

ORIGINAL

NEW APPLICATION

ARIZONA CORPORATION COMMI



0000027734



SW-02573A-05-0843

**RATE APPLICATION
FOR WATER COMPANIES
WITH ANNUAL GROSS OPERATING REVENUES
(INCLUDING REQUESTED RATE RELIEF)
OF LESS THAN \$250,000
PER ARIZONA ADMINISTRATIVE CODE R14-2-103
Details at website: www.cc.state.az.us**

Kings Ranch Unit II Treatment Plant
UTILITY NAME

12/31/04
TEST YEAR ENDED

Required invoices to be submitted are listed in the checklist on page 1.

You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application, call the Chief of Accounting and Rates at (602) 542-0743 for Staff assistance or see our website at: www.cc.state.az.us

IN ORDER TO PROCESS YOUR APPLICATION
FORWARD THE ORIGINAL AND FIFTEEN COPIES OF THE
APPLICATION AND COVER SHEET PLUS THREE
PACKETS WITH COPIES OF
CHECKLIST ITEMS 5-11 (PAGE 1)
TO DOCKET CONTROL CENTER
1200 WEST WASHINGTON STREET
PHOENIX, ARIZONA 85007

Note: Please refer to the checklist on page 1 for the required attachments.

AZ CORP COMMISSION
DOCUMENT CONTROL

2005 NOV 16 10 A 9 19

RECEIVED

TABLE OF CONTENTS

| | |
|--|----|
| WATER RATE APPLICATION CHECKLIST..... | 1 |
| GENERAL INSTRUCTIONS..... | 2 |
| NARRATIVE DESCRIPTION OF APPLICATION FOR RATE ADJUSTMENT..... | 3 |
| AFFILIATE RELATIONSHIP..... | 5 |
| STATEMENTS IN SUPPORT OF RATE REQUEST..... | 6 |
| CURRENT AND PROPOSED RATES AND CHARGES INSTRUCTIONS..... | 8 |
| CURRENT AND PROPOSED RATES AND CHARGES..... | 9 |
| SERVICE CHARGES INSTRUCTIONS..... | 10 |
| CURRENT AND PROPOSED SERVICE CHARGES..... | 11 |
| UTILITY PLANT IN SERVICE INSTRUCTIONS..... | 12 |
| PLANT ADDITIONS AND RETIREMENTS BY YEAR..... | 13 |
| PLANT SUMMARY..... | 14 |
| UTILITY PLANT IN SERVICE..... | 15 |
| WATER COMPANY PLANT DESCRIPTION..... | 16 |
| WATER COMPANY PLANT DESCRIPTION CONTINUED..... | 17 |
| WATER USE DATA SHEET..... | 18 |
| COMPARATIVE STATEMENT OF INCOME AND EXPENSE..... | 19 |
| CALCULATION OF DEPRECIATION EXPENSE..... | 20 |
| BALANCE SHEET..... | 21 |
| BALANCE SHEET (CONTINUED)..... | 22 |
| ADVANCES IN AID OF CONSTRUCTION (ACCT. 252)..... | 24 |
| GROSS CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 271)..... | 25 |
| BILL COUNT INSTRUCTIONS..... | 26 |
| BILL COUNT WORKSHEET 1 ST QUARTER..... | 27 |
| BILL COUNT WORKSHEET 2 ND QUARTER..... | 28 |
| BILL COUNT WORKSHEET 3 RD QUARTER..... | 29 |
| BILL COUNT WORKSHEET 4 TH QUARTER..... | 30 |
| BILL COUNT SUMMARY..... | 31 |
| CUSTOMER NOTIFICATION..... | 32 |
| APPENDIX: WATER COMPLIANCE AFFIDAVITS AND ADOR TAX CLEARANCE FORM..... | 33 |

WATER RATE APPLICATION CHECKLIST

Please use the following checklist to ensure that all necessary attachments are included in the application. Provide an explanation for any omitted item. Please include 15 copies of this application in your application submission. Also, please include three packets with copies of checklist items 5-11.

ORIGINAL APPLICATION PACKAGE ITEMS

- 1. The Arizona Department of Environmental Quality ("ADEQ") or Maricopa County Environmental Services Department ("MCESD") compliance status report. Use the appropriate request form in the appendix at the end of this application to obtain the status report. A separate form should be used for each public water system, as defined by ADEQ, that is part of this application. Submit the completed status report(s) obtained from ADEQ or MCESD with your application.
- 2. The Arizona Department of Revenue ("ADOR") certificate of compliance letter of good standing. Use the tax clearance application in the appendix at the end of this application in order to obtain the certificate of compliance. (Send in the certificate of compliance with your application.)
- 3. The utility's most recent ADEQ annual sampling fee invoice for its Monitoring Assistance Program.
- 4. Invoices for each plant asset purchase in excess of \$150 for the Test Year, as well as all of the intervening years since the utility's prior Test Year as itemized on page **Error! Bookmark not defined.**

Please provide 3 packets with copies of the following information to support entries on the Income Statement on page **Error! Bookmark not defined.**:

- 5. A breakdown by name, position, salary, and duties for the Salaries and Wages expense. (Acct. 601)
- 6. Invoices for Purchased Water during the Test Year. (Acct. 610)
- 7. Invoices for Purchased Power during the Test Year. (Acct. 615)
- 8. Invoices for Repairs and Maintenance in excess of \$150 incurred during the Test Year. (Acct. 620)
- 9. Invoices for Outside Services in excess of \$150 incurred during the Test Year. (Acct. 630)
- 10. Invoices for Water Testing during the Test Year (Acct. 635)
- Statements from the county for Property Tax expenses incurred during the Test Year. (Acct. 408.11)

GENERAL INSTRUCTIONS

Processing the request for a rate adjustment requires completion of ALL PARTS of this application. Complete the Narrative Description of the Application for Rate Adjustment on pages 3 and 4, as well as the statements on pages 5 and 6. Read the accompanying instructions and fill in the entries on pages 9 through 31. Dollar amounts should be rounded to the nearest dollar. NO ENTRY SHOULD BE LEFT BLANK. If an amount is zero, enter a zero. **Any application that is found to be insufficient will not be processed until the deficiencies are corrected per A.A.C. R14-2-103.B.7.**

A completed application also **requires** notification of customers of the rate request. The format of the customer notification letter is provided on page 32 of this application. Use the language and form of this letter in notifying customers. The customer notification **must** be provided to customers on the same date as the rate application is filed. A copy of this notice, together with a **notarized** cover letter stating the method of customer notification and the date the notification was sent to the customers, **must** accompany the application form.

Please provide any supplementary information the Company believes will assist in the evaluation of the rate request. For example, if expense items are substantially different from the latest annual report filed with the Commission, or if significant plant additions have been made since the prior rate increase, attach supporting explanations for those changes to the application. Clearly label any attachments and staple them to the application.

Selection of a Test Year for the utility is an important part of the application. A Test Year older than the year reflected in the most current Annual Report filed with the Utilities Division is usually considered outdated. Questions regarding the selection of a Test Year should be addressed to the Chief of Accounting and Rates at (602) 542-0743.

Please contact the Arizona Department of Environmental Quality (and/or its authorized county agencies) and request a compliance status report. Submit a copy of this report as part of this filing. Please refer to the appendix of this application form.

Please contact the Arizona Department of Revenue and request a certificate of compliance letter of good standing regarding taxes. Submit a copy of this compliance certificate. Please refer to the appendix of this application form.

After you have included all the required items from the checklist on the previous page, please submit the **original and fifteen copies** of the completed application with a cover sheet to:

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

Also, please include **three packets** with copies of checklist items 5-11 (see page 1) in your application filing with the Docket Control Center.

NARRATIVE DESCRIPTION OF APPLICATION FOR RATE ADJUSTMENT

Instructions:

Please provide the reasons for your requested rate adjustment by checking the appropriate box(es) below. If desired, the Company may also attach a written narrative regarding its reasons for the requested rate adjustment. Your narrative may also include efforts made by the utility to control costs/expenses and/or mitigate the amount of rate adjustment.

- Changes in current, compared to past operations, that necessitate the rate adjustment
Please explain:

- Descriptions and/or calculations of adjustments made to amounts that are included in this application that are different than amounts recorded in your books/ledgers (pro forma adjustments)
Please explain:

- Significant factors influencing your revenues, expenses and/or rate base
Please explain:

- Anticipated growth/decline in customers expected in the next two years, the amount of anticipated construction to serve those customers, and how financed; the type of customers served by the utility, e.g. residential, irrigation, small retail businesses, large commercial, etc.
Please explain:

- Anticipated construction
Please explain:

Efforts made to encourage conservation of water through the proposed rate design or through other means
Please explain:

Other factors
Please explain:
See page 4a

Attach additional pages as necessary.

NARRATIVE DESCRIPTION OF APPLICATION FOR RATE INCREASE

The treatment plant's current rates have been in effect since March 2002. Since that time the treatment plant has had continuing operating losses averaging in excess of \$19,000 annually. Also, the treatment plant's outside operator increased their fees by about 15% in July 2004. Due to this cost increase and continuing operating losses a rate application is now being filed.

Due to continuing operating losses and increased costs we believe that is necessary to raise the current rates. Kings Ranch Unit II Treatment Plant serves residential homeowners in the Kings Ranch II subdivision in Black Canyon City. There are a total of 49 lots in the subdivision. As of this filing twenty seven (27) homes have been built and are currently users of the treatment plant. There are an additional twenty two (22) lots that have been sold but no homes have yet been built. Many of these lots have been purchased as investments, therefore, it is not known when homes will be built or when the treatment plant will be utilized by these lot owners.

It is believed that in order to reduce the consistent operating losses and have the treatment plant at least approach break even that rates must be raised. The following schedule shows the proposed increase:

| | Current Rates | Proposed Rates | Change |
|--|---------------------|---------------------|--------------------|
| Monthly Usage Charges | | | |
| Users (27) | \$ 2,160.00 | \$ 2,565.00 | \$ 405.00 |
| Nonusers (22) | - | - | - |
| Totals per month | <u>\$ 2,160.00</u> | <u>\$ 2,565.00</u> | <u>\$ 405.00</u> |
| Totals annualized (*12) | <u>\$ 25,920.00</u> | <u>\$ 30,780.00</u> | <u>\$ 4,860.00</u> |
| Service Charges | | | |
| One-time Establishment Fee | \$ 4,000.00 | \$ 5,000.00 | \$ 1,000.00 |
| Estimated Average of New Users Per Year | <u>3</u> | <u>3</u> | <u>3</u> |
| Total Service Charges | <u>\$ 12,000.00</u> | <u>\$ 15,000.00</u> | <u>\$ 3,000.00</u> |
| Total All Charges | <u>\$ 37,920.00</u> | <u>\$ 45,780.00</u> | <u>\$ 7,860.00</u> |

The current rates are based on a \$80 per month flat rate for users only.
The proposed rates are based on a \$95 per month flat rate for users only.

| | |
|--|------------------------------|
| Company Name: Kings Ranch Unit II Treatment Plant | Test Year Ended: 12/31/04 |
|--|------------------------------|

AFFILIATE RELATIONSHIP

Please indicate a **yes** or **no** answer to the questions below and provide an explanation where necessary.

A parent-subsiary relationship, or affiliation, with another entity includes corporations, partnerships, sole proprietorship, limited liability corporations (LLCs), as well as common ownership of a water company and another entity, such as a development company or wastewater company.

Are any assets owned jointly with any affiliated or subsidiary entities?

YES NO

If Yes, please provide a description of each jointly owned asset, it's cost, and the percentage of the asset owned by the utility. (Please note the amounts reported on pages 13 and 15 should only include the percentage of plant owned by the utility.)

Were any of the assets constructed or acquired from an affiliated or subsidiary entity?

YES NO

If Yes, please identify the affiliated entity, the relationship with the utility, and a detailed listing of all transactions reflected in the Plant accounts. Also include detail for other balance sheet accounts, such as Advances, Contributions in Aid of Construction, inter-company payables and receivables, as well as affiliated revenues and expenses from the Company's Income Statement.

STATEMENTS IN SUPPORT OF RATE REQUEST

Complete the following statements in support of your rate request.

Kings Ranch Unit II Treatment Plant (the "Company") requests an adjustment in the existing rates charged by the Company. The information contained in this application is based upon a twelve-month Test Year ending 12/31/04 (mm/dd/yy). The Company had total operating revenues of \$ 32,000, served 0 metered and 25 un-metered customers, and sold 0 gallons of water during the Test Year.

The Company is requesting a(n) increase/decrease in revenues in the amount of \$ 7,860. Total annual operating revenues, if the Company is granted the rate adjustment, will be \$ 45,780.

- The Company is current on all property taxes. [X] YES [] NO
The Company is current on all sales taxes. [X] YES [] NO
The Company currently has a Curtailment Plan Tariff on file with the Commission [] YES [X] NO
The Company currently has a Backflow Prevention Tariff on file with the Commission [] YES [X] NO

The Company notified its customers of its application for a rate adjustment on 11/15/05 (mm/dd/yy). A COPY OF THE NOTICE WITH A NOTARIZED COVER LETTER STATING THE METHOD OF CUSTOMER NOTIFICATION, AS WELL AS THE DATE OF THE NOTIFICATION, MUST BE ATTACHED. (See page 32)

By completing this application in support of the Company's request for a rate adjustment, the Company realizes that Original Cost Less Depreciation ("OCLD") plant information will be used to determine the fair value rate base, i.e., the Company waives the right to Reconstruction Cost New.

The utility company ownership is one of the following:

- Sole Proprietorship
- Partnership
- "C" Corporation
- "S" Corporation
- Limited Liability Corporation ("LLC")
- Association--Cooperative
- Other, please specify: _____

Note: If a corporation, please list stockholders and the respective number of shares owned below.

| Stockholders | Number of Shares Owned |
|--------------|------------------------|
| | |
| | |
| | |
| | |
| | |

I have read and completed this application, and to the best of my knowledge all of the information contained herein, and attached to this application, is true and correct.

| | |
|--|---|
| Name of Authorized Representative (print): Philip Albins | Company Name: Kings Ranch Unit II Treatment Plant |
| Title: Owner | Address: P. O. Box 109 |
| Signature: <i>Philip Albins</i> | Black Canyon City, Az 85324 |
| Date: <i>11/15/05</i> | Phone Number: (623) 374-5532 |
| E-mail Address: N/A | Fax Number: N/A |
| Website Address: N/A | |

CURRENT AND PROPOSED RATES AND CHARGES INSTRUCTIONS

Complete the schedules on pages 9 and 11 showing rates and charges currently in effect, and those proposed by the Company. Specify the customer class or classes (i.e., residential, commercial, industrial, irrigation, all, or other classes) in the space provided.

MONTHLY CHARGE:

Enter the monthly minimum (or service) charge and gallons included in the minimum for each meter size. For example, enter "\$12.00 for zero gallons." Propose a monthly minimum (or service) charge for every meter size listed on page 9. Also, enter the commodity (or excess) charge for the gallonage the customer will be charged for gallons used over those included in the minimum charge. For example, enter "\$1.25 per 1,000 gallons." If excess charges vary with gallonage used, enter the rates and gallons covered in each tier of consumption in the space provided. For example:

| | | |
|-------------|-------------------------|--------------------------|
| First Tier | Up to 3,000 gallons | \$1.00 per 1,000 gallons |
| Second Tier | 3,001 to 10,000 gallons | \$1.50 per 1,000 gallons |
| Third Tier | Over 10,000 gallons | \$2.50 per 1,000 gallons |

If a flat rate, rather than a metered rate, is currently approved or proposed, enter the monthly rate in the space provided. A "flat rate" is a charge that is not based on gallons used. (For example, \$10.00 for all the water you can use.) If the Company currently has a flat rate and wishes to continue this rate, please contact the Chief of Accounting and Rates at 602-542-0743. It is likely that Staff will **not** recommend the continuation of such a rate.

| | |
|--|------------------------------|
| Company Name: Kings Ranch Unit II Treatment Plant | Test Year Ended: 12/31/04 |
|--|------------------------------|

CURRENT AND PROPOSED RATES AND CHARGES

CUSTOMER CLASS: Residential Commercial Industrial
 Irrigation All Other, specify _____

| MINIMUM OR SERVICE CHARGES | CURRENT RATES | PROPOSED RATES |
|----------------------------|---------------|----------------|
| | \$ GALLONS | \$ GALLONS |
| 5/8" x 3/4" Meter | for | for |
| 3/4" Meter | for | for |
| 1" Meter | for | for |
| 1-1/2" Meter | for | for |
| 2" Meter | for | for |
| 3" Meter | for | for |
| 4" Meter | for | for |
| 6" Meter | for | for |

| GALLONS IN EXCESS OF MINIMUM |
|--|
| Commodity Charge in Excess of Minimum (Charge Per 1,000 Gallons) |
| First Tier |
| Second Tier |
| Third Tier |
| FLAT RATE |

| Current Rates | | Proposed Rates | |
|---------------|----------------|----------------|----------------|
| Rate | Gallons | Rate | Gallons |
| \$ | Up to _____ | \$ | Up to _____ |
| \$ | _____ to _____ | \$ | _____ to _____ |
| \$ | Over _____ | \$ | Over _____ |
| \$ 80.00 | Per Month | \$ 95.00 | Per Month |

Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.

