

ORIGINAL
NEW APPLICATION



RECEIVED ATTACHMENT "A"

2005 FEB -4 P 4: 06

Oak Creek Public Service
PO Box 103
Cornville, Az 86325

AZ CORP COMMISSION
DOCUMENT CONTROL

January 24, 2005

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Az 85007

W-04304A-05-0072

Attached is an application by Oak Creek Public Service Company for the issuance of a CC & N. The purpose of this application is explained below.

- Prior to her death on September 9th, 2001 Oak Creek Public Service Company was owned and operated as a sole proprietorship by Pauline K. Smith, nee Jackson.
- After acquiring the company in 1979, Mrs. Jackson never applied to transfer the CC&N from the original owners, The Pacific Investment Corporation, to her own company.
- After the death of Mrs. Jackson, ownership of Oak Creek Public Service Company passed to her estate.
- To bring the company into compliance with Arizona Corporation Commission rules and regulations, the administrator of the Estate, Mr. William E. Jackson, Jr., has been directed by Mr. Gary Horton of the Arizona Corporation Commission Legal Division to apply for the issuance of a new CC&N for the company.
- This application is in response to that directive.

If you have any questions or comments, please feel free to contact me at (928) 634-4869. Mr. Gary Horton may be contacted at the Arizona Corporation Legal Division at (602) 542-3402

Sincerely,

William E. Jackson, Jr.
Personal Representative for the Estate of Pauline K. Smith, nee Jackson

Arizona Corporation Commission
DOCKETED

FEB 04 2005

DOCKETED BY

ARIZONA CORPORATION COMMISSION

APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER AND/OR SEWER

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

William E. Jackson, Jr. Personal Representative for Estate of Pauline
PO. Box 103
Cornville, Az 86325 (928) 634-4869
K. Smith
Nee Jackson

B. If doing business (d.b.a.) under a name other than the Applicant (Company) name listed above, specify:

dba: Oak Creek Public Service.

C. List the name, address and telephone number of the management contact:

William E. Jackson, Jr.
318 S. Main Street
Cottonwood, Az. 86326

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

N/A

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

Ralph Smith PO Box 1055 Sierra Vista, Az 85736
(520) 459-7040

F. List the name, address and telephone number of the on-site manager of the utility:

William E Jackson, Jr.

318 S. Main Street

Cottonwood, Az. 86326

G. The Applicant is a:

<input type="checkbox"/> Corporation: <input type="checkbox"/> "C", <input type="checkbox"/> "S", <input type="checkbox"/> Non-Profit <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign	<input type="checkbox"/> Partnership <input type="checkbox"/> Limited, <input type="checkbox"/> General <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Company (LLC)
<input checked="" type="checkbox"/> Other (Specify) <u>Estate</u>	

H. If Applicant is a corporation: N/A

1. List names of Officers and Directors:

Officers

Directors

_____	_____
_____	_____
_____	_____

-
2. Attach a copy of the corporation's "Certificate of Good Standing" issued by the Corporation's Division of the Arizona Corporation Commission.
 3. Attach a copy of the Articles of Incorporation.
 4. Attach a copy of the corporation's By-Laws.
 5. If a for-profit corporation, indicate the number of shares of stock authorized for issue:
 6. If stock has been issued, indicate the number of shares issued and date of issue:
-

H. If the Applicant is a partnership: *N/A*

1. List the names of the general partners:

2. List the name, address and telephone number of the managing partners:

3. Attach a copy of the Partnership's Articles of Partnership.

- If the Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" filed with the Arizona Secretary of State.

J. If the Applicant is a sole proprietor, list the name, address and telephone number of the proprietor: *N/A*

K. If the Applicant is a Limited Liability Company: *N/A*

1. List the names of managers:

L. List the names and addresses of any other public utility interest, which the applicant may have:

N/A

M. Attach a description of the area requested using **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted.

See attached Metes and Bounds survey (map)

N. Attach a detailed map using the form provided as Attachment "B". Shade and outline the area requested. Also, indicate any other utility within the general area using different colors.

O. Attach financial information in a format similar to Attachment "C".

P. Explain the method of financing utility facilities. Refer to the instructions, item no. 7. (Use additional sheets if necessary):

N/A

Q. Estimated starting and completion dates of construction of utility facilities: *N/A*

Starting date _____ Completion _____

R. Attach proposed Tariffs using either the water or sewer format of Attachment "D", unless the Utilities Division, prior to the filing of this application, approves another form.

