, we plan to evaluate the
18 possible consolidation of three water utility companies (Payson, Navajo, and
19 Tonto Basin) into a single water company and three sewer utility companies
20 (SaddleBrooke, Mountain Pass, and Coronado) into a single sewer company.

21 **Q. HOW DOES ULTIMATELY MERGING DOWN TO ONE WATER AND**
22 **ONE SEWER COMPANY PROMOTE RATE STABILITY?**

23 A. Larger customer bases. The more customers contributing to the recovery of a
24 revenue requirement the less impact increases have on individual customers. It is
25 our hope that two customer bases of 25,000 customers each will be better able to
26 mitigate the rate impacts that come with ever-increasing costs, including earning

1 returns on necessary infrastructure investment.

2 **Q. BUT, MS. SCHWARTZ, ISN'T THERE INHERENT SUBSIDIZATION OF**
3 **THOSE CUSTOMERS WITH A HIGHER COST OF SERVICE UNDER**
4 **THIS PROPOSED STRUCTURE?**

5 A. Yes, there are one-time impacts of consolidation that can be measured in dollars,
6 and the Commission should determine that these impacts are acceptable in the
7 broader public interest.

8 **Q. WHAT DO YOU MEAN BY "ONE-TIME IMPACTS"?**

9 A. The minute a consolidation order is issued, all of the customers of the consolidated
10 entity have the same cost of service. The so-called "subsidization" is a measure of
11 the cost to some customers to join the group. That cost should be as small as
12 possible and not outweigh the overall long-term benefit of consolidation.

13 **Q. IF CUSTOMERS WILL BENEFIT, CAN'T JWW HOLDCO BRING EVERY**
14 **COMPANY IN NOW AND GET THIS DONE?**

15 A. No. It would be too much too fast and we would be less likely to have the same
16 equitable result we are seeking. The inadequate rates for most of the former
17 "Robson" systems were many years in the making. We believe it is prudent to take
18 a few years and move each system closer to rates that reflect the current costs of
19 service in thoughtful, smaller steps that give all stakeholders a chance to participate
20 in the process and shape the result. Make no mistake though – the desired result is
21 rates that we are entitled to charge and customers accept are reasonable for them to
22 pay. Utilities do not like seeking triple digit rate increases and facing the customer
23 and regulator angst that sometimes follows such requests. No public service
24 corporation relishes quarreling with customers over rate increases, especially when
25 the increases are justified but come as a surprise after long periods of discounted
26 rates.

1 **IV. SHARED SERVICES MODEL AND COST ALLOCATION MANUAL.**

2 **Q. WHAT EXACTLY IS A SHARED SERVICES MODEL?**

3 A. In its most basic sense, a shared services model is a business model that shares
4 centralized resources, such as corporate administrative, financial and accounting,
5 human resources and other business support services across an entire organization.
6 Most utility holding companies like JWW Holdco operate their utilities with
7 centralized shared corporate services and local management and operational control
8 of day-to-day utility operations. Shared services models provide numerous benefits
9 to regulated utilities, through improvements in service, communication, and
10 production, enhanced financial, operational, and safety controls, and when
11 implemented sensibly and overseen diligently, tend to hold costs lower over the
12 long-term.

13 **Q. WHAT IS A COST ALLOCATION MANUAL?**

14 A. The National Association of Regulatory Utility Commissions (“NARUC”) defines
15 a cost allocation manual (“CAM”) as an indexed compilation and documentation of
16 a company’s cost allocation policies and related procedures. More simply, a CAM
17 explains how service company costs (in this case, the parent holding company) are
18 assigned to affiliates, and the nature and benefits of the services provided between
19 affiliates.

20 **Q. AND THE JWWAM IS JWW HOLDCO’S COST ALLOCATION**
21 **MANUAL?**

22 A. Exactly. The JWWAM is a written manual intended to govern cost allocations
23 between affiliated entities within the JWW Holdco organization. The JWWAM
24 describes the services provided by JWW Holdco and sets forth the methods used to
25 allocate the costs for those services among the benefitting entities. It is based on
26

1 the NARUC Guidelines for Cost Allocations and Affiliate Transactions. The
2 NARUC Guidelines are attached as Appendix B to the JWWAM. The JWWAM is
3 attached to my testimony as Exhibit JS-DT1.

4 **Q. IS THE JWWAM CONSISTENT WITH THE NARUC GUIDELINES ON**
5 **AFFILIATE TRANSACTIONS?**

6 A. Generally, yes. However, it is critical to understand that the NARUC guidelines
7 were developed primarily to mitigate subsidization of unregulated business by
8 regulated utilities with captive customers.⁸ JWW Holdco does not own or operate
9 any unregulated entities; our sole business is owning and operating Arizona public
10 service corporations regulated by the Commission. Therefore, the risk of regulated
11 entities subsidizing non-regulated ones does not exist. However, a cost allocation
12 process should equally ensure that shareholders are not subsidizing customers by
13 incurring unrecovered costs for the benefit of regulated utilities.

14 As a consequence, the following NARUC principles are embodied in the
15 JWWAM:

- 16 1. To the maximum extent practicable, costs should be
17 directly assigned (NARUC Guidelines at 2, § B.1).
- 18 2. The general method for charging indirect costs should
19 be on a fully allocated cost basis (NARUC Guidelines
20 at 2, § B.2).
- 21 3. To the extent possible, all direct and allocated costs
22 should be traceable on the books of the applicable
23 regulated utility to the applicable Uniform System of
24 Accounts and documentation should be available to the
25 appropriate regulatory authority upon request (NARUC
26 Guidelines at 2, § B.3).
4. Allocation methodologies should prevent subsidization
and ensure equitable cost sharing among regulated and
unregulated affiliates (NARUC Guidelines at 2-3,
§ B.4).

⁸ Exhibit JS-DT1, Appendix B, page 1, lines 8-11.

- 1 5. All costs should be classified as regulated, non-
2 regulated, or common to both (NARUC Guidelines at
3 3, § B.5).
- 4 6. The primary cost driver of common costs should be
5 identified and used to allocate the cost between
6 regulated and non-regulated affiliates (NARUC
7 Guidelines at 3, § B.6).
- 8 7. The indirect costs of each business unit, including the
9 allocated costs of shared services, should be spread
10 using relevant cost allocators (NARUC Guidelines at 3,
11 § B.7).

12 **Q. HOW DOES THE JWWAM ACCOMPLISH THESE VARIOUS GOALS?**

13 A. Under the JWWAM, a utility incurs costs in two ways: (1) Assigned/Direct costs—
14 costs incurred by one company for the exclusive benefit of one or more other
15 companies that are directly charged to the company or companies that specifically
16 benefited; and (2) Allocated/Indirect costs—costs incurred by one company that
17 benefit multiple companies, but cannot be directly identified and assigned. The
18 JWWAM sets forth the methodology and logical allocation factors that establish a
19 reasonable link between the cost causer(s) and cost recovery.

20 **Q. CAN YOU PROVIDE EXAMPLES?**

21 A. Yes, Pima directly incurs costs for, including but not limited to, purchased power,
22 chemicals, materials and supplies, and property taxes. In contrast, costs for services
23 such as accounting, regulatory and legal are allocated to Pima in accordance with
24 the allocation methodology described in the JWWAM.

25 **Q. DO THE REQUESTED REVENUE REQUIREMENTS FOR PIMA WATER
26 AND PIMA SEWER INCLUDE AN ALLOCATION FOR SHARED
SERVICES COSTS?**

A. Yes. Adjustment No. 4 to Revenues and Expenses presented on Schedule C-2,
page 5 in Exhibits CB-DT1 and CB-DT2 summarizes the adjustments to the

1 Contractual Services NARUC accounts for Accounting, Legal, Management and
2 Other, as a result of the allocation of common costs incurred by JWW Holdco.

3 **Q. WHAT IS THE IMPACT OF THE ADJUSTMENT FOR SHARED**
4 **SERVICES COSTS ON THE PROPOSED REVENUE REQUIREMENTS?**

5 A. As reflected on Schedule C-2, the adjustment for shared services costs under the
6 JWW Holdco shared services model results in an increase to annual operating
7 expenses of \$773,527 for Pima Water and an increase in annual operating expenses
8 for Pima Sewer of \$835,265. These adjustments reflect Pima Water's and Pima
9 Sewer's allocated share of legal, accounting and regulatory support, and shared
10 labor costs for the JWW Holdco executive leadership team, finance, regulatory,
11 billing, and capital planning who provide support to all JWW Holdco regulated
12 utility companies, including Pima.

13 **Q. HOW MUCH DID PIMA PAY FOR THESE SERVICES UNDER THE**
14 **PREVIOUS OWNERSHIP?**

15 A. As reflected on Schedule C-2 of Exhibit CB-DT1, during the test year, Pima Water
16 incurred \$23,301 for Contractual Services related to accounting in NARUC account
17 632, \$508 for Contractual Services related to legal in NARUC account 633 and
18 \$222,214 in Contractual Services - Other (NARUC account 636) for the
19 administration fee billed from Robson corporate parent. And as reflected on
20 Schedule C-2 of Exhibit CB-DT2, during the test year, Pima Sewer incurred
21 \$23,251 for Contractual Services related to accounting in NARUC account 632,
22 \$2,857 for Contractual Services related to legal in NARUC account 633 and
23 \$211,295 in Contractual Services - Other (NARUC account 636) for the
24 administration fee billed from Robson corporate parent.

25 In my experience, it seems unlikely that all of these necessary services for
26 accounting, billing, customer services, utility planning and management could be

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provided to a utility the size of Pima, even on a shared basis, for approximately \$485,000. It is a reasonable assumption that Robson was subsidizing the cost of running its utilities with other parts of its overall business.

Q. HOW DID THE PRIOR OWNERS COVER THE COST OF SERVICE IN THESE SYSTEMS?

A. I cannot say with certainty because I was not involved with the systems prior to the acquisition by JWW Holdco. However, I believe the Robson owners subsidized the cost of service in all of their systems for at least some extended period of time. I am not criticizing the previous owners. They owned the business then, had the right to make their own business decisions and undoubtedly had business interests that went beyond the returns generated by regulated utilities. JWW Holdco, in contrast, is in the business of owning and operating water and sewer utilities and those utilities need rates that recover the true costs of service and provide a reasonable opportunity to earn a return on rate base. This is what public service corporations are entitled to, no more and no less. The costs and allocation methodology presented by JWW Holdco for the shared services are reasonable, well supported and necessary for a utility holding company of our size.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

EXHIBIT JS-DT1

JW Water Holdings, LLC
ALLOCATION MANUAL



Effective January 1, 2025

Table of Contents

Introduction and Purpose.....	1
Definitions	1
Origin of Costs Subject to Allocation.....	2
Allocation Methodologies.....	2
Updating Allocations.....	3
NARUC Compliance.....	3
JWWAM Oversight.....	4
Record Keeping.....	4
Conclusion	4

Appendices

Appendix A: JW WATER HOLDINGS, LLC ORGANIZATIONAL CHART

Appendix B: NARUC GUIDELINES FOR COST ALLOCATIONS

Introduction and Purpose

JW Water Holdings, LLC (“JWW”) is the sole shareholder of multiple regulated water and wastewater utility systems in Arizona. The JWW Allocation Manual (“JWWAM”) provides a comprehensive explanation of the (i) origin of costs that are subject to allocation within the JWW corporate umbrella; and (ii) methodologies used to allocate such costs to ensure that all reasonable and necessary costs incurred in the provision of utility services by the regulated utilities are recorded, reported and recovered. Just and reasonable rates should provide each of the regulated utilities the opportunity to recover its costs of service and authorized returns on rate base, no more and no less.

To achieve this, the JWWAM has been prepared consistent with the *NARUC Guidelines for Cost Allocations and Affiliate Transactions* (“NARUC Guidelines”), which have been reproduced in Appendix B. Critically, JWW does not own or operate any unregulated businesses, eliminating the risk of the regulated utilities subsidizing unregulated business activities. It is also essential that intra-regulated utility subsidization be minimized through the allocation methodologies employed by JWW. These procedures also mitigate shareholder subsidization of customers by seeking to ensure that all costs incurred for the benefit of the regulated utilities are recovered through rates. JWW’s allocation procedures and methodologies are rational and straightforward and result in an equitable sharing of common costs amongst the regulated utilities. These allocation methodologies produce a transparent and verifiable record for the recovery of affiliated transaction costs that benefit more than one of the regulated utilities.

Definitions

Common costs: Costs associated with services or products that are of joint benefit between regulated and non-regulated business units (parent).

Gross plant in service: Includes all plant used to serve customers regardless of the funding source.

Net plant in service: Gross plant in service + prudent capital additions – asset disposals and retirements – accumulated depreciation – contributions in aid of construction – construction work in progress = Net plant in service

Operating expenses: The costs incurred by a utility to provide safe and adequate service to its customers during a period of time. These include operating and maintenance costs (O&M), depreciation, and all taxes, including income taxes. Common cost allocations and rate case expenses are also excluded from this factor.

Origin of Costs Subject to Allocation

The sole business of JWW and all the utilities under its corporate umbrella and the primary cost driver for common costs is the operation of regulated water and wastewater utility service.

Only “common costs”, costs that are incurred for the benefit of more than one, or all, of the regulated utilities under the JWW umbrella, are subject to allocation. Common costs incurred by and under JWW include, but are not intended to be limited to, services for executive, regulatory, operations, utility planning and development, accounting, finance, legal and customer service. Common costs allocated can take the form labor, materials, and purchased services. In conformance with the NARUC Guidelines, direct costs, those costs incurred for one utility, will be directly assigned to the procuring and/or benefiting entity to the extent practicable.

Allocation Methodologies

Common costs are allocated based on three (3) factors: number of customers, net plant in service¹, and operating expenses², with each factor equally weighted.

Factor	Weighting
Customer Count	33.33%
Utility Net Plant	33.33%
Operating Expense	33.33%
Total	100%

The three-factor allocation methodology is used to allocate common costs incurred for all JWW regulated utilities, as well as to allocate common costs incurred for the benefit of a smaller subset of the JWW utilities (e.g., the water utilities, the sewer utilities, or the River Systems).

¹ Net Plant does not include Contributions in Aid of Construction (“CIAC”) or Construction Work in Progress (“CWIP”).

² Operating expenses do not include depreciation expense, amortization expense, interest expense, common costs allocated to the utility, or rate case expense.

Updating Allocations

Allocation percentages, the calculation of each utility company's weighted inputs compared to the total organization, will be updated at least annually³ based on the most recent audited financial information and other actual, year-end statistical data. Updated percentages will be effective each April 1st and remain in effect through the following March 31st. Allocation percentages will be continually reviewed and updated based on changes to and within the organization.

NARUC Compliance

The NARUC Guidelines provide that allocation methods should not result in subsidization of non-regulated services or products by regulated entities unless authorized by the jurisdictional regulatory authority.⁴ The guidelines are also not intended to be rules or regulations prescribing how cost allocations and affiliate transactions are to be handled.⁵ They are intended to provide a framework for regulated entities and regulatory authorities in the development of their own policies and procedures for cost allocations and affiliated transactions.

The JWWAM reflects with several of the "allocation principles" set forth in the Guidelines:

- The general method for charging indirect costs should be on a fully allocated cost basis.
- The allocation methods should apply to the regulated entity's affiliates in order to prevent subsidization from and ensure equitable cost sharing among the regulated entity and its affiliates, and vice versa.
- The primary cost driver of common costs, or a relevant proxy in the absence of a primary cost driver, should be identified and used to allocate the cost between regulated and non-regulated services or products.

³ To clarify, the factors and weightings are expected to remain constant. It is the underlying information used to calculate the allocation percentages that is updated annually, such as the most recent net plant figures, or the most recent numbers of employees, for example.

⁴ Appendix B, page 1, lines 8-11.

⁵ Appendix B, page 1, lines 11-16.

- The indirect costs of each business unit, including the allocated costs of shared services, should be spread to the services or products to which they relate using relevant cost allocators.

JWWAM Oversight

The JWWAM applies to all JWW-affiliated entities and personnel. Employees will be required to participate in training, research, and/or other studies as required for the JWWAM and determined by management. JWW's regulatory and financial senior management and legal counsel will retain oversight responsibility, including revisions and updates.

Record Keeping

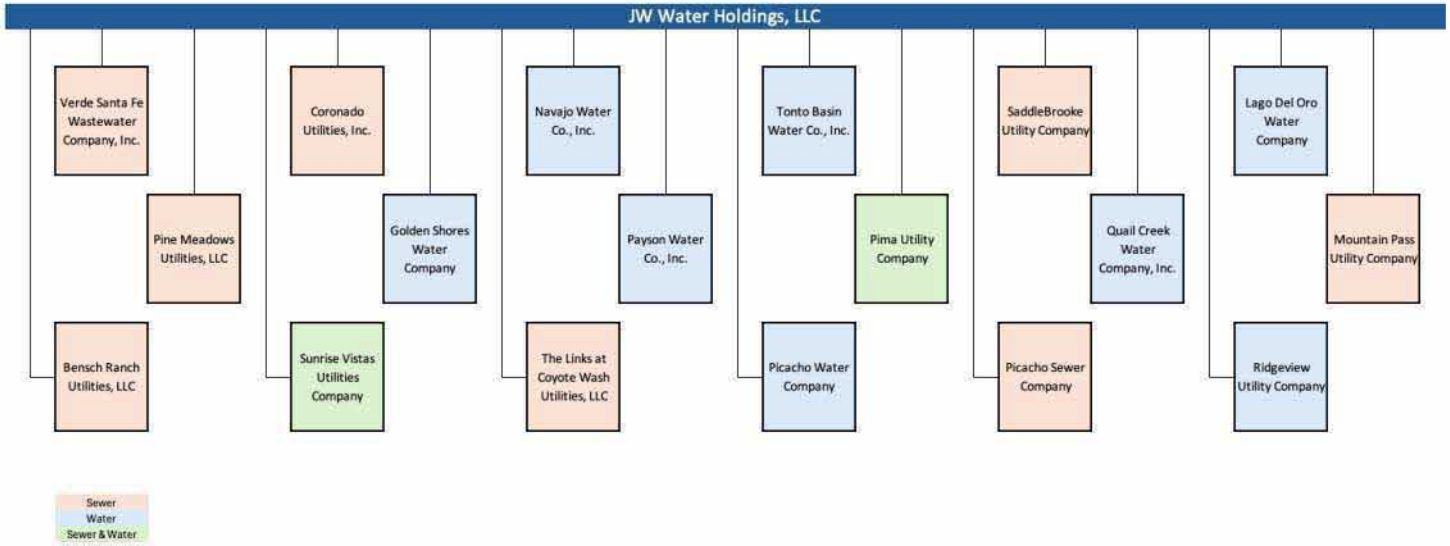
Auditable records of all affiliate transactions and the allocations to each of the regulated utilities will be maintained. JWW's recordkeeping for allocation purposes will be prepared to meet the higher scrutiny regulators are expected to pay to affiliated transactions when the records are used to support cost recovery in rate cases. Affiliate transaction records will provide the transaction cost, include descriptions of the services or products for which the costs were incurred, and identify the allocation method used. Consistent with all JWW's recordkeeping, records of affiliate transactions will be retained in the ordinary course of business and meet all legal and regulatory requirements.

Conclusion

Rational and explicable policies and procedures are critical to a well-run utility holding company and its operating utilities. This includes methods to record and allocate costs incurred for more than one regulated utility. Because JW Water is exclusively in the business of owning and operating regulated water and sewer utilities, such indirect costs should not only be intended to provide a broad range of services through economies of scale, it should mitigate both intra-regulated utility subsidization, and shareholder subsidization of customers. This is accomplished by ensuring that all reasonable and necessary operating costs are subject to recovery.

APPENDIX A

JW WATER HOLDINGS, LLC ORGANIZATIONAL CHART



1 **APPENDIX B**

2
3 NARUC GUIDELINES FOR COST ALLOCATIONS

4 **Guidelines for Cost Allocations and Affiliate Transactions:**

5 The following Guidelines for Cost Allocations and Affiliate Transactions (Guidelines) are
6 intended to provide guidance to jurisdictional regulatory authorities and regulated
7 utilities and their affiliates in the development of procedures and recording of
8 transactions for services and products between a regulated entity and affiliates. The
9 prevailing premise of these Guidelines is that allocation methods should not result in
10 subsidization of non-regulated services or products by regulated entities unless
11 authorized by the jurisdictional regulatory authority. These Guidelines are not intended
12 to be rules or regulations prescribing how cost allocations and affiliate transactions are
13 to be handled. They are intended to provide a framework for regulated entities and
14 regulatory authorities in the development of their own policies and procedures for cost
15 allocations and affiliated transactions. Variation in regulatory environment may justify
16 different cost allocation methods than those embodied in the Guidelines.

17
18 The Guidelines acknowledge and reference the use of several different practices and
19 methods. It is intended that there be latitude in the application of these guidelines,
20 subject to regulatory oversight. The implementation and compliance with these cost
21 allocations and affiliate transaction guidelines, by regulated utilities under the authority
22 of jurisdictional regulatory commissions, is subject to Federal and state law. Each state
23 or Federal regulatory commission may have unique situations and circumstances that
24 govern affiliate transactions, cost allocations, and/or service or product pricing
25 standards. For example, The Public Utility Holding Company Act of 1935 requires
26 registered holding company systems to price "at cost" the sale of goods and services and
27 the undertaking of construction contracts between affiliate companies.

28
29 The Guidelines were developed by the NARUC Staff Subcommittee on Accounts in
30 compliance with the Resolution passed on March 3, 1998 entitled "Resolution Regarding
31 Cost Allocation for the Energy Industry" which directed the Staff Subcommittee on
32 Accounts together with the Staff Subcommittees on Strategic Issues and Gas to prepare
33 for NARUC's consideration, "Guidelines for Energy Cost Allocations." In addition, input
34 was requested from other industry parties. Various levels of input were obtained in the
35 development of the Guidelines from the Edison Electric Institute, American Gas
36 Association, Securities and Exchange Commission, the Federal Energy Regulatory
37 Commission, Rural Utilities Service and the National Rural Electric Cooperatives
38 Association as well as staff of various state public utility commissions.

39
40 In some instances, non-structural safeguards as contained in these guidelines may not
41 be sufficient to prevent market power problems in strategic markets such as the
42 generation market. Problems arise when a firm has the ability to raise prices above

1 market for a sustained period and/or impede output of a product or service. Such
2 concerns have led some states to develop codes of conduct to govern relationships
3 between the regulated utility and its non-regulated affiliates. Consideration should be
4 given to any "unique" advantages an incumbent utility would have over competitors in an
5 emerging market such as the retail energy market. A code of conduct should be used in
6 conjunction with guidelines on cost allocations and affiliate transactions.
7

8
9 A. DEFINITIONS

- 10
11 1. Affiliates - companies that are related to each other due to common ownership
12 or control.
13
14 2. Attestation Engagement - one in which a certified public accountant who is in the
15 practice of public accounting is contracted to issue a written communication that
16 expresses a conclusion about the reliability of a written assertion that is the
17 responsibility of another party.
18
19 3. Cost Allocation Manual (CAM) - an indexed compilation and documentation of a
20 company's cost allocation policies and related procedures.
21
22 4. Cost Allocations - the methods or ratios used to apportion costs. A cost allocator
23 can be based on the origin of costs, as in the case of cost drivers; cost-causative
24 linkage of an indirect nature; or one or more overall factors (also known as general
25 allocators).
26
27 5. Common Costs - costs associated with services or products that are of joint
28 benefit between regulated and non-regulated business units.
29
30 6. Cost Driver - a measurable event or quantity which influences the level of costs
31 incurred and which can be directly traced to the origin of the costs themselves.
32
33 7. Direct Costs - costs which can be specifically identified with a particular service
34 or product.
35
36 8. Fully Allocated costs - the sum of the direct costs plus an appropriate share of
37 indirect costs.
38
39 9. Incremental pricing - pricing services or products on a basis of only the additional
40 costs added by their operations while one or more pre-existing services or
41 products support the fixed costs.
42

1 10. Indirect Costs - costs that cannot be identified with a particular service or
2 product. This includes but not limited to overhead costs, administrative and
3 general, and taxes.
4

5 11. Non-regulated - that which is not subject to regulation by regulatory authorities.
6

7 12. Prevailing Market Pricing - a generally accepted market value that can be
8 substantiated by clearly comparable transactions, auction or appraisal.
9

10 13. Regulated - that which is subject to regulation by regulatory authorities.
11

12 14. Subsidization - the recovery of costs from one class of customers or business unit
13 that are attributable to another.
14

15 16 B. COST ALLOCATION PRINCIPLES

17
18 The following allocation principles should be used whenever products or services are
19 provided between a regulated utility and its non-regulated affiliate or division.
20

21 1. To the maximum extent practicable, in consideration of administrative costs,
22 costs should be collected and classified on a direct basis for each asset, service
23 or product provided.
24

25 2. The general method for charging indirect costs should be on a fully allocated cost
26 basis. Under appropriate circumstances, regulatory authorities may consider
27 incremental cost, prevailing market pricing or other methods for allocating costs
28 and pricing transactions among affiliates.
29

30 3. To the extent possible, all direct and allocated costs between regulated and non-
31 regulated services and products should be traceable on the books of the
32 applicable regulated utility to the applicable Uniform System of Accounts.
33 Documentation should be made available to the appropriate regulatory authority
34 upon request regarding transactions between the regulated utility and its
35 affiliates.
36

37 4. The allocation methods should apply to the regulated entity's affiliates in order to
38 prevent subsidization from, and ensure equitable cost sharing among the
39 regulated entity and its affiliates, and vice versa.
40

41 5. All costs should be classified to services or products which, by their very nature,
42 are either regulated, non-regulated, or common to both.
43

- 1 6. The primary cost driver of common costs, or a relevant proxy in the absence of a
2 primary cost driver, should be identified and used to allocate the cost between
3 regulated and non-regulated services or products.
4
5 7. The indirect costs of each business unit, including the allocated costs of shared
6 services, should be spread to the services or products to which they relate using
7 relevant cost allocators.
8
9

10 C. COST ALLOCATION MANUAL (NOT TARIFFED)

11
12 Each entity that provides both regulated and non-regulated services or products should
13 maintain a cost allocation manual (CAM) or its equivalent and notify the jurisdictional
14 regulatory authorities of the CAM's existence. The determination of what, if any,
15 information should be held confidential should be based on the statutes and rules of the
16 regulatory agency that requires the information. Any entity required to provide
17 notification of a CAM(s) should make arrangements as necessary and appropriate to
18 ensure competitively sensitive information derived therefrom be kept confidential by the
19 regulator. At a minimum, the CAM should contain the following:

- 20
21 1. An organization chart of the holding company, depicting all affiliates, and
22 regulated entities.
23
24 2. A description of all assets, services and products provided to and from the
25 regulated entity and each of its affiliates.
26
27 3. A description of all assets, services and products provided by the regulated entity
28 to non-affiliates.
29
30 4. A description of the cost allocators and methods used by the regulated entity and
31 the cost allocators and methods used by its affiliates related to the regulated
32 services and products provided to the regulated entity.
33
34

35 D. AFFILIATE TRANSACTIONS (NOT TARIFFED)

36
37 The affiliate transactions pricing guidelines are based on two assumptions. First, affiliate
38 transactions raise the concern of self-dealing where market forces do not necessarily
39 drive prices. Second, utilities have a natural business incentive to shift costs from non-
40 regulated competitive operations to regulated monopoly operations since recovery is
41 more certain with captive ratepayers. Too much flexibility will lead to subsidization.
42 However, if the affiliate transaction pricing guidelines are too rigid, economic
43 transactions may be discouraged.
44

1 The objective of the affiliate transactions' guidelines is to lessen the possibility of
2 subsidization in order to protect monopoly ratepayers and to help establish and preserve
3 competition in the electric generation and the electric and gas supply markets. It
4 provides ample flexibility to accommodate exceptions where the outcome is in the best
5 interest of the utility, its ratepayers and competition. As with any transactions, the
6 burden of proof for any exception from the general rule rests with the proponent of the
7 exception.
8

- 9 1. Generally, the price for services, products and the use of assets provided by a
10 regulated entity to its non-regulated affiliates should be at the higher of fully
11 allocated costs or prevailing market prices. Under appropriate circumstances,
12 prices could be based on incremental cost, or other pricing mechanisms as
13 determined by the regulator.
14
- 15 2. Generally, the price for services, products and the use of assets provided by a
16 non-regulated affiliate to a regulated affiliate should be at the lower of fully
17 allocated cost or prevailing market prices. Under appropriate circumstances,
18 prices could be based on incremental cost, or other pricing mechanisms as
19 determined by the regulator.
20
- 21 3. Generally, transfer of a capital asset from the utility to its non-regulated affiliate
22 should be at the greater of prevailing market price or net book value, except as
23 otherwise required by law or regulation. Generally, transfer of assets from an
24 affiliate to the utility should be at the lower of prevailing market price or net book
25 value, except as otherwise required by law or regulation. To determine prevailing
26 market value, an appraisal should be required at certain value thresholds as
27 determined by regulators.
28
- 29 4. Entities should maintain all information underlying affiliate transactions with the
30 affiliated utility for a minimum of three years, or as required by law or regulation.
31
32

33 E. AUDIT REQUIREMENTS 34

- 35 1. An audit trail should exist with respect to all transactions between the regulated
36 entity and its affiliates that relate to regulated services and products. The
37 regulator should have complete access to all affiliate records necessary to
38 ensure that cost allocations and affiliate transactions are conducted in
39 accordance with the guidelines. Regulators should have complete access to
40 affiliate records, consistent with state statutes, to ensure that the regulator has
41 access to all relevant information necessary to evaluate whether subsidization
42 exists. The auditors, not the audited utilities, should determine what information
43 is relevant for a particular audit objective. Limitations on access would
44 compromise the audit process and impair audit independence.

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2. Each regulated entity's cost allocation documentation should be made available to the company's internal auditors for periodic review of the allocation policy and process and to any jurisdictional regulatory authority when appropriate and upon request.
3. Any jurisdictional regulatory authority may request an independent attestation engagement of the CAM. The cost of any independent attestation engagement associated with the CAM, should be shared between regulated and non-regulated operations consistent with the allocation of similar common costs.
4. Any audit of the CAM should not otherwise limit or restrict the authority of state regulatory authorities to have access to the books and records of and audit the operations of jurisdictional utilities.
5. Any entity required to provide access to its books and records should make arrangements as necessary and appropriate to ensure that competitively sensitive information derived therefrom be kept confidential by the regulator.

F. REPORTING REQUIREMENTS

1. The regulated entity should report annually the dollar amount of non-tariffed transactions associated with the provision of each service or product and the use or sale of each asset for the following:
 - a. Those provided to each non-regulated affiliate.
 - b. Those received from each non-regulated affiliate.
 - c. Those provided to non-affiliated entities.
2. Any additional information needed to assure compliance with these Guidelines, such as cost of service data necessary to evaluate subsidization issues, should be provided.

Source:

<http://www.naruc.org/Publications/Guidelines%20for%20Cost%20Allocations%20and%20Affiliate%20Transactions.pdf>

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5

6 **BEFORE THE ARIZONA CORPORATION COMMISSION**

7
8 IN THE MATTER OF THE APPLICATION
9 OF PIMA UTILITY COMPANY, AN
ARIZONA CORPORATION, FOR A
10 DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANTS AND
11 PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES FOR UTILITY
12 SERVICE BASED THEREON.

DOCKET NO: SW-02199A-25-

13
14
15 **DIRECT TESTIMONY**

16 **OF**

17 **JUSTIN HANSON**

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19
20 **December 24, 2025**
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TABLE OF CONTENTS

I. INTRODUCTION, PURPOSE AND SUMMARY OF TESTIMONY 1
II. BACKGROUND ON PIMA 3
III. DESCRIPTION OF PIMA’S WATER SYSTEM 3
IV. DESCRIPTION OF PIMA’S SEWER SYSTEM..... 6

1 **I. INTRODUCTION, PURPOSE AND SUMMARY OF TESTIMONY.**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Justin Hanson. My business address is 24607 Price Road, Sun Lakes,
4 Arizona 85248.

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

6 A. I am employed by JW Water Holdings, LLC (“JWW Holdco”) as the General
7 Manager of Pima Utility Company (“Pima”), and two affiliates, Picacho Water
8 Company (“Picacho Water”) and Picacho Sewer Company (“Picacho Sewer”).
9 Previously, I held the same position with Robson Communities when these three
10 public service corporations were owned by “Robson.” I have been General Manager
11 of these facilities since 2024.

12 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL QUALIFICATIONS AND**
13 **WORK EXPERIENCE.**

14 A. I am a certified operator in the State of Arizona, holding Grade 4 Wastewater,
15 Grade 4 Wastewater Collections, Grade 3 Water Treatment, and Grade 3 Water
16 Distribution. I have 16 years of experience in the utilities industry.

17 Early in my professional career, from 2003 and 2006, I was a Superintendent
18 for a few real estate developers, including Robson Communities. In that position I
19 coordinated work with outside contractors, managed work orders, and ensured
20 building compliance with health and safety regulations. I was a Crew Foreman for
21 Radar Construction from 2006-2007. My duties included leading a crew of three
22 employees for final grading and dirt haul of new home lots. I was also responsible
23 for all equipment maintenance including tractors, dump trucks and skid steers. From
24 2007-2009, I was a Route Service Representative for Sparkletts Water. In that
25 position, I did door-to-door sales and delivery and dealt with delinquent account
26 collections. From 2009-2013, I was a Residential/Commercial Service Technician

1 for Culligan Water Conditioning from 2009-2013. My duties included installing,
2 servicing and repairing residential and commercial water softeners and reverse
3 osmosis systems, and training new employees.

4 In 2013, I started working for Pima, Picacho Water, and Picacho Sewer as a
5 water and wastewater technician. In that position I performed maintenance and
6 repairs for the systems. In January 2022, I was promoted to Assistant General
7 Manager, supporting the General Manager. I accepted the role of General Manager
8 in February of 2024.

9 **Q. PLEASE SUMMARIZE YOUR CURRENT RESPONSIBILITIES AS**
10 **GENERAL MANAGER.**

11 A. I manage 23 employees between Pima, Picacho Water and Picacho Sewer, 19 at
12 Pima, and four at Picacho Water and Picacho Sewer. My duties include:

- 13 • Working closely with all employees, engineers, contractors and
14 vendors to ensure efficient operations of all facilities.
- 15 • Managing all compliance sampling to ensure operators are sampling
16 within the correct parameters throughout the year.
- 17 • Leading all regulatory site inspections with Arizona Department of
18 Environmental Quality (“ADEQ”), Maricopa County and Pinal
19 County to ensure that any notices of correction are complete.
- 20 • Working with all superintendents on accounting accuracy.
- 21 • Managing our on-call staff and assisting them with any issues they are
22 unable to resolve.
- 23 • Serving as the final inspector of all large projects performed by outside
24 contractors and ensuring compliance with industry standards.

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

26 A. I’m providing this direct testimony on behalf of the Applicant, Pima.

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

2 A. Yes, I previously testified in the Picacho Water and Picacho Sewer rate cases filed
3 earlier this year.¹

4 **Q. WHAT TOPICS ARE YOU ADDRESSING IN YOUR DIRECT**
5 **TESTIMONY?**

6 A. I will describe and discuss Pima’s water and wastewater systems and operations.

7 **II. BACKGROUND ON PIMA.**

8 **Q. WHERE IS PIMA LOCATED?**

9 A. Pima is an integrated system providing water and wastewater utility services to the
10 unincorporated master planned community of Sun Lakes and two subdivisions
11 adjacent to Sun Lakes. Pima obtained its Certificate of Convenience and Necessity
12 (“CC&N”) in 1972 to provide water utility service and in 1975 to provide wastewater
13 service.

14 **Q. HOW MANY CUSTOMERS DOES PIMA SERVE?**

15 A. In 2024, Pima provided water service to 10,255 customers and wastewater service
16 to 10,130 customers. While Pima’s customers are primarily residential, Pima does
17 serve some commercial and irrigation customers too.

18 **III. DESCRIPTION OF PIMA’S WATER SYSTEM.**

19 **Q. PLEASE DESCRIBE THE WATER SYSTEM.**

20 A. Pima’s water system consists of three water plants which include water storage tanks
21 and booster pumps. The water plants are interconnected by a looped distribution
22 system. All disinfections are done with gas chlorine injected at our well sites. Water
23 Plant 1 has a 400,000-gallon tank, a 5,000-gallon pressure/bladder tank, and four
24 pumps. One of the pumps is diesel-powered in the event of a power outage and the
25

26 ¹ Docket Nos. W-03528A-25-0056 and SW-03709A-25-0057.

1 other pumps are 75hp, 60hp and 20hp. Water Plant 2 has a 600,000-gallon tank and
2 five booster pumps. Water Plant 3 has two 750,000-gallon tanks, a 5,000-gallon
3 pressure/bladder tank, and five booster pumps. There are eight wells throughout the
4 system. Five of the wells deliver potable water to customers and three wells are
5 dedicated irrigation wells and provide non-potable water for the golf course and
6 other green space irrigation. Pima's water system consists of approximately 465,000
7 linear feet of water main ranging from 2-inch to 12-inch, and roughly 700 fire
8 hydrants.

9 **Q. THANK YOU, MR. HANSON. HAVE THERE BEEN ANY SIGNIFICANT**
10 **CAPITAL IMPROVEMENTS SINCE PIMA'S LAST RATE CASE WAS**
11 **FILED IN 2016?**

12 A. Yes. Since the 2016 rate case, Pima has invested over \$4.6 million in its water
13 system infrastructure, which includes \$1.2 million in services, \$1.0 million in
14 pumping equipment, \$0.9 million in transmission and distribution mains, and
15 \$0.6 million in storage tanks. The most notable capital improvements included the
16 re-drilling of Well 27, the installation of a new pump and column pipe at Well 29B,
17 and the rehabilitation of the East tank at Water Plant 3.

18 **Q. DOES PIMA HAVE ANY PROJECTS EXPECTED TO BE COMPLETED**
19 **DURING THE POST-TEST YEAR PERIOD PROPOSED IN THIS CASE?**

20 A. Yes. In addition to the investments discussed above, Pima has proposed
21 approximately \$2.2 million of post-test year plant ("PTYP") additions that are
22 expected to be completed, in service, used and useful within 12 months following
23 the test year ended June 30, 2025. The PTYP includes \$1.2 million of costs to run a
24 12-inch transmission line, approximately $\frac{3}{4}$ mile, from Well 34 to the Cottonwood
25 and Palo Verde communities' golf courses.

26

1 **Q. HAVE THERE BEEN ANY SIGNIFICANT CHANGES IN OPERATIONS**
2 **THAT HAVE IMPACTED THE QUALITY OR RELIABILITY OF WATER**
3 **SERVICE?**

4 A. No.

5 **Q. WHAT ARE PIMA’S WATER LOSS PERCENTAGES FOR THE PAST**
6 **THREE YEARS?**

7 A. Table 1 reflects the lost and unaccounted (“L&U”) water rates reported by Pima to
8 ADWR in its annual reports for the most recent three years (2022-2024).

9 **Table 1**

Year	L&U%
2022	8.67%
2023	7.59%
2024	9.56%

10
11
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13
14
15 **Q. IS PIMA CURRENTLY IN COMPLIANCE WITH ALL APPLICABLE**
16 **LAWS AND REGULATIONS GOVERNING WATER UTILITY SERVICE**
17 **BY AN ARIZONA PUBLIC SERVICE CORPORATION?**

18 A. No. Regrettably, in 2025, we did not meet the required number of samples for Lead
19 and Copper in the sample period (June – September 2025). Sampling for Lead and
20 Copper requires homeowner participation for providing the water samples. During
21 the 2025 sampling period, Pima was one sample short of the required number of
22 samples during the sampling period. Lead and Copper is a triennial requirement and
23 because of the missed sample, Pima will remain out of compliance with ADEQ until
24 we have successfully resampled in 2026.

25
26

1 **Q. ARE YOU AWARE OF ANY OTHER MATTERS THAT IMPACT PIMA'S**
2 **CONTINUED PROVISION OF WATER UTILITY SERVICE OR THE**
3 **SETTING OF RATES?**

4 A. No, I am not.

5 **IV. DESCRIPTION OF PIMA'S SEWER SYSTEM.**

6 **Q. PLEASE DESCRIBE THE WASTEWATER COLLECTION,**
7 **TRANSMISSION, TREATMENT AND DISPOSAL FACILITIES AND**
8 **CAPABILITIES.**

9 A. The Pima wastewater system consists of a 2.4 million gallons per day ("MGD")
10 wastewater treatment plant ("WWTP") and collection system consisting of 15 lift
11 stations, three of which pump directly back to the WWTP. The WWTP is a
12 sequential batch reactor ("SBR") facility that includes aerobic digesters, sand
13 filtration and ultra-violet ("UV") disinfection. After raw wastewater is treated, the
14 sludge is separated from the water and sent to the three digesters, and the water is
15 sent to the post equalization basin for further treatment. The sludge from the SBR is
16 sent to the first digester mixed, aerated, settled and then transferred to the second
17 digester, while settled water is pumped back to the head of the plant. This process
18 continues until the sludge reaches the third digester where it is then pumped to the
19 dewatering centrifuges for final processing. After the treated water from the SBR
20 goes to the post EQ it is pumped to the sand filter and UV system for final
21 disinfection before being discharged to Pima's reclaimed water system. The
22 reclaimed water system consists of five recharge wells which recharge the aquifer
23 and/or pump reclaimed water (a.k.a. effluent) to the golf course for irrigation.

24 **Q. HOW MUCH EFFLUENT DOES PIMA'S WASTEWATER TREATMENT**
25 **PLANT PRODUCE ANNUALLY?**

26 A. During the test year (July 1, 2024 through June 30, 2025), Pima produced

1 407,419,000 gallons of effluent.

2 **Q. HAVE THERE BEEN ANY SIGNIFICANT IMPROVEMENTS MADE TO**
3 **PIMA’S WASTEWATER SYSTEM SINCE THE LAST RATE CASE?**

4 A. Yes. Since the 2016 rate case, Pima has invested over \$4 million in its wastewater
5 system, including \$1.4 million in treatment and disposal equipment, \$1.2 million in
6 pumping equipment, and nearly \$0.6 million in structures and improvements and
7 force collection systems.

8 **Q. IS PIMA PROPOSING ANY PTYP IN THIS CASE?**

9 A. Yes. In addition to the over \$4 million of capital improvements made to the
10 wastewater system from the last rate case through the historic test year in this case,
11 Pima expects to complete approximately \$3.8 million of additional improvements in
12 the 12-month post-test year period. This PTYP includes \$1 million for the re-drilling
13 of a recharge well, \$0.9 million in force main collection systems, \$0.6 million in
14 structures and improvements, another \$0.6 million in treatment and disposal
15 equipment, \$0.4 million for pumping equipment, and \$0.2 million in other sewer
16 infrastructure and equipment.

17 **Q. IS PIMA CURRENTLY IN COMPLIANCE WITH ALL APPLICABLE**
18 **LAWS AND REGULATIONS GOVERNING SEWER UTILITY SERVICE**
19 **BY AN ARIZONA PUBLIC SERVICE CORPORATION?**

20 A. No. In the third quarter of 2025 Pima experienced an exceedance of nickel at one of
21 its monitor well sites and missed the required quarterly samples at another monitor
22 well site. As a result of the nickel exceedance, we are in the process of doing four
23 months of accelerated monitoring and expect to be back in compliance in
24 February 2026. Additionally, we expect to be back in compliance in the fourth
25 quarter of 2025 when the fourth quarter samples are completed at Well 29a.

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Q. MR. HANSON, HOW DO YOU RESPOND TO THE FACT THAT BOTH WATER AND SEWER ARE CURRENTLY OUT OF COMPLIANCE?

A. I take compliance with water and sewer regulations very seriously. The health and safety of our customers is of the utmost importance to me, my team and JWW Holdco. Although we work hard to ensure compliance and make sure that risks are mitigated, on occasion we may experience things like a nickel exceedance. When these things happen, we are committed to working cooperatively with our regulators (i.e., ADEQ, ADWR and the Commission) to ensure issues are promptly identified, rectified and communicated. However, it is not acceptable for us to miss required samples. Ultimately, I take responsibility and accountability for these issues at Pima.

Q. ARE YOU AWARE OF ANY OTHER MATTERS THAT IMPACT PIMA'S CONTINUED PROVISION OF SEWER UTILITY SERVICE OR THE SETTING OF RATES?

A. Not at this time.

Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

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3 Telephone (602) 559-9575
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4 Attorney for Pima Utility Company
5

6 **BEFORE THE ARIZONA CORPORATION COMMISSION**
7

8 IN THE MATTER OF THE APPLICATION
9 OF PIMA UTILITY COMPANY, AN
ARIZONA CORPORATION, FOR A
10 DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANTS AND
11 PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES FOR UTILITY
12 SERVICE BASED THEREON.

DOCKET NO: SW-02199A-25-

13
14
15 **DIRECT TESTIMONY**

16 **OF**

17 **CHERISHE BARBEE**
18

19 **December 24, 2025**
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TABLE OF CONTENTS

I. INTRODUCTION AND PURPOSE OF TESTIMONY 1

II. REVENUE REQUIREMENT MODEL, RATE BASE AND INCOME STATEMENT SCHEDULES 3

 A. Summary Schedules 3

 B. Rate Base Schedules..... 4

 C. Income Statement Schedules..... 6

 1. Pime Water 6

 2. Pima Sewer 8

 D. Financial Statement Schedules..... 9

III. TARIFF REVISIONS 10

1 **I. INTRODUCTION AND PURPOSE OF TESTIMONY.**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Cherishe Barbee. My business address is 4720 East Cotton Gin Loop,
4 Suite 130, Phoenix, Arizona 85040.

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

6 A. I am employed by JW Water Holdings, LLC (“JWW Holdco”) as a Manager – Rates
7 and Regulatory.

8 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**
9 **BACKGROUND.**

10 A. In 2016, I completed my Bachelor of Science in Business Administration with a
11 major in accounting from Southeast Missouri State University. I was hired by
12 Liberty Utilities (“Liberty”) as a Regulatory Intern prior to graduating college and
13 accepted a full-time position as a Regulatory Analyst after graduating. In 2019,
14 I was promoted to Senior Analyst of Rates and Regulatory Affairs. From 2019 to
15 2021, I provided regulatory support to Liberty’s Arizona and Texas utilities.
16 In 2021, I transitioned to Liberty’s corporate regulatory team where I provided
17 support to all of Liberty’s regulated utility companies related to the corporate shared
18 services model. In addition, I supported the development of revenue requirement
19 calculations in rate cases in New York and New Hampshire. In December 2024, I
20 was hired by JWW Holdco.

21 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

22 A. Yes, I provided written testimony in Liberty’s 2021 Gold Canyon rate case
23 (Docket No. SW-02519A-21-0361, *et al.*), in the consolidated rate cases for Bensch
24 Ranch Utilities, LLC, Pine Meadows Utilities, LLC, and Verde Santa Fe Wastewater
25 Company, Inc. (Docket No. SW-04026A-24-0275, *et al.*) (“VSF Rate Case”), and
26 the consolidated pending rate cases for Picacho Water Company and Picacho Sewer

1 Company (Docket No. W-03528A-25-0056, et al.) (“Picacho Rate Case”).
2 I provided live testimony in the VSF Rate Case and the Picacho Rate Case.

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

4 A. I’m providing this direct testimony on behalf of the Applicant, Pima Utility
5 Company (“Pima”). As discussed in the direct testimony of Ms. Schwartz, this
6 proceeding includes a request to separate Pima’s water division and sewer division
7 into separate legal entities as a step in JWW Holdco’s long-term strategic
8 consolidation plan.¹ As a result of that request, I will refer to Pima’s water division
9 as “Pima Water,” and Pima’s sewer division as “Pima Sewer.”

10 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**
11 **PROCEEDING?**

12 A. The purpose of my direct testimony is to address the overall revenue requirement,
13 including rate base and income statement (revenue and operating expenses) and the
14 corresponding adjustments to the test year in order to establish rates for Pima’s water
15 and sewer divisions. In addition, my testimony addresses recommended changes to
16 the tariffs of rates and charges.

17 **Q. ARE YOU SPONSORING ANY SCHEDULES WITH YOUR TESTIMONY?**

18 A. Yes. I prepared and am sponsoring the following water and sewer schedules, which
19 are attached to my testimony as Exhibits CB-DT1 and CB-DT2, respectively:

- 20 • **A Schedules** (Revenue Increase and Financial Summary)
- 21 • **B Schedules** (Rate Base)
- 22 • **C Schedules** (Income Statement)
- 23 • **E Schedules** (Historical Financial Results)
- 24 • **F Schedules** (Projected Financial Results)

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26 ¹ Direct Testimony of Jill Schwartz (“Schwartz DT”) at 5:19 – 8:26.

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D Schedules (Cost of Capital), **G Schedules** (Cost of Service) and **H Schedules** (Rate Design) will be supported and sponsored by Thomas J. Bourassa.

Q. WAS THE INFORMATION CONTAINED IN THE SCHEDULES OBTAINED OR DERIVED FROM PIMA’S BOOKS AND RECORDS?

A. Yes. The information contained in the schedules I am sponsoring was obtained or derived individually from the books and records of Pima Water and Pima Sewer for the twelve months ended June 30, 2025, with proposed adjustments for known and measurable changes to the test year.

II. REVENUE REQUIREMENT MODEL, RATE BASE AND INCOME STATEMENT SCHEDULES.

A. Summary Schedules.

Q. PLEASE DESCRIBE THE A SCHEDULES.

A. The A-1 Schedule presents a summary of the overall revenue requirement calculation, including the rate base, operating income, current operating margin, required operating margin, operating income deficiency, and the increase in gross revenue. The return on rate base, proposed increase in the revenue requirement, and revenues both at the present and proposed customer classifications are also shown on this schedule.

The A-2 Schedule is a summary of the results of operations for the test year, prior years, and a projected year at present rates and proposed rates.

Although not required, the A-3 Schedule contains the capital structure for the test year and the two prior years.

Schedule A-4 contains the plant construction and plant-in-service (“PIS”) for the test year and prior years. The projected plant additions are also shown on this schedule.

1 **Q. WHAT IS THE REVENUE REQUIREMENT REQUESTED IN THIS CASE?**

2 A. As reflected on Schedule A-1 of Exhibit CB-DT1, the overall revenue requirement
3 for Pima Water is \$4,953,319, which includes a proposed increase in annual
4 revenues of \$2,308,058 or 87.25%. The overall revenue requirement for Pima
5 Sewer, reflected on Schedule A-1 of Exhibit CB-DT2, is \$5,809,305, which includes
6 a proposed increase in annual revenues of \$2,122,087 or 57.55%.

7 **B. Rate Base Schedules.**

8 **Q. PLEASE DESCRIBE THE B SCHEDULES.**

9 A. Schedule B-1 presents a summary of the original cost rate base for Pima's water
10 division, as well as the fair value rate base.

11 Schedule B-2, page 1 reflects the rate base at the end of the test year,
12 a summary of the proforma adjustments, and the resulting adjusted rate base. The
13 details of the B-2 Schedule will be discussed further in my testimony below.

14 Pima has not included Schedules B-3 or B-4 because it is requesting that the
15 original cost rate base be used as its fair value rate base.

16 The B-5 Schedule reflects the cash working capital allowance calculation,
17 which I will address in more detail below.

18 **Q. WHAT IS THE PROPOSED RATE BASE FOR PIMA WATER?**

19 A. The proposed rate base is \$10,859,714, as reflected on Schedule B-1 of Exhibit CB-
20 DT1. The proposed rate base is comprised of the test year rate base of \$8,597,851
21 and proforma adjustments totaling \$2,261,862 as summarized on Exhibit CB-DT1,
22 Schedule B-2, page 1. Schedule B-2, pages 2 through 5 and Schedule B-5 provide
23 the details of the proposed proforma adjustments to rate base.

24 **Q. WHAT IS THE PROPOSED RATE BASE FOR PIMA SEWER?**

25 A. As reflected on Schedule B-1 of Exhibit CB-DT2, the proposed rate base is
26 \$13,425,887. The proposed rate base is comprised of the test year rate base of

1 \$7,827,976 and proforma adjustments totaling \$5,597,910 as summarized on
2 Exhibit CB-DT2, Schedule B-2, page 1. Schedule B-2, pages 2 through 5 and
3 Schedule B-5 provide the details of the proposed proforma adjustments to rate base

4 **Q. PLEASE DISCUSS THE PROFORMA ADJUSTMENTS TO RATE BASE.**

5 A. There are four adjustments being made to each rate base for Pima Water and Pima
6 Sewer. In both revenue requirement models, the first is to adjust plant in service
7 (“PIS”), the second adjusts accumulated depreciation (“AD”), the third is to adjust
8 for contributions in aid of construction (“CIAC”) and accumulated amortization of
9 CIAC and the fourth is an adjustment for cash working capital.

10 **Q. PLEASE DESCRIBE THE ADJUSTMENTS TO PIS.**

11 A. Adjustment 1, for both Pima Water and Pima Sewer, includes a post-test year
12 plant (“PTYP”) adjustment as well as a reconciling adjustment. The PTYP
13 adjustment reflected on Schedule B-2, page 3.1 includes PTYP expected to be
14 completed, in service, used and useful within twelve months of the end of the test
15 year or through the end of June 2026, as discussed in more detail by Mr. Hanson.²
16 The second part of this adjustment, as shown on Schedule B-2, page 3, reconciles
17 the balances of PIS recorded in the general ledger at the end of the test year and
18 adjusted for PTYP to the reconstruction of the PIS balance in the Vintage B-2
19 Schedules.

20 **Q. PLEASE DESCRIBE THE ADJUSTMENTS TO AD.**

21 A. Consistent with the plant adjustment, the adjustment to AD has two parts. The first
22 part is an adjustment to AD associated with the PTYP adjustment reflected on
23 Schedule B-2, page 4.1 and the second part is an adjustment to reconcile to the
24 reconstruction of AD as reflected in the Vintage B-2 Schedule.

25
26

² Direct Testimony of Justin Hanson at 4:18-25, 7:8-16.

1 **Q. PLEASE DESCRIBE THE ADJUSTMENTS TO CIAC AND**
2 **ACCUMULATED AMORTIZATION OF CIAC.**

3 A. As shown on Schedule B-2, page 5.1, I started with the prior rate case balances for
4 CIAC and accumulated amortization of CIAC.³ In this case, an adjustment to the
5 CIAC balance is not necessary because there hasn't been any additional CIAC since
6 the last case. However, there is a minor adjustment to the accumulated amortization
7 of CIAC. This adjustment is intended to adjust the accumulated amortization of
8 CIAC from the amount recorded in the general ledger to the amount that is calculated
9 using the composite amortization rate and half year convention.

10 **Q. IS PIMA REQUESTING A WORKING CAPITAL ALLOWANCE?**

11 A. Yes. There are proforma adjustments to increase Pima Water's and Pima Sewer's
12 rate bases for the amount of cash working capital needed as determined by the Lead-
13 Lag study completed for this case by Mr. Bourassa.

14 **C. Income Statement Schedules.**

15 **Q. PLEASE DESCRIBE THE C SCHEDULES AND ADJUSTMENTS.**

16 A. Schedule C-1, page 1 summarizes the test year actual and adjusted revenues and
17 expenses. Schedule C-2, page 1 summarizes the individual adjustments to test year
18 revenues and expenses. Schedule C-3 reflects the calculation of the Gross Revenue
19 Conversion Factor which is used to gross up the operating income deficiency.

20 **1. Pima Water.**

21 **Q. WHAT IS PIMA WATER'S OPERATING INCOME?**

22 A. As reflected on Exhibit CB-DT1, Schedule C-1, page 1, for the historic and adjusted
23 test year, Pima Water is operating at a loss of \$712,803 based on operating expenses
24 of \$3,358,064 and revenues of \$2,645,262.

25
26 ³ See Decision No. 76540 (January 3, 2018).

1 **Q. PLEASE DISCUSS THE PROFORMA ADJUSTMENTS TO PIMA**
2 **WATER'S INCOME STATEMENT.**

3 A. The proforma adjustments are summarized in Exhibit CB-DT1, Schedule C-2,
4 page 1.

5 Adjustment 1 to the income statement presented on Schedule C-2 annualizes
6 depreciation expense. The depreciation rates used for each utility plant account are
7 reflected on Schedule C-2, page 2. In this case, Pima proposes to adopt Staff's
8 recommended depreciation rates for water companies.⁴

9 Adjustment 2 reflected on Schedule C-2 increases property taxes based on
10 proposed revenues calculated using the Arizona Department of Revenue's
11 ("ADOR") valuation method using the 2024 property taxes and a 15.5% assessment
12 ratio based on the Arizona Revised Statutes. The details of the computation are
13 shown on Schedule C-2, page 3.

14 Adjustment 3 on Schedule C-2, page 4, annualizes revenues to reflect
15 revenues based on the test year-end billing determinants.

16 Adjustment 4 on Schedule C-2, page 5, adjusts certain contractual services
17 expenses based on the allocation methodology discussed in the direct testimony of
18 Jill Schwartz.⁵

19 Adjustment 5 on Schedule C-1 adjusts the test year bad debt expense to reflect
20 the estimated bad debt expense based on three years of historical data and the
21 proposed increases in revenues. The details of this computation are shown on
22 Schedule C-2, page 6.

23

24

25 ⁴ Staff's recommended depreciation rates were set for in a Staff Memorandum dated February 8, 2016.

26 ⁵ Schwartz DT at 9:1 – 13:17.

1 Adjustment 6 on Schedule C-1 normalizes purchased power expense by
2 removing any expenses for purchased power that are outside of the test year.

3 Adjustment 7 on Schedule C-1 removes salaries and wages expense that was
4 for officers under prior ownership.

5 Adjustment 8 adjusts interest expense to reflect interest synchronization with
6 rate base.

7 Adjustment 6 on Schedule C-1 reflects income taxes based upon the adjusted
8 test year revenues and expenses for Pima Water. The income tax calculations are
9 shown on Schedule C-2 page 10, and Schedule C-3, page 2.

10 **2. Pima Sewer.**

11 **Q. WHAT IS PIMA SEWER'S OPERATING INCOME?**

12 A. As reflected on Exhibit CB-DT2, Schedule C-1, page 1, for the historic and adjusted
13 test year, Pima Sewer is operating at a loss of \$339,923 based on operating expenses
14 of \$4,027,141 and revenues of \$3,687,218.

15 **Q. PLEASE DISCUSS THE PROFORMA ADJUSTMENTS TO PIMA
16 SEWER'S INCOME STATEMENT.**

17 A. Adjustment 1 to the income statement presented on Schedule C-2 annualizes
18 depreciation expense. The depreciation rates used for each utility plant account are
19 reflected on Schedule C-2, page 2. In this case, Pima Sewer proposes to adopt
20 Staff's recommended depreciation rates for sewer companies.⁶

21 Adjustment 2 reflected on Schedule C-2 increases property taxes based on
22 proposed revenues calculated using ADOR's valuation method using the 2024
23 property taxes and a 15.5% assessment ratio based on the Arizona Revised Statutes.
24 The details of the computation are shown on Schedule C-2, page 3.

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⁶ Staff's recommended depreciation rates were set for in a Staff Memorandum dated February 5, 2016.

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Adjustment 3 on Schedule C-2 annualizes revenues to reflect revenues based on the test year-end billing determinants.

Adjustment 4 on Schedule C-2, page 5, adjusts certain contractual services expenses based on the allocation methodology discussed in the direct testimony of Jill Schwartz.⁷

Adjustment 5 on Schedule C-1 adjusts the test year bad debt expense to reflect the estimated bad debt expense based on three years of historical data and the proposed increases in revenues. The details of this computation are shown on Schedule C-2, page 6.

Adjustment 6 on Schedule C-1 normalizes purchased power expense by removing any expenses for purchased power that are outside of the test year.

Adjustment 7 on Schedule C-1 removes late fees that were recorded to the general ledger Materials and Supplies expense account during the test year.

Adjustment 8 on Schedule C-1 removes salaries and wages expense that was for officers under prior ownership.

Adjustment 9 on Schedule C-1 adjusts interest expense to reflect interest synchronization with rate base.

Adjustment 10 on Schedule C-1 reflects income taxes based upon the adjusted test year revenues and expenses for Pima Sewer. The income tax calculations are shown on Schedule C-2 page 11, and Schedule C-3, page 2.

D. Financial Statement Schedules.

Q. PLEASE DESCRIBE THE E SCHEDULES FOR PIMA WATER AND PIMA SEWER.

A. The E Schedules are based on actual operating results, as reported in annual reports

⁷ Schwartz DT at 9:1 – 13:17.

1 filed with the Commission. Schedule E-1 provides comparative balance sheet data
2 for the years ending June 30, 2023, June 30, 2024, and the historic test year, June 30,
3 2025.

4 Schedule E-2 presents the Company's comparative income statements for the
5 years ending June 30, 2023, June 30, 2024, and the historic test year, June 30, 2025.

6 Schedule E-5 provides the breakdown of PIS by account at the end of the
7 historic test year, June 30, 2025, and the prior year ending June 30, 2024.

8 Schedule E-7 provides stand-alone operating statistics for the years ending
9 June 30, 2025, 2024 and 2023.

10 Schedule E-8 summarizes the income taxes, payroll taxes and property taxes
11 charged to operations for the years ending June 30, 2025, 2024 and 2023.

12 Schedule E-9 provides notes to the Company's financial statements.

13 **Q. PLEASE DESCRIBE THE F SCHEDULES FOR PIMA WATER AND**
14 **PIMA SEWER.**

15 A. Schedule F-1 reflects the results of operations at the present rates (actual and
16 adjusted), and at proposed rates.

17 Schedule F-3 compares the construction requirements projections for 2026 to
18 the test year.

19 Schedule F-4 contains the assumptions used in developing the adjustments
20 and projections contained in Pima's rate filing.

21 **III. TARIFF REVISIONS.**

22 **Q. IS PIMA PROPOSING REVISIONS TO ITS TARIFF OF RATES AND**
23 **CHARGES?**

24 A. Yes, there are a few proposed changes in addition to the proposed new rates that
25
26

1 Mr. Bourassa will discuss.⁸

2 **Q. PLEASE DISCUSS THE CHANGES PROPOSED TO OTHER SERVICE**
3 **CHARGES.**

4 A. First, Pima Water and Pima Sewer are proposing a \$10 increase to the current
5 establishment fee of \$25 for a new customer to connect to the system. The proposed
6 establishment fee in this case is \$35.

7 Second, Pima is proposing a \$5 increase to the current reconnection
8 (delinquent) fee of \$25 for a proposed charge of \$30 for both Pima Water and Pima
9 Sewer.

10 **Q. ARE THERE ANY ADDITIONAL PROPOSED CHANGES TO THE OTHER**
11 **SERVICE CHARGES?**

12 A. Yes, in addition to the establishment fee and reconnection (delinquent) fee, Pima
13 Water and Pima Sewer are proposing changes to the insufficient funds fee.

14 Currently, customers who pay their bill by check that is returned due to
15 insufficient funds incur a \$15 NSF fee. Pima is proposing to increase the fee for
16 insufficient funds to \$30 for payments returned to the bank, including checks and
17 other electronic payments based on the current bank fee schedule for both Pima
18 Water and Pima Sewer.

19 **Q. ARE THERE ANY OTHER TARIFF CHANGES YOU WOULD LIKE TO**
20 **DISCUSS?**

21 A. Yes. Pima Water and Pima Sewer are introducing a Customer Assistance Tariff
22 (“CAT”) that contains three programs: Low-Income Program, Deployed Services
23 Member Program and Disabled Veteran Program. These programs are intended to
24
25

26 ⁸ Direct Testimony of Thomas J. Bourassa at 10:7 – 12:18.

1 alleviate financial hardships customers may be experiencing paying their utility
2 bills.

3 **Q. HOW WILL THE CAT BE IMPLEMENTED?**

4 A. Customers will be eligible to apply for relief on a first come, first served basis with
5 a limit of 500 customers in total allowed to participate in CAT programs. Customers
6 submit applications and Pima Water or Pima Sewer will then determine eligibility.
7 Pima Water and Pima Sewer would file an annual report detailing the number of
8 participants from the previous calendar year, the total amount of credits provided by
9 the program and the total of any program administrative costs.

10 **Q. HOW WILL PIMA WATER AND PIMA SEWER RECOVER THE COSTS**
11 **OF IMPLEMENTING THE CAT PROGRAMS, INCLUDING ANY**
12 **ASSOCIATED LOST REVENUE?**

13 A. Through the establishment of a monthly CAT surcharge on all non-participating
14 customers. Pima Water and Pima Sewer would account for direct costs associated
15 with the programs separately from other operating costs. The monthly surcharge
16 would be calculated each year based on the active number of customer connections
17 as of December 31 of the prior year. Additionally, Pima Water and Pima Sewer are
18 proposing to file an annual notice of the surcharge, after the programs have been in
19 effect for a full year, along with a report on the CAT with the Commission by
20 January 31 and for the surcharge to be implemented in February of each year with
21 the recovery period ending in January of the following year.

22 **Q. THANK YOU, MS. BARBEE. DOES THAT CONCLUDE YOUR DIRECT**
23 **TESTIMONY ON ALL SUBJECTS?**

24 A. Yes, it does.
25
26

EXHIBIT CB-DT1

Pima Utility Company - Water
 Test Year Ended June 30, 2025
 Computation of Increase in Gross Revenue
 Requirements As Adjusted

Exhibit
 Schedule A-1
 Page 1
 Witness: Barbee

Line No.	Revenue Requirement	Adjusted Amount			
1	Fair Value Rate Base	\$	10,859,714		
2					
3	Adjusted Operating Income		(712,803)		
4					
5	Current Rate of Return		-6.56%		
6					
7	Required Operating Income	\$	994,967		
8					
9	Required Rate of Return on Fair Value Rate Base		9.16%		
10					
11	Operating Income Deficiency / (Sufficiency)	\$	1,707,770		
12					
13	Gross Revenue Conversion Factor		1.3515		
14					
15	Increase / (Decrease) in Gross Revenue Requirement	\$	2,308,058		
16					
17					
18	Adjusted Test Year Revenues	\$	2,645,262		
19	Increase / (Decrease) in Gross Revenue Requirement	\$	2,308,058		
20	Proposed Revenue Requirement	\$	4,953,319		
21	% Increase / (Decrease)		87.25%		
22					
23					
24	Meter Size	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
25	5/8x3/4 Inch Residential	\$ 1,602,046	\$ 2,622,135	\$ 1,020,089	63.67%
26	1 Inch Residential	171,917	359,604	187,687	109.17%
27					
28	5/8x3/4 Inch Commercial	\$ 21,129	\$ 47,642	\$ 26,513	125.48%
29	3/4 Inch Commercial	-	-	-	0.00%
30	1 Inch Commercial	33,670	70,771	37,101	110.19%
31	1 1/2 Inch Commercial	15,621	30,842	15,221	97.44%
32	2 Inch Commercial	266,926	593,563	326,637	122.37%
33	4 Inch Commercial	5,317	10,229	4,912	92.39%
34					
35	Irrigation Golf Course - 2 Inch	\$ 6,700	\$ 7,503	\$ 803	11.98%
36	Irrigation Golf Course - 8 Inch	188,633	450,749	262,116	138.96%
37	Irrigation Golf Course - 10 Inch	291,229	702,726	411,497	141.30%
38	Bulk/Construction	1,283	11,966	10,683	832.46%
39	Subtotal	\$ 2,604,472	\$ 4,907,731	\$ 2,303,258	88.43%
40					
41	Revenue Annualization	\$ 3,509	\$ 5,832	\$ 2,324	66%
42	Subtotal	\$ 2,607,981	\$ 4,913,563	\$ 2,305,582	88.40%
43					
44	Miscellaneous Revenues	\$ 42,101	\$ 42,101	\$ -	0.00%
45	Reconciling Amount	(4,820)	(2,345)	2,475	-51.35%
46	Rounding			1	0.00%
47	Total of Water Revenues	\$ 2,645,262	\$ 4,953,319	\$ 2,308,058	87.25%

50 SUPPORTING SCHEDULES:

- 51 B-1
- 52 C-1
- 53 C-3
- 54 H-1

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		6/30/2023	6/30/2024	Actual 6/30/2025	Adjusted 6/30/2025	Present Rates 6/30/2026	Proposed Rates 6/30/2026
1	Gross Revenues	\$ 2,446,629	\$ 2,632,111	\$ 2,631,473	\$ 2,645,262	\$ 2,645,262	\$ 4,953,319
2							
3	Revenue Deductions and	2,749,610	2,676,478	2,815,329	3,358,064	3,358,064	3,958,352
4	Operating Expenses						
5							
6	Operating Income	\$ (302,980)	\$ (44,367)	\$ (183,856)	\$ (712,803)	\$ (712,803)	\$ 994,967
7							
8	Other Income and	10,590	(2,284)	6,855	6,855	6,855	6,855
9	Deductions						
10							
11	Interest Expense	(14,539)	(12,909)	(933)	(232,615)	(232,615)	(232,615)
12							
13	Net Income	\$ (306,930)	\$ (59,561)	\$ (177,934)	\$ (938,563)	\$ (938,563)	\$ 769,207
14							
15	Common Shares	88,185	88,185	88,185	88,185	88,185	88,185
16							
17	Earned Per Average						
18	Common Share	(3.48)	(0.68)	(2.02)	(10.64)	(10.64)	8.72
19							
20	Dividends Paid	-	-	-	-	-	-
21							
22	Dividends Per						
23	Common Share	-	-	-	-	-	-
24							
25	Payout Ratio	-	-	-	-	-	-
26							
27	Return on Average						
28	Invested Capital	-3.15%	-0.56%	-2.23%	-9.75%	-6.05%	4.96%
29							
30	Return on Year End						
31	Capital	-2.85%	-0.56%	-3.30%	-6.77%	-5.47%	4.48%
32							
33	Return on Average						
34	Common Equity	-3.97%	-0.58%	-2.30%	-9.72%	-19.21%	13.40%
35							
36	Return on Year End						
37	Common Equity	-2.98%	-0.59%	-3.32%	-10.21%	-21.25%	12.56%
38							
39	Times Bond Interest Earned						
40	Before Income Taxes	(20.84)	(3)	(110.60)	(1.72)	(1.72)	5.36
41							
42	Times Total Interest and						
43	Preferred Dividends Earned						
44	After Income Taxes	(20.72)	(3)	(191.99)	(0.75)	(0.75)	3.32
45							
46							
47	<u>SUPPORTING SCHEDULES</u>						
48	C-1						
49	E-2						
50	F-1						

Line No.	Description:	Prior Years Ended		Test Year	Projected Year
		6/30/2023	6/30/2024	6/30/2025	6/30/2026
1					
2	Short-Term Debt	-	-	-	-
3					
3	Long-Term Debt	-	-	-	-
4					
5	Total Debt	\$ -	\$ -	\$ -	\$ -
6					
7					
8	Preferred Stock	-	-	-	-
9					
10	Common Equity	10,293,720	10,125,160	5,354,226	5,354,226
11					
12					
13	Total Capital & Debt	\$ 10,293,720	\$ 10,125,160	\$ 5,354,226	\$ 5,354,226
14					
15					
16	Capitalization Ratios:				
17					
18	Long-Term Debt	0.00%	0.00%	0.00%	0.00%
19					
20	Total Debt	0.00%	0.00%	0.00%	0.00%
21					
22					
23	Preferred Stock	-	-	-	-
24					
25	Common Equity	100.00%	100.00%	100.00%	100.00%
26					
27					
28	Total Capital	100.00%	100.00%	100.00%	100.00%
29					
30					
31	Weighted Cost of				
32	Senior Capital	0.00%	0.00%	0.00%	0.00%
33					
34					
35	<u>SUPPORTING SCHEDULES:</u>				
36	E-1				
37	D-1				

Pima Utility Company - Water
 Test Year Ended June 30, 2025
 Construction Expenditures
 and Gross Utility Plant in Service

Exhibit
 Schedule A-4
 Page 1
 Witness: Barbee

Line No.		Construction Expenditures	Net Plant Placed in Service	Gross Utility Plant in Service
1	Prior Year Ended 6/30/2023	-	-	20,301,387
2				
3	Prior Year Ended 6/30/2024	(1,713)	(1,713)	20,299,674
4				
5	Test Year Ended 06/30/2025	282,271	282,271	20,581,946
6				
7	Projected Year Ended 06/30/2025	2,204,446	2,204,446	22,786,391
8	check		-	
9				
10	<u>SUPPORTING SCHEDULES:</u>			
11	B-2			
12	E-5			
13	F-3			

Pima Utility Company - Water
 Test Year Ended June 30, 2025
 Summary of Rate Base

Exhibit
 Schedule B-1
 Page 1
 Witness: Barbee

<u>Line No.</u>	<u>Original Cost Rate base</u>	<u>Fair Value Rate Base</u>
1		
2	\$ 22,786,391	\$ 22,786,391
3	12,075,714	12,075,714
4		
5	\$ 10,710,677	\$ 10,710,677
6		
7	<u>Less:</u>	
8	Advances in Aid of Construction	-
9		
10	963,772	963,772
11		
12	(922,436)	(922,436)
13		
14	5,289	5,289
15	-	-
16	-	-
17	-	-
18		
19	<u>Plus:</u>	
20	Deferred Reg. Asset	-
21	-	-
22	(54,905)	(54,905)
23	-	-
24	250,566	250,566
25		
26		
27	\$ 10,859,714	\$ 10,859,714
28		
29		
30	<u>SUPPORTING SCHEDULES:</u>	
31	B-2	
32	B-3	
33	B-5	
34	E-1	

Line No.	Actual at End of Test Year	Proforma Adjustments	Adjusted at end End of Test Year
1			
2	\$ 20,581,946	2,204,446	\$ 22,786,391
3			
4	Less:		
5			
6	11,876,864	198,849	12,075,714
7			
8			
9			
10	\$ 8,705,081	\$ 2,005,596	\$ 10,710,677
11			
12	Less:		
13			
14	-	-	-
15			
16			
17	963,772	0	963,772
18			
19	(916,735)	(5,701)	(922,436)
20			
21	5,289		5,289
22	-	-	-
23	-	-	-
24	-	-	-
25			-
26			
27	Plus:		
28	-	-	-
29			
30	(54,905)	-	(54,905)
31	-	-	-
32	-	250,566	250,566
33			-
34			
35	<u>\$ 8,597,851</u>	<u>\$ 2,261,862</u>	<u>\$ 10,859,714</u>
36			
37			
38	<u>SUPPORTING SCHEDULES:</u>		<u>RECAP SCHEDULES</u>
39	B-2, pages 2		B-1
40	E-1		

Line No.	Actual at End of Test Year	Proforma Adjustments				Adjusted at end of Test Year
		1 Plant-in-Service	2 Accumulated Depreciation	3 CIAC	4 Working Capital	
1						
2	\$ 20,581,946	2,204,446				\$ 22,786,391
3						
4	Less:					
5						
6	11,876,864		198,849			12,075,714
7						
8						
9						
10	\$ 8,705,081	\$ 2,204,446	\$ (198,849)	\$ -	\$ -	\$ 10,710,677
11						
12	Less:					
13						
14	-					-
15						
16						
17	963,772			0		963,772
18						
19	(916,735)			(5,701)		(922,436)
20						
21	5,289					5,289
22	-					-
23	-					-
24	-					-
25						
26	Plus:					
27	-					-
28						
29	(54,905)					(54,905)
30	-					-
31	-				250,566	250,566
32						
33	\$ 8,597,851	\$ 2,204,446	\$ (198,849)	\$ 5,700	\$ 250,566	\$ 10,859,714

34
 35
 36 SUPPORTING SCHEDULES:
 37 B-2, pages 3-5
 38 E-1

RECAP SCHEDULES:
 B-1

Line No.	NARUC Account Description	Actual Original Cost	A	B	C	Adjusted Original Cost
			3.1	3.2	3.3	
			PTY Plant	Test-Year Proforma Retirements	Adjustments to Reconcile Plant to Reconstruction	
1	301 Organization	-	-	-	-	-
2	302 Franchise	-	-	-	-	-
3	303 Land	97,637	-	-	-	97,637
4	304 Structures & Improvements	468,724	15,609	-	-	484,333
5	307 Wells & Springs	1,054,870	20,565	-	-	1,075,435
6	309 Supply Mains	-	-	-	-	-
7	310 Power Generation Equipment	21,031	1,052	-	-	22,083
8	311 Pumping Equip	3,643,592	368,287	(6,185)	-	4,005,694
9	320.2 Water Treatment Equipment	140,253	-	-	-	140,253
10	330.1 Distribution Reservoirs and Standpipes - Storage Tank	1,784,320	28,725	-	-	1,813,045
11	330.2 Distribution Reservoirs and Standpipes - Pressure Tank	71,072	1,578	(2,682)	-	69,968
12	331 Transmission and Distribution Mains	3,803,888	1,274,819	-	(0)	5,078,706
13	333 Services	6,653,309	179,227	-	-	6,832,537
14	334 Meters and Meter Installation	1,055,953	59,129	-	-	1,115,082
15	335 Hydrants	910,266	18,205	-	-	928,471
16	336 Backflow Prevention Devices	1,024	68	-	-	1,092
17	339 Other Plant and Misc. Equip	-	-	-	-	-
18	340 Office Furniture & Equipment	6,705	447	-	0	7,152
19	340.1 Computers and Software	103,358	6,894	-	-	110,252
20	341 Transportation Equipment	301,342	46,714	-	-	348,056
21	343 Tools, Shop And Garage Equip	150,965	5,832	-	-	156,796
22	345 Power Operated Equip	192,800	174,077	-	-	366,877
23	346 Communication Equip	109,100	10,910	-	-	120,010
24	347 Miscellaneous Equip.	11,738	1,174	-	-	12,911
25	348 Other Tangible Plant	-	-	-	-	-
26						
27						
28	SUBTOTAL	20,581,946	2,213,312	(8,866)	(0)	22,786,391
29						
30						
31	Plant Held for Future Use					-
32	TOTALS	\$ 20,581,946	\$ 2,213,312	\$ (8,866)	\$ -	\$ 22,786,391
33						
34	Plant-in-Service per Books					\$ 20,581,946
35						
36	Increase (decrease) in Plant-in-Service					\$ 2,204,446
37						
38	Adjustment to Plant-in-Service					\$ 2,204,446
39						
40						
41	SUPPORTING SCHEDULES					
42	B-2, pages 3.1 to 3.5					

Pima Utility Company - Water
 Test Year Ended June 30, 2025
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 1 - A
 Post Test-Year Plant

Exhibit
 Schedule B-2
 Page 3.1
 Witness: Barbee

Line No.	NARUC	Account Description	Total PTYP Amount
1	301	Organization	\$ -
2	302	Franchise	-
3	303	Land	-
4	304	Structures & Improvements	15,609
5	307	Wells & Springs	20,565
6	309	Supply Mains	-
7	310	Power Generation Equipment	1,052
8	311	Pumping Equip	368,287
9	320.2	Water Treatment Equipment	-
10	330.1	Distribution Reservoirs and Standpipes - Storage Tank	28,725
11	330.2	Distribution Reservoirs and Standpipes - Pressure Tank	1,578
12	331	Transmission and Distribution Mains	1,274,819
13	333	Services	179,227
14	334	Meters and Meter Installation	59,129
15	335	Hydrants	18,205
16	336	Backflow Prevention Devices	68
17	339	Other Plant and Misc. Equip	-
18	340	Office Furniture & Equipment	447
19	340.1	Computers and Software	6,894
20	341	Transportation Equipment	46,714
21	343	Tools, Shop And Garage Equip	5,832
22	345	Power Operated Equip	174,077
23	346	Communication Equip	10,910
24	347	Miscellaneous Equip.	1,174
25	348	Other Tangible Plant	-
26			
27			
28		TOTAL	<u>\$ 2,213,312</u>
29			
30			
31		<u>SUPPORTING SCHEDULE</u>	
32		Testimony	
33		Work papers	

Pima Utility Company - Water
 Test Year Ended June 30, 2025
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 1 - B
 Test-Year Proforma Retirements

Exhibit
 Schedule B-2
 Page 3.2
 Witness: Barbee

Line No.	NARUC	Account Description	Amount
1	301	Organization	\$ -
2	302	Franchise	-
3	303	Land	-
4	304	Structures & Improvements	-
5	307	Wells & Springs	-
6	309	Supply Mains	-
7	310	Power Generation Equipment	-
8	311	Pumping Equip	(6,185)
9	320.2	Water Treatment Equipment	-
10	330.1	Distribution Reservoirs and Standpipes - Storage Tank	-
11	330.2	Distribution Reservoirs and Standpipes - Pressure Tank	(2,682)
12	331	Transmission and Distribution Mains	-
13	333	Services	-
14	334	Meters and Meter Installation	-
15	335	Hydrants	-
16	336	Backflow Prevention Devices	-
17	339	Other Plant and Misc. Equip	-
18	340	Office Furniture & Equipment	-
19	340.1	Computers and Software	-
20	341	Transportation Equipment	-
21	343	Tools, Shop And Garage Equip	-
22	345	Power Operated Equip	-
23	346	Communication Equip	-
24	347	Miscellaneous Equip.	-
25	348	Other Tangible Plant	-
26			-
27			-
28		TOTAL	<u>\$ (8,866)</u>
29			
30			
31		<u>SUPPORTING SCHEDULE</u>	
32		Testimony	
33		Work papers	

Line No.	NARUC Account Description	Original Cost	B-2 Adjustments	Adjusted Original Cost	Plant Per Reconstruction	Difference
1	301 Organization	\$ -	\$ -	\$ -	\$ -	\$ -
2	302 Franchise	-	-	-	-	-
3	303 Land	97,637	-	97,637	97,637	-
4	304 Structures & Improvements	468,724	15,609	484,333	484,333	-
5	307 Wells & Springs	1,054,870	20,565	1,075,435	1,075,435	-
6	309 Supply Mains	-	-	-	-	-
7	310 Power Generation Equipment	21,031	1,052	22,083	22,083	-
8	311 Pumping Equip	3,643,592	362,102	4,005,694	4,005,694	-
9	320.2 Water Treatment Equipment	140,253	-	140,253	140,253	-
10	330.1 Distribution Reservoirs and Standpipes - Storage Tank	1,784,320	28,725	1,813,045	1,813,045	-
11	330.2 Distribution Reservoirs and Standpipes - Pressure Tank	71,072	(1,104)	69,968	69,968	-
12	331 Transmission and Distribution Mains	3,803,888	1,274,819	5,078,707	5,078,706	(0)
13	333 Services	6,653,309	179,227	6,832,537	6,832,537	-
14	334 Meters and Meter Installation	1,055,953	59,129	1,115,082	1,115,082	-
15	335 Hydrants	910,266	18,205	928,471	928,471	-
16	336 Backflow Prevention Devices	1,024	68	1,092	1,092	-
17	339 Other Plant and Misc. Equip	-	-	-	-	-
18	340 Office Furniture & Equipment	6,705	447	7,152	7,152	0
19	340.1 Computers and Software	103,358	6,894	110,252	110,252	-
20	341 Transportation Equipment	301,342	46,714	348,056	348,056	-
21	343 Tools, Shop And Garage Equip	150,965	5,832	156,796	156,796	-
22	345 Power Operated Equip	192,800	174,077	366,877	366,877	-
23	346 Communication Equip	109,100	10,910	120,010	120,010	-
24	347 Miscellaneous Equip.	11,738	1,174	12,911	12,911	-
25	348 Other Tangible Plant	-	-	-	-	-
34						
35						
36	TOTALS	\$ 20,581,946	\$ 2,204,446	\$ 22,786,392	\$ 22,786,391	\$ (0)
37						
38						
39	SUPPORTING SCHEDULE					
40	B-2, pages 3.1 through 3.4					
41	B-2, pages 3.6 through 3.10					

Line No.	NARUC Account Description	Per Books Accum. Depr.	A	B	C	Adjusted Accum. Depr.
			4.1	4.2	4.3	
			PTY Plant A/D	Test-Year Proforma Retirements	Adjustments to Reconcile A/D to Reconstruction	
1	301 Organization	-	-	-	-	-
2	302 Franchise	-	-	-	-	-
3	303 Land	-	-	-	-	-
4	304 Structures & Improvements	282,039	260	-	7,351	289,650
5	307 Wells & Springs	296,003	342	-	61,387	357,732
6	309 Supply Mains	-	-	-	-	-
7	310 Power Generation Equipment	2,144	26	-	989	3,160
8	311 Pumping Equip	2,760,944	23,018	(6,185)	(132,835)	2,644,942
9	320.2 Water Treatment Equipment	115,610	-	-	(7,503)	108,106
10	330.1 Distribution Reservoirs and Standpipes - Storage Tank	827,541	319	-	15,264	843,124
11	330.2 Distribution Reservoirs and Standpipes - Pressure Tank	71,920	39	(2,682)	(848)	68,430
12	331 Transmission and Distribution Mains	2,678,250	12,748	-	(1,750)	2,689,248
13	333 Services	2,740,661	2,984	-	140,583	2,884,228
14	334 Meters and Meter Installation	679,034	2,463	-	66,860	748,356
15	335 Hydrants	831,439	182	-	(6,139)	825,482
16	336 Backflow Prevention Devices	176	2	-	63	241
17	339 Other Plant and Misc. Equip	-	-	-	-	-
18	340 Office Furniture & Equipment	905	15	-	421	1,341
19	340.1 Computers and Software	87,978	689	-	7,476	96,144
20	341 Transportation Equipment	298,795	4,671	-	(12,254)	291,213
21	343 Tools, Shop And Garage Equip	101,065	146	-	4,548	105,759
22	345 Power Operated Equip	47,143	4,352	-	(1,754)	49,741
23	346 Communication Equip	46,829	546	-	5,405	52,779
24	347 Miscellaneous Equip.	8,389	59	-	7,590	16,038
33						
34						
35	108 Accumulated Depreciation	-	-	-	-	-
36	SUBTOTAL	11,876,864	52,862	(8,866)	154,854	12,075,714
37						
42						
43	103 Plant Held for Future Use	-	-	-	-	-
44	TOTALS	\$ 11,876,864	\$ 52,862	\$ (8,866)	\$ 154,854	\$ 12,075,714
45						
46	Accumulated Depreciation per Books					\$ 11,876,864
47						
48	Increase (decrease) in Accumulated Depreciation					\$ 198,849
49						
50	Adjustment to Accumulated Depreciation					\$ 198,849
51						
52						
53	SUPPORTING SCHEDULES					
54	B-2, pages 4.1 through 4.5					

Pima Utility Company - Water
 Test Year Ended June 30, 2025
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 2 - A
 Post Test-Year Plant Depreciation

Exhibit
 Schedule B-2
 Page 4.1
 Witness: Barbee

Line No.	NARUC	Account Description	Amount	Depr. Rate	Depreciation (1/2 yr. conv.)
1	301	Organization	\$ -	0.00%	\$ -
2	302	Franchise	-	0.00%	-
3	303	Land	-	0.00%	-
4	304	Structures & Improvements	15,609	3.33%	260
5	307	Wells & Springs	20,565	3.33%	342
6	309	Supply Mains	-	2.00%	-
7	310	Power Generation Equipment	1,052	5.00%	26
8	311	Pumping Equip	368,287	12.50%	23,018
9	320.2	Water Treatment Equipment	-	20.00%	-
10	330.1	Distribution Reservoirs and Standpipes - Stc	28,725	2.22%	319
11	330.2	Distribution Reservoirs and Standpipes - Pre	1,578	5.00%	39
12	331	Transmission and Distribution Mains	1,274,819	2.00%	12,748
13	333	Services	179,227	3.33%	2,984
14	334	Meters and Meter Installation	59,129	8.33%	2,463
15	335	Hydrants	18,205	2.00%	182
16	336	Backflow Prevention Devices	68	6.67%	2
17	339	Other Plant and Misc. Equip	-	6.67%	-
18	340	Office Furniture & Equipment	447	6.67%	15
19	340.1	Computers and Software	6,894	20.00%	689
20	341	Transportation Equipment	46,714	20.00%	4,671
21	343	Tools, Shop And Garage Equip	5,832	5.00%	146
22	345	Power Operated Equip	174,077	5.00%	4,352
23	346	Communication Equip	10,910	10.00%	546
24	347	Miscellaneous Equip.	1,174	10.00%	59
25					
26					
27		TOTAL	<u>\$ 2,213,312</u>		<u>\$ 52,862</u>

28
 29
 30 SUPPORTING SCHEDULE
 31 Testimony
 32 Work papers

Pima Utility Company - Water
 Test Year Ended June 30, 2025
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 2 - B
 Test-Year Proforma Retirements

Exhibit
 Schedule B-2
 Page 4.2
 Witness: Barbee

Line No.	NARUC	Account Description	A/D Amount
1	301	Organization	\$ -
2	302	Franchise	-
3	303	Land	-
4	304	Structures & Improvements	-
5	307	Wells & Springs	-
6	309	Supply Mains	-
7	310	Power Generation Equipment	-
8	311	Pumping Equip	(6,185)
9	320.2	Water Treatment Equipment	-
10	330.1	Distribution Reservoirs and Standpipes - Storage Tank	-
11	330.2	Distribution Reservoirs and Standpipes - Pressure Tank	(2,682)
12	331	Transmission and Distribution Mains	-
13	333	Services	-
14	334	Meters and Meter Installation	-
15	335	Hydrants	-
16	336	Backflow Prevention Devices	-
17	339	Other Plant and Misc. Equip	-
18	340	Office Furniture & Equipment	-
19	340.1	Computers and Software	-
20	341	Transportation Equipment	-
21	343	Tools, Shop And Garage Equip	-
22	345	Power Operated Equip	-
23	346	Communication Equip	-
24	347	Miscellaneous Equip.	-
25	348	Other Tangible Plant	-
26			-
27		TOTAL	\$ (8,866)
28			
29			
30		<u>SUPPORTING SCHEDULE</u>	
31		Testimony	
32		Work papers	

Line No.	NARUC Account Description	A/D Original Cost	B-2 Adjustments	Adjusted A/D Original Cost	A/D Per Reconstruction	Difference
1	301 Organization	\$ -	\$ -	\$ -	\$ -	\$ -
2	302 Franchise	-	-	-	-	-
3	303 Land	-	-	-	-	-
4	304 Structures & Improvements	282,039	260	282,299	289,650	7,351
5	307 Wells & Springs	296,003	342	296,345	357,732	61,387
6	309 Supply Mains	-	-	-	-	-
7	310 Power Generation Equipment	2,144	26	2,171	3,160	989
8	311 Pumping Equip	2,760,944	16,833	2,777,777	2,644,942	(132,835)
9	320.2 Water Treatment Equipment	115,610	-	115,610	108,106	(7,503)
10	330.1 Distribution Reservoirs and Standpipes - Str	827,541	319	827,860	843,124	15,264
11	330.2 Distribution Reservoirs and Standpipes - Pr	71,920	(2,642)	69,278	68,430	(848)
12	331 Transmission and Distribution Mains	2,678,250	12,748	2,690,998	2,689,248	(1,750)
13	333 Services	2,740,661	2,984	2,743,645	2,884,228	140,583
14	334 Meters and Meter Installation	679,034	2,463	681,497	748,356	66,860
15	335 Hydrants	831,439	182	831,621	825,482	(6,139)
16	336 Backflow Prevention Devices	176	2	178	241	63
17	339 Other Plant and Misc. Equip	-	-	-	-	-
18	340 Office Furniture & Equipment	905	15	920	1,341	421
19	340.1 Computers and Software	87,978	689	88,667	96,144	7,476
20	341 Transportation Equipment	298,795	4,671	303,467	291,213	(12,254)
21	343 Tools, Shop And Garage Equip	101,065	146	101,210	105,759	4,548
22	345 Power Operated Equip	47,143	4,352	51,495	49,741	(1,754)
23	346 Communication Equip	46,829	546	47,374	52,779	5,405
24	347 Miscellaneous Equip.	8,389	59	8,447	16,038	7,590
33						
34						
35	108 Accumulated Depreciation	-	-	-	-	-
40	TOTALS	\$ 11,876,864	\$ 43,995	\$ 11,920,860	\$ 12,075,714	\$ 154,854

43 SUPPORTING SCHEDULE
 44 B-2, pages 4.1 through 4.4
 45 B-2, pages 3.6 through 3.10

Pima Utility Company - Water
 Test Year Ended June 30, 2025
 Original Cost Rate Base Proforma Adjustments
 Adjustment 3
 Contributions-in-Aid of Construction (CIAC) and Accumulated Amortization

Exhibit
 Schedule B-2
 Page 5
 Witness: Barbee

Line No.		Gross CIAC	Accumulated Amortization
1	Computed balance at end of Test Year	\$ 963,772	\$ 922,436
2			
3	Book balance at end of Test Year	\$ 963,772	\$ 916,735
4			
5	Increase (decrease)	\$ 0	\$ 5,701
6			
7			
8	Adjustment to CIAC/AA CIAC	\$ 0	\$ (5,701)
9	Label	3a	3b
10			
11			
12			
13			
14			
15	<u>SUPPORTING SCHEDULES</u>		
16	E-1		
17	B-2, page 5.1		

Pima Utility Company - Water

Test Year Ended June 30, 2025

Original Cost Rate Base Proforma Adjustments

Adjustment Number 3 - A

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

Exhibit

Schedule B-2

Page 5.1

Witness: Barbee

Line No.	Decision 76540	2016		2017		2018		2019		2020		2021		2022		2023		2024		TYE June 30, 2025		
		Balance	Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance
1																						
2																						
3																						
4																						
5	CIAC	963,772		963,772		963,772		963,772		963,772		963,772		963,772		963,772		963,772		963,772		963,772
6																						
7																						
8	Amortization Rate		4.48%		4.46%		4.29%		4.36%		4.39%		4.27%		4.33%		4.37%		4.34%		3.99%	
9	Amortization (1/2 year convention)		43,201		43,016		41,372		42,032		42,291		41,201		41,751		42,131		41,830		38,458	
10	Accumulated Amortization	505,152		548,353		591,369		632,741		674,773		717,064		758,266		800,017		842,147		883,978		922,436
11																						
12	Net CIAC	458,620		415,419		372,403		331,031		288,999		246,708		- 205,506		- 163,755		- 121,625		- 79,794		- 41,336

Line No.	Description	Proforma Test Year Amount ¹	Revenue Lag (Lead) Days	Expense Lag (Lead) Days	Net Lag (Lead) Days Col. C - Col. D	Lead/Lag Factor Col. E/365	Cash Working Capital Required Col. B * Col. F
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
7	OPERATING EXPENSES						
8	Salaries and Wages	\$ 550,368	51.36	19.00	32.36	0.088660	\$ 48,796
9	Salaries and Wages - Officers	-	51.36	19.00	32.36	0.088660	-
10	Employee Benefits	142,595	51.36	27.00	24.36	0.066742	9,517
11	Purchased Power	429,708	51.36	23.33	28.03	0.076797	33,000
12	Chemicals	24,783	51.36	24.53	26.83	0.073509	1,822
13	Materials & Supplies	76,168	51.36	25.94	25.42	0.069646	5,305
14	Office Supplies	99,718	51.36	13.64	37.72	0.103345	10,305
15	Contractual Services - Engineering	-	51.36	-	51.36	0.140715	-
16	Contractual Services - Accounting	71,534	51.36	24.00	27.36	0.074961	5,362
17	Contractual Services - Legal	121,445	51.36	6.55	44.81	0.122770	14,910
18	Contractual Services - Management	710,759	51.36	35.00	16.36	0.044825	31,859
19	Contractual Services - Testing	8,010	51.36	33.89	17.47	0.047866	383
20	Contractual Services - Other	115,849	51.36	36.09	15.27	0.041838	4,847
21	Rental of Building/Real Property	-	51.36	-	51.36	0.140715	-
22	Rental of Equipment	1,262	51.36	4.95	46.41	0.127153	161
23	Transportation	42,418	51.36	23.29	28.07	0.076907	3,262
24	Insurance - Vehicle	13,816	51.36	(182.50)	233.86	0.640715	8,852
25	Insurance - General Liability	139,062	51.36	(182.50)	233.86	0.640715	89,099
26	Insurance - Workman's Compensation	-	51.36	-	51.36	0.140715	-
27	Insurance - Other	-	51.36	-	51.36	0.140715	-
28	Advertising Expense	-	51.36	-	51.36	0.140715	-
29	Regulatory Commission Expenses	-	51.36	-	51.36	0.140715	-
30	Miscellaneous	20,099	51.36	36.38	14.98	0.041044	825
31	Customer Deposit Interest	-	51.36	184.00	(132.64)	(0.363395)	-
32							
33							
34	TAXES						
35	General Taxes-Property ¹	133,162	51.36	213.96	(162.60)	(0.445472)	\$ (59,320)
36	General Taxes-Other	80,685	51.36	22.00	29.36	0.080441	6,490
37	Income Tax ¹	252,372	51.36	37.00	14.36	0.039345	9,930
38							
39	Other						
40	Interest Expense	259,712	51.36	16.00	35.36	0.096879	25,161
41							
42	TOTAL	<u>\$ 3,293,524</u>					WORKING CASH REQUIREMENT \$ 250,566
43							
44							TYCASH WORKING CAPITAL -
45							
46							INCREASE(DECREASE) IN CASH WORKING CAPITAL \$ 250,566
47							

¹At proposed rates.