SERVICE CHARGES INSTRUCTIONS

Listed below are current and proposed service charges as appropriate. Commission Rules should be consulted in proposing new service charges. Please list current and proposed rates on Page 11, as well as any service charges not listed below that the Company proposes to charge.

| Service Charge (Commission Rule) | Description |
|--|---|
| Service Line and Meter Installation Charge (R14-2-405.B) | A refundable Advance in Aid of Construction paid by a new customer to cover the cost of installing all customer piping up to the meter, as well as the cost of installing the meter. Propose a charge for every meter size listed on page 11. |
| Establishment (R14-2-403.D.1) | A charge covering the cost to establish a new account for a person requesting service when the utility needs only to install a meter for initial establishment, reestablishment, or reconnection. |
| Establishment (After Hours) (R14-2-403.D.2) | A charge covering the cost to establish a new account for a person requesting service during a period other than regular working hours. |
| Meter Test (R14-2-408.F) | A charge for testing the accuracy of a meter upon a customer's request. No charge will be levied if the meter is found to be in error by more than +/- three (3) percent. |
| Deposit (R14-2-403.B) | A refundable security deposit not exceeding two times the average residential class bill for residential customers, and not exceeding two and one-half times a non-residential customer's estimated maximum monthly bill. |
| Deposit Interest (R14-2-403.B.3) | Annual percentage interest rate applied to customer deposits. A six percent rate shall be applied if the company does not specify an interest rate with the Commission. |
| Re-establishment (R14-2-403.D.1) | A charge for service at the same location where the same customer had ordered a service disconnection within the preceding twelve-month period. |
| NSF Check (R14-2-409.F.1) | A fee for each instance where a customer tenders payment for utility service with an insufficient funds check. |
| Deferred Payment (R14-2-409.G.6) | Applicable monthly finance charges (interest rate) applied in a deferred payment agreement between the company and a customer. |
| Meter Re-read (R14-2-408.C.2) | Charge for a customer requested re-read of meter applicable when the original reading was found not to be in error. |

| | |
|--|------------------------------|
| Company Name: Kings Ranch Unit II Treatment Plant | Test Year Ended: 12/31/04 |
|--|------------------------------|

CURRENT AND PROPOSED SERVICE CHARGES

CUSTOMER CLASS: Residential Commercial Industrial
 Irrigation All Other, specify _____

| SERVICE LINE AND METER INSTALLATION CHARGES | CURRENT CHARGES | PROPOSED CHARGES |
|---|-----------------|------------------|
| 5/8" X 3/4" Meter | \$ 0 | \$ 0 |
| 3/4" Meter | \$ 0 | \$ 0 |
| 1" Meter | \$ 0 | \$ 0 |
| 1-1/2" Meter | \$ 0 | \$ 0 |
| 2" Meter | \$ 0 | \$ 0 |
| 3" Meter | \$ 0 | \$ 0 |
| 4" Meter | \$ 0 | \$ 0 |
| 6" Meter | \$ 0 | \$ 0 |

| | | |
|---------------------------------------|-------------|-------------|
| Establishment - one time | \$ 4,000.00 | \$ 5,000.00 |
| Establishment (after hours) | \$ 20.00 | \$ 20.00 |
| Reconnection (delinquent) | \$ 20.00 | \$ 20.00 |
| Reconnection (delinquent) after hours | \$ 0 | \$ 0 |
| Meter Test | \$ 0 | \$ 0 |
| Deposit | \$ 0 | \$ 0 |
| Deposit Interest | 0 % | 0 % |
| Re-establishment (within 12 months) | \$ 0 | \$ 0 |
| NSF Check | \$ 15.00 | \$ 15.00 |
| Deferred Payment | 1.5 % | 1.5 % |
| Meter Re-read | \$ 0 | \$ 0 |
| Late Fee | \$ 1.5 | \$ 1.5 |

Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.

UTILITY PLANT IN SERVICE INSTRUCTIONS

Instructions for Page 13

Begin the computation of utility plant in service by completing the worksheet on page 13 labeled Plant Additions and Retirements by Year. On this worksheet insert the dollar amount of plant additions and retirements for each account by year. Provide all additions and retirements for all years beginning with the Test Year in the prior rate case and ending with the test year used in this application. If there are more than two intervening years, make copies of page 13 to report all intervening years.

Instructions for Page 14

Upon completion of the above task, please add all additions on page 13 per plant account and enter the total on page 14 (Plant Summary), column B (Total Additions). Similarly, add all retirements by plant account and enter the total on page 14, column C (Total Retirements).

To assist you in the completion of page 14, please refer to the Commission Decision issued in the Company's prior rate case. That Decision established the value for the Original Cost of the plant and accumulated depreciation at the end of the prior test year. It may be necessary to refer to the associated Staff Report for individual account detail relating to the totals listed in the Decision.

Place the original cost of the plant in service per the prior decision in column A (Plant in Service Per Prior Decision).

Complete column D (Test Year End Total), of page 14, for each plant account by adding column A and B and subtracting column C.

The totals calculated by plant must then be copied to page 15 (Utility Plant in Service), in the column titled Original Cost.

Instructions for Page 15

The Test Year End Totals by plant account on page 14 must be recorded to the Utility Plant in Service worksheet on page 15, in the column titled Original Cost. The second column (Accumulated Depreciation) will include the accumulated depreciation as stated in the Commission's prior Decision plus each year's depreciation expense since the prior Test Year. The third column, Original Cost Less Depreciation is calculated by subtracting Accumulated Depreciation from Original Cost for each account.

Note: For assistance with any of the above, please contact the Chief of Accounting and Rates at 602-542-0743.

| | |
|--|------------------------------|
| Company Name: Kings Ranch Unit II Treatment Plant | Test Year Ended: 12/31/04 |
|--|------------------------------|

Plant Additions or (Retirements) by Year

| Acct No. | Description | Cost Per Prior Decision | 2001 | 20 02 | 2003 | Current Test Year |
|----------|------------------------------------|-------------------------|------|-------|------|-------------------|
| 351 | Organization | 0 | 0 | 0 | 0 | 0 |
| 352 | Franchises | 0 | 0 | 0 | 0 | 0 |
| 353 | Land and Land Rights | 0 | 0 | 0 | 0 | 0 |
| 354 | Structures and Improvements | 5,006 | 0 | 0 | 0 | 5,006 |
| 355 | Power Generation Equipment | 0 | 0 | 0 | 0 | 0 |
| 360 | Collection Sewers – Force | 0 | 0 | 0 | 0 | 0 |
| 361 | Collection Sewers – Gravity | 79,100 | 0 | 0 | 0 | 79,100 |
| 362 | Special Collecting Structures | 0 | 0 | 0 | 0 | 0 |
| 363 | Services to Customers | 0 | 0 | 0 | 0 | 0 |
| 364 | Flow Measuring Devices | 0 | 0 | 0 | 0 | 0 |
| 365 | Flow Measuring Installations | 0 | 0 | 0 | 0 | 0 |
| 370 | Receiving Wells | 0 | 0 | 0 | 0 | 0 |
| 380 | Treatment and Disposal Equip. | 68,795 | 0 | 0 | 0 | 68,795 |
| 381 | Plant Sewers | 0 | 0 | 0 | 0 | 0 |
| 382 | Outfall Sewer Lines | 0 | 0 | 0 | 0 | 0 |
| 389 | Other Plant and Misc. Equipment | 0 | 0 | 0 | 0 | 0 |
| 390 | Office Furniture and Equipment | 0 | 0 | 0 | 0 | 0 |
| 391 | Transportation Equipment | 0 | 0 | 0 | 0 | 0 |
| 393 | Tools, Shop and Garage Equip. | 0 | 0 | 0 | 0 | 0 |
| 394 | Laboratory Equipment | 0 | 0 | 0 | 0 | 0 |
| 395 | Power Operated Equipment | 0 | 0 | 0 | 0 | 0 |
| 398 | Other Tangible Plant –Lift Station | 8,793 | 0 | 0 | 0 | 8,793 |
| | TOTAL WASTEWATER PLANT | 161,694 | 0 | 0 | 0 | 161,694 |

NOTE: Please refer to the checklist on Page 29 for the required attachments related to this schedule.

| | |
|---|----------------------------------|
| Company Name: KINGS RANCH UNIT II TREATMENT PLANT | Test Year Ended: 12/31/04 |
|---|----------------------------------|

Plant Summary

| Acct. No. | Description | Plant in Service Per Prior Decision <i>Column A</i> | Total Additions <i>Column B</i> | Total Retirements <i>Column C</i> | Test Year End Total <i>Column D*</i> |
|----------------------|--|--|------------------------------------|--------------------------------------|---|
| 301 | Organization | | | | |
| 302 | Franchises | | | | |
| 303 | Land & Land Rights | | | | |
| 304 | Structures & Improvements | 5,006 | 0 | 0 | 5,006 |
| 307 | Wells & Springs | | | | |
| 311 361 | Pumping Equipment Collection Sewers | 79,100 | 0 | 0 | 79,100 |
| 320 | Water Treatment Equipment | | | | |
| 320.1 | Water Treatment Plants | | | | |
| 320.2 | Solution Chemical Feeders | | | | |
| 330 | Distribution Reservoirs & Standpipes | | | | |
| 330.1 380 | Storage Tanks Treatment and Disposal Equipment | 68,795 | 0 | 0 | 68,795 |
| 330.2 | Pressure Tanks | | | | |
| 331 | Transmission & Distrib. Mains | | | | |
| 333 | Services | | | | |
| 334 | Meters & Meter Installations | | | | |
| 335 | Hydrants | | | | |
| 336 | Backflow Prevention Devices | | | | |
| 339 | Other Plant & Misc. Equipment | | | | |
| 340 | Office Furniture & Equipment | | | | |
| 340.1 | Computers & Software | | | | |
| 341 | Transportation Equipment | | | | |
| 343 | Tools, Shop & Garage Equip. | | | | |
| 344 | Laboratory Equipment | | | | |
| 345 | Power Operated Equipment | | | | |
| 346 | Communication Equipment | | | | |
| 347 | Miscellaneous Equipment | | | | |
| 348 | Other Tangible Plant - Lift Station | 8,793 | 0 | 0 | 8,793 |
| | TOTAL WATER PLANT | 161,694 | 0 | 0 | 161,694 |

Note: Please refer to the checklist on page 1 for the required attachments related to this schedule

** Column D = Column A + Column B - Column C*

| | |
|--|------------------------------|
| Company Name: Kings Ranch Unit II Treatment Plant | Test Year Ended: 12/31/04 |
|--|------------------------------|

UTILITY PLANT IN SERVICE

| Acct. No. | | Original Cost | Accumulated Depreciation | O.C.L.D. |
|-----------|---------------------------------|----------------|--------------------------|---------------|
| 351 | Organization | 0 | 0 | 0 |
| 352 | Franchises | 0 | 0 | 0 |
| 353 | Land and Land Rights | 0 | 0 | 0 |
| 354 | Structures and Improvements | 5,006 | 2,884 | 2,122 |
| 355 | Power Generation Equipment | 0 | 0 | 0 |
| 360 | Collection Sewers – Force | 0 | 0 | 0 |
| 361 | Collection Sewers – Gravity | 79,100 | 32,304 | 46,796 |
| 362 | Special Collecting Structures | 0 | 0 | 0 |
| 363 | Services to Customers | 0 | 0 | 0 |
| 364 | Flow Measuring Devices | 0 | 0 | 0 |
| 365 | Flow Measuring Installations | 0 | 0 | 0 |
| 370 | Receiving Wells | 0 | 0 | 0 |
| 380 | Treatment and Disposal Equip. | 68,795 | 35,613 | 33,182 |
| 381 | Plant Sewers | 0 | 0 | 0 |
| 382 | Outfall Sewer Lines | 0 | 0 | 0 |
| 389 | Other Plant and Misc. Equipment | 8,793 | 4,596 | 4,197 |
| 390 | Office Furniture and Equipment | 0 | 0 | 0 |
| 391 | Transportation Equipment | 0 | 0 | 0 |
| 393 | Tools, Shop and Garage Equip. | 0 | 0 | 0 |
| 394 | Laboratory Equipment | 0 | 0 | 0 |
| 395 | Power Operated Equipment | 0 | 0 | 0 |
| 398 | Other Tangible Plant | 0 | 0 | 0 |
| | TOTAL WASTEWATER PLANT | 161,694 | 75,397 | 86,297 |

| | |
|--|------------------------------|
| Company Name: Kings Ranch Unit II Treatment Plant | Test Year Ended: 12/31/04 |
|--|------------------------------|

WASTEWATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

| | |
|---|-------------------|
| TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.) | Extended Aeration |
| DESIGN CAPACITY OF PLANT (Gallons Per Day) | 9,000 |

LIFT STATION FACILITIES

| Location | Quantity of Pumps | Horsepower Per Pump | Capacity Per Pump (GPM) | Wet Well Capacity (gals) |
|----------------------------|-------------------|---------------------|-------------------------|--------------------------|
| Kings Ranch II Subdivision | 1 | 1 | 25 | 25 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

FORCE MAINS

| Size | Material | Length (Feet) |
|--------|----------|---------------|
| 4-inch | N/A | N/A |
| 6-inch | N/A | N/A |
| | | |
| | | |

MANHOLES

| Type | Quantity |
|----------|----------|
| Standard | 29 |
| Drop | |
| | |

CLEANOUTS

| Quantity |
|----------|
| 5 |
| |
| |

| | |
|--|------------------------------|
| Company Name: Kings Ranch Unit II Treatment Plant | Test Year Ended: 12/31/04 |
|--|------------------------------|

WASTEWATER COMPANY PLANT DESCRIPTION CONTINUED

COLLECTION MAINS

| Size (in inches) | Material | Length (in feet) |
|---------------------|-----------------|---------------------|
| 4 | | |
| 6 | PVC & Cast Iron | Approx |
| 8 | PVC & Cast Iron | 5,000 |
| 10 | | |
| 12 | | |
| 15 | | |
| 18 | | |
| 21 | | |
| 24 | | |
| 30 | | |
| | | |

SERVICES

| Size (in inches) | Material | Quantity |
|---------------------|----------|----------|
| 4 | PVC | 49 |
| 6 | | |
| 8 | | |
| 12 | | |
| 15 | | |
| | | |
| | | |
| | | |
| | | |
| | | |

For the following five items, please list the utility owned assets in each category.

| | |
|---|----------------------------|
| SOLIDS PROCESSING AND HANDLING FACILITIES | None |
| DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.) | Chlorinator, Dechlorinator |
| FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.) | None |
| STRUCTURES (Buildings, Fences, Etc.) | Fences, Shed |
| OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.) | None |