S. Attach the following permits:

- ✓ 1. The franchise from either the City or County for the area requested. *See attached Franchise Agreement Renewal.*
2. The Arizona Department of Environmental Quality (or its designee's) approval to construct facilities. *N/A*
3. The Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.) *N/A*
4. Any 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*
5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of the utility's Designation of an Assured Water Supply, or the developer's Certificate of Assured Water Supply issued by the Arizona Department of Water Resources, whichever applies.
 - 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. *N/A*
 - If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detail to prove that adequate water exists to provide water to the area requested. *Servicing Area Since 1972*
- ✓ 6. Provide a copy of your estimated property taxes. This may be obtained by contacting the Arizona Department of Revenue, Division of Property Valuation and Equalization. You must provide them with a five (5) year projection of the original cost of the plant, depreciation expense, the location of the property and the school district.

T. Provide the following information:

1. Indicate the estimated number of customers, by class, to be served in each of the first five years of operation:

Residential:

First Year 248 Second Year 248 Third Year 248 Fourth Year 249
 Fifth Year 249

Commercial: *N/A*

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

Industrial: N/A

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

Irrigation: N/A

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

2. Indicate the projected annual water consumption or sewerage treatment, in gallons, for each of the customer classes for each of the first five years of operation:

Residential:

First Year 23,100,484 Second Year 23,100,484 Third Year 23,520,000 Fourth Year 23,520,000

Fifth Year 23,900,000

Commercial: N/A

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

Industrial: N/A

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

Irrigation: N/A

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

3. Indicate the total estimated annual operating revenue for each of the first five years of operation:

Residential:

2002 First Year 70,470 2003 Second Year 67,222 2004 Third Year 67,235
2005 Fourth Year 76,000 2006 Fifth Year 86,126

Commercial: N/A

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Industrial: N/A

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Irrigation: N/A

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

4. Indicate the total estimated annual operating expenses for each of the first five years of operation:

Residential:

2002 First Year 41,486 2003 Second Year 37,488 2004 Third Year 33,815
2005 Fourth Year 72,363 2006 Fifth Year 76,000

Commercial: N/A

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Industrial: N/A

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Irrigation: N/A

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

5. Attach an itemized list of the major components of the water or sewer system (see Attachment C-3). *See attachment CW-3.*

6. Indicate the total estimated cost to construct utility facilities:

N/A _____

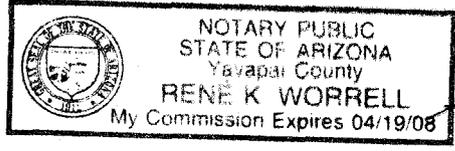
WE Jackson
(Signature of Authorized Representative)

William F. Jackson, Jr.
(Type or Print Name Here)

Personal Representative for the Estate of
(Title)

Pauline K. Smith, nee Jackson

SUBSCRIBED AND SWORN to before me this *31st* day of *January*, 20*05*



Rene K. Worrell
NOTARY PUBLIC

My Commission Expires *4-19-08*

PUBLIC NOTICE OF AN APPLICATION
FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY
BY OAK CREEK PUBLIC SERVICE COMPANY

Oak Creek Public Service Company has filed with the Arizona Corporation Commission an application for authority to provide water service to an area in which records indicate that you are a property owner. If the application is granted, Oak Creek Public Service Company would be the exclusive provider of water service to the proposed area. Oak Creek Public Service Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the office of the Commission in Phoenix at 1200 West Washington Street or in Tucson at 400 West Congress, North Building, Room 218, and in Cottonwood at the front desk of The View Motel at 818 South Main Street.

The Commission will hold a hearing on this matter. As a property owner, you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application, have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000 or at 400 West Congress, North Building, Room 218, Tucson, Arizona 85701 or call 1-800-535-0148.

ATTACHMENT "D"

WATER TARIFF SCHEDULE

RATES AND CHARGES

CUSTOMER/MINIMUM CHARGE
PER MONTH

<u>METER</u>	<u>CHARGE</u>	<u>GALLONS</u>
5/8 X 3/4"	\$ <u>11.50</u>	FOR <u>2000</u>
3/4"	\$ _____	FOR _____
1"	\$ _____	FOR _____
1 1/2"	\$ _____	FOR _____
2"	\$ _____	FOR _____
3"	\$ _____	FOR _____
4"	\$ _____	FOR _____
5"	\$ _____	FOR _____
6"	\$ _____	FOR _____

SERVICE LINE & METER
INSTALLATION CHARGES

<u>METER</u>	<u>CHARGE</u>
5/8 X 3/4"	\$ <u>200.00</u>
3/4"	\$ _____
1"	\$ _____
1 1/2"	\$ _____
2"	\$ _____
3"	\$ _____
4"	\$ _____
5"	\$ _____
6"	\$ _____

COMMODITY CHARGE (EXCESS OF MINIMUM):

\$ 1.75 PER 1000 GALLONS

FLAT RATE \$ N/A PER MONTH

SERVICE CHARGES:

