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**CEDAR GROVE WATER, INC.**

28DL

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2007 JUL 24 A 11:23

June 12, 2007

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**

JUL 24 2007

RESPONSE TO STAFF'S THIRD SET OF  
DATA REQUESTS TO  
CEDAR GROVE WATER, INC.  
DOCKET NO W-02597A-06-0308

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DRE 3-1 In the Company's response to DRE 2-1 it did not reconcile nor explain the different amounts listed in the Company's general ledger and the Company's submitted rate application information for the below accounts. Please reconcile and explain the different amounts for the accounts listed below.

a. Account 304 Structures and Improvements

The amounts listed in the General Ledger are miscategorized. Amount of \$8,500.00 listed on the Utility Plant in Service sheet is correct.

b. Account 331 Transmission and Distribution Mains

Sheets 24 and 25 submitted as part of Attachment V with Company response sent to ACC on September 14, 2006 are the most accurate collective source of information that Company possesses. Utilizing this sheet, Company calculated Account 331 Transmission and Distribution Mains to be \$406,429.00 as of the current Test Year.

c. Account 333 Services

The \$27,601.00 listed in the Utility Plant in Service is correct; General Ledger does not record labor expense(s) associated with installation of service(s).

d. Account 334 Meters and Meter Installations

The \$10,810.00 listed in the Utility Plant in Service is correct; General Ledger does not record labor expense(s) associated with installation of meter(s).

e. Account 620 Repairs and Maintenance

The \$4,787.00 recorded on the Comparative Statement of Income and Expense is correct; General Ledger does not record labor expense(s) associated with repairs and/or maintenance.

f. Account 621 Office Supplies and Expense

Company believes the General Ledger amount of \$7,023.00 to be most accurate.

g. Account 630 Outside Services

Company believes the General Ledger amount of \$2,956.00 to be most accurate.

h. Account 641 Rents

Rents should be \$8,184.00. This amount is calculated by adding the \$4,798.18 recorded in the General Ledger to the Lease amount of \$3,385.44 payable by Cedar Grove Water, Inc. Lease amount of \$3,385.44 is not recorded in the General Ledger since Company could not afford to pay this expense.

i. Account 650 Transportation Expense

Company believes the General Ledger amount of \$7,800.00 to be most accurate.

DRE 3-2 In the Company's response to DRE 2-6 it did not reconcile nor explain the different amounts listed for Contribution-in-Aid of Construction ("CIAC") in the various Company submittals (CIAC summary in the 9/14/2006 submittal, Plant Additions and Retirements by year docketed 4/25/2007). Please reconcile and explain the difference.

Company believes that sheet 25, submitted as part of Attachment V with Company response sent to ACC on September 14, 2006, is the most accurate collective source of information that Company possesses.

DRE 3-3 In the Company's response to DRE 2-7 it stated that CIAC amounts are recorded in Account 331 Transmission and Distribution. However, the amount recorded per the CIAC schedule Account 331 does not correlate with the amounts the Company submitted for Plant Additions and Retirements. Please reconcile and explain the difference.

Submitted, as Attachment A to this response, is a revised Plant Summary sheet showing Transmission and Distribution Mains Plant Additions and Retirements.

DRE 3-4 In response to DRE 2-10 the Company stated that it did not record any service line and meter installation fees in the general ledger. Please provide where the Company is recording these advances and how it is accounting for refunds of these advances.

Service line and meter installation fees are recorded and stored in a file separate from the general ledger.

DRE 3-5 Please provide a schedule of service line and meter installation advances since the prior rate case. Please include the number of advances, total amount collected, total amount refunded by year. For each particular advance collected since the prior rate case please provide the total amount that has been refunded on the advance.

Please see Attachment B.

DRE 3-6 Please provide a schedule detailing by year, the total number of new customers that required a service line and meter installation since the prior rate case.

Please refer to DRE 3-5.

DRE 3-7 Please provide the number of times that Company billed customers for the following service charges during the test year.

- a. Establishment – 60
- b. Establishment (after hours) – 1
- c. Reconnection (Delinquent) – 1
- d. NSF Check – 5
- e. Meter Re-read – Company has historically re-read meters at no cost to the customer; consequently, no meter re-read fees were charged during the test year.

# ATTACHMENT A

Company Name: Cedar Grove Water, Inc. Test Year Ended: December 31, 2005

**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				
307	Wells & Springs				
311	Pumping Equipment				
320	Water Treatment Equipment				
320.1	Water Treatment Plants				
320.2	Solution Chemical Feeders				
330	Distribution Reservoirs & Standpipes				
330.1	Storage Tanks				
330.2	Pressure Tanks				
331	Transmission & Distrib. Mains	122305	284124	0	406429
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				
	<b>TOTAL WATER PLANT</b>				

