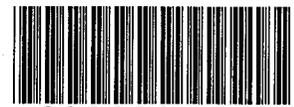


NEW APPLICATION

ARIZONA CORPORATION COMMIS



0000001476

APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVENIENCE AND NECESSITY

ORIGINAL

WATER AND/OR SEWER

W-02074A-04-0241

A. The name, address and telephone number of the Applicant is:

Beardsley Water Company

P.O. Box 1020

Apache Junction, AZ 85217

AZ CORP COMMISSION
DOCUMENT CONTROL

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B. The name, address and telephone number of management contact is:

First National Management, Inc.

P.O. Box 1020

Apache Junction, AZ 85217

Arizona Corporation Commission

DOCKETED

MAR 30 2004

DOCKETED BY

C. List the name, address and telephone number of the operator certified by the Arizona Department of Environmental Quality:

Joseph Fiano (480) 837-6438

Water Treatment Operators, Inc.

14615 N. Fountain Hills Boulevard

Fountain Hills, AZ 85268

D. List the name, address and telephone number of the attorney for the Applicant:

Timothy W. Barton (Gust, Rosenfeld Law Firm)

201 N. Central Avenue

Phoenix, AZ 85073

(602) 257-7431

E. Attach the following documents that apply to you:

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1. Certificate of Good Standing (if corporation)

2. Corporate Resolution Authorizing this application (if required by the corporation's Articles of Incorporation)

F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted. PLEASE SEE ATTACHMENT B

G. Attach a detailed map using the form provided as attachment B. Shade and outline the area requested. Also indicate the present certificated area by using different colors.

H. Attach a current balance sheet and profit and loss statement.

I. Provide the following information:

1. Indicate the estimated number of customers, by class, to be served in the new area in each of the next five years:

Residential:

First Year 75 Second Year 134 Third Year 134 Fourth Year 134

Fifth Year 134

Commercial:

First Year NONE Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

Industrial:

First Year NONE Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

Irrigation:

First Year NONE Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

Other: (specify)

First Year NONE Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

2. **(WATER ONLY)** Indicate the projected annual water consumption, in gallons, for each of the customer classes in the new area for each of the next five years:

Residential:

First Year 7,275,000 Second Year 12,998,000 Third Year 12,998,000

Fourth Year 12,998,000 Fifth Year 12,998,000

Commercial:

First Year NONE Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Industrial:

First Year NONE Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Irrigation:

First Year NONE Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

3. Indicate the total estimated annual operating revenue from the new area for each of the next five years:

First Year \$35,404.00 Second Year \$63,255.00 Third Year \$63,255.00

Fourth Year \$63,255.00 Fifth Year 63,255.00

- Complete Attachment "D" (Water Use Data Sheet) for the past 13 months

4. Indicate the total estimated annual operating expenses attributable to the new area for each of the next five years:

First Year \$31,356.00 Second Year \$56,023.00 Third Year \$56,023.00

Fourth Year \$56,023.00 Fifth Year \$56,023.00

J. Total estimated cost to construct utility facilities to serve customers in the requested area:

\$200,000.00

K. Explain method of financing utility facilities (see paragraph 8 of instructions)

Subdivision developer will provide funds to construct water facilities.

L. Estimated starting and completion date of construction of utility facilities:

Starting date September 1, 2004 Completion date December 1, 2004

M. Attach the following permits:

1. Franchise from either the City or County for the area requested. Franchise to be obtained by May 15, 2004.

2. Arizona Department of Environmental Quality or designee's approval to construct facilities.
**Plans are being submitted to Maricopa Department of Environmental Services.

3. Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.) N/A - Private land.

4. U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.) N/A - Private land

5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of, either the utility's Designation of an Assured Water Supply, or the developer's Certificate of 100 Year Assured Water Supply issued by the Arizona Department of Water Resources.

An application for a 100 year Assured Water Supply has been submitted to the Arizona Department of Water Resources.

- If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources if applied for by the developer.

- If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detailed information to prove that adequate water exists to provide water to the area requested.

Fred T. Wilkin
(Signature of Authorized Representative)

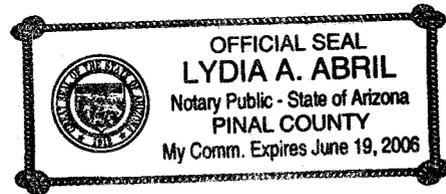
Fred T. Wilkinson
(Print or Type Name Here)

Agent
(Title)

SUBSCRIBED AND SWORN to before me this 29 day of March, 2004

Lydia A. Abril
NOTARY PUBLIC

My Commission Expires June 19, 2006



BEARDSLEY WATER COMPANY

P.O. Box 1020
Apache Junction, Arizona 85217-1020

Phone: (480) 677-6080
Fax: (480) 677-6082

March 22, 2004

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

Attached is an application by Beardsley Water Company for an extension of its Certificate of Convenience and Necessity (CC & N). the purpose of this application is to extend Beardsley Water Company's CC & N to include the vicinity northwest of Dixileta Road and 243rd Avenue, Maricopa County, Arizona.