- | | |
|---|---|
| 1. ESTABLISHMENT (R14-2-403.D.1) | \$ <u>10.00</u> |
| 2. ESTABLISHMENT/AFTER HOURS (R14-2-403.D.2) | \$ <u>10.00</u> |
| 3. RECONNECTION/DELINQUENT (R14-2-403.D.1) | \$ <u>10.00</u> |
| 4. NSF CHECK (R14-2-409.F.1) | \$ <u>N/A</u> |
| 5. METER REREAD/IF CORRECT (R14-2-408.C.2) | \$ <u>5.00</u> |
| 6. METER TEST/IF CORRECT (R14-2-408.F.1) | \$ <u>25.00</u> |
| 7. DEFERRED PAYMENT (R14-2-409.G.6) | \$ <u>N/A</u> |
| 8. DEPOSIT INTEREST (R14-2-403.B.3) | <u>N/A</u> % |
| 9. DEPOSIT (R14-2-403.B.7) | PER RULE |
| 10. REESTABLISHMENT W/N 12 MOs (R14-2-403.D.1) | MONTHS OFF THE SYSTEM TIMES THE MINIMUM |
| 11. <u>OTHER RATES & CHARGES APPROVED BY ORDER:</u> | |

IN ADDITION TO THE COLLECTION OF ITS REGULAR RATES AND CHARGES, THE COMPANY SHALL COLLECT FROM ITS CUSTOMERS THEIR PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES OR USE TAX

Attachment "C"

4:54 PM
01/25/05
Accrual Basis

OCPS-2003
Balance Sheet
As of December 31, 2003

	Dec 31, 03
ASSETS	
Current Assets	
Checking/Savings	
National Bank of Arizona	2,825.15
Total Checking/Savings	2,825.15
Accounts Receivable	
Accounts Receivable	3,234.86
Total Accounts Receivable	3,234.86
Other Current Assets	
Petty Cash	50.00
Total Other Current Assets	50.00
Total Current Assets	6,110.01
Fixed Assets	
Utility Plant In-Service	
Solution Chemical Feeders	1,664.08
Meters	17,436.00
Services	26,772.00
Trans. & Dist. Mains	59,688.00
Distribution Reservoirs	14,299.00
Electric Pump Equipment	18,958.93
Wells & Springs	10,555.00
Structures & Improvements	8,582.61
Land & Land Rights	2,884.00
Total Utility Plant In-Service	160,839.62
Accumulated Depreciation	
Solution Chemical Feed	-999.00
Meters	-11,593.00
Services	-11,905.00
Trans. & Dist Mains	-34,310.00
distribution Reservoirs	-8,223.00
Electric Pump Equipment	-10,104.00
Wells & Springs	-8,846.00
Structures & Improvements	-2,231.00
Total Accumulated Depreciation	-88,211.00
Total Fixed Assets	72,628.62
TOTAL ASSETS	78,738.63
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	1,050.00
Total Accounts Payable	1,050.00
Other Current Liabilities	
Customer Deposits	

4:54 PM
01/25/05
Accrual Basis

OCPS-2003
Balance Sheet
As of December 31, 2003

	Dec 31, 03
Utility	6,592.00
Mobile Home	700.00
Total Customer Deposits	7,292.00
Accrued Taxes	
Income Taxes Payable	
Federal Individual Income Tax	-17,542.00
Federal	-279.71
Estate Tax	-68.91
Az Fiduciary Tax	-2.00
AZ Individual Income Tax	-986.00
Income Taxes Payable - Other	18,878.62
Total Income Taxes Payable	0.00
Sales Tax Payable	317.64
Property Tax Payable	1,549.10
Total Accrued Taxes	1,866.74
Total Other Current Liabilities	9,158.74
Total Current Liabilities	10,208.74
Long Term Liabilities	
Deferred Credits	
Advances in Aid of Construction	2,980.00
Total Deferred Credits	2,980.00
Notes Payable	
Bruce Jackson Loan	11,873.68
Suni Feura Loan	2,000.00
Jari Greene Loan	1,000.00
Bill Jackson Loan	3,000.00
Total Notes Payable	17,873.68
Total Long Term Liabilities	20,853.68
Total Liabilities	31,062.42
Equity	
Proprietary Capital	
Owner's Capital	
Utility Security Deposits	-6,165.00
Total Owner's Capital	-6,165.00
Opening Bal Equity	
Prior Income Taxes Due	-18,878.62
Prior ATC Balance	-5,520.00
Prior Cash Accounts	3,528.32
Prior Depreciation	-75,035.00
Prior Plant in Service	150,133.00
Prior Property Tax Due	-53,050.76
Total Opening Bal Equity	1,176.94