Line No.	NARUC	Account Description	Test Year Book Results	Adjustment	Test Year Adjusted Results	Proposed Rate Increase / (Decrease)	Adjusted with Rate Increase / (Decrease)
1		<u>Revenues</u>					
2	461.1	Residential Revenues	\$ 1,767,279	\$ 3,509	\$ 1,770,788	\$ 2,308,058	\$ 4,078,846
3	461.2	Commercial Revenues	\$ 346,586	-	346,586		346,586
4	465	Irrigation Revenues	\$ 485,787	-	485,787		485,787
5	474	Other Revenues	31,821	10,280	42,101		42,101
6			<u>\$ 2,631,473</u>	<u>\$ 13,789</u>	<u>\$ 2,645,262</u>	<u>\$ 2,308,058</u>	<u>\$ 4,953,319</u>
7		<u>Operating Expenses</u>					
8	601	Salaries and Wages	\$ 550,368	-	\$ 550,368		\$ 550,368
9	603	Salaries and Wages	15,515	(15,515)	-		-
10	604	Employee Benefits	142,595	-	142,595		142,595
11	615	Purchased Power	431,742	(2,034)	429,708		429,708
12	618	Chemicals	24,743	40	24,783		24,783
13	620	Materials and Supplies	76,168	-	76,168		76,168
14	621	Office Supplies	108,373	(8,655)	99,718		99,718
15	631	Contractual Services - Engineering	-	-	-		-
16	632	Contractual Services - Accounting	23,251	48,283	71,534		71,534
17	633	Contractual Services - Legal	2,857	118,587	121,445		121,445
18	634	Contractual Services - Management Fees	-	710,759	710,759		710,759
19	635	Contractual Services - Testing	8,010	-	8,010		8,010
20	636	Contractual Services - Other	211,295	(95,446)	115,849		115,849
21	642	Equipment	1,262	-	1,262		1,262
22	650	Transportation Expense	42,418	-	42,418		42,418
23	656	Insurance Expense - Vehicle	13,816	-	13,816		13,816
24	657	Insurance Expense - Property & Casualty	139,062	-	139,062		139,062
25	658	Insurance - Workman's Compensation	-	-	-		-
26	659	Insurance - Other	-	-	-		-
27	660	Advertising Expenses	-	-	-		-
28	666	Regulatory Commission Expenses - Rate Case	-	-	-		-
29	667	Regulatory Commission Expenses - Other	-	-	-		-
30	668	Water Resource Conservation Expense	-	-	-		-
31	675	Miscellaneous	20,099	-	20,099		20,099
32	403	Depreciation and Amortization	720,631	193,852	914,483		914,483
33	670	Bad Debt Expense	6,536	(1,165)	5,371	4,686	10,057
34	408.11	Property Taxes	102,761	146	102,907	30,255	133,162
35	408.12 & 408.13	Taxes Other than Income	80,685	-	80,685		80,685
36	409 & 410	Income Taxes	93,141	(406,115)	(312,975)	565,347	252,372
37							
38		<u>Total Operating Expenses</u>	<u>\$ 2,815,329</u>	<u>\$ 542,736</u>	<u>\$ 3,358,064</u>	<u>\$ 600,288</u>	<u>\$ 3,958,352</u>
39		<u>Operating Income</u>	<u>\$ (183,856)</u>	<u>\$ (528,947)</u>	<u>\$ (712,803)</u>	<u>\$ 1,707,770</u>	<u>\$ 994,967</u>
40		<u>Other Income (Expense)</u>					
41	414	Gains (Losses) From Disposition of Utility Property	2,000	-	2,000		2,000
42	419	Interest and Dividend Income	2,533	-	2,533		2,533
43	421	Miscellaneous Non-Utility Income	4,769	-	4,769		4,769
44	426	Miscellaneous Non-Utility Expenses	(448)	-	(448)		(448)
45	427	Interest Expense	(933)	(231,682)	(232,615)		(232,615)
46							
47		<u>Total Other Income (Expense)</u>	<u>\$ 7,922</u>	<u>\$ (231,682)</u>	<u>\$ (223,760)</u>	<u>\$ -</u>	<u>\$ (223,760)</u>
48		<u>Net Profit (Loss)</u>	<u>\$ (175,934)</u>	<u>\$ (760,629)</u>	<u>\$ (936,563)</u>	<u>\$ 1,707,770</u>	<u>\$ 771,207</u>

51 SUPPORTING SCHEDULES:

52 C-1, page 2

53 E-2

RECAP SCHEDULES:

A-1

Line No.	NARUC	Account Description	Test Year Book Results	Adjustments									Test Year Adjusted Results	Proposed Rate Increase / (Decrease)	Adjusted with Rate Increase / (Decrease)	
				1	2	3	4	5	6	7	8	9				
				Depreciation	Property Taxes	Revenue Annualization	Shared Services Costs	Bad Debt	Purchased Power	Officer Salaries	Interest Synch.	Income Taxes				
1		Revenues														
2	461.1	Residential Revenues	\$ 1,767,279			3,509							\$ 1,770,788	\$ 2,308,058	\$ 4,078,846	
3	461.2	Commercial Revenues	346,586										346,586		346,586	
4	465	Irrigation Revenues	485,787										485,787		485,787	
5	474	Other Revenues	31,821			10,280							42,101		42,101	
6			\$ 2,631,473	\$ -	\$ -	\$ 13,789	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,645,262	\$ 2,308,058	\$ 4,953,319	
7		Operating Expenses														
8	601	Salaries and Wages	\$ 550,368										\$ 550,368		\$ 550,368	
9	603	Salaries and Wages	15,515							(15,515)			-		-	
10	604	Employee Benefits	142,595										142,595		142,595	
11	615	Purchased Power	431,742			1,377			(3,411)				429,708		429,708	
12	618	Chemicals	24,743			46							24,789		24,789	
13	620	Materials and Supplies	76,168										76,168		76,168	
14	621	Office Supplies	108,373				(8,655)						99,718		99,718	
15	631	Contractual Services - Engineering	-										-		-	
16	632	Contractual Services - Accounting	23,251				48,283						71,534		71,534	
17	633	Contractual Services - Legal	2,857				118,587						121,445		121,445	
18	634	Contractual Services - Management Fees	-				710,759						710,759		710,759	
19	635	Contractual Services - Testing	8,010										8,010		8,010	
20	636	Contractual Services - Other	211,295				(96,446)						115,849		115,849	
21	642	Equipment	1,262										1,262		1,262	
22	650	Transportation Expense	42,418										42,418		42,418	
23	656	Insurance Expense - Vehicle	13,816										13,816		13,816	
24	657	Insurance Expense - Property & Casualty	139,062										139,062		139,062	
25	658	Insurance - Workman's Compensation	-										-		-	
26	659	Insurance - Other	-										-		-	
27	660	Advertising Expenses	-										-		-	
28	666	Regulatory Commission Expenses - Rate Case	-										-		-	
29	667	Regulatory Commission Expenses - Other	-										-		-	
30	668	Water Resource Conservation Expense	-										-		-	
31	675	Miscellaneous	20,099										20,099		20,099	
32	403	Depreciation and Amortization	720,631	193,852									914,483		914,483	
33	670	Bad Debt Expense	6,536					(1,165)					5,371	4,686	10,057	
34	408.11	Property Taxes	102,761		146								102,907	30,285	133,192	
35	408.12 & 408.13	Taxes Other than Income	80,685										80,685		80,685	
36	409 & 410	Income Taxes	93,141									(406,115)	(312,975)	665,347	252,372	
37																
38		Total Operating Expenses	\$ 2,815,329	\$ 193,852	\$ 146	\$ 1,417	\$ 773,527	\$ (1,165)	\$ (3,411)	\$ (15,515)	\$ -	\$ (406,115)	\$ 3,358,064	\$ 600,298	\$ 3,958,352	
39		Operating Income	\$ (183,856)	\$ (193,852)	\$ (146)	\$ 12,372	\$ (773,527)	\$ 1,165	\$ 3,411	\$ 15,515	\$ -	\$ 406,115	\$ (712,803)	\$ 1,707,770	\$ 994,967	
40		Other Income (Expense)														
41	414	Gains (Losses) From Disposition of Utility Property	2,000										2,000		2,000	
42	419	Interest and Dividend Income	2,533										2,533		2,533	
43	421	Miscellaneous Non-Utility Income	4,789										4,789		4,789	
44	426	Miscellaneous Non-Utility Expenses	(448)										(448)		(448)	
45	427	Interest Expense	(933)								(231,682)		(232,615)		(232,615)	
46																
47		Total Other Income (Expense)	\$ 7,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (231,682)	\$ -	\$ (223,760)	\$ -	\$ (223,760)	
48		Net Profit (Loss)	\$ (175,934)	\$ (193,852)	\$ (146)	\$ 12,372	\$ (773,527)	\$ 1,165	\$ 3,411	\$ 15,515	\$ (231,682)	\$ 406,115	\$ (936,563)	\$ 1,707,770	\$ 771,207	
49																
50		SUPPORTING SCHEDULES:														
51		C-2														
52		E-2														

Line No.	NARUC	Account Description	Adjusted Original Cost	Non-Depr. or Fully Depr. Plant	Depr Original Cost	Proposed Rates	Depreciation Expense
1	301	Organization	\$ -	\$ -	\$ -	0.00%	\$ -
2	302	Franchise	-	-	-	0.00%	-
3	303	Land	97,637	(97,637)	-	0.00%	-
4	304	Structures & Improvements	484,333	-	484,333	3.33%	16,128
5	307	Wells & Springs	1,075,435	-	1,075,435	3.33%	35,812
6	309	Supply Mains	-	-	-	2.00%	-
7	310	Power Generation Equipment	22,083	-	22,083	5.00%	1,104
8	311	Pumping Equip	4,005,694	(1,609,423)	2,396,270	12.50%	299,534
9	320.2	Water Treatment Equipment	140,253	(76,194)	64,059	20.00%	12,812
10	330.1	Distribution Reservoirs and Standpipes - Storage	1,813,045	-	1,813,045	2.22%	40,250
11	330.2	Distribution Reservoirs and Standpipes - Pressure	69,968	(68,390)	1,578	5.00%	79
12	331	Transmission and Distribution Mains	5,078,706	-	5,078,706	2.00%	101,574
13	333	Services	6,832,537	-	6,832,537	3.33%	227,523
14	334	Meters and Meter Installation	1,115,082	-	1,115,082	8.33%	92,886
15	335	Hydrants	928,471	-	928,471	2.00%	18,569
16	336	Backflow Prevention Devices	1,092	-	1,092	6.67%	73
17	339	Other Plant and Misc. Equip	-	-	-	6.67%	-
18	340	Office Furniture & Equipment	7,152	-	7,152	6.67%	477
19	340.1	Computers and Software	110,252	(24,322)	85,930	20.00%	17,186
20	341	Transportation Equipment	348,056	(274,597)	73,459	20.00%	14,692
21	343	Tools, Shop And Garage Equip	156,796	-	156,796	5.00%	7,840
22	345	Power Operated Equip	366,877	-	366,877	5.00%	18,344
23	346	Communication Equip	120,010	(30,831)	89,179	10.00%	8,918
24	347	Miscellaneous Equip.	12,911	(6,092)	6,820	10.00%	682
25	348	Other Tangible Plant	-	-	-	10.00%	-
26							
27							
28		TOTALS	\$ 22,786,391	\$ (2,187,486)	\$ 20,598,905		\$ 914,483
29							
30							
31							
32							
33							
34							
35		Less: Contributions-in-Aid of Construction Amortization	\$ 963,772	\$ (963,772)	\$ -	4.4395%	\$ -
36							
37			\$ 963,772	\$ (963,772)	\$ -		
38		Total Depreciation Expense					\$ 914,483
39							
40		Adjusted Test Year Depreciation Expense					\$ 720,631
41							
42		Increase / (Decrease) in Depreciation Expense					\$ 193,852
43							
44		Adjustment to Revenues and/or Expenses					\$ 193,852
45							
46							
47		<u>SUPPORTING SCHEDULE</u>					
48		B-2, page 3					

Line No.	Description	Test Year as adjusted	Company Recommended
1	Company Adjusted Test Year Revenues	\$ 2,645,262	\$ 2,645,262
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	5,290,523	5,290,523
4	Company Recommended Revenue	2,645,262	4,953,319
5	Subtotal (Line 4 + Line 5)	7,935,785	10,243,843
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	2,645,262	3,414,614
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	5,290,523	6,829,228
10	Plus: 10% of CWIP (intentionally excluded)	-	-
11	Less: Net Book Value of Licensed Vehicles	56,843	56,843
12	Full Cash Value (Line 9 + Line 10 - Line 11)	5,233,680	6,772,385
13	Assessment Ratio	15.5%	15.5%
14	Assessment Value (Line 12 * Line 13)	811,220	1,049,720
15	Composite Property Tax Rate - Obtained from ADOR	12.6855%	12.6855%
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$ 102,907	\$ 133,162
17	Tax on Parcels	-	-
18	Total Property Taxes (Line 16 + Line 17)	\$ 102,907	
19	Test Year Property Taxes	\$ 102,761	
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	\$ 146	
21			
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)		\$ 133,162
23	Company Test Year Adjusted Property Tax Expense (Line 18)		\$ 102,907
24	Increase / (Decrease) in Property Tax Due to Increase / (Decrease) in Revenue Requirement		\$ 30,255
25			
26	Increase / (Decrease) in Property Tax Due to Increase / (Decrease) in Revenue Requirement (Line 24)		\$ 30,255
27	Increase / (Decrease) in Revenue Requirement		\$ 2,308,058
28	Increase / (Decrease) in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27)		1.31084%

Line No.	Description	Amount
1	Revenue Annualization	\$ 3,509
2	Unbilled Revenues	
3	Total Revenue from Annualization	<u>\$ 3,509</u>
4		
5	Misc Charges	\$ 10,280
6	Total Increase in Other Revenues	\$ 10,280
7		
8		
9	<u>Purchased Power Annualization</u>	
10		
11	Test Year Purchased Power Expense	\$ 225,337
12	Gallons Sold (in 1,000's)	387,252
13	Cost per 1,0000 gallons	0.5819
14		
15	Annualized Gallons (in 1,000's)	2,366
16		
17	Increase (decrease) in Purchased Power Expense	<u>\$ 1,377</u>
18		
19	<u>Chemicals Expense Annualization</u>	
20		
21	Test Year Chemicals Expense	\$ 6,562
22	Gallons Sold (in 1,000's)	387,252
23	Cost per 1,0000 gallons	0.0169
24		
25	Annualized Gallons (in 1,000's)	2,366
26		
27	Increase (decrease) in Chemicals Expense	<u>\$ 40</u>
28		
29		
30	Adjustment to Revenue and/or Expense	<u>\$ 12,372</u>
31		
32	<u>SUPPORTING SCHEDULES</u>	
33	Work Papers	
34	H-1	
35	Testimony	

Pima Utility Company - Water
Test Year Ended June 30, 2025
Adjustment to Revenues & Expenses
Adjustment Number 4
Shared Services Costs

Exhibit
Schedule C-2
Page 5
Witness: Barbee

Line	No.	Description	NARUC	Amount
	1	Office Supplies	621	(8,655)
	2	Contractual Services - Accounting	632	48,283
	3	Contractual Services - Legal	633	118,587
	4	Contractual Services - Management Fees	634	710,759
	5	Contractual Services - Other	636	(95,446)
	6	Total Shared Costs Adjustment		<u>773,527</u>
	7			
	8			
	9			
	10			
	11			
	12			
	13	<u>SUPPORTING SCHEDULES</u>		
	14	JWW Shared Cost Adjustment		

Pima Utility Company - Water
 Test Year Ended June 30, 2025
 Adjustment to Revenues & Expenses
 Adjustment Number 5
 Bad Debt Expense

Exhibit
 Schedule C-2
 Page 6
 Witness: Barbee

		<u>Bad Debt Expense</u>			
<u>Line No.</u>		<u>Revenues</u>	<u>Bad Debt Expense</u>	<u>Rate</u>	<u>Proposed Rate</u>
1	Bad Debt Rate June 2023	\$ 2,446,629	\$ 4,766	0.195%	
2	Bad Debt Rate June 2024	\$ 2,632,111	\$ 4,368	0.166%	
3	Bad Debt Rate TYE	\$ 2,631,473	\$ 6,536	0.248%	
4	Average of three year's of bad debt expense rate			0.203%	0.203%
5				<u>Adjusted TY</u>	<u>Proposed</u>
6	Revenues			\$ 2,645,262	\$ 4,953,319
7	Computed Bad Debt Expense			\$ 5,371	\$ 10,057
8	Change in Bad Debt Expense			\$ (1,165)	
9	Increase in Bad Debt due to Increase in Revenue Requirement				\$ 4,686
10	Increase in Revenue Requirement				\$ 2,308,058
11	Increase in Bad Debt Expense Per Dollar Increase in Revenue				0.20304%
12	<u>Reference</u>				
13	Testimony				
14	Work papers				

Pima Utility Company - Water
Test Year Ended June 30, 2025
Adjustment to Revenues & Expenses
Adjustment Number 6
Purchased Power

Exhibit
Schedule C-2
Page 7
Witness: Barbee

Line No.	Description	NARUC	Normalizing Adjustment
1	Purchased Power	615	(3,411)
2	Total Adjustment		(3,411)

Pima Utility Company - Water
Test Year Ended June 30, 2025
Adjustment to Revenues & Expenses
Adjustment Number 6
Salaries and Wages

Exhibit
Schedule C-2
Page 8
Witness: Barbee

Line No.	Description	NARUC	Normalizing Adjustment
1	Salaries and Wages - Officers	603	<u>(15,515)</u>
2	Total Adjustment		<u><u>(15,515)</u></u>

Pima Utility Company - Water
 Test Year Ended June 30, 2025
 Adjustment to Revenues and Expenses
 Adjustment Number 8
 Interest Synchronization

Exhibit
 Schedule C-2
 Page 9
 Witness: Barbee

Line No.	Description	Amount
1	Fair Value Rate Base	\$ 10,859,714
2	Weighted Cost of Debt	2.14%
3	Interest Expense	\$ 232,615
4		
5	Test Year Interest Expense	<u>\$ 933</u>
6		
7	Increase / (Decrease) in Interest Expense	231,682
8		
9		
10		
11	Adjustment to Revenue and/or Expense	<u>\$ (231,682)</u>
12		
13		
14	<u>Weighted Cost of Debt Computation</u>	
15	<u>Pro forma Capital Structure</u>	
16		Weighted
17		<u>Cost</u>
17	Debt	35.00% 6.12% 2.14%
18	Equity	65.00% 10.80% <u>7.02%</u>
19	Total	100.00% 9.16%

Pima Utility Company - Water
Test Year Ended June 30, 2025
Adjustment to Revenues and/or Expenses
Adjustment Number 9
Income Taxes

Exhibit
Schedule C-2
Page 10
Witness: Barbee

<u>Line No.</u>		<u>Test Year at Present Rates</u>	<u>Test Year at Proposed Rates</u>
1	Computed Income Tax	\$ (312,975)	\$ 252,372
2	Test Year Income tax Expense	93,141	(312,975)
3	Adjustment to Income Tax Expense	<u>\$ (406,115)</u>	<u>\$ 565,347</u>
4			
5			
6			
7			
8			
9			
10	<u>SUPPORTING SCHEDULE</u>		
11	C-3, page 2		

Line No.	Description	Percentage of Incremental Gross Gross Revenues
1	Federal Effective Income Tax Rate	19.9710%
2		
3	State Effective Income Tax Rate	4.9000%
4		
5	Uncollectible Rate	0.1525%
6		
7	Property Taxes	0.9848%
8		
9		
10	Total Tax Percentage	26.008%
11		
12	Operating Income % = 100% - Tax Percentage	73.992%
13		
14		
15		
16		
17	1	
18	Operating Income %	
19		
20		
21	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
22	C-3, page 2	A-1

Line No.	Description	(A)	(B)	(C)	(D)	(E)	(F)
<u>Calculation of Gross Revenue Conversion Factor:</u>							
1	Revenue	100.0000%					
2	Uncollectible Factor (Line 11)	0.1525%					
3	Revenues (L1 - L2)	99.8475%					
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	25.8558%					
5	Subtotal (L3 - L4)	73.9916%					
6	Revenue Conversion Factor (L1 / L5)	1.351504					
<u>Calculation of Uncollectible Factor:</u>							
7	Unity	100.0000%					
8	Combined Federal and State Tax Rate (L17)	24.8710%					
9	One Minus Combined Income Tax Rate (L7 - L8)	75.1290%					
10	Uncollectible Rate	0.2030%					
11	Uncollectible Factor (L9 * L10)		0.1525%				
<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 (L55, Col E)	21.0000%					
16	Effective Federal Income Tax Rate (L14 x L15)	19.9710%					
17	Combined Federal and State Income Tax Rate (L13 +L16)		24.8710%				
<u>Calculation of Effective Property Tax Factor</u>							
18	Unity	100.0000%					
19	Combined Federal and State Income Tax Rate (L17)	24.8710%					
20	One Minus Combined Income Tax Rate (L18-L19)	75.1290%					
21	Property Tax Factor	1.3108%					
22	Effective Property Tax Factor (L20*L21)		0.9848%				
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			25.8558%			
24	Required Operating Income	\$ 994,967					
25	Adjusted Test Year Operating Income (Loss)	\$ (712,803)					
26	Required Increase / (Decrease) in Operating Income (L24 - L25)		\$ 1,707,770				
27	Income Taxes on Recommended Revenue (Col. (E), L52)	\$ 252,372					
28	Income Taxes on Test Year Revenue (Col. (B), L54)	\$ (312,975)					
29	Required Increase / (Decrease) in Revenue to Provide for Income Taxes (L27 - L28)		\$ 565,347				
30	Recommended Revenue Requirement	\$ 4,953,319					
31	Uncollectible Rate	0.2030%					
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$ 10,057					
33	Adjusted Test Year Uncollectible Expense	\$ 5,371					
34	Required Increase / (Decrease) in Revenue to Provide for Uncollectible Exp.		\$ 4,686				
35	Property Tax with Recommended Revenue	\$ 133,162					

36	Property Tax on Test Year Revenue	\$ 102,907	
37	Increase in Property Tax Due to Increase / (Decrease) in Revenue (L35-L36)	\$ 30,255	
38	Total Required Increase / (Decrease) in Revenue (L26 + L29 + L37)	\$ 2,308,058	

	(A)	(B)	(C)	(D)	(E)	(F)
	Test Year			Company Recommended		
	Total	Water		Total	Water	
39 <u>Calculation of Income Tax:</u>						
39 Revenue	\$ 2,645,262	\$ 2,645,262		\$ 4,953,319	\$ 4,953,319	
40 Operating Expenses Excluding Income Taxes	\$ 3,671,039	\$ 3,671,039		\$ 3,705,980	\$ 3,705,980	
41 Synchronized Interest (L47)	\$ 232,615	\$ 232,615		\$ 232,615	\$ 232,615	
42 Arizona Taxable Income (L39 - L40 - L41)	\$ (1,258,393)	\$ (1,258,393)		\$ 1,014,724	\$ 1,014,724	
43 Arizona State Effective Income Tax Rate	4.9000%	4.9000%		4.9000%	4.9000%	
44 Arizona Income Tax (L42 x L43)	\$ (61,661)	\$ (61,661)		\$ 49,721	\$ 49,721	
45 Federal Taxable Income (L42- L44)	\$ (1,196,732)	\$ (1,196,732)		\$ 965,002	\$ 965,002	
46						
47 Federal Taxes at 21%	\$ (251,314)	\$ (251,314)		\$ 202,651	\$ 202,651	
48						
49						
50						
51						
52						
53 Total Federal Income Tax	\$ (251,314)	\$ (251,314)		\$ 202,651	\$ 202,651	
54 Combined Federal and State Income Tax (L35 + L42)	\$ (312,975)	\$ (312,975)		\$ 252,372	\$ 252,372	
55 <u>COMBINED</u> Applicable Federal Income Tax Rate [Col. [D], L53 - Col. [A], L53 / [Col. [D], L45 - Col. [A], L45]				21.0000%		
56 <u>WATER</u> Applicable Federal Income Tax Rate [Col. [E], L53 - Col. [B], L53] / [Col. [E], L45 - Col. [B], L45]					21.0000%	
57						0.0000%

58 Calculation of Interest Synchronization:
 58 Rate Base
 59 Weighted Average Cost of Debt
 60 Synchronized Interest (L45 X L46)

	Water	
58 Rate Base	\$ 10,859,714	
59 Weighted Average Cost of Debt	2.1420%	
60 Synchronized Interest (L45 X L46)	\$ 232,615	

Line No.	Description	Amount
1	Estimate of Total Rate Case Expense	\$ 62,500
2	Amortization Period (Years)	3
3	Annual Amount	\$ 20,833
4	Number of Customers	10,255
5	Annual Surcharge per Customer	\$ 2.03
6	Monthly Surcharge per Customer	\$ 0.17

Pima Utility Company - Water
 Test Year Ended June 30, 2025
 Summary of Cost of Capital

Exhibit
 Schedule D-1
 Page 1
 Witness: Bourassa

Line No.	Item of Capital	<u>Adjusted End of Test Year</u>				<u>Projected Capital Structure</u>			
		<u>Dollar Amount</u>	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>	<u>Dollar Amount</u>	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
1	Long-Term Debt	-	0.00%	0.00%	0.00%	-	35.00%	6.12%	2.14%
2									
3	Stockholder's Equity	<u>5,354,226</u>	<u>100.00%</u>	10.00%	<u>10.00%</u>	<u>5,354,226</u>	<u>65.00%</u>	10.80%	<u>7.02%</u>
4									
5	Totals	<u><u>5,354,226</u></u>	<u><u>100.00%</u></u>		<u><u>10.00%</u></u>	<u><u>5,354,226</u></u>	<u><u>100.00%</u></u>		<u><u>9.16%</u></u>

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22 SUPPORTING SCHEDULES:
 23 D-1
 24 D-2
 25 D-3
 26 D-4
 27 E-1
 28 Testimony

RECAP SCHEDULES:
 A-3

Line No.	Test Year Ended 6/30/2025	Year Ended 6/30/2024	Year Ended 6/30/2023
1	ASSETS		
2	\$ 20,581,946	\$ 20,299,674	\$ 20,301,387
3	-	-	-
4	1,606,012	1,578,922	1,624,823
5	-	-	-
6	(11,876,864)	(11,221,929)	(10,906,983)
7	<u>\$ 10,311,093</u>	<u>\$ 10,656,667</u>	<u>\$ 11,019,227</u>
8			
9	CURRENT ASSETS		
10	\$ 479,588	\$ 404,959	\$ 876,548
11	-	-	-
12	283,046	286,637	282,333
13	(5,628,731)	(884,916)	(1,473,127)
14	-	25,055	-
15	-	-	-
16	-	-	-
17	(54,905)	69,267	71,741
18	-	-	-
19	-	-	-
20	<u>\$ (4,921,002)</u>	<u>\$ (98,999)</u>	<u>\$ (242,505)</u>
21			
22	OTHER ASSETS		
23	\$ -	\$ -	\$ -
24	-	-	-
25	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
26			
27	<u>\$ 5,390,092</u>	<u>\$ 10,557,668</u>	<u>\$ 10,776,723</u>
28			
29			
30	LIABILITIES AND STOCKHOLDER EQUITY		
31			
32	\$ 5,354,226	\$ 10,125,160	\$ 10,293,720
33			
34	\$ -	\$ -	\$ -
35			
36	CURRENT LIABILITIES		
37	\$ 139,692	\$ 98,561	\$ 135,976
38	-	-	-
39	0	-	-
40	(350,400)	2,768	173
41	5,289	4,623	5,877
42	-	-	-
43	78,578	78,591	83,118
44	-	-	-
45	115,670	160,544	132,605
46	<u>\$ (11,171)</u>	<u>\$ 345,087</u>	<u>\$ 357,749</u>
47			
48	DEFERRED CREDITS		
49	\$ -	\$ -	\$ -
50	-	-	-
51	-	-	-
52	-	-	-
53	-	-	-
54	-	-	-
55	-	-	-
56	-	-	-
57	963,772	963,772	963,772
58	(916,735)	(876,351)	(838,518)
59	-	-	-
60	-	-	-
61	<u>\$ 47,036</u>	<u>\$ 87,421</u>	<u>\$ 125,253</u>
62			
63	<u>\$ 5,390,092</u>	<u>\$ 10,557,668</u>	<u>\$ 10,776,723</u>
64			
65	\$ -	\$ -	\$ -
66	TB WP		
67	SUPPORTING SCHEDULES:		
68	Work papers		

Line No.		Test Year Ended 6/30/2025	Prior Year Ended 6/30/2024	Prior Year Ended 6/30/2023
1	Revenues			
2	Residential Revenues	\$ 1,767,279	\$ 1,763,140	\$ 1,688,635
3	Commercial Revenues	346,586	348,183	325,850
4	Irrigation Revenues	485,787	491,427	401,686
5	Other Revenues	31,821	29,361	30,458
6	Total Revenues	\$ 2,631,473	\$ 2,632,111	\$ 2,446,629
7	Operating Expenses			
8	Salaries and Wages	\$ 550,368	\$ 626,304	\$ 584,527
9	Salaries and Wages	15,515	43,006	42,891
10	Employee Benefits	142,595	85,745	90,864
11	Purchased Power	431,742	473,049	466,256
12	Chemicals	24,743	23,668	17,488
13	Materials and Supplies	76,168	80,772	61,057
14	Office Supplies	108,373	102,294	99,805
15	Contractual Services - Engineering	-	5,364	603
16	Contractual Services - Accounting	23,251	5,700	5,663
17	Contractual Services - Legal	2,857	-	3,819
18	Contractual Services - Management Fees	-	-	-
19	Contractual Services - Testing	8,010	11,280	18,754
20	Contractual Services - Other	211,295	86,004	86,587
21	Equipment	1,262	980	5,312
22	Transportation Expense	42,418	52,262	32,767
23	Insurance Expense - Vehicle	13,816	22,440	42,610
24	Insurance Expense - Property & Casualty	139,062	98,342	90,848
25	Insurance - Workman's Compensation	-	-	-
26	Insurance - Other	-	-	-
27	Advertising Expenses	-	-	-
28	Regulatory Commission Expenses - Rate Case	-	0.24	2,281
29	Regulatory Commission Expenses - Other	-	-	-
30	Water Resource Conservation Expense	-	-	-
31	Miscellaneous	20,099	23,283	20,988
32	Depreciation and Amortization	720,631	756,384	892,639
33	Bad Debt Expense	6,536	4,368	4,766
34	Property Taxes	102,761	110,461	112,727
35	Taxes Other than Income	80,685	64,772	66,359
36	Income Taxes	93,141	-	-
37				
38	Total Operating Expenses	\$ 2,815,329	\$ 2,676,478	\$ 2,749,610
39	Operating Income	\$ (183,856)	\$ (44,367)	\$ (302,980)
40	Other Income (Expense)			
41	Gains (Losses) From Disposition of Utility Property	2,000	-	-
42	Interest and Dividend Income	2,533	(3,171)	9,632
43	Miscellaneous Non-Utility Income	4,769	1,772	1,708
44	Miscellaneous Non-Utility Expenses	(448)	(885)	(750)
45	Interest Expense	(933)	(12,909)	(14,539)
46				
47	Total Other Income (Expense)	\$ 7,922	\$ (15,193)	\$ (3,950)
48	Net Profit (Loss)	\$ (175,934)	\$ (59,561)	\$ (306,930)
49				
50				
51				
52	<u>SUPPORTING SCHEDULES:</u>		<u>RECAP SCHEDULES:</u>	
53	Work papers		A-2	

Line No.	Acct. No.	Plant Description	Plant Balance at 6/30/2024	Plant Additions, Reclassifications or Retirements	Plant Balance at 6/30/2025
1					
2	106	Plant Not Classified	\$ -	\$ -	\$ -
3	301	Organization	-	-	-
4	302	Franchise	-	-	-
5	303	Land	97,637	-	97,637
6	304	Structures & Improvements	468,724	-	468,724
7	307	Wells & Springs	1,040,777	14,093	1,054,870
8	309	Supply Mains	-	-	-
9	310	Power Generation Equipment	21,031	-	21,031
10	311	Pumping Equip	3,570,434	73,158	3,643,592
11	320.2	Water Treatment Equipment	120,231	20,022	140,253
12	330.1	Distribution Reservoirs and Standpipes - Storage Tank	1,773,670	10,650	1,784,320
13	330.2	Distribution Reservoirs and Standpipes - Pressure Tank	71,072	-	71,072
14	331	Transmission and Distribution Mains	3,802,653	1,234	3,803,888
15	333	Services	6,538,272	115,037	6,653,309
16	334	Meters and Meter Installation	1,034,487	21,465	1,055,953
17	335	Hydrants	910,266	-	910,266
18	336	Backflow Prevention Devices	1,024	-	1,024
19	339	Other Plant and Misc. Equip	-	-	-
20	340	Office Furniture & Equipment	6,705	-	6,705
21	340.1	Computers and Software	103,358	-	103,358
22	341	Transportation Equipment	290,047	11,295	301,342
23	343	Tools, Shop And Garage Equip	147,512	3,453	150,965
24	345	Power Operated Equip	192,264	536	192,800
25	346	Communication Equip	98,737	10,363	109,100
26	347	Miscellaneous Equip.	10,773	964	11,738
27	348	Other Tangible Plant	-	-	-
28					
29					
30					
31		TOTAL WATER PLANT	\$ 20,299,674	\$ 282,271	\$ 20,581,946
32					
33		SUPPORTING SCHEDULES		RECAP SCHEDULES:	
34		Work papers		A-4	
				E-1	

Line No.		Test Year Ended <u>6/30/2025</u>	Prior Year Ended <u>6/30/2024</u>	Prior Year Ended <u>6/30/2023</u>
1	<u>WATER STATISTICS:</u>			
2				
3				
4				
5	Total Gallons Sold (in Thousands)	1,848,109	1,862,695	1,614,724
6				
7				
8				
9	Water Revenues from Customers:	\$ 2,631,473	\$ 2,632,111	\$ 2,446,629
10				
11				
12				
13				
14	Year End Number of Customers	10,255	10,249	10,244
15				
16				
17	Annual Gallons (in Thousands)			
18	Sold Per Year End Customer	180	182	158
19				
20				
21				
22	Annual Revenue per Year End Customer	\$ 256.60	\$ 256.82	\$ 238.84
23				
24	Pumping Cost Per 1,000 Gallons	\$ 0.2336	\$ 0.2540	\$ 0.2888
25	Purchased Water Cost per 1,000 Gallons	\$ -	\$ -	\$ -

Line No.	Description	Test Year Ended 6/30/2025	Prior Year Ended 6/30/2024	Prior Year Ended 6/30/2023
1				
2				
3	State Income Taxes	\$ -	\$ -	\$ -
4	Federal Income Taxes	93,141	-	-
5	Payroll Taxes	40,214	47,564	44,587
6	Property Taxes	102,761	110,461	112,727
7				
8	Totals	<u>\$ 236,115</u>	<u>\$ 158,024</u>	<u>\$ 157,314</u>

Line
No.

1

2

3

4 The Company does not conduct independent audits, reviews and/or compilations. Accordingly, there are no
5 notes which are typically associated with these financial statements. Management makes the following
6 notations to the financial statements contained herein:

7

8 Significant Accounting Policies - The Company prepares its financial statements in accordance with
9 accounting principles generally accepted in the United States of America and the accounting records of the are
10 are maintained in accordance with the uniform system of accounts as prescribed by the National Association
11 of Regulatory Utility Commissioners (USOA 1996). Significant accounting policies are as follows:

12

13 Utility Plant - Property, plant and equipment is stated at cost less accumulated depreciation provided on a
14 straight-line basis.

15

16 Depreciation rates for asset classes of utility property, plant and equipment are established by the
17 Commission. The cost of additions, including betterments and replacements of units of utility fixed assets are
18 charged to utility property, plant and equipment. When units of utility property are replaced, renewed or
19 retired, their cost plus removal or disposal costs, less salvage proceeds, is charged to accumulated
20 depreciation.

21

22 Revenue Recognition - Revenues are recognized on the accrual method. Under this method, revenue is
23 recognized when earned rather than when collected, and expenses are recognized when incurred rather than
24 when paid.

25

26 Contributions in Aid of Construction - Contributions in aid of construction (CIAC) are nonrefundable contributions
27 by developers and customers for plant expansion. In addition, this amount includes the remaining balance, if any,
28 of advances in aid of construction at the end of the repayment period. The contributions in aid of construction are
29 being amortized at a rate equal to the rate allowed for depreciation, as a reduction of depreciation expense

30

31 Advances in Aid of Construction - Customer advances for construction are subject to refund in accordance with
32 agreements approved by the Arizona Corporation Commission. Agreements provide for refunds which are typically
33 equal to 10 percent of annual water revenue generated from the expansion. The repayments are for a maximum
34 agreed upon period or until repaid in full. Any balance remaining at the end of the agreed-upon period for repayment
35 becomes a contribution in aid of construction.

Line No.		Test Year Actual Results	At Present Rates Year Ended 6/30/2026	At Proposed Rates Year Ended 6/30/2026
1	Revenues			
2	Residential Revenues	\$ 1,767,279	\$ 1,770,788	\$ 4,078,846
3	Commercial Revenues	346,586	346,586	346,586
4	Irrigation Revenues	485,787	485,787	485,787
5	Other Revenues	31,821	42,101	42,101
6		<u>\$ 2,631,473</u>	<u>\$ 2,645,262</u>	<u>\$ 4,953,319</u>
7	Operating Expenses			
8	Salaries and Wages	\$ 550,368	\$ 550,368	\$ 550,368
9	Salaries and Wages	15,515	-	-
10	Employee Benefits	142,595	142,595	142,595
11	Purchased Power	431,742	429,708	429,708
12	Chemicals	24,743	24,783	24,783
13	Materials and Supplies	76,168	76,168	76,168
14	Office Supplies	108,373	99,718	99,718
15	Contractual Services - Accounting	23,251	71,534	71,534
16	Contractual Services - Legal	2,857	121,445	121,445
17	Contractual Services - Management Fees	-	710,759	710,759
18	Contractual Services - Testing	8,010	8,010	8,010
19	Contractual Services - Other	211,295	115,849	115,849
20	Equipment	1,262	1,262	1,262
21	Transportation Expense	42,418	42,418	42,418
22	Insurance Expense - Vehicle	13,816	13,816	13,816
23	Insurance Expense - Property & Casualty	139,062	139,062	139,062
24	Insurance - Workman's Compensation	-	-	-
25	Insurance - Other	-	-	-
26	Advertising Expenses	-	-	-
27	Regulatory Commission Expenses - Rate Case	-	-	-
28	Regulatory Commission Expenses - Other	-	-	-
29	Water Resource Conservation Expense	-	-	-
30	Miscellaneous	20,099	20,099	20,099
31	Depreciation and Amortization	720,631	914,483	914,483
32	Bad Debt Expense	6,536	5,371	10,057
33	Property Taxes	102,761	102,907	133,162
34	Taxes Other than Income	80,685	80,685	80,685
35				
36	Income Taxes	93,141	(312,975)	252,372
37	Total Operating Expenses	<u>\$ 2,815,329</u>	<u>\$ 3,358,064</u>	<u>\$ 3,958,352</u>
38	Operating Income	<u>\$ (183,856)</u>	<u>\$ (712,803)</u>	<u>\$ 994,967</u>
39	Other Income (Expense)			
40	Gains (Losses) From Disposition of Utility Property	2,000	2,000	2,000
41	Interest and Dividend Income	2,533	2,533	2,533
42	Miscellaneous Non-Utility Income	4,769	4,769	4,769
43	Miscellaneous Non-Utility Expenses	(448)	(448)	(448)
44	Interest Expense	(933)	(232,615)	(232,615)
45				
46	Total Other Income (Expense)	<u>\$ 7,922</u>	<u>\$ (223,760)</u>	<u>\$ (223,760)</u>
47	Net Profit (Loss)	<u>\$ (175,934)</u>	<u>\$ (936,563)</u>	<u>\$ 771,207</u>
48		-	-	-
49				
50	<u>SUPPORTING SCHEDULES:</u>			
51	C-1			

Line

No.

1

Account

2

Number

Plant Asset:

Test Year

2026

3

301

Organization

\$

-

\$

-

4

302

Franchise

-

-

5

303

Land

-

-

6

304

Structures & Improvements

-

15,609

7

307

Wells & Springs

14,093

2,012,565

8

309

Supply Mains

-

-

9

310

Power Generation Equipment

-

1,052

10

311

Pumping Equip

73,158

368,287

11

320.2

Water Treatment Equipment

20,022

-

12

330.1

Distribution Reservoirs and Standpipes - Storage

10,650

28,725

13

330.2

Distribution Reservoirs and Standpipes - Pressure

-

1,578

14

331

Transmission and Distribution Mains

1,234

1,274,819

15

333

Services

115,037

179,227

16

334

Meters and Meter Installation

21,465

59,129

17

335

Hydrants

-

18,205

18

336

Backflow Prevention Devices

-

68

19

339

Other Plant and Misc. Equip

-

-

20

340

Office Furniture & Equipment

-

447

21

340.1

Computers and Software

-

6,894

22

341

Transportation Equipment

11,295

46,714

23

343

Tools, Shop And Garage Equip

3,453

5,832

24

345

Power Operated Equip

536

174,077

25

346

Communication Equip

10,363

10,910

26

347

Miscellaneous Equip.

964

1,174

27

348

Other Tangible Plant

-

-

37

38

39

Total

\$ 282,271 \$ 4,205,312

Line

No.

- 1 Property Taxes were computed using the method used by the Arizona Department
- 2 of Revenue modified for ratemaking.
- 3
- 4 Projected construction expenditures are shown on Schedule A-4.
- 5
- 6 Expense adjustments are shown on Schedule C2, and are explained in the testimony.
- 7
- 8 Income taxes were computed using statutory state and federal income tax rates.

Pima Water Company
Test Year Ended 06/30/2025
Cost of Service Summary
At Present Rates

LINE NO.	DESCRIPTION	Total Company	Jurisdictional Total	Residential	Commercial	Golf Course/Lake	Standpipe/Construction
1	<u>RATE BASE (a)</u>						
2	Gross Plant in Service	\$ 22,786,391	\$ 22,786,391	\$ 16,337,086	\$ 1,729,642	\$ 4,698,021	\$ 21,642
3	Accumulated Depreciation	12,075,714	12,075,714	8,551,851	937,451	2,574,996	11,416
4	Net Plant	\$ 10,710,677	\$ 10,710,677	\$ 7,785,235	\$ 792,191	\$ 2,123,026	\$ 10,226
5	Construction Work in Progress	-	-	-	-	-	-
6	Working Capital Assets & Other Assets	190,372	190,372	138,375	14,080	37,735	182
7	Contributions & Advances in Aid of Construction	(41,336)	(41,336)	(30,046)	(3,057)	(8,193)	(39)
8	TOTAL RATE BASE [A]	\$ 10,859,714	\$ 10,859,714	\$ 7,893,564	\$ 803,214	\$ 2,152,567	\$ 10,368
9	<u>OPERATING REVENUES (c)</u>						
10	Present Rate Schedules(b)	\$ 2,603,161	\$ 2,603,161	\$ 1,773,289	\$ 342,928	\$ 485,664	\$ 1,281
11	Other Revenues	42,101	42,101	18,765	3,457	19,858	20
12	TOTAL OPERATING REVENUES (d)	\$ 2,645,262	\$ 2,645,262	\$ 1,792,054	\$ 346,385	\$ 505,522	\$ 1,301
13	<u>OPERATING EXPENSES (c)</u>						
14	Operations and Maintenance						
15	Production	\$ 786,173	\$ 786,173	\$ 407,769	\$ 87,754	\$ 290,366	\$ 283
16	Transmission and Distribution	344,758	344,758	259,532	22,362	62,471	394
17	Customer Accounts	184,735	184,735	182,080	2,432	145	77
18	Administrative and General	1,257,298	1,257,298	1,018,390	64,952	173,337	619
19	Total Operating and Maintenance Expense	\$ 2,572,964	\$ 2,572,964	\$ 1,867,772	\$ 177,500	\$ 526,319	\$ 1,373
20	Depreciation and Amortization	914,483	914,483	652,205	69,918	191,304	1,057
21	Taxes Other Than Income	183,592	183,592	133,447	13,579	36,391	175
22	Income Taxes	(312,975)	(312,975)	(256,283)	16,958	(73,270)	(380)
23	TOTAL EXPENSES	\$ 3,358,065	\$ 3,358,065	\$ 2,397,140	\$ 277,955	\$ 680,744	\$ 2,226
24	OPERATING INCOME [A]	\$ (712,803)	\$ (712,803)	\$ (605,087)	\$ 68,430	\$ (175,222)	\$ (924)
25	RATE OF RETURN	-6.56%	-6.56%	-7.67%	8.52%	-8.14%	-8.92%
26	<u>COST OF SERVICE REQUIREMENT SUMMARY</u>						
27	REQUIRED RATE OF RETURN	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%
28	REQUIRED OPERATING INCOME (L8*L27)	\$ 994,967	\$ 994,967	\$ 723,208	\$ 73,590	\$ 197,218	\$ 950
29	OPERATING INCOME DEFICIENCY/(SURPLUS) (L28-L24)	\$ 1,707,770	\$ 1,707,770	\$ 1,328,295	\$ 5,160	\$ 372,440	\$ 1,874
30	REVENUE CONVERSION FACTOR(d)[A]	1.3515	1.3515	1.3515	1.3515	1.3515	1.3515
31	REVENUE DEFICIENCY/(SURPLUS) (L29*L30)	\$ 2,308,057	\$ 2,308,057	\$ 1,795,196	\$ 6,974	\$ 503,354	\$ 2,533
32	RATE SCHEDULE REVENUE REQUIREMENT (L10+L31)	\$ 4,911,219	\$ 4,911,219	\$ 3,568,485	\$ 349,902	\$ 989,018	\$ 3,814
33	INDICATED % INCREASE ON PRESENT RATE SCHEDULE (L31/L10)	87.25%	87.25%	100.18%	2.01%	99.57%	194.69%
34	TOTAL REVENUE REQUIREMENT (L12 + L31)	\$ 4,953,319	\$ 4,953,319	\$ 3,587,250	\$ 353,359	\$ 1,008,876	\$ 3,834
35	<u>PROPOSED RATE SCHEDULE REVENUE REQUIREMENTS</u>						
36	REVENUE DEFICIENCY / (SURPLUS)	\$ 2,308,057	\$ 2,308,057	\$ 1,211,051	\$ 411,566	\$ 674,761	\$ 10,680
37	% INCREASE (L36/L10)	88.66%	88.66%	68.29%	120.02%	138.94%	833.74%
38	PROPOSED RATE SCHEDULE (L10 + L36)	\$ 4,911,219	\$ 4,911,218	\$ 2,984,339	\$ 754,494	\$ 1,160,425	\$ 11,961
39	PROPOSED REV. REQUIREMENT (L11 + L38)	\$ 4,953,319	\$ 4,953,319	\$ 3,003,104	\$ 757,951	\$ 1,180,283	\$ 11,981
40	% INCREASE IN TOTAL REVENUES (L36/L12)	87.25%	87.25%	67.58%	118.82%	133.48%	820.80%
41	RATE OF RETURN ON RATE BASE AT PROPOSED RATES(e)	9.16%	9.16%	3.61%	46.80%	15.20%	68.25%

Supporting Schedules

- (a) G-3
- (b) H-1
- (c) G-4a
- (d) C-5
- (e) G-2

Recap Schedules

[A] A-1

**Pima Water Company
Test Year Ended 06/30/2025
Cost of Service Summary
At Proposed Rates**

LINE NO.	DESCRIPTION	Total Company	Jurisdictional Total	Residential	Commercial	Golf Course/Lak	Standpipe/Construction
1	<u>RATE BASE (a)</u>						
2	Gross Plant in Service	\$ 22,786,391	\$ 22,786,391	\$ 16,337,086	\$ 1,729,642	\$ 4,698,021	\$ 21,642
3	Accumulated Depreciation	<u>12,075,714</u>	<u>12,075,714</u>	<u>8,551,851</u>	<u>937,451</u>	<u>2,574,996</u>	<u>11,416</u>
4	Net Plant	\$ 10,710,677	\$ 10,710,677	\$ 7,785,235	\$ 792,191	\$ 2,123,026	\$ 10,226
5	Construction Work in Progress	-	-	-	-	-	-
6	Working Capital Assets & Other Assets	190,372	190,372	138,375	14,080	37,735	182
7	Contributions & Advances in Aid of Construction	<u>(41,336)</u>	<u>(41,336)</u>	<u>(30,046)</u>	<u>(3,057)</u>	<u>(8,193)</u>	<u>(39)</u>
8	TOTAL RATE BASE [A]	\$ 10,859,714	\$ 10,859,714	\$ 7,893,564	\$ 803,214	\$ 2,152,567	\$ 10,368
9	<u>OPERATING REVENUES (c)</u>						
10	Proposed Rate Schedules(b)	\$ 4,911,218	\$ 4,911,218	\$ 2,984,339	\$ 754,494	\$ 1,160,425	\$ 11,961
11	Other Revenues	<u>42,101</u>	<u>42,101</u>	<u>18,765</u>	<u>3,457</u>	<u>19,858</u>	<u>20</u>
12	TOTAL OPERATING REVENUES [A]	\$ 4,953,319	\$ 4,953,319	\$ 3,003,104	\$ 757,951	\$ 1,180,283	\$ 11,981
13	<u>OPERATING EXPENSES (c)</u>						
14	Operations and Maintenance						
15	Production	\$ 786,173	\$ 786,173	\$ 407,769	\$ 87,754	\$ 290,366	\$ 283
16	Transmission and Distribution	344,758	344,758	259,532	22,362	62,471	394
17	Customer Accounts	189,421	189,421	186,699	2,494	149	79
18	Administrative and General	<u>1,257,298</u>	<u>1,257,298</u>	<u>1,018,390</u>	<u>64,952</u>	<u>173,337</u>	<u>619</u>
19	Total Operating and Maintenance Expense	\$ 2,577,650	\$ 2,577,650	\$ 1,872,391	\$ 177,562	\$ 526,323	\$ 1,375
20	Depreciation and Amortization	914,483	914,483	652,205	69,918	191,304	1,057
21	Taxes Other Than Income	213,847	213,847	155,438	15,817	42,388	204
22	Income Taxes	<u>252,372</u>	<u>252,372</u>	<u>38,299</u>	<u>118,746</u>	<u>93,058</u>	<u>2,269</u>
23	TOTAL EXPENSES [A]	\$ 3,958,352	\$ 3,958,352	\$ 2,718,333	\$ 382,043	\$ 853,072	\$ 4,905
24	OPERATING INCOME	\$ 994,967	\$ 994,967	\$ 284,771	\$ 375,908	\$ 327,211	\$ 7,076
25	RATE OF RETURN AT PROPOSED RATES	9.16%	9.16%	3.61%	46.80%	15.20%	68.25%

Supporting Schedules

- (a) G-3
- (b) H-1
- (c) G-4b
- (d) C-5

Recap Schedules

- [A] A-1
- [B] G-1

Pima Water Company
Test Year Ended 06/30/2025
Rate Base Allocation to Rate Schedules/Classes

Line No.	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Alloc. Factor (b)
RATE BASE									
GROSS PLANT IN SERVICE									
<u>Source of Supply Plant</u>									
1	Commodity	\$ 876,648	\$ 876,648	\$ 390,738	\$ 71,984	\$ 413,505	\$ 420	\$ -	CBC
2	Demand	373,378	373,378	274,387	74,328	24,662	2	-	CMD
3	Customer Accounts	-	-	-	-	-	-	-	CB
4	Customer Meters	-	-	-	-	-	-	-	CM
5	Customer Services	-	-	-	-	-	-	-	CS
6	Fire Hydrants	-	-	-	-	-	-	-	CH
7	Total Source of Supply Plant	\$ 1,250,026	\$ 1,250,026	\$ 665,125	\$ 146,312	\$ 438,167	\$ 422	\$ -	
<u>Pumping Plant</u>									
8	Commodity	\$ 2,824,695	\$ 2,824,695	\$ 1,259,020	\$ 231,943	\$ 1,332,378	\$ 1,354	\$ -	CBC
9	Demand	1,203,082	1,203,082	884,116	239,496	79,463	6	-	CMD
10	Customer Accounts	-	-	-	-	-	-	-	CB
11	Customer Meters	-	-	-	-	-	-	-	CM
12	Customer Services	-	-	-	-	-	-	-	CS
13	Fire Hydrants	-	-	-	-	-	-	-	CH
14	Total Pumping Plant	\$ 4,027,777	\$ 4,027,777	\$ 2,143,136	\$ 471,439	\$ 1,411,841	\$ 1,360	\$ -	
<u>Water Treatment Plant</u>									
15	Commodity	\$ 220,801	\$ 220,801	\$ 98,415	\$ 18,131	\$ 104,150	\$ 106	\$ -	CBC
16	Demand	94,043	94,043	69,110	18,721	6,212	0	-	CMD
17	Customer Accounts	-	-	-	-	-	-	-	CB
18	Customer Meters	-	-	-	-	-	-	-	CM
19	Customer Services	-	-	-	-	-	-	-	CS
20	Fire Hydrants	-	-	-	-	-	-	-	CH
21	Total Water Treatment Plant	\$ 314,844	\$ 314,844	\$ 167,525	\$ 36,852	\$ 110,361	\$ 106	\$ -	
<u>Transmission and Distribution Plant</u>									
22	Commodity	\$ 5,004,722	\$ 5,004,722	\$ 2,230,699	\$ 410,951	\$ 2,360,672	\$ 2,399	\$ -	CBC
23	Demand	2,131,589	2,131,589	1,566,454	424,332	140,791	11	-	CMD
24	Demand - Extra Cap Max Hour	-	-	-	-	-	-	-	CMH
25	Customer Accounts	-	-	-	-	-	-	-	CB
26	Customer Meters	1,115,082	1,115,082	1,020,144	30,376	58,701	5,860	-	CM
27	Customer Services	6,833,629	6,833,629	6,628,340	143,605	51,402	10,280	-	CS
28	Fire Hydrants	928,471	928,471	915,130	12,225	729	387	-	CH
29	Total Transmission and Distribution Plant	\$ 16,013,492	\$ 16,013,492	\$ 12,360,767	\$ 1,021,491	\$ 2,612,296	\$ 18,938	\$ -	
<u>Gross Plant In Service before Intangible and General Plant</u>									
30	Commodity	\$ 8,926,866	\$ 8,926,866	\$ 3,978,873	\$ 733,010	\$ 4,210,704	\$ 4,279	\$ -	
31	Demand	3,802,091	3,802,091	2,794,067	756,876	251,128	19	-	
32	Customer Accounts	-	-	-	-	-	-	-	
33	Customer Meters	1,115,082	1,115,082	1,020,144	30,376	58,701	5,860	-	
34	Customer Services	6,833,629	6,833,629	6,628,340	143,605	51,402	10,280	-	
35	Fire Hydrants	928,471	928,471	915,130	12,225	729	387	-	
36	Gross Plant In Service	\$ 21,606,139	\$ 21,606,139	\$ 15,336,554	\$ 1,676,093	\$ 4,572,665	\$ 20,827	\$ -	
<u>General Plant</u>									
37	Commodity	\$ 243,819	\$ 243,819	\$ 108,675	\$ 20,021	\$ 115,007	\$ 117	\$ -	CBC
38	Demand	103,846	103,846	76,314	20,672	6,859	1	-	CMD
39	Customer Accounts	590,126	590,126	581,646	7,770	463	246	-	CB
40	Customer Meters	30,456	30,456	27,863	830	1,603	160	-	CM
41	Customer Services	186,646	186,646	181,039	3,922	1,404	281	-	CS
42	Fire Hydrants	25,359	25,359	24,995	334	20	11	-	CH
43	Total General Plant	\$ 1,180,252	\$ 1,180,252	\$ 1,000,532	\$ 53,549	\$ 125,356	\$ 815	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Rate Base Allocation to Rate Schedules/Classes

Line No.	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Alloc. Factor (b)
<u>Intangible Plant</u>									
44	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	CBC
45	Demand	-	-	-	-	-	-	-	CMD
46	Customer Accounts	-	-	-	-	-	-	-	CB
47	Customer Meters	-	-	-	-	-	-	-	CM
48	Customer Services	-	-	-	-	-	-	-	CS
49	Fire Hydrants	-	-	-	-	-	-	-	CH
50	Total Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>Allocated Corporate Plant</u>									
51	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	CBC
52	Demand	-	-	-	-	-	-	-	CMD
53	Customer Accounts	-	-	-	-	-	-	-	CB
54	Customer Meters	-	-	-	-	-	-	-	CM
55	Customer Services	-	-	-	-	-	-	-	CS
56	Fire Hydrants	-	-	-	-	-	-	-	CH
57	Total Allocated Corporate Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>Reconciling Amount</u>									
58	Commodity		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	CBC
59	Demand		-	-	-	-	-	-	CMD
60	Customer Accounts		-	-	-	-	-	-	CB
61	Customer Meters		-	-	-	-	-	-	CM
62	Customer Services		-	-	-	-	-	-	CS
63	Fire Hydrants		-	-	-	-	-	-	CH
64	Total Reconciling Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>Gross Plant In Service</u>									
65	Commodity	\$ 9,170,684	\$ 9,170,684	\$ 4,087,547	\$ 753,030	\$ 4,325,711	\$ 4,396	\$ -	
66	Demand	3,905,937	3,905,937	2,870,381	777,549	257,987	20	-	
67	Customer Accounts	590,126	590,126	581,646	7,770	463	246	-	
68	Customer Meters	1,145,538	1,145,538	1,048,007	31,206	60,305	6,020	-	
69	Customer Services	7,020,275	7,020,275	6,809,380	147,528	52,806	10,561	-	
70	Fire Hydrants	953,831	953,831	940,125	12,559	749	398	-	
71	Total Gross Plant In Service (a)(c)	\$ 22,786,391	\$ 22,786,391	\$ 16,337,086	\$ 1,729,642	\$ 4,698,021	\$ 21,642	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Rate Base Allocation to Rate Schedules/Classes

Line No.	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Alloc. Factor (b)
ACCUMULATED DEPRECIATION AND AMORTIZATION									
<u>Source of Supply Plant</u>									
72	Commodity	\$ 311,819	\$ 311,819	\$ 138,984	\$ 25,604	\$ 147,082	\$ 149	\$ -	CBC
73	Demand	132,809	132,809	97,598	26,438	8,772	1	-	CMD
74	Customer Accounts	-	-	-	-	-	-	-	CB
75	Customer Meters	-	-	-	-	-	-	-	CM
76	Customer Services	-	-	-	-	-	-	-	CS
77	Fire Hydrants	-	-	-	-	-	-	-	CH
78	Total Source of Supply Plant	\$ 444,627	\$ 444,627	\$ 236,581	\$ 52,042	\$ 155,854	\$ 150	\$ -	
<u>Pumping Plant</u>									
79	Commodity	\$ 1,857,124	\$ 1,857,124	\$ 827,755	\$ 152,494	\$ 875,985	\$ 890	\$ -	CBC
80	Demand	790,978	790,978	581,271	157,459	52,244	4	-	CMD
81	Customer Accounts	-	-	-	-	-	-	-	CB
82	Customer Meters	-	-	-	-	-	-	-	CM
83	Customer Services	-	-	-	-	-	-	-	CS
84	Fire Hydrants	-	-	-	-	-	-	-	CH
85	Total Pumping Plant	\$ 2,648,102	\$ 2,648,102	\$ 1,409,026	\$ 309,952	\$ 928,229	\$ 894	\$ -	
<u>Water Treatment Plant</u>									
86	Commodity	\$ 136,755	\$ 136,755	\$ 60,954	\$ 11,229	\$ 64,506	\$ 66	\$ -	CBC
87	Demand	58,246	58,246	42,804	11,595	3,847	0	-	CMD
88	Demand - Extra Cap Max Hour	-	-	-	-	-	-	-	CMH
89	Customer Accounts	-	-	-	-	-	-	-	CB
90	Customer Meters	-	-	-	-	-	-	-	CM
91	Customer Services	-	-	-	-	-	-	-	CS
92	Fire Hydrants	-	-	-	-	-	-	-	CH
93	Total Water Treatment Plant	\$ 195,001	\$ 195,001	\$ 103,758	\$ 22,824	\$ 68,353	\$ 66	\$ -	
<u>Transmission and Distribution Plant</u>									
94	Commodity	\$ 2,586,195	\$ 2,586,195	\$ 1,152,716	\$ 212,360	\$ 1,219,880	\$ 1,240	\$ -	CBC
95	Demand	1,101,501	1,101,501	809,467	219,274	72,754	6	-	CMD
96	Customer Accounts	-	-	-	-	-	-	-	CB
97	Customer Meters	748,356	748,356	684,641	20,386	39,396	3,933	-	CM
98	Customer Services	2,884,470	2,884,470	2,797,817	60,616	21,697	4,339	-	CS
99	Fire Hydrants	825,482	825,482	813,621	10,869	648	344	-	CH
100	Total Transmission and Distribution Plant	\$ 8,146,004	\$ 8,146,004	\$ 6,258,263	\$ 523,505	\$ 1,354,375	\$ 9,862	\$ -	
<u>General Plant</u>									
101	Commodity	\$ 132,621	\$ 132,621	\$ 59,112	\$ 10,890	\$ 62,556	\$ 64	\$ -	CBC
102	Demand	56,485	56,485	41,510	11,244	3,731	0	-	CMD
103	Customer Accounts	320,990	320,990	316,377	4,227	252	134	-	CB
104	Customer Meters	16,566	16,566	15,156	451	872	87	-	CM
105	Customer Services	101,523	101,523	98,473	2,133	764	153	-	CS
106	Fire Hydrants	13,794	13,794	13,596	182	11	6	-	CH
107									
108	Total General Plant	\$ 641,979	\$ 641,979	\$ 544,223	\$ 29,127	\$ 68,185	\$ 443	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Rate Base Allocation to Rate Schedules/Classes

Line No.	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Alloc. Factor (b)
<u>Allocated Corporate Plant</u>									
109	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	CBC
110	Demand	-	-	-	-	-	-	-	CMD
111	Customer Accounts	-	-	-	-	-	-	-	CB
112	Customer Meters	-	-	-	-	-	-	-	CM
113	Customer Services	-	-	-	-	-	-	-	CS
114	Fire Hydrants	-	-	-	-	-	-	-	CH
115	Total Allocated Corporate Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>Retirement Work in Progress</u>									
116	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	CBC
117	Demand	-	-	-	-	-	-	-	CMD
118	Customer Accounts	-	-	-	-	-	-	-	CB
119	Customer Meters	-	-	-	-	-	-	-	CM
120	Customer Services	-	-	-	-	-	-	-	CS
121	Fire Hydrants	-	-	-	-	-	-	-	CH
122	Total Retirement Work in Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>Advances in Aid of Construction</u>									
123	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	CBC
124	Demand	-	-	-	-	-	-	-	CMD
125	Customer Accounts	-	-	-	-	-	-	-	CB
126	Customer Meters	-	-	-	-	-	-	-	CM
127	Customer Services	-	-	-	-	-	-	-	CS
128	Fire Hydrants	-	-	-	-	-	-	-	CH
129	Total Advances in Aid of Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>Accumulated Depreciation/Amortization</u>									
130	Commodity	\$ 5,024,514	\$ 5,024,514	\$ 2,239,521	\$ 412,577	\$ 2,370,008	\$ 2,409	\$ -	
131	Demand	2,140,019	2,140,019	1,572,649	426,010	141,348	11	-	
132	Customer Accounts	320,990	320,990	316,377	4,227	252	134	-	
133	Customer Meters	764,923	764,923	699,797	20,837	40,268	4,020	-	
134	Customer Services	2,985,993	2,985,993	2,896,291	62,749	22,461	4,492	-	
135	Fire Hydrants	839,276	839,276	827,216	11,051	659	350	-	
136	Total Accumulated Depreciation/Amortization (a)(c)	\$ 12,075,714	\$ 12,075,714	\$ 8,551,851	\$ 937,451	\$ 2,574,996	\$ 11,416	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Rate Base Allocation to Rate Schedules/Classes

Line No.	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Alloc. Factor (b)
NET UTILITY PLANT IN SERVICE									
	Net Plant								
137	Commodity	\$ 4,146,170	\$ 4,146,170	\$ 1,848,026	\$ 340,453	\$ 1,955,703	\$ 1,987	\$ -	
138	Demand	1,765,918	1,765,918	1,297,732	351,539	116,639	9	-	
139	Customer Accounts	269,137	269,137	265,269	3,544	211	112	-	
140	Customer Meters	380,616	380,616	348,210	10,368	20,037	2,000	-	
141	Customer Services	4,034,282	4,034,282	3,913,089	84,779	30,346	6,069	-	
142	Fire Hydrants	114,554	114,554	112,908	1,508	90	48	-	
143	Net Utility Plant in Service (a)	\$ 10,710,677	\$ 10,710,677	\$ 7,785,235	\$ 792,191	\$ 2,123,026	\$ 10,226	\$ -	
CONSTRUCTION WORK IN PROGRESS									
	Construction Work in Progress								
144	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	CBC
145	Demand	-	-	-	-	-	-	-	CMD
146	Customer Accounts	-	-	-	-	-	-	-	CB
147	Customer Meters	-	-	-	-	-	-	-	CM
148	Customer Services	-	-	-	-	-	-	-	CS
149	Fire Hydrants	-	-	-	-	-	-	-	CH
150	Total Construction Work in Progress (a)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
WORKING CAPITAL ASSETS									
	Working Capital Assets								
151	Commodity	\$ 73,694	\$ 73,694	\$ 32,847	\$ 6,051	\$ 34,761	\$ 35	\$ -	CBC
152	Demand	31,388	31,388	23,066	6,248	2,073	0	-	CMD
153	Customer Accounts	4,784	4,784	4,715	63	4	2	-	CB
154	Customer Meters	6,765	6,765	6,189	184	356	36	-	CM
155	Customer Services	71,706	71,706	69,551	1,507	539	108	-	CS
156	Fire Hydrants	2,036	2,036	2,007	27	2	1	-	CH
157	Total Working Capital Assets (a)	\$ 190,372	\$ 190,372	\$ 138,375	\$ 14,080	\$ 37,735	\$ 182	\$ -	
CONTRIBUTIONS & ADVANCES IN AID OF CONSTRUCTION									
	Contributions & Advances in Aid of Construction								
158	Commodity	\$ (16,001)	\$ (16,001)	\$ (7,132)	\$ (1,314)	\$ (7,548)	\$ (8)	\$ -	CBC
159	Demand	(6,815)	(6,815)	(5,008)	(1,357)	(450)	(0)	-	CMD
160	Customer Accounts	(1,039)	(1,039)	(1,024)	(14)	(1)	(0)	-	CB
161	Customer Meters	(1,469)	(1,469)	(1,344)	(40)	(77)	(8)	-	CM
162	Customer Services	(15,570)	(15,570)	(15,102)	(327)	(117)	(23)	-	CS
163	Fire Hydrants	(442)	(442)	(436)	(6)	(0)	(0)	-	CH
164	Total Contributions & Advances in Aid of Construction (a)	\$ (41,336)	\$ (41,336)	\$ (30,046)	\$ (3,057)	\$ (8,193)	\$ (39)	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Rate Base Allocation to Rate Schedules/Classes

Line No.	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Alloc. Factor (b)
RATE BASE									
<u>Rate Base</u>									
165	Commodity	\$ 4,203,863	\$ 4,203,863	\$ 1,873,741	\$ 345,191	\$ 1,982,916	\$ 2,015	\$ -	-
166	Demand	1,790,491	1,790,491	1,315,789	356,430	118,262	9	-	-
167	Customer Accounts	272,882	272,882	268,960	3,593	214	114	-	-
168	Customer Meters	385,912	385,912	353,055	10,513	20,316	2,028	-	-
169	Customer Services	4,090,418	4,090,418	3,967,538	85,958	30,768	6,154	-	-
170	Fire Hydrants	116,148	116,148	114,479	1,529	91	48	-	-
171	Total Rate Base [A]	\$ 10,859,714	\$ 10,859,714	\$ 7,893,564	\$ 803,214	\$ 2,152,567	\$ 10,368	\$ -	-

Supporting Schedules
(a) G-5, (b) G-7a, (c) F-1.3

Recap Schedules
[A] G-1

Pima Water Company
Test Year Ended 06/30/2025
Revenue and Expense Allocation to Rate Schedules at Present Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Alloc. Code (b)
REVENUES									
1	Revenue Water Service (c)	\$ 2,603,161	\$ 2,603,161	\$ 1,773,289	\$ 342,928	\$ 485,664	\$ 1,281	\$ -	Direct
2	Other Revenue	42,101	42,101	18,765	3,457	19,858	20	-	CBC
3	Total Revenue	\$ 2,645,262	\$ 2,645,262	\$ 1,792,054	\$ 346,385	\$ 505,522	\$ 1,301	\$ -	
EXPENSES (A)									
Source of Supply Expenses									
<u>Operation</u>									
4	Commodity	\$ 261,568	\$ 261,568	\$ 116,586	\$ 21,478	\$ 123,379	\$ 125	\$ -	CBC
5	Demand	75,474	75,474	55,464	15,024	4,985	0	-	CMD
6	Customer Accounts	-	-	-	-	-	-	-	CB
7	Customer Meters	-	-	-	-	-	-	-	CM
8	Customer Services	-	-	-	-	-	-	-	CS
9	Fire Hydrants	-	-	-	-	-	-	-	CH
10	Total Operation	\$337,042	337,042	172,050	36,502	128,364	126	0	
<u>Maintenance</u>									
11	Commodity	\$ 36,685	\$ 36,685	\$ 16,351	\$ 3,012	\$ 17,304	\$ 18	\$ -	CBC
12	Demand	14,003	14,003	10,290	2,787	925	0	-	CMD
13	Customer Accounts	-	-	-	-	-	-	-	CB
14	Customer Meters	-	-	-	-	-	-	-	CM
15	Customer Services	-	-	-	-	-	-	-	CS
16	Fire Hydrants	-	-	-	-	-	-	-	CH
17	Total Maintenance	\$ 50,687	\$ 50,687	\$ 26,641	\$ 5,800	\$ 18,229	\$ 18	\$ -	
<u>Total Source of Supply Expenses</u>									
18	Commodity	\$ 298,253	\$ 298,253	\$ 132,937	\$ 24,490	\$ 140,683	\$ 143	\$ -	
19	Demand	89,476	89,476	65,754	17,812	5,910	0	-	
20	Customer Accounts	-	-	-	-	-	-	-	
21	Customer Meters	-	-	-	-	-	-	-	
22	Customer Services	-	-	-	-	-	-	-	
23	Fire Hydrants	-	-	-	-	-	-	-	
24	Total Source of Supply Expenses	\$ 387,729	\$ 387,729	\$ 198,691	\$ 42,302	\$ 146,593	\$ 143	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Revenue and Expense Allocation to Rate Schedules at Present Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Alloc. Code (b)
Water Treatment Expenses									
<u>Operation</u>									
25	Commodity	\$ 252,313	\$ 252,313	\$ 112,461	\$ 20,718	\$ 119,013	\$ 121	\$ -	CBC
26	Demand	94,642	94,642	69,550	18,840	6,251	0	-	CMD
27	Customer Accounts	-	-	-	-	-	-	-	CB
28	Customer Meters	-	-	-	-	-	-	-	CM
29	Customer Services	-	-	-	-	-	-	-	CS
30	Fire Hydrants	-	-	-	-	-	-	-	CH
31	Total Operation	\$ 346,955	\$ 346,955	\$ 182,011	\$ 39,558	\$ 125,264	\$ 121	\$ -	
<u>Maintenance</u>									
32	Commodity	\$ 37,246	\$ 37,246	\$ 16,601	\$ 3,058	\$ 17,569	\$ 18	\$ -	CBC
33	Demand	14,242	14,242	10,466	2,835	941	0	-	CMD
34	Customer Accounts	-	-	-	-	-	-	-	CB
35	Customer Meters	-	-	-	-	-	-	-	CM
36	Customer Services	-	-	-	-	-	-	-	CS
37	Fire Hydrants	-	-	-	-	-	-	-	CH
38	Total Maintenance	\$ 51,488	\$ 51,488	\$ 27,067	\$ 5,893	\$ 18,509	\$ 18	\$ -	
<u>Total Water Treatment Expenses</u>									
39	Commodity	\$ 289,559	\$ 289,559	\$ 129,062	\$ 23,777	\$ 136,582	\$ 139	\$ -	
40	Demand	108,884	108,884	80,016	21,675	7,192	1	-	
41	Customer Accounts	-	-	-	-	-	-	-	
42	Customer Meters	-	-	-	-	-	-	-	
43	Customer Services	-	-	-	-	-	-	-	
44	Fire Hydrants	-	-	-	-	-	-	-	
45	Total Water Treatment	\$ 398,443	\$ 398,443	\$ 209,078	\$ 45,452	\$ 143,774	\$ 139	\$ -	
<u>Total Production Expenses</u>									
46	Commodity	\$ 587,812	\$ 587,812	\$ 261,999	\$ 48,267	\$ 277,265	\$ 282	\$ -	
47	Demand	198,360	198,360	145,770	39,487	13,102	1	-	
48	Customer Accounts	-	-	-	-	-	-	-	
49	Customer Meters	-	-	-	-	-	-	-	
50	Customer Services	-	-	-	-	-	-	-	
51	Fire Hydrants	-	-	-	-	-	-	-	
52	Total Production Expenses	\$ 786,173	\$ 786,173	\$ 407,769	\$ 87,754	\$ 290,366	\$ 283	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Revenue and Expense Allocation to Rate Schedules at Present Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Alloc. Code (b)
Transmission and Distribution Expenses									
<u>Operation</u>									
53	Commodity	\$ 105,787	\$ 105,787	\$ 47,151	\$ 8,686	\$ 49,898	\$ 51	\$ -	CBC
54	Demand	36,457	36,457	26,791	7,257	2,408	0	-	CMD
55	Customer Accounts	-	-	-	-	-	-	-	CB
56	Customer Meters	19,071	19,071	17,448	520	1,004	100	-	CM
57	Customer Services	116,876	116,876	113,365	2,456	879	176	-	CS
58	Fire Hydrants	15,880	15,880	15,652	209	12	7	-	CH
59	Total Operation	\$ 294,071	\$ 294,071	\$ 220,407	\$ 19,129	\$ 54,202	\$ 334	\$ -	
<u>Maintenance</u>									
60	Commodity	\$ 15,841	\$ 15,841	\$ 7,061	\$ 1,301	\$ 7,472	\$ 8	\$ -	CBC
61	Demand	6,747	6,747	4,958	1,343	446	0	-	CMD
62	Customer Accounts	-	-	-	-	-	-	-	CB
63	Customer Meters	3,530	3,530	3,229	96	186	19	-	CM
64	Customer Services	21,630	21,630	20,981	455	163	33	-	CS
65	Fire Hydrants	2,939	2,939	2,897	39	2	1	-	CH
66	Total Maintenance	\$ 50,687	\$ 50,687	\$ 39,125	\$ 3,233	\$ 8,269	\$ 60	\$ -	
<u>Total Transmission & Distribution Expenses</u>									
67	Commodity	\$ 121,628	\$ 121,628	\$ 54,212	\$ 9,987	\$ 57,371	\$ 58	\$ -	
68	Demand	43,204	43,204	31,750	8,601	2,854	0	-	
69	Customer Accounts	-	-	-	-	-	-	-	
70	Customer Meters	22,601	22,601	20,677	616	1,190	119	-	
71	Customer Services	138,507	138,507	134,346	2,911	1,042	208	-	
72	Fire Hydrants	18,819	18,819	18,548	248	15	8	-	
73	Total Transmission & Distribution Expenses	\$ 344,758	\$ 344,758	\$ 259,532	\$ 22,362	\$ 62,471	\$ 394	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Revenue and Expense Allocation to Rate Schedules at Present Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Alloc. Code (b)
Customer Accounts Expenses									
74	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	CBC
75	Demand	-	-	-	-	-	-	-	CMD
76	Customer Accounts	184,735	184,735	182,080	2,432	145	77	-	CB
77	Customer Meters	-	-	-	-	-	-	-	CM
78	Customer Services	-	-	-	-	-	-	-	CS
79	Fire Hydrants	-	-	-	-	-	-	-	CH
80	Total Customer Accounts	\$ 184,735	\$ 184,735	\$ 182,080	\$ 2,432	\$ 145	\$ 77	\$ -	
O&M w/oA&G Expenses									
81	Commodity	\$ 709,440	\$ 709,440	\$ 316,211	\$ 58,254	\$ 334,635	\$ 340	\$ -	
82	Demand	241,564	241,564	177,520	48,088	15,955	1	-	
83	Customer Accounts	184,735	184,735	182,080	2,432	145	77	-	
84	Customer Meters	22,601	22,601	20,677	616	1,190	119	-	
85	Customer Services	138,507	138,507	134,346	2,911	1,042	208	-	
86	Fire Hydrants	18,819	18,819	18,548	248	15	8	-	
87	Total O&M w/oA&G Expenses	\$ 1,315,666	\$ 1,315,666	\$ 849,382	\$ 112,548	\$ 352,982	\$ 753	\$ -	
Administrative and General Expenses									
88	Commodity	\$ 346,043	\$ 346,043	\$ 154,238	\$ 28,415	\$ 163,225	\$ 166	\$ -	CBC
89	Demand	128,329	128,329	94,306	25,546	8,476	1	-	CMD
90	Customer Accounts	695,610	695,610	685,615	9,159	546	290	-	CB
91	Customer Meters	10,968	10,968	10,034	299	577	58	-	CM
92	Customer Services	67,215	67,215	65,196	1,412	506	101	-	CS
93	Fire Hydrants	9,132	9,132	9,001	120	7	4	-	CH
94	Total Administrative and General Expenses	\$ 1,257,298	\$ 1,257,298	\$ 1,018,390	\$ 64,952	\$ 173,337	\$ 619	\$ -	
Total Operation and Maintenance Expenses									
95	Commodity	\$ 1,055,484	\$ 1,055,484	\$ 470,449	\$ 86,669	\$ 497,860	\$ 506	\$ -	
96	Demand	369,893	369,893	271,826	73,634	24,431	2	-	
97	Customer Accounts	880,345	880,345	867,695	11,592	691	367	-	
98	Customer Meters	33,569	33,569	30,711	914	1,767	176	-	
99	Customer Services	205,722	205,722	199,542	4,323	1,547	309	-	
100	Fire Hydrants	27,951	27,951	27,549	368	22	12	-	
101	Total Operation and Maintenance Expenses	\$ 2,572,964	\$ 2,572,964	\$ 1,867,772	\$ 177,500	\$ 526,319	\$ 1,373	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Revenue and Expense Allocation to Rate Schedules at Present Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Alloc. Code (b)
Depreciation & Amort Expense									
102	Commodity	\$ 369,096	\$ 369,096	\$ 164,513	\$ 30,307	\$ 174,098	\$ 177	\$ -	CBC
103	Demand	157,204	157,204	115,525	31,294	10,383	1	-	CMD
104	Customer Accounts	34,876	34,876	34,375	459	27	15	-	CB
105	Customer Meters	94,686	94,686	86,625	2,579	4,985	498	-	CM
106	Customer Services	238,554	238,554	231,388	5,013	1,794	359	-	CS
107	Fire Hydrants	20,068	20,068	19,780	264	16	8	-	CH
108		-	-	-	-	-	-	-	CH
109	Total Depreciation & Amort Expense	\$ 914,483	\$ 914,483	\$ 652,205	\$ 69,918	\$ 191,304	\$ 1,057	\$ -	
Taxes Other Than Income									
110	Commodity	\$ 71,070	\$ 71,070	\$ 31,677	\$ 5,836	\$ 33,523	\$ 34	\$ -	CBC
111	Demand	30,270	30,270	22,244	6,026	1,999	0	-	CMD
112	Customer Accounts	4,613	4,613	4,547	61	4	2	-	CB
113	Customer Meters	6,524	6,524	5,969	178	343	34	-	CM
114	Customer Services	69,152	69,152	67,074	1,453	520	104	-	CS
115	Fire Hydrants	1,964	1,964	1,935	26	2	1	-	CH
116	Total Taxes Other Than Income	\$ 183,592	\$ 183,592	\$ 133,447	\$ 13,579	\$ 36,391	\$ 175	\$ -	
O&M, Customer, A&G and Other Taxes									
117	Commodity	\$ 1,495,649	\$ 1,495,649	\$ 666,639	\$ 122,812	\$ 705,481	\$ 717	\$ -	
118	Demand	557,367	557,367	409,596	110,954	36,814	3	-	
119	Customer Accounts	919,834	919,834	906,617	12,112	722	384	-	
120	Customer Meters	134,779	134,779	123,304	3,672	7,095	708	-	
121	Customer Services	513,428	513,428	498,004	10,789	3,862	772	-	
122	Fire Hydrants	49,983	49,983	49,264	658	39	21	-	
123	Total O&M, Customer, A&G and Other Taxes	\$ 3,671,039	\$ 3,671,039	\$ 2,653,424	\$ 260,997	\$ 754,014	\$ 2,605	\$ -	
Labor Allocator									
124	Commodity	\$ 257,476	\$ 257,476	\$ 114,762	\$ 21,142	\$ 121,449	\$ 123	\$ -	CBC
125	Demand	108,416	108,416	79,672	21,582	7,161	1	-	CMD
126	Customer Accounts	103,242	103,242	101,758	1,359	81	43	-	CB
127	Customer Meters	10,204	10,204	9,335	278	537	54	-	CM
128	Customer Services	62,535	62,535	60,656	1,314	470	94	-	CS
129	Fire Hydrants	8,496	8,496	8,374	112	7	4	-	CH
130	Total Labor	\$ 550,368	\$ 550,368	\$ 374,558	\$ 45,788	\$ 129,705	\$ 318	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Revenue and Expense Allocation to Rate Schedules at Present Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Alloc. Code (b)
OPERATING INCOME									
131	Income Before Taxes	\$ (1,025,777)	\$ (1,025,777)	\$ (861,370)	\$ 85,388	\$ (248,491)	\$ (1,304)	\$ -	
132	State Income Tax	(61,661)	(61,661)	(50,492)	3,341	(14,435)	(75)	-	
133	Federal Income Tax	(251,314)	(251,314)	(205,791)	13,617	(58,834)	(305)	-	
134	Total Income Taxes	\$ (312,975)	\$ (312,975)	\$ (256,283)	\$ 16,958	\$ (73,270)	\$ (380)	\$ -	
135	Net Income After Tax	\$ (712,803)	\$ (712,803)	\$ (605,087)	\$ 68,430	\$ (175,222)	\$ (924)	\$ -	
136	Present Return Rate Of Return	-6.56%	-6.56%	-7.67%	8.52%	-8.14%	-8.92%	#DIV/0!	
137	Present Relative Return Rate Of Return	1.00	1.00	1.17	(1.30)	1.24	1.36	#DIV/0!	
State Income Tax									
138	Income Before Tax	\$ (1,025,777)	\$ (1,025,777)	\$ (861,370)	\$ 85,388	\$ (248,491)	\$ (1,304)	\$ -	
139	Less: Interest Expense	232,615	232,615	169,080	17,205	46,108	222	-	
140	State Taxable Income	\$ (1,258,392)	\$ (1,258,392)	\$ (1,030,450)	\$ 68,183	\$ (294,599)	\$ (1,526)	\$ -	
141	Pro Forma State Income Tax	\$ (61,661)	\$ (61,661)	\$ (50,492)	\$ 3,341	\$ (14,435)	\$ (75)	\$ -	
142	Amortization of Flow Through Tax	0	0	0	0	0	0	0	
143	Subtotal State Income Tax	\$ (61,661)	\$ (61,661)	\$ (50,492)	\$ 3,341	\$ (14,435)	\$ (75)	\$ -	
144	Deferred State Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
145	Total State Income Tax	\$ (61,661)	\$ (61,661)	\$ (50,492)	\$ 3,341	\$ (14,435)	\$ (75)	\$ -	
Federal Income Tax									
146	Income Before Tax	\$ (1,025,777)	\$ (1,025,777)	\$ (861,370)	\$ 85,388	\$ (248,491)	\$ (1,304)	\$ -	
147	Less: Interest Expense	232,615	232,615	169,080	17,205	46,108	222	-	
148	Less: State Income Tax	(61,661)	(61,661)	(50,492)	3,341	(14,435)	(75)	-	
149		-	-	-	-	-	-	-	
150	Federal Taxable Income	\$ (1,196,731)	\$ (1,196,731)	\$ (979,958)	\$ 64,842	\$ (280,164)	\$ (1,451)	\$ -	
151	Pro Forma Federal Income Tax	\$ (251,314)	\$ (251,314)	\$ (205,791)	\$ 13,617	\$ (58,834)	\$ (305)	\$ -	
152	ITC Amortization	-	-	-	-	-	-	-	CRB
153	Subtotal Federal Income Tax	\$ (251,314)	\$ (251,314)	\$ (205,791)	\$ 13,617	\$ (58,834)	\$ (305)	\$ -	
154	Deferred Federal Income Tax	-	-	-	-	-	-	-	
155	Total Federal Income Tax	(251,314)	(251,314)	(205,791)	13,617	(58,834)	(305)	-	
156	Total Income Tax	(312,975)	(312,975)	(256,283)	16,958	(73,270)	(380)	-	

Pima Water Company
Test Year Ended 06/30/2025
Revenue and Expense Allocation to Rate Schedules at Present Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Alloc. Code (b)
PRESENT REVENUES TAXES & ROR									
Present Revenues									
157	Revenues	\$ 2,603,161	\$ 2,603,161	\$ 1,773,289	\$ 342,928	\$ 485,664	\$ 1,281	\$ -	
158	Other Revenue	42,101	42,101	18,765	3,457	19,858	20	-	
159	Total Present Revenue	\$ 2,645,262	\$ 2,645,262	\$ 1,792,054	\$ 346,385	\$ 505,522	\$ 1,301	\$ -	
160	O&M, Customer, A&G and Other Taxes	\$ 3,671,039	\$ 3,671,039	\$ 2,653,424	\$ 260,997	\$ 754,014	\$ 2,605	\$ -	
161	Income Before Tax	\$ (1,025,777)	\$ (1,025,777)	\$ (861,370)	\$ 85,388	\$ (248,491)	\$ (1,304)	\$ -	
162	Less: Interest Expense	232,615	232,615	169,080	17,205	46,108	222	-	
163	State Taxable Income	\$ (1,258,392)	\$ (1,258,392)	\$ (1,030,450)	\$ 68,183	\$ (294,599)	\$ (1,526)	\$ -	
164	Pro Forma State Income Tax	\$ (61,661)	\$ (61,661)	\$ (50,492)	\$ 3,341	\$ (14,435)	\$ (75)	\$ -	
165	Amortization of Flow Through Tax	-	-	-	-	-	-	-	
166	Subtotal State Income Tax	\$ (61,661)	\$ (61,661.23)	\$ (50,492.06)	\$ 3,340.98	\$ (14,435.37)	\$ (74.77)	\$ -	
167	Deferred State Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
168	Total State Income Tax	\$ (61,661)	\$ (61,661)	\$ (50,492)	\$ 3,341	\$ (14,435)	\$ (75)	\$ -	
169	Income Before Tax	\$ (1,025,777)	\$ (1,025,777)	\$ (861,370)	\$ 85,388	\$ (248,491)	\$ (1,304)	\$ -	
170	Less: Interest Expense	232,615	232,615	169,080	17,205	46,108	222	-	
171	Less: State Income Tax	(61,661)	(61,661)	(50,492)	3,341	(14,435)	(75)	-	
172		-	-	-	-	-	-	-	
173	Federal Taxable Income	(\$1,196,731)	(1,196,731)	(979,958)	64,842	(280,164)	(1,451)	0	
174	Pro Forma Federal Income Tax	\$ (251,314)	(251,314)	(205,791)	13,617	(58,834)	(305)	0	
175	ITC Amortization	-	0	0	0	0	0	0	CRB
176	Subtotal Federal Income Tax	(\$251,314)	(251,314)	(205,791)	13,617	(58,834)	(305)	0	
177	Total Federal Income Tax	(\$251,314)	(251,314)	(205,791)	13,617	(58,834)	(305)	0	
178	Total Income Tax	(\$312,975)	(312,975)	(256,283)	16,958	(73,270)	(380)	0	
179	Income After Tax	(\$712,803)	(\$712,803)	(\$605,087)	\$68,430	(\$175,222)	(\$924)	\$0	
Present Revenues									
180	Return Rate Of Return	-6.56%	-6.56%	-7.67%	8.52%	-8.14%	-8.92%	#DIV/0!	
181	Realtive Rate Of Return	1.00	1.00	1.17	(1.30)	1.24	1.36	#DIV/0!	

Supporting Schedules
(a) C-1, (b) G-7a, (c) H-1

Pima Water Company
Test Year Ended 06/30/2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Allocation Code (b)
REVENUES									
1	Revenue Water Service (c)	\$ 4,911,218	\$ 4,911,218	\$ 2,984,339	\$ 754,494	\$ 1,160,425	\$ 11,961	\$ -	Direct
2	Other Revenue	42,101	42,101	18,765	3,457	19,858	20	-	CBC
3	Total Revenue	\$ 4,953,319	\$ 4,953,319	\$ 3,003,104	\$ 757,951	\$ 1,180,283	\$ 11,981	\$ -	
EXPENSES (A)									
Source of Supply Expenses									
<u>Operation</u>									
4	Commodity	\$ 261,568	\$ 261,568	\$ 116,586	\$ 21,478	\$ 123,379	\$ 125	\$ -	CBC
5	Demand	75,474	75,474	55,464	15,024	4,985	0	-	CMD
6	Customer Accounts	-	-	-	-	-	-	-	CB
7	Customer Meters	-	-	-	-	-	-	-	CM
8	Customer Services	-	-	-	-	-	-	-	CS
9	Fire Hydrants	-	-	-	-	-	-	-	CH
10	Total Operation	\$337,042	337,042	172,050	36,502	128,364	126	0	
<u>Maintenance</u>									
11	Commodity	\$ 36,685	\$ 36,685	\$ 16,351	\$ 3,012	\$ 17,304	\$ 18	\$ -	CBC
12	Demand	14,003	14,003	10,290	2,787	925	0	-	CMD
13	Customer Accounts	-	-	-	-	-	-	-	CB
14	Customer Meters	-	-	-	-	-	-	-	CM
15	Customer Services	-	-	-	-	-	-	-	CS
16	Fire Hydrants	-	-	-	-	-	-	-	CH
17	Total Maintenance	\$ 50,687	\$ 50,687	\$ 26,641	\$ 5,800	\$ 18,229	\$ 18	\$ -	
<u>Total Source of Supply Expenses</u>									
18	Commodity	\$ 298,253	\$ 298,253	\$ 132,937	\$ 24,490	\$ 140,683	\$ 143	\$ -	
19	Demand	89,476	89,476	65,754	17,812	5,910	0	-	
20	Customer Accounts	-	-	-	-	-	-	-	
21	Customer Meters	-	-	-	-	-	-	-	
22	Customer Services	-	-	-	-	-	-	-	
23	Fire Hydrants	-	-	-	-	-	-	-	
24	Total Source of Supply Expenses	\$ 387,729	\$ 387,729	\$ 198,691	\$ 42,302	\$ 146,593	\$ 143	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Allocation Code (b)
Water Treatment Expenses									
<u>Operation</u>									
25	Commodity	\$ 252,313	\$ 252,313	\$ 112,461	\$ 20,718	\$ 119,013	\$ 121	\$ -	CBC
26	Demand	94,642	94,642	69,550	18,840	6,251	0	-	CMD
27	Customer Accounts	-	-	-	-	-	-	-	CB
28	Customer Meters	-	-	-	-	-	-	-	CM
29	Customer Services	-	-	-	-	-	-	-	CS
30	Fire Hydrants	-	-	-	-	-	-	-	CH
31	Total Operation	\$ 346,955	\$ 346,955	\$ 182,011	\$ 39,558	\$ 125,264	\$ 121	\$ -	
<u>Maintenance</u>									
32	Commodity	\$ 37,246	\$ 37,246	\$ 16,601	\$ 3,058	\$ 17,569	\$ 18	\$ -	CBC
33	Demand	14,242	14,242	10,466	2,835	941	0	-	CMD
34	Customer Accounts	-	-	-	-	-	-	-	CB
35	Customer Meters	-	-	-	-	-	-	-	CM
36	Customer Services	-	-	-	-	-	-	-	CS
37	Fire Hydrants	-	-	-	-	-	-	-	CH
38	Total Maintenance	\$ 51,488	\$ 51,488	\$ 27,067	\$ 5,893	\$ 18,509	\$ 18	\$ -	
<u>Total Water Treatment Expenses</u>									
39	Commodity	\$ 289,559	\$ 289,559	\$ 129,062	\$ 23,777	\$ 136,582	\$ 139	\$ -	
40	Demand	108,884	108,884	80,016	21,675	7,192	1	-	
41	Customer Accounts	-	-	-	-	-	-	-	
42	Customer Meters	-	-	-	-	-	-	-	
43	Customer Services	-	-	-	-	-	-	-	
44	Fire Hydrants	-	-	-	-	-	-	-	
45	Total Water Treatment	\$ 398,443	\$ 398,443	\$ 209,078	\$ 45,452	\$ 143,774	\$ 139	\$ -	
<u>Total Production Expenses</u>									
46	Commodity	\$ 587,812	\$ 587,812	\$ 261,999	\$ 48,267	\$ 277,265	\$ 282	\$ -	
47	Demand	198,360	198,360	145,770	39,487	13,102	1	-	
48	Customer Accounts	-	-	-	-	-	-	-	
49	Customer Meters	-	-	-	-	-	-	-	
50	Customer Services	-	-	-	-	-	-	-	
51	Fire Hydrants	-	-	-	-	-	-	-	
52	Total Production Expenses	\$ 786,173	\$ 786,173	\$ 407,769	\$ 87,754	\$ 290,366	\$ 283	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Allocation Code (b)
Transmission and Distribution Expenses									
<u>Operation</u>									
53	Commodity	\$ 105,787	\$ 105,787	\$ 47,151	\$ 8,686	\$ 49,898	\$ 51	\$ -	CBC
54	Demand	36,457	36,457	26,791	7,257	2,408	0	-	CMD
55	Customer Accounts	-	-	-	-	-	-	-	CB
56	Customer Meters	19,071	19,071	17,448	520	1,004	100	-	CM
57	Customer Services	116,876	116,876	113,365	2,456	879	176	-	CS
58	Fire Hydrants	15,880	15,880	15,652	209	12	7	-	CH
59	Total Operation	\$ 294,071	\$ 294,071	\$ 220,407	\$ 19,129	\$ 54,202	\$ 334	\$ -	
<u>Maintenance</u>									
60	Commodity	\$ 15,841	\$ 15,841	\$ 7,061	\$ 1,301	\$ 7,472	\$ 8	\$ -	CBC
61	Demand	6,747	6,747	4,958	1,343	446	0	-	CMD
62	Customer Accounts	-	-	-	-	-	-	-	CB
63	Customer Meters	3,530	3,530	3,229	96	186	19	-	CM
64	Customer Services	21,630	21,630	20,981	455	163	33	-	CS
65	Fire Hydrants	2,939	2,939	2,897	39	2	1	-	CH
66	Total Maintenance	\$ 50,687	\$ 50,687	\$ 39,125	\$ 3,233	\$ 8,269	\$ 60	\$ -	
<u>Total Transmission & Distribution Expenses</u>									
67	Commodity	\$ 121,628	\$ 121,628	\$ 54,212	\$ 9,987	\$ 57,371	\$ 58	\$ -	
68	Demand	43,204	43,204	31,750	8,601	2,854	0	-	
69	Customer Accounts	-	-	-	-	-	-	-	
70	Customer Meters	22,601	22,601	20,677	616	1,190	119	-	
71	Customer Services	138,507	138,507	134,346	2,911	1,042	208	-	
72	Fire Hydrants	18,819	18,819	18,548	248	15	8	-	
73	Total Transmission & Distribution Expenses	\$ 344,758	\$ 344,758	\$ 259,532	\$ 22,362	\$ 62,471	\$ 394	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Allocation Code (b)
Customer Accounts Expenses									
74	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	CBC
75	Demand	-	-	-	-	-	-	-	CMD
76	Customer Accounts	189,421	189,421	186,699	2,494	149	79	-	CB
77	Customer Meters	-	-	-	-	-	-	-	CM
78	Customer Services	-	-	-	-	-	-	-	CS
79	Fire Hydrants	-	-	-	-	-	-	-	CH
80	Total Customer Accounts	\$ 189,421	\$ 189,421	\$ 186,699	\$ 2,494	\$ 149	\$ 79	\$ -	
O&M w/oA&G Expenses									
81	Commodity	\$ 709,440	\$ 709,440	\$ 316,211	\$ 58,254	\$ 334,635	\$ 340	\$ -	
82	Demand	241,564	241,564	177,520	48,088	15,955	1	-	
83	Customer Accounts	189,421	189,421	186,699	2,494	149	79	-	
84	Customer Meters	22,601	22,601	20,677	616	1,190	119	-	
85	Customer Services	138,507	138,507	134,346	2,911	1,042	208	-	
86	Fire Hydrants	18,819	18,819	18,548	248	15	8	-	
87	Total O&M w/oA&G Expenses	\$ 1,320,352	\$ 1,320,352	\$ 854,001	\$ 112,610	\$ 352,986	\$ 755	\$ -	
Administrative and General Expenses									
88	Commodity	\$ 346,043	\$ 346,043	\$ 154,238	\$ 28,415	\$ 163,225	\$ 166	\$ -	CBC
89	Demand	128,329	128,329	94,306	25,546	8,476	1	-	CMD
90	Customer Accounts	695,610	695,610	685,615	9,159	546	290	-	CB
91	Customer Meters	10,968	10,968	10,034	299	577	58	-	CM
92	Customer Services	67,215	67,215	65,196	1,412	506	101	-	CS
93	Fire Hydrants	9,132	9,132	9,001	120	7	4	-	CH
94	Total Administrative and General Expenses	\$ 1,257,298	\$ 1,257,298	\$ 1,018,390	\$ 64,952	\$ 173,337	\$ 619	\$ -	
Total Operation and Maintenance Expenses									
95	Commodity	\$ 1,055,484	\$ 1,055,484	\$ 470,449	\$ 86,669	\$ 497,860	\$ 506	\$ -	
96	Demand	369,893	369,893	271,826	73,634	24,431	2	-	
97	Demand - Extra Cap Max Hour	-	-	-	-	-	-	-	
98	Customer Accounts	885,031	885,031	872,314	11,653	695	369	-	
99	Customer Meters	33,569	33,569	30,711	914	1,767	176	-	
100	Customer Services	205,722	205,722	199,542	4,323	1,547	309	-	
101	Fire Hydrants	27,951	27,951	27,549	368	22	12	-	
102	Total Operation and Maintenance Expenses	\$ 2,577,650	\$ 2,577,650	\$ 1,872,391	\$ 177,562	\$ 526,323	\$ 1,375	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Allocation Code (b)
Depreciation & Amort Expense									
103	Commodity	\$ 369,096	\$ 369,096	\$ 164,513	\$ 30,307	\$ 174,098	\$ 177	\$ -	CBC
104	Demand	157,204	157,204	115,525	31,294	10,383	1	-	CMD
105	Customer Accounts	34,876	34,876	34,375	459	27	15	-	CB
106	Customer Meters	94,686	94,686	86,625	2,579	4,985	498	-	CM
107	Customer Services	238,554	238,554	231,388	5,013	1,794	359	-	CS
108	Fire Hydrants	20,068	20,068	19,780	264	16	8	-	CH
109		-	-	-	-	-	-	-	CH
110	Total Depreciation & Amort Expense	\$ 914,483	\$ 914,483	\$ 652,205	\$ 69,918	\$ 191,304	\$ 1,057	\$ -	
Taxes Other Than Income									
111	Commodity	\$ 82,782	\$ 82,782	\$ 36,897	\$ 6,797	\$ 39,047	\$ 40	\$ -	CBC
112	Demand	35,258	35,258	25,910	7,019	2,329	0	-	CMD
113	Customer Accounts	5,374	5,374	5,296	71	4	2	-	CB
114	Customer Meters	7,599	7,599	6,952	207	400	40	-	CM
115	Customer Services	80,548	80,548	78,128	1,693	606	121	-	CS
116	Fire Hydrants	2,287	2,287	2,254	30	2	1	-	CH
117	Total Taxes Other Than Income	\$ 213,847	\$ 213,847	\$ 155,438	\$ 15,817	\$ 42,388	\$ 204	\$ -	
O&M, Customer, A&G and Other Taxes									
118	Commodity	\$ 1,507,361	\$ 1,507,361	\$ 671,859	\$ 123,774	\$ 711,005	\$ 723	\$ -	
119	Demand	562,355	562,355	413,261	111,947	37,144	3	-	
120	Customer Accounts	925,281	925,281	911,985	12,183	726	386	-	
121	Customer Meters	135,854	135,854	124,288	3,701	7,152	714	-	
122	Customer Services	524,824	524,824	509,057	11,029	3,948	790	-	
123	Fire Hydrants	50,306	50,306	49,583	662	39	21	-	
124	Total O&M, Customer, A&G and Other Taxes	\$ 3,705,980	\$ 3,705,980	\$ 2,680,034	\$ 263,296	\$ 760,014	\$ 2,636	\$ -	
Labor Allocator									
125	Commodity	\$ 257,476	\$ 257,476	\$ 114,762	\$ 21,142	\$ 121,449	\$ 123	\$ -	CBC
126	Demand	108,416	108,416	79,672	21,582	7,161	1	-	CMD
127	Customer Accounts	103,242	103,242	101,758	1,359	81	43	-	CB
128	Customer Meters	10,204	10,204	9,335	278	537	54	-	CM
129	Customer Services	62,535	62,535	60,656	1,314	470	94	-	CS
130	Fire Hydrants	8,496	8,496	8,374	112	7	4	-	CH
131	Total Labor	\$ 550,368	\$ 550,368	\$ 374,558	\$ 45,788	\$ 129,705	\$ 318	\$ -	

Pima Water Company
Test Year Ended 06/30/2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Allocation Code (b)
OPERATING INCOME									
132	Income Before Taxes	\$ 1,247,339	\$ 1,247,339	\$ 323,070	\$ 494,654	\$ 420,269	\$ 9,345	\$ -	
133	State Income Tax	49,721	49,721	7,546	23,395	18,334	447	-	
134	Federal Income Tax	202,650	202,650	30,753	95,351	74,724	1,822	-	
135	Total Income Taxes	\$ 252,372	\$ 252,372	\$ 38,299	\$ 118,746	\$ 93,058	\$ 2,269	\$ -	
136	Net Income After Tax	\$ 994,967	\$ 994,967	\$ 284,771	\$ 375,908	\$ 327,211	\$ 7,076	\$ -	
137	Present Return Rate Of Return	9.16%	9.16%	3.61%	46.80%	15.20%	68.25%	#DIV/0!	
138	Present Relative Return Rate Of Return	1.00	1.00	0.39	5.11	1.66	7.45	#DIV/0!	
State Income Tax									
139	Income Before Tax	\$ 1,247,339	\$ 1,247,339	\$ 323,070	\$ 494,654	\$ 420,269	\$ 9,345	\$ -	
140	Less: Interest Expense	232,615	232,615	169,080	17,205	46,108	222	-	
141	State Taxable Income	\$ 1,014,724	\$ 1,014,724	\$ 153,990	\$ 477,450	\$ 374,161	\$ 9,123	\$ -	
142	Pro Forma State Income Tax	\$ 49,721	\$ 49,721	\$ 7,546	\$ 23,395	\$ 18,334	\$ 447	\$ -	
143	Amortization of Flow Through Tax	0	0	0	0	0	0	0	
144	Subtotal State Income Tax	\$ 49,721	\$ 49,721	\$ 7,546	\$ 23,395	\$ 18,334	\$ 447	\$ -	
145	Deferred State Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
146	Total State Income Tax	\$ 49,721	\$ 49,721	\$ 7,546	\$ 23,395	\$ 18,334	\$ 447	\$ -	
Federal Income Tax									
147	Income Before Tax	\$ 1,247,339	\$ 1,247,339	\$ 323,070	\$ 494,654	\$ 420,269	\$ 9,345	\$ -	
148	Less: Interest Expense	232,615	232,615	169,080	17,205	46,108	222	-	
149	Less: State Income Tax	49,721	49,721	7,546	23,395	18,334	447	-	
150		-	-	-	-	-	-	-	
151	Federal Taxable Income	\$ 965,002	\$ 965,002	\$ 146,445	\$ 454,055	\$ 355,827	\$ 8,676	\$ -	
152	Pro Forma Federal Income Tax	\$ 202,650	\$ 202,650	\$ 30,753	\$ 95,351	\$ 74,724	\$ 1,822	\$ -	
153	ITC Amortization	-	-	-	-	-	-	-	CRB
154	Subtotal Federal Income Tax	\$ 202,650	\$ 202,650	\$ 30,753	\$ 95,351	\$ 74,724	\$ 1,822	\$ -	
155	Deferred Federal Income Tax	-	-	-	-	-	-	-	
156	Total Federal Income Tax	202,650	202,650	30,753	95,351	74,724	1,822	-	
157	Total Income Tax	252,372	252,372	38,299	118,746	93,058	2,269	-	

Pima Water Company
Test Year Ended 06/30/2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Golf Course/Lake	Standpipe/Construction	Private Fire	Allocation Code (b)
PRESENT REVENUES TAXES & ROR									
Proposed Revenues									
158	Revenues	\$ 4,911,218	\$ 4,911,218	\$ 2,984,339	\$ 754,494	\$ 1,160,425	\$ 11,961	\$ -	
159	Other Revenue	42,101	42,101	18,765	3,457	19,858	20	-	
160	Total Present Revenue	\$ 4,953,319	\$ 4,953,319	\$ 3,003,104	\$ 757,951	\$ 1,180,283	\$ 11,981	\$ -	
161	O&M, Customer, A&G and Other Taxes	\$ 3,705,980	\$ 3,705,980	\$ 2,680,034	\$ 263,296	\$ 760,014	\$ 2,636	\$ -	
162	Income Before Tax	\$ 1,247,339	\$ 1,247,339	\$ 323,070	\$ 494,654	\$ 420,269	\$ 9,345	\$ -	
163	Less: Interest Expense	232,615	232,615	169,080	17,205	46,108	222	-	
164	State Taxable Income	\$ 1,014,724	\$ 1,014,724	\$ 153,990	\$ 477,450	\$ 374,161	\$ 9,123	\$ -	
165	Pro Forma State Income Tax	\$ 49,721	\$ 49,721	\$ 7,546	\$ 23,395	\$ 18,334	\$ 447	\$ -	
166	Amortization of Flow Through Tax	-	-	-	-	-	-	-	
167	Subtotal State Income Tax	\$ 49,721	\$ 49,721.45	\$ 7,545.52	\$ 23,395.03	\$ 18,333.88	\$ 447.03	\$ -	
168	Deferred State Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
169	Total State Income Tax	\$ 49,721	\$ 49,721	\$ 7,546	\$ 23,395	\$ 18,334	\$ 447	\$ -	
170	Income Before Tax	\$ 1,247,339	\$ 1,247,339	\$ 323,070	\$ 494,654	\$ 420,269	\$ 9,345	\$ -	
171	Less: Interest Expense	232,615	232,615	169,080	17,205	46,108	222	-	
172	Less: State Income Tax	49,721	49,721	7,546	23,395	18,334	447	-	
173		-	-	-	-	-	-	-	
174	Federal Taxable Income	\$965,002	965,002	146,445	454,055	355,827	8,676	0	
175	Pro Forma Federal Income Tax	\$ 202,650	202,650	30,753	95,351	74,724	1,822	0	
176	ITC Amortization	-	0	0	0	0	0	0	CRB
177	Subtotal Federal Income Tax	\$202,650	202,650	30,753	95,351	74,724	1,822	0	
178	Total Federal Income Tax	\$202,650	202,650	30,753	95,351	74,724	1,822	0	
179	Total Income Tax	\$252,372	252,372	38,299	118,746	93,058	2,269	0	
180	Income After Tax	\$994,967	\$994,967	\$284,771	\$375,908	\$327,211	\$7,076	\$0	
Proposed Revenues									
181	Return Rate Of Return	9.16%	9.16%	3.61%	46.80%	15.20%	68.25%	#DIV/0!	
182	Realtive Rate Of Return	1.00	1.00	0.39	5.11	1.66	7.45	#DIV/0!	

