

NEW APPLICATION
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AZ CORP COMMISSION
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1 Richard L. Sallquist, Esq.
2 SALLQUIST & DRUMMOND, P.C.
3 2525 E. Arizona Biltmore Cr., Suite 117
4 Phoenix, Arizona 85016
5 Telephone: 602-224-9222
6 Attorneys for Pineview Water Company, Inc.

BEFORE THE ARIZONA CORPORATION COMMISSION

5 IN THE MATTER OF THE)
6 APPLICATION OF PINEVIEW)
7 WATER COMPANY, INC. FOR AN)
8 INCREASE IN ITS WATER RATES)
9 FOR CUSTOMERS WITHIN NAVAJO)
COUNTY, ARIZONA.)

DOCKET NO. W-01676A-04-____

APPLICATION

W-01676A-04-0500

10 Pineview Water Company, Inc. (hereinafter "Pineview" or the "Company"), by and
11 through the undersigned counsel, hereby submits a rate increase application and in support of
12 said Application states as follows:

13 1. Pineview is authorized to provide water service in portions of Navajo County.

14 2. The Company is presently providing service under the rates and charges authorized
15 by the Commission in Decision No. 59934, dated December 18, 1996.

16 3. The Company hereby requests the Commission grant an increase in its water rates
17 and charges as contained in the supporting schedules all prepared in accordance with A.A.C.
18 R14-2-103 and as attached hereto and incorporated herein for all purposes as **Exhibit A**.

19 4. The proposed Tariff for water service is appended hereto as **Exhibit B** and
20 incorporated herein by this reference for all purposes. The specific terms and conditions of that
21 Tariff are hereby requested to be approved by the Commission.

22 5. Notice of this Application will be provided to all customers in accordance with the
23 Procedural Order issued in this Docket.

Arizona Corporation Commission
DOCKETED

JUL 09 2004

DOCKETED BY

1 WHEREFORE, the Company respectfully request that the Commission process this Rate
2 Application as expeditiously as practicable, and thereafter issue an order granting the requested
3 relief and such other relief as the Commission may deem appropriate.

4 Respectfully submitted this 9th day of July 2004.

5 SALLQUIST & DRUMMOND, P.C.

6
7 By 

Richard L. Sallquist
2525 E. Arizona Biltmore Circle, Suite 117
Phoenix, AZ 85016
Attorneys for Pineview Water Company, Inc.

8
9 Original and fifteen copies of the foregoing
10 filed this 9th day of July 2004,
with:

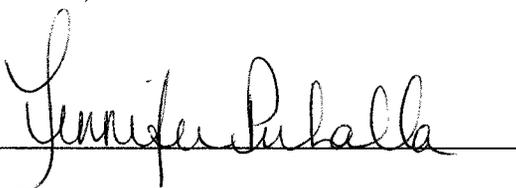
11 Docket Control
12 Arizona Corporation Commission
13 1200 West Washington
14 Phoenix, Arizona 85007

15 Copies of the foregoing filed this 9th
16 day of July 2004, to:

17 Hearing Division
18 Arizona Corporation Commission
19 1200 West Washington
Phoenix, Arizona 85007

20 Legal Division
21 Arizona Corporation Commission
22 1200 West Washington
Phoenix, Arizona 85007

23 Utilities Division
24 Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007



PINEVIEW WATER COMPANY

Before the Arizona Corporation Commission

**Application for an Increase in Water Rates
Test Year Ended December 31, 2003**

July 2004

EXHIBIT A

PINEVIEW WATER COMPANY

Test Year Ended December 31, 2003

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PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

COMPUTATION OF INCREASE IN GROSS REVENUE REQUIREMENTS

DESCRIPTION	ORIGINAL COST	RCND
Adjusted Rate Base (1)	\$786,882	\$786,882
Adjusted Operating Income (2)	(20,225)	(20,225)
Current Rate of Return	-2.57%	-2.57%
	<u>FAIR VALUE</u>	
Fair Value Rate Base (50/50)	\$786,882	
Required Rate of Return	9.747%	
Operating Income Requirement	\$76,697	
Operating Income Deficiency	\$96,922	
Gross Revenue Conversion Factor (3)	1.3047	
Increase in Gross Revenue Requirements	\$126,452	
Indicated Percentage Increase (4)	24.19%	

Supporting Schedules:

- (1) Schedule B-1
- (2) Schedule C-1
- (3) Schedule C-3
- (4) Schedule H-1

PINEVIEW WATER COMPANY
Test Year Ended May 31, 2003

SUMMARY OF REVENUES AT PRESENT AND PROPOSED RATES

DESCRIPTION	REVENUES IN THE TEST YEAR		INCREASE	
	PRESENT	PROPOSED	AMOUNT	PERCENT
5/8" Meters	\$337,990	\$416,420	\$78,430	23.20%
3/4" Meters	56,958	71,945	14,987	26.31%
1" Meters	14,963	18,888	3,925	26.23%
1 1/2" Meters	8,180	10,025	1,845	22.56%
2" Meters	92,157	115,409	23,252	25.23%
3" Meters	4,145	5,068	923	22.27%
Construction Water	3,070	4,476	1,406	45.80%
Total Metered Sales	\$517,463	\$642,231	\$124,768	24.11%
Sprinkler Revenues	1,097	1,371	274	24.98%
Other Revenues	4,164	5,574	1,410	33.86%
Total Water Revenues	<u>522,724</u>	<u>649,176</u>	<u>126,452</u>	<u>24.19%</u>

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003
SUMMARY RESULTS OF OPERATIONS

DESCRIPTION	YEAR ENDED (1)				PROJECTED YEAR (3)	
	12-31-01	12-31-02	12-31-03	12-31-03 (2)	PRESENT RATES	PROPOSED RATES
Operating Revenues	\$490,999	\$495,538	\$497,639	\$522,724	\$538,406	\$668,415
Operating Expenses	447,024	444,410	519,621	542,949	554,192	583,791
Operating Income (Loss)	43,975	51,128	(21,982)	(20,225)	(15,786)	84,624
Interest Expense	37,702	6,161	16,328	16,328	0	0
Other (Income) Expense	(596)	(4,477)	(1,952)	(1,952)	28,420	28,420
Net Income (Loss)	\$6,869	\$49,444	(\$36,358)	(\$34,601)	(\$44,206)	\$56,204
Return on Average Capital	6.85%	7.41%	-2.99%	-2.74%	-2.09%	10.83%
Return on Y/E Capital	6.44%	7.33%	-2.83%	-2.60%	-2.16%	10.17%
Return on Average Equity	2.01%	12.15%	-8.79%	-8.35%	-11.84%	14.00%
Return on Y/E Equity	1.80%	11.45%	-9.20%	-8.71%	-12.59%	12.45%

Supporting Schedules:

- (1) Schedule E-2
- (2) Adjusted Test Year - Schedule C-1
- (3) Schedule F-1

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003
SUMMARY OF CAPITAL STRUCTURE

DESCRIPTION	YEAR ENDED (1)				PROJECTED YEAR	
	12-31-01	12-31-02	12-31-03	12-31-03 (2)	PRESENT RATES	PROPOSED RATES
Long Term Debt	\$300,287	\$265,352	\$380,327	\$380,327	\$380,327	\$380,327
Common Equity	382,260	431,704	395,345	397,102	351,139	451,549
Total Capital	<u>\$682,547</u>	<u>\$697,056</u>	<u>\$775,672</u>	<u>\$777,429</u>	<u>\$731,466</u>	<u>\$831,876</u>
Capitalization Ratios:						
Long Term Debt	44.00%	38.07%	49.03%	48.92%	52.00%	45.72%
Common Equity	56.00%	61.93%	50.97%	51.08%	48.00%	54.28%
Total Capital	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Supporting Schedules:
(1) Schedule E-2
(2) Adjusted Test Year

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

CONSTRUCTION EXPENDITURES AND GROSS UTILITY PLANT IN SERVICE

YEAR	CONSTRUCTION EXPENDITURES (1)	NET PLANT PLACED IN SERVICE (2)	GROSS UTILITY PLANT IN SERVICE
2001	\$167,750	\$167,188	\$2,007,579
2002	\$34,420	(\$21,900)	\$1,985,679
2003	\$181,612	\$177,262	\$2,162,941
2004	\$55,000	\$55,000	\$2,217,941
2005	\$880,978	\$880,978	\$3,098,919
2006	\$105,360	\$105,360	\$3,204,279