WASTEWATER FLOWS

| MONTH/YEAR (Most Recent 12 Months) | NUMBER OF SERVICES | TOTAL MONTHLY SEWAGE FLOW | SEWAGE FLOW ON PEAK DAY |
|---|-------------------------------|--------------------------------------|------------------------------------|
| January 2004 | 22 | 2,275 | Unknown |
| February 2004 | 22 | 2,088 | Unknown |
| March 2004 | 23 | 2,001 | Unknown |
| April 2004 | 23 | 1,785 | Unknown |
| May 2004 | 24 | 2,016 | Unknown |
| June 2004 | 24 | 2,332 | Unknown |
| July 2004 | 25 | 2,232 | Unknown |
| August 2004 | 25 | 2,721 | Unknown |
| September 2004 | 26 | 1,958 | Unknown |
| October 2004 | 26 | 1,985 | Unknown |
| November 2004 | 26 | 3,787 | Unknown |
| December 2004 | 26 | 3,000 | Unknown |

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

| | |
|---|-------------------------|
| Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.) | Surface water discharge |
| Wastewater Inventory Number (all wastewater systems are assigned an inventory number) | 100354 |
| Groundwater Permit Number | N/A |
| ADEQ Aquifer Protection Permit Number | N/A |
| ADEQ Reuse Permit Number | N/A |
| EPA NPDES Permit Number | AZ 0023060 |

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|-------------------------------------|-------------|--------------|
| 521 | Flat Rate Revenues | \$ 18,800 | \$ 24,000 |
| 522 | Measured Revenues | 0 | 0 |
| 536 | Other Wastewater Revenues | 0 | 8,000 |
| | TOTAL REVENUES | \$ 18,800 | \$ 32,000 |
| | OPERATING EXPENSES | | |
| 701 | Salaries and Wages | \$ 0 | \$ 0 |
| 710 | Purchased Wastewater Treatment | 0 | 0 |
| 711 | Sludge Removal Expense | 0 | 0 |
| 715 | Purchased Power | 2,694 | 2,729 |
| 716 | Fuel for Power Production | 0 | 0 |
| 718 | Chemicals | 0 | 0 |
| 720 | Materials and Supplies | 20 | 0 |
| 731 | Contractual Services – Professional | 1,650 | 1,540 |
| 735 | Contractual Services – Testing | 0 | 0 |
| 736 | Contractual Services – Other | 30,532 | 33,972 |
| 740 | Rents | 0 | 0 |
| 750 | Transportation Expense | 0 | 0 |
| 755 | Insurance Expense | 0 | 0 |
| 765 | Regulatory Commission Expense | 0 | 0 |
| 775 | Miscellaneous Expense | 435 | 94 |
| 403 | Depreciation Expense | 6,210 | 6,210 |
| 408 | Taxes Other Than Income | 0 | 0 |
| 408.11 | Property Taxes | 893 | 1,262 |
| 409 | Income Taxes | 0 | 0 |
| | TOTAL OPERATING EXPENSES | \$ 42,434 | \$ 45,807 |
| | OTHER INCOME/EXPENSE | | |
| 419 | Interest and Dividend Income | \$ 0 | \$ 0 |
| 421 | Non-Utility Income | 0 | 0 |
| 426 | Miscellaneous Non-Utility Expenses | 0 | 0 |
| 427 | Interest Expense | 0 | 0 |
| | TOTAL OTHER INCOME/EXPENSE | \$ 0 | \$ 0 |
| | NET INCOME/(LOSS) | \$ (23,634) | \$ (13,807) |

Company Name:
Kings Ranch Unit II Treatment Plant

Test Year Ended:
12/31/04

CALCULATION OF DEPRECIATION EXPENSE

| Acct. No. | | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|--------------|---------------------------------|----------------------|-----------------------------------|-------------------------------|
| 351 | Organization | 0 | 0 | 0 |
| 352 | Franchises | 0 | 0 | 0 |
| 353 | Land and Land Rights | 0 | 0 | 0 |
| 354 | Structures and Improvements | 5,006 | .0357 | 179 |
| 355 | Power Generation Equipment | 0 | 0 | 0 |
| 360 | Collection Sewers – Force | 0 | 0 | 0 |
| 361 | Collection Sewers – Gravity | 79,100 | .02 | 1,582 |
| 362 | Special Collecting Structures | 0 | 0 | 0 |
| 363 | Services to Customers | 0 | 0 | 0 |
| 364 | Flow Measuring Devices | 0 | 0 | 0 |
| 365 | Flow Measuring Installations | 0 | 0 | 0 |
| 370 | Receiving Wells | 0 | 0 | 0 |
| 380 | Treatment and Disposal Equip. | 68,795 | .0535 | 3,683 |
| 381 | Plant Sewers | 0 | 0 | 0 |
| 382 | Outfall Sewer Lines | 0 | 0 | 0 |
| 389 | Other Plant and Misc. Equipment | 8,793 | .0871 | 766 |
| 390 | Office Furniture and Equipment | 0 | 0 | 0 |
| 391 | Transportation Equipment | 0 | 0 | 0 |
| 393 | Tools, Shop and Garage Equip. | 0 | 0 | 0 |
| 394 | Laboratory Equipment | 0 | 0 | 0 |
| 395 | Power Operated Equipment | 0 | 0 | 0 |
| 398 | Other Tangible Plant | 0 | 0 | 0 |
| | TOTAL WASTEWATER PLANT | 161,694 | .0384 | 6,210 |

NOTE: Use Test Year ending balances for Column 1, and proposed depreciation rates in Column 2.

BALANCE SHEET

| Acct No. | ASSETS | BALANCE AT BEGINNING OF TEST YEAR | BALANCE AT END OF YEAR |
|-----------------------------------|---|-----------------------------------|------------------------|
| CURRENT AND ACCRUED ASSETS | | | |
| 131 | Cash | \$ 8,688 | \$ 5,670 |
| 132 | Special Deposits | 0 | 0 |
| 135 | Temporary Cash Investments | 0 | 0 |
| 141 | Customer Accounts Receivable | 0 | 0 |
| 146 | Notes/Receivables from Associated Companies | 0 | 0 |
| 151 | Plant Material and Supplies | 0 | 0 |
| 162 | Prepayments | 0 | 0 |
| 174 | Miscellaneous Current and Accrued Assets | 0 | 0 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 8,688 | \$ 5,670 |
| FIXED ASSETS | | | |
| 101 | Utility Plant in Service | \$ 161,694 | \$ 161,694 |
| 103 | Property Held for Future Use | 0 | 0 |
| 105 | Construction Work in Progress | 0 | 0 |
| 108 | Accumulated Depreciation - Utility Plant | 69,187 | 75,397 |
| 121 | Non-Utility Property | 0 | 0 |
| 122 | Accumulated Depreciation - Non Utility | 0 | 0 |
| | TOTAL FIXED ASSETS | \$ 92,507 | \$ 86,297 |
| | TOTAL ASSETS | \$ 101,195 | \$ 91,967 |

NOTE: Total Assets on this page should equal Total Liabilities and Capital on the following page.

BALANCE SHEET (CONTINUED)

| Acct No. | LIABILITIES | BALANCE AT BEGINNING OF TEST YEAR | BALANCE AT END OF YEAR |
|-------------|---|---|------------------------------|
| | CURRENT LIABILITES | | |
| 231 | Accounts Payable | \$ 0 | \$ 0 |
| 232 | Notes Payable (Current Portion) | 0 | 0 |
| 234 | Notes/Accounts Payable to Associated Companies | 0 | 0 |
| 235 | Customer Deposits | 240 | 240 |
| 236 | Accrued Taxes | 0 | 0 |
| 237 | Accrued Interest | 0 | 0 |
| 241 | Miscellaneous Current and Accrued Liabilities | 0 | 0 |
| | TOTAL CURRENT LIABILITIES | \$ 240 | \$ 240 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ 0 | \$ 0 |
| | DEFERRED CREDITS | | |
| 252 | Advances in Aid of Construction | \$ 0 | \$ 0 |
| 253 | Other Deferred Credits | 0 | 0 |
| 255 | Accumulated Deferred Investment Tax Credits | 0 | 0 |
| 271 | Contributions in Aid of Construction | 0 | 0 |
| 272 | Less: Amortization of Contributions | 0 | 0 |
| 281 | Accumulated Deferred Income Tax | 0 | 0 |
| | TOTAL DEFERRED CREDITS | \$ 0 | \$ 0 |
| | TOTAL LIABILITIES | \$ 240 | \$ 240 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ 0 | \$ 0 |
| 211 | Other Paid in Capital | 0 | 0 |
| 215 | Retained Earnings | 0 | 0 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | 100,955 | 91,727 |
| | TOTAL CAPITAL | \$ 100,955 | \$ 91,967 |
| | TOTAL LIABILITIES AND CAPITAL | \$ 101,195 | \$ 91,967 |

| | |
|--|------------------------------|
| Company Name: Kings Ranch Unit II Treatment Plant | Test Year Ended: 12/31/04 |
|--|------------------------------|

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt¹

N/A

| | LOAN #1* | LOAN #2* | LOAN #3* | LOAN #4* |
|--|----------|----------|----------|----------|
| Date Issued | | | | |
| Source of Loan | | | | |
| Reason for Loan | | | | |
| Dollar Amount Issued | \$ | \$ | \$ | \$ |
| Net Proceeds | \$ | \$ | \$ | \$ |
| Amount Outstanding | \$ | \$ | \$ | \$ |
| Date of Maturity | | | | |
| Interest Rate | | | | |
| Current Year Interest | \$ | \$ | \$ | \$ |
| Current Year Principal | \$ | \$ | \$ | \$ |
| Authority Granted By ACC Decision No. | | | | |

A.R.S. 40-301 requires ACC approval of long-term debt. If the Commission has not approved any of the above loans, then please submit an application requesting approval of the above loans.

| | | |
|--|----|----------|
| Meter Deposit Balance – Test Year | \$ | <u>0</u> |
| Meter Deposits Refunded During the Test Year | \$ | <u>0</u> |

¹List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed.

| | |
|--|------------------------------|
| Company Name: Kings Ranch Unit II Treatment Plant | Test Year Ended: 12/31/04 |
|--|------------------------------|

GROSS CONTRIBUTIONS IN AID OF CONSTRUCTION (Acct. 271)³
N/A

| | | |
|----------------------------|-----|------|
| Balance Per Prior Decision | N/A | \$ |
| Additions Year | \$ | |
| Total Additions | N/A | \$ |
| Balance at Test Year End | N/A | \$ * |

Note: Prior Decision refers to the balances per the prior Staff Report as adjusted per the final Commission Decision.

** Balance at Test Year End = Balance Per Prior Decision + Total Additions (cross reference this to the Balance Sheet on page 22)*

³ *Contributions in Aid of Construction refers to the following:*
 (1) *Non-refundable money, services, or property received for use in the provision of utility service from any source that is provided at no cost and interest free.*
 (2) *Unfunded balances of expired advance contracts reclassified from Advances in Aid of Construction.*

BILL COUNT INSTRUCTIONS

A quarterly Bill Count must be provided for each of the meter sizes the Company had in service during the Test Year. If you had more than one meter size in service, reproduce the forms on pages 27 through 31, inclusive, so that you will submit one set of Bill Count forms (i.e. one Bill Count for each quarter and a Bill Count Summary), for each meter size. An item such as a metered standpipe would be considered to be a different size meter, since it may have a different tariff rate than the other size meters.

A Bill Count Summary sheet is provided on page 31. Please note that each bill over 100,000 gallons should be shown separately. The number of bills in each line will be added to produce a total of all bills at the bottom of the page.

The first step in producing the Bill Count is to collect all monthly bills rendered for metered water sales during the 12 months of the Test Year. The collection of bills must include bills to part-time customers and to customers who are no longer on the system, but who were on the system for any part of the Test Year.

Only include bills for water sold during the Test Year. For example, assume that the Test Year runs from January 1st to December 31st (calendar year) and you normally bill on January 5th. The bill sent out at that time would cover December 1st through 31st usage of the prior year and should not be included. The first billing to be used for the year would be the February 5th billing and the last billing to be used would be the billing of January 5th of the succeeding year.

Sort the bills by each quarter, by meter size, so that a separate bill count is produced for each three-month period by meter size. On each quarterly Bill Count sheet, place a tally for each bill in the appropriate gallonage range. After tallying each bill, add the tallies in each gallonage range and report the tally totals in the column provided.

Note: For explanation of any of the above, please contact the Chief of Accounting and Rates at 602-542-0743.

| | |
|--|---|
| Company Name: Kings Ranch Unit II Treatment Plant | Test Year Ended: 12/31/04 |
| Meter Size: Flat Rate | 1 st Quarter Ended: 3/31/04 |

BILL COUNT WORKSHEET 1ST QUARTER

| GALLONAGE RANGE | NUMBER OF BILLS | TOTAL BILLS FOR 1ST QUARTER |
|---|------------------------|---|
| - 0 - | | 75 |
| 1 to 1,000 | | |
| 1,001 to 2,000 | | |
| 2,001 to 3,000 | | |
| 3,001 to 4,000 | | |
| 4,001 to 5,000 | | |
| 5,001 to 6,000 | | |
| 6,001 to 7,000 | | |
| 7,001 to 8,000 | | |
| 8,001 to 9,000 | | |
| 9,001 to 10,000 | | |
| 10,001 to 12,000 | | |
| 12,001 to 14,000 | | |
| 14,001 to 16,000 | | |
| 16,001 to 18,000 | | |
| 18,001 to 20,000 | | |
| 20,001 to 25,000 | | |
| 25,001 to 30,000 | | |
| 30,001 to 35,000 | | |
| 35,001 to 40,000 | | |
| 40,001 to 50,000 | | |
| 50,001 to 60,000 | | |
| 60,001 to 70,000 | | |
| 70,001 to 80,000 | | |
| 80,001 to 90,000 | | |
| 90,001 to 100,000 | | |
| Over 100,000 (List actual gallons, e.g., 120,000) | | |
| Total Bills | | 75 |

| | |
|--|---|
| Company Name: Kings Ranch Unit II Treatment Plant | Test Year Ended: 12/31/04 |
| Meter Size: Flat Rate | 2 nd Quarter Ended: 6/30/04 |

BILL COUNT WORKSHEET 2ND QUARTER

| GALLONAGE RANGE | NUMBER OF BILLS | TOTAL BILLS FOR 2ND QUARTER |
|---|------------------------|---|
| - 0 - | | 75 |
| 1 to 1,000 | | |
| 1,001 to 2,000 | | |
| 2,001 to 3,000 | | |
| 3,001 to 4,000 | | |
| 4,001 to 5,000 | | |
| 5,001 to 6,000 | | |
| 6,001 to 7,000 | | |
| 7,001 to 8,000 | | |
| 8,001 to 9,000 | | |
| 9,001 to 10,000 | | |
| 10,001 to 12,000 | | |
| 12,001 to 14,000 | | |
| 14,001 to 16,000 | | |
| 16,001 to 18,000 | | |
| 18,001 to 20,000 | | |
| 20,001 to 25,000 | | |
| 25,001 to 30,000 | | |
| 30,001 to 35,000 | | |
| 35,001 to 40,000 | | |
| 40,001 to 50,000 | | |
| 50,001 to 60,000 | | |
| 60,001 to 70,000 | | |
| 70,001 to 80,000 | | |
| 80,001 to 90,000 | | |
| 90,001 to 100,000 | | |
| Over 100,000 (List actual gallons, e.g., 120,000) | | |
| Total Bills | | 75 |

| | |
|--|---|
| Company Name: Kings Ranch Unit II Treatment Plant | Test Year Ended: 12/31/04 |
| Meter Size: Flat Rate | 3 rd Quarter Ended: 9/30/04 |