Supporting Schedules
(a) C-1, (b) G-7a, (c) H-1

Pima Water Company
Test Year Ended 06/30/2025
Rate Base and Plant Functionalization

Line No.	Acct No.	Description	Company Total (a)	Commodity Cost[A]	Demand [A]	Customer Accounts [A]	Customer Meters[A]	Customer Services[A]	Private Fire[A]	Alloc. Code(b)
PLANT IN SERVICE										
1		Source of Supply Plant								
2	30320	Land and Land Rights	\$ 29,291	\$ 20,542	\$ 8,749	\$ -	\$ -	\$ -	\$ -	FWT
3	30420	Structures and Improvements	145,300	101,899	43,401	-	-	-	-	FWT
4	30520	Collecting and Impounding Res.	-	-	-	-	-	-	-	FWT
5	30620	Lake River and Other Intakes	-	-	-	-	-	-	-	FWT
6	30720	Wells and Springs	1,075,435	754,206	321,228	-	-	-	-	FWT
7	30820	Infiltration Galleries and Tunnels	-	-	-	-	-	-	-	FWT
8	30920	Supply Mains	-	-	-	-	-	-	-	FWT
9		Total Source of Supply Plant	\$ 1,250,026	\$ 876,648	\$ 373,378	\$ -	\$ -	\$ -	\$ -	
Pumping Plant										
10	31020	Power Generation Equipment	\$ 22,083	\$ 15,487	\$ 6,596	\$ -	\$ -	\$ -	\$ -	FPU
11	31120	Elec.&Diesel Pump.Equipment	4,005,694	2,809,208	1,196,485	-	-	-	-	FPU
12	31130	Other Pumpng Plant	-	-	-	-	-	-	-	FPU
13		Total Pumping Plant	\$ 4,027,777	\$ 2,824,695	\$ 1,203,082	\$ -	\$ -	\$ -	\$ -	
Water Treatment Plant										
14	30330	Land and Land Rights	\$ 29,291	\$ 20,542	\$ 8,749	\$ -	\$ -	\$ -	\$ -	FWT
15	30430	Structures and Improvements	145,300	101,899	43,401	-	-	-	-	FWT
16	32000	Water Treatment Equipment	140,253	98,360	41,893	-	-	-	-	FWT
17	32010	Water Treatment Plant	-	-	-	-	-	-	-	FWT
18	32020	Chemical Solution Feeders	-	-	-	-	-	-	-	FWT
19		Total Water Treatment Plant	\$ 314,844	\$ 220,801	\$ 94,043	\$ -	\$ -	\$ -	\$ -	
Transmission and Distribution Plant										
20	30340	Land and Land Rights	\$ 29,291	\$ 20,542	\$ 8,749	\$ -	\$ -	\$ -	\$ -	FDS
21	30440	Structures and Improvements	145,300	101,899	43,401	-	-	-	-	FDS
22	33000	Dist. Reservoirs & Standpipe	-	-	-	-	-	-	-	FDS
23	33010	Storage tanks	1,813,045	1,271,495	541,550	-	-	-	-	FDS
24	33020	Pressure Tanks	69,968	49,069	20,899	-	-	-	-	FDS
25	33140	Trans. and Distrib.Mains	5,078,706	3,561,716	1,516,990	-	-	-	-	FTDM
26	33340	Services	6,832,537	-	-	-	-	6,832,537	-	FCS
27	33440	Meters and Meter Installations	1,115,082	-	-	-	1,115,082	-	-	FCM
28	33540	Hydrants	928,471	-	-	-	-	-	928,471	FFH
29	33600	Backflow Prevention Devices	1,092	-	-	-	-	1,092	-	FCS
30	33900	Other Plant and Equipment	-	-	-	-	-	-	-	FCS
31		Total Transmission and Distribution Plant	\$ 16,013,492	\$ 5,004,722	\$ 2,131,589	\$ -	\$ 1,115,082	\$ 6,833,629	\$ 928,471	
32		Gross Plant In Service before Intangible and Gen.	\$ 21,606,139	\$ 8,926,866	\$ 3,802,091	\$ -	\$ 1,115,082	\$ 6,833,629	\$ 928,471	

Pima Water Company
Test Year Ended 06/30/2025
Rate Base and Plant Functionalization

Line No.	Acct No.	Description	Company Total (a)	Commodity Cost[A]	Demand [A]	Customer Accounts [A]	Customer Meters[A]	Customer Services[A]	Private Fire[A]	Alloc. Code(b)
General Plant										
33	30350	Land and Land Rights	\$ 9,764	\$ 2,017	\$ 859	\$ 4,882	\$ 252	\$ 1,544	\$ 210	FGPCC
34	30450	Structures and Improvements	48,433	10,005	4,261	24,217	1,250	7,659	1,041	FGPCC
35	34050	Furniture and Equipment	7,152	1,478	629	3,576	185	1,131	154	FGPCC
36	34060	Computer Hardware	110,252	22,776	9,701	55,126	2,845	17,435	2,369	FGPCC
37	34070	Computer Software	-	-	-	-	-	-	-	FGPCC
38	34150	Transportation Equipment	348,056	71,902	30,624	174,028	8,982	55,042	7,478	FGPCC
39	34151	Transportation Equipment - Leased	-	-	-	-	-	-	-	FGPCC
39	34250	Stores Equipment	-	-	-	-	-	-	-	FGPCC
40	34350	Tools, Shop and Garage Equipment	156,796	32,391	13,796	78,398	4,046	24,796	3,369	FGPCC
41	34450	Laboratory Equipment	-	-	-	-	-	-	-	FGPCC
42	34550	Power Operated Equipment	366,877	75,790	32,280	183,439	9,467	58,018	7,883	FGPCC
43	34650	Communication Equipment	120,010	24,792	10,559	60,005	3,097	18,979	2,579	FGPCC
44	34750	Miscellaneous Equipment	12,911	2,667	1,136	6,456	333	2,042	277	FGPCC
45	34751	Miscellaneous Equipment - CNG	-	-	-	-	-	-	-	FGPCC
46	34850	Other Tangible Property	-	-	-	-	-	-	-	FGPCC
47		Total General Plant	\$ 1,180,252	\$ 243,819	\$ 103,846	\$ 590,126	\$ 30,456	\$ 186,646	\$ 25,359	
Intangible Plant										
48	30110	Organization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	FGPIS
49	30210	Franchises and Consents	-	-	-	-	-	-	-	FGPIS
50	33910	Misc. Intangible Plant	-	-	-	-	-	-	-	FGPIS
51		Total Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
52		Reconciling Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	FPIS
53		Subtotal Gross Plant In Service(c)	\$ 22,786,391	\$ 9,170,684	\$ 3,905,937	\$ 590,126	\$ 1,145,538	\$ 7,020,275	\$ 953,831	
Allocated Corporate Plant										
54	90300	Land and Land Rights	-	-	-	-	-	-	-	FGPCC
55	90400	Structures and Improvements	-	-	-	-	-	-	-	FGPCC
56	94000	Office Furniture and Fixtures	-	-	-	-	-	-	-	FGPCC
57	94010	Computers and Software	-	-	-	-	-	-	-	FGPCC
58	94020	Customer First	-	-	-	-	-	-	-	FGPCC
59	95500	Power Generation	-	-	-	-	-	-	-	FGPCC
60	99500	Power Operated Equipment	-	-	-	-	-	-	-	FGPCC
61		Subtotal Allocated Corporate Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
54		Total Gross Plant In Service(c)	\$ 22,786,391	\$ 9,170,684	\$ 3,905,937	\$ 590,126	\$ 1,145,538	\$ 7,020,275	\$ 953,831	

Pima Water Company
Test Year Ended 06/30/2025
Rate Base and Plant Functionalization

Line No.	Acct No.	Description	Company Total (a)	Commodity Cost[A]	Demand [A]	Customer Accounts [A]	Customer Meters[A]	Customer Services[A]	Private Fire[A]	Alloc. Code(b)
ACCUMULATED DEPRECIATION AND AMORTIZATION										
Source of Supply Plant										
63	30320	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	FWT
64	30420	Structures and Improvements	86,895	60,940	25,955	-	-	-	-	FWT
65	30520	Collecting and Impounding Res.	-	-	-	-	-	-	-	FWT
66	30620	Lake River and Other Intakes	-	-	-	-	-	-	-	FWT
67	30720	Wells and Springs	357,732	250,879	106,853	-	-	-	-	FWT
68	30820	Infiltration Galleries and Tunnels	-	-	-	-	-	-	-	FWT
69	30920	Supply Mains	-	-	-	-	-	-	-	FWT
70		Total Source of Supply Plant	\$ 444,627	\$ 311,819	\$ 132,809	\$ -	\$ -	\$ -	\$ -	-
Pumping Plant										
71	31020	Power Generation Equipment	\$ 3,160	\$ 2,216	\$ 944	\$ -	\$ -	\$ -	\$ -	FPU
72	31120	Elec.&Diesel Pump.Equipment	2,644,942	1,854,908	790,034	-	-	-	-	FPU
73	31130	Other Pumping Equipment	-	-	-	-	-	-	-	FPU
74		Total Pumping Plant	\$ 2,648,102	\$ 1,857,124	\$ 790,978	\$ -	\$ -	\$ -	\$ -	-
Total Water Treatment Plant										
75	30330	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	FWT
76	30430	Structures and Improvements	86,894.95	60,940	25,955	-	-	-	-	FWT
77	32000	Water Treatment Equipment	108,106	75,815	32,291	-	-	-	-	FWT
78	32010	Water Treatment Plant	-	-	-	-	-	-	-	FWT
79	32020	Chemical Solution Feeders	-	-	-	-	-	-	-	FWT
80		Total Water Treatment Plant	\$ 195,001	\$ 136,755	\$ 58,246	\$ -	\$ -	\$ -	\$ -	-
Transmission and Distribution Plant										
81	30340	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	FDS
82	30440	Structures and Improvements	86,895	60,940	25,955	-	-	-	-	FDS
83	33000	Dist. Reservoirs & Standpipe	-	-	-	-	-	-	-	FDS
84	33010	Storage tanks	843,124	591,286	251,838	-	-	-	-	FDS
85	33020	Pressure Tanks	68,430	47,990	20,440	-	-	-	-	FDS
86	33140	Trans. and Distrib.Mains	2,689,248	1,885,980	803,268	-	-	-	-	FTDM
87	33340	Services	2,884,228	-	-	-	-	2,884,228	-	FCS
88	33440	Meters and Meter Installations	748,356	-	-	-	748,356	-	-	FCM
89	33540	Hydrants	825,482	-	-	-	-	-	825,482	FFH
90	33600	Backflow Prevention Devices	241	-	-	-	-	241	-	FCS
91	33900	Other Plant and Equipment	-	-	-	-	-	-	-	FCS
92		Total Transmission and Distribution Plant	\$ 8,146,004	\$ 2,586,195	\$ 1,101,501	\$ -	\$ 748,356	\$ 2,884,470	\$ 825,482	-

Pima Water Company
Test Year Ended 06/30/2025
Rate Base and Plant Functionalization

Line No.	Acct No.	Description	Company Total (a)	Commodity Cost[A]	Demand [A]	Customer Accounts [A]	Customer Meters[A]	Customer Services[A]	Private Fire[A]	Alloc. Code(b)
General Plant										
93	30350	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	FGPCC
94	30450	Structures and Improvements	28,965	5,984	2,549	14,482	747	4,581	622	FGPCC
95	34050	Furniture and Equipment	1,341	277	118	670	35	212	29	FGPCC
96	34060	Computer Hardware	96,144	19,862	8,459	48,072	2,481	15,204	2,066	FGPCC
97	34070	Computer Software	-	-	-	-	-	-	-	FGPCC
98	34150	Transportation Equipment	291,213	60,159	25,623	145,606	7,515	46,053	6,257	FGPCC
99	34151	Transportation Equipment - Leased	-	-	-	-	-	-	-	FGPCC
100	34250	Stores Equipment	-	-	-	-	-	-	-	FGPCC
101	34350	Tools, Shop and Garage Equipment	105,759	21,848	9,305	52,879	2,729	16,725	2,272	FGPCC
102	34450	Laboratory Equipment	-	-	-	-	-	-	-	FGPCC
103	34550	Power Operated Equipment	49,741	10,276	4,377	24,871	1,284	7,866	1,069	FGPCC
104	34650	Communication Equipment	52,779	10,903	4,644	26,390	1,362	8,347	1,134	FGPCC
105	34750	Miscellaneous Equipment	16,038	3,313	1,411	8,019	414	2,536	345	FGPCC
106	34751	Miscellaneous Equipment - CNG	-	-	-	-	-	-	-	FGPCC
107	34850	Other Tangible Property	-	-	-	-	-	-	-	FGPCC
108	34750	Total General Plant	\$ 641,979	\$ 132,621	\$ 56,485	\$ 320,990	\$ 16,566	\$ 101,523	\$ 13,794	
109		Retirement Work in Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	FPIS
110		Advances in Aid of Construction	-	-	-	-	-	-	-	FPIS
111		Subtotal Accumulated Depreciation/Amortization(c)	\$ 12,075,714	\$ 5,024,514	\$ 2,140,019	\$ 320,990	\$ 764,923	\$ 2,985,993	\$ 839,276	
112		Allocated Corporate Accumulated Depreciation								
113	90300	Land and Land Rights	-	-	-	-	-	-	-	FGPCC
114	90400	Structures and Improvements	-	-	-	-	-	-	-	FGPCC
115	94000	Office Furniture and Fixtures	-	-	-	-	-	-	-	FGPCC
116	94010	Computers and Software	-	-	-	-	-	-	-	FGPCC
117	94020	Customer First	-	-	-	-	-	-	-	FGPCC
118	95500	Power Generation	-	-	-	-	-	-	-	FGPCC
119	99500	Power Operated Equipment	-	-	-	-	-	-	-	FGPCC
120		Subtotal Allocated Corporate Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
121		Accumulated Depreciation/Amortization(c)	\$ 12,075,714	\$ 5,024,514	\$ 2,140,019	\$ 320,990	\$ 764,923	\$ 2,985,993	\$ 839,276	
122		Net Plant	\$ 10,710,677	\$ 4,146,170	\$ 1,765,918	\$ 269,137	\$ 380,616	\$ 4,034,282	\$ 114,554	
123		Construction Work In Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	FNP
124		Plus: Working Capital Assets/Other (net)	\$ 190,372	\$ 73,694	\$ 31,388	\$ 4,784	\$ 6,765	\$ 71,706	\$ 2,036	FNP
125		Less: Contributions & Advances in Aid of Construction	\$ (41,336)	\$ (16,001)	\$ (6,815)	\$ (1,039)	\$ (1,469)	\$ (15,570)	\$ (442)	FNP
126		Total Rate Base	\$ 10,859,714	\$ 4,203,863	\$ 1,790,491	\$ 272,882	\$ 385,912	\$ 4,090,418	\$ 116,148	

Supporting Schedules
(a) B-1, (b) G-7b, (c) B-2

Recap Schedules
[A] G-2

Pima Water Company
Test Year Ended 06/30/2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Present Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand [A]	Customer Accounts [A]	Customer Meters[A]	Customer Services[A]	Private Fire[A]	Alloc. Code(b)	Labor
INCOME STATEMENT											
Source of Supply Expenses											
<u>Operation</u>											
1	601.1	Salaries and Wages - Employees	\$ 110,074	\$ 77,195	\$ 32,879	\$ -	\$ -	\$ -	\$ -	FSS	L
2	604.1	Employee Pensions and Benefits	28,519	20,000	8,519	-	-	-	-	FSS	
3	615.1	Purchased Power	128,912	109,576	19,337	-	-	-	-	FPP	
4	618.1	Chemicals	4,957	4,957	-	-	-	-	-	FBC	
5	620.1	Materials and Supplies	15,234	15,234	-	-	-	-	-	FBC	
6	620.2.1	Office Supplies	9,972	6,993	2,979	-	-	-	-	FSS	
7	642.1	Rental of Equipment	316	221	94	-	-	-	-	FSS	
8	650.1	Transportation Expenses	8,484	5,950	2,534	-	-	-	-	FSS	
9	656.1	Insurance - Vehicle	2,763	1,938	825	-	-	-	-	FSS	
10	657.1	Insurance - General Liability	27,812	19,505	8,307	-	-	-	-	FSS	
11		Total Operation	\$ 337,042	\$ 261,568	\$ 75,474	\$ -	\$ -	\$ -	\$ -		
<u>Maintenance</u>											
12	601.2	Salaries and Wages - Employees	\$ 27,518	\$ 19,299	\$ 8,220	\$ -	\$ -	\$ -	\$ -	FSS	L
13	604.2	Employee Pensions and Benefits	7,130	5,000	2,130	-	-	-	-	FSS	
14	620.2	Materials and Supplies	3,808	3,808	-	-	-	-	-	FBC	
15	635.2	Contractual Services - Testing	2,403	1,685	718	-	-	-	-	FSS	
16	642.2	Rental of Equipment	63	44	19	-	-	-	-	FSS	
17	650.2	Transportation Expenses	2,121	1,487	634	-	-	-	-	FSS	
18	656.2	Insurance - Vehicle	691	484	206	-	-	-	-	FSS	
19	657.2	Insurance - General Liability	6,953	4,876	2,077	-	-	-	-	FSS	
20		Total Maintenance	\$ 50,687	\$ 36,685	\$ 14,003	\$ -	\$ -	\$ -	\$ -		
21		Total Source of Supply Expenses	\$ 387,729	\$ 298,253	\$ 89,476	\$ -	\$ -	\$ -	\$ -		
Water Treatment Expenses											
<u>Operation</u>											
22	601.3	Salaries and Wages - Employees	\$ 110,074	\$ 77,195	\$ 32,879	\$ -	\$ -	\$ -	\$ -	FWT	L
23	604.3	Employee Pensions and Benefits	28,519	20,000	8,519	-	-	-	-	FWT	
24	615.3	Purchased Power	128,912	90,407	38,506	-	-	-	-	FWT	
25	618.3	Chemicals	14,870	14,870	-	-	-	-	-	FBC	
26	620.3	Materials and Supplies	15,234	15,234	-	-	-	-	-	FBC	
27	620.2.3	Office Supplies	9,972	6,993	2,979	-	-	-	-	FWT	
28	642.3	Rental of Equipment	316	221	94	-	-	-	-	FWT	
29	650.3	Transportation Expenses	8,484	5,950	2,534	-	-	-	-	FWT	
30	656.3	Insurance - Vehicle	2,763	1,938	825	-	-	-	-	FWT	
31	657.3	Insurance - General Liability	27,812	19,505	8,307	-	-	-	-	FWT	
32		Total Operation	\$ 346,955	\$ 252,313	\$ 94,642	\$ -	\$ -	\$ -	\$ -		

Pima Water Company
Test Year Ended 06/30/2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Present Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand [A]	Customer Accounts [A]	Customer Meters[A]	Customer Services[A]	Private Fire[A]	Alloc. Code(b)	Labor
Maintenance											
33	601.4	Salaries and Wages - Employees	27,518	19,299	8,220	-	-	-	-	FWT	L
34	604.4	Employee Pensions and Benefits	7,130	5,000	2,130	-	-	-	-	FWT	
35	620.4	Materials and Supplies	3,808	3,808	-	-	-	-	-	FBC	
36	635.4	Contractual Services - Testing	3,204	2,247	957	-	-	-	-	FWT	
37	642.4	Rental of Equipment	63	44	19	-	-	-	-	FWT	
38	650.4	Transportation Expenses	2,121	1,487	634	-	-	-	-	FWT	
39	656.4	Insurance - Vehicle	691	484	206	-	-	-	-	FWT	
40	657.4	Insurance - General Liability	6,953	4,876	2,077	-	-	-	-	FWT	
41		Total Maintenance	\$ 51,488	\$ 37,246	\$ 14,242	\$ -	\$ -	\$ -	\$ -		
42		Total Water Treatment	\$ 398,443	\$ 289,559	\$ 108,884	\$ -	\$ -	\$ -	\$ -		
43		Total Production Expenses	\$ 786,173	\$ 587,812	\$ 198,360	\$ -	\$ -	\$ -	\$ -		
Transmission and Distribution Expenses											
Operation											
44	601.5	Salaries and Wages - Employees	\$ 110,074	\$ 34,401	\$ 14,652	\$ -	\$ 7,665	\$ 46,973	\$ 6,382	FTD	L
45	604.5	Employee Pensions and Benefits	28,519	8,913	3,796	-	1,986	12,170	1,654	FTD	
46	615.5	Purchased Power	85,942	26,859	11,440	-	5,984	36,675	4,983	FTD	
47	618.5	Chemicals	4,957	4,957	-	-	-	-	-	FBC	
48	620.5	Materials and Supplies	15,234	15,234	-	-	-	-	-	FBC	
49	620.2.5	Office Supplies	9,972	3,117	1,327	-	694	4,255	578	FTD	
50	642.5	Rental of Equipment	316	99	42	-	22	135	18	FTD	
51	650.5	Transportation Expenses	8,484	2,651	1,129	-	591	3,620	492	FTD	
52	656.5	Insurance - Vehicle	2,763	864	368	-	192	1,179	160	FTD	
53	657.5	Insurance - General Liability	27,812	8,692	3,702	-	1,937	11,869	1,613	FTD	
54		Total Operation	\$294,071	105,787	36,457	0	19,071	116,876	15,880		
Maintenance											
55	601.6	Salaries and Wages - Employees	\$ 27,518	\$ 8,600	\$ 3,663	\$ -	\$ 1,916	\$ 11,743	\$ 1,596	FTD	L
56	604.6	Employee Pensions and Benefits	7,130	2,228	949	-	496	3,043	413	FTD	
57	620.6	Materials and Supplies	3,808	1,190	507	-	265	1,625	221	FTD	
58	635.6	Contractual Services - Testing	2,403	751	320	-	167	1,025	139	FTD	
59	642.6	Rental of Equipment	63	20	8	-	4	27	4	FTD	
60	650.6	Transportation Expenses	2,121	663	282	-	148	905	123	FTD	
61	656.6	Insurance - Vehicle	691	216	92	-	48	295	40	FTD	
62	657.6	Insurance - General Liability	6,953	2,173	926	-	484	2,967	403	FTD	
63		Total Maintenance	\$ 50,687	\$ 15,841	\$ 6,747	\$ -	\$ 3,530	\$ 21,630	\$ 2,939		
64		Total Transmission & Distribution Expenses	\$ 344,758	\$ 121,628	\$ 43,204	\$ -	\$ 22,601	\$ 138,507	\$ 18,819		

Pima Water Company
Test Year Ended 06/30/2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Present Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand [A]	Customer Accounts [A]	Customer Meters[A]	Customer Services[A]	Private Fire[A]	Alloc. Code(b)	Labor
93		Total Operation and Maintenance Expenses	\$ 2,572,964	\$ 1,055,484	\$ 369,893	\$ 880,345	\$ 33,569	\$ 205,722	\$ 27,951		
94		Depreciation & Amort Expense	\$ 914,483	\$ 369,096	\$ 157,204	\$ 34,876	\$ 94,686	\$ 238,554	\$ 20,068		
95		Taxes Other Than Income	\$ 183,592	\$ 71,070	\$ 30,270	\$ 4,613	\$ 6,524	\$ 69,152	\$ 1,964	FNP	
96		Total Operating Expenses Before Income Taxes	\$ 3,671,039	\$ 1,495,649	\$ 557,367	\$ 919,834	\$ 134,779	\$ 513,428	\$ 49,983		
97		Total Labor	\$ 550,368	\$ 257,476	\$ 108,416	\$ 103,242	\$ 10,204	\$ 62,535	\$ 8,496		L
Depreciation Expense											
Source of Supply Plant											
98	304.2	Structures and Improvements	4,838	3,393	1,445	-	-	-	-	FECMD	
99	307.2	Wells and Springs	35,812	25,115	10,697	-	-	-	-	FECMD	
100		Total Source of Supply Plant	\$ 40,650	\$ 28,508	\$ 12,142	\$ -	\$ -	\$ -	\$ -		
Pumping Plant											
101	311.2	Power Generation Equipment	1,104	774	330	-	-	-	-	FPU	
102	311.3	Elec.&Diesel Pump.Equipment	299,534	210,064	89,470	-	-	-	-	FPU	
103		Total Pumping Plant	\$ 300,638	\$ 210,839	\$ 89,799	\$ -	\$ -	\$ -	\$ -		
Water Treatment Plant											
	303.3	Land and Land Rights	-	-	-	-	-	-	-	FECMD	
104	304.3	Structures and Improvements	4,838	3,393	1,445	-	-	-	-	FECMD	
105	320.0	Water Treatment Equipment	12,812	8,985	3,827	-	-	-	-	FECMD	
106		Total Pumping & Purification	\$ 17,650	\$ 12,378	\$ 5,272	\$ -	\$ -	\$ -	\$ -		
Transmission and Distribution Plant											
107	303.4	Land and Land Rights	0	0	0	-	-	-	-	FDS	
108	304.4	Structures and Improvements	4,838	3,393	1,445	-	-	-	-	FDS	
	330	Dist. Standpipe and Reserv.	-	-	-	-	-	-	-	FDS	
111	331.4	Trans. and Distrib.Mains	101,574	71,234	30,340	-	-	-	-	FTDM	
112	333.4	Services	227,523	-	-	-	-	227,523	-	FCS	
113	334.4	Meters and Meter Installations	92,886	-	-	-	92,886	-	-	FCM	
114	335.4	Hydrants	18,569	-	-	-	-	-	18,569	FFH	
116		Total Transmission and Distribution Plant	\$ 485,793	\$ 102,961	\$ 43,853	\$ -	\$ 92,886	\$ 227,523	\$ 18,569		

Pima Water Company
Test Year Ended 06/30/2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Present Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand [A]	Customer Accounts [A]	Customer Meters[A]	Customer Services[A]	Private Fire[A]	Alloc. Code(b)	Labor
General Plant											
117	304.5	Structures and Improvements	1,613	333	142	806	42	255	35	FGPCC	
118	340.5	Furniture and Equipment	477	99	42	239	12	75	10	FGPCC	
120	341.5	Transportation Equipment	14,692	3,035	1,293	7,346	379	2,323	316	FGPCC	
121	343.5	Tools, Shop and Garage Equip.	7,840	1,620	690	3,920	202	1,240	168	FGPCC	
122	345.5	Power Operated Equipment	18,344	3,790	1,614	9,172	473	2,901	394	FGPCC	
123	346.5	Communication Equipment	8,918	1,842	785	4,459	230	1,410	192	FGPCC	
124	347.5	Miscellaneous Equipment	682	141	60	341	18	108	15	FGPCC	
125		Total General Plant	\$ 69,751	\$ 14,409	\$ 6,137	\$ 34,876	\$ 1,800	\$ 11,031	\$ 1,499		
126		Subtotal Direct Depreciation Expense	\$ 914,483	\$ 369,096	\$ 157,204	\$ 34,876	\$ 94,686	\$ 238,554	\$ 20,068		
		Amortization of Property Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	FGPIS	
127	903	Land and Land Rights	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	FGPCC	
128		Subtotal Allocated Depreciation Expense	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
129		Total Depreciation & Amortization	\$ 914,483	\$ 369,096	\$ 157,204	\$ 34,876	\$ 94,686	\$ 238,554	\$ 20,068		

Supporting Schedules
(a) B-2 ; (b) G-7b

Recap Schedules
[A] G-3

Pima Water Company
Test Year Ended 06/30/2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Proposed Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand [A]	Customer Accounts [A]	Customer Meters[A]	Customer Services[A]	Private Fire[A]	Alloc. Code(b)	Labor
INCOME STATEMENT											
Source of Supply Expenses											
<u>Operation</u>											
1	601.1	Salaries and Wages - Employees	\$ 110,074	\$ 77,195	\$ 32,879	\$ -	\$ -	\$ -	\$ -	FSS	L
2	604.1	Employee Pensions and Benefits	28,519	20,000	8,519	-	-	-	-	FSS	
3	615.1	Purchased Power	128,912	109,576	19,337	-	-	-	-	FPP	
4	618.1	Chemicals	4,957	4,957	-	-	-	-	-	FBC	
5	620.1	Materials and Supplies	15,234	15,234	-	-	-	-	-	FBC	
6	620.2.1	Office Supplies	9,972	6,993	2,979	-	-	-	-	FSS	
7	642.1	Rental of Equipment	316	221	94	-	-	-	-	FSS	
8	650.1	Transportation Expenses	8,484	5,950	2,534	-	-	-	-	FSS	
9	656.1	Insurance - Vehicle	2,763	1,938	825	-	-	-	-	FSS	
10	657.1	Insurance - General Liability	27,812	19,505	8,307	-	-	-	-	FSS	
11		Total Operation	\$ 337,042	\$ 261,568	\$ 75,474	\$ -	\$ -	\$ -	\$ -		
<u>Maintenance</u>											
12	601.2	Salaries and Wages - Employees	\$ 27,518	\$ 19,299	\$ 8,220	\$ -	\$ -	\$ -	\$ -	FSS	L
13	604.2	Employee Pensions and Benefits	7,130	5,000	2,130	-	-	-	-	FSS	
14	620.2	Materials and Supplies	3,808	3,808	-	-	-	-	-	FBC	
15	635.2	Contractual Services - Testing	2,403	1,685	718	-	-	-	-	FSS	
16	642.2	Rental of Equipment	63	44	19	-	-	-	-	FSS	
17	650.2	Transportation Expenses	2,121	1,487	634	-	-	-	-	FSS	
18	656.2	Insurance - Vehicle	691	484	206	-	-	-	-	FSS	
19	657.2	Insurance - General Liability	6,953	4,876	2,077	-	-	-	-	FSS	
20		Total Maintenance	\$ 50,687	\$ 36,685	\$ 14,003	\$ -	\$ -	\$ -	\$ -		
21		Total Source of Supply Expenses	\$ 387,729	\$ 298,253	\$ 89,476	\$ -	\$ -	\$ -	\$ -		
Water Treatment Expenses											
<u>Operation</u>											
22	601.3	Salaries and Wages - Employees	\$ 110,074	\$ 77,195	\$ 32,879	\$ -	\$ -	\$ -	\$ -	FWT	L
23	604.3	Employee Pensions and Benefits	28,519	20,000	8,519	-	-	-	-	FWT	
24	615.3	Purchased Power	128,912	90,407	38,506	-	-	-	-	FWT	
25	618.3	Chemicals	14,870	14,870	-	-	-	-	-	FBC	
26	620.3	Materials and Supplies	15,234	15,234	-	-	-	-	-	FBC	
27	620.2.3	Office Supplies	9,972	6,993	2,979	-	-	-	-	FWT	
28	642.3	Rental of Equipment	316	221	94	-	-	-	-	FWT	
29	650.3	Transportation Expenses	8,484	5,950	2,534	-	-	-	-	FWT	
30	656.3	Insurance - Vehicle	2,763	1,938	825	-	-	-	-	FWT	
31	657.3	Insurance - General Liability	27,812	19,505	8,307	-	-	-	-	FWT	
32		Total Operation	\$ 346,955	\$ 252,313	\$ 94,642	\$ -	\$ -	\$ -	\$ -		

Pima Water Company
Test Year Ended 06/30/2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Proposed Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand [A]	Customer Accounts [A]	Customer Meters[A]	Customer Services[A]	Private Fire[A]	Alloc. Code(b)	Labor
<u>Maintenance</u>											
33	601.4	Salaries and Wages - Employees	27,518	19,299	8,220	-	-	-	-	FWT	L
34	604.4	Employee Pensions and Benefits	7,130	5,000	2,130	-	-	-	-	FWT	
35	620.4	Materials and Supplies	3,808	3,808	-	-	-	-	-	FBC	
36	635.4	Contractual Services - Testing	3,204	2,247	957	-	-	-	-	FWT	
37	642.4	Rental of Equipment	63	44	19	-	-	-	-	FWT	
38	650.4	Transportation Expenses	2,121	1,487	634	-	-	-	-	FWT	
39	656.4	Insurance - Vehicle	691	484	206	-	-	-	-	FWT	
40	657.4	Insurance - General Liability	6,953	4,876	2,077	-	-	-	-	FWT	
41		Total Maintenance	\$ 51,488	\$ 37,246	\$ 14,242	\$ -	\$ -	\$ -	\$ -		
42		Total Water Treatment	\$ 398,443	\$ 289,559	\$ 108,884	\$ -	\$ -	\$ -	\$ -		
43		Total Production Expenses	\$ 786,173	\$ 587,812	\$ 198,360	\$ -	\$ -	\$ -	\$ -		
<u>Transmission and Distribution Expenses</u>											
<u>Operation</u>											
44	601.5	Salaries and Wages - Employees	\$ 110,074	\$ 34,401	\$ 14,652	\$ -	\$ 7,665	\$ 46,973	\$ 6,382	FTD	L
45	604.5	Employee Pensions and Benefits	28,519	8,913	3,796	-	1,986	12,170	1,654	FTD	
46	615.5	Purchased Power	85,942	26,859	11,440	-	5,984	36,675	4,983	FTD	
47	618.5	Chemicals	4,957	4,957	-	-	-	-	-	FBC	
48	620.5	Materials and Supplies	15,234	15,234	-	-	-	-	-	FBC	
49	620.2.5	Office Supplies	9,972	3,117	1,327	-	694	4,255	578	FTD	
50	642.5	Rental of Equipment	316	99	42	-	22	135	18	FTD	
51	650.5	Transportation Expenses	8,484	2,651	1,129	-	591	3,620	492	FTD	
52	656.5	Insurance - Vehicle	2,763	864	368	-	192	1,179	160	FTD	
53	657.5	Insurance - General Liability	27,812	8,692	3,702	-	1,937	11,869	1,613	FTD	
54		Total Operation	\$294,071	105,787	36,457	0	19,071	116,876	15,880		
<u>Maintenance</u>											
55	601.6	Salaries and Wages - Employees	\$ 27,518	\$ 8,600	\$ 3,663	\$ -	\$ 1,916	\$ 11,743	\$ 1,596	FTD	L
56	604.6	Employee Pensions and Benefits	7,130	2,228	949	-	496	3,043	413	FTD	
57	620.6	Materials and Supplies	3,808	1,190	507	-	265	1,625	221	FTD	
58	635.6	Contractual Services - Testing	2,403	751	320	-	167	1,025	139	FTD	
59	642.6	Rental of Equipment	63	20	8	-	4	27	4	FTD	
60	650.6	Transportation Expenses	2,121	663	282	-	148	905	123	FTD	
61	656.6	Insurance - Vehicle	691	216	92	-	48	295	40	FTD	
62	657.6	Insurance - General Liability	6,953	2,173	926	-	484	2,967	403	FTD	
63		Total Maintenance	\$ 50,687	\$ 15,841	\$ 6,747	\$ -	\$ 3,530	\$ 21,630	\$ 2,939		
64		Total Transmission & Distribution Expenses	\$ 344,758	\$ 121,628	\$ 43,204	\$ -	\$ 22,601	\$ 138,507	\$ 18,819		

Pima Water Company
Test Year Ended 06/30/2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Proposed Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand [A]	Customer Accounts [A]	Customer Meters[A]	Customer Services[A]	Private Fire[A]	Alloc. Code(b)	Labor
93		Total Operation and Maintenance Expenses	\$ 2,577,650	\$ 1,055,484	\$ 369,893	\$ 885,031	\$ 33,569	\$ 205,722	\$ 27,951		
94		Depreciation & Amort Expense	\$ 914,483	\$ 369,096	\$ 157,204	\$ 34,876	\$ 94,686	\$ 238,554	\$ 20,068		
95		Taxes Other Than Income	\$ 213,847	\$ 82,782	\$ 35,258	\$ 5,374	\$ 7,599	\$ 80,548	\$ 2,287	FNP	
96		Total Operating Expenses Before Income Taxes	\$ 3,705,980	\$ 1,507,361	\$ 562,355	\$ 925,281	\$ 135,854	\$ 524,824	\$ 50,306		
97		Total Labor	\$ 550,368	\$ 257,476	\$ 108,416	\$ 103,242	\$ 10,204	\$ 62,535	\$ 8,496		L
Depreciation Expense											
Source of Supply Plant											
98	304.2	Structures and Improvements	4,838	3,393	1,445	-	-	-	-	FECMD	
99	307.2	Wells and Springs	35,812	25,115	10,697	-	-	-	-	FECMD	
100		Total Source of Supply Plant	\$ 40,650	\$ 28,508	\$ 12,142	\$ -	\$ -	\$ -	\$ -		
Pumping Plant											
101	311.2	Power Generation Equipment	1,104	774	330	-	-	-	-	FPU	
102	311.3	Elec.&Diesel Pump.Equipment	299,534	210,064	89,470	-	-	-	-	FPU	
104	304.3	Structures and Improvements	4,838	3,393	1,445	-	-	-	-	FECMD	
105	320.0	Water Treatment Equipment	12,812	8,985	3,827	-	-	-	-	FECMD	
106		Total Pumping & Purification	\$ 17,650	\$ 12,378	\$ 5,272	\$ -	\$ -	\$ -	\$ -		
Transmission and Distribution Plant											
107	304.4	Structures and Improvements	4,838	3,393	1,445	-	-	-	-	FDS	
110	331.4	Trans. and Distrib.Mains	101,574	71,234	30,340	-	-	-	-	FTDM	
111	333.4	Services	227,523	-	-	-	-	227,523	-	FCS	
112	334.4	Meters and Meter Installations	92,886	-	-	-	92,886	-	-	FCM	
113	335.4	Hydrants	18,569	-	-	-	-	-	18,569	FFH	
115		Total Transmission and Distribution Plant	\$ 485,793	\$ 102,961	\$ 43,853	\$ -	\$ 92,886	\$ 227,523	\$ 18,569		

Pima Water Company
Test Year Ended 06/30/2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Proposed Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand [A]	Customer Accounts [A]	Customer Meters[A]	Customer Services[A]	Private Fire[A]	Alloc. Code(b)	Labor
General Plant											
116	304.5	Structures and Improvements	1,613	333	142	806	42	255	35	FGPCC	
117	340.5	Furniture and Equipment	477	99	42	239	12	75	10	FGPCC	
119	341.5	Transportation Equipment	14,692	3,035	1,293	7,346	379	2,323	316	FGPCC	
120	343.5	Tools,Shop and Garage Equip.	7,840	1,620	690	3,920	202	1,240	168	FGPCC	
121	345.5	Power Operated Equipment	18,344	3,790	1,614	9,172	473	2,901	394	FGPCC	
122	346.5	Communication Equipment	8,918	1,842	785	4,459	230	1,410	192	FGPCC	
123	347.5	Miscellaneous Equipment	682	141	60	341	18	108	15	FGPCC	
124		Total General Plant	\$ 69,751	\$ 14,409	\$ 6,137	\$ 34,876	\$ 1,800	\$ 11,031	\$ 1,499		
125		Subtotal Direct Depreciation Expense	<u>\$ 914,483</u>	<u>\$ 369,096</u>	<u>\$ 157,204</u>	<u>\$ 34,876</u>	<u>\$ 94,686</u>	<u>\$ 238,554</u>	<u>\$ 20,068</u>		
		Amortization of Property Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	FGPIS	
126		Total Depreciation & Amortization	<u>\$ 914,483</u>	<u>\$ 369,096</u>	<u>\$ 157,204</u>	<u>\$ 34,876</u>	<u>\$ 94,686</u>	<u>\$ 238,554</u>	<u>\$ 20,068</u>		

Supporting Schedules
(a) B-2 ; (b) G-7b

Recap Schedules
[A] G-3

Pima Water Company
Test Year Ended 06/30/2025
Development of Allocation Factors by Function

Line No	Allocation Factor	Total (1)	Commodity (2)	Demand (3)	Customer Accounts (4)	Customer Meters (5)	Customer Services (6)	Construction Hydrants (7)
1	ALLOCATION RATIOS							
2								
3								
4	EXTERNAL FACTORS							
5								
6	DEMAND							
7								
8	Commodity	FBC	100.0000%	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%
9	Demand	FECMD	100.0000%	70.1304%	29.8696%	0.0000%	0.0000%	0.0000%
10								
11	Pumping Equipment	FPU	100.0000%	70.1304%	29.8696%	0.0000%	0.0000%	0.0000%
12	Distribution Storage	FDS	100.0000%	70.1304%	29.8696%	0.0000%	0.0000%	0.0000%
13	Transmission & Distribution Mains	FTDM	100.0000%	70.1304%	29.8696%	0.0000%	0.0000%	0.0000%
14	Treatment Plant	FWT	100.0000%	70.1304%	29.8696%	0.0000%	0.0000%	0.0000%
15								
16	CUSTOMER							
17								
18	Customer Accounts	FCC	100.0000%	0.0000%	0.0000%	100.0000%	0.0000%	0.0000%
19	Customer Meters	FCM	100.0000%	0.0000%	0.0000%	0.0000%	100.0000%	0.0000%
20	Customer Services	FCS	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
21								
22	FIRE							
23	Fire Hydrants	FFH	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
24								
25	Purchased Power							
26	Purchased Power	FPP	100.0000%	85.0000%	15.0000%	0.0000%	0.0000%	0.0000%
27								
28	INTERNAL FACTORS							
29								
30	Net Plant	FNP	100.0000%	38.7106%	16.4875%	2.5128%	3.5536%	37.6660%
31	Net Plant w/CIAC	FNPCA	100.0000%	38.7106%	16.4875%	2.5128%	3.5536%	37.6660%
32	Gross Plant In Service (excl Intangible and Gen.)	FGPIS	100.0000%	41.3163%	17.5973%	0.0000%	5.1610%	31.6282%
33	Total O&M w/oA&G Expenses	FTOMW	100.0000%	53.9225%	18.3606%	14.0412%	1.7178%	10.5275%
34	Labor	FLA	100.0000%	46.7825%	19.6987%	18.7586%	1.8541%	11.3623%
35	Source of Supply Plant	FSS	100.0000%	70.1304%	29.8696%	0.0000%	0.0000%	0.0000%
36	Pumping & Purification Plant	FWT	100.0000%	70.1304%	29.8696%	0.0000%	0.0000%	0.0000%
37	Transmission & Distrib Plant	FTD	100.0000%	31.2532%	13.3112%	0.0000%	6.9634%	42.6742%
38	General & Admin. Plant (See Note 1)	FGPCC	100.0000%	20.6582%	8.7986%	50.0000%	2.5805%	15.8141%
39	50/50 Labor and Gross Plant	FOT	100.0000%	44.0494%	18.6480%	9.3793%	3.5075%	21.4953%
40	Plant In Service	FPIS	100.0000%	40.2463%	17.1415%	2.5898%	5.0273%	30.8091%
41	Total O&M w/oA&G Expenses w/o power & chemicals	FTOMWPC	100.0000%	52.0530%	19.1484%	16.7817%	1.5095%	9.2506%
42	General & Admin Expenses (See Note 2)	FTOMPIS	100.0000%	26.0265%	9.5742%	58.3908%	0.7547%	4.6253%

**Pima Water Company
Test Year Ended 06/30/2025
Development of Allocation Factors by Function**

Line No	Allocation Factor	Total (1)	Commodity (2)	Demand (3)	Customer Accounts (4)	Customer Meters (5)	Customer Services (6)	Construction Hydrants (7)		
43	INPUTS FOR RATIOS									
45	EXTERNAL INPUTS									
47	DEMAND									
49	Peak Day Usage (MGD)	16.592								
51	Annual Production (MG)	1,808.9								
53	Calculation of Demand									
54		MGD	Ratio	Commodity	Demand					
55	FBC	Avg Day	4.956	1.000	1.000					
56	FECMD	Max Day	16.592	3.348	0.7013	0.2987				
60				Commodity	Demand					
61	Purchased Power	FPP	100.0	100.0	85.000	15.0000				
65	INTERNAL INPUTS									
68		<u>Schedule G3a</u>								
69	Gross Plant In Service (excludes intangibles & Gen)	FGPIS	\$ 21,606,139	\$ 21,606,139	\$ 8,926,866	\$ 3,802,091	\$ -	\$ 1,115,082	\$ 6,833,629	\$ 928,471
70	Plant In Service	FPIS	\$ 22,786,391	\$ 22,786,391	\$ 9,170,684	\$ 3,905,937	\$ 590,126	\$ 1,145,538	\$ 7,020,275	\$ 953,831
71	Net Plant w/CIAC	FNPCA	\$ 10,669,341	\$ 10,669,341	\$ 4,130,169	\$ 1,759,103	\$ 268,098	\$ 379,147	\$ 4,018,713	\$ 114,112
72	Net Plant	FNP	\$ 10,710,677	\$ 10,710,677	\$ 4,146,170	\$ 1,765,918	\$ 269,137	\$ 380,616	\$ 4,034,282	\$ 114,554
73	Total O&M w/oA&G Expenses	FTOMW	\$ 1,315,666	\$ 1,315,666	\$ 709,440	\$ 241,564	\$ 184,735	\$ 22,601	\$ 138,507	\$ 18,819
74	Labor	FLA	\$ 550,368	\$ 550,368	\$ 257,476	\$ 108,416	\$ 103,242	\$ 10,204	\$ 62,535	\$ 8,496
75	Source of Supply Plant	FSS	\$ 1,250,026	\$ 1,250,026	\$ 876,648	\$ 373,378	\$ -	\$ -	\$ -	\$ -
76	Pumping & Purification Plant	FWT	\$ 4,027,777	\$ 4,027,777	\$ 2,824,695	\$ 1,203,082	\$ -	\$ -	\$ -	\$ -
77	Transmission & Distrib Plant	FTD	\$ 16,013,492	\$ 16,013,492	\$ 5,004,722	\$ 2,131,589	\$ -	\$ 1,115,082	\$ 6,833,629	\$ 928,471
78	Total O&M w/oA&G Expenses w/o power & chemicals	FTOMWPC	\$ 1,100,812	\$ 1,100,812	\$ 573,005	\$ 210,787	\$ 184,735	\$ 16,616	\$ 101,832	\$ 13,836

Note 1: Based upon a two-factor formula equal weighting FCC allocation factor and the FGPIS allocation factor.
 Note 2: Based upon a two-factor formula equal weighting FCC allocation factor and the FTOMWPC allocation factor.

Pima Water Company
Test Year Ended 06/30/2025
Development of Allocation Factors by Customer Class

Line No	Allocation Factor	Total (1)	Residential (2)	Commercial (3)	Irrigation (4)	Golf Course/Lake (5)	Standpipe/ Construction (5)
27	EXTERNAL INPUTS						
28	DEMAND AND COMMODITY		44.6%	8.2%	0.0%	47.2%	0.0%
29	Annual Usage (1,000 gallons)	1,808,908	1,808,908	806,264	148,534	0	853,242
30	Coincident Peak (1,000 gallons)	97,891	97,891	71,938	19,487	-	6,466
31							1
32	CUSTOMER						
33	Bills	122,273	122,273	120,516	1,610	0	96
34	Equivalent Meters	11,417	11,417	10,445	311	0	601
35	Equivalent Services	10,636	10,636	10,316	224	0	80
36							16
37	REVENUES						
38	Water Sales	\$ 2,603,161	From WP IS Dr \$ 2,603,161	\$ 1,773,289	\$ 342,928	\$ -	\$ 485,664
39	Water Sales excluding private fire	\$ 2,603,161	\$ 2,603,161	\$ 1,773,289	\$ 342,928	\$ -	\$ 485,664
40							\$ 1,281
41							\$ 1,281
42	Rate of Return	9.1620%					
43	Revenue Conversion Factor	1.3515					
44							
45	TAX FACTORS						
46	Wtd Cost of Debt	2.14%					
47	State Tax Rate	4.90%					
48	Federal Tax Rate	21.00%					
49							
50							
51	INTERNAL INPUTS						
52							
53	Rate Base	CRB \$10,859,714	10,859,714	7,893,564	803,214	0	2,152,567
							10,368

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Present and Proposed Rates

Exhibit
 Schedule H-3
 Page 1

Line No.	Monthly Usage Charge for:	Present Rates	Proposed Rates	Change	Percent Change	
1	<u>Meter Size (All Classes, Except Irrigation):</u>					
2	5/8x3/4 Inch	\$ 7.86	\$ 10.45	\$ 2.59	32.90%	
2	3/4 Inch	11.79	15.67	3.88	32.90%	
3	1 Inch	19.65	26.11	6.46	32.90%	
4	1 1/2 Inch	39.31	52.23	12.92	32.87%	
5	2 Inch	62.89	83.57	20.68	32.88%	
6	3 Inch	125.78	167.14	41.36	32.88%	
7	4 Inch	196.53	261.15	64.62	32.88%	
8	6 Inch	393.07	522.30	129.23	32.88%	
9	8 Inch	NT	835.68			
10	10 Inch	NT	1,253.51			
11						
12	Irrigation	180.00	Remove	NM	NM	
13	Irrigation - 6 Inch		522.30	NM	NM	
14	Irrigation - 8 inch		835.68	NM	NM	
15	Irrigation - 10 inch		1,253.51	NM	NM	
16						
17	Gallons In Minimum (All Classes, except irrigation)	-	-			
18						
19	Gallons In Minimum (Irrigation)	-	-			
20						
21						
22			(Per 1,000 gallons)			
23						
24	<u>Commodity Rates</u>	<u>Block</u>	<u>Present Rate</u>	<u>Proposed Rate</u>	<u>Change</u>	<u>Percent Change</u>
25						
26						
27	5/8x3/4 Inch - Residential	1 gallons to 4,000 gallons	\$ 0.73	\$ 0.97	\$ 0.24	32.90%
28		4,001 gallons to 10,000 gallons	\$ 1.03	\$ 2.47	\$ 1.44	139.82%
29		over 10,000 gallons	\$ 1.48	\$ 3.97	\$ 2.49	168.25%
30						
31	3/4 Inch Meter - Residential	1 gallons to 4,000 gallons	\$ 0.73	\$ 0.97	\$ 0.24	32.90%
32		4,001 gallons to 10,000 gallons	\$ 1.03	\$ 2.47	\$ 1.44	139.82%
33		over 10,000 gallons	\$ 1.48	\$ 3.97	\$ 2.49	168.25%
34						
35	3/4 Inch Meter - Commercial	1 gallons to 10,000 gallons	\$ 1.03	\$ 2.47	\$ 1.44	139.82%
36		over 10,000 gallons	\$ 1.48	\$ 3.97	\$ 2.49	168.25%
37						
38						
39	NT = No Tariff					
40						

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Present and Proposed Rates

Exhibit
 Schedule H-3
 Page 2

Line			(Per 1,000 gallons)					
<u>No.</u>			<u>Present</u>		<u>Proposed</u>			
	<u>Commodity Rates</u>	<u>Block</u>	<u>Rate</u>		<u>Rate</u>			
1								
2								
3								
4	1 Inch Meter - Residential, Commercial	1 gallons to 30,000 gallons	\$ 1.03	\$	2.47	\$	1.44 139.82%	
5		over 30,000 gallons	\$ 1.48	\$	3.97	\$	2.49 168.25%	
6								
7	1.5 Inch Meter - Residential, Commercial	1 gallons to 65,000 gallons	\$ 1.03	\$	2.47	\$	1.44 139.82%	
8		over 65,000 gallons	\$ 1.48	\$	3.97	\$	2.49 168.25%	
9								
10	2 Inch Meter - Residential, Commercial	1 gallons to 110,000 gallons	\$ 1.03	\$	2.47	\$	1.44 139.82%	
11		over 110,000 gallons	\$ 1.48	\$	3.97	\$	2.49 168.25%	
12								
13	3 Inch Meter - Residential, Commercial	1 gallons to 275,000 gallons	\$ 1.03	\$	2.47	\$	1.44 139.82%	
14		over 275,000 gallons	\$ 1.48	\$	3.97	\$	2.49 168.25%	
15								
16	4 Inch Meter - Residential, Commercial	1 gallons to 375,000 gallons	\$ 1.03	\$	2.47	\$	1.44 139.82%	
17		over 375,000 gallons	\$ 1.48	\$	3.97	\$	2.49 168.25%	
18								
19	6 Inch Meter - Residential, Commercial	1 gallons to 800,000 gallons	\$ 1.03	\$	2.47	\$	1.44 139.82%	
20		over 800,000 gallons	\$ 1.48	\$	3.97	\$	2.49 168.25%	
21								
22	Irrigation (all meter sizes)	All gallons	\$ 0.55	\$	1.27	\$	0.72 130.94%	
23								
24	Construction/Standpipe	All gallons	\$ 1.48	\$	3.97	\$	2.49 168.25%	
25								
26	NT = No Tariff							

Pima Utility Company - Water Division
Present and Proposed Rates
Test Year Ended June 30, 2025

Exhibit
Schedule H-3
Page 3
Witness: Bourassa

Line
No.

	Present Service Line Charge	Present Meter Install- ation Charge	Total Present Charge	Proposed Service Line Charge	Proposed Meter Install- ation Charge	Total Proposed Charge	
1	<u>Meter and Service Line Charges:</u>						
7	5/8 x 3/4 Inch	\$ 385.00	\$ 135.00	\$ 520.00	\$ 385.00	\$ 135.00	\$ 520.00
8	3/4 Inch	415.00	205.00	620.00	415.00	205.00	620.00
9	1 Inch	465.00	265.00	730.00	465.00	265.00	730.00
10	1 1/2 Inch	520.00	475.00	995.00	520.00	475.00	995.00
11	2 Inch Turbo	800.00	995.00	1,795.00	800.00	995.00	1,795.00
12	2 Inch, Compound	800.00	1,840.00	2,640.00	800.00	1,840.00	2,640.00
13	3 Inch Turbo	1,015.00	1,620.00	2,635.00	1,015.00	1,620.00	2,635.00
14	3 Inch, compound	1,135.00	2,495.00	3,630.00	1,135.00	2,495.00	3,630.00
15	4 Inch Turbo	1,430.00	2,570.00	4,000.00	1,430.00	2,570.00	4,000.00
16	4 Inch, compound	1,610.00	3,545.00	5,155.00	1,610.00	3,545.00	5,155.00
17	6 Inch Turbo	2,150.00	4,925.00	7,075.00	2,150.00	4,925.00	7,075.00
18	6 Inch, compound	2,270.00	6,820.00	9,090.00	2,270.00	6,820.00	9,090.00

19
20
21 NT = No Tariff

22
23 Other Charges:

	Present
26 Establishment	\$ 25.00
27 Re-Establishment (within 12 months)	*
28 Reconnection (delinquent)	\$ 25.00
29 Meter Test (if correct)	\$ 20.00
30 Meter Re-Read (if correct)	\$ 25.00
31 NSF Check	\$ 15.00
32 Deferred Payment (per month)	1.5%
33 Late Payment Fee (per month)	1.5%
34 After hours service charge	\$ 50.00
35 Deposit	**
36 Deposit Interest	**

37
38
39 *Number of months off the system time the monthly minimum
40 **Per A.A.C R14-2-403 B.
41 [a] Company may only charge one NSF fee when customer is billed for water and sewer services on one bill and when the customer pays their bill with one check
42 [b] The after-hours charge shall apply to any service requested by the customer or for the customer's convenience that is performed by the Company after regular business hours and shall be in addition to the regular business hours service charge

44
45

	Proposed
Establishment per A.A.C R14-2-403(D)	\$ 35.00
Re-Establishment per A.A.C R14-2-403(D)	(a)
Reconnection (delinquent) per A.A.C. R14-2-403(D)	\$ 30.00
Meter Test (if correct) per A.A.C R14-2-408(C)	\$ 30.00
Meter Re-Read (if correct) per A.A.C. R14-2-408(C)	\$ 30.00
NSF Check per A.A.C R14-2-408(E)	\$ 30.00
Deferred Payment (per month)	1.50%
Late Charge	(b)
Service - After Hours	\$50.00 (c)
Deposit Requirement	(d)
Deposit Interest per A.A.C. R14-2-403(B)	6%

(a) Minimum charge times number of full months off the system per A.A.C. R-14-2-403(D).
(b) Greater of \$5.00 or 1.5% of unpaid balance.
(c) Customer shall be charged for after-hours service calls outside of normal working hours for work performed at the customer's request or convenience.
(d) Per A.A.C R14-2-403(B): Residential - two times the average bill by class; Non-residential - two and one-half times the customer's estimated maximum monthly bill.

Pima Utility Company - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Residential 5/8x3/4 Inch Meter
 Test Year Ended June 30, 2025
 (Excludes all Revenue Related Taxes)

Exhibit
 Schedule H-4
 Page 1
 Witness: Bourassa

<u>Usage</u>	<u>Present</u> <u>Bill</u>	<u>Proposed</u> <u>Bill</u>	<u>Dollar</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>
-	\$ 7.86	\$ 10.45	\$ 2.59	32.90%
1,000	8.59	11.42	2.83	32.90%
2,000	9.32	12.39	3.07	32.90%
3,000	10.05	13.36	3.31	32.90%
4,000	10.78	14.33	3.55	32.90%
5,000	11.81	16.80	4.99	42.23%
6,000	12.84	19.27	6.43	50.05%
7,000	13.87	21.74	7.87	56.72%
8,000	14.90	24.21	9.31	62.47%
9,000	15.93	26.68	10.75	67.47%
10,000	16.96	29.15	12.19	71.86%
12,000	19.92	37.09	17.17	86.18%
14,000	22.88	45.03	22.15	96.80%
16,000	25.84	52.97	27.13	104.99%
18,000	28.80	60.91	32.11	111.49%
20,000	31.76	68.85	37.09	116.78%
25,000	39.16	88.70	49.54	126.51%
30,000	46.56	108.55	61.99	133.14%
35,000	53.96	128.40	74.44	137.96%
40,000	61.36	148.25	86.89	141.61%
45,000	68.76	168.10	99.34	144.48%
50,000	76.16	187.95	111.79	146.79%
60,000	90.96	227.66	136.70	150.28%
70,000	105.76	267.36	161.60	152.80%
80,000	120.56	307.06	186.50	154.69%
90,000	135.36	346.76	211.40	156.18%
100,000	150.16	386.46	236.30	157.37%
Average Usage				
6,051	\$ 12.89	\$ 19.39	\$ 6.50	50.42%
Median Usage				
4,500	\$ 11.30	\$ 15.56	\$ 4.27	37.78%

Present Rates:

Monthly Minimum:	\$	7.86
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to	4,000	\$ 0.73
Over	4,000	\$ 1.03

Proposed Rates:

Monthly Minimum:	\$	10.45
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to	4,000	\$ 0.97
Up to	10,000	\$ 2.47
Over	10,000	\$ 3.97

Pima Utility Company - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Residential 1 Inch Meter
 Test Year Ended June 30, 2025
 (Excludes all Revenue Related Taxes)

Exhibit
 Schedule H-4
 Page 2
 Witness: Bourassa

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 19.65	\$ 26.11	\$ 6.46	32.90%
1,000	20.68	28.59	7.91	38.23%
2,000	21.71	31.06	9.35	43.05%
3,000	22.74	33.53	10.79	47.43%
4,000	23.77	36.00	12.23	51.43%
5,000	24.80	38.47	13.67	55.10%
6,000	25.83	40.94	15.11	58.48%
7,000	26.86	43.41	16.55	61.60%
8,000	27.89	45.88	17.99	64.49%
9,000	28.92	48.35	19.43	67.17%
10,000	29.95	50.82	20.87	69.67%
12,000	32.01	55.76	23.75	74.19%
14,000	34.07	60.70	26.63	78.15%
16,000	36.13	65.64	29.51	81.67%
18,000	38.19	70.58	32.39	84.81%
20,000	40.25	75.52	35.27	87.62%
25,000	45.40	87.87	42.47	93.54%
30,000	50.55	100.22	49.67	98.26%
35,000	57.95	120.07	62.12	107.20%
40,000	65.35	139.92	74.57	114.11%
45,000	72.75	159.77	87.02	119.62%
50,000	80.15	179.62	99.47	124.11%
60,000	94.95	219.33	124.38	130.99%
70,000	109.75	259.03	149.28	136.02%
80,000	124.55	298.73	174.18	139.85%
90,000	139.35	338.43	199.08	142.86%
100,000	154.15	378.13	223.98	145.30%
Average Usage				
31,038	\$ 52.09	\$ 104.34	\$ 52.26	100.32%
Median Usage				
25,500	\$ 45.92	\$ 89.10	\$ 43.19	94.06%

Present Rates:

Monthly Minimum:	\$	19.65
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to	30,000	\$ 1.03
Over	30,000	\$ 1.48

Proposed Rates:

Monthly Minimum:	\$	26.11
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to	30,000	\$ 2.47
Over	30,000	\$ 3.97

Pima Utility Company - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Residential 5/8x3/4 Inch Meter
 Test Year Ended June 30, 2025
 (Excludes all Revenue Related Taxes)

Exhibit
 Schedule H-4
 Page 3
 Witness: Bourassa

<u>Usage</u>	<u>Present</u> <u>Bill</u>	<u>Proposed</u> <u>Bill</u>	<u>Dollar</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>
-	\$ 7.86	\$ 10.45	\$ 2.59	32.90%
1,000	8.89	12.92	4.03	45.29%
2,000	9.92	15.39	5.47	55.10%
3,000	10.95	17.86	6.91	63.07%
4,000	11.98	20.33	8.35	69.67%
5,000	13.01	22.80	9.79	75.23%
6,000	14.04	25.27	11.23	79.96%
7,000	15.07	27.74	12.67	84.06%
8,000	16.10	30.21	14.11	87.62%
9,000	17.13	32.68	15.55	90.76%
10,000	18.16	35.15	16.99	93.54%
12,000	21.12	43.09	21.97	104.02%
14,000	24.08	51.03	26.95	111.91%
16,000	27.04	58.97	31.93	118.08%
18,000	30.00	66.91	36.91	123.03%
20,000	32.96	74.85	41.89	127.09%
25,000	40.36	94.70	54.34	134.64%
30,000	47.76	114.55	66.79	139.85%
35,000	55.16	134.40	79.24	143.66%
40,000	62.56	154.25	91.69	146.57%
45,000	69.96	174.10	104.14	148.86%
50,000	77.36	193.95	116.59	150.72%
60,000	92.16	233.66	141.50	153.53%
70,000	106.96	273.36	166.40	155.57%
80,000	121.76	313.06	191.30	157.11%
90,000	136.56	352.76	216.20	158.32%
100,000	151.36	392.46	241.10	159.29%
<u>Average Usage</u>				
15,104	\$ 25.71	\$ 55.41	\$ 29.70	115.49%
<u>Median Usage</u>				
2,500	\$ 10.44	\$ 16.62	\$ 6.19	59.28%

Present Rates:

Monthly Minimum:	\$	7.86
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to 10,000	\$	1.03
Over 10,000	\$	1.48

Proposed Rates:

Monthly Minimum:	\$	10.45
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to 10,000	\$	2.47
Over 10,000	\$	3.97

Pima Utility Company - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Commercial 3/4 Inch Meter
 Test Year Ended June 30, 2025
 (Excludes all Revenue Related Taxes)

Exhibit
 Schedule H-4
 Page 4
 Witness: Bourassa

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 11.79	\$ 15.67	\$ 3.88	32.90%
1,000	12.82	18.14	5.32	41.49%
2,000	13.85	20.61	6.76	48.80%
3,000	14.88	23.08	8.20	55.10%
4,000	15.91	25.55	9.64	60.59%
5,000	16.94	28.02	11.08	65.41%
6,000	17.97	30.49	12.52	69.67%
7,000	19.00	32.96	13.96	73.47%
8,000	20.03	35.43	15.40	76.89%
9,000	21.06	37.90	16.84	79.96%
10,000	22.09	40.37	18.28	82.76%
12,000	25.05	48.31	23.26	92.86%
14,000	28.01	56.25	28.24	100.83%
16,000	30.97	64.19	33.22	107.27%
18,000	33.93	72.13	38.20	112.59%
20,000	36.89	80.07	43.18	117.06%
25,000	44.29	99.92	55.63	125.61%
30,000	51.69	119.77	68.08	131.72%
35,000	59.09	139.62	80.53	136.29%
40,000	66.49	159.48	92.99	139.85%
45,000	73.89	179.33	105.44	142.69%
50,000	81.29	199.18	117.89	145.02%
60,000	96.09	238.88	142.79	148.60%
70,000	110.89	278.58	167.69	151.22%
80,000	125.69	318.28	192.59	153.23%
90,000	140.49	357.98	217.49	154.81%
100,000	155.29	397.69	242.40	156.09%
Average Usage				
-	\$ 11.79	\$ 15.67	\$ 3.88	32.90%
Median Usage				
-	\$ 11.79	\$ 15.67	\$ 3.88	32.90%

Present Rates:

Monthly Minimum:	\$	11.79
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to	10,000	\$ 1.03
Over	10,000	\$ 1.48

Proposed Rates:

Monthly Minimum:	\$	15.67
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to	10,000	\$ 2.47
Over	10,000	\$ 3.97

Pima Utility Company - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Commercial 1 Inch Meter
 Test Year Ended June 30, 2025

Exhibit
 Schedule H-4
 Page 5
 Witness: Bourassa

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 19.65	\$ 26.11	\$ 6.46	32.90%
1,000	20.68	28.59	7.91	38.23%
2,000	21.71	31.06	9.35	43.05%
3,000	22.74	33.53	10.79	47.43%
4,000	23.77	36.00	12.23	51.43%
5,000	24.80	38.47	13.67	55.10%
6,000	25.83	40.94	15.11	58.48%
7,000	26.86	43.41	16.55	61.60%
8,000	27.89	45.88	17.99	64.49%
9,000	28.92	48.35	19.43	67.17%
10,000	29.95	50.82	20.87	69.67%
12,000	32.01	55.76	23.75	74.19%
14,000	34.07	60.70	26.63	78.15%
16,000	36.13	65.64	29.51	81.67%
18,000	38.19	70.58	32.39	84.81%
20,000	40.25	75.52	35.27	87.62%
25,000	45.40	87.87	42.47	93.54%
30,000	50.55	100.22	49.67	98.26%
35,000	57.95	120.07	62.12	107.20%
40,000	65.35	139.92	74.57	114.11%
45,000	72.75	159.77	87.02	119.62%
50,000	80.15	179.62	99.47	124.11%
60,000	94.95	219.33	124.38	130.99%
70,000	109.75	259.03	149.28	136.02%
80,000	124.55	298.73	174.18	139.85%
90,000	139.35	338.43	199.08	142.86%
100,000	154.15	378.13	223.98	145.30%
Average Usage				
25,135	\$ 45.54	\$ 88.20	\$ 42.66	93.69%
Median Usage				
3,500	\$ 23.26	\$ 34.76	\$ 11.51	49.48%

Present Rates:

Monthly Minimum:	\$	19.65
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to	30,000	\$ 1.03
Over	30,000	\$ 1.48

Proposed Rates:

Monthly Minimum:	\$	26.11
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to	30,000	\$ 2.47
Over	30,000	\$ 3.97

Pima Utility Company - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Commercial 1.5 Inch Meter
 Test Year Ended June 30, 2025

Exhibit
 Schedule H-4
 Page 6
 Witness: Bourassa

<u>Usage</u>	<u>Present</u> <u>Bill</u>	<u>Proposed</u> <u>Bill</u>	<u>Dollar</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>
-	\$ 39.31	\$ 52.23	\$ 12.92	32.87%
1,000	40.34	54.70	14.36	35.60%
2,000	41.37	57.17	15.80	38.19%
3,000	42.40	59.64	17.24	40.66%
4,000	43.43	62.11	18.68	43.01%
5,000	44.46	64.58	20.12	45.26%
6,000	45.49	67.05	21.56	47.40%
7,000	46.52	69.52	23.00	49.44%
8,000	47.55	71.99	24.44	51.40%
9,000	48.58	74.46	25.88	53.28%
10,000	49.61	76.93	27.32	55.07%
12,000	51.67	81.87	30.20	58.45%
14,000	53.73	86.81	33.08	61.57%
16,000	55.79	91.75	35.96	64.46%
18,000	57.85	96.69	38.84	67.14%
20,000	59.91	101.63	41.72	69.64%
25,000	65.06	113.98	48.92	75.20%
30,000	70.21	126.33	56.12	79.94%
35,000	75.36	138.69	63.33	84.03%
40,000	80.51	151.04	70.53	87.60%
45,000	85.66	163.39	77.73	90.74%
50,000	90.81	175.74	84.93	93.52%
60,000	101.11	200.44	99.33	98.24%
70,000	113.66	232.64	118.98	104.68%
80,000	128.46	272.34	143.88	112.01%
90,000	143.26	312.05	168.79	117.82%
100,000	158.06	351.75	193.69	122.54%
Average Usage 39,283	\$ 79.77	\$ 149.26	\$ 69.49	87.12%
Median Usage 5,500	\$ 44.98	\$ 65.82	\$ 20.84	46.34%

Present Rates:

Monthly Minimum:	\$	39.31
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to	65,000	\$ 1.03
Over	65,000	\$ 1.48

Proposed Rates:

Monthly Minimum:	\$	52.23
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to	65,000	\$ 2.47
Over	65,000	\$ 3.97

Pima Utility Company - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Commerical 2 Inch Meter
 Test Year Ended June 30, 2025

Exhibit
 Schedule H-4
 Page 7
 Witness: Bourassa

<u>Usage</u>	<u>Present</u> <u>Bill</u>	<u>Proposed</u> <u>Bill</u>	<u>Dollar</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>
-	\$ 62.89	\$ 83.57	\$ 20.68	32.88%
1,000	63.92	86.04	22.12	34.60%
2,000	64.95	88.51	23.56	36.27%
3,000	65.98	90.98	25.00	37.89%
4,000	67.01	93.45	26.44	39.45%
5,000	68.04	95.92	27.88	40.97%
6,000	69.07	98.39	29.32	42.45%
7,000	70.10	100.86	30.76	43.88%
8,000	71.13	103.33	32.20	45.27%
9,000	72.16	105.80	33.64	46.62%
10,000	73.19	108.27	35.08	47.93%
12,000	75.25	113.21	37.96	50.44%
14,000	77.31	118.15	40.84	52.83%
16,000	79.37	123.09	43.72	55.08%
18,000	81.43	128.03	46.60	57.23%
20,000	83.49	132.97	49.48	59.27%
25,000	88.64	145.32	56.68	63.95%
30,000	93.79	157.67	63.88	68.11%
35,000	98.94	170.02	71.08	71.85%
40,000	104.09	182.37	78.28	75.21%
45,000	109.24	194.73	85.49	78.25%
50,000	114.39	207.08	92.69	81.03%
60,000	124.69	231.78	107.09	85.88%
70,000	134.99	256.48	121.49	90.00%
80,000	145.29	281.18	135.89	93.53%
90,000	155.59	305.88	150.29	96.60%
100,000	165.89	330.58	164.69	99.28%
Average Usage				
106,403	\$ 172.49	\$ 346.40	\$ 173.92	100.83%
Median Usage				
67,500	\$ 132.42	\$ 250.30	\$ 117.89	89.03%

Present Rates:

Monthly Minimum:	\$	62.89
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to	110,000	\$ 1.03
Over	110,000	\$ 1.48

Proposed Rates:

Monthly Minimum:	\$	83.57
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to	110,000	\$ 2.47
Over	110,000	\$ 3.97

Pima Utility Company - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Commercial 4 Inch Meter
 Test Year Ended June 30, 2025

Exhibit
 Schedule H-4
 Page 8
 Witness: Bourassa

<u>Usage</u>	<u>Present</u> <u>Bill</u>	<u>Proposed</u> <u>Bill</u>	<u>Dollar</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>
-	\$ 196.53	\$ 261.15	\$ 64.62	32.88%
1,000	197.56	263.62	66.06	33.44%
2,000	198.59	266.09	67.50	33.99%
3,000	199.62	268.56	68.94	34.54%
4,000	200.65	271.03	70.38	35.08%
5,000	201.68	273.50	71.82	35.61%
6,000	202.71	275.97	73.26	36.14%
7,000	203.74	278.44	74.70	36.66%
8,000	204.77	280.91	76.14	37.18%
9,000	205.80	283.38	77.58	37.70%
10,000	206.83	285.85	79.02	38.21%
12,000	208.89	290.79	81.90	39.21%
14,000	210.95	295.73	84.78	40.19%
16,000	213.01	300.67	87.66	41.15%
18,000	215.07	305.61	90.54	42.10%
20,000	217.13	310.55	93.42	43.03%
25,000	222.28	322.90	100.62	45.27%
30,000	227.43	335.25	107.82	47.41%
35,000	232.58	347.60	115.02	49.46%
40,000	237.73	359.96	122.23	51.41%
45,000	242.88	372.31	129.43	53.29%
50,000	248.03	384.66	136.63	55.08%
60,000	258.33	409.36	151.03	58.46%
70,000	268.63	434.06	165.43	61.58%
80,000	278.93	458.76	179.83	64.47%
90,000	289.23	483.46	194.23	67.16%
100,000	299.53	508.17	208.64	69.65%
Average Usage				
239,367	\$ 443.08	\$ 852.42	\$ 409.35	92.39%
Median Usage				
235,000	\$ 438.58	\$ 841.64	\$ 403.06	91.90%

Present Rates:

Monthly Minimum:	\$	196.53
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to	375,000	\$ 1.03
Over	375,000	\$ 1.48

Proposed Rates:

Monthly Minimum:	\$	261.15
Gallons in Minimum		-
Charge Per 1,000 Gallons		
Up to	375,000	\$ 2.47
Over	375,000	\$ 3.97

Pima Utility Company - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Irrigation -Golf Course 2 Inch
 Test Year Ended June 30, 2025

Exhibit
 Schedule H-4
 Page 9
 Witness: Bourassa

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 180.00	\$ 83.57	\$ (96.43)	-53.57%
1,000	180.55	84.84	(95.71)	-53.01%
2,000	181.10	86.11	(94.99)	-52.45%
3,000	181.65	87.38	(94.27)	-51.90%
4,000	182.20	88.65	(93.55)	-51.35%
5,000	182.75	89.92	(92.83)	-50.80%
6,000	183.30	91.19	(92.11)	-50.25%
7,000	183.85	92.46	(91.39)	-49.71%
8,000	184.40	93.73	(90.67)	-49.17%
9,000	184.95	95.00	(89.95)	-48.64%
10,000	185.50	96.27	(89.23)	-48.10%
12,000	186.60	98.81	(87.79)	-47.05%
14,000	187.70	101.35	(86.35)	-46.00%
16,000	188.80	103.89	(84.91)	-44.97%
18,000	189.90	106.43	(83.47)	-43.95%
20,000	191.00	108.97	(82.03)	-42.95%
25,000	193.75	115.32	(78.43)	-40.48%
30,000	196.50	121.67	(74.83)	-38.08%
35,000	199.25	128.02	(71.23)	-35.75%
40,000	202.00	134.37	(67.63)	-33.48%
45,000	204.75	140.73	(64.02)	-31.27%
50,000	207.50	147.08	(60.42)	-29.12%
60,000	213.00	159.78	(53.22)	-24.99%
70,000	218.50	172.48	(46.02)	-21.06%
80,000	224.00	185.18	(38.82)	-17.33%
90,000	229.50	197.88	(31.62)	-13.78%
100,000	235.00	210.58	(24.42)	-10.39%
Average Usage				
180,333	\$ 279.18	\$ 312.62	\$ 33.44	11.98%
Median Usage				
126,800	\$ 249.74	\$ 244.63	\$ (5.11)	-2.05%

Present Rates:

Monthly Minimum:	\$	180.00
Gallons in Minimum		-
Charge Per 1,000 Gallons Over	- \$	0.55

Proposed Rates:

Monthly Minimum:	\$	83.57
Gallons in Minimum		-
Charge Per 1,000 Gallons Over	- \$	1.27

Pima Utility Company - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Irrigation -Golf Course 8 Inch
 Test Year Ended June 30, 2025

Exhibit
 Schedule H-4
 Page 10
 Witness: Bourassa

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 180.00	\$ 835.68	\$ 655.68	364.26%
1,000	180.55	836.95	656.40	363.55%
2,000	181.10	838.22	657.12	362.85%
3,000	181.65	839.49	657.84	362.14%
4,000	182.20	840.76	658.56	361.45%
5,000	182.75	842.03	659.28	360.75%
6,000	183.30	843.30	660.00	360.06%
7,000	183.85	844.57	660.72	359.38%
8,000	184.40	845.84	661.44	358.70%
9,000	184.95	847.11	662.16	358.02%
10,000	185.50	848.38	662.88	357.35%
12,000	186.60	850.92	664.32	356.01%
14,000	187.70	853.46	665.76	354.69%
16,000	188.80	856.00	667.20	353.39%
18,000	189.90	858.54	668.64	352.10%
20,000	191.00	861.08	670.08	350.83%
25,000	193.75	867.43	673.68	347.71%
30,000	196.50	873.78	677.28	344.67%
35,000	199.25	880.13	680.88	341.72%
40,000	202.00	886.48	684.48	338.85%
45,000	204.75	892.83	688.08	336.06%
50,000	207.50	899.18	691.68	333.34%
60,000	213.00	911.89	698.89	328.12%
70,000	218.50	924.59	706.09	323.15%
80,000	224.00	937.29	713.29	318.43%
90,000	229.50	949.99	720.49	313.94%
100,000	235.00	962.69	727.69	309.66%
Average Usage				
9,199,667	\$ 5,239.82	\$ 12,520.82	\$ 7,281.00	138.96%
Median Usage				
7,105,500	\$ 4,088.03	\$ 9,860.87	\$ 5,772.84	141.21%

Present Rates:

Monthly Minimum:	\$	180.00
Gallons in Minimum		-
Charge Per 1,000 Gallons Over	- \$	0.55

Proposed Rates:

Monthly Minimum:	\$	835.68
Gallons in Minimum		-
Charge Per 1,000 Gallons Over	- \$	1.27

Pima Utility Company - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Irrigation -Golf Course 10 Inch
 Test Year Ended June 30, 2025

Exhibit
 Schedule H-4
 Page 11
 Witness: Bourassa

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 180.00	\$ 1,253.51	\$ 1,073.51	596.40%
1,000	180.55	1,254.78	1,074.23	594.98%
2,000	181.10	1,256.05	1,074.95	593.57%
3,000	181.65	1,257.32	1,075.67	592.17%
4,000	182.20	1,258.59	1,076.39	590.78%
5,000	182.75	1,259.86	1,077.11	589.39%
6,000	183.30	1,261.13	1,077.83	588.02%
7,000	183.85	1,262.40	1,078.55	586.65%
8,000	184.40	1,263.67	1,079.27	585.29%
9,000	184.95	1,264.94	1,079.99	583.94%
10,000	185.50	1,266.21	1,080.71	582.60%
12,000	186.60	1,268.75	1,082.15	579.93%
14,000	187.70	1,271.30	1,083.60	577.30%
16,000	188.80	1,273.84	1,085.04	574.70%
18,000	189.90	1,276.38	1,086.48	572.13%
20,000	191.00	1,278.92	1,087.92	569.59%
25,000	193.75	1,285.27	1,091.52	563.36%
30,000	196.50	1,291.62	1,095.12	557.31%
35,000	199.25	1,297.97	1,098.72	551.43%
40,000	202.00	1,304.32	1,102.32	545.70%
45,000	204.75	1,310.67	1,105.92	540.13%
50,000	207.50	1,317.02	1,109.52	534.71%
60,000	213.00	1,329.72	1,116.72	524.28%
70,000	218.50	1,342.42	1,123.92	514.38%
80,000	224.00	1,355.13	1,131.13	504.97%
90,000	229.50	1,367.83	1,138.33	496.00%
100,000	235.00	1,380.53	\$ 1,145.53	487.46%
Average Usage				
14,381,278	\$ 8,089.70	\$ 19,520.18	\$ 11,430.48	141.30%
Median Usage				
11,842,000	\$ 6,693.10	\$ 16,294.87	\$ 9,601.77	143.46%

Present Rates:

Monthly Minimum:	\$	180.00
Gallons in Minimum		-
Charge Per 1,000 Gallons Over	- \$	0.55

Proposed Rates:

Monthly Minimum:	\$	1,253.51
Gallons in Minimum		-
Charge Per 1,000 Gallons Over	- \$	1.27

Pima Utility Company - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Construction Water
 Test Year Ended June 30, 2025
 (Excludes all Revenue Related Taxes)

Exhibit
 Schedule H-4
 Page 12
 Witness: Bourassa

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>		
-	\$ -	\$ 167.14	\$ 167.14	0.00%		
1,000	1.48	171.11	169.63	11461.16%	Present Rates:	
2,000	2.96	175.08	172.12	5814.71%	Monthly Minimum:	\$ -
3,000	4.44	179.05	174.61	3932.56%	Gallons in Minimum	-
4,000	5.92	183.02	177.10	2991.48%	Charge Per 1,000 Gallons	
5,000	7.40	186.99	179.59	2426.84%	All Gallons	\$ 1.48
6,000	8.88	190.96	182.08	2050.41%		
7,000	10.36	194.93	184.57	1781.53%		
8,000	11.84	198.90	187.06	1579.87%		
9,000	13.32	202.87	189.55	1423.02%		
10,000	14.80	206.84	192.04	1297.55%		
12,000	17.76	214.78	197.02	1109.33%	Proposed Rates:	
14,000	20.72	222.72	202.00	974.89%	Monthly Minimum:	\$ 167.14
16,000	23.68	230.66	206.98	874.06%	Gallons in Minimum	-
18,000	26.64	238.60	211.96	795.64%	Charge Per 1,000 Gallons	
20,000	29.60	246.54	216.94	732.90%	All Gallons	\$ 3.97
25,000	37.00	266.39	229.39	619.97%		
30,000	44.40	286.24	241.84	544.69%		
35,000	51.80	306.09	254.29	490.91%		
40,000	59.20	325.94	266.74	450.58%		
45,000	66.60	345.79	279.19	419.21%		
50,000	74.00	365.64	291.64	394.11%		
60,000	88.80	405.35	316.55	356.47%		
70,000	103.60	445.05	341.45	329.58%		
80,000	118.40	484.75	366.35	309.42%		
90,000	133.20	524.45	391.25	293.73%		
100,000	148.00	564.15	416.15	281.18%		
Average Usage						
17,002	\$ 25.16	\$ 234.64	\$ 209.47	832.46%		
Median Usage						
500	\$ 0.74	\$ 169.12	\$ 168.38	22754.07%		

Pima Utility Company - Water Division

Test Year Ended June 30, 2025

Customer Classification

Residential 5/8x3/4 Inch Meter

Exhibit

Schedule H-5

Page 1

Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	-	292	305	287	268	154	157	111	127	141	122	197	231	2,392	2,392	-
1	1,000	1,008	891	880	783	670	676	646	513	572	560	858	981	9,038	11,430	4,524
1,001	2,000	1,131	991	1,021	993	1,119	1,144	1,197	1,085	1,236	1,011	1,157	1,107	13,192	24,622	24,318
2,001	3,000	1,038	947	940	1,000	1,181	1,358	1,432	1,416	1,530	1,239	1,260	1,070	14,411	39,033	60,353
3,001	4,000	1,039	917	954	1,006	1,070	1,278	1,391	1,406	1,505	1,220	1,157	1,062	14,005	53,038	109,377
4,001	5,000	904	842	849	891	1,005	1,183	1,191	1,237	1,256	1,138	1,041	932	12,469	65,507	165,494
5,001	6,000	766	753	743	803	900	886	924	988	907	991	876	855	10,392	75,899	222,655
6,001	7,000	601	607	653	629	739	734	753	768	712	807	703	661	8,367	84,266	277,045
7,001	8,000	512	542	502	552	559	525	470	529	470	598	516	514	6,289	90,555	324,216
8,001	9,000	437	452	447	462	427	381	352	377	349	443	420	408	4,955	95,510	366,336
9,001	10,000	333	353	395	360	350	312	269	269	235	320	312	360	3,868	99,378	403,083
10,001	11,000	265	269	296	309	266	219	208	212	177	256	232	294	3,003	102,381	434,616
11,001	12,000	190	275	260	272	254	157	147	159	140	203	179	195	2,431	104,812	462,574
12,001	13,000	186	199	214	192	168	142	120	117	101	173	158	178	1,948	106,760	486,925
13,001	14,000	140	191	212	202	147	116	103	102	71	128	109	155	1,676	108,436	509,552
14,001	15,000	128	159	133	158	106	75	87	72	52	89	95	119	1,273	109,709	528,011
15,001	16,000	110	118	145	133	98	69	72	60	59	86	72	84	1,106	110,815	545,155
16,001	17,000	82	128	102	110	86	46	53	43	51	56	49	96	902	111,717	560,038
17,001	18,000	70	96	76	92	67	41	35	43	32	50	53	61	716	112,433	572,569
18,001	19,000	69	84	86	59	46	38	31	28	31	38	48	38	596	113,029	583,595
19,001	20,000	53	62	58	73	42	34	28	28	18	33	38	50	517	113,546	593,677
20,001	21,000	49	64	63	36	49	28	15	31	21	45	27	43	471	114,017	603,332
21,001	22,000	47	51	54	42	31	25	19	17	9	19	23	42	379	114,396	611,481
22,001	23,000	38	41	47	41	35	20	11	20	18	37	22	27	357	114,753	619,514
23,001	24,000	28	45	48	40	19	16	17	18	15	16	25	32	319	115,072	627,010
24,001	25,000	27	35	34	41	20	10	12	12	7	17	21	23	259	115,331	633,356
25,001	26,000	32	34	22	24	13	11	16	13	6	14	20	18	223	115,554	639,043
26,001	27,000	25	34	32	21	15	8	11	11	2	13	20	19	211	115,765	644,634
27,001	28,000	26	31	27	26	19	18	4	5	6	12	8	19	201	115,966	650,162
28,001	29,000	17	25	16	18	15	6	7	6	4	7	11	15	147	116,113	654,351
29,001	30,000	22	38	30	23	9	3	6	7	3	9	12	7	169	116,282	659,337
30,001	31,000	5	13	8	8	6	6	3	4	-	7	10	7	77	116,359	661,685
31,001	32,000	4	22	15	14	14	8	3	6	4	3	8	12	113	116,472	665,245
32,001	33,000	15	10	9	9	8	10	6	6	5	4	3	7	92	116,564	668,235
33,001	34,000	8	16	9	10	6	3	4	4	2	4	3	5	74	116,638	670,714
34,001	35,000	6	17	7	10	9	2	6	5	3	5	3	3	76	116,714	673,336
35,001	36,000	7	3	9	5	5	1	1	2	3	1	5	2	44	116,758	674,898
36,001	37,000	1	15	9	8	4	2	-	5	2	7	1	3	57	116,815	676,979
37,001	38,000	7	7	5	9	6	4	2	4	2	3	2	4	55	116,870	679,041
38,001	39,000	6	9	4	2	2	3	2	-	1	2	5	5	41	116,911	680,620
39,001	40,000	4	8	4	3	8	2	1	1	-	1	4	8	44	116,955	682,358
40,001	41,000	10	5	9	1	3	2	1	2	1	1	1	3	39	116,994	683,937
41,001	42,000	6	3	3	4	5	-	-	2	1	2	1	3	30	117,024	685,182
42,001	43,000	4	4	6	5	5	2	2	-	-	-	2	1	31	117,055	686,500
43,001	44,000	2	4	4	2	1	1	-	-	1	-	1	4	20	117,075	687,370
44,001	45,000	3	3	6	6	1	-	3	-	1	1	1	3	28	117,103	688,616
45,001	46,000	4	4	2	2	-	1	1	1	1	-	-	-	16	117,119	689,344
46,001	47,000	1	2	-	1	3	3	1	-	-	-	1	4	16	117,135	690,088
47,001	48,000	3	2	1	1	-	1	1	1	-	1	-	4	15	117,150	690,800

Pima Utility Company - Water Division

Test Year Ended June 30, 2025

Customer Classification

Residential 5/8x3/4 Inch Meter

Exhibit

Schedule H-5

Page 1

Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
48,001	49,000	4	2	2	1	-	1	1	1	1	1	1	2	17	117,167	691,625
49,001	50,000	2	3	2	-	1	2	-	-	-	1	-	1	12	117,179	692,219
50,001	51,000	2	1	3	1	2	-	1	-	-	-	1	1	12	117,191	692,825
51,001	52,000	2	2	-	-	1	-	-	2	-	-	2	-	9	117,200	693,288
52,001	53,000	1	2	1	-	1	-	-	1	-	-	-	-	6	117,206	693,603
53,001	54,000	2	1	2	3	-	-	-	-	1	2	-	-	11	117,217	694,192
54,001	55,000	-	3	2	1	-	-	1	-	-	2	-	2	11	117,228	694,791
55,001	56,000	1	1	2	2	1	1	-	-	-	-	-	-	8	117,236	695,235
56,001	57,000	-	1	1	-	1	1	2	2	1	-	1	2	12	117,248	695,913
57,001	58,000	-	2	3	2	1	1	1	-	-	1	-	-	11	117,259	696,546
58,001	59,000	1	-	3	2	1	-	-	-	-	1	-	-	8	117,267	697,014
59,001	60,000	1	2	-	-	-	1	1	-	-	-	-	1	6	117,273	697,371
60,001	61,000	-	-	-	1	-	-	-	1	-	1	-	-	3	117,276	697,552
61,001	62,000	-	1	1	1	-	-	1	-	-	-	-	1	5	117,281	697,860
62,001	63,000	-	1	1	2	-	-	-	-	-	-	-	1	5	117,286	698,172
63,001	64,000	-	1	2	1	1	-	-	-	-	-	-	2	7	117,293	698,617
64,001	65,000	1	3	-	-	1	-	1	-	1	1	1	-	9	117,302	699,197
65,001	66,000	-	-	1	1	-	1	-	1	-	-	-	-	4	117,306	699,459
66,001	67,000	1	1	-	-	1	-	-	-	1	-	1	-	5	117,311	699,792
67,001	68,000	-	1	2	-	-	1	-	-	-	-	1	2	7	117,318	700,264
68,001	69,000	1	-	1	-	-	-	-	-	-	-	-	1	3	117,321	700,470
69,001	70,000	-	1	-	1	-	1	1	-	-	-	-	-	4	117,325	700,748
70,001	71,000	-	-	-	-	-	-	-	-	-	1	-	1	2	117,327	700,889
71,001	72,000	-	1	2	-	-	-	-	1	-	-	-	-	4	117,331	701,175
72,001	73,000	-	1	-	2	-	-	1	-	-	1	1	-	6	117,337	701,610
73,001	74,000	-	-	1	-	-	-	-	-	-	-	-	1	2	117,339	701,757
74,001	75,000	-	-	1	1	-	-	-	1	-	-	1	1	5	117,344	702,129
75,001	76,000	1	-	-	-	-	-	-	-	-	-	-	1	2	117,346	702,280
76,001	77,000	-	1	-	-	1	-	1	1	-	-	-	-	4	117,350	702,586
77,001	78,000	1	-	-	1	-	1	-	-	-	-	-	1	4	117,354	702,896
78,001	79,000	1	-	-	1	-	-	-	-	-	-	1	-	3	117,357	703,132
79,001	80,000	-	-	1	-	-	1	-	-	-	-	-	-	2	117,359	703,291
80,001	81,000	-	-	-	1	-	-	1	-	-	-	-	-	2	117,361	703,452
81,001	82,000	-	2	1	-	1	1	-	-	-	-	2	-	7	117,368	704,022
82,001	83,000	-	1	-	-	-	-	-	1	-	-	-	-	2	117,370	704,187
83,001	84,000	1	-	-	-	-	-	-	-	-	-	-	-	1	117,371	704,271
84,001	85,000	-	2	1	-	-	-	-	-	-	-	-	-	3	117,374	704,524
85,001	86,000	-	-	-	1	-	-	1	-	-	-	-	-	2	117,376	704,695
86,001	87,000	1	-	-	1	-	-	-	-	-	-	-	-	2	117,378	704,868
87,001	88,000	-	-	-	-	-	-	-	-	-	-	-	-	-	117,378	704,868
88,001	89,000	-	-	-	-	-	-	1	-	-	-	-	1	2	117,380	705,045
89,001	90,000	1	-	-	-	-	-	-	-	-	1	-	1	3	117,383	705,314
90,001	91,000	-	-	-	-	-	-	-	-	-	-	-	-	-	117,383	705,314
91,001	92,000	-	-	-	-	1	-	-	-	-	-	-	-	1	117,384	705,405
92,001	93,000	1	1	-	-	-	-	-	-	-	-	1	-	3	117,387	705,683
93,001	94,000	-	-	-	-	-	1	1	1	-	-	-	-	3	117,390	705,963
94,001	95,000	-	1	-	-	-	-	-	-	-	-	-	-	1	117,391	706,058
95,001	96,000	1	-	-	1	-	-	-	1	-	-	-	1	4	117,395	706,440
96,001	97,000	-	-	1	-	1	-	-	-	-	-	-	-	2	117,397	706,633

Pima Utility Company - Water Division

Test Year Ended June 30, 2025

Customer Classification Residential 5/8x3/4 Inch Meter

Exhibit

Schedule H-5

Page 1

Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
97,001	98,000	-	1	-	-	-	-	-	-	-	-	-	1	2	117,399	706,828
98,001	99,000	-	-	-	-	-	-	-	-	-	-	1	-	1	117,400	706,927
99,001	100,000	-	1	2	-	-	-	-	-	1	-	-	-	4	117,404	707,325
103,980	103,980	1	-	-	-	-	-	-	-	-	-	-	-	1	117,405	707,428
185,280	185,280	1	-	-	-	-	-	-	-	-	-	-	-	1	117,406	707,614
174,530	174,530	1	-	-	-	-	-	-	-	-	-	-	-	1	117,407	
126,240	126,240	-	1	-	-	-	-	-	-	-	-	-	-	1	117,408	
111,760	111,760	-	1	-	-	-	-	-	-	-	-	-	-	1	117,409	
139,710	139,710	-	1	-	-	-	-	-	-	-	-	-	-	1	117,410	
116,150	116,150	-	1	-	-	-	-	-	-	-	-	-	-	1	117,411	
145,050	145,050	-	1	-	-	-	-	-	-	-	-	-	-	1	117,412	
142,400	142,400	-	1	-	-	-	-	-	-	-	-	-	-	1	117,413	
157,880	157,880	-	1	-	-	-	-	-	-	-	-	-	-	1	117,414	
118,360	118,360	-	1	-	-	-	-	-	-	-	-	-	-	1	117,415	
130,680	130,680	-	-	1	-	-	-	-	-	-	-	-	-	1	117,416	
254,120	254,120	-	-	1	-	-	-	-	-	-	-	-	-	1	117,417	
110,790	110,790	-	-	1	-	-	-	-	-	-	-	-	-	1	117,418	
140,210	140,210	-	-	1	-	-	-	-	-	-	-	-	-	1	117,419	
138,140	138,140	-	-	1	-	-	-	-	-	-	-	-	-	1	117,420	
102,940	102,940	-	-	1	-	-	-	-	-	-	-	-	-	1	117,421	
106,710	106,710	-	-	1	-	-	-	-	-	-	-	-	-	1	117,422	
230,690	230,690	-	-	-	1	-	-	-	-	-	-	-	-	1	117,423	
268,990	268,990	-	-	-	-	1	-	-	-	-	-	-	-	1	117,424	
143,080	143,080	-	-	-	-	-	1	-	-	-	-	-	-	1	117,425	
114,860	114,860	-	-	-	-	-	-	1	-	-	-	-	-	1	117,426	
210,386	210,386	-	-	-	-	-	-	-	(1)	-	-	-	-	(1)	117,425	
105,200	105,200	-	-	-	-	-	-	-	1	-	-	-	-	1	117,426	
1,163,900	1,163,900	-	-	-	-	-	-	-	-	(1)	-	-	-	(1)	117,425	
117,500	117,500	-	-	-	-	-	-	-	-	1	-	-	-	1	117,426	
119,020	119,020	-	-	-	-	-	-	-	-	-	1	-	-	1	117,427	
117,820	117,820	-	-	-	-	-	-	-	-	-	1	-	-	1	117,428	
154,540	154,540	-	-	-	-	-	-	-	-	-	1	-	-	1	117,429	
118,510	118,510	-	-	-	-	-	-	-	-	-	1	-	-	1	117,430	
181,160	181,160	-	-	-	-	-	-	-	-	-	-	1	-	1	117,431	
117,260	117,260	-	-	-	-	-	-	-	-	-	-	1	-	1	117,432	
155,070	155,070	-	-	-	-	-	-	-	-	-	-	-	1	1	117,433	
117,930	117,930	-	-	-	-	-	-	-	-	-	-	-	1	1	117,434	
118,810	118,810	-	-	-	-	-	-	-	-	-	-	-	1	1	117,435	

Totals	9,791	9,775	9,782	9,788	9,782	9,782	9,792	9,776	9,769	9,809	9,787	9,802	117,435
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Average Usage	6,051
Median Usage	4,500
Average # Customers	9,786
Change in Number of Customers	11

Pima Utility Company - Water Division
Test Year Ended June 30, 2025
Customer Classification Residential 1 Inch Meter

Exhibit
Schedule H-5
Page 2
Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	-	7	5	5	4	3	1	2	3	4	3	4	5	46	46	-
1	1,000	-	1	1	1	2	3	3	1	2	1	2	1	18	64	9
1,001	2,000	1	-	1	2	2	2	-	2	1	-	-	-	11	75	26
2,001	3,000	2	1	3	1	2	1	2	5	2	-	2	1	22	97	81
3,001	4,000	1	2	-	2	2	1	4	8	6	1	3	2	32	129	193
4,001	5,000	2	1	-	5	5	8	5	4	7	8	3	4	52	181	427
5,001	6,000	3	4	4	2	2	8	11	8	12	2	4	-	60	241	757
6,001	7,000	3	5	3	5	9	9	7	7	8	4	3	4	67	308	1,192
7,001	8,000	1	4	2	8	7	8	10	9	1	-	3	1	54	362	1,597
8,001	9,000	4	3	3	1	5	5	11	8	9	6	4	1	60	422	2,107
9,001	10,000	4	1	5	2	5	6	12	10	12	6	3	8	74	496	2,810
10,001	11,000	2	3	3	4	6	12	12	8	8	6	4	3	71	567	3,556
11,001	12,000	6	5	4	9	8	12	7	5	9	7	3	1	76	643	4,430
12,001	13,000	7	2	3	4	2	4	11	11	10	6	9	5	74	717	5,355
13,001	14,000	5	2	3	2	6	7	10	10	8	10	4	5	72	789	6,327
14,001	15,000	2	-	4	3	3	6	7	6	2	5	2	4	44	833	6,965
15,001	16,000	3	5	6	3	4	3	3	15	13	8	2	3	68	901	8,019
16,001	17,000	7	2	-	4	1	9	6	8	11	6	10	4	68	969	9,141
17,001	18,000	1	5	7	7	3	7	8	8	7	6	8	3	70	1,039	10,366
18,001	19,000	3	3	3	4	3	5	9	4	6	6	7	5	58	1,097	11,439
19,001	20,000	3	2	1	6	8	13	4	7	7	2	7	3	63	1,160	12,668
20,001	21,000	2	2	6	5	8	8	7	9	8	8	7	3	73	1,233	14,164
21,001	22,000	2	2	1	9	6	7	7	6	5	8	7	5	65	1,298	15,562
22,001	23,000	6	6	3	2	5	7	11	6	5	8	2	1	62	1,360	16,957
23,001	24,000	6	3	1	8	2	9	7	8	3	7	8	8	70	1,430	18,602
24,001	25,000	3	5	5	4	6	6	3	4	6	13	5	9	69	1,499	20,292
25,001	26,000	8	1	6	4	2	7	8	2	5	10	7	3	63	1,562	21,899
26,001	27,000	1	3	1	7	4	4	6	5	9	3	9	8	60	1,622	23,489
27,001	28,000	5	6	3	5	4	6	4	1	3	5	6	6	54	1,676	24,974
28,001	29,000	4	4	3	5	5	6	7	4	9	4	3	5	59	1,735	26,655
29,001	30,000	3	2	9	2	4	4	4	4	4	4	4	2	46	1,781	28,012
30,001	31,000	5	7	5	3	4	-	3	6	4	4	7	6	54	1,835	29,659
31,001	32,000	6	2	6	8	6	4	6	2	2	7	3	5	57	1,892	31,455
32,001	33,000	8	4	6	1	2	5	3	3	2	1	9	3	47	1,939	32,982
33,001	34,000	4	2	4	2	3	1	1	2	-	5	5	4	33	1,972	34,088
34,001	35,000	6	4	4	4	8	1	-	4	2	5	4	4	46	2,018	35,675
35,001	36,000	7	2	4	6	7	5	3	2	4	3	5	7	55	2,073	37,628
36,001	37,000	4	4	4	3	2	1	1	2	6	3	5	3	38	2,111	39,015
37,001	38,000	3	5	4	3	4	2	-	-	3	5	5	11	45	2,156	40,702
38,001	39,000	4	4	6	4	5	1	5	3	5	1	4	5	47	2,203	42,512
39,001	40,000	5	3	2	2	4	1	2	2	4	2	8	3	38	2,241	44,013
40,001	41,000	4	2	9	-	3	2	1	2	2	7	2	1	35	2,276	45,430
41,001	42,000	3	5	4	5	2	2	2	-	-	5	3	4	35	2,311	46,883
42,001	43,000	4	7	6	1	5	-	-	1	3	2	4	5	38	2,349	48,498
43,001	44,000	3	3	6	4	8	-	2	3	-	3	3	3	38	2,387	50,151
44,001	45,000	4	3	4	4	1	2	1	2	-	4	7	6	38	2,425	51,842

Pima Utility Company - Water Division
Test Year Ended June 30, 2025
Customer Classification Residential 1 Inch Meter

Exhibit
Schedule H-5
Page 2
Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
45,001	46,000	2	6	5	5	5	3	3	-	-	1	1	6	37	2,462	53,525
46,001	47,000	2	4	4	3	1	-	2	-	-	1	1	3	21	2,483	54,502
47,001	48,000	3	-	4	4	1	6	1	2	-	1	4	4	30	2,513	55,927
48,001	49,000	6	3	2	4	3	4	-	2	4	2	3	3	36	2,549	57,673
49,001	50,000	8	-	1	4	3	3	3	1	2	2	1	4	32	2,581	59,257
50,001	51,000	-	2	1	2	-	2	-	1	1	3	-	1	13	2,594	59,913
51,001	52,000	2	9	3	1	4	3	1	3	1	2	2	2	33	2,627	61,613
52,001	53,000	5	2	2	3	1	1	1	3	-	2	2	3	25	2,652	62,925
53,001	54,000	1	2	6	3	2	2	2	-	3	5	-	2	28	2,680	64,423
54,001	55,000	4	5	2	4	3	-	-	-	2	-	4	2	26	2,706	65,840
55,001	56,000	1	2	1	1	1	-	-	2	-	2	6	3	19	2,725	66,895
56,001	57,000	5	2	2	5	2	-	-	4	-	-	1	1	22	2,747	68,138
57,001	58,000	3	2	2	2	2	1	-	-	1	1	2	2	18	2,765	69,173
58,001	59,000	3	2	3	-	1	1	1	2	-	1	-	4	18	2,783	70,226
59,001	60,000	1	7	1	-	1	-	1	-	-	2	1	3	17	2,800	71,237
60,001	61,000	-	4	7	3	1	-	-	-	-	-	-	1	16	2,816	72,205
61,001	62,000	2	5	-	2	-	-	-	-	-	2	1	1	13	2,829	73,005
62,001	63,000	1	4	2	4	3	-	-	1	1	1	1	-	18	2,847	74,130
63,001	64,000	-	2	1	-	2	-	-	-	-	1	2	1	9	2,856	74,701
64,001	65,000	1	1	1	1	-	1	-	1	-	-	-	1	7	2,863	75,153
65,001	66,000	1	-	1	2	1	-	-	1	-	1	-	3	10	2,873	75,808
66,001	67,000	1	2	2	2	2	-	-	-	-	-	-	2	11	2,884	76,539
67,001	68,000	1	2	2	3	3	-	-	-	-	-	-	1	12	2,896	77,349
68,001	69,000	1	1	1	2	-	1	-	1	-	2	-	2	11	2,907	78,103
69,001	70,000	1	-	-	3	-	-	-	-	-	-	1	4	9	2,916	78,728
70,001	71,000	-	6	1	-	-	-	1	-	-	1	2	-	11	2,927	79,504
71,001	72,000	2	3	1	-	1	-	-	-	-	-	-	-	7	2,934	80,004
72,001	73,000	-	2	3	1	-	-	-	-	1	-	-	1	8	2,942	80,584
73,001	74,000	-	2	2	1	1	-	-	-	-	1	1	-	8	2,950	81,172
74,001	75,000	-	-	1	-	-	2	-	-	-	-	-	-	3	2,953	81,396
75,001	76,000	1	-	1	-	-	-	-	-	-	-	-	-	2	2,955	81,547
76,001	77,000	-	2	1	1	-	1	-	-	-	-	-	-	5	2,960	81,929
77,001	78,000	-	-	-	-	2	-	-	-	-	-	-	-	2	2,962	82,084
78,001	79,000	-	-	-	-	-	-	-	-	-	-	-	-	-	2,962	82,084
79,001	80,000	2	1	1	-	2	1	-	-	-	-	-	1	8	2,970	82,720
80,001	81,000	-	2	-	1	1	-	-	-	-	-	-	1	5	2,975	83,123
81,001	82,000	1	-	-	-	1	-	-	-	-	-	-	1	3	2,978	83,367
82,001	83,000	-	-	-	-	-	-	-	-	-	-	-	-	-	2,978	83,367
83,001	84,000	-	-	1	-	1	-	-	-	-	-	-	1	3	2,981	83,618
84,001	85,000	-	1	-	-	-	-	1	-	-	-	-	-	2	2,983	83,787
85,001	86,000	-	-	-	1	1	-	-	-	-	-	-	-	2	2,985	83,958
86,001	87,000	-	2	-	-	-	1	-	-	-	-	-	1	4	2,989	84,304
87,001	88,000	2	-	1	1	-	-	-	-	-	-	-	1	5	2,994	84,741
88,001	89,000	-	-	1	-	-	-	-	-	-	-	-	1	2	2,996	84,918
89,001	90,000	1	3	1	-	-	-	1	-	-	-	-	-	6	3,002	85,455
90,001	91,000	-	-	1	-	-	-	-	-	-	1	-	-	2	3,004	85,636

Pima Utility Company - Water Division
Test Year Ended June 30, 2025
Customer Classification Residential 1 Inch Meter

Exhibit
Schedule H-5
Page 2
Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
91,001	92,000	2	-	1	1	1	-	-	-	-	-	-	-	5	3,009	86,094
92,001	93,000	1	1	-	-	1	-	-	-	-	-	-	-	3	3,012	86,371
93,001	94,000	-	1	-	1	-	-	-	-	-	-	-	-	2	3,014	86,558
94,001	95,000	-	-	2	-	-	-	-	-	-	-	-	-	2	3,016	86,747
95,001	96,000	1	1	-	1	1	-	-	-	-	-	-	-	4	3,020	87,129
96,001	97,000	1	1	-	-	-	-	-	-	-	-	-	-	2	3,022	87,322
97,001	98,000	1	1	-	-	-	-	1	-	-	1	-	-	4	3,026	87,712
98,001	99,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3,026	87,712
99,001	100,000	-	-	-	-	-	-	-	-	-	-	1	-	1	3,027	87,812
113,440	113,440	1	-	-	-	-	-	-	-	-	-	-	-	1	3,028	87,925
111,264	111,264	1	-	-	-	-	-	-	-	-	-	-	-	1	3,029	88,037
130,160	130,160	1	-	-	-	-	-	-	-	-	-	-	-	1	3,030	88,167
100,940	100,940	1	-	-	-	-	-	-	-	-	-	-	-	1	3,031	88,268
147,430	147,430	1	-	-	-	-	-	-	-	-	-	-	-	1	3,032	88,415
178,260	178,260	1	-	-	-	-	-	-	-	-	-	-	-	1	3,033	88,593
151,980	151,980	1	-	-	-	-	-	-	-	-	-	-	-	1	3,034	88,745
103,140	103,140	1	-	-	-	-	-	-	-	-	-	-	-	1	3,035	88,849
101,350	101,350	1	-	-	-	-	-	-	-	-	-	-	-	1	3,036	88,950
135,540	135,540	-	2	-	-	-	-	-	-	-	-	-	-	2	3,038	89,221
129,426	129,426	-	1	-	-	-	-	-	-	-	-	-	-	1	3,039	89,350
100,095	100,095	-	1	-	-	-	-	-	-	-	-	-	-	1	3,040	89,451
102,060	102,060	-	1	-	-	-	-	-	-	-	-	-	-	1	3,041	89,553
133,390	133,390	-	1	-	-	-	-	-	-	-	-	-	-	1	3,042	89,686
170,870	170,870	-	1	-	-	-	-	-	-	-	-	-	-	1	3,043	89,857
107,360	107,360	-	1	-	-	-	-	-	-	-	-	-	-	1	3,044	89,964
103,070	103,070	-	1	-	-	-	-	-	-	-	-	-	-	1	3,045	90,067
103,930	103,930	-	1	-	-	-	-	-	-	-	-	-	-	1	3,046	90,171
104,340	104,340	-	1	-	-	-	-	-	-	-	-	-	-	1	3,047	90,276
116,440	116,440	-	1	-	-	-	-	-	-	-	-	-	-	1	3,048	90,392
117,600	117,600	-	-	1	-	-	-	-	-	-	-	-	-	1	3,049	90,510
115,560	115,560	-	-	1	-	-	-	-	-	-	-	-	-	1	3,050	90,625
202,300	202,300	-	-	1	-	-	-	-	-	-	-	-	-	1	3,051	90,827
108,300	108,300	-	-	1	-	-	-	-	-	-	-	-	-	1	3,052	90,936
113,830	113,830	-	-	1	-	-	-	-	-	-	-	-	-	1	3,053	91,050
118,130	118,130	-	-	1	-	-	-	-	-	-	-	-	-	1	3,054	91,168
120,270	120,270	-	-	1	-	-	-	-	-	-	-	-	-	1	3,055	91,288
124,260	124,260	-	-	-	1	-	-	-	-	-	-	-	-	1	3,056	91,412
107,040	107,040	-	-	-	1	-	-	-	-	-	-	-	-	1	3,057	91,519
111,230	111,230	-	-	-	1	-	-	-	-	-	-	-	-	1	3,058	91,631
181,780	181,780	-	-	-	1	-	-	-	-	-	-	-	-	1	3,059	91,812
101,030	101,030	-	-	-	-	1	-	-	-	-	-	-	-	1	3,060	91,913
135,240	135,240	-	-	-	-	1	-	-	-	-	-	-	-	1	3,061	92,049
107,320	107,320	-	-	-	-	1	-	-	-	-	-	-	-	1	3,062	92,156
179,550	179,550	-	-	-	-	1	-	-	-	-	-	-	-	1	3,063	92,335
147,450	147,450	-	-	-	-	1	-	-	-	-	-	-	-	1	3,064	92,483
203,890	203,890	-	-	-	-	1	-	-	-	-	-	-	-	1	3,065	92,687

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025

Customer Classification Residential 1 Inch Meter

Exhibit
 Schedule H-5
 Page 2
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
136,220	136,220	-	-	-	-	-	1	-	-	-	-	-	-	1	3,066	92,823
237,350	237,350	-	-	-	-	-	1	-	-	-	-	-	-	1	3,067	93,060
333,690	333,690	-	-	-	-	-	-	1	-	-	-	-	-	1	3,068	93,394
119,170	119,170	-	-	-	-	-	-	-	1	-	-	-	-	1	3,069	93,513
358,310	358,310	-	-	-	-	-	-	-	1	-	-	-	-	1	3,070	93,872
118,710	118,710	-	-	-	-	-	-	-	-	1	-	-	-	1	3,071	93,990
163,320	163,320	-	-	-	-	-	-	-	-	1	-	-	-	1	3,072	94,154
183,610	183,610	-	-	-	-	-	-	-	-	-	1	-	-	1	3,073	94,337
234,430	234,430	-	-	-	-	-	-	-	-	-	-	1	-	1	3,074	94,572
140,440	140,440	-	-	-	-	-	-	-	-	-	-	-	1	1	3,075	94,712
162,160	162,160	-	-	-	-	-	-	-	-	-	-	-	1	1	3,076	94,874
113,720	113,720	-	-	-	-	-	-	-	-	-	-	-	1	1	3,077	94,988
157,480	157,480	-	-	-	-	-	-	-	-	-	-	-	1	1	3,078	95,145
114,510	114,510	-	-	-	-	-	-	-	-	-	-	-	1	1	3,079	95,260
237,780	237,780	-	-	-	-	-	-	-	-	-	-	-	1	1	3,080	95,498
131,140	131,140	-	-	-	-	-	-	-	-	-	-	-	1	1	3,081	95,629
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,081	95,629
Totals		256	257	255	256	259	256	258	256	257	257	257	257	3,081		
										Average Usage			31,038			
										Median Usage			25,500			
										Average # Customers			257			
										Change in Number of Customers			1			

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Residential 5/8x3/4 Inch Meter

Exhibit
 Schedule H-5
 Page 3
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	-	13	10	12	12	11	11	13	14	10	14	14	13	147	147	-
1	1,000	9	10	9	10	7	7	7	7	11	7	5	7	96	243	48
1,001	2,000	4	4	2	3	5	9	6	6	7	4	9	8	67	310	149
2,001	3,000	2	5	5	2	8	6	7	6	4	6	4	4	59	369	296
3,001	4,000	3	2	3	2	1	3	1	-	1	2	5	3	26	395	387
4,001	5,000	3	-	1	4	2	-	2	2	2	2	2	4	24	419	495
5,001	6,000	1	3	2	2	1	2	5	4	4	1	3	1	29	448	655
6,001	7,000	4	1	1	1	4	2	1	2	5	1	-	4	26	474	824
7,001	8,000	-	1	2	2	2	2	3	2	1	3	2	-	20	494	974
8,001	9,000	-	1	-	1	-	-	-	1	-	2	1	-	6	500	1,025
9,001	10,000	1	-	-	2	-	2	-	1	2	1	3	-	12	512	1,139
10,001	11,000	3	-	-	1	2	1	2	1	-	1	-	1	12	524	1,265
11,001	12,000	1	2	2	2	1	-	1	1	2	1	-	1	13	537	1,414
12,001	13,000	2	2	2	-	2	3	1	-	1	2	1	-	16	553	1,614
13,001	14,000	-	1	-	1	1	2	1	1	-	2	-	-	9	562	1,736
14,001	15,000	1	2	-	1	1	-	-	-	1	-	1	-	7	569	1,837
15,001	16,000	-	1	1	-	-	-	1	2	1	-	1	3	10	579	1,992
16,001	17,000	-	-	-	-	1	1	-	1	-	1	1	-	5	584	2,075
17,001	18,000	-	-	-	1	2	-	1	1	1	2	1	-	9	593	2,232
18,001	19,000	-	-	-	-	1	-	1	1	1	1	1	-	6	599	2,343
19,001	20,000	1	1	-	-	1	1	1	-	1	-	1	1	8	607	2,499
20,001	21,000	-	-	1	-	1	1	-	1	1	-	-	-	5	612	2,602
21,001	22,000	1	-	-	-	-	1	-	1	-	-	-	1	4	616	2,688
22,001	23,000	1	-	1	3	-	1	-	1	-	-	-	2	9	625	2,890
23,001	24,000	-	-	1	-	-	-	-	2	1	1	-	2	7	632	3,055
24,001	25,000	-	-	-	1	-	-	1	-	-	-	-	-	2	634	3,104
25,001	26,000	-	-	1	-	1	-	-	-	-	1	-	1	4	638	3,206
26,001	27,000	1	-	-	-	1	-	-	-	-	1	-	-	3	641	3,285
27,001	28,000	-	-	-	-	-	-	-	-	-	-	-	-	-	641	3,285
28,001	29,000	-	-	2	-	-	-	-	-	-	-	-	-	2	643	3,342
29,001	30,000	-	-	1	1	-	1	-	-	-	-	-	-	3	646	3,431
30,001	31,000	-	-	1	-	-	-	-	-	-	1	-	-	2	648	3,492
31,001	32,000	-	1	-	-	1	-	-	-	-	-	-	-	2	650	3,555
32,001	33,000	-	1	1	-	-	-	-	-	-	1	-	-	3	653	3,652
33,001	34,000	-	-	1	-	-	-	-	-	1	-	-	1	3	656	3,753
34,001	35,000	-	-	-	-	1	-	-	-	-	-	-	-	1	657	3,787
35,001	36,000	1	-	-	-	-	-	-	-	-	-	2	-	3	660	3,894
36,001	37,000	-	-	-	-	-	-	1	-	-	-	1	-	2	662	3,967
37,001	38,000	-	1	-	-	-	-	-	-	-	-	-	1	2	664	4,042
38,001	39,000	-	1	1	-	-	-	-	-	-	-	-	-	2	666	4,119
39,001	40,000	-	-	-	1	-	-	-	-	-	1	-	-	2	668	4,198
40,001	41,000	-	-	-	1	-	-	-	-	1	-	1	-	3	671	4,319
41,001	42,000	-	1	-	-	-	-	-	-	-	-	-	-	1	672	4,361
42,001	43,000	-	-	-	1	-	-	-	-	-	-	-	-	1	673	4,403
43,001	44,000	-	-	-	-	-	-	-	-	-	-	-	-	-	673	4,403
44,001	45,000	-	-	-	-	-	-	-	-	-	-	-	-	-	673	4,403
45,001	46,000	-	-	-	-	1	-	-	-	-	-	-	-	1	674	4,449
46,001	47,000	1	1	-	-	-	-	-	-	-	-	-	-	2	676	4,542