Supporting Schedules:

- (1) Schedule F-3
- (2) Schedule E-5

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

ORIGINAL COST AND RCND RATE BASE ELEMENTS

DESCRIPTION	ORIGINAL COST RATE BASE (1)	RCND RATE BASE (2)
Gross Utility Plant In Service	\$2,162,941	\$2,162,941
Less: Accumulated Depreciation	1,109,241	1,109,241
Net Utility Plant In Service	\$1,053,700	\$1,053,700
Plus:		
CWIP	\$6,983	\$6,983
Working Capital Allowance	56,798	56,798
	\$63,781	\$63,781
Less:		
Meter Deposits	\$72,414	\$72,414
Advances In Aid of Construction	243,473	243,473
Contributions In Aid of Construction - Net	14,712	14,712
	\$330,599	\$330,599
 Total Rate Base	 \$786,882	 \$786,882

Supporting Schedules & Notes:

- (1) Schedules B-2, B-5 and E-5
- (2) Pineview Water Company Requests a Waiver on the Development of RCND Rate Base

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

PRO FORMA ADJUSTMENTS TO ORIGINAL COST RATE BASE

DESCRIPTION	ACTUAL AT 12-31-03	PRO FORMA ADJUSTMENTS (1)	ADJUSTED AMOUNT
Meter Deposits	\$88,392	(\$15,978)	\$72,414

NOTES:

(1) Adjustment to Correct for Out-of-Period Refunds and Improper Accounting of Refunds

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

CALCULATION OF WORKING CAPITAL ALLOWANCE

DESCRIPTION	AMOUNT
Purchased Power	\$42,953
Adjusted O&M	\$440,066
Working Capital Calculation:	
1/24 Purchased Water	\$1,790
1/8 O&M	\$55,008
Total Working Capital Allowance	<u>\$56,798</u>

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

OPERATING INCOME STATEMENT

DESCRIPTION	ACTUAL AT 12-31-03 (1)	PRO FORMA (2) ADJUSTMENTS	ADJUSTED AMOUNT
Revenues:			
Water Sales	\$493,475	\$25,085	\$518,560
Other Water Revenues	4,164		4,164
Total Revenues	497,639	25,085	522,724
Operating Expenses:			
Salaries & Wages	212,095	19,200	231,295
Employee Pensions & Benefits	34,085	3,086	37,171
Purchased Power	42,810	143	42,953
Outside Services	13,252		13,252
Repairs & Maintenance	29,243		29,243
Rental Expense	52,035		52,035
Materials & Supplies	4,120		4,120
General & Administrative	64,321	8,629	72,950
Depreciation	44,684		44,684
Property Taxes	22,926	4,870	27,796
Income Taxes	50	(12,600)	(12,550)
Total Operating Expenses	519,621	23,328	542,949
Operating Income	(\$21,982)	\$1,757	(\$20,225)

Supporting Schedules:

- (1) Schedule E-6
- (2) Schedule C-2

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

PRO FORMA ADJUSTMENTS TO OPERATING INCOME STATEMENT

DESCRIPTION	AMOUNT
WATER SALES:	
Reconciliation of Billing Detail to Book Revenues	\$17,076
Annualization of Home Depot Account	5,448
Pro Forma Adjustment - Water Sales	<u>\$22,524</u>
SALARIES & WAGES:	
Annualization of Employee Salaries & Wages	<u>\$19,200</u>
EMPLOYEE PENSIONS & BENEFITS:	
Employee Pensions & Benefits Related to Salaries & Wages Adjustment	<u>\$3,086</u>
PUMPING POWER:	
Increase in Pumping Power Related to Home Depot Rev. Annualization	<u>\$143</u>
GENERAL & ADMINISTRATIVE EXPENSES:	
Increase in Customer Accounting Exp. Related to Home Depot Adj.	\$54
Amortization of \$48,000 Rate Case Expenses Over 3 Years	16,000
Elimination of Bad Debt Expenses Applicable to Prior Years	(7,425)
Pro Forma Adjustment - General & Administrative Expenses	<u>\$8,629</u>
PROPERTY TAXES:	
Adjustment to Book Property Taxes to ADOR Formula	<u>\$4,870</u>
INCOME TAXES:	
Book Operating Loss Before Adjustments	(\$21,932)
Pro Forma Adjustments	(10,843)
Synchronized Interest Expense	(20,972)
Taxable Loss	<u>(\$53,747)</u>
Income Taxes @ 23.35%	<u>(\$12,550)</u>

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

COMPUTATION OF GROSS REVENUE CONVERSION FACTOR

DESCRIPTION	PERCENTAGE
Federal Income Taxes	16.3842%
State Income Taxes	6.9680%
Total Income Taxes	23.3522%
Gross Revenue Conversion Factor = $1/1 - \text{Tax Percentage} =$	1.3047

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

SUMMARY COST OF CAPITAL

DESCRIPTION	12-31-03 AMOUNT	PERCENT	COST RATE	WEIGHTED COST RATE
Long Term Debt	\$380,327	49.03%	5.43%	2.662%
Common Equity	395,345	50.97%	13.90%	7.085%
Total Capital	<u>\$775,672</u>	<u>100.00%</u>		<u>9.747%</u>

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

COMPARATIVE BALANCE SHEETS
ASSETS

DESCRIPTION	BALANCE AT		
	12-31-03	12-31-02	12-31-01
Utility Plant:			
Gross Utility Plant In Service	\$2,162,941	\$1,985,679	\$2,007,579
Less: Accumulated Depreciation	1,109,241	1,064,312	1,022,012
Net Utility Plant In Service	\$1,053,700	\$921,367	\$985,567
CWIP	6,983	2,632	562
Total Utility Plant	\$1,060,683	\$923,999	\$986,129
Current Assets:			
Cash	\$27,550	\$26,574	\$30,218
Accounts Receivable	42,124	57,570	38,459
Due From Officers	23,060	23,060	23,060
Supplies & Other Current Assets	12,282	7,783	7,783
Total Current Assets	\$105,016	\$114,987	\$99,520
Total Assets	\$1,165,699	\$1,038,986	\$1,085,649

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

COMPARATIVE BALANCE SHEETS
LIABILITIES AND EQUITY

DESCRIPTION	BALANCE AT		
	12-31-03	12-31-02	12-31-01
Capitalization:			
Long Term Debt	\$350,727	\$265,352	\$300,287
Equity:			
Common Stock	\$4,000	\$4,000	\$4,000
Paid In Capital	513,155	513,155	513,155
Retained Earnings	(121,810)	(85,451)	(134,895)
Total Equity	395,345	431,704	382,260
Total Capital	\$746,072	\$697,056	\$682,547
Advances & Contributions:			
Advances in Aid of Construction	\$243,473	\$222,290	\$222,290
Meter Deposits	88,392	74,067	63,776
Contributions - Net of Amortization	14,712	8,754	8,937
Total Advances & Contributions	\$346,577	\$305,111	\$295,003
Current Liabilities			
Accounts Payable	\$11,261	\$2,123	\$10,763
Current Portion - LT Debt	29,600	0	76,744
Other Current Liabilities	32,189	34,696	20,592
Total Current Liabilities	\$73,050	\$36,819	\$108,099
Total Liabilities and Equity	\$1,165,699	\$1,038,986	\$1,085,649

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

COMPARATIVE INCOME STATEMENTS

DESCRIPTION	YEAR ENDED		
	12-31-03	12-31-02	12-31-01
Revenues:			
Water Sales	\$493,475	\$492,066	\$487,379
Other Water Revenues	4,164	3,472	3,620
Total Revenues	497,639	\$495,538	\$490,999
Operating Expenses:			
Salaries & Wages	\$212,095	\$178,725	\$181,418
Employee Pensions & Benefits	34,085	15,943	21,597
Purchased Power	42,810	37,389	56,176
Outside Services	13,252	12,051	3,105
Repairs & Maintenance	29,243	23,420	21,012
Rental Expense	52,035	46,855	48,359
Materials & Supplies	4,120	2,335	2,521
General & Administrative	64,321	60,231	58,762
Depreciation	44,684	42,117	41,146
Property Taxes	22,926	25,294	12,878
Income Taxes	50	50	50
Total Operating Expenses	\$519,621	\$444,410	\$447,024
Operating Income (Loss)	(\$21,982)	\$51,128	\$43,975
Other Income & Expense:			
Other Income	\$1,952	\$4,477	\$596
Interest Expense	16,328	6,161	37,702
Total Other Income & Expense	\$14,376	\$1,684	\$37,106
Net Income (Loss)	<u>(\$36,358)</u>	<u>\$49,444</u>	<u>\$6,869</u>