BILL COUNT WORKSHEET 3RD QUARTER

| GALLONAGE RANGE | NUMBER OF BILLS | TOTAL BILLS FOR 3 rd QUARTER |
|---|-----------------|---|
| - 0 - | | 75 |
| 1 to 1,000 | | |
| 1,001 to 2,000 | | |
| 2,001 to 3,000 | | |
| 3,001 to 4,000 | | |
| 4,001 to 5,000 | | |
| 5,001 to 6,000 | | |
| 6,001 to 7,000 | | |
| 7,001 to 8,000 | | |
| 8,001 to 9,000 | | |
| 9,001 to 10,000 | | |
| 10,001 to 12,000 | | |
| 12,001 to 14,000 | | |
| 14,001 to 16,000 | | |
| 16,001 to 18,000 | | |
| 18,001 to 20,000 | | |
| 20,001 to 25,000 | | |
| 25,001 to 30,000 | | |
| 30,001 to 35,000 | | |
| 35,001 to 40,000 | | |
| 40,001 to 50,000 | | |
| 50,001 to 60,000 | | |
| 60,001 to 70,000 | | |
| 70,001 to 80,000 | | |
| 80,001 to 90,000 | | |
| 90,001 to 100,000 | | |
| Over 100,000 (List actual gallons, e.g., 120,000) | | |
| Total Bills | | 75 |

| | |
|--|---|
| Company Name: Kings Ranch Unit II Treatment Plant | Test Year Ended: 12/31/04 |
| Meter Size: Flat Rate | 4 th Quarter Ended: 12/31/04 |

BILL COUNT WORKSHEET 4TH QUARTER

| GALLONAGE RANGE | NUMBER OF BILLS | TOTAL BILLS FOR 4th QUARTER |
|---|------------------------|---|
| - 0 - | | 75 |
| 1 to 1,000 | | |
| 1,001 to 2,000 | | |
| 2,001 to 3,000 | | |
| 3,001 to 4,000 | | |
| 4,001 to 5,000 | | |
| 5,001 to 6,000 | | |
| 6,001 to 7,000 | | |
| 7,001 to 8,000 | | |
| 8,001 to 9,000 | | |
| 9,001 to 10,000 | | |
| 10,001 to 12,000 | | |
| 12,001 to 14,000 | | |
| 14,001 to 16,000 | | |
| 16,001 to 18,000 | | |
| 18,001 to 20,000 | | |
| 20,001 to 25,000 | | |
| 25,001 to 30,000 | | |
| 30,001 to 35,000 | | |
| 35,001 to 40,000 | | |
| 40,001 to 50,000 | | |
| 50,001 to 60,000 | | |
| 60,001 to 70,000 | | |
| 70,001 to 80,000 | | |
| 80,001 to 90,000 | | |
| 90,001 to 100,000 | | |
| Over 100,000 (List actual gallons, e.g., 120,000) | | |
| Total Bills | | 75 |

| | |
|--|---------------------------|
| Company Name: Kings Ranch Unit II Treatment Plant | Test Year Ended: 12/31/04 |
| Meter Size: Flat Rate | |

BILL COUNT SUMMARY

| | 1 st Qtr | 2 nd Qtr | 3 rd Qtr | 4 th Qtr | Total |
|---|---------------------|---------------------|---------------------|---------------------|------------|
| - 0 - | 75 | 75 | 75 | 75 | 300 |
| 1 to 1,000 | | | | | |
| 1,001 to 2,000 | | | | | |
| 2,001 to 3,000 | | | | | |
| 3,001 to 4,000 | | | | | |
| 4,001 to 5,000 | | | | | |
| 5,001 to 6,000 | | | | | |
| 6,001 to 7,000 | | | | | |
| 7,001 to 8,000 | | | | | |
| 8,001 to 9,000 | | | | | |
| 9,001 to 10,000 | | | | | |
| 10,001 to 12,000 | | | | | |
| 12,001 to 14,000 | | | | | |
| 14,001 to 16,000 | | | | | |
| 16,001 to 18,000 | | | | | |
| 18,001 to 20,000 | | | | | |
| 20,001 to 25,000 | | | | | |
| 25,001 to 30,000 | | | | | |
| 30,001 to 35,000 | | | | | |
| 35,001 to 40,000 | | | | | |
| 40,001 to 50,000 | | | | | |
| 50,001 to 60,000 | | | | | |
| 60,001 to 70,000 | | | | | |
| 70,001 to 80,000 | | | | | |
| 80,001 to 90,000 | | | | | |
| 90,001 to 100,000 | | | | | |
| Over 100,000 (List actual gallons, e.g., 120,000) | | | | | |
| Total Bills | 75 | 75 | 75 | 75 | 300 |

CUSTOMER NOTIFICATION

Kings Ranch Unit II Treatment Plant has applied with the Arizona Corporation Commission ("Commission") for an adjustment in rates. The current rates have been in effect since March 2002. An increase in rates is necessary at this time due to continuing operating losses and increased costs. Based on the Company's unaudited Test Year results, Kings Ranch Unit II Treatment Plant realized an operating loss of \$(13,807). The Company is requesting a revenue increase of \$7,860 or 20.73% of total revenues. Please see the attached pages 9 and 11 of the Company's application for the proposed rates.

The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street (for Tucson, call 800-535-0148 if located outside Tucson local calling area or 520-628-6550 if inside the Tucson local calling area) and at the office of Kings Ranch Unit II Treatment Plant, 19000 Palm Lane, Black Canyon City, AZ 85324. 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.

Customer input is an important part of the Commission's analysis of the requested increase and is a factor in determining whether a hearing will be conducted. Customers are encouraged to call 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 may 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 Consumer 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 may also contact the Tucson Commission office by calling 800-535-0148 (if located outside the Tucson local calling area) or 520-628-6550 in the Tucson local calling area.

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, comments submitted in writing become a part of the formal record in this case, which the Commission reviews prior to the final decision on the Application. It is important that you contact the Commission within 15 days so that the Commission's Staff can consider your comments and concerns in developing its recommendation to the Commission.


Philip Albins, Owner

COVER LETTER

This is to certify that the Customers of Kings Ranch Unit II Treatment Plant were sent by mail on November 15, 2005 the required Customer Notification of application to the Arizona Corporation Commission for an adjustment of rates.

Philip Albins
Philip Albins, Owner
Kings Ranch Unit II Treatment Plant

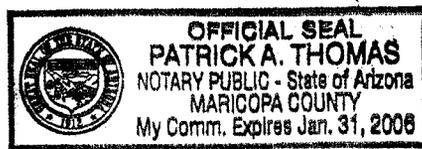
Subscribed and sworn before me PATRICK A. THOMAS

A Notary Public in and for the County of MARICOPA

This 15TH Day of November, 2005

Patrick A. Thomas
Signature of Notary Public

My Commission Expires JANUARY 31, 2006



**Appendix: Water Compliance Affidavits and ADOR Tax Clearance
Form**

**Arizona Department of Environmental Quality
Compliance Status Report**

ARIZONA CORPORATION COMMISSION STATUS REQUEST

TO:

Arizona Department of Environmental Quality
Don Shroyer, Wastewater Data Section
Phone: 602-771-4513 (fax: 602-771-4505)

DATE: 11/03/05

FROM:

Wastewater Company: KINGS RANCH UNIT II TREATMENT PLANT
ADEQ System/Inventory Number: 100354
Mailing Address: P.O. BOX 109
City, State, Zip Code: BLACK CANYON CITY, AZ 85324

Phone/FAX Numbers: (623) 374-5532 (FAX 602-957-2311)

Please return completed request to ACC Utilities Engineering (FAX 602-542-2129) and to the Company at address listed above within 30 days.

Please check current compliance status of this wastewater company:

Total Substantial Non

1. Does system have certified operator? Yes X No
2. Does system have any physical/plant deficiencies? Yes No X *Last inspection 6/10/03*
If yes, please detail below (use additional sheets, if necessary).
Date of last ADEQ inspection
3. Does system have any O & M deficiencies? Yes No ✓
If yes, please detail below (use additional sheets, if necessary).
4. Does system have any NPDES monitoring deficiencies? Yes No ✓
If yes, please detail below (use additional, sheets if necessary).
5. Is ADEQ compliance and/or enforcement action pending? Yes No ✓

Don Shroyer
Name of ADEQ contact person

602-971-4513
Phone number

**Arizona Department of Revenue
Certificate of Compliance
Letter of Good Standing**

Certificate of Compliance Letter of Good Standing

Philip Albins

This Certificate of Compliance is issued pursuant to Arizona Revised Statutes Section 42-1110 and/or Section 43-1151. It certifies that, according to department records, the above named taxpayer has filed and paid all taxes due under Title 42 and Title 43, specifically and only as to the following described tax types and identification/license numbers:

TAX TYPE

Social Security Number

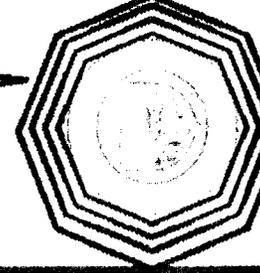
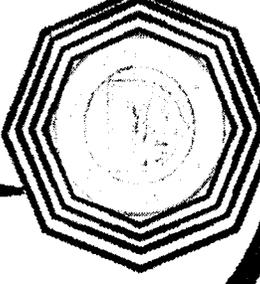
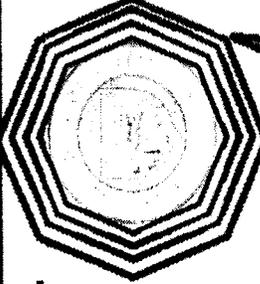
IDENTIFICATION
561-32-7788

This certification is made conditionally and is subject to the findings of any subsequent audit.

Issued To:

Mr Philip Albins
P.O. Box 109
Black Canyon City, AZ 85324

Bobbie Clay
Bobbie Clay
Revenue Officer 602-716-6785
June 24, 2005
www.AZDOR.gov



**Most Recent Health
Department Report
(Discharge Monitoring Report)**

WILDMARCE MONITORING REPORT (DWA)
 (12-17)
 AZ0023
 PERMIT NUMBER
 001A
 DISCHARGE NUMBER
 MONITORING PERIOD
 YEAR MO DAY TO YEAR MO DAY
 04 12 01 TO 04 12 31
 FROM 126-31, 133-31, 142-31 TO 126-31, 128-31, 128-31

NOTE: Read instructions before completing this form.

| PARAMETER (22-37) | QUANTITY OR LOADING (32-41) | | QUALITY OR CONCENTRATION (34-43) | | NO. EX. ANALYSIS (64-68) | FREQUENCY OF ANALYSIS (69-72) | SAMP. TYP. (89-92) |
|-------------------|-----------------------------|-----------------|----------------------------------|-----------------|--------------------------|-------------------------------|--------------------|
| | AVERAGE (46-51) | MAXIMUM (52-55) | AVERAGE (44-53) | MAXIMUM (54-61) | | | |
| Fecal Coliform | 20 | 200/100 MO | 20 | 800/100 day | 0 | 1/31 | grab |
| Settable Solids | <0.2 | 1 ml/1 MO | <0.2 | 2 ml/1 day | 0 | | grab |
| Ph | 7.6 | 6.5 | 7.8 | 9.0 | 0 | 6/31 | grab |
| Chlorine residual | <0.1 | 1.55 g/day | <50 | 50 | 0 | 1/31 | grab |

DEC 2004 OPERATING DATA

NAME/TITLE PRINCIPAL EXECUTIVE OFFICER
 Philip Albins
 Owner

TYPED OR PRINTED COMMENT AND EXPLANATION OF ANY VIOLATION

SIGNATURE OF PRINCIPAL EXECUTIVE OFFICER OR AUTHORIZED AGENT


TELEPHONE NUMBER
 602 849-3720

DATE
 05 1 25

Aerotech Environmental**Analytical Report**

Date: 29-Dec-04

CLIENT: Jack Muir Enterprises
Lab Order: 04120862
Project: Kings Ranch WW
Lab ID: 04120862-01A

Client Sample ID: Kings Ranch Mix Liq
Tag Number:
Collection Date: 12/12/2004 3:00:00 PM
Matrix: AQUEOUS

| Analyses | Result | Limit | Qual | Units | DF | Date Analyzed |
|-------------------------------------|--------|---------------|------|-------|----|-----------------------|
| RESIDUE, NON-FILTERABLE | | E160.2 | | | | Analyst: T S |
| Suspended Solids (Residue, Non-Fil) | 2200 | 10 | | mg/L | 1 | 12/15/2004 9:00:00 AM |

Footnotes: All analysis performed at AEL Phoenix laboratory unless indicated by footnotes.

- (1) AEL - Tucson Laboratory
- (2) AEL - Knudsen Laboratory

Page 1 of 4

- (3) The holding time for pH analysis is immediate. For the most accurate result, the pH should be taken in the field within 15 minutes of sampling.

Aerotech Environmental**Analytical Report**

Date: 29-Dec-04

| | | | |
|-------------------|-----------------------|--------------------------|-----------------------|
| CLIENT: | Jack Muir Enterprises | Client Sample ID: | Influent-Composite |
| Lab Order: | 04120862 | Tag Number: | |
| Project: | Kings Ranch WW | Collection Date: | 12/12/2004 3:00:00 PM |
| Lab ID: | 04120862-02A | Matrix: | AQUEOUS |

| Analyses | Result | Limit | Qual | Units | DF | Date Analyzed |
|-------------------------------------|---------------|----------------|-------------|--------------|-----------|------------------------|
| BOD, 5 DAY, 20°C | | M5210 B | | | | Analyst: AT |
| Biochemical Oxygen Demand | 280 | 5.0 | K5 | mg/L | 1 | 12/13/2004 12:20:00 PM |
| RESIDUE, NON-FILTERABLE | | E160.2 | | | | Analyst: T S |
| Suspended Solids (Residue, Non-Fil) | 470 | 10 | | mg/L | 1 | 12/15/2004 9:00:00 AM |

Footnotes: All analysis performed at AEL Phoenix laboratory unless indicated by footnotes.

(1) AEL - Tucson Laboratory

(2) AEL - Knudsen Laboratory

(3) The holding time for pH analysis is immediate. For the most accurate result, the pH should be taken in the field within 15 minutes of sampling.

Aerotech Environmental**Analytical Report**

Date: 29-Dec-04

CLIENT: Jack Muir Enterprises
Lab Order: 04120862
Project: Kings Rauch WW
Lab ID: 04120862-03A

Client Sample ID: Effluent-Composite
Tag Number:
Collection Date: 12/12/2004 3:00:00 PM
Matrix: AQUEOUS

| Analyses | Result | Limit | Qual | Units | DF | Date Analyzed |
|------------------------------------|--------|-------|------|-------|----|-----------------------|
| BOD, 5 DAY, 20°C | | | | | | Analyst: AT |
| Biochemical Oxygen Demand | 13 | 5.0 | K5 | mg/L | 1 | 12/13/2004 4:00:00 PM |
| RESIDUE, NON-FILTERABLE | | | | | | Analyst: T S |
| Suspended Solids (Residue, Non-Fil | 13 | 10 | | mg/L | 1 | 12/15/2004 9:00:00 AM |

Footnotes: All analysis performed at AEL Phoenix laboratory unless indicated by footnotes.

(1) AEL - Tucson Laboratory

(2) AEL - Knudsen Laboratory

(3) The holding time for pH analysis is immediate. For the most accurate result, the pH should be taken in the field within 15 minutes of sampling.

Aerotech Environmental**Analytical Report**

Date: 29-Dec-04

CLIENT: Jack Muir Enterprises
Lab Order: 04120862
Project: Kings Ranch WW
Lab ID: 04120862-04E

Client Sample ID: Effluent
Tag Number:
Collection Date: 12/13/2004 5:30:00 AM
Matrix: AQUEOUS

| Analyses | Result | Limit | Qual | Units | DF | Date Analyzed |
|-------------------------------|--------|-------|------|-----------|----|-----------------------|
| E COLI BY MPN | | | | | | Analyst: L M |
| E. Coli - MPN | 20 | 20 | D2 | MPN/100mL | 10 | 12/13/2004 9:30:00 AM |
| FECAL COLIFORMS BY MPN | | | | | | Analyst: L M |
| Fecal Coliform - MPN | 20 | 20 | D2 | MPN/100mL | 10 | 12/13/2004 9:30:00 AM |

Footnotes: All analysis performed at AEL Phoenix laboratory unless indicated by footnotes.

- (1) AEL - Tucson Laboratory
- (2) AEL - Knudsen Laboratory

Page 4 of 4

- (3) The holding time for pH analysis is immediate. For the most accurate result, the pH should be taken in the field within 15 minutes of sampling.

