

ORIGINAL



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ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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**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**

ST DAVID WATER ASSOCIATION

UTILITY NAME

Arizona Corporation Commission

DOCKETED

JUL 12 2001

DECEMBER 31, 2000

TEST YEAR ENDED

DOCKETED BY

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You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application, call (602) 542-0851 for Staff assistance.

IN ORDER TO PROCESS YOUR APPLICATION
FORWARD THE
**ORIGINAL AND TEN COPIES OF THE
APPLICATION AND COVER SHEET**
TO DOCKET CONTROL CENTER
1200 WEST WASHINGTON
PHOENIX, ARIZONA 85007

Note: Please refer to the checklist on Page 29 for the required attachments.

Revised 10/00

Company Name: ST DAVID WATER ASSOCIATION	Test Year Ended: DEC 31, 2000
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CURRENT AND PROPOSED SERVICE CHARGES

CUSTOMER CLASS: RESIDENTIAL & COMMERCIAL

SERVICE LINE AND METER INSTALLATION CHARGES	CURRENT RATES	PROPOSED RATES
5/8" X 3/4" Meter	\$ 125	\$ 175
3/4" Meter	\$ 150	\$ 200
1" Meter	\$ 200	\$ 250
1-1/2" Meter	\$ 300	\$ 350
2" Meter	\$ 400	\$ 750
3" Meter	\$ 600	\$ 800
4" Meter	\$ 1200	\$ 1300
6" Meter	\$ 2800	\$ 3000

Establishment	\$ 15	\$ 25
Establishment (After Hours)	\$ 30	\$ 40
Reconnection (Delinquent)	\$ 15	\$ 25
Meter Test	\$ 10	\$ 15
Deposit	\$ PER RULE	\$ PER RULE
Deposit Interest	PER RULE %	PER RULE %
Re-establishment (Within 12 months)	\$ PER RULE	\$ PER RULE
NSF Check	\$ 15	\$ 25
Deferred Payment	0 %	0 %
Meter Re-read	\$ 5	\$ 5
Late Fee	\$ 1.5%	\$ 5%

Company Name:
ST DAVID WATER ASSOCIATION

Test Year Ended:
DEC 31, 2000

UTILITY PLANT IN SERVICE

Acct. No.		Original Cost	Accumulated Depreciation	O.C.L.D.
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	23,100	0	23,100
304	Structures and Improvements	66,984	9,619	57,365
307	Wells and Springs	106,715	37,021	69,694
311	Pumping Equipment	137,775	22,304	115,471
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	226,978	28,207	198,771
331	Transmission and Distribution Mains	633,085	70,488	562,597
333	Services	26,802	13,529	13,273
334	Meters and Meter Installations	35,175	16,714	18,461
335	Hydrants (STANDPIPES)	4,176	188	3,988
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	14,597	12,665	1,932
340	Office Furniture and Equipment	2,230	630	1,600
341	Transportation Equipment	3,902	3,122	780
343	Tools, Shop and Garage Equipment	1,224	351	873
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	2,000	377	1,623
	TOTAL WATER PLANT	1,284,743	215,215	1,069,528

Company Name: ST DAVID WATER ASSOCIATION	Test Year Ended: DEC 31, 2000
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COMPARATIVE STATEMENT OF INCOME AND EXPENSE

	OPERATING REVENUES	PRIOR YEAR	TEST YEAR
461	Metered Water Revenue	\$ 151,521	\$ 134,823
460	Unmetered Water Revenue	171	0
474	Other Water Revenues	1,516	2,448
	TOTAL REVENUES	\$ 153,208	\$ 137,271
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 42,442	\$ 38,182
610	Purchased Water	0	0
615	Purchased Power	16,158	12,064
618	Chemicals	0	0
620	Repairs and Maintenance	1,170	6,888
621	Office Supplies and Expense	5,597	7,976
630	Outside Services	4,498	6,091
635	Water Testing	3,470	1,249
641	Rents	0	0
650	Transportation Expenses	2,418	3,008
657	Insurance – General Liability	9,247	6,475
659	Insurance – Health and Life	0	0
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	9,732	4,561
403	Depreciation Expense (from Page 16)	19,441	20,105
408	Taxes Other Than Income	12,814	4,079
408.11	Property Taxes	7,279	8,562
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	\$ 134,266	\$ 119,240
	OPERATING INCOME/(LOSS)	\$ 18,942	\$ 18,031
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 1,398	\$ 1,891
421	Non-Utility Income	6,348	5,859
426	Miscellaneous Non-Utility Expenses	0	(43,912)
427	Interest Expense	(15,611)	(27,413)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (7,865)	\$ (63,575)
	NET INCOME/(LOSS)	\$ 11,077	\$ (45,544)

NOTE: Do not include sales tax in revenue or expense. Please refer to the checklist on Page 29 for the required attachments related to this schedule.