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

DETAIL OF UTILITY PLANT

DESCRIPTION	BALANCE AT 12-31-03	NET ADDITIONS	BALANCE 12-31-02
Land & Land Rights	\$73,175	\$0	\$73,175
Structures & Improvements	94,930	0	94,930
Wells & Springs	239,855	8,102	231,753
Pumping Equipment	104,629	0	104,629
Distribution Reservoirs	304,911	0	304,911
Transmission & Distribution Mains	1,057,174	140,920	916,254
Services	10,116	0	10,116
Meters & Meter Installations	185,262	14,060	171,202
Hydrants	14,810	7,044	7,766
Other Plant & Misc. Equipment	40,209	1,325	38,884
Office Furniture & Equipment	28,994	5,811	23,183
Transportation Equipment	8,343	0	8,343
Communication Equipment	533	0	533
Total Gross Utility Plant In Service	<u>\$2,162,941</u>	<u>\$177,262</u>	<u>\$1,985,679</u>
Accumulated Depreciation	<u>1,109,241</u>	<u>44,929</u>	<u>1,064,312</u>
Net Utility Plant In Service	<u>\$1,053,700</u>	<u>\$132,333</u>	<u>\$921,367</u>

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

OPERATING STATISTICS

DESCRIPTION	YEAR ENDED		
	12-31-03	12-31-02	12-31-01
Year End Customers:			
Residential	830	800	772
Commercial	107	99	111
Average Customers:			
Residential	816	782	778
Commercial	102	100	98
Gallons Sold:			
Residential	56,281,971	53,492,523	45,911,341
Commercial	28,530,526	29,712,844	27,155,160
Revenues:			
Residential	\$338,255	\$338,473	\$311,172
Commercial	\$154,124	\$155,272	\$144,392
Revenues Per Avg. Customer:			
Residential	\$415	\$433	\$400
Commercial	\$1,511	\$1,553	\$1,473

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

TAXES CHARGED TO OPERATIONS

DESCRIPTION	YEAR ENDED		
	12-31-03	12-31-02	12-31-01
Property Taxes	\$22,926	\$25,294	\$12,878
FICA Taxes	16,206	12,993	13,879
Federal Unemployment Taxes	582	475	933
State Unemployment Taxes	568	558	762
Income Taxes	50	50	50

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

NOTES TO FINANCIAL STATEMENTS

A. AUDITS:

The financial statements of Pineview Water Company are not audited.

B. ACCOUNTING METHODS:

The accrual accounting method is used by Pineview Water Company

C. DEPRECIATION RATES:

Straight-line depreciation rates are used by Pineview Water Company and vary by plant account.

D. ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) :

AFUDC is not capitalized on construction as a general policy.

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

PROJECTED INCOME STATEMENTS - PRESENT AND PROPOSED RATES

DESCRIPTION	TEST YEAR 12-31-03	PROJECTED YEAR AT	
		PRESENT RATES 12-31-04	PROPOSED RATES 12-31-04
Revenues:			
Water Sales	\$518,560	\$534,117	\$662,839
Other Water Revenues	\$4,164	4,289	5,576
Total Revenues	\$522,724	\$538,406	\$668,415
Operating Expenses:			
Salaries & Wages	\$231,295	\$235,921	\$235,921
Employee Pensions & Benefits	37,171	37,914	37,914
Purchased Power	42,953	43,812	43,812
Outside Services	13,252	13,517	13,517
Repairs & Maintenance	29,243	29,828	29,828
Rental Expense	52,035	53,076	53,076
Materials & Supplies	4,120	4,202	4,202
General & Administrative	72,950	74,409	74,409
Depreciation	44,684	45,578	45,578
Property Taxes	27,796	28,352	28,352
Income Taxes	(12,550)	(12,417)	17,182
Total Operating Expenses	542,949	554,192	583,791
Operating Income (Loss)	(\$20,225)	(\$15,786)	\$84,624
Other Income & Expense:			
Other Income	\$1,952	\$1,200	\$1,200
Interest Expense	16,328	29,620	29,620
Total Other Income & Expense	14,376	28,420	28,420
Net Income (Loss)	(\$34,601)	(\$44,206)	\$56,204

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

PROJECTED CONSTRUCTION REQUIREMENTS

DESCRIPTION	ACTUAL 12-31-03	PROJECTED		
		2004	2005	2006
Land		\$15,000		
Wells	\$8,102		\$271,459	\$10,000
Distribution Reservoirs			304,150	
Transmission & Distribution Mains	140,920	40,000	234,369	95,360
Meters & Meter Installations	14,060	15,000	50,000	50,000
Hydrants	7,044	8,000	8,000	8,000
Misc. Plant	1,325			
Office Furniture & Equipment	5,811			
Transportation Equipment			36,000	
Communication Equipment			35,000	
Total	<u>\$177,262</u>	<u>\$78,000</u>	<u>\$938,978</u>	<u>\$163,360</u>

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

KEY ASSUMPTIONS SUPPORTING THE DEVELOPMENT OF PROJECTIONS

DESCRIPTION	FACTOR
A. REVENUES & EXPENSES - PRESENT RATES: Revenue Increases - 3%; Operating Expense Increases - 2%	
B. OTHER INCOME AND EXPENSE: Increase in Interest Expense to Reflect Current Level of Interest	
C. REVENUES - PROPOSED RATES: Water Sales - Percentage Increase Other Water Revenues - Percentage Increase	24% 30%

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

SUMMARY OF WATER REVENUES AT PRESENT AND PROPOSED RATES

DESCRIPTION	REVENUES IN THE TEST YEAR		INCREASE	
	PRESENT (1)	PROPOSED	AMOUNT	PERCENT
5/8" Meters	\$337,990	\$416,420	\$78,430	23.20%
3/4" Meters	56,958	71,945	14,987	26.31%
1" Meters	14,963	18,888	3,925	26.23%
1 1/2" Meters	8,180	10,025	1,845	22.56%
2" Meters	92,157	115,409	23,252	25.23%
3" Meters	4,145	5,068	923	22.27%
Construction Water	3,070	4,476	1,406	45.80%
Total Metered Sales	\$517,463	\$642,231	\$124,768	24.11%
Sprinkler Revenues	1,097	1,371	274	24.98%
Other Revenues	4,164	5,574	1,410	33.86%
Total Water Revenues	\$522,724	\$649,176	\$126,452	24.19%

NOTES:

(1) Including Pro Forma Adjustments

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

PROPOSED CHANGES IN WATER RATES

DESCRIPTION	PRESENT RATE	PROPOSED RATE
MONTHLY SERVICE CHARGES:		
5/8" Meters	\$17.00	\$21.25
3/4" Meters	24.14	30.25
1" Meters	42.27	53.00
1 1/2" Meters	82.49	103.00
2" Meters	130.76	163.00
3" Meters	241.35	300.00
4" Meters	402.25	500.00
6" Meters	804.50	1,000.00
8" Meters	1,206.75	1,500.00
10" Meters	1,609.00	2,000.00
ALL WATER USAGE - PER 1,000 GAL.:		
5/8" Meters:		
First 5,000 Gallons	\$3.26	\$3.78
Next 15,000 Gallons	3.26	4.10
All Usage Over 20,000 Gallons	3.26	4.50
3/4" Meters:		
First 10,000 Gallons	\$3.26	\$3.78
Next 30,000 Gallons	3.26	4.10
All Usage Over 40,000 Gallons	3.26	4.50
1" Meters:		
First 20,000 Gallons	\$3.26	\$3.78
Next 60,000 Gallons	3.26	4.10
All Usage Over 80,000 Gallons	3.26	4.50

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003
PROPOSED CHANGES IN WATER RATES

