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NEW APPLICATION

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AZ CORP COMMISSION
DOCUMENT CONTROL

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October 4, 2005

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

Re: *West End Water Co.*

Dear Madam/Sir:

W-01157A-05-0706

Attached is an application by our client, West End Water Co., for an extension of Certificate of Convenience and Necessity. The purpose of this application is to extend West End Water Co.'s existing CC&N to provide water service to a proposed development known as Walden Ranch. The proposed Walden Ranch Development is nearly 70% within West End Water Co.'s existing CC&N.

West End Water Co. is in compliance with the safe drinking water rules and regulation and will continue to operate the water system to remain in compliance. West End Water Co.'s existing wells are in compliance with the new Arsenic Rule that becomes effective January 23, 2006.

West End Water Co. has paid all of its back property taxes. The total of \$119,922.62 has fully satisfied West End Water Co.'s obligations to the Maricopa County Treasurer.

Very truly yours,

JENNINGS, STROUSS & SALMON, P.L.C.

By

J. Scott Rhodes

SR1/mri
Enclosure

cc: JD Campbell (w/encl.)
Marvin Collins (w/encl.)

Phoenix ■ Scottsdale ■ Arrowhead ■ Washington, D.C.

ARIZONA CORPORATION COMMISSION

APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER AND/OR SEWER

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

West End Water Co. (623)972-6133

9098 W. Pinnacle Peak Road

Peoria, AZ 85383

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

JD Campbell - President (623)972-6133

9098 W. Pinnacle Peak Road

Peoria, AZ 85383

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

Marvin E. Collins, Manager (623)972-6133

9098 W. Pinnacle Peak Road

Peoria, AZ 85383

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

J. Scott Rhodes (602)262-5862

Jennings, Strouss & Salmon, P.L.C., 201 E. Washington Street, 11th Floor

Phoenix, AZ 85004-2385

E. Attach the following documents that apply to you:

1. Certificate of Good Standing (if corporation) Attached

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

F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted.
NW 1/4 of Section 25 T5N R3W

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

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

I. Provide the following information:

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

Residential:

First Year 0 Second Year 150 Third Year 250 Fourth Year 350

Fifth Year 443

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 _____

Other: (specify) N/A

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

Fifth Year _____

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

Residential:

First Year 0 Second Year 34,560,000 Third Year 57,600,000

Fourth Year 80,640,000 Fifth Year 102,067,000

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 from the new area for each of the next five years:

First Year 0 Second Year \$109,314.00 Third Year \$182,190.00

Fourth Year \$255,066.00 Fifth Year \$322,841.00

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

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

First Year 0 Second Year 99,000 Third Year 165,000
Fourth Year 231,000 Fifth Year 292,380

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

\$886,000

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

Developer Advances

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

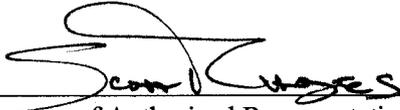
Starting date 11/2006 Completion date 12/2008

M. Attach the following permits:

1. Franchise from either the City or County for the area requested. West End will submit an application to the County by December 31, 2005 to cover the area requested.
2. Arizona Department of Environmental Quality or designee's approval to construct facilities. Construction is scheduled to be conducted in phases. Approval will be obtained from ADEQ prior to construction.
3. Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.) N/A
4. U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.) N/A
5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of, either the utility's Designation of an Assured Water Supply, or the developer's Certificate of 100 Year Assured Water Supply issued by the Arizona Department of Water Resources.
The process has been started and it is anticipated that this permit will be received within six months.
 - If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources if applied for by the developer.

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

N/A



(Signature of Authorized Representative)

J. Scott Rhodes

(Print or Type Name Here)

ATTORNEY

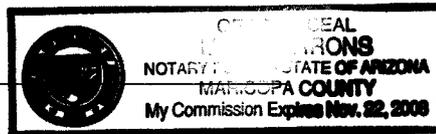
(Title)

SUBSCRIBED AND SWORN to before me this 4th day of October, 2005



NOTARY PUBLIC

My Commission Expires _____



ATTACHMENT "B"

Maricopa	25	5N	3W
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:

NW 1/4 of Section 25 R5N T3W

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, **Brian C. McNeil**, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****WEST END WATER CO.*****

a domestic corporation organized under the laws of the State of Arizona, did incorporate on March 7, 1979.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 19th Day of September, 2005, A. D.



Executive Director

By

**ACTIONS TAKEN BY THE
BOARD OF DIRECTORS AND SHAREHOLDER
OF WEST END WATER CO.**

The undersigned member of the Board of Directors and sole Shareholder of West End Water Co., an Arizona corporation (the "Corporation"), acting by unanimous written consent in lieu of a special meeting, as authorized by Sections 10-821 and 10-704, Arizona Revised Statutes, hereby adopt the following resolution:

WHEREAS, the member of the Board of Directors and sole shareholder of the Corporation deem it to be in the best interest of the Corporation to extend its water service territory to include the area known as Walden Ranch.