*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*

# ATTACHMENT B

Number of Advances Per Year	Amount Collected		Amount Refunded Per Year				Total Refunded		
	2000		2000	2001	2002	2003		2004	2005
1	150		15	15	15	15	15	15	90
2	150		15	15	15	15	15	15	90
3	150		15	15	15	15	15	15	90
4	150		15	15	15	15	15	15	90
5	150		15	15	15	15	15	15	90
6	150		15	15	15	15	15	15	90
7	150		15	15	15	15	15	15	90
8	150		15	15	15	15	15	15	90
9	150		0	15	15	15	15	15	75
10	150		15	15	15	15	15	15	90
11	150		15	15	15	15	15	15	90
12	150		15	15	15	15	15	15	90
13	150		15	15	15	15	15	15	90
14	150		15	15	15	15	15	15	90
15	150		15	15	15	15	15	15	90
16	150		15	15	15	15	15	15	90
17	150		15	15	15	15	15	15	90
<b>Total</b>	<b>\$ 2,550.00</b>	<b>\$ 240.00</b>	<b>\$ 255.00</b>	<b>\$ 255.00</b>	<b>\$ 255.00</b>	<b>\$ 255.00</b>	<b>\$ 255.00</b>	<b>\$ 255.00</b>	<b>\$ 1,515.00</b>
<b>2001</b>									
1	150		15	15	15	15	15	15	75
2	210		21	21	21	21	21	21	105
3	150		15	15	15	15	15	15	75
4	150		15	15	15	15	15	15	75
5	150		15	15	15	15	15	15	75
6	150		0	15	15	15	15	15	60
7	150		15	15	15	15	15	15	75
8	150		15	15	15	15	15	15	75
9	150		15	15	15	15	15	15	75
10	150		15	15	15	15	15	15	75
11	150		15	15	15	15	15	15	75
12	210		21	21	21	21	21	21	105
13	150		15	15	15	15	15	15	75

Number of Advances Per Year	Amount Collected		Amount Refunded Per Year				Total Refunded
	2000	2001	2002	2003	2004	2005	
2001 cont.							
14	150	15	15	15	15	15	75
15	150	15	15	15	15	15	75
16	150	15	15	15	15	15	75
17	210	21	21	21	21	21	105
18	150	15	15	15	15	15	75
19	210	21	21	21	21	21	105
20	150	15	15	15	15	15	75
21	150	15	15	15	15	15	75
<b>Total</b>	<b>\$ 3,390.00</b>	<b>\$ 324.00</b>	<b>\$ 339.00</b>	<b>\$ 339.00</b>	<b>\$ 339.00</b>	<b>\$ 339.00</b>	<b>\$ 1,680.00</b>
2002							
1	210	21	21	21	21	21	84
2	210	21	21	21	21	21	84
3	210	21	21	21	21	21	84
4	210	21	21	21	21	21	84
5	150	15	15	15	15	15	60
6	150	15	15	15	15	15	60
<b>Total</b>	<b>\$ 1,140.00</b>	<b>\$ 114.00</b>	<b>\$ 114.00</b>	<b>\$ 114.00</b>	<b>\$ 114.00</b>	<b>\$ 114.00</b>	<b>\$ 456.00</b>
2003							
1	150	15	15	15	15	15	45
2	150	15	15	15	15	15	45
3	150	15	15	15	15	15	45
4	210	21	21	21	21	21	63
5	150	15	15	0	15	15	30
6	150	15	15	15	15	15	45
7	210	21	21	21	21	21	63
8	150	15	15	0	15	15	30
<b>Total</b>	<b>\$ 1,320.00</b>	<b>\$ 102.00</b>	<b>\$ 132.00</b>	<b>\$ 132.00</b>	<b>\$ 132.00</b>	<b>\$ 132.00</b>	<b>\$ 366.00</b>
2004							
1	150	15	15	15	15	15	30

	Number of Advances Per Year		Amount Refunded Per Year					Total Refunded		
	2000	2001	2002	2003	2004	2005				
2004 cont.										
	2		150		15	15	30			
	3		210		21	21	42			
	4		150		15	15	30			
	5		150		15	15	30			
	6		210		21	21	42			
	7		210		21	21	42			
	8		210		21	21	42			
	9		150		15	15	30			
	10		150		15	15	30			
	11		210		21	21	42			
	12		210		21	21	42			
	13		210		0	21	21			
	14		210		21	21	42			
	15		210		21	21	42			
	16		210		21	21	42			
	Total		\$ 3,000.00		\$ 279.00	\$ 300.00	\$ 579.00			
2005										
	1		210			21	21			
	2		210			21	21			
	3		210			21	21			
	4		210			21	21			
	5		210			21	21			
	6		210			21	21			
	7		210			21	21			
	8		210			21	21			
	9		210			21	21			
	10		210			21	21			
	Total		\$ 2,100.00		\$ 210.00	\$ 210.00	\$ 210.00			
TOTAL	78	\$	\$ 13,500.00	\$ 240.00	\$ 579.00	\$ 708.00	\$ 810.00	\$ 1,119.00	\$ 1,350.00	\$ 4,806.00

NOTE: Above totals are applicable only to those advances collected from years 2000-2005. Following totals show total amount refunded by Company in years 2000-2005:

	2000	2001	2002	2003	2004	2005	Total Refunded
\$	1,815	\$ 1,768	\$ 1,722	\$ 1,602	\$ 1,959	\$ 1,986	\$ 10,852