DESCRIPTION	PRESENT RATE	PROPOSED RATE
ALL WATER USAGE - PER 1,000 GAL.:		
1 1/2" Meters:		
First 20,000 Gallons	\$3.26	\$3.78
Next 60,000 Gallons	3.26	4.10
All Usage Over 80,000 Gallons	3.26	4.50
2" Meters:		
First 60,000 Gallons	\$3.26	\$3.78
Next 140,000 Gallons	3.26	4.10
All Usage Over 200,000 Gallons	3.26	4.50
3" Meters:		
First 100,000 Gallons	\$3.26	\$3.78
Next 300,000 Gallons	3.26	4.10
All Usage Over 400,000 Gallons	3.26	4.50
4" Meters:		
First 200,000 Gallons	\$3.26	\$3.78
Next 400,000 Gallons	3.26	4.10
All Usage Over 600,000 Gallons	3.26	4.50
6" Meters:		
First 700,000 Gallons	\$3.26	\$3.78
Next 1,300,000 Gallons	3.26	4.10
All Usage Over 2,000,000 Gallons	3.26	4.50
8" Meters:		
First 1,000,000 Gallons	\$3.26	\$3.78
Next 2,000,000 Gallons	3.26	4.10
All Usage Over 3,000,000 Gallons	3.26	4.50
10" Meters:		
First 2,000,000 Gallons	\$3.26	\$3.78
Next 3,000,000 Gallons	3.26	4.10
All Usage Over 5,000,000 Gallons	3.26	4.50
Construction Water - All Usage	\$3.26	\$4.75

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

PROPOSED CHANGES IN OTHER RATES & CHARGES

DESCRIPTION	PRESENT RATE	PROPOSED RATE
SERVICE CHARGES:		
Establishment of Service:		
Regular Hours	\$20.00	\$25.00
After Hours	\$35.00	\$50.00
Re-Establishment of Service Within 12 Months:		
Monthly Minimum Times Months Disconnected From the Water System	ACC Rule R14-2-403(D)	No Change
Re-Connection of Service:		
Regular Hours	\$15.00	\$50.00
After Hours	NR (1)	\$75.00
Water Meter Test (If Correct)	\$20.00	Cost of Test (2)
Water Meter Relocation at Cust. Request	NR (1)	Cost of Move (2)
Meter Re-read (If Correct)	\$15.00	No Change
NSF Check Charge	\$15.00	\$25.00
Late Charge	1 1/2% Per Mo.	No Change
Deferred Payment Finance Charge	1 1/2% Per Mo.	No Change
Service Calls - Regular Hours	No Charge	No Change
Service Calls - After Hours	NR (1)	\$50.00
Deposit Requirements	ACC Rule R14-2-403(B)	No Change
Deposit Interest	ACC Rule R14-2-403(B)	No Change
REFUNDABLE METER INSTALLATION CHARGES:		
5/8" Meters	\$400.00	\$475.00
3/4" Meters	440.00	550.00
1" Meters	500.00	650.00
1 1/2" Meters	715.00	900.00
2" Turbine Meters	1,170.00	1,550.00
2" Compound Meters	1,700.00	2,300.00
3" Turbine Meters	1,585.00	2,200.00
3" Compound Meters	2,190.00	3,100.00
4" Turbine Meters	2,540.00	3,400.00
4" Compound Meters	3,215.00	4,400.00
6" Turbine Meters	4,815.00	6,200.00
6" Compound Meters	6,270.00	7,900.00
8" Turbine Meters	6,655.00	8,850.00
8" Compound Meters	7,040.00	9,350.00
10" Turbine Meters	8,495.00	11,300.00
10" Compound Meters	9,950.00	13,200.00

NOTES:

- (1) No Currently Approved Rate
- (2) Cost Includes Materials, Labor and Overheads

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

TYPICAL BILL ANALYSIS

DESCRIPTION	WATER USAGE	BILL AT: (1)		PERCENT INCREASE
		PRESENT RATES	PROPOSED RATES	
5/8" METERS:				
	5,000	\$33.30	\$40.15	20.57%
	10,000	49.60	60.65	22.28%
	15,000	65.90	81.15	23.14%
	20,000	82.20	101.65	23.66%
	25,000	98.50	124.15	26.04%
	30,000	114.80	146.65	27.74%
	40,000	147.40	191.65	30.02%
	50,000	180.00	236.65	31.47%
Median Usage	3,400	\$28.08	\$34.10	21.43%
Average Usage	5,407	34.63	41.82	20.77%
3/4" METERS:				
	10,000	\$56.74	\$68.05	19.93%
	20,000	89.34	109.05	22.06%
	40,000	154.54	191.05	23.62%
	60,000	219.74	281.05	27.90%
	80,000	284.94	371.05	30.22%
	100,000	350.14	461.05	31.68%
	120,000	415.34	551.05	32.67%
	140,000	480.54	641.05	33.40%
Median Usage	2,500	\$32.29	\$39.70	22.95%
Average Usage	13,506	68.17	82.42	20.91%
1" METERS:				
	20,000	\$107.47	\$128.60	19.66%
	40,000	172.67	210.60	21.97%
	60,000	237.87	292.60	23.01%
	80,000	303.07	374.60	23.60%
	100,000	368.27	464.60	26.16%
	120,000	433.47	554.60	27.94%
	140,000	498.67	644.60	29.26%
	160,000	563.87	734.60	30.28%
Median Usage	3,500	\$53.68	\$66.05	23.04%
Average Usage	29,142	137.27	166.08	20.99%

NOTES:

(1) Excluding Revenue Taxes

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

TYPICAL BILL ANALYSIS

DESCRIPTION	WATER USAGE	BILL AT: (1)		PERCENT INCREASE
		PRESENT RATES	PROPOSED RATES	
1 1/2" METERS:				
	20,000	\$147.69	\$178.60	20.93%
	40,000	212.89	260.60	22.41%
	60,000	278.09	342.60	23.20%
	80,000	343.29	424.60	23.69%
	100,000	408.49	514.60	25.98%
	120,000	473.69	604.60	27.64%
	140,000	538.89	694.60	28.89%
	160,000	604.09	784.60	29.88%
Median Usage	20,000	\$147.69	\$178.60	20.93%
Average Usage	24,880	\$163.60	198.61	21.40%
2" METERS:				
	20,000	\$195.96	\$238.60	21.76%
	40,000	261.16	314.20	20.31%
	60,000	326.36	389.80	19.44%
	80,000	391.56	471.80	20.49%
	100,000	456.76	553.80	21.25%
	150,000	619.76	758.80	22.43%
	200,000	782.76	963.80	23.13%
	250,000	945.76	1,188.80	25.70%
Median Usage	18,000	\$189.44	\$231.04	21.96%
Average Usage	64,203	340.06	407.03	19.69%
3" METERS:				
	20,000	\$306.55	\$375.60	22.52%
	40,000	371.75	451.20	21.37%
	60,000	436.95	526.80	20.56%
	80,000	502.15	602.40	19.96%
	100,000	567.35	678.00	19.50%
	150,000	730.35	883.00	20.90%
	250,000	1,056.35	1,293.00	22.40%
	500,000	1,871.35	2,358.00	26.01%
Median Usage	25,000	\$322.85	\$394.50	22.19%
Average Usage	23,769	318.84	389.85	22.27%