4:54 PM
01/25/05
Accrual Basis

OCPS-2003
Balance Sheet
As of December 31, 2003

	Dec 31, 03
New Installs	2,571.00
Retirements	-2,000.00
Total Proprietary Capital	-4,417.06
Retained Earnings	14,108.62
Net Income	37,984.65
Total Equity	47,676.21
TOTAL LIABILITIES & EQUITY	78,738.63

4:56 PM
01/25/05
Accrual Basis

OCPS-2003
Profit & Loss
January through December 2002

Jan - Dec 02

Ordinary Income/Expense	
Income	
Income	
Over/Short	-20.00
Misc. Income	267.07
Fees	2,833.20
Metered Income	33,917.05
Minimum Charge Income	33,465.00
Income - Other	8.00
Total Income	70,470.32
Total Income	70,470.32
Expense	
Misc. Expense	
Trash	683.27
Tools	104.72
Miscellaneous	61.57
Total Misc. Expense	849.56
Transportation Expense	
Fuel	1,127.42
Total Transportation Expense	1,127.42
Rents	
Equipment Rental	65.67
Storage	1,303.20
Total Rents	1,368.87
Salaries & Wages Expense	
Casual Labor	465.00
Total Salaries & Wages Expense	465.00
Depreciation Expense	4,372.00
Insurance	
Liability Insurance	2,375.40
Total Insurance	2,375.40
Office Expense	
Licenses and Permits	11.00
Permits	90.00
Telephone	1,362.00
Postage and Delivery	1,275.25
Pager	131.06
Dues and Subscriptions	115.00
Office Supplies	838.00
Bank Service Charges	
Monthly Fees	292.30
Returned Check Charges	6.50
Adjustment to Reconcile	-0.05
Total Bank Service Charges	298.75

4:56 PM
01/25/05
Accrual Basis

OCPS-2003
Profit & Loss
January through December 2002

	Jan - Dec 02
Total Office Expense	4,121.06
Outside Services	
Certified Operator	1,070.00
Repairs & Maint	2,961.82
Backhoe Services	350.00
Professional Fees	
Accounting	647.50
Appraisal	2,952.00
Legal Fees	438.50
Total Professional Fees	4,038.00
Total Outside Services	8,419.82
Repairs & Maintaince	
Parts	4,239.82
Maintenance Supplies	210.49
Equipment Repairs	25.77
Total Repairs & Maintaince	4,476.08
Taxes	
Sales Tax Prior Periods	1,184.18
Property	
Business Property Tax	3,200.46
Total Property	3,200.46
Total Taxes	4,384.64
Utilities	
Electric	6,370.30
Gas	0.00
Total Utilities	6,370.30
Water Testing Fees	3,155.84
Total Expense	41,485.99
Net Ordinary Income	28,984.33
Other Income/Expense	
Other Income	
Other Income	
Rental Income	5,464.50
Total Other Income	5,464.50
Total Other Income	5,464.50
Other Expense	
Other Expenses	
Personal Property Tax	621.86
Misc.	962.48
Truck Payment	-7.85
Travel & Ent	
Meals	2,312.79

4:56 PM
01/25/05
Accrual Basis

OCPS-2003
Profit & Loss
January through December 2002

	Jan - Dec 02
Travel & Ent - Other	186.00
Total Travel & Ent	2,498.79
Medical Expece	3,224.79
Lodging	1,296.42
Interest Expense	
Mortgage	8,166.96
Total Interest Expense	8,166.96
Mobil Home Insurance	692.53
Advertising	110.09
Total Other Expenses	17,566.07
Total Other Expense	17,566.07
Net Other Income	-12,101.57
Net Income	16,882.76

Attachment CW-2

4:53 PM
01/25/05
Accrual Basis

OCPS-2003
Profit & Loss
January through December 2003

	Jan - Dec 03
Ordinary Income/Expense	
Income	
Income	
Misc. Income	6.52
Fees	1,897.74
Metered Income	31,185.67
Minimum Charge Income	34,132.00
Income - Other	0.00
Total Income	67,221.93
Total Income	67,221.93
Expense	
Misc. Expense	
Trash	164.00
Tools	449.86
Landscape Materials	197.46
Miscellaneous	300.94
Total Misc. Expense	1,112.26
Transportation Expense	
Fuel	2,342.32
Total Transportation Expense	2,342.32
Rents	
Equipment Rental	1,407.02
Storage	592.34
Total Rents	1,999.36
Salaries & Wages Expense	
Casual Labor	4,556.00
Total Salaries & Wages Expense	4,556.00
Depreciation Expense	4,516.00
Insurance	
Liability Insurance	3,014.81
Total Insurance	3,014.81
Office Expense	
Telephone	1,416.02
Postage and Delivery	1,208.00
Pager	118.25
Dues and Subscriptions	85.00
Office Supplies	514.84
Bank Service Charges	
Monthly Fees	283.39
Returned Check Charges	-23.50
Total Bank Service Charges	259.89
Total Office Expense	3,602.00
Outside Services	
Misc.	110.00