KINGS RANCH WASTE WATER TREATMENT PLANT

Dec 2004

| TIME | R1 | | R2 | | R3 | | R4 | | CLAR. SL. DEPTH | SL. HOLD DEPTH | INFL. | | Ph | Set Sol. | EFFLUENT | | | REMARKS |
|----------|----|----|----|----|----|----|----|----|-----------------|----------------|-----------------|------|----|----------|----------|-------|--|--|
| | Ph | Do | Ph | Do | Ph | Do | Ph | Do | | | Cl ₂ | S.S. | | | BOD | Coli. | | |
| 1 11:00 | | | | | | | | | | | | | | | | | | <i>Kings Ranch W.T.</i> |
| 2 11:20 | | | | | | | | | | | | | | | | | | <i>Added Cl₂ (2) DCL2</i> |
| 3 11:30 | | | | | | | | | | | | | | | | | | <i>" (1) Cl₂ (2) DCL2</i> |
| 4 11:35 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 5 11:35 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 6 11:38 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 7 11:05 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 8 11:00 | | | | | | | | | | | | | | | | | | <i>Added (2) Cl₂ (2) DCL2</i> |
| 9 11:00 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 10 11:00 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 11 08:04 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 12 08:10 | | | | | | | | | | | | | | | | | | <i>Added (1) Cl₂ (2) DCL2</i> |
| 13 16:50 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 14 11:00 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 15 15:10 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 16 11:00 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 17 11:10 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 18 08:15 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 19 11:00 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 20 11:00 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 21 11:15 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 22 11:00 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 23 11:20 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 24 11:50 | | | | | | | | | | | | | | | | | | <i>Added (1) Cl₂ (2) DCL2</i> |
| 25 13:10 | | | | | | | | | | | | | | | | | | <i>" (1) Cl₂ (2) "</i> |
| 26 13:45 | | | | | | | | | | | | | | | | | | <i>" (1) Cl₂ (2) DCL2</i> |
| 27 10:45 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 28 16:10 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 29 14:15 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 30 11:20 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |
| 31 11:20 | | | | | | | | | | | | | | | | | | <i>" (1) " (2) "</i> |

Blower Meter #1 & #2
779 < 60 < 0.24
Micred

Blower Meter
 #1 _____
 #2 _____

J. Moore
 ADEO Certified Operator
 # *093*

FLOW

$$90 \text{ Sec} = 1 \text{ QT} = \frac{60}{90} = \frac{.67}{4} = 0.17 \text{ EPM}$$

$$65 \text{ Sec} = 1 \text{ QT} = \frac{60}{65} = \frac{.93}{4} = 0.27$$

$$5 \text{ Sec} = 1 \text{ QT} \quad 3.0$$

$$6 \text{ Sec} = 1 \text{ QT} \quad 2.5$$

$$18 \text{ Sec} = 1 \text{ QT} = \frac{60}{18} = \frac{3.3}{4} = 0.84$$

$$8 \text{ Sec} = 1 \text{ QT} \quad 1.88$$

$$12 \text{ Sec} = 1 \text{ QT} = \frac{60}{12} = \frac{5}{4} = 1.25$$

$$19 \text{ Sec} = 1 \text{ QT} = \frac{60}{19} = \frac{3.16}{4} = 0.79$$

$$\frac{10.70}{8} = 1.34 \text{ EPM}$$

$$10.7 = 1.3 \times 1440 = \frac{1872}{264} = 7.09 \text{ CMA/Day}$$



Aerotech Environmental Laboratories

a division of Aerotech Laboratories, Inc.

Aerotech Environmental

Analytical Report

Date: 17-Dec-04

CLIENT: Jack Muir Enterprises
Lab Order: 04120548
Project: Kings Ranch WW
Lab ID: 04120548-01A

Client Sample ID: Kings Ranch Mix Liq
Tag Number:
Collection Date: 12/5/2004 11:35:00 AM
Matrix: WASTE WATER

| Analyses | Result | Limit | Qual | Units | DF | Date Analyzed |
|-----------------------------------|--------|---------------|------|-------|----|-----------------------|
| RESIDUE, NON-FILTERABLE | | E160.2 | | | | Analyst: T S |
| Suspended Solids (Residue, Non-Fi | 3000 | 10 | Q3 | mg/L | 1 | 12/9/2004 11:00:00 AM |

Footnotes: All analysis performed at AEL Phoenix laboratory unless indicated by footnotes.

(1) AEL - Tucson Laboratory

(2) AEL - Knudsen Laboratory

(3) The holding time for pH analysis is immediate. For the most accurate result, the pH should be taken in the field within 15 minutes of sampling.

Page 1 of 1



Aerotech Environmental Laboratories

a division of Aerotech Laboratories, Inc.

Aerotech Environmental

Analytical Report

Date: 29-Dec-04

CLIENT: Jack Muir Enterprises
Lab Order: 04121120
Project: Kings Ranch WW
Lab ID: 04121120-01A

Client Sample ID: Kings Ranch Mix Liq
Tag Number:
Collection Date: 12/19/2004 4:00:00 PM
Matrix: AQUEOUS

| Analyses | Result | Limit | Qual | Units | DF | Date Analyzed |
|-----------------------------------|--------|---------------|------|-------|----|---------------------|
| RESIDUE, NON-FILTERABLE | | E160.2 | | | | Analyst: T S |
| Suspended Solids (Residue, Non-Fi | 2900 | 10 | | mg/L | 1 | 12/21/2004 |

Footnotes: All analysis performed at AEL Phoenix laboratory unless indicated by footnotes.

- (1) AEL - Tucson Laboratory
- (2) AEL - Knudsen Laboratory

Page 1 of 1

(3) The holding time for pH analysis is immediate. For the most accurate result, the pH should be taken in the field within 15 minutes of sampling.

**No Plant Asset Purchase
Invoices Over \$150**

**No Salaries and Wages
During Test Year**

**No Purchased Water
During Test Year**

**Purchased Pumping Power Bills
For the Test Year 12/31/04**



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

979222287
Jan 06, 2004

Questions? Visit our website at www.aps.com or
call 602-371-8787, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-8881.

| Previous Balance as of 12/04/2003 | Payments Received | Current Charges | Total Due by 01/20/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 140.59 | 140.59 cr | 176.36 | 176.36 |

SERVICE INFORMATION

Service number 3427S90286
Your service plan E-32 Rate
Service address 3652 Kings Way

Your meter number 653744
Your meter is read in cycle 21

On Dec 30 your total kWh read was 833
On Nov 25 your total kWh read was 99183
Your total kWh usage is 1650

Your kW demand read was 4

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 151.60
Charge for kW demand 0.00
ACC mandated environmental surcharge 1.44
Regulatory assessment 0.29
Sales tax 10.53
Total current charges 176.36

| ENERGY USE COMPARISON | | | |
|-----------------------|---------------|---------------|--------------|
| | This Month | Last Month | Last Year |
| Days | 35 | 28 | 34 |
| kW | 4 | 4 | 5 |
| Daily kWh | 47 | 46 | 77 |
| Daily Cost \$ | 5.03 | 5.02 | 8.02 |

Thank you for your payment of \$140.59 received on 12/10/2003



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

094322289
Jan 06, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6881.

| Previous Balance as of 12/04/2003 | Payments Received | Current Charges | Total Due by 01/20/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 15.21 | 15.21 cr | 16.39 | 16.39 |

SERVICE INFORMATION

Service number 7107S90288
Your service plan E-32 Rate
Service address 3700 River Ridge

Your meter number C26605
Your meter is read in cycle 21

On Dec 30 your total kWh read was 2734
On Nov 25 your total kWh read was 2703
Your total kWh usage is 31

Your kW demand read was 1

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 2.85
Charge for kW demand 0.00
ACC mandated environmental surcharge 0.03
Regulatory assessment 0.03
Sales tax 0.98
Total current charges 16.39

| ENERGY USE COMPARISON | | | |
|-----------------------|---------------|---------------|--------------|
| | This Month | Last Month | Last Year |
| Days | 35 | 28 | 34 |
| kW | 1 | 1 | 1 |
| Daily kWh | 0 | 0 | 0 |
| Daily Cost \$ | 0.46 | 0.54 | 0.46 |

Thank you for your payment of \$15.21 received on 12/10/2003



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

979222287
Feb 05, 2004

Questions? Visit our website at www.aps.com or
call 602-371-8767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-8881.

| Previous Balance as of 01/06/2004 | Payments Received | Current Charges | Total Due by 02/18/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 176.36 | 176.36 cr | 175.42 | 175.42 |

SERVICE INFORMATION

Service number 3427S90286
Your service plan E-32 Rate
Service address 3652 Kings Way

Your meter number 653744
Your meter is read in cycle 21

On Feb 02 your total kWh read was 2473
On Dec 30 your total kWh read was 833
Your total kWh usage is 1640

Your kW demand read was 4

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 150.68
Charge for kW demand 0.00
ACC mandated environmental surcharge 1.44
Regulatory assessment 0.32
Sales tax 10.48
Total current charges 175.42

| ENERGY USE COMPARISON | | | |
|-----------------------|---------------|---------------|--------------|
| | This Month | Last Month | Last Year |
| Days | 34 | 35 | 32 |
| kW | 4 | 4 | 4 |
| Daily kWh | 48 | 47 | 72 |
| Daily Cost \$ | 5.15 | 5.03 | 7.65 |

Thank you for your payment of \$176.36 received on 01/13/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

094322289
Feb 05, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6861.

| Previous Balance as of 01/06/2004 | Payments Received | Current Charges | Total Due by 02/18/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 16.39 | 16.39 cr | 15.89 | 15.89 |

SERVICE INFORMATION

Service number 7107S90288
Your service plan E-32 Rate
Service address 3700 River Ridge

Your meter number C26605
Your meter is read in cycle 21

On Feb 02 your total kWh read was 2760
On Dec 30 your total kWh read was 2734
Your total kWh usage is 26
Your kW demand read was 1

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 2.39
Charge for kW demand 0.00
ACC mandated environmental surcharge 0.02
Regulatory assessment 0.03
Sales tax 0.95
Total current charges 15.89

| ENERGY USE COMPARISON | | | |
|-----------------------|---------------|---------------|--------------|
| | This Month | Last Month | Last Year |
| Days | 34 | 35 | 32 |
| kW | 1 | 1 | 1 |
| Daily kWh | 0 | 0 | 0 |
| Daily Cost \$ | 0.46 | 0.46 | 0.48 |

Thank you for your payment of \$16.39 received on 01/13/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

979222287
Mar 04, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6881.

| Previous Balance as of 02/08/2004 | Payments Received | Current Charges | Total Due by 03/17/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 175.42 | 175.42 cr | 157.92 | 157.92 |

SERVICE INFORMATION

Service number 3427S90286
Your service plan E-32 Rate
Service address 3652 Kings Way

Your meter number 653744
Your meter is read in cycle 21

On Mar 03 your total kWh read was 3936
On Feb 02 your total kWh read was 2473
Your total kWh usage is 1463

Your kW demand read was 4

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 134.42
Charge for kW demand 0.00
ACC mandated environmental surcharge 1.28
Regulatory assessment 0.29
Sales tax 9.43
Total current charges 157.92

| ENERGY USE COMPARISON | | | |
|-----------------------|------------|------------|-----------|
| | This Month | Last Month | Last Year |
| Days | 30 | 34 | 31 |
| kW | 4 | 4 | 5 |
| Daily kWh | 48 | 48 | 52 |
| Daily Cost \$ | 5.26 | 5.15 | 5.69 |

Thank you for your payment of \$175.42 received on 02/11/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

094322289
Mar 04, 2004

Questions? Visit our website at www.aps.com or
call 602-371-8767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-8861.

| Previous Balance as of 02/05/2004 | Payments Received | Current Charges | Total Due by 03/12/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 15.89 | 15.89 cr | 15.40 | 15.40 |

SERVICE INFORMATION

Service number 7107S90288
Your service plan E-32 Rate
Service address 3700 River Ridge

Your meter number C26605
Your meter is read in cycle 21

On Mar 03 your total kWh read was 2781
On Feb 02 your total kWh read was 2760
Your total kWh usage is 21

Your kW demand read was 1

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 1.93
Charge for kW demand 0.00
ACC mandated environmental surcharge 0.02
Regulatory assessment 0.03
Sales tax 0.92
Total current charges 15.40

| ENERGY USE COMPARISON | | | |
|-----------------------|------------|------------|-----------|
| | This Month | Last Month | Last Year |
| Days | 30 | 34 | 31 |
| kW | 1 | 1 | 1 |
| Daily kWh | 0 | 0 | 0 |
| Daily Cost \$ | 0.51 | 0.46 | 0.50 |

Thank you for your payment of \$15.89 received on 02/11/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

979222287
Apr 02, 2004

Questions? Visit our website at www.aps.com or
call 602-371-8767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6861.

| Previous Balance as of 03/04/2004 | Payments Received | Current Charges | Total Due by 04/15/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 157.92 | 157.92 cr | 153.08 | 153.08 |

SERVICE INFORMATION

Service number 3427S90286
Your service plan E-32 Rate
Service address 3652 Kings Way

Your meter number 653744
Your meter is read in cycle 21

On Mar 31 your total kWh read was 5350
On Mar 03 your total kWh read was 3936
Your total kWh usage is 1414

Your kW demand read was 4

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 129.92
Charge for kW demand 0.00
ACC mandated environmental surcharge 1.24
Regulatory assessment 0.28
Sales tax 9.14
Total current charges 153.08

| ENERGY USE COMPARISON | | | |
|-----------------------|---------------|---------------|--------------|
| | This Month | Last Month | Last Year |
| Days | 28 | 30 | 30 |
| kW | 4 | 4 | 5 |
| Daily kWh | 50 | 48 | 51 |
| Daily Cost \$ | 5.46 | 5.26 | 5.60 |

Thank you for your payment of \$157.92 received on 03/09/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

094322289
Apr 02, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6861.

| Previous Balance as of 03/04/2004 | Payments Received | Current Charges | Total Due by 04/15/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 15.40 | 15.40 cr | 15.79 | 15.79 |

SERVICE INFORMATION

Service number 7107S90288
Your service plan E-32 Rate
Service address 3700 River Ridge

Your meter number C26605
Your meter is read in cycle 21

On Mar 31 your total kWh read was 2806
On Mar 03 your total kWh read was 2781
Your total kWh usage is 25

Your kW demand read was 1

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 2.30
Charge for kW demand 0.00
ACC mandated environmental surcharge 0.02
Regulatory assessment 0.03
Sales tax 0.94
Total current charges 15.79

| ENERGY USE COMPARISON | | | |
|-----------------------|---------------|---------------|--------------|
| | This Month | Last Month | Last Year |
| Days | 28 | 30 | 30 |
| kW | 1 | 1 | 1 |
| Daily kWh | 0 | 0 | 0 |
| Daily Cost \$ | 0.56 | 0.51 | 0.52 |

Thank you for your payment of \$15.40 received on 03/09/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

979222287
May 03, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6881.

| Previous Balance as of 04/02/2004 | Payments Received | Current Charges | Total Due by 05/14/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 153.08 | 153.08 cr | 169.18 | 169.18 |

SERVICE INFORMATION

Service number 3427S90286
Your service plan E-32 Rate
Service address 3652 Kings Way

Your meter number 653744
Your meter is read in cycle 21

On Apr 28 your total kWh read was 6927
On Mar 31 your total kWh read was 5350
Your total kWh usage is 1577

Your kW demand read was 4

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 144.89
Charge for kW demand 0.00
ACC mandated environmental surcharge 1.38
Regulatory assessment 0.31
Sales tax 10.10
Total current charges 169.18

| ENERGY USE COMPARISON | | | |
|-----------------------|---------------|---------------|--------------|
| | This Month | Last Month | Last Year |
| Days | 28 | 28 | 28 |
| kW | 4 | 4 | 5 |
| Daily kWh | 56 | 50 | 48 |
| Daily Cost \$ | 6.04 | 5.46 | 5.32 |

Thank you for your payment of \$153.08 received on 04/12/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