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Residential 5/8x3/4 Inch Meter

Exhibit
 Schedule H-5
 Page 3
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
47,001	48,000	-	-	1	-	-	1	-	-	2	-	1	1	6	682	4,827
48,001	49,000	-	-	-	-	-	-	-	-	-	-	-	1	1	683	4,875
49,001	50,000	-	-	-	-	-	-	-	-	-	1	-	-	1	684	4,925
50,001	51,000	-	-	-	-	-	-	-	1	-	-	-	-	1	685	4,975
51,001	52,000	-	-	-	-	-	-	-	-	-	-	-	-	-	685	4,975
52,001	53,000	-	-	-	-	-	-	-	-	1	-	-	-	1	686	5,028
53,001	54,000	-	-	-	-	-	-	-	-	-	-	-	-	-	686	5,028
54,001	55,000	-	1	-	-	-	-	2	1	-	-	-	-	4	690	5,246
55,001	56,000	-	-	-	-	-	-	-	-	-	-	-	-	-	690	5,246
56,001	57,000	-	1	-	-	-	-	-	-	1	-	1	-	3	693	5,415
57,001	58,000	-	-	1	-	1	-	1	1	-	-	-	-	4	697	5,645
58,001	59,000	1	-	-	-	-	1	-	-	-	1	-	-	3	700	5,821
59,001	60,000	-	-	-	-	-	1	-	-	-	-	-	-	1	701	5,880
60,001	61,000	-	-	-	1	-	-	-	-	-	-	1	-	2	703	6,001
61,001	62,000	-	-	-	1	-	1	-	-	-	-	-	-	2	705	6,124
62,001	63,000	1	-	-	1	-	1	-	1	-	-	-	-	4	709	6,374
63,001	64,000	-	-	-	-	-	-	-	1	-	-	-	-	1	710	6,438
64,001	65,000	-	-	-	-	1	-	-	-	-	1	-	-	2	712	6,567
65,001	66,000	-	-	-	-	-	-	1	-	-	-	-	1	2	714	6,698
66,001	67,000	-	-	-	-	-	-	-	-	-	-	-	-	-	714	6,698
67,001	68,000	-	-	-	-	-	-	-	-	-	-	-	-	-	714	6,698
68,001	69,000	-	-	-	-	1	-	-	-	-	-	-	-	1	715	6,766
69,001	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	715	6,766
70,001	71,000	-	-	-	-	-	-	-	-	-	-	-	-	-	715	6,766
71,001	72,000	-	-	-	-	-	-	-	-	-	-	-	-	-	715	6,766
72,001	73,000	-	-	-	-	-	-	-	-	-	-	-	-	-	715	6,766
73,001	74,000	-	-	-	-	-	-	-	-	-	-	-	-	-	715	6,766
74,001	75,000	-	2	1	1	-	-	-	-	-	-	-	-	4	719	7,064
75,001	76,000	-	-	-	-	-	-	-	-	-	-	-	-	-	719	7,064
76,001	77,000	-	-	-	-	-	-	-	-	-	-	-	-	-	719	7,064
77,001	78,000	1	-	-	-	-	-	1	-	-	-	-	-	2	721	7,219
78,001	79,000	-	-	-	-	-	-	-	-	-	1	-	-	1	722	7,298
79,001	80,000	-	-	-	-	-	-	-	-	-	-	-	-	-	722	7,298
80,001	81,000	-	1	-	-	-	-	-	-	-	-	-	-	1	723	7,378
81,001	82,000	-	-	-	-	-	-	-	-	-	-	-	-	-	723	7,378
82,001	83,000	1	-	-	-	-	-	1	-	-	-	-	-	2	725	7,543
83,001	84,000	-	-	-	-	-	-	1	-	-	-	-	-	1	726	7,627
84,001	85,000	-	-	-	-	-	-	-	-	-	-	-	-	-	726	7,627
85,001	86,000	-	-	-	-	-	-	-	-	-	-	-	-	-	726	7,627
86,001	87,000	-	-	-	-	-	-	-	-	-	-	-	-	-	726	7,627
87,001	88,000	-	-	-	-	-	-	-	-	-	-	-	-	-	726	7,627
88,001	89,000	-	-	-	-	-	-	-	-	-	-	-	-	-	726	7,627
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	726	7,627
90,001	91,000	-	-	-	-	-	-	-	-	-	-	-	-	-	726	7,627
91,001	92,000	-	-	-	1	-	1	-	-	-	-	-	-	2	728	7,810
92,001	93,000	-	-	-	-	-	-	-	-	-	-	-	-	-	728	7,810
93,001	94,000	1	-	-	-	-	-	-	-	-	-	-	-	1	729	7,903
94,001	95,000	-	-	-	-	-	-	-	-	-	-	-	-	-	729	7,903

Pima Utility Company - Water Division

Test Year Ended June 30, 2025

Customer Classification Residential 5/8x3/4 Inch Meter

Exhibit

Schedule H-5

Page 3

Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
95,001	96,000	-	-	1	-	-	-	-	-	-	-	-	-	1	730	7,999
96,001	97,000	-	-	1	-	-	-	-	-	-	-	-	-	1	731	8,095
97,001	98,000	-	-	-	-	-	-	-	-	-	-	-	-	-	731	8,095
98,001	99,000	1	-	-	-	-	-	-	-	-	-	-	-	1	732	8,194
99,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	732	8,194
251,580	251,580	1	-	-	-	-	-	-	-	-	-	-	-	1	733	8,445
100,850	100,850	1	-	-	-	-	-	-	-	-	-	-	-	1	734	8,546
161,950	161,950	1	-	-	-	-	-	-	-	-	-	-	-	1	735	
107,610	107,610	-	1	-	-	-	-	-	-	-	-	-	-	1	736	
118,430	118,430	-	1	-	-	-	-	-	-	-	-	-	-	1	737	
144,840	144,840	-	1	-	-	-	-	-	-	-	-	-	-	1	738	
344,440	344,440	-	1	-	-	-	-	-	-	-	-	-	-	1	739	
198,990	198,990	-	1	-	-	-	-	-	-	-	-	-	-	1	740	
120,850	120,850	-	-	1	-	-	-	-	-	-	-	-	-	1	741	
120,180	120,180	-	-	1	-	-	-	-	-	-	-	-	-	1	742	
109,000	109,000	-	-	1	-	-	-	-	-	-	-	-	-	1	743	
187,070	187,070	-	-	1	-	-	-	-	-	-	-	-	-	1	744	
152,420	152,420	-	-	-	1	-	-	-	-	-	-	-	-	1	745	
188,740	188,740	-	-	-	1	-	-	-	-	-	-	-	-	1	746	
181,720	181,720	-	-	-	-	1	-	-	-	-	-	-	-	1	747	
177,380	177,380	-	-	-	-	-	1	-	-	-	-	-	-	1	748	
101,150	101,150	-	-	-	-	-	-	1	-	-	-	-	-	1	749	
143,780	143,780	-	-	-	-	-	-	-	-	-	-	1	-	1	750	
125,980	125,980	-	-	-	-	-	-	-	-	-	-	-	1	1	751	
127,680	127,680	-	-	-	-	-	-	-	-	-	-	-	1	1	752	

Totals	62	62	62	62	63	63	63	63	63	63	63	63	63	752		
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Average Usage	15,104
Median Usage	2,500
Average # Customers	63
Change in Number of Customers	1

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 3/4 Inch Meter

Exhibit
 Schedule H-5
 Page 4
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	-													-	-	-
1	1,000													-	-	-
1,001	2,000													-	-	-
2,001	3,000													-	-	-
3,001	4,000													-	-	-
4,001	5,000													-	-	-
5,001	6,000													-	-	-
6,001	7,000													-	-	-
7,001	8,000													-	-	-
8,001	9,000													-	-	-
9,001	10,000													-	-	-
10,001	11,000													-	-	-
11,001	12,000													-	-	-
12,001	13,000													-	-	-
13,001	14,000													-	-	-
14,001	15,000													-	-	-
15,001	16,000													-	-	-
16,001	17,000													-	-	-
17,001	18,000													-	-	-
18,001	19,000													-	-	-
19,001	20,000													-	-	-
20,001	21,000													-	-	-
21,001	22,000													-	-	-
22,001	23,000													-	-	-
23,001	24,000													-	-	-
24,001	25,000													-	-	-
25,001	26,000													-	-	-
26,001	27,000													-	-	-
27,001	28,000													-	-	-
28,001	29,000													-	-	-
29,001	30,000													-	-	-
30,001	31,000													-	-	-
31,001	32,000													-	-	-
32,001	33,000													-	-	-
33,001	34,000													-	-	-
34,001	35,000													-	-	-
35,001	36,000													-	-	-
36,001	37,000													-	-	-
37,001	38,000													-	-	-
38,001	39,000													-	-	-
39,001	40,000													-	-	-
40,001	41,000													-	-	-
41,001	42,000													-	-	-
42,001	43,000													-	-	-
43,001	44,000													-	-	-
44,001	45,000													-	-	-
45,001	46,000													-	-	-
46,001	47,000													-	-	-

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 3/4 Inch Meter

Exhibit
 Schedule H-5
 Page 4
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
47,001	48,000													-	-	-
48,001	49,000													-	-	-
49,001	50,000													-	-	-
50,001	51,000													-	-	-
51,001	52,000													-	-	-
52,001	53,000													-	-	-
53,001	54,000													-	-	-
54,001	55,000													-	-	-
55,001	56,000													-	-	-
56,001	57,000													-	-	-
57,001	58,000													-	-	-
58,001	59,000													-	-	-
59,001	60,000													-	-	-
60,001	61,000													-	-	-
61,001	62,000													-	-	-
62,001	63,000													-	-	-
63,001	64,000													-	-	-
64,001	65,000													-	-	-
65,001	66,000													-	-	-
66,001	67,000													-	-	-
67,001	68,000													-	-	-
68,001	69,000													-	-	-
69,001	70,000													-	-	-
70,001	71,000													-	-	-
71,001	72,000													-	-	-
72,001	73,000													-	-	-
73,001	74,000													-	-	-
74,001	75,000													-	-	-
75,001	76,000													-	-	-
76,001	77,000													-	-	-
77,001	78,000													-	-	-
78,001	79,000													-	-	-
79,001	80,000													-	-	-
80,001	81,000													-	-	-
81,001	82,000													-	-	-
82,001	83,000													-	-	-
83,001	84,000													-	-	-
84,001	85,000													-	-	-
85,001	86,000													-	-	-
86,001	87,000													-	-	-
87,001	88,000													-	-	-
88,001	89,000													-	-	-
89,001	90,000													-	-	-
90,001	91,000													-	-	-
91,001	92,000													-	-	-
92,001	93,000													-	-	-
93,001	94,000													-	-	-
94,001	95,000													-	-	-

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 3/4 Inch Meter

Exhibit
 Schedule H-5
 Page 4
 Witness: Bourassa

Usage From:	Usage To:	Month of <u>Jul</u>	Month of <u>Aug</u>	Month of <u>Sep</u>	Month of <u>Oct</u>	Month of <u>Nov</u>	Month of <u>Dec</u>	Month of <u>Jan</u>	Month of <u>Feb</u>	Month of <u>Mar</u>	Month of <u>Apr</u>	Month of <u>May</u>	Month of <u>Jun</u>	Total Year	Cumul- ative Billing	Cumul- ative Gals (1,000s)
95,001	96,000													-	-	-
96,001	97,000													-	-	-
97,001	98,000													-	-	-
98,001	99,000													-	-	-
99,001	100,000													-	-	-
	-													-	-	-
Totals		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
														Average Usage	-	
														Median Usage	-	
														Average # Customers	-	
														Change in Number of Customers	-	

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 1 Inch Meter

Exhibit
 Schedule H-5
 Page 5
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	-	9	5	7	9	7	6	7	6	8	8	8	10	90	90	-
1	1,000	10	11	12	11	9	8	11	9	12	10	9	8	120	210	60
1,001	2,000	1	3	2	1	4	3	1	5	1	3	4	1	29	239	104
2,001	3,000	4	-	2	2	1	3	4	2	1	1	1	2	23	262	161
3,001	4,000	3	5	4	2	3	3	3	6	4	1	2	1	37	299	291
4,001	5,000	4	1	1	3	2	1	1	1	2	-	2	5	23	322	394
5,001	6,000	-	2	2	1	1	1	2	1	4	3	4	2	23	345	521
6,001	7,000	1	1	-	1	1	1	1	2	1	2	1	1	13	358	605
7,001	8,000	1	-	2	-	-	2	-	-	-	3	-	-	8	366	665
8,001	9,000	-	1	-	1	2	2	1	1	-	-	-	-	8	374	733
9,001	10,000	-	-	-	1	1	-	1	-	1	-	1	-	5	379	781
10,001	11,000	-	2	-	-	-	-	1	2	2	1	-	1	9	388	875
11,001	12,000	2	-	1	1	-	2	1	2	2	-	2	2	15	403	1,048
12,001	13,000	-	-	1	1	2	3	3	1	-	2	3	1	17	420	1,260
13,001	14,000	-	2	-	1	-	-	-	1	2	1	1	1	9	429	1,382
14,001	15,000	1	-	1	-	-	1	2	1	1	1	-	-	8	437	1,498
15,001	16,000	-	1	-	-	-	1	-	-	1	-	-	2	5	442	1,575
16,001	17,000	-	1	-	-	1	-	-	-	1	1	-	-	4	446	1,641
17,001	18,000	-	-	2	1	-	2	1	2	-	-	1	-	9	455	1,799
18,001	19,000	1	-	-	-	-	-	-	-	-	-	-	-	1	456	1,817
19,001	20,000	1	-	-	-	-	-	-	-	1	3	-	-	5	461	1,915
20,001	21,000	2	-	-	-	-	-	-	-	-	-	-	-	2	463	1,956
21,001	22,000	-	1	-	-	-	2	1	-	-	-	-	-	4	467	2,042
22,001	23,000	-	1	1	-	-	-	-	-	-	-	-	-	2	469	2,087
23,001	24,000	-	-	-	-	-	-	-	-	-	-	-	-	-	469	2,087
24,001	25,000	-	-	-	-	1	-	-	-	-	-	-	-	1	470	2,111
25,001	26,000	1	-	-	-	-	-	-	-	-	-	1	-	2	472	2,162
26,001	27,000	-	-	-	-	-	-	1	-	-	1	-	-	2	474	2,215
27,001	28,000	-	-	-	-	-	-	-	-	-	1	-	1	2	476	2,270
28,001	29,000	-	1	-	-	-	-	-	-	-	-	1	-	2	478	2,327
29,001	30,000	-	-	-	-	1	-	-	-	-	-	-	-	1	479	2,357
30,001	31,000	-	-	-	-	-	-	-	-	-	-	-	-	-	479	2,357
31,001	32,000	1	-	-	-	1	-	-	-	-	-	-	1	3	482	2,451
32,001	33,000	-	-	-	-	-	-	-	-	-	-	-	-	-	482	2,451
33,001	34,000	-	1	1	-	-	-	-	-	-	-	-	-	2	484	2,518
34,001	35,000	-	-	1	-	-	-	-	-	-	-	-	-	1	485	2,553
35,001	36,000	-	-	-	1	-	1	-	-	-	-	-	-	2	487	2,624
36,001	37,000	1	1	-	-	-	-	-	-	-	-	1	-	3	490	2,733
37,001	38,000	-	-	-	-	-	-	-	-	-	-	1	-	1	491	2,771
38,001	39,000	-	-	-	-	1	-	-	-	-	-	-	-	1	492	2,809
39,001	40,000	-	-	-	-	1	-	-	-	-	1	-	-	2	494	2,888
40,001	41,000	-	-	1	1	-	-	-	-	-	1	-	-	3	497	3,010
41,001	42,000	-	1	1	1	1	-	-	-	-	-	-	1	5	502	3,217
42,001	43,000	-	-	-	1	2	-	-	-	-	-	-	-	3	505	3,345
43,001	44,000	-	-	-	1	-	1	-	-	-	-	-	-	2	507	3,432
44,001	45,000	1	-	-	-	-	1	-	-	-	-	-	-	2	509	3,521
45,001	46,000	-	-	-	-	-	-	-	1	-	-	1	1	3	512	3,657
46,001	47,000	-	-	-	1	-	-	-	-	-	-	-	2	3	515	3,797
47,001	48,000	1	-	-	-	-	-	-	-	2	-	1	-	4	519	3,987

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 1 Inch Meter

Exhibit
 Schedule H-5
 Page 5
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
48,001	49,000	-	-	-	-	-	-	-	-	-	1	1	-	2	521	4,084
49,001	50,000	1	-	-	-	-	-	-	-	-	-	-	-	1	522	4,133
50,001	51,000	-	-	-	-	-	-	-	-	-	-	-	-	-	522	4,133
51,001	52,000	-	1	-	-	-	1	-	-	-	-	-	-	2	524	4,236
52,001	53,000	-	-	-	-	-	-	1	-	-	-	-	-	1	525	4,289
53,001	54,000	-	-	1	-	-	-	-	-	-	-	-	-	1	526	4,342
54,001	55,000	-	-	-	-	1	-	-	1	-	-	-	-	2	528	4,451
55,001	56,000	-	1	-	1	-	1	-	-	1	-	-	1	5	533	4,729
56,001	57,000	1	1	-	-	-	-	1	-	-	-	-	-	3	536	4,898
57,001	58,000	-	-	3	-	1	-	1	-	2	-	-	-	7	543	5,301
58,001	59,000	-	1	1	1	-	-	-	-	-	-	-	-	3	546	5,476
59,001	60,000	-	-	-	-	1	1	-	-	-	-	-	-	2	548	5,595
60,001	61,000	-	-	-	1	-	-	-	-	1	-	1	-	3	551	5,777
61,001	62,000	1	-	-	-	-	-	1	1	-	-	-	-	3	554	5,961
62,001	63,000	-	1	-	1	-	-	-	-	-	-	2	-	4	558	6,211
63,001	64,000	-	-	-	-	-	1	-	1	-	-	-	-	2	560	6,338
64,001	65,000	-	1	-	-	-	-	-	1	-	-	-	-	2	562	6,467
65,001	66,000	-	-	-	-	1	-	1	-	-	-	1	-	3	565	6,664
66,001	67,000	2	-	-	-	1	-	-	1	-	-	-	1	5	570	6,996
67,001	68,000	-	-	-	-	-	-	-	-	-	-	-	-	-	570	6,996
68,001	69,000	-	-	-	-	-	-	1	-	-	-	-	-	1	571	7,065
69,001	70,000	-	-	-	1	-	-	-	1	-	-	-	-	2	573	7,204
70,001	71,000	-	-	-	-	-	-	-	-	1	1	-	1	3	576	7,415
71,001	72,000	-	1	1	-	1	-	-	-	1	-	-	-	4	580	7,701
72,001	73,000	-	-	1	-	-	-	-	-	-	-	-	-	1	581	7,774
73,001	74,000	-	-	-	-	-	-	-	-	-	-	-	1	1	582	7,847
74,001	75,000	-	-	1	-	-	-	1	-	-	-	-	-	2	584	7,996
75,001	76,000	-	-	-	-	-	-	-	-	1	-	1	-	2	586	8,147
76,001	77,000	-	-	1	-	-	-	-	-	-	-	-	-	1	587	8,224
77,001	78,000	-	-	-	1	-	-	-	-	-	-	-	-	1	588	8,301
78,001	79,000	-	-	-	-	-	-	-	-	-	-	-	-	-	588	8,301
79,001	80,000	-	-	-	-	-	-	-	-	-	-	-	-	-	588	8,301
80,001	81,000	1	-	-	-	-	-	-	-	-	-	-	1	2	590	8,462
81,001	82,000	-	-	-	-	-	-	-	-	-	-	-	-	-	590	8,462
82,001	83,000	1	-	-	-	-	-	-	1	-	1	-	-	3	593	8,710
83,001	84,000	-	-	-	-	-	-	-	-	-	-	-	-	-	593	8,710
84,001	85,000	-	-	-	-	-	-	-	-	-	-	-	-	-	593	8,710
85,001	86,000	-	-	-	-	-	1	-	-	-	1	-	-	2	595	8,881
86,001	87,000	-	-	-	-	1	-	-	-	-	-	-	-	1	596	8,967
87,001	88,000	-	-	-	-	1	-	-	-	-	1	-	-	2	598	9,142
88,001	89,000	-	-	-	-	-	-	-	-	-	-	-	-	-	598	9,142
89,001	90,000	1	-	-	-	-	-	1	-	-	-	-	-	2	600	9,321
90,001	91,000	-	-	-	-	-	-	-	-	1	-	-	-	1	601	9,412
91,001	92,000	-	-	-	-	-	1	-	-	-	-	1	-	2	603	9,595
92,001	93,000	-	-	1	1	-	-	-	-	-	1	-	-	3	606	9,872
93,001	94,000	-	1	-	-	1	-	-	2	-	-	1	-	5	611	10,340
94,001	95,000	-	-	-	1	-	-	-	-	-	-	-	-	1	612	10,434
95,001	96,000	-	-	-	-	-	-	-	-	-	-	-	-	-	612	10,434
96,001	97,000	-	-	1	2	-	-	-	-	-	-	-	1	4	616	10,820

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 1 Inch Meter

Exhibit
 Schedule H-5
 Page 5
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
97,001	98,000	-	2	-	-	-	-	-	-	-	-	-	1	3	619	11,113
98,001	99,000	-	-	-	-	1	-	-	-	-	-	-	-	1	620	11,211
99,001	100,000	-	-	-	-	-	-	-	1	-	-	1	-	2	622	11,410
101,610	101,610	1	-	-	-	-	-	-	-	-	-	-	-	1	623	11,512
138,500	138,500	1	-	-	-	-	-	-	-	-	-	-	-	1	624	11,650
249,240	249,240	-	-	-	-	-	-	-	-	-	-	-	-	-	624	11,650
123,790	123,790	-	1	-	-	-	-	-	-	-	-	-	-	1	625	11,774
114,010	114,010	-	1	-	-	-	-	-	-	-	-	-	-	1	626	11,888
151,100	151,100	-	1	-	-	-	-	-	-	-	-	-	-	1	627	12,039
346,820	346,820	-	1	-	-	-	-	-	-	-	-	-	-	1	628	12,386
110,360	110,360	-	-	1	-	-	-	-	-	-	-	-	-	1	629	12,496
186,670	186,670	-	-	1	-	-	-	-	-	-	-	-	-	1	630	12,683
144,900	144,900	-	-	-	1	-	-	-	-	-	-	-	-	1	631	12,828
110,090	110,090	-	-	-	1	-	-	-	-	-	-	-	-	1	632	12,938
165,480	165,480	-	-	-	1	-	-	-	-	-	-	-	-	1	633	13,104
104,800	104,800	-	-	-	-	1	-	-	-	-	-	-	-	1	634	13,208
261,870	261,870	-	-	-	-	1	-	-	-	-	-	-	-	1	635	13,470
130,010	130,010	-	-	-	-	-	1	-	-	-	-	-	-	1	636	13,600
369,220	369,220	-	-	-	-	-	1	-	-	-	-	-	-	1	637	13,969
100,900	100,900	-	-	-	-	-	1	-	-	-	-	-	-	1	638	14,070
203,250	203,250	-	-	-	-	-	1	-	-	-	-	-	-	1	639	14,274
102,720	102,720	-	-	-	-	-	-	1	-	-	-	-	-	1	640	14,376
109,890	109,890	-	-	-	-	-	-	1	-	-	-	-	-	1	641	14,486
106,888	106,888	-	-	-	-	-	-	1	-	-	-	-	-	1	642	14,593
105,120	105,120	-	-	-	-	-	-	1	-	-	-	-	-	1	643	14,698
531,662	531,662	-	-	-	-	-	-	-	1	-	-	-	-	1	644	15,230
102,960	102,960	-	-	-	-	-	-	-	1	-	-	-	-	1	645	15,333
152,490	152,490	-	-	-	-	-	-	-	-	1	-	-	-	1	646	15,485
136,500	136,500	-	-	-	-	-	-	-	-	-	1	-	-	1	647	15,622
182,670	182,670	-	-	-	-	-	-	-	-	-	-	1	-	1	648	15,805
105,380	105,380	-	-	-	-	-	-	-	-	-	-	-	1	1	649	15,910
108,980	108,980	-	-	-	-	-	-	-	-	-	-	-	1	1	650	16,019
160,400	160,400	-	-	-	-	-	-	-	-	-	-	-	1	1	651	16,179
208,970	208,970	-	-	-	-	-	-	-	-	-	-	-	1	1	652	16,388
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	652	16,388
Totals		55	55	55	55	54	54	54	54	54	54	54	54	652		
														Average Usage	25,135	
														Median Usage	3,500	
														Average # Customers	54	
														Change in Number of Customers	(1)	

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 1.5 Inch Meter

Exhibit
 Schedule H-5
 Page 6
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	-	-	-	-	-	-	-	2	2	2	-	-	-	6	6	-
1	1,000	-	-	-	-	-	3	-	-	-	2	-	1	6	12	3
1,001	2,000	2	1	1	1	-	1	2	1	1	1	2	1	14	26	24
2,001	3,000	-	1	1	1	1	-	-	1	1	1	1	1	9	35	47
3,001	4,000	2	1	1	1	1	2	3	1	-	-	-	2	14	49	96
4,001	5,000	-	-	-	-	2	1	1	3	3	3	2	-	15	64	163
5,001	6,000	-	1	2	2	1	-	-	-	1	-	-	-	7	71	202
6,001	7,000	1	1	-	1	-	-	-	-	-	-	-	-	3	74	221
7,001	8,000	-	-	1	-	-	-	-	-	-	1	-	-	2	76	236
8,001	9,000	1	-	-	-	-	-	-	-	-	-	1	-	2	78	253
9,001	10,000	-	-	-	-	1	1	-	-	-	-	1	-	3	81	282
10,001	11,000	-	1	-	-	-	-	-	-	-	-	-	1	2	83	303
11,001	12,000	-	-	-	-	-	-	-	-	-	-	-	-	-	83	303
12,001	13,000	-	-	-	-	-	-	-	-	-	-	-	-	-	83	303
13,001	14,000	-	-	-	-	-	-	-	-	-	-	-	-	-	83	303
14,001	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	83	303
15,001	16,000	-	-	-	-	-	-	1	-	-	-	-	-	1	84	318
16,001	17,000	-	-	-	-	-	-	-	-	-	-	-	-	-	84	318
17,001	18,000	-	-	-	-	-	-	-	-	-	-	1	1	2	86	353
18,001	19,000	-	-	-	-	-	-	-	-	-	-	-	-	-	86	353
19,001	20,000	-	-	-	1	-	-	-	-	-	-	-	-	1	87	373
20,001	21,000	-	-	-	1	-	-	1	1	-	-	-	-	3	90	434
21,001	22,000	-	-	-	-	-	1	-	1	-	-	1	-	3	93	499
22,001	23,000	-	-	-	-	-	-	-	-	1	-	-	1	2	95	544
23,001	24,000	-	-	-	-	2	1	1	-	-	-	-	-	4	99	638
24,001	25,000	-	-	-	-	1	1	-	-	-	-	-	-	2	101	687
25,001	26,000	1	-	-	-	-	1	-	-	-	1	-	-	3	104	763
26,001	27,000	-	-	-	-	-	-	-	1	-	-	-	-	1	105	790
27,001	28,000	-	-	2	-	-	-	-	2	-	-	1	-	5	110	927
28,001	29,000	-	2	-	1	-	-	1	-	1	1	-	-	6	116	1,098
29,001	30,000	-	-	-	-	-	-	1	-	-	-	-	-	1	117	1,128
30,001	31,000	-	-	-	-	-	-	-	-	1	-	-	-	1	118	1,158
31,001	32,000	-	-	-	-	-	-	-	-	1	-	-	-	1	119	1,190
32,001	33,000	-	-	-	-	-	1	-	-	-	-	-	-	1	120	1,222
33,001	34,000	-	-	-	-	1	-	-	-	-	-	-	1	2	122	1,289
34,001	35,000	1	-	-	-	-	-	-	-	-	-	-	-	1	123	1,324
35,001	36,000	-	-	-	-	-	-	1	-	-	-	-	-	1	124	1,359
36,001	37,000	-	-	-	-	-	-	-	-	1	1	-	-	2	126	1,432
37,001	38,000	-	-	-	-	-	-	-	-	1	-	-	-	1	127	1,470
38,001	39,000	-	-	-	-	1	-	-	-	-	-	1	-	2	129	1,547
39,001	40,000	-	-	-	-	-	1	-	-	-	-	1	-	2	131	1,626
40,001	41,000	-	-	-	-	-	-	-	-	-	-	-	-	-	131	1,626
41,001	42,000	-	-	-	-	-	-	-	1	-	1	-	-	2	133	1,709
42,001	43,000	-	-	1	-	-	-	-	-	-	-	-	-	1	134	1,751
43,001	44,000	-	1	-	1	-	-	-	-	-	-	-	-	2	136	1,838
44,001	45,000	1	-	-	-	-	-	-	-	-	-	-	-	1	137	1,883
45,001	46,000	-	-	-	-	-	-	-	-	-	-	-	1	1	138	1,928
46,001	47,000	-	-	-	-	-	-	-	-	-	-	-	-	-	138	1,928

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 1.5 Inch Meter

Exhibit
 Schedule H-5
 Page 6
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
47,001	48,000	-	-	-	-	-	-	-	-	-	-	-	-	-	138	1,928
48,001	49,000	-	-	-	-	-	-	-	-	-	-	-	-	-	138	1,928
49,001	50,000	-	-	-	-	-	-	-	-	-	-	-	1	1	139	1,978
50,001	51,000	1	-	-	-	-	-	-	-	-	-	-	-	1	140	2,028
51,001	52,000	-	-	-	-	-	-	-	-	-	-	-	-	-	140	2,028
52,001	53,000	-	-	-	-	-	-	-	-	1	-	-	-	1	141	2,081
53,001	54,000	-	-	-	-	-	-	-	-	-	-	-	-	-	141	2,081
54,001	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	141	2,081
55,001	56,000	-	-	1	-	-	-	-	-	-	-	-	-	1	142	2,136
56,001	57,000	-	1	1	-	-	-	-	-	-	-	-	-	2	144	2,249
57,001	58,000	-	-	-	-	-	-	-	-	-	-	-	-	-	144	2,249
58,001	59,000	-	-	-	-	-	-	-	1	-	-	-	-	1	145	2,308
59,001	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	145	2,308
60,001	61,000	-	1	-	-	-	-	-	-	-	-	-	1	2	147	2,429
61,001	62,000	-	-	-	-	-	-	-	-	-	-	-	-	-	147	2,429
62,001	63,000	1	-	-	-	-	-	-	-	-	-	-	-	1	148	2,491
63,001	64,000	-	-	-	-	-	1	-	-	-	-	-	-	1	149	2,555
64,001	65,000	-	-	-	-	-	-	-	-	-	1	-	-	1	150	2,619
65,001	66,000	-	-	-	-	-	-	-	-	-	1	-	-	1	151	2,685
66,001	67,000	-	-	-	-	-	-	-	-	-	-	-	-	-	151	2,685
67,001	68,000	-	-	-	-	-	-	-	-	-	-	-	-	-	151	2,685
68,001	69,000	-	-	-	-	-	-	-	-	-	-	-	1	1	152	2,753
69,001	70,000	-	-	-	-	-	-	1	-	-	-	-	-	1	153	2,823
70,001	71,000	-	-	-	-	-	-	1	-	-	-	-	-	1	154	2,893
71,001	72,000	-	-	-	-	-	-	-	1	-	-	-	-	1	155	2,965
72,001	73,000	-	-	-	-	-	-	-	-	-	-	-	-	-	155	2,965
73,001	74,000	-	-	-	-	-	-	-	-	-	-	-	-	-	155	2,965
74,001	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	155	2,965
75,001	76,000	-	-	-	-	-	-	-	-	-	-	-	1	1	156	3,040
76,001	77,000	-	-	-	-	-	-	-	-	-	-	-	-	-	156	3,040
77,001	78,000	-	-	-	-	-	-	-	-	-	-	-	-	-	156	3,040
78,001	79,000	-	-	-	-	-	-	-	-	-	-	-	1	1	157	3,119
79,001	80,000	-	-	-	-	-	-	-	-	-	1	-	-	1	158	3,198
80,001	81,000	-	-	-	-	-	-	-	-	-	-	-	-	-	158	3,198
81,001	82,000	-	-	-	-	-	-	-	-	-	-	-	-	-	158	3,198
82,001	83,000	-	-	-	-	-	-	-	-	-	-	-	-	-	158	3,198
83,001	84,000	-	-	-	-	-	-	-	-	-	-	-	-	-	158	3,198
84,001	85,000	-	-	-	-	-	-	-	-	1	-	-	-	1	159	3,283
85,001	86,000	-	-	-	1	-	-	-	-	-	-	-	-	1	160	3,368
86,001	87,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	3,368
87,001	88,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	3,368
88,001	89,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	3,368
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	3,368
90,001	91,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	3,368
91,001	92,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	3,368
92,001	93,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	3,368
93,001	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	3,368
94,001	95,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	3,368

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 1.5 Inch Meter

Exhibit
 Schedule H-5
 Page 6
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
95,001	96,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	3,368
96,001	97,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	3,368
97,001	98,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	3,368
98,001	99,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	3,368
99,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160	3,368
157300	157,300	1	-	-	-	-	-	-	-	-	-	-	-	1	161	3,525
320500	320,500	1	-	-	-	-	-	-	-	-	-	-	-	1	162	3,846
118500	118,500	1	-	-	-	-	-	-	-	-	-	-	-	1	163	3,964
194800	194,800	-	1	-	-	-	-	-	-	-	-	-	-	1	164	4,159
314200	314,200	-	1	-	-	-	-	-	-	-	-	-	-	1	165	4,473
156700	156,700	-	1	-	-	-	-	-	-	-	-	-	-	1	166	4,630
190100	190,100	-	-	1	-	-	-	-	-	-	-	-	-	1	167	4,820
178200	178,200	-	-	1	-	-	-	-	-	-	-	-	-	1	168	4,998
141200	141,200	-	-	1	-	-	-	-	-	-	-	-	-	1	169	5,140
184000	184,000	-	-	-	1	-	-	-	-	-	-	-	-	1	170	5,324
123900	123,900	-	-	-	1	-	-	-	-	-	-	-	-	1	171	5,447
110600	110,600	-	-	-	1	-	-	-	-	-	-	-	-	1	172	5,558
149500	149,500	-	-	-	-	1	-	-	-	-	-	-	-	1	173	5,708
183900	183,900	-	-	-	-	-	1	-	-	-	-	-	-	1	174	5,891
102300	102,300	-	-	-	-	-	1	-	-	-	-	-	-	1	175	5,994
157600	157,600	-	-	-	-	-	-	1	-	-	-	-	-	1	176	6,151
168700	168,700	-	-	-	-	-	-	-	-	-	1	-	-	1	177	6,320
129100	129,100	-	-	-	-	-	-	-	-	-	-	1	-	1	178	6,449
101200	101,200	-	-	-	-	-	-	-	-	-	-	1	-	1	179	6,550
137400	137,400	-	-	-	-	-	-	-	-	-	-	1	-	1	180	6,688
151600	151,600	-	-	-	-	-	-	-	-	-	-	-	1	1	181	6,839
310100	310,100	-	-	-	-	-	-	-	-	-	-	-	1	1	182	7,149
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	182	7,149

Totals	14	14	14	14	14	14	16	16	16	16	16	16	16	182		
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Average Usage	39,283
Median Usage	5,500
Average # Customers	15
Change in Number of Customers	2

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 2 Inch Meter

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	-	5	3	7	7	6	7	7	6	5	5	3	4	65	65	-
1	1,000	4	3	2	4	5	5	4	7	5	4	7	5	55	120	28
1,001	2,000	5	2	5	4	4	4	4	4	6	5	3	3	49	169	101
2,001	3,000	1	3	3	1	3	3	3	1	2	3	2	2	27	196	169
3,001	4,000	2	3	-	2	3	2	1	-	1	-	1	-	15	211	221
4,001	5,000	1	1	-	1	-	2	2	3	1	1	2	2	16	227	293
5,001	6,000	1	2	3	5	2	1	1	1	3	1	2	1	23	250	420
6,001	7,000	2	2	1	-	-	1	3	3	5	3	2	2	24	274	576
7,001	8,000	-	-	1	-	-	1	-	-	-	3	-	1	6	280	621
8,001	9,000	-	-	-	-	-	1	-	-	-	-	-	1	2	282	638
9,001	10,000	-	-	-	1	-	-	2	1	1	-	1	1	7	289	704
10,001	11,000	2	2	2	1	1	-	-	1	-	-	-	-	9	298	799
11,001	12,000	2	1	1	1	1	1	1	-	3	-	1	2	14	312	960
12,001	13,000	-	-	-	1	2	1	-	2	2	2	-	1	11	323	1,097
13,001	14,000	1	1	1	1	2	-	2	-	-	1	-	-	10	333	1,232
14,001	15,000	-	1	-	1	1	2	2	2	-	-	-	-	9	342	1,363
15,001	16,000	-	-	-	1	-	-	-	-	2	-	2	2	7	349	1,471
16,001	17,000	1	-	-	-	1	1	1	-	1	3	1	-	9	358	1,620
17,001	18,000	-	-	1	-	-	-	-	1	-	-	1	-	3	361	1,672
18,001	19,000	-	3	-	-	1	-	-	-	-	-	-	1	5	366	1,765
19,001	20,000	-	-	1	1	1	1	-	-	2	2	-	-	8	374	1,921
20,001	21,000	1	-	-	1	-	1	-	-	1	1	1	-	6	380	2,044
21,001	22,000	-	-	1	-	-	-	-	2	1	-	1	1	6	386	2,173
22,001	23,000	1	-	2	1	1	-	-	1	-	2	-	-	8	394	2,353
23,001	24,000	2	-	-	-	-	1	1	-	-	-	1	-	5	399	2,470
24,001	25,000	-	-	2	1	-	-	1	-	1	1	1	-	7	406	2,642
25,001	26,000	-	-	-	2	-	-	-	1	1	1	-	-	5	411	2,769
26,001	27,000	-	2	-	1	-	1	2	-	-	-	1	2	9	420	3,008
27,001	28,000	1	-	-	-	-	1	1	-	2	1	1	1	8	428	3,228
28,001	29,000	-	-	-	1	-	-	-	-	-	1	1	-	3	431	3,313
29,001	30,000	-	1	-	-	-	1	1	-	-	-	-	-	3	434	3,402
30,001	31,000	-	-	-	-	-	-	1	1	1	-	-	-	3	437	3,493
31,001	32,000	1	-	-	-	-	-	-	2	-	-	-	-	3	440	3,588
32,001	33,000	-	-	-	-	1	-	2	2	-	-	-	-	5	445	3,750
33,001	34,000	-	-	-	1	-	-	1	1	1	3	1	1	9	454	4,052
34,001	35,000	1	-	1	-	-	-	1	1	-	-	-	-	4	458	4,190
35,001	36,000	-	1	1	1	1	1	1	1	-	-	-	1	8	466	4,474
36,001	37,000	-	-	-	2	-	-	-	-	1	2	-	-	5	471	4,656
37,001	38,000	1	-	2	-	1	-	-	1	-	-	2	1	8	479	4,956
38,001	39,000	-	-	-	1	-	1	-	1	1	-	-	1	5	484	5,149
39,001	40,000	-	-	-	1	1	1	-	-	-	-	-	-	3	487	5,267
40,001	41,000	-	1	1	-	1	-	-	1	1	-	-	1	6	493	5,510
41,001	42,000	2	-	-	1	-	1	2	-	-	-	2	-	8	501	5,842
42,001	43,000	-	1	2	1	1	-	1	-	-	-	-	-	6	507	6,097
43,001	44,000	1	-	1	-	-	-	-	-	1	-	-	-	3	510	6,228
44,001	45,000	-	-	-	-	-	1	-	-	1	-	-	-	2	512	6,317
45,001	46,000	-	-	-	-	-	-	-	1	-	1	-	-	2	514	6,408
46,001	47,000	-	1	-	-	-	1	2	-	-	-	-	1	5	519	6,640
47,001	48,000	1	-	-	-	-	1	-	-	-	-	1	-	3	522	6,783
48,001	49,000	-	1	1	-	-	-	-	1	-	1	-	-	4	526	6,977
49,001	50,000	-	-	2	-	-	-	-	-	-	-	1	1	4	530	7,175

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 2 Inch Meter

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
50,001	51,000	-	1	-	-	-	-	-	-	1	-	-	2	4	534	7,377
51,001	52,000	-	-	-	-	-	-	-	-	-	-	-	-	-	534	7,377
52,001	53,000	-	-	-	2	-	-	-	-	-	-	-	-	2	536	7,482
53,001	54,000	-	-	1	-	-	1	1	2	1	-	1	1	8	544	7,910
54,001	55,000	-	-	1	-	-	1	-	-	-	1	-	-	3	547	8,073
55,001	56,000	-	-	-	1	-	1	1	-	1	-	-	-	4	551	8,295
56,001	57,000	-	-	-	1	-	-	1	-	-	-	1	-	3	554	8,465
57,001	58,000	-	1	1	1	-	-	1	-	-	-	-	1	5	559	8,752
58,001	59,000	-	1	-	-	-	1	1	-	1	-	-	-	4	563	8,986
59,001	60,000	1	1	-	-	-	-	-	-	1	-	-	-	3	566	9,165
60,001	61,000	-	-	-	1	-	1	-	-	-	-	-	2	6	572	9,528
61,001	62,000	1	1	-	-	1	-	-	1	-	1	-	-	5	577	9,835
62,001	63,000	-	-	-	-	2	-	1	-	-	1	-	-	4	581	10,085
63,001	64,000	-	-	-	-	1	-	1	-	-	-	-	-	2	583	10,212
64,001	65,000	-	-	-	-	1	-	1	-	-	-	-	-	2	585	10,341
65,001	66,000	2	-	-	-	-	-	-	-	-	-	-	-	2	587	10,472
66,001	67,000	-	-	1	-	-	-	-	1	-	-	1	-	3	590	10,672
67,001	68,000	1	-	-	1	1	-	1	-	-	-	-	-	5	595	11,009
68,001	69,000	2	-	-	-	-	1	-	1	-	-	-	-	4	599	11,283
69,001	70,000	-	1	-	1	-	-	-	-	1	-	-	-	3	602	11,492
70,001	71,000	1	-	-	-	-	-	-	-	-	-	-	-	1	603	11,562
71,001	72,000	-	-	-	-	1	-	1	-	2	-	1	2	7	610	12,063
72,001	73,000	-	-	-	1	-	-	2	-	-	1	-	-	4	614	12,353
73,001	74,000	1	-	-	-	-	-	1	1	-	-	1	-	4	618	12,647
74,001	75,000	-	-	-	-	-	1	-	-	2	-	-	-	3	621	12,870
75,001	76,000	-	-	-	1	1	-	1	-	-	-	-	-	3	624	13,097
76,001	77,000	1	-	-	-	-	1	-	-	-	-	2	1	5	629	13,479
77,001	78,000	-	1	-	-	-	1	1	-	1	1	1	-	6	635	13,944
78,001	79,000	-	-	-	-	-	-	-	-	-	-	-	-	-	635	13,944
79,001	80,000	-	-	-	-	-	-	1	-	1	-	1	-	3	638	14,183
80,001	81,000	1	-	1	1	-	-	-	1	2	-	1	-	7	645	14,746
81,001	82,000	-	1	-	-	-	-	1	2	1	1	-	-	6	651	15,235
82,001	83,000	-	-	1	1	-	-	-	-	1	-	-	-	3	654	15,483
83,001	84,000	-	-	1	-	1	-	-	2	-	-	-	-	4	658	15,817
84,001	85,000	1	-	-	-	1	-	2	2	-	-	2	-	8	666	16,493
85,001	86,000	-	1	-	1	-	1	-	1	-	-	-	-	4	670	16,835
86,001	87,000	-	-	-	-	1	-	-	-	-	-	-	1	2	672	17,008
87,001	88,000	-	1	2	-	-	1	1	1	1	-	-	1	8	680	17,708
88,001	89,000	-	-	-	1	-	1	-	-	-	1	-	-	3	683	17,973
89,001	90,000	-	1	-	-	-	1	-	-	-	-	-	1	3	686	18,242
90,001	91,000	-	-	-	-	-	-	1	1	1	1	-	-	3	689	18,513
91,001	92,000	-	-	1	-	-	1	-	-	-	-	1	-	3	692	18,788
92,001	93,000	-	1	-	-	1	-	1	1	-	1	-	-	4	696	19,158
93,001	94,000	-	1	-	1	-	-	1	1	-	1	-	-	5	701	19,625
94,001	95,000	-	-	-	-	-	-	1	-	-	1	-	-	2	703	19,814
95,001	96,000	-	-	-	-	1	1	-	2	-	-	-	1	5	708	20,292
96,001	97,000	1	-	-	1	-	-	-	-	-	-	-	-	2	710	20,485
97,001	98,000	-	-	-	-	-	-	-	-	-	-	-	-	-	710	20,485
98,001	99,000	-	-	-	-	-	1	-	-	-	-	-	-	1	711	20,583
99,001	100,000	-	1	-	-	-	-	-	-	1	-	-	-	2	713	20,782
294,100	294,100	1	-	-	-	-	-	-	-	-	-	-	-	1	714	21,076

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 2 Inch Meter

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
256,100	256,100	1	-	-	-	-	-	-	-	-	-	-	-	1	715	21,333
189,100	189,100	1	-	-	-	-	-	-	-	-	-	-	-	1	716	21,522
196,100	196,100	1	-	-	-	-	-	-	-	-	-	-	1	2	718	21,914
372,200	372,200	1	-	-	-	-	-	-	-	-	-	-	-	1	719	22,286
280,000	280,000	1	-	-	-	-	-	-	-	-	-	-	-	1	720	22,566
307,500	307,500	1	-	-	-	-	-	-	-	-	-	-	-	1	721	22,874
153,900	153,900	1	-	-	-	-	-	-	-	-	-	-	-	1	722	23,027
315,000	315,000	1	-	-	-	-	-	-	-	-	-	-	-	1	723	23,342
241,200	241,200	1	-	-	-	-	-	-	-	-	-	-	-	1	724	23,584
121,700	121,700	1	-	-	-	-	-	-	-	-	-	-	-	1	725	23,705
186,200	186,200	1	-	-	-	-	-	-	-	-	-	-	-	1	726	23,892
537,200	537,200	1	-	-	-	-	-	-	-	-	-	-	-	1	727	24,429
193,100	193,100	1	-	-	-	-	-	-	-	-	-	-	-	1	728	24,622
157,600	157,600	1	-	-	-	-	-	-	-	-	-	-	-	1	729	24,779
226,500	226,500	1	-	-	-	-	-	-	-	-	-	-	-	1	730	25,006
222,600	222,600	1	-	-	-	-	-	-	-	-	-	-	-	1	731	25,229
496,100	496,100	1	-	-	-	-	-	-	-	-	-	-	-	1	732	25,725
279,700	279,700	1	-	-	-	-	-	-	-	-	-	-	-	1	733	26,004
578,700	578,700	1	-	-	-	-	-	-	-	-	-	-	1	2	735	27,162
471,600	471,600	1	-	-	-	-	-	-	-	-	-	-	-	1	736	27,633
231,700	231,700	1	-	-	-	-	-	-	-	-	-	-	-	1	737	27,865
577,100	577,100	1	-	-	-	-	-	-	-	-	-	-	-	1	738	28,442
123,100	123,100	1	-	-	-	-	-	-	-	-	-	-	-	1	739	28,565
197,300	197,300	1	-	-	-	-	-	-	-	-	-	-	-	1	740	28,763
208,900	208,900	1	-	-	-	-	-	-	-	-	-	-	-	1	741	28,971
898,700	898,700	1	-	-	-	-	-	-	-	-	-	-	-	1	742	29,870
107,300	107,300	1	-	-	-	-	-	-	-	-	-	-	-	1	743	29,977
104,600	104,600	1	-	-	-	-	-	-	-	-	-	-	-	1	744	30,082
104,000	104,000	1	-	-	-	-	-	-	-	-	-	-	-	1	745	30,186
491,300	491,300	1	-	-	-	-	-	-	-	-	-	-	-	1	746	30,677
496,800	496,800	1	-	-	-	-	-	-	-	-	-	-	-	1	747	31,174
143,200	143,200	1	-	-	-	-	-	-	-	-	-	-	-	1	748	31,317
159,900	159,900	1	-	-	-	-	-	-	-	-	-	-	-	1	749	31,477
323,500	323,500	1	-	-	-	-	-	-	-	-	-	-	-	1	750	31,801
236,300	236,300	1	-	-	-	-	-	-	-	-	-	-	-	1	751	32,037
227,500	227,500	1	-	-	-	-	-	-	-	-	-	-	-	1	752	32,265
283,400	283,400	1	-	1	-	-	-	-	-	-	-	-	-	2	754	32,831
466,400	466,400	1	-	-	-	-	-	-	-	-	-	-	-	1	755	33,298
316,600	316,600	1	-	-	-	-	-	-	-	-	-	-	-	1	756	33,614
641,200	641,200	1	-	-	-	-	-	-	-	-	-	-	-	1	757	34,256
420,800	420,800	1	-	-	-	-	-	-	-	-	-	-	-	1	758	34,676
795,500	795,500	1	-	-	-	-	-	-	-	-	-	-	-	1	759	35,472
181,000	181,000	1	-	-	-	-	-	-	-	-	-	1	-	2	761	35,834
283,500	283,500	1	-	-	-	-	-	-	-	-	-	-	-	1	762	36,117
275,600	275,600	1	-	-	-	-	-	-	-	-	-	-	-	1	763	36,393
101,900	101,900	1	-	-	-	-	-	-	1	-	-	-	-	2	765	36,597
229,500	229,500	-	1	-	-	-	-	-	-	-	-	-	-	1	766	36,826
262,100	262,100	-	1	-	-	-	-	-	-	-	-	-	-	1	767	37,088
166,900	166,900	-	1	-	-	-	-	-	-	-	-	-	-	1	768	37,255
138,300	138,300	-	1	-	-	-	-	-	-	-	-	-	-	1	769	37,394
398,700	398,700	-	1	-	-	-	-	-	-	-	-	-	-	1	770	37,792

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 2 Inch Meter

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
313,900	313,900	-	1	-	-	-	-	-	-	-	-	-	-	1	771	38,106
307,200	307,200	-	1	-	-	-	-	-	-	-	-	-	-	1	772	38,413
167,400	167,400	-	1	-	-	-	-	-	-	-	-	-	-	1	773	38,581
371,300	371,300	-	1	-	-	-	-	-	-	-	-	-	-	1	774	38,952
130,000	130,000	-	1	-	-	-	1	-	-	-	-	-	-	2	776	39,212
311,200	311,200	-	1	-	-	-	-	-	-	-	-	-	-	1	777	39,523
145,200	145,200	-	1	-	-	-	-	-	-	-	-	-	-	1	778	39,668
251,400	251,400	-	1	-	-	-	-	-	-	-	-	-	-	1	779	39,920
640,300	640,300	-	1	-	-	-	-	-	-	-	-	-	-	1	780	40,560
238,000	238,000	-	1	-	-	-	-	-	-	-	-	-	-	1	781	40,798
109,900	109,900	-	1	-	-	-	-	-	-	-	-	-	-	1	782	40,908
250,300	250,300	-	1	-	1	-	-	-	-	-	-	-	-	2	784	41,409
194,700	194,700	-	1	-	-	-	-	-	-	-	-	-	-	1	785	41,603
823,600	823,600	-	1	-	-	-	-	-	-	-	-	-	-	1	786	42,427
100,200	100,200	-	1	-	-	-	-	-	-	-	-	-	-	1	787	42,527
344,200	344,200	-	1	-	-	-	-	-	-	-	-	-	-	1	788	42,871
1,055,600	1,055,600	-	1	-	-	-	-	-	-	-	-	-	-	1	789	43,927
626,100	626,100	-	1	-	-	-	-	-	-	-	-	-	-	1	790	44,553
350,000	350,000	-	1	-	-	-	-	-	-	-	-	-	-	1	791	44,903
672,100	672,100	-	1	-	-	-	-	-	-	-	-	-	-	1	792	45,575
288,400	288,400	-	1	-	-	-	-	-	-	-	-	-	-	1	793	45,864
147,200	147,200	-	1	-	-	-	-	-	-	-	-	-	-	1	794	46,011
122,700	122,700	-	1	-	-	-	-	-	-	1	-	-	-	2	796	46,256
279,400	279,400	-	1	-	-	-	-	-	-	-	-	-	-	1	797	46,536
905,400	905,400	-	1	-	-	-	-	-	-	-	-	-	-	1	798	47,441
117,600	117,600	-	1	-	-	-	-	-	-	-	-	-	-	1	799	47,559
117,000	117,000	-	1	-	-	-	-	-	-	-	-	-	-	1	800	47,676
580,400	580,400	-	1	-	-	-	-	-	-	-	-	-	-	1	801	48,256
580,200	580,200	-	1	-	-	-	-	-	-	-	-	-	-	1	802	48,836
148,000	148,000	-	1	-	-	-	-	-	-	-	1	-	-	2	804	49,132
199,900	199,900	-	1	-	-	-	-	-	-	-	-	1	-	2	806	49,532
432,700	432,700	-	1	-	-	-	-	-	-	-	-	-	-	1	807	49,965
277,900	277,900	-	1	-	-	-	-	-	-	-	-	-	-	1	808	50,243
322,800	322,800	-	1	-	-	-	-	-	-	-	-	-	-	1	809	50,565
336,700	336,700	-	1	-	-	-	-	-	-	-	-	-	-	1	810	50,902
590,500	590,500	-	1	-	-	-	-	-	-	-	-	-	-	1	811	51,493
100,800	100,800	-	1	-	-	-	-	-	-	-	-	-	-	1	812	51,593
287,600	287,600	-	1	-	-	-	1	-	-	-	-	-	-	2	814	52,169
813,200	813,200	-	1	-	-	-	-	-	-	-	-	-	-	1	815	52,982
787,100	787,100	-	1	-	-	-	-	-	-	-	-	-	-	1	816	53,769
921,100	921,100	-	1	-	-	-	-	-	-	-	-	-	-	1	817	54,690
137,000	137,000	-	1	-	-	-	-	-	-	-	-	-	-	1	818	54,827
394,200	394,200	-	1	-	-	-	-	-	-	-	-	-	-	1	819	55,221
302,700	302,700	-	1	-	-	-	-	-	-	-	-	-	-	1	820	55,524
120,100	120,100	-	1	-	1	-	-	-	-	-	-	-	-	2	822	55,764
183,900	183,900	-	-	1	-	-	-	-	-	-	-	-	-	1	823	55,948
175,800	175,800	-	-	1	-	-	-	-	-	-	-	-	-	1	824	56,124
205,700	205,700	-	-	1	-	-	-	-	1	-	-	-	-	2	826	56,535
284,600	284,600	-	-	1	-	-	-	-	-	-	-	-	-	1	827	56,820
210,000	210,000	-	-	1	-	-	-	-	-	-	-	-	-	1	828	57,030
201,300	201,300	-	-	1	-	-	-	-	-	-	-	-	-	1	829	57,231

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification: Commercial 2 Inch Meter

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
177,800	177,800	-	-	1	-	-	-	-	-	-	-	-	-	1	830	57,409
104,100	104,100	-	-	1	-	-	-	-	-	-	-	-	-	1	831	57,513
237,000	237,000	-	-	1	-	-	-	-	-	-	-	-	-	1	832	57,750
144,600	144,600	-	-	1	-	-	-	-	-	-	-	-	1	2	834	58,039
187,600	187,600	-	-	2	-	-	-	-	-	-	-	-	-	2	836	58,414
478,700	478,700	-	-	1	-	-	-	-	-	-	-	-	-	1	837	58,893
212,600	212,600	-	-	1	-	-	-	-	-	-	-	-	-	1	838	59,106
252,000	252,000	-	-	1	-	-	-	-	-	-	-	-	-	1	839	59,358
192,400	192,400	-	-	1	-	-	-	-	-	-	-	-	-	1	840	59,550
565,000	565,000	-	-	1	-	-	-	-	-	-	-	-	-	1	841	60,115
171,500	171,500	-	-	1	-	-	-	-	-	-	-	-	-	1	842	60,287
230,700	230,700	-	-	1	-	-	-	-	-	-	-	-	-	1	843	60,517
294,800	294,800	-	-	1	-	-	-	-	-	-	-	-	-	1	844	60,812
154,900	154,900	-	-	1	-	-	-	-	-	-	-	1	-	2	846	61,122
449,500	449,500	-	-	1	-	-	-	-	-	-	-	-	-	1	847	61,571
187,000	187,000	-	-	1	-	-	-	-	-	-	-	-	-	1	848	61,758
163,700	163,700	-	-	1	-	-	-	-	-	-	-	-	-	1	849	61,922
895,800	895,800	-	-	1	-	-	-	-	-	-	-	-	-	1	850	62,818
113,100	113,100	-	-	1	-	-	-	-	-	-	-	-	-	1	851	62,931
106,200	106,200	-	-	1	-	-	-	1	1	-	-	-	-	3	854	63,250
518,800	518,800	-	-	1	-	-	-	-	-	-	-	-	-	1	855	63,768
517,200	517,200	-	-	1	-	-	-	-	-	-	-	-	-	1	856	64,286
126,000	126,000	-	-	1	-	-	-	-	-	-	-	-	-	1	857	64,412
173,500	173,500	-	-	1	-	-	-	-	-	-	-	-	2	3	860	64,932
250,100	250,100	-	-	1	-	-	-	-	-	-	-	-	-	1	861	65,182
164,200	164,200	-	-	1	-	-	-	-	-	-	-	-	-	1	862	65,346
275,400	275,400	-	-	1	-	-	-	-	-	-	-	-	-	1	863	65,622
240,600	240,600	-	-	1	-	-	-	-	-	-	-	-	-	1	864	65,862
392,900	392,900	-	-	1	-	-	-	-	-	-	-	-	1	2	866	66,648
185,400	185,400	-	-	1	-	-	-	-	-	-	-	-	-	1	867	66,834
571,000	571,000	-	-	1	-	-	-	-	-	-	-	-	-	1	868	67,405
424,000	424,000	-	-	1	-	-	-	-	-	-	-	-	-	1	869	67,829
677,500	677,500	-	-	1	-	-	-	-	-	-	-	-	-	1	870	68,506
281,000	281,000	-	-	1	-	-	-	-	-	-	-	-	-	1	871	68,787
120,200	120,200	-	-	1	-	-	-	-	-	-	-	-	-	1	872	68,907
324,300	324,300	-	-	1	-	-	-	-	-	-	-	-	-	1	873	69,232
225,500	225,500	-	-	1	-	-	-	-	-	-	-	-	-	1	874	69,457
170,300	170,300	-	-	-	1	-	-	-	-	-	-	-	-	1	875	69,627
200,900	200,900	-	-	-	1	-	-	-	-	-	-	-	-	1	876	69,828
185,200	185,200	-	-	-	1	-	-	-	-	-	-	-	-	1	877	70,013
379,600	379,600	-	-	-	1	-	-	-	-	-	-	-	-	1	878	70,393
126,900	126,900	-	-	-	1	-	-	-	-	-	-	-	-	1	879	70,520
105,200	105,200	-	-	-	1	-	-	-	-	-	-	-	-	1	880	70,625
165,100	165,100	-	-	-	1	-	-	1	-	-	-	-	-	2	882	70,955
128,800	128,800	-	-	-	1	-	-	-	-	-	-	-	-	1	883	71,084
231,400	231,400	-	-	-	1	-	-	-	-	-	-	-	-	1	884	71,316
140,500	140,500	-	-	-	1	-	-	-	-	-	-	-	-	1	885	71,456
336,500	336,500	-	-	-	1	-	-	-	-	-	-	-	-	1	886	71,793
232,200	232,200	-	-	-	1	-	-	-	-	-	-	-	-	1	887	72,025
349,400	349,400	-	-	-	1	-	-	-	1	-	-	-	-	2	889	72,724
222,200	222,200	-	-	-	1	-	-	-	-	-	-	-	-	1	890	72,946

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 2 Inch Meter

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
494,600	494,600	-	-	-	1	-	-	-	-	-	-	-	-	1	891	73,440
119,900	119,900	-	-	-	1	-	-	-	-	-	-	-	-	1	892	73,560
664,700	664,700	-	-	-	1	-	-	-	-	-	-	-	-	1	893	74,225
110,300	110,300	-	-	-	1	-	-	-	-	-	-	-	-	1	894	74,335
161,200	161,200	-	-	-	1	-	-	-	-	-	-	-	-	1	895	74,496
490,500	490,500	-	-	-	1	-	-	-	-	-	-	-	-	1	896	74,987
188,300	188,300	-	-	-	1	-	-	-	-	-	-	-	-	1	897	75,175
113,500	113,500	-	-	-	1	-	-	-	-	-	-	-	-	1	898	75,289
849,500	849,500	-	-	-	1	-	-	-	-	-	-	-	-	1	899	76,138
108,700	108,700	-	-	-	1	-	-	-	1	-	1	-	-	3	902	76,464
110,600	110,600	-	-	-	1	-	-	1	-	-	-	-	1	3	905	76,796
396,600	396,600	-	-	-	1	-	-	-	-	-	-	-	-	1	906	77,193
406,700	406,700	-	-	-	1	-	-	-	-	-	-	-	-	1	907	77,599
126,300	126,300	-	-	-	1	-	-	-	-	-	-	-	-	1	908	77,726
523,000	523,000	-	-	-	1	-	-	-	-	-	-	-	-	1	909	78,249
128,300	128,300	-	-	-	1	-	-	-	-	-	-	-	-	1	910	78,377
265,900	265,900	-	-	-	1	-	-	-	-	-	-	-	-	1	911	78,643
214,000	214,000	-	-	-	1	-	-	-	-	-	-	-	-	1	912	78,857
434,700	434,700	-	-	-	1	-	-	-	-	-	-	-	-	1	913	79,292
109,300	109,300	-	-	-	1	-	-	-	-	-	-	-	-	1	914	79,401
272,800	272,800	-	-	-	-	1	-	-	-	-	-	-	-	1	915	79,674
194,800	194,800	-	-	-	-	1	-	-	-	-	-	-	-	1	916	79,869
184,100	184,100	-	-	-	-	1	-	-	-	-	-	-	-	1	917	80,053
169,700	169,700	-	-	-	-	1	-	-	-	-	-	-	-	1	918	80,222
619,100	619,100	-	-	-	-	1	-	-	-	-	-	-	-	1	919	80,841
435,300	435,300	-	-	-	-	1	-	-	-	-	-	-	-	1	920	81,277
120,800	120,800	-	-	-	-	1	-	-	-	-	-	-	-	1	921	81,398
180,200	180,200	-	-	-	-	1	-	-	-	-	-	-	-	1	922	81,578
554,200	554,200	-	-	-	-	1	-	-	-	-	-	-	-	1	923	82,132
141,000	141,000	-	-	-	-	1	-	-	-	-	-	-	-	1	924	82,273
221,400	221,400	-	-	-	-	1	-	-	-	-	-	-	-	1	925	82,494
129,900	129,900	-	-	-	-	1	-	-	-	-	-	1	-	2	927	82,754
385,100	385,100	-	-	-	-	1	-	-	-	-	-	-	-	1	928	83,139
327,100	327,100	-	-	-	-	1	-	-	-	-	-	-	-	1	929	83,466
192,900	192,900	-	-	-	-	1	-	-	-	-	-	-	-	1	930	83,659
118,600	118,600	-	-	-	-	1	-	-	-	-	-	-	-	1	931	83,778
185,300	185,300	-	-	-	-	1	-	-	-	1	-	-	-	2	933	84,148
104,400	104,400	-	-	-	-	1	-	-	-	-	-	-	-	1	934	84,253
127,000	127,000	-	-	-	-	1	-	-	-	-	-	-	-	1	935	84,380
266,700	266,700	-	-	-	-	1	-	-	-	-	-	-	-	1	936	84,647
257,500	257,500	-	-	-	-	1	-	-	-	-	-	-	-	1	937	84,904
756,000	756,000	-	-	-	-	1	-	-	-	-	-	-	-	1	938	85,660
516,900	516,900	-	-	-	-	1	-	-	-	-	-	-	-	1	939	86,177
134,500	134,500	-	-	-	-	1	-	-	-	-	-	-	-	1	940	86,311
291,700	291,700	-	-	-	-	1	-	-	-	-	-	-	-	1	941	86,603
233,500	233,500	-	-	-	-	1	-	-	-	-	-	-	-	1	942	86,837
126,700	126,700	-	-	-	-	1	-	-	-	-	-	-	-	1	943	86,963
118,500	118,500	-	-	-	-	1	-	-	-	-	-	-	-	1	944	87,082
276,300	276,300	-	-	-	-	1	-	-	-	-	-	-	-	1	945	87,358
819,500	819,500	-	-	-	-	1	-	-	-	-	-	-	-	1	946	88,178
115,000	115,000	-	-	-	-	1	-	-	-	-	-	1	-	2	948	88,408

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification: Commercial 2 Inch Meter

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
387,000	387,000	-	-	-	-	1	-	-	-	-	-	-	-	1	949	88,795
405,800	405,800	-	-	-	-	1	-	-	-	-	-	-	-	1	950	89,200
146,100	146,100	-	-	-	-	1	-	-	-	-	-	-	-	1	951	89,347
160,300	160,300	-	-	-	-	1	-	-	-	-	-	-	-	1	952	89,507
353,200	353,200	-	-	-	-	1	-	-	-	-	-	-	-	1	953	89,860
203,700	203,700	-	-	-	-	1	-	-	-	-	-	-	-	1	954	90,064
259,800	259,800	-	-	-	-	1	-	-	-	-	-	-	-	1	955	90,324
270,500	270,500	-	-	-	-	1	-	-	-	-	-	-	-	1	956	90,594
441,600	441,600	-	-	-	-	1	-	-	-	-	-	-	-	1	957	91,036
174,700	174,700	-	-	-	-	1	1	1	-	-	-	-	-	3	960	91,560
390,900	390,900	-	-	-	-	1	-	-	-	-	-	-	-	1	961	91,951
620,300	620,300	-	-	-	-	1	-	-	-	-	-	-	-	1	962	92,571
1,504,000	1,504,000	-	-	-	-	1	-	-	-	-	-	-	-	1	963	94,075
238,300	238,300	-	-	-	-	1	-	-	-	-	-	-	-	1	964	94,313
217,900	217,900	-	-	-	-	1	-	-	-	-	-	-	-	1	965	94,531
416,700	416,700	-	-	-	-	1	-	-	-	-	-	-	-	1	966	94,948
171,100	171,100	-	-	-	-	-	2	-	-	-	-	-	-	2	968	95,290
270,100	270,100	-	-	-	-	-	1	-	-	-	-	-	-	1	969	95,560
178,400	178,400	-	-	-	-	-	1	-	-	-	-	-	-	1	970	95,739
100,700	100,700	-	-	-	-	-	1	-	-	-	-	-	-	1	971	95,839
354,800	354,800	-	-	-	-	-	1	-	-	-	-	-	-	1	972	96,194
234,700	234,700	-	-	-	-	-	1	-	-	-	-	-	-	1	973	96,429
218,900	218,900	-	-	-	-	-	1	-	-	-	-	-	-	1	974	96,648
128,100	128,100	-	-	-	-	-	1	-	-	-	-	-	-	1	975	96,776
171,700	171,700	-	-	-	-	-	1	-	-	-	-	-	-	1	976	96,947
135,200	135,200	-	-	-	-	-	1	-	-	-	-	-	-	1	977	97,083
149,200	149,200	-	-	-	-	-	1	-	-	-	-	-	-	1	978	97,232
209,200	209,200	-	-	-	-	-	1	-	-	-	-	-	-	1	979	97,441
119,400	119,400	-	-	-	-	-	1	-	-	-	-	-	-	1	980	97,560
147,000	147,000	-	-	-	-	-	1	-	-	-	-	-	-	1	981	97,707
111,800	111,800	-	-	-	-	-	1	-	-	-	-	-	-	1	982	97,819
207,500	207,500	-	-	-	-	-	1	-	-	-	-	-	-	1	983	98,027
417,500	417,500	-	-	-	-	-	1	-	-	-	-	-	-	1	984	98,444
105,300	105,300	-	-	-	-	-	1	-	-	-	-	-	-	1	985	98,550
199,700	199,700	-	-	-	-	-	1	-	-	-	-	-	-	1	986	98,749
219,200	219,200	-	-	-	-	-	1	-	-	-	-	-	-	1	987	98,968
129,800	129,800	-	-	-	-	-	1	-	-	-	-	-	-	1	988	99,098
156,900	156,900	-	-	-	-	-	1	-	-	-	-	-	-	1	989	99,255
182,600	182,600	-	-	-	-	-	1	-	-	-	-	-	-	1	990	99,438
261,000	261,000	-	-	-	-	-	1	-	-	-	-	1	-	2	992	99,960
438,800	438,800	-	-	-	-	-	1	-	-	-	-	-	-	1	993	100,399
191,600	191,600	-	-	-	-	-	1	-	-	-	-	-	-	1	994	100,590
276,400	276,400	-	-	-	-	-	1	-	-	-	-	-	-	1	995	100,867
263,400	263,400	-	-	-	-	-	1	-	-	-	-	-	-	1	996	101,130
572,600	572,600	-	-	-	-	-	1	-	-	-	-	-	-	1	997	101,703
257,900	257,900	-	-	-	-	-	1	-	-	-	-	-	-	1	998	101,960
179,800	179,800	-	-	-	-	-	1	-	-	-	-	-	-	1	999	102,140
182,500	182,500	-	-	-	-	-	1	-	-	-	-	-	1	2	1,001	102,505
269,700	269,700	-	-	-	-	-	1	-	-	-	-	-	-	1	1,002	102,775
170,200	170,200	-	-	-	-	-	-	1	-	-	-	-	-	1	1,003	102,945
298,400	298,400	-	-	-	-	-	-	1	-	-	-	-	-	1	1,004	103,244

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 2 Inch Meter

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
125,800	125,800	-	-	-	-	-	-	1	-	-	-	-	-	1	1,005	103,369
224,800	224,800	-	-	-	-	-	-	1	-	-	-	-	-	1	1,006	103,594
154,600	154,600	-	-	-	-	-	-	1	-	-	-	-	-	1	1,007	103,749
228,200	228,200	-	-	-	-	-	-	1	-	-	-	-	-	1	1,008	103,977
130,900	130,900	-	-	-	-	-	-	1	-	-	-	-	-	1	1,009	104,108
117,700	117,700	-	-	-	-	-	-	1	-	-	-	-	-	1	1,010	104,226
134,800	134,800	-	-	-	-	-	-	1	-	-	-	-	-	1	1,011	104,360
318,300	318,300	-	-	-	-	-	-	1	-	-	-	-	-	1	1,012	104,679
149,500	149,500	-	-	-	-	-	-	1	-	-	-	-	-	1	1,013	104,828
152,000	152,000	-	-	-	-	-	-	1	-	-	-	-	-	1	1,014	104,980
113,300	113,300	-	-	-	-	-	-	1	-	-	-	-	-	1	1,015	105,093
248,700	248,700	-	-	-	-	-	-	1	-	-	-	-	-	1	1,016	105,342
344,700	344,700	-	-	-	-	-	-	1	-	-	-	-	-	1	1,017	105,687
257,700	257,700	-	-	-	-	-	-	1	-	-	-	-	-	1	1,018	105,945
276,700	276,700	-	-	-	-	-	-	1	-	-	1	-	-	2	1,020	106,498
122,100	122,100	-	-	-	-	-	-	1	-	-	-	-	-	1	1,021	106,620
196,700	196,700	-	-	-	-	-	-	1	-	-	-	-	-	1	1,022	106,817
351,100	351,100	-	-	-	-	-	-	1	-	-	-	-	-	1	1,023	107,168
549,800	549,800	-	-	-	-	-	-	1	-	-	-	-	-	1	1,024	107,718
290,500	290,500	-	-	-	-	-	-	1	-	-	-	-	-	1	1,025	108,008
203,400	203,400	-	-	-	-	-	-	1	-	-	-	-	-	1	1,026	108,212
143,300	143,300	-	-	-	-	-	-	1	-	-	-	-	-	1	1,027	108,355
294,000	294,000	-	-	-	-	-	-	-	1	-	-	-	-	1	1,028	108,649
197,900	197,900	-	-	-	-	-	-	-	1	-	-	-	-	1	1,029	108,847
142,500	142,500	-	-	-	-	-	-	-	1	-	-	-	-	1	1,030	108,989
150,600	150,600	-	-	-	-	-	-	-	1	-	-	-	-	1	1,031	109,140
102,100	102,100	-	-	-	-	-	-	-	1	-	-	-	-	1	1,032	109,242
125,700	125,700	-	-	-	-	-	-	-	1	-	-	-	-	1	1,033	109,368
225,900	225,900	-	-	-	-	-	-	-	1	-	-	-	-	1	1,034	109,594
128,600	128,600	-	-	-	-	-	-	-	1	-	-	-	-	1	1,035	109,722
142,000	142,000	-	-	-	-	-	-	-	1	-	-	-	-	1	1,036	109,864
138,000	138,000	-	-	-	-	-	-	-	1	-	-	-	-	1	1,037	110,002
277,300	277,300	-	-	-	-	-	-	-	1	-	-	-	-	1	1,038	110,279
159,800	159,800	-	-	-	-	-	-	-	1	-	-	-	-	1	1,039	110,439
211,700	211,700	-	-	-	-	-	-	-	1	-	-	-	-	1	1,040	110,651
114,900	114,900	-	-	-	-	-	-	-	1	-	-	-	-	1	1,041	110,766
256,600	256,600	-	-	-	-	-	-	-	1	-	-	-	-	1	1,042	111,022
353,700	353,700	-	-	-	-	-	-	-	1	-	-	-	-	1	1,043	111,376
374,400	374,400	-	-	-	-	-	-	-	1	-	-	-	-	1	1,044	111,751
109,600	109,600	-	-	-	-	-	-	-	1	-	-	-	-	1	1,045	111,860
103,700	103,700	-	-	-	-	-	-	-	1	-	-	-	-	1	1,046	111,964
284,100	284,100	-	-	-	-	-	-	-	1	-	-	-	-	1	1,047	112,248
495,000	495,000	-	-	-	-	-	-	-	1	-	-	-	-	1	1,048	112,743
247,700	247,700	-	-	-	-	-	-	-	1	-	-	-	-	1	1,049	112,991
246,900	246,900	-	-	-	-	-	-	-	1	-	-	-	-	1	1,050	113,238
102,300	102,300	-	-	-	-	-	-	-	1	-	1	-	-	2	1,052	113,442
195,800	195,800	-	-	-	-	-	-	-	-	1	-	-	-	1	1,053	113,638
266,100	266,100	-	-	-	-	-	-	-	-	1	-	-	-	1	1,054	113,904
107,600	107,600	-	-	-	-	-	-	-	-	1	-	-	-	1	1,055	114,012
150,800	150,800	-	-	-	-	-	-	-	-	1	-	-	-	1	1,056	114,162
121,100	121,100	-	-	-	-	-	-	-	-	1	-	-	-	1	1,057	114,284

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 2 Inch Meter

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
203,100	203,100	-	-	-	-	-	-	-	-	1	-	-	-	1	1,058	114,487
181,400	181,400	-	-	-	-	-	-	-	-	1	-	-	-	1	1,059	114,668
102,200	102,200	-	-	-	-	-	-	-	-	1	-	-	-	1	1,060	114,770
143,000	143,000	-	-	-	-	-	-	-	-	1	-	-	-	1	1,061	114,913
133,000	133,000	-	-	-	-	-	-	-	-	1	-	-	-	1	1,062	115,046
244,200	244,200	-	-	-	-	-	-	-	-	1	-	-	-	1	1,063	115,290
196,900	196,900	-	-	-	-	-	-	-	-	1	-	-	-	1	1,064	115,487
111,900	111,900	-	-	-	-	-	-	-	-	1	-	-	-	1	1,065	115,599
100,500	100,500	-	-	-	-	-	-	-	-	1	-	-	-	1	1,066	115,700
220,100	220,100	-	-	-	-	-	-	-	-	1	1	-	-	2	1,068	116,140
245,700	245,700	-	-	-	-	-	-	-	-	1	-	-	-	1	1,069	116,386
286,000	286,000	-	-	-	-	-	-	-	-	1	-	-	-	1	1,070	116,672
305,300	305,300	-	-	-	-	-	-	-	-	1	-	-	-	1	1,071	116,977
139,800	139,800	-	-	-	-	-	-	-	-	1	-	-	-	1	1,072	117,117
263,000	263,000	-	-	-	-	-	-	-	-	1	-	-	-	1	1,073	117,380
285,800	285,800	-	-	-	-	-	-	-	-	1	-	-	-	1	1,074	117,666
234,800	234,800	-	-	-	-	-	-	-	-	1	-	-	-	1	1,075	117,900
100,600	100,600	-	-	-	-	-	-	-	-	1	-	-	-	1	1,076	118,001
184,500	184,500	-	-	-	-	-	-	-	-	-	1	-	-	1	1,077	118,185
271,600	271,600	-	-	-	-	-	-	-	-	-	1	-	-	1	1,078	118,457
225,400	225,400	-	-	-	-	-	-	-	-	-	1	-	-	1	1,079	118,682
126,800	126,800	-	-	-	-	-	-	-	-	-	1	-	-	1	1,080	118,809
323,700	323,700	-	-	-	-	-	-	-	-	-	1	-	-	1	1,081	119,133
187,800	187,800	-	-	-	-	-	-	-	-	-	1	-	-	1	1,082	119,321
270,400	270,400	-	-	-	-	-	-	-	-	-	1	-	-	1	1,083	119,591
223,900	223,900	-	-	-	-	-	-	-	-	-	1	-	1	2	1,085	120,039
320,900	320,900	-	-	-	-	-	-	-	-	-	1	-	-	1	1,086	120,360
149,800	149,800	-	-	-	-	-	-	-	-	-	1	-	-	1	1,087	120,510
162,400	162,400	-	-	-	-	-	-	-	-	-	1	-	-	1	1,088	120,672
402,600	402,600	-	-	-	-	-	-	-	-	-	1	-	-	1	1,089	121,075
143,600	143,600	-	-	-	-	-	-	-	-	-	1	-	-	1	1,090	121,218
132,100	132,100	-	-	-	-	-	-	-	-	-	1	-	-	1	1,091	121,350
494,300	494,300	-	-	-	-	-	-	-	-	-	1	-	-	1	1,092	121,845
105,800	105,800	-	-	-	-	-	-	-	-	-	1	-	-	1	1,093	121,950
135,700	135,700	-	-	-	-	-	-	-	-	-	1	-	-	1	1,094	122,086
108,100	108,100	-	-	-	-	-	-	-	-	-	1	-	-	1	1,095	122,194
244,500	244,500	-	-	-	-	-	-	-	-	-	1	-	-	1	1,096	122,439
466,200	466,200	-	-	-	-	-	-	-	-	-	1	-	-	1	1,097	122,905
327,900	327,900	-	-	-	-	-	-	-	-	-	1	-	-	1	1,098	123,233
376,900	376,900	-	-	-	-	-	-	-	-	-	1	-	-	1	1,099	123,610
108,000	108,000	-	-	-	-	-	-	-	-	-	1	-	-	1	1,100	123,718
161,400	161,400	-	-	-	-	-	-	-	-	-	1	-	-	1	1,101	123,879
173,900	173,900	-	-	-	-	-	-	-	-	-	1	-	-	1	1,102	124,053
103,200	103,200	-	-	-	-	-	-	-	-	-	1	-	-	1	1,103	124,156
193,800	193,800	-	-	-	-	-	-	-	-	-	1	-	-	1	1,104	124,350
201,700	201,700	-	-	-	-	-	-	-	-	-	1	-	-	1	1,105	124,552
283,700	283,700	-	-	-	-	-	-	-	-	-	1	-	-	1	1,106	124,835
140,000	140,000	-	-	-	-	-	-	-	-	-	1	-	-	1	1,107	124,975
607,700	607,700	-	-	-	-	-	-	-	-	-	1	-	-	1	1,108	125,583
248,900	248,900	-	-	-	-	-	-	-	-	-	1	-	-	1	1,109	125,832
649,400	649,400	-	-	-	-	-	-	-	-	-	1	-	-	1	1,110	126,481

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 2 Inch Meter

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
222,100	222,100	-	-	-	-	-	-	-	-	-	1	-	-	1	1,111	126,704
280,300	280,300	-	-	-	-	-	-	-	-	-	1	-	-	1	1,112	126,984
214,700	214,700	-	-	-	-	-	-	-	-	-	1	-	-	1	1,113	127,199
139,900	139,900	-	-	-	-	-	-	-	-	-	-	1	-	1	1,114	127,338
144,200	144,200	-	-	-	-	-	-	-	-	-	-	1	-	1	1,115	127,483
187,200	187,200	-	-	-	-	-	-	-	-	-	-	1	-	1	1,116	127,670
420,900	420,900	-	-	-	-	-	-	-	-	-	-	1	-	1	1,117	128,091
274,500	274,500	-	-	-	-	-	-	-	-	-	-	1	-	1	1,118	128,365
370,500	370,500	-	-	-	-	-	-	-	-	-	-	1	-	1	1,119	128,736
211,000	211,000	-	-	-	-	-	-	-	-	-	-	1	-	1	1,120	128,947
325,100	325,100	-	-	-	-	-	-	-	-	-	-	1	-	1	1,121	129,272
103,600	103,600	-	-	-	-	-	-	-	-	-	-	1	-	1	1,122	129,375
174,400	174,400	-	-	-	-	-	-	-	-	-	-	1	-	1	1,123	129,550
176,500	176,500	-	-	-	-	-	-	-	-	-	-	1	-	1	1,124	129,726
197,700	197,700	-	-	-	-	-	-	-	-	-	-	1	-	1	1,125	129,924
614,000	614,000	-	-	-	-	-	-	-	-	-	-	1	-	1	1,126	130,538
443,700	443,700	-	-	-	-	-	-	-	-	-	-	1	-	1	1,127	130,982
127,400	127,400	-	-	-	-	-	-	-	-	-	-	1	-	1	1,128	131,109
443,600	443,600	-	-	-	-	-	-	-	-	-	-	1	-	1	1,129	131,553
381,100	381,100	-	-	-	-	-	-	-	-	-	-	1	-	1	1,130	131,934
159,200	159,200	-	-	-	-	-	-	-	-	-	-	1	-	1	1,131	132,093
350,100	350,100	-	-	-	-	-	-	-	-	-	-	1	-	1	1,132	132,443
119,600	119,600	-	-	-	-	-	-	-	-	-	-	1	-	1	1,133	132,563
583,900	583,900	-	-	-	-	-	-	-	-	-	-	1	-	1	1,134	133,147
453,600	453,600	-	-	-	-	-	-	-	-	-	-	1	-	1	1,135	133,600
518,100	518,100	-	-	-	-	-	-	-	-	-	-	1	-	1	1,136	134,118
164,600	164,600	-	-	-	-	-	-	-	-	-	-	1	-	1	1,137	134,283
216,100	216,100	-	-	-	-	-	-	-	-	-	-	1	-	1	1,138	134,499
192,500	192,500	-	-	-	-	-	-	-	-	-	-	1	-	1	1,139	134,692
214,100	214,100	-	-	-	-	-	-	-	-	-	-	1	-	1	1,140	134,906
225,300	225,300	-	-	-	-	-	-	-	-	-	-	1	-	1	1,141	135,131
351,900	351,900	-	-	-	-	-	-	-	-	-	-	1	-	1	1,142	135,483
170,100	170,100	-	-	-	-	-	-	-	-	-	-	1	-	1	1,143	135,653
403,600	403,600	-	-	-	-	-	-	-	-	-	-	1	-	1	1,144	136,057
284,900	284,900	-	-	-	-	-	-	-	-	-	-	1	-	1	1,145	136,341
648,200	648,200	-	-	-	-	-	-	-	-	-	-	1	-	1	1,146	136,990
178,800	178,800	-	-	-	-	-	-	-	-	-	-	1	-	1	1,147	137,168
202,300	202,300	-	-	-	-	-	-	-	-	-	-	1	-	1	1,148	137,371
223,500	223,500	-	-	-	-	-	-	-	-	-	-	-	1	1	1,149	137,594
169,000	169,000	-	-	-	-	-	-	-	-	-	-	-	1	1	1,150	137,763
206,700	206,700	-	-	-	-	-	-	-	-	-	-	-	1	1	1,151	137,970
458,400	458,400	-	-	-	-	-	-	-	-	-	-	-	1	1	1,152	138,428
309,700	309,700	-	-	-	-	-	-	-	-	-	-	-	1	1	1,153	138,738
416,900	416,900	-	-	-	-	-	-	-	-	-	-	-	1	1	1,154	139,155
139,300	139,300	-	-	-	-	-	-	-	-	-	-	-	1	1	1,155	139,294
466,800	466,800	-	-	-	-	-	-	-	-	-	-	-	1	1	1,156	139,761
106,100	106,100	-	-	-	-	-	-	-	-	-	-	-	1	1	1,157	139,867
184,600	184,600	-	-	-	-	-	-	-	-	-	-	-	1	1	1,158	140,052
243,900	243,900	-	-	-	-	-	-	-	-	-	-	-	1	1	1,159	140,296
269,200	269,200	-	-	-	-	-	-	-	-	-	-	-	1	1	1,160	140,565
876,000	876,000	-	-	-	-	-	-	-	-	-	-	-	1	1	1,161	141,441

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification: Commercial 2 Inch Meter

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
493,100	493,100	-	-	-	-	-	-	-	-	-	-	-	1	1	1,162	141,934
179,500	179,500	-	-	-	-	-	-	-	-	-	-	-	1	1	1,163	142,113
229,700	229,700	-	-	-	-	-	-	-	-	-	-	-	1	1	1,164	142,343
276,800	276,800	-	-	-	-	-	-	-	-	-	-	-	1	1	1,165	142,620
658,300	658,300	-	-	-	-	-	-	-	-	-	-	-	1	1	1,166	143,278
751,100	751,100	-	-	-	-	-	-	-	-	-	-	-	1	1	1,167	144,029
482,100	482,100	-	-	-	-	-	-	-	-	-	-	-	1	1	1,168	144,511
167,100	167,100	-	-	-	-	-	-	-	-	-	-	-	1	1	1,169	144,679
394,400	394,400	-	-	-	-	-	-	-	-	-	-	-	1	1	1,170	145,073
125,200	125,200	-	-	-	-	-	-	-	-	-	-	-	1	1	1,171	145,198
206,500	206,500	-	-	-	-	-	-	-	-	-	-	-	1	1	1,172	145,405
879,100	879,100	-	-	-	-	-	-	-	-	-	-	-	1	1	1,173	146,284
121,200	121,200	-	-	-	-	-	-	-	-	-	-	-	1	1	1,174	146,405
552,800	552,800	-	-	-	-	-	-	-	-	-	-	-	1	1	1,175	146,958
636,100	636,100	-	-	-	-	-	-	-	-	-	-	-	1	1	1,176	147,594
229,300	229,300	-	-	-	-	-	-	-	-	-	-	-	1	1	1,177	147,823
440,900	440,900	-	-	-	-	-	-	-	-	-	-	-	1	1	1,178	148,264
268,100	268,100	-	-	-	-	-	-	-	-	-	-	-	1	1	1,179	148,532
235,200	235,200	-	-	-	-	-	-	-	-	-	-	-	1	1	1,180	148,767
422,400	422,400	-	-	-	-	-	-	-	-	-	-	-	1	1	1,181	149,190
521,000	521,000	-	-	-	-	-	-	-	-	-	-	-	1	1	1,182	149,711
220,200	220,200	-	-	-	-	-	-	-	-	-	-	-	1	1	1,183	149,931
460,200	460,200	-	-	-	-	-	-	-	-	-	-	-	1	1	1,184	150,391
457,000	457,000	-	-	-	-	-	-	-	-	-	-	-	1	1	1,185	150,848
634,700	634,700	-	-	-	-	-	-	-	-	-	-	-	1	1	1,186	151,483
233,600	233,600	-	-	-	-	-	-	-	-	-	-	-	1	1	1,187	151,716
308,000	308,000	-	-	-	-	-	-	-	-	-	-	-	1	1	1,188	152,024
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,188	152,024

Totals	99	99	99	99	99	99	99	99	99	99	99	99	99	1,041		
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Average Usage	106,403
Median Usage	67,500
Average # Customers	87
Change in Number of Customers	-

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 4 Inch Meter

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
50,001	51,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51,001	52,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52,001	53,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53,001	54,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54,001	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55,001	56,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56,001	57,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57,001	58,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58,001	59,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59,001	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60,001	61,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61,001	62,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62,001	63,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63,001	64,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64,001	65,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
65,001	66,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66,001	67,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67,001	68,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68,001	69,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69,001	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70,001	71,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71,001	72,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72,001	73,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
73,001	74,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
74,001	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
75,001	76,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
76,001	77,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
77,001	78,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
78,001	79,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
79,001	80,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
80,001	81,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
81,001	82,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
82,001	83,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83,001	84,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
84,001	85,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
85,001	86,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
86,001	87,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
87,001	88,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
88,001	89,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90,001	91,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91,001	92,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92,001	93,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93,001	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94,001	95,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95,001	96,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96,001	97,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97,001	98,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
98,001	99,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
99,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
213,200	213,200	-	-	-	-	1	-	-	-	-	-	-	-	1	1	213

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification: Commercial 4 Inch Meter

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
216,400	216,400	-	-	-	-	-	-	-	-	1	-	-	-	1	2	430
216,700	216,700	-	-	1	-	-	-	-	-	-	-	-	-	1	3	646
217,100	217,100	-	-	-	-	-	1	-	-	-	-	-	-	1	4	863
227,500	227,500	-	-	-	1	-	-	-	-	-	-	-	-	1	5	1,091
228,700	228,700	-	-	-	-	-	-	1	-	-	-	-	-	1	6	1,320
241,300	241,300	-	-	-	-	-	-	-	1	-	-	-	-	1	7	1,561
246,700	246,700	-	-	-	-	-	-	-	-	-	-	-	1	1	8	1,808
248,800	248,800	1	-	-	-	-	-	-	-	-	-	-	-	1	9	2,056
253,100	253,100	-	-	-	-	-	-	-	-	-	-	1	-	1	10	2,310
255,900	255,900	-	-	-	-	-	-	-	-	-	1	-	-	1	11	2,565
307,000	307,000	-	1	-	-	-	-	-	-	-	-	-	-	1	12	2,872
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	2,872
Totals		1	1	1	1	1	1	1	1	1	1	1	1	12		
														Average Usage	239,367	
														Median Usage	235,000	
														Average # Customers	1	
														Change in Number of Customers	-	

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Irrigation -Golf Course 2 Inch

Exhibit
 Schedule H-5
 Page 8
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
127,100	127,100	-	-	-	-	-	-	1	-	-	-	-	-	1	13	254
129,800	129,800	-	-	-	-	-	-	-	1	-	-	-	-	1	14	384
161,000	161,000	-	-	-	-	1	-	-	-	-	-	-	-	1	15	545
176,900	176,900	-	-	-	-	-	1	-	-	-	-	-	-	1	16	722
251,600	251,600	-	-	-	-	-	-	-	-	-	-	1	-	1	17	973
279,100	279,100	-	-	-	-	-	-	-	-	-	1	-	-	1	18	1,253
285,300	285,300	-	-	1	-	-	-	-	-	-	-	-	-	1	19	1,538
299,600	299,600	1	-	-	-	-	-	-	-	-	-	-	-	1	20	1,837
330,600	330,600	-	1	-	-	-	-	-	-	-	-	-	-	1	21	2,168
357,800	357,800	-	-	-	-	-	-	-	-	-	-	-	1	1	22	2,526
772,200	772,200	-	-	-	1	-	-	-	-	-	-	-	-	1	23	3,298
1,030,000	1,030,000	1	-	-	-	-	-	-	-	-	-	-	-	1	24	4,328
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24	4,328
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24	4,328
Totals		2	2	2	2	2	2	2	2	2	2	2	2	24		
																Average Usage 180,333
																Median Usage 126,800
																Average # Customers 2
																Change in Number of Customers -

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Irrigation -Golf Course 8 Inch

Exhibit
 Schedule H-5
 Page 9
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
50,001	51,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51,001	52,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52,001	53,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53,001	54,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54,001	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55,001	56,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56,001	57,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57,001	58,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58,001	59,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59,001	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60,001	61,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61,001	62,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62,001	63,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63,001	64,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64,001	65,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
65,001	66,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66,001	67,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67,001	68,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68,001	69,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69,001	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70,001	71,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71,001	72,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72,001	73,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
73,001	74,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
74,001	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
75,001	76,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
76,001	77,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
77,001	78,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
78,001	79,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
79,001	80,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
80,001	81,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
81,001	82,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
82,001	83,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83,001	84,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
84,001	85,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
85,001	86,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
86,001	87,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
87,001	88,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
88,001	89,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90,001	91,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91,001	92,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92,001	93,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93,001	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94,001	95,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95,001	96,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96,001	97,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97,001	98,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
98,001	99,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
99,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,620,000	1,620,000	-	-	-	-	-	-	1	-	-	-	-	-	1	1	1,620

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Irrigation - Golf Course 8 Inch

Exhibit
 Schedule H-5
 Page 9
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
1,650,000	1,650,000	-	-	-	-	-	-	-	1	-	-	-	-	1	2	3,270
1,807,000	1,807,000	-	-	-	-	-	-	-	-	1	-	-	-	1	3	5,077
2,179,000	2,179,000	-	-	1	-	-	-	-	-	-	-	-	-	1	4	7,256
2,450,000	2,450,000	-	-	-	-	-	1	-	-	-	-	-	-	1	5	9,706
2,501,000	2,501,000	-	-	-	-	-	1	-	-	-	-	-	-	1	6	12,207
3,081,000	3,081,000	-	-	-	-	-	-	-	-	-	-	1	-	1	7	15,288
3,109,000	3,109,000	-	-	-	-	-	-	-	-	-	1	1	-	1	8	18,397
3,146,000	3,146,000	-	-	-	1	-	-	-	-	-	-	-	-	1	9	21,543
3,584,000	3,584,000	-	1	-	-	-	-	-	-	-	-	-	-	1	10	25,127
3,664,000	3,664,000	-	-	-	-	-	1	-	-	-	-	-	-	1	11	28,791
3,666,000	3,666,000	-	-	-	-	-	-	-	-	-	-	-	1	1	12	32,457
4,632,000	4,632,000	1	-	-	-	-	-	-	-	-	-	-	-	1	13	37,089
4,748,000	4,748,000	-	-	-	-	-	-	-	1	-	-	-	-	1	14	41,837
4,768,000	4,768,000	-	-	-	-	-	1	-	-	-	-	-	-	1	15	46,605
4,783,000	4,783,000	-	-	-	-	-	-	1	-	-	-	-	-	1	16	51,388
5,933,000	5,933,000	-	-	-	-	-	-	-	-	1	-	-	-	1	17	57,321
6,161,000	6,161,000	-	-	-	-	-	-	-	1	-	-	-	-	1	18	63,482
8,050,000	8,050,000	-	-	-	-	-	1	-	-	-	-	-	-	1	19	71,532
9,047,000	9,047,000	-	-	-	-	-	-	-	-	1	-	-	-	1	20	80,579
9,126,000	9,126,000	-	-	-	-	-	-	-	-	-	1	-	-	1	21	89,705
10,692,000	10,692,000	-	-	-	-	-	-	1	-	-	-	-	-	1	22	100,397
11,312,000	11,312,000	-	-	-	1	-	-	-	-	-	-	-	-	1	23	111,709
12,738,000	12,738,000	-	-	1	1	-	-	-	-	-	-	-	-	1	24	124,447
13,007,000	13,007,000	1	-	-	-	-	-	-	-	-	-	-	-	1	25	137,454
13,032,000	13,032,000	-	1	-	-	-	-	-	-	-	-	-	-	1	26	150,486
13,759,000	13,759,000	-	-	-	-	-	1	-	-	-	-	-	-	1	27	164,245
13,959,000	13,959,000	-	-	-	-	-	-	-	-	-	-	-	1	1	28	178,204
14,536,000	14,536,000	-	-	-	-	-	-	-	-	-	1	-	-	1	29	192,740
14,914,000	14,914,000	-	-	-	-	-	-	-	-	-	-	1	-	1	30	207,654
17,145,000	17,145,000	-	-	1	-	-	-	-	-	-	-	-	-	1	31	224,799
18,827,000	18,827,000	-	-	-	-	-	-	-	-	-	-	1	-	1	32	243,626
19,335,000	19,335,000	-	-	-	-	-	-	-	-	-	-	-	1	1	33	262,961
20,854,000	20,854,000	-	1	-	-	-	-	-	-	-	-	-	-	1	34	283,815
21,702,000	21,702,000	-	-	-	1	-	-	-	-	-	-	-	-	1	35	305,517
25,671,000	25,671,000	1	-	-	-	-	-	-	-	-	-	-	-	1	36	331,188
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36	331,188
Totals		3	3	3	3	3	3	3	3	3	3	3	3	36		
																Average Usage 9,199,667
																Median Usage 7,105,500
																Average # Customers 3
																Change in Number of Customers -

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Irrigation -Golf Course 10 Inch

Exhibit
 Schedule H-5
 Page 10
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
50,001	51,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3	64
51,001	52,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3	64
52,001	53,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3	64
53,001	54,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3	64
54,001	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3	64
55,001	56,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3	64
56,001	57,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3	64
57,001	58,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3	64
58,001	59,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3	64
59,001	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3	64
60,001	61,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3	64
61,001	62,000	-	-	-	-	-	-	-	-	1	-	-	-	1	4	126
62,001	63,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	126
63,001	64,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	126
64,001	65,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	126
65,001	66,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	126
66,001	67,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	126
67,001	68,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	126
68,001	69,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	126
69,001	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	126
70,001	71,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	126
71,001	72,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	126
72,001	73,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	126
73,001	74,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	126
74,001	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	126
75,001	76,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4	126
76,001	77,000	-	-	-	-	-	-	-	-	-	1	-	-	1	5	202
77,001	78,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
78,001	79,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
79,001	80,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
80,001	81,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
81,001	82,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
82,001	83,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
83,001	84,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
84,001	85,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
85,001	86,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
86,001	87,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
87,001	88,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
88,001	89,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
89,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
90,001	91,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
91,001	92,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
92,001	93,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
93,001	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
94,001	95,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
95,001	96,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
96,001	97,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
97,001	98,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
98,001	99,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
99,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	202
160,000	160,000	-	-	-	-	-	1	-	-	-	-	-	-	1	6	362

Pima Utility Company - Water Division
 Test Year Ended June 30, 2025
 Customer Classification Irrigation -Golf Course 10 Inch

Exhibit
 Schedule H-5
 Page 10
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
243,000	243,000	-	-	-	-	-	-	-	-	-	-	1	-	1	7	605
296,000	296,000	-	-	-	-	1	-	-	-	-	-	-	-	1	8	901
300,000	300,000	-	-	-	-	-	-	-	-	-	-	-	1	1	9	1,201
587,000	587,000	-	-	-	-	-	-	1	-	-	-	-	-	1	10	1,788
784,000	784,000	-	-	1	-	-	-	-	-	-	-	-	-	1	11	2,572
1,041,000	1,041,000	-	-	-	1	-	-	-	-	-	-	-	-	1	12	3,613
1,371,000	1,371,000	-	1	-	-	-	-	-	-	-	-	-	-	1	13	4,984
1,487,000	1,487,000	-	-	-	-	-	-	-	1	-	-	-	-	1	14	6,471
1,871,000	1,871,000	-	-	-	-	-	1	-	-	-	-	-	-	1	15	8,342
2,580,000	2,580,000	-	-	-	-	-	-	-	-	1	-	-	-	1	16	10,922
6,179,000	6,179,000	-	-	-	-	1	-	-	-	-	-	-	-	1	17	17,101
11,511,000	11,511,000	-	-	-	-	-	-	-	-	-	1	-	-	1	18	28,612
12,173,000	12,173,000	-	-	-	-	-	-	-	1	-	-	-	-	1	19	40,785
13,428,000	13,428,000	-	-	-	-	-	-	1	-	-	-	-	-	1	20	54,213
13,531,000	13,531,000	-	-	-	-	-	1	-	-	-	-	-	-	1	21	67,744
19,067,000	19,067,000	-	-	-	-	-	-	-	-	1	-	-	-	1	22	86,811
19,427,000	19,427,000	-	-	-	-	-	-	-	-	-	-	1	-	1	23	106,238
19,527,000	19,527,000	-	-	-	1	-	-	-	-	-	-	-	-	1	24	125,765
22,287,000	22,287,000	-	-	1	-	-	-	-	-	-	-	-	-	1	25	148,052
23,432,000	23,432,000	-	-	-	-	1	-	-	-	-	-	-	-	1	26	171,484
24,109,000	24,109,000	-	-	-	-	-	-	-	-	-	-	-	1	1	27	195,593
24,761,000	24,761,000	-	1	-	-	-	-	-	-	-	-	-	-	1	28	220,354
27,149,000	27,149,000	-	-	-	-	-	-	-	-	-	1	-	-	1	29	247,503
35,255,000	35,255,000	-	-	-	-	-	-	-	-	-	-	1	-	1	30	282,758
36,830,000	36,830,000	1	-	-	-	-	-	-	-	-	-	-	-	1	31	319,588
36,853,000	36,853,000	-	1	-	-	-	-	-	-	-	-	-	-	1	32	356,441
36,907,000	36,907,000	-	-	1	-	-	-	-	-	-	-	-	-	1	33	393,348
38,077,000	38,077,000	-	-	-	1	-	-	-	-	-	-	-	-	1	34	431,425
38,457,000	38,457,000	-	-	-	-	-	-	-	-	-	-	-	1	1	35	469,882
47,844,000	47,844,000	1	-	-	-	-	-	-	-	-	-	-	-	1	36	517,726
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36	517,726

Totals	3	3	3	3	3	3	3	3	3	3	3	3	3	36			
																Average Usage	14,381,278
																Median Usage	11,842,000
																Average # Customers	3
																Change in Number of Customers	-

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing
-	-	4	4	2	3	2	2	2	1	-	-	-	1	21	21
1	1,000	1	-	1	1	1	1	1	-	2	1	-	1	10	31
1,001	2,000	-	-	-	1	-	-	-	-	-	1	-	-	2	33
2,001	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	33
3,001	4,000	-	-	-	-	-	-	-	1	1	-	-	-	2	35
4,001	5,000	-	-	-	-	-	-	-	-	-	1	-	-	1	36
5,001	6,000	-	-	-	-	-	-	-	-	-	-	-	-	-	36
6,001	7,000	-	-	-	-	-	1	-	-	-	-	-	-	1	37
7,001	8,000	-	-	-	-	-	-	-	-	-	1	-	-	1	38
8,001	9,000	-	-	-	-	-	-	-	-	-	-	-	-	-	38
9,001	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	38
10,001	11,000	-	-	-	-	-	-	-	-	-	-	-	-	-	38
11,001	12,000	-	-	-	-	-	-	-	-	-	-	-	-	-	38
12,001	13,000	-	-	-	-	-	-	-	-	-	-	-	1	1	39
13,001	14,000	-	-	-	-	-	-	-	-	-	-	1	-	1	40
14,001	15,000	-	-	1	-	-	-	-	-	-	-	1	-	2	42
15,001	16,000	-	-	-	-	-	-	-	-	-	-	-	-	-	42
16,001	17,000	-	-	-	-	-	-	-	-	-	-	-	-	-	42
17,001	18,000	-	-	-	-	-	-	-	-	-	-	-	-	-	42
18,001	19,000	-	-	-	-	-	-	-	-	-	-	-	-	-	42
19,001	20,000	-	-	-	-	1	-	-	-	-	-	-	-	1	43
20,001	21,000	-	-	-	-	-	-	-	-	-	-	-	-	-	43
21,001	22,000	-	-	-	-	-	-	-	-	-	-	-	-	-	43
22,001	23,000	-	-	1	-	-	-	-	-	-	-	1	-	2	45
23,001	24,000	-	-	-	-	-	-	-	-	-	-	-	-	-	45
24,001	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	45
25,001	26,000	-	1	-	-	-	-	-	-	1	-	-	1	3	48
26,001	27,000	-	-	-	-	-	-	-	1	-	-	-	-	1	49
27,001	28,000	-	-	-	-	-	-	-	-	-	-	-	-	-	49
28,001	29,000	-	-	-	-	-	-	-	-	-	-	-	-	-	49
29,001	30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	49
30,001	31,000	-	-	-	-	-	-	-	-	-	-	-	-	-	49
31,001	32,000	-	-	-	-	-	-	-	-	-	-	-	-	-	49
32,001	33,000	-	-	-	-	-	-	-	-	-	-	-	-	-	49
33,001	34,000	-	-	-	-	-	-	-	-	-	-	-	-	-	49
34,001	35,000	-	-	-	-	-	-	-	-	-	-	-	-	-	49
35,001	36,000	-	-	-	-	-	-	-	-	-	-	-	-	-	49
36,001	37,000	-	-	-	-	-	-	-	-	-	-	-	-	-	49
37,001	38,000	-	-	-	-	-	-	-	-	-	-	-	-	-	49
38,001	39,000	-	-	-	-	-	-	-	-	-	-	-	-	-	49
39,001	40,000	-	-	-	-	-	-	-	-	-	-	1	-	1	50

EXHIBIT CB-DT2

Line No.	Revenue Requirement	Adjusted Amount				
1	Fair Value Rate Base	\$ 13,425,887				
2						
3	Adjusted Operating Income	(339,923)				
4						
5	Current Rate of Return	-2.53%				
6						
7	Required Operating Income	\$ 1,230,080				
8						
9	Required Rate of Return on Fair Value Rate Base	9.16%				
10						
11	Operating Income Deficiency / (Sufficiency)	\$ 1,570,003				
12						
13	Gross Revenue Conversion Factor	1.3516				
14						
15	Increase / (Decrease) in Gross Revenue Requirement	\$ 2,122,087				
16						
17						
18	Adjusted Test Year Revenues	\$ 3,687,218				
19	Increase / (Decrease) in Gross Revenue Requirement	2,122,087				
20	Proposed Revenue Requirement	\$ 5,809,305				
21	% Increase / (Decrease)	57.55%				
22						
23						
24	<u>Meter Size</u>	<u>Class</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
25	5/8x3/4 Inch	Residential	\$ 3,058,320	\$ 4,838,262	\$ 1,779,942	58.20%
26	1 Inch	Residential	207,995	329,048	121,053	58.20%
27						
28	5/8x3/4 Inch	Commercial	\$ 7,812	\$ 12,359	\$ 4,547	58.20%
29	3/4 Inch	Commercial	-	-	-	0.00%
30	1 Inch	Commercial	20,453	32,357	11,904	58.20%
31	1 1/2 Inch	Commercial	17,068	27,001	9,933	58.20%
32	2 Inch	Commercial	141,616	224,037	82,421	58.20%
33	4 Inch	Commercial	14,877	23,536	8,659	58.20%
34						
35						
36	Subtotal		\$ 3,468,141	\$ 5,486,599	\$ 2,018,458	58.20%
37						
38	Revenue Annualization		\$ 5,770	\$ 9,128	\$ 3,358	58%
39	Subtotal		\$ 3,473,911	\$ 5,495,727	\$ 2,021,816	58.20%
40						
41	Effluent Sales		\$ 186,551	\$ 288,828	\$ 102,277	54.83%
42	Miscellaneous Revenues		26,740	26,740	-	0.00%
43	Reconciling Amount		16	(1,991)	(2,007)	-12543.75%
44	Rounding					0.00%
45	Total of Sewer Revenues		\$ 3,687,218	\$ 5,809,305	\$ 2,122,087	57.55%