4:53 PM
01/25/05
Accrual Basis

OCPS-2003
Profit & Loss
January through December 2003

	Jan - Dec 03
Certified Operator	720.00
Backhoe Services	400.00
Professional Fees	
Accounting	2,000.00
Legal Fees	826.00
Survey	1,011.00
Total Professional Fees	3,837.00
Total Outside Services	5,067.00
Repairs & Maintaince	
Plant Improvements	388.15
Parts	26.75
Maintenance Supplies	137.77
Equipment Repairs	197.68
Total Repairs & Maintaince	750.35
Taxes	
Property	
Business Property Tax	3,244.40
Total Property	3,244.40
Total Taxes	3,244.40
Utilities	
Electric	6,174.24
Total Utilities	6,174.24
Water Testing Fees	1,109.22
Total Expense	37,487.96
Net Ordinary Income	29,733.97
Other Income/Expense	
Other Income	
Other Income	
Sale of 2570 Seybet Drive	19,464.99
Rental Income	3,063.38
Total Other Income	22,528.37
Total Other Income	22,528.37
Other Expense	
Other Expenses	
Property tax-St. Johns	92.16
Misc.	99.00
Travel & Ent	
Meals	4,132.61
Total Travel & Ent	4,132.61
Medical Expence	29.79
Lodging	1,553.61
Interest Expense	

4:53 PM
01/25/05
Accrual Basis

OCPS-2003
Profit & Loss
January through December 2003

	Jan - Dec 03
Mortgage	4,742.71
Loan Origination Fee	360.00
Loan Interest	1,873.68
Total Interest Expense	6,976.39
Mobil Home Insurance	172.00
Advertising	373.07
Other Expenses - Other	849.06
Total Other Expenses	14,277.69
Total Other Expense	14,277.69
Net Other Income	8,250.68
Net Income	37,984.65

Attachment CW-2

OCPS-2004

Profit & Loss

January through December 2004

4:51 PM

01/25/05

Accrual Basis

	Jan - Dec 04
Ordinary Income/Expense	
Income	
Income	
Misc. Income	569.75
Fees	1,514.00
ATC Yearly Credit	-880.00
Metered Income	31,657.46
Minimum Charge Income	34,373.50
Income - Other	0.15
Total Income	67,234.86
Total Income	67,234.86
Expense	
Bad Debts	110.95
Misc. Expense	
Tools	27.38
Misc. Expense - Other	6.00
Total Misc. Expense	33.38
Transportation Expense	
Fuel	1,407.00
Total Transportation Expense	1,407.00
Salaries & Wages Expense	
Casual Labor	1,075.00
Total Salaries & Wages Expense	1,075.00
Insurance	
Liability Insurance	3,295.88
Total Insurance	3,295.88
Office Expense	
Computer Expense	108.34
Permits	250.00
Telephone	772.13
Postage and Delivery	1,275.45
Pager	36.88
Dues and Subscriptions	110.00
Office Supplies	1,014.91
Bank Service Charges	
Ajustment to Reconcile	-3.00
Bank Service Charges - Other	218.16
Total Bank Service Charges	215.16
Total Office Expense	3,782.87
Outside Services	
Certified Operator	
Consumer Confidence Report	600.00
Certified Operator - Other	60.00
Total Certified Operator	660.00
Backhoe Services	560.00
Professional Fees	
Accounting	2,455.00
Legal Fees	307.00
Total Professional Fees	2,762.00
Total Outside Services	3,982.00
Repairs & Maintaince	
Plant Improvements	85.02
Parts	832.09
Meters	1,061.69
Maintenance Supplies	574.06

4:51 PM
01/25/05
Accrual Basis

OCPS-2004
Profit & Loss
January through December 2004

	Jan - Dec 04
Equipment Repairs	0.00
Total Repairs & Maintaince	2,552.86
Taxes	
Income Taxes	
Federal Individual Income Tax	1,977.24
AZ Individual Income Tax	3,661.60
Total Income Taxes	5,638.84
Total Taxes	5,638.84
Property	
Business Property Tax	-91.32
Property - Other	3,305.17
Total Property	3,213.85
Utilities	
Electric	6,045.82
Total Utilities	6,045.82
Water Testing Fees	2,677.50
Total Expense	33,815.95
Net Ordinary Income	33,418.91
Other Income/Expense	
Other Expense	
Other Expenses	
Property Taxes-St. Johns	52.96
Misc.	22.50
Travel & Ent	
Travel	177.75
Meals	1,153.16
Total Travel & Ent	1,330.91
Total Other Expenses	1,406.37
Lodging	1,215.79
Interest Expense	
Loan Interest	1,338.88
Loan Origination Fee	110.72
Interest Expense - Other	12.90
Total Interest Expense	1,462.50
Total Other Expense	4,084.66
Net Other Income	-4,084.66
Net Income	29,334.25