NOW, THEREFORE, the following Resolution is adopted:

RESOLVED, that J.D. Campbell, President, on behalf of the Corporation, is hereby authorized and directed to take such actions and to do all things which may be necessary or appropriate to accomplish the extension of its water service territory to include the area known as Walden Ranch.

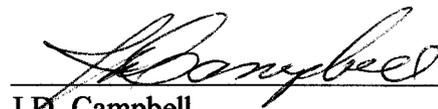
DATED as of September 20th, 2005.

BOARD OF DIRECTORS



J.D. Campbell

SHAREHOLDER



J.D. Campbell

West End Water Co.
Balance Sheet
August 31, 2005

ASSETS

Current Assets	
Cash	\$ 564.12
Accounts Receivable	9,403.34
	<hr/>
Total Current Assets	\$ 9,967.46
Property and Equipment	
Land	1,500.00
Property and Equipment (Net Depreciation)	1,572,798.23
	<hr/>
Total Property and Equipment	\$ 1,574,298.23
Other Assets	
Deposits	95.00
Deferred Management Fees	375,410.04
Construction in Progress	24,715.16
	<hr/>
Total Other Assets	\$ 400,220.20
Total Assets	\$ 1,984,485.89
	<hr/>

LIABILITIES AND CAPITAL

Current Liabilities	
Accounts Payable	\$ 76,443.43
Accounts Payable - Stockholder	666,346.99
Property Tax Payable	209,338.17
	<hr/>
Total Current Liabilities	\$ 952,128.59
Long-Term Liabilities	
Meter Deposits	7,535.86
Less Rpt as Income Meters	(5,660.00)
Water Line Extension Payable	136,332.20
Loan from Stockholder	108,270.00
Security Deposits	12,798.66
Abandoned Deposits	142.05
	<hr/>
Total Long-Term Liabilities	\$ 259,418.77
Total Liabilities	\$ 1,211,547.36
Capital	
Capital Stock	1,000.00
Contributed Capital	1,686,493.23
Accum. Amort. Contributed Plant	(325,311.00)
Retained Earnings Prior	(529,913.06)
Net Income	(59,330.64)
	<hr/>
Total Capital	\$ 772,938.53
Total Liabilities & Capital	\$ 1,984,485.89
	<hr/>

West End Water Co.
Income Statement
For the Eight Months Ending August 31, 2005

	Year to Date
Revenues	
Resident - Metered Sales	52,096.03
Coin Meter Sales	6,740.63
Hydrant Water Sales	128.06
Late Fees	300.88
Turn On/Off Fees	1,053.10
Misc. Income & Fees	1,149.48
Total Revenues	61,468.18
Cost of Sales	
Contract Labor	472.50
JDC Payroll	45,203.01
Engineering Fees	1,030.00
Depreciation Expense	2,116.64
Permits & Recording Fees	250.00
Utilities Pumping Expense	11,236.46
Rep & Maint	837.49
Backhoe Services	767.50
Laboratory Fees	420.00
Legal & Accounting	2,544.50
Bank Charges	509.18
Barn, Workshop & Storage	19,604.72
Total Cost of Sales	84,992.00
Gross Profit	(23,523.82)
Expenses	
Office Expense - Supplies	533.13
Insurance - General	2,944.40
Ground Lease Exp.	2,163.20
Licenses & Fees	414.19
Property Taxes	2,891.02
Management Fees	11,248.64
Postage	640.16
Interest Expense	6,597.92
Telephone	1,789.67
Auto Expense	9,040.66
Capitalized O/H	(4,664.41)
Overhead Expensc	2,208.24
Total Expenses	35,806.82
Net Income	(59,330.64)

Draft for Discussion Only

ATTACHMENT "D"

WATER USE DATA SHEET

NAME OF COMPANY _____	West End Water Co.
ADEQ Public Water System No. _____	07-067

MONTH/YEAR (Last 13 Months)	<u>NUMBER OF CUSTOMERS</u>	GALLONS SOLD (Thousands)
07-05	215	3,325
06-05	215	2,938
05-05	216	2,397
04-05	218	1,835
03-05	216	1,494
02-05	215	1,130
01-05	222	1,287
12-04	223	1,502
11-04	221	1,460
10-04	218	1,980
09-04	216	3,230
08-04	213	3,258
07-04	214	3,130

STORAGE TANK CAPACITY (Gallons)	NUMBER OF EACH	ARIZONA DEPT. OF WATER RESOURCES WELL I.D. NUMBER	WELL PRODUCTION (Gallons per Minute)
100,000	2	55-581369	250

Other Water Sources in Gallons per Minute →	<u>GPM</u>
Fire Hydrants on System →	Yes <input checked="" type="checkbox"/> No
Total Water Pumped Last 13 Months (Gallons in Thousands) →	35,848