48 SUPPORTING SCHEDULES:

- 49 B-1
- 50 C-1
- 51 C-3
- 52 H-1

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		6/30/2023	6/30/2024	Actual 6/30/2025	Adjusted 6/30/2025	Present Rates 6/30/2026	Proposed Rates 6/30/2026
1	Gross Revenues	\$ 3,586,523	\$ 3,610,223	\$ 3,634,334	\$ 3,687,218	\$ 3,687,218	\$ 5,809,305
2							
3	Revenue Deductions and	3,273,669	3,358,747	3,582,877	4,027,141	4,027,141	4,579,225
4	Operating Expenses						
5							
6	Operating Income	\$ 312,853	\$ 251,476	\$ 51,456	\$ (339,923)	\$ (339,923)	\$ 1,230,080
7							
8	Other Income and	(8,705)	51,526	2,616,115	2,616,115	2,616,115	2,616,115
9	Deductions						
10							
11	Interest Expense	(3,228)	-	-	(287,582)	(287,582)	(287,582)
12							
13	Net Income	\$ 300,921	\$ 303,002	\$ 2,667,571	\$ 1,988,609	\$ 1,988,609	\$ 3,558,612
14							
15	Common Shares	91,748	91,748	91,748	91,748	91,748	91,748
16							
17	Earned Per Average						
18	Common Share	3.28	3.30	29.08	21.67	21.67	38.79
19							
20	Dividends Paid	-	-	-	-	-	-
21							
22	Dividends Per						
23	Common Share	-	-	-	-	-	-
24							
25	Payout Ratio	-	-	-	-	-	-
26							
27	Return on Average						
28	Invested Capital	2.44%	2.90%	21.77%	12.13%	8.63%	15.44%
29							
30	Return on Year End						
31	Capital	2.93%	2.86%	19.20%	10.52%	7.31%	13.09%
32							
33	Return on Average						
34	Common Equity	3.05%	2.98%	22.87%	17.56%	14.21%	24.07%
35							
36	Return on Year End						
37	Common Equity	3.00%	2.93%	20.52%	16.14%	13.26%	21.48%
38							
39	Times Bond Interest Earned						
40	Before Income Taxes	96.92	-	-	(0.46)	(0.46)	5.36
41							
42	Times Total Interest and						
43	Preferred Dividends Earned						
44	After Income Taxes	88.32	-	-	9.29	9.29	12.39
45							
46							
47	<u>SUPPORTING SCHEDULES</u>						
48	C-1						
49	E-2						
50	F-1						

Line No.	Description:	Prior Years Ended		Test Year	Projected Year
		6/30/2023	6/30/2024	6/30/2025	6/30/2026
1					
2	Short-Term Debt	-	-	-	-
3					
3	Long-Term Debt	-	-	-	-
4					
5	Total Debt	\$ -	\$ -	\$ -	\$ -
6					
7					
8	Preferred Stock	-	-	-	-
9					
10	Common Equity	10,027,179	10,330,181	13,002,252	13,002,252
11					
12					
13	Total Capital & Debt	\$ 10,027,179	\$ 10,330,181	\$ 13,002,252	\$ 13,002,252
14					
15					
16	Capitalization Ratios:				
17					
18	Long-Term Debt	0.00%	0.00%	0.00%	0.00%
19					
20	Total Debt	0.00%	0.00%	0.00%	0.00%
21					
22					
23	Preferred Stock	-	-	-	-
24					
25	Common Equity	100.00%	100.00%	100.00%	100.00%
26					
27					
28	Total Capital	100.00%	100.00%	100.00%	100.00%
29					
30					
31	Weighted Cost of				
32	Senior Capital	0.00%	0.00%	0.00%	0.00%
33					
34					
35	<u>SUPPORTING SCHEDULES:</u>				
36	E-1				
37	D-1				

Pima Utility Company - Sewer
 Test Year Ended June 30, 2025
 Construction Expenditures
 and Gross Utility Plant in Service

Exhibit
 Schedule A-4
 Page 1
 Witness: Barbee

Line No.		Construction Expenditures	Net Plant Placed in Service	Gross Utility Plant in Service
1	Prior Year Ended 12/31/2021	-	-	27,938,734
2				
3	Prior Year Ended 12/31/2022	433,261	433,261	28,371,995
4				
5	Test Year Ended 12/31/2023	1,097,391	1,097,391	29,469,386
6				
7	Projected Year Ended 12/31/2024	3,509,911	3,509,911	32,979,296
8	check		-	
9				
10	<u>SUPPORTING SCHEDULES:</u>			
11	B-2			
12	E-5			
13	F-3			

Pima Utility Company - Sewer
 Test Year Ended June 30, 2025
 Summary of Rate Base

Exhibit
 Schedule B-1
 Page 1
 Witness: Barbee

Line No.	Original Cost Rate base	Fair Value Rate Base
1		
2	\$ 32,979,296	\$ 32,979,296
3	19,777,323	19,777,323
4		
5	\$ 13,201,974	\$ 13,201,974
6		
7	<u>Less:</u>	
8	Advances in Aid of Construction	-
9		
10	Contributions in Aid of Construction	1,261,344
11		
12	Accumulated Amortization of CIAC	(1,261,344)
13		
14	Customer Meter Deposits	-
15	Customer Security Deposits	-
16	Accumulated Deferred Income Tax	-
17	Deferred Regulatory Liability - Tax (EADIT)	-
18		
19	<u>Plus:</u>	
20	Deferred Reg. Asset	-
21		
22	Prepayments	(55,030)
23	Materials and Supplies	-
24	Cash Working Capital	278,943
25		
26		
27	<u>\$ 13,425,887</u>	<u>\$ 13,425,887</u>
28		
29		
30	<u>SUPPORTING SCHEDULES:</u>	
31	B-2	
32	B-3	
33	B-5	
34	E-1	

Line No.		Actual at End of Test Year	Proforma Adjustments	Adjusted at end End of Test Year
1				
2	Gross Utility Plant in Service	\$ 29,469,386	3,509,911	\$ 32,979,296
3				
4	Less:			
5				
6	Accumulated Depreciation	21,586,379	(1,809,057)	19,777,323
7				
8				
9				
10	Net Utility Plant in Service	\$ 7,883,006	\$ 5,318,967	\$ 13,201,974
11				
12	Less:			
13				
14	Advances in Aid of Construction	-	-	-
15				
16				
17	Contributions in Aid of Construction	1,261,344	(0)	1,261,344
18				
19	Accumulated Amortization of CIAC	(1,261,344)	0	(1,261,344)
20				
21	Customer Meter Deposits	-	-	-
22	Customer Security Deposits	-	-	-
23	Accumulated Deferred Income Tax	-	-	-
24	Deferred Regulatory Liability - Tax (EADIT)	-	-	-
25				
26				
27	Plus:			
28	Deferred Reg. Asset	-	-	-
29				
30	Prepayments	(55,030)	-	(55,030)
31	Materials and Supplies	-	-	-
32	Cash Working capital	-	278,943	278,943
33				
34				
35	Total	<u>\$ 7,827,976</u>	<u>\$ 5,597,910</u>	<u>\$ 13,425,887</u>

38 SUPPORTING SCHEDULES:
 39 B-2, pages 2
 40 E-1

RECAP SCHEDULES
 B-1

Line No.	Actual at End of Test Year	Proforma Adjustments				Adjusted at end of Test Year
		1 Plant-in-Service	2 Accumulated Depreciation	3 CIAC	4 Working Capital	
1						
2	\$ 29,469,386	3,509,911				\$ 32,979,296
3						
4	Less:					
5						
6	21,586,379		(1,809,057)			19,777,323
7						
8						
9						
10	\$ 7,883,006	\$ 3,509,911	\$ 1,809,057	\$ -	\$ -	\$ 13,201,974
11						
12	Less:					
13						
14	-					-
15						
16						
17	1,261,344			(0)		1,261,344
18						
19	(1,261,344)			0		(1,261,344)
20						
21	-					-
22	-					-
23	-					-
24	-					-
25						
26	Plus:					
27	-					-
28						
29	(55,030)					(55,030)
30	-					-
31	-				278,943	278,943
32						
33	<u>\$ 7,827,976</u>	<u>\$ 3,509,911</u>	<u>\$ 1,809,057</u>	<u>\$ -</u>	<u>\$ 278,943</u>	<u>\$ 13,425,887</u>

36 SUPPORTING SCHEDULES:
 37 B-2, pages 3-5
 38 E-1

RECAP SCHEDULES:
 B-1

Line No.	NARUC Account Description	Actual Original Cost	A	B	C	Adjusted Original Cost
			3.1	3.2	3.3	
			PTY Plant	Test-Year Proforma Retirements	Adjustments to Reconcile Plant to Reconstruction	
1	351 Organization	-	-	-	-	-
2	352 Franchise	-	-	-	-	-
3	353 Land	91,528	-	-	-	91,528
4	354 Structures & Improvements	844,852	639,000	(11,955)	-	1,471,897
5	355 Power Generation Equipment	176,921	8,846	-	-	185,768
6	360 Collection System - Force	1,950,269	901,000	-	-	2,851,269
7	361 Collection System - Gravity	6,127,239	45,438	-	-	6,172,677
8	362 Special Collection Structures	-	-	-	-	-
9	363 Services to Customers	711,012	14,172	-	-	725,184
10	364 Flow Measuring Devices	-	-	-	-	-
11	365 Flow Measuring Installations	-	-	-	-	-
12	366 Reuse Services	-	-	-	-	-
13	367 Reuse Meters and Meter Installations	-	-	-	-	-
14	370 Receiving Wells	675,332	1,022,489	-	-	1,697,820
15	371 Pumping Equipment	4,891,299	429,876	(77,978)	-	5,243,198
16	374 Reuse Distribution Reservoirs	-	-	-	-	-
17	375 Reuse Transmission and Distribution System	195,273	4,882	-	-	200,155
18	380 Treatment and Disposal Equipment	12,076,341	579,222	(209,258)	-	12,446,305
19	381 Plant Sewers	-	-	-	-	-
20	382 Outfall Sewer Lines	-	-	-	-	-
21	389 Other Plant and Miscellaneous Equipment	1,023,732	-	-	-	1,023,732
22	390 Office Furniture and Equipment	12,172	-	-	-	12,172
23	390.1 Computers & Software	95,884	-	-	-	95,884
24	391 Transportation Equipment	222,653	-	-	-	222,653
25	392 Stores Equipment	-	-	-	-	-
26	393 Tools, Shop And Garage Equipment	126,531	-	-	-	126,531
27	394 Laboratory Equip	33,442	-	(823)	-	32,619
28	395 Power Operated Equipment	33,726	165,000	-	-	198,726
29	396 Communication Equipment	169,026	-	-	-	169,026
30	397 Miscellaneous Equipment	12,153	-	-	-	12,153
31	398 Other Tangible Plant	-	-	-	-	-
32						
33						
34	SUBTOTAL	29,469,386	3,809,924	(300,013)	-	32,979,296
35						
36						
37	Plant Held for Future Use					-
38	TOTALS	\$ 29,469,386	\$ 3,809,924	\$ (300,013)	\$ -	\$ 32,979,296
39						
40	Plant-in-Service per Books					\$ 29,469,386
41						
42	Increase (decrease) in Plant-in-Service					\$ 3,509,911
43						
44	Adjustment to Plant-in-Service					\$ 3,509,911
45						
46						
47	<u>SUPPORTING SCHEDULES</u>					
48	B-2, pages 3.1 to 3.5					

Pima Utility Company - Sewer
 Test Year Ended June 30, 2025
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 1 - A
 Post Test-Year Plant

Exhibit
 Schedule B-2
 Page 3.1
 Witness: Barbee

Line No.	NARUC	Account Description	PTYP
1	351	Organization	\$ -
2	352	Franchise	-
3	353	Land	-
4	354	Structures & Improvements	639,000
5	355	Power Generation Equipment	8,846
6	360	Collection System - Force	901,000
7	361	Collection System - Gravity	45,438
8	362	Special Collection Structures	-
9	363	Services to Customers	14,172
10	364	Flow Measuring Devices	-
11	365	Flow Measuring Installations	-
12	366	Reuse Services	-
13	367	Reuse Meters and Meter Installations	-
14	370	Receiving Wells	1,022,489
15	371	Pumping Equipment	429,876
16	374	Reuse Distribution Reservoirs	-
17	375	Reuse Transmission and Distribution System	4,882
18	380	Treatment and Disposal Equipment	579,222
19	381	Plant Sewers	-
20	382	Outfall Sewer Lines	-
21	389	Other Plant and Miscellaneous Equipment	-
22	390	Office Furniture and Equipment	-
23	390.1	Computers & Software	-
24	391	Transportation Equipment	-
25	392	Stores Equipment	-
26	393	Tools, Shop And Garage Equipment	-
27	394	Laboratory Equip	-
28	395	Power Operated Equipment	165,000
29	396	Communication Equipment	-
30	397	Miscellaneous Equipment	-
31	398	Other Tangible Plant	-
32			
33			
34		TOTAL	<u>\$ 3,809,924</u>
35			
36			
37		<u>SUPPORTING SCHEDULE</u>	
38		Testimony	
39		Work papers	

Line No.	NARUC	Account Description	Amount
1	351	Organization	\$ -
2	352	Franchise	-
3	353	Land	-
4	354	Structures & Improvements	(11,955)
5	355	Power Generation	-
6	360	Collection Sewer Forced	-
7	361	Collection Sewers Gravity	-
8	362	Special Collecting Structures	-
9	363	Customer Services	-
10	364	Flow Measuring Devices	-
11	365	Flow Measuring Installations	-
12	366	Reuse Services	-
13	367	Reuse Meters And Installation	-
14	370	Receiving Wells	-
15	371	Pumping Equipment	(77,978)
16	374	Reuse Distribution Reservoirs	-
17	375	Reuse Trans. and Dist. System	-
18	380	Treatment & Disposal Equipment	(209,258)
19	381	Plant Sewers	-
20	382	Outfall Sewer Lines	-
21	389	Other Sewer Plant & Equipment	-
22	390	Office Furniture & Equipment	-
23	390.1	Computers and Software	-
24	391	Transportation Equipment	-
25	392	Stores Equipment	-
26	393	Tools, Shop And Garage Equip	-
27	394	Laboratory Equip	(823)
28	395	Power Operated Equip	-
29	396	Communication Equip	-
30	397	Miscellaneous Equip.	-
31	398	Other Tangible Plant	-
32			
33		TOTAL	<u>\$ (300,013)</u>

36 SUPPORTING SCHEDULE

- 37 Testimony
- 38 Work papers

Line No.	NARUC Account Description	Original Cost	B-2 Adjustments	Adjusted Original Cost	Plant Per Reconstruction	Difference	
1	351 Organization	\$ -	\$ -	\$ -	\$ -	\$ -	
2	352 Franchise	-	-	-	-	-	
3	353 Land	91,528	-	91,528	91,528	-	
4	354 Structures & Improvements	844,852	627,045	1,471,897	1,471,897	-	
5	355 Power Generation Equipment	176,921	8,846	185,768	185,768	-	
6	360 Collection System - Force	1,950,269	901,000	2,851,269	2,851,269	-	
7	361 Collection System - Gravity	6,127,239	45,438	6,172,677	6,172,677	-	
8	362 Special Collection Structures	-	-	-	-	-	
9	363 Services to Customers	711,012	14,172	725,184	725,184	-	
10	364 Flow Measuring Devices	-	-	-	-	-	
11	365 Flow Measuring Installations	-	-	-	-	-	
12	366 Reuse Services	-	-	-	-	-	
13	367 Reuse Meters and Meter Installations	-	-	-	-	-	
14	370 Receiving Wells	675,332	1,022,489	1,697,820	1,697,820	-	
15	371 Pumping Equipment	4,891,299	351,898	5,243,198	5,243,198	-	
16	374 Reuse Distribution Reservoirs	-	-	-	-	-	
17	375 Reuse Transmission and Distribution System	195,273	4,882	200,155	200,155	-	
18	380 Treatment and Disposal Equipment	12,076,341	369,964	12,446,305	12,446,305	-	
19	381 Plant Sewers	-	-	-	-	-	
20	382 Outfall Sewer Lines	-	-	-	-	-	
21	389 Other Plant and Miscellaneous Equipment	1,023,732	-	1,023,732	1,023,732	-	
22	390 Office Furniture and Equipment	12,172	-	12,172	12,172	-	
23	390.1 Computers & Software	95,884	-	95,884	95,884	-	
24	391 Transportation Equipment	222,653	-	222,653	222,653	-	
25	392 Stores Equipment	-	-	-	-	-	
26	393 Tools, Shop And Garage Equipment	126,531	-	126,531	126,531	-	
27	394 Laboratory Equip	33,442	(823)	32,619	32,619	-	
28	395 Power Operated Equipment	33,726	165,000	198,726	198,726	-	
29	396 Communication Equipment	169,026	-	169,026	169,026	-	
30	397 Miscellaneous Equipment	12,153	-	12,153	12,153	-	
31	398 Other Tangible Plant	-	-	-	-	-	
32							
33							
34							
35	TOTALS	\$ 29,469,386	\$ 3,509,911	\$ 32,979,296	\$ 32,979,296	\$ -	
36							
37							
38	<u>SUPPORTING SCHEDULE</u>						
39	B-2, pages 3.1 through 3.4						
40	B-2, pages 3.6 through 3.10						

Line No.	NARUC Account Description	Per Books Accum. Depr.	A	B	C	Adjusted Accum. Depr.
			4.1	4.2	4.3	
			PTY Plant A/D	Test-Year Proforma Retirements	Adjustments to Reconcile A/D to Reconstruction	
1	351 Organization	-	-	-	-	-
2	352 Franchise	-	-	-	-	-
3	353 Land	-	-	-	-	-
4	354 Structures & Improvements	307,905	10,639	(11,955)	20,311	326,900
5	355 Power Generation Equipment	74,399	221	-	7,437	82,058
6	360 Collection System - Force	370,548	9,010	-	30,546	410,104
7	361 Collection System - Gravity	3,285,932	454	-	60,315	3,346,702
8	362 Special Collection Structures	-	-	-	-	-
9	363 Services to Customers	341,263	142	-	7,733	349,138
10	364 Flow Measuring Devices	-	-	-	-	-
11	365 Flow Measuring Installations	-	-	-	-	-
12	366 Reuse Services	-	-	-	-	-
13	367 Reuse Meters and Meter Installations	-	-	-	-	-
14	370 Receiving Wells	381,457	17,024	-	21,347	419,828
15	371 Pumping Equipment	3,883,322	26,867	(77,978)	(154,313)	3,677,898
16	374 Reuse Distribution Reservoirs	-	-	-	-	-
17	375 Reuse Transmission and Distribution System	82,102	61	-	964	83,126
18	380 Treatment and Disposal Equipment	11,373,894	14,481	(209,258)	(1,566,570)	9,612,546
19	381 Plant Sewers	-	-	-	-	-
20	382 Outfall Sewer Lines	-	-	-	-	-
21	389 Other Plant and Miscellaneous Equipment	1,011,967	-	-	(18,063)	993,903
22	390 Office Furniture and Equipment	6,889	-	-	681	7,570
23	390.1 Computers & Software	79,283	-	-	8,908	88,192
24	391 Transportation Equipment	192,333	-	-	(3,245)	189,088
25	392 Stores Equipment	-	-	-	-	-
26	393 Tools, Shop And Garage Equipment	127,627	-	-	(28,223)	99,404
27	394 Laboratory Equip	17,424	-	-	1,147	18,571
28	395 Power Operated Equipment	(957)	4,125	(823)	2,527	4,872
29	396 Communication Equipment	46,130	-	-	15,334	61,464
30	397 Miscellaneous Equipment	4,863	-	-	1,095	5,958
31	398 Other Tangible Plant	-	-	-	-	-
32						
33						
34	108 Accumulated Depreciation	-	-	-	-	-
35	TOTALS	\$ 21,586,379	\$ 83,025	\$ (300,013)	\$ (1,592,068)	\$ 19,777,323
36						
37	Accumulated Depreciation per Books					\$ 21,586,379
38						
39	Increase (decrease) in Accumulated Depreciation					\$ (1,809,057)
40						
41	Adjustment to Accumulated Depreciation					\$ (1,809,057)
42						
43						
44	<u>SUPPORTING SCHEDULES</u>					
45	B-2, pages 4.1 through 4.5					

Pima Utility Company - Sewer
 Test Year Ended June 30, 2025
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 2 - A
 Post Test-Year Plant Depreciation

Exhibit
 Schedule B-2
 Page 4.1
 Witness: Barbee

Line No.	NARUC	Account Description	Amount	Depr. Rate	Depreciation (1/2 yr. conv.)
1	351	Organization	\$ -	0.00%	\$ -
2	352	Franchise	-	0.00%	-
3	353	Land	-	0.00%	-
4	354	Structures & Improvements	639,000	3.33%	10,639
5	355	Power Generation	8,846	5.00%	221
6	360	Collection Sewer Forced	901,000	2.00%	9,010
7	361	Collection Sewers Gravity	45,438	2.00%	454
8	362	Special Collecting Structures	-	2.00%	-
9	363	Customer Services	14,172	2.00%	142
10	364	Flow Measuring Devices	-	10.00%	-
11	365	Flow Measuring Installations	-	10.00%	-
12	366	Reuse Services	-	2.00%	-
13	367	Reuse Meters And Installation	-	8.33%	-
14	370	Receiving Wells	1,022,489	3.33%	17,024
15	371	Pumping Equipment	429,876	12.50%	26,867
16	374	Reuse Distribution Reservoirs	-	2.50%	-
17	375	Reuse Trans. and Dist. System	4,882	2.50%	61
18	380	Treatment & Disposal Equipment	579,222	5.00%	14,481
19	381	Plant Sewers	-	5.00%	-
20	382	Outfall Sewer Lines	-	3.33%	-
21	389	Other Sewer Plant & Equipment	-	6.67%	-
22	390	Office Furniture & Equipment	-	6.67%	-
23	390.1	Computers and Software	-	20.00%	-
24	391	Transportation Equipment	-	20.00%	-
25	392	Stores Equipment	-	4.00%	-
26	393	Tools, Shop And Garage Equip	-	5.00%	-
27	394	Laboratory Equip	-	10.00%	-
28	395	Power Operated Equip	165,000	5.00%	4,125
29	396	Communication Equip	-	10.00%	-
30	397	Miscellaneous Equip.	-	10.00%	-
31	398	Other Tangible Plant	-	10.00%	-
32					
33		TOTAL	<u>\$ 3,809,924</u>		<u>\$ 83,025</u>

36 SUPPORTING SCHEDULE

- 37 Testimony
- 38 Work papers

Pima Utility Company - Sewer
 Test Year Ended June 30, 2025
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 2 - B
 Test-Year Proforma Retirements

Exhibit
 Schedule B-2
 Page 4.2
 Witness: Barbee

Line No.	NARUC	Account Description	A/D Amount
1	351	Organization	\$ -
2	352	Franchise	-
3	353	Land	-
4	354	Structures & Improvements	(11,955)
5	355	Power Generation	-
6	360	Collection Sewer Forced	-
7	361	Collection Sewers Gravity	-
8	362	Special Collecting Structures	-
9	363	Customer Services	-
10	364	Flow Measuring Devices	-
11	365	Flow Measuring Installations	-
12	366	Reuse Services	-
13	367	Reuse Meters And Installation	-
14	370	Receiving Wells	-
15	371	Pumping Equipment	(77,978)
16	374	Reuse Distribution Reservoirs	-
17	375	Reuse Trans. and Dist. System	-
18	380	Treatment & Disposal Equipment	(209,258)
19	381	Plant Sewers	-
20	382	Outfall Sewer Lines	-
21	389	Other Sewer Plant & Equipment	-
22	390	Office Furniture & Equipment	-
23	390.1	Computers and Software	-
24	391	Transportation Equipment	-
25	392	Stores Equipment	-
26	393	Tools, Shop And Garage Equip	-
27	394	Laboratory Equip	(823)
28	395	Power Operated Equip	-
29	396	Communication Equip	-
30	397	Miscellaneous Equip.	-
31	398	Other Tangible Plant	-
32			
33		TOTAL	<u>\$ (300,013)</u>
34			
35			
36		<u>SUPPORTING SCHEDULE</u>	
37		Testimony	
38		Work papers	

Line No.	NARUC Account Description	A/D Original Cost	B-2 Adjustments	Adjusted A/D Original Cost	A/D Per Reconstruction	Difference
1	351 Organization	\$ -	\$ -	\$ -	\$ -	\$ -
2	352 Franchise	-	-	-	-	-
3	353 Land	-	-	-	-	-
4	354 Structures & Improvements	307,905	(1,316)	306,589	326,900	20,311
5	355 Power Generation Equipment	74,399	221	74,621	82,058	7,437
6	360 Collection System - Force	370,548	9,010	379,558	410,104	30,546
7	361 Collection System - Gravity	3,285,932	454	3,286,386	3,346,702	60,315
8	362 Special Collection Structures	-	-	-	-	-
9	363 Services to Customers	341,263	142	341,404	349,138	7,733
10	364 Flow Measuring Devices	-	-	-	-	-
11	365 Flow Measuring Installations	-	-	-	-	-
12	366 Reuse Services	-	-	-	-	-
13	367 Reuse Meters and Meter Installations	-	-	-	-	-
14	370 Receiving Wells	381,457	17,024	398,481	419,828	21,347
15	371 Pumping Equipment	3,883,322	(51,111)	3,832,212	3,677,898	(154,313)
16	374 Reuse Distribution Reservoirs	-	-	-	-	-
17	375 Reuse Transmission and Distribution System	82,102	61	82,163	83,126	964
18	380 Treatment and Disposal Equipment	11,373,894	(194,777)	11,179,117	9,612,546	(1,566,570)
19	381 Plant Sewers	-	-	-	-	-
20	382 Outfall Sewer Lines	-	-	-	-	-
21	389 Other Plant and Miscellaneous Equipment	1,011,967	-	1,011,967	993,903	(18,063)
22	390 Office Furniture and Equipment	6,889	-	6,889	7,570	681
23	390.1 Computers & Software	79,283	-	79,283	88,192	8,908
23	391 Transportation Equipment	192,333	-	192,333	189,088	(3,245)
24	392 Stores Equipment	-	-	-	-	-
25	393 Tools, Shop And Garage Equipment	127,627	-	127,627	99,404	(28,223)
26	394 Laboratory Equip	17,424	-	17,424	18,571	1,147
27	395 Power Operated Equipment	(957)	3,302	2,345	4,872	2,527
28	396 Communication Equipment	46,130	-	46,130	61,464	15,334
29	397 Miscellaneous Equipment	4,863	-	4,863	5,958	1,095
30	398 Other Tangible Plant	-	-	-	-	-
31						
32						
33	108 Accumulated Depreciation	-	-	-	-	-
34	TOTALS	\$ 21,586,379	\$ (216,989)	\$ 21,369,391	\$ 19,777,323	\$ (1,592,068)

37 SUPPORTING SCHEDULE
 38 B-2, pages 4.1 through 4.4
 39 B-2, pages 3.6 through 3.10

Pima Utility Company - Sewer
 Test Year Ended June 30, 2025
 Original Cost Rate Base Proforma Adjustments
 Adjustment 3
 Contributions-in-Aid of Construction (CIAC) and Accumulated Amortization

Exhibit
 Schedule B-2
 Page 5
 Witness: Barbee

Line No.		<u>Gross CIAC</u>	<u>Accumulated Amortization</u>
1	Computed balance at end of Test Year	\$ 1,261,344	\$ 1,261,344
2			
3	Book balance at end of Test Year	<u>\$ 1,261,344</u>	<u>\$ 1,261,344</u>
4			
5	Increase (decrease)	\$ (0)	\$ (0)
6			
7			
8	Adjustment to CIAC/AA CIAC	<u>\$ (0)</u>	<u>\$ 0</u>
9	Label	3a	3b
10			
11			
12			
13			
14			
15	<u>SUPPORTING SCHEDULES</u>		
16	E-1		
17	B-2, page 5.1		

Line No.	Decision 76540	2016		2017		2018		2019		2020		2021		2022		2023		2024		TYE June 30, 2025		
		Balance	Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance	Additions	Balance
1																						
2																						
3																						
4																						
5	CIAC	1,261,344		1,261,344		1,261,344		1,261,344		1,261,344		1,261,344		1,261,344		1,261,344		1,261,344		1,261,344		1,261,344
6																						
7																						
8	Amortization Rate		4.24%		4.18%		3.78%		3.84%		3.86%		5.88%		3.30%		3.40%		3.48%		3.51%	
9	Amortization (1/2 year convention)		53,525		52,764		47,633		48,443		48,742		74,195		41,632		5,995		-		-	
10	Accumulated Amortization	888,415		941,940		994,704		1,042,337		1,090,781		1,139,522		1,213,717		1,255,349		1,261,344		1,261,344		1,261,344
11																						
12	Net CIAC	372,929		319,404		266,640		219,007		170,563		121,822		- 47,627		- 5,995		-		-		-

Line No.	Description	Proforma Test Year Amount ¹	Revenue Lag (Lead) Days	Expense Lag (Lead) Days	Net Lag (Lead) Days Col. C - Col. D	Lead/Lag Factor Col. E/365	Cash Working Capital Required Col. B * Col. F
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
7	OPERATING EXPENSES						
8	Salaries and Wages	\$ 664,324	51.36	19.00	32.36	0.088660	\$ 58,899
9	Salaries and Wages - Officers	-	51.36	19.00	32.36	0.088660	-
10	Employee Benefits	125,602	51.36	27.00	24.36	0.066742	8,383
11	Sludge Removal	192,014	51.36	29.24	22.12	0.060605	11,637
12	Purchased Power	183,072	51.36	23.33	28.03	0.076797	14,059
13	Chemicals	382,911	51.36	24.53	26.83	0.073509	28,148
14	Materials & Supplies	151,430	51.36	25.94	25.42	0.069646	10,547
15	Office Supplies	89,999	51.36	13.64	37.72	0.103345	9,301
16	Contractual Services - Engineering	7,121	51.36	60.66	(9.30)	(0.025477)	(181)
17	Contractual Services - Accounting	76,462	51.36	24.00	27.36	0.074961	5,732
18	Contractual Services - Legal	129,812	51.36	6.55	44.81	0.122770	15,937
19	Contractual Services - Management	759,730	51.36	35.00	16.36	0.044825	34,055
20	Contractual Services - Testing	36,892	51.36	33.89	17.47	0.047866	1,766
21	Contractual Services - Other	123,831	51.36	36.09	15.27	0.041838	5,181
22	Rental of Building/Real Property	-	51.36	-	51.36	0.140715	-
23	Rental of Equipment	32,522	51.36	4.95	46.41	0.127153	4,135
24	Transportation	22,443	51.36	23.29	28.07	0.076907	1,726
25	Insurance - Vehicle	15,896	51.36	(182.50)	233.86	0.640715	10,185
26	Insurance - General Liability	130,546	51.36	(182.50)	233.86	0.640715	83,642
27	Insurance - Workman's Compensation	-	51.36	-	51.36	0.140715	-
28	Insurance - Other	-	51.36	-	51.36	0.140715	-
29	Advertising Expense	-	51.36	-	51.36	0.140715	-
30	Regulatory Commission Expenses	-	51.36	-	51.36	0.140715	-
31	Miscellaneous	27,690	51.36	36.38	14.98	0.041044	1,136
32	Customer Deposit Interest	-	51.36	184.00	(132.64)	(0.363395)	-
33							
34							
35	TAXES						
36	General Taxes-Property ¹	171,662	51.36	213.96	(162.60)	(0.445472)	\$ (76,471)
37	General Taxes-Other	95,371	51.36	22.00	29.36	0.080441	7,672
38	Income Tax ¹	312,008	51.36	37.00	14.36	0.039345	12,276
39							
40	Other						
41	Interest Expense	321,837	51.36	16.00	35.36	0.096879	31,179
42							
43	TOTAL	<u>\$ 4,053,174</u>			WORKING CASH REQUIREMENT		\$ 278,943
44							
45					TYCASH WORKING CAPITAL		-
46							
47	¹ At proposed rates.				INCREASE(DECREASE) IN CASH WORKING CAPITAL		\$ 278,943
48							

Pima Utility Company - Sewer
 Test Year Ended June 30, 2025
 Income Statement

Exhibit
 Schedule C-1
 Page 1
 Witness: Barbee

Line No.	NARUC	Account Description	Test Year Book Results	Adjustment	Test Year Adjusted Results	Proposed Rate Increase / (Decrease)	Adjusted with Rate Increase / (Decrease)
1		<u>Revenues</u>					
2	521	Flat Rate Revenues	\$ 3,446,156	\$ 27,770	\$ 3,473,926	\$ 2,122,087	\$ 5,596,014
3	522	Measured Revenues	169,077	17,474	186,551		186,551
4	536	Other Revenues	19,100	7,640	26,740		26,740
5							
6			\$ 3,634,334	\$ 52,884	\$ 3,687,218	\$ 2,122,087	\$ 5,809,305
7		<u>Operating Expenses</u>					
8	701	Salaries and Wages	\$ 664,324	-	\$ 664,324		\$ 664,324
9	703	Salaries and Wages	19,157	(19,157)	-		-
10	704	Employee Benefits	125,602	-	125,602		125,602
11	711	Sludge Removal Expense	191,719	294	192,014		192,014
12	715	Purchased Power	179,167	3,904	183,072		183,072
13	718	Chemicals	382,324	587	382,911		382,911
14	720	Materials and Supplies	151,486	(55)	151,430		151,430
15	721	Office Expenses	98,545	(8,546)	89,999		89,999
16	731	Contractual Services - Engineering	7,121	-	7,121		7,121
17	732	Contractual Services - Accounting	23,301	53,161	76,462		76,462
18	733	Contractual Services - Legal	508	129,304	129,812		129,812
19	734	Contractual Services - Management Fees	-	759,730	759,730		759,730
20	735	Contractual Services - Testing	36,892	-	36,892		36,892
21	736	Contractual Services - Other	222,214	(98,383)	123,831		123,831
22	741	Building Rent	-	-	-		-
23	742	Equipment Rent	32,522	-	32,522		32,522
24	750	Transportation Expense	22,443	-	22,443		22,443
25	756	Insurance - Vehicle	15,896	-	15,896		15,896
26	757	Insurance - General Liability	130,546	-	130,546		130,546
27	758	Insurance - Workman's Compensation	-	-	-		-
28	759	Insurance - Other	-	-	-		-
29	760	Advertising Expenses	-	-	-		-
30	766	Regulatory Commission Expenses - Rate C	-	-	-		-
31	767	Regulatory Commission Expenses - Other	-	-	-		-
32	403	Depreciation and Amortization	915,940	(80,664)	835,276		835,276
33	770	Bad Debt Expense	9,121	(1,116)	8,005	4,607	12,613
34	408.11	Property Taxes	137,641	6,284	143,925	27,737	171,662
35	408.12 & 408.13	Taxes Other than Income	95,371	-	95,371		95,371
36	775	Miscellaneous Expense	27,690	-	27,690		27,690
37	409 & 410	Income Taxes	93,346	(301,078)	(207,732)	519,740	312,008
38							
39		<u>Total Operating Expenses</u>	\$ 3,582,877	\$ 444,264	\$ 4,027,141	\$ 552,084	\$ 4,579,225
40		<u>Operating Income</u>	\$ 51,456	\$ (391,380)	\$ (339,923)	\$ 1,570,003	\$ 1,230,080
41		<u>Other Income (Expense)</u>					
42	414	Gains (Losses) From Disposition of Utility I	4,500	-	4,500		4,500
43	419	Interest and Dividend Income	22,421	-	22,421		22,421
44	421	Miscellaneous Non-Utility Income	2,594,360	-	2,594,360		2,594,360
45	426	Miscellaneous Non-Utility Expenses	(667)	-	(667)		(667)
46	427	Interest Expense	-	(287,582)	(287,582)		(287,582)
47							
48		<u>Total Other Income (Expense)</u>	\$ 2,620,615	\$ (287,582)	\$ 2,333,032	\$ -	\$ 2,333,032
49		<u>Net Profit (Loss)</u>	\$ 2,672,071	\$ (678,962)	\$ 1,993,109	\$ 1,570,003	\$ 3,563,112

52 SUPPORTING SCHEDULES:
 53 C-1, page 2
 54 E-2

RECAP SCHEDULES:
 A-1

Line No.	NARUC	Account Description	Test Year Book Results	Adjustments										Test Year Adjusted Results	Proposed Rate Increase / (Decrease)	Adjusted With Rate Increase / (Decrease)	
				1	2	3	4	5	6	7	8	9	10				
				Depreciation	Property Taxes	Revenue Annualization	Shared Services Costs	Bad Debt	Purchased Power	Late Fees	Officer Salaries	Interest Synch.	Income Taxes				
1		Revenues															
2	521	Flat Rate Revenues	\$ 3,446,156			27,770								\$ 3,473,926	\$ 2,122,087	\$ 5,596,014	
3	522	Measured Revenues	169,077			17,474								186,551		186,551	
4	536	Other Revenues	19,100			7,640								26,740		26,740	
5																	
6			\$ 3,634,334	\$ -	\$ -	\$ 52,884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,687,218	\$ 2,122,087	\$ 5,809,305	
7		Operating Expenses															
8	701	Salaries and Wages	\$ 664,324											\$ 664,324		\$ 664,324	
9	703	Salaries and Wages	19,157								(19,157)						
10	704	Employee Benefits	125,602											125,602		125,602	
11	711	Sludge Removal Expense	191,719			234								192,014		192,014	
12	715	Purchased Power	179,167			275			3,629					183,072		183,072	
13	718	Chemicals	382,324			587								382,911		382,911	
14	720	Materials and Supplies	151,486							(55)				151,430		151,430	
15	721	Office Expenses	89,545				(6,546)							89,999		89,999	
16	731	Contractual Services - Engineering	7,121											7,121		7,121	
17	732	Contractual Services - Accounting	23,301				53,161							76,462		76,462	
18	733	Contractual Services - Legal	508				129,304							129,812		129,812	
19	734	Contractual Services - Management Fees	-				759,730							759,730		759,730	
20	735	Contractual Services - Testing	36,892											36,892		36,892	
21	736	Contractual Services - Other	222,214				(98,383)							123,831		123,831	
22	741	Building Rent	-											-		-	
23	742	Equipment Rent	32,522											32,522		32,522	
24	750	Transportation Expense	22,443											22,443		22,443	
25	756	Insurance - Vehicle	15,896											15,896		15,896	
26	757	Insurance - General Liability	130,546											130,546		130,546	
27	758	Insurance - Workman's Compensation	-											-		-	
28	759	Insurance - Other	-											-		-	
29	760	Advertising Expenses	-											-		-	
30	766	Regulatory Commission Expenses - Rate Case	-											-		-	
31	767	Regulatory Commission Expenses - Other	-											-		-	
32	403	Depreciation and Amortization	915,940	(80,664)										835,276		835,276	
33	770	Bad Debt Expense	9,121					(1,116)						8,005	4,607	12,613	
34	408.11	Property Taxes	137,641		6,284									143,925	27,737	171,662	
35	408.12 & 408.13	Taxes Other than Income	95,371											95,371		95,371	
36	775	Miscellaneous Expense	27,690											27,690		27,690	
37	409 & 410	Income Taxes	93,346										(301,078)	(207,732)	519,740	312,008	
38																	
39		Total Operating Expenses	\$ 3,562,877	\$ (80,664)	\$ 6,284	\$ 1,156	\$ 835,265	\$ (1,116)	\$ 3,629	\$ (55)	\$ (19,157)	\$ -	\$ (301,078)	\$ 4,027,141	\$ 552,084	\$ 4,579,225	
40		Operating Income	\$ 51,456	\$ 80,664	\$ (6,284)	\$ 51,729	\$ (835,265)	\$ 1,116	\$ (3,629)	\$ 55	\$ 19,157	\$ -	\$ 301,078	\$ (339,923)	\$ 1,570,003	\$ 1,230,080	
41		Other Income (Expense)															
42	414	Gains (Losses) From Disposition of Utility Property	4,500											4,500		4,500	
43	419	Interest and Dividend Income	22,421											22,421		22,421	
44	421	Miscellaneous Non-Utility Income	2,594,360											2,594,360		2,594,360	
45	426	Miscellaneous Non-Utility Expenses	(667)											(667)		(667)	
46	427	Interest Expense	-									(287,562)		(287,562)		(287,562)	
47																	
48		Total Other Income (Expense)	\$ 2,620,615	\$ -	\$ (6,284)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (287,562)	\$ -	\$ 2,333,053	\$ -	\$ 2,333,053	
49		Net Profit/(Loss)	\$ 2,672,071	\$ 80,664	\$ (6,284)	\$ 51,729	\$ (835,265)	\$ 1,116	\$ (3,629)	\$ 55	\$ 19,157	\$ (287,562)	\$ 301,078	\$ 1,993,109	\$ 1,570,003	\$ 3,563,112	
50																	
51	SUPPORTING SCHEDULES:																
52	C-2																
53	E-2																
														RECAP SCHEDULES:			
														C-1, page 1			

Line No.	NARUC	Account Description	Adjusted Original Cost	Non-Depr. or Fully Depr. Plant	Depr Original Cost	Proposed Rates	Depreciation Expense
1	351	Organization	\$ -	\$ -	\$ -	0.00%	\$ -
2	352	Franchise	-	-	-	0.00%	-
3	353	Land	91,528	(91,528)	-	0.00%	-
4	354	Structures & Improvements	1,471,897	-	1,471,897	3.33%	49,014
5	355	Power Generation Equipment	185,768	-	185,768	5.00%	9,288
6	360	Collection System - Force	2,851,269	-	2,851,269	2.00%	57,025
7	361	Collection System - Gravity	6,172,677	-	6,172,677	2.00%	123,454
8	362	Special Collection Structures	-	-	-	2.00%	-
9	363	Services to Customers	725,184	-	725,184	2.00%	14,504
10	364	Flow Measuring Devices	-	-	-	10.00%	-
11	365	Flow Measuring Installations	-	-	-	10.00%	-
12	366	Reuse Services	-	-	-	2.00%	-
13	367	Reuse Meters and Meter Installations	-	-	-	8.33%	-
14	370	Receiving Wells	1,697,820	-	1,697,820	3.33%	56,537
15	371	Pumping Equipment	5,243,198	(3,089,128)	2,154,069	12.50%	269,259
16	374	Reuse Distribution Reservoirs	-	-	-	2.50%	-
17	375	Reuse Transmission and Distribution System	200,155	-	200,155	2.50%	5,004
18	380	Treatment and Disposal Equipment	12,446,305	(8,801,321)	3,644,984	5.00%	182,249
19	381	Plant Sewers	-	-	-	5.00%	-
20	382	Outfall Sewer Lines	-	-	-	3.33%	-
21	389	Other Plant and Miscellaneous Equipment	1,023,732	(977,047)	46,685	6.67%	3,114
22	390	Office Furniture and Equipment	12,172	-	12,172	6.67%	812
23	390.1	Computers & Software	95,884	(18,959)	76,924	20.00%	15,385
24	391	Transportation Equipment	222,653	(145,722)	76,931	20.00%	15,386
25	392	Stores Equipment	-	-	-	4.00%	-
26	393	Tools, Shop And Garage Equipment	126,531	(64,171)	62,360	5.00%	3,118
27	394	Laboratory Equip	32,619	(1,324)	31,295	10.00%	3,129
28	395	Power Operated Equipment	198,726	-	198,726	5.00%	9,936
29	396	Communication Equipment	169,026	-	169,026	10.00%	16,903
30	397	Miscellaneous Equipment	12,153	(570)	11,583	10.00%	1,158
31	398	Other Tangible Plant	-	-	-	10.00%	-
32							
33							
34		TOTALS	\$ 32,979,296	\$ (13,189,771)	\$ 19,789,526		\$ 835,276
35							
36							
37							
38							
39							
40							
41		Less: Contributions-in-Aid of Construction Amortization	\$ 1,261,344	\$ (1,261,344)	\$ -	4.2208%	\$ -
42							
43			\$ 1,261,344	\$ (1,261,344)	\$ -		
44		Total Depreciation Expense					\$ 835,276
45		Adjusted Test Year Depreciation Expense					\$ 915,940
46							
47							
48		Increase / (Decrease) in Depreciation Expense					\$ (80,664)
49							
50		Adjustment to Revenues and/or Expenses					\$ (80,664)
51							
52							
53		SUPPORTING SCHEDULE					
54		B-2, page 3					

Line No.	Description	Test Year as adjusted	Company Recommended
1	Company Adjusted Test Year Revenues	\$ 3,687,218	\$ 3,687,218
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	7,374,436	7,374,436
4	Company Recommended Revenue	3,687,218	5,809,305
5	Subtotal (Line 4 + Line 5)	11,061,654	13,183,741
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	3,687,218	4,394,580
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	7,374,436	8,789,161
10	Plus: 10% of CWIP (intentionally excluded)	-	-
11	Less: Net Book Value of Licensed Vehicles	33,565	33,565
12	Full Cash Value (Line 9 + Line 10 - Line 11)	7,340,871	8,755,596
13	Assessment Ratio	15.5%	15.5%
14	Assessment Value (Line 12 * Line 13)	1,137,835	1,357,117
15	Composite Property Tax Rate - Obtained from ADOR	12.6490%	12.6490%
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$ 143,925	\$ 171,662
17	Tax on Parcels	-	-
18	Total Property Taxes (Line 16 + Line 17)	\$ 143,925	
19	Test Year Property Taxes	\$ 137,641	
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	\$ 6,284	
21			
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)		\$ 171,662
23	Company Test Year Adjusted Property Tax Expense (Line 18)		\$ 143,925
24	Increase / (Decrease) in Property Tax Due to Increase / (Decrease) in Revenue Requirement		\$ 27,737
25			
26	Increase / (Decrease) in Property Tax Due to Increase / (Decrease) in Revenue Requirement (Line 24)		\$ 27,737
27	Increase / (Decrease) in Revenue Requirement		\$ 2,122,087
28	Increase / (Decrease) in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27)		1.30707%

Line No.	Description	Amount
1	Revenue Annualization	\$ 5,770
2	Unbilled Effluent Revenues	17,474
3	Unbilled Revenues (Revenue Accrual)	22,000
4	Total Revenue from Annualization	<u>\$ 45,244</u>
5		
6	Misc Charges	\$ 7,640
7	Total Increase in Other Revenues	<u>\$ 7,640</u>
8		
9		
10	<u>Sludge Removal Expense Annualization</u>	
11	TY Sludge Removal Expense Annualization	\$ 191,719
12	Gallons Treated During Test Year (in 1,000s)	408,678
13	Cost per 1,000 gallons	\$ 0.4691
14		
15	Additional Gallons Treated from Annualization (in 1,000s)	627
16		
17	Increase (decrease) in Sludge Removal Expense	<u>\$ 294</u>
18		
19	<u>Purchased Power Annualization</u>	
20	TY Purchased Power Expense	\$ 179,167
21	Gallons Treated During Test Year (in 1,000s)	408,678
22	Cost per 1,000 gallons	\$ 0.4384
23		
24	Additional Gallons Treated from Annualization (in 1,000s)	627
25		
26	Increase (decrease) in Purchased Power	<u>\$ 275</u>
27		
28	<u>Chemicals Expense Annualization</u>	
29	TY Chemicals Expense	\$ 382,324
30	Gallons Treated During Test Year (in 1,000s)	408,678
31	Cost per 1,000 gallons	\$ 0.9355
32		
33	Additional Gallons Treated from Annualization (in 1,000s)	627
34		
35	Increase (decrease) in Chemicals Expense	<u>\$ 587</u>
36		
37		
38	Adjustment to Revenue and/or Expense	<u>\$ 51,729</u>
39		
40	<u>SUPPORTING SCHEDULES</u>	
41	Work papers	
42	H-1	

Line	No.	Description	NARUC	Amount
	1	Office Expenses	721	(8,546)
	2	Contractual Services - Accounting	732	53,161
	3	Contractual Services - Legal	733	129,304
	4	Contractual Services - Management Fees	734	759,730
	5	Contractual Services - Other	736	(98,383)
	6	Total Shared Costs Adjustment		<u>835,265</u>
	7			
	8			
	9			
	10			
	11			
	12			
	13	<u>SUPPORTING SCHEDULES</u>		
	14	JWW Shared Cost Adjustment		

		<u>Bad Debt Expense</u>			
Line No.		Revenues	Bad Debt Expense	Rate	Proposed Rate
1	Bad Debt Rate June 2023	\$ 3,586,523	\$ 9,085	0.253%	
2	Bad Debt Rate June 2024	\$ 3,610,223	\$ 5,309	0.147%	
3	Bad Debt Rate TYE	\$ 3,634,334	\$ 9,121	0.251%	
4	Average of three year's of bad debt expense rate			0.217%	0.217%
5				<u>Adjusted TY</u>	<u>Proposed</u>
6	Revenues			\$ 3,687,218	\$ 5,809,305
7	Computed Bad Debt Expense			\$ 8,005	\$ 12,613
8	Change in Bad Debt Expense			\$ (1,116)	
9	Increase in Bad Debt due to Increase in Revenue Requirement				\$ 4,607
10	Increase in Revenue Requirement				\$ 2,122,087
11	Increase in Bad Debt Expense Per Dollar Increase in Revenue				0.21711%
12	<u>Reference</u>				
13	Testimony				
14	Work papers				

Pima Utility Company - Sewer
Test Year Ended June 30, 2025
Adjustment to Revenues & Expenses
Adjustment Number 6
Purchased Power

Exhibit
Schedule C-2
Page 7
Witness: Barbee

Line No.	Description	NARUC	Normalizing Adjustment
1	Purchased Power	715	<u>3,629</u>
2	Total Adjustment		<u><u>3,629</u></u>

Pima Utility Company - Sewer
Test Year Ended June 30, 2025
Adjustment to Revenues & Expenses
Adjustment Number 7
Late Fees

Exhibit
Schedule C-2
Page 8
Witness: Barbee

Line			
No.	Description	NARUC	Amount
1	Materials and Supplies	720	<u>(55)</u>
2	Total Adjustment		<u><u>(55)</u></u>

Pima Utility Company - Sewer
Test Year Ended June 30, 2025
Adjustment to Revenues & Expenses
Adjustment Number 8
Salaries and Wages

Exhibit
Schedule C-2
Page 9
Witness: Barbee

Line			
No.	Description	NARUC	Amount
1	Salaries and Wages - Officers	703	<u>(19,157)</u>
2	Total Adjustment		<u><u>(19,157)</u></u>

Pima Utility Company - Sewer
 Test Year Ended June 30, 2025
 Adjustment to Revenues and Expenses
 Adjustment Number 9
 Interest Synchronization

Exhibit
 Schedule C-2
 Page 10
 Witness: Barbee

Line No.	Description	Amount
1	Fair Value Rate Base	\$ 13,425,887
2	Weighted Cost of Debt	2.14%
3	Interest Expense	\$ 287,582
4		
5	Test Year Interest Expense	\$ -
6		
7	Increase / (Decrease) in Interest Expense	287,582
8		
9		
10		
11	Adjustment to Revenue and/or Expense	\$ (287,582)
12		
13		
14	<u>Weighted Cost of Debt Computation</u>	
15	<u>Pro forma Capital Structure</u>	
16		
17	Debt	35.00%
18	Equity	65.00%
19	Total	100.00%

	Cost	Weighted Cost
Debt	6.12%	2.14%
Equity	10.80%	7.02%
Total		9.16%

Pima Utility Company - Sewer
 Test Year Ended June 30, 2025
 Adjustment to Revenues and/or Expenses
 Adjustment Number 10
 Income Taxes

Exhibit
 Schedule C-2
 Page 11
 Witness: Barbee

<u>Line No.</u>	<u>Test Year at Present Rates</u>	<u>Test Year at Proposed Rates</u>
1	\$ (207,732)	\$ 312,008
2	93,346	(207,732)
3	<u>\$ (301,078)</u>	<u>\$ 519,740</u>
4		
5		
6		
7		
8		
9		
10	<u>SUPPORTING SCHEDULE</u>	
11	C-3, page 2	

Line No.	Description	Percentage of Incremental Gross Gross Revenues
1	Federal Effective Income Tax Rate	19.9710%
2		
3	State Effective Income Tax Rate	4.9000%
4		
5	Uncollectible Rate	0.1631%
6		
7	Property Taxes	0.9820%
8		
9		
10	Total Tax Percentage	26.016%
11		
12	Operating Income % = 100% - Tax Percentage	73.984%
13		
14		
15		
16		
17	1	= Gross Revenue Conversion Factor
18	Operating Income %	1.3516
19		
20		
21	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
22	C-3, page 2	A-1

Line No.	Description	(A)	(B)	(C)	(D)	(E)	(F)
<u>Calculation of Gross Revenue Conversion Factor:</u>							
1	Revenue	100.0000%					
2	Uncollectible Factor (Line 11)	0.1631%					
3	Revenues (L1 - L2)	99.8369%					
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	25.8530%					
5	Subtotal (L3 - L4)	73.9839%					
6	Revenue Conversion Factor (L1 / L5)	1.351645					
<u>Calculation of Uncollectible Factor:</u>							
7	Unity	100.0000%					
8	Combined Federal and State Tax Rate (L17)	24.8710%					
9	One Minus Combined Income Tax Rate (L7 - L8)	75.1290%					
10	Uncollectible Rate	0.2171%					
11	Uncollectible Factor (L9 * L10)		0.1631%				
<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 (L55, Col E)	21.0000%					
16	Effective Federal Income Tax Rate (L14 x L15)	19.9710%					
17	Combined Federal and State Income Tax Rate (L13 +L16)		24.8710%				
<u>Calculation of Effective Property Tax Factor</u>							
18	Unity	100.0000%					
19	Combined Federal and State Income Tax Rate (L17)	24.8710%					
20	One Minus Combined Income Tax Rate (L18-L19)	75.1290%					
21	Property Tax Factor	1.3071%					
22	Effective Property Tax Factor (L20*L21)		0.9820%				
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			25.8530%			
24	Required Operating Income	\$ 1,230,080					
25	Adjusted Test Year Operating Income (Loss)	\$ (339,923)					
26	Required Increase / (Decrease) in Operating Income (L24 - L25)		\$ 1,570,003				
27	Income Taxes on Recommended Revenue (Col. (E), L52)	\$ 312,008					
28	Income Taxes on Test Year Revenue (Col. (B), L54)	\$ (207,732)					
29	Required Increase / (Decrease) in Revenue to Provide for Income Taxes (L27 - L28)		\$ 519,740				
30	Recommended Revenue Requirement	\$ 5,809,305					
31	Uncollectible Rate	0.2171%					
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$ 12,613					
33	Adjusted Test Year Uncollectible Expense	\$ 8,005					
34	Required Increase / (Decrease) in Revenue to Provide for Uncollectible Exp.		\$ 4,607				
35	Property Tax with Recommended Revenue	\$ 171,662					

36	Property Tax on Test Year Revenue	\$	143,925	
37	Increase in Property Tax Due to Increase / (Decrease) in Revenue (L35-L36)	\$		27,737
38	Total Required Increase / (Decrease) in Revenue (L26 + L29 + L37)	\$		<u>2,122,087</u>

	(A)	(B)	(C)	(D)	(E)	(F)
	Test Year			Company Recommended		
	Total	Sewer		Total	Sewer	
39	Revenue	\$ 3,687,218	\$ 3,687,218	\$ 5,809,305	\$ 5,809,305	
40	Operating Expenses Excluding Income Taxes	\$ 4,234,873	\$ 4,234,873	\$ 4,267,217	\$ 4,267,217	
41	Synchronized Interest (L47)	\$ 287,582	\$ 287,582	\$ 287,582	\$ 287,582	
42	Arizona Taxable Income (L39 - L40 - L41)	\$ (835,238)	\$ (835,238)	\$ 1,254,505	\$ 1,254,505	
43	Arizona State Effective Income Tax Rate	4.9000%	4.9000%	4.9000%	4.9000%	
44	Arizona Income Tax (L42 x L43)	\$ (40,927)	\$ (40,927)	\$ 61,471	\$ 61,471	
45	Federal Taxable Income (L42- L44)	\$ (794,311)	\$ (794,311)	\$ 1,193,034	\$ 1,193,034	
46						
47	Federal Taxes at 21%	\$ (166,805)	\$ (166,805)	\$ 250,537	\$ 250,537	
48						
49						
50						
51						
52						
53	Total Federal Income Tax	\$ (166,805)	\$ (166,805)	\$ 250,537	\$ 250,537	
54	Combined Federal and State Income Tax (L35 + L42)	\$ (207,732)	\$ (207,732)	\$ 312,008	\$ 312,008	
55	COMBINED Applicable Federal Income Tax Rate [Col. [D], L53 - Col. [A], L53] / [Col. [D], L45 - Col. [A], L45]			21.0000%		
56	WASTEWATER Applicable Federal Income Tax Rate [Col. [E], L53 - Col. [B], L53] / [Col. [E], L45 - Col. [B], L45]				21.0000%	
57	WATER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [C], L53] / [Col. [F], L45 - Col. [C], L45]					0.0000%

	Sewer	
58	Rate Base	\$ 13,425,887
59	Weighted Average Cost of Debt	2.1420%
60	Synchronized Interest (L45 X L46)	\$ 287,582

Line No.	Description	Amount
1	Estimate of Total Rate Case Expense	\$ 62,500
2	Amortization Period (Years)	3
3	Annual Amount	\$ 20,833
4	Number of Customers	10,130
5	Annual Surcharge per Customer	\$ 2.06
6	Monthly Surcharge per Customer	\$ 0.17

Line No.	Item of Capital	<u>Adjusted End of Test Year</u>				<u>Projected Capital Structure</u>			
		<u>Dollar Amount</u>	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>	<u>Dollar Amount</u>	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
1	Long-Term Debt	-	0.00%	0.00%	0.00%	-	35.00%	6.12%	2.14%
2									
3	Stockholder's Equity	<u>13,002,252</u>	<u>100.00%</u>	10.00%	<u>10.00%</u>	<u>13,002,252</u>	<u>65.00%</u>	10.80%	<u>7.02%</u>
4									
5	Totals	<u><u>13,002,252</u></u>	<u><u>100.00%</u></u>		<u><u>10.00%</u></u>	<u><u>13,002,252</u></u>	<u><u>100.00%</u></u>		<u><u>9.16%</u></u>

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22 SUPPORTING SCHEDULES:
 23 D-1
 24 D-2
 25 D-3
 26 D-4
 27 E-1
 28 Testimony

RECAP SCHEDULES:
 A-3

Line No.	Test Year Ended 6/30/2025	Year Ended 6/30/2024	Year Ended 6/30/2023
1	ASSETS		
2	\$ 29,469,386	\$ 28,371,995	\$ 27,938,734
3	-	-	-
4	28,528	105,275	14,925
5	-	-	-
6	(21,586,379)	(20,799,248)	(20,261,550)
7	<u>\$ 7,911,534</u>	<u>\$ 7,678,022</u>	<u>\$ 7,692,110</u>
8			
9	CURRENT ASSETS		
10	\$ 10,000	\$ 847,859	\$ 11,180
11	-	-	-
12	356,522	327,392	323,304
13	5,672,637	894,717	1,487,186
14	-	71,048	-
15	-	-	-
16	-	-	-
17	(55,030)	52,391	46,283
18	-	-	-
19	-	735,018	719,281
20	<u>\$ 5,984,129</u>	<u>\$ 2,928,424</u>	<u>\$ 2,587,234</u>
21			
22	OTHER ASSETS		
23	\$ -	\$ -	\$ -
24	-	-	-
25	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
26			
27	<u>\$ 13,895,664</u>	<u>\$ 10,606,445</u>	<u>\$ 10,279,344</u>
28			
29			
30	LIABILITIES AND STOCKHOLDER EQUITY		
31			
32	\$ 13,002,252	\$ 10,330,181	\$ 10,027,179
33			
34	\$ -	\$ -	\$ -
35			
36	CURRENT LIABILITIES		
37	\$ 176,163	\$ 148,170	\$ 138,454
38	-	-	-
39	572,928	2,888	-
40	-	-	-
41	-	-	-
42	-	-	-
43	89,859	76,558	70,487
44	-	-	-
45	54,462	48,649	55,418
46	<u>\$ 893,412</u>	<u>\$ 276,265</u>	<u>\$ 264,359</u>
47			
48	DEFERRED CREDITS		
49	\$ -	\$ -	\$ -
50	-	-	-
51	-	-	-
52	-	-	-
53	-	-	-
54	-	-	-
55	-	-	-
56	-	-	-
57	1,261,344	1,261,344	1,261,344
58	(1,261,344)	(1,261,344)	(1,273,538)
59	-	-	-
60	-	-	-
61	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,194)</u>
62			
63	<u>\$ 13,895,664</u>	<u>\$ 10,606,445</u>	<u>\$ 10,279,344</u>
64			
65	\$ -	\$ -	\$ -
66			
67	SUPPORTING SCHEDULES:		
68	Work papers		

Line No.		Test Year Ended 6/30/2025	Prior Year Ended 6/30/2024	Prior Year Ended 6/30/2023
1	Revenues			
2	Flat Rate Revenues	\$ 3,446,156	\$ 3,445,442	\$ 3,440,411
3	Measured Revenues	169,077	146,806	127,187
4	Other Revenues	19,100	17,975	18,925
5	0	-	-	-
6	Total Revenues	\$ 3,634,334	\$ 3,610,223	\$ 3,586,523
7	Operating Expenses			
8	Salaries and Wages	\$ 664,324	\$ 780,707	\$ 698,338
9	Salaries and Wages	19,157	53,104	52,962
10	Employee Benefits	125,602	101,484	91,593
11	Sludge Removal Expense	191,719	196,216	196,445
12	Purchased Power	179,167	217,152	217,772
13	Chemicals	382,324	240,893	382,984
14	Materials and Supplies	151,486	131,627	108,810
15	Office Expenses	98,545	84,663	97,302
16	Contractual Services - Engineering	7,121	3,969	-
17	Contractual Services - Accounting	23,301	5,700	5,663
18	Contractual Services - Legal	508	-	98
19	Contractual Services - Management Fees	-	-	-
20	Contractual Services - Testing	36,892	41,306	40,896
21	Contractual Services - Other	222,214	109,171	107,163
22	Building Rent	-	-	-
23	Equipment Rent	32,522	31,962	13,537
24	Transportation Expense	22,443	37,286	31,585
25	Insurance - Vehicle	15,896	14,687	11,766
26	Insurance - General Liability	130,546	85,813	73,004
27	Insurance - Workman's Compensation	-	-	-
28	Insurance - Other	-	-	-
29	Advertising Expenses	-	-	-
30	Regulatory Commission Expenses - Rate Case	-	0.24	4,087
31	Regulatory Commission Expenses - Other	-	-	-
32	Depreciation and Amortization	915,940	979,810	894,898
33	Bad Debt Expense	9,121	5,309	9,085
34	Property Taxes	137,641	146,823	145,158
35	Taxes Other than Income	95,371	63,517	69,629
36	Miscellaneous Expense	27,690	27,547	20,894
37	Income Taxes	93,346	-	-
38				
39	Total Operating Expenses	\$ 3,582,877	\$ 3,358,747	\$ 3,273,669
40	Operating Income	\$ 51,456	\$ 251,476	\$ 312,853
41	Other Income (Expense)			
42	Gains (Losses) From Disposition of Utility Property	4,500	-	-
43	Interest and Dividend Income	22,421	53,668	19,726
44	Miscellaneous Non-Utility Income	2,594,360	(1,164)	(27,772)
45	Miscellaneous Non-Utility Expenses	(667)	(978)	(658)
46	Interest Expense	-	-	(3,228)
47				
48	Total Other Income (Expense)	\$ 2,620,615	\$ 51,526	\$ (11,933)
49	Net Profit (Loss)	\$ 2,672,071	\$ 303,002	\$ 300,921
50				
51				
52				
53	<u>SUPPORTING SCHEDULES:</u>		<u>RECAP SCHEDULES:</u>	
54	Work papers		A-2	

Line No.	Acct. No.	Plant Description	Plant Balance at 6/30/2024	Plant Additions, Reclassifications or Retirements	Plant Balance at 6/30/2025
1					
2	106	Plant Not Classified	\$ -	\$ -	\$ -
3	351	Organization	-	-	-
4	352	Franchise	-	-	-
5	353	Land	91,528	-	91,528
6	354	Structures & Improvements	737,177	107,675	844,852
7	355	Power Generation Equipment	174,041	2,881	176,921
8	360	Collection System - Force	1,806,077	144,192	1,950,269
9	361	Collection System - Gravity	6,020,442	106,798	6,127,239
10	362	Special Collection Structures	-	-	-
11	363	Services to Customers	708,612	2,400	711,012
12	364	Flow Measuring Devices	-	-	-
13	365	Flow Measuring Installations	-	-	-
14	366	Reuse Services	-	-	-
15	367	Reuse Meters and Meter Installations	-	-	-
16	370	Receiving Wells	675,332	-	675,332
17	371	Pumping Equipment	4,677,956	213,344	4,891,299
18	374	Reuse Distribution Reservoirs	-	-	-
19	375	Reuse Transmission and Distribution System	191,181	4,092	195,273
20	380	Treatment and Disposal Equipment	11,584,817	491,524	12,076,341
21	381	Plant Sewers	-	-	-
22	382	Outfall Sewer Lines	-	-	-
23	389	Other Plant and Miscellaneous Equipment	1,023,732	-	1,023,732
24	390	Office Furniture and Equipment	12,172	-	12,172
25	390.1	Computers & Software	95,884	-	95,884
26	391	Transportation Equipment	222,653	-	222,653
27	392	Stores Equipment	-	-	-
28	393	Tools, Shop And Garage Equipment	122,388	4,143	126,531
29	394	Laboratory Equip	35,242	(1,800)	33,442
30	395	Power Operated Equipment	27,988	5,738	33,726
31	396	Communication Equipment	153,805	15,220	169,026
32	397	Miscellaneous Equipment	10,969	1,184	12,153
33	398	Other Tangible Plant	-	-	-
34					
35					
36					
37					
38					
39					
40		TOTAL SEWER PLANT	\$ 28,371,995	\$ 1,097,391	\$ 29,469,386

41
 42 SUPPORTING SCHEDULES
 43 Work papers

RECAP SCHEDULES:
 A-4
 E-1

Line No.		Test Year Ended 6/30/2025	Prior Year Ended 6/30/2024	Prior Year Ended 6/30/2023
1	<u>WASTEWATER STATISTICS:</u>			
2				
3				
4				
5	Total Gallons Treated (in Thousands)	407,419	410,678	384,067
6				
7				
8				
9	Wastewater Revenues from Customers:	\$ 3,634,334	\$ 3,610,223	\$ 3,586,523
10				
11				
12				
13				
14	Year End Number of Customers	10,130	10,125	10,193
15				
16				
17	Annual Gallons (in Thousands)			
18	Treated Per Year End Customer	40	41	38
19				
20				
21				
22	Annual Revenue per Year End Customer	\$ 358.77	\$ 356.57	\$ 351.86
23				
24	Pumping Cost Per 1,000 Gallons	\$ 0.4398	\$ 0.5288	\$ 0.5670
25	Purchased Water Cost per 1,000 Gallons	\$ -	\$ -	\$ -

Pima Utility Company - Sewer
Test Year Ended June 30, 2025
Taxes Charged to Operations

Exhibit
Schedule E-8
Page 1
Witness: Barbee

Line No.	Description	Test Year Ended 6/30/2025	Prior Year Ended 6/30/2024	Prior Year Ended 6/30/2023
1				
2				
3	State Income Taxes	\$ -	\$ -	\$ -
4	Federal Income Taxes	93,346	-	-
5	Payroll Taxes	48,571	59,254	53,390
6	Property Taxes	137,641	146,823	145,158
7				
8	Totals	<u>\$ 279,558</u>	<u>\$ 206,076</u>	<u>\$ 198,548</u>

Line
No.

1

2

3

4 The Company does not conduct independent audits, reviews and/or compilations. Accordingly, there are no
5 notes which are typically associated with these financial statements. Management makes the following
6 notations to the financial statements contained herein:

7

8 Significant Accounting Policies - The Company prepares its financial statements in accordance with
9 accounting principles generally accepted in the United States of America and the accounting records of the are
10 are maintained in accordance with the uniform system of accounts as prescribed by the National Association
11 of Regulatory Utility Commissioners (USOA 1996). Significant accounting policies are as follows:

12

13 Utility Plant - Property, plant and equipment is stated at cost less accumulated depreciation provided on a
14 straight-line basis.

15

16 Depreciation rates for asset classes of utility property, plant and equipment are established by the
17 Commission. The cost of additions, including betterments and replacements of units of utility fixed assets are
18 charged to utility property, plant and equipment. When units of utility property are replaced, renewed or
19 retired, their cost plus removal or disposal costs, less salvage proceeds, is charged to accumulated
20 depreciation.

21

22 Revenue Recognition - Revenues are recognized on the accrual method. Under this method, revenue is
23 recognized when earned rather than when collected, and expenses are recognized when incurred rather than
24 when paid.

25

26 Contributions in Aid of Construction - Contributions in aid of construction (CIAC) are nonrefundable contributions
27 by developers and customers for plant expansion. In addition, this amount includes the remaining balance, if any,
28 of advances in aid of construction at the end of the repayment period. The contributions in aid of construction are
29 being amortized at a rate equal to the rate allowed for depreciation, as a reduction of depreciation expense

30

31 Advances in Aid of Construction - Customer advances for construction are subject to refund in accordance with
32 agreements approved by the Arizona Corporation Commission. Agreements provide for refunds which are typically
33 equal to 10 percent of annual sewer revenue generated from the expansion. The repayments are for a maximum
34 agreed upon period or until repaid in full. Any balance remaining at the end of the agreed-upon period for repayment
35 becomes a contribution in aid of construction.

Line No.		Test Year Actual Results	At Present Rates Year Ended 6/30/2026	At Proposed Rates Year Ended 6/30/2026
1	Revenues			
2	Flat Rate Revenues	\$ 3,446,156	\$ 3,473,926	\$ 5,596,014
3	Measured Revenues	169,077	186,551	186,551
4	Other Revenues	19,100	26,740	26,740
5				
6		<u>\$ 3,634,334</u>	<u>\$ 3,687,218</u>	<u>\$ 5,809,305</u>
7	Operating Expenses			
8	Salaries and Wages	\$ 664,324	\$ 664,324	\$ 664,324
9		19,157	-	-
10	Employee Benefits	125,602	125,602	125,602
11	Sludge Removal Expense	191,719	192,014	192,014
12	Purchased Power	179,167	183,072	183,072
13	Chemicals	382,324	382,911	382,911
14	Materials and Supplies	151,486	151,430	151,430
15	Office Expenses	98,545	89,999	89,999
16	Contractual Services - Engineering	7,121	7,121	7,121
17	Contractual Services - Accounting	23,301	76,462	76,462
18	Contractual Services - Legal	508	129,812	129,812
19	Contractual Services - Management Fees	-	759,730	759,730
20	Contractual Services - Testing	36,892	36,892	36,892
21	Contractual Services - Other	222,214	123,831	123,831
22	Building Rent	-	-	-
23	Equipment Rent	32,522	32,522	32,522
24	Transportation Expense	22,443	22,443	22,443
25	Insurance - Vehicle	15,896	15,896	15,896
26	Insurance - General Liability	130,546	130,546	130,546
27	Insurance - Workman's Compensation	-	-	-
28	Insurance - Other	-	-	-
29	Advertising Expenses	-	-	-
30	Regulatory Commission Expenses - Rate Case	-	-	-
31	Regulatory Commission Expenses - Other	-	-	-
32	Depreciation and Amortization	915,940	835,276	835,276
33	Bad Debt Expense	9,121	8,005	12,613
34	Property Taxes	137,641	143,925	171,662
35	Taxes Other than Income	95,371	95,371	95,371
36	Miscellaneous Expense	27,690	27,690	27,690
37	Income Taxes	93,346	(207,732)	312,008
38	Total Operating Expenses	<u>\$ 3,582,877</u>	<u>\$ 4,027,141</u>	<u>\$ 4,579,225</u>
39	Operating Income	<u>\$ 51,456</u>	<u>\$ (339,923)</u>	<u>\$ 1,230,080</u>
40	Other Income (Expense)			
41	Gains (Losses) From Disposition of Utility Property	4,500	4,500	4,500
42	Interest and Dividend Income	22,421	22,421	22,421
43	AFUDC Income	2,594,360	2,594,360	2,594,360
44	Miscellaneous Non-Utility Expenses	(667)	(667)	(667)
45	Interest Expense	-	(287,582)	(287,582)
46				
47	Total Other Income (Expense)	<u>\$ 2,620,615</u>	<u>\$ 2,333,032</u>	<u>\$ 2,333,032</u>
48	Net Profit (Loss)	<u>\$ 2,672,071</u>	<u>\$ 1,993,109</u>	<u>\$ 3,563,112</u>
49				
50				
51	<u>SUPPORTING SCHEDULES:</u>			
52	C-1			

Line No.	Account Number	Plant Asset:	Test Year	2025
1				
2				
3				
4	351	Organization	\$ -	\$ -
5	352	Franchise	-	-
6	353	Land	-	-
7	354	Structures & Improvements	107,675	639,000
8	355	Power Generation Equipment	2,881	8,846
9	360	Collection System - Force	144,192	901,000
10	361	Collection System - Gravity	106,798	45,438
11	362	Special Collection Structures	-	-
12	363	Services to Customers	2,400	14,172
13	364	Flow Measuring Devices	-	-
14	365	Flow Measuring Installations	-	-
15	366	Reuse Services	-	-
16	367	Reuse Meters and Meter Installations	-	-
17	370	Receiving Wells	-	3,022,489
18	371	Pumping Equipment	213,344	429,876
19	374	Reuse Distribution Reservoirs	-	-
20	375	Reuse Transmission and Distribution System	4,092	4,882
21	380	Treatment and Disposal Equipment	491,524	579,222
22	381	Plant Sewers	-	-
23	382	Outfall Sewer Lines	-	-
24	389	Other Plant and Miscellaneous Equipment	-	-
25	390	Office Furniture and Equipment	-	-
26	390.1	Computers & Software	-	-
27	391	Transportation Equipment	-	-
28	392	Stores Equipment	-	-
29	393	Tools, Shop And Garage Equipment	4,143	-
30	394	Laboratory Equip	(1,800)	-
31	395	Power Operated Equipment	5,738	165,000
32	396	Communication Equipment	15,220	-
33	397	Miscellaneous Equipment	1,184	-
34	398	Other Tangible Plant	-	-
35				
36				
37				
38	Total		\$ 1,097,391	\$ 5,809,924

Line

No.

- 1 Property Taxes were computed using the method used by the Arizona Department
- 2 of Revenue modified for ratemaking.
- 3
- 4 Projected construction expenditures are shown on Schedule A-4.
- 5
- 6 Expense adjustments are shown on Schedule C2, and are explained in the testimony.
- 7
- 8 Income taxes were computed using statutory state and federal income tax rates.

**Pima Sewer Company
Test Year Ended June 30, 2025
Cost of Service Summary
At Present Rates**

LINE NO.	DESCRIPTION	Jurisdictional			
		Total Company	Total	Residential	Commercial
1	<u>RATE BASE (a)</u>				
2	Gross Plant in Service	\$ 32,979,296	\$ 32,979,296	\$ 31,416,569	\$ 1,562,727
3	Accumulated Depreciation	<u>19,777,323</u>	<u>19,777,323</u>	<u>18,833,623</u>	<u>943,699</u>
4	Net Plant	\$ 13,201,974	\$ 13,201,974	\$ 12,582,946	\$ 619,028
5	Construction Work in Progress	-	-	-	-
6	Working Capital Assets & Misc. Other	223,913	223,913	213,414	10,499
7	Contributions & Advances in Aid of Construction	-	-	-	-
8	TOTAL RATE BASE [A]	\$ 13,425,887	\$ 13,425,887	\$ 12,796,359	\$ 629,527
9	<u>OPERATING REVENUES (c)</u>				
10	Present Rate Schedules(b)	\$ 3,473,927	\$ 3,473,927	\$ 3,271,496	\$ 202,431
11	Other Revenues	26,740	26,740	22,940	3,800
12	Effluent Revenues	<u>186,551</u>	<u>186,551</u>	<u>160,044</u>	<u>26,507</u>
13	TOTAL OPERATING REVENUES [A]	\$ 3,687,218	\$ 3,687,218	\$ 3,454,480	\$ 232,738
14	<u>OPERATING EXPENSES (c)</u>				
15	Operations and Maintenance				
16	Collection and Pumping	\$ 776,145	\$ 776,145	\$ 710,920	\$ 65,225
17	Treatment and Disposal	805,505	805,505	712,699	92,806
18	Reclaimed Water	67,637	67,637	63,412	4,225
19	Customer Accounts	174,809	174,809	172,818	1,991
20	Administrative and General	<u>1,336,206</u>	<u>1,336,206</u>	<u>1,270,260</u>	<u>65,946</u>
21	Total Operating and Maintenance Expense	\$ 3,160,301	\$ 3,160,301	\$ 2,930,108	\$ 230,193
22	Depreciation and Amortization	835,276	835,276	796,426	38,850
23	Taxes Other Than Income	239,297	239,297	228,076	11,220
24	Income Taxes	<u>(207,732)</u>	<u>(207,732)</u>	<u>(192,558)</u>	<u>(15,174)</u>
25	TOTAL EXPENSES [A]	\$ 4,027,141	\$ 4,027,141	\$ 3,762,051	\$ 265,090
26	OPERATING INCOME	\$ (339,923)	\$ (339,923)	\$ (307,571)	\$ (32,352)
27	EARNED RATE OF RETURN ON RATE BASE	-2.53%	-2.53%	-2.40%	-5.14%
28	<u>COST OF SERVICE REQUIREMENT SUMMARY</u>				
29	REQUIRED RATE OF RETURN GIVEN EQUAL RATES OF RETURN	9.16%	9.16%	9.16%	9.16%
30	REQUIRED OPERATING INCOME (L8*L27)	\$ 1,230,080	\$ 1,230,080	\$ 1,172,402	\$ 57,677
31	OPERATING INCOME DEFICIENCY/(SURPLUS) (L28-L24)	\$ 1,570,003	\$ 1,570,003	\$ 1,479,974	\$ 90,029
32	REVENUE CONVERSION FACTOR(d)[A]	1.3516	1.3516	1.3516	1.3516
33	REVENUE DEFICIENCY/(SURPLUS) (L29*L30)	\$ 2,122,087	\$ 2,122,087	\$ 2,000,400	\$ 121,687
34	RATE SCHEDULE REVENUE REQUIREMENT (L10+L31)	\$ 5,596,014	\$ 5,596,014	\$ 5,271,896	\$ 324,119
35	INDICATED % INCREASE ON PRESENT RATE SCHEDULE (L33/L10)	57.55%	57.55%	57.91%	52.29%
36	TOTAL REVENUE REQUIREMENT (L12 + L31)	\$ 5,809,305	\$ 5,809,305	\$ 5,454,880	\$ 354,425
37	<u>PROPOSED RATE SCHEDULE REVENUE REQUIREMENTS</u>				
38	REVENUE DEFICIENCY / (SURPLUS)	\$ 2,122,087	\$ 2,122,087	1,989,856	132,231
39	% INCREASE (L38/L10)	61.09%	61.09%	60.82%	65.32%
40	COST OF SERV. RATE SCHEDULE (L10 + L38)	\$ 5,596,014	\$ 5,596,015	\$ 5,261,352	\$ 334,662
41	COST OF SERV. REV. REQUIREMENT (L11 + L12 + L40)	\$ 5,809,305	\$ 5,809,306	\$ 5,444,337	\$ 364,969
42	% INCREASE IN TOTAL REVENUES (L36/L13)	57.55%	57.55%	57.60%	56.82%
43	EARNED RATE OF RETURN ON RATE BASE AT PROPOSED RATES	9.16%	9.16%	9.10%	10.48%

Supporting Schedules

- (a) G-3
- (b) H-1
- (c) G-4a
- (d) C-5
- (e) G-2

Recap Schedules

- [A] A-1

**Pima Sewer Company
Test Year Ended June 30, 2025
Cost of Service Summary
At Proposed Rates**

LINE NO.	DESCRIPTION	Total Company	Jurisdictional Total	Residential	Commercial
1	<u>RATE BASE (a)</u>				
2	Gross Plant in Service	\$ 32,979,296	\$ 32,979,296	\$ 31,416,569	\$ 1,562,727
3	Accumulated Depreciation	<u>19,777,323</u>	<u>19,777,323</u>	<u>18,833,623</u>	<u>943,699</u>
4	Net Plant	\$ 13,201,974	\$ 13,201,974	\$ 12,582,946	\$ 619,028
5	Construction Work in Progress	-	-	-	-
6	Working Capital Assets & Misc. Other	223,913	223,913	213,414	10,499
7	Contributions & Advances in Aid of Construction	-	-	-	-
8	TOTAL RATE BASE [A]	\$ 13,425,887	\$ 13,425,887	\$ 12,796,359	\$ 629,527
9	<u>OPERATING REVENUES (c)</u>				
10	Proposed Rate Schedules(b)	\$ 5,493,737	\$ 5,493,737	\$ 5,173,608	\$ 320,130
11	Other Revenues	26,740	26,740	22,940	3,800
12	Effluent Revenues	<u>288,828</u>	<u>288,828</u>	<u>247,788</u>	<u>41,040</u>
13	TOTAL OPERATING REVENUES [A]	\$ 5,809,306	\$ 5,809,306	\$ 5,444,337	\$ 364,969
14	<u>OPERATING EXPENSES (c)</u>				
15	Operations and Maintenance				
16	Collection and Pumping	\$ 776,145	\$ 776,145	\$ 710,920	\$ 65,225
17	Treatment and Disposal	805,505	805,505	712,699	92,806
18	Reclaimed Water	67,637	67,637	63,412	4,225
19	Customer Accounts	179,416	179,416	177,373	2,043
20	Administrative and General	<u>1,336,206</u>	<u>1,336,206</u>	<u>1,270,260</u>	<u>65,946</u>
21	Total Operating and Maintenance Expense	\$ 3,164,908	\$ 3,164,908	\$ 2,934,663	\$ 230,245
22	Depreciation and Amortization	835,276	835,276	796,426	38,850
23	Taxes Other Than Income	267,034	267,034	254,513	12,521
24	Income Taxes	<u>312,008</u>	<u>312,008</u>	<u>294,631</u>	<u>17,377</u>
25	TOTAL EXPENSES [A]	\$ 4,579,226	\$ 4,579,226	\$ 4,280,232	\$ 298,993
26	OPERATING INCOME	\$ 1,230,080	\$ 1,230,080	\$ 1,164,104	\$ 65,976
27	RATE OF RETURN AT PROPOSED RATES	9.16%	9.16%	9.10%	10.48%
28	Relative Ratio of Return - Proposed Rates			0.993	1.144

Supporting Schedules

- (a) G-3
- (b) H-1
- (c) G-4b
- (d) C-5

Recap Schedules

- [A] A-1
- [B] G-1

Pima Sewer Company
Test Year Ended June 30, 2025
Rate Base Allocation to Rate Schedules/Classes

Line No.	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Allocation Factor (b)
RATE BASE						
GROSS PLANT IN SERVICE						
<u>Collection Plant</u>						
1	Commodity	\$ 3,263,613	\$ 3,263,613	\$ 2,799,882	\$ 463,731	CBC
2	Demand - Extra Cap Max Day	6,211,056	6,211,056	6,211,056	-	CMD
3	Customer Accounts	-	-	-	-	CB
4	Customer Services	725,184	725,184	718,545	6,639	CS
5	Reuse/Effluent	-	-	-	-	CF
6	Total Collection Plant	\$ 10,199,853	\$ 10,199,853	\$ 9,729,483	\$ 470,370	
<u>Pumping Plant</u>						
7	Commodity	\$ 2,454,869	\$ 2,454,869	\$ 2,106,054	\$ 348,815	CBC
8	Demand - Extra Cap Max Day	4,671,916	4,671,916	4,671,916	-	CMD
9	Customer Accounts	-	-	-	-	CB
10	Customer Services	-	-	-	-	CS
11	Reuse/Effluent	-	-	-	-	CF
12	Total Pumping Plant	\$ 7,126,785	\$ 7,126,785	\$ 6,777,970	\$ 348,815	
<u>Treatment and Disposal Plant</u>						
13	Commodity	\$ 4,918,569	\$ 4,918,569	\$ 4,219,684	\$ 698,885	CBC
14	Demand - Extra Cap Max Day	9,360,640	9,360,640	9,360,640	-	CMD
15	Customer Accounts	-	-	-	-	CB
16	Customer Services	-	-	-	-	CS
17	Reuse/Effluent	-	-	-	-	CF
18	Total Treatment and Disposal Plant	\$ 14,279,209	\$ 14,279,209	\$ 13,580,323	\$ 698,885	
<u>Reclaimed Water Plant</u>						
19	Commodity	\$ 68,945	\$ 68,945	\$ 59,148	\$ 9,796	CBC
20	Demand - Extra Cap Max Day	131,210	131,210	131,210	-	CMD
21	Customer Accounts	-	-	-	-	CB
22	Customer Services	-	-	-	-	CS
23	Reuse/Effluent	-	-	-	-	CF
24	Total Reclaimed Water Plant	\$ 200,155	\$ 200,155	\$ 190,358	\$ 9,796	
<u>Gross Plant In Service before Intangible and General Plant</u>						
25	Commodity	\$ 10,705,995	\$ 10,705,995	\$ 9,184,768	\$ 1,521,227	
26	Demand - Extra Cap Max Day	20,374,822	20,374,822	20,374,822	-	
27	Customer Accounts	-	-	-	-	
28	Customer Services	725,184	725,184	718,545	6,639	
29	Reuse/Effluent	-	-	-	-	
30	Gross Plant In Service	\$ 31,806,001	\$ 31,806,001	\$ 30,278,135	\$ 1,527,867	
<u>General Plant</u>						
31	Commodity	\$ 197,467	\$ 197,467	\$ 169,409	\$ 28,058	CBC
32	Demand - Extra Cap Max Day	375,805	375,805	375,805	-	CMD
33	Customer Accounts	586,648	586,648	579,968	6,680	CB
34	Customer Services	13,376	13,376	13,253	122	CS
35	Reuse/Effluent	-	-	-	-	CF
36	Total General Plant	\$ 1,173,295	\$ 1,173,295	\$ 1,138,434	\$ 34,861	

Pima Sewer Company
Test Year Ended June 30, 2025
Rate Base Allocation to Rate Schedules/Classes

Line No.	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Allocation Factor (b)
	<u>Intangible Plant</u>					
37	Commodity	\$ -	\$ -	\$ -	\$ -	CBC
38	Demand - Extra Cap Max Day	-	-	-	-	CMD
39	Customer Accounts	-	-	-	-	CB
40	Customer Services	-	-	-	-	CS
41	Reuse/Effluent	-	-	-	-	CF
42	Total Intangible Plant	\$ -	\$ -	\$ -	\$ -	
	<u>Allocated Corporate Plant</u>					
43	Commodity	\$ -	\$ -	\$ -	\$ -	CBC
44	Demand - Extra Cap Max Day	-	-	-	-	CMD
45	Customer Accounts	-	-	-	-	CB
46	Customer Services	-	-	-	-	CS
47	Reuse/Effluent	-	-	-	-	CF
48	Total Allocated Corporate Plant	\$ -	\$ -	\$ -	\$ -	
	<u>Reconciling Amount</u>					
49	Commodity		\$ -	\$ -	\$ -	CBC
50	Demand - Extra Cap Max Day		-	-	-	CMD
51	Customer Accounts		-	-	-	CB
52	Customer Services		-	-	-	CS
53	Fire Hydrants		-	-	-	CF
54	Total Reconciling Amount	\$ -	\$ -	\$ -	\$ -	
	<u>Gross Plant In Service</u>					
55	Commodity	\$ 10,903,463	\$ 10,903,463	\$ 9,354,177	\$ 1,549,286	
56	Demand - Extra Cap Max Day	20,750,626	20,750,626	20,750,626	-	
57	Customer Accounts	586,648	586,648	579,968	6,680	
58	Customer Services	738,560	738,560	731,798	6,762	
59	Fire Hydrants	-	-	-	-	
60	Total Gross Plant In Service (a)(c)	\$ 32,979,296	\$ 32,979,296	\$ 31,416,569	\$ 1,562,727	

Pima Sewer Company
Test Year Ended June 30, 2025
Rate Base Allocation to Rate Schedules/Classes

Line No.	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Allocation Factor (b)
ACCUMULATED DEPRECIATION AND AMORTIZATION						
<u>Source of Supply Plant</u>						
61	Commodity	\$ 1,327,838	\$ 1,327,838	\$ 1,139,164	\$ 188,674	CBC
62	Demand - Extra Cap Max Day	2,527,038	2,527,038	2,527,038	-	CMD
63	Customer Accounts	-	-	-	-	CB
64	Customer Services	349,138	349,138	345,941	3,197	CS
65	Fire Hydrants	-	-	-	-	CF
66	Total Source of Supply Plant	\$ 4,204,013	\$ 4,204,013	\$ 4,012,143	\$ 191,870	
<u>Pumping Plant</u>						
67	Commodity	\$ 1,439,755	\$ 1,439,755	\$ 1,235,178	\$ 204,576	CBC
68	Demand - Extra Cap Max Day	2,740,029	2,740,029	2,740,029	-	CMD
69	Customer Accounts	-	-	-	-	CB
70	Customer Services	-	-	-	-	CS
71	Fire Hydrants	-	-	-	-	CF
72	Total Pumping Plant	\$ 4,179,784	\$ 4,179,784	\$ 3,975,208	\$ 204,576	
<u>Water Treatment Plant</u>						
73	Commodity	\$ 3,709,764	\$ 3,709,764	\$ 3,182,639	\$ 527,125	CBC
74	Demand - Extra Cap Max Day	7,060,136	7,060,136	7,060,136	-	CMD
75	Customer Accounts	-	-	-	-	CB
76	Customer Services	-	-	-	-	CS
77	Fire Hydrants	-	-	-	-	CF
78	Total Water Treatment Plant	\$ 10,769,900	\$ 10,769,900	\$ 10,242,775	\$ 527,125	
<u>Transmission and Distribution Plant</u>						
79	Commodity	\$ 28,633	\$ 28,633	\$ 24,565	\$ 4,069	CBC
80	Demand - Extra Cap Max Day	54,493	54,493	54,493	-	CMD
81	Customer Accounts	-	-	-	-	CB
82	Customer Services	-	-	-	-	CS
83	Fire Hydrants	-	-	-	-	CF
84	Total Transmission and Distribution Plant	\$ 83,126	\$ 83,126	\$ 79,058	\$ 4,069	
<u>General Plant</u>						
85	Commodity	\$ 90,967	\$ 90,967	\$ 78,041	\$ 12,926	CBC
87	Demand - Extra Cap Max Day	173,121	173,121	173,121	-	CMD
88	Customer Accounts	270,250	270,250	267,172	3,077	CB
89	Customer Services	6,162	6,162	6,105	56	CS
90	Fire Hydrants	-	-	-	-	CF
91	Total General Plant	\$ 540,499	\$ 540,499	\$ 524,440	\$ 16,059	

Pima Sewer Company
Test Year Ended June 30, 2025
Rate Base Allocation to Rate Schedules/Classes

Line No.	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Allocation Factor (b)
	<u>Allocated Corporate Plant</u>					
92	Commodity	\$ -	\$ -	\$ -	\$ -	CBC
93	Demand - Extra Cap Max Day	-	-	-	-	CMD
94	Customer Accounts	-	-	-	-	CB
95	Customer Services	-	-	-	-	CS
96	Fire Hydrants	-	-	-	-	CF
97	Total Allocated Corporate Plant	\$ -	\$ -	\$ -	\$ -	
	<u>Retirement Work in Progress</u>					
98	Commodity	\$ -	\$ -	\$ -	\$ -	CBC
99	Demand - Extra Cap Max Day	-	-	-	-	CMD
100	Customer Accounts	-	-	-	-	CB
101	Customer Services	-	-	-	-	CS
102	Fire Hydrants	-	-	-	-	CF
103	Total Retirement Work in Progress	\$ -	\$ -	\$ -	\$ -	
	<u>Advances in Aid of Construction</u>					
104	Commodity	\$ -	\$ -	\$ -	\$ -	CBC
105	Demand - Extra Cap Max Day	-	-	-	-	CMD
106	Customer Accounts	-	-	-	-	CB
107	Customer Services	-	-	-	-	CS
108	Fire Hydrants	-	-	-	-	CF
109	Total Advances in Aid of Construction	\$ -	\$ -	\$ -	\$ -	
	<u>Accumulated Depreciation/Amortization</u>					
110	Commodity	\$ 6,596,956	\$ 6,596,956	\$ 5,659,587	\$ 937,369	
111	Demand - Extra Cap Max Day	12,554,817	12,554,817	12,554,817	-	
112	Customer Accounts	270,250	270,250	267,172	3,077	
113	Customer Services	355,300	355,300	352,047	3,253	
114	Fire Hydrants	-	-	-	-	
115	Total Accumulated Depreciation/Amortization (a)(c)	\$ 19,777,323	\$ 19,777,323	\$ 18,833,623	\$ 943,699	

Pima Sewer Company
Test Year Ended June 30, 2025
Rate Base Allocation to Rate Schedules/Classes

Line No.	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Allocation Factor (b)
NET UTILITY PLANT IN SERVICE						
	Net Plant					
116	Commodity	\$ 4,306,506	\$ 4,306,506	\$ 3,694,590	\$ 611,916	
117	Demand - Extra Cap Max Day	8,195,809	8,195,809	8,195,809	-	
118	Customer Accounts	316,398	316,398	312,795	3,603	
119	Customer Services	383,260	383,260	379,751	3,509	
120	Fire Hydrants	-	-	-	-	
121	Net Utility Plant in Service (a)	\$ 13,201,974	\$ 13,201,974	\$ 12,582,946	\$ 619,028	
CONSTRUCTION WORK IN PROGRESS						
	Construction Work in Progress					
122	Commodity	\$ -	\$ -	\$ -	\$ -	CBC
123	Demand - Extra Cap Max Day	-	-	-	-	CMD
124	Customer Accounts	-	-	-	-	CB
125	Customer Services	-	-	-	-	CS
126	Fire Hydrants	-	-	-	-	CF
127	Total Construction Work in Progress (a)	\$ -	\$ -	\$ -	\$ -	
WORKING CAPITAL ASSETS						
	Working Capital Assets					
128	Commodity	\$ 73,041	\$ 73,041	\$ 62,662	\$ 10,378	CBC
129	Demand - Extra Cap Max Day	139,006	139,006	139,006	-	CMD
130	Customer Accounts	5,366	5,366	5,305	61	CB
131	Customer Services	6,500	6,500	6,441	60	CS
132	Fire Hydrants	-	-	-	-	CF
133	Total Working Capital Assets (a)	\$ 223,913	\$ 223,913	\$ 213,414	\$ 10,499	
CONTRIBUTIONS & ADVANCES IN AID OF CONSTRUCTION, ADIT, OTHER						
	Contributions & Advances in Aid of Construction, ADIT, EADIT, Other					
134	Commodity	\$ -	\$ -	\$ -	\$ -	CBC
135	Demand - Extra Cap Max Day	-	-	-	-	CMD
136	Customer Accounts	-	-	-	-	CB
137	Customer Services	-	-	-	-	CS
138	Fire Hydrants	-	-	-	-	CF
139	Total Contributions & Advances in Aid of Construction (a)	\$ -	\$ -	\$ -	\$ -	

Pima Sewer Company
Test Year Ended June 30, 2025
Rate Base Allocation to Rate Schedules/Classes

Line No.	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Allocation Factor (b)
RATE BASE						
	<u>Rate Base</u>					
140	Commodity	\$ 4,379,547	\$ 4,379,547	\$ 3,757,252	\$ 622,295	
141	Demand - Extra Cap Max Day	8,334,815	8,334,815	8,334,815	-	
142	Customer Accounts	321,764	321,764	318,100	3,664	
143	Customer Services	389,760	389,760	386,192	3,568	
144	Fire Hydrants	-	-	-	-	
145	Total Rate Base [A]	\$ 13,425,887	\$ 13,425,887	\$ 12,796,359	\$ 629,527	

Supporting Schedules
(a) G-5, (b) G-7a, (c) F-1.3

Recap Schedules
[A] G-1

Pima Sewer Company
Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Present Revenues

Line No.s	Description	Total Company (a)	Other Jurisdictional	Jurisdictional Total (a)	Residential	Commercial	Alloc. Code (b)
REVENUES							
1	Revenue Water Service (c)	\$ 3,473,927	\$ -	\$ 3,473,927	\$ 3,271,496	\$ 202,431	Direct
2	Other Revenue	26,740	-	26,740	22,940	3,800	CBC
3	Effluent Revenues	186,551	-	186,551	160,044	26,507	CBC
3	Total Revenue	<u>\$ 3,687,218</u>	<u>\$ -</u>	<u>\$ 3,687,218</u>	<u>\$ 3,454,480</u>	<u>\$ 232,738</u>	
EXPENSES (A)							
Collection Expenses							
<u>Operation</u>							
4	Commodity	\$ 192,382	\$ -	\$ 192,382	\$ 165,046	\$ 27,336	CBC
5	Demand	116,245	-	116,245	116,245	-	CMD
6	Customer Accounts	-	-	-	-	-	CB
7	Customer Services	13,572	-	13,572	13,448	124	CS
8	Effluent	-	-	-	-	-	CF
9	Total Operation	<u>\$322,200</u>	<u>\$ -</u>	<u>\$ 322,200</u>	<u>\$ 294,740</u>	<u>\$ 27,460</u>	
<u>Maintenance</u>							
10	Commodity	\$ 42,577	\$ -	\$ 42,577	\$ 36,527	\$ 6,050	CBC
11	Demand	30,183	-	30,183	30,183	-	CMD
12	Customer Accounts	-	-	-	-	-	CB
13	Customer Services	3,524	-	3,524	3,492	32	CS
14	Effluent	-	-	-	-	-	CF
15	Total Maintenance	<u>\$ 76,284</u>	<u>\$ -</u>	<u>\$ 76,284</u>	<u>\$ 70,202</u>	<u>\$ 6,082</u>	
<u>Total Source of Collection Expenses</u>							
16	Commodity	\$ 234,959	\$ -	\$ 234,959	\$ 201,573	\$ 33,386	
17	Demand	146,428	-	146,428	146,428	-	
18	Customer Accounts	-	-	-	-	-	
19	Customer Services	17,097	-	17,097	16,940	157	
20	Effluent	-	-	-	-	-	
21	Total Collection Expenses	<u>\$ 398,483</u>	<u>\$ -</u>	<u>\$ 398,483</u>	<u>\$ 364,941</u>	<u>\$ 33,542</u>	

Pima Sewer Company
Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Present Revenues

Line No.s	Description	Total Company (a)	Other Jurisdictional	Jurisdictional Total (a)	Residential	Commercial	Alloc. Code (b)
<u>Pumping Expenses</u>							
<u>Operation</u>							
22	Commodity	\$ 198,330	\$ -	\$ 198,330	\$ 170,149	\$ 28,181	CBC
23	Demand	122,193	-	122,193	122,193	-	CMD
24	Customer Accounts	-	-	-	-	-	CB
25	Customer Services	-	-	-	-	-	CS
26	Effluent	-	-	-	-	-	CF
27	Total Operation	\$ 320,523	\$ -	\$ 320,523	\$ 292,342	\$ 28,181	
<u>Maintenance</u>							
28	Commodity	\$ 24,645	\$ -	\$ 24,645	\$ 21,143	\$ 3,502	CBC
29	Demand	32,493	-	32,493	32,493	-	CMD
30	Customer Accounts	-	-	-	-	-	CB
31	Customer Services	-	-	-	-	-	CS
32	Effluent	-	-	-	-	-	CF
33	Total Maintenance	\$ 57,138	\$ -	\$ 57,138	\$ 53,636	\$ 3,502	
<u>Total Pumping Expenses Expenses</u>							
34	Commodity	\$ 222,975	\$ -	\$ 222,975	\$ 191,292	\$ 31,683	
35	Demand	154,686	-	154,686	154,686	-	
36	Customer Accounts	-	-	-	-	-	
37	Customer Services	-	-	-	-	-	
38	Effluent	-	-	-	-	-	
39	Total Water Treatment	\$ 377,661	\$ -	\$ 377,661	\$ 345,978	\$ 31,683	
<u>Total Production Expenses</u>							
40	Commodity	\$ 457,934	\$ -	\$ 457,934	\$ 392,865	\$ 65,068	
41	Demand	301,114	-	301,114	301,114	-	
42	Customer Accounts	-	-	-	-	-	
43	Customer Services	17,097	-	17,097	16,940	157	
44	Effluent	-	-	-	-	-	
45	Total Production Expenses	\$ 776,145	\$ -	\$ 776,145	\$ 710,920	\$ 65,225	

Pima Sewer Company
Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Present Revenues

Line No.s	Description	Total Company (a)	Other Jurisdictional	Jurisdictional Total (a)	Residential	Commercial	Alloc. Code (b)
<u>Treatment and Disposal Expenses</u>							
<u>Operation</u>							
46	Commodity	\$ 628,499	\$ -	\$ 628,499	\$ 539,195	\$ 89,304	CBC
47	Demand	119,868	-	119,868	119,868	-	CMD
48	Customer Accounts	-	-	-	-	-	CB
49	Customer Services	-	-	-	-	-	CS
50	Effluent	-	-	-	-	-	CF
51	Total Operation	<u>\$ 748,366</u>	<u>\$ -</u>	<u>\$ 748,366</u>	<u>\$ 659,062</u>	<u>\$ 89,304</u>	
<u>Maintenance</u>							
52	Commodity	\$ 24,645	\$ -	\$ 24,645	\$ 21,143	\$ 3,502	CBC
53	Demand	32,493	-	32,493	32,493	-	CMD
54	Customer Accounts	-	-	-	-	-	CB
55	Customer Services	-	-	-	-	-	CS
56	Effluent	-	-	-	-	-	CF
57	Total Maintenance	<u>\$ 57,138</u>	<u>\$ -</u>	<u>\$ 57,138</u>	<u>\$ 53,636</u>	<u>\$ 3,502</u>	
<u>Total Treatment and Disposal Expenses</u>							
58	Commodity	\$ 653,144	\$ -	\$ 653,144	\$ 560,338	\$ 92,806	
59	Demand	152,361	-	152,361	152,361	-	
60	Customer Accounts	-	-	-	-	-	
61	Customer Services	-	-	-	-	-	
62	Effluent	-	-	-	-	-	
63	Total Treatment and Disposal Expenses	<u>\$ 805,505</u>	<u>\$ -</u>	<u>\$ 805,505</u>	<u>\$ 712,699</u>	<u>\$ 92,806</u>	

Pima Sewer Company
Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Present Revenues

Line No.s	Description	Total Company (a)	Other Jurisdictional	Jurisdictional Total (a)	Residential	Commercial	Alloc. Code (b)
Reclaimed Water Expenses							
<u>Operation</u>							
64	Commodity	\$ 19,412	\$ -	\$ 19,412	\$ 16,654	\$ 2,758	CBC
65	Demand	18,950	-	18,950	18,950	-	CMD
66	Customer Accounts	-	-	-	-	-	CB
67	Customer Services	-	-	-	-	-	CS
68	Effluent	-	-	-	-	-	CF
69	Total Operation	\$ 38,361	\$ -	\$ 38,361	\$ 35,603	\$ 2,758	
<u>Maintenance</u>							
70	Commodity	\$ 10,326	\$ -	\$ 10,326	\$ 8,859	\$ 1,467	CBC
71	Demand	18,950	-	18,950	18,950	-	CMD
72	Customer Accounts	-	-	-	-	-	CB
73	Customer Services	-	-	-	-	-	CS
74	Effluent	-	-	-	-	-	CF
75	Total Maintenance	\$ 29,276	\$ -	\$ 29,276	\$ 27,808	\$ 1,467	
<u>Total Reclaimed Water Expenses</u>							
76	Commodity	\$ 29,738	\$ -	\$ 29,738	\$ 25,512	\$ 4,225	
77	Demand	37,899	-	37,899	37,899	-	
78	Customer Accounts	-	-	-	-	-	
79	Customer Services	-	-	-	-	-	
80	Effluent	-	-	-	-	-	
81	Total Reclaimed Water Expenses	\$ 67,637	\$ -	\$ 67,637	\$ 63,412	\$ 4,225	
<u>Customer Accounts Expenses</u>							
82	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	CBC
83	Demand	-	-	-	-	-	CMD
84	Customer Accounts	174,809	-	174,809	172,818	1,991	CB
85	Customer Services	-	-	-	-	-	CS
86	Effluent	-	-	-	-	-	CF
87	Total Customer Accounts	\$ 174,809	\$ -	\$ 174,809	\$ 172,818	\$ 1,991	
<u>O&M w/oA&G Expenses</u>							
88	Commodity	\$ 1,140,815	\$ -	\$ 1,140,815	\$ 978,716	\$ 162,100	
89	Demand	491,375	-	491,375	491,375	-	
90	Customer Accounts	174,809	-	174,809	172,818	1,991	
91	Customer Services	17,097	-	17,097	16,940	157	
92	Effluent	-	-	-	-	-	
93	Total O&M w/oA&G Expenses	\$ 1,824,095	\$ -	\$ 1,824,095	\$ 1,659,848	\$ 164,247	

Pima Sewer Company
Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Present Revenues