Attachment CW-3

Company Name: Oak Creek Public Service Test Year Ended: 12/31/2003

UTILITY PLANT IN SERVICE

Acct No.	Description	Original Cost	Accumulated Depreciation	OCID
		<i>Column A</i>	<i>Column B</i>	<i>Column C</i>
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land & Land Rights	2884	N/A	2884
304	Structures & Improvements	8583	2231	6352
307	Wells & Springs	10555	8846	1709
311	Pumping Equipment	18959	10104	8855
320	Water Treatment Equipment	0	0	0
320.1	Water Treatment Plants	0	0	0
320.2	Solution Chemical Feeders	1664	999	665
330	Distribution Reservoirs & Standpipes	14299	8223	6076
330.1	Storage Tanks	0	0	0
330.2	Pressure Tanks	0	0	0
331	Transmission & Distrib. Mains	59688	34310	25378
333	Services	26772	11905	14867
334	Meters & Meter Installations	17436	11593	5843
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant & Misc. Equipment	0	0	0
340	Office Furniture & Equipment	0	0	0
340.1	Computers & Software	0	0	0
341	Transportation Equipment	0	0	0
343	Tools, Shop & Garage Equip.	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTAL WATER PLANT	*160840	*88211	72629

* Must be the same as the amount reported on page 20

**Column C = Column A - Column B

ATTACHMENT "B"

Yavapai	14, 15 + 22	15 N	4 E
COUNTY	SECTION	TOWNSHIP	RANGE

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Type or Print Description Here:

The SW 1/2 of the SW 1/4 of Section 14; the SW 1/2 of Section 15; the N 1/2 of the NE 1/4 + the NE 1/2 of the NW 1/4 of Section 22, all in township 15 N, Range 4 E, Gila + Salt River base + Meridian, Yavapai County, Arizona

13 407-07-523E 6

NOTICE OF VALUE

THIS IS NOT A TAX BILL

6578A F-MH C 6578

PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE PAID
PHOENIX, AZ
PERMIT# 5343

F A. J. TONY MARTINEZ
R YAVAPAI COUNTY ASSESSOR
O 1015 FAIR ST.
M PRESCOTT, AZ 86305
(928) 771-3220

Your Appeal Deadline is APRIL 13, 2004

Property In The County of YAVAPAI		Year 2005	Parcel ID 13	BK 407-07-523E	MP 6	Parcel 6	Notice Date 02/13/2004	
LEGAL CLASS	2004 VALUATION			LEGAL CLASS	2005 VALUATION			
	VALUE	ASST. RATIO	ASSESSED VALUE		VALUE	ASST. RATIO	ASSESSED VALUE	
LAND FCV	2	2825	16.0	452	2	2825	16.0	452
IMPR FCV		0	00.0	0		0	00.0	0
TOTAL FCV	2	2825	16.0	452	2	2825	16.0	452
LIMITED VALUE	2	2804	16.0	449	2	2825	16.0	452

LEGAL SECTION:0015 TOWNSHIP:015 RANGE:04E ACRES: 17
DESCRIPTION PIC LOWER OAK CREEK ESTATES AN IRREG PCL PTN TRACT 1 MOST NLY COR APPROX 1171'S & 90'E FROM NW COR TR

ADDRESS SERVICE REQUESTED
#BWNKLXQ *****AUTOOCR**B-001 193-34
#13407075230567#
OAK CREEK PUBLIC SERVICE CO
C/O JACKSON W E JR
P O BOX 103
CORNVILLE AZ 86325-0103

Don't pay



13 407-07-523A 0

RESIDENTIAL NOTICE OF VALUE

10226A F-BL R 10228

F A. J. TONY MARTINEZ
R YAVAPAI COUNTY ASSESSOR
O 1015 FAIR ST.
M PRESCOTT, AZ 86305
(928) 771-3220

THIS IS NOT A TAX BILL

PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE PAID
PHOENIX, AZ
PERMIT# 5343

Your Appeal Deadline is APRIL 13, 2004

Property In The County of YAVAPAI		Year 2005	Parcel ID 13	BK 407-07-523A	MP 0	Parcel 0	Notice Date 02/13/2004	
LEGAL CLASS	2004 VALUATION			LEGAL CLASS	2005 VALUATION			
	VALUE	ASST. RATIO	ASSESSED VALUE		VALUE	ASST. RATIO	ASSESSED VALUE	
RESIDENTIAL VALUE	3	1994	10.0	1994	3	1994	10.0	1994
LIMITED VALUE	3	1994	10.0	1994	3	1994	10.0	1994

THIS PROPERTY IS CLASSIFIED AS OWNER OCCUPIED RESIDENTIAL (LEGAL CLASS 3). IF THIS PROPERTY IS BEING USED AS A RENTAL UNIT, THE OWNER MUST NOTIFY THE COUNTY ASSESSOR OF THE RENTAL USE. FAILURE TO DO SO MAY RESULT IN A CIVIL PENALTY.