Should you have any questions or comments regarding the application, please contact us.

Sincerely,



Fred T. Wilkinson
Agent

cc: RF
File

ATTACHMENT "B"

MARICOPA	20	T 5N	R 3W
COUNTY	SECTION	TOWNSHIP	RANGE

	6						5						4						3						2						1				

ATTACHMENT C

**PUBLIC NOTICE OF AN APPLICATION FOR AN
EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
BY BEARDSLEY WATER COMPANY**

ALL OF THE PROPERTY INCLUDED IN THIS APPLICATION IS OWNED BY
THE DEVELOPER, PATTON PLACE, L.L.C. THEREFORE, NO FORMAL
NOTICE SHOULD BE NECESSARY.

ATTACHMENT "D"

WATER USE DATA SHEET

NAME OF COMPANY _____	Beardsley Water Company
ADEQ Public Water System No. _____	07-517

MONTH/YEAR (Last 13 Months)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)
February 2004	68	446.7
January 2004	68	362.0
December 2003	54	385.9
November 2003	48	330.9
October 2003	48	465.0
September 2003	42	320.3
August 2003	39	299.7
July 2003	36	356.0
June 2003	28	276.0
May 2003	25	253.4
April 2003	21	146.8
March 2003	15	68.3
February 2003	11	45.6

STORAGE TANK CAPACITY (Gallons)	NUMBER OF EACH	ARIZONA DEPT. OF WATER RESOURCES WELL I.D. NUMBER	WELL PRODUCTION (Gallons per Minute)
60,000	2	55-591679	160

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Other Water Sources in Gallons per Minute →	<u>GPM</u> -0-
Fire Hydrants on System →	Yes <input checked="" type="checkbox"/> No
Total Water Pumped Last 13 Months (Gallons in Thousands) →	3,756.6

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CORPORATE RESOLUTION

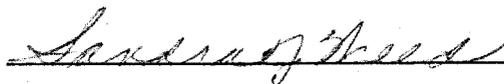
I, Sandra J. Weed, Secretary of Beardlsey Water Company, Inc., an Arizona corporation, do hereby certify that the following is a true and correct copy of the resolution unanimously adopted by the Board of Directors of this corporation, a quorum of its members being present at a regular business meeting, held in the city of Phoenix, Arizona, on the 22nd day of March, 2004, and that this resolution has not been revoked by any subsequent action of the Board of Directors, remaining in full force and effect:

Be it resolved that Beardsley Water Company, Inc., an Arizona corporation, shall apply to the Arizona Corporation Commission for a Certificate of Convenience and Necessity for the purpose of extending the corporation's present certificated area to include, by addition, the Southeast quarter of Section 20, Township 5 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona; and

Further Resolved, that the corporation petition the Maricopa County Board of Supervisors, by application, for a Public Service Franchise to said extended area; and

Further Resolved, that Fred T. Wilkinson, President of First National Management, Inc., agent of Beardsley Water Company, Inc., be, and is hereby, authorized to act on behalf of Beardsley Water Company, Inc. in all matters related to the purposes of this resolution.

In Witness Whereof, I have hereunto set my hand as such Secretary, and affixed the corporate seal this 23rd day of March, 2004.



BEARDSLEY WATER COMPANY

Balance Sheet

As of September 30, 2003

Sep 30, 03

ASSETS

Current Assets

Checking/Savings

100.000 · Cash

131.000 · Beardsley Checking

9,859.64

131.100 · M&I Bank

1,000.00

131.200 · WIFA Acct

4,109.61

131.300 · Patton Place

5,300.00

133.000 · Petty Cash

300.00

Total 100.000 · Cash

20,569.25

Total Checking/Savings

20,569.25

Accounts Receivable

141.00 · Accounts Receivable

141.000 · Cust. Accounts Receivable

12,913.45

141.100 · Misc. Accounts Receivables

1,975.00

Total 141.00 · Accounts Receivable

14,888.45

Total Accounts Receivable

14,888.45

Total Current Assets

35,457.70

Fixed Assets

101.000 · Utility Plant in Service

101.303 · Land & Land Rights

10.00

101.304 · Structures & Improvements

31,630.00

101.307 · Wells & Springs

153,129.74

101.311 · Electric Pumping Equipment

120,451.51

101.320 · Water Treatment Equipment

1,895.00

101.330 · Distrbtn., Resvrs. & Standpipes

220,785.22

101.331 · Transmission & Distrbtn. mains

289,042.93

101.333 · Services

13,383.00

101.334 · Meters

18,427.51

101.335 · Hydrants

2,604.10

101.339 · Other plnt. structures & imprvm

2,200.00

101.347 · Misc. Equipment

675.00

Total 101.000 · Utility Plant in Service

854,234.01

108.000 · Accumulated Depreciation

108.010 · Accum Depr-Utilty

-150,684.94

Total 108.000 · Accumulated Depreciation

-150,684.94

Total Fixed Assets

703,549.07

Other Assets

124.300 · Investment - DSR funds

1,147.66

Total Other Assets

1,147.66

TOTAL ASSETS

740,154.43

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

231.000 · Accounts Payable

4,962.86

Total Accounts Payable

4,962.86

Other Current Liabilities

232.000 · Other Current Notes Payable

232.60 · N.P.- Misc.

