

ORIGINAL



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Ponderosa Utility Corporation

oym

3A W. Osage St.
Flagstaff, AZ 86001
(928) 525-6210

Susan Ten Pas, President
Harold Anderson, V.P.

RECEIVED

February 24, 2005

MAR 01 2005

AZ Corporation Commission
Director Of Utilities

Mr. John LaPorte
Arizona Corporation Commission
Utilities Division
1200 W. Washington
Phoenix, AZ 85007

RE: In the matter of Ponderosa Utility Corp.
Docket No. W-01717A-04-0825

Dear Mr. LaPorte:

Enclosed for filing please find a notarized affidavit of mailing and copy of the Customer Notification in our case requesting a rate change.

Please contact me if you have any questions.

Very truly yours,

Susan Ten Pas, President
Ponderosa Utility Corp.

Enclosure

RECEIVED
2005 MAR -1 P 2:24
AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission
DOCKETED

MAR 01 2005

DOCKETED BY: KD

IN THE MATTER OF PONDEROSA UTILITY CORPORATION
REQUEST FOR RATE CHANGE
DOCKET NO. W-01717A-04-0825

AFFIDAVIT OF MAILING

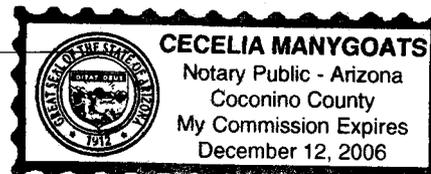
Jean Durham, deposes and states as follows: I am over the age of 18 (eighteen) years. On November 17, 2004, I mailed the Customer Notification with attachments (a copy of which is attached) to all of the current customers of Ponderosa Utility Corporation. The entire mailing consisted of 517 pieces and was mailed postage paid in an official depository under the exclusive care and custody of the United States Postal Service in Flagstaff, Coconino County, Arizona.

Jean E Durham
Jean Durham

2-23-05
Date

Subscribed to and sworn before me this 23 day of February 2005,
2005.

Cecelia Manygoats
Notary Public
State of Arizona



My commission expires: Dec. 12, 2006



Ponderosa Utility Corporation

3A W. Osage St.

Flagstaff, AZ 86001

(928)525-6210

CUSTOMER NOTIFICATION

Ponderosa Utility Corporation has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since 2000. An increase in rates is necessary at this time due to increases in expenses and plant serving customers. Expenses in 2004 have increased by approximately 35.67% since the last rate case, which used a test year ending January 31, 1999. A listing of revenues and expenses and changes is shown on page 32b (third page), column 5 of this notice.

Based on the company's unaudited Test Year results, Ponderosa Utility Corporation realized a negative income of (\$30,764.) The Company is requesting a revenue increase of \$32,070 or 15.11% of total revenues. Please see pages 9 and 11 of the Company's application for the current and proposed rates.

The application is available for inspection during regular business hours at the offices of the Corporation Commission in Phoenix at 1200 W. Washington St., Phoenix, AZ 85007 or at the offices of Ponderosa Utility Corporation at 3A W. Osage St., Flagstaff, AZ 86001.

Please be advised that the rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application for a rate increase.

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's application, including service, billing procedures, or other factors important in determining the reasonableness of charges. Customers have the right to intervene in this matter. Customers wishing to communicate with the Commission or request information on intervention in the proceeding should contact the Commission's Customer Services Section at 800-222-7000 (if located outside the Phoenix local calling area) or 602-542-4251 in the Phoenix local calling area.

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

Present and proposed rates are shown on Page 32a (second page) at average usage.

Ponderosa Utility Corporation
CUSTOMER NOTIFICATION

Page 1

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