LEGAL SECTION:0015 TOWNSHIP:015 RANGE:04E ACRES: 1.20
DESCRIPTION A PCL OF LAND BEING THE MOST NWLY PTN OF TRACT A P I C LOWER OAK CREEK EST SEC 15-15-4E CONT 1.20AC

ADDRESS SERVICE REQUESTED
#BWNKLXQ *****AUTOOCR**B-001 196-17
#13407075230104#
OAK CREEK PUBLIC SERVICE CO
% JACKSON W E JR
PO BOX 103
CORNVILLE AZ 86325-0103

Wendy





OFFICE OF THE
PUBLIC WORKS DEPARTMENT
Road Division Engineering Division Solid Waste Division Emergency Management
1100 Commerce Drive
Prescott, Arizona 86305
Phone (928) 771-3183
FAX (928) 771-3167

Richard L. Straub
Director

Phil Bourdon
Assistant Director

*County Franchise
Agreement Renewal*

January 18, 2005

Oak Creek Public Service
Attn: April Jackson
P.O. Box 103
Cornville, Arizona 86325

Re: ~~Franchise Agreement Renewal~~ ?

Dear Ms. Jackson

I have prepared the following schedule for the approval of your water franchise:

January 26, 2005 Application is submitted to the Board of Supervisors and hearing is requested for February 22, 2005. Your attendance at this meeting is not required.

February 2nd, 9th and 16th Advertise legal notice in the Verde Independent

February 22, 2005 Agreement is submitted to the Board of Supervisors for approval. Your attendance at this meeting is suggested in the event the Board or an individual from the public has any questions. The meeting will be held at the Yavapai County Administrative Services Building located at 10 South 6th Street in Cottonwood, Arizona at 9:00 a.m.

I am sending three original agreements for your review and signature. Please sign all three originals and retain one for your files. Return the other two originals to me prior to the hearing date of February 22, 2005. Following Board approval/signature, I will have the document recorded and forward a copy for your records.

Please contact me if you have any questions or need additional assistance.

Sincerely,

Laura Bunn
Public Works Department

mailed 1/26/05

BEFORE THE BOARD OF SUPERVISORS

OF

YAVAPAI COUNTY, ARIZONA

In the Matter of the Application of)
Oak Creek Public Service) FRANCHISE
for a water franchise)

WHEREAS, Oak Creek Public Service filed its application pursuant to A.R.S. §40-283, for a franchise renewal to construct and/or maintain and operate water lines for a period of fifteen (15) years, along, upon, under and across public highways, roads, alleys and thoroughfares (excepting State Highways) within that portion of Yavapai County, Arizona, described as follows:

EXHIBIT A

**Oak Creek Public Service
Legal Description**

P.I.C. LOWER OAK CREEK ESTATES, according to the plat of record in the office of the Yavapai County Recorder in Book 6 of Maps, Page 18;

the Southwest ¼ of the Southwest ¼ of Section 14; the Southeast ¼ of Section 15; the North ½ of the Northeast ¼ and the Northeast ¼ of the Northwest ¼ of Section 22, all in Township 15 North, Range 4 East, Gila and Salt River Base and Meridian, Yavapai County, Arizona.

and that said area described in Exhibit A is not within the limits of any incorporated city or town, and,

WHEREAS, this is the time and place set for hearing of said application and due and regular notice was given by publication of notice once a week for three consecutive weeks prior to this time of hearing and proof of publication has been filed herein, and

WHEREAS, all protests to granting such application have been considered, the Board of Supervisors of Yavapai County, Arizona, hereby grants to the Oak Creek Public Service the right, privilege, license and franchise to construct, maintain and operate water delivery systems for a period of fifteen (15) years from the date hereof, along, upon, under and across the public highways of Yavapai County, Arizona, within the above described area of Yavapai County, which area is not within the limits of any incorporated city or town, upon the following terms and conditions:

RESTRICTIONS AND LIMITATIONS

1. All rights and privileges hereunder are granted under the express condition that the Board of Supervisors shall have the power at any time to impose such additional and further restrictions and limitations and to make such regulations on such highways, roads, thoroughfares, alleys, and public ways as may be deemed best for the public safety, welfare and convenience. No construction of improvements within a County road right-of-way shall be made without a permit from the Yavapai County Engineer first being obtained.