094322289
May 03, 2004

Questions? Visit our website at www.aps.com or
call 602-371-8767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-8861.

| Previous Balance as of 04/02/2004 | Payments Received | Current Charges | Total Due by 05/14/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 15.79 | 15.79 cr | 15.50 | 15.50 |

SERVICE INFORMATION

Service number 7107S90288
Your service plan E-32 Rate
Service address 3700 River Ridge

Your meter number C26605
Your meter is read in cycle 21

On Apr 28 your total kWh read was 2828
On Mar 31 your total kWh read was 2806
Your total kWh usage is 22

Your kW demand read was 1

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 2.02
Charge for kW demand 0.00
ACC mandated environmental surcharge 0.02
Regulatory assessment 0.03
Sales tax 0.93
Total current charges 15.50

| ENERGY USE COMPARISON | | | |
|-----------------------|------------|------------|-----------|
| | This Month | Last Month | Last Year |
| Days | 28 | 28 | 28 |
| kW | 1 | 1 | 1 |
| Daily kWh | 0 | 0 | 0 |
| Daily Cost \$ | 0.55 | 0.56 | 0.54 |

Thank you for your payment of \$15.79 received on 04/12/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

979222287
Jun 02, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6881.

| Previous Balance as of 05/03/2004 | Payments Received | Current Charges | Total Due by 06/15/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 169.18 | 169.18 cr | 151.70 | 151.70 |

SERVICE INFORMATION

Service number 3427S90286
Your service plan E-32 Rate
Service address 3652 Kings Way

Your meter number 653744
Your meter is read in cycle 21

On May 26 your total kWh read was 8327
On Apr 28 your total kWh read was 6927
Your total kWh usage is 1400

Your kW demand read was 4

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 128.63
Charge for kW demand 0.00
ACC mandated environmental surcharge 1.23
Regulatory assessment 0.28
Sales tax 9.06
Total current charges 151.70

| ENERGY USE COMPARISON | | | |
|-----------------------|---------------|---------------|--------------|
| | This Month | Last Month | Last Year |
| Days | 28 | 28 | 29 |
| kW | 4 | 4 | 5 |
| Daily kWh | 50 | 56 | 45 |
| Daily Cost \$ | 5.41 | 6.04 | 5.04 |

Thank you for your payment of \$169.18 received on 05/10/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

094322289
Jun 02, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6881.

| Previous Balance as of 05/03/2004 | Payments Received | Current Charges | Total Due by 06/15/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 15.50 | 15.50 cr | 15.70 | 15.70 |

SERVICE INFORMATION

Service number 7107S90288
Your service plan E-32 Rate
Service address 3700 River Ridge

Your meter number C26605
Your meter is read in cycle 21

On May 26 your total kWh read was 2852
On Apr 28 your total kWh read was 2828
Your total kWh usage is 24
Your kW demand read was 1

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 2.21
Charge for kW demand 0.00
ACC mandated environmental surcharge 0.02
Regulatory assessment 0.03
Sales tax 0.94
Total current charges 15.70

| ENERGY USE COMPARISON | | | |
|-----------------------|---------------|---------------|--------------|
| | This Month | Last Month | Last Year |
| Days | 28 | 28 | 29 |
| kW | 1 | 1 | 1 |
| Daily kWh | 0 | 0 | 0 |
| Daily Cost \$ | 0.56 | 0.55 | 0.52 |

Thank you for your payment of \$15.50 received on 05/10/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

979222287
Jul 01, 2004

Questions? Visit our website at www.aps.com or
call 602-371-8767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-8881.

| Previous Balance as of 06/02/2004 | Payments Received | Current Charges | Total Due by 07/15/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 151.70 | 151.70 cr | 192.15 | 192.15 |

SERVICE INFORMATION

Service number 3427S90286
Your service plan E-32 Rate
Service address 3652 Kings Way

Your meter number 653744
Your meter is read in cycle 21

On Jun 28 your total kWh read was 9958
On May 26 your total kWh read was 8327
Your total kWh usage is 1631

Your kW demand read was 4

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 166.38
Charge for kW demand 0.00
ACC mandated environmental surcharge 1.43
Regulatory assessment 0.36
Sales tax 11.48
Total current charges 192.15

| ENERGY USE COMPARISON | | | |
|-----------------------|---------------|---------------|--------------|
| | This Month | Last Month | Last Year |
| Days | 33 | 28 | 29 |
| kW | 4 | 4 | 4 |
| Daily kWh | 49 | 50 | 42 |
| Daily Cost \$ | 5.82 | 5.41 | 5.20 |

Thank you for your payment of \$151.70 received on 06/11/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

094322289
Jul 01, 2004

Questions? Visit our website at www.aps.com or
call 602-371-8787, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-8881.

| Previous Balance as of 06/02/2004 | Payments Received | Current Charges | Total Due by 07/15/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 15.70 | 15.70 cr | 16.16 | 16.16 |

SERVICE INFORMATION

Service number 7107S90288
Your service plan E-32 Rate
Service address 3700 River Ridge

Your meter number C26605
Your meter is read in cycle 21

On Jun 28 your total kWh read was 2878
On May 26 your total kWh read was 2852
Your total kWh usage is 26

Your kW demand read was 1

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 2.65
Charge for kW demand 0.00
ACC mandated environmental surcharge 0.02
Regulatory assessment 0.03
Sales tax 0.96
Total current charges 16.16

| ENERGY USE COMPARISON | | | |
|-----------------------|---------------|---------------|--------------|
| | This Month | Last Month | Last Year |
| Days | 33 | 28 | 29 |
| kW | 1 | 1 | 1 |
| Daily kWh | 0 | 0 | 0 |
| Daily Cost \$ | 0.48 | 0.56 | 0.53 |

Thank you for your payment of \$15.70 received on 06/11/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

979222287
Aug 02, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6861.

| Previous Balance as of 07/01/2004 | Payments Received | Current Charges | Total Due by 08/13/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 192.15 | 192.15 cr | 178.21 | 178.21 |

**APS NEEDS YOUR
HELP THIS SUMMER
FROM 3 TO 6 P.M.**

Recent events have left the Valley with limited resources and we need your help. You can make a difference by saving energy when it matters the most, during the peak hours of 3 to 6 p.m.

Raise your thermostat setting one or two degrees. Avoid operating your pool pump. And turn off unnecessary lights and major appliances including clothes dryers, washers and dishwashers during afternoon hours.

To learn more about using energy wisely, visit our Web site, aps.com.

SERVICE INFORMATION

Service number 3427S90286
Your service plan E-32 Rate
Service address 3652 Kings Way

Your meter number 653744
Your meter is read in cycle 21

On Jul 28 your total kWh read was 11462
On Jun 28 your total kWh read was 9958
Your total kWh usage is 1504

Your kW demand read was 4

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 153.42
Charge for kW demand 0.00
ACC mandated environmental surcharge 1.32
Regulatory assessment 0.33
Sales tax 10.64
Total current charges 178.21

| ENERGY USE COMPARISON | | | |
|-----------------------|------------|------------|-----------|
| | This Month | Last Month | Last Year |
| Days | 30 | 33 | 32 |
| kW | 4 | 4 | 4 |
| Daily kWh | 50 | 49 | 44 |
| Daily Cost \$ | 5.94 | 5.82 | 5.34 |

Thank you for your payment of \$192.15 received on 07/08/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

094322289
Aug 02, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6861.

| Previous Balance as of 07/01/2004 | Payments Received | Current Charges | Total Due by 08/13/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 16.16 | 16.16 cr | 16.39 | 16.39 |

**APS NEEDS YOUR
HELP THIS SUMMER
FROM 3 TO 6 P.M.**

Recent events have left the Valley with limited resources and we need your help. You can make a difference by saving energy when it matters the most, during the peak hours of 3 to 6 p.m.

Raise your thermostat setting one or two degrees. Avoid operating your pool pump. And turn off unnecessary lights and major appliances including clothes dryers, washers and dishwashers during afternoon hours.

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SERVICE INFORMATION

Service number 7107S90288
Your service plan E-32 Rate
Service address 3700 River Ridge

Your meter number C26605
Your meter is read in cycle 21

On Jul 28 your total kWh read was 2906
On Jun 28 your total kWh read was 2878
Your total kWh usage is 28

Your kW demand read was 1

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 2.86
Charge for kW demand 0.00
ACC mandated environmental surcharge 0.02
Regulatory assessment 0.03
Sales tax 0.98
Total current charges 16.39

| ENERGY USE COMPARISON | | | |
|-----------------------|------------|------------|-----------|
| | This Month | Last Month | Last Year |
| Days | 30 | 33 | 32 |
| kW | 1 | 1 | 1 |
| Daily kWh | 0 | 0 | 0 |
| Daily Cost \$ | 0.54 | 0.48 | 0.48 |

Thank you for your payment of \$16.16 received on 07/08/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

979222287
Aug 31, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6861.

| Previous Balance as of 08/02/2004 | Payments Received | Current Charges | Total Due by 08/14/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 178.21 | 178.21 cr | 174.59 | 174.59 |

APS THANKS YOU.

When our energy resources were challenged this summer, customers throughout the Valley found ways to use less energy. The employees of APS thank you for your efforts, they made a big difference. Now with a new transformer successfully installed, we're nearly back to full strength. It's time to get back to a more normal lifestyle, but APS still encourages you to use energy wisely.

To learn more about using energy wisely visit us at aps.com.

SERVICE INFORMATION

Service number 3427S90286
Your service plan E-32 Rate
Service address 3652 Kings Way

Your meter number 653744
Your meter is read in cycle 21

On Aug 27 your total kWh read was 12933
On Jul 28 your total kWh read was 11462
Your total kWh usage is 1471

Your kW demand read was 5

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 150.06
Charge for kW demand 0.00
ACC mandated environmental surcharge 1.29
Regulatory assessment 0.32
Sales tax 10.42
Total current charges 174.59

| ENERGY USE COMPARISON | | | |
|-----------------------|------------|------------|-----------|
| | This Month | Last Month | Last Year |
| Days | 30 | 30 | 29 |
| kW | 5 | 4 | 4 |
| Daily kWh | 49 | 50 | 46 |
| Daily Cost \$ | 5.81 | 5.94 | 5.60 |

Thank you for your payment of \$178.21 received on 08/16/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

094322289
Aug 31, 2004

Questions? Visit our website at www.aps.com or
call 602-371-8767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-8861.

| Previous Balance as of 08/02/2004 | Payments Received | Current Charges | Total Due by 08/14/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 16.39 | 16.39 cr | 16.06 | 16.06 |

APS THANKS YOU.

When our energy re-
sources were chal-
lenged this summer,
customers throughout
the Valley found
ways to use less
energy. The em-
ployees of APS
thank you for your
efforts, they made
a big difference.
Now with a new trans-
former successfully
installed, we're
nearly back to full
strength. It's time
to get back to a
more normal life-
style, but APS still
encourages you to
use energy wisely.

To learn more about
using energy wisely
visit us at aps.com.

SERVICE INFORMATION

Service number 7107S90288
Your service plan E-32 Rate
Service address 3700 River Ridge

Your meter number C26605
Your meter is read in cycle 21

On Aug 27 your total kWh read was 2931
On Jul 28 your total kWh read was 2906
Your total kWh usage is 25

Your kW demand read was 1

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 2.55
Charge for kW demand 0.00
ACC mandated environmental surcharge 0.02
Regulatory assessment 0.03
Sales tax 0.96
Total current charges 16.06

| ENERGY USE COMPARISON | | | |
|-----------------------|---------------|---------------|--------------|
| | This Month | Last Month | Last Year |
| Days | 30 | 30 | 29 |
| kW | 1 | 1 | 1 |
| Daily kWh | 0 | 0 | 0 |
| Daily Cost \$ | 0.53 | 0.54 | 0.53 |

Thank you for your payment of \$16.39 received on 08/16/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

979222287
Sep 30, 2004

Questions? Visit our website at www.aps.com or
call 802-371-8787, 24 hours a day, 7 days a week.
Para servicio en español llame al 802-371-8881.

| Previous Balance as of 08/31/2004 | Payments Received | Current Charges | Total Due by 10/13/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 174.59 | 174.59 cr | 180.18 | 180.18 |

APS THANKS YOU.

When our energy resources were challenged this summer, customers throughout the Valley found ways to use less energy. The employees of APS thank you for your efforts, they made a big difference. Now with a new transformer successfully installed, we're nearly back to full strength. It's time to get back to a more normal lifestyle, but APS still encourages you to use energy wisely.

To learn more about using energy wisely visit us at aps.com.

SERVICE INFORMATION

Service number 3427S90286
Your service plan E-32 Rate
Service address 3652 Kings Way

Your meter number 653744
Your meter is read in cycle 21

On Sep 27 your total kWh read was 14455
On Aug 27 your total kWh read was 12933
Your total kWh usage is 1522

Your kW demand read was 4

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 155.26
Charge for kW demand 0.00
ACC mandated environmental surcharge 1.33
Regulatory assessment 0.33
Sales tax 10.76
Total current charges 180.18

ENERGY USE COMPARISON

| | This Month | Last Month | Last Year |
|---------------|------------|------------|-----------|
| Days | 31 | 30 | 32 |
| kW | 4 | 5 | 4 |
| Daily kWh | 49 | 49 | 45 |
| Daily Cost \$ | 5.81 | 5.81 | 5.44 |

Thank you for your payment of \$174.59 received on 09/08/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

094322289
Sep 30, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6881.

| Previous Balance as of 08/31/2004 | Payments Received | Current Charges | Total Due by 10/13/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 16.06 | 16.06 cr | 16.39 | 16.39 |

APS THANKS YOU.

When our energy resources were challenged this summer, customers throughout the Valley found ways to use less energy. The employees of APS thank you for your efforts, they made a big difference. Now with a new transformer successfully installed, we're nearly back to full strength. It's time to get back to a more normal lifestyle, but APS still encourages you to use energy wisely.

To learn more about using energy wisely visit us at aps.com.