12,000.00

Total 232.000 · Other Current Notes Payable

12,000.00

232.11 · Non-int. shrhlders loan

5,000.00

235.000 · Customer Security Deposits

4,461.00

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03/29/04

Accrual Basis

BEARDSLEY WATER COMPANY

Balance Sheet

As of September 30, 2003

	<u>Sep 30, 03</u>
236.000 · Sales Taxes Payable	
236.010 · Sales Tax-Utilities	-611.16
236.020 · Sales Tax - Surprise	-3,289.57
236.030 · Superfund tax	-277.53
236.000 · Sales Taxes Payable - Other	4,892.70
Total 236.000 · Sales Taxes Payable	714.44
252 · Advances for Const.	
252.100 · Advances for Construction	11,541.67
Total 252 · Advances for Const.	11,541.67
252.300 · Main Extension Agreements	
252.301 · Patton Place Estates Ph 1 & 2	442,351.47
Total 252.300 · Main Extension Agreements	442,351.47
271.000 · Contributions in Aid of Const.	
271.100 · Contributions in Aid of Constr.	60,477.40
271.200 · Accum. Amort. of Contributions	-7,060.00
Total 271.000 · Contributions in Aid of Const.	53,417.40
Total Other Current Liabilities	529,485.98
Total Current Liabilities	534,448.84
Long Term Liabilities	
224.000 · Long term debt	
224.02 · N. P. - WIFA	62,487.21
Total 224.000 · Long term debt	62,487.21
Total Long Term Liabilities	62,487.21
Total Liabilities	596,936.05
Equity	
211.000 · Other Paid-In Capital	358,823.89
215.000 · Retained Earnings	-179,291.78
Net Income	-36,313.73
Total Equity	143,218.38
TOTAL LIABILITIES & EQUITY	740,154.43

03/29/04

BEARDSLEY WATER COMPANY
Profit & Loss
 October 2002 through September 2003

	Oct '02 - Sep 03
Ordinary Income/Expense	
Income	
461.000 · Metered Water Sales	105,764.57
474.000 · Other Water Revenue	
474.010 · Reconnect Service	1,180.00
474.030 · NSF Fees	380.00
474.045 · Establ/Reconnect fees	2,040.00
Total 474.000 · Other Water Revenue	3,600.00
Total Income	109,364.57
Cost of Goods Sold	
401.615 · Purchased pumping power	16,642.69
401.620 · Repairs and Maintenance	
620.01 · Field Materials & Supplies	1,580.57
Total 401.620 · Repairs and Maintenance	1,580.57
401.635 · Water Testing	3,339.48
403.010 · Depreciation - Field	37,519.10
Total COGS	59,081.84
Gross Profit	50,282.73
Expense	
401.621 · Office Supplies & Expense	79.14
630 · Outside Services	
630.01 · Consulting Services	1,071.60
630.02 · Legal & Accounting	250.00
630.04 · Contract Labor	54,503.59
630.43 · Bldg. & Mgmt Fees Exp- FNM	18,316.50
Total 630 · Outside Services	74,141.69
401.657 · Prop. & Liab. Insurance	10,315.55
401.675 · Miscellaneous Operating expense	
401.670 · Bad Debt	237.34
675.1 · Dues & Subscriptions	
675.07 · Industry Assoc. Dues & Fees	90.94
Total 675.1 · Dues & Subscriptions	90.94
675.04 · Communication/Phone & pager	1,133.06
675.13 · Bank Service Charges	337.00
675.14 · Permits & Licenses	
675.11 · Regulatory fees	1,756.17
Total 675.14 · Permits & Licenses	1,756.17
675.20 · Misc. Expense	1,307.69
675.21 · Fees - WIFA Loan	1,523.19
675.50 · WORKERS COMP	154.00
Total 401.675 · Miscellaneous Operating expense	6,539.39
401.900 · Misc. Adjustments	-0.59
408.100 · Property Tax Expense	6,535.08
Total Expense	97,610.26
Net Ordinary Income	-47,327.53
Other Income/Expense	
Other Income	
421.000 · Miscellaneous Income	13,186.62
Total Other Income	13,186.62

03/29/04

BEARDSLEY WATER COMPANY
Profit & Loss
October 2002 through September 2003

	<u>Oct '02 - Sep 03</u>
Other Expense	
427.000 · Interest Expense	
427.01 · Interest - WIFA #920062-02	1,047.15
427.62 · Misc. Interest	1,125.67
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Total 427.000 · Interest Expense	2,172.82
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Total Other Expense	2,172.82
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Net Other Income	11,013.80
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Net Income	-36,313.73
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