2. Grantor will notify Grantee if Grantor determines that any lines are located at a depth which interferes with road maintenance. Any such lines shall be buried at a sufficient depth upon receipt of notice. In the event that water lines must be relocated due to road construction or because of inadequate depth, the Grantee shall bear the cost of such relocation.

3. All rights and privileges hereunder shall be exercised so as to not interfere or conflict with any easements or rights-of-way heretofore granted by said Board of Supervisors and now in force.

4. All equipment and facilities constructed, installed, erected, used and maintained under this franchise shall in all respects be adequate, sufficient and substantial in design and workmanship and shall be so located, erected and maintained so as not to interfere with the full use and enjoyment of the public and so not to endanger life or property.

5. All rights and privileges hereunder shall be exercised so as not to interfere or conflict with any easement, either public or private, of whatsoever nature, which has been acquired in or to the proper use of said highways, roads, thoroughfares, alleys and public ways, or any portion thereof.

6. Grantee shall bear all expenses, including damages and compensation to any aggrieved third parties, incurred or expended for the alteration of the course, direction, surface, grade or alignment of any of the said highways, roads, thoroughfares, alleys, and public ways necessarily made by or for Grantee for the purpose of exercising any right under this franchise, and said Grantee shall indemnify and hold harmless the County of Yavapai and the Board of Supervisors thereof from any and all suits, claims, damages and judgments resulting from injuries to persons or property due to the placing, location and maintenance of equipment and facilities upon, in or under the provisions hereof. Grantee shall maintain its equipment and facilities at its own cost and expense and will make all necessary repairs from time to time as the same may be needed without the necessity of notice from Yavapai County.

7. The Grantee shall be required to secure and maintain in force for the duration of the franchise general comprehensive liability insurance insuring against all damages charged to the County or the Grantee resulting from the installation, development, maintenance or expansion of the Grantee's system, as follows:

(a) Five Hundred Thousand Dollars (\$500,000) for bodily injury or death to any one person with an aggregate limit for any one occurrence of One Million Dollars (\$1,000,000) for bodily injury or death.

(b) Two Hundred Fifty Thousand Dollars (\$250,000) for property damage resulting from any one accident.

(c) Fifty Thousand Dollars (\$50,000) for all other types of liability.

Yavapai County, Arizona, shall be named on the aforesaid policy as a coinsured, or added thereon by endorsement as a named insured. A certificate of insurance as well as a copy of the policy shall be filed with the Public Works Director. The certificate shall provide that if the policy shall be cancelled by the insurance company or the Grantee during the term of the policy, ten (10) days written notice prior to the effective date of such cancellation shall be given the Public Works Director of Yavapai County, Arizona.

8. This franchise shall not be deemed to be exclusive and the Board of Supervisors hereby expressly reserves the right and power from time to time to grant similar franchises and privileges over the same territory and highways, roads, thoroughfares, alleys, and public ways.

9. Grantee certifies that all water and sewer operations shall be supervised by a duly authorized local operator, whose name, address, and phone number shall be kept in the records of the Public Works Director. Grantee shall notify the Public Works Director of any operator changes.

10. Grantee shall notify the Public Works Director of any assignment of this franchise, including assignee's name, address and phone number.

11. Grantee shall apply for renewal of this franchise not less than sixty (60) days prior to its expiration. In the event required notice, public hearings and official action cannot be taken prior to expiration due to no fault of Grantee, this franchise shall continue until final action by Grantor has been taken.

12. This franchise is granted upon the express condition subsequent that a Certificate of Convenience and Necessity be procured from the Arizona Corporation Commission within six months from the date of granting of this franchise; and if such Certificate is not granted within six months from said date, then this franchise to be void, otherwise to be in full force and effect for the time herein specified.

Dated: February 22, 2005

ATTEST:

Chairman, Board of Supervisors

Clerk, Board of Supervisors

ACCEPTANCE OF LICENSE

TO: The Clerk of the Board of Supervisors of Yavapai County

Pursuant to the Order of the Board of Supervisors of Yavapai County dated the 22nd Day of February 2005.

OAK CREEK PUBLIC SERVICE

hereby accepts the license to construct and/or operate a water franchise within the authorized service area and under the terms specified in the license.

Dated : February 22, 2005.

This franchise agreement shall expire on February 22, 2020.

By W.E. Jackson, Jr.
Its: PERSONAL REPRESENTATIVE

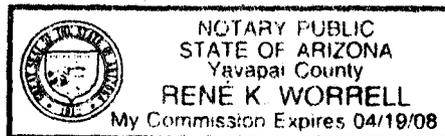
STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI)

SUBSCRIBED AND SWORN TO before me by W.E. Jackson, Jr. this 26th day of Jan, 2005.

René K. Worrell
Notary Public

My Commission Expires:

4-19-08



OVERSIZED

MIAP

SEE

T-04304A-05-0072