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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS
JEFF HATCH-MILLER - Chairman
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MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

2005 APR 27 P 4: 11
AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission
DOCKETED

APR 27 2005

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IN THE MATTER OF THE APPLICATION OF
PINEVIEW WATER COMPANY, INC., FOR
AUTHORITY TO ISSUE PROMISSORY
NOTE(S) AND OTHER EVIDENCES OF
INDEBTEDNESS PAYABLE AT PERIODS OF
MORE THAN TWELVE MONTHS AFTER
THE DATE OF ISSUANCE.

DOCKET NO. W-01676A-04-0463

IN THE MATTER OF THE APPLICATION OF
PINEVIEW WATER COMPANY, INC. FOR
AN INCREASE IN ITS WATER RATES FOR
CUSTOMERS WITHIN NAVAJO COUNTY,
ARIZONA.

DOCKET NO. W-01676A-04-0500

**STAFF'S RESPONSE TO
PINVIEW'S LATE-FILED
AFFIDAVIT**

Staff respectfully requests that the Commission give no weight to the recently filed affidavit of Ron McDonald. The reasons for the request are twofold. First, Pineview had months of discovery, three days of hearings, and closing briefs to bring up McDonald's alleged claims and failed to do so at the appropriate times. The record is already closed, and closing briefs are already filed.

Second, the paperwork accompanying Mr. McDonald's affidavit is once again a company-produced document and is not an actual receipt to prove that the money is going for the stated exceptions. As outlined in Staff's closing brief, Pineview has a history of bad bookkeeping and commingling of funds. This appears to be just another example of this.

And even if Mr. McDonald's self-made insurance documentation is correct, Staff still believes its disallowance of benefits is fair and justified. When the company filed its application, it included an operating income statement in the amount of \$231,295. ENZ-11 Elena Zestrijan Direct Testimony Jan. 20. 2005. Employee pensions and benefits amounted to \$37,171, or approximately 16 percent of the total salaries. *Id.* Staff disallowed \$47,015 worth of salaries and likewise

1 proportionally disallowed \$7,557 of total benefits, or approximately 16 percent of the \$47,015 worth
2 of salaries. This disallowance is a consistent approach, since as stated above, benefits within
3 Pineview are equal to 16 percent of the salaries. (Please note that even though Pineview claims that
4 \$37,171 went to both pension and benefits, Staff failed to find any accounting entry for a pension
5 fund when reviewing the accounting books in this application.)

6 **RESPECTFULLY SUBMITTED** this 21st day of April 2005.

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8 
9 Timothy J. Sabo
10 Diane M. Targovnik
11 Attorneys, Legal Division
12 Arizona Corporation Commission
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13 The original and fifteen (15) copies
14 of the foregoing were filed this 28th day of April 2005 with:

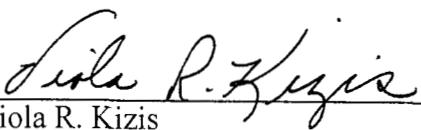
15 Docket Control
16 Arizona Corporation Commission
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17 Copies of the foregoing were mailed this
18 28th day of April 2005 to:

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