SERVICE INFORMATION

Service number 7107S90288
Your service plan E-32 Rate
Service address 3700 River Ridge

Your meter number C26605
Your meter is read in cycle 21

On Sep 27 your total kWh read was 2959
On Aug 27 your total kWh read was 2931
Your total kWh usage is 28

Your kW demand read was 1

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 2.86
Charge for kW demand 0.00
ACC mandated environmental surcharge 0.02
Regulatory assessment 0.03
Sales tax 0.98
Total current charges 16.39

| ENERGY USE COMPARISON | | | |
|-----------------------|------------|------------|-----------|
| | This Month | Last Month | Last Year |
| Days | 31 | 30 | 32 |
| kW | 1 | 1 | 1 |
| Daily kWh | 0 | 0 | 0 |
| Daily Cost \$ | 0.52 | 0.53 | 0.49 |

Thank you for your payment of \$16.06 received on 09/08/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

979222287
Nov 01, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6861.

| Previous Balance as of 09/30/2004 | Payments Received | Current Charges | Total Due by 11/15/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 180.18 | 180.18 cr | 196.96 | 196.96 |

SERVICE INFORMATION

Service number 3427S90286
Your service plan E-32 Rate
Service address 3652 Kings Way

Your meter number 653744
Your meter is read in cycle 21

On Oct 30 your total kWh read was 16130
On Sep 27 your total kWh read was 14455
Your total kWh usage is 1675

Your kW demand read was 4

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 170.87
Charge for kW demand 0.00
ACC mandated environmental surcharge 1.47
Regulatory assessment 0.36
Sales tax 11.76
Total current charges 196.96

| ENERGY USE COMPARISON | | | |
|-----------------------|------------|------------|-----------|
| | This Month | Last Month | Last Year |
| Days | 33 | 31 | 29 |
| kW | 4 | 4 | 5 |
| Daily kWh | 50 | 49 | 44 |
| Daily Cost \$ | 5.96 | 5.81 | 5.33 |

Thank you for your payment of \$180.18 received on 10/06/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

094322289
Nov 01, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6881.

| Previous Balance as of 08/30/2004 | Payments Received | Current Charges | Total Due by 11/15/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 16.39 | 16.39 cr | 16.16 | 16.16 |

SERVICE INFORMATION

Service number 7107S90288
Your service plan E-32 Rate
Service address 3700 River Ridge

Your meter number C26605
Your meter is read in cycle 21

On Oct 30 your total kWh read was 2985
On Sep 27 your total kWh read was 2959
Your total kWh usage is 26

Your kW demand read was 1

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 2.65
Charge for kW demand 0.00
ACC mandated environmental surcharge 0.02
Regulatory assessment 0.03
Sales tax 0.96
Total current charges 16.16

| ENERGY USE COMPARISON | | | |
|-----------------------|---------------|---------------|--------------|
| | This Month | Last Month | Last Year |
| Days | 33 | 31 | 29 |
| kW | 1 | 1 | 1 |
| Daily kWh | 0 | 0 | 0 |
| Daily Cost \$ | 0.48 | 0.52 | 0.53 |

Thank you for your payment of \$16.39 received on 10/06/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

979222287
Dec 03, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6861.

| Previous Balance as of 11/01/2004 | Payments Received | Current Charges | Total Due by 12/16/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 196.96 | 196.96 cr | 168.21 | 168.21 |

SERVICE INFORMATION

Service number 3427S90286
Your service plan E-32 Rate
Service address 3652 Kings Way

Your meter number 853744
Your meter is read in cycle 21

On Dec 01 your total kWh read was 17697
On Oct 30 your total kWh read was 16130
Your total kWh usage is 1567

Your kW demand read was 4

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 143.98
Charge for kW demand 0.00
ACC mandated environmental surcharge 1.37
Regulatory assessment 0.31
Sales tax 10.05
Total current charges 168.21

| ENERGY USE COMPARISON | | | |
|-----------------------|---------------|---------------|--------------|
| | This Month | Last Month | Last Year |
| Days | 32 | 33 | 28 |
| kW | 4 | 4 | 4 |
| Daily kWh | 48 | 50 | 46 |
| Daily Cost \$ | 5.25 | 5.96 | 5.02 |

Thank you for your payment of \$196.96 received on 11/05/2004



Post Office Box 2907
Phoenix, AZ 85062-2907

PHIL ALBINS
Your Account Number
Billing Date

094322289
Dec 03, 2004

Questions? Visit our website at www.aps.com or
call 602-371-6767, 24 hours a day, 7 days a week.
Para servicio en español llame al 602-371-6861.

| Previous Balance as of 11/01/2004 | Payments Received | Current Charges | Total Due by 12/16/2004 |
|--------------------------------------|----------------------|--------------------|----------------------------|
| 16.16 | 16.16 cr | 15.98 | 15.98 |

SERVICE INFORMATION

Service number 7107S90288
Your service plan E-32 Rate
Service address 3700 River Ridge

Your meter number C28605
Your meter is read in cycle 21

On Dec 01 your total kWh read was 3012
On Oct 30 your total kWh read was 2985
Your total kWh usage is 27

Your kW demand read was 2

CURRENT CHARGES

Basic service charge 12.50
Charge for kWh used 2.48
Charge for kW demand 0.00
ACC mandated environmental surcharge 0.02
Regulatory assessment 0.03
Sales tax 0.95
Total current charges 15.98

| ENERGY USE COMPARISON | | | |
|-----------------------|------------|------------|-----------|
| | This Month | Last Month | Last Year |
| Days | 32 | 33 | 28 |
| kW | 2 | 1 | 1 |
| Daily kWh | 0 | 0 | 0 |
| Daily Cost \$ | 0.49 | 0.48 | 0.54 |

Thank you for your payment of \$16.16 received on 11/05/2004

**No Repairs and Maintenance
During Test Year**

**Outside Services Invoices
Exceeding \$500
For the Test Year 12/31/04**

Jack Muir Enterprises, Inc.

Statement

Please remit to: P. O. Box 629
Cascade, Idaho 83611

Date: December 8, 2003

TO: Kings Ranch

FOR: November, 2003

1. On site daily for lift station and WWTP operation.
2. Samples were collected for on site analysis.
3. 8.0 hr. composite samples were collected, flow rates were calculated and samples were taken to the laboratory.
4. Quality control samples were collected and delivered to the laboratory.
5. The new valve for the waste activated sludge line was received and installed. The line was back filled and the normal operation resumed.

| | |
|--|--------------------------|
| 1 - Fecal coliform analysis | \$ 38.50 |
| 2 - BOD analysis @ \$49.00 | 98.00 |
| 5 - T.S.S. analysis @ \$23.00 | 115.00 |
| 1 - E Coli Analysis | 35.00 |
| 4 - Chlorine residual analysis @ \$21.00 | 84.00 |
| 40 lbs. chlorine | 105.00 |
| Valve waste sludge line | 191.43 |
| Misc. pipe fittings | 28.00 |
| Waste line excavation outside service | 400.00 |
| 40.25 hrs. @ \$37 | 1,859.25 |
| Less: 10% on O&M (46.75 hrs.) | - 172.98 |
| Sales tax | <u>26.28</u> |
| <u>Total for November</u> | <u>\$2,807.48</u> |

8127 W. Monterey Way . Phoenix, Arizona 85033 . (602) 849-3720

P. O. Box 629 . Cascade, Idaho 83611 . (208) 382-3247 . (208) 382-4945 FAX

Jack Muir Enterprises, Inc.

Statement

Please remit to: P. O. Box 629
Cascade, Idaho 83611

Date: January 10, 2004
TO: Kings Ranch
FOR: December, 2003

1. As required, we were on site daily to check the lift station and WWTP operation. The plant process was adjusted as required.
2. Samples were collected for on site analysis. Tests were run.
3. The monthly 8.0 hour composite sample was collected. Prior to the collection we pumped down and cleaned the chlorine and de-chlorination contact chambers.
4. Monthly quality control samples were collected and taken to the laboratory.
5. All equipment was checked and tankage washed down daily.
6. Monthly operating data was prepared and submitted to the owners, EPA and ADEQ.

| | |
|--|-----------------|
| 1 - Fecal coliform analysis | \$ 38.50 |
| 2 - BOD analysis @ \$49.00 | 98.00 |
| 5 - T.S.S. analysis @ \$23.00 | 115.00 |
| 1 - E Coli Analysis | 35.00 |
| 4 - Chlorine residual analysis @ \$21.00 | 84.00 |
| 38.75 hrs. @ \$37 | 1,433.75 |
| Less: 10% on O&M (35.75 hrs.) | <u>- 132.27</u> |

Total for December \$1,671.98

8127 W. Monterey Way . Phoenix, Arizona 85033 . (602) 849-3720

P. O. Box 629 . Cascade, Idaho 83611 . (208) 382-3247 . (208) 382-4945 FAX

Jack Muir Enterprises, Inc.

Statement

Please remit to: P. O. Box 629
Cascade, Idaho 83611

Date: February 5, 2004
TO: Kings Ranch
FOR: January, 2004

1. To your site seven days weekly to provide operation for the lift station and WWTP.
2. The regular monthly 8.0 hr. composite samples were collected and delivered to the laboratory.
3. On site tests were run for quality control. The plant process was adjusted per test results.
4. On a daily basis, all tanks, etc. and associated equipment were washed down.
5. Both the chlorine and dechlorination contact chambers were pumped down and cleaned.
6. The owners, EPA and ADEQ were provided with the monthly data.

| | |
|--|-------------------|
| 1 - Fecal coliform analysis | \$ 38.50 |
| 2 - BOD analysis @ \$49.00 | 98.00 |
| 5 - T.S.S. analysis @ \$23.00 | 115.00 |
| 1 - E Coli Analysis | 35.00 |
| 4 - Chlorine residual analysis @ \$21.00 | 84.00 |
| 37.0 hrs. @ \$37 | 1,369.00 |
| Less: 10% on O&M (36.0 hrs.) | - 133.20 |
| <u>Total for January</u> | <u>\$1,606.30</u> |

Flow
2275

264

Jack Muir Enterprises, Inc.

Statement

Please remit to: P. O. Box 629
Cascade, Idaho 83611

Date: March 6, 2004
TO: Kings Ranch
FOR: February, 2004

1. We provided seven day lift station and plant operation. We collected on site and tested quality control samples. In addition, we collected the monthly 8.0 hr. composite samples, as well as the required weekly samples. These and the chains of custody were delivered to the laboratory. Plant process was adjusted per laboratory sample reports.
2. The chlorine contact and dechlorination contact chambers were dewatered and cleaned.
3. Monthly operating data was supplied to the owners, EPA and ADEQ.

| | |
|--|-------------------|
| 1 - Fecal coliform analysis | \$ 38.50 |
| 2 - BOD analysis @ \$49.00 | 98.00 |
| 5 - T.S.S. analysis @ \$23.00 | 115.00 |
| 1 - E Coli Analysis | 35.00 |
| 4 - Chlorine residual analysis @ \$21.00 | 84.00 |
| 40 lbs. chlorine | 105.00 |
| 39.75 hrs. @ \$37 | 1,470.75 |
| Less: 10% on O&M (36.25 hrs.) | - 134.13 |
| Sales tax | <u>8.51</u> |
| <u>Total for February</u> | <u>\$1,820.63</u> |

*Flow
2088 -
264 -*

8127 W. Monterey Way . Phoenix, Arizona 85033 . (602) 849-3720

P. O. Box 629 . Cascade, Idaho 83611 . (208) 382-3247 . (208) 382-4945 FAX

Jack Muir Enterprises, Inc.

Statement

Please remit to: P. O. Box 629
Cascade, Idaho 83611

Date: April 8, 2004
TO: Kings Ranch
FOR: March, 2004

$$\begin{array}{r} \text{Flow} \\ 2001 \\ \hline 264 = 7.59 \end{array}$$

1. To your facility daily. All plant components were washed down. Samples were collected for on site analysis. Plant process adjusted as required. Collect weekly plus the 8 hr. composite samples. Prepare chain of custody and deliver to the laboratory.

Both the chlorine contact and dechlorination tanks were dewatered and cleaned.

2. Provide owners and EPA/ADEQ with monthly operating data.

3. We are continuing to receive stringy, fibrous material in the plant influent. It was necessary to remove all aeration headers and clean them. This is a two man job requiring several hours.

4. The aerobic digester was pumped and contents taken to the approved site for disposal.

| | |
|--|--------------------------|
| 1 - Fecal coliform analysis | \$ 38.50 |
| 2 - BOD analysis @ \$49.00 | 98.00 |
| 5 - T.S.S. analysis @ \$23.00 | 115.00 |
| 1 - E Coli Analysis | 35.00 |
| 4 - Chlorine residual analysis @ \$21.00 | 84.00 |
| 40 lbs. solid chlorine | 105.00 |
| 50.25 hrs. @ \$37 | 1,859.25 |
| Less: 10% on O&M (47.0 hrs.) | - 174.00 |
| Sales tax | 8.51 |
| <u>Total for March</u> | <u>\$2,169.26</u> |

8127 W. Monterey Way . Phoenix, Arizona 85033 . (602) 849-3720

P. O. Box 629 . Cascade, Idaho 83611 . (208) 382-3247 . (208) 382-4945 FAX

Jack Muir Enterprises, Inc.

Statement

Date: May 12, 2004
TO: Kings Ranch
FOR: April, 2004

Please remit to: P. O. Box 629
Cascade, Idaho 83611

Flow.
1785
264 *6.77 -*

We were on site daily, 7 days per week. We collected samples for on site analysis. Collected samples weekly and delivered to the laboratory with chain of custody. We performed routine plant and lift station maintenance. An 8 hr. composite sample of the influent and effluent was collected. Both chlorine and dechlorination tanks were pumped down and cleaned

| | |
|--|-------------------|
| 1 - Fecal coliform analysis | \$ 38.50 |
| 2 - BOD analysis @ \$49.00 | 98.00 |
| 5 - T.S.S. analysis @ \$23.00 | 115.00 |
| 1 - E Coli Analysis | 35.00 |
| 4 - Chlorine residual analysis @ \$21.00 | 84.00 |
| Pump and haul aerobic digester contents | 385.00 |
| 46.75 hrs. @ \$37 | 1,729.75 |
| Less: 10% on O&M (44.0 hrs.) | <u>- 162.80</u> |
| | |
| <u>Total for April</u> | <u>\$2,322.45</u> |

8127 W. Monterey Way . Phoenix, Arizona 85033 . (602) 849-3720

P. O. Box 629 . Cascade, Idaho 83611 . (208) 382-3247 . (208) 382-4945 FAX

Jack Muir Enterprises, inc.

Statement

Please remit to: P. O. Box 629
Cascade, Idaho 83611

Date: June 10, 2004
TO: Kings Ranch
FOR: May, 2004

We provided 7 days per week operating for both the lift station and WWTP. Samples for quality control were collected and taken to the laboratory. In addition, we collected samples for on-site analysis. We adjusted plant process per sample results. The 8-hr. influent and effluent composite sample was collected. The chlorination and dechlorination chambers were pumped down and cleaned.

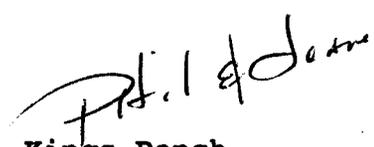
| | |
|--|-----------------------|
| 1 - Fecal coliform analysis | \$ 38.50 |
| 2 - BOD analysis @ \$49.00 | 98.00 |
| 5 - T.S.S. analysis @ \$23.00 | 115.00 |
| 1 - E Coli Analysis | 35.00 |
| 4 - Chlorine residual analysis @ \$21.00 | 84.00 |
| 2 - Drums of dechlorine tabs | 369.93 |
| Sales tax | 29.97 |
| 46.25 hrs. @ \$37 | 1,785.25 |
| Less: 10% on O&M (46.0 hrs.) | <u>- 170.20</u> |
| <u>Total for May</u> | <u>\$2,385.65</u> |

8127 W. Monterey Way . Phoenix, Arizona 85033 . (602) 849-3720

P. O. Box 629 . Cascade, Idaho 83611 . (208) 382-3247 . (208) 382-4945 FAX

Jack Muir Enterprises, Inc.

July 8, 2004


To: Kings Ranch

Gentlemen:

It has been a number of years since we have asked you for an increase in our cost of service.

During those years, we have had to cover several increases in salary to our employees and other expense increases, such as gasoline, etc. In addition, we have had an ever increasing amount of work to meet the paperwork required by the EPA, ADEQ and Maricopa County. In most cases, we have just gone ahead and done the work required without charge to you. Unless it became a major effort, we have absorbed the cost ourselves. We just cannot continue in that fashion.

Therefore, we are increasing our hourly rate to \$43.00 per hour and we will be making a mileage charge of \$0.40 per mile to help recover part of our vehicle expenses.

Should you have any questions, or would like to discuss this, please do not hesitate to call me.

We have enjoyed providing you with our services, and hope to continue in this effort.

Sincerely,


Jack L. Muir

8127 W. Monterey Way . Phoenix, Arizona 85033 . (602) 849-3720

P. O. Box 629 . Cascade, Idaho 83611 . (208) 382-3247 . (208) 382-4945 FAX

Jack Muir Enterprises, Inc.

Statement

Please remit to: P. O. Box 629
Cascade, Idaho 83611

Date: July 8, 2004
TO: Kings Ranch
FOR: June, 2004

We provided service each day of the month. We checked on lift station operation, collected samples for on site testing, collected various other samples, including the 8 hr. composite for delivery to the laboratory. The chlorine contact and dechlorine contact chambers were pumped down and cleaned

Monthly data was supplied to the owners, ADEQ and EPA.

| | |
|--|-------------------|
| 1 - Fecal coliform analysis | \$ 38.50 |
| 2 - BOD analysis @ \$49.00 | 98.00 |
| 5 - T.S.S. analysis @ \$23.00 | 115.00 |
| 1 - E Coli Analysis | 35.00 |
| 4 - Chlorine residual analysis @ \$21.00 | 84.00 |
| 2 - Blower filter elements | 101.25 |
| 50.0 hrs. @ \$37 | 1,850.00 |
| Less: 10% on O&M (46.5 hrs.) | - 172.05 |
| Sales tax | <u>8.21</u> |
| | |
| <u>Total for June</u> | <u>\$2,157.91</u> |

8127 W. Monterey Way . Phoenix, Arizona 85033 . (602) 849-3720

P. O. Box 629 . Cascade, Idaho 83611 . (208) 382-3247 . (208) 382-4945 FAX

Jack Muir Enterprises, Inc.