NOTES:
(1) Excluding Revenue Taxes

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

BILL COUNT

DESCRIPTION	BLOCK				CUMULATIVE			
	BILLS	PERCENT	GALLONS	PERCENT	BILLS	PERCENT	GALLONS	PERCENT
5/8" METERS:								
No Usage	1,496	15.33%	0	0.00%	1,496	15.33%	0	0.00%
0-1,000	1,175	12.04%	782,754	1.48%	2,671	27.36%	782,754	1.48%
1,000 - 2,000	936	9.59%	1,572,640	2.98%	3,607	36.95%	2,355,394	4.46%
2,000 - 3,000	1,040	10.65%	2,810,677	5.33%	4,647	47.61%	5,166,071	9.79%
3,000 - 4,000	934	9.57%	3,490,220	6.61%	5,581	57.18%	8,656,291	16.40%
4,000 - 5,000	783	8.02%	3,697,811	7.01%	6,364	65.20%	12,354,102	23.41%
5,000 - 6,000	630	6.45%	3,605,069	6.83%	6,994	71.65%	15,959,171	30.24%
6,000 - 7,000	500	5.12%	3,364,030	6.37%	7,494	76.77%	19,323,201	36.61%
7,000 - 8,000	373	3.82%	2,869,566	5.44%	7,867	80.60%	22,192,767	42.05%
8,000 - 9,000	333	3.41%	2,893,488	5.48%	8,200	84.01%	25,086,255	47.53%
9,000 - 10,000	257	2.63%	2,473,573	4.69%	8,457	86.64%	27,559,828	52.22%
10,000 - 12,000	349	3.58%	3,914,883	7.42%	8,806	90.22%	31,474,711	59.64%
12,000 - 14,000	229	2.35%	2,994,700	5.67%	9,035	92.56%	34,469,411	65.31%
14,000 - 16,000	153	1.57%	2,300,234	4.36%	9,188	94.13%	36,769,645	69.67%
16,000 - 18,000	123	1.26%	2,101,330	3.98%	9,311	95.39%	38,870,975	73.65%
18,000 - 20,000	81	0.83%	1,529,769	2.90%	9,392	96.22%	40,400,744	76.55%
20,000 - 25,000	148	1.52%	3,368,832	6.38%	9,540	97.74%	43,769,576	82.93%
25,000 - 30,000	78	0.80%	2,090,870	3.96%	9,618	98.53%	45,860,446	86.89%
30,000 - 40,000	83	0.85%	2,843,855	5.39%	9,701	99.39%	48,704,301	92.28%
40,000 - 50,000	23	0.24%	1,032,150	1.96%	9,724	99.62%	49,736,451	94.24%
50,000 - 60,000	11	0.11%	606,280	1.15%	9,735	99.73%	50,342,731	95.39%
60,000 - 70,000	4	0.04%	254,660	0.48%	9,739	99.77%	50,597,391	95.87%
70,000 - 80,000	7	0.07%	462,960	0.88%	9,746	99.85%	51,060,351	96.75%
80,000 - 90,000	6	0.06%	520,020	0.99%	9,752	99.91%	51,580,371	97.73%
90,000 - 100,000	1	0.01%	95,950	0.18%	9,753	99.92%	51,676,321	97.91%
Over 100,000	8	0.08%	1,101,390	2.09%	9,761	100.00%	52,777,711	100.00%
Total	9,761	100.00%	52,777,711	100.00%				

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

BILL COUNT

DESCRIPTION	BLOCK				CUMULATIVE			
	BILLS	PERCENT	GALLONS	PERCENT	BILLS	PERCENT	GALLONS	PERCENT
3/4" METERS:								
No Usage	140	16.85%	0	0.00%	140	16.85%	0	0.00%
0-1,000	118	14.20%	112,650	1.00%	258	31.05%	112,650	1.00%
1,000 - 2,000	100	12.03%	193,684	1.71%	358	43.08%	306,334	2.71%
2,000 - 3,000	72	8.66%	207,460	1.83%	430	51.74%	513,794	4.54%
3,000 - 4,000	53	6.38%	204,000	1.80%	483	58.12%	717,794	6.34%
4,000 - 5,000	29	3.49%	145,000	1.28%	512	61.61%	862,794	7.62%
5,000 - 6,000	27	3.25%	161,030	1.42%	539	64.86%	1,023,824	9.05%
6,000 - 7,000	30	3.61%	209,350	1.85%	569	68.47%	1,233,174	10.90%
7,000 - 8,000	27	3.25%	216,000	1.91%	596	71.72%	1,449,174	12.80%
8,000 - 9,000	16	1.93%	144,000	1.27%	612	73.65%	1,593,174	14.08%
9,000 - 10,000	15	1.81%	150,000	1.33%	627	75.45%	1,743,174	15.40%
10,000 - 12,000	21	2.53%	240,000	2.12%	648	77.98%	1,983,174	17.52%
12,000 - 14,000	20	2.41%	268,836	2.38%	668	80.39%	2,252,010	19.90%
14,000 - 16,000	19	2.29%	292,676	2.59%	687	82.67%	2,544,686	22.48%
16,000 - 18,000	10	1.20%	173,000	1.53%	697	83.87%	2,717,686	24.01%
18,000 - 20,000	6	0.72%	116,000	1.02%	703	84.60%	2,833,686	25.04%
20,000 - 25,000	20	2.41%	451,000	3.98%	723	87.00%	3,284,686	29.02%
25,000 - 30,000	19	2.29%	525,430	4.64%	742	89.29%	3,810,116	33.66%
30,000 - 40,000	17	2.05%	595,000	5.26%	759	91.34%	4,405,116	38.92%
40,000 - 50,000	13	1.56%	629,000	5.56%	772	92.90%	5,034,116	44.48%
50,000 - 60,000	6	0.72%	325,000	2.87%	778	93.62%	5,359,116	47.35%
60,000 - 70,000	7	0.84%	458,070	4.05%	785	94.46%	5,817,186	51.40%
70,000 - 80,000	5	0.60%	382,000	3.38%	790	95.07%	6,199,186	54.77%
80,000 - 90,000	4	0.48%	334,000	2.95%	794	95.55%	6,533,186	57.72%
90,000 - 100,000	6	0.72%	566,000	5.00%	800	96.27%	7,099,186	62.72%
100,000 - 125,000	13	1.56%	1,467,000	12.96%	813	97.83%	8,566,186	75.69%
125,000 - 150,000	11	1.32%	1,507,000	13.31%	824	99.16%	10,073,186	89.00%
Over 150,000	7	0.84%	1,245,000	11.00%	831	100.00%	11,318,186	100.00%
Total	831	100.00%	11,318,186	100.00%				

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

BILL COUNT

DESCRIPTION	BLOCK				CUMULATIVE			
	BILLS	PERCENT	GALLONS	PERCENT	BILLS	PERCENT	GALLONS	PERCENT
1" METERS:								
No Usage	19	17.43%	0	0.00%	19	17.43%	0	0.00%
0-1,000	13	11.93%	12,280	0.39%	32	29.36%	12,280	0.39%
1,000 - 2,000	12	11.01%	24,000	0.76%	44	40.37%	36,280	1.14%
2,000 - 3,000	6	5.50%	18,000	0.57%	50	45.87%	54,280	1.71%
3,000 - 4,000	6	5.50%	24,000	0.76%	56	51.38%	78,280	2.46%
4,000 - 5,000	6	5.50%	30,000	0.94%	62	56.88%	108,280	3.41%
5,000 - 6,000	1	0.92%	6,000	0.19%	63	57.80%	114,280	3.60%
6,000 - 7,000	0	0.00%	0	0.00%	63	57.80%	114,280	3.60%
7,000 - 8,000	0	0.00%	0	0.00%	63	57.80%	114,280	3.60%
8,000 - 9,000	1	0.92%	9,000	0.28%	64	58.72%	123,280	3.88%
9,000 - 10,000	0	0.00%	0	0.00%	64	58.72%	123,280	3.88%
10,000 - 12,000	2	1.83%	22,000	0.69%	66	60.55%	145,280	4.57%
12,000 - 14,000	5	4.59%	66,860	2.10%	71	65.14%	212,140	6.68%
14,000 - 16,000	1	0.92%	16,000	0.50%	72	66.06%	228,140	7.18%
16,000 - 18,000	1	0.92%	17,000	0.54%	73	66.97%	245,140	7.72%
18,000 - 20,000	3	2.75%	58,300	1.84%	76	69.72%	303,440	9.55%
20,000 - 25,000	3	2.75%	68,300	2.15%	79	72.48%	371,740	11.70%
25,000 - 30,000	2	1.83%	59,000	1.86%	81	74.31%	430,740	13.56%
30,000 - 40,000	4	3.67%	145,000	4.56%	85	77.98%	575,740	18.12%
40,000 - 50,000	7	6.42%	318,650	10.03%	92	84.40%	894,390	28.16%
50,000 - 60,000	2	1.83%	107,000	3.37%	94	86.24%	1,001,390	31.52%
60,000 - 70,000	1	0.92%	66,800	2.10%	95	87.16%	1,068,190	33.63%
70,000 - 80,000	0	0.00%	0	0.00%	95	87.16%	1,068,190	33.63%
80,000 - 90,000	1	0.92%	84,000	2.64%	96	88.07%	1,152,190	36.27%
90,000 - 100,000	2	1.83%	192,000	6.04%	98	89.91%	1,344,190	42.32%
100,000 - 125,000	4	3.67%	468,640	14.75%	102	93.58%	1,812,830	57.07%
125,000 - 150,000	0	0.00%	0	0.00%	102	93.58%	1,812,830	57.07%
Over 150,000	7	6.42%	1,363,680	42.93%	109	100.00%	3,176,510	100.00%
Total	109	100.00%	3,176,510	100.00%				