Company Name: ST DAVID WATER ASSOCIATION

Test Year Ended: DEC 31, 2000

CALCULATION OF DEPRECIATION EXPENSE

Acct. No.		Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	23,100	N/A	N/A
304	Structures and Improvements	66,984	2.97%	1,989
307	Wells and Springs	106,715	5.05%	5,389
311	Pumping Equipment	137,775	1.80%	2,480
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	226,978	2.20%	4,994
331	Transmission and Distribution Mains	633,085	2.96%	18,739
333	Services	26,802	3.82%	1,024
334	Meters and Meter Installations	35,175	1.94%	682
335	Hydrants	4,176	1.94%	81
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	2,230	1.94%	43
341	Transportation Equipment	3,902	20 %	780
343	Tools, Shop and Garage Equipment	1,224	4.95%	61
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment COMPUTER	14,597	20 %	2,919
348	Other Tangible Plant	2,000	2.68%	54
	TOTAL WATER PLANT	1,284,743		39,235

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

DEP EXP 20,105

Company Name: ST DAVID WATER ASSOCIATION	Test Year Ended: DEC 31, 2000
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BALANCE SHEET

	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF TEST YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 1,178	\$ 2,257
134	Working Funds	0	0
135	Temporary Cash Investments	42,832	44,869
141	Customer Accounts Receivable	13,705	11,329
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	3,400	3,658
162	Prepayments	41,650	0
174	Miscellaneous Current and Accrued Assets	0	0
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 102,765	\$ 62,113
	FIXED ASSETS		
101	Utility Plant in Service	\$ 594,847	\$ 1,284,743
103	Property Held for Future Use	0	0
105	Construction Work in Progress	773,839	0
108	Accumulated Depreciation – Utility Plant	(197,289)	(215,215)
121	Non-Utility Property	0	568
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$ 1,171,397	\$ 1,070,096
	TOTAL ASSETS	\$ 1,274,162	\$ 1,132,209

NOTE: Total Assets on this page should equal Total Liabilities and Capital on Page 18.

Company Name:
ST DAVID WATER ASSOCIATION

Test Year Ended:
DEC 31, 2000

BALANCE SHEET CONTINUED

	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF TEST YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$ 41,650	\$ 0
232	Notes Payable (Current Portion)	6,901	8,271
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	4,571	6,165
236	Accrued Taxes	5,585	6,420
237	Accrued Interest	7,095	1,290
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	\$ 65,802	\$ 22,146
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 530,859	\$ 522,549
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	4,733	15,779
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	496,365	595,963
272	Less: Amortization of Contributions		(30,085)
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$ 501,098	\$ 581,657
	TOTAL LIABILITIES	\$ 1,097,759	\$ 1,126,352
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 0	\$ 0
211	Paid in Capital in Excess of Par Value	0	0
215	Retained Earnings	176,403	5,857
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$ 176,403	\$ 5,857
	TOTAL LIABILITIES AND CAPITAL	\$ 1,274,162	\$ 1,132,209

St. David Water Association
112 W. Patton Street - P.O. Box 172
St. David, AZ 85630
Phone: (520) 720-4467 Fax: 720-9615
sdwater@ssvecnet.com

July 10, 2001

Docket Control Center
Arizona Corporation Commission
1200 West Washington
Phoenix AZ 85630

Dear Sir or Madam:

Attached is the revised notification letter sent to the customers showing the revised rates for the rate increase. This letter was mailed 1st class to all customers on July 9, 2001.

Sincerely,



Fred Kartchner, Operations Manager
St. David Water Association

Enc: Customer Revised Notification

State of Arizona
County of Cochise

Subscribed and sworn to (or affirmed) before me this
10th day of July, 2001.