Line No.s	Description	Total Company (a)	Other Jurisdictional	Jurisdictional Total (a)	Residential	Commercial	Alloc. Code (b)
<u>Administrative and General Expenses</u>							
94	Commodity	\$ 425,126	\$ -	\$ 425,126	\$ 364,719	\$ 60,407	CBC
95	Demand	421,681	-	421,681	421,681	-	CMD
96	Customer Accounts	474,478	-	474,478	469,075	5,403	CB
97	Customer Services	14,920	-	14,920	14,784	137	CS
98	Effluent	-	-	-	-	-	CF
99	Total Administrative and General Expenses	\$ 1,336,206	\$ -	\$ 1,336,206	\$ 1,270,260	\$ 65,946	
<u>Total Operation and Maintenance Expenses</u>							
100	Commodity	\$ 1,565,941	\$ -	\$ 1,565,941	\$ 1,343,435	\$ 222,506	
101	Demand	913,056	-	913,056	913,056	-	
102	Customer Accounts	649,287	-	649,287	641,893	7,393	
103	Customer Services	32,017	-	32,017	31,724	293	
104	Effluent	-	-	-	-	-	
105	Total Operation and Maintenance Expenses	\$ 3,160,301	\$ -	\$ 3,160,301	\$ 2,930,108	\$ 230,193	
<u>Depreciation & Amort Expense</u>							
106	Commodity	\$ 269,398	\$ -	\$ 269,398	\$ 231,119	\$ 38,279	CBC
107	Demand	512,697	-	512,697	512,697	-	CMD
108	Customer Accounts	37,815	-	37,815	37,385	431	CB
109	Customer Services	15,366	-	15,366	15,225	141	CS
110	Effluent	-	-	-	-	-	CF
111		-	-	-	-	-	CF
112	Total Depreciation & Amort Expense	\$ 835,276	\$ -	\$ 835,276	\$ 796,426	\$ 38,850	
<u>Taxes Other Than Income</u>							
113	Commodity	\$ 78,059	\$ -	\$ 78,059	\$ 66,967	\$ 11,091	CBC
114	Demand	148,556	-	148,556	148,556	-	CMD
115	Customer Accounts	5,735	-	5,735	5,670	65	CB
116	Customer Services	6,947	-	6,947	6,883	64	CS
117	Effluent	-	-	-	-	-	CF
118	Total Taxes Other Than Income	\$ 239,297	\$ -	\$ 239,297	\$ 228,076	\$ 11,220	
<u>O&M, Customer, A&G and Other Taxes</u>							
119	Commodity	\$ 1,913,398	\$ -	\$ 1,913,398	\$ 1,641,521	\$ 271,877	
120	Demand	1,574,308	-	1,574,308	1,574,308	-	
121	Customer Accounts	692,837	-	692,837	684,948	7,889	
122	Customer Services	54,330	-	54,330	53,832	497	
123	Effluent	-	-	-	-	-	
124	Total O&M, Customer, A&G and Other Taxes	\$ 4,234,873	\$ -	\$ 4,234,873	\$ 3,954,609	\$ 280,264	
<u>Labor Allocator</u>							
125	Commodity	\$ 185,449	\$ -	\$ 185,449	\$ 159,098	\$ 26,351	CBC
126	Demand	324,068	-	324,068	324,068	-	CMD
127	Customer Accounts	103,000	-	103,000	101,827	1,173	CB
128	Customer Services	11,948	-	11,948	11,839	109	CS
129	Effluent	-	-	-	-	-	CF
130	Total Labor	\$ 624,465	\$ -	\$ 624,465	\$ 596,832	\$ 27,633	

Pima Sewer Company
Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Present Revenues

Line No.s	Description	Total Company (a)	Other Jurisdictional	Jurisdictional Total (a)	Residential	Commercial	Alloc. Code (b)
OPERATING INCOME							
131	Income Before Taxes	\$ (547,655)	\$ -	\$ (547,655)	\$ (500,129)	\$ (47,526)	
132	State Income Tax	(40,927)	-	(40,927)	(37,937)	(2,989)	
133	Federal Income Tax	(166,805)	-	(166,805)	(154,621)	(12,184)	
134	Total Income Taxes	<u>\$ (207,732)</u>	<u>\$ -</u>	<u>\$ (207,732)</u>	<u>\$ (192,558)</u>	<u>\$ (15,174)</u>	
135	Net Income After Tax	<u>\$ (339,923)</u>	<u>\$ -</u>	<u>\$ (339,923)</u>	<u>\$ (307,571)</u>	<u>\$ (32,352)</u>	
136	Present Return Rate Of Return	-2.53%	0.00%	-2.53%	-2.40%	-5.14%	
137	Present Relative Return Rate Of Return	1.00	-	1.00	0.95	2.03	
State Income Tax							
138	Income Before Tax	\$ (547,655)	\$ -	\$ (547,655)	\$ (500,129)	\$ (47,526)	
139	Less: Interest Expense	287,582	-	287,582	274,098	13,484	
140	State Taxable Income	<u>\$ (835,237)</u>	<u>\$ -</u>	<u>\$ (835,237)</u>	<u>\$ (774,227)</u>	<u>\$ (61,010)</u>	
141	Pro Forma State Income Tax	\$ (40,927)	\$ -	\$ (40,927)	\$ (37,937)	\$ (2,989)	
142	Amortization of Flow Through Tax	0	0	0	0	0	
143	Subtotal State Income Tax	<u>\$ (40,927)</u>	<u>\$ -</u>	<u>\$ (40,927)</u>	<u>\$ (37,937)</u>	<u>\$ (2,989)</u>	
144	Deferred State Income Tax	-	-	-	-	-	
145	Total State Income Tax	<u>\$ (40,927)</u>	<u>\$ -</u>	<u>\$ (40,927)</u>	<u>\$ (37,937)</u>	<u>\$ (2,989)</u>	
Federal Income Tax							
146	Income Before Tax	\$ (547,655)	\$ -	\$ (547,655)	\$ (500,129)	\$ (47,526)	
147	Less: Interest Expense	287,582	-	287,582	274,098	13,484	
148	Less: State Income Tax	(40,927)	-	(40,927)	(37,937)	(2,989)	
149		-	-	-	-	-	
150	Federal Taxable Income	<u>\$ (794,311)</u>	<u>\$ -</u>	<u>\$ (794,311)</u>	<u>\$ (736,290)</u>	<u>\$ (58,021)</u>	
151	Pro Forma Federal Income Tax	\$ (166,805)	\$ -	\$ (166,805)	\$ (154,621)	\$ (12,184)	
152	ITC Amortization	-	-	-	-	-	
153	Subtotal Federal Income Tax	<u>\$ (166,805)</u>	<u>\$ -</u>	<u>\$ (166,805)</u>	<u>\$ (154,621)</u>	<u>\$ (12,184)</u>	
154	Deferred Federal Income Tax	-	-	-	-	-	
155	Total Federal Income Tax	<u>(166,805)</u>	<u>-</u>	<u>(166,805)</u>	<u>(154,621)</u>	<u>(12,184)</u>	
156	Total Income Tax	<u>(207,732)</u>	<u>-</u>	<u>(207,732)</u>	<u>(192,558)</u>	<u>(15,174)</u>	

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Pima Sewer Company
Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Present Revenues

Line No.s	Description	Total Company (a)	Other Jurisdictional	Total (a)	Residential	Commercial	Alloc. Code (b)
PRESENT REVENUES TAXES & ROR							
Present Revenues							
157	Revenues	\$ 3,473,927		\$ 3,473,927	\$ 3,271,496	\$ 202,431	
158	Other Revenue	26,740	-	26,740	22,940	3,800	
159	Effluent Revenues	186,551	-	186,551	160,044	26,507	
160	Total Present Revenue	\$ 3,687,218	\$ -	\$ 3,687,218	\$ 3,454,480	\$ 232,738	
161	O&M, Customer, A&G and Other Taxes	\$ 4,234,873	\$ -	\$ 4,234,873	\$ 3,954,609	\$ 280,264	
162	Income Before Tax	\$ (547,655)	\$ -	\$ (547,655)	\$ (500,129)	\$ (47,526)	
163	Less: Interest Expense	287,582	-	287,582	274,098	13,484	
164	State Taxable Income	\$ (835,237)	\$ -	\$ (835,237)	\$ (774,227)	\$ (61,010)	
165	Pro Forma State Income Tax	\$ (40,927)	\$ -	\$ (40,927)	\$ (37,937)	\$ (2,989)	
166	Amortization of Flow Through Tax	-	-	-	-	-	
167	Subtotal State Income Tax	\$ (40,927)	\$ -	\$ (40,926.63)	\$ (37,937.13)	\$ (2,989.50)	
168	Deferred State Income Tax	-	-	-	-	-	
169	Total State Income Tax	\$ (40,927)	\$ -	\$ (40,927)	\$ (37,937)	\$ (2,989)	
170	Income Before Tax	\$ (547,655)	\$ -	\$ (547,655)	\$ (500,129)	\$ (47,526)	
171	Less: Interest Expense	287,582	-	287,582	274,098	13,484	
172	Less: State Income Tax	(40,927)	-	(40,927)	(37,937)	(2,989)	
173		-	-	-	-	-	
174	Federal Taxable Income	(\$794,311)	0	(794,311)	(736,290)	(58,021)	
175	Pro Forma Federal Income Tax	\$ (166,805)	0	(166,805)	(154,621)	(12,184)	
176	ITC Amortization	-	0	0	0	0	CRB
177	Subtotal Federal Income Tax	(\$166,805)	0	(166,805)	(154,621)	(12,184)	
178	Total Federal Income Tax	(\$166,805)	0	(166,805)	(154,621)	(12,184)	
179	Total Income Tax	(\$207,732)	0	(207,732)	(192,558)	(15,174)	
180	Income After Tax	(\$339,923)	\$0	(\$339,923)	(\$307,571)	(\$32,352)	
Present Revenues							
181	Return Rate Of Return	-2.53%	0.00%	-2.53%	-2.40%	-5.14%	
182	Realtive Rate Of Return	1.00	-	1.00	0.95	2.03	

Supporting Schedules
(a) C-1, (b) G-7a, (c) H-1

Recap Schedules
[A] G-1

Pima Sewer Company
Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Allocation Code (b)
REVENUES						
1	Revenue Water Service (c)	\$ 5,493,737	\$ 5,493,737	\$ 5,173,608	\$ 320,130	Direct
2	Other Revenue	26,740	26,740	22,940	3,800	CBC
2	Effluent Revenues	288,828	288,828	247,788	41,040	CBC
3	Total Revenue	<u>\$ 5,809,306</u>	<u>\$ 5,809,306</u>	<u>\$ 5,444,337</u>	<u>\$ 364,969</u>	
EXPENSES (A)						
Collection Expenses						
<u>Operation</u>						
4	Commodity	\$ 192,382	\$ 192,382	\$ 165,046	\$ 27,336	CBC
5	Demand	116,245	116,245	116,245	-	CMD
6	Customer Accounts	-	-	-	-	CB
7	Customer Services	13,572	13,572	13,448	124	CS
8	Effluent	-	-	-	-	CF
9	Total Operation	<u>\$322,200</u>	<u>\$ 322,200</u>	<u>\$ 294,740</u>	<u>\$ 27,460</u>	
<u>Maintenance</u>						
10	Commodity	\$ 42,577	\$ 42,577	\$ 36,527	\$ 6,050	CBC
11	Demand	30,183	30,183	30,183	-	CMD
12	Customer Accounts	-	-	-	-	CB
13	Customer Services	3,524	3,524	3,492	32	CS
14	Effluent	-	-	-	-	CF
15	Total Maintenance	<u>\$ 76,284</u>	<u>\$ 76,284</u>	<u>\$ 70,202</u>	<u>\$ 6,082</u>	
<u>Total Collection Expenses</u>						
16	Commodity	\$ 234,959	\$ 234,959	\$ 201,573	\$ 33,386	
17	Demand	146,428	146,428	146,428	-	
18	Customer Accounts	-	-	-	-	
19	Customer Services	17,097	17,097	16,940	157	
20	Effluent	-	-	-	-	
21	Total Collection Expenses	<u>\$ 398,483</u>	<u>\$ 398,483</u>	<u>\$ 364,941</u>	<u>\$ 33,542</u>	

Pima Sewer Company
Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Allocation Code (b)
	<u>Pumping Expenses</u>					
	<u>Operation</u>					
22	Commodity	\$ 198,330	\$ 198,330	\$ 170,149	\$ 28,181	CBC
23	Demand	122,193	122,193	122,193	-	CMD
24	Customer Accounts	-	-	-	-	CB
25	Customer Services	-	-	-	-	CS
26	Effluent	-	-	-	-	CF
27	Total Operation	<u>\$ 320,523</u>	<u>\$ 320,523</u>	<u>\$ 292,342</u>	<u>\$ 28,181</u>	
	<u>Maintenance</u>					
28	Commodity	\$ 24,645	\$ 24,645	\$ 21,143	\$ 3,502	CBC
29	Demand	32,493	32,493	32,493	-	CMD
30	Customer Accounts	-	-	-	-	CB
31	Customer Services	-	-	-	-	CS
32	Effluent	-	-	-	-	CF
33	Total Maintenance	<u>\$ 57,138</u>	<u>\$ 57,138</u>	<u>\$ 53,636</u>	<u>\$ 3,502</u>	
	<u>Total Pumping Expenses Expenses</u>					
34	Commodity	\$ 222,975	\$ 222,975	\$ 191,292	\$ 31,683	
35	Demand	154,686	154,686	154,686	-	
36	Customer Accounts	-	-	-	-	
37	Customer Services	-	-	-	-	
38	Effluent	-	-	-	-	
39	Total Pumping Expense	<u>\$ 377,661</u>	<u>\$ 377,661</u>	<u>\$ 345,978</u>	<u>\$ 31,683</u>	
	<u>Total Production Expenses</u>					
40	Commodity	\$ 457,934	\$ 457,934	\$ 392,865	\$ 65,068	
41	Demand	301,114	301,114	301,114	-	
42	Customer Accounts	-	-	-	-	
43	Customer Services	17,097	17,097	16,940	157	
44	Effluent	-	-	-	-	
45	Total Production Expenses	<u>\$ 776,145</u>	<u>\$ 776,145</u>	<u>\$ 710,920</u>	<u>\$ 65,225</u>	

Pima Sewer Company
Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Allocation Code (b)
<u>Treatment and Disposal Expenses</u>						
<u>Operation</u>						
46	Commodity	\$ 628,499	\$ 628,499	\$ 539,195	\$ 89,304	CBC
47	Demand	119,868	119,868	119,868	-	CMD
48	Customer Accounts	-	-	-	-	CB
49	Customer Services	-	-	-	-	CS
50	Effluent	-	-	-	-	CF
51	Total Operation	<u>\$ 748,366</u>	<u>\$ 748,366</u>	<u>\$ 659,062</u>	<u>\$ 89,304</u>	
<u>Maintenance</u>						
52	Commodity	\$ 24,645	\$ 24,645	\$ 21,143	\$ 3,502	CBC
53	Demand	32,493	32,493	32,493	-	CMD
54	Customer Accounts	-	-	-	-	CB
55	Customer Services	-	-	-	-	CS
56	Effluent	-	-	-	-	CF
57	Total Maintenance	<u>\$ 57,138</u>	<u>\$ 57,138</u>	<u>\$ 53,636</u>	<u>\$ 3,502</u>	
<u>Total Treatment and Disposal Expenses</u>						
58	Commodity	\$ 653,144	\$ 653,144	\$ 560,338	\$ 92,806	
59	Demand	152,361	152,361	152,361	-	
60	Customer Accounts	-	-	-	-	
61	Customer Services	-	-	-	-	
62	Effluent	-	-	-	-	
63	Total Treatment and Disposal Expenses	<u>\$ 805,505</u>	<u>\$ 805,505</u>	<u>\$ 712,699</u>	<u>\$ 92,806</u>	
<u>Reclaimed Water Expenses</u>						
<u>Operation</u>						
64	Commodity	\$ 19,412	\$ 19,412	\$ 16,654	\$ 2,758	CBC
65	Demand	18,950	18,950	18,950	-	CMD
66	Customer Accounts	-	-	-	-	CB
67	Customer Services	-	-	-	-	CS
68	Effluent	-	-	-	-	CF
69	Total Operation	<u>\$ 38,361</u>	<u>\$ 38,361</u>	<u>\$ 35,603</u>	<u>\$ 2,758</u>	
<u>Maintenance</u>						
70	Commodity	\$ 10,326	\$ 10,326	\$ 8,859	\$ 1,467	CBC
71	Demand	18,950	18,950	18,950	-	CMD
72	Customer Accounts	-	-	-	-	CB
73	Customer Services	-	-	-	-	CS
74	Effluent	-	-	-	-	CF
75	Total Maintenance	<u>\$ 29,276</u>	<u>\$ 29,276</u>	<u>\$ 27,808</u>	<u>\$ 1,467</u>	
<u>Total Reclaimed Water Expenses</u>						
76	Commodity	\$ 29,738	\$ 29,738	\$ 25,512	\$ 4,225	
77	Demand	37,899	37,899	37,899	-	
78	Customer Accounts	-	-	-	-	
79	Customer Services	-	-	-	-	
80	Effluent	-	-	-	-	

Pima Sewer Company
 Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Allocation Code (b)
81	Total Reclaimed Water Expenses	\$ 67,637	\$ 67,637	\$ 63,412	\$ 4,225	

Pima Sewer Company
Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Allocation Code (b)
Customer Accounts Expenses						
82	Commodity	\$ -	\$ -	\$ -	\$ -	CBC
83	Demand	-	-	-	-	CMD
84	Customer Accounts	179,416	179,416	177,373	2,043	CB
85	Customer Services	-	-	-	-	CS
86	Effluent	-	-	-	-	CF
87	Total Customer Accounts	\$ 179,416	\$ 179,416	\$ 177,373	\$ 2,043	
O&M w/oA&G Expenses						
88	Commodity	\$ 1,140,815	\$ 1,140,815	\$ 978,716	\$ 162,100	
89	Demand	491,375	491,375	491,375	-	
90	Customer Accounts	179,416	179,416	177,373	2,043	
91	Customer Services	17,097	17,097	16,940	157	
92	Effluent	-	-	-	-	
93	Total O&M w/oA&G Expenses	\$ 1,828,702	\$ 1,828,702	\$ 1,664,403	\$ 164,299	

Pima Sewer Company
Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Allocation Code (b)
<u>Administrative and General Expenses</u>						
94	Commodity	\$ 425,126	\$ 425,126	\$ 364,719	\$ 60,407	CBC
95	Demand	421,681	421,681	421,681	-	CMD
96	Customer Accounts	474,478	474,478	469,075	5,403	CB
97	Customer Services	14,920	14,920	14,784	137	CS
98	Effluent	-	-	-	-	CF
99	Total Administrative and General Expenses	<u>\$ 1,336,206</u>	<u>\$ 1,336,206</u>	<u>\$ 1,270,260</u>	<u>\$ 65,946</u>	
<u>Total Operation and Maintenance Expenses</u>						
100	Commodity	\$ 1,565,941	\$ 1,565,941	\$ 1,343,435	\$ 222,506	
101	Demand	913,056	913,056	913,056	-	
102	Customer Accounts	653,894	653,894	646,448	7,446	
103	Customer Services	32,017	32,017	31,724	293	
104	Effluent	-	-	-	-	
105	Total Operation and Maintenance Expenses	<u>\$ 3,164,908</u>	<u>\$ 3,164,908</u>	<u>\$ 2,934,663</u>	<u>\$ 230,245</u>	
<u>Depreciation & Amort Expense</u>						
106	Commodity	\$ 269,398	\$ 269,398	\$ 231,119	\$ 38,279	CBC
107	Demand	512,697	512,697	512,697	-	CMD
108	Customer Accounts	37,815	37,815	37,385	431	CB
109	Customer Services	15,366	15,366	15,225	141	CS
110	Effluent	-	-	-	-	CF
111		-	-	-	-	CF
112	Total Depreciation & Amort Expense	<u>\$ 835,276</u>	<u>\$ 835,276</u>	<u>\$ 796,426</u>	<u>\$ 38,850</u>	
<u>Taxes Other Than Income</u>						
113	Commodity	\$ 87,107	\$ 87,107	\$ 74,730	\$ 12,377	CBC
114	Demand	165,775	165,775	165,775	-	CMD
115	Customer Accounts	6,400	6,400	6,327	73	CB
116	Customer Services	7,752	7,752	7,681	71	CS
117	Effluent	-	-	-	-	CF
118	Total Taxes Other Than Income	<u>\$ 267,034</u>	<u>\$ 267,034</u>	<u>\$ 254,513</u>	<u>\$ 12,521</u>	
<u>O&M, Customer, A&G and Other Taxes</u>						
119	Commodity	\$ 1,922,446	\$ 1,922,446	\$ 1,649,283	\$ 273,163	
120	Demand	1,591,528	1,591,528	1,591,528	-	
121	Customer Accounts	698,109	698,109	690,160	7,949	
122	Customer Services	55,135	55,135	54,630	505	
123	Effluent	-	-	-	-	
124	Total O&M, Customer, A&G and Other Taxes	<u>\$ 4,267,217</u>	<u>\$ 4,267,217</u>	<u>\$ 3,985,601</u>	<u>\$ 281,617</u>	
<u>Labor Allocator</u>						
125	Commodity	\$ 185,449	\$ 185,449	\$ 159,098	\$ 26,351	CBC
126	Demand	324,068	324,068	324,068	-	CMD
127	Customer Accounts	103,000	103,000	101,827	1,173	CB
128	Customer Services	11,948	11,948	11,839	109	CS
129	Effluent	-	-	-	-	CF
130	Total Labor	<u>\$ 624,465</u>	<u>\$ 624,465</u>	<u>\$ 596,832</u>	<u>\$ 27,633</u>	

Pima Sewer Company
Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Allocation Code (b)
OPERATING INCOME						
131	Income Before Taxes	\$ 1,542,088	\$ 1,542,088	\$ 1,458,736	\$ 83,353	
132	State Income Tax	61,471	61,471	58,047	3,424	
133	Federal Income Tax	250,537	250,537	236,584	13,953	
134	Total Income Taxes	<u>\$ 312,008</u>	<u>\$ 312,008</u>	<u>\$ 294,631</u>	<u>\$ 17,377</u>	
135	Net Income After Tax	\$ 1,230,080	\$ 1,230,080	\$ 1,164,104	\$ 65,976	
136	Present Return Rate Of Return	9.16%	9.16%	9.10%	10.48%	
137	Present Relative Return Rate Of Return	1.00	1.00	0.99	1.14	
State Income Tax						
138	Income Before Tax	\$ 1,542,088	\$ 1,542,088	\$ 1,458,736	\$ 83,353	
139	Less: Interest Expense	287,582	287,582	274,098	13,484	
140	State Taxable Income	<u>\$ 1,254,506</u>	<u>\$ 1,254,506</u>	<u>\$ 1,184,638</u>	<u>\$ 69,868</u>	
141	Pro Forma State Income Tax	\$ 61,471	\$ 61,471	\$ 58,047	\$ 3,424	
142	Amortization of Flow Through Tax	0	0	0	0	
143	Subtotal State Income Tax	<u>\$ 61,471</u>	<u>\$ 61,471</u>	<u>\$ 58,047</u>	<u>\$ 3,424</u>	
144	Deferred State Income Tax	-	-	-	-	
145	Total State Income Tax	<u>\$ 61,471</u>	<u>\$ 61,471</u>	<u>\$ 58,047</u>	<u>\$ 3,424</u>	
Federal Income Tax						
146	Income Before Tax	\$ 1,542,088	\$ 1,542,088	\$ 1,458,736	\$ 83,353	
147	Less: Interest Expense	287,582	287,582	274,098	13,484	
148	Less: State Income Tax	61,471	61,471	58,047	3,424	
149		-	-	-	-	
150	Federal Taxable Income	<u>\$ 1,193,035</u>	<u>\$ 1,193,035</u>	<u>\$ 1,126,590</u>	<u>\$ 66,444</u>	
151	Pro Forma Federal Income Tax	\$ 250,537	\$ 250,537	\$ 236,584	\$ 13,953	
152	ITC Amortization	-	-	-	-	
153	Subtotal Federal Income Tax	<u>\$ 250,537</u>	<u>\$ 250,537</u>	<u>\$ 236,584</u>	<u>\$ 13,953</u>	
154	Deferred Federal Income Tax	-	-	-	-	
155	Total Federal Income Tax	<u>250,537</u>	<u>250,537</u>	<u>236,584</u>	<u>13,953</u>	
156	Total Income Tax	<u>312,008</u>	<u>312,008</u>	<u>294,631</u>	<u>17,377</u>	

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Pima Sewer Company
Test Year Ended June 30, 2025
Revenue and Expense Allocation to Rate Schedules at Proposed Revenues

Line No.s	Description	Total Company (a)	Jurisdictional Total (a)	Residential	Commercial	Allocation Code (b)
PRESENT REVENUES TAXES & ROR						
Proposed Revenues						
157	Revenues	\$ 5,493,737	\$ 5,493,737	\$ 5,173,608	\$ 320,130	
158	Other Revenue	26,740	26,740	22,940	3,800	
159	Total Present Revenue	\$ 5,809,306	\$ 5,809,306	\$ 5,444,337	\$ 364,969	
160	O&M, Customer, A&G and Other Taxes	\$ 4,267,217	\$ 4,267,217	\$ 3,985,601	\$ 281,617	
161	Income Before Tax	\$ 1,542,088	\$ 1,542,088	\$ 1,458,736	\$ 83,353	
162	Less: Interest Expense	287,582	287,582	274,098	13,484	
163	State Taxable Income	\$ 1,254,506	\$ 1,254,506	\$ 1,184,638	\$ 69,868	
164	Pro Forma State Income Tax	\$ 61,471	\$ 61,471	\$ 58,047	\$ 3,424	
165	Amortization of Flow Through Tax	-	-	-	-	
166	Subtotal State Income Tax	\$ 61,471	\$ 61,470.78	\$ 58,047.25	\$ 3,423.53	
167	Deferred State Income Tax	-	-	-	-	
168	Total State Income Tax	\$ 61,471	\$ 61,471	\$ 58,047	\$ 3,424	
169	Income Before Tax	\$ 1,542,088	\$ 1,542,088	\$ 1,458,736	\$ 83,353	
170	Less: Interest Expense	287,582	287,582	274,098	13,484	
171	Less: State Income Tax	61,471	61,471	58,047	3,424	
172		-	-	-	-	
173	Federal Taxable Income	\$1,193,035	1,193,035	1,126,590	66,444	
174	Pro Forma Federal Income Tax	\$ 250,537	250,537	236,584	13,953	
175	ITC Amortization	-	0	0	0	CRB
176	Subtotal Federal Income Tax	\$250,537	250,537	236,584	13,953	
177	Total Federal Income Tax	\$250,537	250,537	236,584	13,953	
178	Total Income Tax	\$312,008	312,008	294,631	17,377	
179	Income After Tax	\$1,230,080	\$1,230,080	\$1,164,104	\$65,976	
Present Revenues						
180	Return Rate Of Return	9.16%	9.16%	9.10%	10.48%	
181	Realtive Rate Of Return	1.00	1.00	0.99	1.14	

Supporting Schedules
(a) C-1, (b) G-7a, (c) H-1

Pima Sewer Company
Test Year Ended June 30, 2025
Rate Base and Plant Functionalization

Line No.	Acct No.	Description	Jurisdictional Total (a)	Commodity Cost[A]	Demand[A]	Customer Accounts [A]	Customer Services[A]	Allocation Code(b)
PLANT IN SERVICE								
1		Collection Plant						
2	35310	Land and Land Rights	\$ 9,153	\$ 3,153	\$ 6,000	\$ -	\$ -	FCS
3	35420	Structures and Improvements	441,569	152,101	289,468	-	-	FCS
4	36000	Collection Mains - Force	2,851,269	982,139	1,869,131	-	-	FCS
5	36100	Collection Mains - Gravity	6,172,677	2,126,220	4,046,457	-	-	FCS
6	36200	Special Collection Structures	-	-	-	-	-	FCS
7	36300	Cutomer Services	725,184	-	-	-	725,184	FCSS
8	36400	Flow Measuring Devices	-	-	-	-	-	FCS
9	36500	Flow Measuring Installations	-	-	-	-	-	FCS
10		Total Collection Plant	\$ 10,199,853	\$ 3,263,613	\$ 6,211,056	\$ -	\$ 725,184	
Pumping Plant								
11	35500	Power Generation Equipment	\$ 185,768	\$ 63,989	\$ 121,779	\$ -	\$ -	FPU
12	37000	Receiving Wells	1,697,820	584,826	1,112,995	-	-	FPU
13	37100	Pumping Equipment	5,243,198	1,806,055	3,437,143	-	-	FPU
14	31130	Other Pumping Equipment	-	-	-	-	-	FPU
15		Total Pumping Plant	\$ 7,126,785	\$ 2,454,869	\$ 4,671,916	\$ -	\$ -	
Treatment and Disposal Plant								
16	35150	Land and Land Rights	\$ 73,223	\$ 25,222	\$ 48,001	\$ -	\$ -	FTD
17	35430	Structures and Improvements	735,949	253,502	482,446	-	-	FTD
18	38000	Treatment and Disposal Equipment	12,446,305	4,287,213	8,159,092	-	-	FTD
19	38001	Nogales WWTP	-	-	-	-	-	FTD
19	38100	Plant Sewers	-	-	-	-	-	FTD
20	38200	Outfall Sewer Lines	-	-	-	-	-	FTD
21	38930	Other Sewer Olant and Equipment	1,023,732	352,631	671,101	-	-	FTD
22		Total Treatment and Disposal Plant	\$ 14,279,209	\$ 4,918,569	\$ 9,360,640	\$ -	\$ -	
Relaimed Water Plant								
23	35190	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	FRW
24	35440	Structures and Improvements	-	-	-	-	-	FRW
25	36600	Reuse Services	-	-	-	-	-	FRW
26	36700	Reuse Meters and Installation	-	-	-	-	-	FRW
27	37400	Reuse Distribution Reservoirs	-	-	-	-	-	FRW
28	37500	Reuse Trans and Distribution System	200,155	68,945	131,210	-	-	FRW
29		Total Relcaimed Water Plant	\$ 200,155	\$ 68,945	\$ 131,210	\$ -	\$ -	
30		Gross Plant In Service before Intangible and Gen.	\$ 31,806,001	\$ 10,705,995	\$ 20,374,822	\$ -	\$ 725,184	

Pima Sewer Company
Test Year Ended June 30, 2025
Rate Base and Plant Functionalization

Line No.	Acct No.	Description	Jurisdictional Total (a)	Commodity Cost[A]	Demand[A]	Customer Accounts [A]	Customer Services[A]	Allocation Code(b)
General Plant								
31	35380	Land and Land Rights	\$ 9,153	\$ 1,540	\$ 2,932	\$ 4,576	\$ 104	FGPCC
32	35450	Structures and Improvements	294,379	49,544	94,289	147,190	3,356	FGPCC
33	39000	Furniture and Equipment	12,172	2,048	3,899	6,086	139	FGPCC
34	39010	Computer Hardware	95,884	16,137	30,711	47,942	1,093	FGPCC
35	39020	Computer Software	-	-	-	-	-	FGPCC
36	39100	Transportation Equipment	222,653	37,473	71,315	111,327	2,538	FGPCC
37	39110	Transportation Equipment Leased	-	-	-	-	-	FGPCC
38	39200	Stores Equipment	-	-	-	-	-	FGPCC
39	39300	Tools, Shop and Garage Equipment	126,531	21,295	40,528	63,266	1,442	FGPCC
40	39400	Laboratory Equipment	32,619	5,490	10,448	16,310	372	FGPCC
41	39500	Power Operated Equipment	198,726	33,446	63,651	99,363	2,265	FGPCC
42	39600	Communication Equipment	169,026	28,447	54,139	84,513	1,927	FGPCC
43	39700	Miscellaneous Equipment	12,153	2,045	3,892	6,076	139	FGPCC
44	39710	Miscellaneous Equipment CNG	-	-	-	-	-	FGPCC
45	39800	Other Tangible Property	-	-	-	-	-	FGPCC
46		Total General Plant	\$ 1,173,295	\$ 197,467	\$ 375,805	\$ 586,648	\$ 13,376	
Intangible Plant								
47	35110	Organization	\$ -	\$ -	\$ -	\$ -	\$ -	FGPIS
48	35210	Franchise and Consents	-	-	-	-	-	FGPIS
49	38910	Miscellaneous Intangible Plant	-	-	-	-	-	FGPIS
50		Total Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	
51		Reconciling Amount						
52		Subtotal Gross Plant In Service(c)	\$ 32,979,296	\$ 10,903,463	\$ 20,750,626	\$ 586,648	\$ 738,560	
Allocated Corporate Plant								
53	95300	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	FGPCC
54	95400	Structures and Improvements	-	-	-	-	-	FGPCC
55	99000	Office Furniture and Fixtures	-	-	-	-	-	FGPCC
56	99010	Computers and Software	-	-	-	-	-	FGPCC
57	99020	Customer First	-	-	-	-	-	FGPCC
58	95500	Power Generation	-	-	-	-	-	FGPCC
59	99500	Power Operated Equipment	-	-	-	-	-	FGPCC
60		Subtotal Allocated Corporate Plant	\$ -	\$ -	\$ -	\$ -	\$ -	
53		Total Gross Plant In Service(c)	\$ 32,979,296	\$ 10,903,463	\$ 20,750,626	\$ 586,648	\$ 738,560	

Pima Sewer Company
Test Year Ended June 30, 2025
Rate Base and Plant Functionalization

Line No.	Acct No.	Description	Jurisdictional Total (a)	Commodity Cost[A]	Demand[A]	Customer Accounts [A]	Customer Services[A]	Allocation Code(b)
ACCUMULATED DEPRECIATION AND AMORTIZATION								
Collection Plant								
62	35310	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	FCS
63	35420	Structures and Improvements	98,070	33,781	64,289	-	-	FCS
64	36000	Collection Mains - Gravity	410,104	141,263	268,841	-	-	FCS
65	36100	Collection Mains - Force	3,346,702	1,152,794	2,193,908	-	-	FCS
66	36200	Special Collection Structures	-	-	-	-	-	FCS
67	36300	Customer Services	349,138	-	-	-	349,138	FCSS
68	36400	Flow Measuring Devices	-	-	-	-	-	FCS
69	36500	Flow Measuring Devices	-	-	-	-	-	FCS
70		Total Collection Plant	\$ 4,204,013	\$ 1,327,838	\$ 2,527,038	\$ -	\$ 349,138	
Pumping Plant								
71	35500	Power Generation Equipment	\$ 82,058	\$ 28,265	\$ 53,792	\$ -	\$ -	FPU
72	37000	Receiving Wells	419,828	144,613	275,215	-	-	FPU
73	37100	Pumping Equipment	3,677,898	1,266,877	2,411,022	-	-	FPU
74	31130	Other Pumping Equipment	-	-	-	-	-	FPU
75		Total Pumping Plant	\$ 4,179,784	\$ 1,439,755	\$ 2,740,029	\$ -	\$ -	
Treatment and Disposal Plant								
76	35350	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	FTD
77	35430	Structures and Improvements	163,450	56,301	107,148	-	-	FTD
78	38000	Treatment and Disposal Equipment	9,612,546	3,311,106	6,301,440	-	-	FTD
79	38001	Nogales WWTP	-	-	-	-	-	FTD
79	38100	Plant Sewers	-	-	-	-	-	FTD
	38200	Outfall Sewer Lines	-	-	-	-	-	FTD
80	38930	Other Sewer Olant and Equipment	993,903	342,357	651,547	-	-	FTD
81		Total Treatment and Disposal Plant	\$ 10,769,900	\$ 3,709,764	\$ 7,060,136	\$ -	\$ -	
Relaimed Water Plant								
82	35390	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	FRW
83	35440	Structures and Improvements	-	-	-	-	-	FRW
84	36600	Reuse Services	-	-	-	-	-	FRW
85	36700	Reuse Meters and Installation	-	-	-	-	-	FRW
86	37400	Reuse Distribution Reservoirs	-	-	-	-	-	FRW
87	37500	Reuse Trans and Distribution System	83,126	28,633	54,493	-	-	FRW
88		Total Relaimed Water Plant	\$ 83,126	\$ 28,633	\$ 54,493	\$ -	\$ -	

Pima Sewer Company
Test Year Ended June 30, 2025
Rate Base and Plant Functionalization

Line No.	Acct No.	Description	Jurisdictional Total (a)	Commodity Cost[A]	Demand[A]	Customer Accounts [A]	Customer Services[A]	Allocation Code(b)
General Plant								
89	35380	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	FGPCC
90	35450	Structures and Improvements	65,380	11,004	20,941	32,690	745	FGPCC
91	39000	Furniture and Equipment	7,570	1,274	2,425	3,785	86	FGPCC
92	39010	Computer Hardware	88,192	14,843	28,248	44,096	1,005	FGPCC
93	39020	Computer Software	-	-	-	-	-	FGPCC
94	39100	Transportation Equipment	189,088	31,824	60,565	94,544	2,156	FGPCC
95	39110	Transportation Equipment Leased	-	-	-	-	-	FGPCC
96	39200	Stores Equipment	-	-	-	-	-	FGPCC
97	39300	Tools, Shop and Garage Equipment	99,404	16,730	31,839	49,702	1,133	FGPCC
98	39400	Laboratory Equipment	18,571	3,126	5,948	9,286	212	FGPCC
99	39500	Power Operated Equipment	4,872	820	1,561	2,436	56	FGPCC
100	39600	Communication Equipment	61,464	10,345	19,687	30,732	701	FGPCC
101	39700	Miscellaneous Equipment	5,958	1,003	1,908	2,979	68	FGPCC
102	39710	Miscellaneous Equipment CNG	-	-	-	-	-	FGPCC
103	39800	Other Tangible Property	-	-	-	-	-	FGPCC
104		Total General Plant	\$ 540,499	\$ 90,967	\$ 173,121	\$ 270,250	\$ 6,162	
105		Retirement Work in Progress	\$ -	\$ -	\$ -	\$ -	\$ -	FPIS
106		Advances in Aid of Construction	-	-	-	-	-	FPIS
107		Subtotal Accumulated Depreciation/Amortization(c)	\$ 19,777,323	\$ 6,596,956	\$ 12,554,817	\$ 270,250	\$ 355,300	
108		Allocated Corporate Accumulated Depreciation						
109	95300	Land and Land Rights	-	-	-	-	-	FGPCC
110	95400	Structures and Improvements	-	-	-	-	-	FGPCC
111	99000	Office Furniture and Fixtures	-	-	-	-	-	FGPCC
112	99010	Computers and Software	-	-	-	-	-	FGPCC
113	99020	Customer First	-	-	-	-	-	FGPCC
114	95500	Power Generation	-	-	-	-	-	FGPCC
115	99500	Power Operated Equipment	-	-	-	-	-	FGPCC
116		Subtotal Allocated Corporate Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	
117		Accumulated Depreciation/Amortization(c)	\$ 19,777,323	\$ 6,596,956	\$ 12,554,817	\$ 270,250	\$ 355,300	
118		Net Plant	\$ 13,201,974	\$ 4,306,506	\$ 8,195,809	\$ 316,398	\$ 383,260	
119	10500	Construction Work In Progress	\$ -	\$ -	\$ -	\$ -	\$ -	FNP
120		Plus: Regulatory Assets/Working Capital Assets/Other (net)	\$ 223,913	\$ 73,041	\$ 139,006	\$ 5,366	\$ 6,500	FNP/CA
121		Less: Contributions & Advances in Aid of Construction	\$ -	\$ -	\$ -	\$ -	\$ -	FNP
122		Less: ADIT, EADIT, and IITC	\$ -	\$ -	\$ -	\$ -	\$ -	FNP/CA
123		Less: Other	\$ -	\$ -	\$ -	\$ -	\$ -	FNP
124								
125		Total Rate Base	\$ 13,425,887	\$ 4,379,547	\$ 8,334,815	\$ 321,764	\$ 389,760	

Supporting Schedules
(a) B-1, (b) G-7b, (c) B-2

Recap Schedules
[A] G-2

Pima Sewer Company
Test Year Ended June 30, 2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Present Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand[A]	Customer Accounts [A]	Customer Services[A]	Alloc. Code(b)	Labor
INCOME STATEMENT									
Collection Expenses									
<u>Operation</u>									
1	701.1	Salaries and Wages - Employees	\$ 119,578	\$ 38,261	\$ 72,816	\$ -	\$ 8,502	FCSP	L
2	704.1	Employee Pensions and Benefits	22,608	7,234	13,767	-	1,607	FCSP	
3	715.1	Purchased Power	27,461	27,461	-	-	-	FBC	
4	718.1	Chemicals	76,582	76,582	-	-	-	FBC	
5	720.1	Materials and Supplies	27,257	27,257	-	-	-	FBC	
6	720.2.1	Office Supplies	4,500	1,440	2,740	-	320	FCSP	
8	735.1	Contractual Services - Testing	3,689	1,180	2,246	-	262	FCSP	
9	742.1	Rental of Equipment	8,131	2,602	4,951	-	578	FCSP	
10	750.1	Transportation Expenses	4,040	1,293	2,460	-	287	FCSP	
11	756.1	Insurance - Vehicle	2,861	915	1,742	-	203	FCSP	
12	757.1	Insurance - General Liability	23,498	7,519	14,309	-	1,671	FCSP	
13		Total Operation	\$ 322,200	\$ 192,382	\$ 116,245	\$ -	\$ 13,572		
<u>Maintenance</u>									
14	701.2	Salaries and Wages - Employees	\$ 33,216	\$ 10,628	\$ 20,227	\$ -	\$ 2,362	FCSP	L
15	704.2	Employee Pensions and Benefits	6,280	2,009	3,824	-	446	FCSP	
16	718.2	Chemicals	19,146	19,146	-	-	-	FBC	
17	720.2	Materials and Supplies	7,572	7,572	-	-	-	FBC	
18	742.2	Rental of Equipment	1,626	520	990	-	116	FCSP	
19	750.2	Transportation Expenses	1,122	359	683	-	80	FCSP	
20	756.2	Insurance - Vehicle	795	254	484	-	57	FCSP	
21	757.2	Insurance - General Liability	6,527	2,089	3,975	-	464	FCSP	
	758.2	Insurance - Workman's Compensation	-	-	-	-	-	FCSP	
	759.2	Insurance - Other	-	-	-	-	-	FCSP	
	767.2	Regulatory Commission Expense - Other	-	-	-	-	-	FCSP	
22		Total Maintenance	\$ 76,284	\$ 42,577	\$ 30,183	\$ -	\$ 3,524		
23		Total Collection Expenses	\$ 398,483	\$ 234,959	\$ 146,428	\$ -	\$ 17,097		
Pumping Expense									
<u>Operation</u>									
24	701.3	Salaries and Wages - Employees	\$ 119,578	\$ 41,190	\$ 78,389	\$ -	\$ -	FPP	L
25	704.3	Employee Pensions and Benefits	22,608	7,788	14,821	-	-	FPP	
26	715.3	Purchased Power	64,075	64,075	-	-	-	FBC	
27	718.3	Chemicals	38,291	38,291	-	-	-	FBC	
28	720.3	Materials and Supplies	27,257	27,257	-	-	-	FBC	
29	720.2.3	Office Supplies	4,500	4,500	-	-	-	FBC	
31	735.3	Contractual Services - Testing	3,689	1,271	2,418	-	-	FPP	
32	742.3	Rental of Equipment	8,131	2,801	5,330	-	-	FPP	
33	750.3	Transportation Expenses	4,040	1,392	2,648	-	-	FPP	
34	756.3	Insurance - Vehicle	2,861	986	1,876	-	-	FPP	
35	757.3	Insurance - General Liability	23,498	8,094	15,404	-	-	FPP	
36		Total Operation	\$ 320,523	\$ 198,330	\$ 122,193	\$ -	\$ -		
<u>Maintenance</u>									
37	701.4	Salaries and Wages - Employees	\$ 33,216	\$ 11,442	\$ 21,775	\$ -	\$ -	FPP	L

Pima Sewer Company
Test Year Ended June 30, 2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Present Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand[A]	Customer Accounts [A]	Customer Services[A]	Alloc. Code(b)	Labor
38	704.4	Employee Pensions and Benefits	6,280	2,163	4,117	-	-	FPP	
40	742.4	Rental of Equipment	1,626	560	1,066	-	-	FPP	
41	750.4	Transportation Expenses	1,122	387	736	-	-	FPP	
42	756.4	Insurance - Vehicle	795	274	521	-	-	FPP	
43	757.4	Insurance - General Liability	6,527	2,248	4,279	-	-	FPP	
44		Total Maintenance	\$ 57,138	\$ 24,645	\$ 32,493	\$ -	\$ -		
45		Total Pumping Plant	\$ 377,661	\$ 222,975	\$ 154,686	\$ -	\$ -		
46		Total Production Expenses	\$ 776,145	\$ 457,934	\$ 301,114	\$ -	\$ 17,097		
		<u>Treatment and Disposal Expenses</u>							
		<u>Operation</u>							
47	701.5	Salaries and Wages - Employees	\$ 119,578	\$ 41,190	\$ 78,389	\$ -	\$ -	FTDP	L
48	704.5	Employee Pensions and Benefits	22,608	7,788	14,821	-	-	FTDP	
50	718.5	Chemicals	248,892	248,892	-	-	-	FBC	
51	720.5	Materials and Supplies	27,257	27,257	-	-	-	FBC	
52	720.2.5	Office Supplies	4,500	4,500	-	-	-	FBC	
54	735.5	Contractual Services - Testing	28,776	28,776	-	-	-	FBC	
55	742.5	Rental of Equipment	8,131	2,801	5,330	-	-	FTDP	
56	750.5	Transportation Expenses	4,040	1,392	2,648	-	-	FTDP	
57	756.5	Insurance - Vehicle	2,861	986	1,876	-	-	FTDP	
58	757.5	Insurance - General Liability	23,498	8,094	15,404	-	-	FTDP	
59		Total Operation	\$748,366	628,499	119,868	0	0		
		<u>Maintenance</u>							
60	701.6	Salaries and Wages - Employees	\$ 33,216	\$ 11,442	\$ 21,775	\$ -	\$ -	FTDP	L
61	704.6	Employee Pensions and Benefits	6,280	2,163	4,117	-	-	FTDP	
62	720.6	Materials and Supplies	7,572	7,572	-	-	-	FBC	
63	742.6	Rental of Equipment	1,626	560	1,066	-	-	FTDP	
64	750.6	Transportation Expenses	1,122	387	736	-	-	FTDP	
65	756.6	Insurance - Vehicle	795	274	521	-	-	FTDP	
66	757.6	Insurance - General Liability	6,527	2,248	4,279	-	-	FTDP	
67		Total Maintenance	\$ 57,138	\$ 24,645	\$ 32,493	\$ -	\$ -		
68		Total Treatment and Disposal Expenses	\$ 805,505	\$ 653,144	\$ 152,361	\$ -	\$ -		
		<u>Reclaimed Water Expenses</u>							
		<u>Operation</u>							
69	701.9	Salaries and Wages - Employees	\$ 19,930	\$ 6,865	\$ 13,065	\$ -	\$ -	FRWP	L
70	704.9	Employee Pensions and Benefits	3,768	1,298	2,470	-	-	FRWP	
71	720.9	Materials and Supplies	9,086	9,086	-	-	-	FBC	
73	735.9	Contractual Services - Testing	369	369	-	-	-	FBC	
74	750.9	Transportation Expenses	673	232	441	-	-	FRWP	
75	756.9	Insurance - Vehicle	477	164	313	-	-	FRWP	
76	757.9	Insurance - General Liability	3,916	1,349	2,567	-	-	FRWP	
77		Total Operation	\$38,361	19,412	18,950	0	0		
		<u>Maintenance</u>							

Pima Sewer Company
Test Year Ended June 30, 2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Present Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand[A]	Customer Accounts [A]	Customer Services[A]	Alloc. Code(b)	Labor
78	701.10	Salaries and Wages - Employees	\$ 19,930	\$ 6,865	\$ 13,065	\$ -	\$ -	FRWP	L
79	704.10	Employee Pensions and Benefits	3,768	1,298	2,470	-	-	FRWP	
81	735.10	Contractual Services - Testing	369	369	-	-	-	FBC	
82	750.10x	Transportation Expenses	673	232	441	-	-	FRWP	
83	756.10	Insurance - Vehicle	477	164	313	-	-	FRWP	
84	757.10	Insurance - General Liability	3,916	1,349	2,567	-	-	FRWP	
85		Total Maintenance	\$ 29,276	\$ 10,326	\$ 18,950	\$ -	\$ -		
86		Total Reclaimed Water Expenses	\$ 67,637	\$ 29,738	\$ 37,899	\$ -	\$ -		

Pima Sewer Company
Test Year Ended June 30, 2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Present Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand[A]	Customer Accounts [A]	Customer Services[A]	Alloc. Code(b)	Labor
Customer Accounts Expenses									
<u>Operation</u>									
87	701.7	Salaries and Wages - Employees	\$ 66,432	\$ -	\$ -	\$ 66,432	\$ -	FCC	L
88	704.7	Employee Pensions and Benefits	12,560	-	-	12,560	-	FCC	
89	715.7	Purchased Power	9,154	-	-	9,154	-	FCC	
90	720.7	Materials and Supplies	15,143	-	-	15,143	-	FCC	
91	720.2.7	Office Supplies	44,999	-	-	44,999	-	FCC	
92	742.7	Rental of Equipment	1,626	-	-	1,626	-	FCC	
93	750.7	Transportation Expenses	2,244	-	-	2,244	-	FCC	
94	756.7	Insurance - Vehicle	1,590	-	-	1,590	-	FCC	
95	757.7	Insurance - General Liability	13,055	-	-	13,055	-	FCC	
96	770.7	Bad Debt Expense	8,005	-	-	8,005	-	FCC	
97		Total Customer Accounts Expenses	\$ 174,809	\$ -	\$ -	\$ 174,809	\$ -		
98		Total O&M w/oA&G Expenses	\$ 1,824,095	\$ 1,140,815	\$ 491,375	\$ 174,809	\$ 17,097		
Administrative and General Expenses									
<u>Operation</u>									
99	701.8	Salaries and Wages - Employees	\$ 99,649	\$ 31,297	\$ 30,699	\$ 36,568	\$ 1,085	FTOMPIS	L
	703.8	Salaries and Wages - Officers, Directors and Majo	-	-	-	-	-	FTOMWP	L
100	704.8	Employee Pensions and Benefits	18,840	5,595	9,777	3,108	360	FLA	
101	715.8	Purchased Power	18,307	11,087	5,192	1,847	181	FTOMWPC	
102	720.8	Materials and Supplies	22,715	7,134	6,998	8,335	247	FTOMPISCC	
103	720.2.8	Office Supplies	31,500	9,893	9,704	11,559	343	FTOMPISCC	
105	732.8	Contractual Services - Accounting	76,462	24,015	23,556	28,059	833	FTOMPISCC	
106	733.8	Contractual Services - Legal	129,812	40,771	39,991	47,636	1,414	FTOMPISCC	
107	734.8	Contractual Services - Professional	759,730	238,613	234,050	278,795	8,273	FTOMPISCC	
108	736.8	Contractual Services - Other	123,831	38,892	38,148	45,442	1,348	FTOMPISCC	
109	742.8	Rental of Equipment	1,626	511	501	597	18	FTOMPISCC	
110	750.8	Transportation Expenses	3,366	1,057	1,037	1,235	37	FTOMPISCC	
111	756.8	Insurance - Vehicle	2,384	749	735	875	26	FTOMPISCC	
112	757.8	Insurance - General Liability	19,582	6,591	12,544	-	446	FGPIS	
113	775.8	Miscellaneous Expenses	27,690	8,697	8,530	10,161	302	FTOMPISCC	
114		Total Admin and General Expenses	\$ 1,336,206	\$ 425,126	\$ 421,681	\$ 474,478	\$ 14,920		
115		Total Administrative and General Expenses	\$ 1,336,206	\$ 425,126	\$ 421,681	\$ 474,478	\$ 14,920		
116		Total Operation and Maintenance Expenses	\$ 3,160,301	\$ 1,555,615	\$ 894,106	\$ 649,287	\$ 32,017		
117		Depreciation & Amort Expense	\$ 835,276	\$ 269,398	\$ 512,697	\$ 37,815	\$ 15,366		
118		Taxes Other Than Income	\$ 239,297	\$ 78,059	\$ 148,556	\$ 5,735	\$ 6,947	FNP	
119		Total Operating Expenses Before Income Taxes	\$ 4,234,873	\$ 1,903,072	\$ 1,555,359	\$ 692,837	\$ 54,330		
120		Total Labor	\$ 624,465	\$ 185,449	\$ 324,068	\$ 103,000	\$ 11,948		L

Pima Sewer Company
Test Year Ended June 30, 2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Present Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand[A]	Customer Accounts [A]	Customer Services[A]	Alloc. Code(b)	Labor
Depreciation Expense									
Collection Plant									
121	35420	Structures and Improvements	14,704	5,065	9,639	-	-	FCS	
122	36000	Collection Mains - Gravity	57,025	19,643	37,383	-	-	FCS	
123		Total Collection Plant	\$ 209,687	\$ 67,232	\$ 127,951	\$ -	\$ 14,504		
Pumping Plant									
124	35500	Power Generation Equipment	9,288	3,199	6,089	-	-	FPU	
125	37000	Receiving Wells	56,537	19,475	37,063	-	-	FPU	
126		Total Pumping Plant	\$ 335,084	\$ 115,422	\$ 219,662	\$ -	\$ -		
Treatment and Disposal Plant									
127	35430	Structures and Improvements	24,507	8,442	16,065	-	-	FTD	
128	38000	Treatment and Disposal Equipment	182,249	62,777	119,472	-	-	FTD	
	38200	Outfall Sewer Lines	-	-	-	-	-	FTD	
129	38930	Other Sewer Olant and Equipment	3,114	1,073	2,041	-	-	FTD	
130		Total Treatment and Disposal Plant	\$ 209,870	\$ 72,291	\$ 137,579	\$ -	\$ -		
Relaimed Water Plant									
131	37500	Reuse Trans and Distribution System	5,004	1,724	3,280	-	-	FRW	
132		Total Relaimed Water Plant	\$ 5,004	\$ 1,724	\$ 3,280	\$ -	\$ -		
General Plant									
133	35450	Structures and Improvements	9,803	1,650	3,140	4,901	112	FGPCC	
134	39000	Furniture and Equipment	812	137	260	406	9	FGPCC	
135	39010	Computer Hardware	15,385	2,589	4,928	7,692	175	FGPCC	
136	39100	Transportation Equipment	15,386	2,590	4,928	7,693	175	FGPCC	
137	39300	Tools, Shop and Garage Equipment	3,118	525	999	1,559	36	FGPCC	
138	39400	Laboratory Equipment	3,129	527	1,002	1,565	36	FGPCC	
140	39600	Communication Equipment	16,903	2,845	5,414	8,451	193	FGPCC	
141	39700	Miscellaneous Equipment	1,158	195	371	579	13	FGPCC	
142		Total General Plant	\$ 75,630	\$ 12,729	\$ 24,224	\$ 37,815	\$ 862		
143		Subtotal Direct Depreciation Expense	\$ 835,276	\$ 269,398	\$ 512,697	\$ 37,815	\$ 15,366		
144		Total Depreciation & Amortization	\$ 835,276	\$ 269,398	\$ 512,697	\$ 37,815	\$ 15,366		

Supporting Schedules
(a) B-2 ; (b) G-7b

Recap Schedules
[A] G-3

Pima Sewer Company
Test Year Ended June 30, 2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Proposed Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand[A]	Customer Accounts [A]	Customer Services[A]	Allocation Code(b)	Labor
INCOME STATEMENT									
Collection Expenses									
<u>Operation</u>									
1	701.1	Salaries and Wages - Employees	\$ 119,578	\$ 38,261	\$ 72,816	\$ -	\$ 8,502	FCSP	L
2	704.1	Employee Pensions and Benefits	22,608	7,234	13,767	-	1,607	FCSP	
3	715.1	Purchased Power	27,461	27,461	-	-	-	FBC	
4	718.1	Chemicals	76,582	76,582	-	-	-	FBC	
5	720.1	Materials and Supplies	27,257	27,257	-	-	-	FBC	
6	720.2.1	Office Supplies	4,500	1,440	2,740	-	320	FCSP	
8	735.1	Contractual Services - Testing	3,689	1,180	2,246	-	262	FCSP	
9	742.1	Rental of Equipment	8,131	2,602	4,951	-	578	FCSP	
10	750.1	Transportation Expenses	4,040	1,293	2,460	-	287	FCSP	
11	756.1	Insurance - Vehicle	2,861	915	1,742	-	203	FCSP	
12	757.1	Insurance - General Liability	23,498	7,519	14,309	-	1,671	FCSP	
13		Total Operation	\$ 322,200	\$ 192,382	\$ 116,245	\$ -	\$ 13,572		
<u>Maintenance</u>									
14	701.2	Salaries and Wages - Employees	\$ 33,216	\$ 10,628	\$ 20,227	\$ -	\$ 2,362	FCSP	L
15	704.2	Employee Pensions and Benefits	6,280	2,009	3,824	-	446	FCSP	
16	718.2	Chemicals	19,146	19,146	-	-	-	FBC	
17	720.2	Materials and Supplies	7,572	7,572	-	-	-	FBC	
18	742.2	Rental of Equipment	1,626	520	990	-	116	FCSP	
19	750.2	Transportation Expenses	1,122	359	683	-	80	FCSP	
20	756.2	Insurance - Vehicle	795	254	484	-	57	FCSP	
21	757.2	Insurance - General Liability	6,527	2,089	3,975	-	464	FCSP	
	758.2	Insurance - Workman's Compensation	-	-	-	-	-	FCSP	
	759.2	Insurance - Other	-	-	-	-	-	FCSP	
	767.2	Regulatory Commission Expense - Other	-	-	-	-	-	FCSP	
22		Total Maintenance	\$ 76,284	\$ 42,577	\$ 30,183	\$ -	\$ 3,524		
23		Total Collection Expenses	\$ 398,483	\$ 234,959	\$ 146,428	\$ -	\$ 17,097		
Pumping Expense									
<u>Operation</u>									
24	701.3	Salaries and Wages - Employees	\$ 119,578	\$ 41,190	\$ 78,389	\$ -	\$ -	FPP	L
25	704.3	Employee Pensions and Benefits	22,608	7,788	14,821	-	-	FPP	
26	715.3	Purchased Power	64,075	64,075	-	-	-	FBC	
27	718.3	Chemicals	38,291	38,291	-	-	-	FBC	
28	720.3	Materials and Supplies	27,257	27,257	-	-	-	FBC	
29	720.2.3	Office Supplies	4,500	4,500	-	-	-	FBC	
30	735.3	Contractual Services - Testing	3,689	1,271	2,418	-	-	FPP	
31	742.3	Rental of Equipment	8,131	2,801	5,330	-	-	FPP	
32	750.3	Transportation Expenses	4,040	1,392	2,648	-	-	FPP	
33	656.3	Insurance - Vehicle	2,861	986	1,876	-	-	FPP	
34	757.3	Insurance - General Liability	23,498	8,094	15,404	-	-	FPP	
35		Total Operation	\$ 320,523	\$ 198,330	\$ 122,193	\$ -	\$ -		
<u>Maintenance</u>									
36	701.4	Salaries and Wages - Employees	\$ 33,216	\$ 11,442	\$ 21,775	\$ -	\$ -	FPP	L
37	704.4	Employee Pensions and Benefits	6,280	2,163	4,117	-	-	FPP	
38	720.4	Materials and Supplies	7,572	7,572	-	-	-	FBC	

Pima Sewer Company
Test Year Ended June 30, 2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Proposed Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand[A]	Customer Accounts [A]	Customer Services[A]	Allocation Code(b)	Labor
39	742.4	Rental of Equipment	1,626	560	1,066	-	-	FPP	
40	750.4	Transportation Expenses	1,122	387	736	-	-	FPP	
41	756.4	Insurance - Vehicle	795	274	521	-	-	FPP	
42	757.4	Insurance - General Liability	6,527	2,248	4,279	-	-	FPP	
43		Total Maintenance	\$ 57,138	\$ 24,645	\$ 32,493	\$ -	\$ -		
44		Total Water Treatment	\$ 377,661	\$ 222,975	\$ 154,686	\$ -	\$ -		
45		Total Production Expenses	\$ 776,145	\$ 457,934	\$ 301,114	\$ -	\$ 17,097		
		Treatment and Disposal Expenses							
		<u>Operation</u>							
46	701.5	Salaries and Wages - Employees	\$ 119,578	\$ 41,190	\$ 78,389	\$ -	\$ -	FTDP	L
47	704.5	Employee Pensions and Benefits	22,608	7,788	14,821	-	-	FTDP	
48	715.5	Purchased Power	64,075	64,075	-	-	-	FBC	
49	718.5	Chemicals	248,892	248,892	-	-	-	FBC	
50	720.5	Materials and Supplies	27,257	27,257	-	-	-	FBC	
51	720.2.5	Office Supplies	4,500	4,500	-	-	-	FBC	
53	735.5	Contractual Services - Testing	28,776	28,776	-	-	-	FBC	
54	742.5	Rental of Equipment	8,131	2,801	5,330	-	-	FTDP	
55	750.5	Transportation Expenses	4,040	1,392	2,648	-	-	FTDP	
56	756.5	Insurance - Vehicle	2,861	986	1,876	-	-	FTDP	
57	757.5	Insurance - General Liability	23,498	8,094	15,404	-	-	FTDP	
58		Total Operation	\$748,366	628,499	119,868	0	0		
		<u>Maintenance</u>							
59	701.6	Salaries and Wages - Employees	\$ 33,216	\$ 11,442	\$ 21,775	\$ -	\$ -	FTDP	L
60	704.6	Employee Pensions and Benefits	6,280	2,163	4,117	-	-	FTDP	
61	720.6	Materials and Supplies	7,572	7,572	-	-	-	FBC	
62	742.6	Rental of Equipment	1,626	560	1,066	-	-	FTDP	
63	750.6	Transportation Expenses	1,122	387	736	-	-	FTDP	
64	756.6	Insurance - Vehicle	795	274	521	-	-	FTDP	
65	757.6	Insurance - General Liability	6,527	2,248	4,279	-	-	FTDP	
66		Total Maintenance	\$ 57,138	\$ 24,645	\$ 32,493	\$ -	\$ -		
67		Total Treatment and Disposal Expenses	\$ 805,505	\$ 653,144	\$ 152,361	\$ -	\$ -		
		Reclaimed Water Expenses							
		<u>Operation</u>							
68	701.9	Salaries and Wages - Employees	\$ 19,930	\$ 6,865	\$ 13,065	\$ -	\$ -	FRWP	L
69	704.9	Employee Pensions and Benefits	3,768	1,298	2,470	-	-	FRWP	
70	720.9	Materials and Supplies	9,086	9,086	-	-	-	FBC	
72	735.9	Contractual Services - Testing	369	369	-	-	-	FBC	
73	750.9	Transportation Expenses	673	232	441	-	-	FRWP	
74	756.9	Insurance - Vehicle	477	164	313	-	-	FRWP	
75	757.9	Insurance - General Liability	3,916	1,349	2,567	-	-	FRWP	
76		Total Operation	\$38,361	19,412	18,950	0	0		
		<u>Maintenance</u>							
77	701.10	Salaries and Wages - Employees	\$ 19,930	\$ 6,865	\$ 13,065	\$ -	\$ -	FRWP	L

Pima Sewer Company
Test Year Ended June 30, 2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Proposed Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand[A]	Customer Accounts [A]	Customer Services[A]	Allocation Code(b)	Labor
78	704.10	Employee Pensions and Benefits	3,768	1,298	2,470	-	-	FRWP	
80	735.10	Contractual Services - Testing	369	369	-	-	-	FBC	
81	750.10	Transportation Expenses	673	232	441	-	-	FRWP	
82	756.10	Insurance - Vehicle	477	164	313	-	-	FRWP	
83	757.10	Insurance - General Liability	3,916	1,349	2,567	-	-	FRWP	
84		Total Maintenance	\$ 29,276	\$ 10,326	\$ 18,950	\$ -	\$ -		
85		Total Reclaimed Water Expenses	\$ 67,637	\$ 29,738	\$ 37,899	\$ -	\$ -		

Pima Sewer Company
Test Year Ended June 30, 2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Proposed Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand[A]	Customer Accounts [A]	Customer Services[A]	Allocation Code(b)	Labor
Customer Accounts Expenses									
<u>Operation</u>									
86	601.7	Salaries and Wages - Employees	\$ 66,432	\$ -	\$ -	\$ 66,432	\$ -	FCC	L
87	604.7	Employee Pensions and Benefits	12,560	-	-	12,560	-	FCC	
88	615.7	Purchased Power	9,154	-	-	9,154	-	FCC	
89	720.7	Materials and Supplies	15,143	-	-	15,143	-	FCC	
90	720.2.7	Office Supplies	44,999	-	-	44,999	-	FCC	
91	742.7	Rental of Equipment	1,626	-	-	1,626	-	FCC	
92	750.7	Transportation Expenses	2,244	-	-	2,244	-	FCC	
93	756.7	Insurance - Vehicle	1,590	-	-	1,590	-	FCC	
94	757.7	Insurance - General Liability	13,055	-	-	13,055	-	FCC	
95	770.7	Bad Debt Expense	12,613	-	-	12,613	-	FCC	
96		Total Customer Accounts Expenses	\$ 179,416	\$ -	\$ -	\$ 179,416	\$ -		
97		Total O&M w/oA&G Expenses	\$ 1,828,702	\$ 1,140,815	\$ 491,375	\$ 179,416	\$ 17,097		
Administrative and General Expenses									
<u>Operation</u>									
98	701.8	Salaries and Wages - Employees	\$ 99,649	\$ 31,297	\$ 30,699	\$ 36,568	\$ 1,085	FTOMPISCC	L
	703.8	Salaries and Wages - Officers, Directors and Major	-	-	-	-	-	FTOMWPC	L
99	704.8	Employee Pensions and Benefits	18,840	5,595	9,777	3,108	360	FLA	
100	715.8	Purchased Power	18,307	11,087	5,192	1,847	181	FTOMWPC	
101	720.8	Materials and Supplies	22,715	7,134	6,998	8,335	247	FTOMPISCC	
102	720.2.8	Office Supplies	31,500	9,893	9,704	11,559	343	FTOMPISCC	
104	732.8	Contractual Services - Accounting	76,462	24,015	23,556	28,059	833	FTOMPISCC	
105	733.8	Contractual Services - Legal	129,812	40,771	39,991	47,636	1,414	FTOMPISCC	
106	734.8	Contractual Services - Management Fees	759,730	238,613	234,050	278,795	8,273	FTOMPISCC	
107	736.8	Contractual Services - Other	123,831	38,892	38,148	45,442	1,348	FTOMPISCC	
108	742.8	Rental of Equipment	1,626	511	501	597	18	FTOMPISCC	
109	750.8	Transportation Expenses	3,366	1,057	1,037	1,235	37	FTOMPISCC	
110	756.8	Insurance - Vehicle	2,384	749	735	875	26	FTOMPISCC	
111	757.8	Insurance - General Liability	19,582	6,591	12,544	-	446	FGPIS	
112	775.8	Miscellaneous Expenses	27,690	8,697	8,530	10,161	302	FTOMPISCC	
113		Total Operation	\$ 1,336,206	\$ 425,126	\$ 421,681	\$ 474,478	\$ 14,920		
<u>Maintenance</u>									
		Other - Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -		
114		Total Administrative and General Expenses	\$ 1,336,206	\$ 425,126	\$ 421,681	\$ 474,478	\$ 14,920		
115		Total Operation and Maintenance Expenses	\$ 3,164,908	\$ 1,565,941	\$ 913,056	\$ 653,894	\$ 32,017		
116		Depreciation & Amort Expense	\$ 835,276	\$ 269,398	\$ 512,697	\$ 37,815	\$ 15,366		
117		Taxes Other Than Income	\$ 267,034	\$ 87,107	\$ 165,775	\$ 6,400	\$ 7,752	FNP	
118		Total Operating Expenses Before Income Taxes	\$ 4,267,217	\$ 1,922,446	\$ 1,591,528	\$ 698,109	\$ 55,135		
119		Total Labor	\$ 624,465	\$ 185,449	\$ 324,068	\$ 103,000	\$ 11,948		L

Pima Sewer Company
Test Year Ended June 30, 2025
O&M Expenses, Depreciation Expenses and Income Functionalization at Proposed Revenues

Line No.	Acct No.	Description	Adjusted Test Year(a)	Commodity Cost[A]	Demand[A]	Customer Accounts [A]	Customer Services[A]	Allocation Code(b)	Labor
Depreciation Expense									
Collection Plant									
120	35420	Structures and Improvements	14,704	5,065	9,639	-	-	FCS	
121	36000	Collection Mains - Gravity	57,025	19,643	37,383	-	-	FCS	
122		Total Collection Plant	\$ 209,687	\$ 67,232	\$ 127,951	\$ -	\$ 14,504		
Pumping Plant									
123	35500	Power Generation Equipment	9,288	3,199	6,089	-	-	FPU	
124	37000	Receiving Wells	56,537	19,475	37,063	-	-	FPU	
125		Total Pumping Plant	\$ 335,084	\$ 115,422	\$ 219,662	\$ -	\$ -		
Treatment and Disposal Plant									
	35330	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	FTD	
126	35430	Structures and Improvements	24,507	8,442	16,065	-	-	FTD	
127	38000	Treatment and Disposal Equipment	182,249	62,777	119,472	-	-	FTD	
	38200	Outfall Sewer Lines	-	-	-	-	-	FTD	
128	38930.0	Other Sewer Olant and Equipment	3,114	1,073	2,041	-	-	FTD	
129		Total Treatment and Disposal Plant	\$ 209,870	\$ 72,291	\$ 137,579	\$ -	\$ -		
Relaimed Water Plant									
130	37500	Reuse Trans and Distribution System	5,004	1,724	3,280	-	-	FRW	
131		Total Relcaimed Water Plant	\$ 5,004	\$ 1,724	\$ 3,280	\$ -	\$ -		
General Plant									
	35350	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	FGPCC	
132	35450	Structures and Improvements	9,803	1,650	3,140	4,901	112	FGPCC	
133	39000	Furniture and Equipment	812	137	260	406	9	FGPCC	
134	39010	Computer Hardware	15,385	2,589	4,928	7,692	175	FGPCC	
135	39100	Transportation Equipment	15,386	2,590	4,928	7,693	175	FGPCC	
136	39300	Tools, Shop and Garage Equipment	3,118	525	999	1,559	36	FGPCC	
137	39400	Laboratory Equipment	3,129	527	1,002	1,565	36	FGPCC	
139	39600	Communication Equipment	16,903	2,845	5,414	8,451	193	FGPCC	
140	39700	Miscellaneous Equipment	1,158	195	371	579	13	FGPCC	
141		Total General Plant	\$ 75,630	\$ 12,729	\$ 24,224	\$ 37,815	\$ 862		
142		Subtotal Direct Depreciation Expense	\$ 835,276	\$ 269,398	\$ 512,697	\$ 37,815	\$ 15,366		
143		Total Depreciation & Amortization	\$ 835,276	\$ 269,398	\$ 512,697	\$ 37,815	\$ 15,366		

Supporting Schedules
(a) B-2 ; (b) G-7b

Recap Schedules
[A] G-3

Pima Sewer Company
Test Year Ended June 30, 2025
Development of Allocation Factors by Function

Line No	Allocation Factor	Total (1)	Commodity (2)	Demand (3)	Customer Accounts (5)	Customer Services (6)
1						
2	ALLOCATION RATIOS					
3						
4	EXTERNAL FACTORS					
5						
6	DEMAND					
7						
8	Commodity	FBC	100.0000%	100.0000%	0.0000%	0.0000%
9	Demand	FECMD	100.0000%	34.4457%	65.5543%	0.0000%
10						
11						
12	Pumping Plant	FPU	100.0000%	34.4457%	65.5543%	0.0000%
13	Treatment and Disposal	FTD	100.0000%	34.4457%	65.5543%	0.0000%
14	Collection System	FCS	100.0000%	34.4457%	65.5543%	0.0000%
15	Reclaimed Water System	FRW	100.0000%	34.4457%	65.5543%	0.0000%
16						
17	CUSTOMER					
18						
19	Customer Accounts	FCC	100.0000%	0.0000%	0.0000%	100.0000%
20						
21	Customer Services	FCSS	100.0000%	0.0000%	0.0000%	100.0000%
22						
23	Effluent					
24	Effluent	EFF	0.0000%	0.0000%	0.0000%	0.0000%
25						
26	Purchased Power					
27	Purchased Power	FPP	100.0000%	34.4457%	65.5543%	0.0000%
28						
29	INTERNAL FACTORS					
30						
31	Net Plant	FNP	100.0000%	32.6202%	62.0802%	2.3966%
32	Net Plant w/CIAC	FNPCA	100.0000%	32.6202%	62.0802%	2.3966%
33	Gross Plant In Service (excl Intangible and Gen.)	FGPIS	100.0000%	33.6603%	64.0597%	0.0000%
34	Total O&M w/oA&G Expenses	FTOM	100.0000%	62.5414%	26.9380%	9.5833%
35	Labor	FLA	100.0000%	29.6972%	51.8953%	16.4941%
36	Collection System Plant	FCSP	100.0000%	31.9967%	60.8936%	0.0000%
37	Pumping Plant	FPP	100.0000%	34.4457%	65.5543%	0.0000%
38	Treatment and Disposal Plant	FTDP	100.0000%	34.4457%	65.5543%	0.0000%
39	Reclaimed Water System	FRWP	100.0000%	34.4457%	65.5543%	0.0000%
40	General & Admin. Plant (See Note 1)	FGPCC	100.0000%	16.8301%	32.0298%	50.0000%
41	General & Admin Expenses (See Note 2)	FTOMPISCC	100.0000%	31.4076%	30.8070%	36.6965%
42	Plant In Service	FPIS	100.0000%	33.0615%	62.9202%	1.7788%
43	Total O&M w/oA&G Expenses w/o power & chemicals	FTOMWPC	100.0000%	60.5624%	28.3612%	10.0896%
44						

Pima Sewer Company
Test Year Ended June 30, 2025
Development of Allocation Factors by Function

Line No	Allocation Factor	Total (1)	Commodity (2)	Demand (3)	Customer Accounts (5)	Customer Services (6)
45	INPUTS FOR RATIOS					
46						
47	EXTERNAL INPUTS					
48						
49	DEMAND					
50						
51	Peak Day WW Flows (MGD)	1.708				
52	Annual Inflows (MG)	408.679				
53						
54	Calculation of Demand					
55		<u>MGD</u>	<u>Ratio</u>	<u>Commodity</u>	<u>Max Day</u>	
56	FBC Avg Day	1.120	1.000		1.000	
57	FECMD Max Day	1.708	1.525	0.344	0.656	
58						
59						
60						
61				<u>Commodity</u>	<u>Max Day</u>	
62	Purchased Power	FPP 100.0	100.0	34.4	65.6	
63	Treatment and Disposal	FTD 100.0	100.0	34.4	65.6	
64						
65	INTERNAL INPUTS					
66						
67						
68		<u>Schedule G3a</u>				
69	Gross Plant In Service (excludes intangibles & Gen)	FGPIS \$ 31,806,001	\$ 31,806,001	\$ 10,705,995	\$ 20,374,822	\$ -
70	Plant In Service	FPIS \$ 32,979,296	\$ 32,979,296	\$ 10,903,463	\$ 20,750,626	\$ 586,648
71	Net Plant w/CIAC	FNPCA \$ 13,201,974	\$ 13,201,974	\$ 4,306,506	\$ 8,195,809	\$ 316,398
72	Net Plant	FNP \$ 13,201,974	\$ 13,201,974	\$ 4,306,506	\$ 8,195,809	\$ 316,398
73	Total O&M w/oA&G Expenses	FTOM \$ 1,824,095	\$ 1,824,095	\$ 1,140,815	\$ 491,375	\$ 174,809
74	Labor	FLA \$ 624,465	\$ 624,465	\$ 185,449	\$ 324,068	\$ 103,000
75	Collection System Plant	FCSP \$ 10,199,853	\$ 10,199,853	\$ 3,263,613	\$ 6,211,056	\$ -
76	Pumping Plant	FPP \$ 7,126,785	\$ 7,126,785	\$ 2,454,869	\$ 4,671,916	\$ -
77	Treatment and Disposal Plant	FTDP \$ 14,279,209	\$ 14,279,209	\$ 4,918,569	\$ 9,360,640	\$ -
78	Reclaimed Water System	FRWP \$ 200,155	\$ 68,945	\$ 131,210	\$ -	\$ -
79	Total O&M w/oA&G Expenses w/o power & chemicals	FTOMWPC \$ 1,732,559	\$ 1,732,559	\$ 1,049,280	\$ 491,375	\$ 174,809

Note 1: Based upon a two-factor formula equal weighting FCC allocation factor and the FGPIS allocation factor.

Note 2: Based upon a three-factor formula equal weighting FCC allocation factor, FGPIS, and the FTOMWPC allocation factor.

Pima Sewer Company
Test Year Ended June 30, 2025
Development of Allocation Factors by Customer Class

Line No	Allocation Factor	Total (1)	Residential (2)	Commercial (3)
1	ALLOCATION RATIOS			
2				
3	EXTERNAL FACTORS			
4				
5	COMMODITY			
6	Commodity	100.0000%	85.7909%	14.2091%
7				
8	DEMAND			
9	Demand	100.0000%	100.0000%	0.0000%
10				
11	CUSTOMER			
12	Bills	100.0000%	98.8613%	1.1387%
13	Services	100.0000%	99.0845%	0.9155%
14				
15	REVENUES			
16	Sewer Sales	100.0000%	94.1806%	5.8194%
17	Sewer Sales excluding effluent	100.0000%	94.1806%	5.8194%
18				
19	INTERNAL FACTORS			
20				
21	Effluent	100.0000%	98.8613%	1.1387%
22	Rate Base	100.0000%	95.3111%	4.6889%
23				
24	INPUTS FOR RATIOS			
25				

Pima Sewer Company
Test Year Ended June 30, 2025
Development of Allocation Factors by Customer Class

Line No	Allocation Factor	Total (1)	Residential (2)	Commercial (3)	
26	EXTERNAL INPUTS				
27	DEMAND AND COMMODITY	100.00%	85.78%	14.22%	
28	Annual Flows (MG)	408,679	350,556	58,123	
29	Average Daily Flows (mgd)	1.119	0.960	0.159	
30	Max Day Capacity Factor		1.30	1.00	
31	Maximum Day Flows (mgd)	1.407	1.248	0.159	
32	Maximum Day Excess	0.288	0.288	0.000	
33					
34					
35	CUSTOMER				
36	Bills	121,896	120,508	1,388	
37	Services		1,829	13	
38	Cost Factor		1.00	1.30	
39	Equivalent Services	1,846	1,829	17	
40					
41	REVENUES				
42	Test Year Sewer Sales	\$ 3,468,141	\$ 3,266,315	\$ 201,826	
43	Test Year Sewer Sales excluding effluent	\$ 3,468,141	\$ 3,266,315	\$ 201,826	
44					
45					
46	Rate of Return (ROR)	9.16%			
47	Revenue Conversion Factor	1.3516			
48					
49	TAX FACTORS				
50	Wtd Cost of Debt	2.1420%			
51	State Tax Rate	4.90%			
52	Federal Tax Rate	21.00%			
53					
54					
55	INTERNAL INPUTS				
56					
57	Rate Base	CRB \$13,425,887	13,425,887	12,796,359	629,527

Pima Utility Company - Sewer Division

Test Year Ended June 30, 2025

Present and Proposed Rates

Exhibit

Schedule H-3

Page 1

Line No.	Monthly Usage Charge for:	Present Rates	Proposed Rates	Change	Percent Change
1	<u>Meter Size (All Classes):</u>				
2	5/8x3/4 Inch	\$ 26.04	\$ 41.20	\$ 15.16	58.20%
2	3/4 Inch	40.47	64.02	23.55	58.20%
3	1 Inch	67.95	107.50	39.55	58.20%
4	1 1/2 Inch	134.39	212.60	78.21	58.20%
5	2 Inch	214.57	339.45	124.88	58.20%
6	3 Inch	416.57	659.01	242.44	
7	4 Inch	1,239.79	1,961.35	721.56	
8	6 Inch	-	-	-	
9					
10	Effluent Sales	183.00	184.58	1.58	0.86%
11	Charge per 1,000 gallons	\$ 0.51	\$ 0.81	0.30	58.20%
12					
13	Recovered Effluent Sales	183.00	184.58	1.58	0.86%
14	Charge per 1,000 gallons	\$ 0.51	\$ 0.81	0.30	58.20%
15					
16					
17					
18					
19					
20	NT = No Tariff				

Pima Utility Company - Sewer Division
Present and Proposed Rates
Test Year Ended June 30, 2025

Exhibit
Schedule H-3
Page 2
Witness: Bourassa

Line
No.

1
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Other Charges:

Present

Establishment	\$ 25.00
Re-Establishment (within 12 months)	*
Reconnection (delinquent)	\$ 25.00
Meter Test (if correct)	N/A
Meter Re-Read (if correct)	\$ 20.00
NSF Check [a]	\$ 15.00
Deferred Payment (per month)	1.50%
Late Payment Fee (per month)	1.50%
After hours service charge (at customer's request) [b]	\$ 50.00
Deposit	**
Deposit Interest	**

Proposed

Establishment	\$ 35.00
Re-Establishment (within 12 months)	(a)
Reconnection (delinquent)	\$ 30.00
Meter Test (if correct)	N/A
Meter Re-Read (if correct)	N/A
NSF Check	\$ 30.00
Deferred Payment (per month)	1.50%
Late Charge	(b)
Service - After Hours	\$50.00(c)
Deposit Requirement	(d)
Deposit Interest	6%

*Number of months off the system times the applicable sewer charges.

**Per A.A.C R-14-2-603.B.7 and 603.B.3

***Per A.A.C. R14-2-608.F

[a] Company may only charge one NSF fee when customer is billed for water and sewer services on one bill and when the customer pays their bill with one check,

[b] The after-hours charge shall apply to any service requested by the customer or for the customer's convenience that is performed by the Company after regular business hours and shall be in addition to the regular business hours service charge.

(a) Minimum charge times number of full months off the system per A.A.C. R-14-2-403(D).

(b) Greater of \$5.00 or 1.5% of unpaid balance.

(c) Customer shall be charged for after-hours service calls outside of normal working hours for work performed at the customer's request or convenience.

(d) Per A.A.C R14-2-403(B): Residential - two times the average bill by class; Non-residential - two and one-half times the customer's estimated maximum monthly bill.

Pima Utility Company - Sewer Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Residential 5/8x3/4 Inch Meter
 Test Year Ended June 30, 2025
 (Excludes all Revenue Related Taxes)

Exhibit
 Schedule H-4
 Page 1
 Witness: Bourassa

<u>Usage</u>	<u>Present</u> <u>Bill</u>	<u>Proposed</u> <u>Bill</u>	<u>Dollar</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>
-	\$ 26.04	\$ 41.20	\$ 15.16	58.20%
1,000	26.04	41.20	15.16	58.20%
2,000	26.04	41.20	15.16	58.20%
3,000	26.04	41.20	15.16	58.20%
4,000	26.04	41.20	15.16	58.20%
5,000	26.04	41.20	15.16	58.20%
6,000	26.04	41.20	15.16	58.20%
7,000	26.04	41.20	15.16	58.20%
8,000	26.04	41.20	15.16	58.20%
9,000	26.04	41.20	15.16	58.20%
10,000	26.04	41.20	15.16	58.20%
12,000	26.04	41.20	15.16	58.20%
14,000	26.04	41.20	15.16	58.20%
16,000	26.04	41.20	15.16	58.20%
18,000	26.04	41.20	15.16	58.20%
20,000	26.04	41.20	15.16	58.20%
25,000	26.04	41.20	15.16	58.20%
30,000	26.04	41.20	15.16	58.20%
35,000	26.04	41.20	15.16	58.20%
40,000	26.04	41.20	15.16	58.20%
45,000	26.04	41.20	15.16	58.20%
50,000	26.04	41.20	15.16	58.20%
60,000	26.04	41.20	15.16	58.20%
70,000	26.04	41.20	15.16	58.20%
80,000	26.04	41.20	15.16	58.20%
90,000	26.04	41.20	15.16	58.20%
100,000	26.04	41.20	15.16	58.20%

Present Rates:
 Monthly Minimum: \$ 26.04

Proposed Rates:
 Monthly Minimum: \$ 41.20

Average Usage	-	\$ 26.04	\$ 41.20	\$ 15.16	58.20%
Median Usage	-	\$ 26.04	\$ 41.20	\$ 15.16	58.20%

Pima Utility Company - Sewer Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Residential 1 Inch Meter
 Test Year Ended June 30, 2025
 (Excludes all Revenue Related Taxes)

Exhibit
 Schedule H-4
 Page 2
 Witness: Bourassa

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 67.95	\$ 107.50	\$ 39.55	58.20%
1,000	67.95	107.50	39.55	58.20%
2,000	67.95	107.50	39.55	58.20%
3,000	67.95	107.50	39.55	58.20%
4,000	67.95	107.50	39.55	58.20%
5,000	67.95	107.50	39.55	58.20%
6,000	67.95	107.50	39.55	58.20%
7,000	67.95	107.50	39.55	58.20%
8,000	67.95	107.50	39.55	58.20%
9,000	67.95	107.50	39.55	58.20%
10,000	67.95	107.50	39.55	58.20%
12,000	67.95	107.50	39.55	58.20%
14,000	67.95	107.50	39.55	58.20%
16,000	67.95	107.50	39.55	58.20%
18,000	67.95	107.50	39.55	58.20%
20,000	67.95	107.50	39.55	58.20%
25,000	67.95	107.50	39.55	58.20%
30,000	67.95	107.50	39.55	58.20%
35,000	67.95	107.50	39.55	58.20%
40,000	67.95	107.50	39.55	58.20%
45,000	67.95	107.50	39.55	58.20%
50,000	67.95	107.50	39.55	58.20%
60,000	67.95	107.50	39.55	58.20%
70,000	67.95	107.50	39.55	58.20%
80,000	67.95	107.50	39.55	58.20%
90,000	67.95	107.50	39.55	58.20%
100,000	67.95	107.50	39.55	58.20%

Present Rates:
 Monthly Minimum: \$ 67.95

Proposed Rates:
 Monthly Minimum: \$ 107.50

Average Usage	-	\$ 67.95	\$ 107.50	\$ 39.55	58.20%
Median Usage	-	\$ 67.95	\$ 107.50	\$ 39.55	58.20%

Pima Utility Company - Sewer Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Residential 5/8x3/4 Inch Meter
 Test Year Ended June 30, 2025
 (Excludes all Revenue Related Taxes)

Exhibit
 Schedule H-4
 Page 3
 Witness: Bourassa

<u>Usage</u>	<u>Present</u> <u>Bill</u>	<u>Proposed</u> <u>Bill</u>	<u>Dollar</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>
-	\$ 26.04	\$ 41.20	\$ 15.16	58.20%
1,000	26.04	41.20	15.16	58.20%
2,000	26.04	41.20	15.16	58.20%
3,000	26.04	41.20	15.16	58.20%
4,000	26.04	41.20	15.16	58.20%
5,000	26.04	41.20	15.16	58.20%
6,000	26.04	41.20	15.16	58.20%
7,000	26.04	41.20	15.16	58.20%
8,000	26.04	41.20	15.16	58.20%
9,000	26.04	41.20	15.16	58.20%
10,000	26.04	41.20	15.16	58.20%
12,000	26.04	41.20	15.16	58.20%
14,000	26.04	41.20	15.16	58.20%
16,000	26.04	41.20	15.16	58.20%
18,000	26.04	41.20	15.16	58.20%
20,000	26.04	41.20	15.16	58.20%
25,000	26.04	41.20	15.16	58.20%
30,000	26.04	41.20	15.16	58.20%
35,000	26.04	41.20	15.16	58.20%
40,000	26.04	41.20	15.16	58.20%
45,000	26.04	41.20	15.16	58.20%
50,000	26.04	41.20	15.16	58.20%
60,000	26.04	41.20	15.16	58.20%
70,000	26.04	41.20	15.16	58.20%
80,000	26.04	41.20	15.16	58.20%
90,000	26.04	41.20	15.16	58.20%
100,000	26.04	41.20	15.16	58.20%

Present Rates:
 Monthly Minimum: \$ 26.04

Proposed Rates:
 Monthly Minimum: \$ 41.20

Average Usage	-	\$ 26.04	\$ 41.20	\$ 15.16	58.20%
Median Usage	-	\$ 26.04	\$ 41.20	\$ 15.16	58.20%

Bill Comparison of Present and Proposed Rates
 Customer Classification Commercial 3/4 Inch Meter
 Test Year Ended June 30, 2025
 (Excludes all Revenue Related Taxes)

Schedule H-4
 Page 4
 Witness: Bourassa

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 40.47	\$ 64.02	\$ 23.55	58.20%
1,000	40.47	64.02	23.55	58.20%
2,000	40.47	64.02	23.55	58.20%
3,000	40.47	64.02	23.55	58.20%
4,000	40.47	64.02	23.55	58.20%
5,000	40.47	64.02	23.55	58.20%
6,000	40.47	64.02	23.55	58.20%
7,000	40.47	64.02	23.55	58.20%
8,000	40.47	64.02	23.55	58.20%
9,000	40.47	64.02	23.55	58.20%
10,000	40.47	64.02	23.55	58.20%
12,000	40.47	64.02	23.55	58.20%
14,000	40.47	64.02	23.55	58.20%
16,000	40.47	64.02	23.55	58.20%
18,000	40.47	64.02	23.55	58.20%
20,000	40.47	64.02	23.55	58.20%
25,000	40.47	64.02	23.55	58.20%
30,000	40.47	64.02	23.55	58.20%
35,000	40.47	64.02	23.55	58.20%
40,000	40.47	64.02	23.55	58.20%
45,000	40.47	64.02	23.55	58.20%
50,000	40.47	64.02	23.55	58.20%
60,000	40.47	64.02	23.55	58.20%
70,000	40.47	64.02	23.55	58.20%
80,000	40.47	64.02	23.55	58.20%
90,000	40.47	64.02	23.55	58.20%
100,000	40.47	64.02	23.55	58.20%
7,500	\$ 40.47	\$ 64.02	23.55	58.20%

Present Rates:
 Monthly Minimum: \$ 40.47

Proposed Rates:
 Monthly Minimum: \$ 64.02

Average Usage	-	\$ 40.47	\$ 64.02	\$ 23.55	58.20%
Median Usage					

Pima Utility Company - Sewer Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Commercial 1 Inch Meter
 Test Year Ended June 30, 2025

Exhibit
 Schedule H-4
 Page 5
 Witness: Bourassa

<u>Usage</u>	<u>Present</u> <u>Bill</u>	<u>Proposed</u> <u>Bill</u>	<u>Dollar</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>
-	\$ 67.95	\$ 107.50	\$ 39.55	58.20%
1,000	67.95	107.50	39.55	58.20%
2,000	67.95	107.50	39.55	58.20%
3,000	67.95	107.50	39.55	58.20%
4,000	67.95	107.50	39.55	58.20%
5,000	67.95	107.50	39.55	58.20%
6,000	67.95	107.50	39.55	58.20%
7,000	67.95	107.50	39.55	58.20%
8,000	67.95	107.50	39.55	58.20%
9,000	67.95	107.50	39.55	58.20%
10,000	67.95	107.50	39.55	58.20%
12,000	67.95	107.50	39.55	58.20%
14,000	67.95	107.50	39.55	58.20%
16,000	67.95	107.50	39.55	58.20%
18,000	67.95	107.50	39.55	58.20%
20,000	67.95	107.50	39.55	58.20%
25,000	67.95	107.50	39.55	58.20%
30,000	67.95	107.50	39.55	58.20%
35,000	67.95	107.50	39.55	58.20%
40,000	67.95	107.50	39.55	58.20%
45,000	67.95	107.50	39.55	58.20%
50,000	67.95	107.50	39.55	58.20%
60,000	67.95	107.50	39.55	58.20%
70,000	67.95	107.50	39.55	58.20%
80,000	67.95	107.50	39.55	58.20%
90,000	67.95	107.50	39.55	58.20%
100,000	67.95	107.50	39.55	58.20%
Average Usage				
-	\$ 67.95	\$ 107.50	\$ 39.55	58.20%
Median Usage				
-	\$ 67.95	\$ 107.50	\$ 39.55	58.20%

Present Rates:
 Monthly Minimum: \$ 67.95

Proposed Rates:
 Monthly Minimum: \$ 107.50
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 999,999,999 \$ -
 Over 999,999,999 \$ -

Pima Utility Company - Sewer Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Commercial 1.5 Inch Meter
 Test Year Ended June 30, 2025

Exhibit
 Schedule H-4
 Page 6
 Witness: Bourassa

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase	
-	\$ 134.39	\$ 212.60	\$ 78.21	58.20%	
1,000	134.39	212.60	78.21	58.20%	Present Rates: Monthly Minimum: \$ 134.39
2,000	134.39	212.60	78.21	58.20%	
3,000	134.39	212.60	78.21	58.20%	
4,000	134.39	212.60	78.21	58.20%	
5,000	134.39	212.60	78.21	58.20%	
6,000	134.39	212.60	78.21	58.20%	
7,000	134.39	212.60	78.21	58.20%	
8,000	134.39	212.60	78.21	58.20%	
9,000	134.39	212.60	78.21	58.20%	
10,000	134.39	212.60	78.21	58.20%	
12,000	134.39	212.60	78.21	58.20%	Proposed Rates: Monthly Minimum: \$ 212.60
14,000	134.39	212.60	78.21	58.20%	
16,000	134.39	212.60	78.21	58.20%	
18,000	134.39	212.60	78.21	58.20%	
20,000	134.39	212.60	78.21	58.20%	
25,000	134.39	212.60	78.21	58.20%	
30,000	134.39	212.60	78.21	58.20%	
35,000	134.39	212.60	78.21	58.20%	
40,000	134.39	212.60	78.21	58.20%	
45,000	134.39	212.60	78.21	58.20%	
50,000	134.39	212.60	78.21	58.20%	
60,000	134.39	212.60	78.21	58.20%	
70,000	134.39	212.60	78.21	58.20%	
80,000	134.39	212.60	78.21	58.20%	
90,000	134.39	212.60	78.21	58.20%	
100,000	134.39	212.60	78.21	58.20%	
Average Usage					
-	\$ 134.39	\$ 212.60	\$ 78.21	58.20%	
Median Usage					
-	\$ 134.39	\$ 212.60	\$ 78.21	58.20%	

Pima Utility Company - Sewer Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Commerical 2 Inch Meter
 Test Year Ended June 30, 2025

Exhibit
 Schedule H-4
 Page 7
 Witness: Bourassa

<u>Usage</u>	<u>Present</u> <u>Bill</u>	<u>Proposed</u> <u>Bill</u>	<u>Dollar</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>	
-	\$ 214.57	\$ 339.45	\$ 124.88	58.20%	
1,000	214.57	339.45	124.88	58.20%	Present Rates:
2,000	214.57	339.45	124.88	58.20%	Monthly Minimum: \$ 214.57
3,000	214.57	339.45	124.88	58.20%	
4,000	214.57	339.45	124.88	58.20%	
5,000	214.57	339.45	124.88	58.20%	
6,000	214.57	339.45	124.88	58.20%	
7,000	214.57	339.45	124.88	58.20%	
8,000	214.57	339.45	124.88	58.20%	
9,000	214.57	339.45	124.88	58.20%	
10,000	214.57	339.45	124.88	58.20%	
12,000	214.57	339.45	124.88	58.20%	Proposed Rates:
14,000	214.57	339.45	124.88	58.20%	Monthly Minimum: \$ 339.45
16,000	214.57	339.45	124.88	58.20%	
18,000	214.57	339.45	124.88	58.20%	
20,000	214.57	339.45	124.88	58.20%	
25,000	214.57	339.45	124.88	58.20%	
30,000	214.57	339.45	124.88	58.20%	
35,000	214.57	339.45	124.88	58.20%	
40,000	214.57	339.45	124.88	58.20%	
45,000	214.57	339.45	124.88	58.20%	
50,000	214.57	339.45	124.88	58.20%	
60,000	214.57	339.45	124.88	58.20%	
70,000	214.57	339.45	124.88	58.20%	
80,000	214.57	339.45	124.88	58.20%	
90,000	214.57	339.45	124.88	58.20%	
100,000	214.57	339.45	124.88	58.20%	
Average Usage					
-	\$ 214.57	\$ 339.45	\$ 124.88	58.20%	
Median Usage					
-	\$ 214.57	\$ 339.45	\$ 124.88	58.20%	

Pima Utility Company - Sewer Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Commerical 4 Inch Meter
 Test Year Ended June 30, 2025

Exhibit
 Schedule H-4
 Page 8
 Witness: Bourassa

<u>Usage</u>	<u>Present</u> <u>Bill</u>	<u>Proposed</u> <u>Bill</u>	<u>Dollar</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>
-	\$ 1,239.79	\$ 1,961.35	\$ 721.56	58.20%
1,000	1,239.79	1,961.35	721.56	58.20%
2,000	1,239.79	1,961.35	721.56	58.20%
3,000	1,239.79	1,961.35	721.56	58.20%
4,000	1,239.79	1,961.35	721.56	58.20%
5,000	1,239.79	1,961.35	721.56	58.20%
6,000	1,239.79	1,961.35	721.56	58.20%
7,000	1,239.79	1,961.35	721.56	58.20%
8,000	1,239.79	1,961.35	721.56	58.20%
9,000	1,239.79	1,961.35	721.56	58.20%
10,000	1,239.79	1,961.35	721.56	58.20%
12,000	1,239.79	1,961.35	721.56	58.20%
14,000	1,239.79	1,961.35	721.56	58.20%
16,000	1,239.79	1,961.35	721.56	58.20%
18,000	1,239.79	1,961.35	721.56	58.20%
20,000	1,239.79	1,961.35	721.56	58.20%
25,000	1,239.79	1,961.35	721.56	58.20%
30,000	1,239.79	1,961.35	721.56	58.20%
35,000	1,239.79	1,961.35	721.56	58.20%
40,000	1,239.79	1,961.35	721.56	58.20%
45,000	1,239.79	1,961.35	721.56	58.20%
50,000	1,239.79	1,961.35	721.56	58.20%
60,000	1,239.79	1,961.35	721.56	58.20%
70,000	1,239.79	1,961.35	721.56	58.20%
80,000	1,239.79	1,961.35	721.56	58.20%
90,000	1,239.79	1,961.35	721.56	58.20%
100,000	1,239.79	1,961.35	721.56	58.20%

Present Rates:
 Monthly Minimum: \$ 1,239.79

Proposed Rates:
 Monthly Minimum: \$ 1,961.35

Average Usage				
-	\$ 1,239.79	\$ 1,961.35	\$ 721.56	58.20%
Median Usage				
-	\$ 1,239.79	\$ 1,961.35	\$ 721.56	58.20%

Pima Utility Company - Sewer Division

Test Year Ended June 30, 2025

Customer Classification Residential 5/8x3/4 Inch Meter

Exhibit
Schedule H-5

Page 1

Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	-	9,793	9,775	9,782	9,788	9,782	9,784	9,792	9,778	9,773	9,809	9,787	9,804	117,447	117,447	-
1	1,000													-	117,447	-
1,001	2,000													-	117,447	-
2,001	3,000													-	117,447	-
3,001	4,000													-	117,447	-
4,001	5,000													-	117,447	-
5,001	6,000													-	117,447	-
6,001	7,000													-	117,447	-
7,001	8,000													-	117,447	-
8,001	9,000													-	117,447	-
9,001	10,000													-	117,447	-
10,001	12,000													-	117,447	-
12,001	14,000													-	117,447	-
14,001	16,000													-	117,447	-
16,001	18,000													-	117,447	-
18,001	20,000													-	117,447	-
20,001	25,000													-	117,447	-
25,001	30,000													-	117,447	-
30,001	35,000													-	117,447	-
35,001	40,000													-	117,447	-
40,001	45,000													-	117,447	-
45,001	50,000													-	117,447	-
50,001	60,000													-	117,447	-
60,001	70,000													-	117,447	-
70,001	80,000													-	117,447	-
80,001	90,000													-	117,447	-
90,001	100,000													-	117,447	-
														-	117,447	-
Totals		<u>9,793</u>	<u>9,775</u>	<u>9,782</u>	<u>9,788</u>	<u>9,782</u>	<u>9,784</u>	<u>9,792</u>	<u>9,778</u>	<u>9,773</u>	<u>9,809</u>	<u>9,787</u>	<u>9,804</u>	<u>117,447</u>		

Average Usage	-
Median Usage	-
Average # Customers	9,787
Change in Number of Customers	11

Pima Utility Company - Sewer Division
Test Year Ended June 30, 2025
Customer Classification Residential 1 Inch Meter

Exhibit
Schedule H-5
Page 2
Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	-	255	256	254	255	257	254	256	254	255	255	255	255	3,061	3,061	-
1	1,000													-	3,061	-
1,001	2,000													-	3,061	-
2,001	3,000													-	3,061	-
3,001	4,000													-	3,061	-
4,001	5,000													-	3,061	-
5,001	6,000													-	3,061	-
6,001	7,000													-	3,061	-
7,001	8,000													-	3,061	-
8,001	9,000													-	3,061	-
9,001	10,000													-	3,061	-
10,001	12,000													-	3,061	-
12,001	14,000													-	3,061	-
14,001	16,000													-	3,061	-
16,001	18,000													-	3,061	-
18,001	20,000													-	3,061	-
20,001	25,000													-	3,061	-
25,001	30,000													-	3,061	-
30,001	35,000													-	3,061	-
35,001	40,000													-	3,061	-
40,001	45,000													-	3,061	-
45,001	50,000													-	3,061	-
50,001	60,000													-	3,061	-
60,001	70,000													-	3,061	-
70,001	80,000													-	3,061	-
80,001	90,000													-	3,061	-
90,001	100,000													-	3,061	-
	-													-	3,061	-
Totals		255	256	254	255	257	254	256	254	255	255	255	255	3,061		
															Average Usage	-
															Median Usage	-
															Average # Customers	255
															Change in Number of Customers	0

Pima Utility Company - Sewer Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 3/4 Inch Meter

Exhibit
 Schedule H-5
 Page 4
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1,001	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2,001	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3,001	4,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4,001	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5,001	6,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6,001	7,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7,001	8,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8,001	9,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9,001	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10,001	12,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12,001	14,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14,001	16,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16,001	18,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18,001	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20,001	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
25,001	30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30,001	35,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
35,001	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
40,001	45,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
45,001	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
50,001	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
60,001	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70,001	80,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
80,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
90,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Totals		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Pima Utility Company - Sewer Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 1.5 Inch Meter

Exhibit
 Schedule H-5
 Page 6
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul 10	Month of Aug 10	Month of Sep 10	Month of Oct 10	Month of Nov 10	Month of Dec 11	Month of Jan 11	Month of Feb 11	Month of Mar 11	Month of Apr 11	Month of May 11	Month of Jun 11	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	-	10	10	10	10	10	11	11	11	11	11	11	11	127	127	-
1	1,000													-	127	-
1,001	2,000													-	127	-
2,001	3,000													-	127	-
3,001	4,000													-	127	-
4,001	5,000													-	127	-
5,001	6,000													-	127	-
6,001	7,000													-	127	-
7,001	8,000													-	127	-
8,001	9,000													-	127	-
9,001	10,000													-	127	-
10,001	12,000													-	127	-
12,001	14,000													-	127	-
14,001	16,000													-	127	-
16,001	18,000													-	127	-
18,001	20,000													-	127	-
20,001	25,000													-	127	-
25,001	30,000													-	127	-
30,001	35,000													-	127	-
35,001	40,000													-	127	-
40,001	45,000													-	127	-
45,001	50,000													-	127	-
50,001	60,000													-	127	-
60,001	70,000													-	127	-
70,001	80,000													-	127	-
80,001	90,000													-	127	-
90,001	100,000													-	127	-
	-													-	127	-
Totals		10	10	10	10	10	11	11	11	11	11	11	11	127		
															Average Usage	-
															Median Usage	-
															Average # Customers	11
															Change in Number of Customers	1

Pima Utility Company - Sewer Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 2 Inch Meter

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	-	55	55	55	55	55	55	55	55	55	55	55	55	660	660	-
1	1,000													-	660	-
1,001	2,000													-	660	-
2,001	3,000													-	660	-
3,001	4,000													-	660	-
4,001	5,000													-	660	-
5,001	6,000													-	660	-
6,001	7,000													-	660	-
7,001	8,000													-	660	-
8,001	9,000													-	660	-
9,001	10,000													-	660	-
10,001	12,000													-	660	-
12,001	14,000													-	660	-
14,001	16,000													-	660	-
16,001	18,000													-	660	-
18,001	20,000													-	660	-
20,001	25,000													-	660	-
25,001	30,000													-	660	-
30,001	35,000													-	660	-
35,001	40,000													-	660	-
40,001	45,000													-	660	-
45,001	50,000													-	660	-
50,001	60,000													-	660	-
60,001	70,000													-	660	-
70,001	80,000													-	660	-
80,001	90,000													-	660	-
90,001	100,000													-	660	-
														-	660	-
Totals		55	55	55	55	55	55	55	55	55	55	55	55	660		
														Average Usage	-	
														Median Usage	-	
														Average # Customers	55	
														Change in Number of Customers	-	

Pima Utility Company - Sewer Division
 Test Year Ended June 30, 2025
 Customer Classification Commercial 4 Inch Meter

Exhibit
 Schedule H-5
 Page 8
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	-	1	1	1	1	1	1	1	1	1	1	1	1	12	12	-
1	1,000													-	12	-
1,001	2,000													-	12	-
2,001	3,000													-	12	-
3,001	4,000													-	12	-
4,001	5,000													-	12	-
5,001	6,000													-	12	-
6,001	7,000													-	12	-
7,001	8,000													-	12	-
8,001	9,000													-	12	-
9,001	10,000													-	12	-
10,001	12,000													-	12	-
12,001	14,000													-	12	-
14,001	16,000													-	12	-
16,001	18,000													-	12	-
18,001	20,000													-	12	-
20,001	25,000													-	12	-
25,001	30,000													-	12	-
30,001	35,000													-	12	-
35,001	40,000													-	12	-
40,001	45,000													-	12	-
45,001	50,000													-	12	-
50,001	60,000													-	12	-
60,001	70,000													-	12	-
70,001	80,000													-	12	-
80,001	90,000													-	12	-
90,001	100,000													-	12	-
														-	12	-
Totals		1	1	1	1	1	1	1	1	1	1	1	1	12		
														Average Usage	-	
														Median Usage	-	
														Average # Customers	1	
														Change in Number of Customers	-	

Pima Utility Company - Sewer Division
 Test Year Ended June 30, 2025
 Customer Classification Effluent

Exhibit
 Schedule H-5
 Page 9
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	-													3	3	-
1,001	2,000														3	-
2,001	3,000														3	-
3,001	4,000														3	-
4,001	5,000														3	-
5,001	6,000														3	-
6,001	7,000														3	-
7,001	8,000														3	-
8,001	9,000														3	-
9,001	10,000														3	-
10,001	12,000														3	-
12,001	14,000														3	-
14,001	16,000														3	-
16,001	18,000														3	-
18,001	20,000			1										1	4	19
20,001	25,000														4	19
25,001	30,000														4	19
30,001	35,000														4	19
35,001	40,000														4	19
40,001	45,000														4	19
45,001	50,000														4	19
50,001	60,000														4	19
60,001	70,000														4	19
70,001	80,000														4	19
80,001	90,000														4	19
90,001	100,000														4	19
301,000	301,000							1						1	5	320
1,068,000	1,068,000							1						1	6	1,388
351,000	351,000							1						1	7	1,739
13,269,000	13,269,000							1						1	8	15,008
2,161,000	2,161,000							1						1	9	17,169
1,440,000	1,440,000								1					1	10	18,609
325,000	325,000								1					1	11	18,934
11,752,000	11,752,000								1					1	12	30,686
2,940,000	2,940,000								1					1	13	33,626
981,000	981,000									1				1	14	34,607
377,000	377,000									1				1	15	34,984
21,375,000	21,375,000									1				1	16	56,359
3,737,000	3,737,000									1				1	17	60,096
1,180,000	1,180,000										1			1	18	61,276
334,000	334,000										1			1	19	61,610
25,987,000	25,987,000										1			1	20	87,597
5,763,000	5,763,000										1			1	21	93,360
547,000	547,000											1		1	22	93,907
1,666,000	1,666,000											1		1	23	95,573
308,000	308,000											1		1	24	95,881
24,360,000	24,360,000											1		1	25	120,241
4,517,000	4,517,000											1		1	26	124,758
1,344,000	1,344,000												1	1	27	126,102
1,588,000	1,588,000													1	28	127,690
315,000	315,000													1	29	128,005

Pima Utility Company - Sewer Division
 Test Year Ended June 30, 2025
 Customer Classification Effluent

Exhibit
 Schedule H-5
 Page 9
 Witness: Bourassa

Usage From:	Usage To:	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	-													3	3	-
20,736,000	20,736,000								1	1	1		1	1	30	148,741
3,611,000	3,611,000												1	1	31	152,352
838,000	838,000	1												1	32	153,190
2,496,000	2,496,000	1												1	33	155,686
386,000	386,000	1												1	34	156,072
27,006,000	27,006,000	1												1	35	183,078
35,216,000	35,216,000	1												1	36	218,294
680,000	680,000		1											1	37	218,974
1,379,000	1,379,000		1											1	38	220,353
415,000	415,000		1											1	39	220,768
26,297,000	26,297,000		1											1	40	247,065
634,000	634,000		1											1	41	247,699
1,318,000	1,318,000			1										1	42	249,017
485,000	485,000			1										1	43	249,502
23,933,000	23,933,000			1										1	44	273,435
802,000	802,000			1										1	45	274,237
588,000	588,000				1									1	46	274,825
1,062,000	1,062,000				1									1	47	275,887
412,000	412,000				1									1	48	276,299
25,496,000	25,496,000				1									1	49	301,795
1,465,000	1,465,000				1									1	50	303,260
626,000	626,000					1								1	51	303,886
2,102,000	2,102,000					1								1	52	305,988
340,000	340,000					1								1	53	306,328
16,672,000	16,672,000					1								1	54	323,000
2,505,000	2,505,000					1								1	55	325,505
13,772,000	13,772,000						1							1	56	339,277
1,294,000	1,294,000						1							1	57	340,571
409,000	409,000						1							1	58	340,980
365,000	365,000						1							1	59	341,345
2,912,000	2,912,000						1							1	60	344,257
-	-													-	60	344,257
-	-													-	60	344,257
Totals		5	5	5	5	5	5	5	5	5	5	5	5	60		

Average Usage 5,737,617
 Median Usage 2,458,500
 Average # Customers 5
 Change in Number of Customers -

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5

6 **BEFORE THE ARIZONA CORPORATION COMMISSION**

7
8 IN THE MATTER OF THE APPLICATION
9 OF PIMA UTILITY COMPANY, AN
ARIZONA CORPORATION, FOR A
10 DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANTS AND
11 PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES FOR UTILITY
12 SERVICE BASED THEREON.