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

BILL COUNT

DESCRIPTION	BLOCK				CUMULATIVE			
	BILLS	PERCENT	GALLONS	PERCENT	BILLS	PERCENT	GALLONS	PERCENT
1 1/2" METERS:								
No Usage	1	2.00%	0	0.00%	1	0.92%	0	0.00%
0-1,000	2	4.00%	12,280	0.39%	3	2.75%	12,280	0.39%
1,000 - 2,000	2	4.00%	24,000	0.76%	5	4.59%	36,280	1.14%
2,000 - 3,000	2	4.00%	18,000	0.57%	7	6.42%	54,280	1.71%
3,000 - 4,000	2	4.00%	24,000	0.76%	9	8.26%	78,280	2.46%
4,000 - 5,000	2	4.00%	30,000	0.94%	11	10.09%	108,280	3.41%
5,000 - 6,000	2	4.00%	6,000	0.19%	13	11.93%	114,280	3.60%
6,000 - 7,000	1	2.00%	0	0.00%	14	12.84%	114,280	3.60%
7,000 - 8,000	3	6.00%	0	0.00%	17	15.60%	114,280	3.60%
8,000 - 9,000	0	0.00%	9,000	0.28%	17	15.60%	123,280	3.88%
9,000 - 10,000	0	0.00%	0	0.00%	17	15.60%	123,280	3.88%
10,000 - 12,000	0	0.00%	22,000	0.69%	17	15.60%	145,280	4.57%
12,000 - 14,000	0	0.00%	66,860	2.10%	17	15.60%	212,140	6.68%
14,000 - 16,000	1	2.00%	16,000	0.50%	18	16.51%	228,140	7.18%
16,000 - 18,000	0	0.00%	17,000	0.54%	18	16.51%	245,140	7.72%
18,000 - 20,000	2	4.00%	58,300	1.84%	20	18.35%	303,440	9.55%
20,000 - 25,000	10	20.00%	68,300	2.15%	30	27.52%	371,740	11.70%
25,000 - 30,000	15	30.00%	59,000	1.86%	45	41.28%	430,740	13.56%
30,000 - 40,000	3	6.00%	145,000	4.56%	48	44.04%	575,740	18.12%
40,000 - 50,000	0	0.00%	318,650	10.03%	48	44.04%	894,390	28.16%
50,000 - 60,000	1	2.00%	107,000	3.37%	49	44.95%	1,001,390	31.52%
60,000 - 70,000	0	0.00%	66,800	2.10%	49	44.95%	1,068,190	33.63%
70,000 - 80,000	1	2.00%	0	0.00%	50	45.87%	1,068,190	33.63%
80,000 - 90,000	0	0.00%	84,000	2.64%	50	45.87%	1,152,190	36.27%
90,000 - 100,000	0	0.00%	192,000	6.04%	50	45.87%	1,344,190	42.32%
100,000 - 125,000	0	0.00%	468,640	14.75%	50	45.87%	1,812,830	57.07%
125,000 - 150,000	0	0.00%	0	0.00%	50	45.87%	1,812,830	57.07%
Over 150,000	0	0.00%	1,363,680	42.93%	50	45.87%	3,176,510	100.00%
Total	50	100.00%	3,176,510	100.00%				

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

BILL COUNT

DESCRIPTION	BLOCK				CUMULATIVE			
	BILLS	PERCENT	GALLONS	PERCENT	BILLS	PERCENT	GALLONS	PERCENT
2" METERS:								
No Usage	61	22.51%	0	0.00%	61	22.51%	0	0.00%
0 - 5,000	36	13.28%	92,900	0.53%	97	35.79%	92,900	0.53%
5,000 - 20,000	58	21.40%	648,690	3.73%	155	57.20%	741,590	4.26%
20,000 - 40,000	29	10.70%	824,700	4.74%	184	67.90%	1,566,290	9.00%
40,000 - 60,000	24	8.86%	1,231,300	7.08%	208	76.75%	2,797,590	16.08%
60,000 - 80,000	9	3.32%	628,300	3.61%	217	80.07%	3,425,890	19.69%
80,000 - 100,000	5	1.85%	435,100	2.50%	222	81.92%	3,860,990	22.19%
100,000 - 120,000	10	3.69%	1,121,200	6.44%	232	85.61%	4,982,190	28.63%
120,000 - 140,000	4	1.48%	523,100	3.01%	236	87.08%	5,505,290	31.64%
140,000 - 160,000	1	0.37%	140,800	0.81%	237	87.45%	5,646,090	32.45%
160,000 - 180,000	2	0.74%	343,100	1.97%	239	88.19%	5,989,190	34.42%
180,000 - 200,000	1	0.37%	197,600	1.14%	240	88.56%	6,186,790	35.56%
200,000 - 250,000	4	1.48%	877,200	5.04%	244	90.04%	7,063,990	40.60%
250,000 - 300,000	4	1.48%	1,116,800	6.42%	248	91.51%	8,180,790	47.02%
300,000 - 400,000	14	5.17%	5,020,600	28.86%	262	96.68%	13,201,390	75.87%
400,000 - 500,000	7	2.58%	3,104,400	17.84%	269	99.26%	16,305,790	93.72%
Over 500,000	2	0.74%	1,093,200	6.28%	271	100.00%	17,398,990	100.00%
Total	271	100.00%	17,398,990	100.00%				

PINEVIEW WATER COMPANY
Test Year Ended December 31, 2003

BILL COUNT

DESCRIPTION	BLOCK				CUMULATIVE			
	BILLS	PERCENT	GALLONS	PERCENT	BILLS	PERCENT	GALLONS	PERCENT
3" METERS:								
No Usage	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0 - 5,000	0	0.00%	0	0.00%	0	0.00%	0	0.00%
5,000 - 20,000	1	7.69%	8,000	2.59%	1	7.69%	8,000	2.59%
20,000 - 40,000	12	92.31%	301,000	97.41%	13	100.00%	309,000	100.00%
40,000 - 60,000	0	0.00%	0	0.00%	13	100.00%	309,000	100.00%
60,000 - 80,000	0	0.00%	0	0.00%	13	100.00%	309,000	100.00%
80,000 - 100,000	0	0.00%	0	0.00%	13	100.00%	309,000	100.00%
100,000 - 120,000	0	0.00%	0	0.00%	13	100.00%	309,000	100.00%
120,000 - 140,000	0	0.00%	0	0.00%	13	100.00%	309,000	100.00%
140,000 - 160,000	0	0.00%	0	0.00%	13	100.00%	309,000	100.00%
160,000 - 180,000	0	0.00%	0	0.00%	13	100.00%	309,000	100.00%
180,000 - 200,000	0	0.00%	0	0.00%	13	100.00%	309,000	100.00%
200,000 - 250,000	0	0.00%	0	0.00%	13	100.00%	309,000	100.00%
250,000 - 300,000	0	0.00%	0	0.00%	13	100.00%	309,000	100.00%
300,000 - 400,000	0	0.00%	0	0.00%	13	100.00%	309,000	100.00%
400,000 - 500,000	0	0.00%	0	0.00%	13	100.00%	309,000	100.00%
Over 500,000	0	0.00%	0	0.00%	13	100.00%	309,000	100.00%
Total	13	100.00%	309,000	100.00%				

PINEVIEW WATER COMPANY, INC.

DOCKET W-01676

TARIFF

Issued _____

ISSUED BY:

Effective _____

Ron McDonald, General Manager
Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

75005.00000.10

EXHIBIT B

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Pineview Water Company, Inc.
5198 Cub Lake Road
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Ron McDonald, General Manager
Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

Applies to all WATER service areas

**PART ONE
STATEMENT OF CHARGES
WATER SERVICE**

I. RATES

In Opinion and Order No. _____, dated _____, 2005, the Commission approved the following rates and charges to become effective with _____, 2005 usage.