Statement

Please remit to: P. O. Box 629
Cascade, Idaho 83611

Date: August 11, 2004
TO: Kings Ranch
FOR: July, 2004

2232 FLOW

During July we were on your site each day to check on lift station operation and W.W.T.P. operation. All tanks were washed down, the chlorine and dechlorination contact chambers were washed down prior to collection of the 8 hr. composite samples.

Samples were collected for on site analysis and the required compliance monitoring was completed and the samples were delivered to the laboratory.

The blower motor #2 failed. At first it was thought the motor required rewinding. Upon removal and delivery to the motor shop, the problem was found to be in the starting circuit. We had the necessary repairs made and the motor was picked up and reinstalled. Operation is now back to normal.

FLOW
2232

| | |
|--|--------------------------|
| 1 - Fecal coliform analysis | \$ 38.50 |
| 2 - BOD analysis @ \$49.00 | 98.00 |
| 5 - T.S.S. analysis @ \$23.00 | 115.00 |
| 1 - E Coli Analysis | 35.00 |
| 4 - Chlorine residual analysis @ \$21.00 | 84.00 |
| 1 - Blower motor repair | 288.40 |
| 1 - 590-708 MFD Capacitor | 23.08 |
| 55.75 hrs. @ \$43.00/hr | 2,397.25 |
| Less: 10% on O&M (52.25 hrs.) | - 224.67 |
| Sales tax (Motor parts \$104.65) | 8.48 |
| Mileage: 326x\$0.40x.50 | <u>65.20</u> |
| Total for July | <u>\$2,928.24</u> |

Note: We reduced the mileage charge by 50%.

8127 W. Monterey Way . . . Phoenix, Arizona 85033 . . . (602) 849-3720

P. O. Box 629 . Cascade, Idaho 83611 . (208) 382-3247 . (208) 382-4945 FAX

Jack Muir Enterprises, inc.

Statement

Please remit to: P. O. Box 629
Cascade, Idaho 83611

Date: September 9, 2004
TO: Kings Ranch
FOR: August, 2004

We provided seven days per week operation of both the lift station and the WWTP, including the wash down of all contact chambers, clarifiers, etc. We pumped down both the chlorine contact chamber and dechlorination chamber and cleaned same.

Samples were collected, including the 8 hr. composite samples, ADEQ required compliance samples, and samples for on site analysis. Chain of custody was prepared and samples were taken to the laboratory.

The #1 blower motor bearings became noisy while the #2 blower motor was in for repair work. The necessary repairs will be made to the #1 unit.

Flow
2721.

| | |
|--|--------------|
| 1 - Fecal coliform analysis | \$ 38.50 |
| 2 - BOD analysis @ \$49.00 | 98.00 |
| 5 - T.S.S. analysis @ \$23.00 | 115.00 |
| 4 - Chlorine residual analysis @ \$21.00 | 84.00 |
| 54.25 hrs. @ \$43.00/hr | 2,332.75 |
| Less: 10% on O&M (50.0 hrs.) | - 215.00 |
| Mileage: 71x\$0.40x.50 | <u>28.40</u> |

Total for August \$2,481.65

8127 W. Monterey Way . Phoenix, Arizona 85033 . (602) 849-3720

P. O. Box 629 . Cascade, Idaho 83611 . (208) 382-3247 . (208) 382-4945 FAX

Jac. Muir Enterprises, Inc.

Statement

Please remit to: P. O. Box 629
Cascade, Idaho 83611

Date: October 13, 2004
TO: Kings Ranch
FOR: September, 2004

In addition to seven (7) days per week operation of both the lift station and the WWTP, we washed down all plant reactors, as well as pump down and clean both of the chlorine contact chambers.

We collected at various times over the month the required quality control and quality assurance samples. With the chain of custody, the samples were delivered to the laboratory.

We conducted the necessary on site laboratory testing and adjusted the process as required.

The #1 blower motor has been removed to the shop for bearing replacement.

The owners, ADEQ & EPA have been provided the necessary data.

| | |
|--|--------------------------|
| 1 - Fecal coliform analysis | \$ 38.50 |
| 1 - E Coli analysis | 35.00 |
| 2 - BOD analysis @ \$49.00 | 98.00 |
| 5 - T.S.S. analysis @ \$23.00 | 115.00 |
| 4 - Chlorine residual analysis @ \$21.00 | 84.00 |
| 59.5 hrs. @ \$43.00/hr | 2,558.50 |
| Less: 10% on O&M (54.0 hrs.) | - 232.20 |
| Mileage: 175x\$0.40 | <u>70.00</u> |
| <u>Total for September</u> | <u>\$2,766.80</u> |

*Flow
1958.*

8127 W. Monterey Way . Phoenix, Arizona 85033 . (602) 849-3720

P. O. Box 629 . Cascade, Idaho 83611 . (208) 382-3247 . (208) 382-4945 FAX

Jack Muir Enterprises, Inc.

Statement

Please remit to: P. O. Box 629
Cascade, Idaho 83611

Date: November 10, 2004
TO: Kings Ranch
FOR: October, 2004

1. Samples for on site testing were collected and analyzed. Process adjustments were made accordingly.
2. Samples for quality control, as well as compliance monitoring required by ADEQ were collected and during the month (4 times) these samples were delivered to the laboratory.
3. All facilities were checked for proper operation and wash down seven days weekly.
4. Blower Motor #1 was picked up at the repair shop and placed back in service.
5. The owners, ADEQ & EPA were provided with monthly data.

| | |
|--|--------------------------|
| 1 - Fecal coliform analysis | \$ 38.50 |
| 1 - E Coli analysis | 35.00 |
| 2 - BOD analysis @ \$49.00 | 98.00 |
| 5 - T.S.S. analysis @ \$23.00 | 115.00 |
| 4 - Chlorine residual analysis @ \$21.00 | 84.00 |
| 54.75 hrs. @ \$43.00/hr | 2,354.25 |
| Less: 10% on O&M (51.75 hrs.) | - 222.52 |
| Motor O/H | 440.50 |
| Mileage: 219x\$0.40 | <u>87.60</u> |
| <u>Total for October</u> | <u>\$3,030.33</u> |

8127 W. Monterey Way . Phoenix, Arizona 85033 . (623) 849-3720

P. O. Box 629 . Cascade, Idaho 83611 . (208) 382-3247 . (208) 382-4945 FAX

Jack Muir Enterprises, Inc.

Statement

Please remit to: P. O. Box 629
Cascade, Idaho 83611

Date: December 6, 2004
TO: Kings Ranch
FOR: November, 2004

During November, we were on your site each day of the month to check operation of both the lift station and the WWTP.

We collected samples for on site analysis, performed testing as required. Samples were also collected three times monthly to take to the testing laboratory.

Each day, we washed down each of the three reactors, plus both the chlorine contact chamber and dechlorine chamber.

We have experienced an unusual odor in the plant influent. The odor is sweet, perfume-like in nature. We have not identified the source. We also have experienced a rapid rate of metabolic uptake in the mixed liquor/aeration tank. We have wasted sludge solids at the very highest possible rate, so far without correcting the problem. This condition has had an adverse impact on the final effluent quality.

The owners, ADEQ and EPA have been provided with monthly operating data.

| | |
|--|-------------------|
| 1 - Fecal coliform analysis | \$ 38.50 |
| 1 - E Coli analysis | 35.00 |
| 2 - BOD analysis @ \$49.00 | 98.00 |
| 5 - T.S.S. analysis @ \$23.00 | 115.00 |
| 4 - Chlorine residual analysis @ \$21.00 | 84.00 |
| 44.0 hrs. @ \$43.00/hr | 1,892.00 |
| Less: 10% on O&M (41.0 hrs.) | - 176.30 |
| Mileage: 231 x \$0.40 | 92.40 |
| <u>Total for November</u> | <u>\$2,178.60</u> |

8127 W. Monterey Way . Phoenix, Arizona 85033 . (623) 849-3720

P. O. Box 629 . Cascade, Idaho 83611 . (208) 382-3247 . (208) 382-4945 FAX

Henricks, Martin, Thomas & Zollars, Ltd.

Certified Public Accountants

3330 E. Indian School Road

Phoenix, AZ 85018-5091

Phone: 602-955-8530 FAX: 602-957-2311

Invoice Date: April 3, 2004

Invoice Number: 00106640

Client Number: 1729 001

Kings Ranch Sewer System

P.O. Box 109

Black Canyon City, AZ 85324

For professional services rendered for the period ending April 30, 2004

Post Books and Prepare Annual Sewer Reports for 2003

\$ 1,540.00

Total Invoice Amount

\$ 1,540.00

COPY

PHILIP AND JEANE ALBINS
 FOR KING'S RANCH UNIT 2
 SEWAGE SYSTEMS
 P.O. BOX 109
 BLACK CANYON CITY, AZ 85324

Community First
 Banking - Insurance - Investments - Wealth Management
 Telephone Banking: 1-800-899-3744
 www.CommunityFirst.com

119

91-564-1221

DATE Aug 14 04.

PAY THREE THOUSAND SIX HUNDRED & ⁰⁰/₁₀₀ DOLLARS \$ 3600.⁰⁰/_{XX}

TO
 THE
 ORDER
 OF

Phil and Jean Albins

NOT NEGOTIABLE

⑈000119⑈ ⑆122105647⑆ ⑈8220142536⑈

PHILIP AND JEANE ALBINS
 FOR KING'S RANCH UNIT 2

DELUXE BUSINESS FORMS 1+800-328-0304 www.deluxeforms.com
 DELUXE - FORM WVCY-3 V-8

119

| DATE | INVOICE NUMBER | DESCRIPTION | AMOUNT | DISCOUNT OR DEDUCTIONS | NET AMOUNT |
|-------------------|----------------|---|--------------------------------|------------------------|---------------------------|
| <i>Aug 14 04.</i> | | <i>TO PAY OFFICE EXP & MANAGEMENT</i> | <i>2003 1800.⁰⁰</i> | | <i>3600.⁰⁰</i> |
| | | <i>FROM JUNE 2003 THROUGH TO JUNE 2004.</i> | <i>2004 1800.⁰⁰</i> | | |
| | | | <i>3600.⁰⁰</i> | | |

PHILIP AND JEANE ALBINS
 FOR KING'S RANCH UNIT 2
 SEWAGE SYSTEMS
 P.O. BOX 109
 BLACK CANYON CITY, AZ 85324

Community First
 Banking - Insurance - Investments - Wealth Management
 Telephone Banking: 1-800-899-3744
 www.CommunityFirst.com

119

91-564-1221

DATE Aug 14 04.

PAY THREE THOUSAND SIX HUNDRED & ⁰⁰/₁₀₀ DOLLARS \$ 3600.⁰⁰/_{XX}

TO
 THE
 ORDER
 OF

Phil and Jean Albins

[Signature]

⑈000119⑈ ⑆122105647⑆ ⑈8220142536⑈

⑈0000360000⑈

Details on back. Security Features Included.

Property Tax Bill
For the Test Year 12/31/04

2004 TAX NOTICE

TO
DEC 31, 2004

COUNTY OF YAVAPAI

ARIZONA

ADDRESS: 1015 FAIR ST.
PRESCOTT AZ 86309

LEGAL DESCRIPTION: SECTION 1 TOWN 10W RANGE 10E ACRES 10.00
TOTAL VALUE OF OPERATING PROPERTY

USE 5500

| | |
|-----------------------|--------------|
| TAX ROLL NUMBER | 139307 |
| PARCEL IDENTIFICATION | 954-15-020 9 |
| TAX AREA CODE | 5020 |

IMPORTANT - SEE REVERSE SIDE FOR COMPLETE EXPLANATION OF YOUR 2004 TAX NOTICE AND PAYMENT INSTRUCTIONS.

954-15-020 9 139307

KINGS RANCH UNIT II TREATMENT PLANT
PHILIP ALBINS/OWNER
P O BOX 109
BLACK CANYON CIT AZ 85324



05-2751

| | |
|-----------------------------|--------|
| PRIMARY AD VALOREM TAX | 921.00 |
| LESS STATE AID TO EDUCATION | 0.00 |
| NET PRIMARY AD VALOREM TAX | 921.00 |
| SECONDARY AD VALOREM TAX | 341.00 |
| SPECIAL DISTRICT TAX | 0.00 |

PAY TOTAL OR HALF TAX

| | |
|---------------|---------|
| TOTAL TAX DUE | 1262.00 |
| HALF TAX | 631.00 |

DELINQUENT DATES
1st HALF NOV. 1, 2004
2nd HALF MAY 1, 2005

THIS IS THE ONLY NOTICE YOU WILL RECEIVE
NO RECEIPT WILL BE SENT UNLESS REQUESTED

| ITEM | LIMITED VALUE | ASSMT.% | ASSESSED VALUE | EXEMPTION | TAX RATE | AD VALOREM TAX |
|-------------------|---------------|---------|----------------|-----------|----------|----------------|
| LAND, BLDGS, ETC. | 0 | 2.50 | 0 | 0 | 9.4467 | 0.00 |
| PERSONAL PROPERTY | 39,000 | 2.50 | 9,750 | 0 | 9.4467 | 921.06 |
| TOTALS | 39,000 | | 9,750 | 0 | | 921.06 |

| ITEM | FULL CASH VALUE | ASSMT.% | ASSESSED VALUE | EXEMPTION | TAX RATE | AD VALOREM TAX |
|-------------------|-----------------|---------|----------------|-----------|----------|----------------|
| LAND | 0 | 2.50 | 0 | 0 | 36.957 | 0.00 |
| BLDGS, ETC. | 0 | 0 | 0 | 0 | 0 | 0.00 |
| PERSONAL PROPERTY | 39,000 | 2.50 | 9,750 | 0 | 34.974 | 341.00 |
| TOTALS | 39,000 | | 9,750 | 0 | | 341.00 |

| TAX CODE | TAX JURISDICTION | 2004 PRIMARY | 2004 SECONDARY | 2004 TOTAL | 2003 TOTAL | DIFFERENCE |
|----------|-------------------------------|--------------|----------------|------------|------------|------------|
| 02000 | YAVAPAI COUNTY | 165.84 | 0.00 | 165.84 | 0.00 | 165.84 |
| 02001 | SCHOOL EQUALIZATION | 44.46 | 0.00 | 44.46 | 0.00 | 44.46 |
| 05050 | CANON SD #50 | 558.41 | 0.00 | 558.41 | 0.00 | 558.41 |
| 08150 | COMMUNITY COLLEGE | 152.35 | 28.16 | 180.51 | 0.00 | 180.51 |
| 11220 | BLACK CANYON FD | 0.00 | 292.50 | 292.50 | 0.00 | 292.50 |
| 11900 | FIRE DISTRICT ASSISTANCE FUND | 0.00 | 9.75 | 9.75 | 0.00 | 9.75 |
| 14900 | YAVAPAI COUNTY LIBRARY DIST | 0.00 | 10.59 | 10.59 | 0.00 | 10.59 |
| | TOTALS | 921.06 | 341.00 | 1262.06 | 0.00 | 1262.06 |

TEAR OFF ALONG DOTTED LINES

TEAR OFF ALONG DOTTED LINES

PHILIP AND JEANE ALBINS
FOR KING'S RANCH UNIT 2

DETACH AND RETAIN THIS STATEMENT
ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED
IF CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT
DELUXE BUSINESS FORMS 1+800-328-0304 www.deluxeforms.co.

OW
IED.

122

DELUXE - FORM WVCY-3 V-8

| DATE | INVOICE NUMBER | DESCRIPTION | AMOUNT | DISCOUNT OR DEDUCTIONS | NET AMOUNT |
|----------|----------------|--|---------|------------------------|------------|
| 9-9-2004 | 506 | 954-15-020 operating of KR Plant. Valorem TAX | 1262.06 | | 1262.06 |