DOCKET NO: SW-02199A-25-

13
14
15 **DIRECT TESTIMONY**

16 **OF**

17
18 **THOMAS J. BOURASSA**

19
20 **December 24, 2025**
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TABLE OF CONTENTS

I. INTRODUCTION, PURPOSE, AND SUMMARY OF TESTIMONY 1

II. SUMMARY OF COST OF SERVICE STUDY (“G” SCHEDULES) 2

 A. Overview of Cost of Service Study (“COSS”)..... 2

 B. Explanation of COSS Schedules 5

 C. COSS Results 7

III. RATE DESIGN 10

 A. Pima Water 10

 B. Pima Sewer 11

IV. RATE CASE EXPENSE 12

1 **I. INTRODUCTION, PURPOSE AND SUMMARY OF TESTIMONY.**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Thomas J. Bourassa. My business address is 139 W. Wood Drive,
4 Phoenix, Arizona 85029.

5 **Q. WHAT IS YOUR PROFESSION AND BACKGROUND?**

6 A. I am a self-employed, Certified Public Accountant providing consulting and general
7 accounting services to utility companies. I have a B.S. in Chemistry and Accounting
8 from Northern Arizona University (1980), and an M.B.A. with an emphasis in
9 Finance from the University of Phoenix (1991).

10 **Q. WOULD YOU BRIEFLY SUMMARIZE YOUR PRIOR WORK AND**
11 **REGULATORY EXPERIENCE?**

12 A. Prior to becoming a private consultant, I was employed by High-Tech Institute, Inc.,
13 and served as controller and chief financial officer. Prior to working for High-Tech
14 Institute, I worked as a division controller for the Apollo Group, Inc. Before joining
15 the Apollo Group, I was employed at Kozoman & Kermode, CPAs. In that position,
16 I prepared compilations and other write-up work for water and wastewater utilities,
17 as well as tax returns.

18 In my private practice, I have prepared and/or assisted in the preparation of
19 more than a hundred water and wastewater utility rate applications before the
20 Arizona Corporation Commission (“Commission”). I have also testified in
21 regulatory proceedings before public utility commissions in Texas, California,
22 Montana, Arkansas, and Alaska. A copy of my regulatory work experience is
23 attached as **Exhibit TJB-DT1**.

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

25 A. I’m providing this direct testimony on behalf of the Applicant, Pima Utility
26 Company (“Pima” or “Company”). In my testimony I will refer to Pima or the

1 Company when I'm talking about the utility company as a whole. If I'm referring
2 to Pima's water division, I may refer to it as Pima Water. Likewise, I may refer to
3 Pima's sewer division as Pima Sewer.

4 **Q. WHAT ARE THE SUBJECT MATTERS ADDRESSED IN YOUR DIRECT**
5 **TESTIMONY?**

6 A. This volume of my direct testimony will cover cost of service and rate design,
7 including rate case expense. In a second volume, I will address the weighted cost of
8 capital and cost of equity applicable for Pima.

9 **II SUMMARY OF COST OF SERVICE STUDY ("G" SCHEDULES).**

10 **A. Overview of Cost of Service Study ("COSS").**

11 **Q. WHAT EXACTLY IS A COSS?**

12 A. A COSS is an analysis to determine the adequacy of revenues by each customer
13 classification to support the revenue requirements including costs and return of and
14 on investments under both existing and proposed rates. The study begins with an
15 allocation of utility plant and expenses into cost and asset functions, which are then
16 allocated to customer classifications. The study attempts to trace the costs associated
17 with meeting the customers' service requirements. Ideally, the revenues received
18 from each customer class should equal the cost of providing service to that customer
19 class. The cost to provide service includes the operating and maintenance expenses
20 and the capital costs. Operating and maintenance expenses include the costs of
21 operating the system and the costs of maintaining system facilities and equipment.
22 Capital costs include investment-related cash requirements such as debt service,
23 contributions to debt service reserves, and capital requirements not financed by debt.
24 Capital costs also include depreciation expense and a return on rate base (for-profit
25 utilities) as well as incomes taxes and other taxes, if applicable.

26

1 **Q. WHAT IS THE PURPOSE OF A COSS STUDY?**

2 A. Typically, the purpose of preparing a COSS is to offer guidance in setting rates to be
3 charged for utility service. Again, the basic premise in establishing rates for the
4 various classes of customers that are both adequate and equitable is that rates should
5 reflect the cost of providing utility service. Cost-based rates can also be used to send
6 an appropriate price signal to customers because the amount paid for service
7 approximates the cost to provide the service. In other words, subsidies between
8 customers are minimized.

9 There are many factors at play when rates are set that can result in rates that
10 are not adequate and/or equitable between the various classes of customers. Non-
11 economic factors may be at play when rates are set. For example, the regulatory
12 body may favor subsidizing one class of customers by shifting costs to other classes
13 of customers or shifting revenues within one class of customers to subsidize
14 members within that class. Lifeline or discounted rates, which are sometimes used
15 to assist low-income customers in areas with high utility costs, are prime examples
16 of subsidization of a class of customers by other customers. If possible, lifeline rates
17 (low-income rates or customer assistance rates) should not apply to an entire
18 customer class. If lifeline rates are needed, they should be offered only to customers
19 meeting an income test. Another example is the goal of keeping the rate design
20 simple and easier to understand. There may also be goals on promoting conservation
21 (in the case of water utilities) or other social or economic goals. Thus, public policy
22 may have a significant impact on rate design. In the end, though, the goal in setting
23 new rates remains that the utility be able to recover its revenue requirement.

24 **Q. WHAT METHOD OF COST ALLOCATION WAS USED IN YOUR COSS IN**
25 **THIS CASE?**

26 A. The Commodity Demand Method, which is described in the American Water Works

1 Association (“AWWA”) Manual M1, “Principles of Water Rates, Fees and
2 Charges,” Seventh Edition published in 2017, and prior additions of the manual, was
3 used in this case. It is the method prescribed by Schedule G of the Commission
4 filing requirements. The Commodity Demand Method allocates each item of the
5 cost of providing water service to the several cost functions – commodity, and
6 demand, which is further separated into customer, meter and services functions.
7 These functional costs are then allocated to the several customer classifications
8 served by the system.

9 **Q. HOW IS THE COSS ORGANIZED?**

10 A. The COSS used the test year revenue requirements developed in Schedules A
11 through F and H. Costs were allocated to each of the cost functions described earlier
12 and then to the customer classifications.

13 The COSS contains schedules G-1 through G-7. The standard filing
14 requirements call for Schedules G-1 through G-7 and these schedules are included
15 with my testimony.

16 G Schedules with higher numbers (i.e., 5, 6 and 7) contain the allocation
17 factors and actual allocations to functions. These functions are then carried forward
18 to the summary G schedules 1, 2, 3 and 4, which allocate expenses and plant (by
19 function) to classes of customers. I will start my analysis using Schedule G-7 and
20 end with Schedules G-2 and G-1.

21 **Q. WHAT IS A “FUNCTION”?**

22 A. Functions refer to the plant and the expenses needed to provide the basic utility
23 service. For example, for water, the functions associated with supply, treatment, and
24 delivery water are typically commodity, demand, and customer (and/or services).
25 For wastewater, the functions associated with collection, treatment, and disposal of
26 wastewater are typically commodity, demand, and customer (and/or services).

1 Commodity refers to the volume of the commodity sold. The commodity
2 function is used to derive the commodity rate, or the rate charged per unit of
3 measurement, gallons. Demand refers to how the system is sized to meet customer
4 demand. Hence, the system is built to be able to provide the utility service (the
5 commodity), as well as the demand placed on the system when peak demand occurs.
6 The customer (and/or service) function can also be used to develop the monthly
7 minimum rates charged to each class of customer. Demand and customer functions
8 refer to the transmission/collection and treatment of water/wastewater. The costs
9 associated with demand, and customer functions, are incurred whether the customer
10 uses 0 gallons of water or 50,000 gallons of water, or, in case of wastewater service,
11 generates 0 gallons for wastewater flows or 50,000 gallons of wastewater flows.

12 **Q. AFTER COSTS ARE ALLOCATED TO FUNCTIONS, HOW ARE**
13 **EXPENSES AND ASSETS THEN ALLOCATED TO THE INDIVIDUAL**
14 **CLASSES OF CUSTOMERS?**

15 A. After the expenses and assets are allocated to the commodity, demand, and customer
16 functions, the values for the functions are then allocated to various customer classes.
17 Customer classes are typically broken down into residential, commercial, industrial,
18 irrigation, and public authority.

19 **B. Explanation of COSS Schedules.**

20 **Q. BRIEFLY SUMMARIZE THE G SCHEDULES.**

- 21 A. The G schedules are summarized as follows:
- 22 Schedule G-1 is the cost of service summary showing the results by customer
 - 23 class at present rates.
 - 24 Schedule G-2 is the cost of service summary showing the results by customer
 - 25 class at proposed rates.
 - 26 Schedule G-3 shows the rate base allocation details by customer class.

1 Schedule G-4a shows the revenues and expense allocation by customer class
2 at present revenues.

3 Schedule G-4b shows the revenues and expense allocations by customer class
4 at proposed revenues.

5 Schedule G-5 shows the functionalization of rate base into the functions
6 commodity, demand, customer accounts, customer meters, and customer services.

7 Schedule G-6a shows the functionalization of expenses into the functions
8 commodity, demand, customer accounts, customer meters, and customer services, at
9 present revenues.

10 Schedule G-6b shows the functionalization of expenses into the functions -
11 commodity, demand, customer accounts, customer meters, and customer services at
12 proposed revenues.

13 Schedule G-7a shows the development of the allocation factors by function.

14 Schedule G-7b shows the development of the allocation factors by customer
15 class.

16 **Q. PLEASE DESCRIBE AND EXPLAIN THE SCHEDULES THAT COMPRISE**
17 **THE COSS, INCLUDING HOW THE VARIOUS FUNCTIONS WERE**
18 **DEVELOPED.**

19 A. The allocations for the development of the class allocation factors are shown on
20 Schedule G-7b, pages 1 and 2. Allocation factors for expenses were determined by
21 examining the causal relationships of each expense to the various functions, which
22 may include an examination of the recorded amounts during the test year and the use
23 of professional judgment.

24 The operation and maintenance expense allocation to functions (commodity,
25 demand, customer accounts, meters and services) are shown on Schedule G-6a,
26 page 1 (adjusted test year at present rates) and Schedule G-6b, page 2 (adjusted test

1 year at proposed rates).

2 The depreciation expense allocations are shown on Schedule G-6a, pages 3
3 and 4 (adjusted test year at present rates) and Schedule G-6b, pages 3 and 4, which
4 apply the function allocation factors shown on Schedule G-7b, page 1 and 2 (adjusted
5 test year at proposed rates). Depreciation expense was computed using the
6 Company's proposed depreciation rates in this rate case.

7 On Schedule G-5, pages 1 and 2, net plant and other rate base items are
8 allocated to each customer class using the function allocation factors set forth in
9 Schedule G-7a, pages 1 and 2.

10 Schedule G-4 allocates the commodity, demand, and customer expenses
11 developed on Schedule G-6a and Schedule G-6b to customer classes using the
12 allocation factors developed on Schedule G-7b, pages 1 and 2. Schedule G-4a shows
13 the allocated costs at present rates. Schedule G-4b shows the allocated costs at
14 proposed rates.

15 Schedule G-3 allocates the rate bases for commodity, demand, and customer
16 functions to the customer classes.

17 Schedules G-1 and G-2 derive the return on rate base by customer classes at
18 present and proposed rates, respectively. The returns on rate base are computed by
19 dividing the operating income for the customer class by the rate base for that
20 customer class.

21 **C. COSS Results.**

22 **Q. WHAT ARE THE RETURNS FOR THE CUSTOMER CLASSES AT**
23 **PRESENT RATES AND PROPOSED RATES FOR PIMA WATER?**

24 **A.** As shown on schedules G-1 and G-2, the returns vary between the customer classes
25 at the present and proposed rates. Table 1 below summarizes the returns for Pima
26 Water.

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Table 1
Pima Water Returns

Customer Class	Rate of Return Under Current Rates	Rate of Return Under Proposed Rates
RESIDENTIAL	-7.67%	3.28%
COMMERCIAL	8.52%	46.80%
GOLF COURSE/IRRIGATION	-8.14%	15.20%
HYDRANT/CONSTR.	-8.92%	68.25%

Q. WHAT IS THE INDICATED COSS DISTRIBUTION OF REVENUES BY CLASS AND THE REVENUE DISTRIBUTION AS A RESULT OF THE PROPOSED RATES?

A. Table 2 below presents the distribution of revenues by class suggested by the COSS and the revenue distribution at the proposed rates.

Table 2
Comparison of Pima Water Revenue Distributions

Customer Class	Indicated COSS Revenues	% of COSS Revenues	Revenues as Proposed	% of Proposed Revenues
RESIDENTIAL	\$3,587,250	72.42%	\$3,003,104	60.63%
COMMERCIAL	\$ 353,359	7.13%	\$ 757,951	15.30%
GOLF COURSE/IRRIG.	\$ 1,008,876	20.37%	\$ 1,180,283	23.83%
HYDRANT/CONSTR	<u>\$ 3,834</u>	0.08%	<u>\$ 11,981</u>	0.24%
TOTAL	\$4,953,319	100.00%	\$4,953,319	100.00%

1 **Q. WHAT ARE THE RETURNS FOR THE CUSTOMER CLASSES AT**
2 **PRESENT RATES AND PROPOSED RATES FOR PIMA SEWER?**

3 A. As shown on schedules G-1 and G-2, the returns vary between the customer classes
4 at the present and proposed rates. Table 3 below summarizes the returns for Pima
5 Sewer.

6 Table 3
7 Pima Sewer Returns

Customer Class	Rate of Return Under Current Rates	Rate of Return Under Proposed Rates
RESIDENTIAL	-2.40%	9.10%
COMMERCIAL	-5.14%	10.48%

12
13 **Q. WHAT IS THE INDICATED COSS DISTRIBUTION OF REVENUES BY**
14 **CLASS AND THE REVENUE DISTRIBUTION AS A RESULT OF THE**
15 **PROPOSED RATES?**

16 A. Table 4 below presents the distribution of revenues by class suggested by the COSS
17 and the revenue distribution at the proposed rates.

18 Table 4
19 Comparison of Pima Sewer Revenue Distributions

Customer Class	Indicated COSS Revenues	% of COSS Revenues	Revenues as Proposed	% of Proposed Revenues
RESIDENTIAL	\$5,454,880	94.21%	\$5,444,337	93.72%
COMMERCIAL	\$ 354,425	5.79%	\$ 364,969	6.28%
TOTAL	\$5,809,305	100.00%	\$5,809,306	100.00%

26

1 **Q. DOES THE INFORMATION CONTAINED IN TABLES 1 THROUGH 4**
2 **INDICATE THAT THE PROPOSED RATE DESIGNS DO NOT PRODUCE**
3 **THE RECOVERY OF REVENUES EXACTLY AS SUGGESTED BY THE**
4 **COSS?**

5 A. No, however, as explained earlier, while the COSS is a useful tool in designing rates,
6 other considerations are factored into the design of rates.

7 **III. RATE DESIGN.**

8 **A. Pima Water.**

9 **Q. PLEASE SUMMARIZE THE H SCHEDULES.**

10 A. Schedule H-1 shows a summary of revenues at present and proposed rates by meter
11 size and customer class. Schedule H-2, pages 1 and 2, shows the present and
12 proposed customer bills at the average monthly and median monthly water usages,
13 respectively. Schedule H-3 shows the present and proposed rates. Schedule H-4
14 shows the bill comparisons at present and proposed rates at various usage levels for
15 all meter sizes and customer classifications. Schedule H-5 shows the test year bill
16 counts.

17 **Q. HAVE YOU MADE CHANGES TO THE WATER RATE DESIGN?**

18 A. No. The monthly fixed charge continues to be based upon meter size and scaled
19 based upon the relative flow to a 5/8x3/4 inch meter. The proposed rate design also
20 continues with a three-tier design for the 5/8x3/4 inch and 3/4 inch residential
21 customers and a two-tier design for all commercial customers. For the irrigation
22 customers a single-tier design continues to be proposed. The main irrigation
23 customer is the golf course.

24 **Q. WHAT ARE THE PRESENT AND PROPOSED RATES FOR WATER**
25 **SERVICE?**

26 A. The present and proposed rates are shown on Schedule H-3, pages 1 though 2.

1 **Q. WHAT ARE THE BILL IMPACTS OF THE PROPOSED RATES?**

2 A. The bill impacts at the average usage are shown on Schedule H-2, page 1.
3 Schedule H-2, page 2, shows the bill impacts at the median usage.

4 **Q. WHAT IS THE MONTHLY BILL IMPACT OF THE PROPOSED WATER**
5 **RATES ON AN AVERAGE 5/8x3/4 INCH RESIDENTIAL CUSTOMER?**

6 A. The present monthly bill for a 5/8x3/4 inch residential customer, the largest customer
7 class, using an average 6,051 gallons is \$12.89. The proposed monthly bill for a
8 5/8x3/4 inch residential customer using an average 6,051 gallons is \$19.39, or a
9 \$6.50 or a 50.42% increase.¹

10 **Q. WHAT ARE THE MISCELLANEOUS SERVICE CHARGES?**

11 A. The current and proposed charges are set forth on Schedule H-3, page 3.

12 **Q. WHAT ARE THE PROPOSED METER AND SERVICE LINE**
13 **INSTALLATION CHARGES?**

14 A. The current and proposed charges are set forth on Schedule H-3, page 3.

15 **B. Pima Sewer.**

16 **Q. PLEASE SUMMARIZE THE H SCHEDULES.**

17 A. Schedule H-1 shows a summary of revenues at present and proposed rates by meter
18 size and customer class. Schedule H-2, pages 1 and 2, shows the present and
19 proposed customer bills. Schedule H-3 shows the present and proposed rates.
20 Schedule H-4 shows the bill comparisons at present and proposed rates at various
21 usage levels for all meter sizes and customer classifications. Schedule H-5 shows
22 the test year bill counts.

23 **Q. HAVE YOU MADE CHANGES TO THE SEWER RATE DESIGN?**

24 A. No. The proposed rate design continues a flat rate design for both the residential
25

26

¹ See Schedule H-2, page 1.

1 and commercial customers. The monthly fixed charge is based upon meter size and
2 scaled based upon the relative flow to a 5/8x3/4 inch meter.

3 **Q. WHAT ARE THE PRESENT AND PROPOSED RATES FOR SEWER**
4 **SERVICE?**

5 A. The present and proposed rates are shown on Schedule H-3, pages 1 through 2.

6 **Q. WHAT ARE THE BILL IMPACTS OF THE PROPOSED RATES?**

7 A. The bill impacts at the average usage are shown on Schedule H-2, page 1.
8 Schedule H-2, page 2, shows the bill impacts at the median usage.

9 **Q. WHAT IS THE MONTHLY BILL IMPACT OF THE PROPOSED SEWER**
10 **RATES ON AN AVERAGE 5/8x3/4 INCH RESIDENTIAL CUSTOMER?**

11 A. The present monthly bill for a 5/8x3/4 inch residential customer, the largest customer
12 class, is \$26.04. The proposed monthly bill for a 5/8x3/4 inch metered residential
13 customer is \$41.20, an increase of \$15.16, or 58.20% over the present bill.²

14 **Q. WHAT ARE THE MISCELLANEOUS SERVICE CHARGES?**

15 A. The current and proposed charges are set forth on Schedule H-3, page 3.

16 **Q. WHAT ARE THE PROPOSED METER AND SERVICE LINE**
17 **INSTALLATION CHARGES?**

18 A. The current and proposed charges are set forth on Schedule H-3, page 2.

19 **IV. RATE CASE EXPENSE.**

20 **Q. DO THE RATES YOU HAVE DISCUSSED SO FAR INCLUDE AN**
21 **AMOUNT FOR RATE CASE EXPENSE?**

22 A. No.

23

24

25

26

² See Schedule H-2, page 1.

1 **Q. WHY DO UTILITIES NEED TO RECOVER RATE CASE EXPENSE,**
2 **MR. BOURASSA?**

3 A. Because it is a cost of providing utility service to customers. Regulated utilities
4 cannot change their own rates and they have very little control over the process for
5 changing rates. Therefore, this expense is a recoverable cost.

6 **Q. HOW MUCH TOTAL RATE CASE EXPENSE DOES PIMA SEEK TO**
7 **RECOVER?**

8 A. A total of \$125,000, \$62,500 for the water division and \$62,500 for the sewer
9 division, recovered over 36 months through a surcharge. The surcharge based is
10 estimated to be \$0.17 per month per water customer and \$0.17 per month per sewer
11 customer.

12 **Q. HOW DID THE COMPANY ARRIVE AT THAT AMOUNT,**
13 **MR. BOURASSA?**

14 A. It is an estimate based on experience. The estimate considers the factors we know
15 about at the time the filing was prepared. The actual amount of rate case expense
16 cannot possibly be known in advance. We do not know what sorts of procedural
17 issues will arise, how many other parties there will be, how much discovery the other
18 parties will conduct, how many issues will be in dispute, how much discovery will
19 take place, how many witnesses, including expert witnesses will be needed, how
20 much pre-filed rebuttal and rejoinder testimony will be required, how long hearings
21 will take, how many issues might be addressed in closing briefs, among other
22 unknowns.

23 **Q. AN ESTIMATE IS SUBJECT TO TRUE UP, CORRECT?**

24 A. It certainly should be. Whether the final actual cost is higher or lower than the
25 estimate, the reasonable amount of rate case expense incurred should be recovered.
26 A good faith estimate should not result in a windfall to customers or the utility.

1 **Q. WHY WAS A THIRTY-SIX MONTH RECOVERY PERIOD USED,**
2 **MR. BOURASSA?**

3 A. It is a reasonable timeframe given the need to recover the authorized amount of this
4 expense and the likelihood of future rate cases involving Pima. The primary purpose
5 of a rate case expense surcharge is to ensure that the utility recovers the authorized
6 amount, no more and no less, over as short a time as is feasible.

7 **Q. DOESN'T EXTENDING THE RECOVERY PERIOD LOWER THE**
8 **MONTHLY AMOUNT OF A RATE CASE EXPENSE SURCHARGE?**

9 A. Yes, but at a further cost to the utility. The utility is required to incur rate case
10 expense to process the rate case. Meanwhile, recovery does not begin until after the
11 Commission authorizes a reasonable expense level and issues a rate order for the rate
12 case. The longer it takes for the utility to recover the amount spent, the greater the
13 adverse impact to the utility not only from a cash outflow perspective but there is no
14 recovery of the time value of money.

15 **Q. MR. BOURASSA, THANK YOU VERY MUCH FOR YOUR DIRECT**
16 **TESTIMONY.**

17 A. You are welcome. I have nothing else to add at this time.
18
19
20
21
22
23
24
25
26

EXHIBIT TJB-DT1

RESUME OF THOMAS J. BOURASSA, CPA

EDUCATIONAL BACKGROUND

B.S. Northern Arizona University Chemistry/Accounting (1980)

M.B.A. University of Phoenix with Emphasis in Finance (1991)

C.P.A. State of Arizona (1995)

Continuing Professional Education – In areas of tax, accounting, management, economics, finance, business valuation, consulting, and ethics (80 hrs every two years)

MEMBERSHIPS

Arizona Society of CPAs

Water Utilities Association of Arizona

American Water Works Association

EMPLOYMENT EXPERIENCE

- 1995 – Present CPA - Self Employed
Consultant to utilities on regulatory matters including all aspects of rate applications (rate base, income statement, cost of capital, cost of service, and rate design), rate reviews, certificates of convenience and necessity (CC&N), CC&N extensions, financing applications, accounting order applications, and off-site facilities hook-up fee applications. Provide expert testimony as required.
- Consult on various aspects of business, financial and accounting matters including best business practices, generally accepted accounting principles, generally accepted ratemaking principles, project analysis, cash flow analysis, regulatory treatment of certain expenditures and investments, business valuations, and rate reviews.
- Litigation support services.
- 1992-1995 Employed by High-Tech Institute, Phoenix, Arizona as Controller and C.F.O.
- 1989-1992 Employed by Alta Technical School, a division of University of Phoenix as Division Controller.
- 1985-1989 Employed by M.L.R. Builders, Tampa and Pensacola, Florida as Operations/Accounting Manager
- 1982-1985 Employed by and part owner in Area Sand and Clay Company, Pensacola, Florida.

1981-1982

Employed by Purdue University, West Lafayette, Indiana as
Teaching Assistant.

**SUMMARY OF REGULATORY WORK EXPERIENCE AS SELF-EMPLOYED
CONSULTANT**

COMPANY/CLIENT

FUNCTION

Lago Del Oro Water Company
ACC Docket No. W-01944A-25-0194

Permanent Rate Application –Water.
Prepared schedules and testified on Cost
of Service, Rate Design, Cost of Capital,
and consolidation.

Quail Creek Water Company
ACC Docket No. W-02514A-25-0192

Ridgeview Utility Company
ACC Docket No. -03861A-25-0193

Ponderosa Utility Corp.
ACC Docket No. W-01717A-25-0184

Permanent Rate Application –Water.
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design

Liberty Utilities (Litchfield Park Water and
Sewer), Corp.
ACC Docket Nos. W-01427A-25-0126 and
SW-01428A-25-0127

Permanent Rate Application –Water and
Sewer. Prepared schedules and testified
on Rate Base, Plant, Income Statement,
Revenue Requirement, Cost of Service,
Rate Design, and Cost of Capital.

Global Water – Santa Cruz Water
ACC Docket No. W-20446A-25-0022

Permanent Rate Application –Water and
Sewer. Prepared schedules and testified
on Rate Base, Plant, Income Statement,
Revenue Requirement, Cost of Service,
Rate Design, and Cost of Capital.

Global Water – Palo Verde Utilities
ACC Docket No. SW-20445A-25-0023

Salome Water Company
ACC Docket No. W-01084A-25-0118

Permanent Rate Application –Water.
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design

Joshua Valley Utility Company
ACC Docket No. W-02023A-25-0087

Permanent Rate Application –Water.
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design

Picacho Water Company
ACC Docket No. W-03528A-25-0056

Permanent Rate Application –Water.
Prepared schedules and testified on Cost
of Service, Rate Design, and Cost of
Capital.

Picacho Sewer Company

Permanent Rate Application –Water.

COMPANY/CLIENT

ACC Docket No. SW-03709A-25-057

Verde Lakes Water Corporation

ACC Docket No. W-02372A-24-0266

Coldwater Canyon Water Company

ACC Docket No. W-01559A-24-0262

Thim Water Corporation

Thim Utility Company Consolidation

ACC Docket No. W-02372A-24-0266

Thim Utility Co.

ACC Docket No. W-03293A-23-0296

Community Water Company of Green Valley

ACC Docket No. W-02304A-24-0187

Liberty Utilities (CalPeco Electric), LLC

CPUC Application No. A.24-09-010

Sahuarita Water Company

ACC Docket No. W-03718A-24-0172

Global Water – Farmers Water Company

ACC Docket No. W-01654A-24-0108

FUNCTION

Prepared schedules and testified on Cost of Service, Rate Design, and Cost of Capital.

Permanent Rate Application –Water.
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Permanent Rate Application –Water.
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Permanent Rate Application –Water.
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Permanent Rate Application –Water.
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Permanent Rate Application –Water.
Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Prepared and testified on Cost of Capital.

Permanent Rate Application –Water.
Prepared financing application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service Study, Rate Design, and Cost of Capital.

Permanent Rate Application –Water.
Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, and Rate Design

COMPANY/CLIENT

FUNCTION

Liberty Utilities (Bella Vista Water) Corp.
ACC Docket No. W-02465A-23-0338

Permanent Rate Application –Water and Wastewater. Prepared financing application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service Study, Rate Design, and Cost of Capital.

Liberty Utilities (Beardsley Water) Corp.
ACC Docket No. W-02074A-23-0337

Liberty Utilities (Rio Rico Water & Sewer) Corp.
ACC Docket No. WS-02676A-23-0340

Liberty Utilities (Cordes lakes Water) Corp.
ACC Docket No. WS-02060A-23-0339

Cedar Grove Water, Inc.
ACC Docket No. W-20541A-24-0002

Permanent Rate Application –Water. Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Liberty Utilities (Electric, LLC)
CPUC Application No. A.18-12-001

Prepared analysis and testified on Cost of Capital.

Thim Utility Co.
ACC Docket No. W-03293A-23-0296

Permanent Rate Application –Water. Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Navajo Water Company
ACC Docket No. W-03511A-23-0260

Permanent Rate Application –Water. Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Sonoita Valley Water
ACC Docket No. W-020435A-23-214

Permanent Rate Application –Water. Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Liberty Utilities (Park Water and Apple Valley) Corp.
CPUC Docket A.23-05-004

Cost of Capital. Prepared Cost of Capital analysis and testimony.

Links at Coyote Wash
ACC Docket No. SW-04210A-23-0084

Permanent Rate Application –Sewer. Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue

COMPANY/CLIENT

FUNCTION

Truxton Canyon Water Company
ACC Docket No. W-02168A-22-0302

Requirement, and Rate Design

Permanent Rate Application –Water.
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design

Pima County v. City of Tucson, et. al.
Maricopa County Superior Court Case No.
CV2022-01141

Expert Witness for Pima County of City
on Tucson Water Cost of Service Study
and Differential Rates.

Tonto Basin Water Company
ACC Docket No. W-03515A-22-0266

Permanent Rate Application –Water.
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design

East Slope Water Company
ACC Docket No. W-01906A-22-0289

Permanent Rate Application –Water.
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design

Sunrise Vistas Utilities
ACC Docket No. WS-03586A-22-0068

Permanent Rate Application –Water and
Wastewater. Prepared short-form
schedules on Rate Base, Plant, Income
Statement, Revenue Requirement, and
Rate Design.

Liberty Utilities (Gold Canyon Sewer)
Corp.

Permanent Rate Application –Wastewater.
Prepared financing application. Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, Cost of Service Study, Rate
Design, and Cost of Capital.

Liberty Utilities (Entrada Del Oro Sewer)
Corp.
ACC Docket No. SW-02519A-21-0361
ACC Docket No. SW-04316A-21-0359

Navajo Water Company
ACC Docket No. W-03511A-21-0124

Permanent Rate Application – Water.
Prepared short-form schedules for Rate
Base, Income Statement, Plant, Bill
Counts, and Rate Design.

Bensch Ranch Utilities, LLC.
ACC Docket No. SW-04026A-21-0225

Permanent Rate Application –Water
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

COMPANY/CLIENT

FUNCTION

Cerbat Water Company
ACC Docket No. W-02391A-21-0290

Permanent Rate Application –Water
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

Liberty Utilities (CalPeco Electric, LLC)
Corp.
CPUC Docket A.21-05-017

Prepared Cost of Capital analysis and
testimony. Assisted in tax depreciation
projections and determination of projected
accumulated deferred income taxes.

Double R Water Distributors, Inc.
ACC Docket No. W-02821A-21-0047

Permanent Rate Application –Water
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

Pine Meadows Utilities, LLC.
ACC Docket No. SW-03962A-20-0079

Permanent Rate Application –Water
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

Coronado Utilities, Inc.
ACC Docket No. SW-04305A-20-0346

Permanent Rate Application – Wastewater
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

SaddleBrooke Utility Company
ACC Docket No. SW-02849A-20-0262

Permanent Rate Application – Wastewater
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Pine Meadows Utilities
ACC Docket No. SW-03926A-20-0079

Permanent Rate Application –Wastewater
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

EPCOR Arizona (Johnson Utilities)
ACC Docket No. WS-02987A-20-0025

Permanent Rate Application. Water and
Wastewater. Prepared schedules and
testified on Rate Base, Plant, Income
Statement, Revenue Requirement, Rate
Design and Cost of Service.

Beardsley Water Company

Permanent Rate Application –Water

COMPANY/CLIENT

FUNCTION

ACC Docket No. W-02074A-19-0312

Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Oak Creek Water Company No. 1
ACC Docket No. W-01392A-19-0216

Permanent Rate Application –Water
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Alliant Gas
ACC Docket No. G-20889A-19-0200

Permanent Rate Application – Gas
Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service Study, Rate Design, and Cost of Capital.

Utility Source, LLC.
ACC Docket No. WS-04235A-19-0232
ACC Docket No. WS-04235A-19-0233

Permanent Rate Application – Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Liberty Utilities (Black Mountain Sewer) Corp.
ACC Docket No. SW-02361A-19-0139

Permanent Rate Application –Wastewater. Prepared financing application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service Study, Rate Design, and Cost of Capital.

Pueblo Del Sol Water Company
ACC Docket No. SW-02208A- 19-0140

Permanent Rate Application –Water.
Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

DS Water Company
ACC Docket No. W-04049A-18-0142

Permanent Rate Application –Water
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Liberty Utilities (Electric, LLC)
CPUC Application A. 18-12-001.

Prepared Cost of Capital analysis and testimony.

Liberty Utilities (Park Water) Corp. and Liberty Utilities (Apple Valley Ranchos Water) Corp.

Cost of Capital. Prepared Cost of Capital analysis and testimony.

COMPANY/CLIENT

FUNCTION

CPUC Applications 18-05-001, et al.

Truxton Water Company
ACC W-02168A-18-308

Permanent Rate Application –Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

Payson Water Company
ACC W-03514A-18-0230

Permanent Rate Application – Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Farmers Water Company
ACC W-01654A-18-0083

Permanent Rate Application – Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Liberty Utilities (Silverleaf Water) Corp.
SOAH DOCKET NO. 473-18-3006.WS
Texas P.U.C. DOCKET NO. 47976

Permanent Rate Application – Water and
Wastewater. Prepared financing
application. Prepared schedules and
testified on Rate Base, Plant, Income
Statement, Revenue Requirement, Rate
Design, and Cost of Capital.

Generic Proceeding - Income Tax
“Savings” from reduction in Federal
Income Tax Rate
ACC AU-0000A-17-0379
ACC various dockets

Prepared computations of tax “savings”
from the reduction in federal income tax
rates and proposal for passing savings to
rate payers through bill credits.

Liberty Utilities (Woodmark Sewer) Corp.
Liberty Utilities (Tall Timbers Sewer)
Corp.
SOAH DOCKET NO. 473-17-1641.WS
Texas P.U.C. DOCKET NO. 46256

Develop wastewater rates based upon
water usage.

Cerbat Water Company
ACC W-02391A-18-0018

Permanent Rate Application –Water.
Prepared financing application. Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, and Rate Design.

Ajo Improvement Company

Permanent Rate Application – Water,

COMPANY/CLIENT

FUNCTION

ACC Docket No. WS-01025A-17-0361

Wastewater, and Electric. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design,

East Slope Water Company
ACC Docket No. W-02031A-17-317

Permanent Rate Application –Water
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Kachina Village Improvement District
Flagstaff, Arizona

Prepared rate studies and rate designs.
Participated in Board work sessions, customer work sessions, and open houses.

Liberty Utilities (Litchfield Park Water & Sewer) Corp.
ACC Docket No. W-01428AA-17-0059
ACC Docket No. SW-01428AA-17-0058

Permanent Rate Application – Water and Wastewater. Prepared financing application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Pima Utility Company
ACC Docket No. W-02199A-16-0421
ACC Docket No. SW-02199A-16-0422

Permanent Rate Application – Water and Wastewater. Prepared financing application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Valley Pioneers Water Company
ACC Docket No. W-02033-16-0412

Permanent Rate Application –Water.
Prepared financing application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Yarnell Water Co-Op
ACC Docket No. W-02255A-16-0153

Permanent Rate Application –Water
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Oak Creek Water Company No. 1
ACC Docket No. W-01392A-16-0161

Permanent Rate Application –Water
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Epcor Water Arizona

Permanent Rate Application –

COMPANY/CLIENT

ACC Docket No. W-01303A-16-0145

Mountain Water Company
Montana PUC Docket No. D2016.2.15

Turner Ranches Water and Sanitation
Company

ACC Docket No. W-01677A-16-0076

Liberty Utilities (Entrada Del Oro Sewer)
Corp.
ACC Docket No. W-04316A-16-0078
ACC Docket No. W-04316A-16-0085

Liberty Utilities (Rio Rico Water and
Sewer) Corp.
ACC Docket No. WS-02676A-15-0368
ACC Docket No. WS-02676A-15-0371

Liberty Utilities (Bella Vista Water) Corp.
ACC Docket No. W-02465A-15-0367
ACC Docket No. W-02465A-15-0370

Community Water of Green Valley
ACC Docket No. W-02304A-15-0263

Sahuarita Water Company
ACC Docket No. W-03718A-15-0213

FUNCTION

Wastewater. Prepared Reconstruction
Cost New Less Depreciation Plant for use
in determining fair value rate base.
Testified in the matter investigating
whether Mountain Water Company's rates
are just and reasonable.

Permanent Rate Application –Water
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

Permanent Rate Application –Wastewater.
Prepared financing application. Prepared
schedules and testified on Rate Base,
Original Cost Less Depreciation Plant,
Reconstruction Cost New less
Depreciation Plant, Income Statement,
Revenue Requirement, Rate Design, and
Cost of Capital.

Permanent Rate Application – Water and
Wastewater. Prepared financing
application. Prepared schedules and
testified on Rate Base, Plant, Income
Statement, Revenue Requirement, Rate
Design, and Cost of Capital.

Permanent Rate Application – Water.
Prepared financing application. Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Permanent Rate Application – Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

Permanent Rate Application –Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of

COMPANY/CLIENT

FUNCTION

Liberty Utilities (Black Mountain Sewer) Corp.
ACC Docket No. SW-0236 1A- 15-0206
ACC Docket No. SW-0236 1A- 15-0207

Capital.

Permanent Rate Application –Wastewater. Prepared financing application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service Study, Rate Design, and Cost of Capital.

Tierra Buena Water Company
ACC Docket No. W-02076A-15-013

Permanent Rate Application – Water. Assisted in preparation of short-form schedules.

Red Rock Utilities, LLC
ACC Docket No. W-04245A-14-0295

Permanent Rate Application – Water and Wastewater. Prepared short-form schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Quail Creek Water Company
ACC Docket No. W-02514A-14-0370

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Tonto Basin Water Company
ACC Docket No. W-03515A-14-0310

Permanent Rate Application – Water. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Navajo Water Company
ACC Docket No. W-03511A-14-304

Permanent Rate Application – Water. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Alaska Power Company
Regulatory Commission of Alaska
Docket No. U-14-002

Prepared schedules and testified on cost of capital.

Anchorage Municipal Light & Power
Regulatory Commission of Alaska
Docket No. U-13-184

Prepared schedules and testified on cost of capital.

COMPANY/CLIENT

Liberty Utilities (Pine Bluff) Inc.
Arkansas Public Service Commission
Docket No. 14-020-U

Abra Water Company
ACC Docket No. W-01782A-14-0084

EPCOR Water Arizona, Inc.
ACC Docket No. W-01303A-14-0010

Liberty Utilities (Midstates Natural Gas),
Inc.
Missouri Public Service Commission
Case No. GR-2014-0152

Hydro Resources, LLC.
ACC Docket No. W-20770A-13-0313

Little Park Water Company
ACC Docket No. W-02192A-13-0336

Utility Source, LLC.
ACC Docket No. WS-04235A-13-0331

Payson Water Company
ACC Docket No. W-03514A-13-0111
ACC Docket No. W-03514A-13-0142

FUNCTION

Permanent Rate Application – Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Cost of Service, Rate
Design, and Cost of Capital.

Permanent Rate Application – Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Permanent Rate Application – Prepared
rate designs and cost of Service studies for
Mohave Water District, Mohave
Wastewater District, Paradise Valley
Water District, Tubac Water District, and
Sun City Water District.

Permanent Rate Application – Assist in
preparing required rate application
schedules for Rate Base, Plant, Income
Statement, Revenue Requirement, and
Rate Design.

Certificate of Convenience and Necessity
– Water. Prepared pro-forma balance
sheets, income statements, plant
schedules, rate base, and initial rates.

Permanent Rate Application – Water.
Prepared short-form schedules for Rate
Base, Income Statement, Plant, Bill
Counts, and Rate Design.

Permanent Rate Application – Water and
Sewer. Prepared schedules and testified
on Rate Base, Plant, Income Statement,
Revenue Requirement, Rate Design, and
Cost of Capital.

Permanent Rate Application – Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of

COMPANY/CLIENT

FUNCTION

Goodman Water Company

Verde Santa Fe Wastewater
ACC Docket No. SW-03437A-13-0292

Lago Del Oro Water Company
ACC Docket No. W-01944A-13-0215

Chaparral City Water Company
ACC Docket No. W-02113A-13-0118

Las Quintas Serenas Water Company
ACC Docket No. W-01583A-13-0117

Southwest Environmental Utilities. Inc.
ACC Docket No. WS-20878A-13-0065

Litchfield park Service Company
ACC Docket No. SW-01428A-13-0043
ACC Docket No. W-01428A-13-0042

Beaver Dam Water Company
ACC Docket No. WS-03067A-12-0232

Rio Rico Utilities

Capital.

Financing Application. Prepared financial ratios and debt surcharge mechanism.

Valuation

Permanent Rate Application – Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Permanent Rate Application – Prepared and testified on cost of service study.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Certificate of Convenience and Necessity – Water and Wastewater. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and initial rates.

Permanent Rate Application – Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Permanent Rate Application – Water and

COMPANY/CLIENT

ACC Docket No. WS-02676A-12-0196

Vail Water Company

ACC Docket No. W-01651B-12-0339

Avra Water Co-Op.

ACC Docket No. W-02126A-11-0480

Pima Utility Company

ACC Docket No. W-02199A-11-0329

ACC Docket No. SW-02199A-11-0330

Liberty Utilities (CalPeco Electric, LLC)

CPUC Application No. A.11-20-2020

Livco Water Company

ACC Docket No. SW-02563A-11-0213

Orange Grove Water Company

ACC Docket No. W-02237A-11-0180

Goodman Water Company

ACC Docket No. W-02500A-10-0382

FUNCTION

Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Permanent Rate Application – Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Work on financing application.

Work on preparation of permanent rate application. Prepared schedules on Rate Base, Plant, Income Statement, Revenue Requirement.

Permanent Rate Application – Water and Wastewater. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

COMPANY/CLIENT

Doney Park Water
ACC Docket No. W-01416A-10-0450

Grimmelmann, et. al. v. Pulte Home Corporation, et. al., case no. CV-08-1878-PHX-FJM, the United States District Court for the District of Arizona.

Southern Arizona Home Builders Association

H2O Water Company

Tierra Linda HOA Water Company

Las Quintas Serenas Water Company
ACC Docket No. W-01583A-09-0589

Coronado Utilities
ACC Docket No. SW-04305A-09-0291

Little Park Water Company
ACC Docket No. W-02192A-09-0531

Sahuarita Water Company
ACC Docket No. W-03718A-09-0359

Bella Vista Water Company
Southern Sunrise Water Company
Northern Sunrise Water Company
ACC Docket No. W-02465A-09-0414
ACC Docket No. W-02453A-09-0414
ACC Docket No. W-02454A-09-0414

FUNCTION

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Consultant to defendant and expert witness for defendant on rates and ratemaking.

Consultant on ratemaking aspects to line extension policies (electric).

Valuation

Valuation

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Permanent Rate Application – Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

COMPANY/CLIENT

FUNCTION

Rio Rico Utilities, Inc
ACC Docket No. WS-02676A-09-0257

Permanent Rate Application – Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Litchfield park Service Company
ACC Docket No. SW-01428A-09-0103
ACC Docket No. W-01428A-09-0104

Permanent Rate Application – Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Town of Thatcher v. City of Safford, CV
2007-240, Superior Court of Arizona

Consultant to plaintiff on ratemaking and cost of service.

Valencia Water Company
California Public Utility Commission Case
No. 09-05-002

Cost of Capital

Valley Utilities
ACC Docket No. W-01412A-08-0586

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Black Mountain Sewer Company
ACC Docket No. SW-02361A-08-0609

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Far West Water and Sewer Company
ACC Docket No. WS-03478A-08-0608

Interim Rate Application (Emergency Rates)

Farmers Water Company
ACC Docket No. W-01654A-08-0502

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Far West Water and Sewer Company
ACC Docket No. WS-03478A-08-0454

Permanent Rate Application. Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue

COMPANY/CLIENT

FUNCTION

Ridgeline Water Company, LLC
ACC Docket No. W-20589A-08-0173

Requirement, Rate Design and Cost of Capital.

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rates.

Sacramento Utilities, Inc.
ACC Docket No. SW-20576A-08-0067

Certificate of Convenience and Necessity – Wastewater. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Johnson Utilities
ACC Docket No. WS-02987A-08-0180

Permanent Rate Application. Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design and Cost of Capital.

Participate in 40-252 proceeding.

Orange Grove Water Company
ACC Docket No. W-02237A-08-0455

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Far West Water and Sewer Company
ACC Docket No. WS-03478A-07-0442

Financing Application. Prepare schedules to support application.

Oak Creek Water No.1
ACC Docket No. W-01392A-07-0679

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

ICR Water Users Association
Docket W-02824-07-0388

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Johnson Utilities

Valuation consultant in the matter of the sale of Johnson Utilities assets to the Town of Florence.

H2O, Inc
ACC Docket No. W-02234A-07-0550

Permanent Rate Application. Prepared schedules and testified on Rate Base,

COMPANY/CLIENT

FUNCTION

Chaparral City Water Company
ACC Docket No. W-02113A-07-0551

Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Valley Utilities
ACC Docket No. W-01412A-07-0561

Financing Application. Prepare schedules to support application.

Valley Utilities
ACC Docket No. W-01412A-07-280

Emergency Rate Application. Prepare schedules to support application.

Valley Utilities
ACC Docket No. W-01412A-07-0278

Accounting Order. Assist in preparing definition and scope of costs for deferral for future regulatory consideration and treatment.

Litchfield Park Service Company
ACC Docket No. W-01427A-06-0807

Accounting Order. Assist in preparing definition and scope of costs for deferral for future regulatory consideration and treatment.

Golden Shores Water Company
ACC Docket No. W-01815A-07-0117

Permanent Rate Application. Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Diablo Village Water Company
ACC Docket No. W-02309A-07-0140

Off-site facilities hook-up fee application. Prepare schedules to support application.

Diablo Village Water Company
ACC Docket No. W-02309A-07-0399

Permanent Rate Application (Class C). Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Sahuarita Water Company
(Rancho Sahuarita Water Co.)

Extension Certificate of Convenience and Necessity – Water. Prepared pro-forma

COMPANY/CLIENT

ACC Docket No. W-03718A-07-0687

Utility Source, L.L.C.

ACC Docket No. WS-04235A-06-0303

Tierra Buena Water Company

Goodman Water Company

ACC Docket No. W-02500A-06-0281

Links at Coyote Wash Utilities

ACC Docket No. SW-04210A-06-0220

New River Utilities

ACC Docket No. W-0173A-06-0171

Johnson Utilities

ACC Docket No. WS-02987A-04-0501

Docket WS-02987A-04-0177

Bachmann Springs Utility

ACC Docket No. WS-03953A-07-0073

Avra Water Cooperative

ACC Docket No. W-02126A-06-0234

Gold Canyon Sewer Company

FUNCTION

balance sheets, income statements, plant schedules, rate base, and financing.

Permanent Rate Application- Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Valuation of Tierra Buena Water Company for estate purposes.

Permanent Rate Application (Class C). Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, and Cost of Capital.

Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Extension Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Extension of Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Permanent Rate Application – Sewer.

COMPANY/CLIENT

ACC Docket No. SW-025191A-06-0015

State of Arizona v. Far West Water and Sewer, No. 1 CA-CR 06-0160

Far West Water and Sewer Company
ACC Docket No. WS-03478A-05-0801

Black Mountain Sewer Company
ACC Docket No. SW-02361A-05-0657

Balterra Sewer Company
ACC Docket No. SW-02304A-05-0586

Community Water Company of Green Valley
ACC Docket No. W-02304A-05-0830

McClain Water Systems
Northern Sunrise Water
Southern Sunrise Water
ACC Docket No. W-020453A-06-0251

Valley Utilities Water Company
ACC Docket No. W-01412A-04-0376

Valley Utilities Water Company
ACC Docket No. W-01412A-04-0376

FUNCTION

Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Expert witness on behalf of defendant in penalty phase of case.

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Off-site facilities hook-up fee application. Prepare schedules to support application.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Rate Design.

COMPANY/CLIENT

FUNCTION

Beardsley Water Company
ACC Docket No. W-02074A-04-0358

Permanent Rate Application – Water.
Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Pine Water Company, Inc.
ACC Docket No. W-03512A-03-0279

Interim and Permanent Rate Application, Financing Application - Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Cost of Capital, and Rate Design.

Chaparral City Water Company
ACC Docket No. W-02113A-04-0616

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, and Income Statement. Assisted in preparation Rate Design.

Tierra Linda Home Owners Association
ACC Docket No. W-0423A-04-0075

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Diamond Ventures - Red Rock Utilities
ACC Docket No. WS-04245A-04-0184

Certificate of Convenience and Necessity – Water and Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Arizona-American Water Company, Inc.
ACC Docket No. WS-01303A-02-0867
ACC Docket No. WS-01303A-02-0868
ACC Docket No. WS-01303A-02-0869
ACC Docket No. WS-01303A-02-0870
ACC Docket No. WS-01303A-02-0908

Permanent Rate Application Water and Sewer (10 divisions). Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Rate Design.

Bella Vista Water Company, Inc.
ACC Docket No. W-02465A-01-0776

Permanent Rate Application - Water. Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Cost of Capital and Rate Design.

COMPANY/CLIENT

FUNCTION

Green Valley Water Company
Docket (2000 Not Filed)

Permanent Rate Application. Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Cost of Capital and Rate Design.

Gold Canyon Sewer Company
ACC Docket No. SW-02519A-00-0638

Permanent Rate Application - Sewer. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

Rio Verde Utilities, Inc.
ACC Docket No. WS-02156A-00-0321

Permanent Rate Application – Water and Sewer. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

Livco Water Company
Livco Sewer Company
ACC Docket No. SW-02563A-05-0820

Permanent Rate Application – Water. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Livco Water Company
ACC Docket No. SW-02563A-07-0506

Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Cave Creek Sewer Company

Revenue Requirement, Rate Adjustment and Rate Design - Sewer.

Avra Water Cooperative
ACC Docket No. W-02126A-00-0269

Permanent Rate Application – Water. Assisted in preparation of Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Town of Oro Valley

Revenue Requirements, Water Rate Adjustments and Rate Design.

Far West Water Company
ACC Docket No. WS-03478A-99-0144

Permanent Rate Application – Water. Assisted in preparation of schedules for Rate Base, Income Statement, Revenue

COMPANY/CLIENT

FUNCTION

MHC Operating Limited Partnership
Sedona Venture Wastewater
ACC Docket No. W-

Requirement, Lead-Lag Study, Cost of Capital, and Rate Design.

Permanent Rate Application – Sewer.
Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Vail Water Company
ACC Docket No. W-01651B-99-0406

Permanent Rate Application. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

E&T Water Company
ACC Docket No. W-01409A-95-0440

Permanent Rate Application - Water.
Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

New River Utility
ACC Docket No. W-01737A-99-0633

Permanent Rate Application - Water.
Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Golden Shores Water
ACC Docket No. W-01815A-98-0645

Permanent Rate Application – Water.
Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Ponderosa Utility Company
ACC Docket No. W-01717A-99-0572

Permanent Rate Application – Water.
Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

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Jay L. Shapiro (No. 014650)
2 20860 N. Tatum Boulevard, Suite 300
Phoenix, Arizona 85050
3 Telephone (602) 559-9575
jay@shapslawaz.com

4 Attorney for Pima Utility Company
5

6 **BEFORE THE ARIZONA CORPORATION COMMISSION**

7
8 IN THE MATTER OF THE APPLICATION
9 OF PIMA UTILITY COMPANY, AN
10 ARIZONA CORPORATION, FOR A
11 DETERMINATION OF THE FAIR VALUE
12 OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES FOR UTILITY
SERVICE BASED THEREON.

DOCKET NO: SW-02199A-25-

13
14
15 **DIRECT TESTIMONY**

16 **OF**

17 **THOMAS J. BOURASSA**

18
19
20 **COST OF CAPITAL**

21
22 **December 24, 2025**
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TABLE OF CONTENTS

I. INTRODUCTION, PURPOSE, AND SUMMARY OF TESTIMONY 1

II. THE MEANING OF JUST AND REASONABLE RATES OF RETURN 5

III. OVERVIEW OF THE RELATIONSHIP BETWEEN RISK AND THE
EXPECTED RETURN ON AN INVESTMENT 8

IV. THE PUBLICLY TRADED UTILITIES THAT COMPRISE THE
SAMPLE GROUP USED TO ESTIMATE THE COST OF EQUITY 15

V. OVERVIEW OF THE DCF AND RP METHODS 24

 A. Explanation of the RP and Its Inputs 31

VI. REQUIRED RISK PREMIUM FOR PIMA 44

VII. SUMMARY AND CONCLUSIONS 46

1 **I. INTRODUCTION, PURPOSE AND SUMMARY OF TESTIMONY.**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Thomas J. Bourassa. My business address is 139 W. Wood Drive,
4 Phoenix, Arizona 85029.

5 **Q. WHAT IS YOUR PROFESSION AND BACKGROUND?**

6 A. I am a self-employed, Certified Public Accountant providing consulting and general
7 accounting services to utility companies. I have a B.S. in Chemistry and Accounting
8 from Northern Arizona University (1980), and an M.B.A. with an emphasis in
9 Finance from the University of Phoenix (1991).

10 **Q. WOULD YOU BRIEFLY SUMMARIZE YOUR PRIOR WORK AND**
11 **REGULATORY EXPERIENCE?**

12 A. Prior to becoming a private consultant, I was employed by High-Tech Institute, Inc.,
13 and served as controller and chief financial officer. Prior to working for High-Tech
14 Institute, I worked as a division controller for the Apollo Group, Inc. Before joining
15 the Apollo Group, I was employed at Kozoman & Kermode, CPAs. In that position,
16 I prepared compilations and other write-up work for water and wastewater utilities,
17 as well as tax returns.

18 In my private practice, I have prepared and/or assisted in the preparation of
19 more than a hundred water and wastewater utility rate applications before the
20 Arizona Corporation Commission (“Commission”). I have also testified in
21 regulatory proceedings before public utility commissions in Texas, California,
22 Montana, Arkansas, and Alaska.

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

24 A. I’m providing this direct testimony on behalf of Pima Utility Company (“Pima” or
25 “Company”).

26

1 **Q. WHAT SUBJECTS DO YOU COVER IN THIS DIRECT TESTIMONY?**

2 A. This volume of my direct testimony will cover cost of capital.

3 **Q. HAVE YOU PREPARED ANY TABLES AND EXHIBITS TO ACCOMPANY**
4 **YOUR TESTIMONY?**

5 A. Yes. I have prepared 11 tables that support my testimony. I also sponsor exhibits
6 TJB-COC-DT1, TJB-COC-DT2, and TJB-COC-DT3, that also support my
7 testimony. Exhibit TJB-COC-DT1 contains my work summary. Exhibit TJB-COC-
8 DT2 contains my risk study for Pima. Exhibit TJB-COC-DT3 contains my size
9 premium study for Pima and the proxy group.

10 **Q. PLEASE DESCRIBE HOW YOUR TESTIMONY IS ORGANIZED.**

11 A. My testimony is organized as follows:

- 12 • Section I – summary of my analysis and my approach.
- 13 • Section II – discussion on the meaning of just and reasonable rates.
- 14 • Section III – overview of the risk and expected return on investment.
- 15 • Section IV – discussion on the sample of seven publicly traded water and gas
16 utilities in my sample group, a comparison of the sample group to Pima, and
17 recent developments in the water utility industry and their impact on
18 investments.
- 19 • Section V – overview of each of the methods (Discounted Cash Flow and
20 Risk Premium including the Capital Asset Pricing Model) that I employ in
21 my analysis.
- 22 • Section VI – discussion of the additional business risks faced by the Pima, my
23 comparative risk study, and my recommended risk premium for Pima.
- 24 • Section VII – summarization of my testimony and the equity costs of the
25 proxy group and the Pima.

26

1 **Q. BRIEFLY SUMMARIZE YOUR FINDINGS CONCERNING PIMA’S COST**
2 **OF COMMON EQUITY AND COST OF CAPITAL.**

3 A. I have determined that the cost of equity for the publicly traded water and gas utilities
4 falls in the range of 10.00% to 10.50% with an average of 10.30%. After considering
5 differences in financial risk and business risk between Pima and the publicly traded
6 water and gas utilities, I am recommending the adoption of a return on equity
7 (“ROE”) of 10.80% for Pima. My recommendation is based on consideration of
8 (i) cost of equity estimates using a Discounted Cash Flow (“DCF”) and three risk
9 premium (or “RP”) methods (Capital Asset Pricing Model (“CAPM”) is one of the
10 RP methods) using a sample group of publicly traded water and gas utilities, (ii) my
11 review of the economic conditions expected to prevail during the period in which
12 new rates will be in effect, (iii) my experience and judgments about the risks
13 associated with relatively small utilities like Pima that are not captured by typical
14 cost of capital analyses and market data of publicly traded water and gas utilities,
15 (iv) the financial risk associated with the level of debt in Pima’s proposed
16 recommended capital structures, and (v) additional, specific business and
17 operational risks faced by Pima.

18 The results of the DCF and RP methodologies were adjusted upward by
19 50 basis points (“bps”) to account for Pima’s higher than average business risk
20 (80bps) and lower financial risk (-30bps) compared to the proxy group. I have
21 determined that the cost of equity for the publicly traded water and gas utilities falls
22 in the range of 10.00% to 10.50% with an average of 10.30%. After considering
23 differences in financial risk and business risk between Pima and the publicly traded
24 water and gas utilities, I am recommending the adoption of a ROE of 10.80% for
25 Pima. The 10.80% reflects a financial risk adjustment of -30bps and a business risk
26 premium of 80bps, for a net adjustment of 50bps.

1 **Q. WHAT IS THE RECOMMENDED CAPITAL STRUCTURE FOR PIMA?**

2 A. I have used a capital structure consisting of 35% debt and 65% equity for setting
3 base rates in the instant case. The Company currently has no debt. However, the
4 proforma capital structure is consistent with Pima's plan to concurrently seek
5 approval to incur debt as necessary to achieve a more balanced capital structure of
6 65% equity and 35% debt. This is appropriate for companies the size of Pima and
7 reflects the capital structure approved in the Company's prior rate case.¹

8 **Q. WHAT IS PIMA'S PROPOSED WEIGHTED COST OF DEBT?**

9 A. Pima's revenue requirement calculations are based on a debt cost rate of 6.12%. This
10 is based on the expected borrowing costs for Pima's parent company JW Water
11 Holdings, LLC. The estimated cost of debt is based upon the yield on a 20-year U.S.
12 treasury yield plus 150 bps.²

13 **Q. WHAT IS YOUR RECOMMENDATION FOR THE WEIGHTED AVERAGE
14 COST OF CAPITAL?**

15 A. Based upon Pima's proposed capital structure of 35% debt and 65% equity, a cost of
16 debt of 6.12%, and a cost of equity of 10.80%, the WACC is 9.16% (rounded) as
17 shown in Figure 1.

18 **Figure 1**

	Ratio	Rate	Weighted Cost
19 Debt	35%	6.12%	2.14%
20 Equity	65%	10.80%	7.02%
21 Weighted Average			9.16%

22
23
24
25 ¹ Docket Nos. W-02199A-16-0421 and SW-02199A-16-0422, Decision No. 76540.

26 ² See Direct Testimony of Jill Schwartz at 5.

1 **Q. PLEASE SUMMARIZE THE APPROACH YOU USED TO ESTIMATE THE**
2 **COST OF EQUITY FOR PIMA.**

3 A. The cost of equity for Pima cannot be estimated directly because there's no market
4 data for an entity whose equity is not in the form of a publicly traded security.
5 Consequently, I have assessed the market-based common equity cost rates of other
6 utilities or utility holding companies for insight into a recommended common equity
7 cost rate applicable to Pima. Critically, however, analysis of a proxy group serves
8 only as a starting point. There is no real peer group for Pima and we cannot compare
9 them to any other utilities with identical or even similar risk to Pima. This means
10 that the proxy group's results must be adjusted to fit Pima's unique, relative financial
11 and/or business risks in order for the proxy group approach to be valid and credible.

12 **II. THE MEANING OF "JUST AND REASONABLE" RATES OF RETURN.**

13 **Q. HAVE THE COURTS SET FORTH ANY CRITERIA THAT GOVERN THE**
14 **RATE OF RETURN THAT A UTILITY'S RATES SHOULD PRODUCE?**

15 A. Yes. In 1923, the U.S. Supreme Court set forth the following criteria for determining
16 whether a rate of return is reasonable in *Bluefield Water Works and Improvement*
17 *Co. v. Public Service Commission of West Virginia*, 262 U.S. 679, 692-93 (1923):

18 A public utility is entitled to such rates as will permit it to earn
19 a return on the value of the property which it employs for the
20 convenience of the public equal to that generally being made
21 at the same time and in the same general part of the country on
22 investments in other business undertakings which are attended
23 by corresponding risks and uncertainties ... The return should
24 be reasonably sufficient to assure confidence in the financial
25 soundness of the utility, and should be adequate, under
26 efficient and economical management, to maintain and support
its credit and enable it to raise the money necessary for the
proper discharge of its public duties. A rate of return may be
reasonable at one time and become too high or too low by
changes affecting opportunities for investment, the money

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market, and business conditions generally.

Then, in *Federal Power Commission v. Hope Natural Gas Co.*, the U.S. Supreme Court stated the following regarding the return to owners of an entity:

[T]he return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital.³

In summary, under *Hope* and *Bluefield*:

- (1) The rate of return should be similar to the return in businesses with similar or comparable risks;
- (2) The return should be sufficient to ensure the confidence in the financial integrity of the utility; and
- (3) The return should be sufficient to maintain and support the utility's credit.

Q. HAVE THESE CRITERIA BEEN APPLIED IN REGULATORY PROCEEDINGS?

A. Yes, but the application of the “reasonableness” criteria laid down by the Supreme Court has resulted in controversy. The typical method of computing the overall cost of capital is straightforward; it is the composite, weighted cost of the various classes of capital (debt, preferred stock, and common equity) used by the utility. Calculating the proportion that each class of capital bears to total capital does the weighting. The controversy exists because there is no consensus on the best method of estimating cost of equity capital. For the past three decades roughly, market-based finance models have been the primary means of estimating equity returns. This has done little to reduce controversy and there is still no universally accepted means of estimating the ROE.

³ 320 U.S. 591, 603 (1944).

1 The cost of capital is based on the concept of opportunity cost, i.e.,
2 the prospective return to investors must be comparable to investments of similar risk.
3 If a utility's return is less than the returns on investments with similar risk, investors
4 can and will invest elsewhere. This simply makes common sense. Nevertheless, as
5 explained by Dr. Roger Morin in his book, *Modern Regulatory Finance*:

6 The concept of cost of capital is firmly anchored in the
7 opportunity cost notion of economics and is basically
8 determined by the risk of that investment in light of alternate
9 opportunities and equals the investors' current opportunity cost
10 of investing in the securities of that utility. A rational investor
11 is maximizing the performance of his or her portfolio only if
12 returns expected on investor investments of comparable risk
13 are the same. If not, the investor will switch out of those
14 investments yielding low returns at a given risk level in favor
of those investments offering higher returns for the same
degree of risk. This implies that a utility will be unable to
attract capital unless it can offer returns to capital suppliers
comparable to those achieved on alternate competing
investments of similar risk.⁴

15 **Q. HOW DOES THE BLUEFIELD DECISION SUPPORT ADJUSTMENTS TO**
16 **THE PROXY GROUP RESULTS IN ORDER TO REACH A FAIR ROE FOR**
17 **PIMA?**

18 A. The *Bluefield* decision suggests that opportunity cost is an appropriate measure of
19 the actual cost of common equity for a utility. This necessarily involves the direct
20 observation of returns on equity earned by entities with comparable risk to ensure
21 that the authorized rate of return is equivalent to the returns those entities are earning.
22 The proxy group entities are not directly comparable to Pima which is why
23 adjustments are needed.
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26 ⁴ Morin, Roger A., *Modern Regulatory Finance*, (PUR Books, LLC, Inc. 2021) ("Morin"), pp. 28.

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III. OVERVIEW OF THE RELATIONSHIP BETWEEN RISK AND THE EXPECTED RETURN ON AN INVESTMENT.

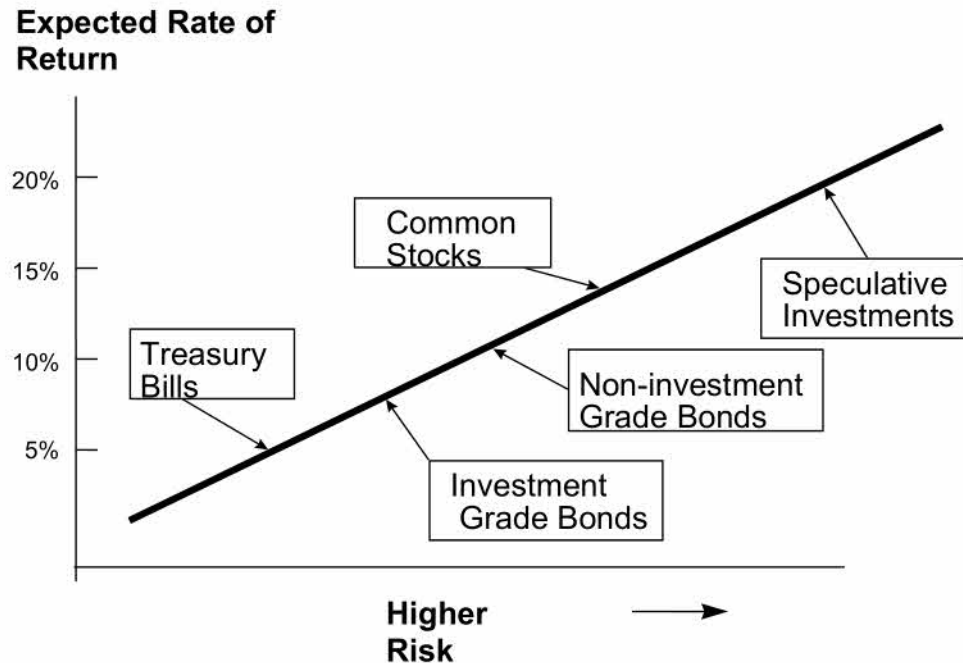
Q. HOW IS THE COST OF EQUITY ANALYZED?

A. The cost of equity is the rate of return that equity investors expect to receive on their investment. Investors can choose from numerous investment options, not simply publicly traded stocks. Investments have varying degrees of risk, ranging from relatively low risk assets such as Treasury securities, to somewhat higher risk corporate bonds to even higher risk common stocks. As the level of risk increases, investors require higher returns on their investment. Finance models used to estimate the cost of equity often rely on this basic concept.

Q. CAN YOU ILLUSTRATE THE CAPITAL MARKET RISK-RETURN CONCEPT?

A. Yes. The following graph depicts generally the risk-return relationship that has become widely known as the Capital Market Line (“CML”).

The Capital Market Line (CML)



The CML can be viewed as a continuum of the available investment opportunities for investors. Investment risk increases as you move upward and to the right along the CML. Again, the return required by investors increases with the risk.

Q. HOW DOES THE RISK-RETURN TRADE OFF CONCEPT WORK IN THE CAPITAL MARKET?

A. As shown by the CML, the allocation of capital in a free-market economy is based upon the relative risk of, and expected return from, an investment. In general, investors rank investment opportunities in the order of their relative risks. Investment alternatives in which the expected return is commensurate with the perceived risk become viable investment options. If all other factors remain equal, the greater the risk, the higher the rate of return investors will require to compensate

1 them for the possibility of loss of either the principal amount invested or the expected
2 annual income from such investment.

3 Short-term Treasury bills provide a high degree of certainty and in nominal
4 terms (after considering inflation) are considered virtually risk-free. Long-term
5 bonds and preferred stocks, having priority claims to assets and fixed income
6 payments, are relatively low risk, but are not risk-free. The market values of long-
7 term bonds often fluctuate when government policies or other factors cause interest
8 rates to change. Common stocks are higher and to the right on the CML continuum
9 because they have greater investment risk. Common stock risk is impacted by the
10 nature of the underlying business and the financial strength of the issuing corporation
11 and market-wide factors, such as general changes in capital costs.

12 The capital markets reflect investor expectations and requirements each day
13 through market prices. Prices for stocks and bonds change to reflect investor
14 expectations and the relative attractiveness of one investment relative to others.
15 While my example may seem straightforward, returns on common stocks are not
16 directly observable in advance in contrast to debt or preferred stocks with fixed
17 payment terms. This means that these returns must be estimated from market data.
18 Estimating the cost of equity capital should be a matter of informed judgment about
19 the relative risk of the company in question and the expected rate of return
20 characteristics of other alternative investments.

21 **Q. HOW IS THE COST OF EQUITY DETERMINED FOR A PARTICULAR**
22 **COMPANY?**

23 A. Estimating a company's cost of equity is complex. It requires an analysis of the
24 factors influencing the cost of various types of capital, such as interest on long-term
25 debt, dividends on preferred stock, and earnings on common equity. The data for
26 such an analysis comes from highly competitive capital markets, where the firm

1 raises funds by issuing common stock, selling bonds, and by borrowing (both long-
2 term and short-term) from banks and other financial institutions. In the capital
3 markets, the cost of debt or equity is determined by two important factors:

- 4 1) The pure or real rate of interest, often called the risk-free rate
5 of interest, and
- 6 2) The uncertainty or risk premium (or the compensation the
7 investor requires, over and above the real or pure rate of
8 interest for subjecting his or her capital to additional risk).

8 **Q. PLEASE DISCUSS THESE FACTORS IN GREATER DETAIL.**

9 A. The pure rate of interest essentially reflects both the time preference for and the
10 productivity of capital. From the standpoint of the investor, it is the rate of interest
11 required to induce them to forgo present consumption and offer the funds, thus saved,
12 to others for a specified length of time. The pure rate of interest concept is based on
13 the assumption that no uncertainty affects the investment undertaken by the
14 individual, *i.e.*, there is no doubt that the periodic interest payments will be made,
15 and the principal returned at the end of the time period. In reality, investments
16 without risk do not exist; every commitment of funds involves some degree of
17 uncertainty.

18 Turning to the second factor affecting the cost of capital, it is generally
19 accepted that the higher the degree of uncertainty, the higher the cost of capital.
20 Investors are regarded as risk averse and require that the rate of return increase as
21 the risks and uncertainty associated with an investment increase.

22 **Q. CAN YOU PROVIDE SOME PERSPECTIVE ON YOUR PREVIOUS
23 DISCUSSION WITH RESPECT TO RETURNS ON COMMON STOCKS?**

24 A. Yes. Conceptually, the required return on common stocks can be quantified by the
25 following equation:
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$$[1] \quad \begin{array}{l} \text{Required Return for} \\ \text{Common Stocks} \end{array} = \begin{array}{l} \text{Return on a} \\ \text{risk-free asset} \end{array} + \text{Risk Premium}$$

The risk premium investors require for common stocks will be higher than the risk premium they require for investment grade bonds. This relationship is depicted in the CML graph above. As I will discuss later in this testimony, this concept is the basis of risk premium methods such as the CAPM that are used to estimate the cost of equity.

Q. PLEASE DISCUSS THE IMPACT OF RISK ON CAPITAL COSTS IN MORE DETAIL.

A. With reference to specific utilities, risk consists of two separate types of risk: business risk and financial risk.

Business risk, the basic risk associated with any business undertaking, is the uncertainty associated with the enterprise's day-to-day operations. In essence, it is a function of the normal day-to-day business environment, both locally and nationally. Business risks include the condition of the economy and capital markets, the state of labor markets, regional stability, government regulation, technological obsolescence, and other similar factors that may impact demand for the business' products or services and its cost of production. For utilities, business risk also includes the volatility of revenues arising from abnormal weather conditions, degrees of operational leverage, regulation, and regulatory climate, which unfortunately also includes politics. Regulation can compound the business risk if it is unpredictable in reacting to cost increases, both in terms of the time lag and magnitude for recovery of such increases.

Financial risk, on the other hand, concerns the distribution of business risk to the various capital investors in the utility. Permanent capital is normally divided into three categories: long-term debt, preferred stock, and common equity. Because

1 common equity owners have only a residual claim on earnings after debt and
2 preferred stockholders are paid, financial risk tends to be concentrated in that
3 element of the firm's capital. Thus, a decision by management to raise additional
4 capital by issuing additional debt concentrates even more of the financial risk of the
5 utility on the common equity owners.

6 **Q. WHAT ARE THE DETERMINANTS OF THE RISK-FREE RATE FROM**
7 **EQUATION [1]?**

8 A. The risk-free rate can be disaggregated into a "real" rate of interest and an inflation
9 premium (*i.e.*, expected future inflation).

10 **Q. WHAT ARE THE DETERMINANTS OF THE REQUIRED RISK PREMIUM**
11 **FROM EQUATION [1] ABOVE?**

12 A. The risk premium can be disaggregated into five general components: (1) Interest
13 Rate Risk; (2) Business Risk; (3) Regulatory Risk; (4) Financial Risk; and
14 (5) Liquidity Risk.

15 Interest Rate Risk refers to the variability in return caused by subsequent
16 changes in interest rates and stems from the inverse relationship between interest
17 rates and asset prices. For example, bond prices fall when interest rates rise and vice
18 versa. As discussed earlier, business risk is the basic risk associated with any
19 business undertaking.

20 Regulatory risk refers to the quality and consistency of regulation applied to
21 a given regulated utility. Regulatory jurisdictions are evaluated on the basis of three
22 major factors: (1) earnable return on equity, (2) regulatory quality, and (3) regulatory
23 practices. Collectively, these three factors influence a utility's ability to earn its
24 authorized return. The type of test year employed (historical or future), capital
25 structure and rate base issues, and the length of regulatory lag are among the reasons
26 a utility may or may not have a reasonable opportunity to earn its authorized return.

1 As detailed above, financial risk concerns the distribution of business risk to
2 the various capital investors in the utility. It relates to the additional variability
3 imparted to income available to common shareholders stemming from the entity's
4 method of financing its capital needs.

5 Construction risk is an important component of financial risk. Construction
6 risk is the risk of tying capital up in projects that are not earning returns, or not having
7 sufficient capital to build the assets needed to keep generating returns. If an entity
8 has a large construction budget relative to internally generated cash flows, it will
9 require external financing, which will result in greater financial risk. It is essential
10 that such entities have access to capital funds on reasonable terms and conditions.

11 Utilities are more susceptible to construction risk for two reasons. First, water
12 and wastewater utilities generally have high capital requirements to build plants to
13 serve customers. Second, utilities have a mandate to serve, leaving less flexibility
14 both in the timing and discretion of scheduling capital projects. This is compounded
15 by the limited ability to wait for more favorable market conditions to raise the capital
16 necessary to fund the capital projects, and then the lag between when capital is
17 invested and when returns can be realized through rates. It is imperative that the
18 utility maintain access to needed capital and on reasonable terms and conditions.
19 The return allowed on common equity plays a critical role in determining those terms
20 and conditions.

21 Although often discussed separately, business and financial risk are
22 interrelated. A study by Scott and Martin found statistically significant results for
23 unregulated firms in twelve industries that "smaller equity ratios (higher leverage
24 use) are generally associated with larger companies."⁵ While unregulated enterprises
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26 ⁵ Scott, D.F. and Martin, J.D., "Industry Influence on Financial Structure," *Financial Management*, Spring 1975, pp. 67-71.

1 would be expected to seek the optimal balance between debt and equity to achieve
2 the lowest overall cost of capital, the study's findings shows that some smaller firms
3 find it prudent to offset the adverse impacts of size on risk by reducing financial risk.
4 In other words, Pima should not be expected to have the same amount of debt as the
5 very large entities in the proxy group.

6 Finally, Liquidity Risk refers to the ability to readily convert an investment
7 into cash without sustaining a loss. Capital market theory generally assumes that
8 investments are liquid and observations about risk and return are drawn from
9 information about liquid investments. Non-publicly traded or privately held
10 investments possess little liquidity.

11 **Q. SO, YOU BELIEVE THAT INVESTMENT RISK IS IMPACTED BY FIRM**
12 **SIZE?**

13 A. Yes. Investment risk bears a direct relationship to size and increases as firm size
14 decreases. Investment liquidity may be a significant factor in explaining this
15 relationship. However, the illiquidity of smaller stocks does not capture the size
16 effect completely. Size may be a proxy for one or more true unknown factors
17 correlated with size.⁶

18 **IV. THE PUBLICLY TRADED UTILITIES THAT COMPRISE THE SAMPLE**
19 **GROUP USED TO ESTIMATE THE COST OF EQUITY.**

20 **Q. BRIEFLY, WHY IS A PROXY GROUP NECESSARY FOR COMPARISON**
21 **IN A COST OF CAPITAL ANALYSIS?**

22 A. First, a fair rate of return for a specific utility is the return required by investors to
23 hold assets with corresponding levels of risk. Market data for a sample of
24 comparable companies provides insight into the investors' required return, and such

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26 ⁶ Rolf W. Banz, "The Relationship between Return and Market Value of Common Stocks," *Journal of Financial Economics*, March 1981, pp. 3-18.

1 data comports with the guidance from the U.S. Supreme Court's decisions in
2 *Bluefield* and *Hope*, which I discussed earlier. The comparable earnings standard
3 requires that the rate of return afforded to utilities be similar to the return for
4 businesses with similar or comparable risks.

5 Second, the cost of equity is a component of the cost of service which is fairly
6 recovered from customers through rates. This makes determining an authorized
7 ROE that is "fair" a primary objective of rate regulation. The best estimate of that
8 ROE is the cost of equity of Pima. For investors in Pima, the cost of equity is
9 commensurate with returns an investor in these utilities would expect to earn from
10 investments of comparable risk. To estimate the cost of equity requires market data
11 that reveal investor-required returns. Since Pima is not publicly traded, there is no
12 market information to determine the cost of equity. This necessitates the selection
13 and use of a proxy group.

14 **Q. THANK YOU, MR. BOURASSA. WHICH PUBLICLY TRADED FIRMS**
15 **COMPRISE YOUR PROXY GROUP?**

16 A. There are seven water utilities and nine gas distribution utilities in my proxy group.
17 The water utilities are: American States Water (AWR), American Water Works
18 (AWK), Essential Utilities (WTRG), California Water Company (CWT), Middlesex
19 Water (MSEX), H2O America (HTO), and York Water Company (YORW). The
20 gas utilities are: Atmos Energy (ATO), Chesapeake Utilities (CPK), New Jersey
21 Resources (NJR), NiSource, Inc. (NI), Northwest Natural (NWN), One Gas, Inc.
22 (OGS), Southwest Gas (SWX), Spire, Inc. (SR), and UGI, Corp. (UGI). These firms
23 were selected using the following criteria: (1) they are followed by the *Value Line*
24 *Investment Survey*; (2) they have at least 10 years of historical financial and market
25 information; (3) they have a *Value Line* adjusted beta; (4) they have not cut or
26 omitted their common dividends during the five years ending 2024 or through the

1 time of the preparation of this testimony (November 2025); (5) they have operating
2 revenues primarily from regulated water and wastewater operations; and (6) at the
3 time of the preparation of this testimony, they had not publicly announced that they
4 were involved in a major merger or acquisition.

5 **Q. WHY HAVE YOU INCLUDED GAS DISTRIBUTION UTILITIES IN THE**
6 **PROXY GROUP?**

7 A. Including gas utilities provides a greater sample size and a broader perspective on
8 the cost of capital. Regulated gas distribution utilities have similar risk
9 characteristics to regulated water utilities. Both industries rely on significant
10 infrastructure and face challenges related to resource management and
11 environmental impact and sustainability.

12 **Q. THANK YOU. YOU TESTIFIED EARLIER THAT THE UTILITIES IN THE**
13 **SAMPLE ARE NOT DIRECTLY COMPARABLE TO PIMA. PLEASE**
14 **EXPLAIN.**

15 A. That is correct. They are utilities for which market data is available. All of them
16 primarily provide water or gas service and their primary source of revenues is from
17 regulated services. They are also commonly used in regulatory proceedings where
18 sample companies are selected to measure the cost of equity. This is why I also
19 testified that the proxy group provides a useful *starting point* for developing the cost
20 of equity for Pima. The differences between the proxy group firms and Pima still
21 have to be taken into account.

22 **Q. PLEASE PROVIDE A GENERAL DESCRIPTION OF THE WATER**
23 **UTILITIES IN THE PROXY GROUP.**

24 A. Table 2 lists the ratios of regulated revenues, operating revenues, net plant, the
25 number of customers or population served, Value Line Financial strength, Value
26 Line betas, market capitalization, and market size category for the seven water

1 utilities. Comparative data for Pima (where available) is also shown in Table 2. The
2 utilities in the proxy group consist of Micro-Cap to Large-Cap companies. The
3 market capitalizations range from about \$474 million to over \$24.5 billion with an
4 average of approximately \$6.2 billion. Operating revenues range from about
5 \$71 million to over \$4.2 billion with an average of over \$1.22 billion. Net plant
6 ranges from \$494 million to over \$25.4 billion, with an average of over \$6.8 billion.
7 Most of these companies operate in multiple jurisdictions.

8 **Q. HOW DOES PIMA COMPARE WITH THE UTILITIES IN THE PROXY**
9 **GROUP?**

10 A. The utilities in the proxy group are much larger and, according to the empirical
11 financial data, they are less risky than Pima. Pima is much smaller with fewer
12 customers and has far less revenues, far less net plant and a relatively small and
13 limited service territory. Pima has approximately 10,000 water customers and
14 10,000 sewer customers, respectively, as compared to the average of the proxy group
15 of over 1,254,000 connections per company. Pima's revenues totaled approximately
16 \$6.3 million and net plant is \$16.6 million. The average revenues of the proxy group
17 are nearly 400 times greater than Pima. Those entities have on average nearly
18 540 times the net plant of Pima.

19 **Q. WHAT IS YOUR ASSESSMENT OF THE CAPITAL MARKETS AND THE**
20 **IMPACTS OF ANY SIGNIFICANT RECENT EVENTS?**

21 A. The Federal Reserve ("Fed") moved its benchmark rate to a targeted range of 3.50%
22 to 3.75%, following its December 2025 Federal Open Market Committee ("FOMC")
23 meeting. The Fed move marks the third consecutive rate cut by the central bank
24 following the September and October 2025 FOMC meetings. The Fed announced a
25 25-basis point rate cut after each of those meetings. The 3.50% to 3.75% level is
26 closer to what would be considered a neutral rate, meaning it's neither stimulating

1 nor slowing growth, and continued the bank’s less-restrictive monetary policy
2 course, which now includes buying back Treasury bonds. The buy-back of Treasury
3 bonds is a quantitative-easing program that increases liquidity in the economy.⁷

4 **Q. HAVE LONG-TERM INTEREST RATES DECLINED SINCE THE FED**
5 **RATE CUTS?**

6 A. No. In August 2025, the 20-year and 30-year U.S. Treasury average monthly rates
7 were 4.25% and 4.15%, respectively.⁸ The November 2025 , the 20-year and 30-
8 year U.S. Treasury average monthly rates were 4.67% and 4.70%, respectively.⁹
9 Spot rates for December 18, 2025, and after the December 15th Fed rate cut, were
10 4.74% and 4.80%, respectively.¹⁰ The disconnect between the federal funds rate cuts
11 and rising long-term interest rates reflects a complex interplay of market
12 expectations, risk assessments, and economic conditions.

13 Since cost of capital estimates for stocks (*e.g.*, risk premium methods) are
14 reflective of long-term interest rates, it is important to note that the long-term
15 treasury yields have increased significantly over the past several years. The recent
16 monthly average 20-year and 30-year U.S. Treasury bond yields (November 2025)
17 reached levels of 4.67% and 4.70%, respectively, both significantly higher than
18 they were just four years ago in November 2021 when they were 1.97% and 1.94%,
19 respectively.

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⁷ Value Line Selection and Opinion (December 19, 2025).

⁸ Data from Federal Reserve website.

⁹ *Id.*

¹⁰ *Id.*

1 **Q. HAVE THESE HIGHER INTEREST RATES LED TO HIGHER RETURNS**
2 **ON EQUITY AFTER YEARS OF HISTORICALLY LOW INTEREST**
3 **RATES?**

4 A. Yes. Utility stocks are interest rate sensitive. Higher long-term interest rates
5 typically lead to a higher cost of equity, as investors expect greater returns to
6 compensate for increased risk.

7 **Q. THANK YOU. WHAT ARE THE EXPECTATIONS FOR INTEREST**
8 **RATES MOVING FORWARD?**

9 A. *Blue Chip Finance Forecasts* long-range forecasts from December 2024 projects that
10 long-term treasuries will average 4.60% of the 2027-29 period, the period new rates
11 are expected to be in effect.¹¹

12 **Q. WHAT ARE CURRENT SPOT YIELDS ON THE LONG-TERM U.S.**
13 **TREASURIES?**

14 A. The 20-year and 30-year U.S. bond yields on December 18, 2025 are 4.74% and
15 4.80%, respectively.

16 **Q. THANK YOU. ARE THERE QUANTITATIVE MEASURES THAT CAN BE**
17 **USED TO HELP IDENTIFY DIFFERENCES IN BUSINESS RISK?**

18 A. There are several fundamental accounting-based business risk measures that can be
19 used to assess the relative differences between firms. Those include: (1) the co-
20 efficient of variance of ROE; (2) the co-efficient of variance of operating income;
21 (3) the co-efficient of variance of operating margin; and (4) Operating Leverage.
22 The first three reflect the distributions of earnings. These are meaningful when
23 measured against the distribution of earnings of alternative investments, like the
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¹¹ *Id.*

1 publicly traded utilities in my proxy group. The fourth business risk measure reflects
2 the impacts of sales fluctuations and of fixed operating costs on earnings.

3 The co-efficient of variance of ROE can be quantified using the following
4 equation:

$$5 \quad [2] \text{ Co-efficient of Variance of ROE} = \frac{\text{Standard Deviation of}}{6 \quad \text{ROE}/\text{Mean of ROE}}$$

7 The co-efficient of variance of operating income can be quantified using a
8 relatively simple equation:

$$9 \quad [3] \text{ Co-efficient of Variance of Operating Income} = \frac{\text{Standard}}{10 \quad \text{Deviation of Operating Income}/\text{Mean of Operating Income}}$$

11 The co-efficient of variance of operating margin can be quantified using the
12 following equation:

$$13 \quad [4] \text{ Co-efficient of Variance of Operating Margin} = \frac{\text{Standard}}{14 \quad \text{Deviation of Operating Margin}/\text{Mean of Operating Margin}}$$

15 And, the Operating Leverage formula is expressed as:

$$16 \quad [5] \text{ Operating Leverage} = \frac{\text{Change in Operating Income}/}{17 \quad \text{Change in Sales}}$$

18 Using the business risk measures expressed in equations [2], [3], and [4], the
19 greater the co-efficient of variation or Operating Leverage, the greater the risk to
20 investors of not receiving expected returns.¹²

21 These metrics, found in Exhibit TJB-COC-DT2, page 1 and 2, show that Pima
22 is riskier than the average of the proxy group based upon market data provided by
23 *Kroll* (formerly *Duff & Phelps*). This is why my analysis for Pima indicates a 120bps
24 to 160bps risk premium over the proxy group based upon these metrics.

25
26 ¹² Tuller, Lawrence W., *The Small Business Valuation* (Avon, MA: Adams Media Corporation, 1994), p. 89.

1 **Q. CAN METRICS LIKE AN ENTITY'S CO-EFFICIENT OF VARIATION IN**
2 **ROE, CO-EFFICIENT IN VARIATION OF OPERATING INCOME, AND**
3 **OPERATING MARGIN BE USED ALONG WITH MARKET DATA TO**
4 **DEVELOP A RISK PREMIUM OVER AND ABOVE THE PROXY GROUP?**

5 A. Yes. *Kroll* publishes comparative risk characteristics using market data that provides
6 a nexus between a market beta and the metrics operating margin, the coefficient of
7 variation in operating margin, and the coefficient of variation in return on equity.¹³
8 This information can be used to develop implied betas for Pima for use in the
9 CAPM.¹⁴ By comparing the results of the CAPM for the proxy group with the
10 CAPM for Pima using the implied betas, informed risk premiums can be developed.
11 As expected, the implied beta for Pima is higher than the beta of the proxy group.
12 Therefore, a risk premium of 120bps to 160bps over the cost of equity of the proxy
13 group is indicated for Pima.¹⁵ Based upon these analyses and my experience on risk
14 premiums generally found with utilities of similar size to Pima, my 120bps risk
15 premium recommendation for both is very reasonable under the circumstances.
16 I will discuss the indicated risk premiums and implied betas in more detail in
17 Section VI of this direct testimony.

18 **Q. CAN FIRM METRICS AND SIZE CHARACTERISTICS PROVIDE**
19 **INSIGHT INTO THE RELATIVE RISK PREMIUM FOR PIMA OVER THE**
20 **PROXY GROUP STRICTLY BASED UPON SIZE?**

21 A. Yes. Using the previously discussed metrics along with size characteristics such as
22 book equity, total assets, earnings before taxes, interest, depreciation and

23 ¹³ Duff & Phelps, LLC. *2017 Valuation Handbook; Guide to Cost of Capital*. Hoboken, NJ: John Wiley and
24 Sons, 2017 (“*Duff & Phelps*”), page 7-13. See also online at www.kroll.com: *Kroll Cost of Capital*
Navigator platform (“*Kroll Cost of Capital Navigator*”).

25 ¹⁴ See Exhibit TJB-COC-DT2, pages 1 and 2.

26 ¹⁵ See Exhibit TJB-COC-DT2, page 4.

1 amortization (“EBITDA”), and sales, an adjusted risk premium can be developed
2 based upon size. An adjusted risk premium based upon size for the proxy group
3 (discussed later in my testimony) and Pima is present in Exhibit TJB-COC-DT3.
4 Using market data regression equations provided by *Kroll*, I estimate the adjusted
5 size premium for the proxy group is 209bps (used in the modified CAPM discussed
6 later in my testimony). These same analyses indicate the market size premium for
7 Pima is 709bps and a size premium over the proxy group of 500bps.¹⁶

8 **Q. IS THERE A RELATIONSHIP BETWEEN AN ENTITY’S CAPITAL**
9 **STRUCTURE AND ITS COST OF EQUITY?**

10 A. Yes, when an entity engages in debt financing it exposes itself to greater risk. As
11 debt grows relative to the total capital structure, the risk increases in a geometric
12 fashion compared to the linear percentage increase in the debt ratio itself. This risk
13 is illustrated by considering the effect of leverage on net earnings. For example, as
14 leverage increases, the equity ratio falls. This creates two adverse effects. First,
15 equity earnings decline rapidly and may even disappear. Second, the “cushion” of
16 equity protection for debt falls. A decline in the protection afforded to debt holders,
17 or the possibility of a serious decline in debt protection, will act to increase the cost
18 of debt financing. Therefore, one may conclude that each new financing, whether
19 through debt or equity, impacts the marginal cost of future financing by any
20 alternative method.

21 For an entity already perceived as being over-leveraged, this additional
22 borrowing would cause the marginal costs of both equity and debt to increase. On
23 the other hand, if the same entity instead successfully employed equity funding, this
24 could reduce the real marginal cost of additional borrowing, even if the equity
25

26 ¹⁶ See Exhibit TB-COC-DT3, page 2.

1 issuance occurred at a higher unit cost than an equivalent amount of debt.

2 **Q. HOW DO THE CAPITAL STRUCTURES OF THE PROXY GROUP**
3 **COMPARE TO THE RECOMMENDED CAPITAL STRUCTURE FOR**
4 **PIMA?**

5 A. Table 3 shows the 35% debt and 65% equity capital structure used to develop the
6 cost of capital for Pima. The average of the proxy group is approximately 50%
7 equity and 50% debt. Having less debt in its capital structure implies that Pima has
8 lower financial risk than those in the proxy group. However, a 35% debt level is
9 appropriate for Pima as smaller companies should have less leverage in their capital
10 structures as a means of offsetting higher business risk with lower financial risk.¹⁷

11 **Q. ARE YOU RECOMMENDING A FINANCIAL RISK ADJUSTMENT?**

12 A. Yes. I am recommending a -30bps reduction for financial risk for Pima based upon
13 the Hamada method.¹⁸

14 **V. OVERVIEW OF THE DCF AND RP METHODS.**

15 **Q. PLEASE EXPLAIN THE GENERAL APPROACHES TO ESTIMATING**
16 **THE COST OF CAPITAL.**

17 A. There are two broad approaches:

- 18 (1) identify comparable-risk sample companies and estimate the cost of
19 capital directly, or
20 (2) find the location on the CML and estimate the relative risk of the entity,
21 which jointly determines the cost of capital.
22
23

24 ¹⁷ Scott, D.F. and Martin, J.D., "Industry Influence on Financial Structure," *Financial Management*, Spring
25 1975, pp. 67-71.

26 ¹⁸ Hamada, Robert S., "The Effect of the Firm's Capital Structure on the Systematic Risk of Common
Stocks," *The Journal of Finance*, Vol. 27, No. 2, pp. 435-452.

1 The DCF method falls into the first approach. It is a direct method but uses
2 only a subset of the total capital market evidence. The DCF rests on the premise that
3 the fundamental value of an asset (i.e., stock) is its ability to generate future cash
4 flows to the owner of that asset. The DCF is simply the sum of a stock's expected
5 dividend yield and the expected long-term growth rate. Dividend yields are readily
6 available, but long-term growth estimates are not. I will explain the DCF in greater
7 detail later.

8 The RP methods fall into the second approach. An equity risk premium is
9 established by determining the relationship between the cost of equity and an interest
10 rate over time. The CAPM method is an RP method and generally assumes that the
11 past correlation will continue. The RP generally uses a small subset of the capital
12 market evidence whereas the CAPM uses information on all securities, rather than a
13 small subset. The RP methods reflect a risk-return relationship, often depicted
14 graphically as the CML, and I will explain the RP methods in more detail later.

15 In the final analysis, these methods are used to measure investor expectations.
16 ROE estimates are inherently subjective but still must be based on sound, informed
17 judgment supported by competent evidence. I have applied one version of the DCF
18 and three versions of RP method, including the CAPM. These methods provide the
19 foundation for evaluating the fair cost of equity capital for the publicly traded water
20 and gas utilities in my proxy group. Adding a risk premium to the results then
21 accounts for the differences in risk (business, regulatory, liquidity, size) between the
22 proxy group and Pima. As already mentioned, this risk premium is offset by
23 financial risk adjustment due to the proposed capital structure.

24 **Q. PLEASE EXPLAIN THE DCF METHOD OF ESTIMATING THE COST OF**
25 **EQUITY.**

26 **A.** The DCF model is based on the concept that the current price of a share of stock is

1 equal to the present value of future cash flows from the purchase of the stock. In
2 other words, the DCF model seeks to replicate the market valuation process that sets
3 the price investors are willing to pay for a share of an entity's stock. It rests on the
4 assumption that investors rely on the expected returns (*i.e.*, cash flow they expect to
5 receive) to set the price of a security. The DCF model in its most general form is:

6 [6]
$$P_0 = CF_1/(1+k) + CF_2/(1+k)^2 + \dots + CF_n/(1+k)^n$$

7 where k is the cost of equity; n is the number of years; P_0 is the current stock price;
8 and CF_1 through CF_n are the expected future cash flows expected to be received in
9 periods 1 through n .

10 Equation [6] can be written to show that the current price (P_0) is also equal to

11 [7]
$$P_0 = CF_1/(1+k) + CF_2/(1+k)^2 + \dots + P_t/(1+k)^t$$

12 where P_t is the price expected to be received at the end of the period t . If the future
13 price (P_t) included a premium, such as an expected increase in the stock price or
14 capital gain, the price the investor would pay today in anticipation of receiving that
15 premium would increase. In other words, by estimating the cash flows from the
16 purchase of a stock in the form of dividends and capital gains, we can calculate the
17 investor's required rate of return, which is the rate of return an investor
18 presumptively used in bidding the current price to the stock (P_0) to its current level.

19 Equation [7] is a Market Price version of the DCF model. As with the general
20 form of the DCF model in equation [6], the current stock price (P_0) is the present
21 value of the expected cash inflows in the Market Price approach. The cash flows are
22 comprised of dividends and the final selling price of the stock. The estimated cost
23 of equity (k) is the rate of return investors expect if they bought the stock at today's
24 price, held the stock and received dividends through the transition period, and then
25 sold it for price in period t (P_t).

26

1 **Q. CAN YOU PROVIDE AN EXAMPLE TO ILLUSTRATE THE MARKET**
2 **PRICE VERSION OF THE DCF MODEL?**

3 A. Yes. Assume an investor buys a share of common stock for \$40.00. If the expected
4 dividend during the coming year is \$2.00, then the expected dividend yield is 5%
5 (\$2.00/\$40.00 = 5.0%). If the stock price is also expected to increase to \$43.00 after
6 one year, this \$3.00 expected gain adds an additional 7.5% to the expected total rate
7 of return (\$3.00/\$40.00 = 7.5%). Thus, the investor buying the stock at \$40.00 per
8 share expects a total return of 12.5% (5% dividend yield plus 7.5% price
9 appreciation). The total return of 12.5% is the appropriate measure of the cost of
10 capital because this is the rate of return that caused the investor to commit \$40.00 of
11 their capital by purchasing the stock.

12 **Q. PLEASE CONTINUE WITH YOUR DESCRIPTION OF THE DCF MODEL.**

13 A. Under the assumption that future cash flow is expected to grow at a constant rate
14 (“g”), equation [6] can be solved for k and rearranged into the simple form:

15 [8] $k = CF_1/P_0 + g$

16 where CF_1/P_0 is the expected dividend yield (also expressed as D_0/P_0) and g is the
17 expected long-term dividend (price) growth rate. The expected dividend yield is
18 computed as the ratio of next period’s expected dividend (“ D_1 ”) divided by the
19 current stock price (“ P_0 ”).

20 This form of the DCF model is known as the “constant growth” DCF model
21 and recognizes that investors expect to receive a portion of their total return in the
22 form of current dividends and the remainder through future dividends and capital
23 price appreciation. A key assumption of this form of the model is that investors
24 expect that same rate of return (k) every year and that market price grows at the same
25 rate as dividends. As already discussed, this has not been historically true for the
26 utilities in the proxy group as shown by the data in Table 4.

1 **Q. ARE THERE ANY CONCERNS ABOUT APPLYING THE DCF MODEL TO**
2 **UTILITY STOCKS?**

3 A. Yes, I have several concerns. First, a non-publicly traded company does not have a
4 stock market price. Using the stock prices from a proxy group assumes that Pima's
5 stock would be similarly priced and has a dividend yield like the publicly traded
6 proxy companies. Second, the stock price and dividend yield components may be
7 unduly influenced by structural changes in the industry, such as mergers and
8 acquisitions, which influence investor expectations. Third, the DCF model is based
9 on several assumptions that cannot be consistently relied on in the ever-changing
10 capital market environment. The traditional DCF model assumes that the market
11 price per share ("MPPS"), book value per share ("BVPS), earnings per share
12 ("EPS"), and dividends per share ("DPS"), all grow at the same rate. This has not
13 been historically true for the utility companies in the proxy group. For example,
14 Table 4 shows that over the past five years the average MPPS growth has
15 significantly exceeded the average BVPS, EPS, and DPS. Consequently, the
16 expected equity returns suggested by the market based DCF model do not line up
17 with recent experience in the markets. As Dr. Morin notes:

18 To the extent that increases (decreases) in relative market
19 valuation are anticipated by investors, especially myopic
20 investors with short-term investment horizons, the standard
DCF model will understate (overstate) the cost of equity.¹⁹

21 Another way of stating this point is that the DCF model does not account for the ebb
22 and flow of investor sentiments over the course of the business cycle.

23 Fourth, the assumption of a constant growth rate may be unrealistic, and there
24 may be difficulty in finding an adequate proxy for the growth rate. Historical growth
25

26

¹⁹ Morin, p. 481.

1 rates can be downward biased because of the impact of anemic historical growth
2 rates in earnings, mergers and acquisitions, restructuring, unfavorable regulatory
3 decisions, and even abnormal weather patterns.

4 Fifth, the application of the DCF model produces estimates of the cost of
5 equity that are consistent with investor expectations *only* when the market price of a
6 stock and the stock's book value are approximately the same. The DCF model will
7 understate the cost of equity when the market-to-book ratio exceeds 1.0 and,
8 conversely, the model will overstate the cost of equity when the market-to-book ratio
9 is less than 1.0. The reason for this is that the market-derived return produced by the
10 DCF is often applied to book value rate base by regulators.

11 **Q. THANK YOU. WHAT DATA HAVE YOU USED TO COMPUTE THE**
12 **EXPECTED DIVIDEND YIELD (D_1/P_0) IN THE DCF MODEL?**

13 A. First, I computed a current dividend yield (D_0/P_0). The time value of money should
14 be considered when determining dividend yields. This adjustment is required
15 because the basic model assumes dividends are paid once a year, but investors
16 receive dividend payments on a quarterly basis. Prices they pay for the stock (P_0)
17 would reflect the anticipated payment and potential re-investment of quarterly
18 dividends. To approximate the time value of money and the payment of quarterly
19 dividends, I computed expected dividend yield (D_1/P_0) as the current dividend yield
20 (D_0/P_0) times one plus the growth rate (g) divided by 2. I used the spot price for each
21 of the stocks of the proxy group utilities as reported by the Value Line Investment
22 Analyzer on November 28, 2025 for P_0 . The current dividend (D_0) is the current
23 indicated dividend as reported by *Value Line*. In my tables, the current dividend
24 yield is denoted as (D_0/P_0), where D_0 is the current dividend and P_0 is the spot stock
25 price. (D_1/P_0) is used to denote the expected dividend yield in the tables.

26

1 **Q. WHAT MEASURES OF GROWTH (“G”) HAVE YOU USED?**

2 A. My estimates of growth are based upon analysts’ estimates of growth. For my
3 forecast growth estimate, I have used the growth forecasts from *Value Line*, *Zacks*
4 *Investment Research*, and *StockAnalysis.com*. I report the analysts’ forecasts of
5 future growth in Table 4.

6 **Q. WHY DID YOU USE FORECASTED GROWTH RATES FOR YOUR**
7 **GROWTH ESTIMATES?**

8 A. The empirical evidence indicates that analyst estimates of EPS growth are the best
9 measure of growth for use in the DCF for utility stocks.²⁰ Also, the DCF model
10 requires estimates of growth that investors expect in the future and not past estimates
11 of growth that have already occurred. Logically, in estimating future growth,
12 financial institutions and analysts have considered all relevant historical information
13 on an entity, as well as other more recent information.²¹ To the extent that past
14 results provide useful indications of future growth prospects, analysts’ forecasts
15 would already incorporate that information. In addition, the current price of a stock
16 reflects known historical information on that entity, including its past earnings
17

18 ²⁰ Gordon, David A., Gordon, Myron J. and Gould, Lawrence I., “Choice Among Methods of Estimating
19 Share Yield,” *Journal of Portfolio Management*, Spring 1989, pp. 50-55. Gordon, Gordon and Gould found
20 that a consensus of analysts’ forecasts of earnings per share growth for the next five years provides a more
21 accurate estimate of growth required in the DCF model than three different historical measures of growth
22 (historical EPS, historical DPS, and historical retention growth). They explain that this result makes sense
23 because analysts would take into account such past growth as indicators of future growth as well as any new
24 information. Other studies confirm the superiority of analysts’ estimates such as Vander Weide, James H.
25 and Carleton, Willard T., “Investor Growth Expectations: Analysts vs. History,” *Journal of Portfolio*
Management, Spring 1988, pp. 78-87; Brown, Lawrence D. and Rozeff, Michael S., “The Superiority of
26 Analyst Forecasts as Measures of Expectations: Evidence from Earnings,” *Journal of Finance*, March 1978,
pp. 1-16; and Timme, Stephen G. and Eisemann, Peter C., “On the Use of Consensus Forecasts of Growth
in the Constant Growth Model: The Case for Electric Utilities,” *Journal of Financial Management*, Winter
1989, pp. 23-35. A 2004 study by the Kentucky Public Service Commission Advance Research Center
updated the study by Vander Weide and Carleton (1988) and confirmed the superiority of analyst estimates
over historical averages.

²¹ Gordon, Gordon, and Gould, p. 54.

1 history. Any further recognition of the past will double count what has already
2 occurred. Using forward-looking growth rates eliminates all of these concerns.

3 **Q. DID YOU APPLY A REASONABLENESS TEST TO THE INDIVIDUAL**
4 **RESULTS OF THE DCF?**

5 A. Yes. DCF results that are less than the forecast Baa investment grade bond yield
6 plus 100bps or 7.2% are excluded. An indicated return of 7.2% is the minimum
7 plausible expected cost of equity. The test of reasonableness approach is consistent
8 with methods the Federal Energy Regulatory Commission (“FERC”) adopted in the
9 past. I believe it is also consistent with common business sense.²²

10 **Q. PLEASE SUMMARIZE THE EQUITY COST ESTIMATES FROM THE**
11 **DCF.**

12 A. In Table 6, my DCF estimate for the cost of equity of the proxy group is 10.00%.
13 For Pima, my estimate is 10.50% as shown in Table 1.