<u>Meter Size</u> Inches	<u>Usage Included in</u> <u>Minimum Charge</u> Gallons	<u>Minimum</u> <u>Charge</u> Per Month
A. General Service		
5/8" x 3/4" Meter	-0-	21.25
3/4" Meter	-0-	30.25
1" Meter	-0-	53.00
1 1/2" Meter	-0-	103.00
2" Meter	-0-	163.00
3" Meter	-0-	300.00
4" Meter	-0-	500.00
6" Meter	-0-	1,000.00
8" Meter	-0-	1,500.00
10" Meter	-0-	2,000.00

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Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

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Applies to all WATER service areas

**PART ONE
STATEMENT OF CHARGES
WATER SERVICE**

B. Commodity Charges

ALL WATER USAGE – PER 1,000 GAL.:

5/8" Meters

First 5,000 Gallons	3.78
Next 15,000 Gallons	4.10
All Usage Over 20,000 Gallons	4.50

3/4" Meters

First 10,000 Gallons	3.78
Next 30,000 Gallons	4.10
All Usage Over 40,000 Gallons	4.50

1" Meters

First 20,000 Gallons	3.78
Next 60,000 Gallons	4.10
All Usage Over 80,000 Gallons	4.50

1 1/2" Meters:

First 20,000 Gallons	3.78
Next 60,000 Gallons	4.10
All Usage Over 80,000 Gallons	4.50

2" Meters:

First 60,000 Gallons	3.78
Next 140,000 Gallons	4.10
All Usage Over 200,000 Gallons	4.50

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Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

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Applies to all **WATER** service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

3" Meters:	
First 100,000 Gallons	3.78
Next 300,000 Gallons	4.10
All Usage Over 400,000 Gallons	4.50
4" Meters:	
First 200,000 Gallons	3.78
Next 400,000 Gallons	4.10
All Usage Over 600,000 Gallons	4.50
6" Meters:	
First 700,000 Gallons	3.78
Next 1,300,000 Gallons	4.10
All Usage Over 2,000,000 Gallons	4.50
8" Meters:	
First 1,000,000 Gallons	3.78
Next 3,000,000 Gallons	4.10
All Usage Over 3,000,000 Gallons	4.50
10" Meters:	
First 2,000,000 Gallons	3.78
Next 3,000,000 Gallons	4.10
All Usage Over 5,000,000 Gallons	4.50

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Ron McDonald, General Manager
Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

Applies to all **WATER** service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-409(D)(5).

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Ron McDonald, General Manager
Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

III. ADDITIONAL CHARGES

A.	Establishment of Service per Rule R14-2-403D (new customer charge, in addition to F, M, N and O below)	\$ 25.00
1.	If after hours	\$ 50.00
B.	Re-establishment of Service per Rule R14-2-403D (same customer, same location within 12 months)	Note ²
C.	Reconnection of Service per Rule R14-2-403D (Delinquent)	\$ 50.00
1.	If after hours	\$ 75.00
D.	Charge for moving meter at customer request per Rule R14-2-405B	Cost ³
E.	Master Metering/Multiple Dwellings	Note ⁴

² Per month charge times number of months off system.

³ See Sheet No. 14.

⁴ See Part One Section V, "Conditions Concerning Master Metering/Multiple Dwellings" on Sheet No. 15.

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Ron McDonald, General Manager
Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

Applies to all WATER service areas

PART ONE

**STATEMENT OF CHARGES
WATER SERVICE**

F.	Minimum Deposit Requirement per Rule R14-2-403B	
	1. Residential customer	(2 times estimated average monthly bill)
	2. Non residential customer	(2-1/2 times estimated maximum monthly bill)
	3. Deposit Interest	6.0%
G.	Water Meter Test, if correct	Note ⁵
H.	Meter Reread per Rule R14-2-408C (If correct)	\$ 15.00
I.	Charge for NSF Check per Rule R14-2-409F	\$ 25.00
J.	Deferred Payment Finance Charge, per month	Note ⁶
K.	Late Payment Charge, Per Month	Note ^{5 7 8}

⁵ Cost of Test, including materials, labor and overheads.

⁶ 1.50% per month of unpaid balance.

⁷ This charge shall not apply if the customer has arranged for a Deferred Payment Plan.

⁸ Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company's rate tariff. All late payment penalties shall be billed on the customer's next regularly scheduled billing. If the customer fails to pay the late payment penalty by the due date on the next billing, the customer will

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Ron McDonald, General Manager
Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

L.	Service Call – After Hours	\$ 50.00
M.	Service Line Tariff and Meter Advance Policy, Refundable per Rule R14-2-405B:	
	5/8" x 3/4" Meter	475.00
	3/4" Meter	550.00
	1" Meter	650.00
	1 1/2" Meter	900.00
	2" Turbo Meter	1,550.00
	2" Compound Meter	2,300.00
	3" Turbo Meter	2,200.00
	3" Compound Meter	3,100.00
	4" Turbo Meter	3,400.00
	4" Compound Meter	4,400.00
	6" Turbo Meter	6,200.00
	6" Compound Meter	7,900.00
	8" Turbo Meter	8,850.00
	8" Compound Meter	9,350.00
	10" Turbo Meter	11,300.00
	10" Compound Meter	13,200.00

receive a ten (10) day termination notice. If the customer does not pay the late payment penalty by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation. All customers whose service is terminated for failure to pay the late payment penalty are subject to the Company's reconnection charges set forth in the Company's tariff.

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Ron McDonald, General Manager
Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

Applies to all WATER service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

N. Main Extension Tariff, per Rule R14-2-406B Cost⁹

O. Off-Site Facilities Hook-Up Fee

1. Purpose and Applicability

The purpose of the hook-up fees payable to PINEVIEW WATER COMPANY, INC. ("the Company") pursuant to this tariff is to equitably apportion the costs of constructing additional facilities to provide water production, storage, pressure and fire flow among all new service connections.

These charges are applicable to all new service connections established after the effective date of this Tariff. The charges are one-time charges and are payable as a condition to the Company's establishment of service, as more particularly provided below.

2. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting, this tariff schedule.

"Applicant" means any party entering into an agreement with Company for the installation of water facilities to serve new service connections.

⁹ See Sheet No. 14.

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5198 Cub Lake Road
Showlow Arizona 85901

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Applies to all **WATER** service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

"Company" means Pineview Water Company, Inc., an Arizona corporation.

"Main Extension Agreement" means any agreement whereby an Applicant agrees to advance the costs of the installation of water facilities to the Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Commission (same as line extension agreement).

"Off-Site Facilities" means wells, storage tanks and related appurtenances necessary for proper operation, including, engineering and design costs. Off-Site facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation, if these facilities are not for the exclusive use of the applicant and these facilities will benefit the entire water system.

"Service Connection" means and includes all service connections for residential, commercial, industrial, or other uses, regardless of meter size.

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Ron McDonald, General Manager
Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

Applies to all WATER service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

3. Off-Site Facilities Hook-Up Charges

Each new service connection shall pay the total Off-Site Facility Hook-Up Fee, derived from the following table:

OFF-SITE FACILITIES HOOK-UP FEE TABLE		
Meter Size ¹⁰	NARUC Meter Factor	Fee
5/8" X 3/4"	1	\$ 1,500
3/4"	1.2	\$ 1,800
1"	2	\$3,000
1 – 1/2"	4	\$6,000
2"	6.4	\$9,600

4. Terms and Conditions

- (a.) Assessment of One Time Hook-Up Charge: The Hook-Up Fee may be assessed only once per service connection, or lot within a platted subdivision (similar to meter and service line installation charges). However, this provision does not exempt from the Hook-Up Fee, any newly created parcel(s) which are the result of further subdivision of a lot or land parcel and which do not have a service connection.

¹⁰ Hook-Up Fees for 3 inch and larger meters shall be computed on an economic feasibility basis, but not less than \$10,000.

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Ron McDonald, General Manager
 Pineview Water Company, Inc.
 5198 Cub Lake Road
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Applies to all WATER service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

- (b.) Use of Off-Site Facilities Hook-Up Fee: Hook-Up Fees may only be used to pay for the capital items of off-site facilities, or for repayment of loans obtained for installation of off-site facilities. Off Site Hook-Up Fees shall not be used for repairs, maintenance, plant replacements, or operational purposes.
- (c.) Time of Payment:
 - (1) In the event that the Applicant is required to enter into a main extension agreement, whereby the Applicant agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements in order to extend service in accordance with R-14-2-406 (B), payment of the charges required hereunder shall be made by the Applicant within 15 calendar days after receipt of notification from the Company that the Utilities Division of the Commission has approved the main extension agreement in accordance with R14-2-406(M).
 - (2) In the event that the Applicant is not required to enter into a main extension agreement, the charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.
- (d.) Failure to Pay Charges, Delinquent Payments: - Under no circumstances will the Company set a meter or otherwise allow service to be established if the Applicant has not paid in full all charges as provided by this Off-Site Facilities Hook-Up Fee Tariff.