Notary Public State of Arizona
Cochise County
Deborah Kaiser
Expires April 9, 2004

Deborah Kaiser
Name of Notary

Notary Public, State of Arizona
My Commission Expires April 9, 2004

REVISED CUSTOMER NOTIFICATION

The St. David Water Association has applied to the Arizona Corporation Commission for an increase in rates. The present rates have been in effect since July 1998. An increase in rates is necessary at this time due to the necessity to upgrade and repair distribution lines.

	<u>Present Rates</u>		<u>Proposed Rates</u>	
		<u>Gallons</u>		<u>Gallons</u>
<u>Monthly Charges:</u>				
5/8" x 3/4" Residential & Commercial	\$ 14.00	3,000	\$ 23.00	5,000
3/4" Residential & Commercial	\$ 14.00	3,000	\$ 23.00	5,000
1" Residential & Commercial	\$ 23.00	3,000	\$ 32.00	6,000
1 1/2" Residential & Commercial	\$ 47.00	3,000	\$ 56.00	8,000
2" Residential & Commercial	\$ 75.00	3,000	\$ 84.00	10,000
3" Residential & Commercial	\$140.00	3,000	\$140.00	10,000
4" Residential & Commercial	\$233.00	3,000	\$233.00	10,000
6" Residential & Commercial	\$467.00	3,000	\$467.00	10,000
Excess of Min.				
Per 1,000	\$ 1.34		\$ 1.41	
Hydrant & Standpipe Usage	\$ 2.50	1,000	\$ 4.00	1,000
Refundable Meter Deposit	\$400.00		\$750.00	
<u>Service Charges:</u>				
5/8" x 3/4" Meter Installation	\$ 125.00		\$ 175.00	
3/4" Meter Installation	\$ 150.00		\$ 200.00	
1" Meter Installation	\$ 200.00		\$ 250.00	
1 1/2" Meter Installation	\$ 300.00		\$ 350.00	
2" Meter Installation	\$ 400.00		\$ 750.00	
3" Meter Installation	\$ 600.00		\$ 800.00	
4" Meter Installation	\$1200.00		\$1300.00	
6" Meter Installation	\$2800.00		\$3000.00	
Establishment	\$ 15.00		\$ 25.00	
Establishment (After Hours)	\$ 30.00		\$ 40.00	
Meter Test (plus cost of test)	\$ 10.00		\$ 15.00	
Meter Re-Read	\$ 5.00		\$ 5.00	
Reconnection (Delinquency)	\$ 15.00		\$ 25.00	
Re-establishment within 12 months	Per ACC Rules		Per ACC Rules	
Deposit	Per ACC Rules		Per ACC Rules	
Deposit Interest	Per ACC Rules		Per ACC Rules	
NSF Check	\$ 15.00		\$ 25.00	
Late Fee	1.5%		5%	
<u>Off-Site Facilities Charge:</u>				
5/8" x 3/4" Meter	\$ 200.00		\$ 300.00	
3/4" Meter	\$ 240.00		\$ 300.00	
1" Meter	\$ 400.00		\$ 500.00	
1 1/2" Meter	\$ 800.00		\$ 900.00	
2" Meter	\$1280.00		\$1500.00	
3" Meter	\$2400.00		\$2400.00	
4" Meter	\$4000.00		\$4000.00	
6" or larger	\$8000.00		\$8000.00	

ST DAVID WATER ASSOCIATION

PO BOX 172

ST DAVID AZ 85630

(520) 720-4467

(520) 720-9615 (fax)

Office Hours: Monday – Friday 8 a.m. – 2 p.m.

J. W. Martin and Company, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

230 SOUTH CURTIS • P.O. BOX 430 • WILLCOX, ARIZONA 85644
(520) 384-3521 • FAX: (520) 384-4783

Board of Directors
St. David Water Association
PO Box 175
St. David, Arizona 85630

We have compiled the accompanying balance sheet of the St. David Water Association (a non-profit association) as of December 31, 2000, and the related comparative statement of income and expense for the years ended December 31, 1999 and December 31, 2000, the utility plant in service for the current year, and the calculation of depreciation expense for current year, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission, Utilities Division, information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

J. W. Martin and Company, P.C.
J. W. Martin and Company, P.C.
July 10, 2001