14 **A. Explanation of the RP and Its Inputs.**

15 **Q. PLEASE EXPLAIN THE RP METHODOLOGY FOR ESTIMATING THE**
16 **COST OF EQUITY.**

17 A. The RP method is sometimes referred to as the “bond yield plus risk premium
18 method.” The general approach is to determine the spread between the return on
19 debt and the return on equity, and then add this spread to the current debt yield to
20 derive an estimate of the cost of equity. To implement the RP, it is assumed that the
21 past relationship will continue. The RP is widely used by analysts and investors.

22 The RPM formula provides a formal risk-return relationship and is stated as:

23
$$(9) k = K_d + \text{bond-equity spread}$$

24
25 ²² In its 2008 Order for Southern California Edison, 122 FERC ¶61187 (Docket ER-08-375-000), the FERC
26 excluded any company whose low-end ROE fails to exceed the average bond yield by about 100bps, or
more. This procedure was also referred to in rehearing FERC 131 ¶61,020 at 24.

1 where k is the expected return on equity and K_d is the cost of debt or debt yield.

2 **Q. HOW MANY RP ANALYSES HAVE YOU PERFORMED?**

3 A. I performed two risk premium (RP) analyses, not including the CAPM. My first
4 analysis is presented in Table 8. In this RP analysis I examine the RPs implied by
5 the return on equity allowed by regulatory commissions for gas utilities over the
6 period 1986 to 2024 over the contemporaneous levels of the 30-year U.S. Treasury
7 bond yield. I regressed this data to determine the statistical relationship between the
8 RP and interest rates (YIELD). The following statistical relationship emerges:

9
$$RP = 0.080423 - 0.47275x(YIELD) \quad R^2 = 0.869$$

10 The relationship is highly statistically significant and indicated by the high R^2 . This
11 RP analysis indicates a cost of equity of 10.47% for the proxy group. Pima's
12 indicated cost of equity is 10.97% as shown in Table 1.

13 **Q. PLEASE EXPLAIN YOUR SECOND RP ANALYSIS.**

14 A. The second RP analysis is analysis is presented in Table 9. For the period 1977 to
15 2024, I subtract average annual long-term U.S. Treasury returns from returns of the
16 S&P 500 Utility Index to determine the annual risk premium for each year. I
17 averaged the risk premium this period which is then adjusted to reflect the estimated
18 impact on the risk premium due to the difference between the average interest rate
19 over the periods and the current forecast estimate for interest rates. Because of the
20 abundance of academic research that supports the notion that the risk premiums on
21 utility stocks are inversely related to interest rates. That said, the adjusted risk
22 premium is then added to the average expected long-term U.S. Treasury yield (2027-
23 2029) of 4.6% from Table 7 to estimate the cost of equity. This RP analysis indicates
24 a cost of equity of 10.50% for the proxy group. Pima's indicated cost of equity is
25 11.00% as shown in Table 1.

26

1 **Q. SHOULD ANALYSES USING HISTORIC RISK PREMIUMS RELY ON**
2 **ARITHMETIC AVERAGE RETURNS OR ON GEOMETRIC AVERAGE**
3 **RETURNS?**

4 A. In my opinion, only arithmetic average returns should be used when relying on
5 historical risk premiums over long periods for forecasting and estimating the cost of
6 capital. As various finance experts have explained, an arithmetic mean is the correct
7 approach to use in estimating the cost of capital, particularly for a risk premium
8 model.²³ As Dr. Morin states:

9 Because valuation is forward-looking, the appropriate average
10 is the one that most accurately approximates the expected
11 future rate of return. *The best estimate of the expected returns*
12 *over a future holding period is the arithmetic average. Only*
13 *arithmetic means are correct for forecasting purposes and for*
14 *estimating the cost of capital. There is no theoretical or*
15 *empirical justification for the use of geometric rates of return*
16 *as a measure of the appropriate discount rate in computing the*
17 *cost of capital or in computing present values.*²⁴

18 The consensus among these experts makes sense. Only arithmetic mean
19 return rates and yields are appropriate for cost of capital purposes because ex-post
20 (historical) total returns and equity risk premiums differ in size and direction over
21 time, providing insight into the variance and standard deviation of returns. The
22 geometric mean of ex-post (after the fact) equity risk premiums provides no insight
23 into the potential variance of future returns because the geometric mean relates the

22 ²³ Zvi Bode, Alex Kane, Alan J. Marcus, *Investments* (McGraw-Hill 6th ed., 2005), pp. 864 – 865; Richard
23 A. Brealey, Stewart C. Myers, Franklin Allen, *Principles of Corporate Finance* (McGraw-Hill 11th ed.),
24 pp. 162 – 163; Kaplan, P. “*Why the Expected Rate of Return is an Arithmetic Mean*,” *Business Valuation*
25 *Review*, Sep. 1995, pp. 126-129. Morningstar, *Ibbotson SBBI 2013 Valuation Yearbook*, pp. 56-57.
26 (“Morningstar”); Kipp, Martin and Koziol, Christian, “*Which is the Correct Discount Rate? Arithmetic*
Versus Geometric Mean,” *Credit and Capital Markets*, Volume 53, Issue 3, pp. 355–381; Pratt, Shannon P.
and Grabowski, Roger A., *Cost of Capital: Applications and Examples*, 5th Ed., John Wiley and Sons,
pp. 158-159.

²⁴ Morin, p. 132 (emphasis added).

1 change over many periods to a constant rate of change, rather than the year-to-year
2 fluctuations, or variance, which is critical to risk analysis. In short, the conclusion
3 of these financial experts is that, while the geometric mean is useful in comparing
4 what happened in the past, it should not be used to determine estimates of expected
5 future returns or market risk premiums.

6 **Q. ARE RISK PREMIUMS FOR UTILITIES CORRELATED WITH**
7 **INTEREST RATES?**

8 A. Yes. Utility stocks are interest rate sensitive and vary inversely with interest rates.
9 Dr. Morin found this inverse relationship between risk premiums and interest rates
10 and reported it in Chapter 5 of his 2021 book, *Modern Regulatory Finance*. He
11 stated a risk premium technique that can be used to determine the cost of equity
12 “consists of examining the risk premiums implied in returns on equity allowed by
13 regulatory commissions for utilities over some past period relative to the
14 contemporaneous level of the long-term Treasury bond yield.”²⁵ Professor Morin
15 reports the following statistical relationship between risk premiums (RP_m) and long-
16 term Treasury bond yields (Yield) for the period 1986 to 2019 for electric utilities:

$$17 \quad RP_m = 8.1200 - 0.4603 \times \text{Yield}, \text{ with } R^2 = 0.83.$$

18 The slope was found to be statistically significantly less than zero (*i.e.*, the t-statistic
19 was - 8.4). In his analysis, annual averages of allowed equity returns reported by
20 Regulatory Research Associates were adopted as the proxies for equity costs. This
21 risk premium method is presented by Dr. Morin in Section 5.5 of his book.
22 Dr. Morin also cites numerous other empirical studies that confirm risk premiums
23 vary with interest rates.²⁶

24
25 ²⁵ Morin, p. 144.

26 ²⁶ Morin, p. 145.

1 **Q. HAVE OTHERS FOUND AN INVERSE RELATIONSHIP BETWEEN RISK**
2 **PREMIUMS AND INTEREST RATES?**

3 A. Yes. Harris and Marston, “Estimating Shareholders Risk Premia Using Analysts’
4 Growth Rates,” *Financial Management*, Summer 1992 found an inverse
5 relationship. In Decision 97-12-089, which established the cost of equity for Pacific
6 Gas & Electric Company (“PG&E”), the California Public Utilities Commission
7 (“CPUC”) found that costs of equity for energy utilities move in the same direction
8 as interest rates, but to a lesser degree. In Decision 02-11-027, an interim opinion
9 on rates of return on equity for PG&E, Southern California Edison Company, Sierra
10 Pacific Power Company, and San Diego Gas & Electric Company for the year 2003,
11 the CPUC confirmed that its practice is to adjust ROEs for energy utilities by one-
12 half to two-thirds of the change in the benchmark interest rate.²⁷

13 **Q. LET’S TURN TO THE CAPM. PLEASE EXPLAIN THE CAPM**
14 **METHODOLOGY FOR ESTIMATING THE COST OF EQUITY.**

15 A. The CAPM was developed by William Sharpe and John Lintner in the mid-1960s
16 and is a common topic in college finance textbooks. Like all RP methods, the CAPM
17 is the sum of a risk-free rate plus a risk premium. Like the RPM, it quantifies the
18 additional return required by investors for bearing incremental risk. The CAPM
19 provides a formal risk-return relationship premised on the idea that only market risk
20 matters, as measured by beta. The traditional version of CAPM is represented by
21 the formula:

$$[10] k = R_f + \beta(R_m - R_f)$$

22 where k is the expected return, R_f is the risk-free rate (or zero beta asset), R_m is the
23 market return, $(R_m - R_f)$ is the market risk premium, and β is beta.
24

25
26 ²⁷ CPUC Decision 02-11-027 at p. 20.

1 **Q. WHAT IS BETA AND WHAT DOES IT ESTIMATE?**

2 A. Beta is a measure of the relative risk of a security in relation to the market. In other
3 words, it is a measure of the sensitivity of a security to the market. This sensitivity
4 is also known as systematic risk. It is estimated by regressing a security's excess
5 returns against a market portfolio's excess returns. The slope of the regression line
6 is beta.

7 Beta for the market is 1.0. A security with a beta greater than 1.0 is considered
8 riskier than the market. A security with a beta less than 1.0 is considered less risky
9 than the market.

10 **Q. ARE THERE ANY CONCERNS ABOUT APPLYING THE TRADITIONAL**
11 **CAPM TO UTILITY STOCKS?**

12 A. Yes, because the mechanical application of the model often produces unreasonable
13 results. The traditional CAPM only captures a single measure of systematic risk as
14 measured by beta, but there are other forms of systematic risk priced by the market.
15 Size is one such risk. A size premium is necessary because the empirical evidence
16 indicates that beta alone does not measure the risk of smaller companies.²⁸
17 Additionally, there are computational problems surrounding beta since it depends on
18 the return data, the period used, its duration, the choice of the market index, and
19 whether annual, monthly, or weekly return figures are used. Betas are estimated with
20 error. Based on empirical evidence, high betas will tend to have a positive error (risk
21 is overestimated) and low betas will have a negative error (risk is underestimated).²⁹

22
23
24
25
26

²⁸ *Duff & Phelps 2018 Valuation Handbook*, Chapter 2, p. 7.

²⁹ Fama, Eugene F. and Kenneth R. French, "The Capital Asset Pricing Model: Theory and Evidence," *Journal of Economic Perspectives*, Summer 2004, pp. 25-46.

1 **Q. ARE THERE ALTERNATIVES TO THE TRADITIONAL CAPM?**

2 A. Yes, alternative versions of the CAPM have been developed that provide more robust
3 explanations of returns required by investors. A version of the CAPM called the
4 Empirical CAPM or ECAPM was developed to recognize that estimations of R_f are
5 higher than the return on long-term Treasuries. Dr. Roger Morin discusses ECAPM
6 at pages 220-223 of his book, *Modern Regulatory Finance*. The ECAPM is
7 represented as follows:

8
$$[11] k = R_f + .25(R_m - R_f) + .75\beta(R_m - R_f)$$

9 The ECAPM was developed from the empirical findings that show the slope
10 of the CML is flatter and the risk-free rate is at a higher point than predicted by the
11 pure CAPM. The ECAPM has been shown to do a better job at predicting market
12 returns.

13 *Kroll* also suggests a version of the CAPM in which a size premium is
14 included.³⁰ This modified CAPM or MCAPM is represented as follows:

15
$$[12] k = R_f + \beta(R_m - R_f) + RP_s$$

16 where k is the expected return, R_f is the risk-free rate (or zero beta asset), R_m is the
17 market return ($R_m - R_f$), is the market risk premium, β is beta, and RP_s is the size
18 premium. Both the ECAPM and MCAPM recognize the pure CAPM is incomplete
19 and does not fully account for the higher returns that are needed on smaller company
20 stocks. In other words, the higher risks associated with smaller firms are not fully
21 accounted for by beta.³¹

22
23
24
25 ³⁰ *Duff & Phelps 2018 Valuation Handbook*, Chapter 2, p. 14.

26 ³¹ Morningstar, pp. 85-88.

1 **Q. EXCUSE ME, MR. BOURASSA, BUT WERE THESE ALTERNATIVE RP**
2 **METHODS DEVELOPED BY THE REGULATED UTILITY INDUSTRY**
3 **BECAUSE THE CAPM WAS RESULTING IN LOWER RETURNS THAN**
4 **SHAREHOLDERS DESIRED?**

5 A. No. They were developed to address the shortcomings of the traditional CAPM.

6 **Q. THANK YOU. IS FIRM SIZE A UNIQUE OR NON-SYSTEMATIC RISK?**

7 A. No, firm size is a systematic risk factor and is an adjustment to the pure CAPM.³²
8 Putting aside the empirical financial data, the need for a risk premium for size makes
9 sense. Firm size is a significant element of business risk for which investors expect
10 to be compensated through greater returns. As discussed earlier, smaller companies
11 are simply less able to cope with significant events that impact sales, revenues, and
12 earnings. For example, smaller companies face more risk exposure to business
13 cycles and economic conditions, both nationally and locally. Additionally, the loss
14 of revenues from a few larger customers would have a greater effect on a small entity
15 than on a much larger entity with a larger, more diverse, customer base. Moreover,
16 smaller companies are generally less diverse in their operations and have less
17 financial flexibility.

18 **Q. BUT ISN'T PIMA OWNED BY A SHAREHOLDER WITH SIGNIFICANT**
19 **FINANCIAL HOLDINGS?**

20 A. That is not relevant. Rate cases require us to determine the cost of capital for the
21 regulated utility. This is not about the investor.

22 **Q. THANK YOU. DID YOU EMPLOY EITHER OF THESE ALTERNATIVE**
23 **CAPMS (EQUATIONS [11] AND [12]) AS PART OF YOUR ANALYSIS?**
24

25 _____
26 ³² Pratt, Shannon P. and Roger J. Grabowski, *Cost of Capital: Applications and Examples* (John Wiley and Sons, 4th Ed. 2010) p. 56.

1 A. Yes. I employed all three versions of the CAPM to estimate the cost of equity for
2 the proxy group, which does mitigate my concerns about the traditional CAPM.

3 **Q. WHAT IS THE RISK-FREE-RATE (R_F)?**

4 A. It is the return on an investment with no risk. The U.S. Treasury rate serves as the
5 basis for the risk-free rate because the yields are directly observable in the market
6 and are backed by the U.S. government. Practically speaking, short-term rates are
7 volatile, fluctuate widely and are subject to more random disturbances than long-
8 term rates. In short, long-term Treasury rates are preferred for these reasons and
9 because long-term rates are more appropriately matched to securities with an
10 indefinite life or long-term investment horizon.

11 **Q. WHAT DID YOU USE AS THE RISK-FREE RATE (R_F)?**

12 A. I used the expected U.S. Long-term Treasury rate for 2025-2027 as the basis for the
13 risk-free rate. Since the cost of capital is an opportunity cost and is prospective,
14 it necessarily requires the use of a forward-looking bond yield. Economists expect
15 the long-term U.S. Treasury yields to be 4.6% in the 2027-2029 timeframe as shown
16 in Table 7.

17 **Q. WHY DO YOU USE LONG-TERM U.S. TREASURY BOND YIELDS?**

18 A. The yields on long-term Treasury bonds match more closely with the perpetual
19 nature of common stock investments.³³ In addition, short-term rates are more
20 volatile, fluctuate widely and are subject to more random disturbances than long-
21 term rates. Long-term Treasury rates are more appropriately matched to securities
22 with an indefinite life or long-term investment horizon. For these reasons, long-term
23 rates are preferred.

24

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³³ Morin, p. 112.

1 **Q. WHAT DO YOU USE AS THE PROXY OF THE BETA IN THE CAPM?**

2 A. For the CAPM and ECAPM, I used the average beta of the sample water utility
3 companies. These betas were obtained from *Value Line Investment Analyzer*
4 (weekly data as of November 26, 2025). *Value Line* is the source for estimated betas
5 that I regularly employ. The average *Value Line* beta for my proxy group as shown
6 on Table 2 is 0.78.

7 For the MCAPM, I use sum beta. Sum beta is an alternative method of
8 computing betas. Since the *Kroll* size premiums are derived using sum beta, I use
9 sum beta to be internally consistent with the size risk premiums for the proxy group
10 derived from the *Kroll* 2024 Size Study. I computed the sum beta over a 60-month
11 period (five years) and use the S&P 500 as the market index. Weekly data over a 5-
12 year period is the same period used to estimate beta by *Value Line*. However, *Value*
13 *Line* uses the NYSE as the market index.

14 I should note that because Pima is not publicly traded, Pima has no beta. In
15 my expert opinion, I strongly believe Pima, if publicly traded, would have a higher
16 *Value Line* beta and sum beta than the sample utility companies. *Morningstar*
17 reports that when betas (a measure of market risk) are properly estimated, betas are
18 greater for small companies than for larger companies.³⁴ *Morningstar* also finds that,
19 even after accounting for differences in beta risk, small firms require an additional
20 risk premium over and above the added risk premium indicated by differences in
21 beta risk.

22 **Q. PLEASE EXPLAIN THE MARKET RISK PREMIUM.**

23 A. The market-risk premium ($R_m - R_f$) is the return an investor expects to receive as
24 compensation for market risk. It is the expected market return minus the risk-free
25

26 ³⁴ Morningstar, Chapter 7.

1 rate. Approaches for estimating the market risk premium can be historical or
2 prospective.

3 Since expected returns are not directly observable, historical realized returns
4 are often used as a proxy for expected returns on the basis that the historical market
5 risk premium follows what is known in statistics as a “random walk.” If the historical
6 risk premium does follow the random walk, then one should expect the risk premium
7 to remain at its historical mean. Based on this, the best estimate of the future market
8 risk premium is the historical mean. *Kroll* provides historical market returns for
9 various asset classes from various historical time periods. This publication also
10 provides market risk premiums over U.S. Treasury bonds, which makes it an
11 excellent source for historical market risk premiums.

12 A current market risk premium estimation approach necessarily requires
13 examining the returns expected from common equities and bonds. One method
14 employs application of the DCF model to a representative market index such as the
15 *Value Line* 1700 stocks. The expected return from the DCF is measured for a number
16 of periods of time, and then subtracted from the prevailing risk-free rate for each
17 period to arrive at the market risk premium for each period. The market risk
18 premium that is subsequently employed in the CAPM is the average market risk
19 premium of the overall period.

20 **Q. HOW DID YOU ESTIMATE THE MARKET RISK PREMIUM FOR USE IN**
21 **THE CAPM MODELS?**

22 A. For the traditional CAPM and ECAPM, I averaged two market risk premium
23 estimates: an average of a historical market risk premium (1926-2024) and a current
24 market risk premium. For the MCAPM, I used a historical market risk premium
25 (1963-2024) and a current market risk premium.

26

1 For the historical market risk premiums, I used the *Kroll* provided measure of the
2 average premium of the market over long-term treasury securities from 1926 through
3 2024 and 1963 through 2024, both of which use the S&P 500 market index (which
4 is considered a large-cap index). The average historical market risk premium over
5 long-term treasury securities is 7.31% for the 1926 through 2024 period and 6.07%
6 for the 1963 through 2024 period.

7 For the current market risk premium, I derived a market risk premium by first
8 using the DCF model to compute an expected market return for each of the past
9 12 months using *Value Line's* projections of the average dividend yield for the
10 dividend yield in the DCF and an average of the median EPS, DPS and BVPS growth
11 on the *Value Line* 1700 stocks. I then subtracted the historical monthly average 30-
12 year Treasury yield for each month from the expected market returns to arrive at the
13 expected market risk premiums. Finally, I averaged the computed market risk
14 premiums to determine the current market risk premium for the last 12 months, nine
15 months, six months, three months, and the median of the last 12 months. The data
16 and computations are shown on Table 10. The recent 12-month average current
17 market risk premium is 5.59%. Estimates of the current market risk premium have
18 ranged from 5.09% to 5.88% over the past 12 months. My recommended market
19 risk premium is based on the median estimate for the last three months of 5.62%.

20 **Q. WHY USE TWO DIFFERENT HISTORICAL RISK PREMIUM**
21 **ESTIMATES?**

22 A. I have typically used a historical market risk premium (1926-2024) in my CAPM
23 and ECAPM. I concur with *Morningstar*, which recommends use of a historical
24 market risk premium based upon the longest period practicable.³⁵ The *Kroll* Risk
25

26 ³⁵ *Morningstar*, p. 59.

1 Premium Report size and risk premiums are calculated over the time horizon 1963 –
2 2024 so I used the historical market risk premium for this period for the MCAPM.

3 **Q. HOW DID YOU ESTIMATE THE SIZE PREMIUM FOR THE PROXY**
4 **GROUP?**

5 A. *Kroll's* Size Study categorizes companies by eight measures of size, breaking down
6 the NYSE universe of companies into 25 size-ranked portfolios.³⁶ The Size Study
7 provides two ways to match a company's size (or risk) characteristics to the
8 appropriate size (or risk) premium – a guideline portfolio method and a regression
9 equation method. I used the regression equation method to find the CAPM size risk
10 premium for each of the publicly traded utilities in the proxy group for six measures
11 of size (namely, market value of equity, book equity, market value of invested
12 capital, 5-year average of net income, total assets, and EBITDA).³⁷ I determined the
13 average size premium of all size measures for the proxy group and then adjusted the
14 average size premium to reflect the lower risk of the proxy group compared to the
15 companies that make up the respective size-ranked portfolios. This comparative risk
16 study uses the fundamental measures of risk (operating margin, coefficient of
17 variation in operating income, and coefficient of variation in return on book equity)
18 to gauge how alike or different the proxy group is compared to the companies that
19 make up the size-ranked portfolios in the Size Study. In the instant case, the
20 estimated reduction in risk is -1.00%. Thus, the market risk premium for size for the
21 proxy group is 2.09% (3.11% - 1.02%) (rounded).³⁸

22
23 ³⁶ The size measures include: 1) Market Capitalization; 2) Book Value of Equity; 3) 5-year Average Net
24 Income; 4) Market Value of Invested Capital; 5) Total Assets; 6) 5-year Average EBITDA; 7) Sales; and
25 8) Number of Employees. See *2018 Valuation Handbook*, Chapter 7, p. 6.

26 ³⁷ *Kroll Cost of Capital Navigator*, 2023 Supplementary Size Study data and 2023 Supplementary Data
Regression Equations.

³⁸ See Exhibit TJB-COC-DT3, at page 2.

1 **Q. WHAT ARE THE RESULTS OF YOUR CAPM ANALYSES?**

2 A. In Table 11, the traditional CAPM produces an indicated cost of equity of 9.60%.
3 The ECAPM produces an indicated cost of equity of 10.00%. The MCAPM
4 produces an indicated cost of equity of 11.12%. The average of these three methods
5 is 10.20%. The indicated cost of equity for Pima is 10.70%.

6 **VI. REQUIRED RISK PREMIUM FOR PIMA.**

7 **Q. PLEASE DISCUSS YOUR RECOMMENDED RISK PREMIUM FOR PIMA.**

8 A. As I testified earlier, Pima is not directly comparable to the publicly traded water
9 and gas utilities in my proxy group. The characteristics associated with small size,
10 such as the lack of diversification, limited revenue and cash flow, relatively small
11 customer base, lack of investment liquidity, and earnings volatility, increase the risk
12 faced by smaller water and wastewater utilities over the risk associated with the
13 proxy group.

14 **Q. PLEASE DISCUSS FIRM SIZE RISK FOR SMALL UTILITIES.**

15 A. Investment risk increases as the firm size decreases, all else remaining constant.
16 There is a great deal of empirical evidence that the firm size phenomenon exists.
17 *Morningstar* reports that smaller companies have experienced market higher returns
18 that are not fully explainable by their higher betas, and that beta is inversely related
19 to firm size. In other words, smaller companies not only have higher betas, but also
20 higher market returns than larger ones. Even after accounting for differences in beta
21 risk, small companies require an additional risk premium over and above the added
22 risk premium indicated by differences in beta risk. Dr. Thomas M. Zepp has also
23 reported evidence that the investment in stocks of small water or wastewater utilities
24 are riskier than the stocks of larger water utilities, such as those in the water utilities
25
26

1 sample.³⁹ Additionally, the CPUC published a study that showed smaller water
2 utilities are more risky than larger ones.⁴⁰ Based on the evidence, it is clear that
3 investors require higher returns on small company stocks than on large company
4 stocks.

5 **Q. PLEASE EXPLAIN THE COMPARATIVE RISK STUDY YOU PREPARED**
6 **TO DEVELOP A RISK PREMIUM FOR PIMA.**

7 A. The risk study I prepared for Pima is attached as Exhibit TJB-COC-DT2. To conduct
8 my comparative risk study, I started by computing the 5-year historical operating
9 margin, coefficient of variation of operating margin, and coefficient of variation of
10 ROE for Pima. Operating margin is a measure of profitability. The co-efficient of
11 variation of operating margin and ROE are measures of earnings variability. All
12 three of these metrics are highly correlated with size and risk.

13 **Q. THESE ARE THE METRICS YOU DISCUSSED EARLIER IN YOUR**
14 **TESTIMONY?**

15 A. Yes, on pages 21-23.

16 **Q. THANK YOU. PLEASE CONTINUE.**

17 A. Next, I cross-referenced these metrics with data from *Kroll Cost of Capital*
18 *Navigator* Supplementary Data - Risk Study and identified the corresponding market
19 portfolio beta for Pima and for the proxy group.⁴¹ I then computed the relative
20 difference in betas between Pima and the proxy group. Assuming that the relative
21 difference in the market portfolio beta for the publicly traded companies is the same
22 for publicly traded water and gas utilities, I then computed implied betas for Pima

23 ³⁹ Zepp, Thomas M., "Utility Stocks and the Size Effect – Revisited," *The Quarterly Review Economics*
24 *and Finance*, Vol. 43, Issue 3, Autumn 2003, pp. 578-582.

25 ⁴⁰ Staff Report on Issues Related to Small Water Utilities, June 10, 1991 and CPUC Decision 92-03-093.

26 ⁴¹ *Kroll Cost of Capital Navigator*, 2024 Supplementary Data - Risk Study. *See also* page 3 of Exhibit TJB-
COC-DT2, page 3.

1 using the difference in portfolio betas.⁴² Finally, I used the CAPM methods to
2 compute the indicated cost of equity for each utility and compared the results to the
3 CAPM results for the proxy group.⁴³ Based upon this analysis, I conclude the
4 indicated risk premium for Pima is in the range of 120bps to 160bps with a midpoint
5 of 140bps.

6 **Q. WHAT RISK PREMIUM OVER THE PROXY GROUP RESULTS DO YOU**
7 **RECOMMEND?**

8 A. I recommend a business risk premium of 80bps for Pima at this time based upon the
9 facts and circumstances in this case. This is offset by a -30bp reduction for lower
10 financial risk. The net risk adjustment for Pima over the results of the proxy group
11 is 50bps.

12 **VII. SUMMARY AND CONCLUSIONS.**

13 **Q. PLEASE PROVIDE AN OVERVIEW OF YOUR RECOMMENDATIONS.**

14 A. I recommend the Commission adopt the four-step method I presented above to
15 determine the ROE for Pima.

16 In the first step, an average of costs of equity for a sample of 16 publicly
17 traded utilities is determined with the DCF model and several RP models including
18 variations of the CAPM.

19 In the second step, a business risk premium for Pima is determined to reflect
20 its higher risks. Quantitative evidence based on differences in Pima's business risk
21 metrics compared to the benchmark proxy group justifies a risk premium in the range
22 of 120bps to 160bps for Pima. Based upon the facts and circumstances of this case,
23 I recommend a risk premium of 80bps for Pima.

24
25 ⁴² See Exhibit TJB-COC-DT2, page 3.

26 ⁴³ See Exhibit TJB-COC-DT2, page 4.

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In the third step, a financial risk premium for Pima is determined to reflect its lower financial risk compared to the proxy group. Using the Hamda method, I determined a -30bps reduction is indicated and which I recommend in this case.

In the fourth step, equity costs from step one and the risk premiums from step two are combined to determine a fair ROE for Pima of 10.80%. I recommend the Commission adopt a ROE for Pima of no less than 10.80%.

Q. DOES THAT CONCLUDE YOUR COST OF CAPITAL DIRECT TESTIMONY?

A. Yes.

Cost of Capital Tables

**Pima Utility Company
Table 1
Summary of Results**

<u>Line No.</u>		<u>Indicated Cost of Equity for Proxy Group</u>	<u>Indicated Cost of Equity for Company¹</u>
1	DCF Constant Growth - Table 6	10.00%	10.50%
2	Risk Premium - Table 8	10.47%	10.97%
3	Risk Premium - Table 9	10.50%	11.00%
4	CAPM - Table 10	10.20%	10.70%
5	Average (rounded)	10.30%	10.80%
6	Cost of Equity Recommendation		10.80% ²

Notes:

¹ Estimates include an equity risk premium of 80 basis points. See testimony.
and a financial risk adjustment of -30 basis points. See testimony.

² See testimony.

Pima Utility Company
Table 2
Selected Characteristics of Sample Group of Water Utilities

Line			Operating	Net	S&P	Moody's		Value Line	Sum	Market	Size
No.	Company	Symbol	Revenues (millions) ¹	Plant (millions) ¹	Bond Rating ²	Bond Rating ²	Number of Customers ³	Beta ¹	Beta ⁴	Capitalization ¹ (millions)	Decile
1	American States Water	AWR	595.5	2,100	A	A2	287,970	0.75	0.76	\$ 2,874.5	Low-Cap
2	American Water Works	AWK	4,684.0	28,038	A	Baa1	3,449,000	0.80	0.78	25,442.2	Large-Cap
3	Essential Utilities	WTRG	2,086.1	13,144	A-	Baa2	1,851,586	0.80	0.75	11,183.2	Mid-Cap
4	California Water	CWT	1,036.8	4,135	A+	NR	553,000	0.80	0.74	2,723.3	Low-Cap
5	Middlesex	MSEX	748.4	4,474	A	NR	124,200	0.75	0.70	1,649.2	Low-Cap
6	H2O America	HTO	191.9	1,067	A-	NR	388,000	0.75	0.71	928.4	Low-Cap
7	York Water Company	YORW	75.0	533	A-	NR	76,731	0.70	0.77	464.4	Micro-Cap
8	Atmos Energy	ATO	4,165.2	22,204	A-	A2	3,300,000	0.75	0.76	28,027.9	Large-Cap
9	Chesapeake Utilities	CPK	787.2	2,736	NR	Baa3	450,000	0.70	0.67	3,244.6	Low-Cap
10	New Jersey Resources	NJR	1,796.5	5,403	NR	NR	583,000	0.75	0.80	4,823.6	Mid-Cap
11	NiSource Inc.	NI	5,455.1	25,454	NR	Baa2	3,792,690	0.85	0.81	20,586.2	Large-Cap
12	Northwest Natural	NWN	1,153.0	3,798	A+	NR	800,000	0.75	0.67	2,027.6	Low-Cap
13	ONE Gas Inc.	OGS	2,083.6	6,646	A-	A3	2,000,000	0.75	0.73	4,978.1	Mid-Cap
14	Southwest Gas	SWX	5,112.4	8,109	BBB	Baa2	2,300,000	0.75	0.78	5,920.4	Mid-Cap
15	Spire Inc.	SR	2,593.0	6,243	BBB+	NR	1,700,000	0.75	0.77	5,141.6	Mid-Cap
16	UGI Corp.	UGI	7,210.0	8,763	NR	A3	1,500,000	1.00	0.94	8,319.4	Mid-Cap
17	Average		\$ 2,485.9	\$ 8,927.8			1,253,811	0.78	0.76	\$ 8,020.9	
18	Pima Utility Company		\$ 6.3	\$ 16.6			20,385	Implied ⁵ 1.03	Implied ⁵ 1.00	N/A	

Notes:

- ¹ Value Line Analyzer Data (Weekly as of Nov. 26, 2025)
- ² S&P and/or Moody's Website
- ³ Most recent annual report or 10-K or Value Line Rating and Reports
- ⁴ See workpapers.
- ⁵ See Exhibit TJB-COC-DT2, page 4

**Pima Utility Company
Table 3
Capital Structures**

Line No.	Company	Symbol	Book Value ¹		Market Value ¹	
			Long-Term Debt	Common Equity	Long-Term Debt	Common Equity
1	American States Water	AWR	46.6%	53.4%	21.9%	78.1%
2	American Water Works	AWK	54.8%	45.2%	33.0%	67.0%
3	Essential Utilities	WTRG	54.3%	45.7%	39.7%	60.3%
4	California Water	CWT	40.3%	59.7%	28.9%	71.1%
5	Middlesex	MSEX	55.5%	44.5%	50.9%	49.1%
6	H2O America	HTO	44.2%	55.8%	27.5%	72.5%
7	York Water Company	YORW	47.0%	53.0%	30.7%	69.3%
8	Atmos Energy	ATO	39.3%	60.7%	21.9%	78.1%
9	Chesapeake Utilities	CPK	47.6%	52.4%	28.0%	72.0%
10	New Jersey Resources	NJR	56.7%	43.3%	37.4%	62.6%
11	NiSource Inc.	NI	58.2%	41.8%	37.0%	63.0%
12	Northwest Natural	NWN	54.8%	45.2%	45.3%	54.7%
13	ONE Gas Inc.	OGS	43.4%	56.6%	32.4%	67.6%
14	Southwest Gas	SWX	55.4%	44.6%	42.3%	57.7%
15	Spire Inc.	SR	55.3%	44.7%	41.9%	58.1%
16	UGI Corp.	UGI	59.7%	40.3%	43.6%	56.4%
17	Average		50.8%	49.2%	35.1%	64.9%
18	Pima Utility Company		40.0%	60.0%	N/A	N/A

¹ Value Line Analyzer Data (Weekly as of Nov. 26, 2025)

Pima Utility Company
Table 4
Comparisons of Past and Future Estimates of Growth

Line	Company	Symbol	[1]	[2]	[3]	[4]	[5]
			Stock Price ¹	Book Value ²	EPS ²	DPS ²	Historical Average Growth Col. 1-4
1	American States Water	AWR	0.95%	7.00%	8.00%	9.00%	6.24%
2	American Water Works	AWK	-4.10%	8.50%	10.50%	9.50%	6.10%
3	Essential Utilities	WTRG	4.86%	10.00%	11.00%	7.00%	8.21%
4	California Water	CWT	3.00%	10.50%	8.00%	7.00%	7.12%
5	Middlesex	MSEX	7.75%	6.00%	7.50%	6.50%	6.94%
6	York Water Company	YORW	6.01%	9.50%	7.00%	4.00%	6.63%
7	Atmos Energy	ATO	8.36%	11.50%	9.00%	9.00%	9.47%
8	Chesapeake Utilities	CPK	6.61%	11.50%	8.50%	10.00%	9.15%
9	New Jersey Resources	NJR	8.80%	5.00%	5.00%	7.00%	6.45%
10	NiSource Inc.	NI	11.94%	5.00%	10.00%	5.50%	8.11%
11	Northwest Natural	NWN	1.19%	4.50%	22.50%	0.50%	7.17%
12	ONE Gas Inc.	OGS	1.81%	5.00%	4.50%	7.00%	4.58%
13	Southwest Gas	SWX	3.48%	2.50%	-31.00%	3.50%	-5.38%
14	Spire Inc.	SR	3.44%	3.00%	1.00%	5.00%	3.11%
15	UGI Corp.	UGI	5.46%	3.50%	4.00%	7.00%	4.99%
16	GROUP AVERAGE		4.64%	6.87%	5.70%	6.50%	5.93%

Line	Company	Symbol	[1]	[2]	[3]	[4]	[5]
			Stock Price ¹	Book Value ²	EPS ²	DPS ²	Historical Average Growth Col. 1-4
17	American States Water	AWR	9.91%	5.50%	8.50%	6.50%	7.60%
18	American Water Works	AWK	11.49%	6.50%	10.00%	8.50%	9.12%
19	Essential Utilities	WTRG	6.76%	9.50%	7.50%	6.00%	7.44%
20	California Water	CWT	10.04%	7.50%	5.00%	6.50%	7.26%
21	Middlesex	MSEX	15.16%	9.00%	7.50%	5.00%	9.17%
22	York Water Company	YORW	8.49%	7.00%	4.00%	6.50%	6.50%
23	Atmos Energy	ATO	12.00%	10.00%	7.50%	9.50%	9.75%
24	Chesapeake Utilities	CPK	10.60%	11.00%	8.50%	8.50%	9.65%
25	New Jersey Resources	NJR	8.64%	7.00%	7.00%	5.50%	7.04%
26	NiSource Inc.	NI	11.58%	-1.00%	0.00%	0.50%	2.77%
27	Northwest Natural	NWN	5.19%	2.00%	0.50%	1.00%	2.17%
28	ONE Gas Inc.	OGS	10.25%	0.00%	0.00%	0.00%	2.56%
29	Southwest Gas	SWX	4.83%	4.50%	6.50%	-15.00%	0.21%
30	Spire Inc.	SR	6.71%	5.00%	5.50%	5.50%	5.68%
31	UGI Corp.	UGI	5.49%	4.50%	7.00%	6.50%	5.87%
31	GROUP AVERAGE		9.14%	5.87%	5.67%	4.07%	6.19%

Line	Company	Symbol	[1]	[2]	[3]	[4]
			Value Line Projected EPS Growth ²	Zack's Projected EPS Growth ³	Yahoo Finance Projected EPS Growth ⁴	Average Projected Growth
32	American States Water	AWR	7.00%	5.65%	7.20%	6.62%
33	American Water Works	AWK	7.00%	6.77%	7.42%	7.06%
34	Essential Utilities	WTRG	6.00%	ND	5.55%	5.78%
35	California Water	CWT	7.00%	8.78%	5.13%	6.97%
36	Middlesex	MSEX	6.00%	5.86%	12.95%	8.27%
37	H2O America	H2O	7.50%	6.55%	7.43%	7.16%
38	York Water Company	YORW	ND	ND	ND	ND
39	Atmos Energy	ATO	8.50%	7.98%	8.30%	8.26%
40	Chesapeake Utilities	CPK	8.00%	ND	8.00%	8.00%
41	New Jersey Resources	NJR	6.50%	ND	2.05%	4.28%
42	NiSource Inc.	NI	8.00%	7.93%	7.45%	7.79%
43	Northwest Natural	NWN	5.50%	ND	5.10%	5.30%
44	ONE Gas Inc.	OGS	4.50%	6.21%	6.45%	5.72%
45	Southwest Gas	SWX	NM	13.33%	12.58%	12.96%
46	Spire Inc.	SR	4.50%	10.54%	1.04%	5.36%
47	UGI Corp.	UGI	5.50%	ND	NM	5.50%
39	GROUP AVERAGE		6.54%	7.96%	6.90%	7.00%

Notes:

- ¹ Avg. growth in stock prices ending December 31 through 2024. Data from Yahoo Finance website.
- ² Value Line Analyzer, weekly as of Nov. 26, 2025.
- ³ Zack's Investment Research website Dec. 1, 2025.
- ⁴ StockAnalysis.com website Dec. 1, 2025.

Pima Utility Company
Table 5
Current Dividend Yields for Water Utility Sample Group

Line			[1]	[2]	[3]	[4]
			Stock	Current	Current	Average
<u>No.</u>	<u>Company</u>	<u>Symbol</u>	<u>Price (P₀)¹</u>	<u>Dividend (D₀)¹</u>	<u>Yield (D₀/P₀)</u>	<u>Yield (D₀/P₀)^{1,2}</u>
1	American States Water	AWR	73.83	1.79	2.42%	2.30%
2	American Water Works	AWK	130.76	3.00	2.29%	2.28%
3	Essential Utilities	WTRG	39.37	1.26	3.20%	3.34%
4	California Water	CWT	45.41	1.12	2.47%	2.25%
5	Middlesex	MSEX	46.79	1.60	3.42%	2.81%
6	H2O America	HTO	51.93	1.32	2.54%	2.26%
7	York Water Company	YORW	32.42	0.85	2.62%	2.32%
8	Atmos Energy	ATO	173.89	3.22	1.85%	2.73%
9	Chesapeake Utilities	CPK	136.82	2.46	1.80%	2.18%
10	New Jersey Resources	NJR	47.15	1.71	3.63%	3.94%
11	NiSource Inc.	NI	43.20	1.06	2.45%	3.46%
12	Northwest Natural	NWN	48.77	1.95	4.00%	5.06%
13	ONE Gas Inc.	OGS	82.80	2.64	3.19%	3.97%
14	Southwest Gas	SWX	81.77	2.48	3.03%	3.47%
15	Spire Inc.	SR	86.61	3.02	3.49%	4.93%
16	UGI Corp.	UGI	39.31	1.50	3.82%	6.35%
17	GROUP AVERAGE				2.89%	3.35%

Notes:

¹ Stock prices as of Nov. 28, 2025. Indicated dividend from Value Line Analyzer weekly as of Nov. 26, 2025.

² Average Annual Dividend is dividends declared per share for a year divided by the average annual price of the stock in the same year, expressed as a percentage. As report by Value Line Analyzer software. For comparison purposes only.

**Pima Utility Company
Table 6
Discounted Cash Flow Analysis
DCF Constant Growth**

Line			[1]	[2]		[3]		[4]	[5]
			Dividend	Expected		Average		Indicated	Adjusted
<u>No.</u>	<u>Company</u>	<u>Symbol</u>	<u>Yield (D₀/P₀)¹</u>	<u>Dividend</u>		<u>Projected</u>		<u>Cost of</u>	<u>Equity (COE)⁴</u>
				<u>Yield (D₁/P₀)²</u>		<u>Growth (g)³</u>		<u>ROE</u>	<u>Cost of</u>
								<u>k=Div Yld + g</u>	<u>k=Div Yld + g</u>
								<u>(Cols 2+3)</u>	<u>(Cols 2+3)</u>
1	American States Water	AWR	2.42%	2.50%	+	6.62%	=	9.12%	9.12%
2	American Water Works	AWK	2.29%	2.38%	+	7.06%	=	9.44%	9.44%
3	Essential Utilities	WTRG	3.20%	3.29%	+	5.78%	=	9.07%	9.07%
4	California Water	CWT	2.47%	2.55%	+	6.97%	=	9.52%	9.52%
5	Middlesex	MSEX	3.42%	3.56%	+	8.27%	=	11.83%	11.83%
6	H2O America	HTO	2.54%	2.63%	+	7.16%	=	9.79%	9.79%
7	York Water Company	YORW	2.62%	NM	+	ND	=	NM	NM
8	Atmos Energy	ATO	1.85%	1.93%	+	8.26%	=	10.19%	10.19%
9	Chesapeake Utilities	CPK	1.80%	1.87%	+	8.00%	=	9.87%	9.87%
10	New Jersey Resources	NJR	3.63%	3.70%	+	4.28%	=	7.98%	7.98%
11	NiSource Inc.	NI	2.45%	2.55%	+	7.79%	=	10.34%	10.34%
12	Northwest Natural	NWN	4.00%	4.10%	+	5.30%	=	9.40%	9.40%
13	ONE Gas Inc.	OGS	3.19%	3.28%	+	5.72%	=	9.00%	9.00%
14	Southwest Gas	SWX	3.03%	3.23%	+	12.96%	=	16.18%	16.18%
15	Spire Inc.	SR	3.49%	3.58%	+	5.36%	=	8.94%	8.94%
16	UGI Corp.	UGI	3.82%	3.92%	+	5.50%	=	9.42%	9.42%
17		Average	2.89%	3.01%		7.00%		10.00%	
18		Adjusted Average ⁴							10.00%

Notes:

¹ Spot Dividend Yield = D₀/P₀. Source Table 5.

² Expected Dividend Yield = D₁/P₀ = D₀/P₀ * (1+g/2).

³ Average Analyst Growth rate (g). Source Table 4.

⁴ Excluded because results are less than projected Baa bond yields pl 100 basis points or 7.20% . See Testimony.

Pima Utility Company
Table 7
Forecasts of Long-Term Interest Rates

<u>Line No.</u>		<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>3-year Average</u>
1	Long-term Treasury Rates				
2	Blue Chip Consensus Forecasts ¹	4.6%	4.6%	4.6%	
3					
4	Average	4.6%	4.6%	4.6%	4.6%
5	Aaa Corporate Bonds				
6	Blue Chip Consensus Forecasts ¹	5.2%	5.2%	5.2%	
7					
8	Average	5.2%	5.2%	5.2%	5.2%
9	Baa Corporate Bonds				
10	Blue Chip Consensus Forecasts ¹	6.1%	6.2%	6.2%	
11					
12	Average	6.1%	6.2%	6.2%	6.2%

Notes:

¹ Blue Chip Consensus Forecasts Dec. 1, 2025.

Pima Utility Company
Table 8
Risk Premium Analysis Based on Authorized Returns

Line		Authorized Gas Return ¹	LT Treasury Bond Yield ²	Risk Premium		
1	1986	13.46%	7.78%	5.68%		
2	1987	12.74%	8.59%	4.15%		
3	1988	12.85%	8.96%	3.89%		
4	1989	12.88%	8.45%	4.43%		
5	1990	12.67%	8.61%	4.06%		
6	1991	12.46%	8.14%	4.32%		
7	1992	12.01%	7.67%	4.34%		
8	1993	11.35%	6.59%	4.76%		
9	1994	11.35%	7.37%	3.98%		
10	1995	11.43%	6.88%	4.55%		
11	1996	11.19%	6.71%	4.48%		
12	1997	11.29%	6.61%	4.68%		
13	1998	11.51%	5.72%	5.79%		
14	1999	10.66%	5.87%	4.79%		
15	2000	11.39%	5.94%	5.45%		
16	2001	10.95%	5.49%	5.46%		
17	2002	11.03%	5.43%	5.60%		
18	2003	10.99%	5.05%	5.94%		
19	2004	10.59%	5.12%	5.47%		
20	2005	10.46%	4.56%	5.90%		
21	2006	10.40%	4.91%	5.49%		
22	2007	10.22%	4.84%	5.38%		
23	2008	10.39%	4.28%	6.11%		
24	2009	10.22%	4.08%	6.14%		
25	2010	10.15%	4.25%	5.90%		
26	2011	9.82%	3.91%	5.91%		
27	2012	9.84%	2.92%	6.92%		
28	2013	9.68%	3.45%	6.23%		
29	2014	9.78%	3.34%	6.44%		
30	2015	9.60%	2.84%	6.76%		
31	2016	9.54%	2.59%	6.95%		
32	2017	9.72%	2.90%	6.83%		
33	2018	9.59%	3.11%	6.48%		
34	2019	9.71%	2.58%	7.13%		
35	2020	9.46%	1.56%	7.90%		
36	2021	9.56%	2.06%	7.50%		
37	2022	9.53%	3.11%	6.42%		
38	2023	9.60%	4.09%	5.51%		
39	2024	9.71%	4.41%	5.30%		
40	Averages	11.3%	5.2%	5.62%		
41	<u>Regression Formula</u>					
42						
43		Risk premium =	Intercept	x	Coefficient	Expected Bond
44		5.87%	0.080423		-0.47275	Yield ³ 4.60%
45		R ² = 0.869				
46			Estimate of Current Risk Premium ⁴		5.87%	
47			Projected Returns on Equity for Sample		10.47%	

Notes:

¹ Authorized Returns for Gas Distribution Utilities. Source: S&P Capital IQ.

² Average annual 30 Yr. U.S. Treasury Bond yields as reported by the Federal Reserve. Proxy for yields from 2003-2005 are based upon 20-year U.S. Treasury yield.

³ Forecast LT U.S. Treasury Rate. Source Table 7.

⁴ As explained in testimony, adjustment assumes risk premiums change by 50% as much as interest rates.

Pima Utility Company
Table 9
Risk Premium Analysis Based on Returns

Line No.		S&P 500 Utility Index Return ¹	LT Treasury Bond Yield ²	LT Treasury Bond Return ³	Risk Premium Over Bond Returns
1	1977	8.64%	7.75%	1.81%	6.83%
2	1978	-3.71%	8.49%	0.74%	-4.45%
3	1979	13.58%	9.28%	1.42%	12.16%
4	1980	15.08%	11.27%	-6.29%	21.37%
5	1981	11.74%	13.45%	-3.64%	15.38%
6	1982	26.52%	12.76%	18.37%	8.15%
7	1983	20.01%	11.18%	25.20%	-5.19%
8	1984	26.04%	12.41%	2.22%	23.82%
9	1985	33.05%	10.79%	25.49%	7.56%
10	1986	28.53%	7.78%	-40.83%	-12.30%
11	1987	-2.92%	8.59%	0.16%	-3.08%
12	1988	18.27%	8.96%	5.20%	13.07%
13	1989	47.80%	8.45%	13.80%	34.00%
14	1990	-2.57%	8.61%	6.95%	-9.52%
15	1991	14.61%	8.14%	13.18%	1.43%
16	1992	8.10%	7.67%	12.87%	-4.77%
17	1993	14.41%	6.59%	19.49%	-5.08%
18	1994	-7.94%	7.37%	-1.44%	-6.50%
19	1995	42.15%	6.88%	12.61%	29.54%
20	1996	3.14%	6.71%	8.72%	-5.58%
21	1997	24.69%	6.61%	7.80%	16.89%
22	1998	14.82%	5.72%	17.05%	-2.23%
23	1999	-8.85%	5.87%	3.98%	-12.83%
24	2000	59.70%	5.94%	5.06%	54.64%
25	2001	-30.41%	5.49%	11.32%	-41.73%
26	2002	-30.04%	5.43%	6.21%	-36.25%
27	2003	26.11%	5.05%	10.15%	15.96%
28	2004	24.22%	5.12%	4.19%	20.03%
29	2005	16.79%	4.56%	12.37%	4.42%
30	2006	20.95%	4.91%	0.16%	20.79%
31	2007	19.36%	4.84%	5.79%	13.57%
32	2008	-28.99%	4.28%	12.27%	-41.26%
33	2009	11.91%	4.08%	6.98%	4.93%
34	2010	5.46%	4.25%	1.82%	3.64%
35	2011	19.91%	3.91%	8.91%	11.00%
36	2012	1.29%	2.92%	18.75%	-17.46%
37	2013	13.21%	3.45%	-4.65%	17.86%
38	2014	28.98%	3.34%	5.04%	23.94%
39	2015	-4.85%	2.84%	10.89%	-15.74%
40	2016	16.29%	2.59%	6.70%	9.59%
41	2017	12.11%	2.90%	-1.99%	14.10%
42	2018	4.11%	3.11%	-0.31%	4.42%
43	2019	26.35%	2.58%	11.35%	15.00%
44	2020	0.48%	1.56%	19.99%	-19.50%
45	2021	17.67%	2.06%	-6.57%	24.24%
46	2022	1.57%	3.11%	-13.40%	14.97%
47	2023	-8.83%	4.09%	-10.10%	1.27%
48	2024	23.43%	4.41%	-0.11%	23.54%
49	Average over 48 years	12.7%	6.2%	7.24%	5.10%
50			Expected Long-term Treasury Bond Rate ⁴		4.6%
51			Estimate of Current Risk Premium ⁵		5.9%
52			Projected Returns on Equity for Sample		10.5%

Notes:

¹ Total Returns from various sources including Standard and Poors website.

² Average annual 30 Yr. U.S. Treasury Bond yields as reported by the Federal Reserve. Proxy for yields from 2003-2005 are based upon 20-year U.S. Treasury yield.

³ Computed total returns on bonds include income return and capital gains/loss.

⁴ Forecast LT U.S. Treasury Rate. Source Table 7.

⁵ As explained in testimony, adjustment assumes risk premiums change by 50% as much as interest rates.

Pima Utility Company
Table 10
Estimation of Current Market Risk Premium
Using DCF Analysis

Line No.	Month	Dividend Yield (D_0/P_0) ¹	Expected Dividend Yield (D_1/P_0) ²	+	Expected Growth (g) ³	=	Expected Market Return (k)	-	Monthly Average 30 Year Treasury Rate ⁴	=	Expected Market Risk Premium (MRP)	
1	Jan 2024	2.76%	2.98%	+	7.83%	=	10.81%	-	4.26%	=	6.55%	
2	Feb	2.75%	2.97%	+	7.83%	=	10.80%	-	4.38%	=	6.42%	
3	Mar	2.64%	2.84%	+	7.50%	=	10.34%	-	4.36%	=	5.98%	
4	Apr	2.75%	2.96%	+	7.50%	=	10.46%	-	4.66%	=	5.80%	
5	May	2.75%	2.96%	+	7.50%	=	10.46%	-	4.62%	=	5.84%	
6	Jun	2.75%	2.96%	+	7.50%	=	10.46%	-	4.44%	=	6.02%	
7	July	2.75%	2.96%	+	7.50%	=	10.46%	-	4.46%	=	6.00%	
8	Aug	2.75%	2.96%	+	7.50%	=	10.46%	-	4.15%	=	6.31%	
9	Sep	2.58%	2.77%	+	7.50%	=	10.27%	-	4.04%	=	6.23%	
10	Oct	2.61%	2.80%	+	7.50%	=	10.30%	-	4.38%	=	5.92%	
11	Nov	2.48%	2.67%	+	7.50%	=	10.17%	-	4.54%	=	5.63%	
12	Dec	2.68%	2.88%	+	7.50%	=	10.38%	-	4.58%	=	5.80%	
13	Jan 2025	2.65%	2.85%	+	7.50%	=	10.35%	-	4.85%	=	5.50%	
14	Feb	2.77%	2.98%	+	7.50%	=	10.48%	-	4.68%	=	5.80%	
15	Mar	2.77%	2.98%	+	7.50%	=	10.48%	-	4.60%	=	5.88%	
16	Apr	2.93%	3.14%	+	7.33%	=	10.47%	-	4.71%	=	5.76%	
17	May	2.93%	3.14%	+	7.33%	=	10.47%	-	4.90%	=	5.57%	
18	Jun	2.62%	2.81%	+	7.17%	=	9.98%	-	4.89%	=	5.09%	
19	July	2.70%	2.89%	+	7.33%	=	10.23%	-	4.92%	=	5.31%	
20	Aug	2.63%	2.83%	+	7.50%	=	10.33%	-	4.87%	=	5.46%	
21	Sep	2.65%	2.85%	+	7.50%	=	10.35%	-	4.74%	=	5.61%	
22	Oct	2.66%	2.86%	+	7.50%	=	10.36%	-	4.64%	=	5.72%	
23	Recommended	2.67%	2.87%	+	7.50%	=	10.35%	-	4.73%	=	5.62%	
24	<u>Short-term Trends</u>											
25	Recent Twelve Months Avg	2.70%	2.91%	+	7.43%	=	10.34%	-	4.74%	=	5.59%	
26	Recent Nine Months Avg	2.74%	2.94%	+	7.41%	=	10.35%	-	4.77%	=	5.58%	
27	Recent Six Months Avg	2.70%	2.90%	+	7.39%	=	10.29%	-	4.83%	=	5.46%	
28	Recent Three Months Avg	2.65%	2.85%	+	7.50%	=	10.35%	-	4.75%	=	5.60%	
29	Median 12 months	2.67%	2.87%	+	7.50%	=	10.35%	-	4.73%	=	5.62%	

Notes:

¹ Average Dividend Yield (D_0/P_0) of dividend paying stocks. Data from Value Line Investment Analyzer Software Data - Value Line 1700 Stocks

² Expected Dividend Yield (D_1/P_0) equals current average dividend yield (D_0/P_0) times one plus growth rate(g).

³ Median of Projected EPS and Projected DPS Growth for VL 1700 stocks. Data from Value Line Investment Analyzer Software.

⁴ Monthly average 30 year U.S. Treasury as reported by Federal Reserve.

Liberty Utilities (Park Water), Corp.
Table 11
Capital Asset Pricing Model (CAPM, ECAPM, and MCAPM)

Line No.		R_f^1	+	(	β^2	x	RP_M^4	)	=	k		
1	Traditional CAPM	4.6%		+	0.78	x	6.46%	)	=	9.60%		
2													
3		R_f^1			$RP_M^4 \times .25$	+	(	β^2	x	RP_M^4	) x .75	
4	Empirical CAPM (ECAPM)	4.6%	+	6.46%	x .25	+	(0.78	x	6.46%) x .75	=	10.00%
5													
6		R_f^1	+	(	β^3	x	RP_M^5	)	+	RP_s^6		
7	Modified CAPM (MCAPM)	4.6%	+	(	0.76	x	5.84%	)	+	2.09%	=	11.13%
8													
9													
10	Average (rounded)											10.20%	

Notes:

¹ Forecasts of long-term treasury yields. Source Table 7.

² Average VL Beta of Water Proxy Group. Source is Table 2.

³ Average Sum Beta of Water Proxy Group. Source is Table 2.

⁴ Estimate of Market Risk Premium (MRP):

Historical MRP (1926-2024)	7.31%	Source is Duff & Phelps ERP Supplementary Exhibits
Current MRP	5.62%	Source is Table 10
Average MRP	6.46%	

⁵ Estimate of MRP

Historical MRP (1963-2024)	6.07%	Source is Duff & Phelps ERP Supplementary Exhibits
Current MRP	5.62%	Source is Table 10
Average MRP	5.84%	

⁶ Average proxy group adjusted size risk premium based upon Kroll Size Study data and Risk Study data. See See Exhibit TJB-COC-DT2

EXHIBIT TJB-COC-DT1

RESUME OF THOMAS J. BOURASSA, CPA

EDUCATIONAL BACKGROUND

B.S. Northern Arizona University Chemistry/Accounting (1980)

M.B.A. University of Phoenix with Emphasis in Finance (1991)

C.P.A. State of Arizona (1995)

Continuing Professional Education – In areas of tax, accounting, management, economics, finance, business valuation, consulting, and ethics (80 hrs every two years)

MEMBERSHIPS

Arizona Society of CPAs

Water Utilities Association of Arizona

American Water Works Association

EMPLOYMENT EXPERIENCE

- 1995 – Present CPA - Self Employed
Consultant to utilities on regulatory matters including all aspects of rate applications (rate base, income statement, cost of capital, cost of service, and rate design), rate reviews, certificates of convenience and necessity (CC&N), CC&N extensions, financing applications, accounting order applications, and off-site facilities hook-up fee applications. Provide expert testimony as required.
- Consult on various aspects of business, financial and accounting matters including best business practices, generally accepted accounting principles, generally accepted ratemaking principles, project analysis, cash flow analysis, regulatory treatment of certain expenditures and investments, business valuations, and rate reviews.
- Litigation support services.
- 1992-1995 Employed by High-Tech Institute, Phoenix, Arizona as Controller and C.F.O.
- 1989-1992 Employed by Alta Technical School, a division of University of Phoenix as Division Controller.
- 1985-1989 Employed by M.L.R. Builders, Tampa and Pensacola, Florida as Operations/Accounting Manager
- 1982-1985 Employed by and part owner in Area Sand and Clay Company, Pensacola, Florida.

1981-1982

Employed by Purdue University, West Lafayette, Indiana as
Teaching Assistant.

**SUMMARY OF REGULATORY WORK EXPERIENCE AS SELF-EMPLOYED
CONSULTANT**

COMPANY/CLIENT

FUNCTION

Lago Del Oro Water Company
ACC Docket No. W-01944A-25-0194

Permanent Rate Application –Water.
Prepared schedules and testified on Cost
of Service, Rate Design, Cost of Capital,
and consolidation.

Quail Creek Water Company
ACC Docket No. W-02514A-25-0192

Ridgeview Utility Company
ACC Docket No. -03861A-25-0193

Ponderosa Utility Corp.
ACC Docket No. W-01717A-25-0184

Permanent Rate Application –Water.
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design

Liberty Utilities (Litchfield Park Water and
Sewer), Corp.
ACC Docket Nos. W-01427A-25-0126 and
SW-01428A-25-0127

Permanent Rate Application –Water and
Sewer. Prepared schedules and testified
on Rate Base, Plant, Income Statement,
Revenue Requirement, Cost of Service,
Rate Design, and Cost of Capital.

Global Water – Santa Cruz Water
ACC Docket No. W-20446A-25-0022

Permanent Rate Application –Water and
Sewer. Prepared schedules and testified
on Rate Base, Plant, Income Statement,
Revenue Requirement, Cost of Service,
Rate Design, and Cost of Capital.

Global Water – Palo Verde Utilities
ACC Docket No. SW-20445A-25-0023

Salome Water Company
ACC Docket No. W-01084A-25-0118

Permanent Rate Application –Water.
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design

Joshua Valley Utility Company
ACC Docket No. W-02023A-25-0087

Permanent Rate Application –Water.
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design

Picacho Water Company
ACC Docket No. W-03528A-25-0056

Permanent Rate Application –Water.
Prepared schedules and testified on Cost
of Service, Rate Design, and Cost of
Capital.

Picacho Sewer Company

Permanent Rate Application –Water.

COMPANY/CLIENT

ACC Docket No. SW-03709A-25-057

Verde Lakes Water Corporation

ACC Docket No. W-02372A-24-0266

Coldwater Canyon Water Company

ACC Docket No. W-01559A-24-0262

Thim Water Corporation

Thim Utility Company Consolidation

ACC Docket No. W-02372A-24-0266

Thim Utility Co.

ACC Docket No. W-03293A-23-0296

Community Water Company of Green Valley

ACC Docket No. W-02304A-24-0187

Liberty Utilities (CalPeco Electric), LLC

CPUC Application No. A.24-09-010

Sahuarita Water Company

ACC Docket No. W-03718A-24-0172

Global Water – Farmers Water Company

ACC Docket No. W-01654A-24-0108

FUNCTION

Prepared schedules and testified on Cost of Service, Rate Design, and Cost of Capital.

Permanent Rate Application –Water.
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Permanent Rate Application –Water.
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Permanent Rate Application –Water.
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Permanent Rate Application –Water.
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Permanent Rate Application –Water.
Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Prepared and testified on Cost of Capital.

Permanent Rate Application –Water.
Prepared financing application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service Study, Rate Design, and Cost of Capital.

Permanent Rate Application –Water.
Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, and Rate Design

COMPANY/CLIENT

FUNCTION

Liberty Utilities (Bella Vista Water) Corp.
ACC Docket No. W-02465A-23-0338

Permanent Rate Application –Water and Wastewater. Prepared financing application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service Study, Rate Design, and Cost of Capital.

Liberty Utilities (Beardsley Water) Corp.
ACC Docket No. W-02074A-23-0337

Liberty Utilities (Rio Rico Water & Sewer) Corp.
ACC Docket No. WS-02676A-23-0340

Liberty Utilities (Cordes lakes Water) Corp.
ACC Docket No. WS-02060A-23-0339

Cedar Grove Water, Inc.
ACC Docket No. W-20541A-24-0002

Permanent Rate Application –Water. Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Liberty Utilities (Electric, LLC)
CPUC Application No. A.18-12-001

Prepared analysis and testified on Cost of Capital.

Thim Utility Co.
ACC Docket No. W-03293A-23-0296

Permanent Rate Application –Water. Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Navajo Water Company
ACC Docket No. W-03511A-23-0260

Permanent Rate Application –Water. Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Sonoita Valley Water
ACC Docket No. W-020435A-23-214

Permanent Rate Application –Water. Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design

Liberty Utilities (Park Water and Apple Valley) Corp.
CPUC Docket A.23-05-004

Cost of Capital. Prepared Cost of Capital analysis and testimony.

Links at Coyote Wash
ACC Docket No. SW-04210A-23-0084

Permanent Rate Application –Sewer. Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue

COMPANY/CLIENT

FUNCTION

Truxton Canyon Water Company
ACC Docket No. W-02168A-22-0302

Requirement, and Rate Design

Permanent Rate Application –Water.
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design

Pima County v. City of Tucson, et. al.
Maricopa County Superior Court Case No.
CV2022-01141

Expert Witness for Pima County of City
on Tucson Water Cost of Service Study
and Differential Rates.

Tonto Basin Water Company
ACC Docket No. W-03515A-22-0266

Permanent Rate Application –Water.
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design

East Slope Water Company
ACC Docket No. W-01906A-22-0289

Permanent Rate Application –Water.
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design

Sunrise Vistas Utilities
ACC Docket No. WS-03586A-22-0068

Permanent Rate Application –Water and
Wastewater. Prepared short-form
schedules on Rate Base, Plant, Income
Statement, Revenue Requirement, and
Rate Design.

Liberty Utilities (Gold Canyon Sewer)
Corp.

Permanent Rate Application –Wastewater.
Prepared financing application. Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, Cost of Service Study, Rate
Design, and Cost of Capital.

Liberty Utilities (Entrada Del Oro Sewer)
Corp.
ACC Docket No. SW-02519A-21-0361
ACC Docket No. SW-04316A-21-0359

Navajo Water Company
ACC Docket No. W-03511A-21-0124

Permanent Rate Application – Water.
Prepared short-form schedules for Rate
Base, Income Statement, Plant, Bill
Counts, and Rate Design.

Bensch Ranch Utilities, LLC.
ACC Docket No. SW-04026A-21-0225

Permanent Rate Application –Water
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

COMPANY/CLIENT

FUNCTION

Cerbat Water Company
ACC Docket No. W-02391A-21-0290

Permanent Rate Application –Water
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

Liberty Utilities (CalPeco Electric, LLC)
Corp.
CPUC Docket A.21-05-017

Prepared Cost of Capital analysis and
testimony. Assisted in tax depreciation
projections and determination of projected
accumulated deferred income taxes.

Double R Water Distributors, Inc.
ACC Docket No. W-02821A-21-0047

Permanent Rate Application –Water
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

Pine Meadows Utilities, LLC.
ACC Docket No. SW-03962A-20-0079

Permanent Rate Application –Water
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

Coronado Utilities, Inc.
ACC Docket No. SW-04305A-20-0346

Permanent Rate Application – Wastewater
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

SaddleBrooke Utility Company
ACC Docket No. SW-02849A-20-0262

Permanent Rate Application – Wastewater
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Pine Meadows Utilities
ACC Docket No. SW-03926A-20-0079

Permanent Rate Application –Wastewater
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

EPCOR Arizona (Johnson Utilities)
ACC Docket No. WS-02987A-20-0025

Permanent Rate Application. Water and
Wastewater. Prepared schedules and
testified on Rate Base, Plant, Income
Statement, Revenue Requirement, Rate
Design and Cost of Service.

Beardsley Water Company

Permanent Rate Application –Water

COMPANY/CLIENT

FUNCTION

ACC Docket No. W-02074A-19-0312

Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Oak Creek Water Company No. 1
ACC Docket No. W-01392A-19-0216

Permanent Rate Application –Water
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Alliant Gas
ACC Docket No. G-20889A-19-0200

Permanent Rate Application – Gas
Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service Study, Rate Design, and Cost of Capital.

Utility Source, LLC.
ACC Docket No. WS-04235A-19-0232
ACC Docket No. WS-04235A-19-0233

Permanent Rate Application – Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Liberty Utilities (Black Mountain Sewer) Corp.
ACC Docket No. SW-02361A-19-0139

Permanent Rate Application –Wastewater. Prepared financing application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service Study, Rate Design, and Cost of Capital.

Pueblo Del Sol Water Company
ACC Docket No. SW-02208A- 19-0140

Permanent Rate Application –Water.
Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

DS Water Company
ACC Docket No. W-04049A-18-0142

Permanent Rate Application –Water
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Liberty Utilities (Electric, LLC)
CPUC Application A. 18-12-001.

Prepared Cost of Capital analysis and testimony.

Liberty Utilities (Park Water) Corp. and Liberty Utilities (Apple Valley Ranchos Water) Corp.

Cost of Capital. Prepared Cost of Capital analysis and testimony.

COMPANY/CLIENT

FUNCTION

CPUC Applications 18-05-001, et al.

Truxton Water Company
ACC W-02168A-18-308

Permanent Rate Application –Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

Payson Water Company
ACC W-03514A-18-0230

Permanent Rate Application – Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Farmers Water Company
ACC W-01654A-18-0083

Permanent Rate Application – Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Liberty Utilities (Silverleaf Water) Corp.
SOAH DOCKET NO. 473-18-3006.WS
Texas P.U.C. DOCKET NO. 47976

Permanent Rate Application – Water and
Wastewater. Prepared financing
application. Prepared schedules and
testified on Rate Base, Plant, Income
Statement, Revenue Requirement, Rate
Design, and Cost of Capital.

Generic Proceeding - Income Tax
“Savings” from reduction in Federal
Income Tax Rate
ACC AU-0000A-17-0379
ACC various dockets

Prepared computations of tax “savings”
from the reduction in federal income tax
rates and proposal for passing savings to
rate payers through bill credits.

Liberty Utilities (Woodmark Sewer) Corp.
Liberty Utilities (Tall Timbers Sewer)
Corp.
SOAH DOCKET NO. 473-17-1641.WS
Texas P.U.C. DOCKET NO. 46256

Develop wastewater rates based upon
water usage.

Cerbat Water Company
ACC W-02391A-18-0018

Permanent Rate Application –Water.
Prepared financing application. Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, and Rate Design.

Ajo Improvement Company

Permanent Rate Application – Water,

COMPANY/CLIENT

FUNCTION

ACC Docket No. WS-01025A-17-0361

Wastewater, and Electric. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design,

East Slope Water Company
ACC Docket No. W-02031A-17-317

Permanent Rate Application –Water
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Kachina Village Improvement District
Flagstaff, Arizona

Prepared rate studies and rate designs.
Participated in Board work sessions, customer work sessions, and open houses.

Liberty Utilities (Litchfield Park Water & Sewer) Corp.
ACC Docket No. W-01428AA-17-0059
ACC Docket No. SW-01428AA-17-0058

Permanent Rate Application – Water and Wastewater. Prepared financing application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Pima Utility Company
ACC Docket No. W-02199A-16-0421
ACC Docket No. SW-02199A-16-0422

Permanent Rate Application – Water and Wastewater. Prepared financing application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Valley Pioneers Water Company
ACC Docket No. W-02033-16-0412

Permanent Rate Application –Water.
Prepared financing application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Yarnell Water Co-Op
ACC Docket No. W-02255A-16-0153

Permanent Rate Application –Water
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Oak Creek Water Company No. 1
ACC Docket No. W-01392A-16-0161

Permanent Rate Application –Water
Prepared short-form schedules on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Epcor Water Arizona

Permanent Rate Application –

COMPANY/CLIENT

ACC Docket No. W-01303A-16-0145

Mountain Water Company
Montana PUC Docket No. D2016.2.15

Turner Ranches Water and Sanitation
Company

ACC Docket No. W-01677A-16-0076

Liberty Utilities (Entrada Del Oro Sewer)
Corp.
ACC Docket No. W-04316A-16-0078
ACC Docket No. W-04316A-16-0085

Liberty Utilities (Rio Rico Water and
Sewer) Corp.
ACC Docket No. WS-02676A-15-0368
ACC Docket No. WS-02676A-15-0371

Liberty Utilities (Bella Vista Water) Corp.
ACC Docket No. W-02465A-15-0367
ACC Docket No. W-02465A-15-0370

Community Water of Green Valley
ACC Docket No. W-02304A-15-0263

Sahuarita Water Company
ACC Docket No. W-03718A-15-0213

FUNCTION

Wastewater. Prepared Reconstruction
Cost New Less Depreciation Plant for use
in determining fair value rate base.
Testified in the matter investigating
whether Mountain Water Company's rates
are just and reasonable.

Permanent Rate Application –Water
Prepared short-form schedules on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

Permanent Rate Application –Wastewater.
Prepared financing application. Prepared
schedules and testified on Rate Base,
Original Cost Less Depreciation Plant,
Reconstruction Cost New less
Depreciation Plant, Income Statement,
Revenue Requirement, Rate Design, and
Cost of Capital.

Permanent Rate Application – Water and
Wastewater. Prepared financing
application. Prepared schedules and
testified on Rate Base, Plant, Income
Statement, Revenue Requirement, Rate
Design, and Cost of Capital.

Permanent Rate Application – Water.
Prepared financing application. Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Permanent Rate Application – Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, and Rate Design.

Permanent Rate Application –Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of

COMPANY/CLIENT

FUNCTION

Liberty Utilities (Black Mountain Sewer) Corp.
ACC Docket No. SW-0236 1A- 15-0206
ACC Docket No. SW-0236 1A- 15-0207

Capital.

Permanent Rate Application –Wastewater. Prepared financing application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service Study, Rate Design, and Cost of Capital.

Tierra Buena Water Company
ACC Docket No. W-02076A-15-013

Permanent Rate Application – Water. Assisted in preparation of short-form schedules.

Red Rock Utilities, LLC
ACC Docket No. W-04245A-14-0295

Permanent Rate Application – Water and Wastewater. Prepared short-form schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Quail Creek Water Company
ACC Docket No. W-02514A-14-0370

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Tonto Basin Water Company
ACC Docket No. W-03515A-14-0310

Permanent Rate Application – Water. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Navajo Water Company
ACC Docket No. W-03511A-14-304

Permanent Rate Application – Water. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Alaska Power Company
Regulatory Commission of Alaska
Docket No. U-14-002

Prepared schedules and testified on cost of capital.

Anchorage Municipal Light & Power
Regulatory Commission of Alaska
Docket No. U-13-184

Prepared schedules and testified on cost of capital.

COMPANY/CLIENT

Liberty Utilities (Pine Bluff) Inc.
Arkansas Public Service Commission
Docket No. 14-020-U

Abra Water Company
ACC Docket No. W-01782A-14-0084

EPCOR Water Arizona, Inc.
ACC Docket No. W-01303A-14-0010

Liberty Utilities (Midstates Natural Gas),
Inc.
Missouri Public Service Commission
Case No. GR-2014-0152

Hydro Resources, LLC.
ACC Docket No. W-20770A-13-0313

Little Park Water Company
ACC Docket No. W-02192A-13-0336

Utility Source, LLC.
ACC Docket No. WS-04235A-13-0331

Payson Water Company
ACC Docket No. W-03514A-13-0111
ACC Docket No. W-03514A-13-0142

FUNCTION

Permanent Rate Application – Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Cost of Service, Rate
Design, and Cost of Capital.

Permanent Rate Application – Prepared
schedules and testified on Rate Base,
Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Permanent Rate Application – Prepared
rate designs and cost of Service studies for
Mohave Water District, Mohave
Wastewater District, Paradise Valley
Water District, Tubac Water District, and
Sun City Water District.

Permanent Rate Application – Assist in
preparing required rate application
schedules for Rate Base, Plant, Income
Statement, Revenue Requirement, and
Rate Design.

Certificate of Convenience and Necessity
– Water. Prepared pro-forma balance
sheets, income statements, plant
schedules, rate base, and initial rates.

Permanent Rate Application – Water.
Prepared short-form schedules for Rate
Base, Income Statement, Plant, Bill
Counts, and Rate Design.

Permanent Rate Application – Water and
Sewer. Prepared schedules and testified
on Rate Base, Plant, Income Statement,
Revenue Requirement, Rate Design, and
Cost of Capital.

Permanent Rate Application – Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of

COMPANY/CLIENT

FUNCTION

Goodman Water Company

Verde Santa Fe Wastewater
ACC Docket No. SW-03437A-13-0292

Lago Del Oro Water Company
ACC Docket No. W-01944A-13-0215

Chaparral City Water Company
ACC Docket No. W-02113A-13-0118

Las Quintas Serenas Water Company
ACC Docket No. W-01583A-13-0117

Southwest Environmental Utilities. Inc.
ACC Docket No. WS-20878A-13-0065

Litchfield park Service Company
ACC Docket No. SW-01428A-13-0043
ACC Docket No. W-01428A-13-0042

Beaver Dam Water Company
ACC Docket No. WS-03067A-12-0232

Rio Rico Utilities

Capital.

Financing Application. Prepared financial ratios and debt surcharge mechanism.

Valuation

Permanent Rate Application – Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Permanent Rate Application – Prepared and testified on cost of service study.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Certificate of Convenience and Necessity – Water and Wastewater. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and initial rates.

Permanent Rate Application – Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Permanent Rate Application – Water and

COMPANY/CLIENT

ACC Docket No. WS-02676A-12-0196

Vail Water Company

ACC Docket No. W-01651B-12-0339

Avra Water Co-Op.

ACC Docket No. W-02126A-11-0480

Pima Utility Company

ACC Docket No. W-02199A-11-0329

ACC Docket No. SW-02199A-11-0330

Liberty Utilities (CalPeco Electric, LLC)

CPUC Application No. A.11-20-2020

Livco Water Company

ACC Docket No. SW-02563A-11-0213

Orange Grove Water Company

ACC Docket No. W-02237A-11-0180

Goodman Water Company

ACC Docket No. W-02500A-10-0382

FUNCTION

Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Permanent Rate Application – Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Work on financing application.

Work on preparation of permanent rate application. Prepared schedules on Rate Base, Plant, Income Statement, Revenue Requirement.

Permanent Rate Application – Water and Wastewater. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

COMPANY/CLIENT

Doney Park Water
ACC Docket No. W-01416A-10-0450

Grimmelmann, et. al. v. Pulte Home Corporation, et. al., case no. CV-08-1878-PHX-FJM, the United States District Court for the District of Arizona.

Southern Arizona Home Builders Association

H2O Water Company

Tierra Linda HOA Water Company

Las Quintas Serenas Water Company
ACC Docket No. W-01583A-09-0589

Coronado Utilities
ACC Docket No. SW-04305A-09-0291

Little Park Water Company
ACC Docket No. W-02192A-09-0531

Sahuarita Water Company
ACC Docket No. W-03718A-09-0359

Bella Vista Water Company
Southern Sunrise Water Company
Northern Sunrise Water Company
ACC Docket No. W-02465A-09-0414
ACC Docket No. W-02453A-09-0414
ACC Docket No. W-02454A-09-0414

FUNCTION

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Consultant to defendant and expert witness for defendant on rates and ratemaking.

Consultant on ratemaking aspects to line extension policies (electric).

Valuation

Valuation

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Permanent Rate Application – Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

COMPANY/CLIENT

FUNCTION

Rio Rico Utilities, Inc
ACC Docket No. WS-02676A-09-0257

Permanent Rate Application – Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Litchfield park Service Company
ACC Docket No. SW-01428A-09-0103
ACC Docket No. W-01428A-09-0104

Permanent Rate Application – Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Town of Thatcher v. City of Safford, CV
2007-240, Superior Court of Arizona

Consultant to plaintiff on ratemaking and cost of service.

Valencia Water Company
California Public Utility Commission Case
No. 09-05-002

Cost of Capital

Valley Utilities
ACC Docket No. W-01412A-08-0586

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Black Mountain Sewer Company
ACC Docket No. SW-02361A-08-0609

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Far West Water and Sewer Company
ACC Docket No. WS-03478A-08-0608

Interim Rate Application (Emergency Rates)

Farmers Water Company
ACC Docket No. W-01654A-08-0502

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Far West Water and Sewer Company
ACC Docket No. WS-03478A-08-0454

Permanent Rate Application. Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue

COMPANY/CLIENT

FUNCTION

Ridgeline Water Company, LLC
ACC Docket No. W-20589A-08-0173

Requirement, Rate Design and Cost of Capital.

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rates.

Sacramento Utilities, Inc.
ACC Docket No. SW-20576A-08-0067

Certificate of Convenience and Necessity – Wastewater. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Johnson Utilities
ACC Docket No. WS-02987A-08-0180

Permanent Rate Application. Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design and Cost of Capital.

Participate in 40-252 proceeding.

Orange Grove Water Company
ACC Docket No. W-02237A-08-0455

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Far West Water and Sewer Company
ACC Docket No. WS-03478A-07-0442

Financing Application. Prepare schedules to support application.

Oak Creek Water No.1
ACC Docket No. W-01392A-07-0679

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

ICR Water Users Association
Docket W-02824-07-0388

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Johnson Utilities

Valuation consultant in the matter of the sale of Johnson Utilities assets to the Town of Florence.

H2O, Inc
ACC Docket No. W-02234A-07-0550

Permanent Rate Application. Prepared schedules and testified on Rate Base,

COMPANY/CLIENT

FUNCTION

Chaparral City Water Company
ACC Docket No. W-02113A-07-0551

Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Valley Utilities
ACC Docket No. W-01412A-07-0561

Financing Application. Prepare schedules to support application.

Valley Utilities
ACC Docket No. W-01412A-07-280

Emergency Rate Application. Prepare schedules to support application.

Valley Utilities
ACC Docket No. W-01412A-07-0278

Accounting Order. Assist in preparing definition and scope of costs for deferral for future regulatory consideration and treatment.

Litchfield Park Service Company
ACC Docket No. W-01427A-06-0807

Accounting Order. Assist in preparing definition and scope of costs for deferral for future regulatory consideration and treatment.

Golden Shores Water Company
ACC Docket No. W-01815A-07-0117

Permanent Rate Application. Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Diablo Village Water Company
ACC Docket No. W-02309A-07-0140

Off-site facilities hook-up fee application. Prepare schedules to support application.

Diablo Village Water Company
ACC Docket No. W-02309A-07-0399

Permanent Rate Application (Class C). Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Sahuarita Water Company
(Rancho Sahuarita Water Co.)

Extension Certificate of Convenience and Necessity – Water. Prepared pro-forma

COMPANY/CLIENT

ACC Docket No. W-03718A-07-0687

Utility Source, L.L.C.

ACC Docket No. WS-04235A-06-0303

Tierra Buena Water Company

Goodman Water Company

ACC Docket No. W-02500A-06-0281

Links at Coyote Wash Utilities

ACC Docket No. SW-04210A-06-0220

New River Utilities

ACC Docket No. W-0173A-06-0171

Johnson Utilities

ACC Docket No. WS-02987A-04-0501

Docket WS-02987A-04-0177

Bachmann Springs Utility

ACC Docket No. WS-03953A-07-0073

Avra Water Cooperative

ACC Docket No. W-02126A-06-0234

Gold Canyon Sewer Company

FUNCTION

balance sheets, income statements, plant schedules, rate base, and financing.

Permanent Rate Application- Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Valuation of Tierra Buena Water Company for estate purposes.

Permanent Rate Application (Class C). Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, and Cost of Capital.

Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Extension Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Extension of Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Permanent Rate Application – Sewer.

COMPANY/CLIENT

ACC Docket No. SW-025191A-06-0015

State of Arizona v. Far West Water and Sewer, No. 1 CA-CR 06-0160

Far West Water and Sewer Company
ACC Docket No. WS-03478A-05-0801

Black Mountain Sewer Company
ACC Docket No. SW-02361A-05-0657

Balterra Sewer Company
ACC Docket No. SW-02304A-05-0586

Community Water Company of Green Valley
ACC Docket No. W-02304A-05-0830

McClain Water Systems
Northern Sunrise Water
Southern Sunrise Water
ACC Docket No. W-020453A-06-0251

Valley Utilities Water Company
ACC Docket No. W-01412A-04-0376

Valley Utilities Water Company
ACC Docket No. W-01412A-04-0376

FUNCTION

Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Expert witness on behalf of defendant in penalty phase of case.

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Off-site facilities hook-up fee application. Prepare schedules to support application.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Rate Design.

COMPANY/CLIENT

FUNCTION

Beardsley Water Company
ACC Docket No. W-02074A-04-0358

Permanent Rate Application – Water.
Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Pine Water Company, Inc.
ACC Docket No. W-03512A-03-0279

Interim and Permanent Rate Application, Financing Application - Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Cost of Capital, and Rate Design.

Chaparral City Water Company
ACC Docket No. W-02113A-04-0616

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, and Income Statement. Assisted in preparation Rate Design.

Tierra Linda Home Owners Association
ACC Docket No. W-0423A-04-0075

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Diamond Ventures - Red Rock Utilities
ACC Docket No. WS-04245A-04-0184

Certificate of Convenience and Necessity – Water and Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Arizona-American Water Company, Inc.
ACC Docket No. WS-01303A-02-0867
ACC Docket No. WS-01303A-02-0868
ACC Docket No. WS-01303A-02-0869
ACC Docket No. WS-01303A-02-0870
ACC Docket No. WS-01303A-02-0908

Permanent Rate Application Water and Sewer (10 divisions). Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Rate Design.

Bella Vista Water Company, Inc.
ACC Docket No. W-02465A-01-0776

Permanent Rate Application - Water. Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Cost of Capital and Rate Design.

COMPANY/CLIENT

FUNCTION

Green Valley Water Company
Docket (2000 Not Filed)

Permanent Rate Application. Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Cost of Capital and Rate Design.

Gold Canyon Sewer Company
ACC Docket No. SW-02519A-00-0638

Permanent Rate Application - Sewer. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

Rio Verde Utilities, Inc.
ACC Docket No. WS-02156A-00-0321

Permanent Rate Application – Water and Sewer. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

Livco Water Company
Livco Sewer Company
ACC Docket No. SW-02563A-05-0820

Permanent Rate Application – Water. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Livco Water Company
ACC Docket No. SW-02563A-07-0506

Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Cave Creek Sewer Company

Revenue Requirement, Rate Adjustment and Rate Design - Sewer.

Avra Water Cooperative
ACC Docket No. W-02126A-00-0269

Permanent Rate Application – Water. Assisted in preparation of Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Town of Oro Valley

Revenue Requirements, Water Rate Adjustments and Rate Design.

Far West Water Company
ACC Docket No. WS-03478A-99-0144

Permanent Rate Application – Water. Assisted in preparation of schedules for Rate Base, Income Statement, Revenue

COMPANY/CLIENT

FUNCTION

MHC Operating Limited Partnership
Sedona Venture Wastewater
ACC Docket No. W-

Requirement, Lead-Lag Study, Cost of Capital, and Rate Design.

Permanent Rate Application – Sewer.
Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Vail Water Company
ACC Docket No. W-01651B-99-0406

Permanent Rate Application. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

E&T Water Company
ACC Docket No. W-01409A-95-0440

Permanent Rate Application - Water.
Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

New River Utility
ACC Docket No. W-01737A-99-0633

Permanent Rate Application - Water.
Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Golden Shores Water
ACC Docket No. W-01815A-98-0645

Permanent Rate Application – Water.
Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Ponderosa Utility Company
ACC Docket No. W-01717A-99-0572

Permanent Rate Application – Water.
Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

EXHIBIT TJB-COC-DT2

**Pima Utility Company
Comparative Risk Study**

**Exhibit TJB-COC-DT2
Page 1 of 4**

Line No.		2024	2023	2022	2021	2020	5-Year Average	Std Dev.	Co-efficient of variation of Operating Income	
1	<u>Operating Income EBIT (\$ in millions)</u>									
2										
3	<u>Company¹</u>	<u>Symbol</u>								
4	American States Water	AWR	184.48	196.74	126.63	140.98	130.50	155.87	32.439	0.2081
5	American Water Works	AWK	1,718.00	1,812.00	1,273.00	1,196.00	1,248.00	1,449.40	291.340	0.2010
6	Essential Utilities	WTRG	852.30	704.27	752.20	602.71	443.43	670.98	155.741	0.2321
7	California Water	CWT	323.29	117.24	182.16	162.06	206.16	198.18	77.183	0.3895
8	Middlesex	MSEX	75.08	57.97	64.75	48.36	52.33	59.70	10.582	0.1773
9	H2O America	HTO	206.43	183.91	157.35	105.88	117.67	154.25	42.690	0.2768
10	York Water Company	YORW	29.72	25.86	24.68	25.63	24.98	26.17	2.039	0.0779
11	Atmos Energy	ATO	1,742.39	1,453.95	1,273.18	1,217.77	1,102.85	1,358.03	249.461	0.1837
12	Chesapeake Utilities	CPK	269.10	189.78	168.55	155.27	134.50	183.44	51.933	0.2831
13	New Jersey Resources	NJR	518.43	407.00	406.47	378.15	218.71	385.75	107.755	0.2793
14	NiSource Inc.	NI	1,824.90	1,629.60	1,429.90	1,302.90	1,260.60	1,489.58	236.055	0.1585
15	Northwest Natural	NWN	196.99	298.29	266.34	163.12	148.35	214.62	65.250	0.3040
16	ONE Gas Inc.	OGS	478.41	449.25	418.17	376.68	366.83	417.87	47.306	0.1132
17	Southwest Gas	SWX	572.74	578.31	NM	369.55	423.00	485.90	105.790	0.2177
18	Spire Inc.	SR	703.90	633.10	587.70	610.30	503.40	607.68	72.775	0.1198
19	UGI Corp.	UGI	1,195.00	553.00	1,164.00	1,512.00	1,044.00	1,093.60	348.212	0.3184
20	Proxy Group					Average	559.44	118.535	0.2213	
21										
22										
23							5-year Average	Std Dev.	Co-efficient of variation of Operating Income	
24	Pima Utility Company		0.05	0.21	0.01	0.73	1.18	0.44	0.506	1.1577
25	Risk relative to the average risk of the proxy group									5.23
26	<u>Sales (\$ in millions)</u>									
27										
28	<u>Company¹</u>	<u>Symbol</u>								
29	American States Water	AWR	595.46	595.70	491.53	498.85	488.24	533.96		
30	American Water Works	AWK	4,684.00	4,234.00	3,792.00	3,920.00	3,777.00	4,081.40		
31	Essential Utilities	WTRG	2,086.11	2,053.82	2,288.03	1,878.14	1,462.70	1,953.76		
32	California Water	CWT	1,036.81	794.63	846.43	790.91	794.31	852.62		
33	Middlesex	MSEX	191.88	166.27	162.43	143.14	141.59	161.06		
34	H2O America	HTO	748.44	670.36	620.70	573.69	564.53	635.54		
35	York Water Company	YORW	74.96	60.06	55.12	53.85	51.58	59.11		
36	Atmos Energy	ATO	4,165.19	4,275.36	4,201.66	3,407.49	2,821.14	3,774.17		
37	Chesapeake Utilities	CPK	787.20	670.60	680.70	569.97	488.20	639.33		
38	New Jersey Resources	NJR	1,796.54	1,962.99	2,905.98	2,156.61	1,953.67	2,155.16		
39	NiSource Inc.	NI	5,455.10	5,505.40	5,850.60	4,899.60	4,681.70	5,278.48		
40	Northwest Natural	NWN	1,152.99	1,197.48	1,037.35	860.40	773.68	1,004.38		
41	ONE Gas Inc.	OGS	2,083.56	2,371.99	2,578.00	1,808.60	1,530.27	2,074.48		
42	Southwest Gas	SWX	5,112.44	5,433.97	4,960.01	3,680.45	3,298.87	4,497.15		
43	Spire Inc.	SR	2,593.00	2,666.30	2,198.50	2,235.50	1,855.40	2,309.74		
44	UGI Corp.	UGI	7,210.00	8,928.00	10,106.00	7,447.00	6,559.00	8,050.00		
45										
46	Pima Utility Company		6.27	6.24	6.03	6.23	6.36	6.23		
47	<u>Operating Margin (%)</u>									
48										
49	<u>Company¹</u>	<u>Symbol</u>								
50	American States Water	AWR	30.98%	33.03%	25.76%	28.26%	26.73%	28.95%	0.0301	0.1041
51	American Water Works	AWK	36.68%	42.80%	33.57%	30.51%	33.04%	35.32%	0.0472	0.1336
52	Essential Utilities	WTRG	40.86%	34.29%	32.88%	32.09%	30.32%	34.09%	0.0405	0.1187
53	California Water	CWT	31.18%	14.75%	21.52%	20.49%	25.95%	22.78%	0.0616	0.2705
54	Middlesex	MSEX	39.13%	34.86%	39.86%	33.78%	36.96%	36.92%	0.0263	0.0711
55	H2O America	HTO	27.58%	27.43%	25.35%	18.46%	20.84%	23.93%	0.0410	0.1712
56	York Water Company	YORW	39.65%	43.06%	44.78%	47.59%	48.43%	44.70%	0.0355	0.0795
57	Atmos Energy	ATO	41.83%	34.01%	30.30%	35.74%	39.09%	36.19%	0.0447	0.1235
58	Chesapeake Utilities	CPK	34.18%	28.30%	24.76%	27.24%	27.55%	28.41%	0.0349	0.1229
59	New Jersey Resources	NJR	28.86%	20.73%	13.99%	17.53%	11.19%	18.46%	0.0684	0.3703
60	NiSource Inc.	NI	33.45%	29.60%	24.44%	26.59%	26.93%	28.20%	0.0346	0.1227
61	Northwest Natural	NWN	17.09%	24.91%	25.67%	18.96%	19.17%	21.16%	0.0387	0.1828
62	ONE Gas Inc.	OGS	22.96%	18.94%	16.22%	20.83%	23.97%	20.58%	0.0312	0.1516
63	Southwest Gas	SWX	11.20%	10.64%	NM	10.04%	12.82%	11.18%	0.0120	0.1069
64	Spire Inc.	SR	27.15%	23.74%	26.73%	27.30%	27.13%	26.41%	0.0151	0.0570
65	UGI Corp.	UGI	16.57%	6.19%	11.52%	20.30%	15.92%	14.10%	0.0541	0.3837
66	Proxy Group					Average	26.96%	0.0385	0.1606	
67										
68										
69							5-year Average	Std Dev.	Co-efficient of variation of Operating Margin	
70	Pima Utility Company		0.86%	3.32%	0.16%	11.77%	18.58%	6.94%	0.0798	1.150103736
71	Risk relative to the average risk of the proxy group									7.16

¹ Based on information from Value Line Investment Analyzer weekly ended Nov. 26, 2025.

**Pima Utility Company
Comparative Risk Study**

**Exhibit TJB-COC-DT2
Page 2 of 4**

Line No.		2024	2023	2022	2021	2020	5-year Average	Std Dev.	Co-efficient of variation of ROE	
1	Return on Equity (ROE)¹									
2										
3	<u>Company</u>	<u>Symbol</u>								
4	American States Water	AWR	11.0%	16.1%	11.0%	13.8%	13.5%	13.08%	0.0212	0.1619
5	American Water Works	AWK	10.7%	9.6%	10.7%	17.3%	11.0%	11.85%	0.0309	0.2610
6	Essential Utilities	WTRG	8.7%	8.5%	8.7%	8.3%	6.1%	8.03%	0.0110	0.1369
7	California Water	CWT	7.3%	3.6%	7.3%	8.6%	10.5%	7.46%	0.0251	0.3366
8	Middlesex	MSEX	10.6%	7.4%	10.6%	9.9%	11.1%	9.91%	0.0145	0.1465
9	H2O America	HTO	6.9%	6.9%	6.6%	5.8%	6.7%	6.59%	0.0043	0.0653
10	York Water Company	YORW	11.1%	9.5%	11.1%	11.6%	10.7%	10.80%	0.0082	0.0755
11	Almos Energy	ATO	8.2%	8.1%	8.2%	8.4%	8.5%	8.31%	0.0017	0.0199
12	Chesapeake Utilities	CPK	10.6%	7.0%	10.6%	10.8%	10.1%	9.83%	0.0160	0.1628
13	New Jersey Resources	NJR	13.2%	13.3%	13.2%	12.7%	10.6%	12.62%	0.0113	0.0897
14	NiSource Inc.	NI	10.8%	9.2%	10.8%	10.6%	10.4%	10.34%	0.0066	0.0635
15	Northwest Natural	NWN	7.3%	7.3%	7.3%	8.4%	7.9%	7.66%	0.0049	0.0636
16	ONE Gas Inc.	OGS	8.6%	8.4%	8.6%	8.8%	8.8%	8.62%	0.0018	0.0208
17	Southwest Gas	SWX	-6.6%	4.6%	NM	6.8%	8.7%	3.35%	0.0687	2.0526
18	Spire Inc.	SR	8.0%	7.6%	8.0%	10.6%	3.2%	7.49%	0.0267	0.3564
19	UGI Corp.	UGI	13.7%	12.1%	13.7%	31.5%	21.9%	18.57%	0.0819	0.4411
20	Proxy Group		8.8%	8.7%	9.8%	11.5%	10.0%	9.66%	0.0209	0.2784
21										
22										
23			<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>5-year Average</u>	<u>Std Dev.</u>	<u>Co-efficient of variation of ROE</u>
24	Company		13.60%	1.19%	NM	2.25%	4.71%	5.44%	0.0564	1.0369
25	Risk relative to the average risk of the proxy group									3.72

¹ Based on information from Value Line Investment Analyzer weekly ended Nov. 26, 2025.

1 Operating Leverage = Percent Change in Operating Income/Percent Change in Sales
2 (also a measure of business risk)

Line No.		2024	2023	2022	2021	2020	5-year Average	
3								
4	<u>Company</u>	<u>Symbol</u>						
5	American States Water	AWR	154.67	2.61	6.93	3.70	3.13	34.21
6	American Water Works	AWK	(0.49)	3.63	(1.97)	(1.10)	0.50	0.11
7	Essential Utilities	WTRG	13.37	0.62	1.14	1.26	0.84	3.45
8	California Water	CWT	5.77	5.82	1.77	50.00	15.35	15.74
9	Middlesex	MSEX	1.92	(4.43)	2.51	(6.93)	(1.98)	(1.78)
10	H2O America	HTO	1.05	2.11	5.93	(6.17)	-	0.58
11	York Water Company	YORW	0.60	0.53	(1.58)	0.59	0.10	0.05
12	Almos Energy	ATO	(7.70)	8.10	0.20	0.50	1.48	0.51
13	Chesapeake Utilities	CPK	2.40	(8.49)	0.44	0.92	(0.86)	(1.12)
14	New Jersey Resources	NJR	(3.23)	(0.00)	0.22	7.02	1.43	1.09
15	NiSource Inc.	NI	(13.12)	(2.37)	0.50	0.72	0.24	(2.80)
16	Northwest Natural	NWN	9.14	0.78	3.08	0.89	1.42	3.06
17	ONE Gas Inc.	OGS	(0.53)	(0.93)	0.26	0.15	(0.24)	(0.26)
18	Southwest Gas	SWX	0.16	NM	NM	(1.09)	0.65	(0.09)
19	Spire Inc.	SR	(4.07)	0.36	2.24	1.04	(2.44)	(0.57)
20	UGI Corp.	UGI	(6.03)	4.50	(0.64)	3.31	0.95	0.42
21	Average		25.27	1.56	2.10	5.91	2.56	3.29
22								
23			<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>5-year Average</u>
24	Pima Utility Company		(196.49)	576.17	31.65	17.58	NM	107.23
25	Risk relative to the average risk of the proxy group							32.62

¹ Based on information from Value Line Investment Analyzer weekly ended Nov. 26, 2025.

**Pima Utility Company
Comparative Risk Study
Beta Estimate Using Duff and Phelps Risk Study Portfolio Information**

Exhibit TJB-COC-DT2
Page 3 of 4

Line
No.

A. Beta Estimates for Water Sample Group and Company

		<u>Portfolio</u>	<u>Operating Margin</u>	<u>Portfolio</u>	<u>CV (Operating Margin)¹</u>	<u>Portfolio</u>	<u>CV (ROE)¹</u>	
1	Company	20	6.94%	1	115.01%	6	103.69%	
2	Proxy Group	1	26.96%	14	16.06%	17	27.84%	
			<u>Portfolio Sum Beta²</u>		<u>Portfolio Sum Beta³</u>		<u>Portfolio Sum Beta⁴</u>	<u>Average</u>
3	Company		1.25		1.36		1.26	
4	Proxy Group		0.84		1.09		1.04	
5	Percentage Difference		48.6%		24.8%		21.2%	31.5%

B. Assume percentage difference is the same for water utilities as companies in general

		<u>Value Line Beta</u>	<u>Sum Beta</u>
6	Proxy Group ⁵	0.78	0.76
7	Implied Beta for Company ⁶	1.03	1.00

Notes:

¹ CV stands for Coefficient of Variation,

² Source is Kroll, 2025 Supplementary Risk Study, Companies Ranked by Operating Margin.

³ Source is Kroll 2025, Supplementary Risk Study, Companies Ranked by CV (Operating Margin).

⁴ Source is Kroll 2025, Supplementary Risk Study, Companies Ranked by CV (Operating Margin).

⁵ Source is Table 2.

⁶ Calculated by multiplying (1+ percentage difference in risk study betas) times average beta for the proxy group.

**Pima Utility Company
Capital Asset Pricing Model (CAPM)**

Line No.		R_f^1	+	(	β^2	x	RP_M^4	)	=	k	CAPM Results From Table 10	Difference
1	Traditional CAPM	4.6%	+	(	1.03	x	6.46%	)	=	11.20%	9.60%	1.60%
2														
3		R_f^1			$RP_M^4 \times .25$	+	(	β^2	x	RP_M^4	) x .75	
4	Empirical CAPM	4.6%	+	6.46%	x .25	+	(1.03	x	6.46%) x .75	11.20%	10.00%	1.20%
5														
6		R_f^1	+	(	β^3	x	RP_M^5	) +	RP_s^6			
7	Modified CAPM	4.6%	+	(1.00	x	5.84%) +	2.09%	=	12.50%	11.13%	1.37%	
8														
9														
10	Average									11.60%	10.20%	1.40%		

Notes:

¹ Source Table 8.

² Implied VL Beta of Company. Source is page 3.

³ Implied Sum Beta of Company. Source is page 3.

⁴ Estimate of Market Risk Premium (MRP):

Historical MRP (1926-2024) 7.31% Source is Kroll 2025 Supplementary Exhibits.

Current MRP 5.62% Source is Table 11

Average MRP 6.46%

⁵ Estimate of MRP

Historical MRP (1963-2024) 6.07% Source is Kroll 2025 Supplementary Exhibits.

Current MRP 5.62% Source is Table 11

Average MRP 5.84%

⁶ Size Premium. Sources Exhibit TJB-COC-DT2, page 2.

EXHIBIT TJB-COC-DT3

Line No.	Company	Symbol	Measures of size						
			MV Equity ¹	Book Equity ¹	(Millions) 5 Yr Avg.		Total Assets ¹	5 Yr Avg. EBITDA ¹	Sales
1	American States Water	AWR	\$ 2,875	\$ 921	\$ 3,680	\$ 101	\$ 2,500	\$ 197	\$ 596
2	American Water Works	AWK	25,442	10,332	37,960	957	32,830	2,126	4,234
3	Essential Utilities	WTRG	11,183	6,199	18,552	455	18,027	989	2,054
4	California Water	CWT	2,723	1,636	3,828	107	5,180	314	795
5	Middlesex	MSEX	1,649	1,366	3,356	39	1,255	84	166
6	H2O America	HTO	928	446	1,281	75	4,658	257	670
7	York Water Company	YORW	464	231	670	18	633	36	60
8	Atmos Energy	ATO	28,028	12,162	35,888	790	25,194	1,902	4,275
9	Chesapeake Utilities	CPK	3,245	1,390	4,506	90	3,577	248	671
10	New Jersey Resources	NJR	4,824	2,201	7,703	240	6,982	522	1,963
11	NiSource Inc.	NI	20,586	8,682	32,661	691	31,788	2,339	5,505
12	Northwest Natural	NWN	2,028	1,384	3,707	82	5,234	341	1,197
13	ONE Gas Inc.	OGS	4,978	3,106	7,363	216	8,426	659	2,372
14	Southwest Gas	SWX	5,920	3,505	10,269	116	12,024	794	5,434
15	Spire Inc.	SR	5,142	2,991	8,846	210	10,861	844	2,666
16	UGI Corp.	UGI	8,319	4,344	14,762	617	15,098	1,611	8,928
17	Pima Utility Company		NA	18	N/A	1	17	2	4

Net Income Data (\$ millions)

Company	Symbol	2024	2023	2022	2021	2020	Average
18	American States Water	\$ 119.3	\$ 124.9	\$ 78.4	\$ 94.4	\$ 86.4	\$ 100.7
19	American Water Works	1,051.0	944.0	820.0	1,263.0	709.0	957.4
20	Essential Utilities	595.3	498.2	465.2	431.6	284.9	455.0
21	California Water	190.8	51.9	96.0	101.1	96.8	107.3
22	Middlesex	44.4	31.5	42.4	36.5	38.4	38.7
23	H2O America	94.0	85.0	73.8	60.5	61.5	75.0
24	York Water Company	20.3	19.6	17.0	16.6	14.4	17.6
25	Atmos Energy	1,042.9	885.9	774.4	665.6	580.5	789.8
26	Chesapeake Utilities	118.6	87.2	88.4	83.5	70.6	89.7
27	New Jersey Resources	289.8	264.7	240.3	207.7	196.2	239.7
28	NiSource Inc.	805.3	759.1	703.3	626.3	562.6	691.3
29	Northwest Natural	78.9	93.9	86.3	78.7	70.3	81.6
30	ONE Gas Inc.	222.9	231.2	221.7	206.4	196.4	215.7
31	Southwest Gas	198.8	150.9	(203.3)	200.8	232.3	115.9
32	Spire Inc.	250.9	217.5	220.8	271.7	88.6	209.9
33	UGI Corp.	658.0	613.0	626.0	629.0	561.0	617.4
34	Pima Utility Company	\$ 2.5	\$ 0.2	\$ (0.0)	\$ 0.5	\$ 1.0	\$ 0.8

¹ Based on information from Value Line Investment Analyzer weekly ended Nov. 26, 2025.

**Pima Utility Company
Comparative Risk Study - Adjustment to Size Premium
Based on Kroll Cost of Capital Navigator Supplementary Data Risk Study and Regression Data Equations**

Exhibit TJB-COC-DT3
Page 5 of 5

Line No.	<u>Estimate of Risk Premium Adjustment</u>					
		5 -Year Historical				
	<u>Company</u>	<u>Symbol</u>	<u>OM</u>	<u>CV (OM)</u>	<u>CV(ROE)</u>	
2	American States Water	AWR	28.95%	10.41%	16.19%	
3	American Water Works	AWK	35.32%	13.36%	26.10%	
3	Essential Utilities	WTRG	34.09%	11.87%	13.69%	
4	California Water	CWT	22.78%	27.05%	33.66%	
5	Middlesex	MSEX	36.92%	7.11%	14.65%	
6	H2O America	HTO	23.93%	17.12%	6.53%	
7	York Water Company	YORW	44.70%	7.95%	7.55%	
8	Atmos Energy	ATO	36.19%	12.35%	1.99%	
9	Chesapeake Utilities	CPK	28.41%	12.29%	16.28%	
10	New Jersey Resources	NJR	18.46%	37.03%	8.97%	
11	NiSource Inc.	NI	28.20%	12.27%	6.35%	
12	Northwest Natural	NWN	21.16%	18.28%	6.36%	
13	ONE Gas Inc.	OGS	20.58%	15.16%	2.08%	
14	Southwest Gas	SWX	11.18%	10.69%	205.26%	
15	Spire Inc.	SR	26.41%	5.70%	35.64%	
16	UGI Corp.	UGI	14.10%	38.37%	44.11%	
17	Proxy Group Average		26.96%	16.06%	27.84%	
	<u>Proxy Group Risk Differences</u>					
18	Smoothed Average Risk Premium From Equivalent D Exhibit		8.12%	9.86%	9.75%	<u>Average</u> 9.25%
19	Smoothed Average Risk Premium From Equivalent C Exhibit		10.83%	10.10%	9.88%	10.27%
20	Indicated Risk Adjustment		-2.70%	-0.24%	-0.13%	-1.02%
21	Possible Risk Adjustment		0.00%	to	-1.02%	<u>Recommended</u> -1.02%
			5 -Year Historical			
22	<u>Pima Utility Company</u>		<u>OM</u> 6.94%	<u>CV (OM)</u> 115.01%	<u>CV(ROE)</u> 103.69%	
23	Smoothed Average Risk Premium From Equivalent D Exhibit		11.95%	11.83%	10.62%	<u>Average</u> 11.47%
24	Smoothed Average Risk Premium From Equivalent C Exhibit		10.83%	10.10%	9.88%	10.27%
25	Indicated Risk Adjustment		1.12%	1.73%	0.74%	1.20%
26	Possible Risk Adjustment		0.00%	to	1.20%	<u>Recommended</u> 1.20%