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Ron McDonald, General Manager
Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

DOCKET W-01676

Cancelling Sheet No.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

- (e.) Off-Site Facilities Hook-Up Fee Non-refundable: - The amounts collected by the Company pursuant to the Off-Site Facilities Hook-Up Fee shall be non-refundable contributions in aid of construction.
- (f.) Use of Charges Received: All funds collected by the Company as Off-Site Facilities Hook-Up Fees, shall be deposited into a separate interest bearing trust account and used solely for the purposes of paying for the costs of off-site facilities, including repayment of loans obtained for the installation of off-site facilities that will benefit the entire water system.
- (g.) Off-Site Facilities Hook-Up Fees In Addition to Other Charges: The Off-Site Facilities Hook-Up Fees shall be in addition to any costs associated with a main extension agreement for on-site facilities, and are in addition to the amounts to be advanced pursuant to charges authorized under other sections of this Tariff.
- (h.) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the Off-Site Facilities Hook-Up Fee or the Off-Site Hook-Up Fee Tariff has been terminated by order of the Commission, any funds remaining in the trust shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.
- (i.) Fire Flow Requirements: In the event the applicant for service has fire flow requirements that require additional facilities beyond those facilities whose costs were generally provided or estimated in the Application for this Tariff, the Company may require the Applicant to install such additional facilities as are required to meet those additional fire flow requirements, as a non-refundable contribution, in addition to the Off-Site Facilities Hook-Up Fee.

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ISSUED BY:

Ron McDonald, General Manager
Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

Applies to all **WATER** service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

IV. PERMITTED COSTS

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at costs, cost shall include labor, materials, other charges incurred, and overhead not to exceed 10%. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the provision of the service or after the Company's receipt of invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.

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Ron McDonald, General Manager
Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES

WATER SERVICE

E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.

F. Permitted costs shall include any State or Federal income taxes that are or may be payable by the Company as a result of any tariff or contract for water facilities under which the Customer advances or contributes funds or facilities to the Company.

V. CONDITIONS CONCERNING MASTER METERING/MULTIPLE DWELLINGS

Multiple Dwellings on one 5/8 x 3/4 residential meter: All dwellings, beyond direct connection which cross property lines, will be charged 100 percent of monthly minimum, and/or are required to have their own meter. If the 5/8 x 3/4 residential meter serves more than one dwelling on the same property, the second connection and each additional connection shall each pay 50% of monthly minimum for 5/8 x 3/4 inch meter. Responsibility for payment remains with master meter customer. For larger meter sizes, the meter and service line shall be sized or resized in accordance with the Uniform Plumbing Code, or the American Water Works Association Manual of Water Supply Practices Number 22, "Sizing Water Service Lines and Meters", or in accordance with good engineering practice.

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5198 Cub Lake Road
Showlow Arizona 85901

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Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

Whenever a meter is moved at a customer's request or becomes necessary due to actions of the customer (e.g. lot lines are changed, land is subdivided or transferred), then the customer shall be charged the cost incurred by Pineview Water Company, Inc. in moving the meter. In the event the meter and service lines must be relocated to comply with the rules of the Commission (e.g. to place to meter on the customer property), then the customer of record whose service is no longer in compliance with the Commission rules shall be charged the cost incurred by the co-op in moving the meter. The cost shall include the cost of any main line extension, labor, materials, engineering, document preparation, overhead, applicable taxes, surcharges, permit fees, or special assessments that are or maybe imposed by any governmental agency. Disregard or non-compliance with its Tariff shall be sufficient cause for refusal or disconnection of service. However, existing customers will be given twelve (12) months to pay said costs.

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Ron McDonald, General Manager
Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

Applies to all WATER service areas

PART TWO

**STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE**

I. CROSS-CONNECTION CONTROL

A. Purpose.

To protect the public water supply in the Company's water supply in the Company's water system from the possibility of contamination caused by backflow through unprotected cross-connections by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code, Title 14, Chapter 2, Section 405.B.6 as adopted by the Arizona Corporation Commission, and Title 18, Chapter 4, Section 115, as adopted by the Arizona Department of Environmental Quality, as those regulations may be revised from time to time.

B. Inspections.

The customers shall cooperate fully with the Company in its efforts to investigate and determine the degree of potential health hazard to the public water supply which may result from conditions existing on the customer's premises.

C. Requirements.

In compliance with the Rules and Regulations of the Arizona Corporation Commission and the Arizona Department of Environmental Quality, specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-115 relating to backflow prevention:

1. The Company may require a customer to pay for and have installed, maintain, test and repair a backflow-prevention assembly if A.A.C. R18-4-115.B or C applies.

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Ron McDonald, General Manager
Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

Applies to all WATER service areas

PART TWO

**STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE**

- 2. A backflow-prevention assembly required to be installed by the customer under this tariff shall comply with the requirements set forth in A.A.C. R18-4-115.D and E.
- 3. The Company shall give any customer who is required to install and/or test a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is not applicable, the customer shall be given thirty (30) days in which to comply with this notice. If the customer can show good cause as to why he cannot install the device within thirty (30) days, the Company or the Arizona Corporation Commission Staff may grant additional time for this requirement.
- 4. Testing shall be in conformance with the requirements of A.A.C. R18-4-115.F. The Company shall not require an unreasonable number of tests.
- 5. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:
 - a. assembly identification number and description;
 - b. location;
 - c. date(s) of test(s);
 - d. description of repairs made by tester; and
 - e. tester's name and certificate number.

D. Discontinuance of Service.

In accordance with A.A.C. R14-2-407 and 410 and provisions of this tariff, the Company may terminate service or deny service to a customer who fails to install and/or test a backflow-prevention assembly as required by this tariff.

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ISSUED BY:

Ron McDonald, General Manager
Pineview Water Company, Inc.
5198 Cub Lake Road
Showlow Arizona 85901

Applies to all **WATER** service areas

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STATEMENT OF TERMS AND CONDITIONS
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1. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is applicable, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be installed and repaired by the customer and retested before service is restored.

2. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is not applicable, the backflow-prevention assembly shall be installed and/or repaired by the customer and tested within fourteen (14) days of written notice by the Company. Failure to install or to remedy the deficiency or dysfunction of the assembly, or failure to retest shall be grounds for termination of water utility service in accordance with A.A.C. R14-2-410.

II. INTERRUPTIBLE SERVICE; COMPANY'S LIABILITY
LIMITATIONS

The Company will supply only such water at such pressures as may be available from time to time as a result of the normal operation of its water system. The Company will maintain a minimum water pressure of 20 p.s.i. and will not guarantee a specific gallons per minute flow rate at any public fire hydrant or fire sprinkler service. In the event service is interrupted, irregular or defective, or fails from causes beyond the Company's control or through ordinary negligence of its employees or agents, the Company will not be liable for any injuries or damages arising therefrom.

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WATER SERVICE**

III. CURTAILMENT PLAN FOR AVRA WATER COOPERATIVE, INC.

ADEQ Public Water System Number: PWS I.D. #09-022

Pineview Water Company, Inc. ("Company") is authorized to curtail water service to all customers, within its certificated area under the terms and conditions listed in this tariff. This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of the tariff or no later than sixty (60) days after the effective date of the tariff.

The Company shall provide a copy of the curtailment tariff to any customer, upon request.

Stage 1 Exists When:

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

Restrictions: Under Stage 1, Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

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Stage 2 Exists When:

- a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as steadily declining water table, an increased draw-down threatening pump operations, or poor water production creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

Stage 3 Exists When:

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and

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- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, Company shall request the customer to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible.

Notice Requirements:

- 1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.
- 2. Beginning with Stage 3, Company shall post at least two (2) signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.
- 3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering stage 3.

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Ron McDonald, General Manager
Pineview Water Company, Inc.
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Applies to all WATER service areas

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Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than stage three until a permanent solution has been implemented.

Stage 4 Exists When:

- a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, Company shall inform the customers of a **mandatory** restriction to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

- ◆ Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
- ◆ Washing of any vehicle is prohibited
- ◆ The use of water for dust control or any outdoor cleaning uses is prohibited
- ◆ The use of drip or misting systems of any kind is prohibited
- ◆ The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- ◆ Restaurant patrons shall be served water only upon request

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- ◆ Any other water intensive activity is prohibited

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Company shall post at least two (2) signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering stage 4.

Customers who fail to comply with cessation of outdoor use provisions will be given a written notice to end all outdoor use. Failure to comply with in two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

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Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply in an attempt to maintain the supply until a permanent solution has been implemented

IV. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company procedures, unless specific Commission Order(s) provide otherwise.

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